

High Performance through Diversity

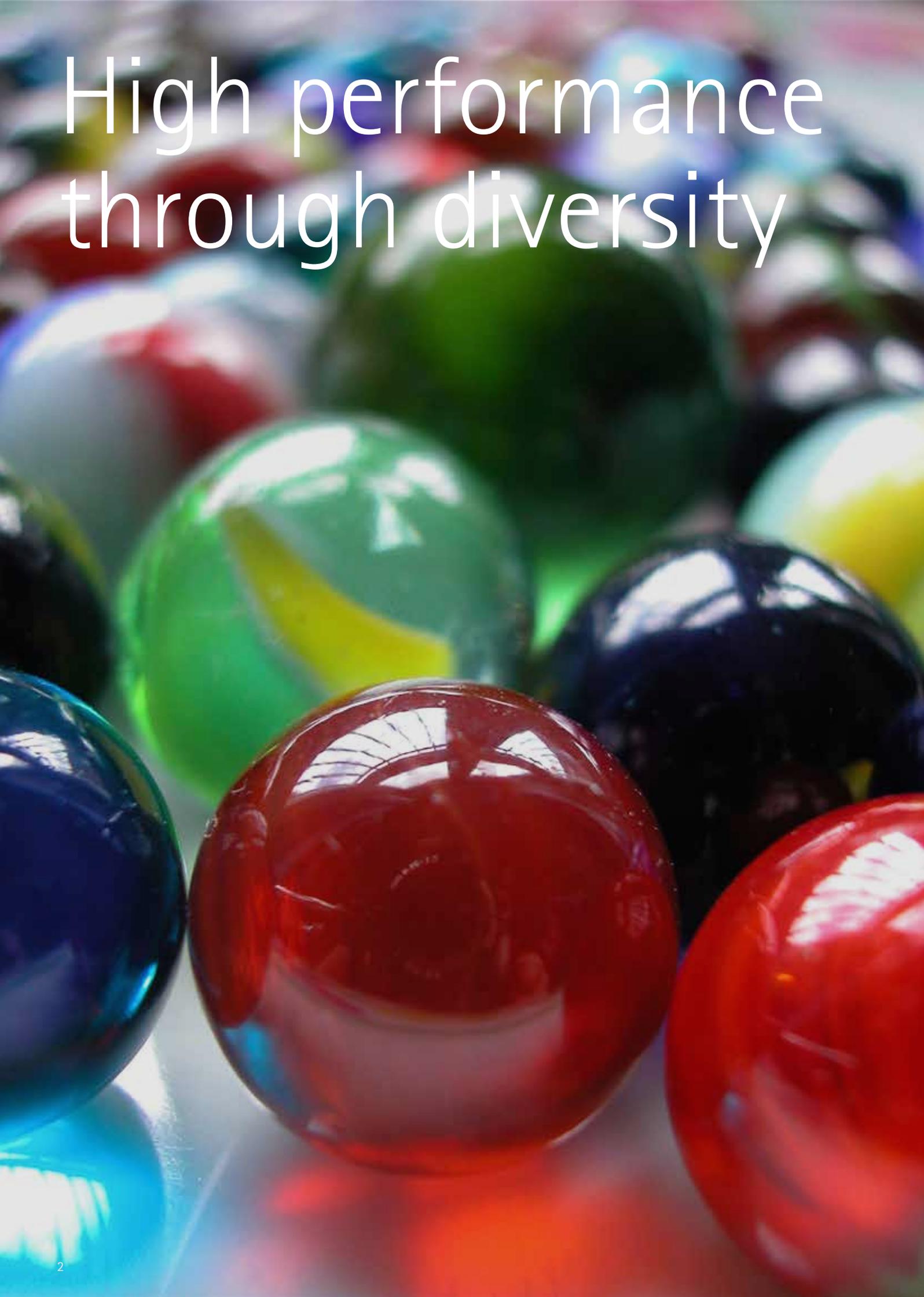
Accenture to the
Power of BEE



High performance. Delivered.



High performance through diversity





"As the Chief Executive of Accenture in South Africa I feel proud that transformation and the upliftment of the less fortunate is a shared vision, living in the hearts and minds of all of our employees."

William Mzimba, Chief Executive, Accenture South Africa

Accenture's own future is inextricably linked to South Africa's success as a nation. Our aim is to help ensure that Government's vision for broad-based Black Economic Empowerment (BEE) is realised. At Accenture, we embrace this vision on a day-to-day basis, in the relationships we foster with our employees, our business partners and our customers.

In Accenture's last broad-based BEE brochure we stated: "Our country requires an economy that can meet the needs of all our citizens— our people and their enterprises—in a sustainable manner. This will only be possible if our economy builds on the full potential of all people and communities across the length and breadth of this country." We still hold true to this statement.

Before it ever became a Government requirement to do so, Accenture initiated a long-term programme to identify, recruit and train individuals who show potential to acquire appropriate skills development and experiential learning opportunities. Since the formalisation of Government's expectations of empowerment in the private sector, Accenture has exceeded these expectations—not by chasing after statistics, but by embracing the ethos and intent of broad-based BEE.

Since South Africa's human resource wealth remains largely untapped, empowerment efforts in the area of skills development—which must underpin all other empowerment programmes if they are to be sustainable—are crucial to grow the pool of skills available to the South African market.

Ultimately, this talent will also sustain Accenture's success as a high-performance business in the South African context. Whether it is equity ownership, executive management, employment equity or preferential procurement, no empowerment initiative would be sustainable without a solid foundation of skills.

Accenture's local commitment to empowerment is reflected in the way we do business with suppliers, partners and customers. It is testified to by the fact that we were one of a small number of multinationals that did not shy away from equity ownership as a key pillar of empowerment, because we believe in sharing our gains with our employees. As a local organisation, our commitment was shown through the sale of 30 percent of Accenture's South African business to the Akha Trust—a fully black-owned entity—when the minimum requirement was a considerably smaller percentage. Accenture's global commitment to South Africa was demonstrated through the broader organisation's agreement to the equity deal—which is unprecedented in any other country where Accenture operates.

As a company, our commitment to broad-based BEE is most apparent when looking at our employees' heartfelt voluntary outreach actions. Accenture continues to look for unique ways to further develop empowerment programmes, and will bring its considerable process and technology prowess to bear on the challenges associated with effective, sustainable broad-based BEE.

"South Africa can only realise its full economic potential if all members of its population participate meaningful towards the development and growth of our country's economy. For us at Accenture, transformation is a business imperative and we use a deliberate and focused transformation strategy informed by B-BBEE to creating a meaningful and sustainable business."

Gale Shabangu, Head of Inclusion and Diversity, Accenture South Africa

Gale Shabangu joined Accenture South Africa in March 2011 as Head of Inclusion and Diversity, tasked to develop, enable, manage and monitor Accenture South Africa's socio economic performance as set out in the broad-based BEE legislative framework.



BEE vision and process

Broad-based BEE process

Accenture's broad-based BEE process has had several key focal points:

- To comply with, and exceed, Government's requirements for black equity ownership despite the challenges that face multinational companies in this regard.
- To invest in human potential and provide appropriate opportunities to promising managers from previously disadvantaged groups to lead Accenture in the executive sphere.
- To move Accenture to a position where its employee base is demographically representative of the market in which it operates.
- To use skills development to fast track candidates with potential, and as a strategic tool to ensure the other pillars of black empowerment within Accenture are sustainable.
- To leverage Accenture's purchasing power to help develop black owned and black women owned companies and assist them in becoming thriving, high-performance businesses.
- To leverage Accenture's professional skills base and skills-transfer capabilities to turn black owned and black women owned companies into self-sustaining high-performance businesses through focused enterprise development initiatives.
- To make an investment into the broader South African community development through appropriate and thoughtful corporate social investment programmes that include, but are not limited to, financial investments.

Broad-based BEE vision

Accenture believes that involving the entire South African population in the country's economy will help to unlock the nation's full potential and unleash strong, sustainable growth. As a South African corporate citizen, Accenture's own status as a high performance business is dependant upon South Africa's success as a nation. Broad-based BEE is the vehicle by which Government's vision for leveraging all South Africa's human resource capital is being realised. Therefore, Accenture is committed to helping Government fulfil its goals to create an economy involving all South Africans.

Accenture BEE scorecard update

As the broad-based BEE landscape has evolved and matured over the last six years, so have Accenture's broad-based BEE policies and practices.

The global organisation's commitment to the local BEE process has been the cornerstone of Accenture South Africa's BEE success. Given that the return on BEE investments is not always immediately apparent, and the complexities of working in a global organisation, the speed and willingness with which Accenture agreed to sell part of its local equity to black shareholders and the extent of its financial investments into the other pillars of broad-based BEE, have been a strong indication of its commitment to Government's objectives.

Although numerical fulfilment of empowerment targets has never been its primary goal, Accenture has achieved Level Two Contributor status for 4 consecutive years as evaluated by Empowerdex—a leading local rating company. Accenture is determined to continue to set itself further challenging and achievable targets for the future.

The principle drivers for the evolution of Accenture's broad-based BEE policies and practices have been:

- Ensuring that all our employees participate—not only in broad-based BEE programmes, but in Accenture's financial success as a company.
- Ensuring that business partners, suppliers and customers collaborate with us to achieve our empowerment goals and those of Government.

Accenture's primary goal in the empowerment process is sustainability by investing in the potential of people and of small, medium- and micro-enterprises. This investment will help Government build on the full potential of all people and communities across the length and breadth of South Africa. This, in turn, helps Accenture to build a sustainable high-performance business.

"My mother and my sister work, but they also support a lot of people. Having Accenture pay for my studies has taken a lot of pressure off them. Accenture's assistance has allowed me to study further and follow my dreams."

Gary Jabu Mathebula, son, sportsman and full-fledged people's person.

Gary Mathebula was a full-time student at the University of Johannesburg. His course in operations management was funded through the Accenture Education Trust. He hopes to work for Accenture in the future.



Empowerment fast facts

30 percent of Accenture South Africa is black-owned

70 percent of Accenture's board members are black

29 percent of Accenture senior executives are black

45 percent of Accenture's employees are female

More than 65 percent of Accenture's new recruits during the last financial year were black

45 percent of Accenture's discretionary spend was placed with black-owned companies

Equity ownership

Accenture's core values shape the culture and define the character of our company. One of these core values, stewardship, requires us to build a heritage for future generations, act with an owner mentality and develop people everywhere we do business. Empowerment is not something that has been imposed on Accenture.

Rather, empowerment is something Accenture people choose to impose on themselves in the course of being good stewards. Accenture also recognises its role in building a strong South African society and an economy that can meet the needs of all our citizens—our people and their enterprises—in a sustainable manner.

Given this belief system, Accenture decided to show its commitment to broad-based BEE by fully adopting the South African Government's strategy on broad-based BEE and selling 30 percent of its South African business to the Akha Black Economic Empowerment Trust. The Trust is the custodian of the shares on behalf of its beneficiaries, the black employees of Accenture South Africa.

The trust approach is unique in that it simultaneously meets the following objectives:

- Enables broad-based empowerment of all black employees and their dependents.
- Puts 30 percent of Accenture South Africa in the hands of its black employees and creates an ownership mentality among black staff.
- Serves as an attraction and retention vehicle for black employees through the offer of empowerment and wealth creation.

- Allows for the development and empowerment of black South Africans, who are the resource pool from which Accenture draws its talent and who also form part of the client pool from which Accenture derives its business.
- Allows Accenture to meet the abovementioned objectives whilst complying with the Codes of Good Practice and the Broad-based Black Economic Empowerment Act of 2003.

The formation and operation of the Akha Trust is consistent with Accenture's philosophy of high performance through diversity. Accenture's local broad-based BEE initiative reflects a commitment to diversity across Accenture. In setting up the black-owned trust, the South African leadership has demonstrated innovative thinking to align Accenture with the spirit and the letter of broad-based BEE guidelines. This has never been purely about compliance, but rather about ensuring we achieve more than is required. Diversity enables Accenture to provide clients with solutions that reflect diverse thinking. High performance through diversity.

“In setting up the black-owned trust, the South African leadership has demonstrated innovative thinking to align Accenture with the spirit and the letter of broad-based BEE guidelines.”

Roze Phillips, Managing Director - Accenture Products and trustee of the Akha Trust

Dr Roze Phillips joined Accenture in 1999. She is Human Capital lead for Accenture in Africa and serves on the Accenture Global Diversity Task Force. She is the Accenture Products Industry senior managing executive for Sub-Saharan Africa, a member of the Accenture South Africa Board and Trustee of the AKHA Trust. Dr Phillips serves on the board of Enablis East Africa which fosters entrepreneurship in that region. She holds both MBChB and MBA degrees from the University of Cape Town. A medical doctor with a master's degree in Business Administration from the University of Cape Town, Roze is passionate about turning transformation strategy into broad-based empowerment that will benefit disadvantaged people.



Management

Accenture's vast experience across many industries has shown that leveraging diversity makes business sense at all levels. This includes management, where a diverse executive team contributes to the effective direction of Accenture's strategy as a high-performance business. The collective energy and innovation that results from a diverse team is crucial to Accenture's success. Accenture's black directors have all been long-standing contributors to the success of the company.

Accenture has William Mzimba in the position of chief executive, while the entire board of trustees of the Akha trust, which owns 30 percent of Accenture's local operations, is black. While Accenture retains much of the talent it develops, there is also an understanding that Accenture itself, through natural attrition, draws from the national pool of skills that it is contributing to. Development of management skills at Accenture has also had a ripple effect in the enterprise development sphere, where several Accenture executives have gone on to start and run successful small enterprises. The Future Leaders programme identifies and fast tracks individuals who show particular promise as managers.

Accenture's extensive programme of learnerships and management training initiatives forms part of the company's broader strategy to grow new black leaders from the ground up. This strategy takes longer than short-term recruitment from outside, but the current, longstanding echelon of black executive leadership is proof that this strategy ensures success in the longer term, and produces real leaders who are committed to the organisation. In terms of South Africa's future as a nation, the economy can only grow if the entire potential of the South African workforce is effectively harnessed—Government's growth targets cannot be met if only a small section of the population contributes to the economy. By virtue of the fact that the majority of South Africa's population is black, a demographically reflective workforce and leadership team must ultimately be predominantly black, too. Accenture fully supports Government's mandate with respect to the development and deployment of black leaders, and Accenture's business model lends itself to the kind of learning that nurtures and develops talent.

Employment equity

Accenture's high performance through diversity strategy fits naturally with the South African Government's employment equity mandate. Employment equity is a way for Accenture to leverage the strength of South Africa's diverse population by identifying and investing in the potential of promising candidates from previously disadvantaged groups. The willingness to invest, coupled with the focus on individual potential, make this strategy sustainable and, ultimately, profitable for Accenture's own high-performance.

The focus on identifying potential is working well. More than 50 percent of Accenture's people in South Africa come from previously disadvantaged groups. The vast majority of these people are technically skilled individuals with university qualifications. The diversity of talent puts Accenture well ahead of most of its South African competitors.

The first challenge is to identify talent early, and to take a qualified and mitigated risk on inexperienced people by providing them with the appropriate experience to nurture their talent while providing guidance. In this way their development and Accenture's ethos of excellent client delivery are not compromised. The effective coupling of employment equity with skills development forms the lynchpin of an effective broad-based BEE programme.

The other challenge Accenture has faced is that it does not, typically, poach young black professionals from other companies, but is itself targeted as a source of talent. Because Accenture identifies and develops talent in a carefully incubated environment, it faces the risk of heavy attrition due to poaching once individuals have been trained. While some expect employment equity candidates to deliver profitability from day one, Accenture invests time and money in bridging gaps and addressing inequalities created by South Africa's political past in a sustainable manner.

Accenture has taken on more than 300 interns over the last three years and converted most of those internships into full-time employment. Going forward, Accenture will set itself challenging but achievable targets and take greater strides toward employing a more representative workforce. A focus on retaining talent continues to be part of Accenture's longer-term employment equity strategy. This will involve leveraging initiatives such as the Future Leader Programme, which focuses on individuals who show extraordinary leadership potential, and providing them with additional, focused training to develop their management skills and motivate them to remain with Accenture.

“The effective coupling of employment equity with skills development forms the lynchpin of an effective BEE programme.”

Sandy Mohonathan, Director of Human Resources at Accenture for Middle East, Africa, Russia and Turkey

Having previously worked for Accenture for more than 13 years, Sandy Mohonathan rejoined Accenture in 2008 as the head of Human Resources in South Africa after 2 years with Microsoft South Africa in the role of HR director. Sandy transferred to the US in 2011 to lead HR for Accentures Diamond client – Best Buy. She returned to SA in 2013 to head up Enterprise/HR and Talent Strategy.



Skills development

Strategically, skills development is extremely important to Accenture. It is the pillar on which the other pillars of broad-based BEE are built. The success of the skills development systematic programme has an impact on the success of the other broad-based BEE pillars, because without sufficient consulting, technology and management skills Accenture's business would not be sustainable. People and the intellectual property they represent is Accenture's primary asset. Therefore, Accenture's focus in terms of skills development has not been on cost management, but rather on the long-term sustainability of the business and how to develop skilled professionals across Accenture's diverse employees to support business growth.

Accenture aims to develop leadership, management and professional skills—the former is about leading people and programmes and the latter is developing the specific subject matter associated with a particular career path. The skills development programme includes bursary programmes, internship and graduate programmes to allow candidates their first exposure to the working world in a supported environment, internships are then converted into full-time employment.

Apart from training, the other critical facet of skills development is exposure to appropriate work experience. Many skills development initiatives fall down because the skills that are taught in the classroom (whether virtual or brick and mortar) remain in the classroom, rather than being given the opportunity to be practiced in the field, where they can mature and flourish.

A lack of appropriate experience is undoubtedly the biggest barrier to success. Experience is the key to excellence in client delivery, but experience can only be gained by means of the right level of exposure to the client interface, coupled with strong mentorship and career guidance structures to ensure success for both the individual and the company.

The development of potential black managers has had particular attention within Accenture through two specific programmes. The Future Leaders programme identifies and invests in the potential of future leaders and places them on an accelerated skills building and marketplace exposure programme to ensure Accenture's future as a sustainable high-performance business. While the programme does not exclude white candidates, it does aim to be representative of the South African population and, therefore, focuses primarily on candidates from previously disadvantaged groups. Accenture's global Minority Leadership Develop Programme (Now replaced by "Excelling in High Performance") further develops individuals with strong potential by exposing them to global experts who visit South Africa to run skills development workshops.

"People and the intellectual property they represent, is Accenture's primary asset."

A skills development journey as told by Setjhaba Molloyi, senior manager in technology solutions, Accenture South Africa.

Setjhaba Molloyi, senior manager in technology solutions, Accenture South Africa

I joined Accenture through the internship programme, which gave me not only technical training, but also soft skills through the exposure at the projects. I learned how to work in a team and also gained valuable communication, business ethics, time management and stress management skills. I have gone through several training courses during the last seven years and have taken it upon myself to take computer-based training courses available to me at Accenture. However, the biggest contributor to my skills development has been the opportunity to work on several project implementations.

Through Accenture's guidance and mentoring, I have been able to build deep and specialised SAP financial skills. This has enabled me to engage with different clients and Accenture professionals in the course of implementing system solutions, advising them and resolving related issues.

Accenture has continuously made significant efforts to achieve employment equity by means of initiatives such as trainee programmes, recruiting, graduate recruitment programmes, retention of talent and the Future Leaders programme.



Enterprise development

The growth of small-, medium- and micro-enterprises is critical to the South African Government's plans to involve as many people as possible in the country's economy. It is in the interests of the private sector to support this growth because a growing economy leads to a greater potential marketplace.

One facet of Accenture's enterprise development programme is partnering with black-owned and black female-owned enterprises on market opportunities and client projects. Accenture also directly assists selected suppliers, providing them with skills transfer, strong references for new business acquisition and critical mass in terms of revenue. Since 2007 Accenture has spent more than R40 Million on enterprise development initiatives.

One of the beneficiaries of Accenture's enterprise development programme is Bayajula. Bayajula has a 100 percent black-owned shareholder base with 40 per cent owned by black females. It is an African Management and Information Technology consulting firm with its roots firmly entrenched in the South African landscape.

"I truly believe the Enterprise Development model works. But good things take time. I am positive the impact of these collaborations will be even more evident in the future."

Mandla Madi—founder of Bayajula business consulting, technology, resourcing and outsourcing solutions—is a family man, deep thinker and golfer.

Mandla Madi's vision was to set up a company that "digs deep" (what Bayajula means in Zulu) to reveal insights and solutions to assist organisations. Bayajula employs more than 160 people and has a strong internal focus on people and skills development.



“While I studied, Accenture showed a genuine interest in my progress and career ambitions. Accenture provided a level of support and guidance I could not get from home—my mother taught me to be humble, whereas Accenture taught me to be bold.”

Sandiso Sibisi, fashion fundi, friend, passionate helper of others.

The Accenture Education Trust funded Sandiso's honours degree in Information Systems. She now works at Accenture as an consultant.



Corporate social investment

Accenture recognises that it is every South African business' duty to be a good corporate citizen and is passionate about helping uplift its broader community. Through the Accenture Foundation, Accenture annually spends more than 1,5 percent of its net profit after tax helping disadvantaged students to attain tertiary qualifications through cash donations. It also helps nonprofit organisations run training programmes, through the pro-bono services it offers. Accenture continues to involve its people to volunteer and give back to the surrounding communities.

The Accenture Foundation is governed by a board of trustees, the majority of whom are not associated with the company—thereby ensuring its independence.

The Accenture Foundation in South Africa supports the global Accenture Skills to Succeed (S2S) initiative:

The Accenture Education Trust

The trust provides obligation-free scholarships to financially disadvantaged school-leavers who are academic high performers and wish to study for a degree in ICT, engineering, mathematics, computer science or related fields. In 2012 the trust supported 19 students and its annual expenditure exceeded R1million. Four of the eight students who graduated joined Accenture in full-time employment.

Accenture Development Partnerships (ADP)

The ADP programme identifies volunteers from Accenture operations around the world who are willing to take a 50 percent reduction in their salaries to work on projects with leading nongovernment, nonprofit and global social funders in emerging countries. Volunteers from Accenture in South Africa are participating in such projects not only take a drop in earnings for a period of at least three months, but also to work in challenging conditions and often under difficult circumstances.

Accenture Corporate Citizenship programmes are centered on addressing pertinent social and development issues in South Africa. Accenture has been giving back and empowering South Africa with skills, resources and expertise for more than 12 years.

Mentec Foundation (Siyathuthuka)

This programme was originally developed by Accenture back office staff at Accenture's Johannesburg and Cape Town offices to teach matriculants basic Microsoft Office and key life skills over weekends. The programme is now run by the Mentec Foundation and is offered at eight locations in four provinces in South Africa. To date more than 1,500 participants have benefitted from this programme—which now includes financial skills and basic SAP skills.

