

Editorial issued by ContinuitySA and CGF Research Institute
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Gearing SA businesses for tough economic and social challenges in 2009

Undoubtedly the world is in a crisis which political and economic analysts predict will continue for months, perhaps even years to come. Far from a series of events that affect only certain parts of the world, the current sub-prime crisis is certainly being felt by most South Africans in one way or another.

“Whether it’s an economic recession, political uncertainty, crumbling infrastructure, lack of skills, social unrest, failing health standards or any combination of these events, 2009 in South Africa has already surfaced as a year where predictability of our economic and social issues are no longer so certain,” says Allen Smith, CEO of ContinuitySA.

Concurring with Alan, Terry Booyesen, CEO of CGF Research Institute and researcher of governance, risk and compliance matters, added that, “the global crisis, whilst still fairly removed from the average business in South Africa, will compound our own issues yet further. Already, with SA’s economic slowdown, we have heard reports of expected SA retrenchments numbering 267,000 this year, where 19,000 job cuts were likely to be the case within Anglo American alone.”

Both Smith and Booyesen agree, notwithstanding the international events, that there are of course always local issues that will force organisations to implement their own business continuity plans, and hopefully they have such plans in place to weather the storms that lie ahead. “From a good governance perspective, it is imperative that organisations have included a well thought through plan of action in the event of any kind of business disruption, be these local or international, and that these proactive plans are formulated by the board,” says Booyesen.

“We are at a unique junction in South African history and the year ahead will be one in which business continuity plans will be more likely to be put to the test than at any time in the last decade and that they should be implemented,” adds Smith.

With that in mind, both Smith and Booyesen believe there are a number of important issues SA businesses will face in the next 12 – 18 months that will cause them to invoke and test the efficacy of their business continuity plans. Some of the more current risk issues that will require careful thought are;

1. Effect of the global recession and the impact on South African economy and society
2. 2009 general election coupled with split in ANC
3. Non-delivery of basic services (electricity, water and health)
4. Water quality crisis in SA and neighbouring states
5. Humanitarian crisis on SA’s border with bordering SADC countries
6. Food and health crisis in SADC and impacts on SA
7. Threat of pandemics (bird flu and hemorrhagic fevers)
8. Skills flight from SA
9. 2010 Soccer world cup and general infrastructure disruptions
10. Xenophobic crisis in SA with Zimbabwean, Malawian, Nigerian foreign nationals

Concluding their thoughts, both Smith and Booyesen agree that in their experiences, many companies have generally not factored risk elements such as those outlined above within their Enterprise’s Risk



Management (ERM) programmes, let alone made provision for countering the effects these risks may still have on their business operations. They further comment saying it is essential that companies understand the implications MD's of companies will face should they transgress the respective legislative or regulatory boundaries that control the manner in which they are expected to manage their direct and indirect risks within their companies.

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About ContinuitySA

ContinuitySA is Africa's leading provider of business continuity consulting and related services. The company boasts some of the continents most highly skilled and qualified business continuity and disaster management experts who help companies, organisations and government departments of all sizes prepare for and deal with all eventualities. These include potential threats, events, incidences and unforeseen or sudden disruptions due to human error or natural events.

ContinuitySA operates the largest recovery facilities in Southern Africa. It has a number of recovery centres in South Africa with over 20000sq/m of recovery facilities in Midrand, Gauteng. A smaller site of 3000sq/m is located in Cape Town. The company has already established a 1500sq/m site in Gaborone, Botswana and is in the process of further expanding business into Africa and the Middle East. ContinuitySA. Our Business is Keeping you in Business.

About CGF Research Institute (Pty) Ltd

CGF specialises in conducting desktop research on Governance, Risk and Compliance (GRC) related topics. The company has developed numerous products that cover GRC reports designed to create a high-level awareness and understanding of issues impacting a CEO through to all employees of the organisation.

CGF's capabilities extend to management consulting, executive learning and facilitation of Corporate Governance and Risk awareness workshops, which caters for large corporates to small and medium sized businesses.

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