

# **SAPMA VALUE PROPOSITION**

## **WHO WE ARE:**

SAPMA has been broadened its membership to accommodate all industries within the Coatings Sector as a whole to encompass the following membership categories:

### **Associate/Supplier Members (Import and Supply)**

The Import and Supply members or Associate/Supplier members represent all major suppliers of raw material, services, equipment and packaging to the paint and surface coatings industry.

### **Manufacturing**

The manufacturers of paint/surface coatings of which the membership now represents 90% of all products produced in South Africa.

### **Retail**

The retail membership has been extended to the distribution channels of Paint and surface coatings manufacturers to all purveyors of paints and allied products to consumers and the public. The Retail and Hardware Association is a registered entity within SAPMA and assists the Retail members with “things” relevant to the retail industry.

### **Contracting/Application**

The Paint Contractor membership represents paint contractors who are affiliated and registered to SAPMA, and abide by the SAPMA Code of Conduct as well as the Code of Ethics available within the SAPMA Guarantee Verification Scheme (GVS) which is designed to audit and verify, contractor members.

## **WHO IS ELIGIBLE FOR MEMBERSHIP**

### **Import and Supply (Associate/Supplier Members)**

Associate membership is available to suppliers of raw materials, equipment, packaging or services to the paint, ink and allied products industry. Other categories of membership are available and applications can be considered on a case-by case basis.

### **Paint Manufacturing**

Full membership is available to those companies who manufacture paints, printing inks, powder coatings, varnishes, lacquers, stains, wood preservatives, thinners, strippers and allied products, water proofing and other like protective decorative products and other coating products.

Neighbouring states membership is available to those companies who manufacture outside the borders of South Africa. This category of membership is similar to full South African membership, with the exception that such members are not eligible to stand for office on the Executive Committee or to participate in elections of candidates to that body.

### **Retail Members (Retail and Hardware Association)**

The paint retailer industry has an important relevance with the paint manufacturer. This industry is made up of one of the major distribution channels of the paint manufacturer in the distribution of their products to the small contractors and general public consumer. This industry includes major retail chains and franchise groups as well as independent retail outlets and hardware shops.

### **Contractor Membership**

The Contractor membership is similar to the Retail sector in that the contractor sector of the market comprises another significant distribution channels within the Coatings Industry. The membership represents an important component of the industry in that they are significant users of paint and paint products supplied either directly from the manufacturer or the retail sector outlets. The recently launched SAPMA Guarantee Verification Scheme (GVS) which is designed to audit and verify, and therefore for an annual fee, certify as alive and well and applicable, both:

- a. The PRODUCT GUARANTEE directly from the Manufacturer on-record
- b. The SERVICE GUARANTEE from the CONTRACTOR OF RECORD

## **SAPMA BENEFITS TO ITS MEMBERS:**

### **MANUFACTURING MEMBERS AND ASSOCIATE MEMBERS:**

- SAPMA provides a collective voice for its Manufacturing, Associate and Contractor members with regards to Labour, Compliance Certification, Bargaining Council as well as CCMA related information.
- We assist all our members with BBBEE and Charter Council representation across all industries. We have an in-house consultant who is available and able to assist all our members with any BBBEE and Charter Council related “issues”.
- Trading Environment:
  - DTI – Preferential Supplier Database
  - Research and Assumptions
- Supply side Incentives:
- Under the SAPMA umbrella we have the Coatings Confederation giving rise to the following for our members:
  - Labour Forum – Surface Coatings Employers Association
  - Training Forum- SAPMA Professional Body
  - Professional Recognition Forum – SAPMA Professional Body Designation recognition and certification
- Lobbying and Representation: SAPMA has representation in various committees within the following governmental departments:
  - DTI – Department of Trade and Industry and Competition
  - DOL- Department of Labour
  - DEFF- Department of Forestry and Fisheries
  - SABS - South African Bureau of Standards
- It is within these various committees SAPMA is present and the various industries are fully represented to assist with the following:
- Standards- Recognition of current standards within the Coatings Sector as well as development of new Standards to enhance and assist the Sector

- Regulations – Review of current regulations and amend/change regulations to ensure they are up to date and relevant for the various industries
- Health and Safety (GHS) Standards – ensuring the current, most up to date Health and Safety standards are adhered to by all our members at all times. To comply with Global standards as well as local standards effecting our Sector.
- SAPMA and its Members are accountable for community engagement to and ensure members of the public are well informed of our products and services across all industries as well as ensuring all its members adhere to a SAPMA Code of Conduct and the SAPMA Code of Ethics, developed by the SAPMA ethics committee. Members of the public as well as SAPMA members need to follow ethical procedures to ensure legal and professional investigation of unethical procedures and conduct within the Coatings Sector are correctly communicated and dealt with.
- SAPMA provides Professional Development for its members in the form of a Professional Body. Within this body, we assist with the following:
  - Training and Talent Management of Employees within the Sector
  - Accreditation of Training Providers lined to Registered Occupations in the Coatings Sector
  - Accreditation of Training Programmes
  - Professional Recognition of Skilled, Competent Practitioners throughout the Sector, per industry across the following designations:
    - Technical
    - Operational
    - Professional
    - Master levels
- SAPMA is a “Watch- Dog” for the Sector and the Public. By this we mean, we assist our members to be aware of training providers within the Sector who are not legit. We need to know who the training providers are and they need to be accountable to SAPMA for their activities. We need to eradicate Fly-by-night Providers who offer little to no value to Employees within the Sector.
- SAPMA assists by avoiding its members becoming involved in National Scandals which compromise them as members with Government and Trade Unions within the Sector.
- SAPMA provides information to its members on regular changes to regulations such as Lead in Paint Regulation as well as Section 18 of the Waste Management Act, to ensure members are well informed and take responsibility within the Sector and their relevant industry to comply with the new regulations or changes to current regulations

#### **RETAIL MEMBERS:**

SAPMA has registered the “South African Retail Hardware and Paint Employers Association” (RHPEA) to ensure that those of its members who are operating in the Wholesale and Retail Coatings space are properly organised as a collective with a voice which is capable of representing the industry to the Department of Trade, Industry and Competition (DTI&C) as well as to the Department of Employment and Labour (DE&L).

Work has commenced both within the Department of Trade, Industry and Competition as well as in the Department of Employment and Labour, to organise the Wholesale and Retail Sector in South Africa in two respects.

### **COLLECTIVE BARGAINING:**

The first relates to the registration and facilitation of a Bargaining Council for the Retail Sector governing wages and conditions of employment. In the absence of a Bargaining Council for the Retail Sector, it has fallen on the Minister of Employment and Labour to have to impose a Sectoral Determination for wages and conditions of employment relating to employee is in the wholesale and retail sector. The Minister has asked that the 2021 sectoral determination for Wholesale and Retail be the last time that he is called upon to intervene in collective-bargaining matters best-left to the social partnership of business and labour which should be operating in the sector.

One of the reasons that the Minister is so eager for the Social Partners to self-govern, is his indication that he wishes to finalise and implement an Employment Equity Profile for each industry and sector in South Africa.

He has realised that it is only between the employer and employees within the Wholesale and Retail Sector where agreement can be reached for an Equity profile for the sector in terms of what he requires to be mapped against the Economically Active Population (EAP) of South Africa.

In the absence of self-determination and governance, the sector of Wholesale and Retail and in-particular Retail Paint and Hardware will be dictated to, in-terms of the Employment Equity Profile and Targets which will be applied and enforced, both for employment as well as promotion purposes in companies.

### **CERTIFICATES OF COMPLIANCE:**

Perhaps more worrying is the stated intention by the Minister of DE&L to implement a Certification System for companies based on them meeting the Employment Equity Targets and Profiles he intends to implement. These "Certificates of Compliance" will determine whether a company is able to trade or not and importantly on a Business-to-Business basis, whether they will be able to service companies which are dependent on Local, Provincial or National Government Tenders.

### **BBBEE IN RETAIL PAINT AND HARDWARE:**

The second reason for organising ourselves for self-determination, relates to, the creation of a Charter Council for Wholesale and Retail, governing matters of broad-based black economic empowerment in the Wholesale and Retail sector and giving rise to a BBBEE Scorecard which will be enforced by the DTI&C.

It is for these reasons that the creation of a Retail Hardware and Paint Employers Association is long overdue.

### **The work of the Retail Hardware and Paint Employers Association:**

- Governance – Ensuring that every Province is represented on a National Structure where there are clear and easily identifiable roles and responsibilities.
- Representation & Lobbying – Recognition, Acceptance and inclusion by all Government Departments and Organisations currently included in forums where debates are taking place about policy, procedures, roles, responsibilities and enforcement which will in any way impact on Wholesale and Retail operators in the coatings sector.
- Training – An Employer Association is tasked with ensuring that ALL categories of Employee's regularly and easily have access to state-of-the-art training. With Retail Hardware and Paint such training refers to Product Knowledge, Sales Training, Consultation Techniques etc. and SAPMA is hard-at-work in ensuring the securing, development and presentation of as-wide a

selection of Continuous Professional Development in all formats – Online, Articles, Video's etc. for people who work in your businesses.

Professional Certification of ALL Retail Hardware and Paint Practitioners – The RHPEA is signing an MOU with a Global Organisation focused on the Professional Designation of people working in this space. Once concluded we will bring these opportunities for the recognition of professional practice throughout your businesses and branches to you.

### **CONTRACTOR MEMBERS:**

Given the number of REFURBISHMENTS, RENOVATIONS, MAKE-OVERS and NEW BUILDS taking place throughout South Africa, SAPMA acknowledges the key role played by Coatings Manufacturers, Suppliers and Retailers in the work being done.

We are also acutely aware that there is a very low level of both faith and expectation in guarantee's provided for product and the application of Coatings Product in the Domestic and Industrial Contracting Industry.

#### **This poor market image can be attributed:**

1. To the number of companies which simply do not honor guarantees on product and actively look for find reasons not to assure and guarantee their product.
2. The low (non-existent) barriers to entry in both the Supply and Manufacturing Industry of the Coatings Sector which often cause those companies to collapse before the guarantee period on the product or service has expired.

As much as this problem affects SAPMA Members and the general perception in the marketplace of the Coatings Sector, so it is often caused by and also affects the Contracting / Application Industry in terms of the questionable quality of their Service to the end-customer, Domestic or Industrial.

SAPMA Solution:

SAPMA is launching the **Guarantee Verification Scheme (GVS)** which is designed to audit and verify, and therefore for an annual fee, certify as alive and well and applicable, both:

- a. The PRODUCT GUARANTEE directly from the Manufacturer on-record
- b. The SERVICE GUARANTEE from the CONTRACTOR OF RECORD

#### **Pre-Conditions:**

##### **GENERAL:**

- SAPMA shall publish once a year, and exhibit on its Website continuously, a list of such Members who have agreed to be held accountable for the quality, durability and longevity of their product, and where applicable a description of each of their products covered by this scheme.
- The Manufacturer of Contractor MUST BE A PAID-UP MEMBER OF SAPMA throughout the process and therefore subject to the Code of Ethics and Rules of the Association.
- MEMBERSHIP will be in the MANUFACTURING or the CONTRACTORS CHAMBER of the Association.
- Where a Member cancels their SAPMA Membership, or their Membership of SAPMA is withdrawn, a notice to this effect shall be published and also appear on the SAPMA Website and the Consumer – Domestic or Industrial, affected by such cancellation, shall be informed accordingly.
- The Department of Trade, Industry and Competiton, and the Consumer Council, shall also be notified that the Guarantee Verification for such MANUFACTURER has lapsed.
- The MEMBER must be prepared to abide by any Arbitration Decision made, as a result of a formal DISPUTE being lodged with SAPMA.

- If deciding to APPEAL against an ARBITRATION AWARD, the MEMBER must abide by the rules and time-frame applicable to the relevant Appeals Procedure.

#### **FOR THE MANUFACTURER:**

- For a MANUFACTURER to qualify for the GVS Scheme, they MUST OFFER an Unqualified Guarantee for a Minimum Period of 5 years or 60 months on the product which has been on-sold into the Consumer or Industrial market.
- For a MANUFACTURER to qualify for the GVS Scheme, their Guarantee must be supported with acceptable sureties being evidenced during the take-on process with SAPMA.
- Where necessary, the MANUFACTURER must consent, (at its expense) to a SAPMA Technical Audit, of the relevant product applied, the current product available in the marketplace and a comparative study of the product compared to similar product in the local, and if indicated, Global marketplace.

#### **FOR THE CONTRACTOR:**

- For a CONTRACTOR to qualify for the GVS Scheme, they MUST OFFER an Unqualified Guarantee for a Minimum Period of 5 years or 60 months on the service which has been provided into the Consumer or Industrial market.
- For a CONTRACTOR to qualify for the GVS Scheme, their Guarantee must be supported with acceptable sureties being evidenced during the take-on process with SAPMA.
- Where a complaint is received, the CONTRACTOR must consent to a SAPMA Audit being conducted, by a neutral, un-related Professional Practitioner (at the Contractors Expense)
- Should the CONTRACTOR be found to have been NEGLIGENT or FRAUDULENT the CONTRACTOR must agree to pay for the work to be repeated by a SAPMA-APPOINTED CONTRACTOR, unless the aggrieved customer is prepared to allow the CONTRACTOR to repeat the work.

### **IN SUMMARY: WHAT SAPMA OFFERS TO ITS MEMBERS:**

- Affiliation to other Organisations & Representation to Government and SOCIAL Partners  
- Organised Business & Organised Labour - VOICE for each Industry in the Coatings Sector
- Awareness & Education re Government Policy & Regulations to our Members
- In-House Company Certification of Training, Product Certification etc.
- Compliance Verification - Grading
- Community Accountability and Assurance Programmes
- Advocacy & Communication to Employers and Employee's via Newsletters, Trade Journals etc.
- Professional Development
- TALENT MANAGEMENT - Building future Skilled Labour Pools
- Research & Statistics Collection and Accountability to Government
- Networking Opportunities - SECTORAL ARTICULATION between Industries, CEO Forum, Professional Forum, Education & Skills Forum, Workshops, Coatings for Africa Conference and Exhibition.
- All members subscribe and adhere to a mandatory code of conduct and code of practice
- SAPMA Offers its members Mediation consultations and if necessary Arbitration consultations with the relevant professionals
- Affiliation to local and International Associations

