

INTERVIEWER: So, Brandon what I will do is, I will just introduce the study and then I will ask you a few questions after that. So, basically the title of the study is the effects of immigration on small medium enterprise in South Africa, and we are trying to see what affects you know, the sort of push and pull factors of
5 people leaving, and then we are going to try and link that back to brain drain theory, and see what is actually happening with small medium enterprises in South Africa. So, do you want to give a short quick sort of summary of what Inter Wool Products does, and the infrastructure that you have in South Africa?

INTERVIEWEE: Yes, sure, so Inter Wool Products is, it is an importer and
10 distributor of timber, and timber-based products. We are a net importer, 95% of our product is imported from around the globe, based on board and timber which comes into the country, and then distributed into various segments and industries in South Africa. Versus the product that we acquire is bought locally from various sources in the country. The infrastructure we hold within the
15 business is, we hold a series of warehouses and offices around the country obviously situated at the various ports. Which are the entry points for the product coming into the country at Cape Town, Port Elizabeth, Durban and then inland in Johannesburg. We hold warehouses where we hold the products, and we can distribute the product from, into, our various customer base which is
20 national. That is infrastructure from an office, and a staff compliment perspective, we sit with a sizeable sales force and the remainder of the business sits within an admin environment, focusing the majority on procurement and buying of parts as well as our finance department which is seen as the skilled, that would be our skilled environment and our skilled

workforce. We hold around roughly 45 staff members made up as I have just mentioned between sales, finance and procurement.

INTERVIEWER: So, would you consider your business to be heavily reliant on a highly skilled workforce?

5 INTERVIEWEE: Well, yes and no, I would say that the admin environment and the office-based environment requires a skilled workforce. Across the base we, let me rather just answer that differently yes, we do require a skilled workforce predominantly in the admin and head office functions, which incorporates finance, large portion of finance and procurement which would be a skilled
10 workforce.

INTERVIEWER: Okay.

INTERVIEWEE: The remainder of our sales would also be classified as partially skilled.

INTERVIEWER: Do you have any issues with staff turnover?

15 INTERVIEWEE: No, we do not have issues, well historically we have not had issued with staff turnover, we have had a fairly low rate in terms of staff and staff movements, in the past year we have obviously experienced more in the light of Covid-19 however, in the main we have not experienced a high level of staff turnover.

20 INTERVIEWER: Okay, and then in your, in the workforce have you had, have you lost any people to immigration?

INTERVIEWEE: To date no, however we are in the process of losing an individual as we speak to immigration.

INTERVIEWER: Okay so you have not had anyone in the sales force that you have lost to immigration in the recent years?

INTERVIEWEE: No, we have not.

INTERVIEWER: Okay, so then we can, sorry, you in the process of losing
5 someone to immigration as we speak, so where are they going?

INTERVIEWEE: Finance department they would be moving to the UK.

INTERVIEWER: Okay, alright. Sorry Brandon, I lost you there.

INTERVIEWEE: Yes, sorry so just a correction there on my response to
correct, we have lost two of our sales staff members in the recent times to
10 immigration, one went off to Canada and the other went off to Australia, and we
are in the process of losing a third at the moment.

INTERVIEWER: Okay so basically in, so when is that roughly, a year or two
years, so in a basically two-year period?

INTERVIEWEE: Yes, in the last two years, 18-months.

15 INTERVIEWER: 18-months you have lost or will have by the end of this one
leaving, you would have lost three people?

INTERVIEWEE: That is correct.

INTERVIEWER: Where are they going?

INTERVIEWEE: We have got one that immigrated to Australia, one in the
20 process of moving to the UK, and the third one to Canada.

INTERVIEWER: Okay, so you can, then we can then assume that the staff
turnover as a result of immigration, or sorry, the rate of immigration has
increased in the recent times, I mean to your knowledge?

INTERVIEWEE: Certainly.

INTERVIEWER: Okay.

INTERVIEWEE: I think just as a nature staff turnover has increased, and naturally given the low turnover in the past, with the three that have now left who are in the process of leaving, the one, the turnover as a result of
5 immigration will actually be quite significant.

INTERVIEWER: Did you in any way try and keep the individuals from immigration?

INTERVIEWEE: I think it certainly, in one of the cases there was, but I guess it is always a case of you have got to look at the case at hand and try to attend,
10 and in the cases of our, certainly in the one instance where retaining that staff member or that individual would have been on the cards, you know the immigration was not a function of their own, it was a function of broader family immigration. With the wife immigrating so, on the one hand yes, we would have loved to retain, but on the other hand it was not necessarily the right scenario
15 where retention could actually occur. In the other instance yes, we would have tried to retain but, again, it is part of the broader strategy from a family perspective for these individuals to move.

INTERVIEWER: Okay, and these people that immigrated, where they okay, so we can assume that they are highly skilled because majority of the workforce is
20 highly skilled, but are any of them sitting at senior management level?

INTERVIEWEE: Yes, of the three one of them was sitting at senior management level. Yes, he was an executive, he was on our EXCO team, he played a very important function within our Western Cape division, he looked

after the sales division and ran, in fact ran the region, was sort of the co-regional executive head of Western Cape, Southern Cape.

5 INTERVIEWER: So, that individual, let us just focus on that individual for a bit, so that individual was not a shareholder in any way, he was just a senior executive?

INTERVIEWEE: Yes, he as not a shareholder but was a senior executive, correct.

INTERVIEWER: So, would you say that shareholding in the business would have changed their decision at all?

10 INTERVIEWEE: No, I certainly, if, I think if I look at the scenario surrounding the individual, I do not think so based on the fact that a large portion of the immigration was due to this individual's wife achieving a job overseas. I think it was also part of a bigger strategy to exit the country, to seek a life outside of South Africa. So, do I believe that shareholding would have changed that result
15 no, I am not convinced it necessarily would have.

INTERVIEWER: Would you say, how would you sort of summarise the impact on the business of these individuals immigrating? Would you say they have had an extremely negative impact on the business, or were you able to sort of fill the gap quite easily with the skills that exist in South Africa. Were you able
20 to recruit, or did you just fill it internally?

INTERVIEWEE: Fortunately in these cases we were able to continue with marginal impact to the business, certainly the two individuals, the one that is immigrating in the near future as well the one that was not the executive, the gentleman that went from our sales to Canada, those functions could be filled

with reasonable ease from local either replacement staff internally or from seeking new candidates from the South African market. Which we are in the process of doing, however the only one that presented a bit of a challenge was the executive, however when I say challenge it was not something that could be overcome because we had another individual there that was co-managing with that individual, and we have got a succession plan in place. So, the impact as a whole was negligible and was not something that put the business at major risk.

INTERVIEWER: Okay, so do you, with immigration sort of hot on the agenda,, would you say that as a business you have an organisational strategy that caters for potential loss of individuals to immigration, or is it not that much of an issue just yet?

INTERVIEWEE: I do not believe at this stage that it is a significant risk for us, I think that, you know the workforce that we have outside of the shareholders and the main directors, I think the remainder are skill sets that can be replaced with fair ease within South Africa, and within the job, you know the employment sector of South Africa. So, the strategy right now, no [unclear] to manage that risk at the moment, as I do not believe it presents a major risk right now for the staff compliment that we have.

INTERVIEWER: Okay, great. Brandon do you have any closing comments or opinions on the topic of immigration, and how it is potentially impacting the small medium enterprise of South Africa. Just before we close?

INTERVIEWEE: Yes, just in closing I think that the impact of immigration on small to medium is obviously less of a factor than on large corporates. Simply on the basis that the skill set that sits within the small to medium is generally of

a lesser skill set than sits in corporate. So, the individuals ability to move and seek employment in foreign countries, is obviously a little more difficult. I also think for a lot of these companies, small to medium they are not necessarily global companies so the ability for owners of these small to medium enterprises to move is also very difficult, in that you cannot just lift up your business overseas. So, I think that presents a bit of a barrier for many small to medium owners in South Africa to immigrate, and then like I say the staff compliment you know in small to medium enterprise, it is not your high advanced skill it is not necessarily your highly skilled individuals which often present, which often also present a barrier for immigration. Obviously, the cost of immigration to those individuals so yes, I think it is less of an impact right now then it is on large corporates.

INTERVIEWER: Great. Alright thank you Brandon appreciate the time cheers, bye-bye.

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