

INTERVIEWER: Okay, so I am recording.

INTERVIEWEE: Okay.

INTERVIEWER: Thanks, Martin. So, I am here with Martin Van Blerk who is the owner of a company called System Pro. Martin, if you would not mind just starting ... Okay, so let me give you a background. So, I am doing my MBA through Gibbs, and part of my research is on the effects of immigration of small/medium enterprises in South Africa. So, the idea is, the sample is to speak to owners of small/medium enterprises in South Africa, and see what effects they have experienced because of immigration, indirectly or directly. So, Martin, if you can just, if you do not mind, just kicking off with System Pro, who they are, how many people you employ, the makeup of your employment in terms of high skilled workforce versus low skilled workforce, you obviously operate in a particular industry that I would assume ... But I will let you explain that.

INTERVIEWEE: Okay, that is fine. Thanks, Andrew. So, System Pro was started about six years ago, it was initially a financial and tax and payroll outsourcing business. We then changed it relatively quickly into a consulting business, consulting specifically with implementing ERP systems. We started off with a product called Sage Extreme (?), that then evolved. We only operate in the mid-tier market, so we do not necessarily implement for small companies, we also do not implement for large enterprises. So, definitely like what we call the mid-tier, which is anything from 10 users up to about 200 users. So, we implement three ERP products, Sage Extreme, Sage 200 Evolution, save business by design. So, that being said, my workforce is predominantly highly

skilled people. Either highly skilled technical or with an accounting degree, or an accounting background because that is what 90% of the ERP systems do. It is an accounting system that manages stock, etcetera. We obviously have some, I would say our non-highly skilled employees is most probably in the  
5 marketing division and the office administration – but that is a small portion of our business. Most of our resources, probably about 95% of our resources are billable resources, which is the consultants.

INTERVIEWER: Hmm.

INTERVIEWEE: So, we quite a lean but mean team.

10 INTERVIEWER: Hmm, hmm. And Martin, so how many employees are there?

INTERVIEWEE: So, we usually in the region of about, between 13 and 15.

INTERVIEWER: Okay. And do you have an issue with staff turnover?

INTERVIEWEE: Being in the consulting industry, it is difficult to keep the staff happy.

15 INTERVIEWER: Hm-hm.

INTERVIEWEE: Being quite I think quite highly paid individuals, it is the foothold to be competitive.

INTERVIEWER: Hm-hm.

20 INTERVIEWEE: There is, I would say, I would not say a lot of companies doing what we do but there are quite a few.

INTERVIEWER: Hm-hm.

INTERVIEWEE: And staff do tend to move quite a lot.

INTERVIEWER: Hm-hm.

INTERVIEWEE: I know also from previous studies, they said in the IT industry, you lucky if you keep someone for three years.

INTERVIEWER: Hmm.

INTERVIEWEE: Because the industry changes also so quickly.

5 INTERVIEWER: Hmm, hmm.

INTERVIEWEE: So, we have gone through periods where we have had big staff turnaround, but we have been lucky the last two, three years where it has not been so much the case. I think the key is, we look after the staff and we pay the staff well, we motivate them to continuously study within the products  
10 that we do. You need to do certifications you need to be certified on various models.

INTERVIEWER: Hmm.

INTERVIEWEE: So, it is a difficult thing. So, I think we lucky at this stage.

INTERVIEWER: Okay. And, Martin, have you had any of your staff immigrate  
15 in the last, in the recent past? Say five or so years.

INTERVIEWEE: Ja, we did. We had a gentleman, Jaco, he immigrated to Europe probably about two years ago.

INTERVIEWER: Okay.

INTERVIEWEE: Going to do the same work as what he has done here.

20 INTERVIEWER: Okay.

INTERVIEWEE: Also, from previous companies where we have worked, there has been a lot of people leaving towards the UK specifically, and Australia, because in those markets, they have the same ERP products as what we have

got here. So, it is very easy for a consultant to pick up and go and do the same job in a different country.

INTERVIEWER: Okay. So, is, for you in the position that you are, and considering your organisational strategy in terms of retaining staff and skills, etcetera. Is immigration something that you are, it is on your agenda, you are concerned about in terms of losing skills? Or are you relatively comfortable that should these people immigrate, like the guy you have just mentioned now, that there is sufficient skills within South Africa that you can fill that gap with?

INTERVIEWEE: It is a difficult one. If you ask me if skilled resources are in short supply, they definitely are. We have to look through a lot of CV's and a lot of candidates to find the person that we think is worth employing.

INTERVIEWER: Hmm.

INTERVIEWEE: So, the skills, I mean, the last couple of years, the last five to 10 years, a lot more consultants have immigrated. People that I have worked with many years ago you see on LinkedIn they now in Australia, or they now in the UK.

INTERVIEWER: Hmm.

INTERVIEWEE: So, it is a concern for us, and that the skilled workforce is diminishing.

INTERVIEWER: Hmm.

INTERVIEWEE: I have got consultants, I have got three of my consultants working for me now that had experience working in the UK, and they sort of missed family and that is the reason for returning back. One of those

individuals is still saying that he would like to return to the UK at some stage, but him and his wife now had a baby, so there is a lot going on.

INTERVIEWER: Hm-hm.

INTERVIEWEE: So, for now they pretty much settled.

5 INTERVIEWER: Hmm.

INTERVIEWEE: Another one of my staff members is a Namibian citizen, he has spoken to me about opening a branch there. So, especially with the younger consultants, you know, anybody below I would say 35, working abroad is like, it is something they have to do.

10 INTERVIEWER: Hmm.

INTERVIEWEE: It is definitely on the top of their minds. Where maybe for me, you know, I am a bit older, a bit more settled, have got a lot going on in the country, so it is not easy just upping and going.

INTERVIEWER: Hmm, hmm. And on the guy that left, Jaco, I think you said  
15 his name was?

INTERVIEWEE: Ja.

INTERVIEWER: Was, is there anything that you could have done to keep him, or do you think it was a ... What drove him to leave? Was it something that is not, was it remuneration, was it political, was it safety, those sorts of drivers?  
20 Or was there something that you could have done to keep him?

INTERVIEWEE: Ja, so specifically with Jaco, I was very surprised because we very similar in that regard, you know.

INTERVIEWER: Hm-hm.

INTERVIEWEE: We both Afrikaans, from Afrikaans families, he is passionate about the country, he is passionate about the bush, he loves hunting, he loves outdoors, he loves camping.

INTERVIEWER: Hmm.

5 INTERVIEWEE: All of those things is, for me, what South Africa is all about.

INTERVIEWER: Hmm.

INTERVIEWEE: We spoke about remuneration, it was not for him a big concern.

INTERVIEWER: Hmm.

10 INTERVIEWEE: I think for him, it was more about future stability. They just had a little girl, she turned about one years old and then they decided they want to immigrate to Malta.

INTERVIEWER: Hmm.

15 INTERVIEWEE: They do not have any family there, they did their research, they went there on holiday, they absolutely loved what the small, little island country has got to offer.

INTERVIEWER: Hmm, hmm.

INTERVIEWEE: And they decided that they will, that they are going to move.

20 INTERVIEWER: Okay. The ... So, it is safe to assume that Jaco's departure did not affect your business adversely? You were able to fill the gap, you had difficulty to fill the gap, you were able to fill the gap and you were able to continue on the path that you on?

INTERVIEWEE: Ja, that is correct. It was difficult to replace him, but we could find a replacement.

INTERVIEWER: Okay. And what, do you know of, I mean, I think we all know of people that have immigrated before, and I think that the concept is – and certainly what the research is telling us – is that a lot of people are immigrating. But speaking to small business owners, they sort of less affected than the corporate space. The people that you know of in your network that have immigrated, have they immigrated from the small/medium space, or have they used the corporate businesses, the global entities as vehicles to leave the country?

INTERVIEWEE: I think it is probably more the global entities. Before we started System Pro, I worked at Deloitte.

INTERVIEWER: Hm-hm.

INTERVIEWEE: And I had the opportunity there to start the same division in Australia, as well, under the Deloitte brand, we did not want to move because of family responsibilities we have got here. But I think that is the reality, I think it is most probably easier to move if you have got a large company paying for the relocation and those type of things.

INTERVIEWER: Hmm.

INTERVIEWEE: If you a small business, you need to work everyday to generate revenue to pay your staff at the end of the month. So, I cannot, for example, take three weeks out of my schedule to say, I am not relocating to another country.

INTERVIEWER: Hmm.

INTERVIEWEE: Unless we have saved up enough money to make that possible. So, I think it is difficult for the SME to do something like that.

INTERVIEWER: Hmm.

INTERVIEWEE: You have probably got less cash reserves to fall back on.

INTERVIEWER: Ja.

INTERVIEWEE: And also, to create a company, for example, System Pro – to  
5 create a System Pro in Australia is going to be more challenging because it is  
not a global brand, it is not something that the average ERP user know about.

INTERVIEWER: Hmm.

INTERVIEWEE: But they know of SAP and they know of Sage.

INTERVIEWER: Hmm. You have just, you have led into my next question.  
10 Have you, as Martin the owner of System Pro, considered immigration yourself,  
for you and your family? And if so, I mean obviously you still here, what has  
kept you back and what is prohibiting you from starting a System Pro in  
Australia or Canada or wherever?

INTERVIEWEE: Exactly. So, we had, the same gentleman that wanted to start  
15 the branch of System Pro in Namibia has worked in the UK, we have had  
discussions of maybe opening a company in the UK. But again, we are blessed  
that we are busy in South Africa at the moment, it is not like we struggling to  
generate work.

INTERVIEWER: Hmm.

20 INTERVIEWEE: We have not considered moving from a business point of  
view, because again we are lucky, we generate our revenue, we growing, it is a  
nice sustainable growth. The one thing that concerns myself and my wife  
always is the future of the kids, you know, our daughters is now 16 and 14  
years old, what will happen to them in the next five to 10 to 15 years? So, that



is probably my biggest reason for thinking about immigration every now and then, it is more their future than currently my future.

INTERVIEWER: Hmm, hmm. And do you think that there is any policy changes from a macro perspective, from government? There is obviously Employment Equity policies that are in place. Are there any, is there anything that you think is a standout that can change from a policy perspective to retain skills and to retain people like yourself? Because at the end of the day, it is the small/medium space that is, that contributes a large, large portion to the economy. Is there anything that you think that they doing wrong or that they could change to retain or get the skills back? Because also, what research is telling us is that there is also benefit of young people just out of varsity going abroad, working in the UK for 10, 15 years, and then coming back for the reasons you mentioned earlier – family or network or whatever the case is. At the end of the day, it is easier for a South African to start a business while leaning on this network to start off with, rather than going, taking a System Pro to Australia and being like, right, I am here System Pro, and now you have to go and cold call on people's doors as opposed to falling back on a network.

INTERVIEWEE: Hmm.

INTERVIEWER: So, is there anything that can change from a government perspective? Or a policy perspective?

INTERVIEWEE: So, for example, if we go to market, if we look for new employees, we do not necessarily look at race or gender.

INTERVIEWER: Hmm.

INTERVIEWEE: We look at, we look specifically for the person that can fill that role the best, irrespective of race and gender. We look at experience, we look at qualifications, and that is how we decide who we employ.

INTERVIEWER: Hmm.

5 INTERVIEWEE: So, for me to have, for me to be forced to employ people based on race, it is not something that we abide by law.

INTERVIEWER: Hm-hm.

INTERVIEWEE: It does obviously, you know, is negative towards us when we have got tenders that we need to respond to, our B level is a level 4, we not  
10 black owned. I worked hard to build up the company, I cannot see myself sacrificing 50% of the share to up my B level. I had no handouts, we started it from scratch. So, I think also something on tenders, for example, we have had tenders where it has taken, if you not level 1 or level 2, you cannot respond to the tender. So, we automatically excluded from that work. So, most of our  
15 clients is privately owned businesses, we do have some government institutions as our customers, for example, the Gautrain. So, sometimes we lucky, but I think it does hinder a business and growth, because our market is automatically smaller.

INTERVIEWER: Hmm, hmm. Okay, Martin, that is sort of brings the interview  
20 to a close. Is there anything else that you wish to add around the topic? And then it can be opinion, it can be fact. But, ja, I mean, that is it from my side. If you do not have anything else to say, then we will close it off.

INTERVIEWEE: So, maybe one last comment. My concern always on immigration, it is always the wealthy, highly skilled people immigrating.

INTERVIEWER: Hmm.

INTERVIEWEE: It is not the poor unskilled people that is immigrating. So, that ratio is changing rapidly in the country, and I do not know what is being done to try and win skilled people back. I know many consultants that moved to  
5 Australia, I know of none that has ever moved back.

INTERVIEWER: Hmm, hmm.

INTERVIEWEE: So, the consultants that I have employed that has worked in the UK, they were young, they were single, it was, you know, live a year, or two, three abroad and the come back home to the family.

10 INTERVIEWER: Hmm, hmm.

INTERVIEWEE: So, those people come back, but the skilled people that settle, they have got families, they have got 20, 30 years work experience, I have not seen them return to the country.

INTERVIEWER: Hmm, hmm.

15 INTERVIEWEE: Which is sad.

INTERVIEWER: Ja. And what is interesting on that point, there is research, and in the literature, they make mention of people living or immigrating, yet still investing back in the country. These cases that you talk of, they may not come back and live here, but do they return, do they still have family and networks  
20 that they come on holidays to go spend money in South Africa? Do they own properties in South Africa, do they contribute at all to the South African economy? Or are those people, it is quite interesting where I think white South Africans very quickly become Australian or become Canadian or become English, or wherever they move to. Do you find that at all? That although they

do not live here, they are still contributing at all to the country or not? They investing in the country?

INTERVIEWEE: I think maybe to a lesser extent the people that I know. Most of the people that I know that has immigrated have sort of packed up and gone.

5 INTERVIEWER: Ja.

INTERVIEWEE: They might return for holidays to come and see family, but I do not necessarily know of them where they have left a portion of the business running here, or left assets in the country.

INTERVIEWER: Okay, okay.

10 INTERVIEWEE: I think also with the exchange rate, you almost need to sell all your assets to have enough money to kickstart on the other side.

INTERVIEWER: Ja, okay. Alright, great, Martin, I appreciate your insights, thanks very much.

INTERVIEWEE: Thank you, pleasure.

15 INTERVIEWER: Cool, man. Thanks very much, Martin.

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