Strategy requires an understanding of where you are and agreement on where you want to get to

Strategy = people doing specific things to achieve a desired outcome

Having achieved this, the strategy has been developed and we are now seeking final approval.
The strategy incorporates the full value chain from farm to market with a specific focus on cotton.

It will however be dependant on factors outside this scope and will seek to influence and align with initiatives and solutions at a national level.
A set of principles identified through research and engagements informed the strategy

**Principles:**
- Strategic decisions should be founded on **research and data**
- The strategy should **address material issues**
- The strategy needs to be **demand-led** (pull vs push)
- **All market segments** (retail, industry, government) should be targeted
- The strategy should include **longer term and sustainability thinking**
- **Collaboration** is key to achieving impact
- **Transparency and inclusiveness** is critical
Extensive research has been conducted spanning the existence and potential future of the industry. This has enabled the development of a robust and informed strategy.
Three core concepts underpin the strategy

- Integrated supply chains
- Collaboration
- Sustainability

*It is therefore critical to understand these concepts.*
Integrated supply chains will form the foundation of the strategy

What is an Integrated Supply Chain (ISC)?

- **Group of players** work together to deliver a **specific end product** defined by lead firm
  - Should ideally include full end-to-end supply chain
- **Upfront commitment from all parties** for agreed programme:
  - Lead firm to commit to demand volumes
  - Transparent costings, agreement on margins and end price
  - Suppliers reserve capacity as per programme schedule
- **Lead firm purchases the cotton** and pays for the value add steps¹

ISCs enable efficiency, cost reduction, risk management, traceability and transparency.

¹ Typically involves a financier
Collaboration amongst all stakeholders is key to achieving strategic goals

What is collaboration?

• The synergistic relationship between two / more entities to produce something greater than the sum of their individual abilities

• Multiple parties with complimentary capabilities sharing knowledge, skills and resources to achieve a mutual goal

Where is collaboration needed?

Within sectors

Face similar challenges and systemic issues

Throughout value chain

To facilitate long-term partnerships with mutual benefits

With labour, trade and finance:

To create an enabling environment for the industry that aligns with national agendas

Collaboration will only be possible if stakeholders understand, buy-in to and fully support the purpose.
Sustainability is so much more than ‘greening’; it is the cornerstone to long-term survival.

It is imperative that sustainable thinking is at the heart of the strategy.
The strategy process began by asking *why* the local cotton industry exists.

Simon Sinek’s “Golden Circle”

1. **WHY** should the local cotton industry exist and be invested in?
2. **HOW** does it plan to achieve its vision?
3. **WHAT** does it need to do to carry out its purpose?

- Purpose
- Vision
- Differentiators
- Actions

The purpose will assist in getting buy-in from stakeholders and unified action towards a common goal.
We have agreed on a common purpose

A thriving industry that produces cotton textile and apparel products in a sustainable way

This purpose acts as our ‘True North’ for the development and execution of the strategy.
We have developed a vision statement for the cotton industry

South Africa is the country of choice for sourcing selected sustainable cotton textile and apparel products

The vision statement is aspirational and will be a ‘stretch goal’ for the industry to work towards.
Longer term outcomes describe the preferred future for the local cotton industry

By 2025:

- Globally competitive sustainable cotton supply chains
- Captured significant market share in selected sustainable cotton products
- SA is the gateway for sustainable cotton products from Sub-Saharan Africa
- An enabling legislative environment
- Sustainable thinking at the core of the cotton industry
- A stable labour environment
- Cotton industry is a significant contributor to sustainable employment
- Vibrant small holder cotton farming and SMME CMT and design sectors
- Cotton industry provides true transformation opportunities

The short- and medium-term milestones have been aligned to these longer-term outcomes.
We have expanded on the meaning of each of the strategic outcomes:

- **Globally competitive sustainable cotton supply chains**
  - These supply chains will be aligned to Integrated Supply Chain and World Class Manufacturing best practice and agreed Sustainability standards.

- **Captured significant market share in sustainable cotton products**
  - Includes both global and local markets.
  - Specific products will be targeted.

- **SA is the gateway for sustainable cotton products from Sub-Saharan Africa**
  - SA will play a coordination role in sourcing sustainable cotton product from across SSA.
  - Sourcing primarily in SA by leveraging core competencies and then regionally where cannot meet demand.
We have expanded on the meaning of each of the strategic outcomes (cont.)

**An enabling legislative environment**
- The policies and legislation affecting the cotton industry are coherent, aligned and conducive to growth
- This should include creating a regional trade environment that enables SA to become the gateway to SSA

**Sustainable thinking at the core of the cotton industry**
- Industry-wide understanding of sustainability (people, planet & profit), out of which organisational culture and decision-making flows

**A stable labour environment**
- Mutually beneficial relationship between employers and employees negating the need for strikes and unrest
We have expanded on the meaning of each of the strategic outcomes (cont.)

| Cotton industry is a significant contributor to sustainable employment | • Jobs that are created will provide fair remuneration and a decent working environment  
• Employment will allow for skills development and opportunities for growth |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vibrant small-holder cotton farming and SMME CMT and design sectors</td>
<td>• Small businesses are used as a vehicle for driving broad-based economic development, transformation, innovation and job creation</td>
</tr>
<tr>
<td>Cotton industry provides true transformation opportunities</td>
<td>• Rebuilding the industry aligns with government’s B-BBEE(^1) agenda and will provide empowerment opportunities, including ownership and senior management appointments</td>
</tr>
</tbody>
</table>

---

1. B-BBEE – Broad-based black economic empowerment.
HOW?
There are 3 key strategic differentiators that will set us apart from our competitors.

**Industry/Market fit:**

- Local industry’s offering
- Customer needs
- White space
- Competitors’ offering
- Competitor points of difference

**Key differentiators:**

- Proximity and speed to market
- Sustainability and traceability
- Design

These industry differentiators are key to de-risking supply chains and ensuring longer-term success of the industry.
The strategy is aimed at building a strong foundation off which to grow the industry.

This will enable the industry to stabilise and regain scale, thereby driving efficiencies and ultimately reinvestment and innovation.

FOCUS

‘INVENTORY ITEMS’

(ILLUSTRATIVE)

1. Items to be selected based on demand and capacity alignment

Establish Integrated Supply Chains (ISCs) with relevant local players across the value chain

Strengthen ISC players & re-engineer supply chains:
- Strategy
- People (skills, leadership)
- Processes (WCM, QR, sustainability standards)
- Technology (productivity, efficiency, traceability)

FOUNDATION FOR GROWTH: WORLD CLASS, COMPETITIVE COTTON SUPPLY CHAINS
There are 7 strategic focus areas that provide a framework for the strategy

- Market growth
- Finance and funding
- People
- Transformation
- Industry structure
- Production best practice and sustainability
- Policy and Compliance
An industry roadmap has been developed to depict how strategic initiatives are sequenced according to priority.

<table>
<thead>
<tr>
<th>Focus areas</th>
<th>Short term</th>
<th>Medium term</th>
<th>Long term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Phase 1</td>
<td>Phase 2</td>
<td>Phase 3</td>
</tr>
<tr>
<td>Market growth</td>
<td></td>
<td></td>
<td>After 2 years</td>
</tr>
<tr>
<td>Finance &amp; funding</td>
<td>1</td>
<td>3</td>
<td>After 7 years</td>
</tr>
<tr>
<td>People</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Transformation</td>
<td>1</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Industry structure</td>
<td></td>
<td>6</td>
<td>After 10 years</td>
</tr>
<tr>
<td>Production &amp; sustainability</td>
<td>2</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Policy &amp; Compliance</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

1. See slides 24-30 for focus area-specific milestones for short, medium & long term.
Market growth strategic initiatives

**Short term**

1. Assess alignment between demand and capability
2. Develop Integrated Supply Chains for high volume demand products
3. Develop strategy for SA Sustainable Cotton branding and marketing
4. Explore market opportunities with smaller niche retail players
5. Explore alternative markets for other cotton-related products
6. Research around developments and innovation in the fibre space

**Medium term**

7. Drive exports to SSA and other targeted global markets

**Long term**

1. Prioritise local players and extend regionally where gaps; 2. Such as the USA through AGOA; 3. Including synthetic innovation and recycled fibre

**Milestones:**

- ST: Demonstrated local commitment and support
  - Export market entered in key focus products
- MT: Significant portion of local cotton market captured
  - Expanding market share in export markets
- LT: Local cotton market captured
  - Significant market share in export markets
Market growth

Strategic initiative: Assess alignment between demand and capability

**Brief description:**
An exercise to determine to what extent we can meet local cotton product demand with local production capacity

**Key outcomes:**
- A deep understanding of industry’s ability to meet the needs of the market
- Identification of industry strengths to leverage and gaps to close
- Identification of suppliers with suitable capacity and capability to potentially produce high volume items in the future

**Links to other strategic ideas:**
- Integrated Supply Chain Programmes
- Strategic investment requirements
- National issue of fabric rebates

**Any dependencies:**
- Retailers providing data to validate demand study
- Availability of textile expert

**Priority:**
High

**Commencing:**
Short term – Phase 1

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Use the Textile Demand Volume Tool (TVDT) to combine the Demand Study findings and Retail volume data into:
  - Identify highest demand end-products
  - Translate requirements down value chain
- Interpretation of C6 capacity audit results
- Establish alignment between capacity (installed and utilised) and demand

**Key benefit:** Align industry to biggest demand opportunities.
# Strategic initiative: Develop integrated supply chains for high volume demand products

**Brief description:**
Develop and mobilise a portfolio of integrated supply chains aligned to identified demand opportunities

**Key outcomes:**
- Filled capacity within factories
- Improved competitiveness as a result of targeted interventions addressing gaps and weaknesses
- Cost reduction through streamlining value chains and achieving economies of scale
- Reduced risk due to traceability and transparency for all players across the value chain

**Links to other strategic ideas:**
- Skills Development Framework
- Process re-engineering
- Strategic investment in equipment
- Transformation benchmarking

**Any dependencies:**
- Obtaining market commitment
- Adequate infrastructure (transport, IT, electricity, water etc.)

**Priority:** High

**Commencing:** Short term – Phase 1

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Shared learning session with ISC pilot partners where risks and lessons learnt are documented
- Gathering lessons learnt from other existing Clusters that employ ISC principles
- Establish an ISC workgroup to define ISC Framework with approach and principles
- Engage with Competition Commission to ensure we understand the boundaries of what we may/may not discuss when agreeing focus areas and supply chains
- Get retail, as a collective, to make a stand for local procurement on certain products that align with capacity, that then inform which ISCs get set up (Note: It is dangerous to put out a target number / % - need to have solid analysis supporting it)
- Approach industry and govt for commitment
- Identify suitable suppliers / value chains once have lead firm commitment
- Strengthen ISC players through various interventions

**Key benefit:** Sustainable supply chains with guaranteed commitment from the market.
Strategic initiative: Develop strategy for SA Sustainable Cotton branding and marketing

Brief description:
A strategy to increase market share, promote the sustainable practices and increase awareness around the 'sustainable cotton mark'

Key outcomes:
- Shift in perceptions about the local industry
- Strong brand positioning and recognition for ‘sustainable cotton mark’
- Improved market support for local industry
- Increased potential to attract financing / investing

Priority: High
Commencing: Short term – Phase 2
Industry champion:
Support resources:

Key steps to include:
- A scoping exercise of what is in existence (e.g. Proudly SA brands) and how could leverage or integrate with them
- Develop market strategy and brand architecture (sustainable cotton mark)
- Determine use of Sustainability Standards relative to brand / mark
- Leverage traceability system to assess levels of compliance with Standards
- Develop a marketing plan and communications strategy that covers the target audience (markets - local and export, investors, financiers, potential workforce (youth) etc.), communication channels (online, radio, TV) and key messages (e.g. job creation potential, sustainability awareness, design, speed to market, etc.)
- Retailers to advertise positions in their supply chains with potential to work their way up (‘glamorous’)

Any dependencies:
- The use of a capable and experienced marketing and communication company

Key benefit: Market growth for the local industry.
Strategic initiative: Explore market opportunities with smaller niche retail players

Brief description:
Explore the potential to develop ISCs with smaller niche players beginning with kidsware

Key outcomes:
- Demonstrate quick wins by getting smaller niche players on board
- Leverage small player brands to promote sustainable cotton mark
- Increased demand for local product
- Filled capacity of factories suited for smaller runs with opportunity for higher margins

Links to other strategic ideas:
- Aligning demand and capability
- Integrated Supply Chains
- Branding and marketing strategy

Any dependencies:
- Willingness of market to source local

Priority: Medium

Commencing: Short term – Phase 2

Industry champion:

Support resources:

Key steps to include:
- Leverage the work of the ISC workgroup
- Scope the market for retailers that represent the greatest potential for ISC participation (e.g. Keedo, EarthChild)
- Approach retailers for commitment to selected inventory items
- Identify suitable ISCs and supplier once have lead firm commitment
- Integrate into existing ISCs

Key benefit: Capturing the niche market where quality is key.
**Market growth**

**Strategic initiative: Explore alternative markets for other cotton-related products**

**Brief description:**
Investigate other opportunities for cotton beneficiation (including waste/by products) beyond apparel and home textiles

**Key outcomes:**
- Increased demand (pull) for cotton
- Broader use of raw material
- A more sustainable process with less wastage

**Links to other strategic ideas:**
- Aligning demand and capacity
- Design and innovation development
- Branding and marketing strategy

**Any dependencies:**
- An increased cotton yield

**Priority:** Medium

**Commencing:** Short term – Phase 2

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Desktop research into alternative uses for cotton
- Study to quantify demand in terms of product type by market
- Translate findings into requirements down value chain using the Textile Demand Volume Tool (TVDT)
- Establish alignment between current capability and demand

**Key benefit: A wider market with broader and more sustainable use of cotton.**
Strategic initiative: Research around developments and innovation in the fibre space

Brief description:
Keeping breast of developments and innovation in the fibre space, both in cotton and in 'competing' fibres

Key outcomes:
- Industry remains relevant and up to date
- Ensure cotton remains a fibre of choice

Links to other strategic ideas:
- R&D into climate change impact on cotton
- Alternative markets for other cotton-related products

Any dependencies:
- Funding availability for research

Priority: Medium
Commencing: Short term – Phase 2
Industry champion:
Support resources:

Key steps to include:
- Desktop research into fibre development and innovation internationally (to include synthetic innovation and recycled fibre)
- Partner with research institutions to leverage research projects/topics
- Representation at International Textiles Exchange and conferences
- Consumer research around fibre preference

Key benefit: Early warning system to identify trends and developments impacting cotton.
Strategic initiative: Drive exports to SSA and other targeted global markets

**Brief description:**
Capture markets outside of SA for specific items in areas where core competence has been developed

**Key outcomes:**
- Increased demand (pull) for local product
- Improved standards due to a more sophisticated and demanding market
- Spreading risk in terms of exchange rate volatility, and local market dependence

**Links to other strategic ideas:**
- Aligning demand and capacity
- Integrated Supply Chains
- Branding and marketing

**Any dependencies:**
- SA remains part of AGOA and other beneficial trade agreements

**Priority:** Low
**Commencing:** Medium term
**Industry champion:**
**Support resources:**

**Key steps to include:**
- Demand study to determine high ticket items
- Alignment of demand with current capability
- Re-establishment of an Export Council
- Representation at International Textiles Exchange and conferences

**Key benefit:** Capture export market for selected sustainable product.
Finance and funding strategic initiatives

**Short term**

1. Develop a sustainable self-funding model for the industry
2. Identify strategic investment requirement based on demand and capability
3. Conduct performance benchmark analysis on local supply chains
4. Target local investors

**Medium term**

5. Develop funding mechanisms to attract black entrepreneurs
6. Drive foreign investment into existing firms and potential firm start-ups

**Long term**

**Milestones:**

**ST**
- Innovative funding models piloted

**MT**
- Significant investment and funding of the industry

**LT**
- Cotton industry is 100% financially viable

1. Within Integrated Supply Chains; 2. Institutional investors, traditional banks and private equity investors
Strategic initiative: Develop a sustainable self-funding model for the industry

Brief description:
Develop a funding model that would see the industry becoming self-funded and as a result more self-sufficient.

Key outcomes:
- Reduced reliance on government funding
- Greater industry self-sufficiency with the means to access and direct funding to where it is most needed
- Improved perception of the industry
- More attractive from both a career and investment perspective

Key steps to include:
- Review best practice case studies in other industries, locally and globally
- Explore various options in terms of feasibility, including an Industry Development Levy and using the traceability platform as an income-generator (e.g. applying it in other industries / markets)
- Engage with industry stakeholders from across value chain, DTI / IDC, industry associations and Unions to solicit input on various models
- Collate various perspectives and draw up recommendations to position with government and gain necessary approvals

Priority: High
Commencing: Short term – Phase 1
Industry champion:
Support resources:

Links to other strategic ideas:
- National issues (e.g. fabric rebates)
- Cotton-specific policy and incentives
- Strategic investment based on demand and capability
- Funding mechanisms to attract black entrepreneurs
- Traceability platform

Any dependencies:
- Leveraging Cotton SA’s role

Key benefit: Greater chance of industry surviving in the long term
**Finance and funding**

**Strategic initiative: Identify strategic investment requirement based on demand and capability**

**Brief description:**
Determine strategic investment requirements to improve competitiveness and develop core competencies aligned to demand opportunities.

**Key outcomes:**
- Investment is focused to achieve greatest impact
- Core competence is strengthened
- Capability and competitiveness gaps addressed
- Improved efficiency and sustainability as a result of investment in world class manufacturing and sustainability practices (including green technology)

**Key steps to include:**
- Conduct a gap analysis on demand vs. capacity
- Understand requirements for large-scale recapitalisation within focussed ISCs
- Explore the revision of government funding incentives (e.g. Production Incentive)
- Develop strategic recommendations for closing capability gaps and developing core competencies (e.g. skills development, process re-engineering etc.)

**Priority:** High

**Commencing:** Short term – Phase 1

**Industry champion:**

**Support resources:**

**Key benefit: Financial support to strengthen industry in most strategic areas**

**Links to other strategic ideas:**
- Alignment between demand and capability
- Integrated Supply Chains
- Process and technology re-engineering
- Skills development framework

**Any dependencies:**
- Availability of funding
Strategic initiative: Conduct performance benchmark analysis on local supply chains

Brief description: An As-Is analysis on the economic competitiveness of local supply chains against best-in-class global competitors

Key outcomes:
- Identification of areas where local industry is competitive and those that need attention
- Improved understanding of key levers and drivers of economic competitiveness across the value chain
- Sustainable solutions to address areas of constraint and underperformance

Key steps to include:
- Economic analysis and value mapping (including operations and processes) of each sector of the respective ISCs
- Benchmarking against similar global supply chains
- Identify and unpack economic hotspots hindering competitiveness (e.g. CAPEX and working capital)
- Identify solutions to potentially improve these issues including recommendations for strategic investment, funding and financing and cotton-specific policies and incentives

Key benefit: Data-informed feasibility study to support local sourcing

Priority: High
Commencing: Short term – Phase 1
Industry champion: Support resources:

Links to other strategic ideas:
- Integrated Supply Chains
- Strategic investment requirements
- Targeting investors and funders (incl banks)
- Cotton-specific policies and incentives

Any dependencies:
- Availability of financial data

Finance and funding
Strategic initiative: Target local investors

Brief description:
Target the local investment community to encourage investment into and financing of the cotton industry

Key outcomes:
- Availability of funding and financing from variety of sources including institutional investors, traditional banks and private equity investors
- An investment community that understands and supports longer-term sustainable investment

Links to other strategic ideas:
- Strategic investment requirements
- Economic analysis
- Self-funding model

Any dependencies:
- “Patient equity” that looks beyond short-term returns

Priority: Medium
Commencing: Short term – Phase 2
Industry champion:
Support resources:

Key steps to include:
- Identify investor platforms and associations for access to potential investors
- Approach a range of investor divisions including pension fund and institutional investors, traditional banks, and private equity investors
- Use success stories and self-funding model to assist in getting buy-in

Key benefit: Financial capital to further enhance industry’s competitiveness
Strategic initiative: Develop funding mechanisms to attract black entrepreneurs

**Brief description:**
Create specific funding models geared towards supporting the needs of black entrepreneurs

**Key outcomes:**
- Attract black talent to the industry
- Encourage and develop the entrepreneurial base of the industry

**Links to other strategic ideas:**
- Sustainable self-funding model
- Target local investors
- Cotton-specific policies and incentives

**Any dependencies:**
- Identifying suitable candidates

**Priority:** Low
**Commencing:** Medium term
**Industry champion:** Support resources

**Key steps to include:**
- Understand what incentives and funding is available (and where the gaps are)
- Explore similar mechanisms in other industries
- Develop / revise funding models aligned to the needs of entrepreneurs
- Approach investors with the aim of getting support for this
- Advertise funding mechanisms on platforms used by the local entrepreneur community

**Key benefit:** A transformed industry
Strategic initiative: Drive foreign investment into existing firms and potential firm start-ups

Brief description:
Target foreign investors for global investment into the local cotton industry

Key outcomes:
- High levels of FDI in the cotton industry
- Foreign ownership leveraged to enable knowledge and skills transfer
- Improved international trade links with growth in export markets
- Local industry on global playing field

Links to other strategic ideas:
- Branding and marketing strategy
- Strategic investment requirements
- Economic analysis
- Cotton-specific policies and incentives
- National issues (e.g. fabric rebates)

Any dependencies:
- The political will and ability of government to make industry conducive to foreign investment

Priority: Low
Commencing: Medium term
Industry champion:
Support resources:

Key steps to include:
- Explore political will and policy levers (such as tax and visa breaks) of SA government to attract foreign investors
- Scoping exercise to identify key investors in textiles and apparel globally
- Promotion of industry through the use branding and marketing strategy
- Explore various models including part ownership in SA firms with a long term view of setting up factories in SA

Key benefit: Financial capital to further stimulate growth in the industry
People strategic initiatives

**Milestones:**

**ST**
- Skills align to needs of ISCs
- Zero net job losses

**MT**
- Significant improvement in managerial and technical skills
- Visible increase in sustainable jobs

**LT**
- World Class expertise in sustainable T&A production
- Significant sustainable jobs created

1. Operational level skills (hard) and life skills (soft) to address productivity and work ethic; 2. Technical Vocational Education and Training

**Phase 1**
1. Quantify job creation potential for various strategic options
2. Develop Skills Development Framework

**Phase 2**
3. Develop leadership and managerial capability
4. Partner with global organisations / institutions for international skill transfer

**Phase 3**
5. Extend in-house training capability to address immediate skills gaps
6. Explore options to establish shared training facilities in natural / existing hubs
7. Focused interventions with retailers around 'ethical sourcing'

**Medium term**
8. Align curricula at local TVET Colleges and tertiary institutions
9. Attract youth through marketing and education channels
Strategic initiative: Quantify job creation potential for various strategic options

**Brief description:**
Determine the job creation potential throughout the value chain that could be realised by pursuing the demand opportunities

**Key outcomes:**
- Clear job creation business case attached to each opportunity identified
- Ability to make informed strategic decision making to drive job creation agenda
- Government and Union support due to alignment with national agenda

**Priority:**
Medium

**Commencing:**
Short term – Phase 1

**Industry champion:**
Support

**Support resources:**

**Key steps to include:**
- Review existing job estimation / potential studies
- Develop top down framework to calculate number of jobs
- Explore use of Textile Volume Demand Tool to estimate number of jobs down the value chain based on each opportunity
- Use demand study, retail volumes and C6 audits as inputs

**Links to other strategic ideas:**
- Alignment between demand and capability
- Economic analysis
- Skills development framework
- SMME development

**Any dependencies:**
- Availability of data

**Key benefit:** Industry decisions aligned to job creation imperative
Strategic initiative: Develop Skills Development Framework

**Brief description:**
Create a framework and recommendations for skills development that aligns with demand requirements into the future.

**Priority:** Medium
**Commencing:** Short term – Phase 1

**Industry champion:**

**Support resources:**

**Key outcomes:**
- Skills development framework developed with gaps identified and sized and strategies identified to close gaps and lift skills to requisite level to meet global competitiveness.

**Links to other strategic ideas:**
- Alignment of Demand and Capacity
- Strategic investment requirements
- Integrated Supply Chains

**Any dependencies:**
- Availability of institutions with which to partner

**Key steps to include:**
- Map skills requirements (Demand study) and existing skills base (Skills Report and Core competence section of C6 audit) with the help of a textile specialist(s) (including future skills requirements)
- Skills gaps understood in terms of both types of jobs and number of jobs required, now and into future
- Engage with the various stakeholders (including higher education institutions, in-house skills specialists, SETAs) around most effective approach to closing skills gaps (including funding allocation)
- HL strategies identified to close gaps and develop required skills
- Implementation of framework to happen initially within ISC partner firms

**Key benefit:** Key skills gaps are addressed to better meet market demands.
Strategic initiative: Develop leadership and managerial capability

**Brief description:**
Focused interventions to develop leaders who have the capability to take the industry to the next level

**Key outcomes:**
- A critical mass of strong leadership within the industry
- Longer term, sustainable and big picture thinking a common attribute of leaders in the industry
- Well-run, effective businesses
- Good employee relations

**Links to other strategic ideas:**
- Skills Development Framework
- Partner with global organizations / institutions
- Sustainability standards
- Align curricula at local colleges and tertiary institutions

**Any dependencies:**
- Identification of future talent, and succession planning
- Local leaders making themselves available for mentoring and coaching

**Priority:** High
**Commencing:** Short term – Phase 2
**Industry champion:**
**Support resources:**

**Key steps to include:**
- Workshops on what it means it takes to be a leader
- Identify effective leaders in the industry
- Establish mentorship programmes
- Engage with local education institutions to align requirements and curricula
- Identify and partner with global organisations for skills transfer
- Skills developed to include financial management, sustainability-thinking, employee engagement, creating shared value
- Develop succession plans within firms for creation of future leaders

**Key benefit:** Stronger leadership and more effective managerial capacity across the industry
## Strategic initiative: Partner with global organisations / institutions for international skill transfer

**Brief description:** Partnering with international organisations to gain access to world class industry skills

**Key outcomes:**
- Access to and assimilation of world class skills and global best practice
- Most pressing skills gaps addressed
- Improved performance and productivity in targeted areas

**Priority:** High  
**Commencing:** Short term – Phase 2  
**Industry champion:**  
**Support resources:**

**Key steps to include:**
- Identify areas where international transfer of knowledge is most necessary
- Identify potential organisations / institutions in the skills development space
- Explore options for international training service to provide skills within firms
- Explore options for sending South Africans abroad to develop best-in-class skills

**Links to other strategic ideas:**
- Skills Development Framework
- Policy levers and incentives

**Any dependencies:**
- Legislative environment and incentives enabling skills transfer

**Key benefit:** An upskilled labour force that will be globally competitive
Strategic initiative: Extend in-house training capability to address immediate skills gaps

Brief description:
Hands-on 'problem-specific' training to address burning skills needs in both operational / hard skills and life/ soft skills

Key outcomes:
- Better equipped and more capable workforce able to meet the needs of the market
- Improved work ethic and productivity

Links to other strategic ideas:
- Alignment of Demand and Capability
- Skills development framework
- Develop managerial skills
- Integrated Supply Chains

Key steps to include:
- Identify best practice firms that demonstrate effective in-house training capability
- Systemise processes and structure for purposes of replicating it throughout the industry
- Explore options to incentivise in-house training
- Investigate mentorship programmes

Priority: Medium
Commencing: Short term – Phase 3

Industry champion: Support resources:

Early benefits:
- Better equipped and more capable workforce able to meet the needs of the market
- Improved work ethic and productivity

Key benefit: Most immediate skills gaps are closed

Any dependencies:
- Management see the need and are willing to invest in this
Strategic initiative: Explore options to establish shared training facilities in natural / existing hubs

Brief description:
Establishment of training facilities that serve multiple firms that are located in close proximity to one another (e.g. hubs)

Key outcomes:
- Reduced costs as a result of shared investment in skills development
- Efficient use of remaining expertise in the industry
- Strengthening of skills base in existing / natural hubs where the majority of firms operate

Links to other strategic ideas:
- Identifying existing / natural hubs
- Skills Development Framework
- Partnering with global organisations for international skills transfer

Any dependencies:
- SETAs involvement and funding availability

Priority: Medium
Commencing: Short term – Phase 3
Industry champion:
Support resources:

Key steps to include:
- Determine most common and pressing skills gaps within natural / existing hubs
- Develop business case for shared training facility to be set up
- Explore jobs / skills development fund options

Key benefit: Shared training service that reduces capital investment
### Strategic initiative: Focused interventions with retailers around ‘ethical sourcing’

**Brief description:**
Engagement with retailers to raise awareness and understanding around the need for sourcing ethically

**Priority:** Medium

**Commencing:** Short term – Phase 3

**Industry champion:**

**Key outcomes:**
- Retailer understanding of the economic and margin benefits of longer term partnerships and ethical sourcing
- Appreciation by buyers of how supply chains operate and the challenges they face
- Shift in mindsets and behaviour around how suppliers are treated

**Links to other strategic ideas:**
- Sustainability Standards
- Integrated Supply Chains
- Partnering with global organisations / institutions

**Any dependencies:**
- Openness of retailers to engage on the issue of ethical sourcing

### Key steps to include:
- Focus on retailers that are part of existing ISC programmes
- Change management efforts to focus on all levels within the organisation to ensure the philosophy and approach cascades down to buyer level
- Workshops to include greater practical experience and exposure to the full value chain
- Positioning needs to ensure links between ethical sourcing, longer term partnering and QR are understood including economic and margin benefits
- Include awareness around the volume thresholds in local sourcing that are required to ensure the industry can sustain itself

**Key benefit:** More sustainable long-term relationships with supply chains
Strategic initiative: Align curricula at local TVET Colleges and tertiary institutions

**Brief description:**
Revision of outdated curricula to match the skills required to effectively meet demands of market

**Key outcomes:**
- Capable and work-ready graduates
- Future-orientated skills (trends and technology)
- Graduates with business / financial management training
- A solid understanding of fabrics by retail buyers

**Priority:**
Medium

**Commencing:**
Short term – Phase 3

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Identify all local institutions that offer textiles and clothing industry-related courses (e.g. TVET and Fashion Colleges, universities, UoTs)
- Engage with institutions to understand current curricula content
- Engage with core skills task team to establish the key skills requirements currently (e.g. buyer training to include fabric understanding) and in the future (e.g. technological advancements etc.)

**Key benefit:** Supply of qualified graduates with skills aligned to needs of the industry

**Links to other strategic ideas:**
- Alignment of demand and capability
- Skills Development Framework
- Design and Innovation capability development

**Any dependencies:**
- Willingness of institutions to update and change curricula
Strategic initiative: Attract youth through marketing and education channels

**Brief description:**
A focused drive to change negative perceptions held by youth about the textiles and clothing industry

**Key outcomes:**
- The industry seen a desirable career choice
- Young people entering the industry

**Priority:** Medium
**Commencing:** Short term – Phase 3
**Industry champion:**
**Support resources:**

**Links to other strategic ideas:**
- Branding and Marketing Strategy
- Process and technology re-engineering
- Leadership and management development

**Key steps to include:**
- Marketing strategy to include youth as a key target audience
- Key messages to focus on technology and innovation (bio and nano tech, automation, robotics etc.)
- Textile and Apparel to be a more prominent sector showcased at career fairs
- Identification of innovative approaches to recruitment

**Key dependencies:**
- Success of marketing and branding strategy
- Industry becoming more vibrant, innovative and competitive

**Key benefit:** Replenishment of capability and skills into the future
Transformation strategic initiatives

**Short term**

1. Benchmark industry players against national transformation agenda

2. Change management intervention within organisations around transformation

3. Strategy and focused drive to improve transformation within ISCs

4. Explore options to leverage offset project opportunities to fund and grow industry

**Medium term**

5. Develop strategy for attracting black entrepreneurs

**Long term**

**Milestones:**

**ST**
Commitment to transformation agenda and goals

**MT**
- Black ownership in established firms
- Increased presence of black SMMEs

**LT**
Cotton industry transformed
Strategic initiative: Benchmark industry players against national transformation agenda

**Brief description:**
Measure current status of industry players against national transformation requirements

**Key outcomes:**
- A clear understanding of progress to date to act as a benchmark from which to track progress going forward
- Identification of transformation ‘hotspots’ that need particular attention

**Links to other strategic ideas:**
- Alignment between demand and capability
- Sustainability Standards
- Integrated Supply Chains

**Priority:** High

**Commencing:** Short term – Phase 1

**Industry champion:**
Support resources:

**Key steps to include:**
- Review detailed B-BBEE scorecards of each supplier within selected ISCs to identify key areas of challenge and opportunity
- Identify quick win opportunities for the short-term including training services and skills development
- Identify recommendations to address hotspots in the long term (including establishment of consolidated industry-level Supplier and Enterprise Development funds)
- Identify best practice firms for potential replication across the industry
- Benchmark firms against new codes when firms are re-audited (over the next 3 years)

**Key benefit:** A first step to transforming the industry
Strategic initiative: Change management intervention within organisations around transformation

**Brief description:**
A focused drive to facilitate understanding of the importance and value of transformation

**Key outcomes:**
- A clear understanding around the need for transformation
- Awareness around the benefit / business case of transformation within firms

**Links to other strategic ideas:**
- Benchmarking transformation
- Leadership and management development

**Any dependencies:**
- Openness and willingness of firms to engage on this

**Priority:** Medium
**Commencing:** Short term – Phase 3
**Industry champion:** Support resources

**Key steps to include:**
- Engagement with transformation experts to understand requirements
- Transformation workshops to include new requirements, their implications and potential benefits to the company
- Innovative ways to achieve broad-based empowerment

**Key benefit:** Improved buy-in around the necessity for transformation
Strategic initiative: Strategy and focused drive to improve transformation within ISCs

**Brief description:**
Develop and drive the transformation strategy within ISC players

**Key outcomes:**
- Assistance in achieving transformation within firms
- Socio-economic upliftment of previously disadvantaged individuals

**Links to other strategic ideas:**
- Benchmarking transformation
- Change management
- SMME incubator programme

**Any dependencies:**
- Openness and willingness of firms to participate in this

**Priority:** Medium

**Commencing:** Short term – Phase 3

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Engage with government officials around implications of new codes and various options to comply
- Assist government in understanding challenges in driving transformation in the industry
- Identify opportunities for supplier development such as SMME Incubator Programme
- Link SMME incubator to Enterprise Development points
- Look to leverage international offset projects

**Key benefit:** Broad-based empowerment across the industry
## Strategic initiative: Develop strategy for attracting black entrepreneurs

### Brief description:
Develop specific approach to targeting black entrepreneurs into the industry

### Key outcomes:
- Transformation at ownership / management level
- Stimulation of SMMEs that will improve job creation opportunities

### Links to other strategic ideas:
- Marketing and Branding Strategy
- Funding to attract black entrepreneurs
- Cotton-specific policies and incentives

### Any dependencies:
- Government support

### Priority:
Medium

### Commencing:
Medium term

### Industry champion:

### Support resources:

### Key steps to include:
- Scoping exercise to determine main reasons why black entrepreneurs would not be attracted to the industry
- Study to establish the key requirement for entrepreneurs
- Advertise opportunities on well-known platforms used by the local entrepreneur community
- Leverage government’s Black Industrialist Programme

### Key benefit: Development and transformation of the industry through the entry and development of black entrepreneurs
Industry structure strategic initiatives

**Short term**

1. Establish capability for strategy implementation and M&E
2. Use incubator programme to develop SMMEs throughout value chain
3. Develop firm-level strategies
4. Identify existing natural hubs and develop support service requirements
5. Develop strategy to become gateway for sustainable products from SSA

**Medium term**

6. Develop new hubs in strategic locations

**Long term**

**Milestones:**

**ST**
- Strong collaboration through ISCs and Cluster initiatives

**MT**
- Improved co-ordination of industry

**LT**
- Efficient geographic configuration of industry

1. Examples ribbing, button, zips, elastine, thread
Strategic initiative: Establish capability for strategy implementation and monitoring

Brief description:
Develop a robust framework and structure within which to effectively implement the strategic plan

Key outcomes:
- Clear accountability for the strategy
- An effective capability with the mandate and means to execute the strategy
- Strategic objectives and targets met

Links to other strategic ideas:
- Links to all other initiatives

Any dependencies:
- Leveraging Cotton SA's role

Priority: High
Commencing: Short term – Phase 1
Industry champion:
Support resources:

Key steps to include:
- Establish governance framework
- Define metrics & KPIs to measure the implementation
- Setup monitoring and evaluation capability (including reporting structures)
- Develop charters for the above including purpose & mandate, roles & responsibilities, processes, and templates etc.
- Mobilise required capabilities, structures and processes

Key benefit: The means to execute the strategy and realise the objectives and targets.
## Strategic initiative: Use incubator programme to develop SMMEs throughout value chain

### Brief description:
Establish, develop and grow SMMEs through the provision of support within an incubator framework.

### Key outcomes:
- SMMEs are given the support they require
- Programme is focused to achieve greatest impact
- Stimulation of SMME development and job creation

### Key steps to include:
- Identification of appropriate SMMEs within smallholder farming, weaving, design and CMT
- Finding funding for Incubator Programme
- Explore innovative models and ways to leverage larger firms to develop SMMEs (e.g. 'Kingsgate model' of renting out production lines)
- Investigate outsourcing smaller orders / overflows to maintain economies of scale while growing SMMEs
- Once established incorporate SMMES into ISCs

### Priority: High
### Commencing: Short term – Phase 1
### Industry champion:

### Support resources:

### Key benefit: Shared value throughout the industry

### Links to other strategic ideas:
- Integrated supply chains
- Quantifying job creation potential
- Strategic investment requirements

### Any dependencies:
- Access to suitable candidates
Strategic initiative: Develop firm-level strategies

**Brief description:**
Assist firms in developing their business strategies to improve competitiveness, sustainability and resilience

**Key outcomes:**
- Well-run, effective businesses
- Companies focused on what's important
- Offerings aligned to the needs of the market

**Links to other strategic ideas:**
- Integrated Supply Chains
- Leadership and management development

**Any dependencies:**
- Firms recognising the need for and importance of a business strategy

**Priority:** Medium

**Commencing:** Short term – Phase 2

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Identify suitable companies within ISC to approach
- Use a facilitated approach to assess the business and develop a robust strategic plan
- Provide a mechanism to track and enable roll out of the strategy

**Key benefit:** supplier firms with strategic know-how to compete and meet the needs of the market
Strategic initiative: Identify existing natural hubs and develop support service requirements

**Brief description:**
Identify and develop the secondary support industry needs (e.g. trims) of natural / exiting hubs

**Key outcomes:**
- Leverage existing hubs and investments
- Hubs being bolstered with secondary support services (as per Porter's Diamond Model)
- Improved flexibility and speed to market as a result of proximity of secondary industries
- Improved collaboration and cooperation amongst industry players

**Links to other strategic ideas:**
- Assess alignment of demand and capacity
- Strategic investment requirements

**Any dependencies:**
- Collaboration between players within a common geographic region

**Priority:** Medium

**Commencing:** Short term – Phase 2

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Map out industry to identify areas of natural hubs
- Identify what is required to make these areas stronger
- Develop business case for requirements in terms of secondary support (e.g. buttons, zips, elastine, ribbing, thread)
- Attract and encourage entry into industry
- Develop secondary support services through mechanisms such as government incentives

**Key benefit:** Improved competitiveness of hubs
Strategic initiative: Develop strategy to become gateway for sustainable products from SSA

**Brief description:**
Develop strategy that would see SA becoming the gateway for sustainable products from sub-Saharan Africa.

**Key outcomes:**
- Global market captured for sustainable products
- Local industry strengthened through regional partnerships
- Local industry providing value adding services with broader economic benefits (regional sourcing, R&D, testing, logistics, marketing, IT etc.)

**Links to other strategic ideas:**
- Integrated supply chains (regionally)
- Research on climate change impact on cotton
- Govt engagement around their role in SSA gateway strategy

**Any dependencies:**
- The re-establishment of the Export council and govt recognising the importance of their role

**Priority:** Medium

**Commencing:** Short term – Phase 3

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Scoping exercise including economic analysis and investigation into regional infrastructural and logistics constraints
- Leverage and build on regional ISCs
- Identify value-adds that local industry can offer (including role of cotton SA and research into climate change impact)
- Look at South Korea as a case study (others could include Hong Kong, Singapore)
- Revival of export council

**Key benefit:** Significant contributor to the vision and long term outcomes of the strategy being realised
Strategic initiative: Develop new hubs in strategic locations

**Brief description:**
The creation of new hubs in strategic locations

**Key outcomes:**
- Re-industrialisation and development of industry targeted at strategically located hubs
- Optimally located hubs resulting in improved access to factors of production and markets
- Improved competitiveness and efficiency for firms in new hubs

**Links to other strategic ideas:**
- Target local investors and FDI
- Cotton-specific incentives
- Attract black entrepreneurs

**Any dependencies:**
- The industry being stabilised in the short-term

**Priority:** Low
**Commencing:** Medium term
**Industry champion:**
**Support resources:**

**Key steps to include:**
- Develop strategy and approach for establishing hubs
- Develop business model
- Identify opportunities for shared services (e.g. financial, logistics, investment in alt energy) - particularly important to SMMEs
- Collaborate with regional cluster initiatives
- Leverage support from govt (e.g. EDZ incentives)

**Key benefit:** Industry is optimally configured in terms of geographic location with access to infrastructure, raw materials, supporting industries and markets
Production best practice and sustainability strategic initiatives

**Short term**

1. Implement technology within ISCs to enable traceability and QR
2. Process and technology re-engineering within ISCS to improve productivity & efficiency
3. Research to understand impacts of climate change on cotton and cotton-growing areas
4. Develop Sustainability Standards across the value chain
5. Develop a Design and Innovation Strategy for cotton
6. Identify quick win opportunities to resolve external infrastructural constraints specific to ISCs

**Medium term**

- Strong evidence of WCM and sustainability thinking
- Key infrastructural issues tackled

**Long term**

- Globally competitive in sustainable cotton value chains
- Fully functioning infrastructure

1. Quick Response is a just-in-time inventory partnership strategy between suppliers and retailers aimed at reducing order response time, achieving greater order accuracy, reducing operating expenses, and out-of-stock situations; 2. Such as port, road, rail, water and energy
Strategic initiative: Implement technology within ISCs to enable traceability and Quick Response

**Brief description:**
Drive adoption of technology platforms (traceability and QR) within ISCs to enable strategic differentiators and facilitate global competitiveness

**Key outcomes:**
- Increased traceability and visibility across the value chain – measure sustainability and ensure traceability
- Ability to develop a sustainable cotton mark that is based on achieving an agreed standards benchmark
- Quick Response enabled in terms of access to point of sale data, forward planning and near real time stock replenishment

**Priority:** High

**Commencing:** Short term – Phase 1

**Industry champion:** Support

**Support resources:**

**Key steps to include:**
- Conduct audit to determine what systems are currently being used within ISCs
- Determine requirements to integrate with legacy systems
- Drive Traceability system implementation within ISCs
- Develop business case for QR
- Leverage aggregated data from platform in the long-term
- Link IT platform with sustainability standards as a way to measure compliance

**Links to other strategic ideas:**
- Integrated Supply Chains
- Sustainability Standards

**Any dependencies:**
- Willingness of ISC partners to adopt technology
- Funding availability for implementation of systems

**Key benefit:** enabler of ‘speed to market’ and ‘sustainability & traceability’ (key strategic differentiators)
Strategic initiative: Process and technology re-engineering within ISCs to improve productivity and efficiency

**Brief description:**
Re-engineering of supply chains in terms of processes and technology

**Key outcomes:**
- Weaknesses and gaps in local supply chains addressed through process and IT improvements
- Adoption of world class manufacturing practices within local firms
- Local firms achieving global competitiveness standards

**Priority:** High

**Commencing:** Short term – Phase 1

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Benchmark ISCs against global best practice production standards
- Drive ongoing improvement through M&E
- Identify and share practices of local success stories (e.g. Cell structures vs. production lines)
- Leverage regional clusters initiative to implement World Class Manufacturing Principles and a roadmap for WCM for the industry
- Develop a clean energy roadmap including green technology investment by the industry
- Leverage existing supplier development programmes (e.g. MRP’s Manufacturer programme)

**Links to other strategic ideas:**
- Alignment of demand and capability
- Economic analysis
- Strategic investment requirements

**Any dependencies:**
- ISC partners recognising the value of the re-engineering process

**Key benefit:** Globally competitive supply chains
Strategic initiative: Research to understand impacts of climate change on cotton and cotton-growing areas

**Brief description:**
Research to allow for strategic and informed decision-making around climate change

**Key outcomes:**
- Informed decisions around investment in farming sector – where is most suitable, bio-innovation, drought-tolerant varieties etc.

**Priority:** Medium

**Commencing:** Short term – Phase 2

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Investigate potential climate scenarios for the SSA region
- Compile appropriate strategic responses through multi-stakeholder workshops
- Attend international conferences to stay at the forefront of / exposed to cutting edge innovation
- Invest in water infrastructure and water solutions (e.g. drip irrigation)
- Form strategic partnerships with regions that will experience the lowest climate impact

**Links to other strategic ideas:**
- Sustainability standards
- Strategic investment requirements
- Gateway to SSA

**Any dependencies:**
- Funding availability

**Key benefit:** A proactive response to climate change scenario
Strategic initiative: Develop Sustainability standards across the value chain

**Brief description:**
Develop a set of sustainability standards that the industry should strive towards

**Key outcomes:**
- Truly sustainable supply chains tailored to specific sectors
- Material issues and hotspots addressed
- Lower impact on the environment
- Reduction in cost through less wastage and increased efficiency
- Establishment of an aspiration sustainable cotton brand

**Links to other strategic ideas:**
- Process and technology re-engineering within ISCs
- Climate change impact research
- IT implementation
- Marketing and branding

**Any dependencies:**
- The industry aligning and agreeing on a set of metrics

**Priority:** Medium

**Commencing:** Short term – Phase 2

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Multi-stakeholder workshops to develop and agree on a set of sustainability metrics and targets
- Build on existing standards (identified through desktop research) including BCI (Investigate possible opportunity with EU cotton standard)
- Develop broad common principles plus specific criteria
- Establishment of auditable M&E via traceability system
- Explore supplier certification (e.g. ISO / gold std)

**Key benefit:** ability to measure sustainability and track progress towards achieving cornerstone of the strategy
Strategic initiative: Develop a Design and Innovation Strategy for cotton

Brief description:
Develop a strategy that will set the local industry apart in terms of design

Key outcomes:
- Captured market for SA design
- Lower impact on the environment through ‘sustainable design’
- Continued use of cotton and preference for the fibre

Links to other strategic ideas:
- Skills Development Framework
- Align curricula at Colleges (i.e. Design)
- Partnering with global organisations
- Research in fibre space

Key steps to include:
- Working towards addressing the issue of design currently being completely de-coupled from retail
- Leverage pockets of excellence (e.g. The Sustainable Design programme at U.J, and N& L)
- Leverage Fashion Council initiatives
- Learn from design and innovation in the Home space
- Link design capability development to sustainability (e.g. recycled fibre, end-use, durability, circular economy etc.)

Priority: Medium
Commencing: Short term – Phase 3
Industry champion:
Support resources:

Key benefit: coordinated plan to develop ‘design and innovation’ as a core competency within the local industry
Strategic initiative: Identify quick win opportunities to resolve external infrastructural constraints specific to ISCs

Brief description:
Identify issues with infrastructure that can be addressed with relative ease

Key outcomes:
- Immediate positive impact as a result of addressing burning infrastructural issues
- Improved efficiency and possibly reduced costs by addressing infrastructural constraints / issues

Links to other strategic ideas:
- Integrated Supply Chains
- Government engagement around national issues
- Economic analysis

Priority: Medium
Commencing: Short term – Phase 3
Industry champion:
Support resources:

Key steps to include:
- Identify specific infrastructural constraints for ISC players through a stakeholder engagement process
- Compile a set of recommendations for govt to consider
- Lobby at national engagements

Any dependencies:
- Political will to address issues

Key benefit: Critical infrastructural constraints to competitiveness addressed
4. Engage with government around SSA Gateway Strategy

1. Engage with broader industry initiatives\(^1\) around national issues\(^2\) & future legislation\(^3\)
2. Engage with government around cotton-specific policy levers and incentives
3. Engage with labour around key issues

**Milestones:**

- **ST**
  - Demonstrated commitment and plans to address major issues

- **MT**
  - Major governance and compliance issues addressed (fabric issue, illegal imports, PPPFA, BCC)

- **LT**
  - An enabling legislative environment for the industry to operate within

1. Including other clusters & industry associations; 2. Most significant issues: illegal imports, under-invoicing & the fabric issue; 3. E.g. Carbon & Waste Tax
Strategic initiative: Engage with broader industry initiatives around national issues and future legislation

**Brief description:**
Engage with influential industry stakeholders and key industry associations (e.g., TCDC) to address national issues.

**Key outcomes:**
- Cotton industry represented and sufficiently involved on a national level.
- Stay abreast with agendas and programmes that may align with cotton industry.
- Traction on addressing national issues aligned to cotton industry agenda.

**Priority:** High
**Commencing:** Short term – Phase 1

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Identify task team to perform this role and engage various stakeholders and associations.
- Feed back to the cotton industry on most pertinent issues.
- Define what is required in the policy space with regard to levelling the playing field between us and regional competitors (i.e., value stream mapping).

**Links to other strategic ideas:**
- Gateway to SSA
- Cotton-specific policy and incentives

**Any dependencies:**
- Political willingness to address issues, and ability to align different agendas across industry, government and unions.

**Key benefit:** The cotton industry is kept up to speed on national issues and can effectively plan.
Strategic initiative: Engage with government around cotton-specific policy levers and incentives

**Brief description:**
Engage with government to influence policy levers and incentives that align with the interests of the cotton industry

**Priority:** High

**Commencing:** Short term – Phase 2

**Industry champion:**

**Support resources:**

**Key outcomes:**
- Cotton industry-specific support from govt to address most material issues

**Links to other strategic ideas:**
- Economic analysis
- National issues and future legislation

**Key steps to include:**
- Identify govt's boundaries / non-negotiable standpoints / political will to make changes
- Engagements to include current challenges as well as potential incentives to encourage industry growth such as promotion of local sourcing (e.g. rebates) and sustainable practices (e.g. solar power installation)

**Any dependencies:**
- Political willingness to address issues, and ability to align different agendas across industry, government and unions

**Key benefit:** Industry's plight is heard with potential solutions
Strategic initiative: Engage with labour around key issues

**Brief description:**
Engage with labour around labour issues most constraining to the cotton industry

**Key outcomes:**
- Improved understanding between unions and industry pertaining to the concerns and issues facing the labour market
- Key steps to address bargaining council representation and minimum wage levels

**Links to other strategic ideas:**
- Skills development framework

**Any dependencies:**
- Political will to engage and come up with a mutually beneficial solution

**Priority:** High
**Commencing:** Short term – Phase 2

**Industry champion:**

**Support resources:**

**Key steps to include:**
- Identify task team to perform this role and engage the unions and other stakeholders
- Set up recurring meetings with labour unions to keep communication channels open
- Explore political will to introduce productivity-linked wages
- Investigate revising of Bargaining Council structure

**Key benefit:** A key hindrance to industry growth improved
Strategic initiative: Engage with government around SSA Gateway Strategy

**Brief description:**
Engage with government to promote and get support for the SSA gateway concept and strategy

**Key outcomes:**
- Support from government in positioning SA as gateway to SSA for sustainable product, including diplomatic support, trade support, incentives, policy levers etc.

**Links to other strategic ideas:**
- SSA Gateway Strategy
- Integrated Supply Chains (regional)
- Branding and marketing strategy

**Any dependencies:**
- Political will and buy-in

**Priority:** High
**Commencing:** Short term – Phase 3
**Industry champion:**

**Support resources:**

**Key steps to include:**
- Identify task team to perform this role and engage government
- Share SSA gateway strategy
- Lobby with government to get their support and to influence the policy space aligned to this strategy

**Key benefit:** SA becomes the sourcing destination of choice for sustainable product
Cotton Strategy: Phase 1 implementation overview

Strategy implementation and M&E

- Self-funding model
- Marketing & branding
- Sustainability standards
- National issues
- Benchmark transformation

ISC Portfolio

- Strategy
- Programme
- Reengineer & optimise

Alignment

Capability

- Incubator programme

Demand

- Retail
- Industry
- Government

Economic analysis

Strategic investment

Job creation and skills

Process reengineering

Traceability & QR

National issues

Farming

Ginning

Spinning

Weaving & knitting

Dyeing & finishing

CMT & design

Retail

Industry

Government

ISC Portfolio

Reengineer & optimise

Strategy

Programme

Economic analysis

Strategic investment

Job creation and skills

Process reengineering

Traceability & QR

Self-funding model

Marketing & branding
## Milestone plan for Phase 1

<table>
<thead>
<tr>
<th>Focus area</th>
<th>M1</th>
<th>M2</th>
<th>M3</th>
<th>M4</th>
<th>M5</th>
<th>M6</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy monitoring &amp; evaluation</strong></td>
<td>M&amp;E design and setup</td>
<td>Ongoing M&amp;E of the strategy implementation</td>
<td>Develop, reengineer and optimise ISCs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market growth</strong></td>
<td>Demand &amp; capability alignment / ISC portfolio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Finance &amp; funding</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Self-funding model – finalise and approve</td>
<td></td>
</tr>
<tr>
<td><strong>People</strong></td>
<td></td>
<td></td>
<td></td>
<td>Skills development framework</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transformation</strong></td>
<td></td>
<td></td>
<td>Benchmark transformation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Industry structure</strong></td>
<td></td>
<td>Incubator programmes to develop SMMEs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Production best practice &amp; sustainability</strong></td>
<td></td>
<td></td>
<td>Scope sustainability standards</td>
<td>Facilitate agreement on standards</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Policy &amp; compliance</strong></td>
<td></td>
<td></td>
<td>Strategy and plan to lobby national issues</td>
<td>Engagement with industry stakeholders to address issues</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
South Africa is the country of choice for sourcing selected sustainable cotton textile and apparel products

Global competitiveness
- Globally competitive sustainable cotton supply chains

Market share
- Captured significant market share in selected sustainable cotton products

Coppola products
- SA is the gateway for sustainable cotton products from Sub-Saharan Africa

Legislative environment
- An enabling legislative environment

Sustainable thinking
- Sustainable thinking at the core of the cotton industry

A stable labor environment
- A stable labor environment

Cotton industry
- Cotton industry is a significant contributor to sustainable employment

Smallholder cotton farming & SMME CMT & design sectors
- Vibrant smallholder cotton farming & SMME CMT & design sectors

Cotton industry
- Cotton industry provides true transformation opportunities

Preferred future outcomes

Differentiators

Vision

Purpose

Focus areas

Market growth

Finance & funding

People

Transformation

Industry structure

Production best practice & sustainability

Policy & compliance

A thriving industry that produces cotton textile and apparel products in a sustainable way