

# Why expanding your business reach with an ESD programme matters

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Giving small businesses the tools they need to succeed is crucial in ensuring economic sustainability in Africa. As part of our own drive to power better lives in Africa and beyond, we have developed programmes aimed at assisting the small enterprises we engage with.



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While these initiatives have proven to be successful, we cannot do it alone. Business support practitioners are an important ally in amplifying this success. Business support practitioners need to find ways to encourage their small business clients to position themselves as enterprises that can supply goods and services to larger, more established firms.

## Enterprise and supplier development programme

We, for example, aspire to implement leading practices in ESD across some core functional areas, namely, preferential procurement, supplier development and enterprise development. Through this, we aim to promote economic transformation by giving entrepreneurs the tools they need to succeed. We also want to create competitive markets that will allow small businesses to participate, generate more jobs and contribute to sustainable communities.

The goal of our programme is to give businesses resources that they otherwise battle to have access to so they can grow. This creates opportunities for black-owned, black youth-owned and black women-owned businesses and suppliers, and, in turn, encourages economic growth by leveraging our purchasing power and capabilities to deliver sustainable stakeholder value.

Through active investment in diversifying the quantity and quality of vendors located close to our business operations, we can support economic transformation by growing the number and size of black-owned, black youth-owned and black women-owned businesses in Africa.

## **Establishing a partnership between suppliers and large firms**

Business support practitioners need to understand the objectives of the targeted company's ESD programme and strategy. This makes it possible for them to potential small business beneficiary with what the corporate is aiming to achieve. This also means a business support practitioner will have to get a sense of some of the areas where supply chain transformation is difficult for the big business.

Typically, large corporates do not struggle to transform their supply chains in non-core areas, but there are other areas where they battle to meet objectives and are considering unbundling large contracts to be able to engage smaller suppliers.

By becoming sub-contractors for bigger, more well-established businesses, SMMEs can enter a market that may otherwise seem unreachable. For example, a company with specialised skills may provide sub-contracting opportunities to smaller businesses to give them the skills and expertise necessary to operate within the relevant market. This provides the opportunity for ESD programme beneficiaries to bridge this gap in the market by providing the goods and services needed by businesses within their community.

As a sub-contractor, a small business has the opportunity to operate under the umbrella of the main contractor. This protects the sub-contractor from failure while allowing them to learn from the venture. It also means that smaller businesses can work on a portion of the project that they can base on their experience and capital available. Ultimately, this learning experience nurtures businesses to a point where they can bid for their own contracts.

It is important to remember that just as the supplier is embarking on a journey to enter a complex market space, the corporate is also on a journey of their own: a journey of transformation. This is not an overnight change, and all parties involved need to remain mindful of this.

## **It's in everybody's best interest to support small businesses**

It's more than simply offering financial support to ease cashflow; we need to ensure that businesses have the support and advice necessary to survive. Training and development are the keys to success, especially when it comes to reaching predetermined targets. By looking at ESD in this way, you will be able to transform your supply chain and your business.

### **ABOUT THE AUTHOR**

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