

Insurance companies launch development programme

Hollard Insurance Company and Telesure Investment Holdings, owner of Auto & General Insurance, 1st for Women Insurance, Budget Insurance and Dial Direct Insurance, have launched a pilot development programme for small motor body repairers (MBRs).



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The programme seeks to lessen the barriers to entry for small motor body repair companies by empowering them to meet the requirements of preferred supplier status and therefore receive a steady flow of business.

With an estimated nine million cars on South African roads, and roughly only a third of them insured, the motor-repair industry has no shortage of suppliers. Preferred suppliers end up claiming the bulk of the millions spent every year. This programme seeks to lessen the barriers to entry for small motor repair companies.

Seven MBRs have been selected to participate in this programme which includes a business assessment, the identification of specific business needs and a customised mentoring programme. A business diagnostic exercise to determine specific interventions for each MBR has already been conducted.

Enterprise development

Enterprise development is an important aspect of broad-based black economic empowerment (BBBEE), and it is intended to drive the transfer of skills and resources from large companies to smaller black-run companies. The Department of Trade & Industry's Codes of Good Practice rate a company on a mix of monetary and non-financial support of small to medium-sized black owned businesses as a percentage of net profit after tax (NPAT).

"This collaboration between Hollard and Telesure is an industry-first and something we are both very proud of and passionate about," says Tom Creamer, managing director of Telesure Investment Holdings. "Together, we hope to develop sustainable businesses that will continue to grow long after the pilot is over. We also hope that this programme can become a benchmark for enterprise development in the insurance industry so that other entrepreneurs can benefit from the right

nurturing and mentorship."

Anton Botha, general manager of Personal Lines at Hollard, says the promise of a regular flow of cars to the MBRs, together with their increased capacity to properly service those vehicles and customers, will lead to their sustainability and increased employment opportunities. "Together, we hope to make a meaningful contribution to South Africa's economic growth and ongoing development by equipping previously disadvantaged South African entrepreneurs with sufficient capacity to further South Africa's social change and economic development."

Key issue

One of the key issues affecting small and medium-sized enterprises (SMEs) entry into big supply chains, is the fact that that most of the SMEs lack procurement readiness. Procurement readiness is a measure of the extent to which SMEs are ready to provide goods and services both to end-customers, and more particularly to potential procurers.

This readiness has various components such as business process readiness, operational readiness, and a mindset readiness which includes professionalism of communication and interaction, delivery orientation and a desire for growth. This programme seeks to lessen some of these barriers to entry.

A structured process of training, development and mentoring as well as business assistance will be offered to each MBR according to their specific needs, in order to achieve economically viable and sustainable business operations. The businesses will also receive training on HR management, vision and leadership skills, financial management, marketing and other key competencies essential to their business.

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