

ProfitShare Partners' Andrew Maren talks financial inclusivity as a business imperative

By [Andrew Maren](#) , issued by [ProfitShare Partners](#)

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SMEs in South Africa employ around 47% of the workforce, contributing to innovation, technological advancement and a range of services that all add to our country's economic growth. Andrew Maren, founder and CEO, ProfitShare Partners, says supporting SMEs' economic inclusion as a business imperative is critical, and should be a priority to help avoid job losses as we head into 2021.

Loosely defined as enabling the equality and availability of access to financial services, financial inclusion is not just an opportunity, but a business imperative.

When businesses and individuals are given a fair chance at accessing affordable and timely financial products and services such as banking facilities, loans and insurance products, it puts them on fair footing in a market where their service often matters more than their size.

According to Nazmeera Moola's article "South Africa must support SMEs to save jobs" published by *Business Maverick*: "The SME sector is most critical as an employer. While it only pays about 6% of corporate taxes and accounts for 20% of GDP, small and medium enterprises employ about 47% of South Africa's workforce."

SMEs are also noteworthy in their contributions to economic growth, product innovation, technological progress and competitive advantage. Knowing all of this, why would we not consider financial inclusion a feasible business strategy, rather than a "nice to have"?

Benefits of inclusivity

When small businesses and entrepreneurs have access to financial services, doors are opened that reduce inequality, while enabling expansion and job creation. Families can invest in their own futures through education, savings and effective healthcare. Access to credit facilities opens a doorway to financial stability, such as home loans rather than rental accommodation.

More than this, a key benefit is dignity: 'Having enough' is often seen as 'being enough', and an SME given the financial backing to fulfil an order that may have gone to a larger firm is often the start of a successful journey to better prospects.

When more companies and financial institutions embrace economic inclusion as integral to their business, everybody wins. We can address the issue of inequality head-on and solve many of our most urgent economic problems with shared growth.

Companies like ProfitShare Partners are giving SMEs opportunities that have so far evaded them. By putting in the hard yards and actually obtaining an order from a large corporate, the SME is half way to economic inclusion. Getting the capital required to fulfil the order is what stands between that small operator and real financial freedom.

It behoves South African organisations to see the value in inclusion and encourage it where possible. It is so much more than financing a transaction – it is funding expansion and strengthening the country's economic backbone.

ABOUT THE AUTHOR

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