

SETTING THE SCENE: STRENGTH AND WEAKNESSES OF ENTERPRISE AND SUPPLIER DEVELOPMENT PROGRAMMES

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OUTLINE OF PRESENTATION

- Purpose of focus group discussion
- About ESD &
- ESD Programme implementation

PURPOSE OF FOCUS GROUP WORKSHOP

The purpose of the focus group discussion is to share insights into the ***Strengths and Weaknesses of Enterprise and Supplier Development Programmes.***

The focus group discussion is also an opportunity for participants to share their experiences in the implementation of ESD programmes, benchmark and learn from others about the successes and failures of ESD programmes implementation.

UNDERSTANDING ENTERPRISE DEVELOPMENT (ED) AND SUPPLIER DEVELOPMENT (SD)

ESD within the context of the BBBEE scorecard is defined as:

A program of developing Small and Medium enterprises, called beneficiaries, by investing time, money, and capital in order to contribute to the development, sustainability, financial independence, and operational independence of those beneficiaries.

ENTERPRISE DEVELOPMENT (ED) AND SUPPLIER DEVELOPMENT (SD) BENEFICIARIES

An **Enterprise Development (ED)** refers to the development of a company or individual that is not currently one of our active suppliers.

A **Supplier Development (SD)** refers to a beneficiary who is currently one of an organisation's active suppliers.

CHALLENGES FACED BY SMALL AND BLACK-OWNED SUPPLIERS

- Skills shortage to effectively manage their business;
- Strategic approach to the management of businesses;
- The strategic positioning of the business;
- Inability to sustain the business;
- location of the business (rural versus urban);
- Economic constraints for companies;
- Access to funding;
- Rigid procurement processes by companies;
- The lack of understanding of basic business management elements;
- inadequate management of the business;
- Inability to sustain the business;
- Inability to compile Annual Financial Statements and to interpreted them;
- Tax compliance and accountability;
- Managing cash flow;
- Drafting business proposals;
- Developing effective marketing plans;
- An understand of procurement processes;
- An understanding of supply chain processes;
- Access to funding;
- Supply of quality service and products;
- Development of sustainable business relations;
- Importance of managing contracts;
- Lack of understanding of Information Technology.

FINANCIAL AND NON-FINANCIAL SUPPORT

- Mentorship and business skills training.
- Grants and loan.
- Investment in beneficiary entities.
- Providing seed capital, or access to capital
- Early and/or timely payments for goods supplied.
- Infrastructure support to suppliers and other entities in the same area or community.
- Support by providing labour-intensive production and construction methods.
- Investment and support to enterprises operating in rural communities.

INDICATORS OF SUCCESSFUL ESD PROGRAMMES

- Clearly defined goals, objectives and targets.
- Skills developed by the suppliers on the development programme.
- Growth and progression of suppliers during the programme and after exiting.
- Suppliers opinion on the performance of the programme.
- Programme management's opinion on the performance of the programme.
- Stakeholder views on the performance of the programme.
- Performance of the programme in achieving its goals and objectives.

KEY QUESTIONS?

1. Do organisations have an effective ESD programme strategy?
2. What types of ESD interventions exists?
3. How do organisations implement ESD programmes (Planning, monitoring and reporting)?
4. Do organisations provide post ESD implementation support?
5. What are the socio-economic impact and benefits of ESD programmes?
6. What are the success factors & key performance indicators of ESD programmes?
7. What are the challenges of ESD programmes?

Thank you

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