

VIEW FROM THE **FLIP-SIDE**



Siphamandla Ndawonde, SME growth support manager at Edge Growth

“While both in-house and external incubation approaches have their pros and cons, the revised B-BBEE Codes require a shift away from traditional thinking towards a best-of-breed integrated incubation approach. External incubation programmes which do not recognise (or leverage) internal project leadership, fail to secure critical organisational buy-in from key decision-makers in business units such as procurement, supply chain and finance. Internal project leadership plays a key role in assisting enterprise and supplier development service providers to navigate around procurement processes, systems and contracting procedures – this is critical to achieving effective supplier integration.

Internal incubation programmes which focus strongly on supply chain integration but underestimate the expertise and knowledge required to grow a sustainable business, are merely setting SMEs up for failure. An SME can secure a contract but if they don’t have the capabilities and capacity to deliver on the contract, the objectives of incubation have failed. It is also worth noting that diversifying an SME’s customer segments is not the same as exposing an SME to a different customer within the same industry. In-house incubation without access to broad industry networks doesn’t expose SMEs to other customer segments and limits the growth potential of the SME.

Decision-makers looking to invest in effective enterprise and supplier development programmes should thus partner with a supplier that can offer them the best of in-house and external incubation. This can only be achieved through (i) best practice programme management that empowers internal leadership to align SMEs to supply chain requirements and (ii) world-class business development support which includes strategic growth support, mentorship, access to markets and access to funding.”