



# UNPACKING BARRIERS TO ENTRY



Stuart Townshend, Executive Director, Edge Growth

“In most cases, existing corporate procurement systems and processes were designed before enterprise and supplier development was introduced into the Codes. As a result, current processes and systems are typically complex and remain confusing (and often expensive) for SMEs to both access and comply with.

Now that supplier development has become a critical component of government’s socioeconomic development and job creation efforts, corporate procurement leaders have no choice but to accept and embrace the need for changes in their current practices. While a significant number still believe that supplier development should be contained to building capacity to accommodate SMEs within existing systems and supply chains, this change will not be significant enough. To address the short and long-term requirements, both need to be addressed in parallel and cooperatively.

In the short-term, adjustments to established systems will assist in quickly integrating capable SMEs into the system and building capacity in them to be bigger, better suppliers capable of navigating standard process for larger suppliers over time. In these instances, the real need is for corporates to focus their ESD initiatives on optimising the procure-to-pay process.

However, it is also critical to educate each SME supplier about how to do business with a corporate. The majority of SMEs have no prior experience of the corporate world or of working in their expansive supply chains. At Edge we have found that the corporate sponsor can play a big role here by, for example, providing education days, and training and support on the vendor adoption process.

Exposure to buyers is a real challenge for SMEs and is a common theme we encounter. At the same time, buyers cannot afford to meet and evaluate every potential supplier. By working with an experienced supplier screening and selection partner, this challenge is easily addressed and aligned with current and future opportunities for partnership.