

The deep impact of Sanlam's Enterprise and Supplier Development Programme



by Nozizwe Vundla,
head of the Sanlam Foundation



Average revenue growth of **24%** among participating businesses

Sanlam's Enterprise and Supplier Development (ESD) programme was set up seven years ago with the aim of supporting small- and medium-sized enterprises (SMEs) that are linked to Sanlam's supply chain and sales networks by enabling them to foster financial resilience, grow sustainably and transform. Ultimately, we hoped to help create opportunities for employment that will positively impact wider communities and South Africa as a whole. We are humbled that, to date, 356 new jobs have been created and 2130 jobs sustained through the programme.

The importance of the work we do in ESD has been emphasised by COVID-19. Small and medium-sized enterprises (SMEs) have, unfortunately, proved to be among the most vulnerable entities in our society. Our business development support enables them to develop sustainable businesses. Our intention is to help these businesses weather the storm as well as possible.

Our two-year-long programme incorporates subject-specific masterclasses facilitated by subject matter experts. These happen through bootcamps, one-on-one coaching with an assigned mentor and specialist projects run by expert advisors.

Over the past seven years we have been able to:

- Help create **356** brand new sustainable jobs
- Ensure the long-term viability of **2130** existing jobs
- Contribute towards revenue growth of, on average **24%**, across participating SMEs

Between 2013 and 2019, we worked with 40 SMEs and 186 financial planning businesses. We spent close to R48 million on procurement which was directed to the programme beneficiaries and nearly 20 000 hours on business development support. All the businesses on our programme are 100% black-owned, allowing us to make a strong contribution to the continued priority of economic transformation in South Africa. Over and above the business development support, another R26 million was paid to qualifying beneficiaries as direct SME growth investments. These business loans are facilitated through the ASISA ESD Fund in which we are also a funder.

Our programme looks to impart sustainable change to SME beneficiaries. It is structured over a two year period and provides best-

practice enterprise and supplier development support as follows:

YEAR 1:

- Facilitate a business diagnostic which evaluates the following areas of business: human resources, information technology, research and development, operations, administration and finance, marketing and sales.
- Develop a plan of action and support the implementation of the plan to structure each business area appropriately for the phase the business is in. This creates a structurally sound business with the robustness to take on growth.

YEAR 2:

- Develop a growth plan and support the implementation of the plan for the business.
- Finance the growth plan via the ASISA ESD Fund if needed and if it meets the finance criteria.
- Provide programme beneficiaries access to a grant funding facility which will finance or co-finance qualified business needs which meet the funding criteria.

We attribute much of the success of the programme to date to the robustness of the participation and

passion with which the Sanlam Foundation (as financier), ASISA and the appointed service providers are providing strategic direction to the programme and making sure the implementation

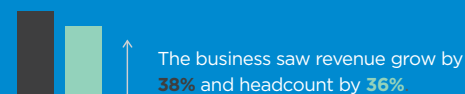
outcomes are reached. It is our belief that a customised approach to ESD and a hands-on business coaching philosophy have provided impactful change to our beneficiary businesses to date.

We are grateful for the positive results so far but know that there will always be room for innovation and improvement!



RISE UNIFORMS

One participant of the Sanlam ESD programme in 2018 and 2019 was Rise Uniforms, a national manufacturer and supplier of superior quality uniforms, corporate wear and complementary garments.



Ntombie Nonxuba, director at Rise Uniforms, says the mentorship was the standout component of the programme for her. "Entrepreneurship is a lonely journey. The Sanlam ESD programme allocated me a mentor which gave me a compass to navigate taking my business to the next level."

She says creating 13 new jobs between the start and end of the programme was a key achievement for Rise Uniforms, particularly as it operates in an area with very high unemployment levels. "The Sanlam ESD programme is structured to measure achievements as a key priority. Our main objective during the programme was to increase sales which meant we could increase our capacity and create new jobs."

Ntombie adds that she appreciated that the Sanlam ESD programme wasn't 'one-size-fits-all'.

"You and your mentor identify the projects you will be implementing in your business; these are not imposed on you."



NTI SOLUTIONS

Hannes Mouton and Marlon Parring are owners of NTI Solutions, an 18-year-old Cape Town-based business which is a one-stop-source for businesses to increase the efficiency of their operations with high quality, controlled building environment solutions. The business saw a massive growth in revenue while on the ESD programme with Sanlam. Marlon says,

"Businesses receive valuable support through mentorship and training. During our time on the programme, we were well supported by our mentors in evaluating the areas in the business that needed focus and shifting."

Hannes says that, out of several boot camps, there were two workshops that stood out, namely, the Growth Strategy and Investor Readiness workshops. "They were very relevant because our business had grown above 150% year-on-year - and we were grappling with how to sustain that growth. Growth comes with a set of different challenges; one of them was working capital. Through our mentor and the Sanlam ESD programme, we have pursued funding which is a challenge for most medium-sized businesses."

Hannes says the Sanlam ESD Programme also worked with them to appoint a marketing agency that helped NTI Solutions reposition and improve its brand image in the marketplace.

