

- Entrepreneurship
- Compliance
- Management Systems
- Raises Capacity & Adaptability
- Risk Management
- Skills
 - Technical
 - Personal
 - Business & Entrepreneurial

ENTERPRISE

SUPPLIER
DEVELOPMENT
PROGRAM

Third-Party Stakeholders

- Vendors
- Suppliers
- Dealers
- Consultants
- Contractors



WHAT IS ENTERPRISE SUPPLIER DEVELOPMENT

Enterprise Supplier Development (ESD) stands as a strategic cornerstone in driving economic transformation and fostering the sustainable growth of small and medium-sized enterprises (SMEs) in South Africa. Positioned as a vital component within the Broad-Based Black Economic Empowerment (B-BBEE) policy, ESD addresses historical economic inequalities in the nation. While simultaneously acknowledging small businesses as the backbone of the South African economy, they play pivotal roles in employment generation and overall economic expansion.

At the heart of the Enterprise and Supplier Development (ESD) element of the B-BBEE Scorecard lies a commitment to facilitating the support, development, and growth of small Black-owned businesses. Recognizing their significance, the goal is to enable these businesses to operate more sustainably and successfully. ESD, within the framework of B-BBEE, becomes a linchpin in fostering an environment where small businesses thrive, contributing significantly to economic empowerment.

4 PILLARS OF ESD

Preferential Procurement:



Companies are mandated to prioritize suppliers with at least 51% black ownership or significant black female ownership.

Supplier Diversity



This pillar seeks to enhance supply chain diversity by sourcing from companies owned by women, youth, and individuals with disabilities.

Supplier Development:



Involves offering support and assistance to existing suppliers, including training, mentorship, and access to financing and market opportunities, to enhance their performance and competitiveness.

Enterprise Development:



Focuses on supporting the growth and development of SMEs not yet in the supplier network by providing financing, training, mentorship, and market access.

Championing all 4 pillars of sustainability in your business, the four distinct areas :
Human, Social, Economic and Environment

Doing ESD Right

3% of your net profit after tax must be allocated to this all-important element, so it is critical to ensure that:

- your ESD contributions are strategically aligned with both your scoreboard and business objectives
- that your ESD program is carried out properly and in line with the requirements of the codes
- that beneficiaries experience the most positive impact possible and that your untimed verification is simple and risk-free

OBJECTIVE OF ESD

The overarching goal is to create a more sustainable supply chain by developing the capacity and capability of suppliers to meet the demands, of you their customers.

BENEFITS OF ESD

For Businesses:

- Enhances supply chain resilience and competitiveness.
- Reduces risk.
- Elevates the reputation of companies as responsible corporate citizens.

For the Broader Economy:

- Stimulates job creation.
- Promotes entrepreneurship.
- Contributes to the development of a more inclusive and sustainable economy

B-BBEE Element	Description	Maximum Number of Weighting Points Available
Ownership	Percentage of shares held by black individuals, assessed on Voting Rights, Economic Interest and Realisation Points	25
Management Control	Assessed at Board Participation and Other Executive Management; Senior, Middle and Junior Management; and employees with disabilities	15 (plus 4 bonus points)
Skills Development	Amount of money focused on training and development of employees, specifically focused on black employees	20 (plus 5 bonus points)
Enterprise & Supplier Development	Preferential Procurement focusing on higher rated B-BBEE rated suppliers, and Supplier Development for EMEs, SQEs and black empowered businesses	40 (plus 4 bonus points)
Socio-Economic Development	Annual Socio-Economic Development contributions	5
TOTAL		118

BEE Status–Level Changes

Note that to obtain **Level 1** contributor status, an enterprise must have 100 points or more.

For **Level 2** status, a score of a minimum of 95 must be attained and for **Level 3**, a score of at least 90 must be gained. To get **Level 4** status an enterprise must score a minimum of 80 points and at **Level 5** a minimum of 75 points. An enterprise will need a minimum of 70 points for **Level 6**, a minimum of 50 points for **Level 7**, and at least 40 points for **Level 8**.

Enterprises with scores less than 40 will be non-compliant. The above changes to the Broad-Based Black Economic Scorecard have far-reaching implications for businesses operating in South Africa. For the most part, Genericenterprises and QSEs can expect a drop of at least two to four levels in their BEE status, unless they've already made the necessary changes to ensure compliance with the priority elements and the sub-requirements. This will severely affect firms that have contracts with the Government or where their clients require a minimum Broad-Based Black Economic Empowerment status. Strategies that include getting black partners and empowering suppliers, spending more on skills development, and ensuring compliant management profiles will need to be implemented.

Strategic Imperative:

ESD is not merely a regulatory requirement but a strategic business imperative for companies operating in South Africa. Embracing ESD enables companies to create long-term value for their stakeholders and contribute to a more prosperous and equitable society. It goes beyond compliance; it is a strategic approach that aligns business growth with societal progress. By actively participating in ESD initiatives, companies can foster economic transformation, drive job creation, and contribute to the overall development of a more inclusive and sustainable South African economy.

WHY CHOOSE US ?

Choosing iSTEC for your Enterprise Supplier Development (ESD) program development and rollout is a strategic decision backed by over **15 years** of dedicated experience in supporting corporate companies to meet their ESD commitments.

Our focus spans 6 key areas:

1. SHERQ Management [Safety Health, Environmental, Quality and Risk Management (SHERQ)],
2. Supply Chain,
3. Project Management,
4. People skills,
5. Financial skills,
6. Compliance obligations, including Contractor Suppliers and Vendor Specifications.

At iSTEC, we define Enterprise broadly as activities that enhance the capacity (attitude, skills, and competencies) for invention, innovation, commercialization, technology acquisition, and founding new businesses.

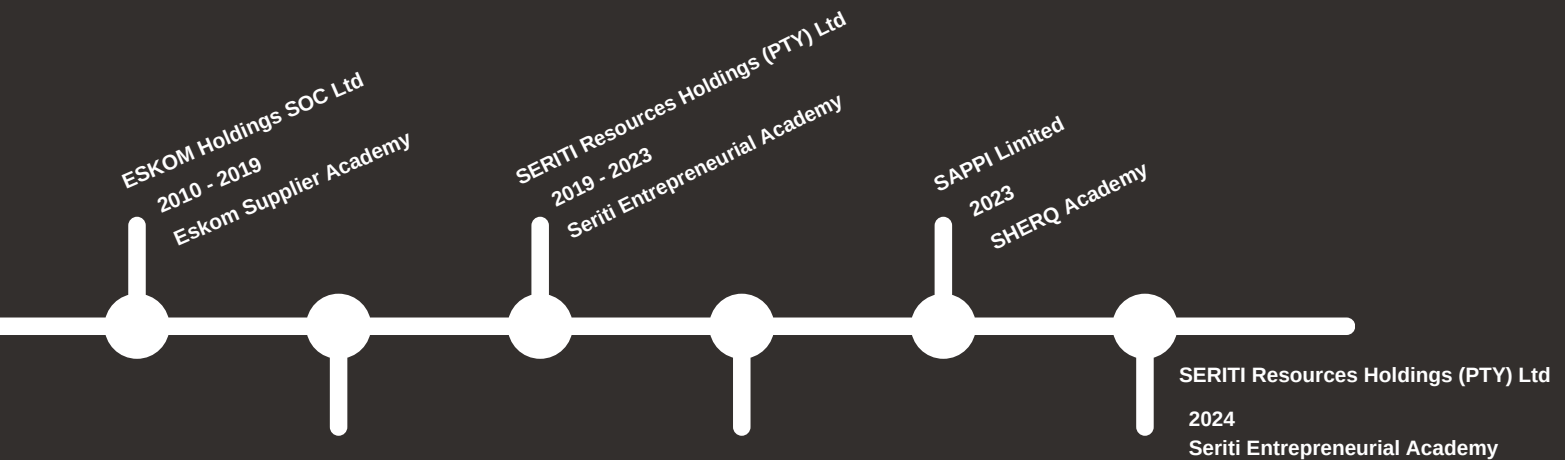
A well-crafted Enterprise Supplier Development (ESD) Program has the potential to be life-changing for small businesses by expanding their market access and aligning seamlessly with the B-BBEE Code of Good Practice.

By entrusting your ESD Program Management to iSTEC and Partners, you benefit from our expertise, risk mitigation, compliance assurance, and efficient achievement of your B-BBEE goals. **Our skilled team allows you to focus on core competencies while we foster meaningful relationships, facilitate sustainable growth paths, and offer access to networks and beneficiaries.** With cost savings, scalability, and flexibility, partnering with us optimizes resource allocation and budget utilization.

Rely on us to manage your ESD initiatives and unleash your organization's full potential.

iSTEC and Partners collaborate with client companies to assess, deploy, and maintain our education solution using technology in the community of choice for our clients. We believe that only through companies having a vested interest in the growth and development of their own communities can we truly achieve sustainable transformation for all.

PAST & CURRENT SUCCESS STORIES



PROUDEST ACHIEVEMENTS

More than 80 % of start-ups fail within the first 2 years, This program aims to equip SMME companies with the fundamental business skills to run their companies successfully. In the 15years we have achieved :

- Over 1800 companies trained since 2008/09,
- Program Graduates have successfully tendered and secured multiple supplier contracts,
- Program funders (clients of iSTEC) have grown significantly and in the process created new employment in their respective communities.

AWARDS- THREE INTERNATIONAL AWARDS WON.

- Best CSI project in SA
- American Chambers of Commerce- Gold Award
- Oliver Tambo Socio-Economic Development Award
- The program runs in partnership with the University of Limpopo and Edupark.
- Certificates are awarded by the University to successful students after completion of the 8-month program.

iSTEC's COMMITMENT

At iSTEC and Partners, we are committed to fostering impactful Enterprise and Supplier Development relationships that benefit both organizations and beneficiaries. If you're ready to unlock your business's potential, enhance your B-BBEE score, and support your growth strategy, contact us today. Our team of experts is prepared to assist you in achieving your goals.

Our Specialists



Professor Jo Nel

Education Expert & Higher
Education Representative



Mr Rowland Mundell

BBBEE Scorecard Expert



Mr Steph Prinsloo

Key Account Liaison



Mr Johan Taljaard

SHERQ Contractor
Academy



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CONTACT US TODAY FOR A MORE DETAILED PRESENTATION

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