



**east london idz**  
business streamlined



# GROWING SMALL BUSINESS

SMALL MICRO MEDIUM ENTERPRISES [SMMEs]



## PREAMBLE

*The ELIDZ's vision is to be a meaningful contributor towards the South African Government's objectives of furthering empowerment of previously disadvantaged individuals, sustainably developing local industry and improving skills to support localisation and industrialisation objectives.*

*The ELIDZ's mission is to transform its supplier base by engaging in targeted supplier development initiatives to support localisation and industrialisation whilst providing meaningful opportunities for South Africans with particular emphasis on:*

- **Youth**
- **51% Black-Owned Businesses; and**
- **30% Black Women-Owned Businesses**
- **People living with Disabilities**

*This will be achieved through applying creative approaches to procurement and influencing strategic partners to enhance the capability, capacity and efficiency of local suppliers.*

## INTRODUCTION

In response to both global and local calls for more inclusion and diversity in the market, the ELIDZ's Enterprise and Supplier Development Programme applies global best-practice principles to upscale and sustain entrepreneurs and small business suppliers with whom we partner. The ELIDZ Policy has set a compulsory corporate target of 30% SMME procurement spent.

The aim is to increase the participation of black-owned, female and youth owned Small, Medium and Micro-Enterprises (SMMEs) within both our own supply chain and in the wider economy.

This aim is realised through our innovative Enterprise and Supplier Development (ESD) initiatives.



# ELIDZ ENTERPRISE AND SUPPLIER DEVELOPMENT INITIATIVES

Provide a stepping-stone towards a more inclusive and empowered marketplace.

Adopting a blended approach, specifically packaged for the individual SMME, we support our beneficiaries in building high-performing businesses through:

- *Targeting designated groups through sourcing of goods and service using the Request for Quotation (RFQ) approach*
- *Early Payments of invoices within seven to fourteen to help the SMME to be cash-flow effective*
- *Collaborations with Development Institutions such as Eastern Cape Development Corporation (ECDC), Small Enterprise Development Agency (Seda), Broad-Based Black Economic Empowerment (B-BBEE) Commissioner, South African Revenue Service (SARS), National Treasury (Central Supplier Database) and Shanduka Black Umbrellas to mention just a few*
- *Organising targeted training to elevate the business owner(s) to be innovative in thinking, agile in business decision making, and be managers of high performing businesses*
- *Ensuring that Professional Consulting Service tenders in the Built Environment, the Project Manager, Architect / Principal Agent, and Quantity Surveyor employment of a minimum of one intern from designated groups for the duration of the project*

- *Ensuring that successful bidders who will be offering the same goods / services on a consecutive basis for contracts valued over R5 000 000.00 submit an SMME Supplier development plan to be agreed with the ELIDZ*

At the ELIDZ, we embrace our responsibility to engage proactively with the businesses in the communities in which we live and work. One of the ways we do this is, as a front-runner IDZ, is through the ELIDZ Enterprise and Supplier Development programme. The aim of these efforts is to create opportunities for qualified small enterprises to grow, nurture their businesses and engage in commerce with our organisation that helps promote our mutual success. The positive spinoff of this programme is accelerated development and access to market of Black-owned Small, Medium and Micro-Enterprises (SMMEs).

Our approach to SMME can be graphically explained as follows:



# DATABASE REGISTRATION PROCESS

- *The database focusses on preferential procurement acquisitions*
- *Application forms must be completed in full and returned to the ELIDZ Supply Chain Management Office together with all required supporting documents as stipulated on the application form*
- *All supporting documents must be valid and active at the time of submission*
- *Once verified the business will be registered on the database and the applicant will receive an email with the reference number of the business registered.*

## STRATEGIC PILLARS OF THE ESD DEVELOPMENT PROGRAMME

### Supplier Development Process:

- *Call for an Expression of interest for SMMEs to enter into the SMME database*
- *Ensuring that successful bidders who will be offering the same goods / services on a consecutive basis for contracts valued over R5 000 000.00 submit an SMME Supplier development plan to be agreed with the ELIDZ.*

### Enterprise Development Programmes

- *Rental incentives*
- *Reduced utilities and operating cost*
- *Funding of new innovations through STP.*

### Sustainable Opportunities

- *Identifying sustainable opportunities for SMMEs that are in the database through value engineering process (RFQ).*

### Training and Development

- *Contractors registered in the database are assessed in order to identify areas that require intervention. A training plan is then developed to facilitate Business Development interventions i.e. Construction Education and Training Authority (CETA) accredited skills programmes*
- *Skills transfer through contract awards.*

### Opportunities to Compliant SMMEs

- *Availing opportunities to qualifying / compliant SMMEs through tendering and quotation or any other form approved by the ELIDZ Procurement Procedures and policies.*

### SMME Technical Mentoring

- *Contracted SMMEs receive on site mentoring throughout the contracted period, from mobilisation to demobilization on site*
- *email with the reference number of the business registered.*

# B-BBEE COMPLIANCE PROGRAMME

The ELIDZ is committed to economic transformation and implementation of B-BBEE, as such, the organisation has a dedicated Enterprise Development and B-BBEE Compliance personnel to assist SMMEs with B-BBEE compliance.

## ELIDZ key focus:

### Exempted Micro Enterprises (EMEs)

An enterprise with an annual turnover below R10 million qualifies as an EME.

- *EMEs that are 100% Black owned automatically qualify as Level 1 BEE contributors*
- *EMEs that are at least 51% Black-owned qualify as Level 2 BEE contributors*
- *EMEs with less than 51% Black shareholding qualify as Level 4 B-BBEE contributors.*

### Qualifying Small Enterprises (QSEs)

An enterprise with an annual turnover between R10 million and R50 million qualifies as a QSE.

- *QSEs that are 100% Black-owned automatically qualify as Level 1 BEE contributors*
- *QSEs that are at least 51% Black-owned qualify as Level 2 BEE contributors.*

QSEs with less than 51% Black shareholding are subject to undergo the B-BBEE verification audit on all 5 B-BBEE elements:

- |                             |  |
|-----------------------------|--|
| – <b>Ownership</b>          | – <b>Enterprise and Supplier Development</b> |
| – <b>Management Control</b> | – <b>Socio-Economic Development.</b>         |
| – <b>Skills Development</b> |  |





The amended B-BBEE Codes of Good Practice promotes SMMEs access to procurement opportunities in that large enterprises have a target to spend a portion of their annual Total Measured Procurement Spend with EMEs and QSEs, as well as with majority black-owned enterprises.

EMEs and QSEs that are more than 51% Black-owned are only required to obtain a Sworn Affidavit on an annual basis, confirming:

- *Annual turnover of R10 million or less (EMEs) and / or Annual turnover between R10 million and R50 million (QSEs)*
- *Level of black ownership.*

The Sworn Affidavit must be signed by the Commissioner of Oaths as per the requirements in the Justices of Peace and Commissioners of Oaths Act, 1963 (Act No. 61 of 1963) and will be valid for a period of 12 months from the date signed by.

BLACK OWNERSHIP	BEE STATUS LEVEL	PROCUREMENT RECOGNITION
100% Black-owned	Level 1	135%
> 51% Black-owned	Level 2	125%
< 51% Black Owned EME	Level 4	100%
< 51% Black Owned QSE	Verification	Varies

The Sworn Affidavit template is available from the dti’s website – <https://www.thedti.gov.za/>



# BUSINESS OPPORTUNITIES WITHIN THE ELIDZ

AREA & SERVICE REQUIRED	OPPORTUNITIES
CONSTRUCTION	<ul style="list-style-type: none"><li>• Civil work and Building</li><li>• Refurbishment of buildings,</li><li>• Plumbing</li><li>• General repairs and Painting</li></ul>
PROFESSIONAL SERVICES	<ul style="list-style-type: none"><li>• Legal</li><li>• Consultants</li><li>• Auditing</li><li>• Functional training and Development</li><li>• Events management and coordination</li><li>• Media monitoring</li><li>• Advertising, Communication and printing</li></ul>
ENGINEERING	<ul style="list-style-type: none"><li>• Installation and upgrades</li><li>• New equipment</li></ul>
OPERATIONS/MAINTENANCE	<ul style="list-style-type: none"><li>• Equipment,</li><li>• Outsource service</li><li>• Maintenance estate/zone</li><li>• ICT infrastructure</li><li>• Repairs and Maintenance</li></ul>
ELECTRICAL WORKS	<ul style="list-style-type: none"><li>• Cabling</li><li>• Installations</li></ul>
SHEQ SERVICES	<ul style="list-style-type: none"><li>• Security</li><li>• Air monitoring</li><li>• Bush clearance</li><li>• Waste management</li><li>• Alien vegetation</li><li>• Grass Cutting</li></ul>
GENERAL	<ul style="list-style-type: none"><li>• Canteen and catering services</li><li>• Office Furniture</li><li>• Stationery</li><li>• General consumables</li><li>• Refreshments</li><li>• Printing</li><li>• ICT requirements</li><li>• Cleaning Materials</li></ul>



***east london idz***  
*business streamlined*

***For more information, contact the  
ELIDZ Supply Chain Management Department:***

Lower Chester Road, Sunnyridge,  
East London, 5201

PO Box 5458, Greenfields,  
East London, 5208  
Republic of South Africa

T: +27 (0)43 702 8200 | F: +27 (0)43 702 8251

E: [info@elidz.co.za](mailto:info@elidz.co.za) | [www.elidz.co.za](http://www.elidz.co.za)