

## Market access still a real problem for SMEs

Limited access to market is one of the fundamental barriers to South Africa's attempts to boost small and medium enterprises (SME). This is according to Heather Lowe, Head of Enterprise Development at FNB Business.



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"South Africa's approach to SME development needs to go beyond providing funding and early-stage mentorship. The country needs to find ways to help SMEs gain access into respective markets and form part of the broader supply chain. We have a number of successful industries and each should play a major role in promoting SME development."

In 2014, FNB introduced its supplier development programme as part of the Vumela initiative. The initiative incentivises corporate entities to integrate small businesses into their supply chain. The programme also funds SMEs to help them become consistent and reliable suppliers.

She explains that enabling SMEs to participate actively in the supply chain of major industries will contribute to building sustainable small businesses, which could become larger enterprises. However, she emphasises that public and private sectors need to find the best approach to enabling this process as corporate entities will need guarantees regarding delivery of services.

"It will be important to foster partnerships which transcend beyond funding because access to market will determine the longevity of small businesses. Even though we should continue to advocate for the establishment of more enterprises, we should be doing even more to ensure that the ones, which are currently operating, remain in business. This will give the country a solid foundation for economic growth and job creation," she says.

Earlier this month, the Small Business Development ministry stated that it intended to offer both financial and non-financial support to accelerate the development of the country's SMME sector. The Department indicated its willingness to work with the private sector in rolling out some of its programmes.

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