

Choosing the right enterprise development strategy



By [Catherine Wijnberg](#)

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The search for job creation and economic growth solutions in South Africa has reached a state of frenzy, with all echelons of government, many corporate leaders and a raft of civil society organisations stepping forward to try to solve this vexing challenge.

Such heightened activity is certainly justified. The very high unemployment rate, challengingly slow growth rate and increasing sense of disquiet across all communities gives cause for concern, both on a human level and for the stability of this diverse country of ours.

It is right to emphasise the building of a stable future in which businesses thrive, people have work, and taxes are used to build infrastructure and care for poor and destitute people. However, it is important to remember that this is not just a South African challenge - it is a challenge faced by the US, the UK, Zambia, Spain - the list of countries seeking job creation solutions is growing. What is increasingly clear to all is that the solutions are not simple, nor are they a quick fix or pain free.

Significant challenges

South Africa does have especially significant challenges, and the 2012 GEM (Global Entrepreneurship Monitor) report notes that entrepreneurship levels in South Africa are some of the lowest in the world. More alarmingly, they are also amongst the lowest in our own peer group of African countries, and getting worse. This is why the government has placed so much emphasis on enterprise development (ED), and especially supporting the growth of the SME sector, as a solution.

This increased focus (and funding) has led to some challenges of its own. The corporate change-maker, BBBEE scorecard practitioner or enterprise development manager looking to invest in high-impact programmes, ones that genuinely contribute towards solving unemployment and boosting small and especially black-owned business, is confronted with a frenetic explosion of "enterprise development specialists" and others offering potential solutions. The question is how to traverse this minefield and make the right choice?

The starting point is to recognise that creating lasting, sustainable businesses is neither a quick fix, nor a simplistic "point and do" opportunity, and no amount of marketing hype can change this. Enterprise development is a task for people with proven ability and experience in generating and growing sustainable businesses. It is not enough to focus on the theoretical domain of the business plan or the business training programme, nor simply to apply specialist financial acumen; a successful ED programme requires a practical "insider's" understanding of the organisations they are trying to assist.

In short, enterprise development is serious business - on which companies, entrepreneurs, individuals and our very future depends. For this reason, choosing the right ED solution for your needs is a critical function, one that requires the ability to cut through marketing hype to really identify the evidence and ability to achieve lasting return on investment, in terms of outcomes such as job creation and enterprise longevity.

Five key questions can help the ED, supply chain or transformation manager choose the right ED provider:

- **Evidence:** What evidence is there to show that this provider can achieve the required enterprise development results, such as business growth, job creation and business longevity?
- **Reputation:** Does the provider have the reputation for delivery and a proven history in ED? Does he display responsibility and reliability? Does he have a history of ethical and open relationships? Is this someone you would like to associate with?
- **Open:** Is the provider open to your input, scrutiny and genuine partnership? Is this a partner or simply a "tick-box" solution?
- **Verified:** Is there evidence of verifiable results, which can be used to verify BBBEE scorecards? Do tracking systems guarantee certification outcomes?
- **Added benefit:** What added benefit can this provider bring to the company? Cross-marketing, media, new business development?

Job creation is not a game we can afford to lose; it is a vital goal that can only be achieved if we create genuine growth in small and medium-sized businesses. Enterprise development choices made today will be the determinant of our future - clearly not something to be taken lightly.

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