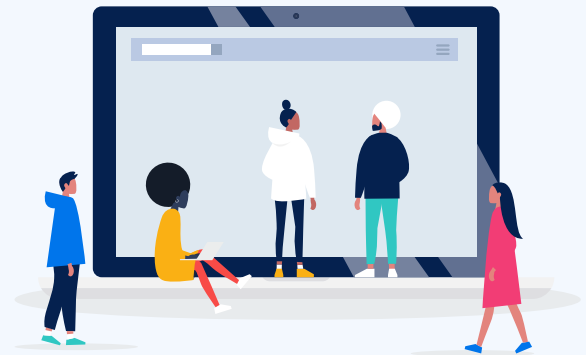


The conversion challenge: from development, to access, to procurement opportunities

In many countries, SMMEs (small, medium and micro enterprises) are regarded as the lifeblood of the economy. Yet they often find it difficult (and expensive) to market their goods and services through suitable channels and to connect with the right buyers.

As a result, many SMMEs cannot realise their potential. At the same time, corporate entities are often hard-pressed to find experienced and credible SMMEs from whom to source goods and services.

This can add to the challenge of building strong and sustainable supply chains. This opportunity gap is very evident in South Africa. Not only does it constrain business activity, but it also exacerbates inequality and postpones much-needed socioeconomic transformation.



What if there was an innovative solution to this problem? A solution that addressed the needs of SMMEs and corporate entities alike, while harnessing the power of digital technologies?

There is.
LINKAGE.

Introducing Linkage

LINKAGE is an integrated, cloud-based digital platform that facilitates seamless collaboration and transparency between stakeholders to achieve supplier diversity and small business development. It links SMME suppliers with corporate buyers in a large, virtual, curated market place.

Suppliers can display their goods and services and respond to requests for information or quotations, and buyers can evaluate suppliers and their offerings, and make informed choices – all in a secure online environment.

LINKAGE also has an ESD (enterprise and supplier development) component, which enables corporate ESD programme managers to help qualifying SMMEs become procurement ready. This expands the pool of talent available to corporates, while also contributing to national or industry-level transformation objectives.

Two of the main challenges that SMMEs face when trying to access markets and supply chains are:

- 1 A lack of contacts or networks
- 2 A lack of insufficient expertise

LINKAGE addresses both these challenges, offering a convenient marketing and communication platform to those who are ready to transact and a means whereby SMMEs can progress on their journey towards procurement readiness by joining a suitable development programme.



Corporate



Linkage



SME's

“ LINKAGE helps corporate entities find, develop and engage SMME suppliers – all via seamless, digital applications. ”

Where did it all start?

LINKAGE was developed by Hepsy Mkhungo and Mpopi Khupe of Zevoli Growth Partners, a women-owned company with a footprint throughout South Africa, whose focus is ESD strategy implementation and business optimisation.

They recognised that a key challenge facing their corporate clients was how to identify and retain quality SMME suppliers in order to ensure supplier diversity, build sustainable partnerships and serve their markets effectively.

Hepsy and Mpopi realised that a digital solution was required, with key features including time efficiency, cost-effectiveness and transparency.

LINKAGE provides all these things, and more.

By digitising the various steps involved in finding, developing and engaging new SMME suppliers, LINKAGE offers a streamlined, well-integrated experience.

“ The supply chain ecosystem is complex, with multiple stakeholders and varying interests. Collaboration needs to be the common language for the benefit of SMMEs. ”



The Problem

The problem that LINKAGE addresses has three dimensions:



Supplier diversity (a corporate problem)

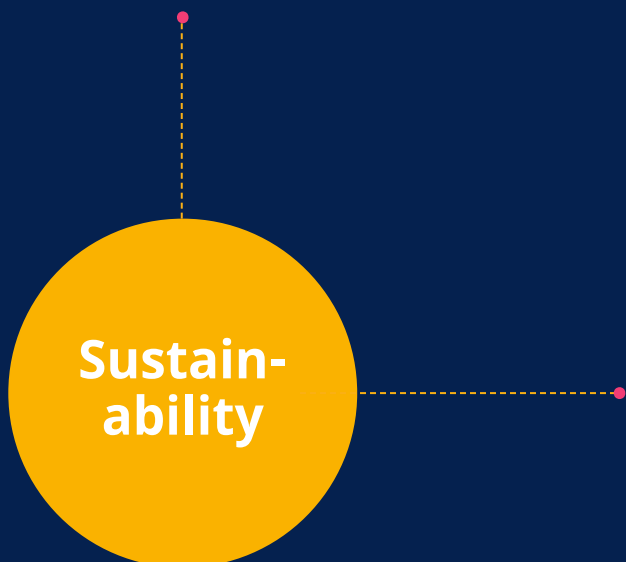
- ✓ Difficulty in identifying suitable SMME suppliers in different geographical regions and building a sizeable and varied supplier base;
- ✓ Difficulty in finding appropriate ways to publicise supply opportunities to SMMEs and generate useful responses;
- ✓ Difficulty in objectively assessing and comparing the credentials of SMME suppliers;
- ✓ The lack of curated platforms to give credibility to the recruitment process;
- ✓ Multiple, fragmented SMME interfaces in corporate systems;
- ✓ The lack of integrated supplier diversity and development modules in ERP (enterprise resource planning) systems.

Market access (an SMME problem)

- ✓ Difficulty in marketing goods and services to corporate entities and other potential buyers;
- ✓ Difficulty in learning about supply and funding opportunities offered by corporate entities;
- ✓ Difficulty in finding out the eligibility criteria for, and the process involved in, registering on a corporate supplier database.



Supplier development and sustainability (a corporate programme manager problem)



- ✓ Difficulty in interesting SMMEs in development pathways and programmes in the absence of actual procurement opportunities or commitments;
- ✓ Difficulty in ensuring that SMME suppliers can meet order requirements;
- ✓ Difficulty in reliably tracking, monitoring and reporting on SMMEs' progress during development programmes;
- ✓ Difficulty in converting SMME supplier potential into measurable growth as a way of determining ROI.

The Solution

LINKAGE offers an integrated solution to the problems of supplier diversity, market access, supplier development and sustainability.



Supplier diversity

Corporates (specifically their supply chain management team) can publicise supply opportunities by issuing requests for information/quotations on the LINKAGE platform. In this way, they can select from a wide range of SMME suppliers in different geographical locations, whose credentials have been evaluated and compared.



Market access

SMMEs, having registered on the LINKAGE platform and created a business profile, can view and efficiently respond to RFIs/RFQs (requests for information/quotations) relating to supply opportunities. SMMEs who are not procurement ready can join a corporate-run development programme and/or access funding with a view to enhancing their supply capacity.



Supplier development and sustainability

Corporates' ESD programme managers can use the LINKAGE platform to efficiently track, monitor and report on the progress of SMME suppliers participating in development programmes. This makes it easier to determine the impact of funding, mentorship or other interventions on SMME supplier performance and development, and to determine the overall value of the development initiative in terms of a few key metrics.

How Linkage works

The main categories of Linkage user and their respective responsibilities are:



SME Users

SMME users who are procurement ready and do not have any evident short-term development needs are graded as Platinum suppliers.

Other SMME users are participating in an ESD programme and are not considered procurement ready. They are graded as Blue, Bronze, Silver or Gold suppliers. A Gold supplier is one whose conversion to Platinum is imminent, with only a few areas in which full compliance must be demonstrated.

All grades of supplier:



Create and maintain a business profile.



Complete/assemble and upload necessary documents to facilitate grading.

Platinum suppliers:



Respond to publicised supply opportunities (RFI/RFQ).



Once engaged by corporate client, adhere to performance standards.



Apply for funding (if necessary).



Participate in capacity-building programme (if necessary).

Blue, Bronze, Silver and Gold suppliers:



Determine capacity-building and training needs.



Report on progress on development programme and apply new knowledge and skills.



Prepare to advance to post-development phase and secure additional support, if required.



SCM client users

SCM (supply chain management) client users are responsible for procuring from, and managing the corporate entity's relationship with, procurement-ready SMME suppliers.



Search for platinum suppliers.



Request selected SMMEs to obtain vendor number.



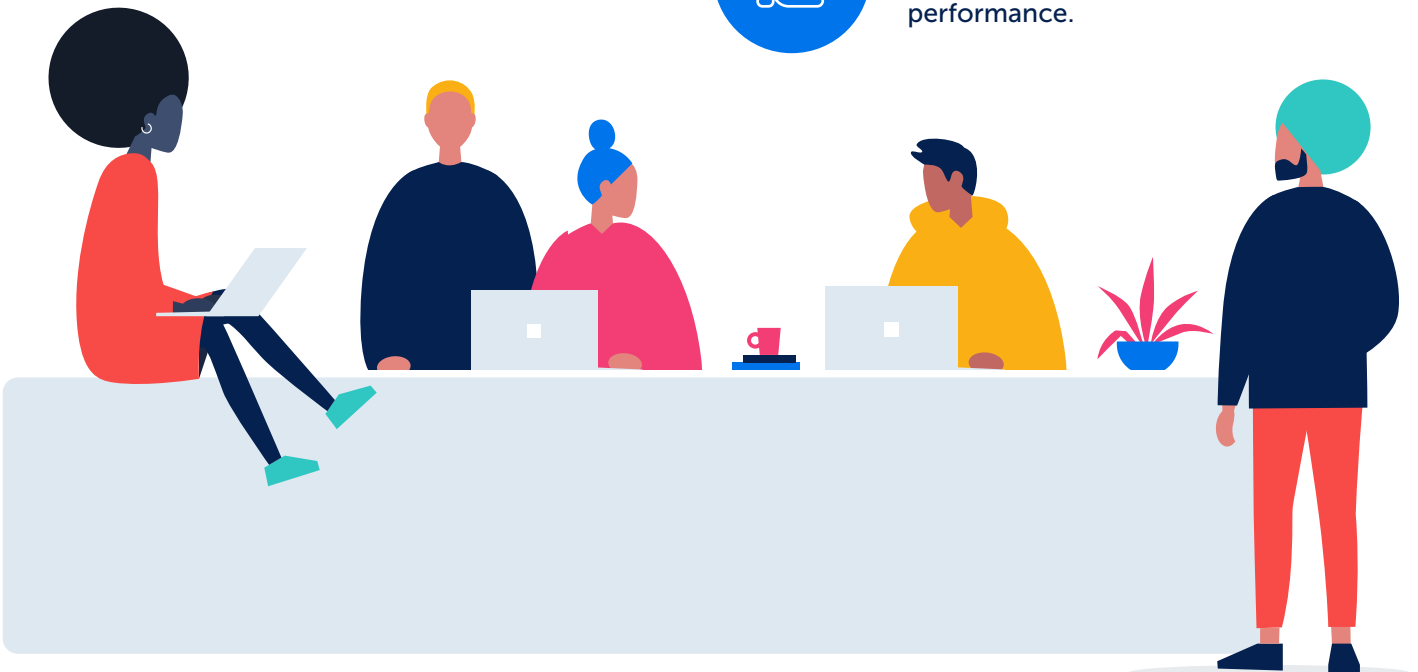
Publicise supply opportunities by issuing RFIs/RFQs.



Engage SMME suppliers and monitor their performance against agreed standards.



Review and report on SMME suppliers' performance.





ESD client users

ESD client users are responsible for sourcing and developing non-Platinum SMME suppliers, in line with corporate transformation and supplier development objectives.



Identify corporate development opportunities and needs.



Design and implement development plans.



Search for non-Platinum SMME suppliers to become potential ESD beneficiaries.



Monitor ESD beneficiaries' progress and facilitate post-development support, if required.



Recruit suitable ESD candidates and integrate SMME assessments.



Monitor and report on progress against overall corporate transformation and supplier development targets.

“ Linkage offers a single, integrated solution to multiple supply problems. ”

Summary of Benefits

- 1 It broadcasts supply opportunities to SMMEs, thereby facilitating greater market access and unlocking untapped supply potential.
- 2 It enables SMMEs to present their business profile and market their products and services.
- 3 It allows corporates' existing SMME supplier databases to be integrated into the online system.
- 4 It provides for the authentication and verification of SMMEs.
- 5 It lists SMMEs according to their grade/procurement readiness.
- 6 It enables corporates to build more reliable and sustainable SMME supplier networks.
- 7 It allows systematic monitoring and evaluation of SMME supplier performance.
- 8 It facilitates ESD (enterprise and supplier development) and shows progress in terms of the planned ESD life cycle.
- 9 It facilitates access to funding for SMMEs as part of an ESD programme.
- 10 It provides for extensive and varied management reporting.
- 11 It is deployed in a private network that is not exposed to the internet, while software backups are kept in secure cloud storage.
- 12 It can be accessed via all browsers and smart mobile devices.
- 13 The LINKAGE technical team continuously monitor the health of the various platform components and databases and provide technical assistance to users on request.



Want to know more about how LINKAGE can help you?



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