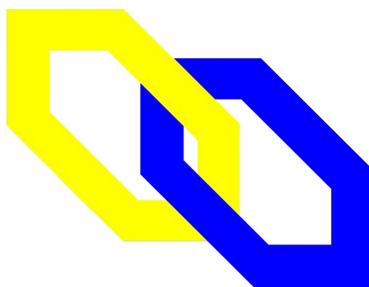


# Business Linkage Centre



Annual Report

2010 / 11

Middelburg Chamber of Commerce & Industry



**NPO Nr: 019338**

Est. 1903

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## **Business Linkage Centre Addresses**

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### **Office Hours:**

Monday to Thursday  
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08:00 to 17:00  
08:00 to 16:30

## ABBREVIATIONS

<b>BEE</b>	<b>Black Economic Empowerment</b>
<b>BIC</b>	<b>Business Investment Climate</b>
<b>BLC</b>	<b>Business Linkage Centre</b>
<b>Busmid</b>	<b>Business Middelburg</b>
<b>Chamber</b>	<b>Middelburg Chamber</b>
<b>DED/GTZ</b>	<b>German Development Co-operation</b>
<b>DEDP</b>	<b>Department of Economic Development and Planning</b>
<b>DBSA</b>	<b>Development Bank of South Africa</b>
<b>DME</b>	<b>Department of Minerals and Energy</b>
<b>dti</b>	<b>Department of Trade and Industry</b>
<b>ED</b>	<b>Enterprise Development</b>
<b>EME</b>	<b>Exempted Micros Enterprise</b>
<b>Eskom</b>	<b>South Africa's national electricity provider</b>
<b>FET</b>	<b>Further Education and Training</b>
<b>LED</b>	<b>Local Economic Development</b>
<b>LEDF</b>	<b>Local Economic Development Forum</b>
<b>Merseta</b>	<b>Manufacturing, engineering and related services education and training authority</b>
<b>MOU/MOA</b>	<b>Memorandum of understanding/agreement</b>
<b>MPCC</b>	<b>Multi Purpose Community Centre</b>
<b>NDM</b>	<b>Nkangala District Municipality</b>
<b>SACCI</b>	<b>South African Chamber of Commerce and Industry</b>
<b>SMME</b>	<b>Small, Medium and Micro Enterprises</b>
<b>ST LM</b>	<b>Steve Tshwete Local Municipality</b>
<b>Wits</b>	<b>University of Witwatersrand</b>

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## 1 INTRODUCTION

The growth of the local economy is important and everything possible should be done to stimulate economic growth. It is a known fact that the total local annual average economic growth over the past ten years has been 2.6% whereas the national average is 3.5% (BIC study) and this is a matter of concern not only to organised businesses (Busmid), but also to the local government.

Busmid started investigating in 2002 on how we can create a link between the different sectors in our local economy and decided to develop a Business Linkage Centre (BLC); this proposal was submitted at the Local Economic Development Forum (LEDf) to the Steve Tshwete Municipality (ST LM) in the beginning of 2007.

Various studies during the past few years it became apparent that there is a gap between large corporate companies, medium sized independent businesses and small and micro enterprises (SMME), with specific emphasis on the emerging SMME's.

Busmid is the unified business organization in the Steve Tshwete Municipality area. The Middelburg Chamber of Commerce & Industry, South-African Chamber of Commerce and Industry (SACCI), Middelburg Sakekamer (AHI) and Mhluzi Chamber of Commerce (NAFCOC), has been working towards a unified business organization since before 2000.

The Middelburg Chamber of Commerce & Industry (Busmid) act as communicator between SMME's and corporate companies and represents the business community in many ways.

It is with great pleasure that the BLC present the third annual report 2010/11.

## 1.1 BUSINESS LINKAGE CENTRE

The BLC aims to create a facility where basic business assistance with company registration and BBBEE certification is easy accessible. The BLC main function is to provide a link to 3<sup>rd</sup> parties in order to support, advice and assist SMMEs as well as corporate companies' enquiries. The BLC also provide services of procurement information and training sessions.

### 1.1.1 BLC Services

- Supplier application registration

BLC assists SMME's to complete supplier application forms which apply to be a vendor of one of the investors'. Assist SMME's to help register them on corporate companies' database.

- Company registration

A small number of businesses were registered through the BLC channel

- BBBEE certification

Numerous BBBEE certificates have been issued within the BLC channel. This assist companies to have certificate or companies whom needs to claim BBBEE points for scorecard.

- Training sessions

Continuous training is available at the centre through accredited training providers.

- Preferential Procurement

With the extensive database the BLC would like companies to use this facility for their own advantage, on this database one will be able to source a BBBEE accredited supplier (supplier search) with all necessary documents and in the end develop a small enterprise and score preferential procurement points. An added on bonus to this database is the quick referencing and track record system.

This service expands even further by taking SMME's that cannot or is not ready to register on companies' database and provide them with assistance and guidelines in order to improve them. This is also a value added service to both parties.

- Tender service

With the tender service also to provide the enterprises with available tender and procurement information that's available from public and private sectors through internal services, tender bulletins, newspapers and business relationships.

A text message system has been introduced to inform SMME's of tender opportunities. This is creating interest and is adding value to the BLC members. BLC members interested in more information have to collect the information from the office or via e-mail.

- Projects

On the projects side of the BLC it is very crucial for companies to invest in this platform in order for the BLC to co-fund projects with public and private sector.

The BLC provides an easy accessible and trustworthy platform for Corporate Companies that need to invest money in Corporate Social Investment, Enterprise Development, Skills Development and training. The Chamber provides all the necessary documentation in order to claim BB-BEE points for the BBBEE scorecard.

- Linking mechanism

The BLC provide a link between all size enterprises and all can benefit from the BLC in the many ways on both the buy and the supply side.

The main function from the BLC is to provide a linking mechanism to 3<sup>rd</sup> parties for sector support.

On both sides the BLC strive to minimize administration and to coordinate activities.

Linking to parties who can assist with grants or Government Grants/incentives.

- Maps

Provide coal field maps, platinum field maps and gold field maps.

## **2 MANAGEMENT AND COMMITTEES**

### **2.1 INVESTORS COMMITTEE**

This committee is made up of representatives from the corporate investors. The purpose of this committee is to manage policy formulation and core business service.

### **2.2 MANAGEMENT – DAILY ACTIVITIES**

Anna-Mart Ott is the Chief Executive Officer of Busmid, with a well-organized team of personnel working for the last few years under her supervision. As the BLC has only been formally established in February 2008 the full staff complement has not been employed.

Valerie Pienaar is the Business Linkage Officer (Project Manager) and is developing the services offered and is ensuring with the combination of a variety of specialized information and capabilities. A relationship of reliability and credibility are created with their customers to ensure customer satisfaction. Valerie is registered with the institute of business advisors (IBA) and is accredited by business skills of South Africa (BSSA) as a support trainer.

### **2.3 FINANCIAL CONTROL**

The financial statements of the Middelburg Chamber of Commerce & Industry are audited annually by Sentinel Auditors

Due to the size and the turnover of the organization, Middelburg Chamber is exempt from the Employment Equity Act and Broad Based Black Economic Empowerment scorecard, and is currently a BBBEE Level 4 contributor.

## **3 BLC IMPACT FROM 2008 - 2010**

- The BLC currently have more than 100 SMME's registered on the database, SMME's from Hendrina, Arnot, Witbank, Delmas and Middelburg. The BLC went to most of these towns for SMME registration due to public transport difficulty. Bringing information to them and not expecting SMME to come to the BLC.
- This database contains information of the SMME's, trade references, company registration documents, tax clearance certificates, industry related certificates, copy of ID's, CV's and bank letter confirming bank details. If the SMME wasn't able to supply BLC with this information, the SMME received guiding assistance from BLC in order to provide necessary documents. BLC had a profound effect on this guiding need from SMME's.

- The DTI approved BLC as ED project
- Columbus Stainless and BHPBilliton received recognition for BBBEE scorecard
- Addressed ICT shortage: computer training
- 2 successful projects: Samancor (assessed, trained and mentored 36 candidates through ESA) and BHPBilliton (100 SMME's trained on marketing and financial training through BSSA)
- Various successful registrations of SMME's on Eskom vendor database
- Kusile project forum (NDM and Wilge offices)
- Tender amount of tenders through BLC >20 Million received from: Columbus Stainless; Eskom; Steve Tshwete LM; Samancor Chrome; Roshcon and Nkangala DM and various other contractors
- Addressed skills shortage: Career Expo
- Addressed investors constraint/Marketing issue: Investors' Guide
- Successful completion of the BIC process or project
- Registrations of SMME's in Emalahleni and Delmas areas
- CPLGF Bid – Leeds successful procurement workshop
- Germany study tour – local economic development project

#### **4 BLC IMPACT 2010 – 2011**

- DTI IT-Portal relationship building
- Columbus successful completed phase 1 project on basic computer training, to implement phase 2 - intermediate on computer training
- Valerie nominated to participate in international leadership training program for 12 months in Germany
- Eskom supplier forum – registered participating SMME's on vendor list
- 2<sup>nd</sup> Annual Local Career Expo 2010: 11-13 May 2010 – report available: 2600 learners through the doors, 1730 scholars assessed and 25 schools participated.
- BLC to do more training sessions for Chamber members
- CV sending to placement companies and supplier search
- Project visit Leeds: 17-24 July 2010 - full report available
- BLC will be participating in the community development forum
- Implement and complete BHP project phase 2, three training courses: source documentation; effective management and Tendering Skills.
- Leeds project visit – Best Practice project with Leeds City Council

- Samancor – internally established transformation department at Head Office in order to manage ED projects basically an internal BLC model which they've learned from BLC Middelburg.
- Low-veld Chamber also in process of establishing a BLC after the successful report from German Development Cooperation.
- BLC provided marketing training for Chamber members
- Use SMME for CK registrations – our enterprise development project

## **5 OBJECTIVES FOR 2011**

- BLC in Emalahleni (Satellite office) together with Emalahleni Local Municipality and BHPBilliton
- Registration of BLC as PBO/NPO in order to issue article 18A certificates to corporate companies for tax claims.
- Various new Enterprise Development projects and to successfully implement complete current projects
- BLC to keep IBA status
- BLC to get accreditation from BSSA to be lead trainer
- More linking of SMME's to Companies through tender or supplier search service
- Partnership with Merseta (Await feedback) and FET college (already established in 2010 but to maintain)
- Developed SMME database – internet access for STLM (CPLGF project a focus)
- Website - Username and password to access information and interactive website – Information already available on internet to view or to download
- Marketing relies on word of mouth but for 2011 we want to communicate our successes
- Continuously update 3<sup>rd</sup> party model
- Career Expo 2012

- CPLGF bid to be successfully completed by September 2011 (SMME fair/procurement processes/database development) between STLM and BLC
- BLC to do more training sessions for Chamber members and community
- Procurement forum and procurement contract schedule with corporate companies.

## **6 REPORTING**

Monthly reports are submitted to the executive committee of Chamber and to the investor's committee to ensure organized business is kept updated. Reporting on an annual basis is submitted to corporate investors.

BEE scorecard reporting is also part of BLC reports in order to claim BBBEE points.

Project reports and progress reports are included.

## **7 CONCLUSION**

The government and economists highlighted the importance of SMME development and the possibility that it could create jobs. The BLC is in line with the LED strategies of the Steve Tshwete Municipality, it's one of the pillars in the strategic orientations.

There is no doubt that the Business Linkage Centre is fulfilling a vital role and will play an even bigger part this year within the business environment and communities in the area of operation.

We believe that the viability of the BLC is determined by the quality of service that it renders to the participating companies and the small emerging contractors involved. It will also be important to establish and develop partnerships with other governmental organizations.

To ensure that SMME's comply with all the necessary statutory requirements, the BLC act as catalyst. This eliminates the cumbersome task that companies have in this regard.

In the end the BLC strive to offer a sustainable service to business with a central referral point for enquiries and assistance.

## **8 VOTE OF THANKS**

Without the financial and non-financial support from the corporate investors the BLC would not have been as successful as it is today. Each investor assisted and guided the BLC in its own way. The time, effort, patience and advice is dearly appreciated. Without the investors the BLC would not have delivered what is presented here today for 2010/2011 and the BLC are even more excited on what will be in 2011. Thank you