HELPING CREATE A WINNING ENVIRONMENT FOR SMEs

Entrepreneurs operating within the Small to Medium Enterprise (SME) sector of the South African economy are vital to the future development of the country.
Supporting Youth Enterprises within our Communities

The Shell LiveWIRE Enterprise Development programme aims to develop youth entrepreneurs within the communities in which we operate and create opportunities to enable them to access the Shell value chain and gain access to markets.

Since 1982, the Shell LiveWIRE programme has been supporting young people to start and develop their businesses. The conduits for this assistance have been training, mentorship and business incubation training as well as a partnership with the University of Johannesburg (UJ) to enhance our enterprise development training.

Training gives entrepreneurs the business edge

Shell, in conjunction with the University of Johannesburg, provides training in vital business skills for entrepreneurs. The course, introduced in 2015, is designed to increase and enhance delegates’ understanding of day-to-day business operations and management requirements. These lessons can then be applied to accelerate the growth of their businesses.

The programme has had a marked impact on candidates. It is intended to strengthen the programme further by adding coaching and mentoring components. Shell intends to ensure that results are more effectively monitored.

Experience has shown that after completing the programme, some of the SMME’s involved have successfully increased access to existing and new markets. Others, where procurement opportunities have allowed, have become suppliers to Shell.

THE PBM GROUP: A Shell and University of Johannesburg success story

PBM, a supplier of personal protective equipment (PPE), is a graduate of UJ’s Small Business Entrepreneur Development Programme, now has a three-year supply contract with Shell. Since its birth, the company has expanded rapidly and is now eyeing international business opportunities.

Refiloe Sebothoma, founder and PBM Group CEO, says the company provides ‘head to toe’ PPE. A former mining house employee, she is at home with all aspects of industrial health and safety requirements and PPE required to safeguard people working in potentially hazardous environments.

Her approach to having specialists within the company led to the development of the group and the transformation of the lives of PBM employees.

“Partnering with Shell has been an amazing experience. It is a multinational company with very high requirements. When they first met us, we did not meet their safety or quality standards. They took the decision to partner with us and came in and helped us develop policies and systems. They equipped us with the knowledge we needed and empowered us to do business with them. This approach was different from most other corporates which tend to walk away when you don’t meet their standards.”

“Today, we manufacture a PPE garment that meets local South African Bureau of Standards (SABS) specifications as well as European standards- something that would not have been possible without being introduced to the petroleum industry and its requirements.”

Referring to the training she received at the UJ course, Refiloe says that she was introduced to the business concepts that have smoothed her way in business. Refiloe has been nominated as one of the Top 40 Young South African Entrepreneurs by Standard Bank and recognised as a woman entrepreneur.

“I am most proud of seeing my employees building houses, getting their children into tertiary education institutions and accomplishing things that they would never have dreamed possible. It makes me very excited to know that PBM has made all this possible.”
Creating markets for entrepreneurs

Creating markets and meeting the strict supplier criteria of companies are also major stumbling blocks to prosperity for the entrepreneur. Preferential procurement and supplier development are, therefore, cornerstones of Shell’s efforts to promote black business and encourage entrepreneurs to become part of our extensive value chain.

Working towards having the supply chain mirror the socio-economic composition of the country is a thoroughly considered process which goes beyond just registering black businesses as suppliers. Shell has a programme designed to help develop companies so that they can meet our business partnership requirement.

SMEs play a crucial role in stimulating economic activity. Often, a small business will think that its main problem is access to capital. However, there are more barriers. These include access to markets and lack of business mentorship - the points where Shell is ready to step in. This process entails sharing information on tendering procedures, regulatory considerations, health and safety requirements and other related issues.

Furthermore, we support through business coaching and mentoring. Having SME’s in the value chain means that additional ‘economies’ are being created, enabling companies to grow and thrive. The building blocks for sustainability are put in place, and new jobs and opportunities are created.

Our supplier development programme, therefore, ensures that business foundations are as strong as they can be. The prospective suppliers then undergo Shell health, safety, security and environment assessment, financial checks and other processes before being formally ‘on-boarded’ as suppliers. Where some help is needed to achieve the qualification, assistance is provided with implementing the changes required to join the Shell supply chain.

ANAX: Keeping the wheels turning

When Anax Logistics first started in 2007, the enterprise development company had a staff of just five. Today, it has grown its service offering to include pallet management to the transport of fuel products for several companies and has 280 employees.

Shell first became involved with Anax Logistics - which has expertise in the logistics, warehousing and automotive sectors - in 2017, when the company was awarded its first tender to transport fuel for Shell.

“Says managing director of Anax Logistics, Eric Mgqibelo: “There were several obstacles which our relatively small company had to overcome after being awarded the tender, but Shell offered its full support throughout the process.”

“To me, that is the big story. I’ve never come across a company that has been prepared to ‘walk the talk’ like Shell. Shell deployed some of their experts to our offices. Their people came in, rolled up their sleeves and worked flat out for two full months to prepare us,” he says.