BEE business opportunities abound

The implementation of broad based BEE should not be regarded as an expense that can only be reaped at a later stage. “The Codes of Good Practice have provided every company with certain efficiencies and business opportunities. Unlocking these is really a matter of understanding the codes,” says BEE consultant Paul Janisch.

When it comes to business efficiencies Janisch isolates the skills development and preferential procurement elements as being particularly relevant. “The codes effectively require each company to conduct a complete audit of all their training and procurement in order to generate a score. What is missed by many companies is that these audits might reveal some very interesting information.”

In the case of skills development, a full audit of all training, including on-the-job training, mentorships and the like must be identified and quantified. The output will show who is being trained and on what. It should also assist in developing a comprehensive skills development strategy that is the business’s best interests.

Similarly a complete audit of all procurement has the potential to reveal buying patterns, costs of goods and services and perhaps a few surprises in terms of what is being spent. This knowledge will provide the organisation with the ability to identify new suppliers, negotiate better rates with existing suppliers and ultimately streamline their expenditure.

“These processes will reveal a BEE status in both elements of the scorecard, and will lay the foundations for effective scoring in the future,” he says.

Business opportunities abound on the scorecard. The best place to look for these opportunities is in the enterprise development element. The intention of enterprise development is to assist or accelerate the development, sustainability and ultimate financial and operational independence of Beneficiary Entities. The financial target to achieve the ten points on this part of the scorecard is very high. Instead of making this investment some sort of tax, companies can look at turning this investment into something that will have a direct impact on their business. An example might be the training of a beneficiary to market or support a company’s goods and services in another region. This could result in that company gaining access to a new market.

“There is no doubt that this will require a fair amount of time and money, but if this investment has to be made, then it is fair that the investor should think in terms of what they are going to get back.”

“Perhaps the better view of broad based BEE should be, ‘Ask not what you can do for BEE, but what BEE can do for you," Janisch concludes.