

# The 5 big enemies of great ESD

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We're often called in to help businesses get their struggling enterprise and supplier development (ESD) programmes back on track. With ESD forming up to 40% of the B-BBEE scorecard, it's a big deal for South African businesses - but in their rush to get their points, they make common mistakes that see them missing opportunities to make a real impact.



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Here are the five most common mistakes we're seeing in the ESD space right now.

## 1. Taking a short-term view

A lot of our clients focus on their yearly ESD plans, rather than taking a long-term view of these programmes. The secret to great ESD outcomes is to build capacity in suppliers over several years and generate momentum going into the future. This way, you create meaningful, sustainable businesses over the long term.

Our advice: take at least a three-year view. Put small targets in place to start with, and scale up over the period.

## **2. Trying to go it alone**

Another common mistake we see is where the ESD programme is designed in isolation from the rest of the business. There are numerous stakeholders throughout the organisation, including the EXCO team – and without their full buy-in, you simply cannot execute a successful and impactful ESD strategy.

Make sure you don't just get buy-in from all departments but align directly to their KPIs. Show them how supporting ESD will benefit them and the business, and you're on your way.

## **3. Underestimating the change process**

Don't underestimate the resistance that you might experience when trying to make changes in a procurement and supply chain environment. There are long-standing supplier relationships and processes at play here. Simply imposing a new supplier on the business is a sure-fire way of making sure they don't get accepted.

Bringing additional suppliers into the supply chain should be seen as a change process in itself, and managed accordingly – or it will fall flat.

## **4. Keeping an arms-length relationship**

We often encounter businesses that see their ESD programme as some external initiative that will be gone in a year. With that kind of approach, the absorption and adoption of the beneficiary businesses will be little to none.

If you want to make an impact and achieve the outcomes you're looking for, you have to bring these businesses into the organisation. Hold introductory meetings. Build relationships. Make them part of the strategy of the business. The results will surprise you.

## **5. Relying solely on internal competencies to deliver**

Precious few businesses have the skills in-house to deliver optimal ESD programmes. There are so many resources out there for companies to draw on, so don't be afraid to engage. Even if you have the resources, it doesn't mean you have the deep competency.

Some services come at a fee, others are free – either way, the important thing is to explore external opportunities to pick up expertise and advice on how to improve your ESD. It's well worth the effort.

And remember, ESD isn't a compliance game. It's a chance to add real value to your supply chain and make a difference.

## ABOUT THE AUTHOR

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