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How can businesses use B-BBEE compliance as a tool for economic recovery?

Most of us agree that the current lockdown we face as a nation has a negative impact on our economy and especially the operation of businesses in South Africa. The lockdown resulted in some businesses closing their doors completely and others partially, resulting in a further economic collapse.

For the purpose of this blog, we will focus on how Broad-Based Black Economic Empowerment (B-BBEE) compliance can be used as a tool to assist businesses to recover from the economic collapse, increase their sales and open doors to new opportunities and markets in order to gain a competitive edge and recover their full economic capacity.

Growth and prosperity mindset

It starts with a positive mindset. It is now more important than ever before for business owners to adopt a positive approach in order to prosper, grow and become more financially sustainable.

Small business owners form an integral part of South Africa's economy and should take a positive leap to stimulate economic growth and contribute towards reducing the high unemployment rate we currently face. Now is the time for business owners to distinguish themselves from other role players, showing character and taking action to bridge the gap and gain the trust of society in order to build a better future for all South Africans.

B-BBEE compliance – an instrument to bridge the gap

One way of setting your business apart from others and gaining that competitive edge is to become B-BBEE compliant. *B-BBEE compliancy can mean different things to different business owners*, for example:

- Investing in their own employees and others through training and development, including bursaries to students/employees to further their studies
- Investing in their own communities by supporting local businesses through Enterprise and Supplier Development
- Investing in their own communities by supporting access to the economy for those in need through Socio-Economic Development
- Investing in their own employees to equip them for managerial positions
- Supporting loyal employees or other individuals with share options
- Applying for financial support from government
- Submitting tenders and increasing sales
- Complying with the procurement chain
- Applying for licences and meeting operational requirements.

These are but a few examples of how businesses can support communities and employees whilst being B-BBEE compliant at the same time. All the above examples are achievable at a minimum investment cost to large business owners, while some can be achieved with no cost to smaller business owners.

One needs to weigh up the B-BBEE investment cost vs increased income from sales and new opportunities gained in the market.

In conclusion

B-BBEE compliancy can and should have a positive impact on any business and will therefore also directly impact the growth of the South African economy. To be B-BBEE compliant means that business owners have contributed to the upliftment of our society, have reduced unemployment, invested in their employees and communities, created business and individual opportunities and, above all, have improved the livelihoods of many a South African. It all starts with a positive mindset.

SERR Synergy assists businesses to achieve optimal points for their B-BBEE Scorecards and provides solutions and strategies to implement B-BBEE in order to become compliant.

About the Author: Yolandi Rautenbach joined SERR Synergy in 2019 as a Project Manager in the B-BBEE Department, Pretoria. She holds a BCom (Law) [2008], LLB [2010] degree and MDP [2016] diploma. She has been involved with B-BBEE compliance elements for the last 6 years, 3 of which as a B-BBEE Consultant and 3 years as a SANAS-accredited Verification Analyst.