

Partnerships, collaboration, transformation key for business growth

When a business expands and becomes too demanding for the owner to do everything, the emphasis should be on collaboration, directing and managing the efforts of others.

Episode three of the Standard Bank 'Think Big - Building Business Champions' series focused on how entrepreneurs in South Africa often struggle with the challenge of bringing in a partner, forging business alliances and facing the realities of business transformation.

Ravi Govender, head of Small Enterprises at Standard Bank, says a partnership at one level is about selecting someone who complements you. At another level, growth can also mean transforming the business by introducing a BEE partner who is able to open up markets in key sectors, particularly government.

"Compatibility is the most important factor when selecting a business partner. He or she should ideally be a long-term associate, someone who will own shares in the business and be committed in growing their role within the company. Having a common background, shared value system and enthusiasm for business all make it possible for a trusting, mutually beneficial relationship to develop and grow", says Govender.

Developing a list of what you want in a business partner will help clarify exactly what you need.

The list should feature the following criteria:

- A person who shares your values, entrepreneurial temperament and vision.
- A partner who can bring specific skills and experience to the business.
- Someone who can bring capital, a business network and connections to the business.
- A person who has high personal standards and business ethics.
- Someone who you can respect on a professional level, and provide valuable business input.

"In South Africa, as highlighted in episode three of 'Think Big', partnerships between people from different ethnic backgrounds have been successful in driving business objectives through true transformation. Most people think that having a BEE partner only offers advantages when a business seeks provincial or local government contracts."

However, the truth is that many businesses in the private sector have supplier selection criteria that are based on the BEE rating and role of black people in a business. BEE and transformation can therefore work across the board for any company that wants to grow.

Govender says looking for potential BEE partners within the business can often fast track the transformation process. The capabilities, ethics and commitment of the person concerned are usually already known. All that has to be finalised is the form of partnership, the equity stake available, and how the funds will be raised.

Partnerships can also take the form of collaboration. By finding a company that is working within a similar sector, but specialises in a complementary range, a working agreement can be reached for each to offer the other's products. Each of the companies involved can benefit by broadening their product ranges and agreeing to market them under their brand names.

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