Justify the use of small suppliers from a global point of view in the face of government pressure and initiatives and from a business related perspective.  
  
Small suppliers play a pivotal role in the global economy eg. Eskom is supplied by small business enterprises with coal for electricity generation. As eskom is an estate owned entity therefore the use of coal forms part of government initiatives to empower and capacitate the small suppliers.  
CLARIFY the challenges encountered by the role players in the small supplier-large-buyer situation.  
Location  
Will increase costs in terms of transportaion of the products and wll therefore increase supplier's financial price.  
  
Lack of experience  
Developing programme to capacitate and to empower SME's in mangement skill, pricing and invoicing.  
  
Financial instability  
Most SME's don't have sufficient funds.  
This lead to negative impact on deliveries.  
Dependency  
The suppliers tend to depend on the enterprise that buys the products from them.  
  
Welfare perception  
Most SME's have a perception that as they were disadvantaged they should have a first preference  
  
Accordning to procurement policy all suppliers should be treated equally  
  
Risks  
Poor products quality  
Supplier errors  
Increase inventory situation  
Out of stock situation  
  
Tracing and development  
Identifying weaknesses and develop suppliers  
  
  
  
DEVELOP and implement a plan to manage a small business purchsing programme.  
  
SA organisations have to comply with the current legislation concerning BEE. They have to implement a small business purchasing policy and programme incorporating elements of BBBEE concepts  
  
Goal and mission of the the organisation  
Should be implemeneted with caution  
Justified and evaluated in terms of the organisations aims and objectives.  
  
Origin of the idea and purpose of the programme.  
To empower the disadvantaged small business suppliers  
  
Systematic approach in implementing a small business purchasing programme  
Stages to be followed:-  
Senior management commitment - sincere and communicate in writing to both internal and external  
  
Planning - establishing objectives , formulating the current purchasing policy and procedures  
Identifying opportunities and planning resources.  
  
Orientation of staff - staff should be trained.  
Orientation of suppliers - programme should be communiated to suppliers  
  
Organisation of the small business purchasing programme - some companies have dedicated person with support staff in charge of the programme.  
  
Publicity  
-Programme should be communicated to the public on an ongoing basis even after implementation.  
  
Suppliers selection  
-Obtaining sources of information  
-systematically investigate n asses potential suppliers  
-maintaining good relationship  
-developing the suppliers.  
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