



EMPOWERING SMMEs IN NELSON MANDELA BAY: WHY STRATEGIC PARTNERSHIPS MATTER

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Nelson Mandela Bay stands at a crossroads. With economic instability and stubbornly high unemployment, the region urgently needs growth strategies that are both inclusive and sustainable. Small, Medium and Micro Enterprises (SMMEs) sit at the heart of this challenge. They are the lifeblood of local economies, brimming with entrepreneurial potential, yet too often hampered by structural barriers that prevent them from realising it.

For many SMMEs in the Bay, the obstacles are daunting: limited access to finance and scalable markets, gaps in technical and governance competencies, and operational inefficiencies that slow progress. Even more worrying is a culture of dependency that undermines the long-term sustainability of smaller businesses. Without the right support, many struggle to move from survivalist operations to true growth engines.

Turning Barriers into Opportunities

At Tsebo Solutions Group, we believe that empowerment must go beyond compliance and be woven into the very fabric of business strategy. That conviction shaped the creation of the Phakiso SMME Development Model, a framework designed to give local enterprises the tools they need not only to survive but to thrive.

The model provides structured development plans with measurable outcomes, mentorship that builds both confidence and competence, and operational integration into Tsebo's service delivery. Just as importantly, it promotes transparency by working closely with local stakeholders in the selection and development of partners.

The impact is measurable. In 2024 alone, Tsebo invested R12.9 million in Enterprise and Supplier Development, supported 8,911 small business initiatives, and enabled 305 local SMEs to deliver on-site services across multiple projects. Each of these businesses represents more than a contract; they are nodes of economic participation and job creation that ripple outward into their communities.

A Case Study in Inclusive Growth

The rollout of the Boardwalk Hotel and Casino project with Sun International offers a practical demonstration of this philosophy in action. From the outset, Tsebo placed SMME participation at the centre of its proposal, allocating up to 40% of the portfolio to local partners. Working alongside Sun International and community stakeholders, we conducted a transparent process to identify and assess potential suppliers.

One such partner, Makhumalo Cleaning Services, entered into a structured development agreement that included training, mentorship, and operational support. This approach ensured compliance with tender requirements, but more importantly, it created an incubator for local enterprises to build independent capacity within and beyond Tsebo's ecosystem.

The results are telling: employment opportunities were created, service standards were maintained, and the seeds of long-term growth for local businesses were sown. This is what we mean by a partnership that is both strategic and sustainable.

Building Lasting Capacity

Tsebo's development framework extends well beyond project rollouts. Our capacity-building programmes are designed to strengthen three critical dimensions of business success:

- Technical competence through training in service standards, certifications and operational excellence.
- Commercial competence through strategy, financial modelling and resource planning.
- Governance competence through compliance with B-BBEE, HR, financial management and ethical standards.

These programmes are supported by an experienced Enterprise and Supplier Development executive team and implementation partners, embedding sustainability into every project lifecycle.

What Makes a Partnership Truly Strategic?

In our view, a strategic partnership is not defined by the number of contracts awarded or the percentage of spend allocated to small businesses. It is about substance over form: creating measurable, audited empowerment that benefits all parties.

For Tsebo, this means building relationships based on mutual growth, long-term vision and shared values. It is not about "window dressing" for compliance purposes, but about embedding empowerment into the DNA of our operations. The goal is simple: to help SMMEs stand on their own and scale, rather than remain dependent on a single client.



Shared Value for All

The inclusion of SMMEs enhances Tsebo's own business performance as much as it supports community development. Local partners bring contextual knowledge and agility, strengthening service delivery and innovation. Clients benefit too, with stronger B-BBEE outcomes, more resilient supply chains, and the assurance that their procurement spend is making a genuine impact in local communities.

These benefits reinforce one another: operational excellence drives client trust, which in turn creates new opportunities for both Tsebo and our partners. It is a cycle of shared value that proves transformation is good business.

Stories of Success

The impact of this approach can be seen in the businesses that have grown alongside Tsebo. A local cleaning services partner at the Boardwalk Casino used technical and commercial training to expand operations and secure contracts beyond our ecosystem. A seamstress from the local community became a uniform supplier for Tsebo staff, moving from micro-enterprise to a sustainable position in the value chain. Black female-owned enterprises like Elevated DD and Brevia Beverages scaled their operations with Tsebo's compliance support, consulting and funding assistance.

These stories highlight an important truth: when partnerships are built on empowerment, dependency gives way to independence and long-term success.

Advice for Business

For organisations seeking to partner with corporates such as Tsebo, the message is clear. Be prepared for rigorous assessment that goes beyond technical capability. Commit to ongoing development, embrace transparency, and align with shared values. Above all, view each partnership not as the end goal, but as the beginning of a growth journey.

Looking Ahead

As we prepare to engage with the Nelson Mandela Bay Business Chamber, we want to emphasise that SMMEs are not just suppliers — they are partners in progress. By fostering empowerment, building capacity, and embedding transformation into everyday business, we can collectively build a more resilient, inclusive and prosperous Nelson Mandela Bay.

At Tsebo, we believe empowerment is not a transaction. It is a journey. And it is one we are proud to walk alongside our partners.



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