



Gestalt Growth Strategies (Pty) Ltd

RPA Centre, Top Floor, 116 – 5TH Avenue, Fariland. Randburg.

PO Box 4425, Randburg, 2125, South Africa

Tel: +2711 482 9967|Fax: +2711 482 8041

info@gestaltconsult.com www.gestaltconsult.com

Black-Owned Businesses Need BEE Compliance

Black business owners must be BEE compliant to make the most of business opportunities in SA.

Black business owners are often frustrated by the requirement to **become BEE certified**. However, it is a crucial aspect of confirming their status as legitimate South Africans who are entitled to the benefits that BEE provides.

Small businesses that currently earn under R5 million turnover a year qualify as level three or four BEE supplier, depending on the ownership structure, as an Exempt Micro Enterprise (EME), but many are unaware of this fact.

South African black owned businesses automatically qualify for a 'front row seat' to access the best business opportunities possible in South Africa. All they have to do is become BEE compliant.

Why does BEE certification matter for black-owned SMEs?

It is crucial for black-owned small businesses to get their business BEE certified in order to qualify for the maximum advantage that this policy offers previously disadvantaged individuals.

BEE has been specifically designed to give black people opportunities to which they have not had access before, yet many black-owned businesses are not taking advantage of these opportunities by having their business BEE certified.

Big business procurement is mandated to support businesses that are compliant as part of a supply chain.

If the small business owner sells funeral cakes, for example, and would like to expand and become a fully-fledged catering company, this business must be BEE compliant in order to supply bigger business entities as part of corporate procurement process.



Gestalt Growth Strategies (Pty) Ltd

RPA Centre, Top Floor, 116 – 5TH Avenue, Fariland. Randburg.

PO Box 4425, Randburg, 2125, South Africa

Tel: +2711 482 9967|Fax: +2711 482 8041

info@gestaltconsult.com www.gestaltconsult.com

If a supplier is not BEE certified, the big business does not benefit by utilising them as a supplier and will therefore rather select suppliers who comply.

BEE compliance in the supply chain is crucial for the corporate to remain in business. So BEE has a cascading effect, with small businesses also having to comply as part of them supplying bigger businesses that are already compliant.

Common challenges faced by small business owners

Small business owners are feeling the pinch of the economic downturn. This coupled with exhaustive labour laws and tax issues lead to serious challenges when running a business in South Africa. Add BEE to this and one has a recipe for confused and frustrated business owners.

It is very easy to feel like a victim of BEE. However, it is the greatest tool for creating real transformation in black wealth and jobs for South Africa today.