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ESD Platform for the Mining Industry

Meaningful industrywide
enterprise and supplier
development



Enterprise and Supplier Development (ESD) is of national importance. Accenture has brought to market a multi-tenant Mining ESD Platform for the mining industry that is designed to ramp up meaningful outcomes for the entire mining ecosystem.

Enterprise and Supplier Development (ESD) supports economic growth and transformation imperatives. It can also unlock significant organisational value.

Successful ESD can deliver multiple benefits. It actively promotes the economic wellbeing and advancement of local communities by supporting the growth of locally-owned businesses and employment creation. It strengthens industries by deepening production and value-adding manufacturing capacity. And it drives economic growth at a national level.

However, the challenges relating to ESD are significant.



Making ESD pay

Unemployment rates in and around mining communities increase annually, with limited new job opportunities emerging. Business opportunities in the low complexity, low value categories are saturated, with high barriers to entry into value-adding commodities segments. With many mines taking a compliance-driven approach to ESD, there's a limited focus on true economic transformation.

Failure statistics for small businesses are high—up to 60 percent fail within the first two years of operations.

For mines the challenge is to navigate multiple regulatory frameworks; meet organisational and community needs for transparency, inclusion and support; and turn their ESD programmes into a strategic advantage.

Our Mining ESD Platform, a Salesforce and cloud-based platform available as-a-service, is helping mining companies do just that.

ESD Regulation in South Africa

- **The Broad-based Black Economic Empowerment (B-BBEE) Act of the Department of Trade and Industry (DTI)** demands spend of 3 percent of net profit after tax (NPAT) to support the development of exempt micro enterprises (EMEs) and qualifying small enterprises (QSEs).²
- **The Mining Charter of the Department of Mineral Resources & Energy (DMRE)** defines requirements for the support of BBBEE and HDP-owned companies.³

ESD support may include loans, grants, training and shorter payment periods.

Mining ESD Platform - designed to place local suppliers at the center

This ESD platform can change the way mines interact with and develop suppliers in their communities. It extends spend with small, medium and micro enterprises (SMMEs) across multiple procurement areas. It also enhances support and success rates by making a broader range of SMME support initiatives visible and available on a larger scale.

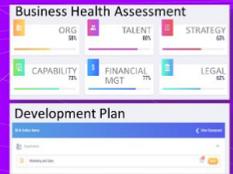
On the **ESD Marketplace**, all mining operations across companies publish their opportunities and all suppliers can view and apply to the opportunities. The mining operation may attach conditions to an opportunity, incl. location of the supplier, B-BBEE credentials, size of company, safety credentials and many others. The platform is designed to make it easy for suppliers to filter and find opportunities relevant to them and for buyers to filter and shortlist suppliers who meet their minimum criteria.



Visibility & access across operations



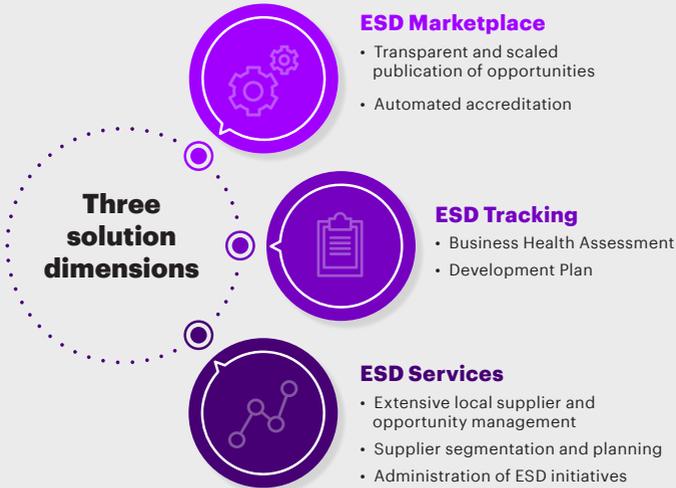
Understand SMME readiness to contract



Increase SMME readiness to contract at scale

The ESD Marketplace can be used to not only publish procurement opportunities, but also development and funding opportunities. Suppliers can indicate interest and apply for procurement, development and funding opportunities, and the platform provides feedback on application outcomes for shortlisted organisations.

The Mining ESD offering – three key dimensions



The Mining ESD Platform supports the entire ESD cycle, enabling it to scale and deliver higher impact.

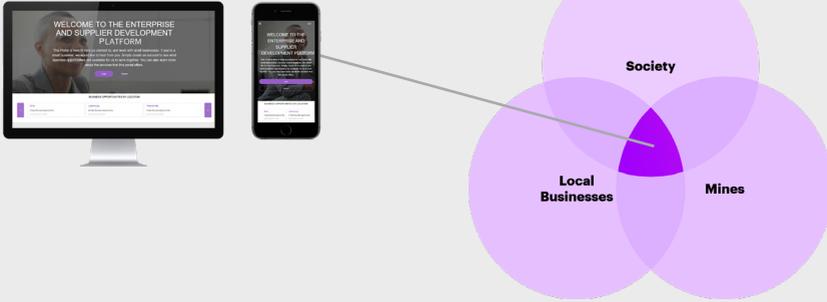
The full opportunity? Go from transparent and scaled publication of opportunities to extensive local supplier verification and end-to-end development of local suppliers and enterprises. The platform supports interactions with ESD beneficiaries (from gap analysis to dashboards and reports), and digital management of funding, loans and other development initiatives.

The **ESD Tracking** module provides avenues through which suppliers can get support to become better equipped to engage with mines, and provides mines with visibility of the supplier's readiness to contract on multiple dimensions. In the ESD Tracking module guides the supplier in closing gaps that are currently preventing them from winning work in specific commodities.

The **ESD Services** offering provides mines with human capacity to manage the end-to-end ESD cycle.

The Mining ESD Platform drives shared value

Creating shared value



Local businesses

- Transparency of procurement, development, and funding opportunities across mines
- User-friendly and consistent access to opportunities across mines
- Improved clarity of what is required to be considered for opportunities
- Not reliant on a single operation only for opportunities, making it easier for suppliers of competitive, value-adding goods and services to scale
- Access development support, including financial and other support

Society

- Transparent insight into what opportunities are made available to local communities
- As local businesses grow, they continue to thrive through job creation
- Increased industry participation and economic growth

Mines

- An alternative, efficient avenue to engage with communities
- Increased number of skilled and experienced community suppliers in the mining supply chain
- Reduce duplication of effort across mining companies—e.g., accreditation of suppliers and training content
- Promote B-BBEE awareness within mining companies and maintain B-BBEE ratings
- Enhance ESD points on the B-BBEE scorecard and on supplier development spend
- Improved perception and trust between the mine and the local communities
- Increase in community resilience

Ready for ESD success?

To unlock organisational value, contact our ESD team. We can assist you to strategise, plan and execute your ESD programme.



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Accenture's ESD Partner on this initiative



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References

¹ Quarterly Labour Force Survey (QLFS) Q2:2021, www.statssa.gov.za

² The DTIC BBBEE Codes of good practice, p 63, 64; http://www.thedtic.gov.za/wp-content/uploads/BEE-code_gud_practice10102013.pdf

³ Implementation Guidelines for the Broad-Based Black Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry 2018, www.dmr.gov.za; Framework for Measuring Broad-Based Black Economic Empowerment, www.thedtic.gov.za

About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialised skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services — all powered by the world’s largest network of Advanced Technology and Intelligent Operations centers. Our 624,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. Visit us at www.accenture.com.