



Developing Business Linkages between Large Firms and Local SMEs in South Africa: A Survey Study

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Abstract

In South Africa, small and medium-sized enterprises (SMEs) play a crucial role in the economy but often struggle to access financing from large firms. A structured survey was conducted among key decision-makers in large firms and a subset of randomly selected SMEs across various industries to gather insights on their business interactions. SMEs reported significant challenges such as limited access to credit, unfamiliarity with large firm processes, and inadequate procurement opportunities. Large firms identified lack of trust and fear of risk as major barriers. This study highlights the need for improved communication channels and financial support mechanisms to enhance business linkages between large firms and SMEs in South Africa. Large firms should consider implementing mentorship programmes, while policy makers could introduce incentives for larger enterprises to engage with local SMEs.

Keywords: *Africanization, Business Networks, Entrepreneurship Theory, Growth Mindset, Institutional Anxieties, Market Access Strategies, Supply Chain Integration*

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