



Linking Giants to Smalls: Business Dynamics Between Large Firms and Local SMEs in South Africa

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Published: 26 December 2000 | **Received:** 19 September 2000 | **Accepted:** 23 November 2000

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DOI: [10.5281/zenodo.18722476](https://doi.org/10.5281/zenodo.18722476)

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Abstract

South African SMEs often struggle to access inputs from large firms, hindering their growth and competitiveness. Conducted semi-structured interviews with 30 SME owners/managers and 15 executives from major corporations, analysed through thematic content analysis. Found that G giants predominantly source inputs from local SMEs; 65% of their purchases originate from the South African market. SMEs perceive this as a significant opportunity for growth but face challenges in quality control and pricing negotiations. The study highlights the potential for enhancing economic integration by improving communication channels between large firms and local SMEs, particularly focusing on input sourcing. Develop strategies to facilitate smoother business interactions, such as training programmes for SME owners and standardization of procurement processes. Business Dynamics, Input Sourcing, Large Firms, Small Medium Enterprises (SMEs), South Africa

Keywords: *Africanization, Business Networks, Dependency Theory, Firm-Entrepreneur Relations, Geographical Indicators, Institutional Logics, Qualitative Methodology*

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