



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

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Abstract

South Africa's economy relies heavily on the interaction between large firms and small to medium-sized enterprises (SMEs). However, limited research exists that specifically examines the development of business linkages in this sector. A structured survey was conducted among a sample of large firms and SMEs across various sectors in South Africa. Data were collected through online questionnaires designed based on literature review and expert consultation. The analysis revealed that over 60% of surveyed SMEs reported facing challenges such as inadequate information sharing, while approximately 45% identified procurement opportunities as a significant driver for partnerships with large firms. While the majority of SMEs are keen on forming business linkages, they face significant hurdles. Large firms also recognise the potential benefits but lack clear mechanisms to facilitate these connections effectively. To overcome existing barriers, both large and small firms should collaborate in developing tailored training programmes for SMEs, while establishing dedicated procurement channels can enhance market access.

Keywords: *Sub-Saharan, interfirm networks, relational governance, resource dependence theory, strategic alliances, collaborative relationships, small businesses*

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