Abstract

SMEs, due to economies of scale are inherently less competitive than larger companies in terms of price and output. Thus techniques and initiatives are required in order to offset this perceived lack of competitiveness. Competitiveness in the form of flexibility and adaptability may be used to the advantage of the SME. The use of collaboration and visibility, if managed correctly has the opportunity to mitigate risk and enhance competitiveness.

In the dynamic political and business environments such as that organisations in South Africa operate in, it is imperative that risk mitigation techniques are used. External events such as strikes and variability in raw material availability require a manager to understand their operating environment in order to plan and mitigate those risks effectively.

This paper shows that visibility and collaboration, if used in the supply side of a supply chain allows for mutually beneficial risk mitigation behaviour to take place. Thus there is an opportunity for managers to mitigate risks while increasing competitiveness if these strategies are utilised effectively.