BY NABELAH FREDERICKS

MORE than two million South African informal businesses are expected to benefit from a recently launched initiative by the Department of Trade and Industry (DTI) aimed at increasing access to support and training.

The National Informal Business Upliftment Strategy (Nibus) is the culmination of years of work by both government, the private sector and other interested parties into how better to assist and use informal businesses to strengthen the economy.

According to the DTI’s project manager of Nibus, Stephen Umlaw, the main focus of the strategy is not so much to formalise these businesses, but to provide them with much-needed assistance.

Services will be made available via local business chambers, associations and municipal structures, including Local Economic Development offices.

“Services will be made available via local business chambers, associations and municipal structures, including Local Economic Development offices. No one will insist on business and tax registration as there might be people running businesses that do not generate much profit,” says Umlaw. However, at the same time there are entrepreneurs starting up informal businesses who have the skills and knowledge but need support.

“Those are entrepreneurs who need funding and equipment and do not yet qualify for programmes that are aimed at the small business sector.

These business owners will be developed to a point where they have the option to register and thereby qualify for better opportunities,” says Umlaw.

Nibus is set to kick off with the Shared Economic Infrastructure Facility (SEIF) during the first quarter of 2014, followed by implementation of the Informal Business Upliftment Facility (IBUF).

The SEIF will cover funding for new, upgrades or maintenance of infrastructure that is shared by a number of informal businesses in the area. This funding will be a 50:50 cost-sharing grant presented with municipalities. The maximum grant amount is R2 million.

The targeted infrastructure includes old industrial zones and hubs in need of repairs.

Pilot projects under SEIF will be rolled out at sites in the Eastern Cape, Mpumalanga, Gauteng and the Western Cape.

The IBUF, which will prioritise women, youth and people with disabilities who own businesses based in townships, rural areas and the inner city, with skills development, promotional material, product improvement, technology support, equipment, and help with basic compliance such as registration for business and tax.

“A pilot project the Informal Traders Upliftment Project (IBUF), that also forms part of Nibus, will be rolled out by the DTI, in partnership with the Wholesale and Retail Sector Education and Training Authority.

One of the aims is to initially train 1 000 traders in the retail sector over 18 months during the pilot phase.

The other aim is to further provide infrastructure upgrades to equipment that would benefit those in training.

Business owners will not have to leave their communities to access these services because information and forms can be collected from local municipalities.

In most instances businesses will be visited by specialist community field-workers.

According to Umlaw, all that is required is an identity document to apply for these services.

“However, our community field-workers will do on-site visits to ensure that the business is operational.”

Business chambers and associations will also be facilitating the project, and can even identify potential beneficiaries.

• For more information call the DTI on 0861 843 384.
Small businesses not expecting relief in budget speech

BY JOHN HARVEY

ECONOMISTS are not predicting new benefits for small businesses when Finance Minister Pravin Gordhan announces this year’s budget, saying the current surverycyle of mediocre growth and associated policies are set to continue for some time to come. As has been the case for the past few years, South Africa continues to experience slow economic growth, declining tax revenues and higher debt levels.

The problem is being exacerbated by the weakening of the rand against the U.S. dollar, with it already pushing the R11 mark.

For economist Rejane Woodroffe, one of the key industries where small businesses are affected is tourism.

“I think the finance minister will put a lot of emphasis on growing sectors such as tourism, bed and breakfasts and lodges, especially in terms of the introduction of the tax review committee last year,” she says.

Small businesses currently have to register for Value-Added Tax (VAT), and many believe that they should not have to. In a revised system, companies would only pay over VAT when a customer has paid. “The tax review committee is intended to look at ways of assisting entrepreneurs and small businesses, and so I think Gordhan will have to look deeply at this tax thing is that South Africa is short of money and the debt level is increasing. The finance minister has to generate money, but that is very difficult when there is poor business confidence.”

Bruton says the major concern was that business confidence was instilled by confidence in the country’s leadership, and currently investors were not sure where the country was headed, particularly in an election year.

“It’s a knock-on effect. If the country is in a strong position then naturally the small business sector will benefit from this,” says Bruton.

Shahid Latif, owner of Cell Zone cellphone repair shop, says “the economy is very bad, and I fear that the minister will raise taxes soon. Everything is going up, and I am sure we will also see an increase in rates and electricity as well.”

According to, Joanna Chetty, manager of Hollywood Hair, for things to improve we need to see more investment.

Create your own opportunities

LAST month I happened to come across an email from an enthusiastic woman who recently launched an e-shop determination to make her business a success. This is what shone through in her email. She stumbled upon the Small Business Connect Facebook page and decided to send an email to newsdesk@info@SmallBusinessConnect.co.za

Youth business owners will soon have added support thanks to the launch of the new youth strategy.

Youth business owners will soon have added support thanks to the launch of the new youth strategy.

New youth directorate launched

BY STEPHEN TIMM

YOUTH entrepreneurs can expect added support from the government this year in the form of additional funding and business support, following the launch of the Youth Development Strategy and the establishment of a new youth directorate at the Department of Trade and Industry (DTI).

The strategy, launched in November 2013, seeks to boost youth entrepreneurship and tackle youth unemployment. About 42% of young people between 18 and 34 years old are unemployed, compared to less than 17% of adults over 30.

Added to this, the 2012 Global Entrepreneurship Monitor report reveals that just 5% of youth between 18 and 24 years old and 9% of those aged between 25 and 34 years old are engaged in starting or running new businesses of less than three-and-a-half years old.

The strategy also reveals that youth in South Africa are less likely to see business opportunities than youth in other African countries. The survey found they do not believe they have the needed entrepreneurial capabilities than their African peers.

The new strategy details how the DTI plans to target interventions such as mentorship via the Small Enterprise Development Agency (Seda), infrastructure support, links to procurement opportunities, and youth entrepreneurship awards.

To access funding, entrepreneurs will have to first apply for a voucher to get business development support and a mentor.

Non-financial support

Seda offers various support programmes to young entrepreneurs.

About 45% of the 10 208 people Seda supported in 2012/13 were aged between 18 and 35, according to the agency’s latest annual report.

Seda spokesman, Marius du Villiers, says Seda will hold a number of Entrepreneurship Week events around the country, including at Esikhawini, KwaZulu-Natal, on Thursday, 20 February.

For economist Rejane Woodroffe, one of the key industries where small businesses are affected is tourism.

“I think the finance minister will put a lot of emphasis on growing sectors such as tourism, bed and breakfasts and lodges, especially in terms of the introduction of the tax review committee last year,” she says.
Added growth due to incentive schemes

AS part of its policy to support and develop small businesses, the Department of Trade and Industry (DTI) launched several new incentives in the last financial year, and recently reported on progress with uptake of incentives. According to the latest Incentive Performance Report, the programmes include the Manufacturing Competitiveness Enhancement Programme (MCEP), the Aquaculture Development and the Enhancement Programme (ADEP) and Incubator Support Programme (ISP), which were launched in 2012 by DTI Minister Rob Davies to promote competitiveness and ensure job retention in the manufacturing industry.

The incentive performance report also covers other incentives and is compiled according to incentive clusters, namely:
- The Broadening Participation Cluster (BPC) consists of the Black Business Supplier Database Programme (BBSDP), the Co-operative Incentive Scheme (CIS) and the ISP. These incentives seek to assist black small businesses as well as those owned by women, youth and people with disabilities.
- The Competitive Investment Cluster (CIC) assists with industrial competitiveness and is made up of Export Marketing and Investment Assistance (EMIA), the Sector Specific Assistance Scheme (SSAS), the Capital Investment Programme (CIP) and Economic Impact Adjustment Scheme (EIAS) sub-programmes.
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More manufacturers benefit from scheme

BY DANIEL BUGAN

A TOTAL of 197 manufacturing enterprises across all provinces have been assisted with projects to the value of R983 million under the Manufacturing Competitiveness Enhancement Programme (MCEP) during the 2012/13 financial year.

This came to light when the Minister of Trade and Industry (DTI), Rob Davies, released the department’s Incentive Performance Report for the 2012/13 year recently.

Overall, the DTI has approved more than R3 billion in incentives for 436 manufacturers since the inception of the MCEP in May 2012.

The MCEP is a support scheme that offers manufacturing companies incentives to raise their competitiveness and retain jobs. It has a budget of R8.5 billion over a three-year period.

The MCEP consists of two key components: the Production Incentive Programme (PIP), managed by the DTI and the Industrial Financing Loan Facility (IFLF), managed by the Industrial Development Corporation (IDC).

The PIP comprises five sub-programmes: capital investment, green technology and resource efficiency improvement, enterprise-level competitiveness improvement, feasibility studies and cluster competitiveness improvement.

The IFLF consists of two sub-programmes, namely the pre- and post-dispatch working capital facility, and the industrial policy niche projects fund.

The programme also offers a working capital facility of up to R50 million.

Applicants can apply for one or a combination of the sub-programmes at company and/or cluster level, based on their needs. Of the 197 approved projects under the MCEP, the capital investment component had the most number of approvals (192).

Enterprise level competitiveness improvement accounted for three, and green technology and resource efficiency for two.

One of the incentive beneficiaries, Pinetown printing company First Impression Films, boosted its production by 20% year-on-year since buying a top quality nine-colour printing press with funds received under the MCEP.

The programme also offers a working capital facility of up to R50 million, over a term of up to four years, at 4% interest.

This facility is available on condition that the applicant has a confirmed contract or purchase order, or the applicant has an order that forms part of the state-owned Competitiveness Suppliers Programme, or that the manufacturer’s product is part of a designated product value chain, as determined by the DTI.

The MCEP covers pre-dispatch working capital including production, packaging, raw material and transportation costs, while post-dispatch finance covers working capital requirements from the point of dispatch to the point of the seller realising the proceeds of the sale. This may include performance bonds and performance guarantees.

While each proposal is carefully considered, the IDC gives preference to projects that demonstrate economic merit, and show profitability and sustainability.

How you can apply for the MCEP

APPLICATION for support from the Manufacturing Competitiveness Enhancement Programme (MCEP) is open to South African-registered entities with existing manufacturing operations in this country engaged in:
- Manufacturing, classified as code 3 in the Standard Industrial Classification.
- Engineering services that support manufacturing.
- Conformity assessment services that service the manufacturing sector.

Certain manufacturing sectors that already have the support of the Department of Trade and Industry (DTI), for example clothing and textile manufacturers, will not qualify for MCEP assistance.

Manufacturers who qualify for the MCEP may apply to the Industrial Development Corporation (IDC) for a working capital facility of up to R50 million, over a term of up to four years, at 4% interest.

This facility is available on condition that the applicant has a confirmed contract or purchase order, or the applicant has an order that forms part of the state-owned Competitiveness Suppliers Programme, or that the manufacturer’s product is part of a designated product value chain, as determined by the DTI.

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Banks still top lenders to small business sector

BY STEPHEN TIMM

LENDING by banks to small businesses has finally returned to the level it was in 2009, after the period following the 2008 global financial crisis saw a massive dip in lending to small firms, the latest Reserve Bank figures reveal.

When it comes to small business lending, banks are required to report to the Reserve Bank’s Bank Supervision Department on both the number of retail loans of less than R7.5 million lent to small firms (termed as SME retail loans) and the amount of credit given out to firms with turnover of less than R400 million (termed SME corporate loans).

The exposure on SME retail as at September 2013 totalled R179.5 billion, while that for SME corporate stood at R321.5 billion.

Donovan Steenkamp, Standard Bank’s head of customer financial solutions in business banking, says the Reserve Bank data reveals the bank’s credit exposure to the SME retail segment had finally eclipsed the level it was at in September 2009, when it stood at R171.9 billion.

SME retail lending grew 11.4% between September 2012 and September 2013 (22.3% for SME corporate), after falling 16.4% between September 2009 and September 2010 (SME corporate fell just 0.5% over this period).

Steenkamp attributed part of the growth in credit to its retail sector that increased focus in the past year on supply chain and enterprise development.

He says the growth in the SME corporate segment was likely influenced by the top end of the segment having begun to recapitalise their assets with the more positive economic outlook as well as the growth in franchising systems in the retail, fast food and fuel sectors.

Steenkamp pointed out that while the majority of loans in the retail SME segment are for working capital requirements such as overdrafts and revolving loans, in the SME Corporate segment the majority of funding requirements are for longer-term finance such as term loans, building acquisition loans and working capital finance.

Yet, despite the upsurge in lending, Lee Bromfield, head of credit at FNB, noted that there had been a recent slowdown in lending on the retail side.

He said overdrafts as well as asset-based finance and property finance account for the largest share of lending.

Graham Erasmus, head of Relationship Banking Sales at Nedbank Retail said half of all finance advanced by Nedbank to small businesses is for home loans, followed by instalment sales, credit cards and overdrafts.

As part of the Financial Sector BEE Code, gazetted in November 2012, banks must, between 2012 and 2017, lend a collective total of R48 billion to black small businesses, farmers and for affordable housing projects.

Figures from Standard Bank show that the bank lent out about R1.8 billion to black small businesses in 2012, while Nedbank reveal that it lent out R1.1 billion, to 2 989 beneficiaries.

Banks continue to play the biggest role in funding small businesses. In a 2012 presentation to the National Council of Provinces’ (NCOP) select committee on trade and international relations, the Banking Association’s managing director Cas Coovadia revealed that banks’ exposure to small businesses in 2009 came to R411 billion and that banks contributed 95% of all finance to small businesses.

By this reckoning the government – through both national funds and provincial development financial institutions – contributed about R3.8 billion in funding to the sector between September 2012 and September 2013.

National government in the 2012/13 financial year gave out over R1 billion in funding to small firms in the form of loans and cost-sharing grants. In that period, the Department of Trade and Industry more than doubled its disbursements.

1. Stimulate and strengthen the local economy.
2. Invest in the local economy.
3. Encourage local prosperity.
4. Create more good jobs.
5. Keep people in their jobs.
6. Reduce poverty.
7. Support community groups and local farmers, producers and manufacturers.
8. Increase South Africa’s manufacturing capability.
9. Support businesses who are investing in South Africa’s future.
10. Welcome more of our food production.
11. Encourage the country to become more self-sufficient.
12. Get better follow up service from local producers and manufacturers.
13. Keep your community and country unique.
14. Support enterprises which can supply individually designed and custom made local products.
15. Support local businesses which form an integral part of SA’s distinctive character and the tourism industry also benefits from this.
16. Reduce climate change impacts.
17. Reduce imports which help reduce SA’s trade deficit.
18. Boost efforts to prevent South Africa from becoming a dumping ground for cheaper, low quality imports.
19. Boost efforts to prevent SA from becoming a warehouse for imported goods.
20. Support efforts by local enterprises to produce quality products and deliver quality services.

Be Proudly South African. Buy local to create jobs.
Fund your business innovatively

**BANKS: Lee Bromfield, head of credit, FNB Business Banking**

**Q: Who is the ideal candidate for this kind of funding?**

A: We predominantly look to finance FNB-banked businesses with a good track record.

**Q: What is the range for this funding?**

A: For the business banking segment we offer funding from R10 000 upwards.

**Q: What are the criteria for this kind of funding?**

A: Besides needing to be an FNB-banked business, we also look at the impact on projected cashflow of taking up a credit product.

**Q: What is the cost of the funding?**

A: The interest rates on all our products depend on the risk of the business and risk of the lending. Our normal ranges for unsecured lending start from prime plus 2%.

**Q: How does repayment work?**

A: The loan products depend on the period that business wants to lend over and the repayment is fixed monthly amount.

**Q: Does the business also need to provide its own contribution?**

A: Again, this is adaptable to the type of product that the client is using and their risk profiles.

**VENTURE CAPITAL: Marc Elias, founder and CEO of Seed Engine**

**Q: Who is the ideal candidate for this kind of funding?**

A: The ideal candidate for the Seed Engine falls under the “crazy ones”. We are weighted in favour of low capital requirements and high-scale business models which generally results in technology.

**Q: What is the range for this funding?**

A: At the moment we provide R100 000 to each venture for 20% of the equity in the company. We are considering making enhancements to this model over the next while.

**Q: What are the criteria for this kind of funding?**

A: We provide equity finance, not debt finance. That means that if the business fails, nobody owes anyone any money.

**Q: What is the cost of the funding?**

A: Nothing! It is always better when entrepreneurs are happy to contribute and investors like that.

**Q: How does repayment work?**

A: You need to have a brilliant high growth business idea. We won't invest in a concept.

**Q: Does the business also need to provide its own contribution?**

A: Not applicable.

**ANGEL INVESTMENT: Phillip Faure – head of philanthropy at Citadel Wealth Management**

**Q: Who is the ideal candidate for this kind of funding?**

A: Philanthropy is grant funding to organisations that do public benefit activity.

**Q: What is the range for this funding?**

A: The range would be very broad. Venture philanthropists would potentially provide seed funding from R100 000 to projects in the millions.

**Q: What are the criteria for this kind of funding?**

A: A good business plan that can demonstrate a social impact at the same time as being commercially viable.

**Q: What is the cost of the funding?**

A: This would depend on the individual philanthropist. Some may be satisfied with just the return of their capital, others with market-related return.

**Q: How does repayment work?**

A: This may be anything from when the enterprise is stable to after a pre-determined time period.

**Q: Does the business also need to provide its own contribution?**

A: Any entrepreneur needs to put some of his “skin in the game”. This could be anything from sacrificing earnings to taking out a personal loan.

**CROWDFUNDING: Patrick Schofield, CEO of Thundafund**

**Q: Who is the ideal candidate for this kind of funding?**

A: Crowdfunding allows a large number of people to back a project or idea with small amounts.

**Q: What is the range for this funding?**

A: Anyone who has a creative or innovative idea that they believe people will buy.

**Q: What are the criteria for this kind of funding?**

A: To crowdfunding, project creators need to be able to market their idea. Hence, a project creator has to have thought through how to actually deliver the product or service - it needs to be more than an idea.

**Q: What is the cost of the funding?**

A: The platform retains 7% of successfully raised funds, or 5% if the project creator is a registered NGO.

**Q: How does repayment work?**

A: Project creators reward backers with products or services they create through the project to be funded.

**Q: Does the business also need to provide its own contribution?**

A: Project creators will often have already put some of their own resources into making the project.

**DEVELOPMENT FINANCE: Shakeel Merr, IDC**

**Q: Who is the ideal candidate for this kind of funding?**

A: Businesses in the sectors that fall within the IDC's mandate such as agro-processing, chemicals, clothing & textiles, metals, forestry etc.

**Q: What is the range for this funding?**

A: The IDC provides funding from R3-million.

**Q: What are the criteria for this kind of funding?**

A: We will consider funding businesses that are viable and have a well-thought through business plan.

**Q: What is the cost of the funding?**

A: Typically repayment is structured on a monthly or term basis and can be tailored to each business. The IDC also considers moratorium on payments if needed.

**Q: How does repayment work?**

A: Funding is prime-related. The IDC also subsidises pricing for high developmental impact projects

**Q: Does the business also need to provide its own contribution?**

A: While the IDC does require own contribution, it takes into account issues such as historically disadvantaged people and youths who may not necessarily be able to make own contribution.
Funds and support is recipe for success

BY DANIEL BUGAN

A FASHION design company based in Freedom Park, Johannesburg, received tens of thousands of rand in funding after attending the Imbizo Business Acumen Programme.

The programme seeks to equip aspirant entrepreneurs with essential business skills through training and mentoring and is facilitated by Nedbank in partnership with Old Mutual, Wiphold and Mutual & Federal.

To date, the programme has assisted more than 200 aspiring entrepreneurs.

As one of the programme’s beneficiaries, Anna Phosa says Van Biljon, co-owner of Nunu’s, says they used the money to buy more machines and extend their working space.

Nunu’s, says they used the money to buy a fridge to get their business going. This is one of the best things that could have happened to me. Having my own business means a lot to me,” she says.

The incubator project invites local entrepreneurs to apply to participate in the programme. Qualifying applicants are interviewed and carefully selected based on their business model and strategy and its potential to succeed. As part of extensive business skills training, participants develop business plans in which equipment specific to the needs of their business are identified.

In 2012, a total of 24 entrepreneurs from the greater Knyana area received a boost to their fledgling businesses following training and a R250 000 pricetag through the project.

Designed by the municipality’s Economic Development Unit to develop entrepreneurs, the incubator project is in its third cycle and has assisted 51 small businesses over the past three years. Pig farmer Anna Phosa sold pigs ad hoc and only had about six pigs and about 20 piglets. However, Absa’s Enterprise Development division linked her production into supermarket chain Pick n Pay and provided funding that enabled her to buy a farm with an on-site abattoir.

The Absa programme is presented in association with US Aid with the aim to promote and develop entrepreneurship in South Africa.

Their approach is to assist small businesses by actively encouraging their corporate clients to make use of emerging suppliers. That was the case with Phosa.

The contract Pick n Pay awarded her meant she needed to expand her operation and buy a bigger farm which came with a R250 000 donation.

Absa approved a R12.5 million loan to purchase the new farm and an additional R2 million in working capital.

Venture capital helps finance studio

BY NABEELAH FREDERICKS

MORE and more small businesses that require smaller investments are looking to fund their businesses through venture capital (VC).

This, despite the perception being that this type of funding is largely reserved for investments into larger businesses.

So says Gerrie van Biljon, executive director of Business Partners Limited who bases this on the number of entrepreneurs who have shown interest in the Business Partners Limited Venture Fund since its launch in October 2013.

The Fund finances deals up to R10 million for market-ready products or concepts.

"Many innovative products or services never hit the market, despite the potential they have as financial constraints prevent them from taking the concept further. The fund is therefore specially focused on investing in small businesses as opposed to most venture funds that focus on larger private equity deals," says Van Biljon.

One of these businesses is Triggerfish Animation Studios, an award-winning animated film production company situated in Cape Town.

"Having been branded by the international media as Africa’s answer to DreamWorks, Disney and Pixar following its first animation film Adventures in Zambezia (3D) and second film Khumba, Triggerfish required venture funds for its upcoming film’s script," says Van Biljon.

Jean-Michel Koenig and Nunu's Designs are among the beneficiaries of Business Acumen Programme which has assisted more than 200 aspiring entrepreneurs.

He says that Triggerfish is a typical example of the kind of business that the Fund aims to assist – high-impact investment and new technology business that could "shock the lights out!"

Jean-Michel Koenig, chief financial officer of Triggerfish Animation Studios, says that the company applied for funding to assist with finance for the first phase of development work on its film slate.

"We are a pioneering animation filmmaking company on the continent and there is very little precedent for what we are trying to do. As a result, there are not many organisations in South Africa who provide early-stage risk financing, or who are open to financing businesses that fall outside of the more traditional industries, such as Triggerfish,” says Van Biljon.

About the fund

SMALL businesses potentially have access to a fund of R400 million in venture capital from Business Partners Limited.

The Business Partners Limited Venture Fund, started in 2012, is aimed at small businesses financing high-impact entrepreneurs.

The Fund seeks to focus on industries such as clean energy, agri-processing, biotech and ICT, as they offer great potential and opportunities for entrepreneurs to develop new products or take existing businesses to a new level.

There is also a focus on businesses that are developed at tertiary institutions, incubators and innovation hubs and industry groups.

The Business Partners Limited Venture Fund will consider first-round finance deals of up to R10 million, with the option for a second round and "blue sky" potential rather than a preferred industry.

Consideration will be given to ad hoc investment after the research and development phase, where the business’ product or concept is market-ready.

For more information go to www.businesspartners.co.za
Less face-to-face contact could cost you dearly

BY DANIEL BUGAN

THE decision to meet with a client face-to-face instead of via video conferencing could secure you that much sought-after contract. This emerged from a report released by Crowne Plaza Hotels & Resorts, part of the InterContinental Hotel Group.

The “Business Meetings in a Modern World” global research report revealed that businesses around the world could be missing out on nearly a quarter (24%) of additional revenue because they are not investing enough time in face-to-face contact.

The report surveyed more than 2 000 business men and women across five major markets – the UK, U.S., United Arab Emirates (UAE), China and India – to better understand how business professionals are using both virtual and face-to-face meetings and the possible economic impact.

The survey found that nearly half (47%) of business men and woman surveyed believe they had lost a contract or client simply because they did not have enough face-to-face meetings, which resulted in the estimated yearly revenue loss of 24% - a significant loss for any business.

In fact, 81% of business men and women stated that face-to-face meetings are better for building long-term trust and ensuring strong client relationships. However, nearly two thirds (63%) reported that the number of virtual meetings they attended had increased in the past five to ten years.

Hereby, further demonstrating that the value of face-to-face meetings is being overlooked in favour of cost and time-saving technologies, such as video conferencing.

Hazel Carter-Showell, business psychologist and body language expert, says: “Although developments in technology allow business men and women to make achievements in meetings that would have been impossible a few years back, meeting face-to-face continues to bring significant benefits that are much harder to obtain through virtual channels.

One of these benefits is building trust, which research has shown is behind many profitable companies. Trusted companies have higher morale, productivity, lower employee turnover and create deeper relationships with their customers.

But what about the cost of face-to-face meetings, if that client is based elsewhere? Janis Cannon, global vice president of Crowne Plaza Hotels & Resorts, replies: “Not arranging enough face-to-face meetings can be even more costly. If you plan, run and follow up meetings properly, the cost will be repaid many times over.”

To meet online, or not?

TEBOGO Gabashane, who together with business partner Candice Mashabela heads Mashabela Personnel, says that for them, face-to-face meetings are vital. “It is always important to put a face to the name for relationship and rapport building purposes.”

How does he feel about the costs attached to a face-to-face meetings?

Says Tebogo: “To make money, you must spend money. So, as a business person one should make a point to meet one’s client at all costs. This is all the more important if one wants to convert a lead or potential client to a billable client.”

Tebogo says they sometimes conduct meetings via the telephone, but the calls are normally for clarification of certain details of a client’s requirements.

His company offers recruitment, payroll, verification and response handling services to its current tally of ten clients. He says the business does not currently utilise video conferencing facilities "although it is a tool we intend to utilise in our day-to-day operations going forward".
**Break for brothers in brewing business**

**BY NABELAH FREDERICKS**

SINCE opening their first coffee bar in August 2006, Andrew and Chris Brown have not looked back and now own a chain of establishments throughout Gauteng.

The brothers also ended off 2013 on a high note by winning the Sanlam/Business Partners Entrepreneur of the Year award. Shuttled after a tough vetting process, telephone interviews and an on-site visit, Andrew and Chris were announced as the competition’s winners.

But things have not always been smooth sailing for the owner-managers of The Daily Buzz, an up-and-coming chain of coffee bars that services the corporate industry with specialty coffee.

“We were unable to secure funding from the banks for our business, so Andrew was forced to take a loan from his bond,” says Chris, the operations director.

Ironically, they opened their first coffee bar on the premises of one of South Africa’s biggest banks.

The idea of a starting a coffee bar came to Andrew when he was experiencing below par service and quality from his then employer’s canteen which relied on outsourced services.

“I was living overseas at that time and I did a barista course in London where I was trained by the world’s number one barista,” says Chris.

He says he was trained abroad because, at the time, South Africa did not have many good barista training schools, but this has improved over the past seven years.

Chris is now the proud owner of a coffee bar in the heart of Sandton, one of the city’s five-year-old coffee bar, the Daily Buzz.

“30 minutes away from Milan, one of the city she lived in was two hours away from Milan, one of the world’s fashion capitals and Vesela-Ntimbani approached a number of suppliers with her idea. She was told that as soon as she had set up her business and was ready, they would supply her.

“Needless to say, upon her arrival in South Africa, Vesela-Ntimbani wasted no time in registering her business and the website had already been designed prior to her arrival, so all that left her to do was find a reliable shopping company. It was very challenging to find a shipping company, as I needed to do research as well as check their reputation via references and cross references,” says Vesela-Ntimbani.

Six months later, in November 2013, Vesela-Ntimbani was at a crossroads. She was ready to launch Makoya Brands, an online fashion shop that sells premium brands such as Calvin Klein, Giorgio Armani and Timberland at discounted rates.

“I think the most difficult thing about starting the business was access to finance, but I managed to invest R450 000 of my own savings,” says Vesela-Ntimbani, a qualified chemical engineer who worked in the Czech Republic for five years.

She later moved to Switzerland, where she was resident for three years, and it was during this time that the idea of starting an e-shop came to her. It was also during this time that she completed a Master of Business Administration (MBA) degree.

“I was regularly shopping online and, at that stage, online shopping had not really taken off in South Africa, so I started researching my business idea,” says Vesela-Ntimbani.

The city she lived in was two hours away from Milan, one of the world’s fashion capitals and Vesela-Ntimbani approached a number of suppliers with her idea. She was told that as soon as she had set up her business and was ready, they would supply her.

“Needless to say, upon her arrival in South Africa, Vesela-Ntimbani wasted no time in registering her business and the website had already been designed prior to her arrival, so all that left her to do was find a reliable shipping company. It was very challenging to find a shipping company, as I needed to do research as well as check their reputation via references and cross references,” says Vesela-Ntimbani.

In addition, she did market research about online payments and discovered that people were scared of providing their personal details.

As a result of this information, Vesela-Ntimbani decided that the best way to build trust with her customers was to allow them different options, depending on their preferences.

“Some customers can create an account and register and others do not need to create an account. However, because we are based in Durban, we are sometimes required to courier goods to customers and in these instances we need to have their contact information as well as the address where the goods need to be delivered to.”

She says sales are coming in, albeit slowly, but she attributes this to a lack of marketing on her side.

“I have had so many things to concentrate on and have only been doing organic marketing via social media. This has helped quite a bit as my target market is online, but there is room to do more.”

It has been difficult to get people interested in an idea, but now that I have an actual business I believe I will get better assistance,” says Vesela-Ntimbani.

She says her biggest focus right now is on marketing her business and getting her name out there.

**Get info from poster**

**A BUSINESS tool recently launched by The City of Cape Town will see business owners now have on-hand access to useful contact information of business support organisations.**

**The Business Development Support Poster, is an enhancement of the City’s Activa online initiative which is focussed on development of entrepreneurial support and linking business owners to these services via the website’s portal.**

According to Councilor Gareth Bloor, mayoral committee member economic, developmental and spatial planning at The City of Cape Town, the poster provides clear and concise information to users about the location, contact details and services of almost 60 enterprise development organisations in the Cape Town metropolitan area.

It is a useful tool for prospective and existing entrepreneurs providing them with information to guide them in their search for support.

According to Lavendra Brown, manager at The Business Partner’s website, www.eoy.co.za, the poster is aimed at those business owners who often do not have access to the electronic portal on the Activa website.

“We want to provide information to business owners and recognise that some may not have access to the website,” says Naidoo.

Naidoo says the portal and poster does not only provide information on Activa and its own local government agencies, but also of business advice and consultancy services.

He says the poster will be available at local libraries, municipal offices and business support organisations.

**For more information on Activa go to www.capetownactiva.com**
Confidence key for success as teen business owner

BY NABELAH FREDERICKS

IT is important to be confident when approaching investors because they look at who the “jockey” is — the one who will eat, sleep and breathe the business.

These are the words of serial entrepreneur, David Chait, who now runs successful logistics business Mr Delivery. He is also the former owner of vida e caffe and Rikkis Taxis.

Chait was speaking at an event held at the Southern Sun Hotel in Newlands, Cape Town which was organised by SA Teen Entrepreneur Foundation — a non-profit organisation aimed at nurturing a culture of entrepreneurship in teenagers.

“Of course they are backing the business based on the business plan, but they also look at who is running the business and whether you are confident in doing that”.

This was Chait’s response to a question asked by one of the attendees, who stressed the difficulty in accessing finance from commercial banks, on how teen entrepreneurs could go about accessing finance.

Chait says when trying to access finance, family is usually the first point of call, but this decision should not be taken lightly.

He was referring to his own experience when, at the age of 21 and hoping to expand his then successful business by buying a catering business, he borrowed money from his father who took out R150 000 from his bond to assist Chait.

However, the business failed as a result of Chait not doing a due diligence. He was forced to sell both businesses.

Chait then set off to work on an American cruise ship in what he describes as “the toughest years of my life to date” to earn enough money to pay back the debt he owed his father. He did this and was soon back in Cape Town pursuing another business opportunity.

He partnered with the then owners of vida e caffe where they built up the brand and then sold the business five years later. Subsequent to this, he then bought Rikkis Taxis which he built up to “a R1-million a month business” before selling it.

Chait says he then took some time out to get married and speak proudly of his wife and 14-month old son.

“Family is the number one priority... but when get a loving hug from your wife and a smile from your kid there is actually nothing better. You could have had the toughest day,” says Chait.

Much of what Chait spoke about was in agreement with the previous speaker, Troy Chipewembe, who stressed that parents needed to foster a culture of entrepreneurship in their children. He says that many entrepreneurs are taught to think out of the box but “who told you there was a box in the first place”?

You need to think like there is no box,” Chipewembe told teen entrepreneurs at the event.

One teen entrepreneur in attendance was Luke O’Sullivan, a grade 11 pupil at Sacs High School. O’Sullivan runs a small business selling lollipops and snacks and says he turns over R700 per month.

“I started selling pinpops a few months ago and then realised that I could make R500 profit out of it,” says O’Sullivan.

He says he attended the event so that he could see what possibilities were out there to assist him in his business.

The SA Teen Entrepreneur Foundation was founded by Lydia Zingoni. Regular networking events are organised for teen entrepreneurs. The foundation also provides advice and partners teen entrepreneurs with mentors.

• For more information go to www.teenentrepreneur.co.za

David Chait of Mr Delivery with one of the teen entrepreneurs

THE BUSINESS PLACE

ACCOUNTING ● TAX ● ADVISORY

The Business Place, an innovative leader in the enterprise development arena, registered professional accountants and tax practitioners, has fused its respective service areas of expertise to bring about The Business Place’s accounting, tax and advisory service offering. This premier agency can meet all your accounting needs, whether you are a small, medium or large business.

As a full-service firm, our expert staff of highly trained accounting specialists will take control of all your accounting needs, allowing you to focus on running your day-to-day operation without any additional stress. Our standard of excellence is evident in the long-term client relationships that our team has built, collectively forging our path as an industry leader in offering invaluable services.
WHEN you start out in business, or decide to up your marketing game for the first time, or plan unusual steps such as buying a business, you’re faced with many new concepts to grasp.

The people you’ll deal with may have been involved in this field for decades and will be using words you have little understanding of, which may be a very disempowering experience for you.

But it does not have to be so. What if you could quickly learn what this new field is about where terms you’ll encounter are easily explained? What if you are introduced to how the people from this field operate?

This is exactly what the small business series of books published by Bookstorm and edited by Eric Parker is about – it offers you, the reader, a quick but comprehensive introduction to the applicable field.

Let’s first take Starting Your Business, first. Where could you go for advice when you decide that the best route for you will be to buy an existing business, rather than starting your own business from scratch?

Well, if you want to know how buying a business works in South Africa, you do not have many options, so the section in this book devoted to buying a business will come in very handy. Here you’ll find advice on issues such as valuation, negotiation and contracting. And most importantly, what to look out for from the buyer’s perspective.

Knowing Eric Parker as the South African “franchising guru”, Starting Your Own Business of course also covers what you need to do when you decide that buying a franchise is the best option for you.

This section is packed with practical and to the point tips on what to look out for and how to go about when buying a franchise so that you’re set up for success.

Marketing Your Own Business provides a comprehensive introduction to the topic – from defining your market, to branding your business, to advertising for increased sales. After reading this book, you will know almost every term used in the marketing field. This is however not a workbook, so do not expect to have a useful marketing plan ready by the time you finish the last page. You will however be equipped to move forward with the knowledge needed to take on marketing as an important element in your business.

Some sections of Marketing Your Own Business offer very handy tips, such as how to compile a creative brief when you need to make use of the services of graphic designers or advertising agencies. This is presented in an easy to follow bullet format of the most important elements of a brief, as well as an explanation of how to identify the best providers to deliver on your needs.

Finance In Your Own Business is aimed at business owners who are not strong on accounting, but who wish to understand the key financial elements of their businesses. Again, a comprehensive coverage of accounting and financial reports are provided, including a focus on the 15 most important financial ratios of your business.

If you have not grown your business to the point where you use budgets and cash flow forecasts as important tools in making sure you remain profitable, then this book is for you. For instance, a whole section is devoted to explaining how you can compile and use budgets and forecasts to help you to succeed.

This series may not be ground-breaking in offering new ways of understanding business, but it surely does a good job of presenting comprehensive and easy to follow coverage of everything involved in starting, marketing and managing the finances of your business.
Cater for your customers first

BY PAUL CRANKSHAW

THINK about it – you cook regularly at home, and you’re quite good at it. You’re organised, and good with people, so why not consider making food for a living, as a contract caterer?

These are caterers who provide food in the workplace, schools, universities, hospitals and homes, as well as for occasions such as weddings, funerals, conferences and big gatherings.

While restaurants and coffee shops usually need a lot of investment for startup costs and working capital until their clientele grows, a catering business can be started small and slowly built up depending on the available resources. You can even run it from home at first, if you have the basic kitchen facilities.

The idea is to start off with one or two customers (a good entrepreneur always finds customers first, even before starting the business!) in your area, whose needs you understand well and who you can provide top-class food and service to.

This way, your first customers will also be your advertising platform, their ‘word-of-mouth’ references will lead to more customers.

COULD YOU DO IT?

Your chances of success are better if you have some previous experience of working in the hospitality or food industry. But if you are already a homemaker or domestic worker with daily experience of preparing food that people enjoy, then you already know the basics.

You will often spend long periods on your feet, and will need plenty of energy and enthusiasm. You’ll need good interpersonal skills for dealing with your staff and customers. You should also be able to offer a range of food, and be willing to change your menu from time to time.

The legal regulations concerning food are strict. You and your staff must follow hygiene procedures, such as using separate chopping boards for meat, fish and vegetables.

Remember that you will be operating a business, so self-discipline and an ability to adapt to what the market wants will be vital.

You will also need basic word processing and mathematical skills to manage the administrative and financial aspects of your work.

In summary, you will need to be able to calculate the costs, quantities and preparation requirements for each meal.

WHAT ABOUT TRAINING?

The hospitality industry is controlled by a number of laws and regulations – mainly dealing with health and food safety – so it’s a good idea for you and your staff to get some formal training in how to comply with these. Even if you are starting up on your own, you might soon land a large client (a government department, for instance) who needs proof of your qualifications and compliance standards.

TARGET MARKETS

Your customer base could be any or all of the groups listed below; choose a target market that is not too far from where you live and work, and also suits the scale of your operation and the range of food you can offer:

• Private customers who organise events such as dinner parties or concerts may be a source of business
• Organisations running courses or workshops often need to provide food for their delegates
• Businesses that operate staff canteens often hire an outside caterer to prepare and serve the food
• Wedding organisers sometimes employ contract caterers when arranging receptions at venues that do not offer in-house catering
• Leisure venues similarly need contract caterers from time to time for conferences and private parties
• Corporate hospitality businesses occasionally employ contract caterers when they cannot cope with their workload.

Contact the Tourism Enterprise Partnership about training opportunities; it has regional offices in the main centres.

Where you can get your catering training

Where you can get your catering training

Speak to the Tourism, Hospitality, Sports, Conservation and Arts Education and Training Authority (Cathsseta) about certified training providers in your area: www.cathsseta.org.za

The website of the South African Chefs Association also has a useful list of trainers, categorised by region so that you can find one near you: www.saca.co.za

A useful resource for finding a variety of training courses is the Skills Portal, with courses on offer from a range of training companies around the country: www.skillsportal.co.za

Contact the Tourism Enterprise Partnership about training opportunities; it has regional offices in the main centres: www.tep.org.za

The Institute for Hospitality Education (SA) offers courses from City & Guilds International (certificate and diploma) in the hospitality industry, where you can work and study at the same time: www.ibesa.co.za

Training is also available from food hygiene organisations like Swift Siliker in Cape Town and Gauteng: www.swift.co.za

Co-owners of catering business The Business Of Catering: Imran Khaki, Mark Shaw and Lee-Ann Ludu.

Nothing is more valuable than getting first-hand advice from someone who has already walked the path you plan to set off on.

Small Business Connect spoke to Mark Shaw, co-owner of The Business of Catering, on key points to remember when starting up.

Q: How did you get started?
A: I trained as a chef and worked in restaurants and hotels and eventually bought a small restaurant. After running that for a few years, my business partner and I decided to sell the restaurant and go into the catering industry.

Q: What kind of person does it take to do what you do?
A: It takes a hard-working, dedicated person with an eye for detail. You will need to be organised and able to solve problems “on the fly”. You also need to know that you are choosing a job that requires you to work when others are “playing”.

Q: What kind of training and background are necessary?
A: While formal training may not be necessary, it is advisable to have some experience in the professional food service industry. As the owner of the business, you will need to develop an understanding of all facets of the business: costing, purchasing, recipes, menu planning, hygiene, sales and marketing etc.

Q: How much capital did it take for you to start your business?
A: It didn’t take a great deal - I think we started with R50 000, but have done it for less.

Q: What are your closing words of advice to would-be caterers?
A: While it requires hard work, catering is a very fulfilling career. There are few more satisfying experiences than seeing all the different parts of an event fall into place, while the client and their guests enjoy themselves. Research before you start – speak to other caterers and familiarise yourself with all the different services offered. Make sure you have a business license and know what your obligations are to Sars.

• For more information, go to www.tboc.co.za
Business mistakes to avoid with startups

BY GCOBANI NDABENI

BUYING a business, or starting one, is supposed to give a sense of pride and accomplishment, and symbolise the beginning of good things to come.

But some mistakes we make can change everything. Things can go horribly wrong. Here are costly business mistakes we make...

RUSHING

Everybody knows speed kills, and this also applies to business. Do not rush things or else you will land yourself into a lot of trouble. We always tend to have this urgency to finalise deals quickly because we do not want to lose opportunities to other people. In the process, we bind ourselves to obligations that are unfavourable to us.

A common mistake is to sign a lease agreement that takes effect immediately without specifying in it that it is subject to the successful raising of capital required to start trading. I have seen people paying rent for a number months before they have actually started trading. All the cash that is supposed to be used for working capital is then swallowed by having to pay premature rent and when it is time to commence trading there is no money.

AVOID URGENT BUYING

There might be something not-so-good below the sales pitch. Do not be fooled by the flashiness presented to you.

I am reminded of a person whom I met recently who entered into an urgent sale agreement while he was still going to apply for finance. The agreement provided that the buyer pay the purchase price in instalments on specified dates. The first instalment happened to be soon, not allowing sufficient time for the buyer to secure finance. Since the buyer could not pay the first instalment the seller enforced the agreement by instructing his lawyers to send letters of demand to the buyer. If you have not started trading yet, you cannot afford to deal with letters of demand!

PAYING FOR GOODWILL

People will always want to score big when they sell their businesses and some are really chancers trying their luck with unsuspecting buyers.

Crunch the numbers and see whether you can recover the goodwill that you will have invested after a period of five years from the profits (after tax) the business will generate.

If not, negotiate the price down or walk away even if you like the business very much...

I met a seller some time ago who wanted to sell his business urgently since it was generating too much profit at the time and he felt sick when he thought of the income tax he had to pay at the end of the year.

Even though these profits were not going to be achieved forever, he needed to get rid of this problem once and for all by selling the business but at a ridiculously high price.

I do not think he managed to get rid of it though since he was not prepared to bring down the price. Personally, I would gladly like to have this problem anytime.

LEGAL ENTITY

When you are buying an existing business, you must register a new business to which the business activities and assets will be transferred.

You do not want to be left with the previous owner’s past sins to deal with. You can still use the trading name or brand since you have paid for it, but not the registered name.

Let the seller decide what to do with it.

FORCING MATTERS

Do not, out of desperation, get yourself into deals that you will struggle to comply with, because the end results might be dire.

A certain learned gentleman wanted to start a business but it required a high startup capital.

Nobody was prepared to finance him for the amount so he thought he could still do it with more than half of the amount. He just needed to do a few adjustments to the original plan.

This shows how desperate he was. Was it really a good idea? One of the financiers agreed to finance the lower amount. But the finance provided could not cover setup costs of the business, and he could not get further funding anywhere.

He was forced to close down the business.

He signed unlimited suretyship for the loan and used his property as security. We know that financiers are not in the business of losing money. Please let us be wise and not ruin our lives.

Gcobani Ndabeni is operations director at Small Business Connect.
Choosing which fixed-line operator is best for your business is not such a cut-and-dried case as many would think. There are quite a few things to consider. For example, if cost is the more important factor, then Neotel may be the preferred option. However, customer’s might need to be nearby to a base station and therefore if your business operates outside of this area, coverage could be a problem.

**BY DANIEL BUGAN**

**FIXED-LINE telephone connectivity** is an expense for businesses that can go without, but with Telkom and Neotel as the only two operators in the market to choose from, pickings are quite slim.

So which one is the most viable option for small business owners? Arthur Goldstuck, telecommunication analyst and founder of World Wide Worx, says Neotel is the most cost-effective option.

Many commentators question why Neotel’s decision to increase the price of its analogue line rentals, as price may be one of the reasons why Telkom’s fixed-line hands are dwindling.

Goldstuck says Telkom’s user base for its fixed-access lines has been steadily declining every year for the last 13 years.

The company recently revealed during the unveiling of its financial results for the year ended 31 March 2013, that it currently has 3 800 000 fixed-access lines – down from 3 995 000 in March 2012.

The increase in its line rental costs could thus be seen as an effort by the telecommunications giant to protect its revenue.

Goldstuck cited the example of Neotel’s NeoConnect Lite packages which, with free minutes and free Neotel-to-Neotel calls at an entry-level cost of R99 per month, “makes Telkom’s voice packages look silly.”

The call rates for the NeoConnect Lite packages, including its top-end offerings which come with a handset and internet access, are competitive. Neotel’s tariff for local calls to Telkom lines is 34 cents per minute, while Telkom charges its customers 46 cents per minute for Telkom to Telkom calls.

Goldstuck says that although Neotel is a fixed-line operator, it is essentially a wireless service which is dependent on the customer’s proximity to the nearest Neotel base station.

“As a result, Neotel’s footprint is limited. Its coverage is mainly restricted to the main urban areas.”

Offense Mopedi, telecoms analyst at Africa Analysis, says Telkom has a greater reach across South Africa and is thus a better option for businesses that have to liaise with suppliers, clients and other parties across the country.

He feels that Telkom’s BizTalk product range is better positioned to serve the needs of various small businesses compared to the NeoFlex voice offering from Neotel.

The Telkom BizTalk calling plans include normal business line rental and bundled fixed free Telkom-to-Telkom minutes.

All BizTalk packages, which ranges from R299 to R467, are subject to the signing of a 12-month contract. Neotel’s NeoFlex voice provides a single-line connection for PBXs (switchboards).

The cost for the NeoFlex voice service is R198 per month. This service includes the device, 100 any time, any network minutes and is based on a 24-month contract.

Mopedi says the decision to choose the best offering for a small business depends on the nature of the business.

“Telkom has to determine beforehand the nature of the majority of outgoing calls made by the company, i.e. do the majority of the calls go to mobile networks or are most of the calls made to land lines?”

He says it is important to determine early before a business commits to any specific type of a communication plan.

It would not make business sense to commit to a bundled offering if most of the business employees are in the field.

It would also not make business sense when most of the calls are made to various mobile networks and mobile broadband is often used by employees who do not work from their offices.

Mopedi says converged business solutions will definitely lead to more savings in bigger corporates as opposed to smaller businesses.

**www.telkom.co.za** and **www.neotel.co.za**

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**Six ways for you to use technology efficiently**

**BY PAUL HOBDEN**

**KNOW YOUR WIFI SPOTS**

When out and about look for free WiFi hotspots rather than use expensive 3G data. This will allow you to work on the go and be more mobile and efficient without running up high mobile data bills.

**MARKET ONLINE**

There are many cost effective and measurable online advertising platforms that allow small businesses to gain traction. Put time and effort into making sure your company is listed in directories, add free adverts to Gumtree and OLX and keep your Facebook profile up-to-date, and you’ll increase your revenue without spending a cent.

**KEEP YOUR TEAM EFFICIENT**

Take a look at what your staff spend their hours doing, and look for software and services that can make them more efficient. Can you use GPS on a phone to make your drivers more efficient or download a free booking and reservation system? Saving time being more productive is just as important as saving money.

• Paul Hobden is the head of small business at MWWEB and has extensive management experience.

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**Mobile apps preferred over voice calls**

**BY NABLEAH FREDERICKS**

**CONSUMERs are taking control of their communications and choosing how and when to communicate, posing a challenge to businesses.**

However, this can also be seen as an opportunity to move closer to your customer.

So says Dione Sankar, head of Cellphone Banking and Messaging at First National Bank (FNB), speaking at the Mobility 2014 – “The Data Economy Conference.”

The conference, which was based on research on the mobile consumer and mobile internet in South Africa, was hosted by FNB and World Wide Worx, an independent technology market research company, headed up by Arthur Goldstuck.

Research shows that 19-24 age group was abandoning voice faster than any other age group. Instead, dramatic growth was seen in the use of internet messaging (IM) applications or “apps” as it is better known.

“The rapidly growing penetration of smartphones and the increased ease of use of the Internet on feature phones has changed the way South Africa communicates,” says Goldstuck.

WhatsApp was the most popular IM app with Facebook chat in second place, followed by Most and BlackBerry messenger.

The surveys also revealed that Nokia remains the most popular brand in the country, followed by BlackBerry and Samsung.

Another big rise was seen in the number of consumers now using mobile banking apps compared to 2012, shooting up by 9%.

This figure translates to one tenth banking consumers.

The Mobility 2014 project comprises two reports, namely The Mobile Consumer in SA 2014, comprising cellphone usage and mobile banking trends, and The Mobile Internet in SA 2014, exploring online trends.

It is based on face-to-face interviews with a nationally representative sample of South African adult cellphone users living in cities and towns. Fieldwork was conducted by Dashboard Marketing Intelligence in late 2013.

For more information go to **www.worldwideworx.com** and **www.fnb.co.za**
Competition provides platform for innovation

BY VUYO MABANDLA

THE Cape Peninsula University of Technology (CPUT), sponsored by the Western Cape Department of Economic Development and Tourism, recently hosted the Idea Create Student Innovation Competition awards ceremony providing a platform for an influx of bright ideas by young entrepreneurs.

The ceremony, held at the Southern Tsogo Sun in Newlands, sought to recognise those participants with innovative ideas.

The students were joined by various stakeholders, including government, academic and private business representatives. They were hailed as agents of change in their respective fields.

Last year, students at the CPUT went about brainstorming, planning and creating ideas to present to a panel of judges who looked for originality, persistence and excellent presentation. The entries were judged on originality, educational, informative and sustainable inventions in the categories of technology and business.

Says CPUT's technology promotions coordinator Hloemla Rabiu, “The aim of this competition is to unlock the students’ potential, improving their abilities and discovering their talents and creativity in technological projects or business ideas.”

The competition is in line with the departments' mandate to actively promote ideas with commercial value to help boost the economy at all levels. The students were invited to participate while still enrolled at the institution.

In the first competition in 2012, a total of 47 groups came forward with creative ideas, created from scratch. They were provided with entrepreneurship and business plan training where they were taught how to write and present their plans. A maximum of R12 000 was awarded to the top five student ideas, and R7 000 to the next six to allow them to develop their ideas.

Last year, the competition was “expanded and modified”, says Rabiu. Students were required to enter their projects, prototypes, engineering or industrial design or business solutions to an existing problem.

Rabiu says promoting the competition to students was also an “innovative” initiative. Fortune cookie pamphlets, online invitations, DJ and MC, music and on-the-spot prize-giving encouraged students to participate and served as a good marketing tool.

This caught the eye of eager students who study at the university’s various satellite branches, with many deciding to take part.

Following the competition’s successful first year, CPUT received about 40 entrants in 2013.

They were given free training in entrepreneurship, intellectual property management, pitching, marketing and branding skills at the institution’s two main campuses in Cape Town and Bellville.

Over 25 business ideas were selected and judged, with only 11 finalists selected for both business and prototype submissions.

“They will also receive mentorship and support... and further assistance with intellectual property protection, upscaling their prototypes and taking their products to the market,” says Rabiu.

She says entries for the 2014 competition will open in March.

CPUT seeks to raise awareness about the competition by making online calls via social networks, doing campus roadshows and the CPUT website.

• For more information on the competition go to www.cput.ac.za

Finalists of the Student Innovation Idea Competition run by CPUT and the Department of Economic Development and Tourism.

Making business in the Western Cape better together

ADVERTISING FEATURE

SMALL BUSINESS CONNECT

Training assists firms with needed skills

BY VUYO MABANDLA

IN an attempt to solve a lack of financial know-how experienced by small business owners, the Western Cape Department of Economic Development and Tourism (DEDAT) hosted the E-Skills training programme late last year.

The event, split into two sessions, was attended by over 50 business heads and qualifying businesses that received training in effective financial management.

Co-hosted by Humla Business Advisers, the sessions were held at the Cape Peninsula University of Technology’s (CPUT) Cape Town campus over two days per session.

There, business owners received training in accounting software to make it easier for them to manage their finances.

Margot Willemsen of DEDAT, says: “One of the obstacles that often prevent small businesses from taking up procurement opportunities is their inability to produce accurate financial statements, which in turn prevents them not only from implementing effective financial management but from obtaining finance when needed.”

Paul Hobden, head of small business at MWEB, addressed the issue at a major business conference in Khayelitsha in November last year.

He said business owners were still using conservative means of communicating, which largely involved a lot of paperwork. This method was time-consuming. He further said business owners often struggled to catch up with today’s fast-paced methods.

Paper statements were lost or damaged in accidents, landing businesses in unnecessary legal wrangling and profit loss.

“Businesses should upgrade their means of communication; the presence of a computer armed with proper programmes such as the internet, email and others help a lot with marketing and can be cost effective,” he said.

Willemsen says the training sessions were important to the business sector and that upon completion of the training, participants were awarded a licensed copy of the accounting software.

Bradley Haupt, of Drip Free Car Care Products, attended the E-skills Training Programme and applauded it on assisting him with his online accounting skills.

Haupt says; “My wife forwarded an email to me which she received through her SAWEN membership. I then made contact with the relevant people who kindly assisted and reserved a place for me on the two day course.”

“We are not all accountants or bookkeepers. Get yourself a good accounting system from day one as it will take time to learn all that it has to offer.”

A third training session for 20 small businesses will be hosted in George in February 2014.

• For more information on the E-Skills Training Programme you can contact Margot.Willemsen@westerncape.gov.za

Bradley Haupt of Drip Free Car Care Products
Dream come true thanks to finance

BY VUYO MABANDLA

LOOKING at conventional ways to fund a growing enterprise does not always get you the way a business wants.

This is why Kurt and his father, Adrian Paulse, a thriving business man with a vision to win a multinational passenger-transport firm, turned to the Western Cape Department of Economic Development and Tourism and National Empowerment Fund (NEF) for much-needed assistance.

Their dream was realised when he landed a major contract recently.

The small company was contracted to offer transport services to industry giant Tronox Group at its Namaqua Sands plant in Saldanha. However, this presented the Paulses with a new challenge.

They were asked to come up with three brand-new 65-seater buses to honour the new deal.

However, the pair needed more capital.

Kurt says: “One of the conditions was that the vehicles should not be older than 8 years. We decided to buy new buses to supply a service.”

Their search for financial assistance to turn the agreement into reality led him to try the banks, but “as a small business the deposit requirements were very high.”

Realising that this was dead-end, he turned to development finance.

A roadshow recently organised by the department exposed him to a different channel of enterprise funding.

There, he met the department’s John van der Rheede who discussed the alternative funding with Paulse Transport management.

They also met Winston Richards, assistant director of enterprise development at the department’s offices.

Following productive meetings doing planning and brainstorming, Richards then introduced the Paulses to Chris Louw, the manager of the National Empowerment Fund in Cape Town.

Both Richards and Louw assisted the company – putting in long hours – with sorting out documentation in order to comply with government rules for social assistance.

Paulse credits the two officials’ diligence for his new growth.

After the funding, the company used its new capital to pay for the new buses, branded them with their own logo, staff uniforms and to cover hidden costs.

In this way, employment of his staff was secured.

So far, the continued rollout of networks and awareness programmes by the two entities has seen an array of small businesses create more job opportunities.

Paulse says, “Starting your own business is not easy. It takes hard work and dedication... Your internal and external SWOT analysis is extremely important. Having a solid support foundation is also extremely important.”

Funding increases profits and productivity

TWO Cape Town business owners were able to buy new machinery resulting in increased production and turnover thanks to the Enterprise Development Fund (EDF).

The fund, launched late last year by the Western Cape Department of Economic Development and Tourism, is aimed at assisting business owners owners with funding to purchase goods and services needed to grow their businesses and create employment.

Reginald Jordaan, one of the recipients of the fund and owner of engineering business Strategic Outsourcing Solutions, says he received R 50 000 and was able to buy a welding machine.

“I save on labour now because we don’t have to clean the products when we are done welding because the machine does this,” says Jordaan.

Jordaan who has had a number of businesses over the 50 years he has been in the engineering field says in the past he always went back to working for an employer.

However, by October 2010 the business Jordaan worked for closed down and he decided that he now had the skillset to start his own business for good.

“I have had the same cellphone number for as long as I can remember and when customers called me thinking I still worked for my previous employers, I started taking on work for my business after explaining to them that the other business had closed down.”

Services offered by Jordaan include building specialised conveyor belts, enclosures for protecting high-tech equipment, manufacturing stainless steel ribbon blenders and fencing projects for big name clients such as the National Sea Rescue Institute, the University of Stellenbosch and local government.

The other business that received R50 000 in grant funding from the EDF was Custom Graphics located in Ottery.

The business is owned by husband and wife, Tania and Kevin Andrews.

Tania says they were approached by the department and the application process went relatively quickly.

“We completed the forms, provided the documentation such as tax clearance and business registration documents,” says Tania.

Shortly after, they received the money and bought a screen printing machine.

The screenprinting machine has assisted the pair in saving on outsourcing the printing as well as having much more control of the business.

“Before we had to rely on the other company and now we can control our deadlines by doing the printing ourselves,” says Tania.

Since receiving the funding and buying the machine the business increased production by 50%.

The Andrews’ started their business more than 13 years ago, combining Tania’s experience and qualifications in signage and Kevin’s in printing.

The business has won several awards over the years namely, the Nedbank Business Achiever Award and a finalist in the Eskom Business Investment Competition.

Business owners interested in applying must be based in the Western Cape, operating for at least 12 months, be in possession of a valid tax clearance certificate and must be majority black-owned.

★ Go to www.westerncape.gov.za

Reginald Jordaan of Strategic Outsourcing Solutions with wife and business partner Cathy Jordaan.

Kurt and Adrian Paulse (centre) own Paulse Transport.

He is grateful to the department for its assistance and says Richards and Louw will stand as his mentors in the new venture with the Tronox Group. “Their input is and was extremely valuable.”
'Piemping' on a fellow employee

BY JAN TRUTER

THE employee's duty to demonstrate good faith is one of the cornerstones of the employment relationship.

This implies that the employee may not do anything that is dishonest or that clashes with the interests of the employer.

But, what if a fellow employee does something that causes the employer harm – is there an obligation on the employee to report this to the employer?

The issue of an employee failing to report the wrongdoing of a fellow employee came up in a recent case before the National Bargaining Council for the Chemical Industry in CEPPWAWU obo Lewack vs. Aspen Pharmacare.

The company was alerted by a reliable internal source to the fact that there was large-scale consumption by employees of Guronsan C, a product manufactured by the employer.

There was a strict prohibition on the consumption of company products and employees were aware that it constituted a dismissible offence.

Employees were not even allowed to drink water in certain areas.

There were also procedures in place to enable employees to report wrongdoing without the fear of being compromised.

Based on the evidence, the commissioner found that she had been aware of the other employee consuming the product and that she had done nothing about it.

Lewack was dismissed as a result.

The commissioner in the Aspen Pharmacare case relied on the doctrine of "derivative misconduct".

Reference was made to the case of Chauke & others vs. Lee Service Center CC t/a Leeson Motors, where the Labour Appeal Court stated that an employee may be found guilty of derivative misconduct if the employee "has or may reasonably be supposed to have information concerning the guilty, (and) his or her failure to come forward with the information may (therefore) itself amount to misconduct."

In the finding the court explained that "the relationship between employer and employee is in its essentials one of trust and confidence, and, even at common law, conduct clearly inconsistent with that essential warranted termination of employment... Failure to assist an employer in bringing the guilty to book violates this duty and may itself justify dismissal."

The court concluded that the derived justification is wide enough "to encompass those innocent of it, but who through their silence make themselves guilty of a derivative violation of trust and confidence".

A case of derivative misconduct is to be distinguished from a situation where an employee not merely fails, but refuses to co-operate in an investigation into misconduct or refuses to provide information that can assist in identifying the culprits.

In the latter case, an employee may be found guilty of the principal misconduct.

Derivative misconduct is also to be distinguished from a situation where disciplinary action is taken against a group of employees collectively for failing to adhere to certain agreed standards, resulting in unacceptable levels of shrinkage or stock loss.

Every case will have to be judged on its merits.

For more labour advice by go to www.labourwise.co.za
Do your whole plan on one page

By the time you completed your business plan it may already be out-of-date. CHRISTOFF OOSTHUYSEN explains how to use a page plan, as a comprehensive map that can be refined as you go along, leading you to get better and better so that you get improved results.

In the rapid-changing world of today, we need to plan for the next step towards our goals without always knowing the full path of getting there and our desired destination.

This is pretty scary, since we must acknowledge that we will never know for certain exactly how to get there, so you can’t just roll out an after completing our business plan.

Under these conditions, there is a big danger that you may focus on getting the things done you can see that must happen immediately since you do not wish to waste time on possibilities of the Flow Cycle's decisions have a good chance of not becoming reality. Or you may alternatively be unsure what it is you need to do next, that you remain obsessed with the bigger idea, without getting down to action.

START WITH WHY

I use a tool called the Flow Canvas when I work with businesses and organisations who understand that traditional ways of planning will not help them.

In the Flow Canvas, we place Purpose in the centre of the single page we have for the plan and we first answer the question: Why does your business exist? The answer, of course, is not just to make money!

With a well-defined Purpose, you can ask yourself what you must do to achieve this bigger idea... and this is exactly what we do when following the Flow Canvas approach.

On a single page we draw four lines – two vertical and two horizontal – so that a grid is formed exactly like you would draw for playing naughts-and-crosses. This grid creates nine boxes and we use the central box to write down the Purpose we want to identify. Then we can start completing our business plan.

The Flow Canvas 1-page Plan gives you a very powerful tool to share your plans with your team, to show how the various elements of your business exist together, get your team to act, and then to quickly review and adjust your plans for the next cycle.

DO YOUR PLAN

You can use the Flow Canvas to easily do your own plan. Draw the four lines on a page, then follow the sequence of questions, as explained below, from Purpose, to Focus, to Transaction, to Audience, to Attention, to Desire, to Delivery, to Culture, and Improvement.

1. PURPOSE

Your purpose explains why your business exists and the difference you are making in the world. Purpose is different to the other elements as it endures over time; with the other elements, you attend to the activities for the next cycle of your plan. Your purpose remains your guiding light.

2. FOCUS

Your focus clarifies your uniqueness in terms of the specific idea that makes your business different to others and the distinctive value you create within your niche. Your focus is all about the benefits you offer, rather than the people you serve through what you do.

3. TRANSACTION

The element of transaction is where you change value. It is turning the benefit described in your focus into a value exchange. You can use the language of the nine elements to identify where the problem lies to solve.

4. AUDIENCE

This is the group of people who benefit from what you offer and are attracted to your transactions. Since this is about identifying the people you serve, it is also important to clarify whom those are you cannot serve to – you cannot be everything to everyone! Be very clear about who the people are you are meant to serve.

5. ATTENTION

While your focus clarifies your uniqueness, attention allows you to explain this uniqueness and the benefits you offer. You are noticing through delivering a congruent message appropriately positioned so that you are recognised where it matters.

6. DESIRE

When you have attracted your audience’s attention, you need to draw them closer so that they are unable to resist what you are offering. You achieve this by planning for the element of desire, where you remove the objections and obstacles in the way of people easily transacting with you.

7. DELIVERY

The element of delivery is about making good on what you promised. It is all about organising your teams, systems and money. Delivery is about meticulous planning of your operations, logistics and resources. With a “well-oiled machine” you’ll be able to prevent disappointments.

8. CULTURE

Your culture is about functioning as a sustainable organisation and the values guiding your accountability. You clarify how you organise yourself and your internal environment to maintain efficiencies and happiness.

9. IMPROVEMENT

With the Improvement element, you identify the best ways for you to measure your performance so that you ensure that you keep contributing to your purpose. You also identify bottlenecks or inefficiencies in your cycle’s flow by quantifying key measures for each of the nine elements. The aim is to get better before the next cycle.

In following the Flow Cycle (see the image above), you will see how the one element progresses to the next – it follows the natural path of “shifting energies” as described in ancient thinking about achieving good flow. This article is too short to go into this in depth.

However, you may know that the five questions used to offer a complete news article are What, Where, Who, How and Why.

These five questions are also the five energies found in ancient Chinese descriptions on how change happens naturally.

It is the shame “shift in energy” that we plan for on the FlowCanvas and that perhaps is achieved through the flow from one element of your plan to the next and the dynamic interaction between these elements.

ENERGETIC DYNAMICS

The biggest benefit of this dynamic influence between elements is that the clarity you have with one may help you define your plans for another element you may feel less confident about.

When you get stuck or your plans do not work out as you anticipated, you can use the dynamic energetic relationships between he elements to identify where the problem lies to solve.

Christoff Oosthuysen is a Certified Business Advisor (the highest level of accreditation) and Entrepreneurial Coach at FlowFinders International. He is also the Publisher of Small Business Connect.

To download a free Flow Canvas planning framework you can go to www.FlowFinders.com/FCpage.

To find out about completing your plan in six hours go to www.FlowFinders.com/Tc.

Learning from others

BUSINESS ADVICE as an accredited profession is fairly new in South Africa. This is why it is sometimes very difficult to decide who to approach to help address key challenges in your business. It is also not always clear how you and your business would benefit from business advice. You do not ask yourself who to appoint, but also whether appointing a business advisor would help at all.

Small Business Connect has teamed up with business advisors who are members of the Institute of Business Advisers (IBA) to present you with examples of projects they have worked on. In these examples you’ll be able to see how the businesses benefited from the business support interventions, and you may also learn about something you can do in your own business.

The Institute of Business Advisers (IBA) is a SAQA-accredited professional body responsible for planning, accreditation and continuing professional development of business advisors, business counsellors and mentors assisting small businesses. The IBA aims to set standards of professional conduct by its members.

So, if you are looking for a business advisor, it is not a bad idea to look for an IBA-accredited professional. According to the IBA, business advice is the provision of “independent, impartial and effective information and guidance” to potential and established businesses, based on “substantial business experience and current knowledge of related factors”.

Business mentoring, on the other hand, is an ongoing long-term business advising relationship between an experienced business adviser and client that covers a diverse range of topics as a business develops. Both mentoring and advising are aimed at creating a profitable business that is more effectively managed.

Advising and mentoring is more involved than business consulting. It is about the assessment of business needs and the review of business functions, plans and directions, advising on the delivery of a report containing suggestions for the business.

For more information about the IBA, visit www.ibasa.org.za. email info@ibasa.org.za or call 012 752 8972.
Renault makes clean sweep with Duster

BY WALLACE DU PLESSIS

RENAULT breaks new ground in the motoring world every now and then. Think of the first Sandero, the Espace and the 4CV. The Duster may be just such a game-changer.

The Renault Duster is a go-anywhere station wagon. It will, comfortably, seat four adults with good rear leg room, a huge ‘boot’ and a roomy practical cabin.

The interior is well equipped, yet simple. Nothing overly fancy. It has air-conditioning, sound system, a parking system (except 4x4) and adjustable seats and steering wheel. It is somewhat noisy when driving at a higher speed and you can hear the clatter at idle on the diesel.

The 4x4 version is remarkably versatile. It has a very low first and third gear, almost acting as a low-range gear in difficult conditions and a very high sixth gear acting as an overdrive economy cruising gear. The 4x4 can be used on automatic and select just front wheel drive or AWD mode, or you can override it and select just front wheel drive or locked 4x4.

The Duster has more interior space than any other C-segment SUV and has a big 475 litre boot capacity. This vehicle can be used as both a delivery vehicle for small parcels and as a small utility vehicle for a tradesman when the seats are folded down. The 80 kW 1.5 dCi turbodiesel will give you fuel consumption of around 5.5 litres per 100 km and pump out 240 Nm of torque from 1750 rpm. This means the Duster motors over sand and even dunes with ease. Its gravel road and jeep track performance is really very good.

On tar, the Duster will surprise with its minimal body roll and road holding. Safety kit includes ABS with emergency brake assist, ESP with traction control (on 4x4) and four airbags.

The Duster will be a practical choice for anybody who must work in or go to rural areas. It is economical, spacious, comfortable and remarkably capable both on- and off-road. I think the 4x2 versions will also be capable of going far off the beaten track.

The range starts with the 1.6 petrol 4x2 Expression at R194 900 which produces 75 kW and 145 Nm. The Dynamique is R204 000 and the dCi Dynamique is R219 000.

The differences between the two trim levels include alloy wheels, slightly different paint job and trim, full size spare wheel and touchscreen navigation.

Possible rivals or alternatives include the Ford EcoSport (no 4x4), Dihatsu Terios (smallish engine), Nissan Qashqai, VW Tiguan (expensive), Suzuki Jimny (small) and the GWM H5.

The Duster as tested costs R230 000. Good value for money.

Sentra back but different

BY WALLACE DU PLESSIS

SENTRA is back. After an absence of almost a decade, Nissan has brought the Sentra back, but it is a very different car to the one we knew.

This new Sentra is bigger than the previous model and is set to take on the family-sized competition.

The 1.6 litre petrol engine produces 85 kW and 154 Nm of torque via either a five-speed manual or CVT transmission. This results in a good fuel consumption of around 6.5 litres /100 km, with less than nippy but quite acceptable performance.

Still, the Sentra is a good, solid family-sized car with enough go and good road manners. Both the boot and cabin are big. The interior is really spacious, quiet and well equipped with everything except satnav.

The Sentra as tested costs R253 000. The manual is R239 000. I would pick the 1.5 dCi 4x4. It is a really good price and represents good value for money.

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The Sentra as tested costs R253 000. Good value for money.

Chinese dragon with little fire under its belly

BY WALLACE DU PLESSIS

THE compact hatchback market just got a new entrant. A little red dragon car from China. The C20R from Great Wall Motors.

And as with all GWM products, build quality is acceptable and by far the best of the Chinese manufacturers. Subjectively, I would say they are where the Koreans were seven or so years ago. That is a compliment and a tribute to the improvement in the quality.

It’s a stylish sexy looking little fire eater, without too much fire in its belly. This small hatchback which rides 172cm high, looks like it can go off-road but actually it is strictly for town and highway.

It is more of a crossover like a CrossPolo. It is not in the same class off tar roads as a Sandero Stepway.

Several people asked me what it is while I was testing it. Everybody seemed to like the looks.

Powered by a family low tech 77 kW 1.5 litre petrol engine with variable-valve timing which generates 138 Nm, acceleration is somewhat leisurely but cruising at the legal limit is a breeze. When fully laden this car may battle a bit around 5.5 litres per 100 km and pump out 240 Nm of torque from 1750 rpm. This means the Duster motors over sand and even dunes with ease. Its gravel road and jeep track performance is really very good.

On tar, the Duster will surprise with its minimal body roll and road holding. Safety kit includes ABS with emergency brake assist, ESP with traction control (on 4x4) and four airbags.

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The Duster as tested costs R230 000. I would pick the 1.6 dCi 4x4. It is a really good price and represents good value for money.

Best value in its class too.

For more motoring reviews, go to www.wheelswrite.com
The Department of Trade and Industry (the DTI)

The DTI is responsible for implementing most of government’s business-related policies, including that of small business promotion. The services that the DTI offers are aimed at industrial development, export development, promoting participation in the economy and the development of small businesses.

In addition to the services available to small businesses through various DTI agencies such as Seda (see below in the directory), the DTI is also active in direct support to entrepreneurs through incentive schemes and trade programmes.

Various grants are offered by the DTI, including for businesses expanding their manufacturing capacity, businesses entering export market and black-owned businesses in need of supplier development.

As a key agency within the stable of government agencies, the DTI is tasked with implementing important elements of the government small business development strategy. The aim is to work closely with other government agencies and provincial initiatives.

The Department of Trade and Industry (the DTI) (0861 843 384)

Seda provides business development support to small enterprises ranging from start-ups to well-established businesses. Many useful services are offered in partnership with specialised providers in the small enterprise support industry.

Entrepreneurs and potential entrepreneurs may approach Seda to gain access to the business support services; they would otherwise not be able to afford.

As a key agency within the stable of the Department of Trade and Industry, Seda is tasked with implementing important elements of the government small business development strategy. Seda therefore works closely with other government agencies and provincial initiatives.

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Seda (0861 843 384)

Compared to Seda, the National Youth Development Agency (NYDA) is a community-based investment company which strives to improve economic well-being by investing in businesses that will generate returns and by supporting small businesses. The NYDA is an active agency in the small enterprise sector and is still active in the small enterprise sector.

The NYDA supports young people between the ages 14 and 35 through various initiatives. The services offered by these agencies are now all consolidated under the NYDA. Included in the NYDA’s services are finance to small businesses within the Limpopo province. It is also active in housing finance, mining and public transport.

NYDA (080 052 5252)

Limpopo Economic Development Agency (Leda)

Leda was formed after the amalgamation of Limpopo, Limpopo and Tshwane. The services offered by these agencies are now all consolidated under the NYDA. Included in the NYDA’s services are finance to small businesses within the Limpopo province. It is also active in housing finance, mining and public transport.

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The CIPC was established and launched in 2004 after the merger of the Office of Companies and Intellectual Property Enforcement (OCIPRE) and the Companies and Intellectual Property Registration Office (CIPRO).

The CIPC’s role is to provide accessible registration services for business entities, intellectual property and registered practitioners; to maintain and disclose relevant information regarding business entities, business rescue practitioners, corporate conduct and reputation, intellectual property rights and indigenous cultural expressions.

The CIPC also increases awareness and knowledge of company and intellectual property laws, this also includes opportunities for business entities and intellectual property rights holders to drive growth and sustainability, as well as the knowledge of the potential of these laws in promoting the broader policy objectives of government. The CIPC’s role is also to help businesses to take the necessary steps to visibly, effectively and efficiently monitor and enforce compliance with the laws of the CIPC.

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CIPC (0860 103 703 0860 103 703)

Companies and Intellectual Property Commission (CIPC) (0860 103 703)
A PROJECT management and renewable solutions company in Middelburg, Mpumalanga has not only increased its turnover considerably since becoming a supplier to Anglo American, but has also secured over R1 million in funding through the mining giant’s enterprise development initiatives, Zimele.

Vista Wa Seroka Trading Enterprise supplies and delivers trucks and equipment to Anglo American’s global shared services office.

Owner Vusi Seroka says its contract with Anglo American contributes to over 80% of the company’s annual turnover.

According to Seroka, doing business with Anglo has opened other doors for them and they have subsequently secured contracts with commodity trading and mining company Glencore Xstrata, minerals mining company Encarco and one of the biggest steel companies, Columbus Stainless.

“Doing business with Anglo has been a great platform from which to become a successful entrepreneur by expanding into other business ventures such as doing business with major industrial firms.”

He says the company has a ten-year contract with Anglo American and he does not have to reapply for the contract should Anglo be satisfied with their work.

Vista Wa Seroka, which has been in operation for six years, has also received R1.5 million in loan funding from Anglo American’s enterprise development arm, Zimele.

Zimele consists of five separate funds, namely the Supply Chain Fund, the Anglo American salads Mining Fund, the Community Fund, the Green Fund and the Sebenza Fund. Funding is provided according to the individual needs of a business and can be up to R10 million per project or business.

Business owners are provided with support and mentorship as part of the funding process. Seroka says he used the funding to buy two bakkies, office furniture, pay employee salaries, purchase materials and keep the company afloat.

The loan also made it possible for him to employ several people from the local community.

Zimele not only provides funding to businesses in the Anglo American supply chain but also to businesses in other supply chains as well. Businesses in all sectors are welcome to apply.

Zimele’s four funds have provided R708 million in funding, supported 1 393 companies and completed 1 972 loan transactions.

To qualify for funding under the Zimele programme, the following criteria must be met:

• The business must have a large black shareholding and management structure.
• The owners of the business must be involved on a day-to-day basis in the management of the enterprise.
• The owners of the business must be part of the local community where the business operates.
• The owners of the business must need to contribute to the business, from their own financial resources.
• Loans must be repaid in good time.
• The business must have scope to grow and be sustainable.
• The business should care for the environment and be safety conscious.

Applications must be accompanied by a business plan and submitted to a local Zimele hub manager or fund representative.

For more information, go to www.angloamericann.com

Examples of places you can get your copy of Small Business Connect are listed below. For a full list of distribution points go to www.SmallBusinessConnect.co.za/paper:

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Companies Intellectual Property Commission
theDTI Campus 77 Wembley Str Sunnyside...
012 284 9873

Free State Development Corporation
Cnr Amanda & Delange Str Indsithoja Thalane Hansimth...
056 635 1112

Get assisted with an Anglo internship

BUSINESS owners can become suppliers to Anglo American by applying to get on the mining concern’s Entrepreneur Internship Programmes (EIP).

The EIP, which is hosted by Anglo American’s supply chain, is a focused 12-month internship open to aspiring entrepreneurs with a great idea that they believe they can bring to market and can serve the mining industry.

It is also open to existing business owners who believe that they can accelerate the growth of their existing business and create more jobs as a result.

Ideally, the business or business idea should be focused on a more innovative or non-traditional technology area with potential for rapid growth, or one in which there are no existing suppliers.

The business can subsequently become part of the Anglo American supply chain.

Ambitious entrepreneurs who believe their ideas will help the development and growth of the mining sector can apply to the EIP.

Business owners who have started and built a business and are now ready to take its growth to the next level can also apply for support. However, these businesses should be generating an annual turnover of R60 million or less.

You are especially encouraged to apply if you are a historically disadvantaged South African.

ELIGIBLE

To be eligible, you must meet the following criteria:

• A minimum of 25 years of age.
• A minimum of a Higher National Diploma or a Bachelor’s degree and five years of working experience or a minimum of 12 years working business experiences.
• High aptitude for entrepreneurship, to be determined through a structured assessment.
• Demonstrated business innovation and leadership capabilities.

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