

R3.5bn to small business dept

BY NABELAH FREDERICKS

SMALL businesses will have access to R3.3 billion in training and mentorship support over the next three years from the Department of Small Business Development.

The Minister of Finance Nhlanhla Nene revealed during his 2015 Budget Speech last month that the department would get a budget of R3.5 billion for the 2015/16 to 2017/18 financial years.

Almost R3.3 billion of this amount would be spent on supporting small businesses, while a further R199.7 million (6% of the total) would go to pay the salaries of the department.

Immediately following the budget speech Zulu was quoted in the media as saying that she would be adding to the amount of money announced by Nene. "I'm adding another R20 million to it because R20 million is sitting somewhere else," she was quoted as saying.

Her reference was made with regards to money she was expecting from big business and other departments based on the interest they had shown in small business development. The spokesperson for the Department of Small Business Development Cornelius Monama said more details regarding how the funds would be allocated would be revealed during Zulu's budget vote speech later this year.

He added that the department would also develop a business rescue strategy aimed at supporting small businesses and co-operatives and would also strengthen and regulate a framework for supporting the informal business sector.

Business Partners managing director Nazeem Martin welcomed

Entrepreneur with pedal power...



Jeffrey Mulaudzi is starting a cycling revolution with the launch of his bicycle stations. Turn to page 6 to read how he started Mulaudzi Alexander Tours.

the news and said that he is hopeful that government will honour the commitment by President Jacob Zuma made in his state of the nation address to ensure that 30% of certain state procurement would be allocated to small businesses; and that businesses are paid timeously. However, the executive director of the South

African Black Entrepreneurs Forum Matsi Modise said she was expecting a bigger amount to be allocated to small businesses.

"If we want to create more small businesses and develop these businesses then these businesses deserve a bigger budget allocation. I also expected a bit more detail," said Modise.

The announcement was welcomed by Small Business Connect readers, but many also voiced concerns that the money should not be misused. Mdu Ntuli believes that this is good news for small businesses.

"The problem starts when the money is given to a consultant who does not understand startups

and small businesses and then put conditions in place that suit them (the mentors, not the entrepreneurs)," said Ntuli. Tshidi Delyn Mokale said that she was happy that it was in line with the development of small businesses, while Zwelakhe KaSwartbooi hoped that the funds would not be misused.



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New liquor laws
effective immediately **Page 2**

Changes to tender process
to eradicate corruption **Page 3**

PE firms come to blows
over territory **Page 5**



Local social
enterprise
supports
business
women

Page 10

New liquor law effective

BY DANIEL BUGAN

BUSINESS owners selling liquor will have to do it within the confines of a new list of provisions and regulated trading hours or risk having their liquor licences revoked.

This comes after the Minister of Trade and Industry Rob Davies last month gazetted the National Liquor Norms and Standards. The new rules must be implemented with immediate effect.

Trade and industry spokesperson Sidwell Medupe says the decision to introduce the new liquor laws is aimed at ensuring that the laws for businesses in all provinces that sell, manufacture and distribute liquor are the same.

“These standards will ensure consistency and certainty in how liquor laws are implemented by various liquor authorities,” he explains.

He says the norms and standards, which list general provisions and regulate trading hours, will be enforced by the liquor boards in each province through on-site visits. Failure to obey the new rules could lead to fines or termination of liquor licences.

Medupe did not elaborate on what the rand value of fines for those that transgress the law will be.

The new rules that apply to those businesses that sell liquor on-site such as restaurants, taverns and bars include: no entry for those in possession of any guns or knives, no loitering or littering outside the premises, no disturbing neighbours, the putting in place of mandatory safety and evacuation measures, the availability of free condoms on the premises as well as tap water and ablution facilities at no cost to the patron.

The rules further state that it is against the law to sell alcohol to anyone under the age of 18 or to buy alcohol on behalf of them. If there is any doubt about the age of anyone buying alcohol, the business owner must ask for the buyer’s identity document. Alcohol may also not be sold to someone who refuses to provide proof of age or for those wishing to buy alcohol to drink off premises.

A person under the age of 18 years, accompanied by an adult, may be allowed access to a liquor-licensed establishment but no alcohol may be served to such a minor. The new rules have set maximum permissible trading hours for businesses in the liquor industry. These are: 6pm to 6am, seven days a week for night clubs in business areas and 6pm to midnight for those in residential areas; and 10am to 9pm from Mondays to Saturdays and 10am to 5pm on Sundays for businesses with on-site consumption licences in residential areas.



Business owners will have to comply with new liquor laws immediately or face fines and penalties.

Businesses with off-site consumption licences such as bottle stores must keep records of all sales of more than 25 litres to any unlicensed person, such as the buyer’s name and address, kind and quantity of alcohol bought, and the price and reason for the purchase. Tavern owner Shakes Sibeko is concerned that the new trading hours will reduce his operating times by five hours. He presently trades from 10am to 2am on a Friday and Saturday. As

he is based in a residential area, the new rules will require that he stop serving alcohol at 9pm.

“They (new trading hours) will close us down. They will hit us when we are at our busiest,” says Sibeko. He says patrons only start frequenting his tavern from around 8pm after they have come from work and did what they had to do at home.

“The less people you get, the less you sell and the smaller your profit margins are,” he says,

adding that the reduced trading hours would likely cut his turnover by about 50%. Sibeko is also not in agreement with the provision in the laws which prohibits the selling of takeaway alcohol. He reckons he nets just less than a third of his sales through such sales. He doesn’t remain hopeful about the future. “I would have no alternative but to shut down and convert the property into a residential complex, where I can make money leasing units.”

First R335k tax-free

BY NABELAH FREDERICKS

MICRO enterprises with a turnover of under R335 000 will be exempted from paying tax if they qualify for and are registered under the turnover tax regime.

This follows an announcement by Finance Minister Nhlanhla Nene in his budget speech last month to more than double the annual turnover threshold (from R150 000) under which firms registered for the regime are not required to pay tax.

Nene’s announcement comes in the wake of recommendations made last year by the Davis Tax Committee. The committee was established in 2013 to review tax regimes and is headed up by Judge Dennis Davis.

The turnover tax regime is aimed at micro enterprises with a turnover up to R1 million with the aim of reducing the administrative tax burden on these businesses.

In addition, Nene also



Finance Minister Nhlanhla Nene

announced that the maximum tax rate for businesses registered under this regime would be reduced from 6% to 3%.

This means that business owners who are registered under this regime with an annual turnover of between R750 001 and R1 million will pay R6 550 plus 3% instead of the previous amount of R15 500 plus 6% of the amount above R750 000.

Those business owners

with a turnover of between R335 001 and R500 000 will pay tax of 1% of each R1 above R335 001. Those with a turnover between R500 001 and R750 000 pay R1 650 plus 2% of the amount above R500 000.

To qualify for turnover tax, business owners cannot provide a professional service unless they employ more than three people, must not have shares in other businesses (there are some exceptions such as shares in listed companies) and can’t derive more than 20% of their income from investments.

Up till now the take up has remained small. Figures from the South African Revenue Service (Sars) show that as at the 2012 tax year just 8 463 micro enterprises were registered for turnover tax. Sars would also be setting up up small business helpdesks to assist business owners in complying with tax requirements.

• For more information, go to www.sars.gov.za.

EDITORIAL

TOWARDS the end of last year, the Small Business Connect team decided to venture into something new...perhaps because we consider ourselves entrepreneurs too, or maybe because we were just curious to see how our readers would respond.

This led to the launch of SBC Online Radio. We started slow, and now a few months down the line, we’re already doing the 10th show!

The response was really good, with over 100 listeners signing in for our last show. Now, you may say if we reach tens of thousands of readers with the newspaper, have more than 17 000 followers on Facebook and capture the attention of over 10 000 unique visitors to our website, that 100 listeners is “small fry”.

Which indeed it would be if it was not for the fact that we know that big impact starts with small steps.

We can now comfortably say that we have a good format for hosting an online radio show for entrepreneurs.

We have two excellent hosts in Herman Tefo and Ntsiki Mkhize. We’ve experienced the engagement we get through the ongoing text chat during shows.

And, we know that three to five times more viewers go to our YouTube and SoundCloud channels to listen afterward or to download the shows as podcasts.

We also know that this is the media format of the future. In adding the online radio platforms, we can truly build a community of entrepreneurs.

I have to say, when we hosted our first real-life Small Business Connect event last month with the support of Allan Gray, we were surprised to hear from so many of those attending that they have become dedicated followers of our online shows, our Facebook page, and of course the newspaper and website. This event in itself was a result of community engagement.

As publishers of Small Business Connect, we work very closely with the Department of Small Business Development (the new sponsor of the paper) and the various agencies and companies involved in enterprise development.

We trust that together we’ll be able to build a strong community of entrepreneurs and that the platforms we create here will serve as “meeting places” for an entrepreneurial revolution to take hold!

Christoff Oosthuysen
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Tender database to reduce red tape

BY DANIEL BUGAN

A NEW electronic tender portal which is expected to be launched by the National Treasury next month aims to reduce red tape for suppliers.

This is in a bid by the government to make the tender process more trans-parent, equitable and fair.

South Africa joins other countries like South Korea, Australia and Chile, whose respective government also use e-portals to procure goods and services.

The spokesperson for the National Treasury Phumza Macanda says the e-portal www.eTenders.gov.za, as well as a supplier database, will be up and running from 1 April.

Macanda stressed that the government’s tender processes would remain unchanged.

“The (tender) process remains exactly the same except for the establishment of an electronic

tender portal (e-portal) and a supplier database,” says Macanda.

She says the e-portal will make it easier for business owners to access and apply for tenders as all new tenders will be advertised on it.

"The supplier database is a good thing if it will rid us of red tape when applying for work"

Using the portal, the National Treasury will also be able to verify the bidder's:

- Tax registration status.
- BEE and business regist-ration status.
- Eliminate supplier duplication.
- Identify whether government employees are trying to do business with the state.
- Eliminate multiple registrations.



The new e-Tender process is aimed at cutting down on tedious administrative requirements.

She says the database will also reduce the administrative and cost burden for suppliers within the tender process as the mandatory administrative documents will only need to be submitted once.

Trevor van Rooyen, who is the owner of Migma Engineering, says he has been applying for government tenders from a number of municipalities, and state-owned enterprises for more than 15 years.

Van Rooyen believes the move to set up a tender portal and supplier database is a step in the right direction.

“The supplier database is a good thing if it will rid us of red tape such as constantly having to supply tender documents when applying for work,” he says.

He adds that the current tender application process, which include providing tax clearance and shareholding certificates, signing

your bid document and dropping off your application before the closing date is complicated and time-consuming.

“Hopefully, having the tender portal will also spare business owners the trouble and expense of having to travel from province to province to attend site meetings,” he says.

- For more information, go to www.treasury.gov.za and www.eTenders.gov.za.

Call for firms to enter DTI premier awards

BY STAFF WRITER

BUSINESS owners should hurry if they still want to take part in this year’s South African Premier Business Awards – an event which last year’s winner says helped increase her turnover by 20%.

Entries close on March 6. The awards, the third of its kind, will be held in April and are an initiative of the Department of Trade and Industry in partnership with Proudly South African and Brand SA. They aim to honour successful businesses that promote innovation, employment and good business ethics.

Founder of domestics placement agency Maid4U Lindiwe Shibambo says the doors have not stopped opening since she won top honours in the SMME

category of last year’s awards.

“I’ve come out a winner in every sense of the word. Winning a competition of this stature gives your business integrity and builds confidence and trust in your brand,” says Shibambo.

The media coverage and exposure she received as a winner gave the business the boost it needed, with Shibambo having secured more than 500 clients since winning the award, increasing her annual turnover by 20%. “Business has been so good that I cannot keep up with the demand.”

She is now working with the DTI to build a franchise model of her business which she plans to roll out next month, adding that she’s already received 42 letters from people interested in opening a Maid4U outlet.

She advises other business owners to enter the competition.

“It’s an opportunity to showcase yourself and your business. Even if you do not win you will still get valuable advice which you can use,” says Shibambo.

Trade and industry spokesman Sidwell Medupe says businesses can enter any three of the 15 award categories.

A panel of judges representing various sectors will pick the winners, who will receive media coverage as well as a SA Premier Business Awards trophy.

The categories for the awards are: best exporter, best manufacturer, best rural development, best technology, best young entrepreneur, best women-owned enterprise, best proudly South African enterprise,



Maid4U’s Lindiwe Shibambo clutches her 2014 SAPBA award.

best quality, best green business, most empowered enterprise, best SMME, best investor, the play your part award and the best corporate SMME supplier development award.

SA businesses that meet the various criteria per category and achieved success in their various fields, are legible to enter.

Entries received after the closing date will not be accepted.

At the time of going to print, the department had yet to finalise the venue for the awards ceremony by time of going to print.

- For more information, go to www.sapremierbusinessawards.co.za.

PE firms fight over territory

BY MAX MATAVIRE

RIVALRY over municipal contracts has led to clashes between two groups of black contractors in Port Elizabeth, which left four business people injured.

Last month the newly-formed Nelson Mandela Bay Black Business Forum, with a membership of about 100 black contractors, clashed with Walmer SMME group of contractors in what could be seen as an "economic turf war" in Walmer township.

The forum alleges that the opposing group has blocked its members from operating in Walmer. Those injured included two members from each group. All were hospitalised. The rival groups have now laid charges of assault against one another.

Luvuyo Popo, the leader of Walmer SMME group and a fellow member are currently out on R500 bail after being arrested last week and charged with causing grievous bodily harm during last week's clash. He was due to appear again last month. Popo has described the forum as a "mafia".

Popo accused its leader Mheli Peter and his colleagues of corruption, by working in cahoots with municipal officials. Peter has denied the allegations.

"Now they want to come into our territory – Walmer – and take the only projects we got through our ward councillor and we are not going to allow that.

We are fighting because we are defending our business territory. Last week they came to Walmer and threatened to close our ward councillor's offices and we had to defend it," said Popo.

He alleged that Peter's group had befriended some municipal officials and are now benefitting from additional projects because of this. Calls to the said municipal official's phone went unanswered.

Municipal spokesman Mthubanzi Mniki however has denied the allegations, saying the municipality has an up-to-date database of registered emerging contractors, and that projects were allocated per ward through the relevant ward councillor's office.

"There is a transparent process of allocating projects. In fact, each ward councillor motivates during council meetings for projects in their area. Projects are allocated through the ward councillors offices. There is no corruption," said Mniki.

Meanwhile Peter has vowed that his members would shut down construction on the multi-million rand Baywest Mall just outside Port Elizabeth and disrupt operations at Coega's Industrial Development Zone unless they are given access to more contracts from the metro.



Mheli Peter is embroiled in a dispute with the Walmer SMME group.

The forum alleges that established companies mostly belonging to whites, still benefit most from contracts from the city.

"We will burn everything in the metro. Why are we not benefitting from the R9-billion budget of this metro. Where are the projects going to," says Peter.

He added that from July, they would be demanding that 50% of all work in municipal projects be subcontracted to their members.

Currently, the metro has a preferential policy which allows

25% of all work in its projects to be subcontracted to small firms.

Peter rubbished the often advanced notion that small businesses have no capacity to handle these projects.

"How can they say that without giving us a chance?"

He called on the ANC in the region to intervene and make sure they are allocated construction projects.

The business owners from both groups want the metro and the Coega IDZ to help train them up so



Business owners in Port Elizabeth are fighting over territory.

that they will have a better chance to tender for bigger projects.

They say they want to see millionaires coming from within their ranks through hard work and not because of corruption.

Last year a war of words erupted between business association in the Eastern Cape over business owners who disrupted construction projects in the province, over concern that small black contractors were being overlooked in the awarding of metro contracts.

• In another business association dispute, the Constitutional Court (Concourt) last month refused an appeal by former National African Federated Chamber of Commerce and Industry (Nafcoc) president Joe Hlongwane against a Concourt decision in November that ousted him from his position. The court ruled that a December 2012 meeting electing Hlongwane as president was "unlawfully convened". This means that Lawrence Mavundla is the current Nafcoc president.

Tech expo to take place in May

BY DANIEL BUGAN

WHY ARE some entrepreneurs able to grow their startups and make an impact using technology?

An international conference – Forging Enterprise – aims to explore how technology and innovation can help South Africa foster inclusive growth

Themed "Technology and Innovation for Inclusive Growth", the event will run from 26 to 28 May at the Cape Town International Convention Centre (CTICC).

It aims to show small businesses how to use innovation and technology to enhance competitiveness, performance and growth.

Conference organiser Septi Bukula, director of Forging Enterprise 2015, says leading experts and practitioners from around the world will attend the conference to discuss how innovation and technology to grow their businesses.



Septi Bukula

"(The conference) will also feature several entrepreneurs who will share their stories on how innovation and technology has given their businesses a competitive advantage and has enabled it to grow," he adds.

Bukula says he expects 3 000

visitors to attend the conference, including policymakers in government, small business development practitioners, academics and researchers, business financiers and business owners.

The conference will also include the first forum of the International Network for Small and Medium Enterprises (INSME) to be hosted in Africa.

"As an international non-profit organisation that fosters innovation and technology transfer in the small business field, INSME will bring leading experts and practitioners from around the world to share their knowledge with entrepreneurs and others involved in small business promotion," Bukula says.

He added that some of the network's members who will attend include the Italian ministry of economic development, the EU-Japan Centre for Industrial Cooperation, the Mexican ministry of economy, the African

Development Bank and the Asian Development Bank.

Small businesses from all business sectors will also be able to showcase their innovations and technologies at the conference, says Bukula.

"The conference will be arranged in such a way that delegates will spend a significant amount of time at the expo for meals and networking.

There will thus be ample opportunities for exhibitors to impress investors or to secure business deals with large corporations," he says.

As conference organisers were still busy selling exhibition space at the time of going to print, Bukula was unable to say how many exhibitors were expected at the expo.

Business owners are required to register for the event.

There is a R2 000 registration fee per person.

• Business owners interested in the event can go to www.forgingenterprise.co.za.

Somali biz forum to train locals

BY STAFF WRITER

SOMALIAN business owners have offered their South African counterparts an opportunity to learn from their success by setting up workshops to assist local business owners.

This follows the looting of foreigners' spaza shops in Soweto in January and in the Western Cape last month.

Abdikadir Mohamed, the Western Cape chairman of the Somali Association of South Africa, says the workshop was conceived not only to share business skills, but to raise awareness of refugees' struggles and to promote cultural integration.

"Somalis share the same challenges that South Africans face. I also started from humble beginnings with no handouts. We can learn a lot from each other," he says.

Mohamed, who fled from war-torn Somalia to run his own grocery shop in Cape Town, held a workshop in the township of Langa last month.

Talking to participants he advised them to seek out a location that is close to a transport hub when starting a business, to never run out of certain goods, such as ice-cream on a hot day and to always stock their shops with important items such as sanitary wear.

He also advised participants to never stock an item again if it has sat on their shelves for longer than three months, as this was a sure sign that customers were not interested in the product.

The workshop was hosted by Africa Unite, a non-profit organisation that focuses on human rights and youth development. The organisation's coordinator Brilliant Nyambi says

the organisation initiated the workshops as it was felt that it would be a good way to combat xenophobia and enhance social integration. The Langa workshop was the first interaction held this year. Last year three similar workshops were held in Gugulethu and one in Langa. Nyambi says the organisation plans to eventually rollout workshops nationally.

"The workshops are held in townships to give previously disadvantaged entrepreneurs the opportunity to learn from people who are renowned for their business prowess," says Nyambi.

He says his organisation is working with the association to roll out workshops to other areas, such as Mitchell's Plain. The workshops are open to both aspirant and existing business owners free of charge.

Mzondi Mbaifwuana, owner of butchery Mzondi Corner Pocket

in Langa attended last month's workshop.

"I am glad I went. I learnt a lot from Mohamed, such as the value of commitment and a hands-on approach and how to identify and deal with challenges." He says Mohamed's story as a business owner was an inspiration to him.

In response to a spate of attacks on foreign-owned spaza shops, the Department of Small Business Development released a statement condemning the ongoing violence. Minister of Small Business Development Lindiwe Zulu had assigned a task team to advise her of which course of action to take.



Mzondi Mbaifwuana

Photo by Masixole Feni.
Courtesy of GroundUp.

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Peddalling a path to success

BY YOLANDE STANDER

WITH a bit of pedal power and a deep desire to share his home with the world, 22-year-old Jeffrey Mulaudzi has sprinted to the front of pack with his township tours business.

Mulaudzi is the founder of Mulaudzi Alexandra Tours. He gives customers the opportunity to experience Alexandra township – which were once home to historical figures such as former president Nelson Mandela and music icon Hugh Masekela – from the saddle of a bicycle.

The idea to offer bicycle tours was sparked after he gave his French tutor and some friends a bike tour of his community five years ago. During the 2010 Soccer World Cup he started offering township cycling tours to mostly foreign visitors and has not looked back since. From two guides and two bicycles, he now has 20 bicycles and employs five people.

Today his tours are ranked as one of the top 10 activities to do in Johannesburg by TripAdvisor, a travel reviews website.

“I chose to do the tour on bicycle as it gives you the freedom to be part of the township without feeling like a visitor. They (the tutor and a group of friends) ended up liking the experience a lot. I saw an opportunity and grabbed it,” says Mulaudzi, who grew up in Alexandra.

Mulaudzi has not only been



Jeffrey Mulaudzi is the founder of Mulaudzi Alexander Tours which uses bicycles to explore Alexandra townships.

successful in growing his business but has also taken strides in debunking the myths of township living.

“Many people are still scared of visiting the township because of

its history and the atrocities which took place during the apartheid area. Visitors are still concerned over safety. But the bicycle tours give them an opportunity to see the township in a different

light. They get to experience and explore Alexandra, interact with the community and learn its culture, history and lifestyle.”

It is this positive attitude that saw Mulaudzi win the 2013 Young

Entrepreneur of the Year category at the South African Turkish Business Awards – an event which honours six businesses or people with success stories in business. And his accolades don’t end there.

Last year Mulaudzi was also one of 12 finalists for the Anzisha Prize – pan-African awards that honour young entrepreneurs between the ages of 15 and 22 for their contribution to changing their communities through business.

The young entrepreneur was also chosen as one of 18 business owners to participate in this year’s Spark SA Changemaker Accelerator. The initiative gives founders of startups the opportunity to access world-class entrepreneurship training, two years of free legal, business, graphic design web and research support as well as funding opportunities.

Mulaudzi attributes his business success to his drive to make a difference not only in his community, but also in Africa and says he’s always wanted to run his own business.

He uses his tours to assist other businesses in the townships, by also taking tourists to other establishments in Alexandra including traditional restaurants and taverns.

A tour costs between R200 and R400 depending on the duration and includes a bicycle, water and lunch. Mulaudzi not only shows visitors the historic sites in Alexandra including the home where Mandela once lived as well as the notorious hostels built during the 1960s, but also gives them the opportunity to interact with residents and to listen to their stories.

Although his clients are mostly foreign tourists, he says locals are also starting to line up for a taste of township life.

“I think my determination has also helped me make a success of my business. Before the tours, I tried to start a mobile carwash, but this venture failed. It was difficult to continue after failure despite giving it my all, but that did not stop me from trying and making my dream a reality.”

Mulaudzi, however, continues to dream big and believes there is room for his business to grow. “I’d like the tours to grow even bigger and my ultimate goal is to have bicycle stations in places like Sandton, Braamfontein and Cape Town.”

He is already working on by establishing African Public Bicycles through which he hopes to create bicycle stations in South Africa’s major city centres where people can hire a bike to see the sites and leave the bike a drop-off point where it will be collected by the company. He is busy launching his first bicycle station in Braamfontein.

SA woman wins global award

BY YOLANDE STANDER

SHE is an International Women’s Entrepreneurial Challenge (IWECC) awardwinner thanks to her efforts in grooming her employees in running divisions inside her business.

Power Plastics owner Caryn Formby was one of 32 women from 18 countries around the world who were honoured in November last year in Sweden for their contribution to the global economy and business skills. The business manufactures and supplies plastic covers and liners.

“You don’t have to own a business to be an entrepreneur. Entrepreneurs have a can-do attitude and are incredibly valuable to run parts of bigger business.

“Employees should aim to lead and manage in their current jobs and positions and try to be the best at what they do,” Formby says.

This was a strategy she implemented in her own business by creating micro business divisions – each with its own division head who is responsible



Caryn Formby

for the management of his or her unit. “This has created an environment that effectively gives employees a taste of what it is to run a business without carrying the direct risk. If it is done right, such an approach can also have a profound impact on the overall business,” says Formby.

Born and raised in Johannesburg, the St Mary’s School matriculant’s own journey into business also reflects this approach. After obtaining a master’s degree in business administration from the University of Cape Town

in 1988, Formby started her career in corporate management consulting and honed her business skills over the next 15 years.

“After so many years in the corporate world, I was up for a challenge and wanted to apply my talents in manufacturing. I like creating beautiful products through technology and people,” says Formby.

In 2003, she took over Power Plastics in Cape Town – which was established in South Africa in 1992.

When she became involved in the business it was a small, struggling enterprise. But, her success in developing her staff and implementing her award-winning business strategy has also resulted in the business growing into a company that now has two branches, one in Cape Town and another in Johannesburg.

The business employs 40 people and distributes its products nationally.

Formby also attributes her business success to having a “loyal and dedicated team”

behind her – something she believes will drive the business forward as they start rolling out their products internationally.

“Our industrial market has been focused primarily within South Africa until now. The award came at the perfect time as we are rolling out an international growth strategy on certain product lines. The recent depreciation of the rand also makes our products relatively well-priced so we are optimistic about the many opportunities IWECC has facilitated.”

She added that awards like the IWECC gave her a platform to “talk about the benefits” of her products, such as pool covers which reduces a pool’s power consumption.

“Power Plastics needs to have the opportunity to cover as many pools as possible. With this power crisis, if only the pools in South Africa were covered, we would be saving electricity.”

• The IWECC helps foster a better environment in which businesswomen can either gain access to international markets or grow their business abroad.

Sabri launches first of 10 new co-operatives

BY STAFF WRITER

A GROUP of Manenberg women have overcome gang violence and a shooting incident to launch two co-operatives in the area, proving that entrepreneurship is mightier than the sword.

The co-operatives – one that specialises in baking and catering and the other in leatherworks and accessories – were launched at the Manenberg’s People’s Centre last month by the South African Business Resources Institute (Sabri).

Sabri is a non-profit organisation and its co-operative programme equips entrepreneurs in poor areas with the skills and resources to grow their businesses. The two are the first of 10 co-operatives that the organisation plans to establish in the Western Cape. Yolanda Jegels, director of the Manenberg Leatherworks & Accessories Co-operative, says the co-operative’s six members make leather goods like shoes, bags and armbands. “I felt that I could contribute to the leatherworks and accessories co-operative as I previously worked in a shoe manufacturing factory for almost two years,” she says.

Jegels says she applied and was accepted into Sabri’s co-operative training programme where she received leatherworks design and skills training, as well as training in business skills.

She says ongoing gang fights, which regularly wreak havoc in the lives of residents in her neighbourhood, nearly thwarted her plans to become an entrepreneur.

“While we were still in training a gang fight erupted outside our training class. Gunshots were fired through our class window and a bullet grazed the cheek of one of the ladies. We were all traumatised and had to receive counselling. The lady never returned,” says Jegels.

When asked by Small Business Connect whether she had ever considered giving up, she replied with an emphatic “no”.

“No, I want to see our dream of owning our own factory with lots of people working for us become a reality,” she says. Jegels stressed that they had yet to make their first sale, but that they planned to seek out possible contracts with big retailers and boutiques, with the assistance of Sabri. Naomi Stemmet, who is managing the Manenberg co-operative project on behalf of Sabri, says that the organisation’s objective is to provide poorer communities with the opportunities to develop skills for sustainable business ventures. Stemmet says Sabri has chosen to focus on launching co-

operatives, rather than assisting individuals to set up companies, as the organisation believed that the former are better able to accommodate those with different skills. Each co-operative receives support for four years during which members receive training, as well as training in business, fire safety and equipment, emergency first aid response training and computer skills. The co-operatives will also provide a workshop, complete with tools and equipment from which to operate at no cost.

“We try to set them up with suppliers through our network of contacts. However, at the end of the first year the co-operative must be able to sustain itself,” stresses Stemmet.

To be considered for the cooperative programme, women must be between the ages of 18 and 35, good with their hands



Members of the baking co-operative with wood fire ovens.

and have some knowledge of entrepreneurship. Sabri will cover 80% of the cost of each co-operative intervention at R58 000, while the Ackerman Pick n Pay Foundation has agreed to sponsor the cost of equipment, R400 in cashflow to each member and R11 000 for mentorship and coaching. Sabri plans to set up the eight remaining co-operatives, in Hanover Park, Mfuleni, Khayelitsha, Gugulethu and Langa.



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SAB helps owner find his focus

BY DANIEL BUGAN

FROM a weekend photographer covering weddings to pay for his studies to making close to R1 million a year taking photos for South African Breweries (SAB).

This was how Johannesburg business owner Rodney Moloisi's prospects snowballed after he approached the country's top brewery with a proposal to provide it with photography services.

Moloisi, owner of Creative Lens Multimedia, says it all started when he entered the SAB KickStart competition in 2004 after completing his studies in political science.

"I always had an interest in photography and while at university would take wedding pictures on weekends to help pay off my studies. I thought why not give it a go and start my own business. I thought the competition would be a good in making my business dream a reality."

While participating in the competition, he received business

skills training and mentorship.

"It was while I was on the training programme that it occurred to me that there might be an opportunity for me to supply the company with my photography services," says Moloisi.

After he completed the training in 2004, he approached the company and was told to put together a business proposal.

He was also required to complete a vendor application form so that he could be added onto the company's preferred supplier database.

In order to get on to the supplier database he had to provide them with documents such as his business registration certificate, BEE and tax-compliance certificates.

"Within a week the process was concluded and I became a preferred vendor. This meant that whenever the company needed someone to do photography for them I would be the first one whom they would call," says Moloisi.

He started covering events and photo shoots for SAB from 2005.



Rodney Moloisi landed his first South African Breweries contract in 2004 and has not looked back since.

The services which he provides to the SAB central office, the regional depot and the soft drink division at the regional offices include photography, videography and picture framing.

As time passed, SAB also recommended him to another client, Standard Chartered Bank in

Sandton, which he has been doing work for since 2006.

He also secured other clients while out covering events for the company.

"Customers think that if you do work for SAB then you must know what you are doing and they do not question your abilities. They

then ask for your business card. I secured quite a few clients this way."

Moloisi says before he started doing work for the brewery his monthly turnover was around R40 000 a year.

After he became a supplier and secured the additional work that also came his way, his turnover steadily increased by about R100 000 a year to its current R950 000 per annum. He says the biggest challenge he faces in the industry is the competition from other photographers, especially amateurs.

"Amateur photographers normally start out with all the latest equipment and clients are impressed with the quality they produce. But they struggle to maintain that quality. I just had to up my game and maintain my standards to keep ahead of the pack," says Moloisi.

He says he does this by attending workshops which sharpen his skills and keeps him informed of the latest technological advances.

Another challenge that he had to overcome was inexperience.

"In the beginning I thought I had to employ fulltime photographers.

However, when there was not enough work to go around I still had to pay them a full salary which put me under severe financial pressure. I now only make use of freelance photographers," says Moloisi.

Moloisi's plans for the future include producing commercial advertisements as well as corporate videos for clients.

Big business ahead for supplier

WITH SAB planning to spend more than R3 billion on procuring goods and services from small businesses in the 2014/15 financial year, business owners have more than enough reason to feel confident about the year ahead.

As the country's premier brewer and leading distributor of beer and soft drinks, SAB operates seven breweries and 40 depots with an annual brewing capacity of 3.1 billion litres.

SAB's head of sustainable development and transformation Mpho Sadiki says the company procures a wide variety of products and services from small businesses. These include packaging, brewing, marketing, material and manufacturing supply and business, fleet and freight services.

She says: "We measure our supply chain performance on a monthly basis to ensure that small businesses, including black-owned and women-owned companies, benefit from tenders and contracts."



Mpho Sadiki

She adds that the company currently procures goods and services from more than 1 500 small businesses and during the 2013/14 financial year procured R3.6 billion in goods and services from them.

"Our plan is to increase the procurement spend to well over the current expenditure of R3.6 billion in the 2014/15 financial year," she says.

The company has two enterprise development programmes that provide business development and support programmes to businesses.

The customer business development programme shows tavern owners how to manage their personal finances and how to plan and grow a tavern business. The training is open to licensed tavern owners across the country who is registered on the SAB's database of customers.

The SAB KickStart youth development programme, which has been in operation for the last 20 years, is offered in a competition format and provides a combination of business skills training, business development support, grant funding, mentorship and access to markets. The programme starts during April and May each year and is open to 18 to 35 year old entrepreneurs whose businesses have been operational for longer than six months, but less than five years.

Sadiki says about a third of all

SAB KickStart grant winners have become suppliers to the company.

To be considered as a supplier, businesses must apply to be included on the company's supplier database. Applications must demonstrate commercial viability of the enterprise and job creation potential.

The business also needs to be tax-compliant, registered and the owner of the business must be involved in the day-to-day running of the business.

Preference will be given to businesses run by women, youth and people with disabilities and those living in rural areas.

"An on-site due diligence will then be performed to verify the information supplied by applicants and also to further assess the viability of the business," says Sadiki.

She advises business owners who are interested in become a supplier to contact the SAB procurement or corporate affairs departments.

• For more information, go to www.sab.co.za.

Owner's error costs R500k

BY STAFF WRITER

A SLIP of the finger last month proved to be a costly mistake for a Welkom business owner after he erroneously transferred more than R500 000 into an employee's bank account.

The employee has since refused to return the money and has instead transferred R400 000 of the amount into his wife's bank account.

Beeld reported last month that managing director of Motsi Civils and Plant Hire, Michael Mochudi, meant to pay R5 657.51 into Kathu worker Phemelo Mothupi's Capitec account, but omitted a comma by mistake.

It took an urgent court application to have the account of both the employee and that of his wife frozen. The court is due to decide on March 5 whether or not the two should pay back the amount.

Aslam Mosajee, a litigation and dispute resolution attorney for Norton Rose Fulbright says this kind of payment mistake is not uncommon among business owners.

"It is a typing error and happens more often than you think," says Aslam.

However, he says it is a costly mistake that business owners are not likely to repeat. In the event where a business owner erroneously transfers the incorrect amount and the beneficiary refuses to pay back the money, the business owner is entitled to go to court over the matter.

"It is a typing error and happens more often than you think"

"A court case of this nature can take anything from six months to two years and the costs can run into thousands of rands," says Mosajee.

However, he points out that should a beneficiary spend any of the amount that was incorrectly deposited with them knowing that it is not theirs, then they are guilty of theft and the business owner can lay charges against them with the police. Mosajee advises that one take the necessary precautionary measures lest one have to fork out money for legal costs should a beneficiary not pay the money back.

He advises business owners making use of an electronic banking system to task one person to capture payments and another to release the payments.

"If the capturer makes a mistake then the one assigned to release the money will hopefully pick it up," he says. FNB's senior corporate

communications manager, Patty Seetharam, says in the event of an incorrect payment the bank request a customer to complete a reversal request so that the paying bank can contact the receiving bank to reverse the transaction.

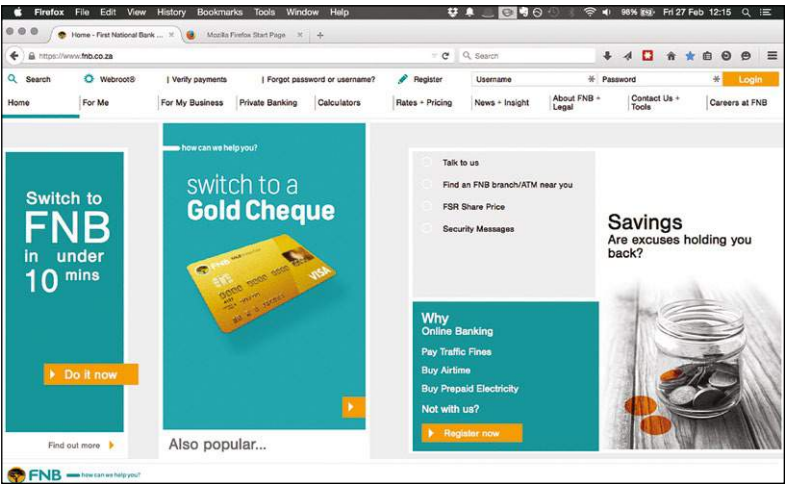
"However, the reversal (of the incorrect payment) is not guaranteed," points out Seetharam.

"If the receiving bank's account holder objects to the requested reversal then the customer will have to pursue recovery outside the banking environment."

She says if the account holder of the receiving bank does not oppose the reversal then the monies can be paid back into the paying customer's account within five days.

However, Seetharam says in the case of FNB, the bank cannot be held responsible for any financial loss a client might incur.

The message is clear – make sure you transfer the correct amount into an employee or supplier's bank account as an overpayment can lead to a lengthy and costly battle.



Double check electronic payments as mistakes could be a costly battle.

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- 18

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The craft of distribution

BY NABELAH FREDERICKS

WHAT started as a hobby making soap, has 13 years on become a thriving business for Nicolene Gericke. Gericke, who owns Antjies Handmade Naturals, says it all started when she was forced to make her own soap because she was allergic to commercial brands.

“I started doing research for a year (in 2001) and read every book on making soap that I could find,” she relates.

Once she had made two batches – one batch is the equivalent of 30 bars of soap – she realised that she had produced more than she needed to. This is when she saw the business opportunity in her hobby.

By the following year she was selling her soap at a Bellville Christmas market and shortly thereafter in the same yeae, she became a regular at craft markets in the Western Cape.

Despite meeting a few clients at the craft markets, Gericke realised that she would need to find other ways to source big clients if she wanted her business to grow.

It’s this that promoted her to, in 2003, exhibit at the South African Retail and Chemist Druggist Association’s tradeshow, held twice annually in March and August at Gallagher Estate in Johannesburg. Here she met clients from all over the country. It also brought up another issue she had not given much thought to – distribution.

“I started off sending parcels via the post office and was doing really well until the postal strike last year,” says Gericke.

It was then that she realised



Nicolene Gericke distributes her handmade soap using the Post Office and selected couriers.

she needed to have an alternative, especially when it came to big orders. Up until then, she says, the post office was working quite well for her and it was an affordable option.

“The postal strike was actually a blessing in disguise for me. It forced me to find a courier and we

now send most of our orders via these couriers.”

The couriers also pick up packages she orders from her suppliers that are on their routes at no extra cost to her business. This works out much cheaper for her.

She still uses the post office,

but it depends on the type of package she is sending off and the size of the order as well as the location of the client.

Gericke explains that she decided to leave her job as a project manager seven years after starting her business, to dedicate more time to her business.

“I also landed my first big client that day. After quitting my job, I went to meet with a supplier and I successfully landed a R15 000 contract with them. This was my biggest contract at this time,” says Up until that stage she had been afraid that she would not be able to make ends meet if she left her permanent job. But she still went for it.

She believes there is a certain responsibility that comes from not earning a salary and that the lessons you learn as the business grows.

“It’s really things you learn as you go along – learning on the job.”

She adds that it is important to build relationships with clients — hers with her couriers has allowed her to save costs when it comes to picking up packages from her suppliers.

She now employs six permanent employees, and moved into bigger premises two months ago in Stanford where she also lives. Today she boasts individual orders of up to R90 000.

“Our turnover has also grown by 100%,” says a proud Gericke.

Turn craft into your income

HOW is it possible to make a living from a craft? Find out by following the nine-part Small Business Connect series “Crafting Your Business”.

-  PRODUCT IDEA
-  PROTOTYPING & SAMPLING
-  MATERIALS
-  PRODUCTION
-  PACKAGING & PACKING
-  MARKETING
-  SELLING
-  DISTRIBUTION
-  FEEDBACK

This is the eighth part of the series. To get the full series go to www.SmallBusinessConnect.co.za/craft.

If you want to create a successful craft business, you need to understand that every product, involves a journey.

In the previous edition, we covered the seventh part of this series, “Selling”.

The eighth part of this series, featured in this edition, focuses on “Distibution”. Read more on this page about how Nicolene Gericke uses the Post Office to distribute her soap across the country.

The Crafting Your Business series is based on the e-book, *“Growing Your Creative Business - a guide for craft producers, designers and other creatives”* which was commissioned by the Department of Arts and Culture and developed in partnership with the Cape Craft and Design Institute (CCDI).

• Visit www.ccdi.org.za or www.dac.gov.za to download a free copy of the guide.



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Business of logistics

Distribution is all about logistics. It is about keeping records and precise timing.

However, there are many ways of approaching this.

The way you distribute your product depends on your business model.

You could be operating with one of these three models:

- From business to consumer
- Business to business
- A combination of both.

It is common to start with a business-to-consumer model and to then grow your business so you are eventually distributing business-to-business.

When you work in the business-to-consumer model, you might have your own store or customers might order your products online.

Easiest is direct selling, when customers take stock directly after they have paid for it, for



example at markets or festivals.

Common additional methods of distributing goods to the consumer are through parcels via the post office, or by freighting products that have been bought online.

Make sure that any delivery or postage costs are factored into your selling price.

When working with a business-to-business model, the businesses buying from you may

determine how you distribute products to them.

Some big companies, for instance, may have their own distribution and logistics agencies.

Some important considerations to take note of are, where you will store your products before they are distributed and how you will track your products when they leave your storage space up to when they have been received by the customer.

Distribution can be complex, with unexpected challenges. There are many service providers focused exclusively on distribution, that you might be able to use very effectively.

Whether you outsource distribution, or manage it yourself, you need to figure out a system that works for your customers, your products and your business.

Start a business out of song and dance

BY PAUL CRANKSHAW

OVER 3.5 million South Africans go to a disco or night club at least once a month. Unsurprisingly, most of these – about 80% – are between the ages of 16 and 34.

The popularity of this pastime has led many people to become DJs as a hobby, but many also develop it into a business.

Playing music at parties, bars, clubs and other venues, DJs often specialise in just a few types of music (such as kwaito, rock or house). Others may play a wider selection of music to appeal to different audiences.

Most are mobile and work at different venues, but you could choose to be a resident DJ in a local pub or nightclub. Although you might only play for a few hours each evening for a party or other gig, there is a lot of preparation needed before each performance, including the transport and setting up of equipment (or

learning how to use the venue's own equipment), working out a suitable play list, and rehearsing.

ARE YOU THE RIGHT PERSON?

To start a DJ or mobile disco business you need a passion for music. Most DJs want to break into the club scene, but this takes time so you might need to start off by playing at events or in local bars.

This means you must be willing and able to play a variety of music that appeals to a wide range of people – perhaps even from different generations.

For you to become a DJ, you also need to be dedicated and disciplined, as you will have to spend a lot of time practising, listening to other DJs and searching for music.

It takes skill to mix and manipulate music to create the right mood for your audience. You will also need plenty of self-



If you like song and dance, maybe you should consider starting up a business as a DJ.

confidence, as you will be in front of sometimes hundreds of revelers at a time and will constantly be in contact with different people. There is usually heavy equipment to transport and set up, so you will need to be fairly fit. DJs often work very late nights and you will need to be able to cope with this, possibly while working a daytime job too. In this industry, it takes a while for you to become established and make a decent living.

Most of your gigs will come from word-of-mouth recommendations or contacts, so you will need to be patient and persevere without becoming despondent.

GET TRAINING

To become a DJ or run a mobile disco you will not need any formal qualifications, but it is always a

good idea to improve your ability by going on course that matches your level of skill. The course you choose will depend on what type of music you play and what kind of venue you want to work in.

If you run a mobile disco at weddings or clubs, for instance, you will use different techniques from those of a DJ who plays at clubs. There are a number of courses that offer DJ training and sound equipment training, including:

A beginner DJ course at DJ Mix Club's Technics DJ School (where you can get a Technics DJ Mix Club Diploma Certificate) or an Advanced Course Music Production Course – see www.djmixclub.co.za

• Beginner, intermediate and advanced courses at Retro Music DJ School – see www.retromusic.co.za

• Professional DJ training and production courses at the SoulCandi Institute of Music – see www.soulcandi.co.za

• DJ Course, an Advanced DJ Course and a Scratching Course at SLC DJ Academy – see www.djworld.co.za

It would also be a good idea to do a business course to help you with skills such as marketing and budgeting for running your business. Organisations like Intec – www.intec.edu.za – offer correspondence courses.

WHO TO FOCUS ON

When you market yourself as a DJ, you are likely to target customers like:

• Clubs and nightclubs – larger clubs which usually feature performances by big name DJs but that might need someone to do the warm-up slot (first set of the night).

• Pubs, restaurants and local hotels often host events or hold theme nights and karaoke evenings.

• Businesses for corporate events such as Christmas parties and promotional launches.

• Local and community radio stations often allow up-and-coming DJs to work the late-night or early-morning slots.

As a mobile disco you will have a different customer base, such as:

• Engagement, anniversary or birthday parties.

• Wedding receptions or even a sit-down meal event may prefer to have a mobile disco rather than a live band.

• Children's birthday parties or events for teenagers.

• Schools, social clubs and community groups that hold events like matric dances, fundraising evenings or Valentines Day dances.

• Paul Crankshaw is managing director of Cobweb Information, an online publisher of startup guides and other learning material for small businesses and business advisors. See www.cobwebinfo.co.za.

OPINION

Should you start your business by contracting for a mentor?

BY ANDRE BREYTENBACH

LET'S face it. Entrepreneurship is tough, especially in these times of extreme competition and markets suffering under heightening inflation.

It's also been said that banks don't speak "entrepreneur". I agree – they speak "risk", something that startups have no shortage of. Startup costs such as registering a company, renting an office, buying equipment or a company vehicle are too high for the average entrepreneur to afford, even with their hard-earned savings.

Government initiatives don't always help because they require stringent commitments. So, what then to do if this picture seems so gloomy?

Why not consider contracting for someone else? Even better, find an older, more experienced person, maybe a family member or business contact, and approach them with a proposition to work for them on a contract while



Andre Breytenbach

learning from them.

Contracting under a mentor means that:

You carry less risk. There is someone covering your back by paying you a regular income and fighting the fight to keep the ship afloat. The pressure is off your shoulders, allowing you to focus on learning the ropes, building your contact base and your savings. It is important therefore that you contract with a

company that is in the game you like and in which you see yourself developing in.

Showing lots of interest from the start could help your mentor see your potential and lead to them eventually offering you shares in their business. That will not only boost your confidence, but also increase your ownership in the company and your prospects of taking it over when your mentor retires.

You have the opportunity to decide whether that industry is where you want to establish yourself or not, without running the risk of losing everything if you exit. Just a word of caution. If you do exit, do it without burning bridges.

But, as with everything else, there are also some cons to contracting.

Building experience and learning from your mentor is a time-consuming process. But, if you look at it positively, it could be just a different route to success, even if it does take a little longer.

You might also lose your business idea or opportunity to a competitor while contracting under your mentor.

But, remember that there is no guarantee that your competitor who snatched your idea will make a success of it.

Your turn will come to tap that market, especially if you take the time while contracting to develop your business idea and strategy.

So, if you embark on a path of mentorship under supervision, set your mind on learning from your mentor and honour their resources. Don't at any point abuse their kindness for your own benefit. Who knows? You might find yourself having to mentor a young person within a couple of years and would definitely want their respect and commitment.

The proverbial wheel turns. Make sure your conscience is clean.

• André Breytenbach is the owner of André Breytenbach Consulting specialising in the travel, tourism and hospitality.



Book Review

A happy space for teamplay

CHRISTOFF OOSTHUYSEN reviews “How to Build a Happy Sandpit – Insights from 60 South African business leaders on how to create and maintain a brilliant organisational culture”, by Colin Browne, published by West St Floyd Books (2013).

BUSINESS leaders in South Africa are quite aware of their task to create a productive environment and promote an organisational culture where teams and the members of teams can thrive. This is what Colin Browne describes in “Happy Sandpit” though the anecdotal account of the nearly 70 interviews he conducted with people in leadership positions from a range of South African companies.

You may not recognise all the names of the leaders, but the companies they represent cover most of the SA economy... from Cell C, to FNB... from Sage Pastel, to Weber Wentzel. So, at hand of the insights gleaned from these business leaders, Browne shows what SA business leaders believe is a good approach is to creating and maintaining a healthy environment for their staff to deliver on the company's promise.

A business is like a sandpit, says Browne – OK, you got that from the title already – since it is a place constructed by leaders for their teams to “play”.

As long as everyone in the sandpit “plays along”, they will have lots of fun and they will create some brilliant “castles”. But, wait for the “sand kicker” to break another's creation or play outside the rules and all hell breaks loose. The leader's job, says Browne, is to create the conditions and make sure it remains a “happy sandpit”.

However, it would be easy to blame the team members who are breaking the rules or who are giving expression to their flair in a way that disrupts others. “To be absolutely clear, a ‘happy sandpit’ is a two-way street. It's about give-and-take and mutual benefit for both employers and employees,” says Browne.

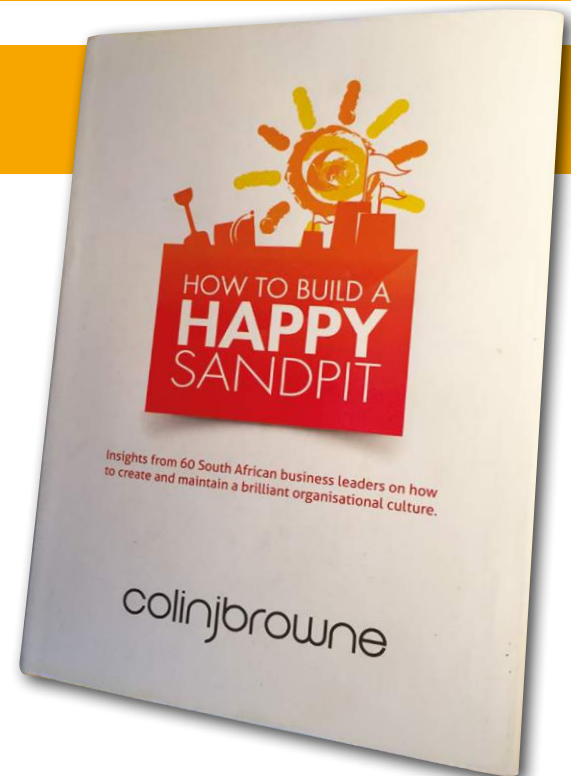
In the pages of Happy Sandpit, you'll learn about an approach to managing organisational

culture which Browne promotes through his talks, workshops and consulting services. For instance, he explains how both visible elements and those behaviours often taken for granted, contribute to an organisational culture. He also covers the role played by recruitment in shaping a business's culture, and he explores ways to create shifts in the way organisations work. All

of this at the hand of examples identified from the stories of his interviewees.

While some sections of the book feel like a collection of quotes, made to fit the narrative of the author, there are many gems that will stay with you.


This is an interesting read, worthy of your attention if you are “playing the game” of creating a happy and productive team.




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Companies and Intellectual Property Commission

CIPC answers your questions

SINCE the launch of the Companies Intellectual Property Commission's online show in February, a number of successes have emerged and business owners have started building a community using this platform.

The show – Candid Conversations with the CIPC Commissioner – takes place every Tuesday evening at 7pm in partnership with Small Business Connect and is run via Google Hangouts. It aims to engage business owners and service providers who have problems dealing with the commission's new online services.

With the show on having 180 registrations, 90 attendees on the live show and hundreds more people listening to it after it was placed on to YouTube.

Attendee Melvin Deon Beukes says he has been telling other business owners to tune into the show.

Beukes, who is based in the Northern Cape, says he finds the show helpful and interesting.

Last month CIPC commissioners Astrid Ludin assisted Beukes with a company registration application he had lodged in July 2014.

"I registered for the show after receiving an email from the CIPC informing me about it. The commissioner asked me to send her an email and I did. I was assisted afterwards and my query is currently being looked at," says the owner of Cazz Electronics and Computer Services.

"If we all jump in this could be a fantastic platform"

Bolelang Rakeepile says he tried lodging an enquiry for a password reset, but the system did not offer him a "workable solution".

"When I click on the link to 'Reset Password', it takes me to a field that needs me to input my customer code which I input. Then it gives me a message saying 'You haven't logged in or updated your details on the eServices system, annual return system or at one of our self service centres. Please contact CIPC if you have forgotten your password.' Then when I call the call centre number there is no one to help me there, as the phone rings until it drops (after a very long hold),"



Bolelang Rakeepile

says Rakeepile.

He then joined the show and related his grievances to the commissioner who in turn requested that he email his problem to her so that she can attend to the matter for him.

He posted to the Small Business Connect Facebook page that "I have a feeling that this will never happen".

But, shortly after Rakeepile again posted "I am glad to announce that

my problem was eventually solved at 11h39 yesterday".

Other responses to the show include:

Themba: "Astrid, please thank the cooperatives department. They are very quick in processing and responding to queries. Job well done."

Sam: "Astrid, even though to some extent electronic is useful, it would be nice to have human



Vannessa Naidu

contact once in a while."

Solly Makola: "Thank you for the webinar."

Theo: "Excellent webinar."

Norman: "Thanks for this. Loved the interaction."

Maggie Zeelie: "This is cool. If we all jump in and help, this could be a fantastic platform."

Anita Gopal: "Thank you. A very informative session."

The show is presented by Small

Business Connect's Herman Tefo and features CIPC commissioner Astrid Ludin as well as a different special guest usually in the form of a business owner or practitioner. The show also features Small Business Connect publisher Christoff Oosthuysen.

• Should you wish to listen to the show, go to **www.SmallBusinessConnect.co.za/shows**.

Plans on the cards to widen reach

INTERMEDIARIES that register companies on behalf of their clients with the Companies Intellectual Property Commission (CIPC) will soon be able to offer additional services that were previously only available from the commission.

The CIPC is currently in the process of developing software that could see intermediaries offer similar services to those currently available at the CIPC self-service terminals. CIPC commissioner Astrid Ludin says the commission is still working on a model on how to roll out the software which is set for June.

"The decision to make these services available to intermediaries is linked to the commission's strategy to move to a data-driven environment, away from a paper-based environment. We see this as an opportunity to make our services more widely-available," says Ludin.



Astrid Ludin

She adds that the current thinking is to make the software available to those who offer an intermediary service to the public and who are able to meet the commission's requirements.

"The commission does not wish to restrict access, but will put

in place certain conditions. As said previously, we are working on the details," she explains.

To take advantage of the new offering, intermediaries will need internet connectivity, computer equipment and a fingerprint scanner that meets the department's requirements. The cost of the scanner is estimated to be about R1 500 and intermediaries will be responsible for their own costs.

The scanner will allow intermediaries to scan company director fingerprints. The scanner uses software that feeds into the Department of Home Affairs database that verifies the identity of the director through his or her fingerprint. Those intermediaries that are permitted access to the software will be able to offer the following services:

- Customer registrations.
- Password reset.

- Name reservation.
- Registration for a private company with a standard Memorandum of Incorporation.
- Annual return lodgement for a company or close corporation.
- Financial year-end for a company or close corporation
- Company or close corporation address change.
- Disclosure requesting.
- Issue BEE certificates.

Ludin says the software will effectively allow intermediaries to offer clients the same services as those offered by the commission's self-service terminals.

"Because the directors are verified using their fingerprints, there will be no need to submit documentation to the commission. Furthermore, most of the services are automated which means that they will not be dependent on the commission's back office."

Universities help tech firms

BY STEPHEN TIMM

ARE you looking to turn cutting edge new ideas into the next money spinner?

Universities may be just where you should turn. The last few years have seen a marked increase in the number of universities looking to commercialise intellectual property (IP) developed by their professors and researchers.

The Intellectual Property Rights from Publicly Financed Research and Development Act (the IPR Act), which came into effect in 2010, made it obligatory for universities and science councils to set up technology transfer offices to commercialise their IP. The hope is that universities will patent more and that the act will do more to stop local patents from being commercialised offshore with no benefits flowing to South Africans.

The act also facilitated the setting up of the National Intellectual Property Management Office (Nipmo) in 2011.

Any institution that receives public funds for research must file a request before it if it wishes to license or sell IP to a company. When they first emerged in 2009 IP specialists criticised the idea of Nipmo, saying it would bureaucratised the process of applying to patent something backed by public funds.

However, technology transfer office heads say this has not been the case. Anita Nel, chief executive of Stellenbosch University's tech transfer office Innovus, says



The last few years saw a marked increase in commercialisation of intellectual property by universities such as Stellenbosch University.

entrepreneurs are not complaining as her tech transfer offices themselves have been mandated to handle the applications on behalf of the party looking to commercialise the IP.

Nipmo must also provide a response on any request for assigning IP within 30 days. Nel says the act has increased the awareness among those at universities of the idea of commercialising IP.

Since the act came into effect, the university has been applying for more patents and has become involved in the setting-up of

16 spin-off companies, with a further four in the pipeline. Innovus also launched its Launch Lab incubator in 2013 and will open a larger one on the university campus in May, with space for 20 companies and a number of hot seats for more. Meanwhile, the Nelson Mandela Metro University has helped create five spin-offs, of which four continue to exist, while UCT launched three spin-off companies last year and is preparing to launch a further five this year – most of them involving student or faculty members.

Wits university is preparing to launch two spin-offs this year. UCT IP manager Andrew Bailey says Nipmo officials have also been open to updating procedures whenever a blockage arises.

For example, last year the office temporarily waived the need for universities to obtain permission from Nipmo before conducting certain clinical trials involving specific infectious diseases, after UCT experienced challenges in negotiating contracts with funders. Bailey says probably more burdensome are exchange control procedures which make it difficult

for South Africans to sell IP to those overseas.

He said there had been a surge in entrepreneurship around 2010, but doesn't believe it was driven by the act.

He attributed the increase in the number of spin-offs to a change the university made in 2007 to take equity in spin-offs for the first time.

The university released an electronic booklet earlier this year on the technology that is available for license to third parties. David Gluckman, the financial director of Lumkani, a fire detection device for shack dwellers, said UCT had recently placed an application before Nipmo to assign or license the IP.

He is hoping that process would be concluded before the end of this month when the period of his seed funding from the Technology Innovation Agency runs out.

Nipmo director of regulation and compliance Jetane Weyers said by the end of last year her office had received over 830 IP status and commercialisation reports forms for IP generated after 2 August 2010, over two thirds of which were for patents and inventions.

In total, about 800 are still active – meaning the IP disclosed has commercialisation potential and is therefore worth protecting.

About 6% of disclosures received by tech transfer offices have been licensed, and 3% of these have received royalties. She said her office would finalise various other guidelines, practice notes and interpretations over the next two years which cover topics such as IP ownership, local and offshore IP transactions, full cost calculations and consider an IP creators incentive scheme.

Branson centre launches elite club

BY STAFF WRITER

THE Branson Centre last month launched an initiative that aims to recognise and reward one entrepreneur every week for the next 52 weeks.

The initiative aptly named Club 52 is open to all Branson Centre entrepreneurs who have completed the advanced course.

The launch was attended by 80 entrepreneurs and took place in Braamfontein. Gavin Meiring, Branson Centre SA marketing and communications manager, says the centre launched the initiative to formalise a process where it could provide exposure to entrepreneurs who had completed its advanced course.

"The entrepreneurs have given back so much to the centre that we felt we would recognise this by giving them exposure on an international level," says Meiring.



Branson centre entrepreneurs can for part of Club 52.

He added that entrepreneurs who have completed the advanced course offer up their time to do workshops for those who have just started at the exposure, assist with mentoring those in the same field as them, assist in the interview process of choosing new Branson centre

entrepreneurs and help their communities. Meiring says the recognition and exposure entrepreneurs receive through the initiative would be in the form of profiling, photoshoots and videos and would be circulated to the media as well as within the Virgin Group. Business

owners interested in becoming a Branson Centre entrepreneur can apply via the centre's website. Those applying to the centre would need to ensure that they were available one day per week for the duration of six weeks to complete the course.

"There is an online application. However, it is currently only open to entrepreneurs whose businesses are operational and based in Gauteng," says Meiring.

Plans were in the pipeline to spread to other parts of the country, but details were not available at present.

Since its launch in 2010, the centre has assisted some 1 000 entrepreneurs of which 250 have completed the advanced course. Applicants for the advanced course are invited by invitation only

• For more information, go to www.bransoncentre.org/SouthAfrica.

Learning patterns to aid biz

BY VIVIENNE SCHULTZ

TAKING incubatees out of their comfort zone and helping them to develop a can-do attitude is a part of the coaching process used at the Riversands Incubation Hub.

It is often said that entrepreneurship cannot be taught, but taking entrepreneurs out of their comfort zone allows

them to develop the kind of habits associated with successful entrepreneurs.

So, how do you go about doing this?

Let's look at the example of a young child who learns something new – this is the result of being challenged outside of their comfort zone.

As the human brain develops from childhood, neural pathways are formed, reinforcing experiences and ingraining behaviours which support different activities.

For example, in the case of a young child, initially these are things such as mastering a spoon to feed itself and learning to first crawl then walk.

The same principle applies in business. New neural pathways are the result of mastering new things by doing them. Networks of neural pathways develop and form associations with each other and the more often they are repeated, the more integrated they become. This is the reason why early childhood development is so critical to human development.

These pathways can be likened

to the paths that form in the veld as more and more people or animals walk on them. The more traffic they take, the deeper the path becomes. In the same way, the more often an entrepreneur repeats a challenge, the more entrenched the neural pathways associated with the task become.

By the fourth time an activity is repeated or the individual is coaxed out of their "comfort zone", the task or activity may become a habit. The neural pathways have been established.

The more an entrepreneur is driven to try new activities, the more new neural pathways will be developed. Different experiences create different pathways and the more pathways that are formed, the more responsive to multiple tasks the individual will become.

The formation of new neural pathways is critical when moving from a dependency mind-set to one of taking responsibility for one's own destiny as an entrepreneur.

New behaviour patterns develop over a period. There are no shortcuts to the process. But, experiential training, mentorship and guidance can help mould new characteristics into a willing entrepreneur who is driven to try new actions.

In this day and age we are all faced with an information overload. It becomes impossible to remember all theoretical learning.

More importantly, for the brain to develop and change, it is critical for the person to be engaged on a physical, practical level where learning is far more effective and sustainable.

Take the example of riding a bicycle. With all the theory in the world it wouldn't be possible to master the skill without actually getting onto the saddle and riding.

The coaching process used at the Riversands Incubation Hub is exactly this: providing ongoing new challenges and new experiences out of incubatees' comfort zone and growing tenacity and higher levels of responsiveness.

The methodology is always geared to engage the entrepreneur and stimulate the will to act, developing an "I can do it" attitude.

By the end of the three-year incubation period, the neural pathways which allow the entrepreneurs to take charge of their businesses and grow them will hopefully have formed "highways" as a result of the hub's training and incubation programme.

The objective is to guide incubatees into becoming thriving, prosperous businesses which generate prosperity in the surrounding area.

- Vivienne Schultz is an occupational intelligence specialist at the Riversands Incubation Hub.

ENTREPRENEURSHIP CREATES EMPLOYMENT

Shanduka Black Umbrellas believes that supporting entrepreneurs will help solve South Africa's unemployment crisis.

By gearing small businesses toward success, we are encouraging job creation through supporting black entrepreneurs as their businesses grow.

Qualifying businesses will be primed for sustainable growth through the provision of office space, support services, mentorship, training and access to markets, finance and networks.

With a national footprint of 8 incubators across the country, in 7 of the 9 provinces, our incubators are ready to receive your enquiries. Alternatively apply online.

To find out more about how your business can benefit and to find your nearest incubator, visit www.shandukablackumbrellas.org.

INCUBATORS

Contact 0861 UMBRELLA
or visit our website at www.shandukablackumbrellas.org.

Clothing banks money

BY NABELAH FREDERICKS

"WE started with no money, only ideas and a lot of passion," says Tracey Chambers, the co-founder of a social enterprise with a very innovative business model.

Chambers, together with Tracey Gilmore, runs The Clothing Bank, a non-profit organisation that receives rejects from the retail sector and then sells these as garments to underprivileged women who the organisation helps to run sustainable businesses.

Five years later, the passion is quite evident as Chambers talks to Small Business Connect about the impact that the organisation has had – 745 women enrolled in its two year informal trading programme whose businesses have made an accumulated R26.4 million in profit since the inception of the programme.

These figures lay the foundation of the success story which helps to sell the organisation's benefits to its customers, mainly underprivileged black women.

"Ours is a very interesting case since our beneficiaries are also our customers. We wanted to create a recipe for a successful business, so we needed to find the right candidate for this recipe.

We invest in these women and the more successful they are at selling the garments in their own businesses, the more stock they



Tracey Chambers with a graduate of the programme Zoliswa Boozi-Jaka and Tracey Gilmore.

will eventually buy from us," says Chambers.

She adds that the success of these women is also seen in their respective communities and this then encourages other women in their communities to apply to the programme.

"This makes the organisation majorly attractive to beneficiaries

(who in turn become customers)," says Chambers, who adds that currently there's a waiting list for those women who apply.

Chambers says that the organisation invests about R30 000 in each woman and points out that the women effectively pay back the amount through the garments they buy from the

organisation.

"After two weeks in the programme, each woman is given R500 to buy stock from us. This needs to translate into a profit of R5 000 and some women make this in one month, others within three months." The idea for the organisation came to Chambers while she was working in the retail



Join the online discussion

SOCIAL entrepreneurs have a new platform to learn about successful social enterprises.

This follows the launch of Talking Social Enterprise, an online "talk network", hosted at 7.30pm on a Wednesday evening of each month.

It aims to stimulate debate amongst social enterprise entrepreneurs and is hosted on the Google Hangouts platform.

- To listen to the show, sign-up by registering via www.TalkingSocialEnterprise.net.

Sell the benefits to customers

BY MARCUS COETZEE

GREAT social enterprises are those that ensure that their customers get real value for the goods and services they purchase.

They invest lots of time and effort in trying to understand their customers' needs, they design products that genuinely benefit these customers and, when approaching new customers, they clearly describe to them the benefits of buying their products.

This is the eighth principle in our Think Like a Social Enterprise series. Hubspace Khayelitsha is a social enterprise that provides a shared workspace and business support services to entrepreneurs. Over the past two years, the organisation has worked closely with entrepreneurs to understand their needs and the type of services they require.

For example, the organisers regularly host a pitch session where entrepreneurs can pitch ideas to potential investors. When Hubspace Khayelitsha talks to potential customers, it is able to clearly describe how they will benefit from the Hubspace experience.

However, this principle is

more complex when applied to non-profit organisations (NPOs), which can have both beneficiaries and customers.

Beneficiaries are described as those that the organisation serves (such as the sick, vulnerable and elderly). Its customers are those that pay for its goods or services to be delivered.

For example, Vodacom Foundation has sponsored Siyavula to help learners at about 100 schools to improve their maths and science skills using the latter's Intelligent Practice product. In this case, the learners are the beneficiaries and Vodacom Foundation the customer.

Unfortunately, some NPOs are so focused on serving their beneficiaries that they forget all about the customers that fund their operations. As any business will tell you, this is a short-sighted thing to do.

Some NPOs even expect government, businesses and foundations to give them money, believing that they are entitled to it because they are doing good work. They neglect their customers, and as a consequence, they struggle.

So what can an NPO do to win

more customers?

The first step is to package the social outcomes they want to achieve into an attractive product.

This product should describe the social outcomes that the organisation plans to achieve and explain how this will be measured. It must come with a price tag that enables a profit margin while providing value for money. This subject has been explored in previous articles.

The second step is to understand the needs of your customer. Identify any additional benefits that you could provide to them and build them into this product. Saying that you will help them spend their corporate social investment funding is no longer good enough. You need to offer customers more benefit than just this.

Learn from a social enterprise like FoodBank that helps retailers such as Pick n Pay to redistribute food to the hungry – edible food that will shortly expire and got to waste. In serving the hungry, FoodBank helps these retailers become responsible citizens. This makes them willing customers.

The third step is to tell your



Marcus Coetzee

potential customers how they can benefit from these products.

Remember that when selling, you must focus on what your customers' needs are, rather than on your needs or on those of your beneficiaries.

When hunting for customers, it is no longer good enough to simply describe how you will fix a social or environmental problem. You also need to sell the benefits to them.

- Marcus Coetzee is a strategist specialising in social enterprises.

sector in 2010. She witnessed how retailers would give away about R1 billion worth of waste annually to charities, but that how this held little value for beneficiaries.

"Garments were being given to a children's charity that only contained one piece of children's clothing, for example," says Chambers, who started the organisation with her longtime friend Gilmore.

Determined to make a difference and passionate about uplifting unemployed mothers, the pair was able to secure handouts from Woolworths and then later garage premises from the City of Cape Town.

"Our beneficiaries are our customers" - Tracey Chambers

From here they built up the organisation – that boasts clothes from major retailers such as Woolworths, The Mr Price Group, Pick n Pay Clothing, Edcon and Truworths – to what it is today. Today the Clothing Bank has branches in Cape Town and Johannesburg and recruits 300 new women a year. Applications to join the programme can be made via the organisation's website. Should applicants be successful, they will undergo 38 workshops in the first year of training, as well as a learnership in an informal business in their second year.

In the second year of the programme they will be supported by a life coach, while receiving business mentorship.

- For more information visit www.theclothingbank.org.za.

Satec helps spur motor sector biz growth

Set up more than 10 years ago, with a recent revamp in 2010, the Small Enterprise Development Agency's (Seda) Automotive Technology Centre (Satec) runs a three year incubation programme to develop small businesses in automotive-related industries. Small Business Connect spoke to acting centre manager Leonard Tshabalala to find out more.



Leonard Tshabalala

are operating informally with a vision to grow.

How does one apply?

Most businesses are recruited, but the strategy has since been changed where youth and interested parties are invited for training on different motor repair-related skills such as the following:

- Mechanical repairs
- Auto electrician
- Radiator repairs
- Mag rims repairs
- Upholstery repairs
- Windscreen repairs
- Head light renewal
- Paintless dent removal

How long do businesses stay in your programmes?

Three years.

What are the two key elements of your support that sets you apart from other incubators?

Dealing with industry bodies such as the Retail Motor Industry Federation, the South African Automotive Recovery and Salvage Association allows us to represent the interests of our incubatees. We also deal with insurance companies – those that control most of the mechanical and auto body repair sections of the industry – so that discussions take place that allow for changes in the industry.

What is the name of your incubator and the meaning behind it?

The Small Enterprise Development Agency's (Seda) Automotive Technology Centre (Satec).

How would you describe your focus?

To develop small businesses that are in the aftermarket automotive service sector. We do this through both physical and virtual incubation.

Where are you based and from which areas do you recruit new incubatees?

The incubator is located in the North West Development Corporation's industrial park in Ga-Rankuwa Zone 15, north of Pretoria.

Which businesses are best suited to join?

Startups as well as those that



Nhlanhla Coka has been able to attract a better market since joining Satec in February 2013.

Hub opens up better market

NHLANHLA Coka says luck is the reason he was able to secure a place at the Small Enterprise Development Agency's (Seda) Automotive Technology Centre (Satec).

After completing an application form in 2013, he received a call from the centre's project manager advising space had become available after another incubatee failed to turn up.

Thanks to the centre's incubation programme, his panelbeating and spraypainting business Parallel Panelbeaters is now able to offer customers a more professional service and this has upped his pricing.

How long have you participated in the incubator programme and when will

you exit?

I joined the incubator two years ago in February 2013 and I will exit it in February 2016.

By how much did your turnover and profitability grow after joining?

My clients have not increased per se, but there is definitely a change in the kind of customer my business is now attracting.

I am able to offer customers a more professional service.

I am now able to do bigger quotes and this means I can stretch my budget a bit more.

What are the biggest benefits you've received from the programme?

Having access to the machinery and infrastructure at the hub helps my clients see my

space as more secure.

This has also resulted in my business attracting a higher-end of the market and I am able to price my services a bit higher.

We also have access to a secretary at the hub.

What would you suggest be added or changed to make the programme better?

I think communication is definitely a problem.

Sometimes I need to work overtime as a client wants a car back at a certain time, but then the hub closes at 5pm, for example.

So, I think if management communicates with us and understands our needs things could run better.

• For more information, email nhlanhlacoka8@gmail.com.

How long have you been going for?

The incubator was formed in 2006 but there were changes to the focus which led to the incubation being fully operational and focus only since 2010.

How many businesses have been incubated with your support?

The incubator has supported 68 businesses, of which 59 are still in existence.

How many incubatees are simultaneously in your programmes?

68

What are your fees?

There are is a rental fee of R250 only for incubatees based at the incubator.

What are the average sales of your incubatees over a year in your programme?

The average monthly turnover for those enterprises that join

the programme at the beginning is around R2 500, but after a year this usually grows to about R20 000.

What commitments do incubatees make before they enter your programme? And what commitment do you make to them?

We agree on milestones depending that the incubatees have to reach depending on their businesses. We commit to deliver the necessary services to these businesses.

What is the best thing you heard someone say about your incubator?

The best thing we have heard about this incubator is that we played an integral part in growing their business.

What was your biggest success thus far?

Assisting business owners to improve their workmanship and professionalism.

And biggest failure?

The difficulty in changing the attitudes of motorists to support black-owned businesses.

Why are you involved in supporting new businesses?

We want to help the economy grow. Small businesses create employment for a lot of people.

What is your biggest wish for improving the support to entrepreneurs in South Africa right now?

We want to partner with companies to provide small and medium-sized businesses with projects that enhance the training offered by the incubator. We want to form partnerships with financial institutions to make access to finance easier for small businesses that are part of our programme. We would also like to increase our footprint across the country.

• For a comprehensive list of incubators, go to www.SmallBusinessConnect.co.za/lists.



Business Support Service Directory

The Department of Trade and Industry (DTI)

- Implements most of government's business-related policies, including that of small business promotion
- Industrial and export development through for instance incentives and grants
- Development of small businesses through various DTI agencies such as Seda (see below in the directory)
- Direct support to entrepreneurs through incentive schemes and trade programmes
- Grants for black-owned businesses as well as those in manufacturing and exporting

0861 843 384
contactus@thedti.gov.za
www.thedti.gov.za

North West Development Corporation (NWDC)

- Small businesses of the North West Province
- Startup funding for new businesses
- General finance for the expansion of existing businesses
- Bridging finance
- Business advice, mentorship and coaching
- Must be registered as a sole proprietor, close corporation, partnership or company
- Must have valid tax clearance certificate, business profile, business plan and security in the form of a grant, title-deed, insurance policy or investment suretyship

018 381 3663
www.nwdc.co.za

The Business Place (TBP)

- Support to entrepreneurs through various national centres
- One-on-one support Business opportunities, relevant business information and resources
- Refer clients to the best suited business development service providers, government resources and financial institutions
- Free internet access for business research
- Legal advice, micro-MBA practical training, business-to-business networking opportunities, workshops
- Free use of the meeting and training rooms

011 833 0340
network@tbp.co.za
www.thebusinessplace.co.za

Free State Development Corporation (FDC)

- Official economic development, trade and investment corporation for the Free State
- Funding, business loans, equity and investments
- Training, coaching and mentoring
- Partner support services
- Assist with export-readiness and development services
- Premises at affordable rates
- Incentives and special discounts for BEE companies

051 400 0800
lesley@fdc.co.za
www.fdc.co.za

Small Enterprise Finance Agency (Sefa)

- Government's primary small business funding agency
- Launched due to merger between agencies such as Khula and Samaf
- Direct lending products to small businesses
- Wholesale lending products aimed at intermediaries who have small businesses clients

086 000 7332
helpline@sefa.co.za
www.sefa.org.za

Limpopo Economic Development Agency (Leda)

- Finance to small businesses within the Limpopo province
- A range of information sources such as a quarterly newsletter, monthly information sheets and occasional booklets
- Business support and training services
- Non-financial support services

015 633 4700
www.leda.co.za

Royal Bafokeng Enterprise Holdings (RBEH)

- Community-based investment company
- Strives to improve economic well-being by investing in businesses that will generate returns
- RBEH teamed up with The Business Place in Phokeng for small business support services to startups, very small, survivalist and micro businesses

www.bafokengholdings.com

National Empowerment Fund (NEF)

- Funding of black-owned and empowered businesses
- Woman-owned and other targeted business funding
- Investor Education/NEF iMbizo
- Post investment mentorship
- Be older than 18 years, the business must be economically viable and must not be involved in illegal practices, tobacco or gambling

011 305 8000
applications@nefcorp.co.za
www.nefcorp.co.za

Mpumalanga Economic Growth Agency (Mega)

- Supports qualifying businesses and individuals from Mpumalanga, who've been previously disadvantaged
- Funds housing, agricultural de-velopment and business growth
- From R10 000 to R3 million
- Valid South African identity document, be between 18 and 65 years and access to land or production facilities

013 752 2440
www.mega.gov.za

Companies and Intellectual Property Commission (CIPC)

- Provide accessible registration services for businesses intellectual property and practitioners
- Maintain and disclose relevant information regarding business entities, business rescue practitioners, corporate conduct and reputation, intellectual property rights and indigenous cultural expression
- Increases awareness and knowledge of relevant laws
- Help take the necessary steps to visibly, effectively and efficiently monitor and enforce compliance with the laws the CIPC administer

086 100 2472
info@cipc.co.za
www.cipc.co.za

Small Enterprise Development Agency (Seda)

- Business development support for business owners
- Training programmes for startups, co-operatives and franchisees
- Sponsor between 60% and 90% of fees of an approved service provider
- Tender advice, networking and business linkages opportunities
- Technical support
- Export readiness assessment for business owners
- Be 18 years or older, able to run the business on a full-time basis and have a valid South African Identify Document

0860 103 703
info@seda.org.za
www.seda.org.za

National Youth Development Agency (NYDA)

- Supports black South African youth between 14 and 35 years old with support and funding
- Mentorship, skills training and entrepreneurial development
- Loan funding
- Health awareness programmes
- Involvement in sport
- Business must be economically viable and cannot be involved in gambling, tobacco, property development or any illegal practices
- Be 35 or younger and hold greater than 50% of the shares in the company and be operationally involved in the business

080 052 5252
www.nyda.gov.za

Grant helps grow firm

BY DANIEL BUGAN

BY spotting a need in the market Marcus Msomi went from an "also-ran", to the recipient of R50 000 in grant funding from the National Youth Development Agency (NYDA).

The agency assists young entrepreneurs with business plan and marketing support and grants of between R1 000 and R100 000.

"(Thanks to the funding) I now employ 43 people after having started off with one employee. The money I made also enabled me to buy 20 more (carwash) trolleys. My turnover has increased from R16 000 per month to R120 000 a month," says Msomi, the owner of mobile carwash service Carwash Supreme.

Msomi, who is based in Durban, says the idea to start his business come to him while he was still working as an import controller in the shipping industry four years ago.

"It was something I've never seen anyone do before. Why not do it the other way around? Why not go to the customer instead of the customer coming to you."

But, before he could turn his idea into reality, Msomi needed to find the right tool for the trade. After doing some research he found what he was looking for – a mobile trolley equipped with a water storage tank, a sink to rinse cloths and a spray bottle.

Now all he needed were the funds to buy the trolley from the car dealership retailing it.

Msomi heard about the NYDA from other business owners who received assistance from the agency and while still employed fulltime, he decided to approach



Marcus Msomi received R50 000 from the NYDA.

them for funding.

He says it took about three months, from the application and selection stage (which included a number of interviews and site visits from the agency's officials) to when it was granted the funding in June last year to purchase the six trolleys. He had to supply the agency with a business proposal, financial documents, company registration documents and an explanation of how the grant funding would allow him to create more jobs.

He then began approaching people in business parks, residential complexes and shopping malls with his unique way of cleaning cars. Since then business has boomed for the entrepreneur. Msomi says because his employees are required to work on a commission-only basis, he initially had trouble holding on to staff.

"They (employees) feared

speaking to people and would not bring in any business and either threw in the towel or I had to let them go. Now when an employee starts he has to go on a two-day training course where he is taught him selling techniques and customer service skills," explains Msomi.

He says he plans to secure contracts with corporate clients, build a model to franchise his business, supply car dealerships with his product and mentor up-and-coming small business owners. In the 2013/14 – the first financial year that the NYDA offered grant funding as opposed to loan funding – the agency funded 765 youth-owned enterprises.

"We are exceptionally proud of this result," says NYDA chairperson Yershesh Pillay. "The current financial year is still a work in progress but we are confident that we will be able to exceed last year's figure."

The master class

SMALL Business Connect kicked off it's first of a series of events when inspirational entrepreneur Herman Mashaba addressed local business owners.

On 17 February, 50 business owners – including the 12 Miss South Africa finalists – attended the event held at Allan Gray in Johannesburg where Black Like Me founder Herman Mashaba shared his entrepreneurial journey with attendees.

Mashaba began his talk by sharing stories on his upbringing and the challenges he faced from the apartheid government which ended his aspirations for an academic career. This was the backdrop of what sparked an entrepreneurial spirit from within that lead to the establishment of Black Like Me. He told of the many challenges he experienced in establishing a successful business and supporting a growing market, which he documents in his book Black Like You. He also details the burning of his factory that lead to the purchase of bigger



SBC publisher Christoff Oosthuysen with Herman Mashaba

land in Midrand. "If you've got the determination and you operate in good faith, you can achieve great things," he said of his achievement in being able to buy back his business from Colgate in 1999 after merging with that company in 1997. He highlighted how partnering with a corporate may not always be a good move for a small business. Mashaba

ended his talk saying his belief was that South Africa is destined for greatness, if everyone takes a stand and acts responsibly in their roles. The session came to an end with the science of the Flow Canvas by Christoff Oosthuysen.

- To join the Small Business Connect community, go to www.facebook.com/SASBconnect.co.za.

Join the Small Business Connect online show.
Go to www.SmallBusinessConnect.co.za/join.

Readers of the month



Siyabonga Mpanza

"I STARTED reading the newspaper about a year ago," says Siyabonga Mpanza, the owner of KBM Consulting.

Also known as The Pty Guy because his business registers companies with the Companies Intellectual Properties Commission, Mpanza says he likes reading how small business owners make things happen.

"I also like how the newspaper engages the relevant authorities and opinion leaders in business."

The Pietermaritzburg business owner says Small Business Connect has helped to make him aware of changes in the industry and identify potential markets for his business.



Ayanda Gladile

READING Small Business Connect's inspiring stories gives Ayanda Gladile the strength to face the challenges in his business.

Gladile started reading the newspaper in August 2014. He says during one of these challenging times in his business, it was because of a story in the newspaper that he was able to find assistance through one of the Department of Trade and Industry's agencies. "I like reading about entrepreneurs from other parts of the country who strive for success. I would like to read more about business seminars," says the owner of Gladile Holdings, a business that focuses on technology and solar power.



Rowen Pillay

ROWEN Pillay likes reading about current affairs and the latest government incentives in Small Business Connect.

Pillay, who is the owner of business solutions company DebtNett, says he thinks of the newspaper as one centred place where he can access information.

"I like that it covers processes that I can use to enhance my business as well as contact details of businesses," says Pillay. He first picked up a copy of the newspaper a few months ago at the Department of Trade and Industry's offices. "Small Business Connect has given me the confidence and tools to grow my business," says Pillay.

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Small Business Connect
14 January · 🌐

As business owner you make key decisions when you want to buy new technology or invest in new methods of doing things.

Which of these ways of deciding applies best to you:

A - DILIGENT RESEARCHER: You gather information on all the options, then study it and make a decision on the key benefits and cost considerations.

B - FAST MOVER: You tend to decide on the first good solution you get, as long as it is not too costly.

C - SURE DECIDER: You will only make a decision when you are sure that you can not avoid making an investment any longer -- you want to be sure that the business really needs it.

D - CONSIDERATE BUYER: You get the needed information from suppliers, compare two or so options and decide on the one you feel will meet your needs the best.

E - LOYAL FOLLOWER: You just go for the solution you heard was good for another business that you trust.

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SMALL BUSINESS CONNECT CHAMPION

THE stories in Small Business Connect helps the Small Enterprise Finance Agency's (Sefa) regional office in Cape Town gain insight into how certain aspects of developmental finance assists small businesses.

Regional manager Bradley Thomas says the office receives about 80 walk-in customers per month.

"The customers respond positively to the newspaper. They enjoy reading the inspirational stories.

They also enjoy reading articles on advice and tips for small business owners," says Thomas.

He adds that from the staff at the local Sefa office's point of view, they enjoy the articles, helpful tips and inspirational stories featured in the newspaper.

Thomas, who has been with Sefa for over a year and a half now, says his office became a distributor of Small Business Connect in July 2014.

Since then his office has used the newspaper as a means to "look at the bigger picture."

"The articles give us a big-picture view on how developmental and finance institutions are assisting small and medium enterprises. It also helps to gain some insight into industries which we might not be clear on," says Thomans.



Bradley Thomas

He believes that Small Business Connect can improve on the newspaper by offering more content on "industry specific articles that speak to the dynamics in that specific sector".

For example, he adds, dynamics such as which opportunities are available in the sector, what are the pitfalls in the sector.

Small Business Connect is available at Sefa regional offices throughout the country.

- To be featured as one of Small Business Connect's Champion of the month, send an email to Newsdesk@SmallBusinessConnect.co.za.

"Wow, I just read your newspaper! I am so inspired.
If I had not gone to Sefa, I would not have known about it."
Keaoleboga Wa-lekhosi Loabile