SMALL BUSINESS UNICT

FREE at selected outlets

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May 2015

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New BEE codes active

BY NABELAH FREDERICKS

THE highly-anticipated amended Black Economic Empowerment (BEE) Codes of Good Practice takes effect on 1 May.

This means that those business owners whose BEE certificates have expired will now have to renew it under the new codes and, according to some experts, comply with more stringent criteria.

However, for those business owners with a turnover of under R10 million, obtaining BEE certification is as easy as stipulating their black ownership and annual turnover to a commissioner of oaths.

Business owners with a turnover of under R10 million (up from R5 million) are termed as Exempted Micro Enterprises (EMEs) under the amended legislation.

Changes to the new act include the establishment of a BEE commission that will be responsible for monitoring and evaluating suspected cases fronting; criminalisation of fronting; introduction of a statutory right for government or public entities to cancel a contract that was awarded under false BEE credentials; imposing an obligation for government and public entities to take the codes into account for procurement policies when issuing licences; and listed companies now have to provide a report to the commission on their compliance with BEE.

Despite some BEE experts saying that the new codes will be more challenging for business owners due to the stringent compliance requirements (see story on page 3), Webber Wentzel partner in the corporate practice

Young Entrepreneur of the Year



Sylvester Chauke (second left) is pictured here with his staff after winning the Young Entrepreneur of the Year award at the South African Premier Business Awards last month. Read more about the awards on page 7.

and head of the BEE unit Saffiyah says Patel. Patel has termed it "small business-friendly".

"The new codes are not strict for business owners with a turnover of under R10 million and it is easy to comply with because there is no cost to them."

However, she believes that the warnings regarding a possible increase in fronting stems from the fact that business owners don't really need to verify their black ownership

"These experts could be

referring to this (verification). Yes. there is a risk of fronting, but if their competitors find out another competitor may be fronting, they will most likely report the guilty party," says Patel.

Continued on page 3



the **dti**

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Help on the way for informal traders

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SAPBA winner - full story on Page 7

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Business**Connect**

Informal sector gets help

BY DANIEL BUGAN

A TOTAL of 1 000 South African informal traders will receive training, infrastructure support and skills development to put them in a position to compete with established businesses.

The Informal Traders Upliftment Project aims identify, train, coach and mentor 1 000 informal traders in all nine provinces over the 18 months.

The project forms part of the National Informal Business Upliftment Strategy which was initially developed by the Department of Trade and Industry, but is now an initiative of the Department of Small Business Development and will be facilitated by the wholesale and retail sector education and authority (Seta).

Minister of Small Business Development Lindiwe Zulu says the project aims to build capacity and competitiveness of local informal traders through skills development, bulk and collective buying and infrastructure support such as providing warehouses for storage and distribution.

She adds that the department would also look at exploring partnerships between South African and foreign informal traders based in the country.

"Our local informal traders can benefit from the business experience, knowledge and skills of their foreign counterparts. I am confident that foreign traders will be willing to share their business experience," says Zulu. Her comments regarding partnerships with foreign traders come in the wake of several violent attacks by local business owners on foreigners from other African countries.

Zulu says the department would also look to reduce bylaws and red tape and plans to review policy to enable market access and proper registration of businesses.

"I am determined to fast-track the implementation of the project as part of addressing the concerns and challenges that confront the informal sector," says Zulu.

Already 18 informal traders were selected in the Alexandra township with the assistance of the Greater Alexandra Chamber of Commerce.

The traders will be trained by the South West Gauteng College in attitudinal, business skills and retail operations training.

Mzwandile Mavulu, informal trader selling fruit and also the KwaZulu-Natal provincial secretary of the African Cooperative for Hawkers and Informal Business (ACHIB), welcomes the support from the government for informal traders.

"We have never received any institutional support from government, despite approaching them for assistance on many



The informal sector is set to benefit from an initiative aimed at upskilling a total of 1 000 traders from nine provinces.

occasions," says Mayulu.

He says some of the challenges he and other members of his organisation face are access to finance, a lack of retail and business management and a lack of skills. Mavulu says the organisation is in the process of forming an informal traders cooperative which would give them buying power.

"By pooling our resources and buying products in bulk we would be able to be more competitive in our pricing and able to compete with larger shops and businesses," he adds

Gaby Bikombo, a spokesperson for Siyagunda, an association that represents informal traders from central Africa, says they would be prepared to share their business knowledge with South African business owners.

However, he says they also

have their own set of challenges can help them overcome.

to get trading permits from municipalities and not being allowed to trade where South African traders operate.

"We only survive by sticking together. We can't go to the bank for loans and we can't go anywhere for support," says Bikombo.

which he feels the government These include struggles

support that has largely been available to registered businesses only. A recentlylaunched programme aims to upskill 1 000 informal traders from all nine provinces over the next 18 months (see page 2).

EDITORIAL

This was the advice of the South African Premier Business Awards' Young Entrepreneur of the Year award winner to other

business owners over two years

ago during an interview with

Sylvester Chauke did. One of

the results? His recent accolade

this month, Chauke stands as a

beacon of hope to other young

entrepreneurs that it is possible

facing the small business

sector right now - one of which

is loadshedding (see page

4) - many entrepreneurs are

finding ways to overcome these

recipients (see page 8) who

were awarded R6.5 million in total from the Design

Innovation Seed Fund - a

partnership between the Cape

Craft and Design Institute and

the Western Cape Department of Economic Development and

These entrepreneurs used

their innovative ideas for

products and services to secure

funding during a gruelling

informal traders who had just

about given up hope of ever

being able to access business

Also, help is on the way for

three-month challenge.

Just read about the twelve

Despite several challenges

to excel in entrepreneurship.

Featured on our front page

at the SAPBA held last month.

They say "practice what you preach" and that's exactly what

Destiny Man.

struggles.

Tourism.

"SHUT up and get moving."

And, that is not the only help on the way...

The establishment of a new unit could soon see relief for business owners who have been supplying government departments with goods and services that are experiencing delays in payment.

This month's edition illustrates that there is help and support. Things are happening to address the lack of business skills training, access to finance and the removal of red tape...

Small Business Connect Online Radio also hosted the Office of the Tax Ombud on its monthly show and provided our readers with direct interaction with chief executive Eric Mkhawane. To tune into these shows, signup for notifications via www. SmallBusinessConnect.co.za/ show.

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Unit to speed up payment

BY STAFF WRITER

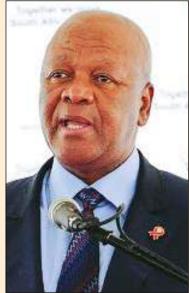
REPRIEVE could be on the way for business owners who supply the government with goods and services, but struggle to get paid timeously.

This comes after cabinet last month approved the establishment of a special unit that will be tasked with assisting national and provincial departments with making payment to businesses within 30 days of receiving an invoice.

The announcement was made by Minister of Planning, Monitoring and Evaluation Jeff Radebe during a briefing to journalists after a fortnightly cabinet meeting.

Radebesaidthattheunitwould be set up within his department. It would work in partnership with the National Treasury and the Department of Public Service and Administration.

Radebe said that despite progress being made with paying suppliers time. on many departments still faced



Minister Jeff Radebe

challenges. He added that a national hotline will be publicised that will be available to suppliers to log instances of delayed payment. This will be taken up with the relevant department and responses will be reported on," said Radebe.

A comparative analysis of the national departments between January 2013 to October 2013 and January 2014 to October 2014 showed that there was a 39% improvement on the average number of invoices paid within 30 days and a 32% improvement on the number of average invoices that were paid after the 30 days.

National departments report-155 572 invoices worth R3.8 billion which were paid after 30 days while at the same time, 62 887 invoices worth R2.1 billion had not been paid.

Provincial departments for the same period reveal a marginal improvement of 5% in the average number of invoices paid within 30 days. Provinces reported 332 invoices worth R13.4 billion which were paid after 30 days and 079 356 invoices R21.8 billion older than 30 days which were not paid," said Radebe. He noted that there was a 52% regression in the average number of invoices that is older than 30 days which had not been paid.

Controls to stop fronting

BY STEPHEN TIMM

EXPERTS have warned that the introduction of more stringent requirements contained in the new BEE codes, which come into effect this month, could drive up fronting.

But, the Department of Trade and Industry is confident that sufficient measures have been put in place to deal with transgressors.

Takalani Tambani, the department's director of its BEE unit, says the department amended and proclaimed the BBBEE Act last October, which defines any fronting activities, and makes provision for penalties of any fronting transactions.

"The act makes provision for establishment of the BEE Commissioner, whose role will include investigating any fronting activities. The department is confident with the provisions as outlined in the act, and the process of dealing with transgressors," says Tambani.

However, enterprise development expert and executive director of the Beesa Group Andrew Bizzell, says companies are likely to continue fronting despite the formalisation of the definition in the amended act.

"The definition (of fronting) is so broad and it is yet to be fully understood by business. One of our biggest clients did an assessment on their supply chain to assess the degree of fronting which may currently exist under the new definition and found in



Ajay Lalu

excess of 100 fronting instances," he says.

He points out that any agency and brokerage including any tenderpreneur could be a front.

"The question is, does their existence result in an increased BEE benefit to the measured entity. If any of these above were to have the same, or to have less BEE credentials than their supplier then this would not be a front," he points out. BEE consultant and EconoBEE chief executive Keith Levenstein points to a recent training session he did in Cape Town with BEE managers where attendees were asking where the loopholes are and how they get away with applying these.

"People that previously had



Takalani Tambani

not considered ownership are now saying how can I do ownership without selling my shares," says Levenstein who says he sees about 10 certificates a week where fronting of some kind has taken place. He has a database of about 7 000 BEE certificates.

He says one trick used by companies is to carry over the rand value spent on training from one year to the next and estimates that about R1 billion in training costs may have been misrepresented like this.

Another questionable practice, he says, is the use of trusts by some companies to accrue black ownership, by ensuring that the beneficiaries of the trust are black – such as black students or school pupils.

BEE analyst and managing director of Black Lite Consulting Ajay Lalu believes any benefit a company or individual accrues from the dividends of shares, rather than from their capital appreciation, can't amount to "full ownership".

He says the rules for the use of trusts in ownership schemes under the new codes – which allow companies to use trust schemes to fulfil up to 40% of their ownership requirements – remain unchanged from the previous codes, and admits that the department may have neglected to address this possible loophole.

Under the new codes all firms that are less than 51% black-owned and have an annual turnover of over R10 million will need a minimum of 10% black ownership, or 40% of the ownership net value target.

An advertisement by the department for the new post of BEE commissioner closed in late March and Lalu says he expects the appointment to take place within the next two months.

commission, he would likely operate savs, provinces first three in before rolling out nationally. He adds that the amended act makes provision for a panel of experts (such as forensic, BEE and legal specialists) to advise the Commissioner, similar to what the SA Revenue Services (Sars) has. The commission will also be able to call upon Sars, the police and the Special Investigating Unit.

Continued from page 1

It is for this reason (fronting), says Transcend BEE advisor Olga Meshoe that a BEE commission will be set up.

She adds that under the new act, small business owners with a turnover of between R10 million and R50 million (up from between R5 million and R35 million in the previous codes) no longer have a choice as to which aspects of BEE they wish to comply with.

"Just as large enterprises, (these) small business owners (termed Qualifying Small Enterprises, or QSEs) will be rated on all five pillars of the revised scorecard. In addition to this, QSEs are now required to meet a 40% sub-minimum on the ownership pillar and if not met will be discounted an entire BEE level," says Meshoe.

She believes that small business owners require greater focus on compliance to ensure that the necessary structures are in place, without drawing attention away from the day-to-day running of the business.

"Business owners can expect a direct cost of between 2% and 3% of the BEE training budget," says Meshoe.

"The new codes will have a great impact on entrepreneurs"

She encouraged business owners to be proactive and familiarise themselves with the codes. "We encourage companies to as soon as possible gain a practical understanding of the codes," says Meshoe.

Consultant Vukile Hlongwa, founder of Gidela Professional Accountants, agrees with Meshoe and says business owners will have to educate themselves on the new codes.

"The new codes will have a great impact on entrepreneurs
— a positive impact," says Hlongwa.

He says this is because under the new codes business owners will be able to see the benefits. "This is not just the government's white paper. It is something practical," says Hlongwa.

He says examples of this is that it is going to be less expensive for EMEs to get a BEE certificate.

EMEs and QSEs with a 100% black ownership are now automatically eligible for level 1 status, whereas those with 51% and more black ownership are automatically eligible for level 2 status.

Business owners who fail to meet the requirements as per their respective categories, will be downgraded and not receive the maximum points.

CIPC now offers BEE certificates

BY STAFF WRITER

BUSINESS owners that run firms with an annual turnover of up to R10 million and that use one of the Companies Intellectual Properties Commission's (CIPC) self-service terminals to register a business or renew an annual return, can now also use the terminals to get BEE certificates.

Under the amended BEE codes, which come into effect this month, firms with an annual turnover of under R10 million are exempted from having to get a BEE verification — a declaration from one's accountant stating ones turnover will suffice. The move to allow the CIPC's self-service terminals to also issue such declarations, will make the process more affordable as it will cut out any fees accountants may charge.

The offering was launched last month at the commission's self service centre in Sunnypark Shopping Centre, Pretoria by Trade and Industry deputy minister Mzwandile Masina. He said the



Deputy Minister Mzwandile Masina

new system was introduced in response to challenges such as unscrupulous intermediaries, fraudulent certificates and unregulated fees experienced in the BEE certification process. The service is only available to enterprises with a turnover of R1 million to R10 million.

Karin Coode, CIPC's senior strategic communication manager, said the commission welcomes the new service as it aims to reduce the burden on small businesses.

"As company registrations and BEE certificates are often required by small business owners, it makes sense to make it available in one transaction," said Coode. She said the new service will enable customers who register private companies through the terminals to also apply for these certificates at the end of the company registration transaction or when they file their annual returns. Through this process, certificates will be issued for free to registrants.

"The process will also require the client to complete information relating to shareholding and demography. This information will then be used to calculate the BEE rating," said Coode.

She said the new process will not be more difficult or time consuming for clients.

"It is not difficult as the client will only be required to answer a few extra questions when applying for a BEE certificate. The client will also be guided by an official present on the floor," she said.

Small Business Connect readers have welcomed this news, with one even going as far as to say that it is the "best news ever".

Reader Lawrence Songa thanked the CIPC and said that he hoped that the move would see more black businesses start up. Maropeng Mokgala said that is was a good move and would save business owners time and money.

Currently there are 42 self-service terminals available for entrepreneurs to do transactions. Aside from the centre in Pretoria, business owners can also visit self-service terminals at the Carlton Centre in Johannesburg and the Waldorf Arcade in Cape Town. There are plans in place to ensure that the self-service terminals are available throughout the country.

Coode says the CIPC is planning to roll out terminals in the Eastern Cape and Northern Cape soon.

Boost for aspiring businesses

BY STAFF WRITER

COMPLETING Junior Achievement South Africa's entrepreneurship programme helped Sthembiso Tshabalala start his own business and fund his university studies.

Junior Achievement SA is a non-profit organisation that assists young people with the necessary skills to start their own businesses. Tshabalala, who was named as one of Absa's Top Five Entrepreneurs in 2005 started a textile business Texta Print after taking part in the organisation's mini enterprise programme in 2004 while still in grade 10.

"I decided to participate in the programme because I was fascinated with the concept of entrepreneurship: buying and selling and making a profit," says Tshabalala.

He says it was the basic business skills imparted to him such as how to negotiate, identify opportunities and communicate with customers, suppliers and employees which motivated him to start his own business.

But he says like other entrepreneurs, he was constrained by a lack of capital when he started the business.

Last year 10 000 young people benefited from the programme

This is where his training with Junior Achievement came in handy, as he was able to convince his customers to make upfront payments for products, or at least put down a 50% deposit before they were handed over.

"I rounded up my friends to be my employees and paid them on a commission basis. This was the beginning of my business journey," he says.

He was able to pay for his university studies, using the proceeds from his textile business and two other businesses he also opened, Audio M and Mr Bean Bag.

Today, he no longer operates these businesses, preferring to embark on a career in mergers and acquisitions at Standard Bank, though he adds that he still has "entrepreneurial ambitions" and aim to be a top-end investor in the future. He advises young people to consider participating in Junior Achievement development programmes.

"I believe that all young people, regardless of their passion in life, should be business savvy as there is always a business side to their passion which they can explore," he savs.

He adds that possessing basic business skills enables one to understand the commercial aspects of life which may prove to be worthwhile in the future.

Junior Achievement SA's managing director Linda McClure says all the organisation's programmes are experiential in nature and learners are required to actively engage in real business or financial activities.

The programmes encourage teamwork and leadership, with the flagship mini enterprise programme requiring learners to start and run a real small business while still at school.



A group of students who completed the Junior Achievement South Africa's entrepreneurship programme.

"Through action learning the learners engage in the actual business and reflect on their actions throughout the process. They tackle the real issues related to starting up and running a small business," says McClure.

In the organisation's outof-school youth enterprise development programme, students are required to start their own small businesses which will be sustained after the programme's graduation through on-going mentorship and support.

She adds that the practical experience that learners gain during the training ensures that

the knowledge remains with learners for many years after they have completed the programme.

Last year 10 000 young people benefited from the entrepreneurship programme.

• For more information on the entrepreneurship programme, go to www.jasa.org.za.

Power cuts hit small firms hard

BY YOLANDE STANDER

WHILE Eskom continues to implement loadshedding to counter its plummeting capacity, small business owners are battling to keep the lights on.

Energy experts and analysts estimate that loadshedding costs the economy anything between R6-billion to R80-billion a month, but for small business owners it has become more than just counting the costs. It has now becomet a battle for survival.

Nelson Mandela Bay Chamber of Commerce chief executive Kevin Hustler says the effects of loadshedding has far-reaching implications for small business owners and his organisation is now surveying the impact on its members.

"We are extremely concerned about its effects, especially on small to medium businesses. Such enterprises seldom have the resources to equip their businesses with alternative energy sources. Likewise, they are unable to absorb the costs of shutting down production or having to close up shop during loadshedding. Loadshedding not only causes a loss of production



Peggy Drodskie

in the short-term, the stoppages also have far-reaching effects on job security and sustainability," says Hustler.

Energy specialist Chris Yelland estimates that stage one loadshedding – if calculated on 10 hours of blackouts per day for 20 days per month – costs the economy about R20-billion a month. He believes that stages two and three cost the country around R40- and R80-billion a

month, respectively.

Economist Mike Schussler has, however, made more conservative calculations and says stage one could cost R6-billion while stages two and three could cost about R12- and R24-billion per month, respectively.

"If manufacturers are unable to fulfill export orders, and retailers suffer losses in perishable stock and sales, jobs will be on the line. Loadshedding also brings with it issues of security, data loss and damage to equipment due to power surges," Hustler adds.

Owner of Freeflow Prints and Signs Adrian Skea says he suffered several such losses since Eskom started implementing loadshedding late last year.

"I've had to replace my router, my telephone and the alarm system so far. And, this is on top of the loss in production," says Skea. He adds that in Jeffreys Bay the loadshedding schedule hits businesses hard.

"We usually have loadshedding between 8am and 10.30am or 2pm and 4.30pm. This is right in the middle of business hours. This means we can lose anything between 25% and 50% of production in a day," says Skea.

To make up for the production losses Skea and his team have to work after hours.

"This, however, costs money. You have to pay your staff overtime and if they work over weekends, weekend pay. Then we also have problems with acquiring stock as our suppliers are also battling to keep up with loadshedding. It has become a vicious circle."

South African Chamber of Commerce and Industry (SACCI) acting chief executive Peggy Drodskie says the impact of load shedding is vast.

"For example, if it is a retailer whose shop is not in a mall that has generators, they close their doors immediately after the electricity is shut off to avoid shop-lifting. If it is an operator that relies heavily on electricity such as hairdressers, they lose business as they cannot serve their customers – they are unable to shampoo hair as the water gets cold and unable to dry hair."

Hairdresser Minette Meiring of Port Elizabeth agrees and says her hands are tied if the electricity is out.

Support for EC firms

BY MAX MATAVIRE

AN Eastern Cape business support organisation is countering recent clashes by small enterprises in the province by developing programmes and workshops in the hopes of addressing the business owners' concerns.

And, based on the numbers attending the event, it appears as though business owners are keen to see how they can benefit from these workshops.

Over 200 small businesses from the Uitenhage and Despatch last month attended a "first of its kind" two-day workshop.

It is an initiative of the Uitenhage Despatch Development Initiative's (UDDI) enterprise development unit in partnership with the Nelson Mandela Bay Municipality, Eastern Cape Development Corporation and the Uitenhage Despatch Business Forum.

The workshop was held at the Uitenhage Community Hall.

One of the major concerns emerging from this workshop is that most business owners were not aware of where to access funding.

Another concern was that the region needed regular workshops to keep abreast of current trends.

The unit's enterprise development manager Ayanda Ndinise says that although a number of government and private sector funding was available to business owners, the information was not filtering through to potential beneficiaries.

It was for this reason that the workshop was setup so as to provide small business owners with a platform to voice their concerns and to allow business support organisations to address these challenges.

"It was established that business owners in the region need information and regular workshops. They must be assisted with regular compliance, skills development and capacity building. Resources, however, remain a major challenge for business owners when conducting their business," says Ndinise.

Sdumo Klaas, who owns a Uitenhage bakery, praised the organisation for taking the initiative to host the seminar in the region.

"We can't continue being emerging business people. We want to grow and be established enterprises. With such workshops, we can expand our businesses with the help of the information shared here," said Klaas.

Mandla Nkosi, who runs a transport business, said the workshop was an "eye opener".

"Organisations relevant to small businesses were here, and so we got information from all angles. I am so excited," said Nkosi after the workshop. In addition, a special forum and database for businesses from the services sector (who constituted 34% of those who attended the workshop) was set up.

"Clusters from sectors such as agriculture, agro-processing and manufacturing, tourism, creative industry, construction and automotive and transport industries were formed at the workshop," says Ndinise.

It was also decided that monthly meetings would be held with the different clusters.

The Department of Trade and Industry, Department of Small Business Development, the South African Bureau of Standards, Small Enterprise Finance Agency, Small Enterprise Development Agency and the South African Revenue Services all made presentations at the indaba. The indaba forms

part of several UDDI initiative which are aimed at assisting the development of small business owners.

The unit provides non-financial support services such as multi-sector business incubation programme, business advisory services, facilitating business registration services and intellectual property, mentorship and support.



Ayanda Ndinise







or visit our website at www.shandukablackumbrellas.org.



First black online tv network

BY YOLANDE STANDER

FED UP with major broadcaster's lack of compelling African stories, two university friends decided to do something to change this.

Now, two months launching, their new online television network has drawn viewers from around the world. Tebogo Mogale and Sammy Rabolele, the founders of Beyond The Eyes (BTE) network which launched in February are confident that the future of television is online.

"We think that there are more stories and content to offer and we want to be a big part of offering it," says Mogale, a former Supersport assistant producer from Polokwane.

He points out that an increasing number of viewers are consuming content on cellphones, tablets and laptops, even when in front of the television.

A number of international broadcasters have moved to, or are in the process of moving their content online, he says, adding that people want the convenience of consuming content in their own time and not having to subscribe to the schedule of traditional television broadcasting.

The duo have started with five shows but are optimistic that business will grow. All the shows are currently produced by their inhouse production team and cover a wide variety of topics.

The shows aired on the network seek to inspire and develop young adults, profile fashion startups and there is also a show dedicated to women and another on religion.

"Episodes are always available and we try to add a new one every week to every second week. We also have a music section where we are profiling young and upcoming musicians performing live," Mogale says.

Their own story is not far removed from the inspiring profiles that they feature on their shows. The friends have not only invested their own time and skills into establishing the network, but have also funded the project themselves, which they started on a year ago. So far they have invested more than R250 000 in the business.

'We have also had a lot of social capital in people who were willing to help us for free. This part of the business has probably been one of the biggest challenges, trying to raise money ourselves and asking people a lot of favours," he adds.

The content on offer is also free for now.

"We felt that we at least wanted to see if the concept worked before charging for content and how well it is received. We also thought that it would make for a more compelling case (with which) to approach funders (after the launch)," explains Mogale.



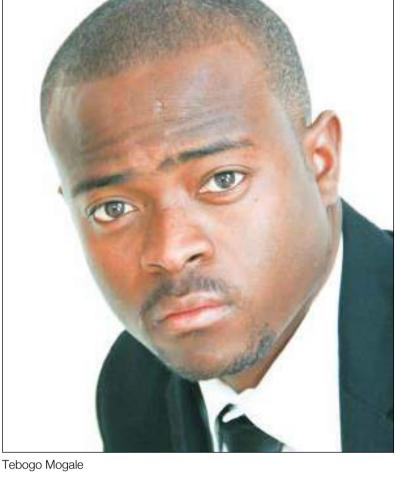
Sammy Rabolele

"We were trying something relatively new, something people were just not getting. We also ventured into this without any experience in online television," says Mogale.

Though it's the first time they have ventured into online television, the two are not completely new to either business

or television. Mogale studied film production and also completed a post graduate diploma in management at the Wits Business School in 2012.

Sammy has a BCom degree in investment management from the University of Pretoria under his belt and has just completed his first year of studying law through Unisa.



They mainly attribute their success to their solid partnership and friendship.

Their passion for entrepreneurship also stems from the same foundation - both have parents who are entrepreneurs. Although they are hesitant to label the business a success so early on, they believe that things are looking positive, with their shows having been watched 250 000 times within the first month of going live. About 70% of the site's traffic is from South Africa, 10% from the US, 8% from the UK and the rest are split between different countries in Africa.

• To watch the shows, viewers can go to www.btenetwork.tv.

Business growth honours father

BY YOLANDE STANDER

SET on continuing his father's legacy, Mbulelo Singapi has grown his business by 7% a year since 2010 through hard work and dedication.

Not a bad feat for a business that almost came to a standstill when his father. Peter, died six years ago. Now the managing director of Golden Touch Manufacturing Jewellers Uitenhage in the Eastern Cape, Singapi says he still remembers peeking over his father's shoulder as a child and watching him craft "the most exquisite" one-of-akind pieces of jewellery.

"He taught me all the tricks of the trade and instilled a great passion for jewellery making in me." recalls Mbulelo.

He adds that the whole family designs jewellery. However, it was his father who started the business and ran it for about 18 years, but on a very small scale. And, despite not immediately taking up the family trade when he left school - he studied administration management at



Mbulelo SIngapi

the former University of Port Elizabeth and worked at Statistics South Africa (Stats SA) - Mbulelo plans to build on his father's success.

"Whenever I had time over weekends and when I was on leave, I would help my father with the business," he says. In 2010, after his father's death crippled the business, Mbulelo and his uncle Dan, who has more

than 28 years of experience as a jeweller, pumped new life into the firm.

"We basically started from scratch, but we started doing what we knew best, creating good quality, unique jewellery pieces. We also knew from the start we wanted to grow the business and eventually export some of our products."

They also knew that they needed the right support and during the first year after taking over the business they approached the Small Enterprise Development Agency (Seda) for help drafting a business plan.

A year later Seda, along with the Eastern Cape Development Corporation, gave them funding to secure machinery worth over R300 000, as well as gas and soldering materials. Last year the two also joined a mentorship programme offered by Port Elizabeth-based business support organisation The Hope Factory. They have now recently completed a business development course offered by the organisation, which has assisted them in keeping the

financial side of the business in

In 2012 the partners decided to go after their dream of exporting their jewellery and through the support of the Department of Trade and Industry they travelled to several countries including China, England, Turkey and Japan for networking and business purposes.

On a trip to China they managed to secure an order for jewellery worth more than a R1 million, but the deal fell through as they could not secure the necessary bridging finance in time to deliver the order. Two years later, things are looking more promising. "We are now on the brink of exporting our products. Negotiations are at a very sensitive stage at the moment, but what I can say is that it is very close to becoming a reality." The company's turnover is currently at about R1.5 million a year and the company employs four people. The two have also launched a brand new jewellery range this year.

Family business wins two premier awards

BY STAFF WRITER

IF at first you don't succeed, dust yourself off and try again.

This expression proved true for family-owned business Hazleton Pumps who clinched two awards at the third South African Premier Business Awards last month after failing to win last year and instead placing second in the Top Exporter category in 2014.

This time round, the business was awarded the Top SMME category and Top Manufacturer award.

The annual awards is an initiative of the Department of Trade and Industry, in partnership with Proudly South Africa and Brand SA.

The event aims to recognise business excellence and promote success and innovation.

Maureen Weymeyer, who coowns the business with son Neil and husband Thys who was out of the country at the time of the interview, says that they were not expecting to win two awards and are feeling humbled and honoured.

"We are extremely honoured that our hard work, innovative designs and development have been rewarded with such a prestigious award," says Maureen.

Each participant will receive the equivalent of about R1m in business support

The family first saw the awards being advertised on the department's website last year. However, after failing to win first prize last year, they decided to apply for the 2015 awards.

"During the application process a lot of information is required which also gives the entrant an opportunity to examine its business practices, motivation and focus once again and to condense all of this into words," says Maureen.

The business, which designs and manufactures pumping systems, uses locally sourced materials to produce its systems.

Started by Thys in 1979, a qualified engineer who decided he no longer wanted to work for someone else, the business has proven its products' reliability in the harsh South African mining conditions.

"Initially we started doing general electrical construction and installing borehole pumps," says Maureen.

However, by 1986 the business grew to the extent that it was

specialising in slurry pumps and established itself as a supplier of submersible slurry and vertical pumps. Since then the family have overcome several challenges to get the business to where it is today – a supplier of pumps to a niche market.

"We've managed to overcome daily cashflow problems, we started exporting to other customers' needs even if they are based overseas," says Maureen.

She adds that having a stable staff complement that is largely sourced from the local community who is continously upskilled has also contributed to the success of the business. And, this is exactly what they plan on using the prize for – upskilling staff.

"We will be using the prize to further the training of our staff," says Maureen.

• For more information, go to **www.** sapremierbusinessawards.co.za.



Thys Weymeyer with wife Maureen and son Neil at the SAPBA awards.



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Fund pays out R6.5m to owners

TWELVE business owners are the first recipients of a total of R6.5 million in grant funding from the Cape Craft and Design Institute's (CCDI) Design Innovation Seed Fund.

Managed by the insti-tute, the fund is a joint commitment between the Western Cape Department of Economic Development and Tourism and the Technology Innovation Agency.

The CCDI's fund was launched in August last year and targeted small businesses with innovative products as well as students at tertiary institutions in the Western Cape without an existing intellectual property claim to a product or service.

Those who qualified for funding were judged on how well they were able to demonstrate innovation in design and technology, the market potential or appetite for their product or service and their ability to be able to drive the process. The adjudication process ran from October last year until January and the winners were announced in February.

CCDI executive director Erica Elk says the institute initiated the seed fund after identifying a number of challenges impeding design innovation and services. These include a low capacity to manufacture and produce locally, difficulties in obtaining venture capital and funding for innovative ideas, lethargy to grow and compete on the international stage and a lack of knowledge on incentives.

"The fund aims to address these challenges by supporting early-stage innovation which has the potential for high returns which can only be realised through financial support," says Elk. To qualify for seed funding applicants had to demonstrate that business incorporates their technological innovation or design and that they had been unsuccessful in raising funds from banks or funding agencies. The product or idea also had to be in the early stages of development.

Their business also needed to be at least 25% black-owned have plans in place to get the firm beyond a BEE level six within three years. Winners can use the grant, of up to R500 000 per individual, to refine and implement designs, develop prototypes, for the production of market samples, market research and access business plan development and incubation support.

Win with design fund

THE culmination of a three-month process saw twelve business owners awarded a total of R6.5 million for their innovative products and services from the Design Innovation Seed Fund in February. This is an initiative of the Cape Craft and Design Institute in partnership with the Western Cape Department of Economic Development and Tourism. Small Business Connect's Daniel Bugan spoke to the recipients to hear what they planned to do with the funds.



ANN COLE is the owner of Ajax Manufacturing.

Her business which develops pole climbing shoes made from highly resistant aluminium is one of the Design Innovation Fund recipients that awarded a total of R6.5 million to 12 beneficiaries.

She says her product is an alternative to heavy pole climbing shoes which are made of forged and welded iron.



JUSTIN COETZEE, chief executive of GoMetro, says he was awarded the grant for creating an analytical tool that transport modes can use to measure their effectiveness and performance, either as an average travel time or to compare with similar modes around the world. Last year Coetzee also launched GoGauteng which also now assists Gauteng commuters track their modes of transport.



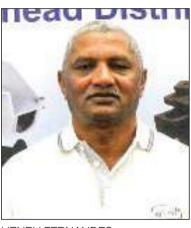
RALF BRUGERS is the owner of Pro Project Engineering,. The company earned its top twelve spot in the Design Innovation Seed Fund challenge for designing a bag-packing machine which automatically folds bags and packs it into crate boxes as they are produced.

The design of the machine overcomes packing and folding complexities.



SEDICK ISAACS, owner of mobile solutions company Ashteo received R500 000 for his end-to-end mobile solution for food safety compliance management.

"Winning this grant is an acknowledgement that we have a feasible product and provides us with the impetus to drive our product forward." He plans to use the money for market research, and product development.



HENRY FERNANDES received R500 000 for his product which allows for physical contact or water contact on an electrical system. The product, developed by his company Sicame South Africa, is placed between solar panels and allows a disconnection from a distance and the earthing of the panels. He says he will use the money to develop tooling samples and other innovative ideas.



GLEN GILLIS is the creator of Sea

This is a combination of animated explainers and games based on a particular section of South Africa's school curriculum. Gillis's company was awarded R500 000 in grant funding.

He says the money will free them up to spend more time on product research and the refinement of their business model.



CAROL THOMAS was awarded R500 000 for improving access to health and reproductive services for women.

Her interactive mobile health service, iMobiMaMa, provides basic antenatal care through health and retail kiosks which are operated by trained lay women. Thomas says they will use the money to design a working prototype of an IMobiMaMa kiosk.



MATTHIAS ESTERHUYZEN of Puris Natural Aroma Chemicals received a R500 000 grant for developing a natural aroma compound, Sotolon, for use as a raw material in the international flavour and fragrance industry.

Esterhuyzen says the winnings will help the company to pursue biotechnological production .The money will be used to start trial runs and do research.



HALEY GRAY, owner of Forge Technologies, received funding for creating a rewards-based mathematics and physical science mobile game aimed at high school students in Grades 10 to 12. The game, Intelleapp, encourages students to compete against the game and each other in order to win data or airtime prizes. She says the funding allows the company to develop a prototype.



Owner of Nervedata, HEIN KOEN, says he will use the grant funding to do product innovations that they wanted to do for a while now. This include developing and building a 360 degree camera system and software modules for the business's internet platform. The funding was approved because of the business's innovative idea to install devices to track, monitor and measure key operational data.



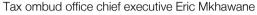
FABIO CLARKE'S company, Eco-Equilibrium, was declared a winner for designing a pool cleaner - consisting of a solar panel, a water pump and a floating pod which harnesses the power of the sun to produce the electricity it needs to power the unit. "Due to the grant we received we are now able to speed up the progress of getting our product market ready," says Clarke.



THYS PRETORIUS, owner of Stoketech, says the funding he received will make it possible for his company to elevate the design of its product to world class standards which, in turn, will help him to break into the world market. Stoketech was awarded the grant for its bone conduction headsets which make it possible for swimmers and extreme water sport athletes to communicate in real time.

How the tax ombud can help your business







Tax ombud Bernard Ngoepe

SMALL Business Connect Online Radio last month hosted the Office of the Tax Ombud to allow its readers firsthand interaction with the office's chief executive Eric Mkhawane. Those who registered for the show had the opportunity to address their questions to Mkhawane who answered the questions live. This is what he had to say.

What does the Office of the Tax Ombud do?

The office reviews and address complaints that the South African Revenue Service has not resolved. It is mandated by the Tax Adminustration Act.

What is the cost of this service?

Taxpayers do not pay for this. It is a free service. However, those taxpayers who choose to make use of tax practitioners may have to pay for their services.

What is the best way to contact the tax ombud?

There are various channels that can be used to contact the ombud.

We have a website www.taxombud.gov.za, an email address complaints@taxombud.gov.za, a tollfree number 0800 662 837 or a fax number 012 452 5013 that taxpayers can use to lodge a complaint. However, taxpayers can also choose to come into our Pretoria branch to lodge a complaint.

At which point, when dealing with Sars, can a taxpayer lodge a complaint?

There is a complaints guide on our website which lists how the complaints process works. However, the key thing is that the taxpayer will need to have exhausted all the Sars internal complaints processes.

But, the act provides for "compelling instances" where a taxpayer can come directly to the tax ombud to lodge a complaint.

For example, where a business is in danger of facing hardship such as closing down, the business owner may contact the ombud and justify the reason for the early complaint.

What is the office's turnaround time for resolving complaints?

We have set ourselves a target of 15 days from the time the complaint was first lodged. However, in some instances the the complaint may be more complex and will need more time.

Are there any limitations on complaints?

Under the act, we may not look at matters older than one year. There have been quite a few instances where an issue is older than three years and we have approached the Minister of Finance for approval to work on such issues. We are now seeking an extension to the approval granted by the minister as more of these cases are coming up. Section 98 of the act now allows Sars to go back and investigate. Sars has now set up a committee to address these issues.

What is the process like when lodging a complaint? Will a lawyer be required

The office has access to all Sars systems. We do our own investigation by going onto Sars sytems. We then make a recommendation to Sars on how to address the matter. However, sometimes the facts from both parties differ widely and we have to get the parties together and mediate.

What happens when Sars do not accept the ombud's recommendation?

We put all recommendations that are not accepted by Sars into our annual report to the Minister of Finance. This report then gets tabled in parliament and the portfolio committee on finance questions Sars regarding why these recommendations were not

accepted. So far, Sars has accepted most of our recommendations.

What kind of complaints does the office deal with?

We try to make it easy for small business owners to comply. We make sure that Sars' systems are treating small businesses correct. This is why we deal with systemic issues. This means that we deal with service-related complaints that might impact a small business negatively.

What is the most common complaint lodged by small business owners?

Value-Added Tax (VAT) refunds. We resolve these kind of complaints speedily.

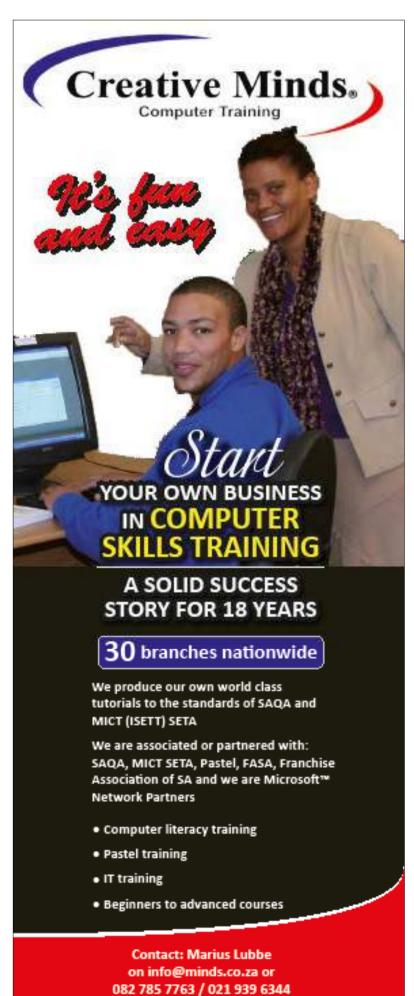
Does the office deal with complaints from a company that has business outside of South Africa, but its head office is in the country?

Yes, we do provided that the issue is about the head office and the matter relates to a complaint with Sars.

Are there any guidelines that a business owner can use to prevent themselves coming to the tax ombud?

No, the complaints all depend on the kind of service that small business owners receive. If Sars is giving the business owner good service, then there is no need to complain to out office.

• In a poll run during the show, listeners were asked what they were most likely to complain to the tax ombud about. Most reader (35%) said they would complain regarding personal income tax, 27% VAT, 23% other, 12% tax clearance certificate and 4% company tax.



www.minds.co.za

Upskilling gets the job done

BY NIKKI JACOBS

AFTER graduating top of her class from the University of Stellenbosch Business School's Small Business Academy, a business owner now has a marketing strategy that has helped her to increase her customer base and her staff compliment.

Gail Small runs Angel Steel Fabrication, a business she describes as manufacturing "just about anything you can make from steel".

Established in 2009, she says she started the business after she was retrenched and her husband Angelo's work contract came to an end.

Angelo had the practical and technical experience to start up the business and Gail had previously worked in administration for a clothing manufacturer.

However, their combined experience was not enough to sustain the business and by 2010 Angelo decided to go back to a fulltime job.

"Business was going slow. I had to decide if I wanted to continue or not. But I persevered," says Gail.

She adds that as the industry was perceived to be a predominantly male-dominated sector she had to work twice as hard to prove herself.

"When they see a woman coming on to a site they get sceptical. They are set in their old ways and expect a woman to be in the office.".

As a result, she was forced to equip herself with the technical skills to fill the gap left by Angelo.

Faced with problems relating to cash flow – there were not enough clients and income was limited – the business had to operate in a confined space as she had to convert her garage into a makeshift factory. Finding reliable staff was also a challenge.

But, this all changed when she saw an advertisement in one of the local newspapers about the University of Stellenbosch's Small Business Academy development programme for small business owners which is aimed at entrepreneurs from the greater Mitchell's Plain and Khayelitsha areas.

She then underwent an application process she describes as "tedious.

"I had to submit an application form, complete an entrance test and was then interviewed before a panel," says Small, who was subsequently accepted into the programme.

The programme is sponsored by Absa and the Distell Foundation, but she still had to pay a commitment fee of R2 000.

"I didn't expect it (to graduate top of the class). But I enjoyed learning new things for my business. The experience made me confident in my business,"



Gail Small attended the University of Stellenbosch Small Business Academy's development programme for entrepreneurs.

she says.

After completing the programme, she began making changes to how she ran her business.

"When I started the programme, I had limited knowledge on how to run a business. Since (having attended) the course I get to see the bigger picture for my business. Without the training you just run the business from day to day. You also learn from others that were on the programme," says Gail.

A concern in her business was marketing. But, with her new found knowledge, she implemented a marketing strategy on how to approach new customers, proper advertising methods and is currently setting up a website.

"We also now pay close attention to our competitors which we didn't do before. I realise it's important to know their prices as well as what their products are."

She has also become more active on the installation sites and no longer hides in the office.

"I need to be the face of the business and be out there getting new business. Things are busier now and I need to get an admin assistant."

Over the past six months, Small has begun to see growth in the business through her turnover increasing and employing two part-time staff members (she has two fulltime staff members).

Small adds that people she regularly deals with have now

changed their perspective about her and are taking her seriously.

"People look at you differently because of the programme. I think when they hear you studied at Stellenbosch they are more confident in you," she says.

As for the future of Angel's

Steel Fabrication, Small would like to employ more staff, develop the staff by sending them on training and get bigger premises.

Mentoring is part of university programme

SINCE its launch in 2013 the University of Stellenbosch Business School's Small Business Academy has seen 72 participants graduate from its development programme for small business owners.

The academy assists small business owners from Khayelitsha and Mitchell's Plain through business education. But, the academy's manager of stakeholder relations Edith Kennedy says expansion plans are in the pipeline.

"We are looking for corporate sponsors in addition to the ones we already have. If we can get another sponsor by 2016, we can expand to Kayamandi in Stellenbosch or Du Noon in Blouberg," says Kennedy.

The programme covers areas such as marketing, financial management, personal development, computer training as well as business plan writing and presenting. Theory classes are on the university's Belpark campus for five weeks from March to October and starts at 8.30am to 2.30pm.

"This is because it will give them time to go home in the



Edith Kennedy

afternoon and still work in their businesses. The assignment days are held on Saturday mornings in either Khayelitsha or Mitchell's Plain during May, June and September, but participants only need to attend two workshops," says Kennedy.

She adds that mentoring is done over 12 face-to-face hours at the participant's business place or whereever the mentor considers it best for business exposure. The course addresses common challenges such as helping to identify problems in the business by finding

appropriate solutions, putting the necessary systems in place, helping business owners identify which resources they can use as well as helping to understand finance.

"It's not about knowing accounting, but rather about knowing what your company is doing with its revenue," Kennedy points out.

As part of the programme, participants have access to training, are provided with qualified mentor. assistance from MBA students assist business owners their business plans. attend regular workshops and have access to information resources and facilities. While the programme is sponsored by various corporates such as Absa and Distell Foundation, successful applicants must pay a commitment fee of R2 000. On successful completion of the programme, applicants will graduate with an NQF level 5 certificate from Stellenbosch University.

• For more information, contact Benji Matshoba on **021 918 4379**.

Make money with your tech skills

BY PAUL CRANKSHAW

DO you just love tinkering inside the box of a computer? And talking tech with your friends, about the latest and fastest computer processors, or the amount of RAM you've just installed to run your new game? Then, the chances are, you're a computer geek.

What's more, computers might not be just your obsession - they could be your business, too.

As the world goes digital, countries like South Africa still have a massive digital divide between the haves and the havenots. You can help change that, by bringing computers to more people and ensuring that they have access to this critical resource.

A business that sells, maintains and repairs computers is a vital asset in any community, and there are many segments of the computer-using market that such a business can target.

Think of it: if you could turn your computer passion into a business, how many people - or organisations - do you know who use computers every day. You could start with doing occasional fixing work for friends and family, then gradually get yourself better known in the broader community.

Or you could target the school that you used to attend, by finding out if you could offer the computer department something they are not currently getting - or maybe you can provide the same services for cheaper. Schools need new computers from time to time, but they always need maintenance and repairs.

If the market is really tough, you can start doing this work as a volunteer - for a community centre or for a local non-profit organisation. So, if you're still at school, start right now - before you have to earn a living from it. It will give a step into your future.

This environment will be demanding, of course, so you will need to have some experience and preferably a recognised qualification.

Among these is the National in Information Certificate Technology: Systems Support. The

Sector Education Training Authority for media, information and communications technologies (MICT-Seta) recognises this and a number of other qualifications as part of its skills development plan for the sector. Contact the MICT-Seta on 011 207 **2600** or visit their website (www.isett.org.za) to find accredited training organisations in your area (look under the menu item "Educational and Training Quality Assurance" on the homepage).

Computer systems courses (at diploma level) are available at most FET colleges - now called Technical Vocational Education and Training (or TVET) colleges. For more information, go to the Department of Higher Education

website (www.dhet.gov.za) and look under "Institutions".

If you want to try studying by correspondence, then contact a distance learning college like Intec (www.intec.edu.za). It has subjects focused on computer engineering – such as PC Basics, PC Repair, and Technical Support.

Apart from an excellent technical knowledge of computers, components and peripherals, you also need good people skills. Clients always appreciate someone who can communicate clearly about problems, options and solutions. An open, friendly approach, and a reassuring manner, will help in stressful situations (when computers break down, it is usually very stressful for people working to a deadline). You will often be advising people with little technical knowledge of the computers and systems which they use every day. Some

knowledge of how to run a business will help you to plan, market yourself effectively, and carry out general tasks such as bookkeeping or keeping your tax affairs in order. It will also help you to understand what your customers are doing and what role IT plays in their everyday business and overall strategy.

• Paul Crankshaw is managing director of Cobweb Information. See www.cobwebinfo.co.za.



Paul Crankshaw



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Franchising offers support

BY NABELAH FREDERICKS

BEING a franchisee means Kholofelo Makena is able to communicate regularly with her franchisor, gets to understand the business operations and has access to mentors.

Something she did not have when she tried to register her own training centre in 2006.

"I then decided to go the franchise route, not only for what it offers, but I needed support and mentoring which comes with franchising," says Makena who is the owner of a Creative Minds franchise.

Creative Minds, which is a member of the Franchise Association of South Africa, is an accredited computer training provider that is accredited with the Media, Information, Communication Technologies sectoral (MICT) education training authority (seta). It is found in at least 40 training centres in Southern Africa.

Makena says she chose this franchise after checking its training methodology.

"My interest in the franchise started in 2006. That is when I first enquired abour starting my own business. I read up about it, constantly observed the company and as it grew I told myself that one day I would be a part of that

growth," says Makena.

However, it was only in 2013 when she made the decision to go into franchising.

She adds that her first step was to enquire with the Creative Minds' head office to check whether she met the necessary requirements.

After submitting application, she received an approval letter and then applied and was successful for R220 000 in funding from Anglo American's Zimele Fund.

"The application took a day or two because we needed to submit the application forms and a CV," says Makena.

She adds that it took a further two months to get the funding and once Anglo American paid the funds to Creative Minds, the business started operating in July 2013.

Makena says the support she received included training on how to operate a franchise, business's policies and procedures, training on marketing and business administration.

However, she says that as with all businesses there are challenges.

She says that a challenge specific to her business has been getting local people to trust the brand.

education



Kholofelo Makena is the owner of a Creative Minds franchise that specialises in computer training.

especially private colleges, is make sure that you partner with one of the most difficult sectors for people to trust...You need to

a legitimate company such as Creative Minds to make sure that you give the students the quality that they deserve," says Makena.

Despite the advantages that come with being a franchisee, cautions Makena potential franchisees that "the business is what you make of it.

As much as it's a franchise, it (still) requires creativity, innovation, dedication, desire and perseverance. If anyone is eager to go into franchising, let it be because of your passion for business and willingness to make an impact. Financial gain comes after hardwork and sometimes sleepless nights," advises Makena.

"You need to make sure that you partner with a legitimate company"

Asked whether she would do it again, Makena says that her business is currently in the process of expanding throughout the Western Cape.

"We are opening at least one, possibly two, Creative Minds branches in the (near) future," savs Makena.

- For more information on becomng a Creative Minds contact franchisee. info@minds.co.za.
- For more information on FASA, go to www.fasa.co.za.

Reins at Fasa change hands

BY DANIEL BUGAN

JOHN Baladakis, last month became the Franchise Association of South Africa's (Fasa) first member to take the reins of the 36-year old organisation.

A Pick n Pay franchisee with 20 years of experience in the industry, Baladakis plans to grow the organisation beyond the 31 000 franchisees it currently counts as its members, during this one-year tenure "Fasa represents only 17 business sectors in franchising, developed markets like the US for example, have over 75 business sectors. So, the potential exists for most business sectors to expand successfully into franchising," says Baladakis.

He says Fasa is in talks with the Department of Small Business Development to look at successful franchise models to help boost entrepreneurship in the country. The Global Entrepreneurship Monitor (Gem) global report released in February revealed a 34% drop in the number of South African adults starting a business last year.

"Providing finance solutions to entrepreneurs to buy franchised businesses will transform the



John Baladakis

industry and this is where the small business development ministry in conjunction with Fasa's franchisor members could make a huge difference," he says. Fasa says franchising contributes 10% of the country's gross domestic product (GDP), while the sector has more than 620 franchised systems operating and over 31 000 franchised businesses countrywide.

Baladakis says an operator that buys a franchised outlet from a reputable franchise company will see a return on investment provided they implement the franchisor's business model and have a hands-on approach to the business. "It is imperative that a potential franchisee does his or her homework. A thorough investigation is required of the brand they are interested in, of the success of existing franchisees within that brand and the brand's track record. Make sure this is the thing' for you," he advises.

Potential franchisees, adds, should also be careful as there are key factors that impact the success of a franchised outlet, such as escalating cost structures, especially high rental costs and increased set-up costs.

Head of franchising at FNB Morne Cronje agrees and says that franchisees currently face many challenges, such as slower economic growth, increased unemployment, new regulations, further load shedding and labour

"With the ongoing changes, consumers have less expendable income and will do more homework and research before they spend money. Customers will look for value for money so make sure your products are fairly priced," he explains.

Не advises potential franchisees to implement an aggressive strategy that focus on the customer's needs and

offer innovative products and solutions.

Baladakis lists Fasa's other projects for 2015 as: • Securing an allocation from the

Jobs Fund initiative to promote

business development and job

creation.

• Investigating the viability of introducing social franchising as a viable option for the African economy using a not-for-profit public-private partnership to solve some of the country's

service delivery challenges.

 Promotes franchising through events such as the Franchise G International Entrepreneurial which took place last month, the annual franchise convention (which also took place last month), Fasa's awards for excellence franchising, monthly networking breakfasts and the publication of its franchise and supplier manuals.

Those franchisees belonging to a franchises franchisor Fasa member automatically become members of the association. Franchisees belonging to franchisor members pay memberships fees of R500 per year, while non-franchisor members pay R800 per annum.



Book Review

Lessons from Coca-Cola

CHRISTOFF OOSTHUYSEN reviews "Design to Grow - How Coca-Cola Learned to Combine Scale & Agility (And How You Can Too)", by David Butler and Linda Tishler, published by Portfolio Penguin (2015).

THE world today is a fast-changing place.

Unlike the past century or so during which corporations easily dominated the business environment, large companies now find it challenging to make the quick adjustments needed to stay competitive.

This is why well established brands like Kodak disappeared, and it is also why many more multi-national businesses will fail in the coming years. They are just not agile enough to adjust.

Startups and small businesses, on the other hand, can make changes in just a wink.

They can refine their products, or even pivot into something totally different, thus avoiding risks in a fast-changing marketplace. This agility is what large businesses envv!

However, smaller companies have different challenges, mainly because they find it difficult to grow and make an impact. They may be agile, but they can't scale!

In "Design to Grow" Butler and Tishler say to succeed as a business today - both as a large firm and as a small business – vou have to combine both scale and agility.

And they explain how to do this in how Coca-Cola uses "design for purpose" in all aspects of its business.

Now, was I surprised to see that Coca-Cola has a vice president of Innovation and Entrepreneurship - which is Butler's day job.

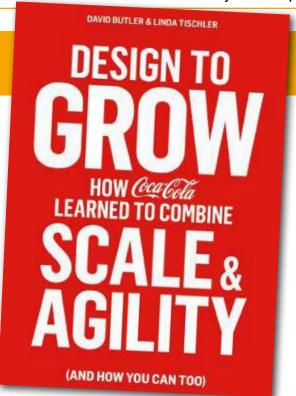
There's no-one better than him to tell the story of how Coca-Cola manages to combine both scale and agility. And in teaming up with Tishler, from Fast Company, we also have the benefit of a wellwritten book.

The Coca-Cola Company owns a \$170-billion brand, reaching consumers in over 200 countries. This success did not just happen by accident. It is, say Butler and Tishler, because Coca-Cola introduced purposeful design as a key element of its approach.

It is through the examples

covered in this book - of how Coca-Cola used design – that both corporate managers and ready-togo entrepreneurs can learn how they can adopt an approach based on design for purpose.

In doing so, you (as manager or as entrepreneur) can also become a winner. As the publisher says on the book cover: "Tomorrow's business winners will be the ones who know how to combine scale and agility". The fact that you as smaller business have agility on your side, does not imply that you automatically will benefit from this advantage. You'll still have to find and use the right tools. One such tool, the one-page business plan, is of particular interest to Butler. As he says: "I like how you can use one page to summarize the key assumptions or problems you need to address...".



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16 Reduce climate change impacts.

Reduce imports which helps reduce SA's trade deficit.

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19 Boost afforts to prevent 5A from becoming a warehouse for imported goods.

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PSAS-47 SIC SEP

Must staff disclose pregnancy

BY BARNEY JORDAAN

DOES a job applicant need to disclose to an employer whether or not they are pregnant?

In the case of a business owner, the better question is, perhaps, may an employer take disciplinary action against an employee who, at the time of appointment, failed to disclose their pregnancy?

Or lied about it? May an employee who is on maternity leave be dismissed for genuine reasons relating to performance, disciplinary action or redundancy?

In terms of both the Employment Equity Act and the Labour Relations Act, pregnant employees may not unfairly be discriminated against because of pregnancy or any reason related thereto.

This means, among other things, that an employer may not exclude someone from employment merely because they're pregnant. By the same token, an employee may not be dismissed simply because she's pregnant or taking maternity leave.

DISMISSAL DUE TO PREGNANCY

The Labour Court decision in Memela and Another v Ekhamanzi Springs (Pty) Ltd provides a good illustration of the principle of protection of pregnant employees against dismissal.

Memela and a colleague worked for the employer at a spring water bottling business, located on the premises of a mission station.

They breached the mission's code of conduct by falling pregnant outside of wedlock and were subsequently denied entry to the premises by the mission's security guards.

As a result they were unable to reach their work place. They tried to get the plant manager to intervene, but he refused.

The court found that preventing them from working not only amounted to a dismissal but to an "automatically" unfair one, entitling them to either reinstatement (with back pay) or compensation equal to 24 months' remuneration.

The court further noted that an employer may not abdicate their responsibility of protecting the jobs of its single women employees when they fall pregnant and hide behind the code of conduct of the mission. It had an obligation to protect them irrespective of their marital status and had to make the necessary arrangements with their landlord.

FAILURE TO DISCLOSE

Swart v Greenmachine Horticultural Services involved a situation where the employee failed to disclose the fact that she was pregnant at the time of her appointment.

She was eventually dismissed



May an employer take disciplinary action against an employee, who at the time of being appointed, failed to disclose their pregnancy?

for insubordination, poor performance, and "omission of critical information at time of application for employment regarding pregnancy".

The employee in question, Swart, had failed to inform the employer at the time of her appointment that she might be pregnant. After this became known she was subjected to harassment by her manager, ostensibly because of a breakdown of trust and inability by the employee to cope with her job.

Despite the employer's denials about a link between the employee's dismissal and her pregnancy, the court found that the link was clear and that her dismissal therefore was automatically unfair.

The court added: "It is trite that a pregnant employee has no legal obligation to disclose her pregnancy other than as required for purposes of the Basic Conditions of Employment Act (ie for maternity leave purposes)."

This obligation extends to both an actual or planned pregnancy. The employee is the arbiter, in consultation with her doctor, of when it would be necessary for her to commence maternity leave and her health and that of her baby is the primary consideration in this regard.

Although the timing of her leave may in certain instances be subject to operational requirements, this is not an issue as long as she exercises her choice in this regard and does not do so at the expense of her health.

The employer is not required by law to consent to maternity leave – every female employee has a statutory entitlement of four months unpaid leave under the act. Maternity leave, like annual leave, is a legal right not a privilege.

IGNORANCE OF THE LAW

De Beer v SA Export Connection CC t/a Global Paws provides a good illustration of how ignorant employers could be about their obligations towards pregnant employees.

De Beer was not only denied her full four months' maternity leave (being given one month instead) but also dismissed for not returning to work within the period provided by the employer (her twins suffered from colic) and, the court found, possibly as a mark of disapproval for having fallen pregnant outside of wedlock. Based on this and similar cases, employers will act contrary to the law if they take disciplinary or other adverse action against employees for being pregnant or for not disclosing their pregnant

For example, asking a female applicant if she's pregnant is not permissible.

In fact, the case law seems to suggest that she would be quite entitled to refuse the question or even lie about her status.

The only time when this kind of question would be permissible, is if the employer can draw a genuine link between the nature of the job and the employee's pregnancy, for example, if the conditions of work are potentially harmful to the mother or unborn child.

TERMINATING EMPLOYMENT

May an employer initiate disciplinary or retrenchment action against an employee during maternity leave?

Provided that the employer has genuine reasons for doing so, there is nothing in law that prevents an employer from taking the required action.

Of course, it will have to allow the employee an opportunity to state her case (in writing, or perhaps even telephonically).

The employer should consider holding back on further action until the employee's return, but if it can demonstrate that time is of the essence, there should be no problem in continuing with any processes.

There is also nothing in law

that prevents the employer from terminating the employee's services (for good reason and after procedural compliance) before the end of her maternity leave.

The employee might allege that her dismissal is related to her pregnancy. It will be for the employer to prove that the real reason is not pregnancy but a genuine disciplinary, performance or operational requirement.

 For more labour-related advice, go to www.labourwise.co.za.

Protect clients' personal info

BY AMIT PARBHUCHARAN

ANY business owner out there is likely very budget-conscious and would likely prefer to avoid paying for tools that they could do without.

But, business owners may not always have the necessary knowledge to determine what the most cost-efficient and better-fitting solutions are.

An example of this is how many business owners pay too much in securing their mobile devices when trying to comply with the Protection of Personal Information Act. The act aims to protect personal information and is likely to come into effect by the middle of this year. In a survey conducted over a two-month period during the fourth quarter of last year by Beachhead Market Intelligence 80% of business owners reported having made use of software that is more suited to use by bigger businesses. In addition business owners only made use of about 20% of their software's advertised functionality. My advice is to:



Amit Parbhucharan

- Save the money you spend on this kind of software and simply take a practical approach.
- Seek out solutions in line with your market needs, and try to avoid expensive add-ons.
- Have a low impact, streamlined solution that can be implemented quickly.
- Demonstrate compliance to auditing requirements and regulations.

A small business's device security solution need only check these boxes.

 Amit Parbhucharan is the SA manager for **Beachhead Solutions**, which designs cloud-managed security tools.

Do you live in a smart city?

BY DENISE LEE

NEW technology and the advent of big data is creating opportunities for Africa to leapfrog other parts of the world when it comes to smart cities.

The "third industrial revolution" led by new digital technologies, converging streams of information and the advent of big data is creating opportunities for Africa to leapfrog other parts of the world with smart city technologies that could revolutionise the quality of life for city dwellers.

Already, several major metros in South Africa are investigating the potential that smart city technologies have for meeting the needs of an increasingly urbanised population—a population that could see the size of Africa's cities doubling within the next 15 years.

South Africa, as a continental business leader and home to the second-largest economy in Africa, has much in common with Africa when it comes to population age and prospects.

The major differentiator for the country lies in its well-developed infrastructure and access to skills. These two factors will prove vital in enabling cities like Johannesburg to launch initiatives ahead of competitive cities elsewhere in Africa.

Municipalities in Gauteng are aware of the advantages that smart city systems hold for the future. Many, with Deloitte assistance, are already investigating systems and their potential future roll out.

"The major differiantiator in a country lies in its well-developed infrastructure and access to skills"

The opportunities presented are regarded as not only essential in optimising services on the ground, but a way to increase service delivery, especially where problems exist in this regard.

This will be made possible by municipal use of big data to effectively coordinate and schedule activities across diverse city services - alleviating the problems and costs arising from present practices caused by a lack of communication and allocation of resources across cities.

The spread of big data and its use across municipal operations will change the current reality imposed on service delivery by operations that operate in silos, communication is awkward and data capture is still mainly a manual process.

Sharing pertinent information across areas such as asset, fleet and workforce management will result in shorter task turnaround times being achieved through the avoidance of bottlenecks in the system.

Best practice has shown that this can be achieved through the establishment of data warehouses and business intelligence-assets that developing cities still lack.

The most used method for rectifying this is through the establishment of an operations centre.

City managers are able to access data in real-time streams whilst operators can facilitate responses from different departments to deal with incidents as they occur."

The operations centre powered by big data is the pinnacle of



Smart cities stimulate businesses by creating a city-wide digital strategy that promotes economic growth.

a city's tactical strategy as it provides a focus point that pivots on achieving cost savings through the consolidation, monitoring and optimisation of shared ICT assets and services. It also plays roles in:

Stimulating business by creating a city-wide digital strategy that fosters economic growth through access to broadband and Wifi services.

Driving efficient citizen relationships systems geared to resolving their requests and complaints on first call and benchmarked call closure times.

Lowering costs by providing

an analytics capability to monitor and optimise city processes and resources that can be benchmarked against international standards.

The ability to provide for enhanced second-tier, cross-department and agency support to citizens and providing integrated structures rather than operations that work in silos.

Underpinning this proactive environment means that data sources which can range from CCTV camera systems, voice, social media, streaming data, sensor logs, supervisory control systems and data acquisition

sources are combined with traditional structured and unstructured data to support the mission of the city.

As with all major initiatives that have the potential to revolutionise the environment in which people live and go about their daily business, the transformation of a city from a reactive position to a proactive stance will take several years to accomplish.

Considerable monetary, IT and organisational restructuring will also be required.

• For more information, go to **www.gadget.co.za**.

Use SEO to attract the right client

BY PRASHANT BHAGA

THE importance of having to comply with industry regulators in the medical sector makes growing your practice tough.

With health-care marketing rapidly evolving in the digital space a good digital strategy can help educate and attract more patients.

Chiropractor Charmaine Young runs a thriving practise in Bedfordview. However, this was not always the case.

In 2012, determined to grow her business, Young attempted to build her own website, but discovered that it was really time-consuming.

She also did not make use of search engine optimisation (SEO) – tactics used to increase the amount of visitors to your website.

As a result, the website she had spent so much time



Prashant Bhaga

creating, failed to generate the amount of patients she wanted to see on a daily basis. Despite a strong desire to share her knowledge with her patients, the complexities of digital marketing in healthcare, along with her compliance obligations proved to be too big a challenge.

This led to her contacting my team at Lilipads to assist her with the right solution.

Our collaboration with Young led to the development of better-backs.com, a website that is both attractive and helpful to her patients.

And, because with more and more people taking to social media to discuss issues that are relevant to them, the team helped Young to link her website to her social media pages.

The positive reactions from her clients who use the site confirmed her feelings – this was a great way of helping people and also to grow her practice.

In her words, "Most chiropractors don't know much about marketing, because we are taught to be chiropractors.

and to get my website up and running. The website looks so professional."

Below are five tools every medical professional should be using:

- A website that includes SEO for the phrases your patients are searching for.
- List your practice on Google.
- Engage with you patients. Most take to social media groups to discuss their pain. Take the time to build that relationship with them.
- Take care of your patients, and your patients will take care of you. A happy patient will tell others to come to you too.
- Be specific about the patient you would like to serve. Who are you able to help best with your specific skills and passion?
- Prashant Bhaga is the owner of Lilipads Leads. For more information go to www. lilipadslead.com.

Making education accessible

BY BERNIE VAN ZIJL

MEET Mamma Yoyo from Victoria West.

In my mind, she is truly a hero of her time.

Of her own accord she approached her local municipality for help.

She is a modest woman, but with her infectious drive and passion to bring about change, she quickly got the attention of the officials at municipality; and soon she was talking to the town clerk at that time Dr Emil Nothnagel.

I heard the story from him, because he remembers her as a person that took her destiny into her own hands and improved her life — and those around her — through her education. He could not decide otherwise than to help her.

With skills development and mentoring Mamma Yoyo became the proud owner of a number of Bed-and-Breakfasts in Victoria West.

Not only did this restore her own dignity, but she now had the means to support her children and grandchildren.

For instance, her grandson

Xola recently received his Master's degree in Local Economic Development.

Dr Nothnagel tells me the story of how he first met Mamma Yoyo.

She came to his office, holding an orange, which she presented as an indication of hope and what skills development can do!

There are many good news stories of Mamma Yoyos and Dr Nothnagels.

Their names may be different, and the places they live may in vary, but the story is the same.

These are people who decided they will improve their lives through education; and there are the educators who are willing to help.

The question for each of us is this: "How willing am I to put effort into my education or the education of someone reaching out to me?"

As Nelson Mandela explained, knowledge is power when he said: "Education is the most powerful weapon which you can use to change the world."

COST OF EDUCATION

We indeed have the good news stories to tell. For



Reabetswe Cecilia Mogorosi received a 100% bursary from iCollege.

instance, www.sagoodnews. co.za recently reported that the African Leadership Institute (AFLI) announced the 2015 intake of selected candidates for the prestigious Tutu Leadership Fellowship.

Among more than 250 nominees from 32 African countries, 23 of Africa's highest potential young leaders were selected to take part in the programme.

Spanning more than 15 industries, representing 10 African countries, and ranging from 29 to 40 years of age, the selected candidates demonstrate the wealth and breadth of leadership talent that exists in Africa's youth.

"We believe serving one's followers with selfless inspirational leadership based on strong values is the critical ingredient that is going to catapult Africa forward socially, politically and economically," commented Peter Wilson, co-founder and global chief executive of AFLI.

"The Tutu Leadership Fellowship was created in order to maximise the impact that leadership can have, whether at a country level, across the continent, or even globally."

It is through fellowships like this that the education of the selected future leaders becomes possible. Unfortunately, without the fellowship, the education would be much too expensive.

NEW WAYS OF LEARNING

The cost of learning is just too high!

Recently Fin24 reported that deputy minister of higher education and training Mduduzi Manana said it would cost a total of R50 billion a year for tertiary institutions to provide free education to those who deserve it, but the current budget is only R9.9 billion.

"We are failing to get deserving students into education and into training," he said.

The importance of looking at new ways of learning cannot be over-emphasised.

We should be investigating, as a priority, how e-learning platforms make learning easy, is priced to reach many people, and offers accessibility to any one, any where at any time!

The indications are there that e-learning could be a very important solution for future education!

I do think that young people should be empowered with technology... this will bring about knowledge expansion.

With mobile technology on the move we can make education be mobile too!

There is no reason for education not to be accessible and extremely cheap.

That is why I am proud of being associated with a new initiative by Small Business Connect.

It is presented at a collaboration with Kubwa Group and iCollege, with the aim of making education more accessible and affordable to entrepreneurs through e-learning solutions.

This initiative is called Academy Small Business Connect.

Let us all connect to experience the power of change!

Win quality learning

ONGOING learning is a reality for readers of Small Business Connect.

You can win three months of free access to the new online training system, launched this month specifically to meet the learning needs of Small Business Connect readers to improve and make your business a success.

Small Business Connect entered a partnership with Kubwa Group and iCollege to "deliver accessible, topic-specific courses at affordable rates to entrepreneurs," says Small Business Connect publisher Christoff Oosthuysen.

"We are calling it Academy Small Business Connect, or Academy SBC for short," he says.

Partners in this project are College and Kubwa Group.

Says executive director of Kubwa Group Bernie van Zijl: "Continuous learning is a fact. The day I left school was only the beginning of a long road of learning.



Bernie van Zijl

Today I know — knowledge is power! The more I learn, the more I know that I do not

know, therefore I can never stop learning."

The electronic platform for Academy SBC is delivered by iCollege and offers over 650 courses to choose from for a subscription fee of R300 per month.

What is more, with these courses you can work towards a certificate or diploma, while you finish courses at your own rate.

Courses range from using applications such as Office and Windows, to soft skill courses you need every day like accounting, project management, marketing, self leadership and business management.

REGISTER HERE

To enter and win one of three prizes, send an email to academy@SmallBusinessConnect.co.za or visit www.SmallBusinessConnect.co.za/academy.

Winners will get three months free access to the full complement of courses.

Building a 'treevolution'

BY NABELAH FREDERICKS

A TREE planting business started by three friends with no experience in greening communities has become so popular that over the last four years 3 478 volunteers have signed up to plant trees in South Africa and a number of other African countries.

Some volunteers have even covered their own travel costs!

Greenpop began as an idea by 10 friends with no experience in tree planting. All they had was a drive to offset their own carbon footprints by planting 1 000 trees in a month.

Lauren O'Donnell, who founded the business with husband Misha Teasdale and Jeremy Hewitt in 2011, says the organisation has been inundated with calls following the planting of 1 000 trees at various schools in the Cape Flats in Cape Town.

"We received calls from schools asking why we had not planted trees there, when a neighbouring school received trees and businesses contacted us wanting to do the tree-planting as a team-building exercise," says O'Donnell.

She says a key challenge during the business's early days was that the organisation was no typical brand. It was friends with media and marketing backgrounds that helped them align their purpose



Misha Teasdale, Lauren O'Donnell and Jeremy Hewitt started GreenPop in 2011.

with the brand.

"We wanted to make greening popular by targeting everyone so we aligned this and started building our brand," says O'Donnell.

Evident of the brand's growth

is the organisation's social media page numbers which have increased gradually since the business was started.

"We have a good social media following audience of about 28 000 over all the different platforms and we have people who go onto our website every month," says O'Donnell. Despite leaning on friends' background in marketing, O'Donnell attributes most of this growth to face-to-face marketing.

"We also did guerrilla

talking social enterprise

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, signup by registering via www.
 TalkingSocialEnterprise.net.

marketing in the beginning. We would cycle through traffic with green capes or we would do flash mobs," says O'Donnell. She adds that the business also drew a lot of support because people wanted to be a part of the social enterprise.

"We started at a time when people in South Africa wanted to do something for their country," says O'Donnell. But, doing something for their country came with quite a few challenges.

"We did guerilla marketing. We'd run through traffic with green capes and we also did flash mobs"

"We had staffing challenges because we had no secure revenue and had to rely on volunteers," says O'Donnell. The business also had no vehicles with which to transport the trees. However, O'Donnell says that they were abt to overcome these challenges by doing trade exchanges.

"We got a bakkie donated to us in mid-2011 and have built up a consistent income stream to employ people," she says. The business now employs 13 staff and three part-timers and she says over the years it has become relatively easier to do business as the "treevolution" has become better known.

• For more information, go to **www.greenpop.org**.

Develop your brand so that it engages your community

BY MARCUS COETZEE

SOCIAL enterprises work hard to develop powerful brands around which they build deeply engaged communities.

These brands act as magnets that attract people and opportunities. This is the 10th principle of our Think like a Social Enterprise series.

A brand is everything that someone experiences about an organisation.

It could be a news article, a Twitter feed, a meeting with staff, a logo or an office suite. It could even be a rumour. It's the combination of the thoughts, pictures, sounds and feelings that you have when you think about an organisation you know.

There are a range of benefits to having a strong and engaging brand.

A strong brand encourages philanthropists, investors, customers and partners to want to be part of your organisation.

For example, Iyeza Express uses cyclists to collect and deliver medicines from local clinics for a small fee. Once Iyeza Express's brand gained the spotlight, it started attracting investors and partners such as Metropolitan Health.



Marcus Coetzee

An engaging brand will also help you get past gatekeepers and access key people.

For example, Impact Hub is a global network of 63 workspaces with 11 000 members.

This movement has significant social impact. When the Impact Hub makes a call or sends an email, it is surprising how quickly people respond.

Having a good brand will also make it easier for you to recruit, inspire and retain competent staff.

There is plenty of research that people would risk money and

job security to work with a brand they love.

For example, Heart Capital invests in social entrepreneurs and helps them scale or franchise their solutions. It has carefully cultivated its brand and designed a volunteer experience that attracts over 100 interns each year.

Finally, if your organisation has an engaging brand people will take notice when you say something. For example, LifeCo UnLtd, featured two months ago in Small Business Connect, came about after a recent merger of two strong brands.

LifeCo has directly educated and impacted over 56 000 adults in South Africa, and UnLtd supports social entrepreneurs. When Pat Pillay from LifeCo Unltd stands up in a room to say something, everyone pays careful attention.

These examples demonstrate that a brand strategy should be a core component of your organisation's marketing and business strategy.

Developing a powerful brand involves two simple, yet difficult steps.

The first is to work with staff and partners to develop a brand that reflects the magic of what your organisation is about.

The brand must be based on reality, as people will quickly see through any false image. The second step is to live this brand and ensure that it's reflected in all the decisions, interactions, documentation and communications of your organisation.

Your organisation must be congruent with its brand.

For example, See Saw Do is a social enterprise that transforms spaces where children develop and learn. Staff at the enterprise have helped paint early childhood development centres, decorated classrooms, and undertaken many more such activities.

Design thinking and the wellbeing of children features in every encounter that people have with this organisation.

Strong brands are powerful magnets that open doors and attract opportunity.

They need to be carefully designed and cultivated over time.

They must be embraced by everything an organisation does. Engaging brands must be lived each day.

 Marcus Coetzee is a strategist specialising in social enterprises.

Riversands hub opens for business

IDEALLY located close to the centre of Diepsloot's construction activity, the Riversands Incubation Hub opened its doors to five incubatees in March and aim to take on a further 117 business owners. Small Business Connect spoke to the incubator's chief executive Jenny Retief to learn more about opportunities for business owners in the area.

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

Riversands Incubation Hub. Riversands was a well-known farm so the name is a tribute to the heritage of the property. The incubation portion of the name refers to our main business, which is helping majority black-owned business accelerate and grow.

How would you describe your

We develop and nurture small, majority black-owned businesses to help them grow and employ local people.

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

The hub is located five kilometres north of Fourways and within walking distance of Diepsloot. We recruit new incubatees from nearby Diepsloot as well as the broader Gauteng.

Which businesses are best suited to join?

Businesses that manufacture or provide products or offerings that service the constructionrelated sector would be ideally suited to benefit from Riversands' access to markets.

How does one apply?

• Application forms are available at reception and on the website www.riversandsihub.co.za

The selection criteria includes:

- Majority black-owned
- Viability and potential growth
- Economic opportunity created for the surrounding area
- Entrepreneurial characteristics and capacity to execute
- Fit to Hub
- Ratio of cost and risk to benefit

ie the level of resources required for the business to grow

How long do businesses stay in your programmes?

The full on-campus incubatees are on the programme for a maximum of three years. This period has been researched globally and has been found to be the optimum period for business incubation.

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

Custom-designed premises, self-directed training coaching, as well as market access.

How long have you been going for?

Construction began in 2013 and Riversands Incubation Hub opened in March this year.

How many businesses have been incubated with your support?

There are over 100 businesses business receiving ongoing support via workshops and group coaching sessions. The first five incubatees moved into the premises in March.

How many incubatees are simultaneously in your programmes?

The capacity for on-campus incubation is 122 businesses.

If we include the Grow Your Business programme where entrepreneurs based elsewhere can visit the hub, this increases to about 500.

What are your fees?

Full incubatees pay subsidised rent and their expenses such as electricity. Rentals vary based on size of premises.



Jenny Retief is the chief executive of the recently-launched Riversands Incubation Hub in Diepsloot.

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

The incubatees signs a performance agreement to ensure that they comply with the incubator's code of conduct and that they are committed to doing what it is takes to grow their business and achieve sustainable success. The commitment to them is in the range of services they can access to accelerate their businesses.

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

"This is a formula for creating economic opportunity and addressing the chronic unemployment in South Africa."

What was your biggest success thus far?

The first five entrepreneurs who have moved into their factories are positive, energetic, enthusiastic and committed to growing their businesses.

They are all eager to learn and embrace the guidance offered to them on the programme.

And your biggest failure?

There are none at the moment. The Hub is mercifully too new to report on failures.

Why are you involved in supporting new businesses?

The Riversands Incubation Hub team is committed to growing the SA economy and expanding economic opportunity for all South Africans.

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

To streamline the regulatory processes required to establish small businesses and maintain regulatory compliance.

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

First incubatees join construction hub

A LOVE for computers and passion for printing led Tebogo Maake to start his own branding business in 2006.

Maake is one of the Riversands Incubation Hub's first incubatees and hopes to grow his business with the resources and training from the incubator.

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

I moved to the Riversands Incubation Hub in March. The programme runs for a maximum of three years.

Why did you decide to join

the programme? What was the application process like?

The main reason I decided to join the programme was to cater for my clients from Fourways and Dainfern who are reluctant to come to my shop in Diepsloot.

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

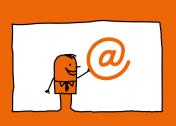
Marketing is the most important thing for me so that I can grow my business.

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

It's too early to give any suggestions yet.



Tebogo Maake



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)
- support to entrepreneurs through incentive schemes and trade
- 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
- Startup funding for new businesses
- General finance for the expansion of existing businesses
- Bridging finance
- advice, mentorship and
- 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
- support Business One-on-one 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 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
- Training, coaching and mentoring
- Partner support services
- with export-readiness development services
- Premises at affordable rates
- Incentives and special discounts for BEE
- 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
- 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
- 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
- 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
- 086 100 2472
- info@cipc.co.za
- www.cipc.co.za

Small Enterprise **Development Agency** (Seda)

- development support for **Business** business owners
- Training programmes for startups, cooperatives 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
- 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 South African youth who are between 14 and 35 years old with support and funding
- Mentorship. skills trainina 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

NEF helps grow turnover

BY DANIEL BUGAN

MOLATE Sedutla was able to increase his turnover more than five times after relocating to better shop premises.

This, with the assistance of a R470 000 loan from the National Empowerment Fund three years ago. Sedutla is the owner of Sedutla Optometrist in Burgersfort, Limpopo.

He approached the NEF in 2012 requesting for help in relocating his practice

At the time his business was losing money because it was hidden away in a small shopping centre

"It was on the first floor in a corner and it was difficult for an unfit person to climb up the long stairs to get to the business,' says Sedutla.

The NEF helped cover the costs of relocating to the newly constructed Burgersfort Mall after he had obtained a five-year lease for larger, more accessible premises - less than 200m from his previous practice.

He says the application process took only three months.

All he had to do was to provide funding developmental institution with information such as financial statements and fiveyear financial projections.

He was eventually awarded R471 744 in funding from the NEF which he used to cover moving costs and to pay shopfitters.

"The result (of moving to the new premises) was almost immediate and my customer base more than tripled," says Sedutla.

He says since 2012, when he moved into the new premises, his turnover has increased from



Molate Sedutla received R470 000 in funding from the NEF.

month currently.

Sedutla Optometrist, which has been running for nine years, currently employs three people.

NEF divisional executive for SME and Rural and Community Development Setlakalane Molepo says the organisation was only too keen to assist an entrepreneur in an industry that still has too few black professionals.

He points to the South African Optometric Journal's survey on gender and racial profiles of SA optometrists, which reveals that 44% of registered optometrists are white, 29% are black Africans, 22% Indian and 5% coloured.

"If our funding can assist an entrepreneur to expand his

R30 000 a month to R170 000 a business and also assist a critical but not highly recognised skill to remain in the province and keep three permanent employees at work, then we are truly making a difference to the economic and social impact of South Africa." says Molepe.

The NEF provides funding to black-owned businesses.

To qualify for funding business owners must complete an application form and provide the agency with audited financial statements, five-year financial projections, recent management accounts, bank statements, registration documents and a sale or franchise agreement

where applicable. • For more information, go to www.nefcorp.co.za.

SBC numbers up

EXCITING things have been happening on the Small Business Connect front.

The newspaper last month received its first certificate from the Audit Bureau of Circulations of South Africa. The ABC is a non-profit organisation which is registered in terms of section 21 of the Companies Act.

Its primary function is the certification and provision of accurate and comparable figures to assist advertisers, marketers and publishers in the buying and selling of advertising and promotional material.

Established in October 2013, the newspaper is funded by the Department of Trade and Industry and is published by SA Business Owner and Co. Small Business Connect's operations manager Gcobani Ndabeni welcomed the certificate.

"It was not difficult. I only needed to get the paperwork in order. We studied the rules and made an application which was approved," says Ndabeni.



Minister Lindiwe Zulu and Gcobani Ndabeni.

In addition to the certificate being awarded to the newspaper, the Small Business Connect Facebook page has also reached the 20 000 mark. The number of likes on the Facebook page at the time of going to print was at 21

746.

 To connect with the Small Business Connect community, like the page www.facebook. com/SASBconnect, follow us on Twitter www.twitter.com/ SASBconnect.



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

Readers of the month



AS an entrepreneur you need to

read anything that talks about

small businesses says Vukile

Business Connect's Readers of the

business accounting practise Gidela Professional Accountants

updated with information on small

business and is inspirational to

would like to read more about

Small Business Connect in 2013

small business compliance.

read," says Hlongwa.

Hlongwa is one of Small

He is also the owner of small

"The newspaper has kept me

However, he adds that he

Hlongwa first started reading

Vukile Hlongwa

month.

Cvnthis Mbali Shinga

CYNTHIA Mbali Shinga says she came across the Small Business Connect Facebook page in 2014 and has been a loyal reader ever since.

"The newspaper helps me stay focused and motivated that one day my business will be one of the biggest in the country thus contributing to reducing unemployment," says Shinga.

She is the owner of KwaZulu-Natal-based Ubuhlebozalo Trading which specialises in cleaning and gardening services.

"I would encourage business owners to follow the newspaper and Facebook page so as to learn more on how to grow their businesses," says Shinga.



Malose Evans Chaba

READING Small Business Connect helps Malose Evans Chaba to network because the newspaper keeps him up to date with the latest news.

Reader of the month Chaba, owns web development business EvansMec in Mapela.

"I'd like to see more on investment and banking. Other than that, the newspaper is perfect," says Chaba. He says he enjoys reading the newspaper because it gave him the information he needed to better market his business. Chaba advises other business owners to read about business so that they learn more about their industries and know where the opportunities lie.



"To support small businesses is to support our economy and hopefully we will have less crime as people have more of their own." Chesna Alexander of CA Life Coaching

Join the discussion on Facebook www.facebook.com/SASBconnect



SMALL BUSINESS CONNECT CHAMPION

SMALL Business Connect assists the National Youth Development Agency's market linkages officer Sande Yagraya to build a network of key contacts she would not have had access to if not for the newspaper.

The NYDA supports South African youth between the ages of 14 and 35 years old. The agency offers services such as mentorship, skills training and entrepreneurial development and loan funding. However, in order to qualify, business owners must be economically viable and not be involved in gambling and the tobacco and property sectors.

This month's Champion of the Month, Yagraya has been with the NYDA for seven months.

"My clients come up to me and point out a programme in an article that they would like to get involved in," says Yagraya.

She adds that the newspaper provides the small business community with the "perfect platform" to share information.

Yagraya says that the agency's clients enjoy reading Small Business Connect and copies are taken up by small business owners within two weeks of being delivered.

She says that small business owners also use the labour-related stories to upskill on human resources topics.



Sande Yagraya

"The content is great. Please keep up the good work, but we would like to see a calendar added so that entrepreneurs can see and select events they would like to attend that is applicable to their businesses," says Yagraya.

She adds that she would like to read more about Cape Town business directories and incubators.

 If you are one of Small Business Connect's distributors, you could be featured in the next edition. Simply email your photograph and contact details to Newsdesk@ SmallBusinessConnect.co.za.