Vivian Kleynhans, owner of African Wine Roots, reflects on the past year of business and says, “With the new relationships in construction with MassMart/Makro and Wall-Mart in the U.S.,” his resolution for 2014 is to strengthen our relationships with our new partners. Seeking guidance from them on how to grow our brand within their chains because without a strong exposed brand we will not have a business. We envisage employing more people and, at the same time, encourage investment to take our business to the next level.”

BY YOLANDE STANDER

WITH slow economic growth expected to persist in 2014 and rising input costs set to continue, small business owners will have to implement strategies to keep head above water and grow their enterprises. It is anticipated to be a matter of “sink or swim” for those businesses who already found the past year challenging.

The head of economics at Rhodes University, Professor Hugo Nel, says South Africa’s economy was not growing at a fast enough rate to meet the job demands and that this trend should continue in the new year.

“The fact that international economies are also vulnerable and battered by fiscal debt issues is not helping the situation,” Nel says. Coupled with other worrying indicators such as the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to the “upper band of the inflation rate, which Nel says was close to

Johan Emerson Grobler, business plan writer, says “I aim to help people remember that next year’s resolutions are no substitute for planning.”

Adrian Skea, who owns Freeflow Prints and Signs in Johannesburg and Port Elizabeth, says for small businesses a tough economic environment was not necessarily devastating.

“You learn to keep things tidy. Keep your costs under control and learn discipline. So small businesses have the opportunity to make good decisions and come out of this period.”

Business owners whom Small Business Connect spoke to are upbeat about the prospects of overcoming the challenges they face. They are anticipating hard times, but they have plans ready for the year ahead.

The founder of Boomtown Strategic Brand Agency in Johannesburg and Port Elizabeth, Neil Hart, agrees there would be slow growth in 2014, but that there would be some optimism. He says there is scope for growth in 2014 through taking advantage of incentives, which he believes could fuel growth, and making the right business decisions.

“The problem is finding the balance if you are too conservative you could be left behind, while taking too big risks could also land you in trouble,” Hart says.

He says for small businesses a tough economic environment was not necessarily devastating.

“With the new relationships in construction with MassMart/Makro and Wall-Mart in the U.S., our resolution for 2014 is to strengthen our relationships with our new partners. Seeking guidance from them on how to grow our brand within their chains because without a strong exposed brand we will not have a business. We envisage employing more people and, at the same time, encourage investment to take our business to the next level.”
**Summit opens doors for co-ops**

**BY DANIEL BUGAN**

Opportunities exist, but co-operatives in South Africa lack the infrastructure and finance to supply to the international market.

This is the view of business owner Lucky Mabethe, who attended the Co-operatives conference hosted by the Department of Trade and Industry (DTI) at the Cape Town International Convention Centre.

The third of its kind under the theme "Partnerships for Development, Integration and Industrialisation through Co-operatives", the conference is a meeting of co-operative organisations from Brazil, Russia, India, China and South Africa (Brics).

"I am not saying that government should do everything for us. We just need a kickstart so that we can compete with the big companies," says Mabethe.

He mentioned an example of an Israeli agricultural co-operative, whose owner he met at the event. The Israeli co-operative struggled without a consistent water supply, but managed to work successfully with their government in order to access water.

Mabethe said he also attended the South African National Apex Co-operative (Sanaco) for putting together 14 members during the third co-operative meeting where leaders of co-operative organisations from Brazil, Russia, India, China and South Africa (Brics) gathered in Brazil, Russia, India, China and South Africa (Brics).

"We need to grow co-operatives in the country. Sanaco is the country's co-operative umbrella body, and co-hosted the two-day conference along with the DTI. Mabethe says his company, which produces sunflower oil and wheat in the North West, is a member of Sanaco and through it has benefited from access to financial institutions and help with business development."

According to Sanaco president Lawrence Bale, co-operatives in South Africa benefitted hugely from the conference.

"From an organisational point of view, the country did itself proud by hosting a successful meeting attended by delegates from all the five Brics countries," says Bale.

He said deliberations centred on critical and strategic issues that affect co-operatives in these countries.

"Top of the list was promoting trade, investment and collaboration among co-operatives in the Brics countries. We also discussed and reached consensus on issues relating to collaboration on capacity-building and ensuring that co-operatives are sustainable.

"He identified the two memorandums of understanding that Sanaco signed with co-operative umbrella bodies from China and India as some of the positive and commendable outcomes of the meeting."

"Co-operatives in the agriculture sector that can provide wine and co-operatives in the fisheries sector stand to benefit the most since there is a great demand for those products from Chinese consumers," says Bale.

Bale encourages co-operatives from these sectors to contact Sanaco for facilitation since its role in this agreement is to facilitate opportunities identified by counterparts.

"In order to take advantage of these opportunities, you need to prove that your co-operative has the capabilities to mass produce the products that need to be exported. There also needs to be a great emphasis on quality.

"The main focus is to trade with each other, but the partnership will also entail skills training and skills transfer," says Bale.

* Visit www.sanaco.coop

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**Wine co-op clinches deal to export to India and China**

**BY DANIEL BUGAN**

A BLACK manufacturing co-operative turned the wine industry on its head when it beat off the challenge of well-established traditional producers to secure lucrative deals to supply China and India with wine, and is now hoping to partner with small suppliers to meet the demand.

Malcolm Green, deputy chairperson of African Vintners Alliance (AVA) Co-operative, signed memorandums of understanding on behalf of its 14 members during the third co-operative meeting where leaders of co-operative organisations from Brazil, Russia, India, China and South Africa (Brics) gathered in Cape Town recently. AVA's members represent small businesses that are black-owned and black-empowered and range from new companies to sophisticated entities. Its products are also exported locally and internationally and among others, the U.S. the U.K and the European Union.

Green paid tribute to the Department of Trade and Industry (DTI), especially Minister Rob Davies and Deputy Minister Elizabeth Thabetshe, for their co-ordinated effort in concluding the deals. AVA will visit India and China in 2014 and once the orders have been secured will put their products together and start exporting. Green feels that it is AVA's black economic empowerment credentials and its experience in exporting (collectively the members have 90 years of experience in trading) which clinched the deals for them.

"AVA is the only black-owned wine co-operative in South Africa and fits in with the DTI's transformation agenda to bring more black businesses into the industry."

He said the DTI also took into account AVA's export certificates, its logistical experience in loading containers, its affiliation to export agents and freight forwarders, as well as its connections with clearing agents in Brics countries.

The fact that the co-operative traded with products approved and certified by South African wine industry regulators and that all its members are licensed, also played a part.

"Would the company be able to deliver on the required volumes?" Says Green: "We envisaged that orders will pick up, but we would be able to handle the volumes by buying more wine from our suppliers. AVA already has access to over 40 million litres of wine and is looking to partner with suppliers to access even more. Ultimately AVA hopes to acquire its own farm."

Green did not want to divulge the value of the deals, but says it would put AVA in a position to be a key player in the wine industry and to run its own factories and to employ more people.

He says another positive spin-off from these deals is that the company would be able to procure dry goods such as labels, capsules and carton from smaller BEE firms, thereby further transforming the industry.

According to Green the biggest challenge for co-operatives across all sectors is access to markets. He says a solution would be to consider putting a trading portal in place where co-operatives would be able to trade their goods.

"(as AVA members) would be more than happy to offer our expertise and experience to assist government to implement a portal." .

AVA would visit Brazil in March 2014 to negotiate and hopefully conclude another sales transaction.
Submit returns directly to CIPC

BY JOHN HARVEY

EMAILS from intermediaries have been doing the rounds advising business owners that they will be deregistered or liable for extra fees if they do not file their annual returns with the Companies and Intellectual Property Commission (CIPC).

According to Karin Coode, CIPC spokesperson, these emails should not be completely ignored even though it is possibly being sent by intermediaries who see an opportunity to make money by offering business owners the chance to use their services.

She says business owners should check by going to the CIPC’s website, which has recently undergone a major upgrade, whether or not they are non-compliant.

“Business owners only need to remember their password and customer code to log on and check whether their businesses have been, or is in danger of, being deregistered,” says Coode.

She says business owners who do not have the time and do not mind paying the extra fees might choose to use an intermediary.

Coode says the public is largely unaware that intermediaries are responsible for about 70% of CIPC transactions relating to companies and close corporations and that “these fees are and remain much higher than the fees charged by the CIPC for the service.”

The CIPC is acutely aware of this and its operations, as its non-compliant entities, are its own worst enemies. According to Coode, the CIPC has moved to offer online services as it gets to grips with the process of electronically lodging returns.

Coode says the turnaround time on electronic transactions was already much shorter than for manual transactions – one day for a company registration as opposed to 20 working days for a manual transaction.

In addition, the CIPC had started to collaborate with FNB and other banks and business owners were already able to open a corporate bank account and register their companies through a new FNB online functionality at no additional charge than the CIPC prescribed fees. The aim of these initiatives is to reduce both the actual cost and the time taken to complete a transaction with the CIPC.

By lodging annual returns companies and close corporations ensure that the CIPC is in possession of the latest information.

Non-compliance with annual returns may lead to deregistration, which has the effect that the entity is withdrawn and the company or close corporation ceases to exist.

Filing later than the 30 business-day period results in additional fees being charged.

A company or close corporation may be referred for deregistration in the following circumstances:

• Upon application by the company/close corporation itself.
• If annual returns are outstanding for more than two successive years, in which case the company or close corporation will be automatically referred by the system and then notified.
• If the Commission believes that the company or close corporation has been inactive for seven years or more.

Once a company or close corporation has been deregistered, it may apply for reconstitution provided it can demonstrate that it was not trading after deregistration.

The CIPC says it would like to encourage all business owners to file their annual returns either online or by post. Filing online will save costs.

LIKE many organisations in the digital age, the Companies and Intellectual Property Commission (CIPC) has moved to offer subscribers and businesses a host of online services.

As a result, the CIPC currently offer these online services:

• Registrations as a customer: Provides information on how to register as a customer (precursor to any filings with the CIPC), depositing the relevant prescribed fee, calculating the prescribed fee and filing annual returns.
• Online trademark registration: This is a new online service, only introduced to the site in September 2013. The CIPC introduced an electronic filing facility (e-filing) for the lodging of new trademark applications. This innovative service offers two options for the electronic filing of new trademark application: CUBA Desktop Client for filing of bulk applications, and Web Client, for single application submissions.

The CIPC says it would like to see a “rapid migration” to e-filing in this area, as it has phased out manual stamping of documents as an acknowledgement of receipt.

CIPC commissioner Astrid Ludin says: “What is of particular non-compliance to the CIPC is that individuals can directly e-lodge patent applications not requiring representation by a patent attorney with the CIPC.”

For more information on the CIPC and the services it offers, go to www.cipc.co.za

New fund to boost businesses

BY STEPHEN TIMM

A NEW seed fund rolled out by the Technology Innovation Agency (TIA) will help boost entrepreneurs with bright new ideas that need funding.

It is the first such fund in South Africa as the country joins a number of emerging countries that already use small grants to help entrepreneurs fund the initial proof of concept stage for new ideas.

Bongi Gumede, TIA’s general senior manager of business development and strategic partnerships, says while the fund is operating at some universities the agency is still in discussions with other universities as well as provincial development agencies through which it plans to offer seed grants of up to R500 000 per entrepreneur.

The seed grants would cover things such as initial proof of concept, prototype development, sourcing of intellectual property (IP) opinions, production of market samples, support of certification activities, piloting and scale-up of techno-economic evaluations, primary market research, as well as business plan development.

In very special circumstances, an allocation of up to R1 million will be considered. So far R25 million has been set aside for the programme, but Gumede says the agency’s board might allow a further R30 million allocation to the programme.

The idea is that techno-entrepreneurs that need funding will be able to approach those agencies, which would then forward names to TIA for approval of these grants. For entrepreneurs to qualify for TIA funding, projects must hold significant potential for further investment.

For more information visit www.tia.org.za
THE economic system that runs our working lives – industrial capitalism – came into being over 250 years ago.

At that time there was a lot fewer of us (about seven billion fewer) and a lot more of nature.

Today it’s the opposite.

Through a combination of our inventiveness as a species, scientific and medical improvements, an abundance of oil and coal for fuel energy among others, our population has exploded.

And along with it, so has its impact on the environment.

Our “success” as a species has caused our forests to be cut down, our soils depleted, our seas over-fished, and our water and air polluted.

By the 1950s, signs of the damage to our planetary life-support system started to become inescapable and in response, the environmental movement took shape.

Around the world, people began to stand up against polluting industries, toxic agriculture, and other forms of degradation.

Governments took notice and enacted laws to limit this destruction set in motion by a highly efficient economic system that had until then not taken nature into account, except as a place from which to extract resources to which to dump waste.

A milestone in the recognition that businesses had to change its relationship with nature was the Rio Earth Summit in 1992.

Here the idea of “sustainable development” was born.

This was an understanding that present generations have a responsibility to leave the planet in a condition that allows following generations the same resource options as they had.

Slowly things began to change and more governments enacted laws to protect our environment.

Meanwhile the world’s human population continued expanding at an increasing rate and along with it, industrial production to meet the wants of the consumer society being promoted through mass media.

At the same time, this production and consumption was being fuelled by an energy source that emitted carbon dioxide (CO2).

As more of it was released into the air through burning coal and oil to power our industrial civilisation, global warming was the result.

Increasing concentrations of CO2 began to trap heat in our atmosphere in sufficient quantities so as to change the climate, with harmful and very costly effects on nature and humanity.

The realisation that the usual way we went about doing things and going about our business could have such wide-ranging impacts on our planetary system was a wake-up call to all.

**IDC is investing R22 b in green industries**

Fierce debate broke out about whether the science behind the climate change findings were rigorous enough, and the oil and fossil fuel companies and their lobbyists threw their considerable weight into campaigns to cast doubt on the findings.

South Africa’s government also set commitments for the country to reduce greenhouse gas emissions of 34% by 2020 and 42% by 2025.

These are significant targets which are partially being met by the huge growth in our country’s renewable energy industry, which has seen private investment in it grow in recent years at a rate far faster than any country globally.

Though the vast majority of international scientists overwhelmingly support the findings, the fossil fuel industry continues to oppose them.

This is partly because if coal and oil were left unused in the ground, they and their lobbyists would end up with worthless assets.

However, around the world, far-sighted governments and businesses are seeing the light and it is green.

In 2009 President Zuma and his advisors went to Copenhagen for the COP15 intergovernmental negotiations on climate change.

There the developed nations, whose growth had been based on unlimited supplies of fossil fuels, acknowledged that they had a responsibility to support the developing countries to grow, though on a low-carbon trajectory.

The developed nations were prepared to back that up with a billion dollar climate fund which would go to developing countries with a green economy development strategy in place.

Soon after President Zuma returned from Copenhagen, the government got to work to put together a green low-carbon economic strategy.

By the time COP17 was hosted in Durban in 2011, a “green accord” co-operation agreement had been reached by a range of government departments, private business, labour unions and civil society organisations.

Tough local-content requirements as part of the deals seek to stimulate growth and employment in a variety of sectors primarily construction, electrical engineering and manufacturing.

A green jobs research report by the Industrial Development Corporation (IDC) and the Development Bank (DBSA) has predicted that some 500 000 jobs could be created with the greening of the South African economy.

The IDC is investing R22 billion in green industries in coming years.

This will be going to industries with a focus on cleaner production, cleaner energy generation, greater energy efficiency, mitigation of pollution, waste reduction and biofuels development.

According to researcher JM Borel-Saladin, the potential long-term benefit of greening the economy is innovation.

The development of new technologies, industries and processes could provide a whole new range of employment opportunities.

The ground is being prepared for a vast range of opportunities for innovation and entrepreneurship by both large and small companies.

Those enterprises who want to be in business profitably for the long term, who understand the need for environmental protection and can bring greening into day-to-day operations and strategy are best-placed to score.

The green economy is opening up quickly and the time to gain first-mover advantage is now.

- **Hugh Tyrell** has over 30 years’ experience in the environmental, communications and marketing fields. He has founded national environmental magazines, convened environmental media conferences and consulted to companies such as Woolworths and Distell as well as the City of Cape Town. To read Hugh Tyrell’s blog and find more information on how to green your business, visit www.greenedge.co.za

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**500 000 jobs could be created by the green economy**

Other areas that hold good green growth potential are agriculture and natural resource management.

Businesses can score by bringing greening into their day-to-day operations.
How greening your business can bring you better results

BY DANIEL BUGAN

MINIMISING your effect on the environment is not only the ethically sound thing to do, but could also lead to your business saving costs, gaining new customers and, ultimately, increasing its bottom line.

So says Hugh Tyrrell, director of Green Edge Communications, a consultancy specialising in sustainability, behaviour change and green business.

He was referring to the benefits that could be gained by “greening your business”. A term which in effect means assessing your company’s position and risk relating to its environmental impact and putting a plan in place in line with legislative and international requirements to set your company on the road to sustainability.

Tyrrell says business owners can start by measuring their companies’ ecological footprint.

What does this mean and how do you go about doing this?

“They need to check how much energy and water they use and how much waste they emit. And then set targets to reduce these uses and emissions.”

How do you ensure that your employees buy into your vision? Tyrrell calls it “preparing the business case”. This includes measuring tangible and intangible benefits, building internal awareness, developing a shared vision and facilitating the change process.

Tangible benefits are hard costs from electricity savings (including changing light bulbs), responsible water usage, lower waste disposal costs and turning to smaller, more fuel-efficient company vehicles. Intangible benefits are in essence the fruit of your ethical stance and include greater productivity, higher quality staff and more loyal customers.

Tyrrell suggests that the business owner maintains one or more of his or her staff to draw up the business case for greening so as to engage staff participation and maintain momentum. Thereafter the plan must become part of the company’s mission and vision and its implementation to the extent that it “becomes entrenched in the company’s corporate culture”. Progress needs to be tracked so that success can motivate staff and customers.

He suggests the money that the company saves be reinvested in greening measures with some, for example, spent on a party as a reward for the staff participation. But that is not the only benefit for the company.

“Greening your business will give your company a marketing advantage with procurement managers that want to go green,” says Tyrrell.

He says companies listed on the Johannesburg Stock Exchange (JSE) are required to report on their sustainability performance annually and would prefer to procure from small businesses that have embraced the green economy.

He encourages businesses going green to actively seek out those companies and to make them aware of their green credentials.

Hugh Tyrrell says through careful monitoring and management of lighting and heating efficiencies, an 18% decrease in the amount of electricity used per garment manufactured has been recorded.

He says that meticulous management, motivated staff and a close relationship with Puma has set high standards of sustainability achievement.

This has enabled the company to report on its progress according to the internationally accepted and rigorous Global Reporting Initiative. The company was the recipient of a 2009 Sustainability Reporting Award (runner-up) from the Association of Chartered Certified Accountants (Acca) and the winner of the 2010 award in the SMEDMO category.

For more information, visit www.impahla.co.za

Going green can make your business more profitable.

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Going green saves time and money

BY DANIEL BUGAN

A CAPE TOWN-based company that invested in sustainable programmes saved on time and money, simultaneously enhancing its reputation as a sought after world class garment manufacturing business.

William Hughes, managing director of Impahla Clothing, says embracing sustainability has also brought the company closer to its many stakeholders, especially its employees and enabled it to have a more sustainable business.

The privately-owned garment manufacturing company is a strategic supplier to Puma, a multinational company and a close relationship with Puma has set high standards of sustainability achievement.

This has enabled the company to report on its progress according to the internationally accepted and rigorous Global Reporting Initiative. The company was the recipient of a 2009 Sustainability Reporting Award (runner-up) from the Association of Chartered Certified Accountants (Acca) and the winner of the 2010 award in the SMEDMO category.

For more information, visit www.impahla.co.za

Directors: William Hughes, Lena Jensen and Carl Visser

• Recycling waste cardboard and plastics through a partnership with Oasis, a non-profit organisation that provides gainful work for mentally handicapped persons.

• Completing its first HIV and AIDS awareness campaign, with motivational presentations and the provision of posters and support materials. Introducing incentive schemes to increase productivity and operating efficiencies which have reduced overtime, sick leave and absences.

• Creating learnerships for eight candidates to assist the clothing industry to develop competent machine operators. Hughes says through careful monitoring and management of the amount of solid waste.

• For advantage in the organisation) and reputation (leveraging and marketing sustainability for comparative advantage).

So says by building reputation and by using this system to report on sustainability, the small business is immediately more attractive to large customers who are increasingly requiring sustainability criteria in their supply chains.

The system also assists companies to reduce costs in business and to market the business more effectively,” Macfarlane says the entry level package costs for their sustainability packaged consultancy services for small businesses amounts to R25,000 for a year.

Businesses also stand to grow in revenue and opportunity as a result of positioning and marketing because of their intervention, says Macfarlane. Niki Glen, programme director for the Sustainable Tourism Partnership Programme (STPP), an independent non-profit company focusing on implementing sustainable business practices in small tourism businesses. “The reason we are a non-profit is so that we can assist large corporates to spend their corporate social investment (CSI) budgets on meaningful programmes such as workshops, surveys and programmes that assist smaller businesses to implement sustainable practices so that they can benefit from the value that tourists bring to our country.”

“We use SANS1162:2011 (the National Minimum Standard for Responsible Tourism) to guide us, but it is important to know that small businesses can only do so much on their own. Mostly, they need to work together to gain access to programmes, such as Eskom’s energy and training programmes,” says Glen.

She says a tourism company can cut its operational expenses by up to 30% if it implements sustainable business practices.

Macfarlane says the entry
Buy back South Africa

BY NABELAH FREDERICKS

IN a bid to grow local business, government has invested R2.4 million in a national campaign launched recently to promote locally manufactured goods.

The Buy Back South Africa campaign, a partnership between the Department of Trade and Industry (DTI), Proudly South Africa and the Manufacturing Circle, kicked off the first phase of the 2013 festive season.

According to Garth Strachan, chairperson of the Manufacturing Circle, the campaign’s main objective is not only to get consumers to buy locally manufactured goods, but for big business to procure from small suppliers as well.

“It is also important that big companies buy local and to work towards ensuring that their supply chains are aimed at supporting local manufacturers,” says Strachan, echoing the words of Minister Rob Davies at the launch of the Buy Back Campaign in November 2013.

Strachan says the advertising campaign, estimated to be worth around R10 million, was in its first phase with veteran actor John Kani as its first ambassador.

“Afrologos,” a brand of the advertising campaign, is also targeting phase two of the campaign using other national champions to support this cause via similar electronic media,” says Strachan.

He says the campaign was critical to small business owners who supply local markets whether they were in the retail, mining or clothing and textile sectors. This was in accordance with a statement made by Trade and Industry Minister Rob Davies who said that the campaign was “crucial to companies – especially large retailers with large procurement budgets and supply chains – supporting local manufacturers...because there are very often sound commercial reasons for doing so related to total cost of ownership; after-sales service; quick response; security of supply; niche product requirements, quality assurance and so forth.”

For more information go to www.buybacksa.co.za

How to live ‘la vida local’

WITH awareness amplified on South African manufactured goods through advertising campaigns worth millions of rands, business owners stand to benefit two-fold from government’s recently launched Buy Back SA campaign.

The campaign aims not only to encourage consumers to buy local, but also to get big business to procure from local small suppliers.

A book by local author, Ute Kuhlmann, called "Happiness in a handbasket” provides a practical guide on not only where to get locally manufactured goods, but also which percentage of the business’ goods are locally made.

“The book is designed to raise consumer awareness. Besides profiling local brands across categories, discusses some background on imported goods, local manufacturers, working conditions etc,” says Kuhlmann.

However, what is of particular interest to small business owners who have not been included in the book, is that they can register on Kuhlmann’s website www.proZA.co.za.

The website is easy to search and the search results list both areas of the website where the search item is being discussed as well as the brands associated with it,” says Kuhlmann.

She believes that this gives business owners the best exposure since both consumers and big business have access to information and contact details.

Business owners interested in being listed on the website can complete the contact form on the website.

Information listed on the website relates to what the product is and what percentage of the material has been locally sourced.

However, all products need to have been locally manufactured.

• For more information, visit www.proZA.co.za

Two new trucks thanks to sefa loan

BY VUYO MABANDLA

GOODWILL NKOMO was able to expand his business by acquiring two additional trucks after receiving funding worth R5 million from the Small Enterprise Finance Agency (sefa).

The agency has nine walk-in provincial offices where small business owners can apply for finance. Funding from sefa is provided through direct and wholesale lending as well as a credit guarantee scheme with banks.

Funding for direct lending ranges from R50 000 to R5 million and funding for wholesale lending through intermediaries ranges from R50 000 to R50 million.

Nkomo is optimistic that the cash injection he received from government will result in increased profitability and believes his transport business, The Motion-Ambassadors, is now a recognisable transport firm.

Thankful to sefa, Nkomo says: “With the addition of the two new trucks I am now able to lock the part of a transporter and mine officials have started taking me seriously.”

Following formal sefa application processes, face-to-face interviews and other application-related assessments last year, The Motion-Ambassadors came up tops for much-needed assistance.

“I spoke to sefa’s office telephonically and via e-mail until my application was completed. They then invited me to their Nelspruit office for an interview where they asked me (at length) about my operations,” says Nkomo of the application process.

Four months and two meetings later, he was approved for finance to help grow his business.

“My business was facing a frustrating challenge, in that I was able to source and secure work but couldn’t service these additional contracts due to the fact that I ran old fleet,” says Nkomo.

His lack of essential operations’ material came to an end when he received assistance from sefa.

With analysts predicting a challenging 2014, small businesses, especially in the transport industry, are facing numerous challenges such as high fuel costs, however Nkomo is not to be deterred.

“The renewal of my fleet with the addition of the two new trucks has injected fresh life into my operations,” says Nkomo.

His business, provides nationwide deliveries of goods to different mines, ports and harbours from large mining sites.

Nkomo, who is based in Mpumalanga and employs a complement of 16 staff, dreams of taking his growing business to newer heights and, thanks to sefa, now he can.

With the addition to his fleet, he looks forward to penetrating more areas in the tough industry of road freight.

How to apply

UP to R5 million is available to business owners from the Small Enterprise Finance Agency (sefa) with a turnaround time of around 20 business days.

Business owners can apply online for sefa finance, go to a regional sefa centre or contact one of the regional development agencies in the provinces.

There is a cost involved in applying in the form of a once-off initiation fee.

sefa requires the following to process an application:

• Surety forms.
• Certified copies of identity documents and marriage certificate (if applicable to you).
• Short CVs of the key personnel.
• Proof of residence in the form of an utility bill or sworn affidavit which is not older than three months.
• Valid tax clearance certificate.
• Business registration documents.

The Motion Ambassadors have acquired two new trucks thanks to sefa.
Hub wants ‘incubates’ in need of market reach

BY DANIEL BUGAN

INCREASING market traction is the key ingredient offered by an incubation programme initiated by the founders of the iconic South African businesses such as Daddy Long Legs, the Grand Daddy, The Old Biscuit Mill, The Woodstock Exchange and Daddy’s Deals.

The Daddy’s Dragons business school and incubator in the Old Biscuit Mill in Woodstock, Cape Town offers mentorship, market-readiness, networks and free infrastructure. Paul Dalton, incubation director, says there is no prescribed amount or formula for participation.

Where funding is required this can be raised through our own private equity fund or through various partners which include crowd funding. In most cases funding will be earmarked for the specific purposes of filling the order books so that the business becomes self-sustaining, or to provide capacity, but this may be tweaked on a case-by-case basis.”

Startup businesses are welcome and the programme is not restricted to any sector.

“But we do take into account whether we can offer appropriate skills and mentorship either ourselves or through our extended network, before making any commitments to incubation,” says Dalton.

Business owners are encouraged to submit their business plans. Ideally the business’s product or service should have had some initial market traction so that the Daddy’s Dragons team may be able to learn from and adapt to the market responses.

“Almost more importantly though, we need to believe that we can add significant value to the entrepreneur, be it finance, business connections, guidance and skills transfer or a combination of these. With our help these businesses must move into the next league,” adds Dalton.

To be considered for the programme, business owners need to attend a two-day crash course workshop where they will be assisted with an individualised and detailed plan to develop consistent and growing income streams. Entry to the workshop is subject to a fee. Since starting in July this year, about 60 people have attended the crash course workshops.

Says Dalton: “We have only very recently contracted the first of these (entrepreneurs from the workshops) for incubation. Its early days but we are in the process of contracting a few more. Our aim is to contract at least 10 in the first year.”

The planned incubation period is three years. He says they are opposed to the current trend of competition style incubators, where only a few applicants are selected and the remainder ignored.

“This winner takes all approach doesn’t fit that well with us and is sending the wrong message about what it takes to be an entrepreneur.” For this reason they created an offering open to all.

“If you are not selected as an ‘incubatee’ right away, you can still access our services. We back this with money-back guarantees,” says Dalton.

Other services include an entrepreneurial support programme and a consultancy programme for businesses that struggling to grow. Business owners selected for incubation do not pay for this support and receive free Daddy’s World benefits such as infrastructure and free retreats at their hotels. The mentorship is provided by Jody Aufrichtig, Nick Ferguson, Barry Harfen and Paul Dalton.

For more information, go to www.daddysdragons.co.za

Paul Dalton, director at the Daddy’s Dragons incubator
Billions set aside for emerging contractors

BY STEPHEN TIMM

GOVERNMENT is making millions of rand in road maintenance contracts available to emerging construction contractors. A total of R8.2 billion has been set aside by the Department of Transport through its S’hamba Sonke road maintenance grant for the 2013/14 year for road repairs. The department estimates that more than 30% of South Africa’s almost 750 000 km road network is in a poor condition and that the backlog of work is equivalent to R88 billion. In the last financial year less than half of this – or R38 billion – was allocated to fixing and rolling out new roads.

The S’hamba Sonke programme was launched by the department in 2011 to address the backlog in road repairs. Grants are channelled through the various provincial governments. In 2012/13 most of the grant allocations went to KwaZulu-Natal (R1.2 billion), the Eastern Cape and Mpumalanga (both R1 billion) and Limpopo (R834 million).

While the programme appears only to have received budget until 2014, Christopher Bhlabha, the department’s deputy director-general of roads, says the programme is here to stay. The department’s role is to oversee the programme, while the respective provincial departments of transport advertise and coordinate the road maintenance contracts that are made possible by the grant.

The programme’s objective is to improve the road network in a strategic infrastructure of the province. The programme’s focus is to bring to life more road infrastructure, effective traffic management and maintenance of traffic signals, road signs and the upkeep of the storm water system. Small Business Connect spoke to two business owners who are registered on the JRA supplier database and who have submitted tenders to provide services for the project. Sithembiso Twala, owner of Babophirima House and Road Construction, says he has tendered to participate in the project, but has not yet received a response. Twala feels that his chances of being successful is good as he has five years of experience in road resurfacing and is currently working as a subcontractor on a road resurfacing project in Ellis Park, Johannesburg.

Babophirima House and Road Construction started in 2006 and employs up to 30 people. Jerry Mosime, owner of Mosime Construction, says he is also waiting for feedback on his tender application. Mosime, who started operating in 2009, is currently involved in a road resurfacing project in Malolongi. According to Mosa Makhalima, JRA’s communications officer, the JRA promotes the use of small businesses on its projects.

In the Eastern Cape, the Coega Development Corporation is partnering with the Eastern Cape Department of Roads and Public Works to monitor and train contractors in the Roads Enterprise Development Programme.

The programme was launched in 2011 and runs until the end of the 2013/14 financial year. About 500 contractors joined the programme in 2011/12 and in 2012/13 a total of 78 contracts valued at R410 million were awarded to small contractors. Currently 22 contractors are busy with contracts through the programme. Since its inception, 92 contractors have been able to upgrade their Construction Industry Development Board (CIDB) grading level. An analysis of each of the participant’s business is carried out in order to provide business and technical training workshops. Some of the business training was provided by the Small Enterprise Development Agency (Seda). In all, 53 business owners benefited from technical training and in 2012, 33 from business training.

The department’s role is to participate in its projects. JRA promotes the use of small businesses on its projects. Makhalima says they have established a helpdesk to monitor and evaluate tender applications for the City’s road resurfacing project. She says the opportunities for business owners on this project include sub-contracting, security, transport and catering services. Business owners must register on the JRA supplier database in order to be able to participate in its projects. The following documents and information must be provided when submitting the supplier database form:

- Cipc proof of company registration;
- Certified copies of identity documents for all company directors/members as listed on the company registration;
- Certified copies of proof of disability if the owners are people with disability;
- SARS original valid tax clearance certificate;
- BEE certificate from an accredited verification agency;
- Construction Industry Development Board (CIDB) certificate – applicable to construction related services for (CIDB 1 – 4) only;
- Private Security Industry Regulatory Authority documentation applicable to security related services;
- Physical address of residence and business.

More than R1 billion has been set aside for the resurfacing of city and suburban roads in the seven regions.

For more information go to www.jra.org.za
How to start a Co-operative

BY PAUL CRANKSHAW

WORLDWIDE, some 800 million people are members of co-operatives, and it is estimated that co-operatives employ about 100 million people, but what is a co-operative?

As the name suggests, a co-operative is all about working together toward a common goal. This goal could be saving money or building houses, but in this article we are interested in co-operatives as a legal format for starting a small business.

A co-operative business is based on democracy – every member in the co-operative participates in making decisions that control the business.

To become members, people buy a share of the co-operative, and get one vote each. Even if a company buys many shares in a co-operative, it still only has one vote, like everyone else.

Members then elect at least three directors, who manage and control the daily running of the co-operative and who are answerable to the members.

There are some important differences between a small enterprise that is run as a co-operative and one that is run as a company. The main ones are that:

- A co-operative is controlled by everyone who works in it (most co-operatives have a strict “one member, one vote” system).
- A co-operative is generally not run for a profit, although it must be financially viable.
- All members of a co-operative benefit from any surplus money that it makes.
- There is a ‘moral incentive’ for being in the co-operative – a desire to be part of a democratic business that benefits a community.

PROS AND CONS

The main advantage of co-operatives is that they allow members to ‘pool’ what they produce, so that they can achieve something that they could not do on their own. Take the example of small farmers who plant mainly for subsistence but sometimes produce more vegetables and crops than they can use.

It is not affordable for each farmer to transport their own surplus because the amount is too small to make it viable. But they could form a co-operative to take the surplus to a market, rather than each try and do that on their own. A co-operative can rationalize costs and make the process more efficient and affordable.

While co-operatives are designed to benefit each member, this also comes with a disadvantage: making decisions can take longer and can be more difficult, because more people must have their say. In a small business with one owner, it is a fairly simple process to make a decision and implement it.

But co-operatives must have strong governance procedures so that every member can exercise their right to be part of important decisions.

- For details on how to register a co-operative, go to this link on the Companies and Intellectual Property Commission (CIPC) website: www.cipc.co.za/Coops.aspx
- For more by Paul Crankshaw, go to www.cobwebinfo.co.za

DTI to develop co-ops

CO-OPERATIVES have been around since the early 1800s, playing a role in improving the lives of working people.

The first co-operatives were groups of consumers who got together to start their own store, so that they could buy their goods more cheaply – and they used any surplus to improve their communities. The idea soon became applied in other ways, with people running businesses together to provide employment and strengthen the community.

Today, there is a new interest in the role that co-operatives could play in boosting the small enterprise sector.

Government seeks to encourage the start up of co-operatives. Recently, Deputy Minister of Trade and Industry, Elizabeth Thabethe, announced that a new Co-operatives Development Agency as well as a Co-operatives Training Academy would soon be opened by the department. Thabethe said that these institutions, together with a Co-operatives Tribunal, would help develop the sector.
Get out of the ‘terrible dip’

CHRISTOFF OOSTHUYSEN

EVERY entrepreneur I’ve worked with over the past 20 years came to a point where they seriously thought of giving up. I know this because I was there myself too, as was Allon Raiz, who shares his journey with an entrepreneur called “Rachel” in the pages of “What To Do When You Want To Give Up.”

Rachel finds herself conflicted and it looks like the most sensible step for her will be to give up, but her inner drive and big dream does not allow her to step away from the business she started. Raiz, with co-writer Trevor Waller, presents story of his discussions with Rachel and the people around her.

And in telling this story, he reveals the fundamental elements of guiding your business (and yourself) through the “terrible dip.” When you read this story, you walk away with some seriously solid business advice, which you probably would pay tens of thousands of Rands for if delivered in a membership of business development programme. If you read one book this year, then make this the one – that is if you are owner-manager of a business that either reached its peak based on your current approach, or if your business is showing serious strain.

Read this book with pen-in-hand, noting down the principles and applying it to yourself. Then create the space for going through the process Rachel and Raiz went through. You are bound to experience a shift that will allow your business to live up to your dreams!

Use your passion to raise funds

BY CHARLES MAISEL

A LOCAL business owner turned her passion for fundraising into a profitable business.

Michelle Williams has always had a passion for fundraising. She started to work for a small charity that works with orphaned children in Mitchells Plain, Cape Town. She quickly realised that to make a difference the charity needed to raise money.

No one would give her money so she resorted to cake sales and writing to big companies. Still, with no luck.

It was then that she saw a course run by The Fundraising Academy. She enrolled and learnt about fundraising for charities, building relationships, writing proper proposals and about being accountable for funds. Michelle took this knowledge back to the charity and within a month raised her first donation of R1 000. She finally felt like she was making a difference.

Success did not end there. Within one year, Williams had raised enough money and goods for the charity and even her own salary.

It was this experience that led to Williams starting her own business, Mi W Fundraising Services, which raises money for other charities. She now has four clients.

Says Williams: “I have realised that building personal relationships is the most important part of managing and growing a successful small business.”

The Fundraising Academy offers a four month programme. The cost of the four month course is R2500.00 for individuals, however bursaries may be available for a limited amount of individuals.

The next course begins 10th February 2014.

• For more information contact thefundraisingacademy@gmail.com
Stay protected in the connected world

Everywhere you turn, people are on digital devices, connected to the internet, surfing away… but do they pay as much attention to their online security as they should? PAUL HOBDEN offers tips to stay protected online.

THERE’S no denying that we live in a connected world and that the internet plays a vital role in the running of most businesses.

Think about this – would you consider running your business and opening new premises without insurance? Of course not. You’d be worried sick that something could go wrong. In the unfortunate event that it did, your business could suffer immensely. Business insurance serves to offer peace of mind in such instances and your attitude toward your online safety should be no different.

Nearly 20% of all cyber attacks target small businesses with 250 or fewer employees and about 60% of those businesses close within six months of being hit. Stay on top of online trends to ensure your business is protected against cyber threats and data loss.

Here are five important aspects of online safety to consider.

• Routine back-up - Did you know that a large percentage of businesses that lose their data go under within six months of it happening? So, how would you recover from the loss of critical information? An easy way to circumvent this, is online back-up. This can be done on physical hard drives and servers on your premises, but it wouldn’t hurt to have a contingency plan in place. Making use of a cloud storage solution, like Dropbox or Google Drive, will go a long way in keeping your data protected.

• Change passwords regularly - What makes up a strong password? The convention on this is fairly simple: it should be at least eight characters long, contain a combination of uppercase and lowercase letters, symbols and numbers. Avoid personal names and numbers and remain diligent about changing your password regularly, every six months should suffice. Never use the same password for every website you access and don’t write it down somewhere it can be easily found. Your password is your first line of defence.

• Install anti-virus software - At minimum, you’ll need to ensure you have up-to-date, reliable anti-malware and antivirus software installed and running to safeguard your internet connection as well as all your machines. While not advisable, the various free options available out there should be good enough, as long as you couple it with dependable protection (not to be confused with antivirus). Once the above software and firewalls are up and running, it is important to constantly update everything so that you are protected.

• Secure machines and lock wifi network - Physical loss of machines through theft or damage poses great risk to businesses. Determined criminals resort to burgling your premises, so make sure the security is up to scratch. Another common, but often overlooked vulnerability these days, is your WiFi network. If you’re using WiFi, update it to the latest encryption standard and disable the service set identifier (SSID) broadcasting function on the wireless router. Ensure you use a strong password as noted above. There is a technique called “wardriving” where hackers drive around scanning for unlocked or poorly protected networks.

• Train staff on security and online safety. You could end up having the virtual version of Fort Knox protecting your business, but there’s no accounting for the security vulnerabilities that uneducated staff members represent. Implement a cyber or network security plan – if need be, hire a security consultant to come in and lay the groundwork. Your company should have some sort of security protocol in place.

PAUL HOBDEN is the head of small business at MWEB.
Going solo pays off for wine-makers

BY NABELAH FREDERICKS

SINCE attending trade export missions, a local wine farmer is now exporting to five countries in Europe and five in Asia.

Vernon Henn, managing director at Thandi Wines, says the business was started in 1999 and was largely supported by Vinfruco, a large winery business.

“The plan was for Thandi Wines to use its existing route and brand to market until Thandi Wines was able to grow to an extent where it was able to do it on its own,” says Henn.

Six years later, in 2007, it was decided that Thandi Wines was ready to be independent, and the business became the first black-owned wine company.

However, the process was delayed by two years as Henn set out to untangle the processes of Thandi Wines that overlapped with Vinfruco.

As a result of this delay, the market conditions at the time (in 2007) were very different from the conditions in 2009.

When Thandi Wines finally went independent in 2009, it was a bad time for the wine exporting industry. The European markets were saturated and the rand exchange rate was not good,” says Henn.

He then approached the Department of Trade and Industry (DTI) for assistance by writing letters to the director general who Henn says “responded fantastically”. Henn says he estimates the business generated as a result of the assistance his business received from the DTI is worth about R4 million.

Our plan is to make Thandi Wines the most successful in the industry

“Thandi Wines is owned by 250 families who live on three farms owned by Thandi Wines. Henn says the highlights for the business has been being named top exporter of wines in the country and also being perceived as a leader in the wine industry.

He cautions business owners wanting to enter the industry that it is a “cash-hungry” business and that startups require sufficient working capital and funding to make their business a success.

• Go to www.thandiwines.com

Inventors make first African smartphone

BY YOLANDJE STANDER

TELECOMMUNICATIONS equipment manufacturer Seemahale Telecommunications is making massive strides in bridging the digital divide in Africa, with its latest product - the continent’s first smartphone - set to provide the local market with an affordable, but high quality mobile device.

The first smartphone manufactured in Africa, has the potential to create thousands of jobs in South Africa where it will be produced. Seemahale founder Thabo Lehlako says if between 100 000 and 150 000 devices were manufactured every month as planned, between 2 000 and 3 000 new jobs would be created.

“If the demand for the devices is higher, we can create even more jobs. This number refers to direct jobs only and does not account for jobs that may be created in the rest of the ecosystem like accessories,” said Lehlako.

He says the reason the idea of developing a smartphone locally was explored was that of the 600 million to 700 million phones in South Africa, not a single one was made in Africa.

“Also most Africans access the internet via a mobile device. We felt that there is a gap in the market where 85% of the people with access to phones only have feature phones and not smartphones.

In this day and age, a vast majority of the African population is left out of the information age owing to a lack of access to the internet, and a person with a smartphone can access this knowledge easily and can thus bridge the digital divide.

Lehlako also wants to change the view that South Africa was unable to produce competitive phones at affordable prices.

“We have the skills and the capacity to do so.”

And at R2 500 users will receive a “big bang for their buck” as the device will be a five-inch phone running on Google’s Android 4.2 with a 2 250 mAh battery and a 5MP back facing and 2MP front facing camera.

Lehlako said around the world Android and Apple brands accounted for a large percentage of the phones used, meanwhile in South Africa, it was the other way round.

“If the estimated 12 million smartphone users, only 2 million use Android phones and about 300 000 use Apple iPhones, the rest use Blackberry and Nokia. Incidentally, the latter two brands are struggling globally. “This may mean that even though South Africans are brand conscious, the other phones are out of reach for most of us and this creates a big opportunity for a device like ours which uses the same operating system as the Samsung devices but is more affordable.”

Production of the smartphone will also have major spin-offs, especially for accessory and phone component manufacturers as well as application developers in South Africa.

“We are inviting potential suppliers to contact us so that we can include them in the making of our devices.

The smartphone is not the only device Seemahale is developing. A 10.1-inch tablet will also be introduced at the same time at a cost of R3 500.

It will have a 3.5G capability with a battery of 8 600 mAh. “We are also already working on a seven-inch version too.”

Seemahale hopes to release the device in early 2014.

• For more information go to www.seemahale.co.za
What goes up must come down

BY GCOBANI NDABENI

THE lifecycle of a business is such that it grows until the stage where it settles and then starts to decline gradually.

As to how long this journey is depends on the pedigree of the owner or management and the market conditions.

We start businesses for different reasons, but the bottom line is that we want to make good money to support our livelihoods and to create wealth for our retirement days.

In fact, the real money can be made when you sell your business.

However, you can still make good money from your business even if you hold on to it until the end, provided that it is a very profitable business.

In this case a “fat” salary or dividends can be used to draw the profits from the business and hopefully some of it will be saved for retirement.

If selling is an option, it therefore makes sense to sell a business when it is still at its peak.

But most owners only think of it when their businesses are no longer profitable and try their luck by pricing them at unrealistic amounts, which does not work.

Nobody will buy a business that is not making profit.

An exit strategy is very important especially for a business that has reached a milestone of five years.

My opinion, the first five years are the years of grinding where the focus is on growing the business, establishing a solid client base and paying back the loan(s) raised to fund the business.

The next five years are the years of reaping the rewards – I call them the benefit years.

At this stage, the business is supposed to generate sufficient sales and profits, and with the loans already paid up, there is sufficient cash to “play around” with until the business is sold, if that is the exit strategy.

Depending on the nature and size of the business, 10 years should be the right time to consider selling provided that the conditions are conducive to do this.

I recommend 10 years because it will be fair for the next owner to go through the same process while the business is still profitable.

Fairness in business is really part of the game. In fact, buyers should always be careful and do their homework and not let the excitement of the prospect of owning a business cloud their judgement.

They must be convinced that the businesses they want to buy can make it through to the next 10 years.

Some businesses are formed to support the lifestyle of individuals and their families and some are formed to create a legacy that will pass from generation to generation.

In these cases the exit strategy might not be necessary. The plan is basically to run the business until it cannot generate any more and then close it down.

The benefits are enjoyed as soon as the business makes profits and there is really no expectation of a big pay-out at some time in the future.

The trick here is to keep the business to continue generating cash as long as it takes by re-engineering it, diversifying and introducing other ways of keeping it going.

But, the problem starts when such a business has gone through all the phases and no longer has anything to offer, and then the owner goes into a state of denial. He or she continues to run the business even though it is not making money. Chaos then ensues.

So, the story of the lifecycle of a business is simple – it has a beginning and an end and the end can be bad if you do not do things smartly.

Go in, make money and get out while things are still fine, and move on to the next project.

Apart from serving entrepreneurs through his consulting work, Gcobani Ndabeni is also the operations director of Small Business Connect. Send your views on small business related matters to gcobani@smallbusinessconnect.co.za.

• Apart from serving entrepreneurs through his consulting work, Gcobani Ndabeni is also the operations director of Small Business Connect. Send your views on small business related matters to gcobani@smallbusinessconnect.co.za.
BUSINESSES need to familiarise themselves with legal jargon in order to avoid failure to comply with the country’s business laws.

So says Joshua Janks, senior associate attorney with law firm Bowman Gil. He made a life-changing decision after attending a recently-held two-day #Shape eKasi Entrepreneurship Conference in Khayelitsha. The conference was hosted and attended by officials of the Western Cape Department of Economic Development and Tourism in partnership with Silulo Ulutho Technologies, owned by local businessman Luvuyo Rani.

According to Janks, a popular trend had set in which small struggling businesses failing to recognise legalities because they did not understand the language style.

“There exists within the small business sector, which holds more growth potential than many industries, executives that struggle to make sense of the legal language and failing to get a grip of what is expected of them as business runners,” says Janks.

Added to this, some of these enterprises could not afford “expensive hour-by-hour legal consultations” offered by conventional law firms.

An apparent lack of legal advice designed to suit the understanding of small entrepreneurs, particularly township-based ones, was also the driving force behind the trend.

This meant that businesses failed to comply with essential regulations, matters dealing with licence over the years has fallen so as to cope with the festive season demand. His plan was to move his business, which he runs from home, to a proper facility to meet with the strict health laws.

“Some of the policies I must comply with still confuse me. I cannot afford proper legal help, which I greatly need. I feel hopeless because I'm losing money.”

Formal startup businesses vying for economic progress were often left “confused” as they could not understand what was expected of them when dealing with legalities. Pro bono legal services were offered by Bowman Gil to informal traders as a solution to small business challenges. The event ran parallel with the Global Entrepreneurship Week, an initiative set up to recognises efforts by startups vying to gain economic freedom.

Organiser Elvis Sekhelaolo described the conference as “a step in the right direction” but acknowledged problems faced by businesses in the township.

“There still remains an unacceptable wide gap between the two industries largely due to an absence of communication and working relationship.”

The event brought solutions to challenges faced by many small business owners through its networks.
Women entrepreneurs must be radical and bold

BY VUYO MABANDLA

SOUTH AFRICA’s women in business need to be more “up forward” and push to reach their desired business goals.

This is the plea by Norma Witten, chairperson of the South African Women Entrepreneurs’ Network (Sawen), who says that women entrepreneurs must be radical “and bold in our attempt to see our business ventures take off”.

She was addressing a gathering of about 100 ambitious female business minds, some of whom are key players in their respective industries, at the organisation’s year-end networking programme.

Held at the Liberty Life head office in Century City, entrepreneurs mingled and shared the pros and cons of being in business.

Sharing their stories of success, established business owners encouraged their aspiring counterparts to start “thinking out of the box and take big steps”.

Witten, a Sawen member of 12 years, says women in the business sector were hard workers but they yet needed to be more active.

She cited the need to pay attention to opportunities created by government through support of successful programmes such as those offered by Sawen.

She said: “Don’t stand back from corporates; they do respect a woman with ambition. We must not stand back from anything in life. We are given opportunities. I stayed with Sawen because I interact with businesses ... we also get these from the government so let’s use them.”

The Sawen programme has existed for more than a decade and has so far managed to uplift thousands of women entrepreneurs operating in the local small business sector and continue to vie for gender equality.

Since its rollout by the Department of Trade and Industry, it has managed to expose potential and existing entrepreneurs to international women empowerment programmes.

At November’s Sawen event, a section of 20 growing enterprises shared their success stories for 2013. Malitshoza Nhlapo, founder of the prestigious Sihlabo African Craft, says ever since she joined Sawen she has seen her business expertise sharpen.

An academic librarian by profession, she comes from humble beginnings, having worked from home where she started creating unique African artefacts; she is now a highly recognised exporter and exhibitor of African goods.

Her exposure to some of the organisation’s rollout of seminars, workshops, training and organised international educational and empowerment trade missions turned a “new leaf in my life”.

“I now do showcasing annually; I do gifts for national presidents. I got to exhibit in Frankfurt,” says Nhlapo.

Jenny Classen was reappointed from her job in 2008, she decided to look past her troubles and enter the business scene.

She says the reason she joined Sawen was to gain some perspective of the field.

“I decided to focus my attention to developing franchises and my talent for motivational speaking opened more doors for me. Today I stand as a procurer of industrial material which I then sell on to the State,” says Classen.

She runs Ngaphaya Y2K10 Trading that sells goods such as specialised diving gear and railway equipment.

The business was also awarded a certificate for qualifying as one of South Africa’s top gender empowerment businesses at the Top Women Awards 2013.

Julia Modise, Sawen Western Cape secretary, says women business owners, more so those operating in townships, still need to “gain organisational thought”.

“It’s not a matter of us against men, because there is none of that. It’s about a situation where we must push ourselves with passion and ambition to reach our goals. But more is needed from us in organizing ourselves for big things,” says Modise.

As a remedy to deflect disorganization, a presentation into accurate business planning and management was done by Donovan Goliath of Shanduka Black Umbrellas.

Another meeting for women entrepreneurs was to be held on 19 February 2014, said Modise.

• For more information on Sawen contact pinoki@sawen.org.za or thabo@sawen.org.za.

Supplier session provides owners with key info

SOME 150 business owners attended an event where they were provided with information relating to becoming a supplier of locally manufactured goods to government.

The Local Content Supplier Open Day road show was held end of November 2013 in Cape Town, George, Malmesbury and Worcester and hosted by the Provincial Treasury and the Western Cape Department of Economic Development and Tourism (DEDAT).

According to John van de Rheede, deputy director for business at the DEDAT, the purpose of the road shows were to provide a platform for suppliers of the Western Cape government to interact with officials regarding procurement.

“This year we focused on the local content requirements designated by the Department of Trade and Industry (DTI) and there was no cost for attending the event,” says Van de Rheede.

He says business owners were invited to attend the event via email. One of the recipients of the emailed invitations was Cathy Damons of Rags and Fabrics based in George.

“I was very happy with the information but I will need to check and go back through all the information and check how exactly we can benefit from it,” says Damons.

Van de Rheede says the supplier initiatives, in particular the local content supplier open day, will ensure that government, when engaging in procurement activities obtain quality goods and services and enhances supplier responsiveness to the necessary requirements.

In terms of legislation, through the Preferential Procurement Policy Framework Act, the DTI can designate sectors in line with national development and industrial policies for local production. As a result, the National Treasury have put together a working group to drive implementation of procuring local services and manufactured goods in terms of the Local Content Requirement.

The South African Bureau of Standards (SABS) was appointed as the local content verification’s agency by the DTI in September 2012. The SABS’ role as the local content verification agency is to provide training on local content requirements for provincial supply chain and municipalities and to assist the supply chain with ensuring adherence to the minimum national standards and specifications in the drafting of tender specifications.

• For more information contact the SABS 0861 277 227.
When staff refuse to sign their contracts

BY JAN TRUTER

GENERALLY, an employee may not be dismissed for refusing to sign a contract of employment.

The reasons are, firstly, that it is not a legal requirement for employees to sign a contract of employment and, secondly, the absence of a contract does notnullify the verbal agreement of employment. But, are there circumstances where the employer can take stronger action? The case of Johannes Kgotso Mocheko vs Powa Props (Pty) Ltd dealt with the principles that would normally apply in a case where an employee refuses to sign a contract.

Here, the employee, Mr Mocheko was presented with a contract of employment after seven years’ employment as a cleaner. He refused to sign it for reasons that were not clear. After having ignored two subsequent written warnings to sign the contract of employment, he was dismissed. In the dismissal letter, the employer expressed the view that Mr Mocheko had been employed illegally. The CCMA Commissioner pointed out that the absence of a written agreement did not nullify the verbal agreement of employment and that the relationship existing between them was not illegal.

As the dismissal had been for an invalid reason, it was substantively unfair. Mr Mocheko was awarded 12 months’ remuneration as compensation.

In a more recent CCMA case of Mahlangu vs Footballers for Life (Pty)Ltd the outcome was different.

After concerns expressed by a sponsor for funding a private company, it was decided to convert the organisation to an NGO. New contracts between the NGO and all coaches were drafted. Mr Mahlangu refused to sign despite various requests and failed to respond to an invitation to raise any concerns. He was given notice of a disciplinary hearing for refusing to carry out an instruction, but failed to arrive without giving reasons.

Mr Mahlangu was found guilty and dismissed in his absence. In this case the Commissioner did not hesitate to find that the dismissal had been procedurally and substantively fair.

What distinguishes the latter case from the former is that the signing of new contracts became an operational necessity for the employer in order to meet the needs of a sponsor. It was therefore not unreasonable to expect the employee to sign a new contract.

If the employee had any legitimate concerns, he could have engaged with the employer in order to resolve such concerns. He chose to repeatedly ignore the employer’s requests to sign the contract.

According to the Commissioner, this amounted to an act of insubordination which justified dismissal in this case. The Footballers for Life case involves a rather unusual set of circumstances. However, it does not negate the principles confirmed in the Powa Props case. So, if disciplinary action is inappropriate, what should an employer do in this instance?

It could be useful to make a point of discussing the terms and explaining to the employee that both the employer and employee benefit from the certainty provided by a written contract of employment.

If there are no areas of disagreement and the employee still refuses to sign the contract, it serves little purpose to attempt to compel the employee to sign unless there is a good operational reason.

The Basic Conditions of Employment Act does not require the parties to enter into a written contract of employment, but rather that written particulars of employment be provided.

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

Jan Truter
IN a previous edition, you prepped your product for listing, contacted a buyer and started an important conversation.

Based on this conversation, you’ve established that your product clearly is niche and there is market demand for it.

You have already approached the retailer with the right selling price and that had them all excited. Your packaging is fantastic and really stands out on the shelf and embodies your brand.

The easy part is over. The hard work and slog starts at the point where the buyer turns to you and says “I will take it, but you have 6 months to make it work or it will be de-listed again”.

In this article I will take you through the process and activities that will make your product fly off the shelf.

LOCATION, LOCATION
In the restaurant business it is a well-known fact that the “first moment of truth” is the absolute best chance to succeed. This is illustrated by sugar cones that the shopper when they are in the primary location.

You must decide right at the outset what need your product meets. For example if you have a mouthwash for babies, do you put it in the baby section or the next to the toothpaste? Or both?

The primary location in the store is where the shopper need is located.

The second driver of in-store success is to appoint a good sales and merchandising agency.

The secondary location will be an opportunity to interrupt the shopper when they are in supplementary categories. You must decide right at the outset what need your product meets.

This is known as the primary location. The secondary location will be an opportunity to interrupt the shopper when they are in supplementary categories.

This principle is wonderfully illustrated by sugar cones that are always merchandised with the ice-cream. Jam with the broad and so on.

The easy part is over. The hard work starts at this point...

THE HIERARCHY
The most important person to keep happy is the buyer. They are extremely busy with hundreds of suppliers. If you are one of many. Make sure that you stand out. Share information like pictures and success stories regularly.

Don’t bombard their inbox with junk, but keep them updated with what is happening. Remember they potentially have taken a big risk with taking in a niche product from a smaller supplier, you need to make sure that they are able to defend you internally.

They are your biggest ally. Respond to queries quickly and efficiently and always give them more than what they ask for.

IN-STORE PROMOTIONS
Finally, the dark arts of in-store promotional activity. This is the place where you employ or consult with the professionals. Purchase decisions are made on the basis that your product is always available at the right price in the place where shoppers will look for it. This can be enhanced through off-shelf displays (those large cardboard stands), additional point of sale (those cardboard things sticking out on the shelf), in-store demonstrators and all sorts if flashing lights and shiny things that you can do to get shoppers to notice your product.

STRATEGY DEVELOPMENT
A professional shopper marketing agency can develop a low-cost strategy to target shoppers in their natural environment.

This will never replace the big fancy advert on national television, but when you are fighting in the trenches or aisles so to speak, each brand has an equal chance to be chosen!

Finally, location is key. Make sure your product is merchandised in the category in the right aisle.

Your sales and merchandising agents will make or break your brand.

If you don’t have a share agreement to measure their performance, you will be fighting fires every day all day. Cultivate your in-store relationships and lastly bring in the professionals where it matters most. In the store and on the shelf.

• Go to www.irm2.co.za or email theo@irm2.co.za

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MOMENT OF TRUTH
The modern retail environment is quite daunting if you don’t have the muscle and support of floors and floors of marketing and brand managers working with Advertising agencies that charge millions of Rands!

What you have is your passion and unshakable belief in your product.

New research indicates that of the seven out of 10 purchase decisions, the decision to buy a product or not, takes place in the store environment.

This means that all the millions of rupees that are spent on fancy advertising means absolutely nothing once the consumer walks into the store. This is known as the “first moment of truth”.

The most important things are location, location and location.

This is even more important in the in-store environment. You must have a clear understanding of where your product must be merchandised, which category and which sub-category.

For example if you have a mouthwash for babies, do you put it in the baby section or the next to the toothpaste? Or both?

The primary location in the store is where the shopper need is located.

If I my baby have an infantile gum, where will I go first? In this case it must be stocked in the baby care section.

You must decide right at the outset what need your product meets.

This is known as the primary location.

The secondary location will be an opportunity to interrupt the shopper when they are in supplementary categories.

These are third party subcontractors which will become custodians of your brand.

Choose wisely. Agree up front what the key success factors will be.

Set up scorecards which both agree on, this will be the means by which you manage their performance.

Always remember you are paying them to look after your baby, your brand. They are not doing you a favour!

Thirdly agree on a replenishment cycle and clearly indicate if you stock must be rotated based on sell-by dates. You cannot be everywhere.

Your sales and merchandising team are your eyes, ears, hands and feet.

Include stretch targets into your scorecard with good incentives to achieve the sales, more commission for them and more profit for you.

More about the author
THEO Wilscott has more than 15 years’ experience in the FMCG (fast moving consumer goods) industry.

He has worked in various sales, marketing and buying roles for blue chip companies like Unilever, Clicks and Tigerbrands.

Theo is MD of Ignition Route2Market Consulting, which assist small business to get “listing ready”, facilitate and setup appointments with buyers at major retailers.

Provide on-going coaching and support to ensure that once the product is listed, it is followed up by an extensive in-store campaign to give it the absolute best chance to succeed.

Theo Wilscott

ADVICE

January 2014 - page 17
Toyota Verso gives you value for money

BY WALLACE DU PLESSIS

THE Toyota Verso is an amazingly versatile car with the space of a little van. Broadly speaking, it is part of the Corolla/Auris family, but altogether bigger where it counts. It has a very practical design and competes with the Renault Scenic, Nissan Livina and the like.

It's a five-door, seven-seater MPV, packed with all the equipment and components you may need. From cruise control to electrically adjustable mirrors, automated climate control, fully adjustable multifunction leather steering wheel, fully adjustable driver’s seat, Bluetooth and all the hard audio connection points, remote locking and alarm.

There are three engine choices. A 1.6 petrol producing 97 kW at 6400 rpm and 180 Nm at 4000 rpm. The 1.8 putting out a respectable 108 kW at 6400 rpm and 160 Nm at 3200 rpm, whereas the 2.0 diesel does 91 kW at 3600 rpm and 350Nm between 1600-2400rpm.

Our test car was the 1.5 petrol automatic at R336 000. I personally like the 1.8 TX automatic at R360 000. The warranty is 3 years or 100 000 km and service intervals are 15 000km. The service plan is 5 years or 90 000 km.

For more motoring reviews go to www.wheelswrite.com

Test car took a while to build up steam—not recommended for Gauteng/Highveld readers.

BY WALLACE DU PLESSIS

WITH its huge strides in build quality and excellent design, the Ford Motor Company has been impressing.

Then along came the EcoSport. Ford has created a mini-MPV/ SUV crossover car that is a bit bigger than a Fiesta/Figo but smaller than a Kuga and at the same time created a very practical size and shape. This car uses space very well. Big enough to take 4 adults with some baggage, but small enough to feel like a Fiesta.

Speaking of small. The ‘boot’ is tiny. You will get your shopping in or maybe two sets of golf clubs, but that’s it. Unless you fold the rear seats forward to create a very useful load space.

The Ecosport’s 1.5 engine lacks ‘juice’

Our test car was the 1.5 normally aspirated petrol engine version. It is fine at sea level provided you plan ahead. Building up steam takes a while. No snappy overtaking manoeuvres here. Acceleration in gear is leisurely to put it mildly. I cannot recommend the 1.5 to Gauteng/Highveld readers.

This engine just does not have enough juice. Ford claims a combined fuel consumption of 6.5 litres/100 km for the 1.5 petrol. Dream on. Consumption is nearer 8 litres/100 km. Both the EcoBoost and the diesel give very frugal fuel consumption figures around 5 to 6 litres/100 km. All is not lost though. The car also comes with a superb three-cylinder, turbo 1.0 EcoBoost engine. This is the one to get. The interior is not bad, with a pleasant and practical layout. It just is not very well put together.

The seats are fine and the air-conditioner, sound system and instrumentation are all good. Legroom at the back is quite good. Heatroom is excellent, perhaps to accommodate turbans. Road holding is fine and the brakes, steering, gears and clutch all function acceptably. The EcoSport 1.5 TIVCT Ambiente Man, we tested costs R199 000. The top of the range Ecosport 1.0 GTDi Titanium Man costs R249 000.

There are six models including the Titanium. The Titanium Man costs R249 000. There are also other apps for iPhone and Windows®.

Ask your friends for referrals on what they are using and try several until you find one you like. Remember you will need a smartphone to access these apps. The better apps also work on tablets.

Smart car applications to use for your smartphone

By Wallace Du Plessis

There are many apps available for your Android phone that make operating and managing your vehicle easier.

The AA recently released an app they call Rescue Service. It’s free and very simple. Just load it onto your phone, register and leave it. If you get into an accident or stuck next to the road you push a big red button and it sends a message with your position to the person you nominated when you registered.

Another very simple and easy-to-use app is called aCar. It is used to record your fuel fills, services, etc and ‘maps’ your needs. You can also build reminders in for other services.

The aCar app can also produce statistics and reports. It is also free and available at the Android app store. It is similar to a logbook but it allows you to see your costs over time.

There are also other apps for IPhone and Windows®.

There are tracking apps that are based on your a phone’s GPS, but these will only work if you have a smartphone. Examples of such apps include Way GPS Phone Tracking, Track Location and your existing Google Maps app.

These apps allow you to look at the route your vehicle used and even check on progress during the day. The Samsung app store has Car GPS and Mileage Log Tracker and one I like called GPS Tracker which allows you to track a phone online in real time.
Business Support

Service Directory

The Department of Trade and Industry (the DTI)

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

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

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

The NWDC

The NWDC offers services to small businesses of the North West Province by assisting them with access to finance, business advice as well as business mentorship and coaching.

The NWDC offers three types of funding are offered Start-up funding for new businesses, general finance for the expansion of existing businesses, and bridging finance that caters for emerging contractors and suppliers of goods and services. To qualify for these funds the entrepreneur or small business owner must be registered as a Sole Proprietor, Close Corporation, Partnership or Company.

The business must have a valid tax clearance certificate from Sars, a business profile, a business plan, securities (such as the deed of grant, title deed insurance policy, investments surety-shield document or the cession of progress payment) and supporting documents like proof of residents, certified copy of ID document, copy of contract and 3 months bank statements.

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

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

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

Potential entrepreneurs who are thinking of starting a business may apply to attend one of Seda’s many training programmes; while business owners who are at the stage of planning to expand and are in need of specialised support may apply for Seda to sponsor a mentor or for a funding programme.

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Seda is the government’s primary small business funding agency, which was launched recently as a result of the merger between agencies such as Khula and Samal. Seda’s role is to promote the growth and the survival of small businesses through business financing.

The products on offer fall into two lines: Direct Lending Products aimed at direct service to small businesses and Wholesale Lending Products aimed at intermediaries who have small businesses as their clients.

Direct Lending Products include bridging loans, term-loans and structured small business loans, while Wholesale Lending Products include credit guarantees, land reform empowerment facilities and equity investments.

To qualify for financing from Seda an entrepreneur must be a South African citizen with a valid Identity Document. The business must be registered and have a fixed physical address.

The entrepreneur must own at least 50% of the business and manage the business. All the supporting documentation must be provided to meet Seda’s loan application criteria, including a business plan which shows the ability to repay the loan. The entrepreneur must also provide personal and credit references.

Seda does not support tobacco, liquor, gambling or sex trade, armaments, speculative real estate, leveraged buy-out funds or any business involved in illegal trades, nor political organisations, people under debt review, or any business that have directors who are un-rehabilitated insolvents.

According to TBP Cape Town’s general manager, Lavendra Naidoo, business owners can look forward to extra services during the first quarter of 2014. "We will continue to offer our primary range of services which include one-on-one consulting for startup and existing business owners, training (monthly business skills series), basic resources (meeting space, internet access, company registrations) and legal resources via relationships with private attorneys for initial pro bono consultations. We also intend to expand this by offering complimentary value-added services to our clients in the first or second quarter of 2014. "For example, partnering with private sector companies that provide accounting, tax and other related services which will enhance our total offering to our clients," says Naidoo.

Lavendra Naidoo, general manager at TBP in Cape Town.

Entrepreneur rates TBP services an 8 out of 10

FINLEY MATHSHABA attributes 80% of business support received by her startup business to services and referrals by The Business Place (TBP).

However, had Mathshaka not stumbled across an advertisement in a newspaper on business support services offered by TBP she might not be flying off to a trade mission in Malaysia later this year.

But, she did and now almost five years later, Mathshaka can barely contain her excitement for the upcoming trade mission and the possibilities it will bring.

With several support centres across the country and more to open their doors soon, TBP seeks to offer new ways of meeting the requirements of entrepreneurs who want to start or expand their businesses.

Mathshaka, who owns wholesale petroleum supplier Sipho Shipping, initially started the business with former business partner, Spoolman, who left the business in 2010.

She says she decided to start a petroleum business in 2009 after years of working in the industry.

"I worked for Engen and did a number of roadshows for it. I then became interested in the industry," says Mathshaka.

She then approached large petroleum and energy businesses who advised her that the wholesale supply industry was not saturated.

This was when Mathshaka realised she needed a business plan to kickstart her business. When she came across an advertisement by TBP she went straight to their Cape Town offices to see how they could assist her business.

"TBP firstly referred me to the Small Enterprise Development Agency (Seda) to help put a business plan together for me. Once I had a business plan, they also referred me to the Small Enterprise Finance Agency (Sefa) for access to finance, but I was unsuccessful, and am now applying to the National Empowerment Fund (NEF)," says Mathshaka.

However, Mathshaka is not too perturbed about the access to funding since a business support centre has assured her that if she lands a big contract, they will assist her with funding.

TBP was also instrumental in development for Mathshaka’s website (www.siphoshipping.co.za) being set up, as the organisation referred her to the National Youth Development Agency, which also assisted her with marketing material for her business.

"TBP also sent me on export training and I will soon be going to Malaysia on a petroleum trade mission. I am hoping that this will add leverage to my business in terms of marketing and that I can connect with other companies to do business with," says Mathshaka.

She says she highly recommends that other business owners make use of TBP and rates the assistance she received as eight out of ten.

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• Business owners interested in accessing TBP services such as legal assistance, networking opportunities, workshops, training and the free use of meeting rooms and training rooms can contact TBP on network@tbp.co.za or visit their website at www. thebusinessplace.co.za
BUSINESS is blooming for entrepreneur Jacky Goliath whose dream took her from humble beginnings, growing indigenous plants in a friend’s back yard to becoming a major supplier to a national retailer.

In 2001 Jacky Goliath and her business partner Elton Jeftahas, of Simondium in the Western Cape, turned Jeftahas’ garden in Kylomere outside Stellenbosch into a nursery. With their extensive knowledge of local fynbos, they were contacted by working for the Agricultural Research Council for many years - they chose those different species to start with.

Naming their operation De Fynne Nursery, they started with 1000 plants, but have since expanded their business to a total production of 600,000 plants per year and employ 20 people on a permanent basis.

“Where we are busy with bigger projects I also have many temporary employees. Currently I have 45 people on the payroll,” Goliath says.

It was not long before Jeftahas’ garden became too cramped for the growing demand for their products and they moved to a 1.5 ha property.

By the end of 2013 they started operations on a 22 ha farm in Paarl that was acquired through the Department of Rural Development.

Their big break came after Woolworths, as part of its enterprise development initiative, decided to stock De Fynne’s products. The retailer also supplied the business with a loan to assist their operation and offers ongoing technical and business support.

“I knew we had to branch out and develop a bigger company to move the business forward. So I decided to ask Woolworths if they would want my products. The worst that could have happened was that they would say no,” says Goliath.

But Woolworths did not say no. The retailer gave them an opportunity to become a supplier and initially agreed to stock one plant, buchu. The rest is history.

Over the years, Woolworths has extended De Fynne’s range to include various species of fynbos, Spekboom, fruit trees, blueberries and lavender.

“It has really been a great. We are wholesalers and our normal customers buy about 10 plants at a time, where Woolworths buys about 500, sometimes a thousand a week.”

What also helped a lot was Woolworths’ financial assistance in terms of shorter payment terms. “So we don’t have to wait 30 days before we are paid for the products supplied.”

Another business benefiting from Woolworths’ enterprise development (ED) programme is Chic Shoes - founded by Rachmat Thomas, Davie Arendse and Ivan Meyer in 2004.

The family-run shoe manufacturing company based in Pinne has managed to grow its staff contingent by about 200 over the past two years and now employ 298 workers as a result of its association with the retailer.

“We would have been forced to close our doors a long time ago if it were not for Woolworths,” Thomas said.

Today the company’s orders from Woolworths are 880% more than it was nearly a decade ago when the retailer gave the green light for a once-off trial order of leather pumps.

Following the success of the initial order, the business needed substantial support to deal with the massive orders that followed. Woolworths helped the company with funding as well as priceless support in the form of mentorship from the retailer’s various divisions including their technical, design and buying departments.

She said Woolworths also assisted the company by offering shorter payment terms, access to technical engineers who have helped with production efficiency, good order control, systematic upgrades and product testing and other planning.

The programme has also been a major contributor to job creation with more than 5000 people either employed or supported by these small enterprises.

Migolodela says the first step to joining the programme was to become a supplier which cost nothing more than a call or e-mail to the buyer group and pitching a proposal.

“Once a supplier you are able to provide interventions to fill these gaps. Finance is also available through the programme. The programme also provides support for a three to five year period,” she says.

The assistance provided through the programme includes financial assistance, mentorship and the assistance of experts. This also ensures that the suppliers receive guaranteed business from Woolworths.

“Woolworths Enterprise Development (ED) programme has been designed primarily to support emerging black-owned organisations in the Woolworths’ greater supply chain, including primary and secondary suppliers. Based on an individual needs analysis approach, Woolworths is able to assist emerging black-owned suppliers to become truly sustainable businesses.”

Migolodela, Woolworths head of horticulture department with more than 20 years in the industry also says the programme includes various support for the business.

The retailer’s supplier development initiative is unique in that a business first has to meet its strict product requirements and successfully make it onto the Woolworths’ supplier base - even if it is on very small scale - before it can be considered for the programme.

This ensures that entrepreneurs with the biggest potential and drive benefit from Woolworths’ support, which includes financial assistance, guaranteed business, skills development as well as mentorship and the assistance of experts. The programme has also been a major contributor to job creation with more than 5000 people either employed or supported by these small enterprises.

SUCCESSFUL Woolworths suppliers share some tips on getting your foot in the door with this major retailer.

Founder of Chic Shoes Rachmat Thomas says listening carefully to the retailer’s requirements is very important.

“Ultimately it’s linked to the needs of their customers,” she says.

Another tip is to try understand the critical issues that affects the retailer’s ability to deliver to their customers as customer demand drives almost everything. The retailer’s door many times, before they open.”

Managing director of De Fynne Nursery Jacky Goliath says quality products are definitely a must before approaching a retailer such as Woolworths.

“They are also of quality, not just quantity,” Goliath says.

You also have to be dedicated. The road is not always easy. We’ve had crop failures before, but it is important to be honest and communicate to them the problem as soon as it arises.”

She offers prospective suppliers one last piece of advice saying one should never be “scared of grabbing an opportunity. Your competitors aren’t sitting around stagnating.”

Communication is key for suppliers

She adds, should any problems or challenges arise, communicating the issue to them immediately was key.

“Away keep thinking of and offering new options and innovations to remain ahead of the curve. Even if they don’t accept all your ideas, some will stick,” Thomas says.

Thomas also suggests establishing a good relationship with the retailer’s buyers.

“Having insight into their planning and thinking in turn allows you to plan ahead more strategically.”

“Hone your business skills and educate yourself. This allows you to balance your passion and your analytical skills.

She added that patience was another characteristic a business owner needed to work with a major retailer. “We knocked on Woolworths’ door many times, before they opened.”

Before giving the green light to a supplier’s products to be stocked on Woolworths shelves, the supplier must first adhere to very strict product requirements, which differ from one department to another.

If Migolodela and her team see development potential in a business beyond its means, the business then becomes part of the programme.

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

How to join Woolworths’ enterprise programme

BY YOLANDE STANDER

BECOMING a Woolworths supplier and being considered for the retail giant’s enterprise development programme is not for the faint-hearted, but has massive pay-offs for business owners who persevere.

The retailer’s supplier development initiative is unique in that a business first has to meet its strict product requirements and successfully make it onto the Woolworths’ supplier base - even if it is on very small scale - before it can be considered for the programme.

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Thomas also suggests establishing a good relationship with the retailer’s buyers.

“Having insight into their planning and thinking in turn allows you to plan ahead more strategically.”

“Hone your business skills and educate yourself. This allows you to balance your passion and your analytical skills.

She added that patience was another characteristic a business owner needed to work with a major retailer. "We knocked on Woolworths' door many times, before they opened.

Managing director of De Fynne Nursery Jacky Goliath says quality products are definitely a must before approaching a retailer such as Woolworths.

“They are also of quality, not just quantity,” Goliath says.

You also have to be dedicated. The road is not always easy. We’ve had crop failures before, but it is important to be honest and communicate to them the problem as soon as it arises.”

She offers prospective suppliers one last piece of advice saying one should never be “scared of grabbing an opportunity. Your competitors aren’t sitting around stagnating.”