New grant for youth employment

BY NABELAH FREDERICKS

BUSINESS owners who employ young people can now apply for a grant under a new wage incentive.

The Employment Tax Incentive Act, signed into law end of last year and effective from January 2014, provides for a wage subsidy that seeks to increase employment of inexperienced people between 18 and 29 years.

Under the new legislation, employers can claim back up to 50% of the remuneration of employees. Only employers with staff in this age bracket who earn less than R1 000 000 qualify for this incentive.

The incentive is open to all employers except government departments, municipalities, public entities and organisations not registered for Pay-As-You-Earn (PAYE) and will be administered by the South African Revenue Service.

The incentive will best suit businesses who employ staff with entry-level salaries of between R2 000 and R4 000, because the incentive becomes progressively less as an employee approaches the salary ceiling of R6 000 per month.

A business employing a qualifying employee at R5 800 per month would only be able to claim R100 per month in the first year, whereas a business employing a fifth person for "free" time and not just for the duration of the scheme.

Employers can claim the incentive in respect of qualifying employees for a period of two years. However, the incentive’s value halves in an employee’s second year of employment, and the incentive falls away on the commencement of the employee’s third year of employment.

Neil Raymer, the HR director of Labourwise, is impressed by the legislation’s simplicity. He says: “I must compliment the Treasury on the methods it has devised for businesses to claim the incentive.”

The process is that a business that is registered for PAYE identifies the qualifying employees and calculates the incentive amount due. The incentive is then deducted from the business’s PAYE liability, which is due on or before the seventh of every month.

Raymer stresses that South Africa has an unacceptably high unemployment level, especially among young people. This incentive is being used to address the negative effect unemployment is having on the economy.

There might be some management challenges. A person might not know or understand how to manage a younger workforce. Or you could have a case where the business owner expects increased productivity from the younger staff and they could be expecting higher compensation,” says Raymer.

Neren Rau, the CEO of the South African Chamber of Commerce and Industry (Sacci), advises business owners to use the incentive to train and upskill staff, not to employ people only for the sake of qualifying for the incentive.

"Although the incentive is not a permanent thing, business owners need to employ those people full-time and not just for the duration of the scheme.”

Business owners who did this would lose out on the training, time and money they had invested in these employees, and could possibly lose key staff to competitors.”

Rau says there has been a "hugely positive" response to the scheme by Sacci members, but that Sacci will only have clarity on whether certain implementation issues have been addressed when the department visits the chamber to start training on the scheme in the next few weeks.

Business owners can anticipate a few challenges indirectly resulting from the scheme.

“There might be some management challenges. A person might not know or understand how to manage a younger workforce. Or you could have a case where the business owner expects increased productivity from the younger staff and they could be expecting higher compensation,” says Rau.

Xolani Mtshizana, founder of Keep Digging Africa, has proven that although background plays a big role in your future, it is not a determining factor on what you can become. Read on page 7 how he refused to give up on his dream regardless of circumstances.

All business owners need to know about Budget 2014 Page 3

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Is this the answer to the local taxi needs? Page 18

INCUBATE YOUR BIZ
Grow your business inside a supportive environment Page 6

www.SmallBusinessConnect.co.za
Awards honour success

BY LAURA CAPITO

THE second annual South African Premier Business Awards (Sapba) due to take place in March promises to be one of the highlights of this year’s business calendar.

Sapba is a partnership between the Department of Trade and Industry (DTI), Proudly South African and Brand South Africa.

Following the success of last year’s inaugural event, the awards encourage and celebrate South African entrepreneurs who promote job creation and a strong work ethic.

Winner of the inaugural Sapba Lifetime Achievement Award and property developer magnate, Richard Maponya, says “I was very grateful and honoured to receive an award and make quite a good impression on small businesses. This year I am also a finalist and I look forward to winning the award again,” says Maponya.

Maponya started his career as a teacher and later moved on to become a successful entrepreneur. He is the owner of the Mapoya Group which was formed in 1997 and their core business is property development and project management.

The Maponya Mall in Soweto is one of the largest shopping centres in the country and is jointly owned by Maponya, Investec and Zoncop Property Holdings.

According to DTI spokesperson Sobuhle Modupe, a two-step adjudication process was put in place.

Finalists were selected by a pre-selection panel of judges and site visits were done on behalf of the judges. There are 16 award categories:

• Top Manufacturer Award
• Rural Development Award
• Exporter Award
• Media Award
• Most Empowered Enterprise Award
• SMEF Award
• Technology Award
• Quality Award
• Young Entrepreneur Award
• Women Enterprise Award
• Investor Award
• Proudly South African Enterprise Award
• Green Award
• Corporate SME Supplier Development Award
• Play Your Part Award
• Lifetime Achievement Award

Businesses may not enter for more than three categories.

The winners will be announced at a ceremony on Wednesday, 19 March.

Go to www.sapremierbusinessawards.co.za

Minister Rob Davies, Proudly South African’s Leslie Sedibe and award-winner Richard Maponya.

Help fund staff salaries with new youth wage subsidy

WITH effect from 1 January 2014, employers can take advantage of the Employment Tax Incentive, often referred to as the “youth wage subsidy”.

According to Neil Raymer, Human Resources director at Labourwise, this appears to be a very simple process, essentially administered by the South African Revenue Service (Sars).

“The scheme is available to employers who employ South Africans citizens and asylum seekers with valid permits between 18 and 29 years old,” says Raymer.

However, he says, there are a few exclusions, including government departments, municipalities, public entities, and employers not registered for Pay-As-You-Earn (PAYE).

Employers also cannot claim in respect of the following employees:

• Staff employed before 1 October 2013
• Domestic workers
• Staff related to the employer
• Staff paid less than the minimum wage based on a collective agreement or sectoral determination
• Displacing an existing employee

Employers may claim 50% of an employee’s remuneration if the employee earns less than R2 000, if the remuneration is not subject to any minimum wage provisions.

Raymer says in respect of employees earning between R2 001 and R4 000, an amount of R1 000 can be claimed.

For employees earning between R4 001 and R6 000, a sliding formula applies.

"For instance, an employer would be able to claim R500 in respect of an employee earning R5 000," says Raymer.

As with any incentive scheme, accurate documentation needs to be in place, including copies of the employee’s ID book or card or valid asylum-seeker’s permit, a signed employment contract, and accurate records of employees ages.

The employer should calculate the incentive amount due in respect of all qualifying employees, and the total can be deducted from the employer’s monthly PAYE liability.

"For instance, an employer would be able to claim R500 in respect of an employee earning R5 000," says Raymer.

With any incentive scheme, the talk of reducing red tape is in fact positively impacting the practical realities of small businesses.

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Financ minister Pravin Gordhan delivered a small business friendly budget.

Will the budget bring better results, or 'fritter away'? 

**BY PETER DELMAR**

R6.5 billion could be used to make a very substantial difference to small businesses.

But, whether the R6.5 billion allocation will turn out to be good money well spent remains to be seen.

How will the money be sliced up, and into what? How will it be spent, and by whom? Which proposals are likely to be adopted, and which will be killed off?

Money well spent remains to be seen. With very few goodies to hand out, and knowing that he dared not dip much further into the addictive and ultimately ruinous cookie jar that is government borrowing, Gordhan delivered a masterful, even mesmerizing performance, keeping almost everyone happy.

But, was the actual budget that Gordhan tabled last month really as good for small business and entrepreneurs as the media portrayed it to be?

Remember the budget and the budget speech are two very different animals.

First, there was that very big, very impressive number that the press latched onto after last month's speech: the R6.5 billion Gordhan told Parliament that government would allocate over three years to "support small and medium enterprises".

Many MPs applauded and stamped their feet while the media and various commentators nodded approvingly at the largesse the beneficent finance minister was throwing at the way of struggling entrepreneurs.

But, in the broader scheme of things, R6.5 billion out of an annual national budget of over R1.1 trillion, divided by three years, amounts to a bit less than 0.2% of overall spend. It's the lease change that governments collect from under the fiscus's sofa cushions.

There is no doubt that, in the hands of a very clever group of very committed officials, government could get an inkling this time next year. But, whether the first tranche of the R6.5 billion has been spent wisely and effectively, or frittered away on boondoggle strategy sessions, safari rolls and meatballs, and whether entrepreneurs are really employing young job-seekers in large numbers — and turning these into profit and sustainable, value-adding jobs.

Perhaps most significant in Gordhan's pronouncements for small businesses — and he must get a big tick for doing more this year than merely talking the small business bogey in passing — was his declaration that his department had accepted two proposals from Judge Dennis Davis's committee investigating the country's tax regime, proposals the minister said "would ease the compliance burden of small businesses".

The compliance burden, as any self-employed person will tell you, is a downright nightmare. In other words, the easing of compliance burdens is music to any entrepreneur's ears.

Gordhan explained that what he meant by easing this burden was that the turnover tax regime would be amended to further reduce the tax burden on small businesses.

But what exactly did he mean by this: "Consideration is being given to replacing the graduated tax structure for small business corporations with a refundable tax compliance credit"?

As far as I am aware, the Treasury has not yet let us plebs in on what exactly Judge Davis recommended in his report on tax and its impact on small business. He submitted his report in January.

Tax credits have been talked about for the longest time, but will government only "consider" them or will they be enacted? We wait to see.

There was some good news in the budget for those entrepreneurs with haggis and cement mixers — reassurance that there really is still R847 billion sloshing around in the national piggy bank: roads and sewage plants; that plus Gordhan's statement that he would make it easier for venture capitalists to invest in local startups.

One little bit of the speech that did not quite get the attention it deserved was the announcements that enterprise development levies would attract more tax relief, and that all grants to small businesses will be tax-exempt, regardless of where they come from.

Another big tick — enterprise development meets needs and deserves all the help it can get.

Was the 2014 budget speech a good one? Of course it was, it was brilliant, reassuring, even optimistic. But is Budget 2014 any good, especially for small businesses?

Very possibly, but we will only get an inkling this time next year. Only then will we begin to get an idea of whether the government has not just considered Davis's tax credit suggestions or acted on them, whether the first tranche of the R6.5 billion has been spent wisely and effectively, or frittered away on boondoggle strategy sessions, safari rolls and meatballs, and whether entrepreneurs are really employing young job-seekers in large numbers — and turning these into profit and sustainable, value-adding jobs.

*Peter Delmar is a small business writer and commentator. The views expressed in this article are not necessarily shared by Small Business Connect.*
BY NABELAH FREDERICKS

Multiple YOUNG entrepreneurs are being recognised by the Nelson Mandela Bay Business Chamber for their vital role in growing the economy of South Africa.

Through its unique Top 40 Under 40 initiative, the chamber last month honoured young business owners who have made their mark in the region. Not only are 40 young businesswomen and women – mostly small business owners – recognised for their contribution to the Eastern Cape economy, but they are also given access to exclusive networking opportunities and other platforms that can help them grow their businesses.

Convener Nicole Klokow says the Top 40 Under 40 achieves, selected by a high-calibre panel of judges representing a broad spectrum of business, represent the future of business in the region.

"Young entrepreneurs have a critical role to play in the global economy, and they have the potential to help grow a vibrant economy in Nelson Mandela Bay," Klokow says.

She adds that, since the launch of the inaugural achievers list, the chamber has built a strong network for these young entrepreneurs.

"The Top 40 Under 40 network has boosted achievers' business connections, and has drawn them closer to the chamber's work," she says.

Achiever Simon le Grau, owner of SimonSAYS Design and Advertising, says being recognised for one's efforts helps create an attitude shift. "It motivates you to go and do better," he says.

"As a small business owner, being nominated for this prestigious list has been extremely beneficial," says Sarah Dirsuwei, the co-owner of the Port Elizabeth function venue The Plantation and Roma.

"It has given my confidence tremendously to dream big and pursue larger clients and business. It has also opened the door for my business to grow and to try new things," he says.

According to Kevin Hustler, the chamber's chief executive, Nelson Mandela Bay has produced some remarkable leaders in business, government and civil society.

"The key to our continued and future success lies not only in attracting high-calibre individuals to our shores, but in keeping them here. It lies in growing our own talent, and developing young people through nurturing, supporting and recognising their contributions," Hustler says.

The chamber, which was initially established as the Port Elizabeth Chamber of Commerce and Industry, is the largest business association in the Eastern Cape with more than 850 members.

It aims to provide business owners with support to enable economic growth in Nelson Mandela Bay.

For a full list of 2014's Top 40 under 40 achievers, go to www.nmbbusinesschamber.co.za

BY NABELAH FREDERICKS

NEW partnership support entrepreneurs

The recently launched partnership between the Institute of Business Advisers South Africa (IBA) and the global non-profit business support organisation Enablis South Africa will offer owners of existing small businesses access to expert mentorship and advice.

The initiative is aimed at enhancing the performance and growth of existing smaller businesses, says Joseph Munchelizi Tshiwilowilo, IBA board chairperson.

"The aim of the collaboration is to improve sustainability of small businesses, with Enablis providing the funding for the services offered by our business advisers," says Tshiwilowilo.

The benefit to small business owners is that the IBA will appoint a highly graded, accredited and certified expert adviser, coach or mentor to assist the business owner.

"The IBA has a robust grading system for its members that measures all business advisers on three different levels according to academic qualifications, skills, and proven business advisory experience and competence," says Tshiwilowilo.

Business owners interested in participating in this programme are also assessed and graded according to Enablis' grading system.

Sarah Dirsuwei

"In the service industry, reputation is everything. We sell an emotive experience, and being on the Top 40 Under 40 achievers list has helped give our company credibility and has raised its profile. It has also brought exciting and beneficial networking.

"Gareth Burley, the owner of GB Synergy, says the opportunity has placed him in many significant areas of influence in the city where he can contribute and share his opinion and values.

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New partnership support entrepreneurs

Protect your clients’ data

BY NABELAH FREDERICKS

SAFEGUARDING of customer details is becoming an important element of information management for many business owners. Hacking of information is increasingly becoming a threat, and the imminent introduction of data protection legislation – the Protection of Personal Information Act – is forcing business owners to step up their security solutions.

According to Andrew Henwood, the CEO of security solutions firm Foregenix, business owners often look at cost when purchasing a product for their business, but skim on security products when it could place the business at risk.

"With recent cyber-attacks and data breaches having devastating effects on retailers globally, businesses need a cost-effective solution to mitigate threats without breaking the proverbial bank," he says.

Foregenix offers a package to small businesses, aimed at small shops or e-commerce sites.

"We have simplified our package because small business owners don't necessarily understand all they need to do for this environment." The package is a management service that allows businesses to meet the Payment Card Industry Data Security Standards, and this will also ensure compliance with major card schemes such as Visa and MasterCard.

More importantly, it will ensure that the business’ data is protected by providing a firewall service, installing software to protect data, and advising if there is any breach in online security. It also provides a log service that acts as an alert to business owners.

This includes the Foregenix Serengeti Analyser, a unique service used for malware detection, mitigation and security validation at the point-of-sale and costs about R1 000 a month. Some 200 small business owners across the country already use this product.

Go to www.foregenix.com

www.ibasa.org.za
Red tape to be reduced

THE implementation of government's red tape reduction initiative – aimed at lessening the often devastating challenges small businesses face when dealing with municipalities – is well under way across South Africa.

The initiative was launched by the Department of Trade and Industry (DTI), in collaboration with the Department of Cooperative Governance and Traditional Affairs and the South African Local Government Association (Salga) in July last year.

The aim of the partnership is to reduce the barriers entrepreneurs face and to increase opportunities for small businesses.

“The guidelines are being rolled out throughout the country through workshops currently under way,” Medupe says.

It is anticipated that they will cover all nine provinces in the next 12 months, says Giuliani. According to the guidelines, the guidelines highlight the wide-ranging negative economic impact of municipal red tape on small business development and growth.

The guidelines highlight how municipalities can improve service delivery that supports small business development through context-specific action plans.

The guidelines also serves as a practical implementation tool for a local business environment monitoring mechanism,” Medupe says.

According to Medupe, the major red tape issues hampering small business development include lengthy and inefficient supply chain management processes.

He says it is this which ultimately affects the 30-day payment system to these businesses.

Medupe says there is still a long way to go before the initiative bears real fruit.

However, the ultimate outcome is to enhance best practice in terms of policy and procedures, to encourage public-private partnerships (PPPs), and to institutionalise red tape reduction practices at the national level.

Some positive outcomes highlighted by Medupe include reduction of duplicate procedures and prioritising payments to small businesses.

Other institutional benefits will include skills enhancement to apply red tape reduction methodologies by municipal officials and the development of action plans, including proposed solutions reflecting each municipality’s unique context.

• Go to www.trdtt.gov.za for more information.

More than 1 500 m² of trading space will be added to the existing workshop with the official unveiling scheduled for June 2014.

Entrepreneur Janine Jones of Janine Jones Creations tells of her humble beginnings branching into the craft market trade. She says her turnover skyrocketed to R2 million since trading at the Waterfront craft market.

“I started my business because I was pregnant at the time, and needed to find something to do to sustain myself and my unborn child,” says Jones.

Jones, from Mitchell’s Plain in the Western Cape, started a beaded cutlery business, African Ostrich Eggshell Mosaic and Mosaic Art, with only R500.

She began trading at the Constantia Christmas Craft Market and later moved to Greenmarket Square. However, one day while trading at Greenmarket Square, Jones realised that her stock would be sold out by 2 pm, and people suggested she sell her goods at the Waterfront.

Says Jones: “Since trading at The Blue Shed in 2006, it has only been positive for my business. Everybody can make something, but at the end of the day, you don’t have the Waterfront clients. You know that tourists will always come to the Waterfront and, in this way, your business will become something.”

Jones, who aims to only use local people in her business, says: "I employ single mothers, because I am a single mother. I also work with members of Cape Mental Health. They do the woodwork and the single mothers work with the mosaics. I like to keep it local. Local is lekker.”

According to the V&A’s PR and communications manager, Carla White, this is a redevelopment of the Waterfront’s enterprise development platform. The focus is on craft and design. "Brental and application criteria are still to be finalised and will be outlined later,” says White.

The 144 entrepreneurs who currently fall under the V&A enterprise development programme will have to undergo a five-step planning process that will be introduced when the new space opens in June.

V&A Waterfront CEO, David Groen, says, “In a recent economic impact study, we established the job creation power that small business has. This investment will further enhance the job creation power of small businesses. Enterprise development is enormously important, not only because we want it to grow, but also because we have a vested interest in small business owners’ success.”

• Go to www.janinejones.co.za

Waterfront revamp to boost small traders

THANKS to a R50 million revamp, many Cape Town business owners could soon see their businesses flourish when the V&A Waterfront Craft Market and Wellness Centre opens this coming winter.

“The Blue Shed, where small business owners currently trade, is being extended and will present an even larger opportunity owing to the additional spaces being created. More than 1 500 m² of trading space will be added to the existing workshop, with the official unveiling scheduled for June 2014.

Entrepreneur Janine Jones of Janine Jones Creations tells of her humble beginnings branching into the craft market trade. She says her turnover skyrocketed to R2 million since trading at the Waterfront craft market.

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• Go to www.janinejones.co.za

Entrepreneurship award entries open up

WITH some R1.34 million up for grabs, entries for the Sanlam/Business Partners Entrepreneur of the Year Awards are now open for 2014.

Last month, Sanlam and Business Partners held a series of launch events across the country to create awareness around the awards.

The awards, now in their 26th year, seek to develop and promote entrepreneurship in South Africa and to ensure that a healthy environment is created for entrepreneurs to operate in.

Speaking at the Cape Town launch at Kelvin Grove last month, Gerrie Van Biljon, executive director at Business Partners, stressed the importance of small businesses, saying that they contributed some 42% to South Africa’s gross domestic product (GDP).

“The period leading up to 2007/8 was one of exceptional growth, with new businesses popping up all over the place. People just made a lot of money,” says Van Biljon. “However, things have since changed dramatically, and many businesses have encountered very, very difficult years recently.”

It is in the more difficult economic conditions that entrepreneurs face many tests, with successes being well deserved. The awards honour these entrepreneurs.

The judging process is independent and consists of a panel of five judges. As part of the application process, business owners must provide a business plan, do an interview, and undergo on-site visits by the judges.

There are eight categories: Emerging Entrepreneur, Small Business Entrepreneur, Medium Business Entrepreneur, Job Creator of the Year, Lifetime Achiever of the Year, Innovator of the Year, and the overall winner – Entrepreneur of the Year.

Previous winners include Tommy Makgatho, owner of Bibi Cash and Carry, and Andrew Brown, co-owner of The Daily Buzz. Both have been featured in previous editions of Small Business Connect.

• Go to www.eop.co.za for more information.
Grow your business under Black Umbrellas

Until recently, business incubation was a fairly new concept in South Africa. However, this landscape is fast-changing, with many corporations launching incubators and the Department of Trade and Industry supporting the establishment of many new incubators. This is the first offering in Small Business Connect’s ongoing focus on incubators and incubation. We spoke to Phindile Mthethwa, regional manager of the Shanduka Black Umbrellas Johannesburg branch.

What does your incubator’s name mean?
Shanduka means change.

How would you describe your focus?
Shanduka Black Umbrellas is an incubation, mentorship and development programme to facilitate the development and growth of the small business sector. We offer a three-month pre-incubation programme and a three-year incubation programme.

Where are you based and from which areas do you recruit new incubatees?
The Johannesburg incubator’s address is African Heritage Society House, 325 Rivonia Boulevard, Rivonia. You will find more details at www.shandukablackumbrellas.org. To speak to us, call us on 010 590 5555. Our incubatees come from Johannesburg and surroundings.

Which businesses are best suited to join?
The entrepreneurs we select are mostly individuals with proven skills levels (for instance, an apprenticeship) but very little business experience. They must be post-conceptual stage. People with skills who want to start or grow their business are encouraged to apply. There is a rigorous screening process and only those committed few with ability and passion are invited to join.

How do they apply?
The Johannesburg Incubator holds orientation sessions every two weeks where prospective clients are introduced to the programme. At these sessions, they are provided with application forms and a template of a pre-marketing plan. Once these have been completed and returned, prospective clients are invited for an interview with the regional manager, where they will ‘sell’ themselves.

How long do businesses stay in your programmes?
In our pre-incubation programme, the entrepreneurs concretise their business plan and are assisted with basic financial management training and compliance with the Companies Act. After these three months, they are required to present their business plan to an independent panel that decides whether the entrepreneur is the right fit for Shanduka Black Umbrellas’ strategic objectives. If chosen, the business will then stay in full incubation for three years.

What are the two key elements of your support that sets you apart from other incubators?
We provide a holistic approach to enterprise development, and the two outstanding elements are the rigorous training programmes and the mentorship we offer small businesses.

How long have you been going?
Shanduka Black Umbrellas was a project first formed as Black Umbrellas by Cape Town social entrepreneurs Charles Maisel and Mark Frankel in 2005, which proved highly effective in supporting small business. In 2009, the Shanduka Foundation, chaired by Cyril Ramaphosa, partnered with Black Umbrellas, and Shanduka Black Umbrellas was launched.

How many incubatees are now in your programme?
The Johannesburg region currently supports 43 entrepreneurs in its incubator.

What are your fees?
All this is made available for a nominal monthly fee, depending on the stage the business has reached. This allows entrepreneurs the space to focus on their core business, with the assurance that support is available and overheads are covered. A flat fee of R1 881 applies to the three-month pre-incubation programme. For the full incubation programme, the cost depends on the office space chosen by the entrepreneur. All office space comes with a computer, internet access, telephone, fax and photocopier facilities, access to meeting rooms and boardrooms, reception services, bookkeeping services and refreshments. Entrepreneurs do not pay for the training and support they receive from Shanduka Black Umbrellas. One-seater cubicles are R1 480 per month, three-seater clusters are R3 190 and lock-up offices are R5 000.

What commitments do incubatees make before they enter your programme? And what commitment do you make to them?
Our entrepreneurs are required to sign an agreement pledging their commitment to the programme, and undertaking to attend all the training and doing their best to meet the strategic objectives. In turn, we commit to supporting and developing them to the best of our ability.

What is the average sales of your incubatees after on, two and three years in your programme?
Our clients are in different business sectors. Their sales figures vary considerably and are dictated to by the industries they are in and their business size.

What is the best thing you have heard someone say about your incubator?
This programme has helped me focus and be accountable. If I was running this business from home, I hardly think I would have put in as much effort. At the incubator, I meet people who are in the same boat as myself.

And the worst?
This programme has not met my expectations because I did not get any business by being in the incubator.

What was your biggest success thus far?
An engineering firm that has been in our incubator for a year was recently awarded a contract of approximately R5 million.

And your biggest failure?
Terminating clients because they did not meet our strategic objectives, mostly owing to non-cooperation with our programme requirements.

Why are you involved in supporting new businesses?
We are responding to South Africa’s high employment rate and the need to create sustainable jobs. We realise that small business is the source of future jobs. It is for this reason that our entrepreneurs have to commit to creating at least four jobs by the time they exit the programme.

What is your biggest wish for improving support to entrepreneurs in South Africa?
Many small businesses fail because of a lack of access to markets. Our biggest wish is that corporates open their procurement opportunities to smaller entrepreneurs and give them the opportunity to sell their products and services to them.

Go to www.SmallBusinessConnect.co.za/lists for a list of incubators.

Incubation benefits owner

SHANDUKA’s incubation programme hopes to support small businesses, which generate around R3.6 billion in turnover and create 7 500 jobs over a 10-year period.

We spoke to business owner Sam Sekgolea, who has successfully been through the rigorous application.

What is your business name?
Thinkscope Holdings. We distribute safetywear to government and industries such as mining.

How long have you participated in the incubator programme and when will you exit?
I applied in January 2013 and was chosen to be part of the incubation programme in April 2013. The duration is three years, so I will exit in 2016. However, if your business meets certain standards, such as employing more than four people, and proves to be sustainable, you can exit sooner.

How much did your turnover and profitability grow after joining?
My turnover has grown from R52 000 to R1.2 million a month.

What are the best benefits you got from the programme?
The best benefits to me are marketing strategy and the fact that events are hosted where we meet the right people.

What would you suggest to make the programme better?
I have learnt a lot since joining the programme, but we need more exposure to parastataals and the private sector.
XOLANI Mtshizana had to dig himself out of the clutches of gangsterism and other challenges as a youngster, but it is this rocky road that led him to establish his aptly named design business, Keep Digging Africa, to motivate aspiring entrepreneurs.

Growing up in Mdantsane in the Eastern Cape was not easy for the 35-year-old businessman, who as a teenager became involved in gangsterism to cope with township violence in the 1990s.

During his high school years at David Mama Senior Secondary School, he finally found something he was passionate about – participating as a model in pageants. However, his dreams of furthering this passion were shattered when he was stabbed in his left eye during a gang fight at a school athletics meet in 1996.

"It was while I was recovering in a hospital bed that my life changed course. I was reading a magazine article about the guys from the Bronx, New York behind the Fubu clothing brand, and I realised that in the townships, the youngsters didn't have a brand like this that they could identify with."

Fubu stands for “for you by you” and represents the aspirations of youngsters who grew up in the Bronx.

"Although I could no longer participate in pageants, I knew I could still be involved through fashion," Mtshizana says.

Soon after he recovered and while trying to finish matric, he created his own clothing label, called Mara.

"It is not only my family’s nickname for me, but it also means ‘made alone, ride alone’, signifying my journey out of gangsterism that nearly got me killed," he says.

While young people were wearing international skating and surfing brands, Mtshizana focused on giving them an African alternative. He used his pageant contacts to reach his target market.

It was not long before his brand became popular among youngsters in the suburbs, and he had to look for a partner company to manufacture his designs. He soon found one in the then manufacturing business the National Converter Industry (NCI).

"As the money started coming into my bank account, Absa noticed that I was doing well and nominated me for their 2001 National Entrepreneur of the Year Award. As my prize, I was asked what I wanted and I said I wanted to learn about fashion in Paris, so they sent me on a study holiday."

A few years after he returned, Mtshizana, as many others in the textiles industry, felt the pressure of cheap imports when the NCI factory buckled and was forced to close.

"I decided to develop the Mara brand beyond clothing, but my first step was to move to Johannesburg with my family in search of better opportunities."

Once in Gauteng, he trained himself in design software and decided to establish Mara Comics.

"I wanted to tell my story and decided the best way was through comics."

"I created a character called Gulova, meaning thug, to educate youngsters about the dangers of gangsterism. As comics are still a new concept in the townships, I decided to use street vendors to reach my target market," says Mtshizana.

In 2007, SAB noticed his comics and approached him to create one about alcoholism.

Because of his past success with comics, he was asked to join media agency, The Firehouse, in 2008.

"During this time, I began to lose focus, but this all changed suddenly," he says. "I was driving my sportscar when I flipped the vehicle, and hit a pole. While I was sitting there in the wreck, the only thing I saw was a road sign – a man digging with a shovel – and I knew what I had to do next."

Mtshizana says he dug himself out of troubled circumstances through entrepreneurship.

"One of the major issues today is youngsters not being able to find jobs even though they are educated. There I was, not educated, but making a way by being an entrepreneur, so I wanted to inspire youngsters to explore their entrepreneurial skills," he says.

He resigned, got Mara Comics back to its former glory, and then established Keep Digging Africa as a way to give back.

He uses online and print publications as well as motivational talks to reach youngsters and motivate them to become entrepreneurs.

Mtshizana considers education to be crucial. In 2010, Monash South Africa granted him a scholarship, and at 35 he graduated with a Bachelor’s degree in International Studies.

• Go to www.keepdiggingafrica.com for more information.
Fun at work prevents burnout

BY MARCEL OUDJEANS

I AM sure you’ve heard those words from well-meaning friends and family members, regardless of whether you’re an employee or business owner... “Man, you look like you need a holiday!” or “Are you working late AGAIN!”

More and more people are experiencing burnout and other stress-related problems. This has a direct impact on the bottom line.

When you are tired, anxious, nervous, unhappy or experiencing any other emotional and mentally draining feelings, you are statistically far more likely to cause an accident, argue and cause countless other problems.

In fact, under extreme stress, you can behave as if you are highly intoxicated.

There’s no doubt that maintaining and encouraging a stress-free work environment should be an important priority of any organisation: you need to be consistently considering the emotional well-being of every employee, as well as your own.

It is important to remember that, although the profitability of your business requires that everyone maintains high productivity, a business is not like a machine.

You cannot simply use the party, break, then party, break and then replace them!

When working late into the night, you wake up moody the next day, and the quality of your work (both during the day and from the night before) is jeopardised.

For your business to remain sustainable and profitable, you need to consider people’s sense of well-being, comfort and desire to work.

Certainly, working under pressure can produce outstanding results, since the last-minute rush can be a good motivator.

However, if high stress and exhaustion levels are the norm, you will experience work dissatisfaction, and people will not want to work there for much longer!

Here is the good news...

If we consider how our brains and bodies are designed to work, the answers are simple. We need to consider that the purpose of our work is not simply the finances we need to live.

Rather, it’s to provide for a healthy and happy lifestyle. Therefore, when we do experience stress, we need to listen to the advice of our friends and family members and take that break!

There is now considerable peer-reviewed evidence that proves that when people spend part of their days focused on play, relaxation and recreation, they are more likely to learn new skills, form strong relationships, and improve their overall health. People perform optimally when they divide their day into thirds: eight hours for sleep, eight hours of work and eight hours of play and relaxation.

Now think about your day—how long do you spend commuting? Or preparing for work? Do you get home so tired that you only put your feet up for an hour before falling asleep?

Successful business leaders understand that they are making a good and responsible decision when they encourage play and fun in the workplace.

Activities that encourage learning, physical movement, communication and laughter should be organised regularly enough so that employees reap the maximum emotional and physical benefits, without wasting work hours.

On the books, it may be difficult to measure the financial cost of giving people the time to play. However, companies worldwide can report that this kind of investment in staff well-being almost always provides a high return on investment in the long run.

Companies that incorporate a culture of play into everyday activities are more innovative, experience lower staff turnover, and have employees with a higher quality of life.

BY NABELAH FREDERICKS

Coaching can help you with building a better business

BIZNESS owners often focus so much on what they have to do to create business results that they forget to explore who they have to be to achieve the success they desire.

So says Michele Hinds, business coach of the Energy and Vitality workshop series, that assists business owners to develop ways to deal with limits that hamper energy and vitality in the workplace through practical techniques.

"Business coaching could be an option to consider if you get stuck, feel alone or helpless or frustrated, or keep doing the same thing while hoping for a different result," says Hinds.

"A business coach is like a personal trainer to your business—one professional athlete would not consider going it alone without a coach!"

Coaching helps with developing new ways to gain power to create the businesses owners want, taking them out of their comfort zones.

Hinds says this is key to building a successful business and that this is like going to the gym or engaging a personal trainer to achieve a new health and fitness levels.

A typical coaching programme consists of 12 coaching sessions of 45 to 60 minutes each, once a week or every two weeks.

Hinds says this can be conducted face-to-face or via Skype or telephone, depending on the structure agreed between the business owner and the coach.

"Coaching prices vary depending on the coach, region, coaching format, and individual versus group coaching.

Hinds says that, with this flexibility and range of options, you can certainly find a business coach and a coaching package to suit your needs and your budget.

As a guideline, she says, budget to invest a minimum of R2 000 per month on business coaching in order to develop yourself and your business.

"These questions is often, can you afford business coaching? More often the question should be, can you afford not to engage a business coach?" says Hinds.

• Email info@kan-ix.co.za for more information on business coaching.

How to be stress-free

HERE are five ways to ease the stress of running your business:

1. GET UP AND PLAY

Gathering a group of employees to play games, is an effective way to encourage workers to relax and get to know one another better. It can be said that we learn more about a person in an hour of play than we can in a whole year of work! If feasible, team sports can be facilitated. The focus should be on play and recreation instead of work-related issues.

2. WATCH FUNNY VIDEOS

Open a few funny YouTube videos, gather together and laugh as a group! Group laughter is one of the best ways to improve breathing, resulting in more oxygen to the brain, as well as to regulate hormonal levels and activate creative thought. Even taking a 15-minute break is often enough to help motivate you!

3. DRINK WATER AND WALK

By increasing your intake of water, oxygen and light, you will be helping your body recover from high levels of adrenaline and physical discomfort. If you are consistently in the workplace, this activity is of particular benefit, because long periods of sitting is known to be detrimental to productivity. It’s advisable to make this a scheduled activity: set an alarm for every 90 minutes to remind you and your colleagues to get up for a comfort break.

4. TAKE A POWER NAP

It has become increasingly common to schedule some “me-time” in the middle of the day. Reportedly, 20 minutes rest a day leaves you revitalised and rearranged. Simply find a quiet place where you won’t be disturbed, put your phone on silent, find a relaxing position and close your eyes. While it’s not necessary to fall asleep, try to not think about any pressing matters. Allowing your body to release lower stress levels, improves your problem-solving abilities, and promotes sleep.

5. CALL FAMILY OR FRIENDS

A short, positive conversation with your partner, friend or family member can put your day into perspective. Think about the conversation’s purpose before you initiate it: should it result in an argument, this would be counter-productive. Focus on letting the other person know that you appreciate and love them: this simple sentence will go a long way towards feeling good! Take a moment to pick up your cellphone, walk outside and call someone. You’ll be ready to work on your next challenge.

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How to be stress-free
Benefits of cloud computing

BY PAUL HOBDEN

CLOUD computing has been a buzzword for a while now, but what does it mean? More importantly, what does it mean to small business owners and what are the benefits to these businesses?

Cutting through the jargon, ‘the cloud’ simply refers to applications and services that are accessed through the internet. In doing so, both the application and the data do not live on your computer but are stored on the internet, or cloud.

Some might not be familiar with the term, but the cloud is not new and most of us use it daily. Gmail or Hotmail, Facebook, Flickr, YouTube and online banking are all examples of how we access these cloud services daily.

So what does this mean for small businesses?

I want to focus on these simple benefits and how it could assist you to run your business better.

UPGRADES

One of the best ways cloud applications and services can positively impact small business owners is by eliminating the need for software installations and upgrades.

These are taken care of by the service provider. This means that you do not have to sit for hours on end trying to reinstall or upgrade an application or spend money paying someone to do it.

CAPITAL OUTLAY

As the service is hosted in the cloud, small business owners do not have to lay out capital to buy servers and software.

These are provided as part of the cloud service. The “software as a service” (SaaS) model means you pay for the service. You do not pay for the software, and you do not have to supply the hardware.

It also means you can scale up to more users or reduce the number as your business requirements fluctuate.

ON THE GO

When your applications and data are stored in the cloud, you can work from anywhere with an internet connection.

This means that your business can become completely flexible and mobile.

You would be able to use those 20 minutes in-between meetings in a coffee shop, or you could use it to capture customer details into your systems or process the online payroll without having to physically be in the office. Essentially this means that you can access your server from anywhere in the world.

BACKUP INCLUDED

Many cloud services include backup. Your data is stored in the cloud over multiple servers with great backup and redundancy built in.

By storing your data in this way, you eliminate the hassle of backing up to a local hard drive. This is great for business continuity and peace of mind.

GET SOME FREE

Many cloud services offer ‘freemium’ models. This means that the basic elements of the application are free. However, as your requirements grow more complex, you will need to pay.

This type of service provides an excellent platform for business owners to do trials of the products with very little effort and time needed.

No installations, no new servers and no financial commitment is required.

There are a multitude of cloud services available for any aspect of your business.

The best way to find a cloud service that is suitable for your business is to search online and read reviews.

You can also ask around and most importantly, give these services a try.

• Paul Hobden is the head of small business at MWEB. He has extensive local and international management experience. Go to www.mweb.co.za/entrepreneur for more information.

THE BUSINESS PLACE

ACCOUNTING • TAX • ADVISORY

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

As a full-service firm, our expert staff of highly trained accounting specialists will take control of all your accounting needs, allowing you to focus on running your day-to-day operation without any additional stress. Our standard of excellence is evident in the long-term client relationships that our team has built, collectively forging our path as an industry leader in offering invaluable services.

Contact us for all your business needs so that we can go through your requirements and suggest the best arrangement for your business.

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www.thebusinessplace.co.za
Book Review

A serious read with many fresh snippets

BY CHRISTOFF OOSTHUYSEN

ANYTHING and everything you want to know about business, summarised into two pages per topic. This is what "The Business Book", freshly published by Dorling Kindersley (part of the Penguin group), offers.

This book is refreshingly well prepared and offers insights into a wide range of topics, from accountancy and advertising, to the Zurich Insurance Group and Zang Yin. For instance, take the entry on AIDA. I’ve used this model for years in my coaching, but I was not aware that it had been developed in 1898 by the advertising pioneer Elias St Elmo Lewis.

Here we learn that Phillip Kotler and other marketing gurus popularised this model, which explains the four simple steps towards a sale.

AIDA stands for Attention, Interest, Desire and Action. Think of these steps as layers of a funnel, starting at the top with Attention, where you make prospective customers aware of the product or service you offer by being noticed.

The next step is Interest, where you hold a prospect’s curiosity by offering information about the advantages of the product or service and the benefits to the customer. Next up is Desire, where you convince prospects that the product or service will meet their needs.

Finally there is Action, here, you want to make it as easy as possible for customers to make the purchase.

In the age of e-commerce – the book tells us – we need to adjust AIDA to NEWAIDA, by adding (N)avigation, (E)ase and (W)ording. This is but one example of the 340 pages of interesting topics covered in brief and with accompanying illustrations. With each topic, a “See also” reference points to other related topics in the book.

Now, turn to “The Secret Of Business Is Knowing Something That Nobody Else Knows” and you learn that the idea of a unique selling proposition (USP) was developed in the 1940s by New York advertising executive Rosser Reeves. Kotler (mentioned above) reminds us that the USP needs to be superseded by the emotional selling proposition (ESP).

In turning to these pages, we find interesting comments on choosing what not to do, as part of our strategic decisions.

Take the case of Kodak’s strategic choices, to illustrate how bad strategy can lead a thriving business into doom. Kodak was one of the world’s top brands for most of the history of film.

Then, in 1975, Kodak engineers invented the digital camera. However, senior management did not see the opportunities it offered, sticking with a firm focus on the chemistry-based film technology.

Much later, Kodak tried to shift to digital, but it was too late, and in 2012 the business was declared bankrupt.

Leave this book on your coffee table – it will be paged through, read and used to sharpen thinking about how to do better in business.
Make a killing in coffins

BY PAUL CRANKSHAW

DEATH, it is often said, is big business. About 600 000 funerals take place in South Africa per year, generating about R9 billion in funeral-related expenditure.

However, it is difficult to get accurate figures about this sector, because many businesses are informal. Most of these businesses are not registered with any industry association, and stories of unsavoury activities abound – from identity theft to unsanitary working conditions.

But, there are plenty of good opportunities for compliant and respectful service providers to succeed; be they large players, franchises or independent operators. Take coffin-making, for instance. This is a skilled trade that can be practiced in line with high standards and varied customer preferences.

Although many people today choose cremation as the last step in their worldly journey, formal burial in a wooden coffin remains the more common choice in South Africa. Customers look for a range of sizes and prices, so coffin-makers need to be both competent and versatile.

The essential skill involved is woodworking, which needs to be combined with a good understanding of pricing, suitability and product standards. There are also very specific product requirements to consider. For instance, a burial box for a cremation funeral is different to one for a grave burial.

Generally, caskets with flat lids or even raised lids will be affordable to middle class clients. While a more elaborate dome design with lids or even raised lids will be more upmarket, which is also the director of Cobweb Information SA. Go to www.cobwebinfo.co.za for more information.

Paul Crankshaw

The South African Bureau of Standards (SABS) publishes standards for coffins and caskets, specifying the materials that should be used so that the product serves its purpose properly. The leakage of bodily fluids from a coffin is one of the main risks to prevent.

Historically, there was a time when apprentices found their way into this line of work when they started their woodworking careers. Over time, they would become skilled craftsmen specialising in burial boxes. These days, there are quicker routes into the business, including training programmes that you can complete in a week, followed by some ongoing advice and support.

Basically, if you can make a coffin without an apprentice, you can make your own. Training courses also help with advice on the jigs and templates.

For any entrepreneur doing this kind of enterprise, it is critical to develop an efficient manufacturing process. This means having a jig (a frame for holding your work while guiding the tools you use) and the right templates to make each piece of the casket. Training companies that advertise coffin-making courses also help with advice on the jigs and templates.

Check out the credentials of any training agency before you part with your hard-earned cash!

For more information on the above incentives, visit www.thedti.gov.za • Customer Contact Centre: 0861 843 384

SMME DEVELOPMENT INCENTIVES

Government has prioritised entrepreneurship and the advancement of Small, Medium and Micro Enterprises (SMMES) as the catalyst to achieving economic growth and development. The Department of Trade and Industry (the dti) plays a key role in implementing SMME-related policies and providing adequate financial and non-financial assistance to ensure sustainability.

the dti offers the following incentives to support and grow the SMME sector:

Co-operatives Incentive Scheme

• It is a 100% grant for primary co-operatives in South Africa in terms of the Co-operatives Act of 2005.
  o Maximum grant of R350 000.

Black Business Supplier Development Programme

• A cost-sharing grant for small enterprises with a 51% majority black shareholding, in operation for at least a year and have an annual turnover of R250 000 to R35 million.
  o R800 000 for tools, machinery and equipment on a 50:50 cost-sharing basis; and R200 000 for business development and training interventions per eligible enterprise to improve their corporate governance, management, marketing, productivity and the use of modern technology on a 80:20 cost-sharing basis.

Bavumile

• Targets rural women entrepreneurs with basic skills in sewing, with the aim of improving the quality of cultural products and ensuring their commercial viability.
  o Training and equipment.

Enterprise Investment Programme (EIP) – Tourism Support Programme

• A reimbursable cash grant for investors in new and expanding projects in the South African tourism industry.
  ◦ Investment grants of 30% of the investment cost of qualifying assets for new or expansion projects below R5 million; and investment grants of between 15% to 30% of the investment cost of qualifying assets for new or expansion projects above R5 million. Qualifying assets include furniture, equipment, buildings and tourism vehicles for new establishments or expansions.

Export Marketing and Investment Assistance Scheme (EMIA)

• Assists South African export trading houses that represent at least three SMMEs or businesses owned by historically disadvantaged individuals to showcase local products at international exhibitions.
  ◦ R800 000 for tools, machinery and equipment on a 50:50 cost-sharing basis; and R200 000 for business development and training interventions per eligible enterprise to improve their corporate governance, management, marketing, productivity and the use of modern technology.

Support Programme for Industrial Innovation (SPIR)

• Promotes technology development in South Africa’s industry, through the provision of financial assistance for the development of innovative products and/or processes. Production must take place in and intellectual property must reside in South Africa.
  1. Product process development scheme: Maximum grant of R1 million;
  2. Matching scheme: Maximum grant of R3 million; or
  3. Partnership scheme: Maximum grant of R3 million.

Technology and Human Resources for Industry Programme (THRIP)

• Supports science, engineering and technology research collaborations, which address the technology needs of participating firms and encourage the development and mobility of research personnel and students.
  ◦ Projects are funded per the following ratios: R1:R3, R1:R2, R1:R1 or R2:R1, depending on the company’s size as defined by the National Small Business Act, 1996 (Act No.102 of 1996).
New growth plans with economic zones

BY NABELAH FREDERICKS

In a move to adopt new ways of attracting investment and growing underdeveloped areas, the Department of Trade and Industry (DTI) is planning to launch 10 Specialised Economic Zones (SEZs) across the country.

Some R500 million in funding has already been made available to finance feasibility studies for the planned SEZs and the anticipated incorporation of existing Industrial Development Zones (IDZs) under the SEZ framework.

According to Kaya Ngqaka, the DTI’s chief director of infrastructure and investment support, it is expected that the Specialised Economic Zones Bill, which defines the planned SEZs, will be signed into law later this year.

The aim of the bill will be to address shortcomings of the IDZs that did not perform as well as originally expected. IDZs were established in 1999 to promote and develop businesses in strategically placed areas. These hubs were then reviewed in 2006, and it was found that certain weaknesses existed with the IDZ model, with the result that IDZs will now be incorporated as part of the SEZs.

“We realised that the incentives provided for in the IDZ programme could not compete with those of other countries, and there was inadequate funding available for these initiatives,” says Ngqaka. “There was also a weakness in that, when the IDZs were set up, there was no collaboration and planning between port authorities, roads and so on.”

The bill makes provision for incentives such as a tax allowance programme based on investment in manufacturing as well as exemption from Value-Added Tax (VAT). Included under the SEZs are the IDZs, Sector Development Zones (SDZs) and free ports.

According to Ngqaka, the IDZs are industrial hubs set up close to airports and sea ports. Examples of IDZs where there are already operations are those at Coega and Saldanha (see the next page).

Ngqaka says the SDZs are also industrial zones, but these hubs will not necessarily be set up close to airports or sea ports. The aim of the SDZs is to assist business owners in not having to export as many raw materials. Instead, it is hoped that these hubs will allow for the raw materials to be manufactured into goods that can then either be exported or sold in local markets. In this way, more jobs and business opportunities will be created.

Free ports have not yet been set up. However, the idea of free ports, which will allow goods to be exempted from customs, will follow the example of those in Mauritius and Hong Kong.

Ngqaka says government wants to use these industrial hubs as a springboard to develop small businesses through skills transfer and trade.

“We also want to prepare these small businesses to meet investors’ international standards,” he says. Each SEZ will have an operator appointed to it who must oversee the running of the hub and must annually submit a business plan to the minister, projecting its affairs for the next three years.

Business owners who wish to benefit from the new Specialised Economic Zones (SEZs) should register on supplier databases. Operators managing the SEZs will know which goods and services exist in those areas and whom to contact.

Here are a list of targetted zones and services:

- Mthata, Eastern Cape – agro-processing.
- Johannesburg, Gauteng – information, communication and technology.
- King Shaka International Airport, KwaZulu-Natal – agro-processing, aviation and electronics.
- Tubatse/Steelpoort Valley, Limpopo – platinum group metals.
- Musina, Limpopo – agro-processing, mineral processing and trade hubs.
- Nkomati, Mpumalanga – agro-processing.
- Upington, Northern Cape – solar corridors.
- Rustenburg, North West – platinum group metals.
- Atlantis, Western Cape – renewable energy.

Buy local means you help:

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

BY MAX MATAVIRE

The Coega IDZ is one of the industrial hubs strategically located near airports and sea ports, forming part of the new Specialised Economic Zones (SEZs) strategy.

The Coega Development Corporation (CDC), the operator of the Coega IDZ, is expecting an exciting year with a number of new investors completing construction and moving towards operations.

Some of the large plants opening in the Coega IDZ include the R650-million Chinese automotive giant First Automobile Works (FAW) truck assembly plant, the DCD wind tower manufacturing plant, the Air Products air separation unit, and the Agri Stocks smelting operation.

These multi-million rand projects will be undertaken by large companies, but will also benefit small businesses, since there will be opportunities for subcontracting.

Ayanda Vilakazi, the CDC’s communications manager, says the CDC is aware over the past year, it has assisted over 300 small businesses.

Vilakazi says the CDC is not only the operator of the 11 000-hectare IDZ, but also an agent of transformation and socio-economic change.

To assist small businesses, the CDC has started the Small Enterprise Development Program (SEDP) that aims to empower small businesses.

“The SEDP aims to ensure that startup businesses do not remain emerging businesses forever, but that they grow,” says Vilakazi.

The CDC has created a database for small businesses. It then evaluates the credentials of every small business and provides support in the form of basic business training and developing basic business management tools.

This is done through its Small Enterprise Development Unit and the Coega Human Capital Solution.

More than 100 small business training programmes have already been assisted in developing basic business tools such as business plans, accounting, marketing plans, and brand and website development.

After the relevant training is done, the CDC then identifies business opportunities within the IDZ that are suitable for tenders by these small businesses.

Those who complete projects in time and according to the work specifications graduate to a higher level, that allows them to tender for larger projects.

Since 2011, the SEDP increased target from 30% to 50%.

This year, the CDC hopes to create 1 200 employable small businesses in its IDZ, and to graduate 100 to a higher level — that of established businesses.

In the last financial year, its R500 million road construction programme was awarded. The CDC allocated R312 million to small and medium-sized businesses. “This shows how committed we are to small business growth,” says Vilakazi.

However, some small businesses say they are not happy with the CDC’s commitment to assist them in playing a role in the IDZ. Litemba Singaphi, president of the Black Business Forum, a body that represents township businesses, says that Coega is accessible to them, but that there were a few implementation problems.

Vilakazi refuted claims that the CDC was not implementing the 35% procurement policy in favour of small businesses.

Sectors investing in Coega include automotive and logistics, agro-processing, renewable energy, power generation, chemicals and metals. A R3.6 billion fuel storage project is also in the pipeline at the IDZ.

“If you think 2013 was a year of construction at the Coega IDZ, 2014 looks to be even busier,” says Vilakazi.

Saldanha Bay oil and gas one-stop-shop on the cards

DEVELOPMENT of the Saldanha Bay Industrial Development Zone (SBIDZ) is poised to change the fortunes of small businesses in a region where access to business opportunities have notoriously been few and far between.

The SBIDZ is establishing a “one-stop-shop” for the oil and gas services industry that aims to reduce the administrative delays, red tape, and regulatory hurdles that investors face in South Africa.

Saldanha Bay was chosen because it is strategically located to serve the large oil and gas industry on the African continent owing to an increasing number of oil rigs requiring maintenance as well as their traffic flow past the West Coast to the East Coast of Africa.

The focus will be on providing maintenance and repair, fabrication, supply and other services that the oil gas industry might need.

President Zuma handed over the Industrial Development Zone Operator Permit to the Western Cape in October 2013.

At the event, the SBIDZ Licensing Company (LiCO), a subsidiary of investment and trade promotion agency Wesgro, was given legal status as the IDZ Operator.

Laura Peinke, LiCO’s business development head, says small businesses are encouraged to take part in the SBIDZ’s development.

There is no formal application process, and the opportunities are open to all small businesses wanting to grow.

She stresses that, although the focus is on oil and gas, this does not mean that crude oil and natural gas would be imported or exported.

SBIDZ is an oil and gas services complex that includes rig repair, and small businesses will be considered for maintenance, fabrication and manufacturing of oil field equipment and its servicing, as well as logistics support activities.

There are additional opportunities in support services such as catering, accommodation, financial services, and so on that will not be located directly within the IDZ, but are as important as those in the IDZ.

Interested businesses do not necessarily need to be based in Saldanha or the West Coast.

Peinke says: “As an IDZ we are mandated to grow the economy and create sustainable job opportunities, and a large portion of the services will come from the location closest to the IDZ.

However, a large part of the existing SME competencies in oil and gas in South Africa come from around the country, not only from Saldanha Bay or the West Coast area.”

Companies need to meet international standards and requirements in order to be considered for these opportunities, which are likely to come in the form of accreditation or certification standards.

For instance, manufacturing companies should be International Standards Organisation (ISO) accredited, and accommodation companies should be graded by the Tourism Grading Council of SA.

Peinke says that while this may increase their chances, it does not necessarily mean that contractors will automatically benefit or be awarded contracts.

An agreement is in place with the Department of Trade and Industry (DTI) to finance these accreditation needs.

Saldanha Bay oil and gas one-stop-shop on the cards

Opportunities instore for business owners at Saldanha Bay IDZ.

An inclusive and transparent IDZ Business Forum, with representatives from member-based, local business-focused organisations has been established to facilitate the funding. Forum members include the Cape Chamber’s West Coast Chapter, Saldanha Bay Black Business Women’s Association, Saldanha Bay Tourism Organisation, West Coast Business Development Centre, and Weskus Sekokamor.

IDZ Business Forum representatives have asked companies to submit profiles in order to identify those that require assistance.

A forum representative, Abraham Murray, who is the CEO of the West Coast Business Development Centre (WCBDC), says she would like to see as many local small businesses benefit from the project as possible.

Murray says the WCBDC will help develop small businesses to a standard where they can be absorbed into further development programmes of the IDZ licensing company, that will in turn develop them to the standards required by international investors.

The WCBDC’s role is also to filter down information gained at meetings to small business clients and to contribute its resources.

The SBIDZ has not yet started with construction projects, nor have any investors come on board.

“The SBIDZ still needs to follow some regulatory processes in order to be compliant, and infrastructure planning still needs to be finalised,” says Peinke.

Business owners can contact Laura Peinke on info@sbidz.co.za or 022 714 0206.
Township-based education platform gains momentum

BY VUYO MABANDLA

WITH local higher education institutions battling to come up with space to accommodate more students, a township-based online and real-life education platform is slowly turning around the lives of the Western Cape’s unemployed young people.

Kaya Labs, an initiative by Kaya Labs-based technical director Wesley Diphoko, helps develop skills and promote entrepreneurship.

“The goal is to enable everyone to access the best education by providing information from leading institutions and experts. Hence, the inception of the Kaya Labs project,”

The business seeks to enable participants to learn and develop local solutions based on their understandings of challenges in their communities. Diphoko is no stranger to product creation. He is developing a mobile solution with a unique set of software applications.

“I realised that a number of black graduates in the information technology (IT) sector were not employed by corporates, partly owing to inexperience and other reasons that will take pages to explain. A combination of these factors gave rise to Kaya Labs.”

While working as an online manager at a local university two years ago, Diphoko started small by bringing together a number of IT graduates with them on IT projects and assist them with on-the-job training.

He also received support from IT organisations in the province.

“The Cape IT Initiative was very supportive of the concept, under the leadership of its former executive director Jenny McKinnell and, as a result, a pilot was started at the Bandwidth Barn with students from the University of the Western Cape.”

The Cape IT Initiative is non-profit organisation that aim to assist business owners and is supported by the Department of Economic Development and Tourism to grow the IT sector in the province.

In Kayamandi, Kaya Labs has developed online platforms for schools. Former participants Zukilele James and David Marais are now employed as IT business analysts at Pick n Pay and Old Mutual respectively. They previously faced unemployment owing to lack of work experience.

Participants are equipped through online tools, run their own websites, enrol for online courses and develop local technology projects.

The future aim is to work with hundreds of young people from corporate stakeholders and is recognised by the Western Cape Provincial Government.

Since then it has expanded and now has pilot centres in Nyanga, Delft and Kayamandi.

The Cape IT Initiative is non-profit organisation that aim to assist business owners and is supported by the Department of Economic Development and Tourism to grow the IT sector in the province.

Kaya Labs, which is now one of the projects of the World Design Capital (WDC) Cape Town 2014, aims to establish labs in various townships. The WDC seeks to apply design thinking when developing solutions for local communities.

Kaya Labs participants are expected to present their solutions to a panel of investors, academicians and government representatives at the end of each project. The project is scheduled to go national by 2015 and will also target rural areas.

• Go to www.kayalabs.co.za

Demand for business academy grows fast

BY VUYO MABANDLA

THE University of Stellenbosch Business School’s Small Business Academy is moving to Mitchell’s Plain later this year. This emerged at the first Ekasi Business Network held at Silulo Ulutho Technologies’ head office in Khayelitsha.

The move is a result of the success of the academy’s first business development programme, which saw more than a dozen Khayelitsha entrepreneurs graduate in November 2013.

Speaking at the networking event, Thembi Tsotetsi explained that she was able to expand her business by acquiring a business qualification through a 6-month entrepreneurial course offered by the academy.

She co-runs Kaltsha Glass, a 24-hour mobile glass-fitting service with her husband, Uthuthu Tsotetsi.

Today, the business has a much larger demand from customers and has been exposed to other parts of Cape Town.

She shared her story with about 50 other small business owners.

The academy offers training in business planning, administration, business expansion and marketing through intensive five-day classes and workshops.

The academy was founded by the university in 2012, enjoys support from corporate stakeholders and is recognised by the Western Cape Provincial Government.

Last year, Tsotetsi was named the top achiever at the academy’s first rollout of training and mentoring.

“I read about the academy in a local community newspaper, but I was reluctant to apply because I’m a wife with a lot of family responsibilities,” she says.

However, with her husband’s support, she sent in her application and survived a strict selection process that saw her compete for entry with more than 100 business owners. The course is limited to only 20 students.

Tsotetsi says her new qualification has opened doors for her enterprise – its client base has grown and it is ready to take on more business. The Ekasi Business Network was created in 2011 by entrepreneur Luuyo Rani with the support of the Western Cape Government Department of Economic Development and Tourism (DEDAT) and provides local entrepreneurs with business training and networking opportunities. It now supports the academy.

Edith Kennedy, the academy’s public relations manager, says that, following the first graduation of last year’s participants, Mitchell’s Plain business owners are now also interested in the training.

Participants must be older than 25 years, and their business must have existed for at least 24 months and be based in either Khayelitsha or Mitchell’s Plain.

• Please call Lizelle Kannemeyer (Mitchell’s Plain) on 021 918 4212 or Anele Ndiki (Khayelitsha) on 021 918 4379 for more information.
Growth Fund makes business trip possible

BY VUYO MABANDLA

WHEN a lack of funds recently threatened to cripple a business trip to London, its organisers, business development organisation Silicon Cape, approached the Provincial Growth Fund for help.

The fund, an initiative of the Western Cape Department of Economic Development and Tourism (EDAT), provides assistance to small businesses in need of finance. The fund is target-specific, because it only supports projects managed by more than one business.

Launched in 2009, the Silicone Cape Initiative seeks to link-up small business owners with local and foreign investors. Despite being based in the Western Cape, business owners across the country are able to participate in projects related to Silicone Cape.

After receiving a cash injection of about R240 000, the London trip proved a success, with local companies gaining overseas investment opportunities and ideas to improve the local IT sector.

Silicon Cape’s events relations manager, Liane du Toit, says that the fund assisted it last year. She says it recruited a number of IT business owners to take part in the trip.

Silicon Cape was awarded an amount of R240 000, having provided the required 30% minimum contribution by the overall intervention costs.

Businesses applying to finance their projects through the fund are expected to contribute a minimum of 30% to the total cost. The remaining 70% is paid for by the fund.

Du Toit says the plan was for a number of local IT technicians and engineers, some of whom run their own businesses, to attend a series of workshops in London. The aim of the business trip was to “create more exposure to international investors about the local IT industry.”

David Hislop, founder of Korwe Software, is one of many local business owners whose technological innovations led to his joining other people on the trip.

“The exercise helped us to polish our business plan and gave us a perspective on our own operations and the market,” he says.

Hislop’s company invests in ideas designed to improve the way mobile gadgets function, such as the free flow of data.

Through the fund’s assistance, participants were able to stay in London. Here, they attended formal pitch sessions and networked with overseas counterparts.

Having provided support to a number of companies, the fund is fulfilling its aim of creating an “enabling environment for businesses.”

This is being done by providing financial support to “innovative economic development projects”.

Previous participant of Silicone Cape’s London trip include Stuart Minnaar, owner of Studentology, also featured in this month’s edition. He was able to secure investment into his business worth £150 000 thanks to UK-based investment company, Mamba Mentors and is now selling his business to a big media firm.

Application criteria for the Provincial Growth Fund is currently under review.

Business owners interested in applying to the fund will need to watch the department’s website. More information is expected to be available later this year.

Applications are closed at this time.


Free legal service for Western Cape business owners

BY VUYO MABANDLA

FOLLOWING the success of a number of similar programmes last year, small businesses can now apply for a free legal service in Cape Town.

The pro bono legal service was announced in February 2014 by local law firm Bowman Gilfillan as well as the Bandwidth Barn.

The free professional legal service, Ishishini Lethus (which means ‘our business’) initiative, is a partnership programme designed to assist small business owners to cope with legal jargon and policies.

Every second Thursday of every month, Bowman Gilfillan commercial lawyers will hold individual consultations with various small or startup businesses.

The law firm started this service as a pilot project in September 2013 and has now partnered with the Bandwidth Barn, a non-profit business development organisation, to hold sessions in Cape Town.

A similar programme was held at the #Shape eKasi Entrepreneurial Conference in 2012, supported by the Department of Economic Development and Tourism. Since then, the outreach programme has assisted dozens of businesses in different sectors such as manufacturing, communications, retail and events coordination, to name a few.

To be considered for a consultation, business owners must make appointments with the Bandwidth Barn for the two-hour face-to-face sessions.

At a recent event, small businesses in the province, specifically those operating in townships and rural areas, admitted to sometimes battling with various legal issues.

An apparent lack of proper planning and legal know-how meant that entrepreneurs failed to seek legal advice.

Matthews Mfubu, founder and director of Khayelitsha-based BlackHeart Communications, says he attended one of the sessions by chance during a business conference last year.

“Our company was only two months old when I got advice from the clinic. We were struggling to get affordable advice on matters pertaining to contract agreements, staff management and invoicing. Because we had not yet made profit, we could not afford to consult with expensive legal firms,” he says.

Mfubu says he was advised on these areas and has since been able to improve his relationships with clients because “I now know what to include and exclude when working with contracts and staff”.

To ensure that participating businesses have an opportunity to get a consultation, applications are evaluated every month.

The free legal sessions are expected to run for the rest of the year.

Application forms are available at the Bandwidth Barn, Cape Town.

• Please contact natasha@bwb.org.za or 021 409 7000.
Student cashes in on sale of business

BY DANIEL BUGAN

AN engineering student saw a gap in the market, grabbed the attention of 13 000 students two weeks after launching his business, and then made a huge success of it.

As a result, he is now selling his technology business to a big media firm listed on the Johannesburg Stock Exchange (JSE).

This is the story of entrepreneur Stuart Minnaar, founder of online student platform Studentology and mobile payment application Yappo.

Evident of the success of his business, is the £150 000 invested by Mamba Mentors, a UK based investment group, following a trip to London with business support organisation Silicone Cape.

As an entrepreneur, he says, he entered almost all business competitions and attended as many events as he could.

“South Africa does not yet have a culture of buying and selling businesses, which is the case elsewhere in the world. Our business landscape is not yet mature enough. You have to be proactive, you have to knock on doors, network with people, you’ve got to hunt down people who’ve done it before.”

Joining the global entrepreneurship network Power of Youth, which has financial firm Ernst & Young’s Vantage Programme under its support services umbrella, kickstarted the process of selling his business.

For six weeks, he had access to an adviser who could assist his business with an exit strategy.

“I worked with an adviser from Ernst & Young. Once I spoke to him about my ideas on selling the business, it was as if a rocket had been lit, with me attached to it.”

Through the adviser and the Vantage Programme, Minnaar was put in contact with a potential buyer.

A month later, the buyer contacted him to set up a meeting. In preparation, Minnaar says he sat with his adviser, and the two assessed what the value of the business was.

Minnaar also asked for advice from many other business owners who had previously sold their businesses.

He cites self-confidence as a key factor in the success of a sale. “Much rides on your self-confidence. If there is a crack of doubt, the buyer might think there is something wrong with the business.

“Also, if there are things that are not right with the business, it is important to disclose these upfront. They will find out if you don’t, and then it becomes dirty,” says Minnaar.

He says he also had open conversations with his employees prior to the sale. They were given the option of staying on or leaving the business. All the employees chose to leave with Minnaar.

“Had they chosen to stay, I would have made their staying on a condition of the sale,” he says.

Minnaar chose to make a clean break and not stay on, but he says that, in some instances, the owner has the option to stay on and carry on building the business for a certain period before handing over to the new owner.

Since the sale is not finalised, Minnaar is bound by a non-disclosure agreement and cannot reveal the details of the sale.

By June 2013, the business was sold to a big media firm.

Stuart Minnaar

Did you know that when creditors repossess your property, vehicle or even furniture, you are still liable for the shortfall? Do not be reckless with your money. Spend on necessities and not luxuries.

• Prioritise your home loan or rent, and children’s school fees.
• Always budget for necessities.
• Never buy on impulse. This is wasteful expenditure.
• Only get credit from NCR-registered credit providers.

Spend wisely, borrow wisely.
Be money wise!
How not to end up on the bottom shelf

BY THEO WILSCOTT

THE shelf is the new battlefield for brands. As market leaders fight for prime space at eye-level, retailers are using planograms (a fixed layout based on rate of sale and category flows), and smaller brands are under pressure to ensure that they don’t end up on the bottom shelf.

The latest shopper research indicates that shelf location is becoming more and more important as the brands in the different categories increase. Space at shopper eye-level draws attention.

Shoppers mostly shop in a clockwise direction, starting at eye-level and then moving up towards the upper right, down to the lower right and across to the left.

What does this mean for brands that cannot command a central location on the shelf?

SHOPPER ATTENTION

There are many innovative ways in which smaller brands can command a shopper’s attention. These include disruptive packaging, a keen and hungry merchandising agency, and in-store media.

Disruptive packaging is the least expensive tactic. This should be part of the packaging design and must be built into the brand. For example, if all tomato sauces are packed in bottles of a certain shape and colour, there is an opportunity to go against the category norm.

This strategy can be used for sizes, to create perceived better value, or achieve a certain price point.

Using colour as a means to disrupt the category norm is another way to attract attention. Sharp differences in colour allow a pack to stand out on shelf and draw a shopper’s eye.

A word of caution on packaging: The units must be able to fit on the shelf. Odd sizes tend to end up on the bottom or on the top. The pack size must utilise the shelf space efficiently. For instance, a full shelf should hold six or 12 units if it is packed in sixes or 12s.

MERCHANDISING

The second important element is a hungry, dedicated third party merchandising team. However, they are only as good as your instructions as well as how you agree to measure and reward them for their efforts.

This needs to be clearly communicated in a scorecard that is checked and signed monthly. The best of these is where there is a clear “picture” of success. This literally means a graphic illustration of what the shelf must look like. This reduces ambiguity and leaves no room for interpretation at store level.

The final and most costly yet worthwhile mechanics are in-store media. The jury is still out on whether or not these work. However, they do allow your brand to stand out on the shelf. This can be done through a wobbler, category banner or shelf-talker. All these must clearly communicate the brand message and some sort of benefit to the shopper. These are very expensive activities and should ideally be done in conjunction with a full shopper campaign, and not in isolation.

CHEAPER OPTIONS

There are cheaper ways to get your brand noticed, these include secondary merchandising, where you put your brand in an alternative, but complimentary category. There are also parasite units, for instance, a jam gravity feeder on the bread trolley. Till points and shelf ends are also opportunities to interrupt shoppers when they are in another aisle or category.

All these strategies and tactics, disruptive packaging, an agency scorecard and in-store media, must hang together within a uniform strategy and must communicate a consistent message.

Theo Wilscott is the managing director of Ignition, Route2Market and has over 15 years’ experience in the fast moving consumer goods (FMCG) sector. Go to www.ir2m.co.za for more information.

Cape Town design programme to showcase small business talent

BY DANIEL BUGAN

A UNIQUE business that uses design as a “tool for social, cultural and economic development” has been given the opportunity to showcase what it offers during the World Design Capital Cape Town 2014 (WDC CT 2014) programme, and is already reaping the benefits of being given this honour.

WDC CT 2014 will be hosted by the City of Cape Town.

The event’s theme is “Live Design, Transform Life.” To this end, the city has developed an events programme that focuses on using design as a development tool to run throughout 2014.

About 450 projects have been selected for recognition in the official programme for the year.

Jenni Kruger, programme manager for Cape Town Design, the implementation agency for WDC CT 2014, says that these projects were selected from 1 300 submissions assessed by a panel of curators. Projects were submitted across the four WDC CT 2014 themes: African Innovation, Bridging the Divide, Today for Tomorrow and Beautiful Spaces, Beautiful Things.

Some projects will benefit from promotion in local and international media, networking and collaboration opportunities with other stakeholders, as well as exposure to resources and opportunities that aim to support and nurture the projects,” says Kruger.

She says several small businesses were among the recognised projects, which also included established businesses, academic institutions and non-profit organisations.

Blendavenda, which offers delivers-powered smoothies and juice bars, is one of these small businesses.

Its owner, Tom Briggs, says he has already experienced the benefits of being officially tied to this event. “When we approach established companies to pitch ideas and work, we can use the profile of being a WDC project to get meetings or to get emails read. The WDC logo we use on our marketing material also gives us a great advantage, because it has been so well promoted in the city.

“The WDC also offers great networking opportunities, and we attend many of the events that are made available to us.”

Briggs feels that Blendavenda, a one-year-old business that employs two people, was selected because it fits so well with innovative, clean, sustainable and healthy design.

“The fact that the business concept, if moved forward correctly, has the potential to create more employment opportunities, also played a part,” he adds.

Briggs aims to find an investor and run Blendavenda smoothie bars as a co-operative, a cheap startup business producing a great fresh product. Kruger says even though the programme has been finalised, everyone – including small businesses – is still invited to take the initiative and use WDC CT 2014 to showcase their work.

In addition to the 450 projects, the overall programme will also include a design project initiated by the community in each of the city’s 111 wards.

“Through the programme, we hope to help build a strengthened design ecosystem and economy that can unlock and stimulate a design and innovation value chain,” says Kruger.

Opportunities have also been identified for businesses in the tourism and hospitality sector, as the city expects an increased flow of visitors throughout WDC CT 2014.

The city says this is based on the fact that urban tourism is a large segment of the global tourism market, and previous WDC titleholders have seen increased visitor numbers as a result of the designation.

Helsinki (WDC 2012), for instance, saw an increase in overnight stays.

There is little reason to doubt that Cape Town, already among the world’s top tourist destinations, will simulate or even exceed Helsinki’s experience.

• Go to www.capetown.gov.za
The ‘answer’ to the local taxi needs

NISSAN recently launched a new minibus taxi, a 16-seater model, built to comply with South Africa’s taxi industry regulations.

The new NV350 Impendulo has a strong local flavour.

According to Tessa Cooke, NV350 Product Manager at Nissan South Africa: “Impendulo is the isiZulu word for ‘the answer’, a term that can be applied to the NV350 taxi in more than one way. With it, we aim to recapture the essence of delivery time, and a map of the route taken.

From a business perspective, the security aspect may be less important to you than the management aspect. The more sophisticated systems allow you to monitor your vehicle or driver in almost real-time.

The added advantage that tracking offers, is a potential discount your insurer is likely to offer.

Once you have it set up, almost the only thing the driver needs to do is to indicate which trips are private and which are for business. The system does the rest.

It will pay for most businesses to install tracking devices in their vehicles. To extract the maximum benefits, you will need to subscribe to the more advanced options. Benefits include lower insurance costs, Sars compliance, vehicle control, reduced travel and fuel costs, and better standards of safety and driving with less accidents. Your administration costs should also be reduced.

Some of the systems available in South Africa are:

**ITRACK LIVE**

The ITrack Live is available with two options. Either you pay R2 650 upfront for the installation and R125 per month with no commitment to a contract, or you can take a 24-month contract that costs R350 per month with a R259 upfront payment. This system will generate trip reports, including an automated Sars logbook, will report harsh driving or speeding, and will provide a trip summary. Upon entering the odometer reading at the beginning of the tax period into the ITrack Live system, a Sars-compliant tax logbook will be automatically generated for you. It is a GPS-based system.

The recovery option costs R15 extra per month. Text messages for alerts are charged separately. You set up the system rules to alert you for your choice of events. These may be no-go areas or sudden stops. This system allows for real-time tracking and mapping.

- The web address is www.itracklive.co.za

**C-TRACK**

The C-Track system offers two options for generating Sars logbooks, namely the Secure line, which is a more traditional product, and the Lite, which is an entry-level fleet control system.

Pricing of the Secure system is R249 a month on a 36-month contract, and there is no installation fee. This package does not track driver behaviour. The fleet-oriented Lite system costs R285 a month on a 36-month contract and includes live tracking at 10-second intervals.

- The web address is www.ctrack.com

The Nissan Impendulo minibus taxi was designed to meet the local demands of a 16-seater.

**CERATO DELIVERS ON QUALITY**

**BY WALLACE DU PLESSIS**

THE latest Kia Cerato, sedan or hatch, delivers on value, style, quality and comfort.

We tested the EX 2.0 automatic sedan. It is a very pleasant car, which is easy to drive and to live with. It soaks up bumps in the road and goes around corners with assurance.

Standard equipment includes automatic light control, LED daytime running lights, fog lights, and electric windows and mirrors. Wheels have disc brakes, ABS, and other safety kit. The Cerato’s interior is pleasant and a big step up from the previous model, but is still quite conservative. The car is really comprehensively equipped. It has everything from airconditioning, cruise control, electric chrome mirrors and rear view camera on the top two models. The leather steering wheel has remote controls and a matching gear knob.

The boot is big and deep, at 420 litres, it almost matches the Sentra and Jetta.

The exterior styling is a step up from the previous model. A complaint about previous Kias has been the dead steering. The cars felt disconnected from the road. This new generation largely fixes that. Within a day or two, you get used to it and don’t notice it, which is a big improvement. The EX and SX models have a setting where you can adjust the responsiveness of the steering. Build quality is good, resulting in a five-year warranty. This will give you peace of mind and should keep resale values high.

The in-line four cylinder 1.6-litre dual overhead cam and 2.0 litre engine produces 118 kW at 6 200 rpm and 194 Nm at 4 200 rpm. Top speed is 205 km per hour. 0 km to 100 km per hour is achieved in 9.3 seconds. Both manual and auto boxes are six-speed.

I think the 1.6 models may be a little lethargic on the Highveld, especially with four adults on board, but the 2.0 litre models are just right. Expect fuel consumption of around 7.5 litres per 100 km.

The price of the Cerato EX 2.0 automatic is tested as R289 995. The range starts at R219 995 for the 1.6 manual. The top model is the SX 2.0 automatic, at R329 995.

I was interested in the Cerato, you may also want to look at the Nissan Sentra, VW Jetta, Ford Focus, Toyota Corolla, Chevrolet Cruze, Hyundai Elantra and Honda Civic. My short list would be Civic, Focus, Sentra and Cerato.

The warranty is five years or 150 000 km, and the service plan is five years or 90 000 km.

For more information visit www.wheelandsprite.co.za
Small Enterprise Finance Agency (Sefa)

- Government’s primary small business funding agency
- Launched in 2001
- Direct lending products to small businesses
- Wholesale lending products aimed at intermediaries who have small businesses clients

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

Limpopo Economic Development Agency (Leda)

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

015 633 4700
www.incoa.co.za

Royal Bafokeng Enterprise Holdings (RBHE)

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

www.batikangholdings.com

National Empowerment Fund (NEF)

- Funding of black-owned and empowered businesses
- Women’s business venture development office
- Past investment methodology
- Be older than 18 years, the business must be economically viable and must not be involved in illegal practices, tobacco or gambling

011 305 8000
application@netcorp.co.za
www.netcorp.co.za

Mpumalanga Economic Growth Agency (Mega)

- Supports qualifying businesses and individuals from Mpumalanga, where we’ve been previously disadvantage
- Funds: housing, agricultural, development and business growth
- From R1 000 to R3 million
- Valid, South African identity document, be between 14 and 35 years and access to land or production facilities

013 752 2440
www.mega.gov.za

Companies and Intellectual Property Commission (CIPC)

- Provide accessible registration services for businesses intellectual property and practitioners
- May require disclosure of relevant information regarding business entities, business rescue practitioners, corporate conduct and reputation, intellectual property rights and indigenous cultural expression
- Increases awareness and knowledge of relevant laws
- Help take the necessary steps to effectively and efficiently register and enforce compliance with the law

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

Small Enterprise Development Agency (Seda)

- Business development support for business owners
- Training programmes for startups, co-operators and farmers
- Sponsor between 66% and 90% of fees of an approved service provider
- Tender advice, networking and business linkages opportunities
- Technical support
- Export readiness assessment for business owners
- Be 18 years or older, able to run the business on a full-time basis and have a valid South African identity document

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

Business Support Service Directory

The Department of Trade and Industry (DTI)

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

0861 843 384
michael@dti.gov.za
www.dti.gov.za

North West Development Corporation (NWDC)

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

018 381 3663
www.nwdc.co.za

The Business Place (TBP)

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

011 833 0540
network@tbp.co.za
www.thebusinessplace.co.za

Free State Development Corporation (FDC)

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

051 400 0690
lesley@fddc.co.za
www.fddc.co.za

National Youth Development Agency (NYDA)

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

0800 052 5252
www.nyda.gov.za

Finance creates jobs in remote village

IN A province where low economic growth and high unemployment rates are the norm, a business owner is trying to turn joblessness around for his village with the help of a R3 million loan from the Mpumalanga Economic Growth Agency (Mega).

Mega provides funding ranging from R10 000 to R3 million to business owners who aim to buy, establish or expand a business and to companies seeking bridging finance, additional equipment, stock or working capital.

Mega was formed in April 2010 through the merger of the Mpumalanga Economic Growth Agency, the Mpumalanga Housing Finance Company, and the Mpumalanga Agricultural Development Corporation.

Mega provides development funding to black business owners in the province as well as foreign trade and investment opportunities to enhance enterprise development.

Rex Machabi, the owner of Ntila Spar, says a loan from Mega was used to buy, build and start a Spar supermarket franchise in the village of Ximbahungu.

Machabi, who is currently employed by the South African Police Service as Mpumalanga’s deputy provincial commissioner, intends to resign as soon as the business takes off.

The Spar was officially opened on 25 July 2013.

He says he also received R12 million in funding from the National Empowerment Fund, which came on board as a co-funder. He also contributed R1 million of his own money to the project.

Machabi says he will use some of the money to build a hardware store and a clothing shop, as such businesses want to open outlets next to the Spar.

“The business also has the potential to have a huge economic and social impact on the rural community of Ximbahungu,” says Biyela.

He advises business owners who want to apply for funding from Mega to ensure that they do their research when putting together their business proposal and to find out how existing businesses become successful.

Biyela says seeking finance for a franchise would probably be the ideal way to go.
Fruit & Veg City, fresh produce retailer, has more than 100 stores in Southern Africa and Australia.

BY DANIEL BUGAN

IT pays to be a supplier to Fruit & Veg City.

Just ask Engedi business owner Michael Pause.

He has been able to increase the size of his farmyard as well as his workforce as a result of being a supplier to the fruit and vegetable company about 17 years ago.

Pause’s farm Brockenhurst provides Fruit & Veg City stores with lettuce and salad packs.

His farm also grows vegetables, manufactures animal accessories, and runs a compost facility.

According to Pause, his sales to Fruit & Veg City have been the backbone of the growth at Brockenhurst since he first started supplying the outlet with his products way back in 1997.

“The relationship has enabled me to grow from a farm of 18 ha to two farms of 32 and 43 ha respectively,” he says.

He has also been able to increase his staff count from eight to about 60 people as a result of his contract with Fruit & Veg.

Pause says he was first introduced to Fruit & Veg through a friend.

“The company was looking for a supplier and I decided to approach them. I first did all my research, such as finding out what certification I needed to have, before I applied, “ says Pause.

He also offered to do a few trial runs, supplying the company with his products, which enabled it to assess his quality and reliability.

In this way, he managed to prove his capabilities to Fruit & Veg. Much of the support Brockenhurst received from Fruit & Veg City has been indirect.

“We were able to attain higher specifications and meet new legislation requirements because of the input and assistance we received from Fruit & Veg.”

The staff and managers are like family. You really feel like you belong,” says Pause.

He says business owners that want to become suppliers to Fruit & Veg City must ensure that they provide good-quality products or services.

Fruit & Veg City not only offers small businesses opportunities to supply fresh fruit and vegetables, but also groceries and products for its bakeries and Butcheries.

There are now also additional opportunities for small business owners that have come about through Fruit & Veg’s acquisition of Diamond Liquors, Food Lover’s Market, and its FreshStop stores, which are located on Caltex forecourts.

According to Pause, Brockenhurst also introduced a new form of farming in 1998, called green-free farming.

Says Pause: “Green-free farming is a crossover between biological farming and organic farming, combined with a rest cycle.”

The emphasis is on using environmentally compatible products to help nature do its work.

“There is continual experimentation being done, and the results are phenomenal,” says Pause.

He says good farmers are old farmers who know their land and crops and are a season.

BY DANIEL DUGAN

BEING a business that prides itself on offering quality to its customers, it comes as no surprise that this is also the most important aspect that Fruit & Veg City expects its suppliers to comply with.

Vito Polera, spokesperson for Fruit & Veg City, says besides having “possess of the required certification for their specific products, suppliers must ensure that their products are of the best quality.

“To achieve and maintain that quality, we work very closely with our suppliers to assist them with product development and refinement,” says Polera.

He refutes the notion that the company only procure from those businesses in the produce sector.

“We welcome suppliers for all facets of our business, not just fruit and vegetables. Our product offering includes bakeries, butcheries and deli foods.”

Polera says both startup and established businesses are welcome to apply to become a supplier.

Fruit & Veg City was started in 1993 by brothers Brian and Mike Cooper, whose vision was to create a store that would resemble a marketplace of old, where farmers brought their fresh produce from their farms to be sold to the public.

This was how their first store in Kemihout in Cape Town was run, and this is how every Fruit & Veg City store that has opened since is also run.

Today there are more than 100 Fruit & Veg City stores throughout Southern Africa.

The fruit and vegetable company also has stores as far afield as Australia.

In recent years, it has fine-tuned its offering to include expansion into Africa.

It has also added a liquor brand called Market Liquors through its acquisition of Diamond Liquors, and took the forefront retail convenience business by storm with its FreshStop stores located on Caltex forecourts.

• Businesses owners who want to become suppliers can make contact via care@fvv.co.za and state the product or service that they wish to supply. Their applications will then be directed to the appropriate person.

Connect online

AS we get ready to go to print, Facebook has just acquired Whatsapp for $19 billion. The possibilities for collaboration between the social media and Instant Messaging app seem endless.

In his announcement, which took the form of a Facebook post, Mark Zuckerberg, founder of Facebook, says this is in line with internet.org, a partnership which aims to connect the world through affordable, basic access to the internet.

Something we are hoping will improve communication with you, our readers.

Small Business Connect aims to provide you with useful information that is relevant and easily accessible. It is for this reason that we have a number of options you can use to communicate with us.

You can choose to connect with us via our Facebook fan page by using the link www.facebook.com/SASBCConnect.

Here, you will also have access to our ever-growing fan page community currently sitting at 829 members, to share advice, experiences and

Small Business Connect is also another tool you can use to communicate with us. We love reading your comments and tips-offs on stories published in the newspaper.

Presently, we also have a community of business owners who receive our monthly newsletter. Log on to our website and sign up now so that you too can receive your monthly dose of small business information.

Or you can simply follow us on www.twitter.com/SASBCConnect and click on the tips-offs on stories published in the newspaper.

If all else fails, pop an email to Newsdesk@SmallBusinessConnect.co.za.

SmallBusinessConnect.co.za

We love hearing from you and will do our best to reply as soon as possible.

Your feedback and suggestions are always welcome, as we aim to improve the content and delivery of our newsletter.

For more information and tips-off on stories published in the newspaper, please visit our website www.SmallBusinessConnect.co.za.

About us:

SmallBusinessConnect.co.za is a platform for small business owners, entrepreneurs and supporters of the small business sector. Our mission is to provide a hub for small business owners to connect, share advice and experiences, and stay updated with the latest news and trends in the small business sector.

We aim to inspire, support and empower small business owners by providing them with valuable information, resources, and opportunities to grow their businesses.

We offer a range of services, including a newsletter, website, and social media platforms, where small business owners can connect, share their experiences, and stay updated with the latest news and trends in the small business sector.

With our commitment to supporting small business owners, we strive to help them overcome challenges, grow their businesses, and achieve their dreams.

Our goal is to create a community where small business owners can learn, share, and succeed together.

Connect with us:

Facebook: www.facebook.com/SASBCConnect
Twitter: www.twitter.com/SASBCConnect
Newsletter: www американск.sign up now so that you too can receive your monthly dose of small business information.

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