Seda Incubation

ANNUAL SMALL BUSINESS SUMMIT 2011

“Together Advancing Small Enterprise Development”
Seda Technology Programme

Seda has performed an important role in the SMME pipeline of South Africa, we also recognize the value that Incubation, Technology Transfer and Quality Interventions has in addressing the challenge that our entrepreneurs face.

The 31 Incubation Centres in the Country with Seda’s 42 Seda branches are a formidable resource against the various economic development and social challenges we face.
TYPES OF INCUBATOR

Most popular:

- Business Incubators (BIs)
- Technology Incubators / Technology Business Incubators (BTIs)
- Science Park / Technology Park (SPs & TPs)
- Collaborative Technology Incubation Centres
“Generations”

1st Generation Incubators
- Real Estate, Landlord, Shared facilities, Reactive Support
  Various Development Corporation Industrial Parks

2nd Generation Incubators
- Real Estate, Landlord, Shared facilities, Reactive Support & Consulting/Advisory
  Various Technology Stations

3rd Generation Incubators
- Facilities + business advisory services + Acceleration

Local adaptations
- More 3rd generation adapted for sector needs
Seda Incubation

The incubation department uses three different organizational models of Technology Business Centres to incubate both start-ups and enterprises requiring rehabilitation:

- Technology Demonstration Centres (TDCs), which focus on demonstrating, exhibiting and providing training in the use of available technologies - especially with regards to value-addition processes;

- Technology Incubators (TIS), which provide a sheltered and protected environment within which to support and nurture technology-based start-ups and enterprises requiring ‘rehabilitation / resuscitation’;

- Hybrid Centres combine elements of the previous models whilst at the same time incorporating elements or features of the local environment within which these centres are located, to address specific needs of the small enterprises within that environment.
OBJECTIVE 1.
DEVELOPMENT ON TECHNICAL SKILLS & KNOW-HOW

OBJECTIVE 2.
PRODUCT SUPPORT CHAIN: MARKETING & SALES

OBJECTIVE 3.
BUSINESS SKILLS AND FINANCIAL MANAGEMENT

OBJECTIVE 4.
DEFINING, IMPLEMENTING & AUDITING BUSINESS SYSTEMS & PROCESSES

OBJECTIVE 5.
DEVELOPMENT OF STRATEGIC SUPPORT ALLIANCE & SUSTAINABLE RESOURCE NETWORK

CO-ORDINATED-production

QUALITY CONTROL
PACKAGING & VALUE ADDING
LOGISTICS
BRANDING, MARKETING AND SALES

CO-ORDINATED MARKET SUPPLY

EXPORT CLUSTERS
EXPLOIT VALUE ADD OPPORTUNITIES
QMS COMPLIANT & ADAPTABILITY TO MARKET
BUSINESS SYSTEM DEVELOPMENT & TRANSFER

NEEDS ANALYSIS
(Provision of tailor-made services)
PLANNING & PROJECT MANAGEMENT
INFRASTRUCTURE DEVELOPMENT
TRAINING, SKILLS DEVELOPMENT & TECHNOLOGY TRANSFER

PRE-INCUBATION

INCUBATION

POST INCUBATION
Marketing and Advertising generates 120 applications and Inductions per annum. Training is conducted each financial quarter.

Screening and selection of applications is conducted. Selected applicants are interviewed and finally selected by a screening and selection panel.

Client Induction and contracting occurs; Induction takes place.

Technical Training
- Last for 3 months;
- A category of machinery is experientially learned;
- Competency assessments are conducted.

Business and Entrepreneurial Training
- Training is a short intensive one week basic programme;
- Clients that start businesses can access advanced training at a later stage;
- A three month milestones programme is conducted with weekly mentoring and coaching;
- Competency assessments are conducted.

Training graduation occurs after a minimum competency level has been reached.

Certain clients join the satellite incubation programme.

Certain clients join the in-house incubation programme.

Certain clients opt to exit the programme to pursue opportunities in the labour market.
Seda supported centres across the country
# Seda supported centres

<table>
<thead>
<tr>
<th>Industry</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT</td>
<td></td>
<td>Creating ICT enterprises</td>
</tr>
<tr>
<td>Chemicals Industry</td>
<td></td>
<td>Specializing in start-up and growth of SMEs in downstream chemical industry</td>
</tr>
<tr>
<td>Aluminum Products</td>
<td>Richards Bay</td>
<td>Training, skills development and incubation in the aluminum casting industry</td>
</tr>
<tr>
<td>Bio and Life Sciences</td>
<td>Modderfontein</td>
<td>Nurturing entrepreneurial life-sciences and biotechnology companies</td>
</tr>
<tr>
<td>Furniture Industry</td>
<td>Branches: Cape Town, White River, Durban, Umzimkhulu, Jhb, George, Mthatha</td>
<td>Provision of training, skills development and business incubation support in furniture manufacturing.</td>
</tr>
<tr>
<td>Stainless Steel</td>
<td>Middelburg</td>
<td>Support &amp; development to stainless steel industry</td>
</tr>
<tr>
<td>Automobile Industry</td>
<td>Rosslyn, Pta</td>
<td>Development of products or services for automotive industry</td>
</tr>
</tbody>
</table>
# Seda supported centres

<table>
<thead>
<tr>
<th>Centre</th>
<th>Region</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT</td>
<td>Midrand</td>
<td>Provides support services to entrepreneurs</td>
</tr>
<tr>
<td>Copper, Zinc and Brass Metal processing</td>
<td>Jhb</td>
<td>Provide training and development of entrepreneurs and small enterprises in the casting of zinc, copper and brass</td>
</tr>
<tr>
<td>Essential Oils-plant cultivation and oil extraction</td>
<td>Pretoria</td>
<td>Focuses on empowering emerging farmers to produce and process high value essential oils</td>
</tr>
<tr>
<td>Gold and precious metals beneficiation</td>
<td>Polokwane</td>
<td>Develop entrepreneurial jewellers</td>
</tr>
<tr>
<td>Small scale agriculture</td>
<td>Mpumalanga</td>
<td>Demonstrating, assisting small scale farmers</td>
</tr>
<tr>
<td>Construction building and civil</td>
<td>Durban</td>
<td>Provide business support services, office infrastructure and other resources to eligible business in the construction sector</td>
</tr>
<tr>
<td>Small-scale mining and beneficiation</td>
<td>Randburg</td>
<td>Provides a range of services to small-scale miners</td>
</tr>
</tbody>
</table>
## Seda supported centres

<table>
<thead>
<tr>
<th>Centre</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jewellery Cluster</td>
<td>Polokwane</td>
<td>Establishing emerging jewelers in sustainable businesses</td>
</tr>
<tr>
<td>Manufacturing Demonstration Technology</td>
<td>Soshanguve</td>
<td>To strengthen co-operation in the area of small business development within the respective countries.</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>Mpumalanga</td>
<td>Develop disadvantaged entrepreneurs in the Sugar Cane industry through the process of agricultural business incubation.</td>
</tr>
<tr>
<td>Floriculture</td>
<td>Nelspruit</td>
<td>Establishment and support of emerging farmers in the cut flower market</td>
</tr>
</tbody>
</table>
Does incubation work

- Seda’s experience during the year ended 31 March 2011 (SMMEs) are reported to have generated a collective turnover in excess of R206 million for the year under review.
- These were some of the performance highlights:
  - 202 new SMMEs were established;
  - 756 SMMEs were supported;
  - 893 direct jobs were created (a total of 5 305 jobs were created including 4 412 casual and indirect jobs)

Direct financial support needed for achieving the above was about 60 Million
Incubation rethinking and going ahead

- Leverage support from other role players both in private and public sector
- Leverage the robust Seda network to provide more virtual incubation intake and support
- Leverage 1st and 2nd generation efforts to create more support among the pipeline.
- Leverage existing incentive schemes to create a post incubation support
- Leverage the local body of knowledge for supporting independent efforts