Accelerating SMME growth in South Africa
Grooming the future of SA business. Small, medium and micro enterprises (SMME’s) play a bigger role in South Africa’s economy than ever before, giving much needed relief to our growing economy and providing much needed opportunities for employment.

The future of South Africa’s economic success relies to a large extent on the success of new and growing businesses in both the formal and informal sector as SMME’s contribute between 52% and 57% of the country’s GDP to date.

As an agency of the Small Business Ministry (DSBD) the Small Enterprise Development Agency, (Seda) is positioned to groom and develop SMME’s, assisting business owners to build sustainable business and job opportunities. In the interest of encouraging a culture of entrepreneurship Seda has an interest not only in existing businesses but also in the potential held by young people; the business leaders of tomorrow.

With the support of the Department of Education, Seda launched The Business Idea Generation competition, a competition for Grade 11 learners and educators, from 12 schools in our previously disadvantaged communities in the townships of KwaZulu-Natal, and more specific, in the Pinetown District.

In this edition of Imbadu we highlight our efforts to encourage and commend excellence in the SMME sector. We celebrate our first annual South African business incubation conference where small businesses had the opportunity to partner and seek mentorship with more established businesses and find inspiration.

Although, more can always be done, it is important to also look back on how far we have come and celebrate our success and our growing contribution to the development of our country and our economy.

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Entrepreneurship has been widely acknowledged as a fulfilling, yet challenging space to operate in. These challenges create a fear of failure in many aspiring entrepreneurs in South Africa, and as a result, we tend to have a relatively low level of entrepreneurial activity in the country. The Department of Small Business Development and its agencies, Sefa and Seda, and numerous other organisations involved in small enterprise development, play a huge role in helping entrepreneurs navigate this challenging environment.

One prevailing characteristic of the South African small enterprise sector is the tendency of people who start small enterprises to enter sectors with high levels of activity and competition, instead of pioneering and starting ancillary sectors that can benefit from the dominant sector. This tendency can be attributed to numerous factors, such as access to information on emerging trends and opportunities, innovative capabilities, etc.

One opportunity that is worth exploring is how we as a country can commercialise the research and innovation that is done by individuals and research institutions throughout the country. Seda, with its network of 55 branches in areas as diverse as Pretoria in Gauteng, Bloemfontein in the Free State, Jane Furse in Limpopo, Khayelitsha in the Western Cape and Mount Ayliff in the Eastern Cape, is well positioned to provide appropriate needs-based support to small enterprises. The organisation is also cognizant of the need for improved economic inclusiveness, especially when it comes to increasing the participation of black people, the youth, women and people with disabilities in economic activity.

Most entrepreneurs cite access to funding as the biggest challenge in their efforts to grow and sustain their small enterprises. While this is true in most instances, Seda utilises an approach that does an in-depth assessment of the small enterprise and the entrepreneur to ensure that the support is as holistic as possible, and not limited to financial access. This in-depth assessment is done by Seda’s business advisors.

Seda’s network of 49 incubators balances the need to help small enterprises survive the nascent 36 months with the need to nurture businesses with innovative, high growth potential towards commercialisation. The network has demonstrated remarkable success, with 76% of incubated small enterprises surviving the first three years of business establishment, and out of those who graduate from the incubation programme, approximately 80% survive the first two years post incubation. These statistics are remarkable, when looked at against the general statistics of the small enterprise sector.

Seda is committed towards supporting start-up enterprises and helping small and medium enterprises to grow. You can call our National Information Centre at 0860103703 or visit www.seda.org.za to find a Seda office near to you.
THE STATE OF SMMES IN THE CURRENT ECONOMY

Small, Medium and Micro Enterprises (SMMEs), play an integral part in driving economic growth and development in South Africa. Small businesses range from medium-sized enterprises, such as established traditional family businesses employing over a hundred people, to informal micro-enterprises.

“SMMEs do not only create jobs but they contribute immensely to South Africa’s Gross Domestic Product (GDP).”

SMMEs have the power to completely change the dynamics of the country’s employment rate because they are able to drive innovation and job creation. This is the exact reason why government has prioritised institutions like the Small Enterprise Development Agency (Seda), which is aimed at developing, supporting and promoting small enterprises throughout the country.

Government realised the importance and potential that SMMEs possess to a point where the Ministry of Small Business Development was established in early 2014. This Ministry was established to facilitate radical economic transformation through increased participation of small businesses in the mainstream economy.

SMMEs do not only create jobs but they contribute immensely to South Africa’s Gross Domestic Product (GDP). With that said, it is important to note that SMMEs continue to face numerous challenges and risks.

Challenges Faced By SMMEs In South Africa
Research conducted by the Bureau for Economic Research (BER), which was submitted to Seda; found that various factors contribute to the downfall of small businesses. It is, however, important to note that not every domestic small business in the country is confronted by the same set of challenges.

Access to finance and credit
When it comes to accessing finance and credit, small businesses face enormous hurdles, mainly because banks and lenders are less likely to lend money to start-ups. Research has however showed that small businesses in Gauteng and North West tend to have greater access to finance when compared to SMMEs in the other provinces. This could be the reason why Gauteng has 48% of formal SMMEs (The dti, 2008).

Poor Infrastructure
Another major challenge faced by small businesses is the lack of quality infrastructure. Adequate infrastructure forms the basis of many businesses, if not all. This hinders the ability for development and ultimately contributes to the slow growth for many small businesses, which in most cases, leads to abandoning the business venture.

Low levels of research and development
In depth research and development is important in ensuring that small businesses transform from ideas into actual businesses that thrive. According to Maas, De Coning and Smit (1999), innovating firms are likely to grow faster than traditional start-up businesses. They found South African SMMEs to be less innovative compared to those in developed countries. Research found that innovation in South Africa is suppressed by the failure of small businesses to form strong linkages with larger firms.

Labour laws
South Africa’s labour laws have been found to be a significant obstacle to the growth of small businesses, especially when it comes to laying-off staff when the business can no longer afford to keep them, or if they are deemed unproductive. SMMEs that are most affected by this are in the manufacturing sector, e.g. clothing and furniture production. These SMMEs are labour intensive and incur higher labour costs than their counterparts.

An inadequately educated workforce
The shortage of skills in South Africa has been constantly documented as one of the leading contributors to the unemployment rate of 25% (StatsSA, Quarter 2: 2015). The National Development Plan (NDP) has noted that small business in the services sector are negatively affected by a shortage of skills. This is mostly seen in services such as accounting and sales. In 2008, the Department of Trade and Industry (the dti) also acknowledged that the shortage of skills and limited number of entrepreneurs stifles employment growth.

High levels of crime
There is no doubt that the majority of South Africans are affected by crime. Crime not only negatively affects individuals and households, but also SMMEs. In their 2015 economic survey of South Africa, the OECD found that the high crime rate was forcing SMMEs to increase security spending. This in turn increases operating costs, which affects the overall cost of doing business.

Lack of access to markets
Another major challenge faced by SMMEs in the current economy, is obtaining access to financially viable markets. Having access to these markets opens more doors to funding and mentorship during the early, developmental stages of small businesses. The majority small businesses operating in rural areas are still at a disadvantage compared to their urban counterparts due to their small size and remote location.

Risks faced by SMMEs
SMMEs in South Africa face a large risk of failing within their first year of operations; some last for an average of less than 3.5 years.

According to the Global Entrepreneurship Monitor (GEM), the survival rate for small business is low and opportunities for
entrepreneurial activity appears to be lowest in developing countries. The number one reason for this could be that developing economies tend to house a larger proportion of necessity-driven entrepreneurship, whereas opportunity-driven activities are most common in developed countries. As mentioned above, the lack of finances, and not making profit are the biggest reasons why small businesses do not survive.

While South Africa is moving towards changing the current dynamics of unemployment, through encouraging entrepreneurship and formation of small businesses, it is important to be cognizant of the numerous challenges and risks faced by SMMEs. However, that can never be the reason to deter South Africans from aspiring to be active contributors to the economy by starting their own businesses. That is why it is important for Seda to disseminate information that not only educates, but also inspires people to realise their business

<table>
<thead>
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<th>KEY INDICATORS</th>
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<tr>
<td>Number of SMMEs</td>
<td>2 251 821</td>
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<tr>
<td>Number of formal SMMEs</td>
<td>667 433</td>
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<tr>
<td>Number of informal SMMEs</td>
<td>1 497 860</td>
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<td>SMME owners as % of total Employment</td>
<td>14%</td>
</tr>
<tr>
<td>% Operating in trade &amp; accommodation</td>
<td>43%</td>
</tr>
<tr>
<td>% Operating in community services</td>
<td>14%</td>
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<tr>
<td>% Operating in construction</td>
<td>13%</td>
</tr>
<tr>
<td>% Operating in fin. &amp; Business services</td>
<td>12%</td>
</tr>
<tr>
<td>% Contribution to GDP</td>
<td>42%</td>
</tr>
<tr>
<td>% Black owned formal SMMEs</td>
<td>134%</td>
</tr>
<tr>
<td>% Operated by income group ≤ R30k pa</td>
<td>7%</td>
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</table>

Two Start-ups BATTLE IN THE BIG RING

‘Starting your own business is like climbing into a boxing ring – win or lose – you will get struck.’

‘Get In The Ring’ is an international competition where new businesses and entrepreneurs are pit against each other showcasing their businesses to potential investors. Business owners throw their punches in the form of 30-second presentations over 6 rounds where they sell the unique points of their business to an interactive audience.

‘Get In The Ring’ has several legs worldwide with more than 10,000 businesses across 80 different countries getting involved.

Brian Walsh, founder of the REAL Entrepreneur Institute, brought ‘Get In The Ring’ to Africa as more than just a means of getting financial aid it is also a way of attracting attention to the businesses that enter. In the process to penetrate the national and regional finals, start-up businesses are exposed to thousands of potential partners and investors.

Following their success in the regional finals for Southern Africa, two South African companies, NewTech Rail and Adfire Creative Media, found themselves on the road to the world finals, which were held in Medellin, Columbia in March 2016. Both NewTech Rail and Adfire Creative Media were among the 30 enterprises that competed for the top spot at this year’s finals. Investors and business entrepreneurs from all over the world attend the annual event each year with the hope of finding the next game-changer.

Adfire Creative Media Warp
The App-Sphere

James Sands [42], CEO of Adfire Creative Media, stunned the Get In The Ring judges with his brainchild, the iMorph 3D – a smartphone app. The iMorph 3D allows you to take photos and warp them in such a way that it is completely three-dimensional when printed on a regular sheet of paper.

“I wondered how a person can create anamorphic, three-dimensional art and tried to find it. It is a unique, fun art form and I wanted to share it with others”, said Sands when talking about the inspiration behind the app.

The iMorph 3D was developed over a period of two-years after it initially started out as simply a hobby for Sands.

He further noted that the people, who know how to develop such an app, tend to keep the secret for themselves, because it is not an easy thing to do.

“IT took a lot of research, but when I finally learned how to do it, I cut it into three simple steps. I realised I can develop an app that will enable anyone to do it themselves”, said Sands.

For Sands, Get In The Ring was a life changing experience that not only taught him a lot about himself but also helped him learn a tremendous amount about “how to find your focus”.

According to Sands, the biggest challenge for most start-up businesses is to obtain financing and to build the right contact list. Get In The Ring has since then, assisted Sands in overcoming these challenges that might hinder the progress of many entrepreneurs.

Asked if he has any advice for would-be entrepreneurs, Sands said, “if you have an idea, make sure it is unique and find out what investors want to know, and go for it”.

NewTech Rail Switches On The Lights

Jan Jooste (59), is an industrial engineer, Director of Innovation at the Vaal University of Technology and founder of NewTech Rail

Jooste and his wife Suzanne patented three technologies for the building of effective switches for heavy current power cables used by trains and power stations.

Jooste said he realised that the technology could be transferred to the power switch market where the patents could create sufficient income, because the switches make the transfer of heavy current electricity safer and more reliable.

“As an engineer, I already have a draw back because we don’t work with a lot of people”, said Jooste, noting how Get In The Ring had taught him to get business contacts quickly by creating a good first impression from the onset.

Get In The Ring had also allowed Jooste to realise the value of time, saying that “thirty seconds sounded like nothing, but you can transfer a lot in that time”.

To Jan Jooste, if you have a passion and believe in what you are doing, you can stand before any audience and speak.
The Department of Small Business Development (DSBD) alongside Small Enterprise Development Agency (Seda) hosted the inaugural South African Business Incubation Conference (SABIC) on 10 and 11 March 2016 at the Gallagher Estate, Midrand.

The conference focused on Technology Business Incubation as a vehicle for SMME development; how Technology Business Incubation can accelerate small enterprise development through nurturing and commercialising innovative technology, sharing knowledge and scaling businesses within supply markets.

The theme for the conference was “Incubation as a vehicle for Economic Prosperity in Africa” focusing on business incubation policy coherence between the relevant National Departments, incubation funding models, international best practices, technology commercialisation, the role of academic institutions in the incubation space, the creation of a national,
regional and international technology incubation networking forum for the public and private sector as well as academic institution supported incubators in South Africa.

Business incubation has been proven to reduce the failure rate in the first few years of a small enterprises life cycle. Seda, through its Seda Technology Programme (STP), has a portfolio of 49 Technology Business Incubation Centres spread throughout the country across a number of sectors which range from ICT, construction, agriculture, manufacturing, biodiesel, biotechnology, chemical, mining beneficiation and food sectors.

Seda has plans to extend its reach to more SMMEs and cooperatives through the expansion of its portfolio of incubators in the next few years.

Part of the conference gave recognition, acknowledgement and encouraged best practice in the Business Incubation space through the Technology Business Incubation awards, which were presented on the evening of 10 March 2016.

Awards were given to SMME’s for Incubator innovator, incubator of the year, outstanding incubator client, outstanding incubator graduate and the minister’s award. A panel of expert judges with experience and knowledge of SMME’s and the incubation process chose winners out of 47 nominees. The awards were open to all business incubation programmes throughout South Africa; supported by government, academic institutions, private sector and other organisations.

These awards were about the heart of business incubation, innovation, technology transfer, technical and business support, growth and sustainability of small businesses. Incubation centers and incubatees were recognized for their impact in terms of job creation, income generation and overall improvement in a business after the implementation of quality interventions.

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<tr>
<th>Award</th>
<th>nominees</th>
<th>winner</th>
<th>Prize</th>
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<tr>
<td>Minister’s award</td>
<td>• Mr Charles Wyeth</td>
<td>Mr Boyse Pillay</td>
<td>• Vodacom broadband contract for 12 months</td>
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<td></td>
<td>• Mr Boyse Pillay</td>
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<td></td>
<td>• Mr Allon Raiz</td>
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<tr>
<td>Incubator Innovation Award</td>
<td>• SAVANT</td>
<td>Savant</td>
<td>• To be part of best practice exposure programme sponsored by Seda</td>
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<td></td>
<td>• Technoserve</td>
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<td>• Growthwheel training programme package</td>
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<td>• Sw7</td>
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<tr>
<td>Outstanding Incubator Client</td>
<td>• Gabade Building and Projects</td>
<td>Veggie Crisp</td>
<td>• R300 000 worth of technology transfer funding sponsored by Seda</td>
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<td></td>
<td>• SAVANT</td>
<td></td>
<td>• Participate in a funded export mission</td>
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<tr>
<td></td>
<td>• New Generation Mindset incubator client</td>
<td></td>
<td>• R50 000 Sefa funding</td>
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<td>• Growthwheel Training programme package</td>
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<td>• Vodacom broadband contract for 12 months</td>
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<tr>
<td>Outstanding Incubator Graduate</td>
<td>• Gabade Building and Projects</td>
<td>V&amp;H Bono Furniture</td>
<td>• R600 000 worth of technology transfer funding sponsored by Seda</td>
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<td></td>
<td>• Split Bar Agencies t/a SBA Plumbers and Building Repairs</td>
<td></td>
<td>• Participate in a Seda funded export mission</td>
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<td></td>
<td>• V and H Bono Furniture Manufacturing</td>
<td></td>
<td>• R50 000 Sefa funding</td>
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<td>• Growthwheel Training programme package</td>
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<td></td>
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<td></td>
<td>• Vodacom broadband contract for 12 months</td>
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<td>• Quality and Standards support package to the value of R15 000</td>
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<td>• Inclusion in the Seda / DSBD Gazelle Programme</td>
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<tr>
<td>Incubator of the Year</td>
<td>• MASDT</td>
<td>MASDT</td>
<td>• To be part of best practice exposure programme sponsored by Seda</td>
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<td>• SCI</td>
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<td>• Growthwheel training programme package</td>
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<td>• SmartXchange</td>
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In its efforts to promote entrepreneurship in South Africa, the Small Enterprise Development Agency (Seda) initiated a pilot project called Business Idea Generation (BIG).

The Business Idea Generation is a competition for Grade 11 learners and educators, from 12 schools in our previously disadvantaged communities in the townships of KwaZulu-Natal, and more specific, in the Pinetown District.

Seda has already invested in this project with a special course in Entrepreneurship during 2015 in the 12 participating schools from KZN. A new development in the program allows students to move from the theory of entrepreneurship and business to its practical application. This is done through a competition in which learners and educators submit a business plan for a business idea.

BIG 2016 also has the full support and cooperation of the Department of Education in KwaZulu-Natal, the vision extends this competition to a national level.

Since 2011 Seda has implemented an Entrepreneurship Education Programme which has seen 263 educators and approximately 19,080 learners from 150 schools benefiting from the initiative throughout five provinces (Eastern Cape, North West, Mpumalanga, Limpopo and KwaZulu-Natal). The programme is aligned with the Curriculum Assessment Policy Statement (CAPS) and has received positive feedback from educators and learners.

Summarised in the phrase, “from theory to practice”, the eventual aim of Seda’s BIG 2016 competition is to stimulate viable business ideas, create sustainable employment and community upliftment.

The BIG Idea Business Competition 2016 project was launched on the 12th of January 2016 and ended on the 11th of March 2016 with an announcement ceremony of the winners. The Global Ambassador for SAGE (Students for the Advancement of Global Entrepreneurship), Ndaba Mandela, who is also the grandson of late President Nelson Mandela, was the keynote speaker during the final event and closing ceremony.

The BIG Business Plan competition 2016 is aligned with the SAGE Global structure, therefore the intention is also for the winning teams to represent KZN at the National competition, held in May, with the possibility to represent South Africa at the Global event in August in the Philippines.

Former National Coordinator for SAGE SA and currently Southern Africa Coordinator for SAGE, Nico de Klerk, who is an expert facilitator was contracted to implement the competition. de Klerk also coached a team from a similar background and circumstances to a previous Global Competition in Moscow, Russia, where South Africa came fourth amongst more than 30 countries who participated.

The prize money will be used to enhance the process of entrepreneurship for winning teams with visits to relevant destinations such as a business for assistance to develop their
business idea, a specific project or covering the expenses to the National competition, and hopefully, to the Global Championship in August 2016.

The 12 participating schools in KZN are:
Albini High, Inanda Comprehensive High, Ilanga High, JG Zuma High, Khabazela High, Luthayi High, Nhlanhlayethu High, Nkosibomvu High, Ntee High, Senzokwethu High, Sithengile High, Wozamoya High.

Examples of business ideas already submitted

• Lunch boxes able to regulate temperature as needed, cold or hot, without electricity
• Camera scanning devices in the fight against crime
• Night vision glasses with a flash light to be used for studying when there is no electricity
• Desk with a built-in tablet
• Special programme on substance abuse
• Fashion designing that will change the world
• Computer and cell phone repairs
• Flower decoration
• Selling cakes and juices
• Distribution of eggs
• Fruit and vegetable plantation
• Security device
• Glass bottle delivering hot or cold water by choice
• Unique re-invention of the calculator
• Skirts with beading
• Event management
• Recycling project
• Talent centre for the disabled

B.I.G. Competition Winners

Mlungisi Dlamini: 1st Prize
Mlungisi Dlamini from Inanda, KwaZulu-Natal, is currently a teacher at Inanda Newtown Comprehensive High School. His mindset was changed by the SEDA B.I.G competition in regards to Business Studies.

According to Dlamini, the SEDA B.I.G competition has helped learners realise that a gap between theory and practicality in their subject can be bridged. Mlungisi and the learners were highly prepared for the competition and received support from other teachers, their competitors and Nico the project manager.

Mlungisi invested a portion of his money won in a new business that he had established in order to accumulate interest that would help him venture into the property industry where his passion lies.

Mlungisi also wants to start an entrepreneurial competition where he teaches; this will see him sponsor the winning team with R 2000.00 as startup capital.

Winning the competition has boosted Mlungisi’s confidence in his work and the business world in general. His hope is that the competition will continue next year and empower educators as well as learners.

Nkosinathi Ben Nkosi: 3rd Prize
Nkosinathi Ben Nkosi, is an Education Specialist in Business, Commerce and Management Studies at Albini High School for Girls.

Nkosinathi has been able to introduce innovative teaching methods that are compliant with the 21st Century educational demands. One of these methods was when he helped establish the Albini Entrepreneurs Society, aimed at tackling Business Studies and Accounting in a practical manner. The Albini Entrepreneurs Society came into existence immediately after the inception of the B.I.G. Concept.

Nkosinathi plans to finance the Society in acquiring gadgets with the prize money received from the competition. “The competition has been a catalyst for greater prospects of business and economic development in South Africa and the world,” said Nkosinathi.

He believes that this competition further gives learners and educators an opportunity and platform to explore, be creative and learn about business skills.

Nkosinathi also expressed his gratitude for the exposure he received and his willingness to help with the course of social development.
The City of Johannesburg in partnership with Seda hosted the Joburg Market Day on the 06th April 2016. The aim of the event was to present opportunities to Agro-processing businesses in Gauteng to exhibit their market-ready products to potential international market opportunities.

This is part of the City of Joburg’s drive towards supporting entrepreneurs in the agriculture and agro-processing sector to access export markets and investment opportunities. The event provided opportunities to Small Enterprises to network with high profile businesses in the agriculture and agro-processing sector. The event was also a Business-2-Business matchmaking as well as the exploration of further support government has for small enterprises in this sector. Buyers from eight countries such as India, DRC, Sri-Lanka and Hong Kong to mention just a few attended the event for investor opportunities and best practice.

The key note speaker, the Executive Mayor of the City of Johannesburg, Cllr Parks Tau, set the scene by discussing the role of Agriculture and Agro-processing in the City of Johannesburg. He said that through the Joburg Market, the City has created opportunities for growth and jobs and that the City’s market agents and tenants have created employment for over 6000 people. 1.3 million tons (1.3 billion kg) of fruit and vegetables are sold annually. He further indicated that he is happy to announce that the market yielded R5.3 billion turnover in the 2014/15 financial year.

Cllr Tau concluded by saying that the Joburg Market is the largest of its type on the continent and is currently contributing 47% to the provincial economy.

Speaking at the event, Seda’s Senior Manager: PAD and Learning, Mr Mendu Luhabe, highlighted the role of Seda’s Export Programme in the agricultural and agro-processing sectors. He said that Seda offers export support in two phases, Export Development and Export Promotion. Through Seda’s provincial branches small enterprises have an opportunity to attend export awareness seminars to check the readiness of their businesses as well as undergo training in capacity building for product development and on quality and export orientation.

He concluded that the Export and Promotion phase links small scale farmers with international markets and that Seda facilitates through its partnership with the dti’s trade missions. Sector specific experts and other key stakeholders participated as panelists during the event and lead discussions by sharing their knowledge of the sector as well as highlighting economic opportunities and challenges in this industry.

Seda clients who had their products on display during the Mayor’s walkabout were honoured by the Mayor’s visits to their stands. Seda together with all relevant stakeholders will continue to support and make sure that the South African small enterprises are able to participate in the main stream economy by providing them with reliable and value adding products and services that are responsive to market needs.
WHAT IS MASDT?

Mobile Agricultural Skills Development and Training NPC (MASDT) was established in 2005 as a Training Service Provider in the Agriculture Sector in Mpumalanga, South Africa, but became a Non Profit Company (NPC), incorporated in terms of Section 21 of the Companies Act in 2007. It is one of 49 incubation centres supported by Small Enterprise Development Agency Technology Programme (Seda STP) which is an initiative of the Department of Small Business Development (DSBD).

MASDT only wants the best for their clients, which is why they are always willing to travel around the country in search of the best quality products at affordable prices.

MASDT is currently looking for more suppliers of day-old chicks for their clients, and to date, only has one hatchery near Kroonstad, which is used to procure chicks for their broiler and layer production clients.

The lack of hatcheries is a result of either being too expensive or not having the quality of product MASDT is looking for. MASDT secured the services of a company called Custogyn, which is a custodian of Mike’s Chickens. Custogyn is a 100% black owned company, headed by Bheki Nkosi. It is a chicken breeder and also supplies chicken feed and chicken medication.

MASDT Procurement Officer, Chris Botha and Mentor Wilson Nkosi, travelled to Mike’s Hatchery in Mokopane to secure another service provider for MASDT clients in the Bushbuckridge and greater Nkomazi area.

On the day of their arrival, Chris and Wilson received firsthand knowledge of how the hatchery operates, from placing of the eggs to the hatching and distribution of the chicks.

Both Chris and Wilson were very impressed by the set-up and operation of Mike’s Hatchery, and look forward to a promising future collaboration.

This collaboration will ensure that MASDT farmers get day old chicks from a reliable supplier who is situated closer to them. This will also reduce the mortality rate of the chicks since they do not travel long distances thus they will be less stressed when they get to the farms.

Not only will Mike’s Hatchery become a supplier to MASDT, but talks about an educational collaboration also seem to be on the cards to show clients just how to operate a successful chicken business.

MASDT currently has 26 incubatees in the Bushbuckridge area who are producing chickens. Collectively they can produce approximately 30 000 broiler chickens at a given time. This implies that the farmers need a huge supply of day old chicks.

The chickens are sold to the local community as live chickens. There is a big demand for live chickens in the Bushbuckridge area considering the fact that Acornhoek alone has a population of approximately 1 million people.

There is also a demand for chicken feed in the area. Fortunately one of the big feed suppliers has a depot in White River (150km) from Bushbuckridge so the farmers can get the feed with ease. Veterinary shops from Nelspruit are currently supplying medicines for vaccination.

SEDA IN PARTNERSHIP WITH TURKISH KOSGEB

Seda accompanied then deputy president Kgalema Motlanthe on an official visit to Turkey where they met their Turkish counter part, KOSGEB in 2012. KOSGEB is an organisation for the Development of Small and Medium Enterprise.

In March 2016, the two organisations met again in Cape Town, South Africa to sign an action plan aimed at ensuring the implementation of the agreement that was signed in 2012.

KOSGEB was represented by their President Bicer Kosgeb and Counsellor of President Süleyman Islamist, Head of Department of Technology and Innovation Services Murat Arikan and an SME Assistant expert Selim Baktir, whilst Seda was represented by the Acting Chief Executive Officer Lusapho Njenge, Acting Provincial Manager Matthew Bertram and Senior Manager: Stakeholder Relations Management and PR Yolisa Mkhize.

The Deputy Minister of the Department of Small Business Development, Elizabeth Thabethe, was present to oversee the signing of the Action Plan. She said, in spite of the prevailing global economic climate; South Africa and Turkey should think outside the box to reverse the negative economic trend.

“I am hoping that the agencies from Turkey and South Africa are here today to work together to ensure that this trend is not only arrested, but it is reversed by taking advantage of the myriad of trade and investment opportunities available in both countries,” said Thabethe.

She further added that the two countries had similar characteristics with an advantage in terms of their location. “South Africa is the gateway to the African Continent, with Turkey in the Middle East, neighbouring various European Union states. This is one advantage that should be used optimally by our business people. There was certainly greater room to grow the volume of two-way trade and investment between South Africa and Turkey”, Thabethe said.

The Deputy Minister also indicated that both parties (Seda and KOSGEB) play an important role in decreasing the level of unemployment and creating new employment opportunities, and that with their flexible production structure, they can follow the changes in the market conditions more effectively.

Thabethe mentioned how almost all the countries, especially the developed countries, are emerging and implementing new policies which will encourage establishing, expanding, developing and protecting SMEs.

Thabethe said that South Africa and Turkey would continually leverage off each other’s strengths so that they can support industries and exploit opportunities in their respective regions.
It is estimated that about 80% of all new small businesses fail in the first year. Notably, when small businesses close down, not only are jobs lost, the potential for creating new jobs is eroded. For more than ten years we at the Small Enterprise Development Agency (Seda) have been supporting, developing and promoting small and medium enterprise; helping them to create jobs. If you are a small enterprise owner in need of added-value non-financial support contact Seda on (012) 441 1000 or visit www.seda.co.za