



Annual Review  
2009/10

seda 

SMALL ENTERPRISE DEVELOPMENT AGENCY

a member of the dti group

TECHNOLOGY PROGRAMME

seda 

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## Message from Chairperson of the STP Board Committee

It has been a memorable few months since I was appointed as chairperson of the STP Board Committee and, in advance I must express my delight at the extent of the support given to me by the Board and the STP management team.

The South African economy continued to mirror the global performance, and amidst these challenges and others, STP continued to achieve on its objectives and contribution to growth, equity and employment by focusing on service to the SMME environment. This achievement was made possible because our partners recognise that STP, led by Jayesh Ravjee, the three STP units and its network of Incubators performing as a collective, has ensured that we have positive tangible outcomes.

Considering the constraints in the filling of key vacancies, STP managed to fully spend its allocated financial resources, and also managed to commit to spend additional funding from the Seda and the dti respectively over and above their original MTEF allocation that was mainly allocated to the Technology Transfer and Quality units.

STP delivered a robust performance with a total client base of potential entrepreneurs in the pipeline up from 789 to 1 283. During the year under review STP continued to also support Technology transfer to small start-ups, where additional funding facilitated by Seda was allocated to 64 entrepreneurs. In conjunction with Seda branches and Incubators the quality unit trained 1 052 people across the Country on various quality standards. This training was targeted to assist entrepreneurs wanting to be part of the FIFA Confederation Cup and thereafter as a stepping stone to be service providers for the FIFA World Cup in South Africa. STP also committed funding to create a new high technology Incubator with the Durban University of Technology as a partner, to assist entrepreneurs from a range of disciplines from its various faculties.

During the period STP was in the process of being incorporated into Seda and expected to follow the systems of Seda to eliminate duplication and offer a seamless service to entrepreneurs. The strategic direction of STP business is expected to remain the same, and opportunities to employees to continue the high standards will be strengthened through a dedicated Seda team.

I would like to thank the Seda and STP Board members for their contributions and all of our employees for their ongoing commitments to take STP into the future and for constantly delivering new levels of excellence and services to entrepreneurs.

**Mr. Tshilidzi Nemahagala**  
*Chairperson: STP Board Committee*



## Message from the Seda CEO

The Memorandum of Agreement between Seda and the dti has been concluded and we are currently in the final stages of the full incorporation of STP with Seda.

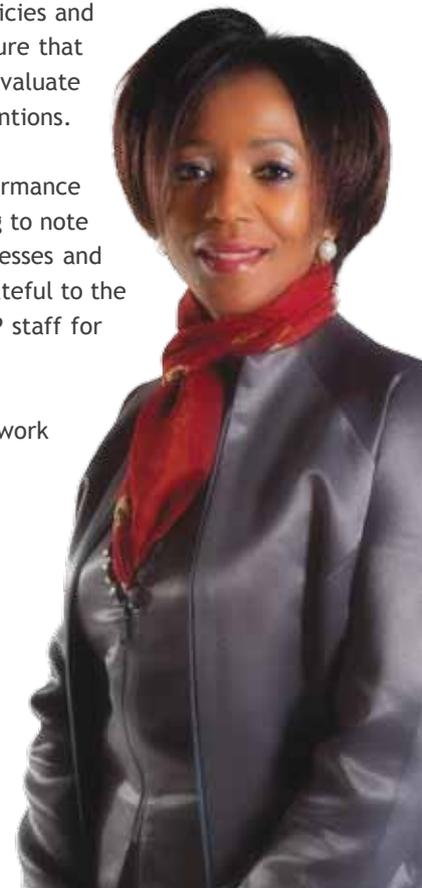
STP has performed an important role in the SMME pipeline of South Africa, we also recognise the value that Incubation, Technology Transfer and Quality Interventions has in addressing the challenge that our entrepreneurs face. The 30 Incubation Centres in the Country with our 42 Seda branches are a formidable resource against the various economic development and social challenges we face.

We expect a lot of synergies and value to be realised through the STP full incorporation and sharing of ideas to move our support service to meet our clients' expectations. STP will benefit from the existing policies and procedures of Seda with a dedicated Finance and Human Resources and Marketing Division to ensure that STP will have more time on operations which will have wider coverage. We will also continuously evaluate options to further improve value to the various Incubators, Technology Transfer and Quality Interventions.

In a short space of time and in a changing environment STP managed to record excellent performance results in assisting SMMEs as well as supporting Incubation Centres in the Country. It is also pleasing to note that STP also focusses on social challenges, having recorded 35% support for women-owned businesses and 91% HDI-owned business in their portfolio. I am pleased with the outputs of the Programme and grateful to the Board Committee members as well as the Seda Board for their guidance. I also commend the STP staff for their resilience during the transitional period.

On behalf of Seda management I would like to thank the members of the STP team for their hard work and commitment in giving their all to ensure that they meet the needs of their clients.

**Ms. Hlonela Lupuwana**  
*CEO: Seda*





## Report by the Acting Executive Manager: STP

The period under review, was one of the most rewarding in our history. We faced various challenges in my second year in this position such as the slow economic growth, the proposed integration of STP into Seda which occurred subsequently to the financial year end and the filling of critical vacant positions during our transitional period into Seda. Irrespective of the challenges STP was resilient and rewarded by delivering a sound operational performance for the period under review, assisting in increasing our SMMEs turnover from R129 million last year to R169 million in this current financial year. This was the result of a solid performance in all aspects of STP business, aided by robust Incubator channels and an increased focus on assisting each other from the three main units of STP i.e Incubation, Technology Transfer and Quality in assisting entrepreneurs.

*“STP will continue to provide support to people who want to be high-impact entrepreneurs”*

### Strategic Overview

The sustained quality and capacity of the STP network together with improved value of services provided enabled STP to record strong performance data for the period under review. Revenue of SMMEs increased by a significant rand value, mainly from the Construction Incubator. STP's share in creating employment (direct, indirect and casual) opportunities in the country which were down from 10 628 to 6 778 mainly due to the slow economic growth experienced during the period. Our approach in creating wealth in Rural and Agricultural development paid off as 3 319 jobs and 48% women owned businesses were supported in this sector. STP through its various services also increased its SMME support to 656 SMMEs of which 310 were from the agricultural sector. We believe that our various interventions lower the barriers to entrepreneurship and are part of the solution to local economic development and as a result also address the chronic unemployment in South Africa.

The negative impact of less funding to the Programme has stabilised with additional veriment funding allocation of R10 million from the dti that was also complemented with a further R20 million from SWEEEP via the dti. Seda also assisted various Technology Transfer applicants and Incubators with a further R20.5million. The original allocated budget from National Treasury was R 68 320 000.





## Prospects

During the transitional period of STP integrating into Seda, our employees displayed their ability to meet the high standards of their tasks and objectives. Seda has undertaken to continue with the STP model and evaluate and consider value accredited opportunities going forward.

Since no changes occurred in the structures of STP and its Incubator Networks, STP is still well positioned in the SMME environment to add significant value. The integration of STP into Seda will result in the following:

- Infrastructure sharing;
- Standardisation of systems and processes;
- Access to a wider network;
- Continued engagement with local stakeholders in the support of Incubators;
- Evaluating options to further improve value to the development sector.

## Appreciation

As usual, on behalf of STP management, I extend my sincere gratitude to the STP Board Committee for the guidance and inspiration its members provided. I must also thank the STP senior managers and each and every one of our employees, Incubator Managers and their staff for their dedication and commitment in our process of integration, transformation and sustained delivery.

*“Our approach in creating wealth in Rural and Agricultural development paid off”*

## Conclusion

We have to keep moving with the times, explore new ways of creating value and develop innovative incubation, technology and quality solutions that will enable entrepreneurs in our Country to extract wealth from the unlimited possibilities in the Small Enterprise sector. We are committed to ensure STP will continue to provide support to people who want to be high-impact entrepreneurs, thereby creating wealth opportunities.

Mr. Jayesh. J Ravjee

*Acting Executive Manager: Seda Technology Programme*



## STP Board Committee Members



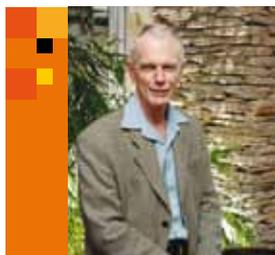
**Mr. T. Nemahagala**  
*Chairperson: STP  
Board Committee*



**Ms. H. Lupuwana**  
*CEO: Seda*



**Mr. E.R. Baloyi,**  
*dti Board Member*



**Prof. N.H.B. Faull,**  
*Seda Board Member*



**Ms. N. Dinie**  
*Seda Board Member*



**Mr. D.P. Mtsweni**  
*dti Board Member*



**Dr. J.F.A. Potgieter**  
*dti Board Member*



## Background of Seda Technology Programme

*South Africa is the land of opportunity for an entrepreneur with the country's unemployment rate of 24,5% forcing individuals to tap into their entrepreneurial spirit*

Small business owners in South Africa face rather strict governance and statutory circumstances, plus the challenges of expensive human, communication and other resources. To start and grow your own business in South Africa is challenging on all levels, and 80% of small businesses traditionally fail within the first year. STP has ensured the opposite where 80% of Businesses supported via Incubation survive the first year of operation.

With these statistics as reference, the Seda Technology Programme (STP) was created through the merger of the GODISA Trust (created in 2002), the National Technology Transfer Centre (NTTC), and the dti's Technology Advisory Centre (TAC) on 1 April 2006. During 2007/8 STP also incorporated the SMME activities of Technology for Women in Businesses (TWIB). The 2008/09 financial year began with the Quality and Conformity activities of South African Quality Institute (SAQI) being incorporated into STP.

The creation of STP stems from a strategic decision of government to consolidate and rationalise small enterprise support interventions across different government departments and government agencies. STP therefore supports all sectors from Science, Engineering, Agriculture, and Technology Business Centre's (TBC), and development & technology transfer projects focused on addressing the technology needs of the participating enterprises. As part of this process, the Department of Trade and Industry (dti) has decided to incorporate the activities of GODISA, the three dti-supported Incubators, the National Technology Transfer Centre (NTTC), the Technology Advisory Centre (TAC), the technology transfer activities of the Technology for Women in Business (TWIB) Programme and the SMME support activities of the South African Quality Institute (SAQI) into a single Programme - Seda Technology Programme (STP). The 'new' Programme, incorporating all the programmes/entities referred to earlier, commenced its first financial year as a single programme on 1 April 2008.

**STP built a solid body of knowledge in three areas:**

1. **Incubation**, setting up and ensuring productive incubators, establishing sustainable small businesses: STP currently funds and directly integrates efforts with 30 incubators in South Africa. STP is also a key role-player in the incubation space in Africa and globally, integrating best practices from all over the globe in their SA incubators.
2. **Quality management** division ensures that small businesses have access to quality control and assessment processes, and provides training and access to accreditation and certifications.
3. **Technology transfer** ensures that new technologies are made available to all corners of the country, and educates SMMEs about the use and integration of technology into their business.



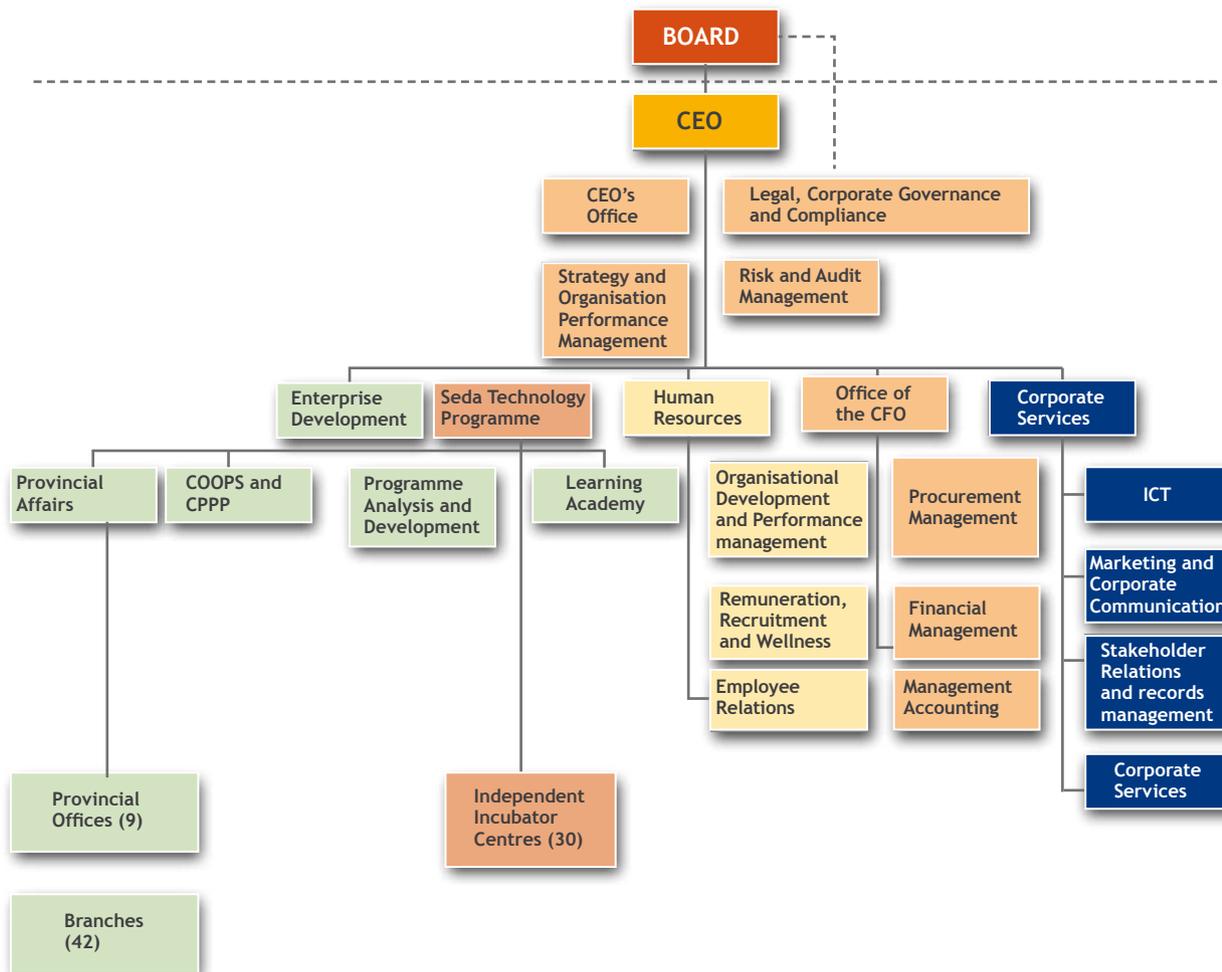
## Strategic Focus

The primary objectives of STP are to:

- Promote the establishment and development of sustainable, innovative technology-based platforms, which will contribute to the country's economic growth;
- Create and facilitate the implementation of improved and appropriate products, processes and services for the development of technology-based platforms, aimed at creating and supporting smmes;
- Create and support best practices in the development of technology-based platforms in creating and supporting smmes throughout Africa;
- Promote, enhance and maintain quality standards, products and systems, aimed at developing the competitiveness of South African companies;
- Support the growth and development of women-owned enterprises via the various platforms and structures; and
- Promote an unique team culture, based on passion, integrity and reliability, to deliver on government's mandate to stimulate economic growth in the country.



# Seda Organogram





## STP Organisational Structure

The STP structure below is designed to support the aforementioned strategic objectives in a manner that ensures proper integration with the Seda organisational structure.





## STP Team



“I must thank the STP Team for their dedication and commitment to achieve sustained delivery”. - Mr. Jayesh. J Ravjee



## Year at a Glance

The Programme performed very well in achieving the set objectives for the 2009/2010 financial year and the status report of each division will highlight the achievements in detail.

The Incubation Centres performed exceptionally well. Small, medium and micro enterprises (SMMEs) are reported to have generated a collective turnover in excess of R169 million at the end of the financial year 31<sup>st</sup> March 2010 under review. The following core performance indicators were exceeded by far:

- 244 new SMMEs were established;
- 656 were SMMEs supported;
- 1 283 were Clients supported;
- 6 778 jobs created (includes 1 620 direct jobs and 5 158 casual plus indirect jobs);
- 35% of supported businesses were women-owned; and
- 91% black-owned businesses were supported.

The Technology Transfer Fund (TTF) received an allocation during December 2009. Three TTF Adjudication Panel meetings were held during the period under review, during which a total of 117 applications were presented. Sixty-four (64) applications were approved and a total budgeted amount of R22 797 682 was spent. These 64 interventions will facilitate various technology upgrades and concomitant skills acquisitions which, in turn, will enable SMMEs to function more efficiently.

During the year-to-date, 1 052 SMMEs country-wide were trained in various quality standards, with Hazard Analysis and Critical Control Point (HACCP) and Good Manufacturing Practices (GMP) proving to be the most popular training programmes. This is due to the majority of Bed and Breakfast establishments (B&Bs) positioning their businesses so as to comply with tourism grading requirements for the 2010 World cup.

In order to create awareness about the STP incubation programme amongst entrepreneurs and stakeholders, STP hosted a National Incubation Day in three regions, namely Gauteng, the Eastern Cape and Mpumalanga. STP also participated in the 2009 dti Technology Awards which was held in Cape Town at the Lord Charles on 21<sup>st</sup> to the 22<sup>nd</sup> October. The event was attended by TBC's and some of their entrepreneurs, all of which participated in the exhibitions. The Seda Construction Incubator (SCI) won the award for both, 'Best Performing Incubator' and 'Most noticeable impact on the Local economy'. Two incubatees from MSI and Furntech, each received awards for the "most successful graduated Incubatee" and "fastest growing Incubatee", respectively. The auspicious event was attended by dignitaries including the Minister of Trade and Industry as owner of the host department, CEO's of the various programmes including Seda as well as stakeholders and role-players within the development arena for technology enterprises



The World Bank awarded STP the funds to manage the activities of the African Incubator Network (AIN), a project of InfoDev. The objective of the AIN is to raise awareness of the aims and impact of business incubation & entrepreneurship support programs. STP's management of the programme ensures that SMMEs and Incubators within the STP network fully benefits from the lessons learnt and local and international best practices the AIN would be exposing them to.

Furthermore, during the period under review, STP and its extended network of TBCs also participated in the 2010 annual South African Business Incubator Association (SABTIA) and African Incubation Network (AIN) Conference that was held in Durban, co sponsored by Seda and the World Bank-Infodev. The theme of the conference was "Growing the Economy of Africa through Incubation".

STP through Furntech Mthatha made an impact and provided training opportunities for people with disabilities. They have concluded a training project for entrepreneurs with hearing impairments. The graduation ceremony was held during the December period.

The financial performance of STP was also outstanding, with all the allocated TBC funding being disbursed. During the period under review, the following additional funding was received to complement the MTEF budget allocation at R68 320 000, i.e.:

- R10 million from the Department of Trade and Industry (**dti**);
- R20 million from the Sector-wide Enterprise Employment and Equity Programme (SWEEEP);
- R20,5 million from Seda, which was utilized directly for Technology Transfer support and Incubators and recognised in the financial statements of Seda.

The SWEEEP funding was used to complement existing funding allocations to various incubators.



## Incubation Division

During the year under review the Incubation Division demonstrated an ability to consistently achieve optimal performance on its core performance targets. The Technology Business Centres (TBCs) supported by the programme have surpassed the forecasted targets by far. This trend was evident throughout the last three periods and can be attributed to commitment by TBCs, close monitoring as well as mentoring support provided to TBCs by the STP team. The performance of TBCs on the core targets is displayed graphically under the section on key outcomes.

This performance was achieved with a few challenges to overcome and the division facilitated the following interventions for TBCs:

- Two corporate governance training sessions for TBC board members that resulted in the improvement on the performance of TBC boards.
  - To strengthen the performance of TBCs, the division proceeded with the process of reviewing the centres' Policy and Operations Manual. The manual now includes a TBC Orientation Guide, which will be utilised for inducting new TBC management with regard to the key success factors involved in managing a centre, while providing a tool to guide day-to-day decisions.
  - To create awareness about the STP incubation programme to entrepreneurs and stakeholders, the incubation division hosted a national Incubation Day in three regions, namely Gauteng, Eastern Cape and Mpumalanga. This was the second STP Incubation Day to be held and collectively attracted approximately 248 attendees to the programme, as well as visitors to the exhibition throughout the day. The event also proved to be beneficial in terms of leveraging the support and interest of local stakeholders and industry role-players, who were invited to share in the showcasing of the incubators represented in the regions.
  - Furthermore, during this period, the division, including its extended network of TBCs, participated in the auspicious 2010 joint annual South African Business Incubator Association (SABTIA) and African Incubation Network (AIN) Conference which was held in Durban. The event drew delegates from across the continent as well as from other countries abroad. The division is proud to have had the acting Executive Manager of STP as Chairperson of SABTIA, who was primarily responsible for hosting the first AIN conference in partnership with SABTIA. Special guest speakers, amongst others, included the Seda CEO, the Deputy Mayor of EThekweni and the Project Manager for the World Bank's InfoDev (Information Development by the World Bank using ICT as a base) Initiative.

**Ms. N. Khonkwane**  
*Acting Senior Manager: Incubation*





## Highlights for the period under review

- The Seda Construction Incubator (SCI) continued to expand its footprint and successfully hosted the launch of the new Dundee branch. The event was attended, amongst others, by the MEC as well as other honorary state officials.
- The Seda Limpopo Jewellery Incubator was launched on the 10<sup>th</sup> of July 2009. This launch attracted important stakeholders such as **the dti**, LimDev, the Limpopo LED, Economic Development & Tourism, the DME, Limpopo Trade & Investment and others. The official opening was done by MEC Pitsi Moloto.
- The STP Incubation Day was held simultaneously in Port Elizabeth in the Eastern Cape, Nelspruit in Mpumalanga and in Midrand, Gauteng on 12 March 2010. A total of 248 attendees registered for the programme and, throughout the day, additional visitors toured the exhibition stands of the various incubators, which were represented in the region. Speakers included representatives from the Seda provincial offices, local economic development agencies or departments, development financing institutions, technology development agencies and successful incubatees. Seda marketing assisted with extensive media coverage in local news reports, editorials and a Classic FM radio interview with the acting Senior Manager.
- The SABI/AIN Conference took place in Durban from 17 to 19 March 2010. Speakers included Mr David Cromar (SolveBrand Ltd. - UK), Ms Valerie D 'Costa (InfoDev - USA) and Mrs Hlonela Lupuwana (Seda RSA). The event brought together industry practitioners from all over the world and, moreover, from the African Continent.

The pictures below reflect the nature of each of the afore-mentioned events:



**Speakers at the 2010 African Incubation Conference in Durban, which took place from 17 to 19 March 2010 (Michael Reddy, CEO: Furntech, H. Lupuwana, CEO: Seda, Honourable Deputy Mayor, L. Naidoo: Ethekwini, Valerie Da'Costa, Head: Infodev, J.J. Ravjee, Acting Executive Manager: STP)**



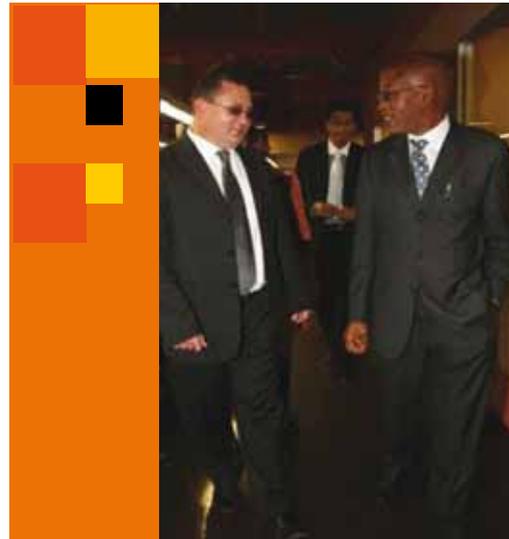
**Mr. P. Sithole**  
*Head: Economic Development*  
*Ethekwini Municipality*



**Mr. C. Chauke**  
*Executive Director: Economic*  
*Development*  
*Tshwane Municipality*



Honorable MEC for Local Government,  
Housing and Traditional Affairs  
Ms. Nomusa Dube.



Honorable MEC Pitsi Moloto at the  
launch of the SLJI Incubator in  
Limpopo.



TBC representatives and guest speakers at the STP Incubation Day in Mpumalanga on 12 March 2010.



Exhibitors at the Gauteng STP Incubation Day in Midrand at Softstart BTI on 12 March 2010.



Exhibitors at the Gauteng STP Incubation Day in Midrand at Softstart Bti on 12 March 2010.

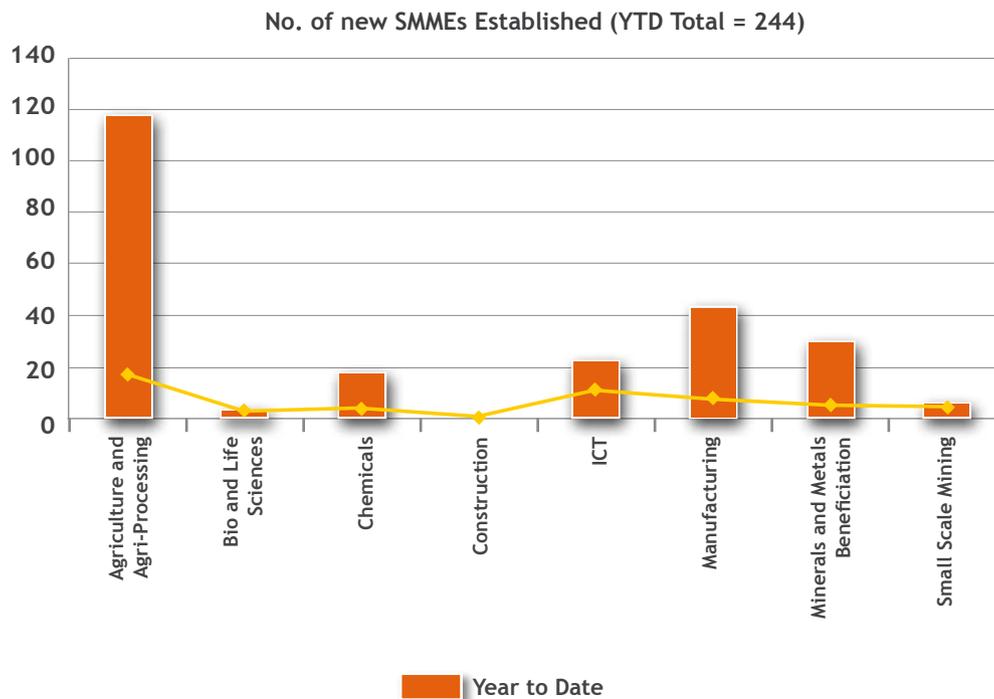


Attendees and visitors at the STP Incubation Day in Port Elizabeth on 12 March 2010.



## Key Outcomes / KPIs - Sector Graphs

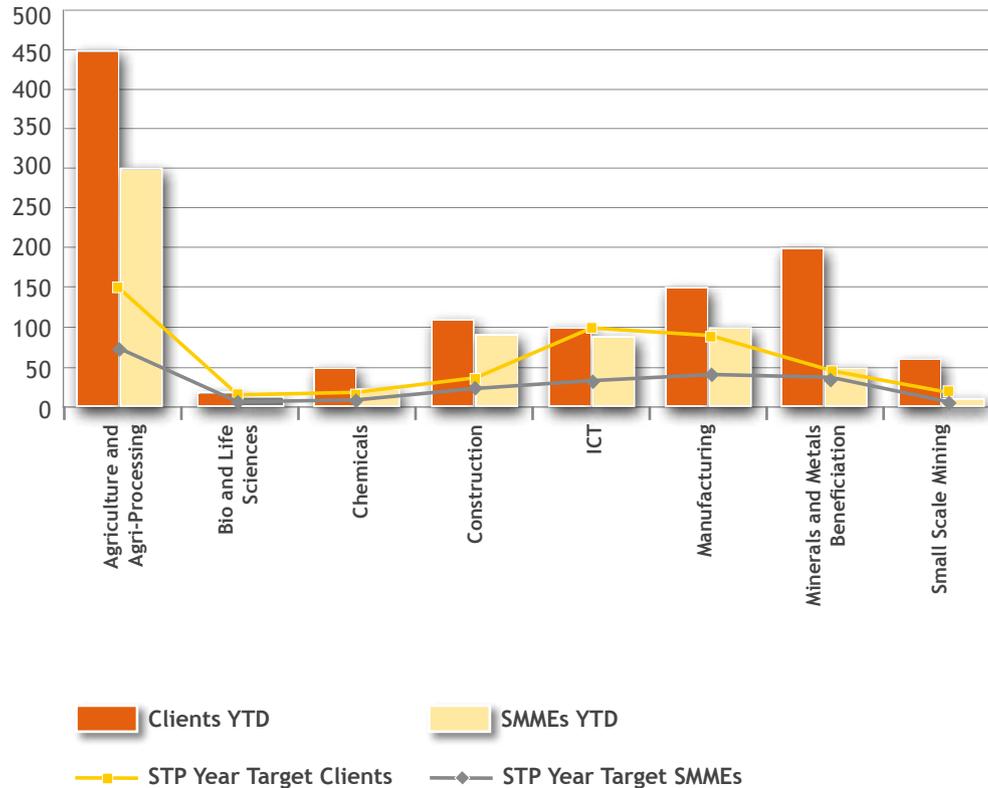
Performance against the key targets for each main KPI (per sector) is reflected in the figures below:



The above graph illustrates that the agricultural sector is the best performing in terms of SMME creation which has been consistent throughout the years. This balance in STP's sectoral portfolio has been specifically designed in order to offset the performance of TBC's with a higher technology focus. The graph also reflects the establishment of zero SMMEs for the construction sector due to the centre's development model which largely focuses on the skills development and growth of existing SMMEs.



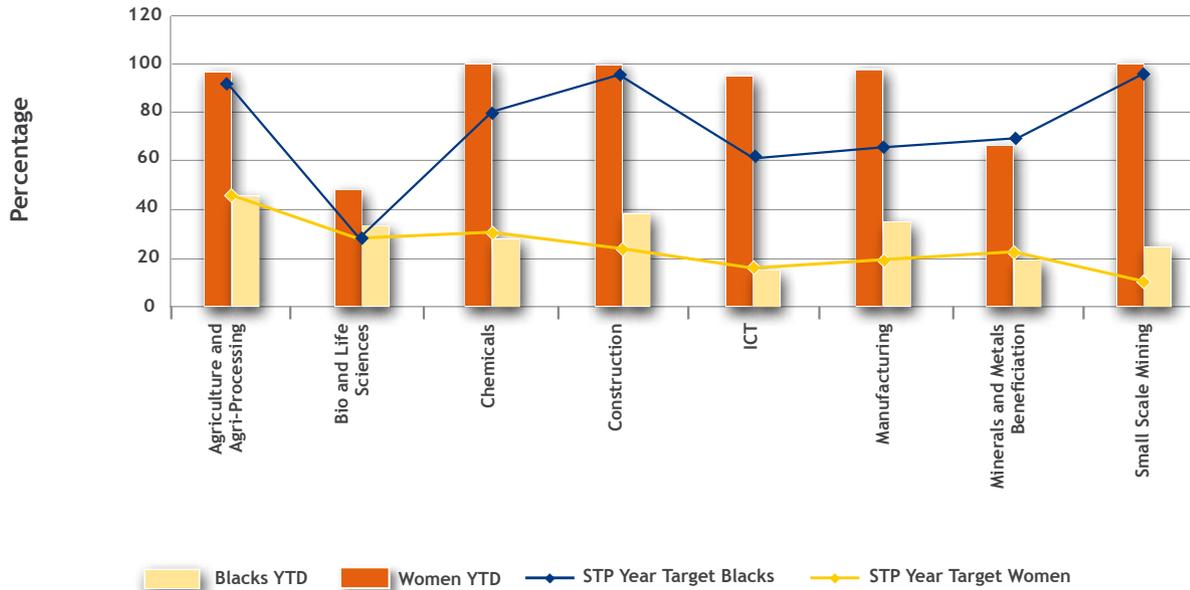
No. of Clients = 1 283 and SMMEs supported = 656



This year has seen an improvement in the minerals and beneficiation despite the slow uptake in the economy. Various factors have contributed to this success, namely one of STP's newest Incubators; SLJI became fully operational this year. The over achievement of this target is also to be attributed to additional Furntech branches and the SMTDC which also became fully operational during the course of the year.



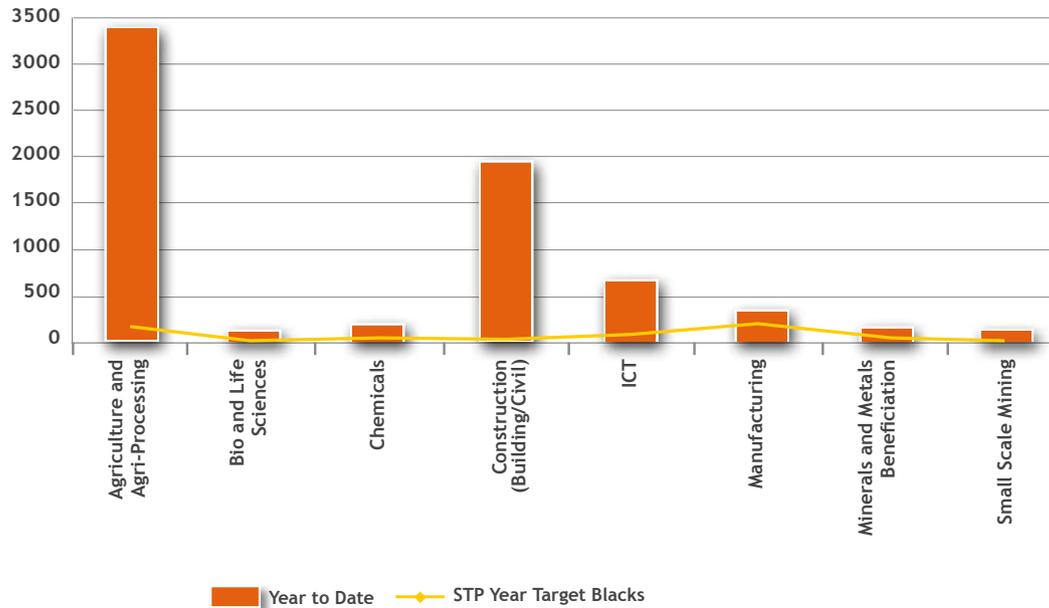
**PDI Support: is 91% and Women at 35% of Companies in Centre Portfolio (AUDITED)**



The average of 91% HDI's supported remains constant as the intake of new clients has increased. This can be viewed as a healthy balance in client ratios.



No. of Jobs Created (Total = 6 778)



The above graph includes all job categories; i.e. direct and indirect = (1 620 + 5 158), as well as seasonal jobs mainly in the Agricultural sector. The additional SCI branches and the demand in the construction industry is also a cause for this hike which is expected to be sustained in the short-term



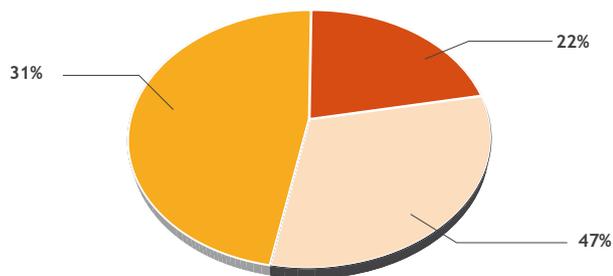
## Technology Transfer Division

During the period under review, the Technology Transfer Division (TTD) received a new funding allocation from the dti for funding technology transfer interventions. This funding will boost the performance of the division, which should be reflected by the results of the next periods.

The Technology Transfer Fund (TTF) received an allocation during December 2009. Three TTF Adjudication Panel meetings were held during the period under review, during which a total of 117 applications were presented. Sixty-four applications were approved, requiring a total budget of R22 797 682. The 64 approved interventions will facilitate various technology upgrades and concomitant skills acquisitions which will, in turn, enable SMMEs to function more efficiently. These SMMEs are distributed country-wide and function in a number of different sectors, including the manufacturing of furniture, clothing, footwear, paper products, musical instruments and electrical appliances. A total of 18 of these enterprises are owned by women. An additional two women, who own enterprises, were supported via the TWIB Awards. The figures below depict the above mentioned performance:



Ownership of SMME's supported by TTF

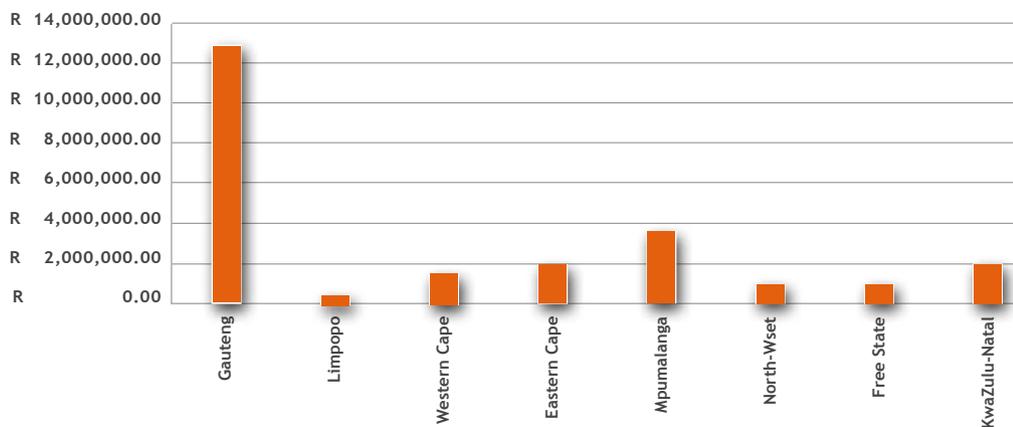


- Male-owned (>50% male shareholders)
- Female-owned (>50% male shareholders)
- Co-owned

Mr. Tervern Jaftha  
Acting Senior Manager: Technology Transfer Division

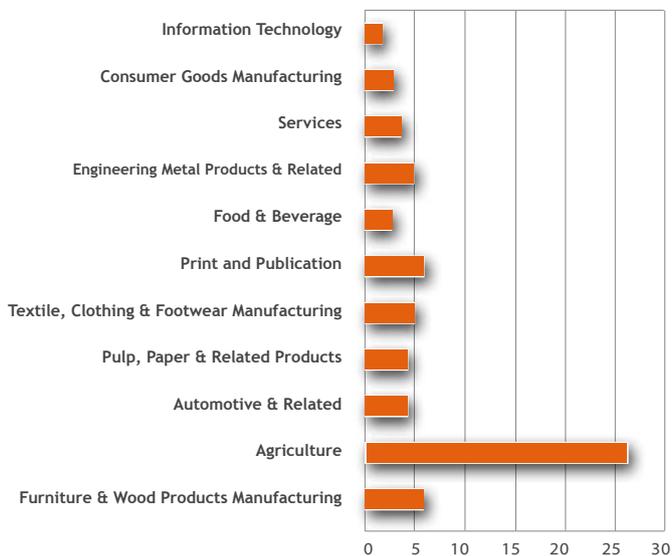


### ■ Funding allocation per province



The increase in the number of successful applications from Gauteng indicates a high level of programme awareness and entrepreneurship in the province.

### ■ Projects approved per sector





## Quality Division

The quality division's two focal areas, namely enterprise development, which focuses on the training aspects of quality, and conformance assessment, saw numerous activities taking place during the period under review. The division closed the 2009/10 financial year with the following records:

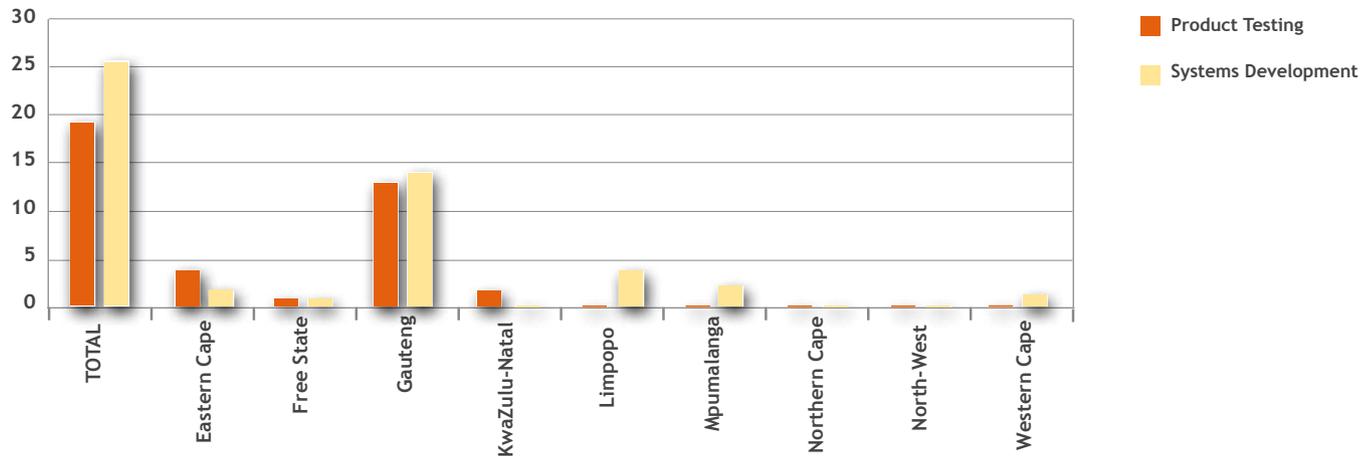
- **Product Testing:**
  - o There were 30 applications received throughout the year, of which 20 were approved.
  - o A total number of 79 products were tested during the year under review in the following sectors: manufacturing, chemicals, automotives, agriculture, medical and electronics.
  
- **Systems Development:**
  - o 35 Applications were received, of which 26 were approved for funding.



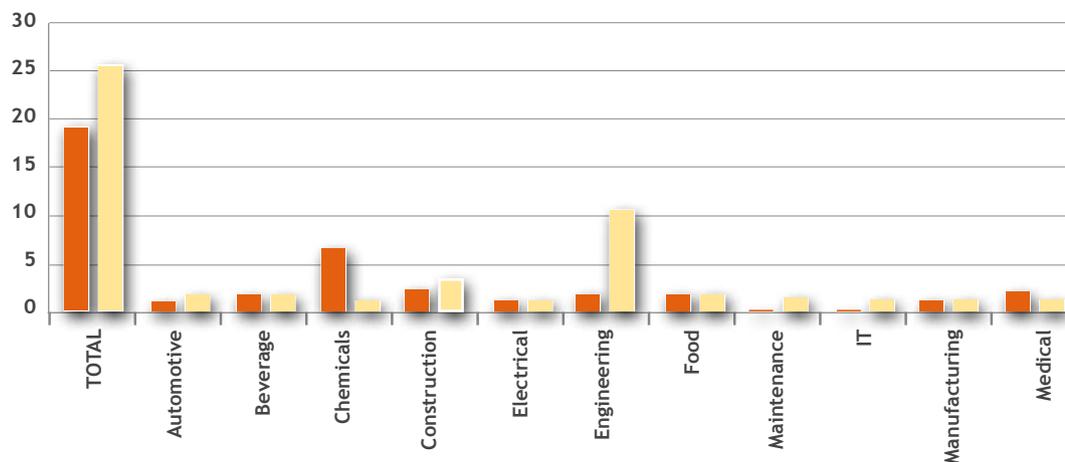
**Mr. Tervern Jaftha**  
*Senior Manager: Quality Division*



### Geographic spread of product testing and systems development interventions



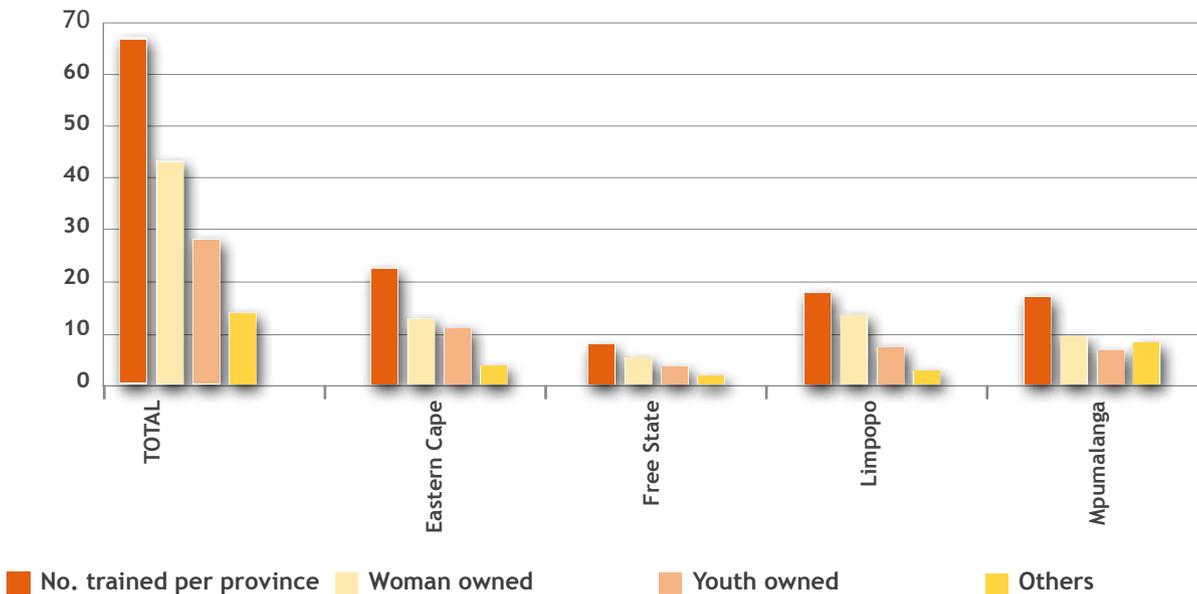
### Sector spread of product testing and systems development interventions





- Training interventions

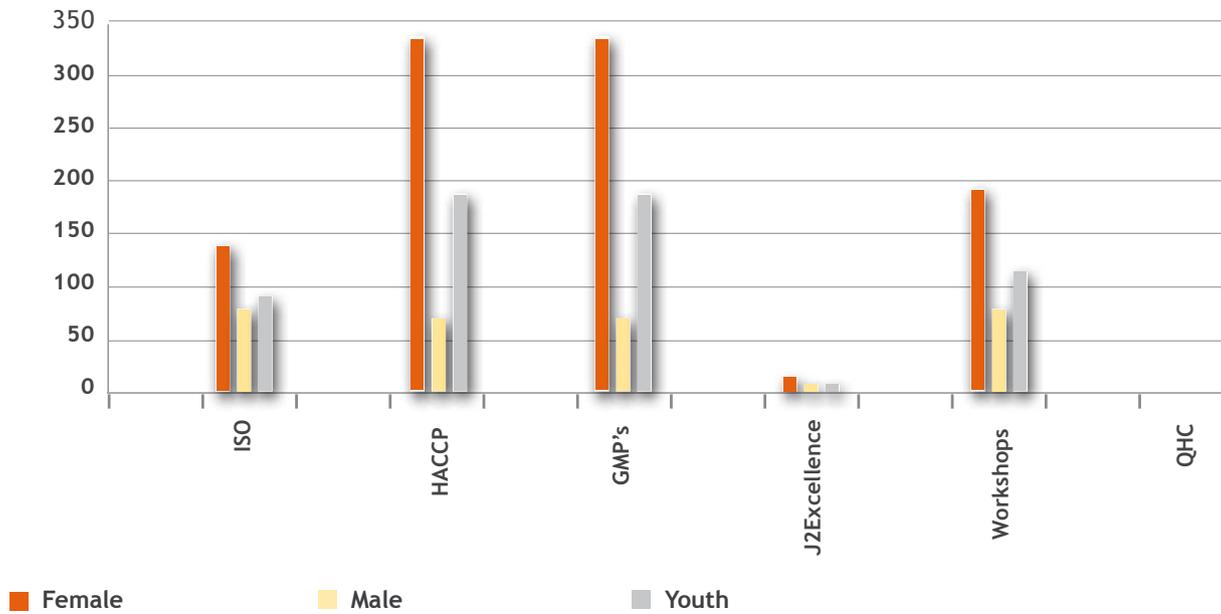
- o This unit financed the training of 69 emerging contractors in occupational health and safety which took place between January and March 2010. The demographic representation of the beneficiaries of this project is depicted below.



SMMEs country-wide were trained in various quality standards with Hazard Analysis, Critical Control Point (HACCP) and Good Manufacturing Practices (GMP) proving to be the most popular training areas. This was due to the majority of Bed and Breakfast establishments (B&Bs) positioning their businesses to comply with tourism grading requirements for the 2010 FIFA World Cup.



Number of participants (1 052 people trained) per category and gender representation





## Key Financial Data

*The year ended 31 March 2010*

For Seda to comply with its audit requirements for the Auditor-General, the Seda Technology Programme's finances have been audited as part of Seda for 2009/2010 financial year. Therefore no separate audited financial statement for STP exists and the audit opinion of STP is covered by the Seda audit opinion which is unqualified.

	31-Mar-10	31-Mar-09
Total revenue:	R 96,875,320.00	R 120,463,812.00
Personnel expenditure	R 9,852,645.00	R 9,024,432.00
Project & admin expenditure:	R 89,347,199.00	R 111,984,008.00
Depreciation	R 432,235.00	R 259,834.00
Accumulated surplus:	<u>R 11,820,440.00</u>	<u>R 14,577,200.00</u>

STP has conscientiously applied the allocated funds in an efficient and transparent manner, enabling the organisation to effectively support various projects and interventions mandated to it.

## Success Stories



### Anton Diemakers (Pty) Ltd

*Unit 6, 7 Dacres avenue, Epping , Cape Town, 7460*

#### Background

Anton Diemakers is based in the Western Cape and is owned and managed by Anton Durr. This company specialises in die making and die cutting for the printing and packaging industry. In 2006, Anton decided to position the business to capture the interest of large printing and packaging companies in and outside the Western Cape. In order to attain this objective, this company needed to upgrade its existing technology to achieve a high level of flexibility.

#### Intervention

Through the Technology Transfer Fund, Anton Diemakers was assisted to purchase a CNC Router and provide better skilling of employees.

#### Outcome

The new technology has improved the quality of dies and final products and has reduced lead times and wastage. This company is now able to produce consistent, high quality work and gets the product to market on time. Total employment grew from 17 people to 27 permanent staff. The company also afforded opportunities for many apprentices to be trained on the processes and equipment. Turnover has also increased by 77% due to increased market share.





# Africa Geographic Information Systems

140 Starport Building, 8th & 9th Floor, Govan Mbeki Port Elizabeth.  
[www.africangis.co.za](http://www.africangis.co.za)

## Background

African Geographic Information Systems owned by Mr. Mzikayise Gunguluza specialises in the GPS data capturing technology, GIS mapping, GPS surveys, GPS meter reading and Telephone installations and maintenance. Their work involves obtaining information through questionnaires and recording of the information onto handheld computers. Mr. Gunguluza joined the Seda Nelson Mandela Bay ICT Incubator (SNMBICT) in October 2007 in order to be assisted during the starting phase of his business.

## Intervention

The SNMBICTi provided Mr. Gunguluza with space to accommodate his business needs and provided business management training and ongoing mentoring. The incubation centre also provided networking opportunities with other players in the IT sector.

## Outcome

This business received their first contract in 2008 for the roll-out of the telephone landlines in the rural areas of the Eastern Cape. This has been followed by many other contracts from several Parastatals and Municipalities. In the 2009/10 financial year, this business achieved a turnover of R3.8 Million. They now have 12 permanent staff and 22 staff members on part-time basis.

*“This Incubator took us under their wing and exposed us to the business world” says Mr. Gunguluza.*





## JRB Designer Furniture

Contact No: 072 402 7343

E-mail: [jrbarnard@yahoo.com](mailto:jrbarnard@yahoo.com)

### Background

Mr. Jacques Barnard the owner of JRB Designer Furniture was born and raised in Piet Retief, he attended Piet Retief Primary School and later, Montana High School in Pretoria. Since childhood, Jacques has had a love and a great passion for wood and later he enjoyed woodwork as a hobby. When he completed his Matric, his father gave him some money as a congratulatory gift and asked him to make a choice. He was either to go on holiday or further his studies in an area and an institution of his choice. He chose to pursue further education and training in wood; he did his research and chose to study woodwork at Furntech.

### Intervention

Furntech assisted him to acquire level 2 and 3 Wood Machining and Cabinet Making in its Furntech George branch. After the completion of his training he decided to take advantage of Furntech's business incubation program and started his own business. Furntech also mentored him in all aspects pertaining to starting a new business and finally registered this new business with CIPRO. In order to expose this new business to market opportunities, Furntech facilitated networking opportunities and the results listed below are the fruits of these efforts.

### Outcome

The turnover grew within the first year of operation from R7 000 per month to R40 000 per month. This business is growing from strength to strength and has now began to enter the export market with their first order of R360 000 for a customer in Angola. In addition, he anticipates to be contracted on two exciting jobs next quarter. One of those pending orders is making furniture for an exclusive restaurant and the other, for a 5 - star lodge. This new business has now created employment opportunities for 7 people.

*The Furntech technology incubation and support programme helped Jacques Barnard realise his dream.*





# MFA Global Plastics (Pty) Ltd

*174 Durban Street, Uitenhage, Eastern Cape, 6229*

## Background

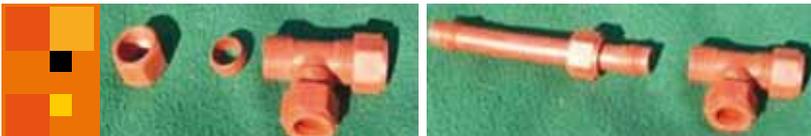
MFA Global Plastics (MFA) is situated in Uitenhage in the Eastern Cape Province. This business is owned by Mr. Faaik Allie. It specialises in the manufacturing of tooling for injection moulding, press tools and plastic injection moulding components.

## Intervention

Through the Technology Transfer Fund, MFA was assisted to advance its technology to a level where product design is integrated with Manufacturing through a CAD/CAM system. CNC machinery was also successfully commissioned and operator skills were upgraded.

## Outcome

High manufacturing efficiency levels were achieved, resulting in growth in customer base and turnover increased by 134%. The number of employees increased from 6 to 9 permanent employees.





## List of Acronyms

AIN	African Incubation Network
B&B	Bed and Breakfast establishments
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
DST	Department of Science and Technology (national)
the dti	Department of Trade and Industry (national)
GEP	Gauteng Enterprise Propeller
GMP	Good Manufacturing Practice
GODISA	GODISA
HACCP	Hazard Analysis and Critical Control Point
ICT	Information and Communication Technology
Infodev	Information Development by the World Bank using ICT as a base
KPI	Key Performance Indicator
LIBSA	Limpopo Business Support Agency
MoA	Memorandum of Agreement
NTTC	National Technology Transfer Centre
PDI	Participative Development Initiative
SABS	South African Bureau of Standards
SABTIA	Southern African Business Technology Incubator Association
SAQI	South African Quality Institute
SEDA	Small Enterprise Development Agency
SET	Science, Engineering and Technology



SMMEs	Small, Medium and Micro Enterprises
SPII	Support Programme for Industrial Innovation
SS GATE	South South Global Assets and Technology Exchange
STP	Seda Technology Programme
SWEEEP	Sector-wide Enterprise Employment and Equity Programme
TAC	Technology Advisory Centre
TBCs	Technology Business Centres. An inclusive term used by STP to define the different types of “technology support” centres. These centres include: incubators, technology demonstration centres and hybrid centres
TCC	Tax Clearance Certificate
TEIs	Tertiary Education Institutions
TESIP	Tertiary Education Satellite Incubation Programme
THRIP	Technology for Human Resource Innovation Programme
TTD	Technology Transfer Division
TTF	Technology Transfer Fund
TUT	Tshwane University of Technology
TWIB	Technology for Women In Business



## TBC Acronyms

CHEMIN	South African Chemical Technology Incubator
CUTTI	Central University of Technology Tooling Incubator
DACT	Downstream Aluminium Centre of Technology
EgoliBio	Egoli Biotechnology Incubator
Furntech	Furniture Technology Incubator
Lepharo	Seda Ekurhuleni Base Metals Incubator T/A Lepharo
MASD&T	Mpumalanga Agri-skills Development and Training
MMI	Makhura Maphura Incubator
MSI	Mpumalanga Stainless Initiative
SATeC	Seda Automotive Technology Centre
SBTI	Softstart Business Technology Incubator
SCI	Seda Construction Incubator
SEOBI	Seda Essential Oils Business Incubator
SeSuCI	Seda Sugar Cane Incubator
SLJI	Seda Limpopo Jewellery Incubator
SNMBICTI	Seda Nelson Mandela Bay ICT Incubator
SMTDC	Soshanguve Manufacturing Technology Demonstration Centre
SPI	Seda Platinum Incubator
Timbali	Timbali Incubator
Zenzele	Zenzele Technology Demonstration Centre

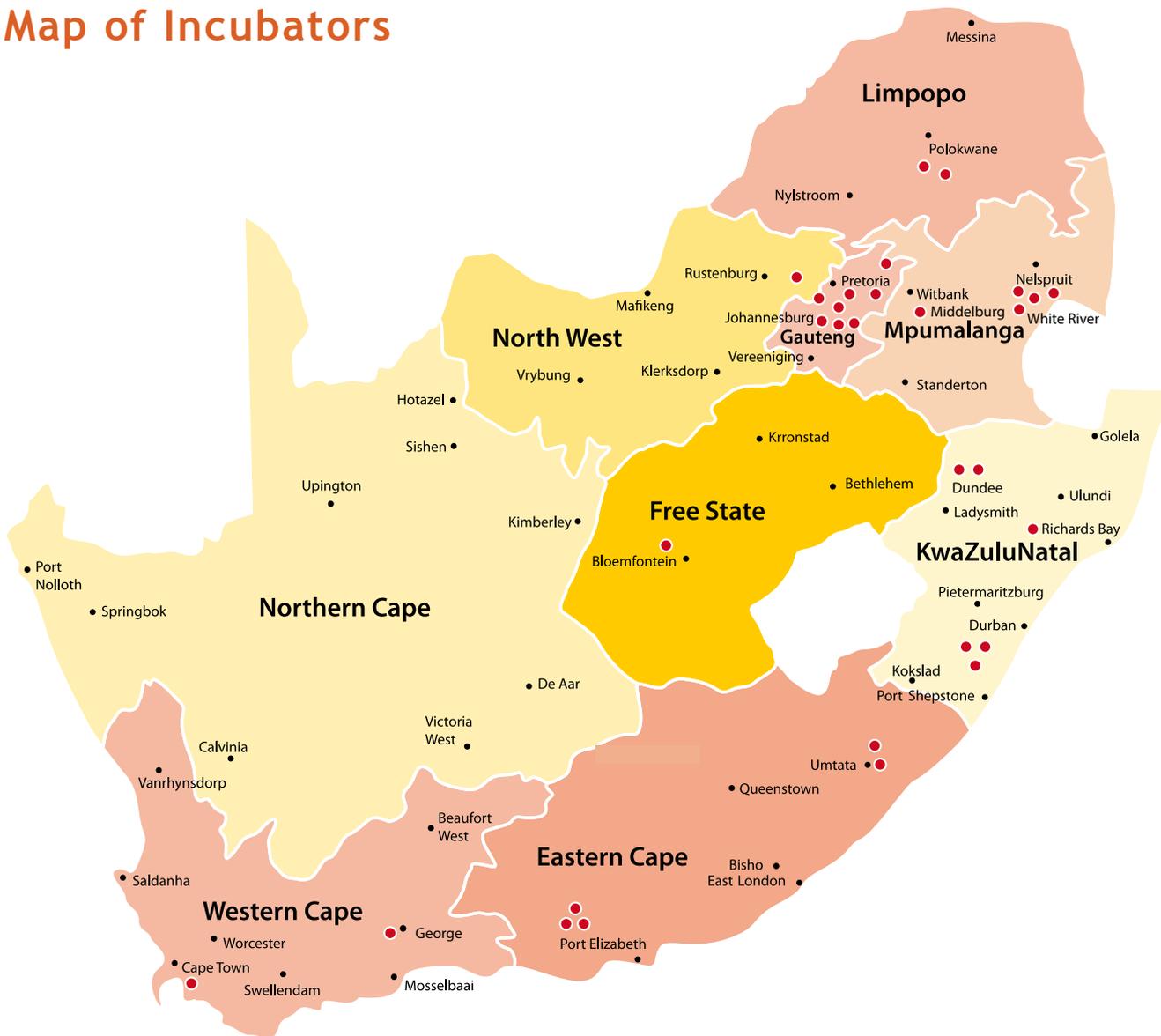


## List Of Incubators

No	Name of Incubator	Sector	Location
1	Chemin	Chemicals Industry	Port Elizabeth, Eastern Cape
2	Downstream Aluminium Centre for Technology (DACT)	Aluminium fabrication & casting	Richard's Bay, KwaZulu-Natal
3	EgoliBio	Bio & Life Sciences	Pretoria, Gauteng
4	Furntech Durban	Furniture manufacturing	Durban, KwaZulu-Natal
5	Furntech George	Furniture manufacturing	George, Western Cape
6	Furntech Head Office - Cape Town	Furniture manufacturing	Cape Town, Western Cape
7	Furntech Johannesburg	Furniture manufacturing	Johannesburg, Gauteng
8	Furntech Mthatha	Furniture manufacturing	Mthatha, Eastern Cape
9	Furntech Umzimkhulu	Furniture manufacturing	Umzimkhulu, KwaZulu-Natal
10	Furntech White River	Furniture manufacturing	White River, Mpumalanga
11	Lepharo	Copper, Zinc and Base Metals	Springs, Gauteng
12	Mapfura Makhura Incubator (MMI)	Bio-fuels plant production & processing	Marble Hall, Limpopo
13	Mpumalanga Agri-skills Development & Training (MASDT), Nelspruit	Agricultural Capacity Building	Nelspruit, Mpumalanga
14	Mpumalanga Stainless Steel Initiative (MSI)	Stainless Steel Processing	Middelburg, Mpumalanga
15	Seda Agricultural & Mining Tooling Incubator (SAMTI)	Mining & Agricultural tooling	Bloemfontein, Free State
16	Seda Automotive Technology Centre (SATEC)	Automotive Industry	Rosslyn, Gauteng
17	Seda Construction Incubator (SCI), Dundee	Construction	Dundee, KwaZulu-Natal
18	Seda Construction Incubator (SCI), Durban	Construction Building & Civil	Durban, KwaZulu-Natal
19	Seda Construction Incubator (SCI), Mthatha	Construction	Mthatha, Eastern Cape
20	Seda Construction Incubator (SCI), Port Elizabeth	Construction	Port Elizabeth, Eastern Cape
21	Seda DUT Technology Incubator (SDTI)	Mixed use High-Tech	Durban, KwaZulu-Natal
22	Seda Essential Oils Business Incubator (SEOBI)	Essential Oils-plant cultivation & oil distillation	Pretoria, Gauteng
23	Seda Limpopo Jewellery Incubator (SLJI)	Jewellery manufacturing	Polokwane, Limpopo
24	Seda Nelson Mandela Bay ICT Incubator (SNMBICTI)	ICT	Port Elizabeth, Eastern Cape
25	Seda Platinum Incubator (SPI)	Platinum Jewellery	Rustenburg, North-West
26	Seda Sugar Cane Incubator SESUCI)	Sugar cane-plant cultivation & sales	Nelspruit, Mpumalanga
27	Soshanguve Manufacturing Technology Demonstration Centre (SMTDC)	Low-cost small scale manufacturing	Soshanguve, Gauteng
28	SoftstartBTI (SBTI)	ICT	Midrand, Gauteng
29	Timbali	Floriculture	Nelspruit, Mpumalanga
30	Zenzele Technology Demonstration Centre	Small scale Mining	Randburg, Gauteng



## Map of Incubators







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[www.seda.org.za](http://www.seda.org.za)

seda 

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