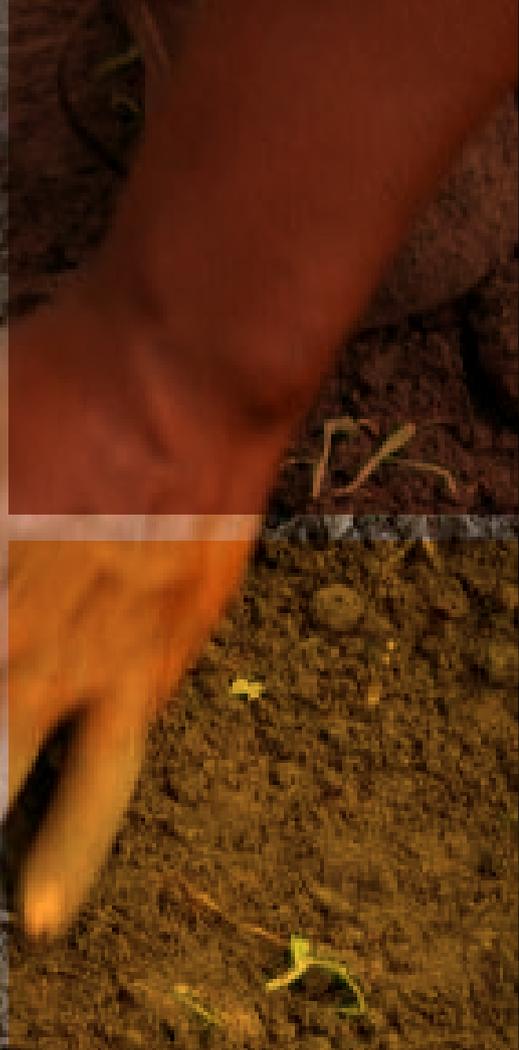


ANNUAL REVIEW 2013/2014

Seda Technology
Programme





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1. FROM THE DESK OF THE CHIEF EXECUTIVE OFFICER

Dear Reader,

It is my pleasure to present the 2013/2014 Seda Technology Programme Annual Review, highlighting the activities and successes of the programme during the past year.

As you may be aware, business incubation provides a unique and highly flexible combination of business development support and infrastructure, and is geared towards helping new and early-stage businesses to survive and grow through the most vulnerable stage of their development.

Business incubators around the globe continue to assist with the development of small and medium businesses and the creation of job opportunities, while in South Africa, the National Development Plan has identified incubation as key to the development of a vibrant and growing small enterprise sector.

The Minister of the dti, Dr Rob Davies, continues to indicate the need for South Africa to develop a credible number of incubators. The Incubation Support Programme (ISP) under the dti has played a vital role in this regard, largely through the approval and funding of applications to establish further incubators in the country.

To prepare for the incubation expansion, Seda conducted an independent review of the Seda-supported incubators. Recommendations on ways to improve on and maximise the potential of these incubators are currently being implemented and we are in the process of reviewing the incubation model, to ensure it is in line with international best practice. The review will consider and propose models that Seda can implement to derive maximum impact and value from supported incubators, the internal skills required to manage the growing incubation footprint, interventions around post-incubation support, and an integrated service delivery model that will work hand-in-hand with the Seda Branch Network.

Our role as Seda remains constant - to be the centre of excellence for small enterprise development in South Africa. The Seda Annual Performance Plan for the next three years outlines four priority areas the organisation will continue to focus on, namely to:

1. Increase Seda's incubation footprint;
2. Direct specific interventions to the small and medium enterprise segment;
3. Identify and work with large scale projects and cooperatives; and
4. Prioritise growth sectors.



The identified growth sectors are agriculture (with emphasis on agro-processing), manufacturing and services (with a focus on tourism and information technology). Seda supports incubators in all these sectors, with the exception of the tourism sector, although the organisation will proactively enter into partnerships and establish incubators in the tourism sector within the next three years. Negotiations with the National Department of Tourism and other key stakeholders – including the relevant academic institutions and SA Tourism – are at an advanced stage.

In conclusion, I would like to emphasise the point that we as Seda will continue to invest in the rollout of incubation through the Seda Technology Programme and that we are proud to be effecting positive change in this way.

Sincerely,

Mr Siphon Zikode, Acting CEO

2. EXECUTIVE MANAGER'S SUMMARY

Dear Reader,

I am extremely pleased to present the 2013/2014 Annual Review for the Seda Technology Programme (Stp). This overview provides a summary of our annual performance and the many activities carried out by the Stp team, as well as a background to the operations of our technology business centres.

Though there have been teething challenges and constraints this year – particularly in the areas of finance and human resources – we have managed to exceed all the targets that were set. I am especially proud of the competence displayed by the Stp staff in the delivery of the Seda objectives and national mandate. This is testimony to the quality, dedication and professionalism of the team that I am leading. I am sincerely proud and grateful for their efforts.

During the past year, our customer satisfaction survey achievement reached 94%. The Incubation Unit has established 43 incubators against the target of 42, created 1824 jobs against the target of 989, established 432 SMMEs against the target of 242, supported 1587 SMMEs against the target of 935 and supported 2484 clients against the target of 1192.

The Technology Transfer Unit has supported 44 SMMEs with technology, against the target of 38, whilst the Quality and Standards Unit has facilitated implementation of Quality Management Systems to 43 SMMEs against the target of 35, provided conformity assessments and product testing support to 173 SMMEs against the target of 137, and provided training and capacity-building on different national and international standards to 825 SMMEs against the target of 425.

Early in the year, the Stp management team reviewed its key strategic focus areas in order to take the Stp division to the next level. In the process, we identified the following six key strategic focus areas:

1. Increase incubation footprint in South Africa;
2. Review the Stp model for efficiency and effectiveness;
3. Review the Stp processes against innovation and creativity;
4. Develop an aggressive marketing strategy to drive awareness of Stp offerings, as well as facilitate incubator/incubatee exposure;
5. Build capacity, for leverage and delivery; and
6. Develop effective monitoring and evaluation systems.



During the second quarter of 2013, we launched the state-of-the-art Seda/MADT Mobile Agricultural Laboratory in Nelspruit, Mpumalanga. This unique mobile facility provides technical assistance to emerging and commercial farmers in the province - giving them access to water, soil, plant and animal testing, right at their doorstep.

Towards the end of the year, we launched the Essential Oils Testing Facility in our newly established incubator in rural Nkandla, KwaZulu Natal, as well as the Furniture Testing Facility in Cape Town, Western Cape Province.

Looking to the future, our major challenge is our commitment to managing and monitoring the governance of the Stp Technology Business Centres, particularly around the critical oversight role of their board of directors, financial management and ensuring international best practices in their incubation processes.

With the dedication displayed by the Stp team, I am confident that we will achieve the objectives we have set out to achieve

In closing, I would once again like to take the opportunity to thank my managers and staff for their tireless work this year. I sincerely believe that the Stp is successful through their goodwill and diligence.

Xa ndiqukumbela ndibek' ingca manditsho ndithi maz'enethole, ningadinwa nangamso mzi wakowethu.

The journey is just beginning.

Mr Sipiwo Soga, Acting Executive Manager



3. BACKGROUND





The Seda Technology Programme (Stp) is essentially a division of the Small Enterprise Development Agency (Seda), and focuses on sustainable enterprise development through Business Incubation; monitoring, evaluation and improvement of service and product offerings; quality and standards, and technology transfer funding services and support.

The Stp was created in 2006 as a special ring-fenced programme of the Department of Trade and Industry, as part of government's national strategy of consolidating small enterprises support interventions across the different government departments and government agencies.

The programme therefore seeks to stimulate economic growth and development through facilitating technological innovation and increasing the accessibility to, and utility of, technologies and technical support for small enterprises, whilst at the same time improving their sustainability and international competitiveness.

Specifically, Stp strives towards:

1. Increasing the accessibility to, and utility of, technologies and management support for small enterprises, through structured platforms such as technology business centres;

2. Facilitating the acquisition and transfer of technology to small enterprises, particularly those operating in the 2nd economy;
3. Promoting the use of quality and standards by small enterprises;
4. Improving small enterprise performance and productivity;
5. Improving the competitiveness of small enterprises;
6. Promoting entrepreneurial activity and success of identified target groups, in particular, women and youth; and
7. Reducing the failure rates of small enterprises.

All services are provided with the above seven objectives in mind, and take place through the three units of Stp: Incubation, Technology Transfer and Quality and Standards.

VISION

To be the centre of excellence for small enterprise development in South Africa.

MISSION

To develop, support and promote small enterprises to ensure their growth and sustainability in coordination and partnership with other role players.



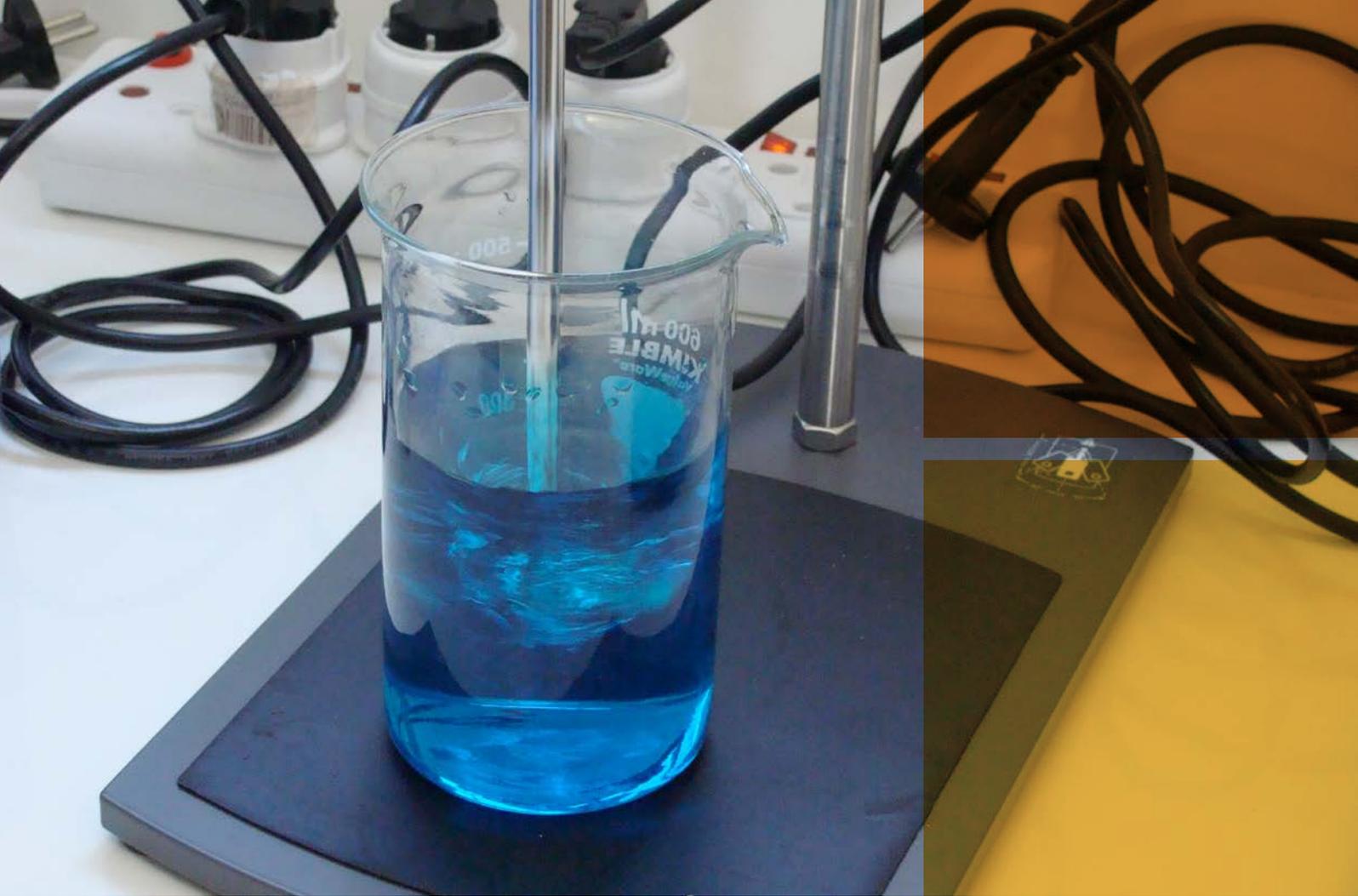
4. THE Seda TECHNOLOGY PROGRAMME TEAM



The passionate and ever-diligent Seda Technology Programme team members.

Top, from left: Simphiwe Zimba, Tervern Jaftha, Rhulane Ngoveni, Tandeka Rozani, Sipiwo Soga, Thembi Moagi, Ishmael Mmbadi, Elia Netshisaulu, Theresa Breytenbach.

Bottom, from left: Justine Mogashoa, Takalani Ramuthaga, Bahwelang Mahlangu, Hilda Ndala, Anse Du Bruin, Marion Braun, Elizabeth Mokgaetjie Matshega, Kgaogelo Taukobong.



5. THE YEAR AT A GLANCE





5.1. Mobile Agri Lab

In September 2013, South Africa's first mobile agricultural laboratory was launched at the Kruger Mpumalanga International Airport outside Mbombela, by non-governmental organisation Mobile Agri Skills Development (MASDT), in collaboration with Seda.

The lab is a first of its kind in the country and - with its cutting edge equipment - undoubtedly one of the most technologically advanced in the world. The lab will for the first time enable rural farmers to have their water, soil, plants and animals tested in-situ. This will further enable them to plan more effectively, provide better quality products, increase their turnover, create jobs and be more competitive in the market place.

There is an interactive training room on board, as well as a top-of-the-range computer for research and analysis. Two high-definition television screens on the outside of the truck relay what is going on inside. In addition to laboratory facilities, the 20-metre long unit will host a training facility with high-tech electronic equipment and a comprehensive one-stop support

centre for small, medium and macro agricultural enterprises (SMMEs). All laboratory equipment, with the exception of the air conditioners, is run on solar power.

In addition to assisting farmers with their planning and crop production, the lab will also be used for educational purposes. The mobile unit will be taken to rural schools, where various experiments will be demonstrated, with the aim of making students aware of agri-science and showing them that agriculture is a worthwhile profession.

The development of this lab is in line with Seda's goal to ensure that the small enterprise sector grows and increases its contribution to sustainable and equitable social and economic development, employment and wealth creation.

"The mobile Agri Lab, with its cutting-edge range of equipment, is a revolutionary technology that will strengthen MASDT's hand in accelerating the growth of emerging farmers into commercial producers and beyond." Mathews Phosa

The purpose of the dti awards is to raise awareness around the benefits of using technology to improve the competitiveness of enterprises. The awards recognise individuals and organisations that contributed towards technology development and innovation in South Africa during the previous year. They are also aimed at inspiring and encouraging creativity and technological innovation in business.

5.2. The dti Technology Awards

The annual Department of Trade and Industry Technology Awards honour outstanding achievers in the field of technology as applied to small businesses. In 2013, the sparkling event took place on 14 and 15 November 2013 at the Durban International Convention Centre.

Awards are presented in three broad categories: the Support Programme for Industrial Innovation (SPII), the Technology and Human Resources for Industry Programme (THRIP) and the Seda Technology Programme (Stp). Below are the four best performing companies, named as winners in their respective categories.

BEST PERFORMING INCUBATOR OF THE YEAR: SMARTXCHANGE

Smartxchange is focused in the information and communications sector, with the objective of helping South African companies to compete on the global stage. They are geared towards growing the South African IT industry with innovative solutions and by so doing creating job opportunities and uplifting entrepreneurs.



Best performing Incubator of the year: Smartxchange

FASTEST GROWING INCUBATEE: ECO FURNITURE

Eco furniture specialises in the design and manufacture of furniture and décor, using sustainable materials and with a strong consideration for their environmental and social impact as a business. Their goal is to encourage people to contribute to sustainable living in all environments - whether in the home or workplace - while still being able to purchase an individually inspired, quality piece.



Fastest Growing Incubatee: Eco Furniture



Best Performing Quality Intervention: Thabong Bakery



Best Performing Technology Transfer Intervention: Excellence Motor Trimmers

BEST PERFORMING TECHNOLOGY TRANSFER INTERVENTION: EXCELLENCE MOTOR TRIMMERS

Excellence Motor Trimmers are specialists at prolonging the life of an interior of a car. They are able to repair, service, re-upholster and motor trim at the same time. The quality of their work and technological advancement ensured that they scooped the prize.

BEST PERFORMING QUALITY INTERVENTION: THABONG BAKERY

Thabong bakery is a complete confectionary solution, supplying bread, scones, cakes, buns and other essential bakery items to the catering industry, hotels, supermarkets and corporate. They received the award as recognition for their outstanding adherence to the principles of the Total Quality Management System.

FULL LIST OF AWARD WINNERS AND RUNNERS-UP		
Category	Winner (Company)	Runner-up (Company)
Incubator of the Year	SmartXchange	Furntech
Fastest Growing Incubatee	Eco Furniture Design	Elijah Makhubela – Walda group
Best Performing Quality Intervention	Thabong Bakery	Nomcebo Consulting Enterprise t/a Nomcebo Printers
Best Performing TTF Intervention	Excellence Motor Trimmers	G & T Autobody
SUPPORT PROGRAMME FOR INDUSTRIAL INNOVATION (SPII)		
Category	Winner (Company)	Runner-up (Company)
Small Companies	Tugo Builds (Pty) Ltd	TMI Consultancy CC (t/a TMI Dynamics)
Medium Companies	Sintrex Integration Services (Pty) Ltd	Globetom (Pty) Ltd
Large Companies	Magus (Pty) Ltd	Dynamic Commodities (Pty) Ltd
Emerging BEE Enterprise	Tugo Builds (Pty) Ltd	TMI Consultancy CC (t/a TMI Dynamics)
TECHNOLOGY AND HUMAN RESOURCES FOR INDUSTRY PROGRAMME (THRIP)		
Category	Winner (Project Leader)	Runner-up (Project Leader)
Human Resource Development: Quality and Quantity of Students	Prof JP Maree	Prof LF Petrik
Competitiveness of the Industry Partner	Mr AS Jonker	Dr P Addison
Outstanding Black Researcher	Dr LE Khotseng	Prof D Ramjugernath
Advanced Hi-Tech	Prof BTJ Maharaj	Prof PJ Blignaut



6. THE INCUBATION UNIT





Senior Manager: Incubation,
Tandeka Rozani

6.1. Highlights

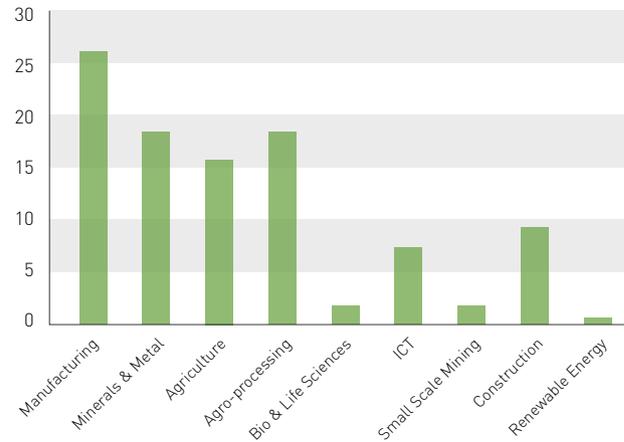
We are exceptionally proud of the performance of the Incubation Unit, and in particular the 43 operational incubators supported by the Stp. Over the past year, these incubators created 432 new SMMEs and contributed to employment by creating 1824 direct jobs and 1076 casual jobs.

Collectively, the SMMEs contributed an astounding average of R200m per quarter in SMME turnover towards South Africa's GDP. This could not have been accomplished without the dedication and commitment of the Incubation unit's eight staff members and the expanded network of CEOs and Centre Managers.

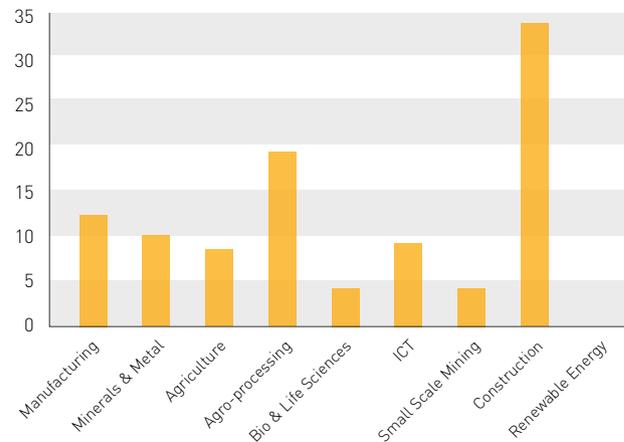
Some of the key activities introduced during the year towards the improved functioning of the programme included, amongst others:

- Improved capacity and control measures on the governance of centres;
- Improved administrative turnaround times;
- Additional risk-mitigation in contractual obligations with TBCs;
- Improved performance reporting.

CLIENT SUPPORTED % CONTRIBUTION



DIRECT JOBS % CONTRIBUTION





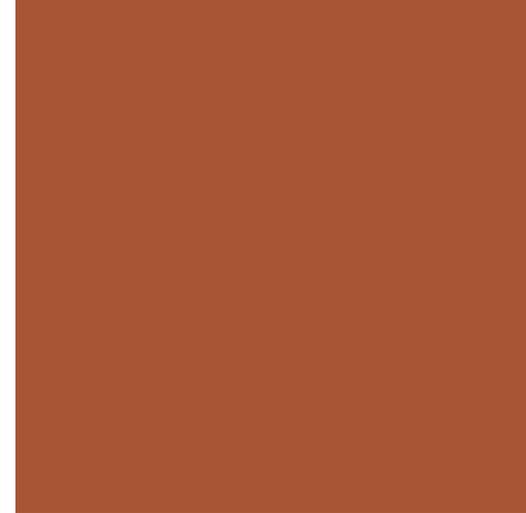
Top: The cutting of the ribbon at Seobi Laboratory.



INCUBATORS LAUNCHED

- Ekurhuleni Jewellery Project (EJP), Eastrand, Gauteng
- Seobi, Nkandla, KZN





6.2. Success Stories

V & H BONO FURNITURE MANUFACTURERS

Province:	Gauteng
District/Branch Name:	Furntech Johannesburg
Business Name:	V & H Bono
Contact Person:	Hendrick Rankhododo
Contact Number:	072 383 8913

BACKGROUND

V & H Bono is a private company with Directors Vincent Makhubele and Hendrick Rankhododo at the helm – with 25 years’ and 35 years’ experience in furniture manufacturing respectively. They met when both were working for Roodenurn Manufacturing. When the company closed down in 2011, Hendrick started buying and selling furniture informally to some of the clients in the Furntech Incubation Programme. This raised interest in the programme and in 2013 Vincent and Hendrick decided to register V & H Bono as a business. They applied and were accepted to

the incubation programme and started operations in May. As far as their particular areas of expertise are concerned, Hendrick is skilled in marketing and negotiating deals, while Vincent is strong in production, quality and design.

CHALLENGES

As is typical with start-ups in the wood and wood products sector, some of the key challenges that the business faced at inception included:

- Lack of access to affordable business premises;
- Lack of access to infrastructure, such as machinery and equipment;
- Lack of access to capital and business advisory services.

INTERVENTIONS

With the backing of Furntech’s Incubation Programme, V & H Bono was able to enhance the business in a protected environment. Support services included the development of a



detailed business plan, access to showroom, access to a fully equipped workshop, business and technical mentoring, legal and legislative compliance, administrative service and network and linkage facilitation.

The company's product range includes sleigh beds, pedestals, headboards, plasma stands, book shelves and other customised upholstered products. The directors are passionate about furniture and one of the key factors in their success is that quality is not negotiable. This work ethic has been filtered down to their employees and undoubtedly contributed to growth in the business' turnover. Their immediate objective is to achieve and maintain an average turnover of R200 000.00 per month.

"Working for Furntech enables us to meet our customer needs. When we deliver our product to the customer we want to see a smile. I can guarantee you our customers get value for their money. There are no limits to what we can do." Vincent Makhubele

"It's interesting that I taught Vincent everything that he now knows about furniture. Today I am proud to be co-owning the company with him." Hendrick Rankhododo

ACHIEVEMENTS

Revenue

- May - June 2013: R118 220.00
- July - September 2013: R226 540.00
- October - December 2013: R355 165.00

Employment Figures

- Since July 2013 – nine, including the owners

Highlights

- The business now supplies Issops Furniture in Gauteng.
- It generated a turnover of R699 925.00 within 8 months in the Incubation Programme.
- V & H Bono opened a shop in Pretoria (Miranco Furniture), which will be fully operational in 2014.



GLOSALES NETWORK T/A NK DESIGNS

Province:	Kwa-Zulu Natal
District/Branch Name:	Furntech Durban
Business Name:	Glosales Network t/a NK Designs
Contact Person:	Niezam Khan
Contact Number:	082 776 4211

BACKGROUND

Glosales Network is private company owned by Niezam Khan. In 2012, Niezam was interested in starting his own lounge suite manufacturing business, but lacked the technical skills required. He then contacted Furntech and was advised to undergo technical training in frame-making and upholstery. After successfully completing the training, Niezam entered the Furntech Incubation Programme in November 2012.

CHALLENGES

Some of the key challenges that the business faced at inception include:

- Lack of access to affordable business premises;
- Lack of access to infrastructure, such as machinery and equipment;
- Lack of access to capital and markets;
- Lack of Business Management and other relevant skills.

INTERVENTIONS

Furntech's Incubation Programme provided Niezam the opportunity to start his business in a protected environment by helping with the development of a detailed business plan, providing administrative services and business and technical support, and giving the business access to a fully equipped workshop.



Today, Glosales Network's product range includes lounge sets, ottomans, space-savers, wing back chairs, headboards and any other customised, upholstered products.

The company uses social media as part of its marketing strategy. This has proven to be highly successful and has resulted in the business growing from strength to strength, in terms of employment and turnover.

Glosales Network's goals for 2014 include establishing two more retail stores in KZN and increasing the staff compliment to twenty employees. Niezam has also set himself the target of achieving a minimum turnover of R800 000 for the year.

*"I would like to thank Furntech for providing my business with this opportunity. My experience thus far has been very positive."
Niezam Khan*

ACHIEVEMENTS

Revenue

- January – March 2013: R 71 147
- April – June 2013: R 184 732
- July – September 2013: R 148 121
- October – December 2013: R 312 302
- January – February 2014: R 105 590

Employment Figures

- Since January 2013 – eight, including the owner

Highlights

- A retail store was opened in September 2013 in Musgrave.
- The business generated a turnover of R 237 508 in November 2013.
- Niezam participated in the 2013 South African Swedish Design Initiative, which saw him travel to Sweden.



7. THE TECHNOLOGY TRANSFER UNIT





Senior Manager:
Technology Transfer,
Takalani Ramuthanga

7.1. Highlights

The Technology Transfer (TT) Unit promotes and facilitates the transfer of appropriate and effective technology, which enables SMMEs to grow their business and improve on their production processes.

Due to the continuously changing SMME landscape, the unit has to review and improve its processes and policies on a consistent basis to ensure that it responds adequately to the SMMEs' changing needs.

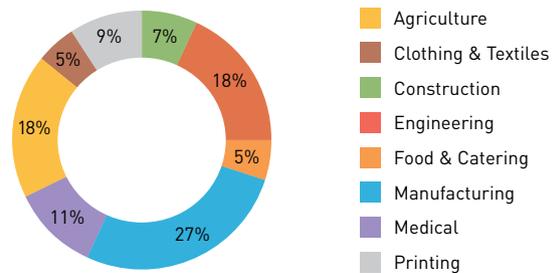
During the year under review, the TT Unit held workshops with Seda Business Advisors and Branch Managers where intervention was requested. These workshops covered:

- TTF Procedures and Processes;
- Qualifying Criteria;
- Training on how to complete the Technology Transfer Fund Application Forms.

The TT administers an incentive through the Technology Transfer Fund (TTF) which provides a maximum of R600 000 per project for equipment, machinery, skills transfer and more, for SMMEs. The fund is intended to support both existing and start-up SMMEs operating as 2nd economy businesses with a focus on gender equality, BEE ownership and the support of youth.

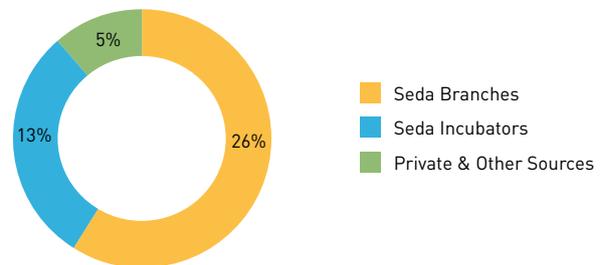
94 applications were received for the year under review. Due to limited funding, only 44 of these were approved for support and an amount of R23 482 077 was committed. These enterprises are spread throughout the country and operate in different economic sectors.

TTF APPROVALS ACCORDING TO SECTOR

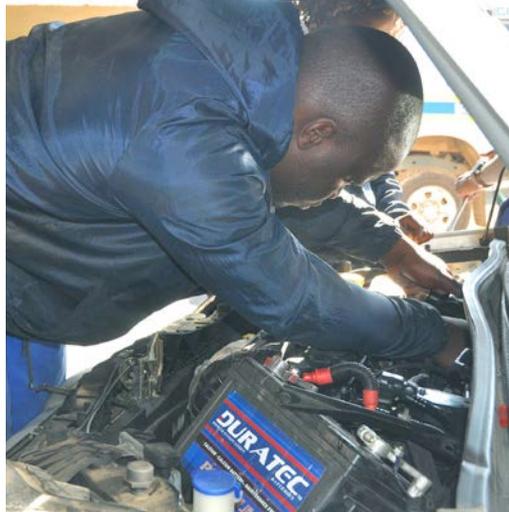


As the TTF is mandated to support clients in the 2nd economy, clients are sourced via the Seda branch network, supported Business Incubation Centres and other developmental agencies.

CLIENT SOURCES



Through the Technology for Women in Business (Twib) as well as linkages with women support agencies and institutions, the TTF is able to address challenges faced by female enterprises regarding access to business support services. For the year under review, 30% of enterprises approved for support are owned by women.



7.2. Success Stories

VOLKCITY

Province:	Gauteng
District/Branch Name:	Silverton
Business Name:	Volkcity Motor Specialist
Contact Person:	Siphiwe Zikalala
Contact Number:	072 558 5322

BACKGROUND

A shining example of SME development is 33-year-old Siphiwe Zikalala. His desire to be his own boss, while at the same time creating jobs and promoting skills, resulted in him establishing Volkcity Motor Specialist in Silverton, Pretoria.

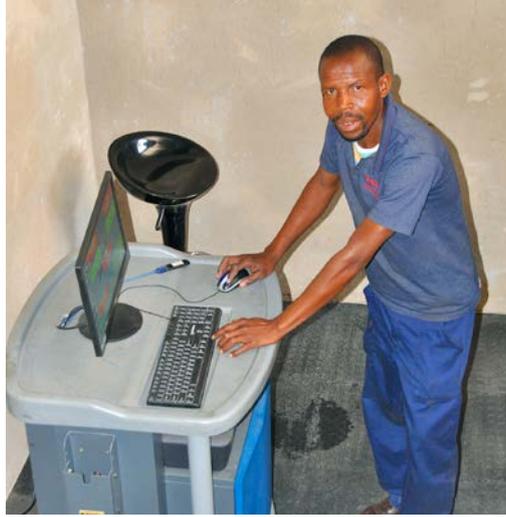
After obtaining his motor mechanics diploma from the Pretoria West College, Zikalala joined Volkswagen Menlyn in Pretoria as an apprentice, where he remained until 2009. During this time,

he gained extensive knowledge about motor plans, management and different training interventions.

He started his business four years ago with only three staff members and today boasts a complement of 12 employees – four full-time technicians, a receptionist and a wheel alignment specialist, as well as six learners doing their Level 1 Motor Mechanic Learnership.

CHALLENGES

When he started the business, Zikalala didn't have adequate equipment. While he experienced a steady flow of customers, the lack of machinery was an impediment. A further challenge experienced was the managing of his finances, including record-keeping and accounting for each and every business transaction.



INTERVENTIONS

With the assistance of the Seda Technology Transfer Fund, Volkcity now has state-of-the-art equipment in the workshop. To ensure continued growth, part of the conditions of the grant include that Volkcity remains a fully-functional business, maintains up-to-date taxes and shows potential for growth. To further strengthen the skill levels of his employees, Zikalala also approached the merSETA to provide his company with motor mechanics training and to fund these learnerships.

OUTCOME

This enterprising young entrepreneur has seen his business grow phenomenally over the past four years – from servicing only 10 cars a day to 20 cars a day. His growing client base now includes high-profile organisations such as the South African Police Service and power utility Eskom.

“My recipe for success is built on patience and the foundation laid by VW, as well as the help I received from the merSETA as far as skills development is concerned and Seda in relation to funding and financial management. My plan for the future is to have a one-stop centre that will include the workshop, a sound system centre, wheel alignment, tyre and panel-beating shops under one roof.”
Siphiwe Zikalala



AMPHIGUARD

Province:	Limpopo
District/Branch Name:	Mopani
Business Name:	Amphiguard Brickyard CC
Contact Person:	Tshepiso Mametja
Contact Number:	072 941 4022

BACKGROUND

Amphiguard Brickyard is a registered closed corporation, in Louis Trichardtsdal, Maruleng, which manufactures cement bricks (maxi and stock), as well as paving bricks (interlock and bevels). The business is owned and managed by Ms. Tshepiso Mametja, and began operations in March 2010.

CHALLENGES

When the owner visited Seda, the business was operating with one brick making-making machine, producing only 1000 bricks a day. Tshepiso was unable to manage the finances effectively; her records were not up to date and she was not able to produce monthly reports for income and expenditure.

There was also no visible signage in the yard and no promotional materials to speak of. The quality and strength of the bricks was unknown since the bricks had never been tested. The client was also unable to meet the demands due to the limited production capacity of the machines.



INTERVENTIONS

An assessment of the company operation was conducted and several interventions took place, including financial management training, product testing with SABS, access to finance via the Technology Transfer Programme, the creation of signage and promotional material and the exhibiting of Amphiguard at the Seda Entrepreneurship Day.

"I would like to thank Seda for their services. Through the advice and information I received from them, my business has really improved. Seda are really advancing small business." Tshepiso Mametja

OUTCOME

The client's record-keeping has improved vastly after the financial management training. The brickyard and business office were branded and promotional material was developed and clientele has steadily increased. Tshepiso received R407 000 from TTF, which allowed her to create 15 more jobs and secure contracts to supply bricks at retail stores like Cash Build, Magic Build and Built It. The turnover has increased from R1 086 375 to R1 387 602. Moreover, she was nominated for the Business Woman of the Year Awards in 2012 and won in the construction category.



8. THE QUALITY AND STANDARDS UNIT





*Senior Manager:
Quality and Standards,
Tervern Jaftha*

8.1. Highlights

We have travelled this journey focused on the goals set in 2010 of improving the quality and productivity of small enterprises to meet and exceed national and international standards. Through our unique set of offerings and interventions the quality and standards unit has enabled small business to meet market demands and supply high quality products and services.

For the period under review a new three year Memorandum of Agreement was signed with the South African Bureau of Standards (SABS). The agreement will be looking at new support areas that can benefit the upper end of Seda's client pool and incubated clients. The new agreement will focus on the following:

- The use of the SABS Supplier Audit Tool beyond the MASSMART supplier development programme but with other private sector and State Owned Enterprise (SOE) partners. The new agreement include a 15% discount on certification cost for Seda clients referred to SABS by the Seda network (Incubator & Branch)
- New monthly payment system for Seda clients with regards to annual certification fees post Seda intervention
- Mainstreaming of the new Seda product design and packaging incentive with the SABS Design Institute

We have also started a new pilot programme focusing on Responsible Tourism SANS 1162 with the National Department of Tourism. The pilot focused on the development of management systems based on the SANS 1162 standard for 8 tourism business.

The following achievements were recorded for the year under review:

- **11 product design clinics** were commissioned in partnership with 7 manufacturing incubators, the South African Women Enterprise Network (SAWEN), Technology for Women in Business (TWIB) programme of the dti, Business Chambers and the Cooperatives Unit at the dti. The programme provided a first level product development foundation to 150 participating small enterprises.
- **41 applications** have been approved for product testing and certification support with 157 different products (bricks, plastic injection moulds, beverages and firefighting equipment, chemical products and new ICT hardware (tablet computers)) being tested and certified against compulsory specifications of the National Regulator for Compulsory Specifications (NRCS). 132 Enterprise Audits were also conducted for the year under review.
- **825 enterprises** were technically trained in the following Stp training programmes Hazard Analysis and Critical Control Points (HACCP), ISO 9001: 2008 and Strategic Business Process Management (SBPM).
- **43 enterprises were supported** with the implementation of Quality Management Systems and **9 clients participated in the Seda/Transnet Supplier Development Programme.**

The creation of new testing laboratories is supported by a new multi-year agreement with the South African National Accreditation System (SANAS) signed in January 2014. This new partnership will support our vision of improving the competitive

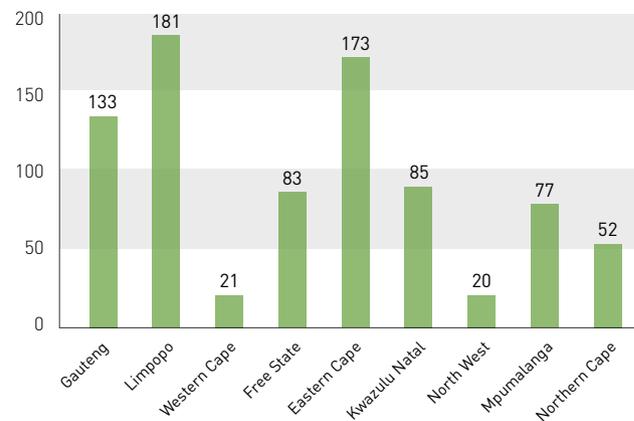
and productivity levels of incubatees in our funded incubators through the provision of access to accredited testing facilities that will verify the compliance levels of their products. All Seda testing centers are working towards SANAS accreditation.

The following new Seda testing laboratories were approved during the period under review:

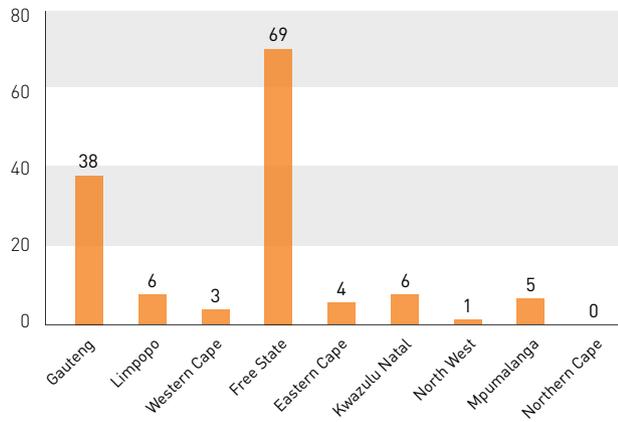
- Rapid Prototype Lab /FABLAB for the Seda Atlantis Renewable Energy Business Incubator (SAREBI). The lab will cost Stp **R1.5m** to completed;
- Digital Manufacturing FABLAB for the Soshanguve Manufacturing Technology Demonstration Centre (SMTDC) at a cost of **R3m** to completed;
- Chemical Testing Laboratory for the Chemical Incubator (Chemin) in Durban at a cost of **R3.5m** to complete.

As a unit we believe that we are in a unique position to continue our technical support to the Seda network, in particular small enterprises that depend on Seda for advice and assistance to improve their business. With "continuous improvement" as our motto we will advance small enterprise development.

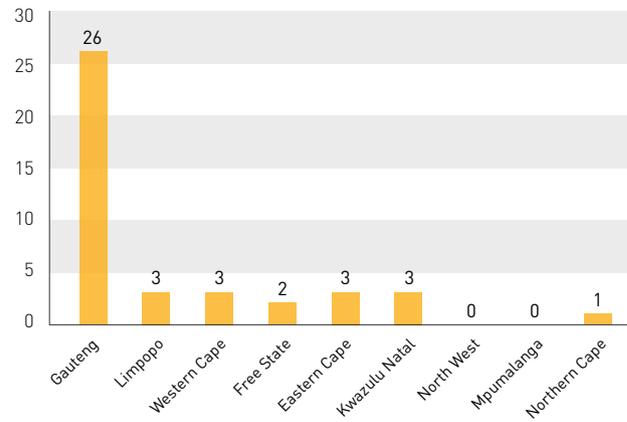
TRAINING AND DEVELOPMENT: PROVINCIAL SPREAD



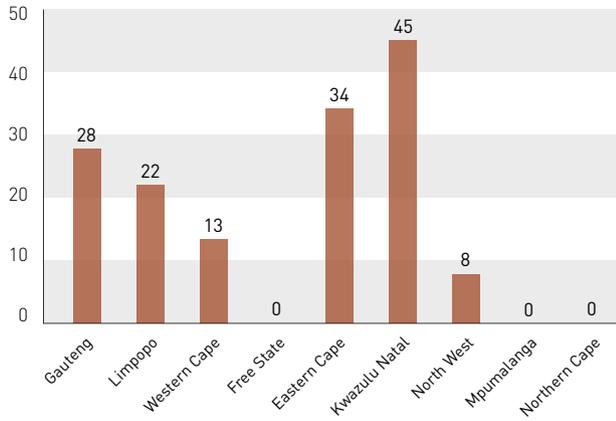
QUALITY HEALTH CHECKS: PROVINCIAL SPREAD



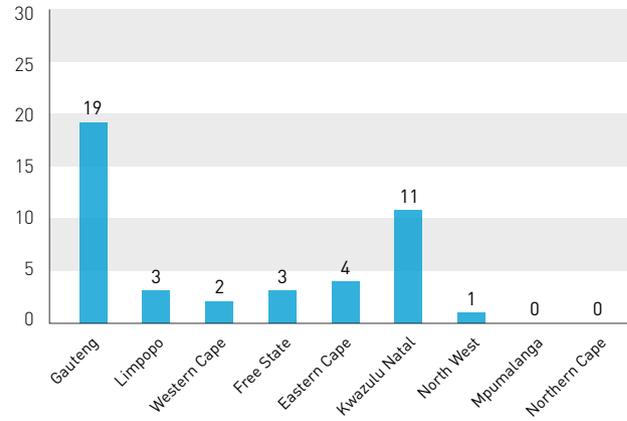
PRODUCT TESTING / CERTIFICATION: PROVINCIAL SPREAD



PRODUCT DESIGN: PROVINCIAL SPREAD



MANAGEMENT SYSTEMS: PROVINCIAL SPREAD





8.2. Success Stories

HAMISA ENGINEERING & MINING

Province:	Free State
District/Branch Name:	Bloemfontein
Business Name:	Hamisa Engineering & Mining T/A Hamisa Group
Contact Person:	Bongile Tsotetsi
Contact Number:	083 707 0100

BACKGROUND

Hamisa is a Supplier and distributor of welding equipment, gas and electrical equipment and personnel protective equipment (PPE). The business started operating in 2010 and imports welding components in China and assembles them locally.

CHALLENGE

A major challenge was to supply Harmony Gold, who initially refused to list them on their supplier database because they did not have a Quality Management System in place.

INTERVENTION

The Stp Quality and Standards Unit assisted with the development and implementation of a Quality Management System and Hamisa is now in the process of being certified to ISO 9001:2008.

OUTCOME

As a result of the intervention and the development and implementation of a Quality Management System, Hamisa is now listed with Harmony Gold. The company also supplies personnel protective equipment (PPE) to Transnet and De Beers mines.

Their full time employment has moved from three to four employees and they have taken on an additional two trainees with the aim of giving them full employment on completion of their training.



SEAQUAL

Province:	Western Cape
District/Branch Name:	Knysna
Business Name:	Seaqual
Contact Person:	Tandy Calder
Contact Number:	082 452 8781

BACKGROUND

Seaqual started operating in 1993 and is situated in Knysna in the Western Cape. The company manufactures and assembles drainage products for the plumbing industry. Products include Rain-drain (quality rain gullies made from PP); Wetfloor Drain (for showers and indoor drains); and Balcony Drain (for balconies, patios and courtyards).

CHALLENGE

Seaqual has been supplying local hardware shops and local building contractors for many years, but struggled to get into the Massmart Group, due to the fact that Massmart insist on suppliers having a Quality Management System in order to be listed.

INTERVENTION

The Quality and Standards Unit assisted the company with the development, implementation and training of ISO 9001:2008. At the time of writing, they have passed the stage 1 audit by SABS – and stage 2 audits are imminent.

OUTCOME

As a result of the intervention, Seaqual is listed with Massmart and are further supplying Builders Warehouse, Builders Trade and the Spar Group. The company is also exporting to Australia, Mauritius, Kenya and Zambia.



S. SHIPPEL

Province:	Gauteng
District/Branch Name:	Johannesburg
Business Name:	S Shippel t/a Overberg Preserves
Contact Person:	Suzanne Shippel
Contact Number:	082 573 8811

BACKGROUND

S. Shippel, trading as Overberg Preserves, is involved in the packaging and distribution of dried fruit. The business is run from home in Lyndhurst, Johannesburg, and began operations in 2010. Dried fruit, honey and fruit jam is bought in bulk from Overberg in the Western Cape and re-packaged in smaller units to sell to restaurants, corner cafés and filling stations.

CHALLENGE

The company had no food management system, and no product testing had been done – a requirement for labelling.

INTERVENTION

The Quality and Standards Unit assisted the business with an ISO 22000:2005 Food Safety Management System. Overberg Preserves are now ready to be audited and certified by a certification body of their choice. Product testing was done through SABS, with samples sent for nutritional analysis, and the double garage was converted into a pack-house and refurbished to meet the minimum requirements for food safety management system.

OUTCOME

As a result of the intervention in terms of product testing and management system development, implementation and training; Overberg Preserves are now listed with Spar Group and talking to Massmart Group to have products listed there too.

“Our business has more than doubled in turnover and is growing steadily since being assisted. We have been able to sell our products to the Spar Group and numerous other large stores due to the interventions and we are extremely grateful for the help in growing our business.” Suzanne Shippel



9. KEY FINANCIAL INFORMATION



For year ended 31 March 2014

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 the 2013/14 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.

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.

	31 March 2014	31 March 2013
	ZAR	ZAR
Total revenue	133 653 701	147 320 787
Personnel expenditure	10 235 409	10 436 686
Project and admin expenditure	125 004 866	139 234 609
Depreciation	101 590	155 620



10. LIST OF ACRONYMS

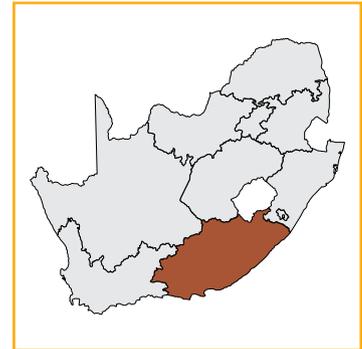


AR	Annual Review
ACEO	Acting Chief Executive Officer
CHEMIN	South African Chemical Technology Incubator
EJP	Ekurhuleni Jewellery Programme
FET	Further Education and Training
FTG	Fresh to Go
GJA	Global Jewellery Academy
KDJI	Kimberly Diamond and Jewellery Incubator
KZN ADA	Kwa-Zulu Natal Agricultural Development Agency
MASDT	Mobile Agri Skills Development and Training
SABS	South African Bureau of Standards
SANAMI	Seda Alfred Nzo Agri-manufacturing Incubator
SAQA	South African Qualifications Authority
SCI	Seda Construction Incubator
SECOPA	Seed Container Park
Seda	Small Enterprise Development Agency
SEOBI	Seda Essential Oils Business Incubator
SMME	Small Medium and Micro Enterprise
SOEPF	State Owned Enterprise Procurement Forum
SOEs	State Owned Enterprises
STP	Seda Technology Programme
DTI	The Department of Trade and Industry
TTF	Technology Transfer Fund



11. LIST OF INCUBATORS

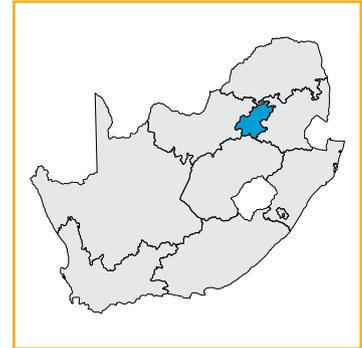




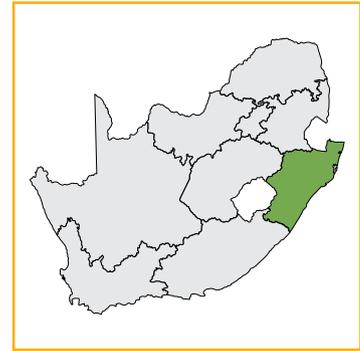
EASTERN CAPE			
CENTRE	SECTOR	LOCATION	CONTACT NO.
Chemin	Chemicals Industry	Port Elizabeth	041 503 6700
Chemin	Chemical Industry	East London	087 373 1150
Furntech Mthatha	Furniture Manufacturing	Mthatha	047 531 1840
Seda Alfred Nzo Agro Manufacturing Incubator (SANAMI)	Agro Processing	Mount Ayliff	039 254 5181
Seda Construction Incubator (SCI)	Construction	Port Elizabeth	041 486 2595
Seda Construction Incubator (SCI), Mthatha	Construction	Mthatha	047 531 1840
Seda Nelson Mandela Bay ICT Incubator (SNII)	ICT	Port Elizabeth	043 702 8200



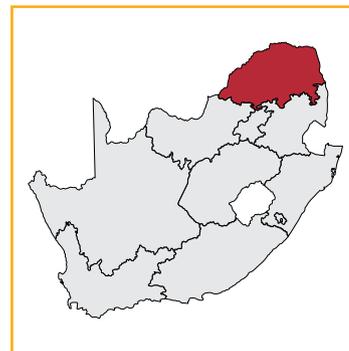
FREE STATE			
CENTRE	SECTOR	LOCATION	CONTACT NO.
Seda Agricultural & Mining Tooling Incubator (SAMTI)	Mining & Agricultural Tooling	Bloemfontein	051 507 3663



GAUTENG			
CENTRE	SECTOR	LOCATION	CONTACT NO.
Ekurhuleni Jewellery Incubator	Jewellery	East Rand	011 825 5822
EgoliBio	Bio & Life Sciences	Pretoria	012 841 4571
Furntech Johannesburg	Furniture Manufacturing	Johannesburg	011 672 2185
Global Jewellery Academy	Jewellery Manufacturing	Lenasia	071 272 1487
Lepharo	Copper, Zinc and Base Metals	Springs	011 363 3920
Seda Automotive Technology Centre (SATEC)	Automotive Industry	Rosslyn	012 564 5592
Seda Construction Incubator (SCI)	Construction	Ekurhuleni	031 309 4942
Seda Essential Oils Business Incubator (SEOBI)	Essential Oils Plant Cultivation & Oil Distillation	Pretoria	012 808 3061
Seed Container Park (Secopa)	Mix Manufacturing	Diepkloof	011 933 2173 011 933 2445
SoftstartBTI (SBTI)	ICT	Midrand	011 695 4800
South African Manufacturing Technology Demonstration Centre (SMTDC)	Low-cost Small-scale Manufacturing	Soshanguve	087 076 8320 012 799 3233
Zenzele Technology Demonstration Centre	Small-scale Mining	Randburg	011 709 4674



KWAZULU-NATAL			
CENTRE	SECTOR	LOCATION	CONTACT NO.
Chemin	Chemical Industry	Durban	078 450 8788
Downstream Aluminium Centre for Technology (DACT)	Aluminium Fabrication & Casting	Richard's Bay	035 797 1500
Furntech Durban	Furniture Manufacturing	Durban	031 579 3883
Furntech Umzimkhulu	Furniture Manufacturing	Umzimkhulu	039 259 0993
Innovation Technology Business Incubator (Invo Tech)	Mixed-use High-Tech	Durban	031 373 6792
Seda Construction Incubator (SCI)	Construction	Durban	031 309 4942
Seda Construction Incubator (SCI)	Construction	Kwa-Mashu	031 503 5225
Seda Construction Incubator (SCI), Dundee	Construction	Dundee	034 212 2074
Seda Essential Oils Business Incubator (SEOBI)	Essential Oils Plant Cultivation & Oil Distillation	Nkandla	035 833 0412
SmartXchange	ICT	Durban	031 307 1998
SmartXchange	ICT	UGu	



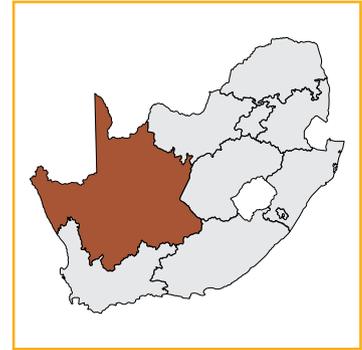
LIMPOPO			
CENTRE	SECTOR	LOCATION	CONTACT NO.
Mapfura Makhura Incubator (MMI)	Bio-fuels Plant Production & Processing	Marble Hall	013 268 9324
Seda Limpopo Jewellery Incubator (SLJI)	Jewellery Manufacturing	Polokwane	015 293 0214



MPUMALANGA			
CENTRE	SECTOR	LOCATION	CONTACT NO.
Furntech White River	Furniture Manufacturing	White River	013 750 3066
Mpumalanga Agri-skills Development & Training (MASDT)	Agricultural Capacity Building	Nelspruit	013 754 1144
Mpumalanga Stainless Steel Initiative (MSI)	Stainless Steel Processing	Middelburg	013 246 1528
Seda Sugar Cane Incubator (SESUCI)	Sugar Cane Plant Cultivation & Sales	Nelspruit	013 753 7136
Timbali	Floriculture	Nelspruit	013 752 4247



NORTH WEST			
CENTRE	SECTOR	LOCATION	CONTACT NO.
Seda Platinum Incubator (SPI)	Platinum Jewellery	Rustenburg	014 597 0736



NORTHERN CAPE			
CENTRE	SECTOR	LOCATION	CONTACT NO.
Seda Northern Cape Diamond & Jewellery Incubator	Jewellery	Kimberley	053 839 4059



WESTERN CAPE			
CENTRE	SECTOR	LOCATION	CONTACT NO.
Furntech George	Furniture Manufacturing	Nyanga	021 201 7542
Furntech Head office	Furniture Manufacturing	Cape Town	021 510 0088
Seda Atlantis Renewable Business Incubator (SAREBI)	Renewable Energy	Atlantis	082 334 1405

SEDA NATIONAL OFFICE

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