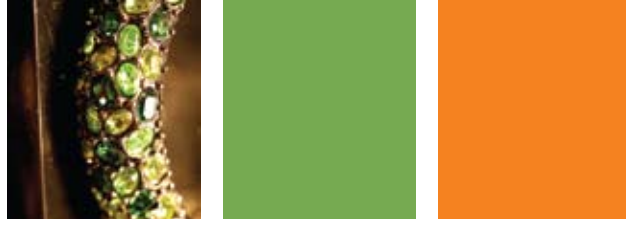




Seda Technology Programme:  
A year in review -2008/09





# Annual Review

For the Year Ended 31 March 2009

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# The Chairperson's Report

As Chairperson of the Seda Technology Programme it gives me great pleasure to report on the outstanding successes and achievements that this Programme has achieved during 2008/09 financial year.

As a special ring-fenced programme of **the dti**, housed within Seda, the programme operates under the governance of the **stp** Board Committee and the Seda Board. The programme was created through the merger of the GODISA Trust, the National Technology Transfer Centre and the Technology Advisory Centre as well as the SMME development activities of Technology for Women in Business (TWIB) and the South African Quality Institute (SAQI). The merger of all these diverse, but related entities into **stp** has created a comprehensive platform to assist SMMEs nationwide.

A total of 224 new SMMEs were established and 456 SMMEs supported. In the process, 10 628 jobs were created, of which Previously Disadvantaged Individuals accounted for 87% of the people supported by **stp** and a total number of women supported amounted to 37%.

Two new incubators in Limpopo and the Free State were also established during the course of the year. Furntech launched it's Gauteng branch during this financial Year and is in the final stages of establishing their Centre in Mthatha. During 2009/10 Financial Year, the Seda Construction Incubator will also be extending its footprint in KwaZulu-Natal.

Despite the challenging economic circumstances, the incubators have made remarkable strides in achieving the desired results and some managed to exceed their expected year targets. One has to keep in mind that during this economic downturn, the motor, metals and mining industries have been the hardest hit.

**stp's initiatives are on the right track in making a difference to the South African economy.**

The total number of small enterprises assisted with Technology Transfer interventions is 46, with 47.8% being women owned businesses. It was pleasing to learn that, despite the current economic climate, some Technology Transfer Fund (TTF) beneficiaries have continued to do well. The Technology Transfer function is in the process of adding non-financial interventions to its portfolio to assist additional SMMEs and will be implemented in the coming year.

In a short space of time, and in a changing environment, the Quality and Standards division also managed to record excellent results in assisting SMMEs, as well as supporting incubator centres and Seda branches nationwide.

I am very 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 special interest in supporting the activities and objectives of the programme – your commitment is highly appreciated. The **dti's** involvement as the main sponsor of the **stp** programme remains crucial to the success of the programme, not only through the funding provided, but also the role they play in forming the programme's policies, objectives and strategies.

**stp** has also formed many new alliances with partners, who played an important role in the achievement of the **stp's** objectives and successes over the past year.

In conclusion, I am positive that **stp's** initiatives are on the right track in making a difference to the South African economy - especially assisting SMMEs to become a competitive force and to expand into global markets.



Mandisa Manjezi  
Chairperson: Seda Technology Board Committee  
(Chief Director: Enterprise Development **the dti**)



# Acting Executive Manager's Report



Jayesh Ravjee  
Acting Executive Manager

Technology is playing an increasingly important role in our daily lives. It is therefore no surprise that technology has become crucial to the competitiveness and success of many small businesses around the world.

At **stp** our main task is to firstly identify the gaps in the technology deployed by small enterprises and then facilitate and benchmark the acquisition of the latest technology to make these businesses viable in the long term.

At the end of my first year as the Acting Executive Manager, it gives me great pleasure to report on the strong performance recorded by **stp** during the 2008/09 financial year. In a challenging operational environment, **stp** has exceeded its targets for the year ended 31 March 2009. We believe that we have the right platform and are positioned to deliver on Government's expectations even better in the years to come.

**stp** has worked hard to leverage opportunities for SMME competitiveness and growth support in South Africa. With the additional financial assistance from Seda and **the dti**, **stp's** budget has grown from R72 million to R120 million in the financial year ending 31 March 2009. All funds have been utilised or committed thus ensuring that we effectively maximise Governments return on investment towards the development of SMMEs.

Despite all industrial sectors experiencing the effects of the global economic downturn, the construction and the agricultural incubators contributed significantly to the SMME and clients supported deliverables. The SMMEs supported had a turnover of R129m and we salute them for this achievement.

I would like to thank **the dti**, Seda's Board, the **stp** Board Committee, Seda and all other partners, as well as **stp's** staff for their commitment during the year. Your hard work and effort helped **stp** to provide the platforms and the implementation thereof to develop new sustainable SMMEs and to enhance the capability of existing SMMEs.

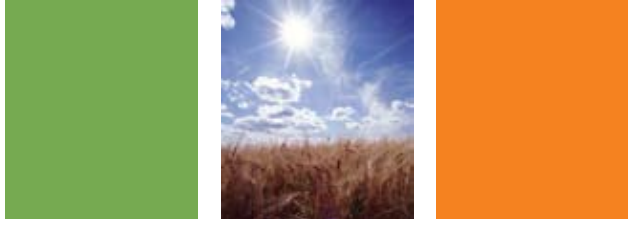
The Cost-Benefit analysis undertaken during the course of the year showed the following results:

<b>Economic Growth</b>	✓ <b>Positive NPV &amp; high IRR from the STP's incubation Programme</b>
<b>Economic Empowerment</b>	✓ <b>Strong track record: more than 80% of beneficiaries are black people &amp; more than 30% are women</b>
<b>Skills Development</b>	✓ <b>Large number of people formally trained &amp; placed in jobs</b>
<b>Business Development &amp; SMME creation</b>	✓ <b>Significant number of new SMMEs created</b>

Based on the 8 incubators analysed over the 3-year period, overall the **stp's** incubation programme has been a success

**stp has been working smartly to position our resources to address the social and economic challenges in the country**

- Jayesh J Ravjee



# stp Board Committee Members

**stp** reports through its Board Committee to the Seda Board and ultimately to the Minister of Trade and Industry. The Board Committee has overall responsibility for the affairs of **stp**.

The Board Committee members as at 31 March 2009 are as follows:



Ms. Mandisa Manjezi, **dti**



Dr. JFA Potgieter, **dti**



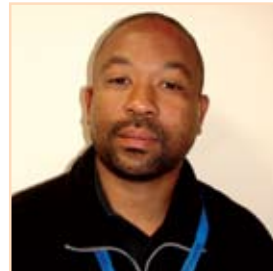
Ms. N Dinie, Seda Board Member



Ms. H Lupuwana, CEO: Seda



Prof. NHB Faull, Seda Board Member



Mr. V Zondi, DST



Mr. DP Mtsweni, **dti**



Mr. ER Baloyi, **dti**





# Background to the Seda Technology Programme

On 1 April 2006, **the dti** created the Seda Technology Programme (**stp**) as a special ring-fenced programme of **the dti** housed within the Small Enterprise Development Agency.

**stp** was created as part of Government's national strategy of consolidating small enterprise support interventions across different Government departments and Government agencies, with the overall objective of improving the delivery of small business support services to entrepreneurs, potential entrepreneurs and small enterprises.

As part of this process, **the dti** decided to incorporate the activities of GODISA, the three **dti** incubators, the National Technology Transfer Centre, the Technology Advisory Centre and the SMME development activities of Technology for Women in Business (TWIB) and the South African Quality Institute (SAQI) into a single Programme – Seda Technology Programme (**stp**).

The 2008/9 Financial Year consequently saw **stp** focusing on delivering in each of the following four business areas:

1. Technology and Business Incubation services and support through the programme management of 27 unique Technology Business Centres, as well as the establishment of new centres subject to the availability of funding and a clear directive from **the dti**.

2. Technology Transfer services for small enterprises, incorporating a special unit dedicated to the support of women-owned enterprises
3. The promotion of Quality and Standards as key drivers of the national strategy to improve the competitiveness of small enterprises
4. Development of the Knowledge Management Unit dedicated to turning **stp** into a true Centre of Competence and experiential learning organisation

The four focus areas listed above reflect the core activities that each of the organisations/programmes listed earlier were responsible for, although they will now be undertaken under the **stp** umbrella.

The outputs and deliverables of each of the four focus areas are highlighted later in this document, and are all geared towards delivering on **the dti's** strategic objectives of facilitating growth, equity and employment creation in the South African economy. As **the dti** is the principle funder of the activities of **stp**, the programme is committed to filling its role in support of the overall objectives of **the dti** in terms of the National Industrialization Policy Framework and the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises.

## Strategic Focus Areas

**stp** was created by the South African Government to provide technology and business development support services to small enterprises as an integral part of its mandate to drive the national technology transfer and business incubation agenda.

**stp's** aim is to stimulate economic growth and development through facilitating technological innovation, increasing the accessibility to, and utility of, technologies and technical support for small enterprises, whilst at the same time improving the sustainability and international competitiveness of small enterprises supported through the programme.

### MISSION:

"To develop, support and promote small enterprises to ensure their growth and sustainability."

### VISION:

"An internationally recognised Centre of Competence that develops and supports innovative technology-based platforms for the creation and support of sustainable, globally competitive SMMEs".

The mission statement supports the vision by reaffirming **stp's** vision to become an internationally recognised Centre of Competence that develops innovative technology – based platforms that result in the creation and growth of sustainable, competitive SMMEs, that can contribute towards the accelerating growth of our economy.

### stp mandate

- *Enhance technological innovation*
- *Increase accessibility to, and utility of, technologies and technical support for small enterprises*
- *Facilitate the acquisition, development and transfer of technology to small enterprises, particularly those operating in the second economy*
- *Improve small enterprise performance and productivity*
- *Improve small enterprise profitability and growth*
- *Improve small enterprises competitiveness*
- *Reduce small enterprise failure rates*



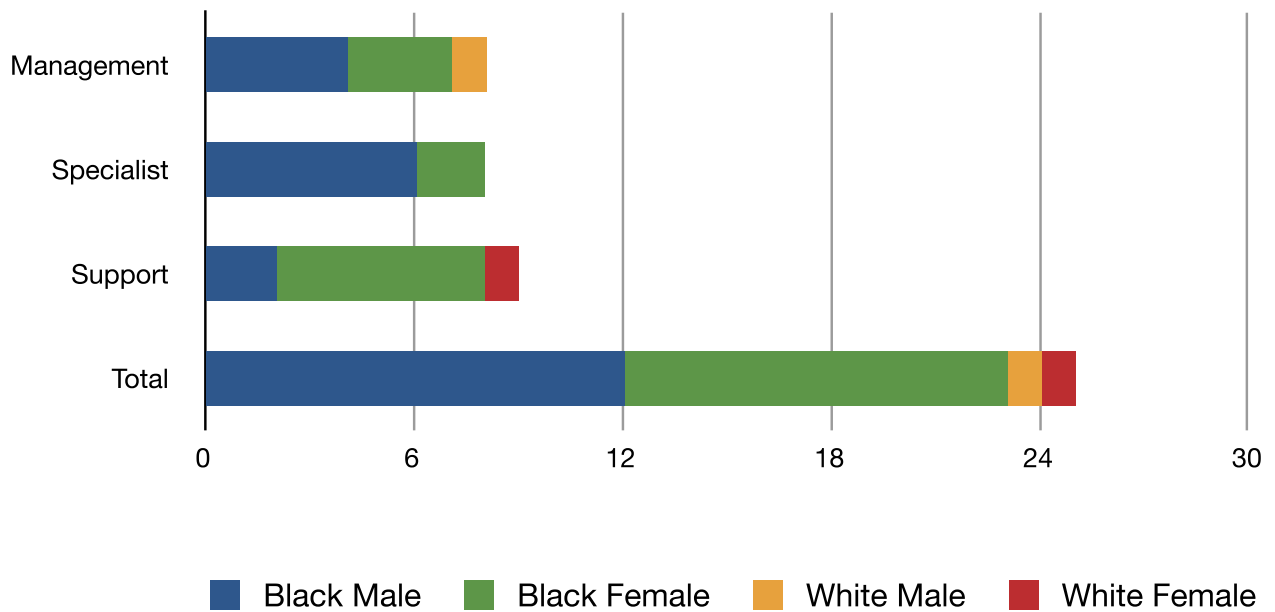
# The **stp** Team

As a programme that fills a primarily Programme Management Function (PMU) for **the dti** in the monitoring of the various Technology Business Centres located throughout South Africa, the **stp** team is characterised by a small national office team of 25 people ,supporting all the incubators, technology transfer and quality interventions.



The Team

# Staff Compliment







# The Year at a Glance

This is the third Annual Report submitted by the Seda Technology programme (**stp**), reporting on the activities of the programme. This report covers the period 1 April 2008 to 31 March 2009.

This annual review undoubtedly reaffirms the fact that Business Incubation is one to the most effective, albeit expensive tools for supporting small enterprise development. The benefits of designing a support intervention around the intensive hand-holding of a few companies are clearly proving its worth above other business development interventions.

In the 2008/2009 financial year **stp** surpassed all its core KPIs, especially with regard to small enterprise establishment, job creation, and creating real wealth for the owners of the businesses supported.

During the year, **stp** supported the creation/establishment of **224** small enterprises, provided business development support services to **456** enterprises, and through its centres, directly assisted in the creation of **10 628** jobs. Equally impressive, is the fact that **stp**-centres assisted in increasing the turnover of companies supported by the programme by **23%**. In fact, the total turnover of the companies supported through the programme increased from **R105 million** at the start of the financial year to **R129 million** at the end of that period. This phenomenal increase in total turnover of the companies supported through the programme can be directly attributed to the relevant services and support being provided by the **stp**-supported TBCs.

**stp** has faced considerable challenges during the financial year, the most drastic being the large number of vacancies that need to be filled. Uncertainties regarding the future of the Programme resulted in vacant posts not being filled, but the decrease in "administrative/operational" efficiency of the programme necessitated the appointment of new staff during the 2008/09 financial year.

The European Union through **the dti** and The Sector Wide Enterprise, Employment an Equity Programme (SWEEP) provided R25 million in funds to **stp**. The funds were divided up into two parts; R11m was allocated for the establishment of five new Incubators. Two Incubators were established and discussions are underway regarding the remaining three incubators. The balance of the funds were allocated for operational costs for five existing centres. The performance results of these centres are included in the accumulative figures in the annual review.

## Highlights of the 2008/09 financial year

- The TTF expenditure for 2008/9 financial year was R 24 699 631 and this amount includes the amount of R 15 321 940 allocated by Seda to the Technology Transfer Division for assisting SMMEs with Technology Transfer interventions.
- Two new incubators funded by SWEEP were established during the year, namely, the Seda Limpopo Jewellery Incubator in Polokwane and the Seda Agricultural, Mining and Tooling Incubator in Bloemfontein.
- Number of Direct Jobs Created was 1 318.
- Number of Direct plus Indirect Jobs Created was 10 628.
- Total Turnover of SMMEs was R129m.
- The total number of Small Enterprises assisted with Technology Transfer interventions is forty six (46), with 47.8% being women-owned businesses.



# Incubation Division



Jayesh Ravjee  
Senior Manager: Incubation

**At the close of the 2009 Financial Year, Technology Business Centres have displayed remarkable resilience despite the global economic challenges.**

224 new SMMEs were established and 496 SMMEs supported. One Incubator was re-established after undergoing a re-strategising process and a further two new incubators were established during the course of the year. The programme has spread its reach through 21 partners, which it now supports. In addition, Furntech has added a Johannesburg branch to its portfolio and the Seda Construction Incubator has already begun extending its footprint to the Kwa-Zulu Natal province.

Despite the notable achievements and buoyancy of the Technology Business Centres (TBCs), the supported sectors are not immune to the impact of the depressed economy. The motor and metals and mining industries, including beneficiation have been hardest hit during the course of the year. However, some of the incubators have not only met their quantifiable targets, but exceeded them, which shows outstanding achievement and is well worth the acknowledgement and recognition.

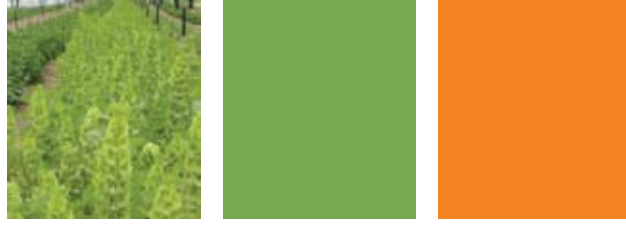
A staggering 87% of clients supported are black-owned enterprises and an impressive 37% are women-owned business. More than R18,5 million was raised in respect of clients and was facilitated through the support offered to clients by the various TBC's.

Since the inception of **stp** in 2006/7, the incubation division has more than doubled the number of SMMEs established and has collectively grown the number of both direct and indirect jobs created to more than ten fold since 2006/7. The growth of the program is indisputable.

As reported in the previous annual report, certain TBC's were experiencing operating & governance challenges. This year through concerted efforts by the Project Officers and various boards, support mechanisms were put in place to ensure proper management systems were upheld. However, after the completion process was completed, a number of skills policies and operational gaps were identified, it is through this that **stp's** support has served as catalyst in the proactive problem-identification process and the eradication of the counter-productive activity. **stp's** participation at board level has therefore become more prevalent and is continually seeking to raise the standard of service and operational practice within the network.



The incubated farm produced a yield of 40-50% above the industry norm



# Highlights and Achievements for the Division

Several events and activities took place throughout the year, a few of which are listed below:

- The division provided an opportunity to three of the division's project officers to undertake international trips for exposure to international best practices and networking conventions. This included attendance and participation at the 11<sup>th</sup> International Training workshop on Business Incubation held in Shanghai, a Furntech study tour to Sweden and participation at the United Kingdom Business Incubation Association convention.
- The newly restructured Seda Nelson Mandela Bay ICT Incubator (SNMBICTI) in Port Elizabeth hosted a re-launch for the benefit of consortium partners at which the Mayor of the Nelson Mandela Bay Metro delivered her keynote address.
- An EgoliBio client, Herbal Horse, has been nominated as a NBIA incubation awards finalist in the category; "Outstanding Incubator Client".



International visit - UK  
Business Incubation Seminar



Mayor at the re-launch of the SNMBICT Incubator



International visit - China IBA



- During April 2008, Furntech also had the official opening of its sixth centre in Johannesburg, attended by Hon. Deputy Minister of **the dti**, Ms Elizabeth Thabethe. The Ghanaian government also sent a representative (Mr Kwame) to visit **stp**, represented by Mr Wyeth and Mr Ravjee, to share information and activities relating to Incubation in South Africa. An impressive linkage was also facilitated through Furntech when they took two incubatees to a Swedish Furniture exhibition. This kind of exposure provided SMMEs with creative and innovative concepts in order to combat the negative effects brought on by the economic meltdown.
- Early in the year, the Seda Construction Incubator (SCI), hosted an event where Mr Ravjee was a guest speaker for the Youth and Construction expo, held in Durban. This initiative of the eThekweni Municipality, ABSA bank, SCI and major role-players in the construction industry was attended by over 600 people. During the year SCI was awarded with accreditation as a training provider by the Construction Education and Training Authority (CETA), improving their value of support offerings. In addition to this milestone, the centre has secured a collaborative partnership with the Umzimyathi District Municipality to establish and expand its operations in KZN.
- The year also introduced the first South African Global Incubation Day hosted by **stp** in Southern Africa. The event showcased **stp**'s incubators at the **the dti**'s internal street, a mere stone's throw from **stp**'s offices.
- Another achievement for **stp** was the collaborative partnership with the Southern African Business Technology Incubation Association (SABTIA). The joint initiative invited interest parties, stakeholders and industry role-players to a conference that pioneered discussions on the formulation of a National Incubation Policy. This conference ran concurrently with an Incubation Training Seminar for management staff of Incubators, which was also supported by **stp**. Both events served as a dual networking session bringing relevant SMME specialists together.



Furntech's Chairperson Mr John Mortimer, Deputy Minister Elizabeth Thabethe & Mr Charles Wyeth at a Launch of Furntech: Gauteng



Deputy Minister Thabathe congratulating Mr Ravjee at a Launch of the Furntech Gauteng Branch



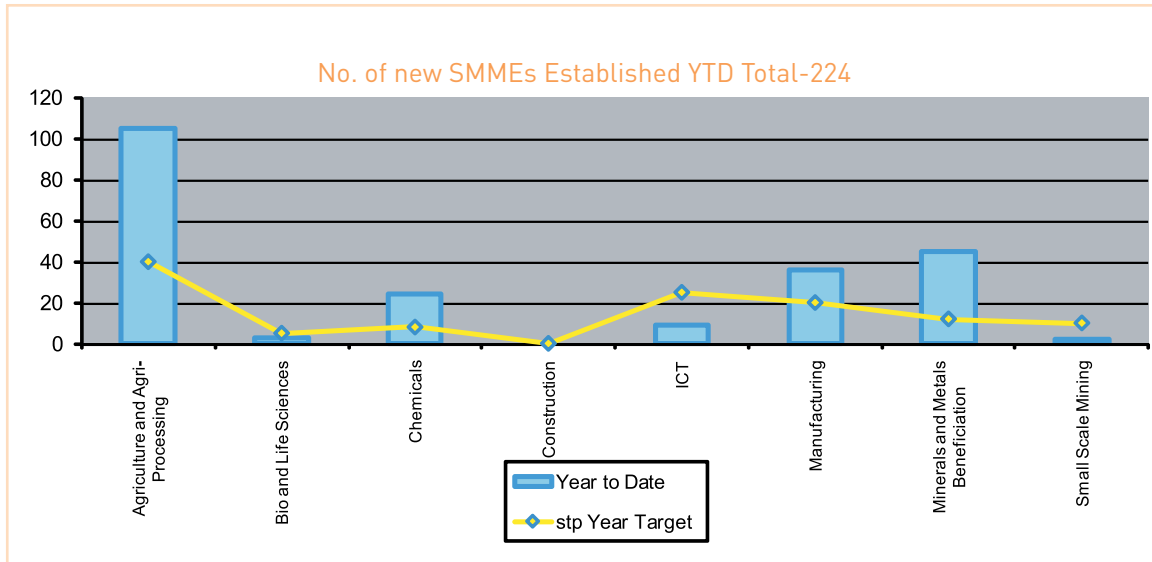
Global Incubation Day



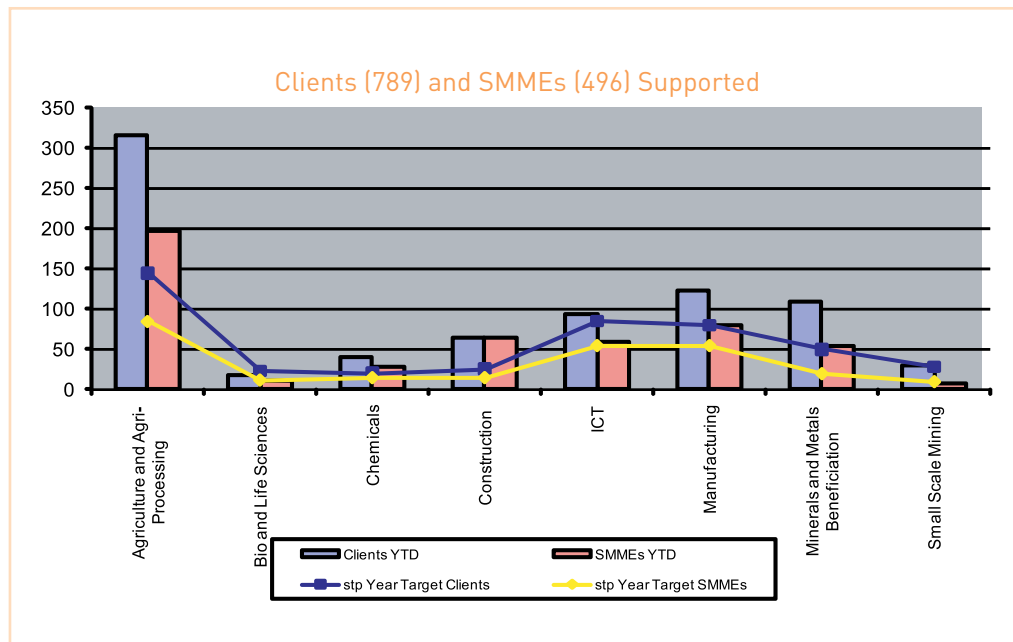


# Key Outcomes

Performance against the key targets for each of the main KPIs (per sector) is reflected in the following graphs:

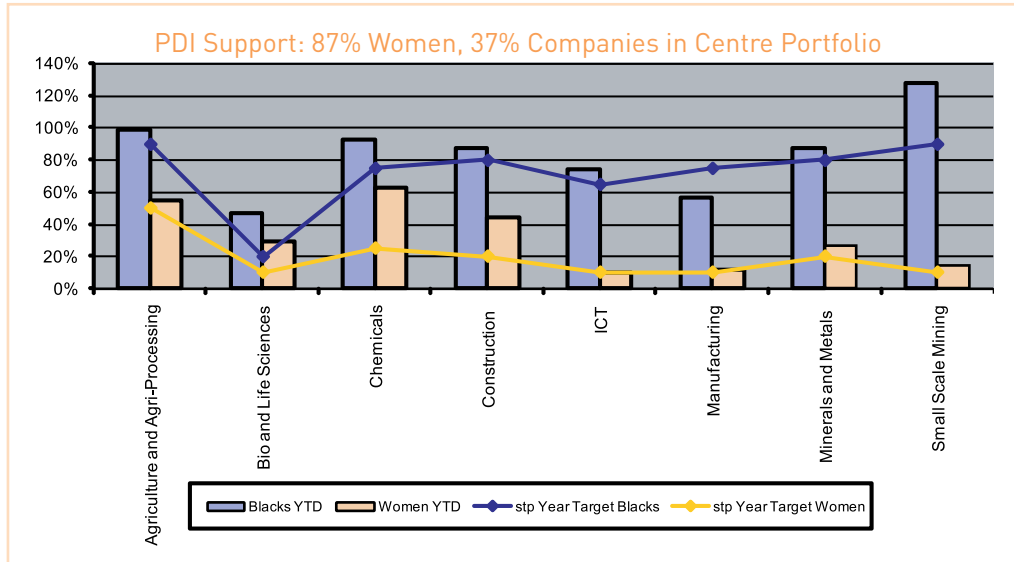
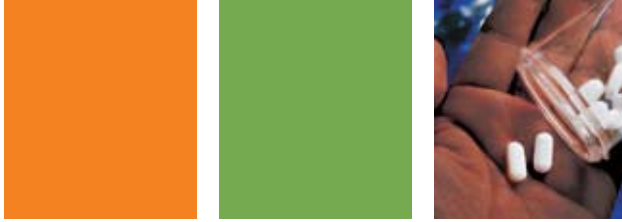


From the above graph it is clear that almost every sector has gone beyond the call of duty in terms of aiming to achieve their KPI's. A total of 224 SMMEs, 104 more than targeted, have been established, almost doubling the **stp** target of 120 for the 2008/9FY. It must also be noted that no SMME target exists for the construction sector due to the nature of the industry and the objective of the incubator to improve the quality and standard of SMME contractors. This allows the SMMEs to increase their ability to penetrate the construction sector and capture a bigger market share.

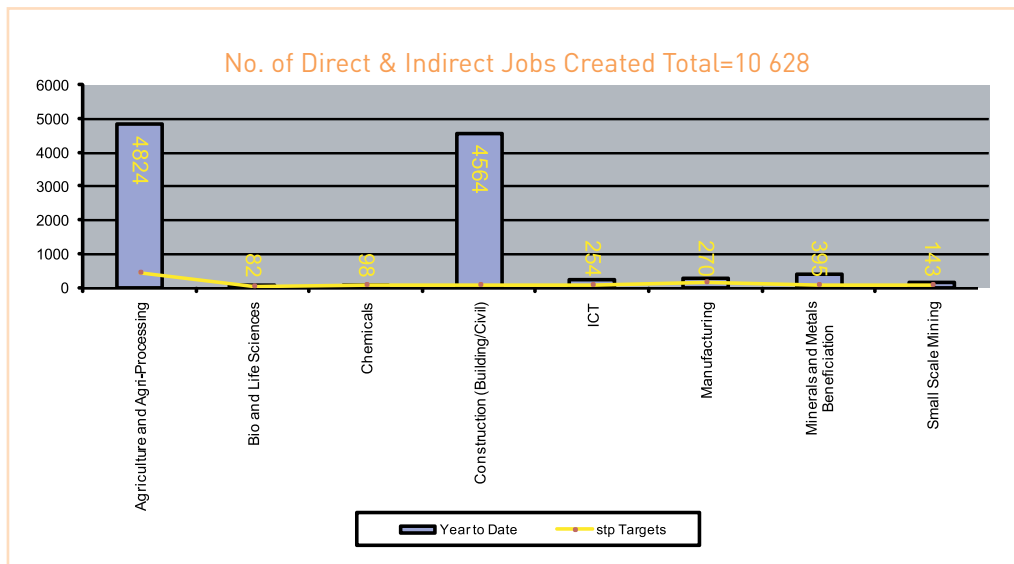


The total number of clients supported reached 789. The number of SMMEs supported were 496 by the close of the last quarter for the year. Once again, either exceeding or achieving the **stp** targets of 267 SMMEs supported and 456 clients supported for the year. Quite clearly the agricultural sector performs extremely well given the demand for business support to small scale farmers. It is also obvious that, added to the growing sectors such as the manufacturing, construction and Minerals and Metals beneficiation industries, these four sectors are leading the growth and development of SMMEs within the incubation arena.





The above graph indicates significant success for the support of PDI's including women. All the incubators have a specific focus on increasing and improving the intake of this specific target group and the results are gradually gaining momentum.

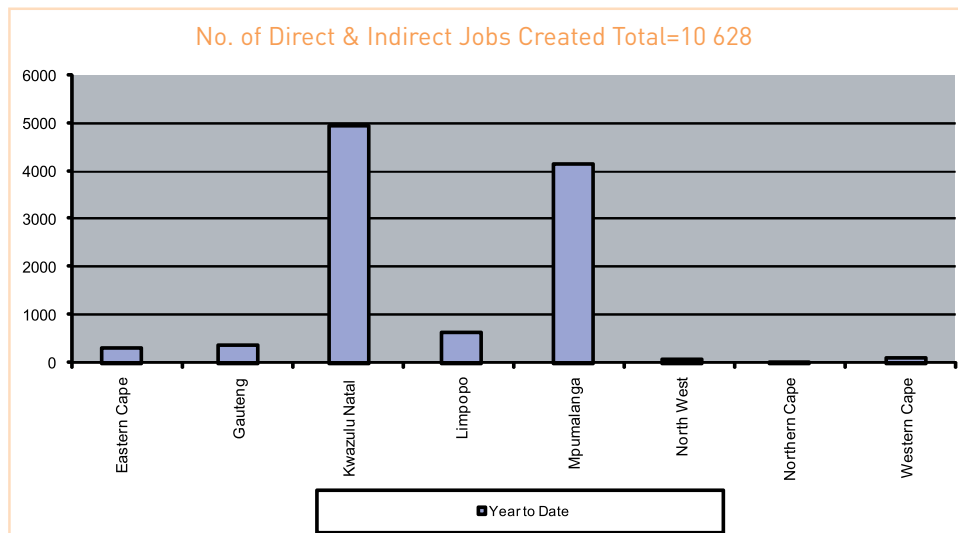
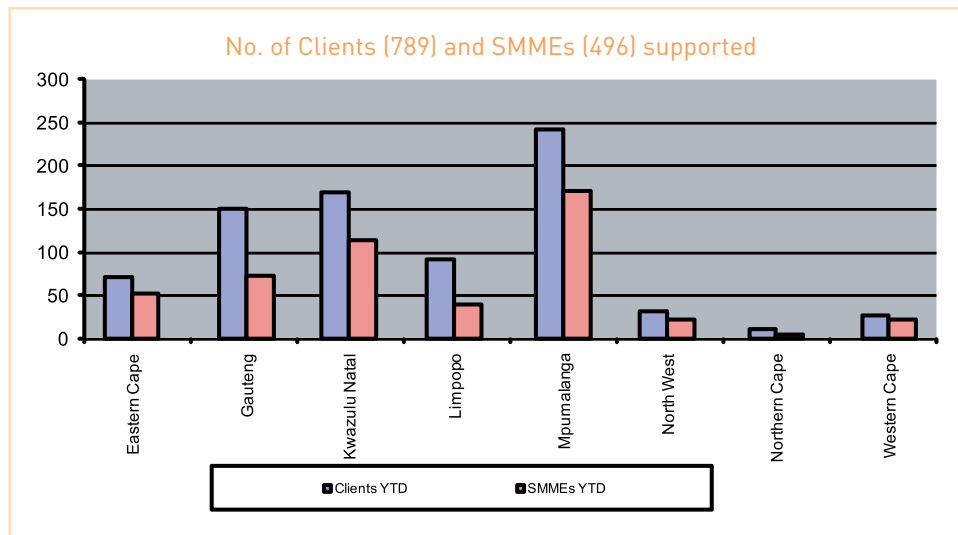
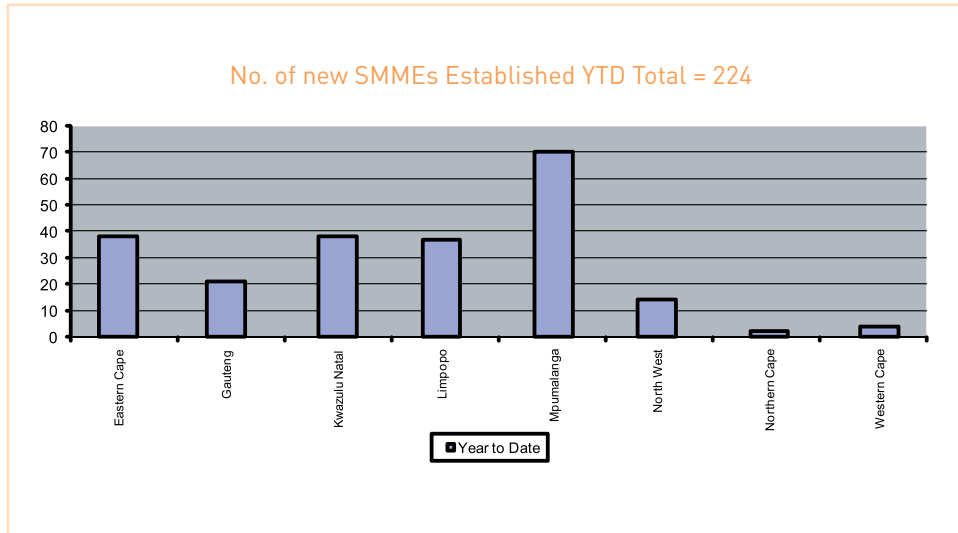


The number of direct and indirect jobs created was 10 628 (target – 7042). **stp's** successes in creating jobs have exceeded expectations and the target of 1112 direct jobs created, thereby achieving a reported number of 1 318 direct jobs. The construction sector being the biggest employer and followed by the agricultural sector as indicated in this year's reports, are most likely to maintain this pattern of growth given the demand for support and creation of small enterprises. Due to the global economic situation, there were sectors that did not meet their target.



# Statistics per Province

Listed below are graphs indicating the geographic reach of **stp** per province.





# Success Stories

## Building the Future

### Lakeshore Trading 102 CC - Seda Construction Incubator

Lakeshore Trading 102 CC registered with the CIDB in 2006. During this period, Ms Nyanda, a retired teacher, had not really ventured into the realm of large contracts. When presented with the new opportunity of entering into a full JBCC Building Contract as the Principal Contractor, Ms. Nyanda realised the challenges she would face if she continued with her current operation. She applied for mentoring at SCI. Based on skills aquired from SCI, she successfully negotiated and dealt with several projects ranging from R106 000 up to R 1 300 000.



Bamshela: Before



Bamshela: During



Bamshela: Near the End

The photographs of progress on the project speak for themselves and demonstrate a successful and almost now complete project.

## Sweet Success

### Entrepreneur Development in the Sugar Industry

At the time when John Masombuluko Shabangu was put in contact with Agriwiz, he owned one farm that produced a yield of 60 tonnes per hectare with a net land and crop value of R446 000. Today John owns three farms with an average yield of 120 tonnes per hectare (approximately 30% higher yield than the commercial average and 50% above industry average), and a net land and crop value of approximately R2 million. John has also become a partner in the Agricultural Incubation Company and heads up the Community Communication and Liaison Department.



John Masombuluko Shabangu, supervising the loading of cane on one of his three farms.



## Harvesting Growth

### MMI incubatee on his way to self sustainability

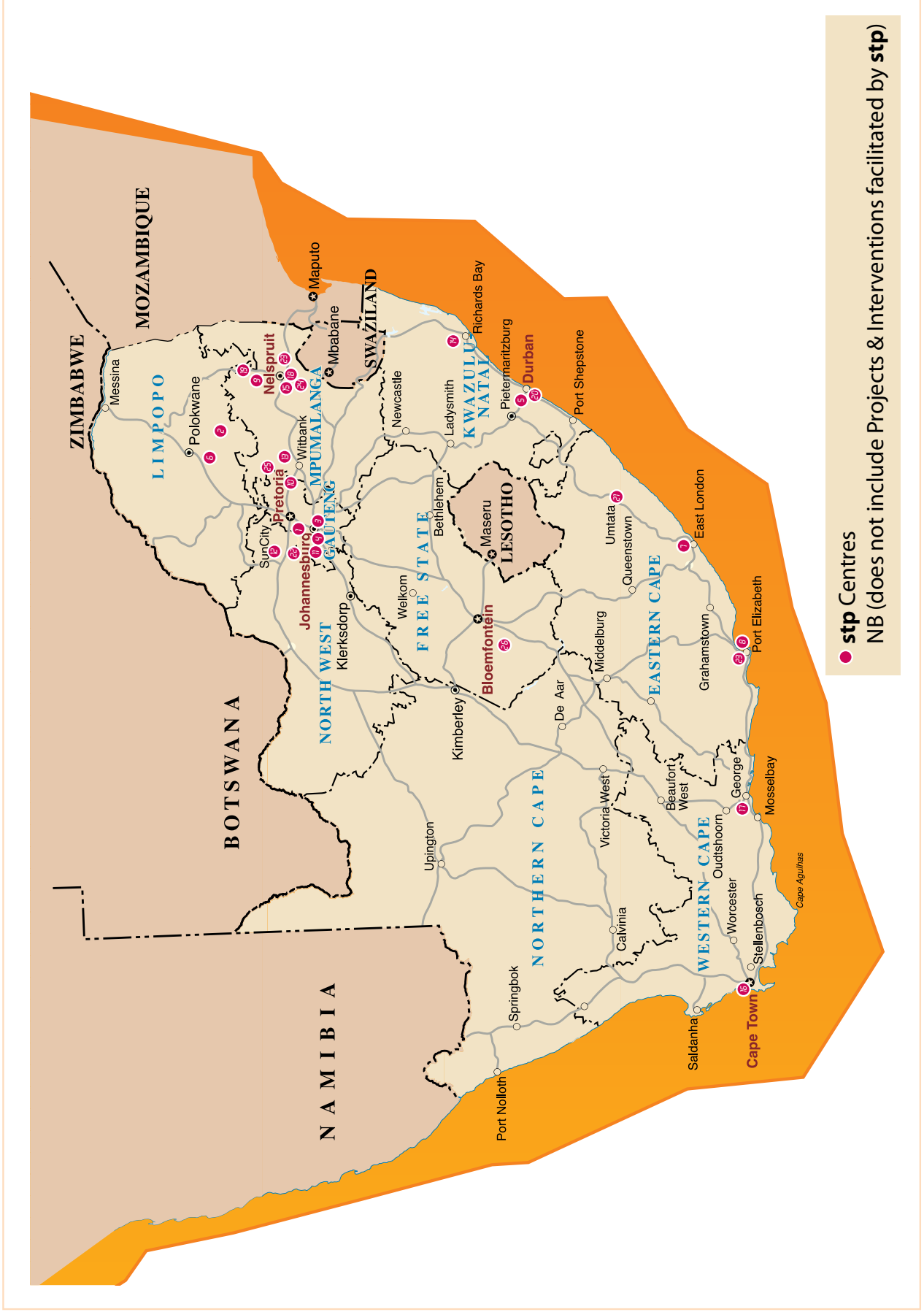
Choma Isaac Mashoke is one of the most successful Incubatees at MMI. His story is like most farmers here; he has 48 hectares of agricultural land at his disposal. He started vegetable farming during 1999 with very little success.

Before becoming an MMI incubatee, Choma was struggling to get production inputs for his business. However, he is now able to purchase inputs using receipts from sales. He is very committed to his farm and wants to become a commercial farmer. His advice to other farmers is that they should not merely depend on help from others but ultimately move to self-sustainability.



Choma's farm

# The stp Footprint







## stp Centres

 <p>Tel: 041 503 6700 Fax: 041 503 6712 Website: www.chemin.co.za</p>	Chemicals Industry	Port Elizabeth, Eastern Cape	Chemin is a technology incubator specializing in supporting the start-up and growth of SMEs in the downstream chemical industry. Chemin is located in Port Elizabeth but operates nationally through various projects the centre is involved in.
 <p>Tel: 035 797 1500 Fax: 035 797 3050 Website: www.dact.co.za</p>	Aluminium products processing	Richards Bay, Kwazulu-Natal	The Downstream Aluminium Centre of Technology is located in Richards Bay, focusing on training, skills development and incubation of potential entrepreneurs and small enterprises in the aluminium casting industry.
 <p>Tel: 011 605 2941 Fax: 011 605 2943 Website: www.egolibio.co.za</p>	Bio and Life Sciences	Modderfontein, Gauteng	EgoliBio is a not-for-profit business incubator, created for the purpose of nurturing entrepreneurial life-sciences and biotechnology companies, helping them to survive and grow during the start-up phase, when they are most vulnerable. The incubator serves as a development conduit for the commercialization of bio-sciences research, products, services and technology platforms. It offers biotechnology entrepreneurs a unique opportunity to commercialize their products or services within a business incubator.
 <p>Tel: 021 510 0088 Fax: 021 511 1349 Website: www.furntech.co.za</p>	Furniture Industry	Branches: Cape Town White River Durban Umzimkhulu Johannesburg George Mmthatha	The Furniture Sector, Technology Incubator, Furntech, with seven branches located across South Africa, has its headquarters in Cape Town, and focuses on the provision of training, skills development and business incubation support to potential entrepreneurs and small enterprises involved in furniture manufacturing. Furntech is an accredited training Service provider for the Furniture Industry, and provides training to over 600 people each year.
 <p>The Foundation Stones of Knowledge</p>	Copper, Zinc and Brass metal processing	Johannesburg, Gauteng	Seda Ekurhuleni Base Metals Incubator trading as Lepharo was established as a joint initiative between stp, the Ekurhuleni Municipality, Gauteng Enterprises Propeller and Impala Platinum (Kumba Resources), to provide an environment for the training and development of entrepreneurs and small enterprises in the casting of zinc, copper and brass. The centre not only provides training, mentoring and coaching for the entrepreneurs, but also a variety of other business development support services.



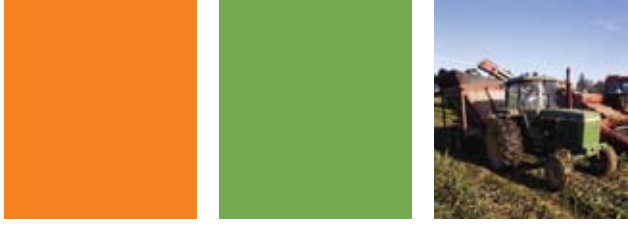
 <p>Tel: 013 268 9324 Fax: 013 268 9320 Website: www.biodiselmmi.co.za</p>	<p>Bio-fuels-plant production and processing</p>	<p>Marbel Hall, Limpopo</p>	<p>The Seda Maphura-Makhura Incubator (SMMI) is a Limpopo - based Training and Technology Demonstration Incubator (TDI), which trains local farmers in planting of sunflower and Soya beans for the production of Biodiesel.</p>
 <p>Tel: 013 754 1144 Fax: 013 755 4028 Website: www.masdt.co.za</p>	<p>Agricultural Capacity Banking</p>	<p>Mpumalanga</p>	<p>The Mpumalanga Agri Skills Incubator was established to promote sustainable agricultural empowerment, development and entrepreneurship of primarily previously disadvantage individual and communities in Mpumalanga and possibly throughout the entire country. The main objective of MASI is to create sustainable small agricultural enterprises and lower the risk of financiers, thereby making funding more accessible to small scale farmers.</p>
 <p>Tel: 013 246 1528 Fax: 013 246 1641 Website: www.mptainless.co.za</p>	<p>Stainless Steel processing</p>	<p>Middelburg, Mpumalanga</p>	<p>The Mpumalanga Stainless Steel Initiative, MSI, located in Middleburg, in the Mpumalanga Province, provides entrepreneurs from previously disadvantaged backgrounds the opportunity to enter the stainless steel industry. This centre embraces the environment where new and emerging enterprises are able to set-up business, and with professional support and development, become sustainable in the long term.</p>
 <p>Tel: 012 564 5592 Fax: 086 6072 832 Website: www.satec.co.za</p>	<p>Automobile Industry</p>	<p>Rosslyn, Pretoria, Gauteng</p>	<p>Seda Automotive Technology Centre, SATEC, a Section 21 company based in Rosslyn, Pretoria is a technology incubation centre focusing on the development of start-up's whose ultimate objective is to develop technology influenced products or services for the automotive industry. Through its partnership with the Tshwane University of Technology and the CSIR, the centre provides technical as well as business development support services to entrepreneurs and small enterprises.</p>
 <p>Tel: 012 808 3061 Fax: 012 808 1630 Website: www.seobi.co.za</p>	<p>Essential Oils-plant cultivation and oil distribution</p>	<p>Pretoria, Gauteng</p>	<p>The Seda Essential Oils Business Incubator, SEOBI, a Section 21 company, focuses on empowering emerging farmers to produce and in some instances, process high value essential oils. The incubator focuses on transferring appropriate technologies to emerging farmers in order to facilitate starting or increasing commercially viable essential oil production.</p>
<p>Seda Agriculture, Mining and Tooling Incubator (SAMI)</p>	<p>Tooling</p>	<p>Bloemfontein, Free State</p>	<p>The incubator has just been established and will focus on tooling for the agricultural and mining sectors</p>



 <p>Tel: 031 309 4940/2/3 Fax: 031 309 4946 Website: www.seci.co.za</p>	<p>Construction building and civil</p>	<p>Durban, Kwazulu-Natal Mthatha Umzimyathi</p>	<p>The Seda Construction Incubator, SECI, is based in Alice Street, in Durban, and has been created to provide business support services, office infrastructure and other resources to eligible business in the construction sector. It stems from an identified lack of capacity presented with abundant opportunities and demand for services in this particular sector. The centre focuses specifically on the development of small contracting firms classified under the Construction Industries Development Board (CIDB) as grade 3, and provides them with the necessary support to grow their businesses to grade 4 and 5 within a designated period of time.</p>
 <p>Seda Limpopo Jewellery Incubator Tel: 012 326 3170 Fax: 012 326 3171 Website: www.limpopojewellery.co.za</p>	<p>Gold and precious metals beneficiation</p>	<p>Polokwane, Limpopo Shoshanguve/</p>	<p>The Seda Limpopo Jewellery Incubator (SLJI) is a small enterprise Development Agency (Seda) funded initiative to develop entrepreneurial jewellers in the Limpopo province</p>
 <p>Seda Nelson Mandela Bay ICT Tel: 041 582 3590/1/2/3 * Fax: 041 582 3595 Website: www.snbiciti.co.za</p>	<p>ICT</p>	<p>Port Elizabeth, Eastern Cape</p>	<p>The Nelson Mandela Bay incubator is Located in Port Elizabeth and aims to contribute in the process of creating successful small ICT enterprises in the Eastern Cape. This is achieved by housing the entrepreneurs and supporting them with services such as business Mentorship, physical infrastructure, industry and investor networking, etc.</p>
 <p>Tel: 014 597 0736 Fax: 086 697 3800 Website: www.spi.org.za</p>	<p>Initially Platinum Jewellery</p>	<p>Rustenburg, North West</p>	<p>Seda Platinum Incubator, SPI, a platinum beneficiation and jewellery training and manufacturing incubator based in Rustenburg, aims to create an internationally recognized centre of platinum beneficiation excellence and is dedicated to the advancement of skills in the beneficiation of Platinum Group Metals.</p>
	<p>Sugar cane-plant cultivation and sales</p>	<p>Nelspruit, Mpumalanga</p>	<p>The incubator is located in Eastern Mpumalanga and its mission is to develop internationally competitive previously disadvantaged entrepreneurs in the South African sugar cane industry through the process of agricultural Business incubation.</p>



 <p>Softstart Business &amp; Technology Incubator</p> <p>Tel: 011 695 4800 Fax: 011 695 4811 Website: www.sbti.co.za</p>	ICT	Midrand, Gauteng Springs,	Softstart Business and Technology Incubator, SBTI, located in Midrand (Gauteng), was borne out of the merger of Softstart, a real estate incubator which assisted innovative, early stage "ICT" entrepreneurs with mentoring and support in the strategy and practice of growing a sustainable business, and Bodibeng Technology Incubator, a virtual and real estate incubator which supported high-tech entrepreneurs in starting and growing their businesses by offering innovative products and services. SBTI now offers state of the art 'plug-and-play' offices with high-speed internet access as well as other business support services to entrepreneurs and small enterprises.
 <p>SOSHANGUVE MANUFACTURING TECHNOLOGY DEMONSTRATION CENTRE</p> <p>Tel: 078 808 9015 Fax: 012 793 0010 Website: www.smdtc.co.za</p>	Low-cost small scale manufacturing	Pretoria, Gauteng	The Soshanguve Manufacturing Technology Demonstration Centre (SMTDC) is located in Soshanguve, Pretoria. The purpose of the Centre is to demonstrate (small scale) manufacturing machinery and equipment, to train entrepreneurs to operate and maintain the technologies and to establish new small scale manufacturing and services ventures. Our vision is to accelerate the establishment and development of low-cost, small manufacturing enterprises that will contribute to the economic growth of South Africa.
 <p>TIMBALI TECHNOLOGY INCUBATOR</p> <p>Tel: 013 752 4247 Fax: 013 752 5954 Website: www.timbali.co.za</p>	Floriculture	Nelspruit, Mpumalanga	The Timbali Technology Incubator is situated in Nelspruit in the Mpumalanga Province. It was established to create a centre for the establishment and support of emerging farmers in the cut flower market. The centre provides technical, business as well as marketing and other business development support services for entrepreneurs to grow and develop their floriculture businesses.
 <p>Tel: 011 709 4674 Fax: 011 709 4625</p>	Small Scale Mining	Randburg, Gauteng, although the sites are located throughout South Africa	The Zenzele Technology Demonstration Centre is based at the Mintek Campus in Randburg (Gauteng). The centre provides technical and research support to small-scale mining and mineral-related enterprises, with the aim of nurturing accelerated growth, skills development, job creation and assisting enterprises to successfully compete in their markets. Zenzele provides a range of services to small scale miners across South Africa, and has a satellite office in the Northern Cape Province, from which it supports various community development projects.



# Technology Transfer Division



Nisopho Khonkwane  
Senior Manager:  
Technology Transfer

The 2008/9 key activities of the Technology Transfer Division (TTD) have included the review of the Technology Transfer (TT) policy and application forms, extending service offerings and networks.

The TTD has adopted the "South - South Global Assets Technology Exchange (SS-GATE)" as the technology matchmaking platform. This platform provides opportunities for small enterprises in South Africa to have access to new technology developed by their Asian counterparts.

Through the SS-Gate System, the division has initiated three technology searches for South African Small Enterprise in food and agricultural sectors. Once the matching technology partners have been identified, the division will assist in screening and selection of the appropriate technologies and funding thereof. In future this service will be rolled out to the Seda branches and incubation centres.

The total number of Small Enterprises that applied for Technology Transfer Funds in the year under review is 143. The number of applications that were reviewed and presented to the Technology Transfer Fund adjudication panel is 73

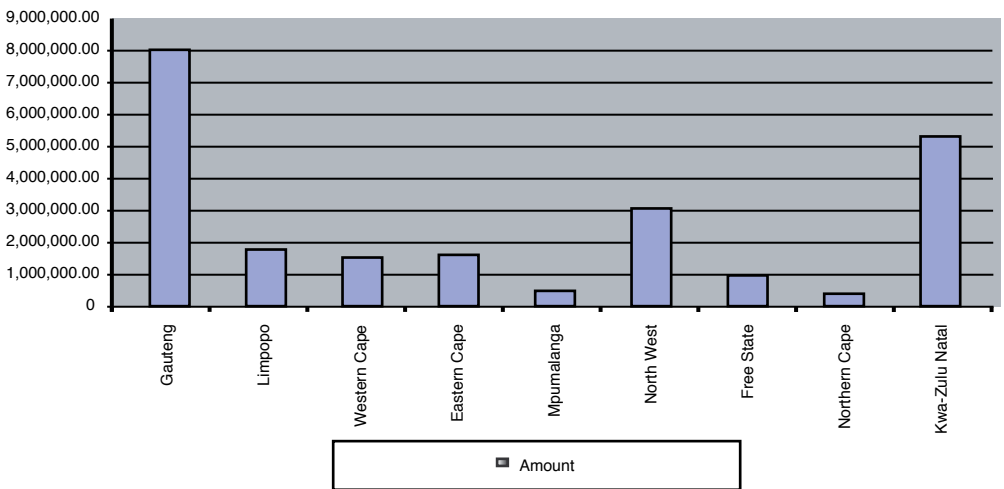
and a total of 46 were assisted with Technology Transfer interventions, with 47.8% being women-owned businesses.

Impact surveys on completed interventions have been conducted and the focus was on the increase in turnover and employment. It was pleasing to learn that, despite the current economic climate, some Technology Transfer Fund (TTF) beneficiaries have continued to do well. Some of the success stories will be presented in this report and more in the TTD success story video.

The TTF expenditure for 2008/9 financial year is R 24 699 631 and this amount includes the amount of R 15 321 940 allocated by Seda to the TTD for assisting SMMEs with Technology Transfer interventions. This increased the total number of TTF beneficiaries from 17 to 46 for this financial year.

The funding has benefited (22) women owned businesses. The fund assisted businesses in all nine provinces, with Gauteng, KwaZulu-Natal and North-West Province SMMEs being the main beneficiaries. The graphs below depict 2008/9 financial year's equitable distribution of funding.

Geographical Spread

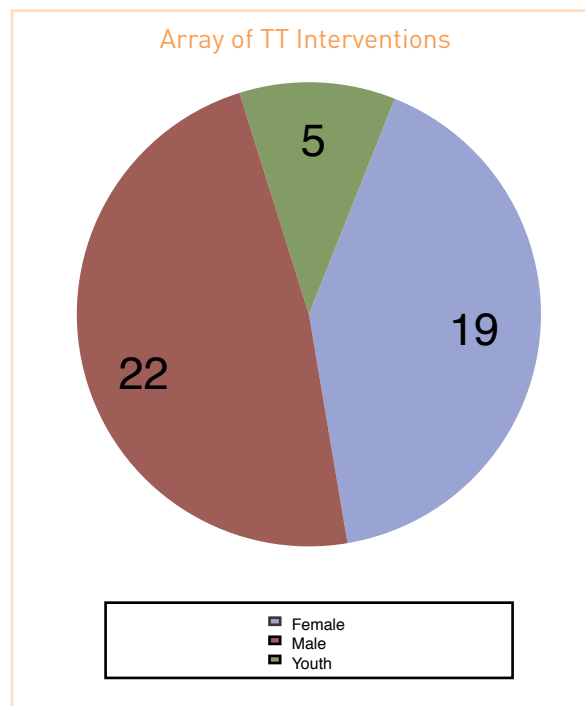


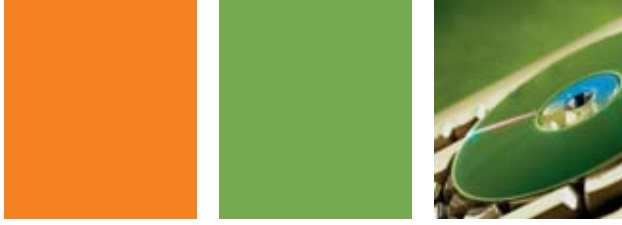




## About Technology Transfer

**stp** provides a range of services that enables industry, and in particular small enterprises in the 2nd Economy, to access and transfer technology. **stp** has defined the “2nd Economy”, as broadly referring to the mainly informal, marginalized, unskilled to semi-skilled, and those unemployable in the formal sector, who cannot afford appropriate technology to propel them into the mainstream economy.





# Highlights - Technology Transfer Intervention

## Khaya Engineering

### BACKGROUND

This small engineering firm specialises in the manufacturing of material handling equipment such as trolleys and cranes for the vehicle manufacturing industry. It is ideally situated in Port Elizabeth and draws its client base from Volkswagen SA, General Motors SA, Ford, Mercedes-Benz, etc. Mr Mtshwane, whom previously worked as a production manager for an engineering company. When that company liquidated, he identified a gap in the automotive industry and established Khaya Engineering.

### INTERVENTION

In 2008, Khaya Engineering's application for Technology Transfer Funds was approved and the grant was used to purchase a pressbrake machine, a guillotine, training and professional assistance for implementation from the Tshumisano Automotive Components Technology Station. The objective of this intervention was to improve productivity and quality of the finished product.

### OUTCOME

This has enabled the company to integrate the metal cutting and bending processes which were previously outsourced, into its own manufacturing capabilities. The company now offers more competitive pricing and has in the process increased its productivity and expanded its product range. Orders have increased and as a result the company had to introduce a double shift.

Last year, the company recorded an annual turnover of R3 200 694. This year, just four months post technology implementation, Khaya has recorded an increase in turnover to a total of R4 million.

The staff complement has increased from ten to 14 full time employees, and in January 2009, Khaya Engineering employed an additional 14 part-time employees to operate a second shift. Staff has been trained on using the new equipment and the improvements in the quality of the final products are testament to the excellent workmanship of the company.



***The Technology Transfer Fund has assisted this company to acquire equipment, skills and diversified manufacturing capabilities to perform competitively even in the current difficult economic climate***

- Mr Andile Mtshwane.



## GTL Foods

### BACKGROUND

GTL foods manufacture, packages and distributes powdered milk, coffee creamers, soups and soy-based nutritional drinks. The company is owned by Gertrude Radasi and under her leadership it has shown consistent growth over the past 14 years.

### INTERVENTION

In April 2007, GTL foods applied for Technology Transfer Funds to improve the quality of their packaging. The technology required a Bradman Lakemodel SL180 hand loaded carton packaging machine, which was approved.

### OUTCOME

This equipment helped to increase production capacity by 90% and improved the quality of the packaging. It also created the opportunity for GTL to increase its customer base and venture into contract packaging for other companies.

The company now employs 37 people and has grown its turnover from a baseline of R323 064 to R11 200 000 by the end of February 2009.





## Whitfield Diamond Cutting Works

### BACKGROUND

Whitfield Diamond Cutting Works was established in 2000 by Vanessa and Neil van Zeeberg. Neil had many years of experience in the diamond industry and was amongst the first few black South Africans to receive the necessary licenses to cut, polish and market diamonds.

The company had been operating with functional but outdated manual equipment for several years so productivity was low and the quality of the final products needed to be improved. Whitfield was in desperate need of modern laser and image analysis computer-based equipment. Such technology would enable the operator to quickly evaluate the most appropriate cuts to maximise the aesthetic and monetary value of the final products from the rough stone. Once the best cut and shape was decided, the rough diamond would be marked by laser to guide the cutting and polishing actions.

Cutting and polishing diamonds the traditional way used to require many years of practice to enable an apprentice to handle a stone correctly, and mistakes could be very costly. Thus it was difficult for young talent to enter the industry. Modern technology has made it possible to do the technical evaluations more efficiently and train people more quickly. Whitfield Diamond used to employ five very experienced people on a part-time basis, when there were orders.

### INTERVENTION

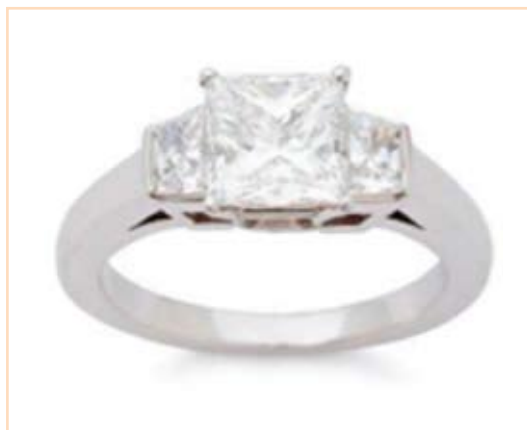
Whitfield Diamond Cutting Works applied for Technology Transfer Funds to purchase an OGI tender, OGI marker and an OGI bruter. This highly specialised equipment had to be imported from Israel and was commissioned in January 2009. The objective of adopting the new technology was to enable the business to improve productivity and enhance knowledge of staff.

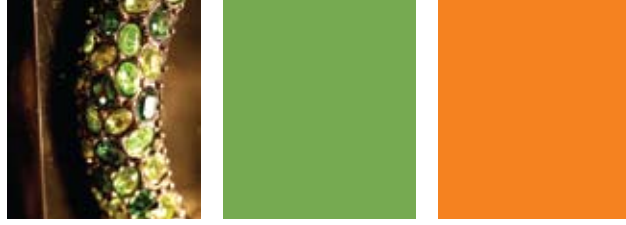
### OUTCOME

The company has seen a massive improvement in productivity. Previously they were able to cut and polish 50-60 carats per month and now are able to process 150 carats per month.

They have now increased the staff from 5 to 21 part-time employees who have been trained to effectively use the equipment. Some of these jobs will become permanent over the next three months. The company's turnover has increased from R404 419 last year to R1 500 000 this year.

Vanessa recently participated in a **dti** trade mission that enabled her and other SMMEs in the jewellery industry to meet with potential clients in New York and Dubai. There was excellent response to Whitfield's products. The company now also plans to develop a line of jewellery and envisages very good international market opportunities for the future.





# Quality Division



Tervern Jafftha  
Senior Manager: Quality

During the period under review, the Division had to change gears from a stand alone entity – SAQI, to a delivery unit of **stp**. This change was necessitated by **the dti's** focus on improving the industrial capabilities of SMMEs.

Evidence from firms in the private sector indicates that SMMEs which invest in non-price-based strategies demonstrate superior performance in terms of both turnover and employment growth as their operations become more structured in its continued production of high-quality products and services that meets national and international standards.



Delegates attending a Quality & Standards (ISO 9000) workshop in Welkom, Free State Province

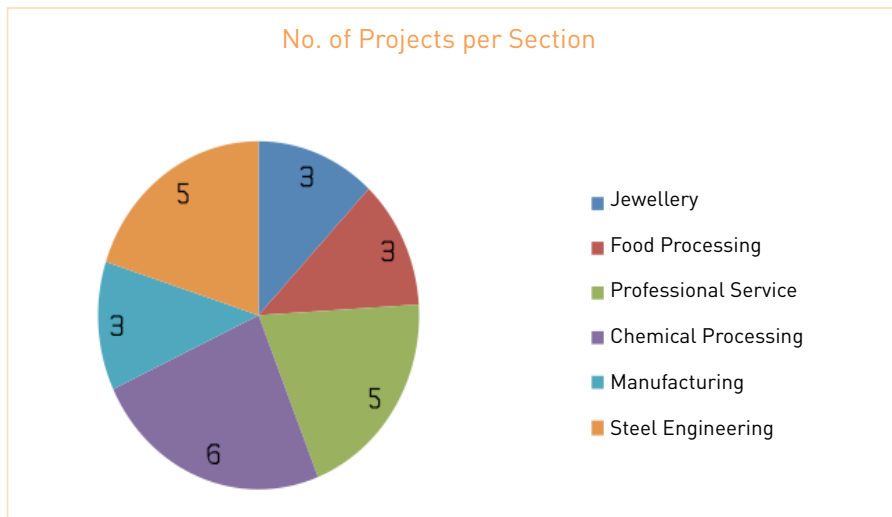
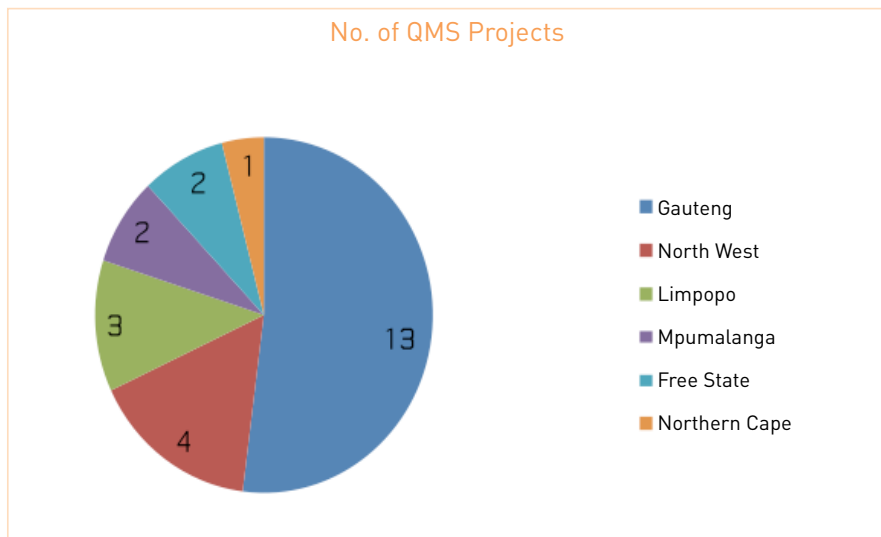
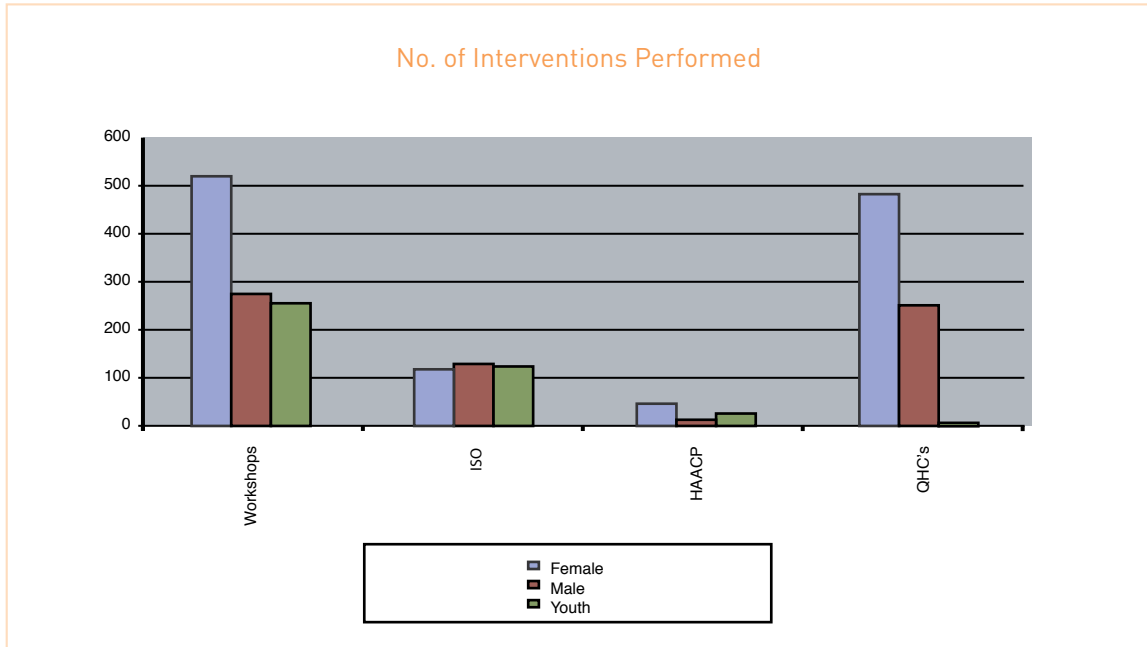
In a short space of time, and in a changed environment, the Quality Division managed to record the following achievements:

- Host 28 Quality and Standards workshops in all nine provinces.
- Designed a new Quality Business Booklet translated in all 11 official languages as an implementation guide to SMMEs, based on all eight principles of the ISO 9000 standard. A total of 2 800 booklets were printed and distributed to all Seda provincial offices.
- Printed a new HACCP standard workbook for SMMEs and to date, have trained 76 Guest Houses and food retailers on the relevant standards that apply to their businesses.
- The first draft framework for the National Quality and Business Excellence Awards has been finalised and will be presented to the **stp** Board Committee during the 1<sup>st</sup> quarter of the new financial year.
- Co-hosted the 2<sup>nd</sup> International Quality Conference and presented a paper titled "The Role of Quality and Standards in Industrial Upgrading".
- As part of **stp's** cooperation agreement, the Quality Division underwent two study missions to India and Sweden aimed at finalising the design of a Supplier Development programme.
- As part of our technical support programme, the Division supported 103 SMMEs and Cooperatives with Quality Health Checks and tested 34 products for compliance to international production specifications.
- Facilitated 17 capacity building training courses on ISO 9000, HACCP and Business Excellence, training 1 158 Small Business Owners, Managers and Cooperative Members.
- Provided systems support to 25 black owned SMMEs, cooperatives and incubator centres with all 25 projects being completed in the first quarter of 2009.





The following graph illustrates the work of the Quality Division:





## Key Financial Data

For the Year Ended 31 March 2009

For Seda to comply with its audit requirements for the Auditor General, the Seda Technology Programme's (**stp**) finances have been audited as part of the audit of Seda for 2008/2009.

No separate audited financial statement for **stp** for 2008/9 therefore exists, and the audit opinion of **stp** therefore falls under the Seda audit opinion, which was unqualified.

	31 March 2009 R	31 March 2008 R
Total Revenue:	120,463,812	84,948,698
Personnel Exp:	9,024,432	6,092,599
Project & admin exp:	111,984,008	78,416,012
Depreciation:	259,834	211,599
Accumulated surplus:	14,577,200	15,381,661

The Seda Technology Programme 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.



## Acronyms

DST:	Department of Science and Technology
<b>the dti:</b>	Department of Trade and Industry
EU:	the European Union
KPI:	Key Performance Indicator
KZN:	Kwa-Zulu Natal
Seda:	Small Enterprise Development Agency
<b>stp:</b>	Seda Technology Programme
SWEEEP:	The Sector Wide Enterprise, Employment and Equity Programme
TBC:	Technology Business Centre
TDC:	Technology Demonstration Centre
TTF:	Technology Transfer Fund











Incubator Contact Session 2009

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