

# Tswelelopele

*Kgolo go ya ka ponatshego- Growth through transparency*

June 2016

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*"Find more SMMEs success stories inside"*



June is the commemoration month for youth, we also remember youth who were fighters, who took commitment and made a decision to fight for what were right for them and the future. At RBED we are fighting a struggle of business development; we would like to see youth participating in starting businesses, being business owners and being able to sustain their businesses on their own.

RBED is now about to encourage the youth to be at the top, where we wish to build a motivated and role model types of entrepreneurs. We want to see youth monitoring and mentoring each other to the right direction through the world of business development. The youth of today must be stimulated to fight poverty alleviation and job creation. They must ask themselves what they can do to improve the lives of others in Phokeng.

RBED is here to see to it that young stars are developed through training, workshops, exhibitions, mentorship programmes and linkages to funding. Youth are invited to come and knock at our door for assistance so that they can be able to reach their goals. Bafokeng youth must be developed, hence RBED programs and must also be able to transfer skills to start-ups/ other entrepreneurs.

Facilities that can an entrepreneur utilize are: Ezee Dex. It is an Industrial Procurement data base of about 65 000 companies, 220 000 products and services which is used by buyers in mines and industry when sourcing products. This reduces purchasing costs dramatically. It also identifies BBBEE suppliers, hence making it easy for buyers to increase their BBBEE stand. The database can also be used to generate sales leads. Other facilities include business toolkit programs, internet café, and bookings for boardroom facilities.



You can visit our page on RBN Operations Room and learn more about RBED. Like our magazine page on Flipboard (Royal Bafokeng Enterprise Development) and share your views and comments. We would like to hear from you.

**Editor: Tebogo Sedumedi**



**Q: Tell us about yourself.**

**A:** My name is Khumo Sekete I was born and bred in Phokeng. I matriculated at Selly Park Secondary School in 2009. I'm currently running and managing a startup Pig farm.

**Q: When did you realise that you can start a business?**

**A:** I have always been involved in the agribusiness. At the age of six my paternal grandfather bought me 4 sheep which we kept in our backyard and sold as they were breeding. At 17 my parents bought me stocks on the JSE for investment purposes my attention was then fully drawn to business.

**Q: What motivated you to start your own business?**

**A:** I was motivated to start my business after realising that in today's economy it's simply not enough to be educated; one still needs to apply a significant

amount of effort in trying to secure their future. I have always enjoyed being able to set my own pace at things and business was the only platform there is that would allow me to do such. Another contributing factor was the limitless opportunities there is in business the saying the sky is the limit is a truth when coming to business. Opportunity is the corner stone of every entrepreneurial venture which is the main motivating factor for me.

**Q: What makes you a successful business person?**

**A:** I have a very long journey in business as far as success is concerned as I am very far from where I want to be, so it's still a journey for me. But on my immediate success I would say it's persistence and not allow contrary opinions to deter me from my plans and dreams.

**Q: What are some of the challenges you faced when you started your business?**

**A:** The biggest challenge has been a challenge that is very synonymous with business; startup **capital and access to markets**. Getting people to invest in something they can't see physically, and getting them to buy a product they don't see is almost impossible. Those are the hardest components to secure for any start up business.



**Q: What contributes to the challenges that can result in failure within a business?**

**A:** Not understanding the nature of your business environment is the leading cause of failures in business. Most businesses owners are not informed enough about what they are doing and that becomes a huge stumbling block because you are competing against someone who most likely has more skill, knowledge and resources that stands as the greatest cause of failure in business.

**Q: If you have to advise an individual interested in starting a business what would you say?**

**A:** I would say spend more time on what you would want to offer as a business than ask yourself how you will be able to give that service or product to your client, i.e. what resources and methods would you need to have to offer such a service and product. Be prepared to hear a client or funder saying no to you, and use their no's to improve your plan and pitch. Always ask why people say no to your product or funding request that is very important business information that can assist you to place your business most accurately

**Q: What are your aspirations?**

**A:** I aspire to be one of the leading businessmen in Africa.

**Q: What are your plans for the future?**

**A:** I would like to see my business give birth to other businesses. I would like to establish an abattoir, meat processing plant and game farm.

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## SMME SUCCESS STORY

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I would like to pass my gratitude to our local SMME Development Centre in the RBED (Royal Bafokeng Enterprise Development) for the partnership assumed with ABSA to make Local SMME's goals. Simplified in that, as Tlhago Nature Travellers managed to acquire a 52 Seater Luxury Bus to complement our current Bus fleet.

The asset in itself has been of a great impact to our operations in that we are now able to attract a specific sector of the market for business growth. The asset in itself has been of a great impact to our operations that we are now able to attract a specific sector of the market for business growth. With all the assistance that the centre is giving to Tlhago Nature Travellers and other local SMME, May I bid you all Godspeed. Thanks for everything.

Halala RBED!, Halala!





The Rustenburg Show is an annual event held in Rustenburg in the North Western Province of South Africa. It is a popular show where the whole family will enjoy all that it has to offer.



This year was the 63<sup>rd</sup> show and only grows more popular each year. There were over 300 stalls to browse, each with a variety of arts and crafts, delicious foods and many more goodies to see and buy, including exhibitors. There was an amusement park on the show grounds where little ones can enjoy, as well as all the fun and excitement with live music performance by local artists, the show also hosts a variety of very popular cattle and sheep championships and auctions.



11 of our SMMEs who participated and occupied the stalls for exhibition during the show: Reikantseona Innovative (Events Management), Pula Ya Medupe Productions (Photography and Radiography), Moremogolo Arts (Drawing and Crafting), Tau Ya Phoka (Marketing), Golden Cat Holdings (Security), Samba Soccer (Sports), Nare Tours (Tourism), Mukwa Co-operatives (Upholstery and Décor), King Lots (Supply), Tswelelopele (Catering) and LW Huma Holdings (Tourism) .



During the show the SMMEs in the Arts and Craft sector attended the workshop. The workshop was about painting, a “guided journey” to their own painted canvas masterpiece and it was a helpful guidance which assisted them to reconnect with their inner artist. There was also another stall that belonged to Glass Studio (GFA) they do glass forming including beading, kiln forming and glass blowing and they also supply products, workshops and service.

They helped one of our SMME from Unique Glasses and gave them tips on how they can save money by using recycled materials to create beads. This expo was very informative and beneficial for our SMMEs, not only did they learn on how to operate their business and sell their products but they also

networked and left with materials of which they got on bargain and bulk.

### The artist at work ...





### **The IDC: committed to advancing the economy of the North West Province**

The Industrial Development Corporation (IDC) has firm roots in the North West province. With three fully functional offices in the province, based in Rustenburg, Mafikeng and Brits, and additional satellite offices in Klerksdorp and Vryburg. This province, by far, has the biggest IDC footprint in the country.

Even though much of the country and the world at large have experienced tough economic times, the North West province's potential for growth has been evident, in the ever increasing project approvals in the province. The IDC's presence in the province started in Rustenburg and has since grown, to ensure that the corporation's products and services can be accessed from every district within the province. The Bojanala District is the most active district, driven mainly by investments into platinum mining and automotive sectors.

### **The IDC's impact in the region**

IDC North West's main focus areas are in the mining and basic metals; automotive and transport equipment and agro-processing sectors. Since opening offices in the North West province in 2008, the IDC's exposure grew from R1,4 billion to R6,2 billion as at March 2016.

In the last five years the province approved business financing of R4,9 billion, covering 51 projects and facilitating the creation of 27 065 direct jobs.

'Key partnerships with local government, business and industry have assisted us to achieve our objective of job creation and assisting government to grow the provinces' economy,' says David McGluwa, IDC's Regional Manager for the North West. Some of these key partnerships include the North West Business Forum, which is the leading voice for business in the province.

The IDC is also fully committed to supporting women and youth in the work that it does. 'Our support towards these previously marginalised groups, especially within the business arena, is a key driver in IDC's mandate. We are optimistic that our support for women and youth will go a long way in ensuring that in the future, more of the country's black industrialists come from these groups,' adds McGluwa.

## **Diversifying and creating new industries within the North West**

Although the corporation has strong focus areas around the mining, automotive and agro-processing sectors, it is constantly seeking new industries which present opportunities for growth and diversification. ‘Given the recent challenges in the mining industry, which has been one the biggest job creating sectors within the province, we are exploring going into activity-based tourism, making headway within the high job-yielding agriculture sector as well as increasing our participating in the growing automotive space,’ says McGluwa.

### **Key projects**

The corporation has made significant in-roads in the financing of renewable energy projects in the country. One such project is the Rustmo1 Solar Farm near Rustenburg, which was the first independent power producer in the country to successfully upload power on to the Eskom grid. Commissioned in 2013, it feeds just over 7MW onto the country’s electricity grid.

Another key example is that of Care Cure Thaneze Wellness Centre based in Mahikeng. This 100% black owned step down hospital facility, with a female majority shareholding.



‘The Booth Suite Hotel is one of our youth owned projects based in Mahikeng. This is a primary example of how youth can contribute to our economy by looking for opportunities outside of the normal car wash and events industries that they traditionally would get involved in. Prospects for youth entrepreneurship are many and we have special finance products, which have very competitive rates, available for youth who are willing to setup businesses within the sectors that we fund,’ says McGluwa.

Forming new partnership and strengthen existing ones are key in the IDC North West’s future growth strategy. ‘We want to further collaborate with key stakeholders, such as the Royal Bafokeng Nation, in projects which will benefit the communities in which we operate,’ concludes McGluwa.



The IDC is committed to the growth of the economy of the North West province, especially through the advancement of women and the youth. Contact the Rustenburg office on 014 591 9660 or visit



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[www.idc.co.za](http://www.idc.co.za) for further information on financing opportunities.

#### **Additional contacts**

Brits office:

Suite 108, Safari Centre, 28 Van Velden Street, Brits

Tel: 012 252 0007

Mahikeng office:

1B Mikro Plaza, cnr First and Bessemer streets, Mahikeng

Tel: 018 397 9942

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# NATIONAL EMPOWERMENT FUND

Growing Black Economic Participation

## NEF eager to assist SMMEs in the North West

*Collaboration with RBED can unlock opportunities*

The National Empowerment Fund is eager to reach out and assist Small and Medium sized Enterprises in the North West, This is according to Mr. Isaac Lelaka, regional manager of the NEF in the North West.

“The NEF brings more than a decade of experience of assisting black owned businesses and sees the North West as a province of immense opportunity, driven both by government and private sector spending” says Mr. Lelaka pointing to the Royal Bafokeng Enterprise Development programme as a source of opportunity.



The NEF is an agency of the Department of Trade and Industry established to help. The NEF is an

agency of the Department of Trade and Industry mandated with the implementation of Broad Based Black Economic Empowerment by fostering entrepreneurship and facilitating increased participation of black people in the mainstream economy. In just over ten years of operational existence, the NEF has approved transactions worth R7,6 billion which have benefited about 770 businesses and helped support over 86 000 jobs.

The NEF offers financial and non-financial support. Financial support is in the form of funding across a range of products that ranges from R250 000 to R75 million while non-financial support includes pre investment advice, referral to incubator services and entrepreneurship training and, where funding is granted, post investment support which includes mentorship and advice as well as maintenance of management and accounting records. The entire cost of non-financial support is borne by the NEF.

“The most important criteria is that a business must be black owned and the owners must be operationally involved” says Mr, Lelaka. The NEF then looks at ownership elements such as women ownership as well as a degree of community involvement.

The commercial viability of the business is then assessed. The location of the business is also important, with businesses that are located in rural or economically disadvantaged areas given preference, as well as the number of jobs a business is likely to create. This is known at the NEF as the “empowerment dividend”. Finally, a business must comply with all the country’s laws and offer a reasonable return on investments.

Mr. Lelaka points out that the NEF offers funding products that suit a range of business needs. From start-up finance for those starting their businesses to procurement finance for people who obtain a procurement contract and need funding to service it. Franchise finance is designed for those who would like to enter this important and rapidly growing segment of entrepreneurship in South Africa while acquisition finance is for applicants who wish to acquire an existing business. The Rural and Community Development Fund is dedicated to the revitalisation and development of rural and peri urban communities. “The North West province offers opportunities for all of the NEF’s products” says Mr. Lelaka

The NEF also funds black entrepreneurs to become industrialists, primarily through its Strategic Projects Fund (SPF), which currently hosts 31 projects valued at R29, 5 billion and capable of supporting a further 80 000 jobs. These range from renewable energy to healthcare and pharmaceutical products manufacture as well as agro processing.

Two investees that have benefited from NEF funding are Maurice Chauke of Mzamani Investment Holdings and Tebogo Kenneth Neo of T Neo Holdings. Mzamani Investments owns a Shell Service station located at the entrance of the Rustenburg Central Business District and was funded by the NEF to the tune of R5,5 million which was used to acquire a fully-fledged Shell site servicing domestic, industrial, corporate clients and government department customers and is now set to undergo a revamp in 2017. T Neo Holdings is a start-up transport and logistics solutions company which aims to become a major player in the region. The company currently services a contract for Afri Sam to deliver cement products and construction material for clients.

Mr. Lelaka points out that the NEF is looking to help create more successful entrepreneurs.





## ROYAL BAFOKENG ENTERPRISE DEVELOPMENT LOCAL COOPERATIVES

RBED has seen the need to establish cooperatives around all the Bafokeng regions. The purpose was to create jobs and poverty alleviation. So far more than 12 cooperatives have been identified and still growing in the bakery industry baking bread. These cooperatives were established in 2015 and they comprise of youth and the elderly people. Since they are still growing, their most targeted businesses include funerals, weddings, parties and other local community events. As RBED's mandate, they have been assisted with business skills and giving advice. RBED has also been donating stoves to several of them to assist in terms of sustaining them to continue baking.



Various groups are offered training by Masisi Tumagole which includes the following:

Hygiene should be checked;

- Source of Ingredients
- Delivery of Ingredients
- Storage Ingredients
- Mixing/Processing
- Baking
- Packing/Wrapping
- Storage

**Below are some of the products made by cooperatives**





## Addressing unemployment by creating opportunities for the youth

According to the World Economic Forum, Africa's youth population (15-24) is growing faster than any other region in the world. About 70 percent of the continent is under 30. Young people account for about 20 percent of the population, 40 percent of the workforce and 60 percent of the unemployed.



South Africa's unemployment rate is stubbornly high. In fact, it is one of the highest in the world according to the International Institute for Management Development (IMD). The IMD Global Competitiveness Report, released at the end of May, puts South Africa last out of 61 countries for its unemployment figures.

In April, Stats SA's unemployment statistics showed that 26.7 percent of South Africans are unemployed and that the country has suffered a loss of 355 000 jobs between the first quarters of 2015 and 2016. Unemployment and a lack of skills pose a significant threat to South Africa's economic growth. That is why we need to explore alternative forms of job creation and skills development amongst our youth.

The National Development Plan places a lot of emphasis on entrepreneurship, while the track record of the world's best performing economies highlights just how important small and medium enterprises (SMEs) are to the health of a country's economy.

Africa's youth are also among the most entrepreneurial. A June 2015 study by UK-based Approved Index ranked African countries among those at the top of the entrepreneurship charts, with Uganda, Angola, Cameroon, and Botswana being listed among the top 10 countries to watch in Africa.

It's time for South Africa to follow suit.

Key to ensuring that the youth can thrive is providing them with the necessary job skills, creating opportunities for young people who own businesses to plug into the supply chains of major industries and providing these businesses with the necessary support once they are up and running.

It is critical that young South Africans are provided with the practical skills they need to successfully make the essential transition from education to the world of work.

Programmes like Absa's ReadytoWork aims to support job seekers and entrepreneurs who have the aptitude, attitude, and ambition to achieve beyond the opportunities that have been given to them. The ultimate goal is to give young people a choice to either better develop their employment prospects or to become self-employed through starting their own businesses.

It provides access to world-class learning content; focused on work, people, money and entrepreneurial skills through online content, face-to-face training and work exposure.

The role of the private sector in supporting SMEs also cannot be underestimated. Opening up opportunities for SMEs to access corporate supply and delivery chains is one for the most efficient and consistent ways, in which the private sector can contribute to sustainable entrepreneurship development.

It's more than just funding, however. It's also about providing the business development support. Small businesses also often struggle to penetrate existing markets, or create new ones, especially when competing against more established and bigger businesses. All SMEs that visit one of Absa's Enterprise Development Centres are offered access to our Procurement Portal, a virtual platform that links SME suppliers with blue-chip companies and government bodies, to encourage corporates to buy more services and products from SMEs. To date there are more than 42 000 SMEs and about 6 000 corporate buyers actively using the portal.

Through collaboration Absa is able to provide SME suppliers in these corporates' supply chains with access to development finance. These are usually SMEs that would not qualify for lending through traditional channels. These market linkages are key to stimulating SME growth amongst the youth.

Approaches such as the above are integral to any efforts aimed at stemming unemployment in South Africa. Creating more businesses will mean creating more jobs, which will in turn drive economic growth and prosperity.

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**Take Part In Our Quiz And Win Awesome Prices!.**

1. How many stall were at the Rustenburg Show?

**To Enter Please Send Your Answers To**  
tebogo.sedumedi@bafokeng.com

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