

Tswelelopele

Kgolo go ya ka ponatshego- Growth through transparency

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EDITOR'S NOTE



It was such a relief when it was announced that the five month long mine strike has come to an end. The past few months haven't been easy for the South African Economy nor for SMME. Particularly SMME who are doing business with the mines have been hit very hard. We are positive that changes that are happening in the mining sector will be of value going into the future.

SMMEs face numerous constraints. Over and above a moderate domestic demand growth environment and increasing interest rates, they must cope with a lack of skilled artisans, infrastructure constraints, bureaucratic red tape and a lack of funding.

Luckily government recognises this and is, at least, making a concerted effort to address these issues through not only the latest tax proposals contained in Budget 2014, but also through a new Ministry dedicated to the needs of SMME! Who will push the implementation of formerly introduced measures, including the introduction of funding support through the Industrial Development Corporation, the Department of Trade and Industry and the Small Enterprise Financing Agency.

From the National Treasury's 2014 Budget Review it appears as though the focus of the fiscal authorities is shifting from lowering tax rates for SMME's to issues such as the funding of small business activity. Indeed, the Budget for 2014 contains proposals to enhance access to finance through the promotion of venture capital with emphasis on small businesses and junior mining companies.

Also, under consideration is tax relief for organisations promoting small business development through grants (Arthur Kamp: Sanlam Investment management)

In this issue the Executive Manager talks about what kept RBED busy during the second quarter of the year. The strategies for RBED and the ED multi-tier approach will be touched on including the criteria to participate and the selection process. BL and ED results are looked at. The International Energy Agency indicated that the development of affordable, inexhaustible and clean solar energy technologies have huge long term benefits. It will increase energy security through reliance on sunlight an indigenous, inexhaustible resource, which is sustainable and reduces pollution. We are also proud to share with you a solar energy project, which was a pilot project funded by RBN investee company Fraser Alexander.

The spotlight turns on two SMME: Pascal Mmamogopodi who shared with us his experience in interacting with RBED and Katlego Mosime featured as SMME of the month.

In Our events calendar you can learn more about what will be happening where and when. Tax filing season is here, so be sure to do filing of personal and company returns to avoid unnecessary penalties which will cost you money! It is always a pleasure to share business tips to assist you as an entrepreneur.

Lastly your favourite business quiz, participate and stand a chance to win awesome prizes.

Motlapele Molefi

(Editor)



EXECUTIVE MANAGER'S NOTE

The second quarter of 2014 was characterised by the tail end of the platinum strike and a repositioning process within the RBN which will also affect the RBED. As a consequence RBED have developed new strategies for 2014 and beyond, to maintain the services rendered to entrepreneurs and SMME even with a reduced staff complement!. We cannot continue to be everything for everyone hence we have the implementation of the focused approach at hand.

Briefing sessions to top SMME and visits to regions have started and will carry on until the last week of August, to ensure all SMME have been briefed on the focussed approach. Application forms for SMME to participate in the focussed approach will be distributed at the briefing sessions and are also obtainable at the RBED office. Funding from the RBED budget as well as funds already received from Attacq (an RBH investee company), will be utilised to start the process. SMME participation in the focused ED approach is subject to a stringent selection process, which also includes a presentation to the selection panel by the Entrepreneur.

We look forward to taking the selected SMME to greater heights and reaffirm the commitment to all SMME that generic services will remain to serve all SMME as in the past.

Dr Elmie Castleman



RBED STRATEGIES

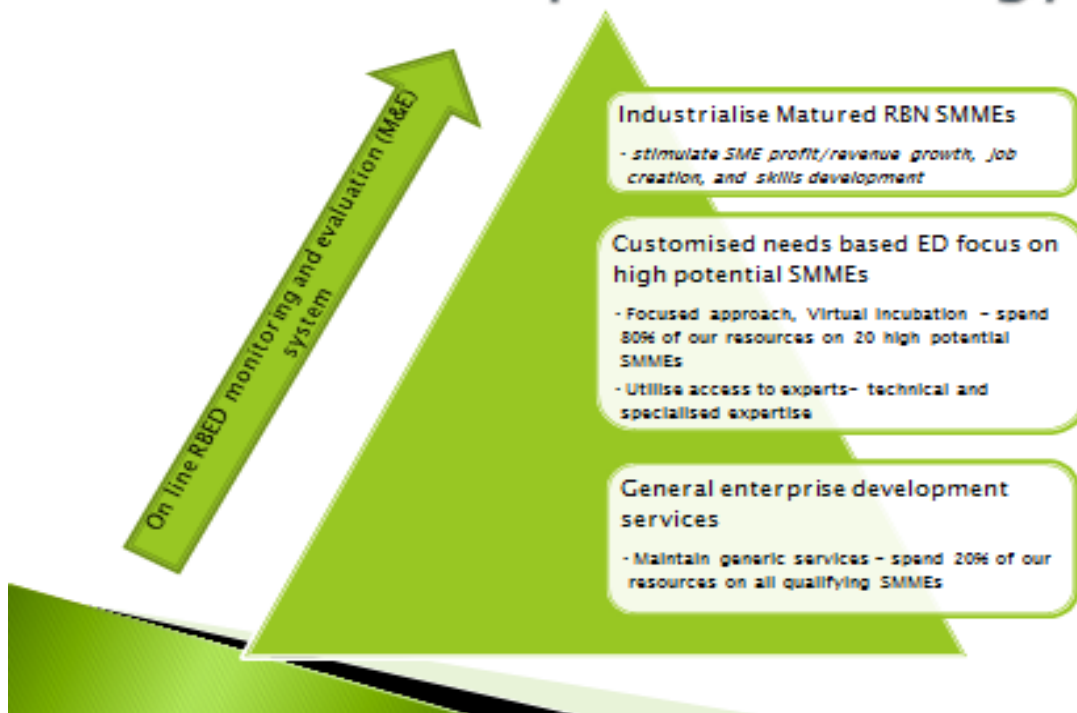
RBED developed strategies for 2014 and beyond. The strategies are crafted in such a manner that they accommodate less staff and budget, however not compromising on quality of services offered to SMMEs. Some of the strategies are outlined below:

- ▶ Implementing a focussed ED whereby 80% of our resources will be utilised on 20 high potential SMMEs
- ▶ Enter into agreements with other relevant stakeholders for
 - skills development, mentoring, coaching, shadowing, opportunities to gain experience,
 - inculcation a culture of entrepreneurship in collaboration with Royal Bafokeng Institute
- ▶ Monitoring of SMME growth through an on-line monitoring and evaluation system
- ▶ Facilitate co-op establishment for youth, women and people with disabilities
- ▶ Reduce barriers to entry by
 - Collaborating with stakeholders to mitigate the threats such as access to funding, land, infrastructure, financial services, opportunities and technical expertise
 - Collaborating with other role players in the development of an Industrial park
- ▶ Identify potential markets/opportunities
- ▶ Facilitate opportunities in the transformation of untransformed companies contracted by the mines and other investee companies
- ▶ Facilitate industrialisation of matured SMMEs
 - Identify key areas for business creation such as engineering



MULTI-TIER APPROACH STRATEGIES

SMME development strategy



FOCUSED APPROACH - OVERVIEW

Admission Criteria

- Registered on RBED database (25.1% Bafokeng)
 - Administrative compliance
 - Statutory compliance
- Could be start-up or existing business
- Accept stringent selection process
- Sign development contract with RBED

High performance SMME Selection panel

- Technical experts
- Funding specialist/analyst
- Successful entrepreneur
- RBED Executive
- Funder representative
- RBN governance

Selection criteria

Industry (Market)

- Aligned with opportunities in stakeholder supply chain
- Significant commercial potential

SMME/Entrepreneur

- Level of education & skills set within industry
- Should be professional in chosen field
- Have full understanding of service offering
- Exclude serial entrepreneurs?
- Positive attitude
- Willing to be guided
- General management skills

Capital Requirements

- Funding availability for a chosen industry
- SMME financial standing
- Ability to raise funds/ own contribution
- Sound understanding of financial needs

Graduate when agreed development objectives

- Usually at Gold/Platinum level
- Sustainability criteria met (Contracts, turnover, employees)
- Performance and development criteria met (Growth)
- Start-up project completion is upon completion of first year financial statements, but may be extended.
- Programme can last up to 3 years for existing SMME.
- Industry based differences - Industry trends can be vastly different
- Becoming a QME according to DTI scorecard criteria

(Turnover > R 10 Million, equivalent to Platinum category)

Note: Can be earlier than agreed time period

How to apply for focused approach

Termination

(Removal from dedicated ED)

- ▶ Breach of contract with RBED
- ▶ Lack of cooperation with facilitators
- ▶ Missing the scheduled sessions repeatedly without notification
- ▶ Not implementing agreed development plan
 - ▶ Lapsed legal compliance
 - ▶ Not providing regular feedback on the impact of the programme

Suspension of services

(No further services)

- Dishonest or fraudulent activity
- Violent or unreasonable behaviour
- Proven fronting activity
- Repeated refusal to provide information
- Inappropriate use of grants and development funding
- Not adhering to agreed intervention programme
- Renege on exhibition bookings

- ▶ Applications are now open.

- ▶ Window for first round of submissions ends 30 August 2014
- ▶ Only complete applications for companies who have updated their data will be considered
- ▶ Submit hard copy to ED offices at hospitality school
- ▶ Shortlisted SMME will be required to present a business case to the selection panel (30 minutes)
- ▶ Programme starts end September 2014



ENTERPRISE DEVELOPMENT AND BUSINESS LINKAGE RESULT Q2

RBED on line Monitoring Module

To date we have uploaded 511 companies/SMME and 760 entrepreneurs updated their details.

The data enrichment process has begun impacting SMME information positively and the newest scoring is as follows: Chrome-91.99%, Bronze-1.03%, Silver -3.9%, Gold- 1.89% and Platinum -1.23%. This is still not an accurate reflection on the RBED SMME landscape in terms of compliance, growth or sustainability but progress has been steady. RBED has a target to upload all data of registered SMMEs by the end of the third quarter 2014. The ability of RBED to monitor SMME progress is now supported with relevant data and it also enables RBED to facilitate enterprise development proactively through the functionality to monitor risks and issues of SMMEs.

Access to the information provided over the internet, since the inception of the system until end June 2014 can be summarised as follows:

Page visited	Number of visits	Visits last 30 days
RBED – about us	1219	86
Front Page / Landing page	15557	1268
Tswelopele digi-mag	Read 1114 times	61
Business listings	697	47
Events	1464	107

ED Centre Daily Visit and Internet Usage (2nd Quarter)

For period under review q2, we had **247 visits** to the ED centre for various services including advisory, coaching, workshop registration, database updates, and access to internet and EEZIDEX. **93** individuals came in to utilise internet services and **154** for consulting

Reasons for Internet usage

- Research
- E-mail
- Business opportunities
- E-filing
- Exhibition booking
- Type quotations

SMME Development Workshops

15 Training workshops were offered in the 2nd quarter.

Workshop Tittle	Facilitator	Date Offered	No. of attendees
Managing Growth	Thandeka Cwati	01/04/14	22
Project Management	Ororiseng Mapeka	08/04/14	21
Tendering	Ian Venter	16/04/14	12
Planning and Managing Finances	Tshepo Modise	13/04/14	09
Costing & Pricing	Tshepo Modise	22/04/14	08
Presentation Skills	Progress Matau	14/05/14	08
Risk Management	Dan Seripe	20/05/14	18
Planning and Managing Finance	Tshepo Modise	03/06/14	09
Director Development	IOD	05/06/14	13
Strategic Management	Tandi Cwati	11/06/14	20
Entrepreneurship	Ian Venter	23/06/14	16
Planning your Business and Managing Operations	Motlapele Molefi	24/06/14	16
Market Research	Ian Venter	25/06/14	11
Planning and Managing Finance	Vusi Sibiyi	26/06/14	10
Managing People	Progress Matau	27/06/14	09

Information sessions

SMME Forum -A Total of **3 information sessions were held** and **49 SMMEs** attended. This was badly affected by the mine closures during the strikes and is far below the planned totals. As the strike has ended, the normal programme will again resume from quarter 3

The dates, times and venues of the Information sessions

Workshop Tittle	Facilitator	Date Offered	No. of attendees
Construction Info. Session	NHBRC	29/04/14	20
Finance Info. Session	STB Bank & SEFA	30/04/14	12
Mining Value Chain	RBED	15/04/14	17

Other ED Interventions

- 8 SMMEs were assisted with business development interventions ranging from dispute resolution, quality certification, access to land, CIPC registration, putting together business proposals, JV facilitation, coaching and guiding on completing tender documents. A complete list of SMME assisted is provided in the detail report under enterprise development.

EXPOS

- 7 SMMEs participated at Rustenburg expo (Rustenburg agricultural show from 25th May to 1st June 2014) and 1 SMME attending the African Construction Expo in quarter 2.



SOLAR PROJECT

Solar Energy Project

Project entails piloting of renewable energy source (Solar) within the Bafokeng regions. The objective of the project is to create a viable renewable energy business opportunity for Bafokeng SMME, with a very strong support from Fortune CP a company appointed by Fraser Alexandra for skills transfer and mentorship. Some of the disadvantaged families within all Bafokeng regions were identified with the assistance of RBN HSDS Department to pilot the project. Ten (10) houses per regions were identified for the pilot. (Total of 51 houses)

The project has achieved the following:

- 51 Households installed with solar panels and geysers (10 from each region)
- 15 temporary jobs created (3 from each region)
- Through the projects Local SMME already had 5 procurement lead and received orders for solar panel installation
- Local SMME trained on solar Energy and Accredited as a certified solar Energy installer

A long term goal of the projects is to establish a solar energy business in our area. Fraser in relation with the international company is investigating the



possibility of establishing a company that will be importing solar panels with the aim of assembling. In the next steps the focus will be on feasibility study and a business plan.





SMME FEEDBACK

Pascal John Mmamogopodi is a local Entrepreneur born and bred in ; Maile, one of the Bafokeng Villags. He worked as a fruit juice distributor for a company based in Limpopo for a period of time. He is now a director at Pascal Chicken Distributors (PCD)



Pascal Chicken Distributors (pty) Ltd

Having consulted with people like Letlhogonolo Mmope, Ratanang Selomane and Ian Venter have amplified the knowledge that I had with business operations. They took my idea with positive criticism and worked with me to model, unpack and document my idea and grow it into a solid proposal to take my business forward.

RBED advised me on the following issues:

- Company registration,
- Company profile,
- Drafting my own business plan,
- Taught me about the importance of having a business mentor
- Invited me to their fruitful workshops / short courses which were of importance and relevance as we were able to learn from each other's experience.
- Methods / templates of tracking my financials
- Accompanied me to presentations and their presence has played a bigger role



ENTREPRENEUR OF THE MONTH

Q: Tell us about yourself/ who is Katlego Mosime?

A: Born in 1986, I grew up in a family where my father had a small business, selling hides and offal. I matriculated in 2004 and went to Tshwane University of Technology to study National Diploma in Nature Conservation. My first company was registered in 2008 called Reitsusitse Trading Enterprise.

There after I established 3 more companies BJP High Site Acquisition & Projects, JKM Solutions (Pty) LTD and HAAKA Trading. All businesses are active and working.

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

A: 2009 after completing my Diploma, it took a while to get a job in my field of study. I started working for Marang Construction as a supervisor and realised I could also start my own business.

Q: What motivated you to start your own business?

A: Finding few employment opportunities for youth around the country, I decided to study a short course at Intec College in Project Management. After finishing the course in 2009, I worked in my father's business for couple of months. I was then employed in the Zoological Gardens of South Africa for one year six months; and that's when I realized I am passionate about running a business of my own.

Q: What makes you a successful business person?

A: I am passionate about business world and being self-employed. I love what I do. I have always believed that in life there's nothing impossible, if you give it all your best then the results will be productive.

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

A: Marketing management. It's always difficult to run and operate business while starting small. I tend to focus more on what I have on contract than marketing my company for more and better opportunities.

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

A: Less motivation and dedication. Many people start their business with the aim of making quick money, but they forget one has to thoroughly research the business one is starting.

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

A: Thoroughly research the industry you want to venture into before starting a business. Always develop a detailed business plan for your idea.

Q: What are your aspirations?

A: Seeing black youth being successful in the business world.

Q: What are your plans for the future?

A: To start trading international, to gain experience in different market areas and opportunities available. Lastly to build a business concept that would sustain me and my family to the next generation




CALENDAR OF EVENTS
Business Workshops

Workshop Name	Date	Venue
3rd Quarter	3rd Quarter	3rd Quarter
Project Management	08 July 2014	Media Centre (Stadium)
Risk Management	09 July 2014	Media Centre (Stadium)
Capital Tendering	22 July 2014	Media Centre (Stadium)
Price Escalation	24 July 2014	Media Centre (Stadium)
Director Development	11 August 2014	Media Centre (Stadium)
Costing & Pricing	03 September 2014	Media Centre (Stadium)
Entrepreneurship	22 September 2014	Media Centre (Stadium)
Planning Your Business and Managing Operations	23 September 2014	Media Centre (Stadium)
Market Research	24 September 2014	Media Centre (Stadium)
Planning & Managing Finances	25 September 2014	Media Centre (Stadium)
Managing People	26 September 2014	Media Centre (Stadium)

Information Sessions

Information Session	Date	Venue
IT Information Session	15 July 2014	Media Centre (Stadium)
Manufacturing Information Session	17 July 2014	Media Centre (Stadium)
Finance Information Session	13 August 2014	Media Centre (Stadium)
Quality, Health & Safety Info Session	28 August 2014	Media Centre (Stadium)
Mining Information Session	10 September 2014	Media Centre (Stadium)
Mining Information Session	09 October 2014	Media Centre (Stadium)
SMME Forum (Business Owners)	05 November 2014	Media Centre (Stadium)
RBED Outreach Session	18- 25 February 2014	Regions



TAX and the ENTREPRENEUR

Tax and the entrepreneur:

Why do we have to pay tax? In short, paying taxes makes it possible for South Africans to build a better country through the activities of government. Tax funds not only the expenses related to running the country, but also pays for large development projects, the grants businesses receive and the infrastructure we need to operate companies profitably.

SARS has clamped down significantly on companies and individuals not paying tax and will continue to do so. If your tax affairs are not in order, it is impossible to obtain a tax clearance certificate and that is why corporate customers and government insist on the submission of such certificates when an SMME participates in a tender. This helps them manage the risk of SARS stepping in and closing a company responsible for some work because of long overdue taxes! In some cases the law even allows SARS to instruct customers to pay money due to a company directly to SARS. This could mean the end of your business and all the hard work you have put into growing a source of future income! It is far better to rather honestly declare the income and profit in your company and to join us in being compliant.



BUSINESS TIPS

Business Tips for Entrepreneurs

NB. Did you know that, according to the [Small Business Administration](#), only a third of new businesses survive 10 years or more? What can you do to make your small business a success? Find out below:

- **Love what you do:** The road to success is a hard one; it's a lot easier if you're passionate about your business's purpose. "If you don't [love what you do], it's hard to be successful.
- **Build a team immersed in your vision:** It's more than just hiring experienced people. It's important to demonstrate the type of organization you want to be.
- **Come up with innovative ways to solve problems:** Necessity really is the mother of invention.
- **Create a delightful customer experience:** Several components come together to win customers and everyone at the company needs to know their own role in retaining customers.
- **Quickly learn from your mistakes:** Mistakes are inevitable. The key is to learn from them – fast.
- **Rely on people smarter than you:** You can't know and do everything. You must rely on others. "Surround yourself with people who know more than you do,"
- **Never sacrifice quality:** "The key to the success of any business is to establish a philosophy and have everyone in the business buy into it," (<http://compass.ups.com/7-tips-from-successful-entrepreneurs/>)



QUIZ BLOG

Take Part In Our Quiz And Win Awesome Prices!! Two winners will be randomly selected.

1. How many household had solar geysers installed?
2. Name one of the entrepreneurs featured in this issue.
3. What Expo did seven (7) of RBED SMMEs participate in?

To Enter Please Send Your Answers To

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Or call us on: (014) 589 3000

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