

# Tswelelopele

*Kgolo go ya ka ponatshego- Growth through transparency*

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## EDITOR'S NOTE

In this issue we are celebrating the changes at the RBED and a new direction serving the Bafokeng business community. Major events that have already transpired this year include the launch of the satellite office in Mamerotswe village to serve the community in the North East Region and the revamp at the Enterprise Development (ED) Centre in Phokeng.

Fraser Alexander has opened an office at the ED Centre. The office will navigate the SMME through the process of doing business with various Fraser operations and will help prospective suppliers register and gain access to opportunities.

The ABSA team are ready to move into the new centre and the large numbers of applications for funding have already been received.

The motivating message to our clients: *“Surround yourself with people who dream bigger than you do – Kati Heifner”*

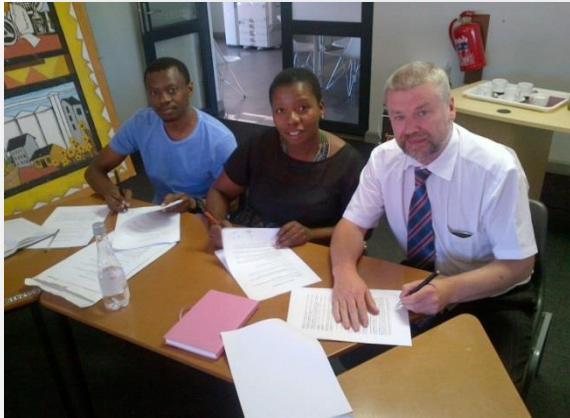
**Editor: Tebogo Sedumedi**

### ABSA FUNDING DAY





## SMME OF THE MONTH



**Q: Tell us about yourself/ who is Mpho Bogopane?**

**A:** I see myself as a go getter, an independent woman who is keen in business and hungry for development. "I'm a free lady not a slave". I was born and bred in Phokeng.

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

**A:** After six years of working in a retail store as a store manager, I saw potential in myself and decided to go solo. I then started my own business.

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

**A:** Firstly I would like to thank my late father for the encouragement; he would buy entrepreneurial books for me by the likes of Donald Trump. As I go through them I started realising my capabilities and my dream as a business woman. I started knocking doors, looking for advices and opportunities.

The first door I stepped in was the business place in Phokeng and my journey continued with RBED.



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

**A:** Perseverance, determination, hard work and faith in God.

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

**A:** I had lack of resources and finance. Whenever I render services, I would get delayed in payment and that prevented me from continuing with other orders because of lack of money. I also had challenges when

coming to legalities.

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

**A:** Financial stability was a challenge, e.g when I receive orders and fail to deliver due to money.

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

**A:** Chase your dream, never give up and be patient with yourself because God has his own plan and timing.

**Q: What are your aspirations?**

**A:** I want to become a successful business woman in North West Province and be rated in the list of top successful stable businesses.

**Q: What are your plans for the future?** **A:** I want to plough back to the community by creating more jobs in and around Phokeng and motivate youth in business.



## SA BAKKIE FUNDING



### SA Bakkie R60 million initiative, creates new opportunities for consumers to own a bakkie

#### *New consumer financing model expands potential bakkie market, to the benefit of consumers and OEMs*

SA Bakkie, a division of SA Taxi, the country's largest independent financer of minibus taxis, is extending the bakkie market to consumers who would not otherwise qualify for vehicle finance. SA Bakkie has been providing gateway financing to small and medium enterprises (SMEs) for the purchase of commercial vehicles for the past two years. It will now extend its financing focus to consumers for whom access to credit is challenging or are looking for a way to enter the formal sector.

"The banks apply credit criteria that eliminate as potential customers people who aren't yet part of the mainstream economy or are underserved by traditional financiers," says SA Taxi's CEO, Terry Kier. "By contrast, we take a view based on affordability. If a person has the means to make repayments and our assessments show them to be reliable in terms of making the repayments, we will advance the necessary finance." Applying our approach in the bakkie market will expand it – just as it opened up the minibus taxi market, where we have developed deep experience in applying our financing model. Our success rate has been high – for the group and for our customers. SA Bakkie is simply

replicating a successful model to a market that doesn't yet exist."



Because of a long-standing relationship with Toyota, developed on the minibus taxi financing side of the group's business, SA Bakkie will initiate its consumer activities with finance for the Hilux bakkie. "In terms of the Toyota taxis, we've had the comfort of knowing that we are financing a vehicle that won't let our customers down, thereby increasing

customers' ability to earn revenue and, consequently, meet their finance installments," Kier says. "We believe the Hilux offers the same benefits for our bakkie customers. However, we will consider all customer bakkie preferences as we believe there is a very large untapped market out there, based on the numbers of people who can afford but haven't been able to get finance for such a vehicle. The SA Bakkie offering opens up entirely new options for consumers."

By referring customers to SA Bakkie, bakkie dealerships will increase their own sales while keeping SA Bakkie's marketing and sales costs low – a saving that will benefit customers. Through SA Taxi, SA Bakkie is also able to provide consumers



with choices for competitive insurance and loyalty programmes, ensuring an attractive overall package for new entrants to the bakkie market. Another benefit for consumers is the fact that Taxi Mart, a division of SA Taxi that refurbishes taxis, will be able to do the same for any bakkies SA Bakkie is obliged to repossess.

Kier explains that the repossessed bakkies can be resold at a higher price than would be possible without refurbishment. “We will, therefore, recover more of our investment. Also, by refurbishing in-house, we keep our refurbishment costs down. All of which allows us to reduce the amount outstanding from customers who have defaulted. This will reduce their overall debt burden. “At the same time, the second-hand owner will be able to buy a quality vehicle at a lower price than is available elsewhere, expanding the bakkie market still further.

“In essence, SA Bakkie’s entry to the consumer market benefits all the direct stakeholders while also stimulating the automotive industry overall and bridging several thousand people from the

informal into the mainstream economy.”

**Elmarie Eastes**

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### **Breakfast seminar**

On point breakfast seminar that was held on the 4<sup>th</sup> June 2015. The following topics were covered: Importance of supply chain management, Banking solution, Branding and New media.

**Organised by:** Tumisang Ditsheko of Ka Lerato Community Projects





## COOPERATIVES

### Why start a cooperative?

*With*

Antony Jongwe



Did you know that as at 2009, South Africa had 22 619 registered cooperatives and that 1257 of them were located in our platinum-rich North-West province? That is not all, in the Royal Bafokeng community alone, the number of registered cooperatives is poised to grow in the next few years.

All over South Africa, there is renewed interest in cooperatives.

The ANC-led government has made a commitment to increase and support the number of cooperatives in all the nine provinces including North-West. This is contained in the document prepared by the Department of Trade and Industry (dti) called “the dti Strategy on the Development and Promotion of Cooperatives”. It sets out an agenda for developing and promoting cooperatives over a period of 10 years (2012-2022).

The Royal Bafokeng Enterprise Development (RBED) is a very important institution whose mandate is to ‘co-ordinate, facilitate, and support the sustainable participation of Bafokeng Small and Medium Enterprises (SMMEs) in the mainstream economy’. I recently caught up with its director Ian Venter who told me that the RBED had a long tradition of developing and supporting cooperatives, even predating the DTI Strategy. This is where they will engage with various stakeholders to see how this can be met.

The main question for this article is: “Why start a cooperative?”. The following are some of the reasons given by the dti on why cooperatives have become important:

- *Economies of scale:* Through the co-operatives, independent entrepreneurs, rural and urban households, as well as workers, can use joint purchasing (bulk-buying) and marketing strength.
- *Increased bargaining power:* The co-operative enterprises combine the supply and demand of goods and services of its members, and thus increase their bargaining power in the market place.
- *Community participation and development:* Co-operatives have the potential to mobilise and develop the entire community, and encourage a culture of saving within communities. Via this method, investment is circulated among the cooperatives and remains within the community.

Off-course, there are many other reasons. The area of cooperatives has become an area of academic and policy interest and there is a lot to write and discuss on it. This is what we will be doing in future articles but I need to hear from you the reader on what specific issues you want us to explore. Drop me an e-mail or call me.

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**More on Bafokeng coops on the next page ...**

### Bafokeng Coops

Below are some of the cooperatives within the bafokeng regions that are been developed by the resently RBED. They are mostly elderly people that are generally dealing with bakery. They were donated stoves to assit them with the bakery process and the results are improving daily.



#### **Bonang Peace Coorporative (Kanana)**

The cooperative was established in August 2014 in an effort to create employment within the local community. The coop comprises 8 elderly and 2 youth members. They also develop new products like traditional bread (Kgaragana) and bread.



#### **Kgatelopele Cooperative (Tsitsing)**

The cooperative was formed in August 2014 with the intention of creating jobs and an income generating venture. With 10 elderly ladies and one youth the cooperative has shown some initiative in developing new products like the traditional scones (Kgaragana), bread and fat cakes.



#### **Modira Khule Cooperatives (Tlaseng)**

The cooperative was formed in August 2014 with 6 members. The cooperative has introduced new products e.g biscuits, bread, traditional bread (Kgaragana) and pizza to their offering and bakes these on per order basis.



#### **Tshwaraganang Basadi (Chaneng)**

The cooperative was established in August 2014 and has 5 active members. The members have been innovative to incorporate different products like traditional bread (Kgaragana) and bread to their offerings.



## BUSINESS EXPO

The National Small Business Chamber (NSBC) brought the 7th season of My Business Expo, also incorporating Business Start-Up Expo, Access to Finance Indaba, My Business Seminars and the world famous Buzz Party, which was on the 12<sup>th</sup> March 2014 at Gallagher, Midrand.

This expo included My Business Seminars, offered Access to Finance Indaba, which is geared towards future and seasoned business owners or entrepreneurs and delivers practical information, strategies and ideas which can be applied to one's future, start-up or growing business. The speakers are leading industry experts and the topics were designed to address the latest trends and needs in the business environment.



### Highlights of attendees

#### *Hellen Khunou*

What AMAZING seminars! **Ethel Nyembe (Head of Standard Bank Small Enterprise)** as she talked about how to become a true candidate for funders, it truly inspired me to keep pushing on with my business. It's also good to know that there is help from Standard Bank readily available. The expo is the best thing that could ever have happened to aspiring entrepreneurs.

#### *Dimakatso Selemela*

I really enjoyed the workshop. (**What SMEs need to do, to access finance: Bradley Ralph, Head: Nedbank Small Business**) I received information I can never find anywhere else. I also remembered my purpose as an entrepreneur. Wish I could put him in my bag and take out when it gets tough, for some encouragement.





# RUSTENBURG SHOW

This year the Bafokeng SMMEs and NGO again exhibited at the Rustenburg Show. They were invited to exhibit their products during the Rustenburg show week that was held from the 23<sup>rd</sup> to the 30<sup>th</sup> May 2015. The main idea was to give them exposure as part of their marketing tool and development.



### Ten SMMEs and NGOs exhibited at the show this year!

Below is the advert that was placed on Rustenburg Herald as a marketing tool for our SMMEs. We were happy to show-case our SMMEs work on our local news paper.

**Advertorial**

**RBED**  
Royal Bafokeng Enterprise Development

**& HSDS**  
Health & Social Development Services

**ARE PROUD TO SPONSOR THE FOLLOWING ENTERPRISES AT THE RUSTENBURG SHOW EXHIBITING IN HALL 2 - 23rd to 30th MAY 2015**

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www.reasto.co.za

**Also the following non-profit organisations (NPO)**  
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• Maitoi Creations • Dirisanang Disability • Phokeng Trauma Centre • Thusanang Sewing • Modisa Ke Monyatsi

**For more info Contact:**  
**RATANANG SELOMANE: 014 589 3000 & REFILWE RAMORULA: 014 566 1200**

SMMEs who exhibited received marketing tools including: Business cards, flyers and banners to support their business going forward.

### Message from Mr Bobby Segoe of Bobs kitchen's comment:

The Rustenburg Show has laid a carpet for me to enter into the business world with a right approach and admissible platform.

With the help from RBED, Bob's kitchen was visible to everybody throughout the show with the marketing material that they have sponsored us with.

Today my services are noticed all over Rustenburg and the surroundings contacts started to emerge.



# RBED SATELITE OFFICE LAUNCH – NORTH EAST OFFICE

RBED Satellite Office Launch was officially opened on the 12<sup>th</sup> June 2015 at Mamerotswe . The community can now utilise the office weekdays between 07:30 and 16:30. The office also offers Vodacom services to communities including new sim cards and airtime vouchers. We would like to thank Kgosana Mookeletsi for this initiative



Thank you to Vodacom and Bothabo who runs the vodashop in the Bafokeng Mall for sponsorship

Among the invitees Vodacom, Avon and Justine shared their business opportunities with SMMEs and how they can benefit from them.



Moripe Holdings conducted a youth workshop in the morning “Be a job creator not a job seeker” 30 youth attended.



Bridget Ledwaba, director of Aveng Group was a keynote speaker.





## ABSAs SMME FUNDING

### Absa opens doors for SMEs



Small and Medium Enterprises (SMEs) play a vital role in a vast majority of economies. In South Africa, SMEs employ almost 60% of the employable population with over 12 million livelihoods relying directly on SMEs.

Absa Bank Ltd (Absa), wholly owned subsidiary of Barclays Africa Group member of Barclays, recognises the importance of small businesses as catalysts for economic growth and job creation.

As a responsible corporate citizen, Absa lends its support to the national agenda to promote a thriving SME sector. While financial support is a key driver of the success of the SME, access to markets and building business skills are also significant challenges to address.

The Enterprise Development offering from Absa aims to open doors for SMEs through providing access in three key areas: **markets, funding** and **non-financial support** (i.e. business support).

#### 1. Access to markets

While access to funding is typically seen as the primary obstacle facing SMEs, access to markets is the more pressing obstacle. The market exists, but the linkages don't.

Corporate buyers, for example, in terms of preferential procurement, face the challenge of locating and identifying suitable SME suppliers. And the SMEs in turn struggle with accessing these corporates in order to secure supplier contracts.

Absa's Procurement Portal – a virtual market place – creates the linkages between buyers and suppliers. SMEs on the portal are validated and verified. They are located using various searchable fields such as geographic location, size or BEE status. To date there are 30 000 SMEs and 3 500 corporates actively using the portal.

The portal is part of Absa's value proposition to go beyond banking and open doors by addressing a primary obstacle facing SMEs. Furthermore, through Barclays Africa's presence in 12 countries across the continent, it can create opportunities for these entrepreneurs and emerging small businesses beyond South Africa's borders.

#### 2. Access to funding

Considering that five out of seven (or 80%) SMEs in South Africa fail in their first two years of operation – mostly due to cash-flow problems – it is clear that improved financial support will empower more SMEs to realise their ambition, and contribute to sustainable growth in South Africa.

In addressing SME challenges Absa needs to be innovative in its approach to providing pioneering solutions. It can advance funding to SMEs that have been awarded valid and viable contracts. Cash-flow principles are the primary lending drivers as opposed to traditional collateral or security-based lending.

Absa has committed R250 million per annum in non-traditional lending aimed entirely at the SME sector in South Africa. This is in order to fund SMEs that typically would not meet the normal lending criteria required by banks.

Over and above the R250 million, Absa has created specialised non-traditional funding solutions to assist SMEs:

- The Women Empowerment Fund provides credit to women entrepreneurs who have the skills and demonstrable potential to service their debts. The funding is available for all women SMEs who do not have sufficient security to start their businesses under ‘normal’ banking lending criteria.
- The Development Credit Fund in partnership with USAID. This fund is offered to SMEs with insufficient security for existing business and start-ups. The fund is backed by a 50% guarantee.
- The SME Fund is offered to BEE SMEs who have been awarded contracts or tenders by Government. The fund does not require security.
- In partnership with the French Development Agency, Absa can offer an exclusive incentive in the form of a rebate of up to 7% of the total loan amount. This is for projects driving energy efficiency and renewable energy.
- The Thembani International Guarantee Fund supports business with a minimum of 51% BEE business in South and Southern Africa. The fund offers 50% and 75% guarantees to SME clients.

### **3. Access to non-financial support**

A critical challenge facing SMEs is more structural in nature. SMEs fail not for lack of technical ability, but rather because of a lack of general business skills.

Absa has seven Centres of Entrepreneurship located across the country with the purpose of providing a support environment to SMEs. The centres are a perfect example of private and public sector cooperation that have led to the costs traditionally associated with starting and running a business being reduced. Services offered include everything from providing access to infrastructure (computers and printers) and meeting rooms, to providing training seminars on various issues. Topics range from SARS and labour regulation to financial skills training. Mentoring services are also provided.

Through non-financial support offering, Absa has helped over 42 000 SMEs develop their businesses in the past year through training, business tools, seminars and networking. By offering non-traditional support, the Centres of Entrepreneurship will bring more small businesses online and make it easier for entrepreneurs to establish and grow their businesses.

Access to markets, funding and non-traditional support is a complex recipe for a successful business. Like any masterpiece it takes time, effort and some extra determination to get the ball rolling. By investing in individuals, communities and enterprises, Absa, through its Enterprise Development programmes, is changing the South African business landscape, one entrepreneur at a time.



## QUIZ BLOCK

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

1. What motivated Mpho to start a business?
2. Where is RBED Satellite office located?
3. What does NSBC Stands for?

**To Enter Please Send Your Answers To**

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Or call us on: (014) 589 3000

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