

Tswelelopele

Kgolo go ya ka ponatshego- Growth through transparency

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MD's WELCOME NOTE



It is amazing how quickly time flies by. Not so long ago we were grappling with the challenges of 2012 and now we are already in the thick of things with the wish lists of 2013. Firstly we would like to utilise this opportunity to extend a word of welcome to all the members of the Royal Bafokeng Nation's business community and their families, a practice we plan to uphold going forward. We would like to say "let's go for it" to all RBED's business partners and their valuable clients.

We, at RBED, are very excited about the prospects for 2013 and subsequent years in that for the first time in a long time, we have entered into a year with so much positive enthusiasm. We have crafted ourselves into one lean and mean machine that, according to our plans, is going to be smooth enough to operate and sufficiently nimble to respond to the needs and requests of our target market, the RBN business person, in an expeditious and comprehensive manner.

We are pleased to highlight a number of positive changes that took place at RBED in the last few months. We hope that these changes will lead to improved service to our clients and these include:

- RBED, as an institution of the RBN, has, with effect, from the beginning of October 2012 started to report under the Central Administration of the RBN and no longer under Royal Bafokeng Holdings;
- RBED staff moved to the new offices at the Civic Centre to give effect to this consolidation under the Central Administration. To avoid disruption of service to SMMEs, the Enterprise Development team has remained at Bafokeng Plaza in the suite that was previously occupied by The Business Place (TBP) as the service agreement between RBED and (TBP was terminated effective the 31st of December 2012.
- Dr. Elmie Castleman is RBED's Acting MD, in in addition to her other responsibilities within the RBN Group.

Readers are urged not to miss the article that covers the service offerings that will be rendered at the Enterprise Development Centre that has been set up in replacement of TBP on page 3.

RBED has embarked on a drive to totally transform itself by focusing on rendering a drastically improved service without increasing the cost of rendering that service. There are scores of other initiatives that are going to unfold as the year progresses and these will broadly entail ensuring that no money would be spent unnecessarily in duplication of what is already being offered by other structures of government and social entities elsewhere. Internal resources will be used to the optimal extent to ensure that quality of service is improved, costs are minimised and staff are empowered.

We are not oblivious to the developments within the immediate economic environment within which most of our clients are operating, but on the contrary we are working on leading by example so that we should be seen to be practising what we preach. Among the exciting developments that we are embarking upon in 2013 is this very on-line magazine – including this issue, four editions are planned for the year. We expect this magazine to be a central market place of ideas that are going to be helpful to our client base while simultaneously being a platform of celebrating local achievers within the realm of entrepreneurship as you will notice on page 7 where we are profiling one of our very own home grown entrepreneurs. We aim to launch a web based client relationship management system to improve communication between RBED and its stakeholders shorten turnaround and response times. These ideals we aim for without asking for any additional funding.

2013 is a foundational year during which we will be focusing on fine-tuning the delivery of the Enterprise Development service while simultaneously developing an inclusive and integrated Economic Growth and Development strategy. We at RBED are hyped up, revved up and raring to go and we are looking forward to the company of our clients on this trip that promises to be a rewarding one. We will be embarking on a regional road show in February to share our plans with the community and to afford them the opportunity to contribute their ideas on areas where we could better serve them.

Please have a pleasant read.

Here's to a wonderful, progress and success injected year

Dr. Elmie Castleman



ED CENTRE OFFERING

Small and medium scale enterprises (SME) are acknowledged world-wide as effective instruments for employment generation and economic growth. Despite their significant importance of contributing to the economic growth, SMMEs across the world, in SA in particular are still faced with numerous challenges that inhibit entrepreneurial growth. GEM report note that SA SMMEs suffers from poor management skills which are the result of amongst others things lack of adequate training and education. This results in a high rate of failure.



It is noted by SME growth index that effective small business development requires a new sustained engagement between the private sector and government at national, provincial and local level. Crucial issues include improving the administrative and operating environment, and ways to expand market development for SMMEs. Most importantly SMME development initiatives must get down to the level upon which small businesses actually operate.



Royal Bafokeng Enterprise development (RBED) is one of the institutions reporting to Royal Bafokeng Administration, and its mandate is to facilitate the development of all Bafokeng SMME and the overall economic development of the Royal Bafokeng Nation (RBN). RBED has established an Enterprise Development Centre where it services its SMME.

RBED has recorded on its database a total of 859 SMMEs 220 of which are fully operational across all sectors of the economy. Based on the information that we have accumulated from interacting with SMMEs on daily basis, RBED has identified some needs that fall into three broad categories of Start-up, Growth and Sustainable businesses as presented in the table below.

START-UP	GROWTH	SUSTAINABLE
<ul style="list-style-type: none"> ■ Basic Business Information ■ Access to Finance ■ Access to Markets & Opportunities ■ Business Planning ■ Skills Development ■ Statutory Compliance ■ Business Support Services ■ Business Infrastructure ■ Business Planning 	<ul style="list-style-type: none"> ■ Sector based & relevant Information ■ Monitoring & Evaluation ■ Mentoring & Coaching ■ New Markets & Opportunities ■ Business Linkages 	<ul style="list-style-type: none"> ■ Needs Based Information Markets & Opportunities ■ Promotion ■ Research & Development ■ Diversification ■ Empowerment

Having made this determination RBED proceeded to investigate the manner in which the above needs could be addressed and the result is the following suite of Enterprise Development Services and offerings, that it is anticipated will go a long way to addressing the non-financial needs of aspiring entrepreneurs and SMMEs at various levels of development, that the Enterprise Development centre will be offering going forward.

Pre start-Up (entrepreneur Development)	Start-up	Growth stage
Idea formulation	Feasibility	Growth Plan
Navigation/ Research	Business Plan	Facilitate Funding
Internet access	Marketing Assistance	Facilitate Market
Training –New venture creation	Operation Systems	Operations improvement
Advisory and research	Advisory services -and coaching	Link to Opportunities
Feasibility	Exhibitions	Mentorship
	Training and workshops	Networking opportunities

The above interventions are but just the basic offering of the Enterprise Development Centre. RBED is still committed to being a one-stop-shop for the Enterprise Development service needs of the RBN business community. This means that in case where a client has required interventions that are not offered at the EDC but that can be sufficiently addressed by another institution or entity outside the RBN group, RBED will continue to do all within its power to facilitate that the SMMEs' needs are attended to.

We are very excited about the latest developments within the RBED space and we are looking forward to having a mutually rewarding journey with our SMME clients in 2013.



BUSINESS LINKAGES CORNER



Business Linkages can be one of the fastest and most effective ways of accelerating the growth of local enterprises, facilitating Access to Markets, Improving business management practices, and facilitating Access to Finance and market diversification of local enterprises. However, we need to create an environment conducive to sustainable businesses through policies that support the interest of both Bafokeng and Investee companies.

Business linkages are, first and foremost about business. A business linkages initiative may have multiple objectives, including developmental objectives (i.e. black empowerment, gender empowerment, sustainable development, etc.) but it must be designed in a way that assures business principles

occupy center stage. This does not mean that a business linkages initiative must immediately contribute to increase shareholder value, and that any project must be profitable in a short period of time. Business linkages will often be more about stakeholders than about shareholders. However, a business linkages project must not reduce shareholder value in anyway.

Developing business linkages with small businesses need to be driven by the same principles as any other supplier development programme, though it may involve a more patient disposition on the side of the large corporation, i.e. a stronger effort to qualify a supplier and a longer time horizon before an underperforming supplier is phased out.

Business Linkages was introduced in the year 2009 against the backdrop that procurement opportunities are the pillar of the local and international economy.

	2008	2009	2010	2011
Impala	41.4m	72.9m	103.7m	131m
RBP	40.1m	45.1m	48.1m	51.3m
Xstrata	20 m	20m	12 800	2.8m
Fraser Alexander	0	0	183 k	0
Total	110.1m	141.9m	154.1m	184.1m

Since Business Linkages inception, 30% improvement has been realized on yearly basis.) The Enterprise Development program implemented also assisted our SMME in accessing more opportunities.

During the 2011 Dumela Phokeng we committed a planned target of R300m for the year 2012. Results for 2012 are as follows

2012	No of SMME Benefited	New Contracts	Procurement Spend from mines	Jobs Created & Sustained
Total Procurement Spend	86	20m	288m	70 New Jobs 918 Sustained
Targets 2012			300m	421

The mines suffered an economic slump in the year 2012, with Impala experiencing the first of the industrial strikes in the first quarter of 2012; this resulted in some of our SMMEs losing contracts.



PROFILED SMME SELECTION CRITERIA

- Company must be operational, traceable for 3 years or more
- Selected SMME must be Mofokeng
- The owner/ Mofokeng SMME must be active within the company
- The potential SMME must own at-least 30% shares of the company
- The business must be compliant e.g. registered with SARS, UIF, and Workman compensation.
- Industry related compliance e.g. CIDB or NHBC
- The business must be involved in CSI activities,(evidence required)
- SMME may be selected from any sector or Industry



MEET OUR SMME: LBOGANG MABALE

Q: Tell us about yourself/ who is Lebo Mabale?

A: I studied Bachelor of commerce with UNISA but couldn't proceed to the third year due to lack of funds, worked for BNDC, which is currently known as NWDC, as credit control clerk and ran couple of small businesses involved in distribution, waste management and recycling. I just completed my studies of practical project management with UNISA and I am a registered member of PMSA (Project Management South Africa). I am currently a Managing Director of Lethadika, known as LT Services. A company which I started and grew to what it is today: specialising in Industrial fencing, paving, and civil works.



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

A: Actually I started at a very early age. A relative that I used to assist in operating a store identified potential in me and he saw the huge interest and commitment I had when working with him. I was introduced to the business world by working part time with a small firm of consultants where I was assisting small businesses in Soweto with their financials. There was a general dealer business that was not doing very well and the owner was out of the country and I was afforded the opportunity to operate it as my own.

Q: What motivated you to start your own business?

A: I was motivated by the desire to succeed, to make a difference to my life and add value to the lives of my loved one's. Life was not easy when I was growing up. I wanted to study after I completed my matric but there was no one to take care of my tuition. Two things were important to me at the time, firstly to take care of my ailing mother and to study. I needed to generate an income. I used every opportunity that I had to the fullest. I remember when I was working for BNDC I used to work myself so hard, I would knock off at 5 pm, go home for few hours, come back around eight and work the whole night, go home again at 4am to freshen up to be back at work at 7. My goal when I joined BNDC was to learn more about businesses. I used the skills and experience that I acquired there to start my logistics business as a wholesaler and distributor of soft drinks to retailers. That's where my success began because I saw myself starting with a 100sq and expanded to 500sq within 6 months.

Q: What makes you a successful business person?

A: What makes me successful as a business person is that I am directly involved in running my business, this allows me an opportunity to ensure that I play a direct role in driving the company's vision and attaining my business objectives. I am also able to provide leadership to my staff. I look after my people because they are the ones taking care of and growing my business; I ensure that I train them thoroughly to make them efficient. Communication is also important because I can influence what is spoken about.

The other important thing is that I keep on reinventing and positioning my business. I know and understand the environment that I am operating under perfectly. This helps me to always be one step ahead of my competitors.

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

A: There are several challenges that one faces when starting a business, these range from access to finance and access to opportunities. one of the main commercial banks that I approached for financial assistance declined to grant me working capital of R 1500.00 back then.

Q: what would you say contributes to the challenges that can result in failure within a business?

A: Individuals owning businesses should be aware that ownership is costly. As the business owner you need to take care of others before yourself, making sure that you pay employees before yourself, pay your creditors and the likes. The other thing that hampers the success of businesses is that local businesses tend to do everything. It is important to specialise within a certain service or product. This has worked for me because I have established myself within Industrial fencing, paving and civil works and I do them well, this has been an advantage for me because I have been able to get significant contracts because of this. I completed paving at Royal Bafokeng stadium excellently and on time, I also got another major contract at Bafokeng Rasimone Mine, Modikoa Platinum, SA Chrome because I was the only—local black owned company specialising and selling myself as an industrial fencing and paving company.

Establishing networks and maintaining relationships played a role in the growth of my company, some of the contracts that contributed to the growth of my company were facilitated at the golf course. I joined up golf back then because I knew that I would meet property developers at the Golf course. That's where I marketed my company and I was offered the opportunity to do paving in most of the property developments in Rustenburg.

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

A: The advice that I can give is that, go into business to demonstrate your capability to render a good service, while in the process growing and sustaining the entity. Do thorough research; understand your environment and the market you want to go into. Specialise within a certain service or product.

Q: I understand that you contribute a lot to Social Investment, How are you involved?

A: Yes, I try to be a responsible citizen by adding value and contributing to a strong sustainable community. I believe that as business people we need to join hands with government and local authorities to assist in improving the living conditions of those less fortunate. LT services have sponsored the likes of Mphetiro Community youth project based in Macharora. The youth were trained in construction skills and we offered them the opportunity to establish a company and we continue to mentor them to ensure that they can stand on their own. We also sponsored a Bobuampya based women owned cooperative involved in farming by donating and erecting fencing round their garden. We also sponsored Robega community during the 16 days activism against women and child abuse to mention just a few.

Q What are your plans for the future?

I'm working hard towards accessing more opportunities to grow my business so that I can continue to contribute towards the creation of jobs in the community.





UPCOMING EVENTS IN FEBRUARY, MARCH AND APRIL

Outreach is scheduled to take place in the afternoons from 14h00 until 17h00.

DATE	REGION	VENUE
05/02/2013	North East	Seolo Middle school
06/02/2013	Central	Matsukubyana Middle school
07/02/2013	South East	Tshukudu High school
12/02/2013	North- Chaneng	Bonwakgogo Primary School
13/02/2013	North-Luka	Thethe High School
14/02/2013	Capital	Conference centre

Trainings, Workshops and Information sessions

DATE	MODULE	VENUE
19-20/02/2013	Entrepreneurship	RBED
25/02/13	Planning your Business	RBED
26/02/13	Market Research	RBED
27/02/13	Managing Finances	RBED
28/02/13	Managing Operations	RBED
01/03/13	Managing people	RBED
06/03/13	Tendering	RBED
12/03/13	Costing and Pricing	RBED
14/03/13	Finance Info Session	RBED
18/03/13	Sales Technique	RBED
19/03/13	Franchising	RBED
26-27/03/13	Project Management	RBED
04/04/13	Risk Management	RBED
09/04/13	Strategic management	RBED
10/04/13	Managing growth	RBED
15-16/04/13	Entrepreneurship	RBED
18/04/13	Presentation skills	RBED
22/04/13	Planning your Business	RBED
23/04/13	Market Research	RBED
24/04/13	Managing Finances	RBED
25/04/13	Managing Operations	RBED
26/04/13	Managing people	RBED
29/04/13	SMME forum	Conference Centre



BUSINESS TIPS

TIPS FOR BUILDING A SUSTAIBABLE BUSINESS

Procurement & Enterprise Development Agencies Databases

- Keep your business' information updated on the databases of various organisations' procurement departments, Enterprise Development agencies and any other organisations, that your business can be registered with, at all times especially at the beginning of every year.

Focus Strategy

- Have a passion for the industry you are operating in and constantly seek to innovate and improve.
- Focus on what you know or what you are good at. Spreading yourself too thin and chasing every opportunity drains energy and resources.
- Research your industry and understand other entrepreneur's success stories, as well as their failures and ensure that you learn from their mistakes.

Wealth Creation

- Chase your goals and objectives, NOT money. Wealth is a consequence of chasing your passion.

Customer Orientation

- The Customer is King - work hard at retaining your existing customers, with the hope that they will return to conduct business with you again, it is much more difficult to acquire new customers than to get return business and referrals from existing customers.

Price Sensitivity

- Always be on the look-out to reduce your cost of delivering your product or service; in most times purchasing decisions are made on price and the more competitive you are on price, the better your chances.

DO NOT GIVE UP



QUIZ BLOG

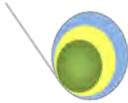
Take Part In Our Quiz And Win Awesome Prices!! Two Winners Will Be Randomly Selected.

1. When did RBED start reporting to the Central Administration office of the RBN?
2. Why are business linkage initiatives important?
3. Which course did Lebo Mabale study at UNISA?

To Enter Please Send Your Answers To

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RATANANG SELOMANE



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