

## **RISE TO SUCCESS**

HELDERBERG REGION ENTREPRENEURSHIP PARTNERSHIP 2017



PROGRAMME DEVELOPMENT BY:  
HSRC ENTREPRENEURSHIP COMMITTEE  
CENTRES OF EMPOWERMENT OF SOUTH AFRICA  
CHANGE IN ACTION

**PROJECT LEADERS:**

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### **FACE THE FACTS:**

Here are some interesting facts relating to entrepreneurship activity in SA:

Small, Medium and Micro Enterprises (SMMEs), also referred to as small business, play an important role in an economy. They can be key drivers of economic growth, innovation and job creation.

In South Africa, government recognises the importance of this segment of business activity, so much so that a new Ministry of Small Business Development was established in early 2014. The aim of the Ministry is to facilitate the promotion and development of small businesses.

These enterprises contribute significantly to national GDP and have proved to be major contributors to job creation (The DTI, 2008).

South Africa struggles with an alarmingly high national unemployment rate of 25% (Statistics South Africa, Quarter 2: 2015), which is partly exacerbated by a chronic shortage of skilled labour.

Against this backdrop, government is aiming to put policies, strategies and programmes in place which aim to create an enabling environment for small business.

The definition for SMMEs encompasses a very broad range of firms, some of which includes formally registered, informal and non-VAT registered organisations (The DTI, 2008).

Small businesses range from medium-sized enterprises, such as established traditional family businesses employing over a hundred people, to informal micro-enterprises. The latter includes survivalist self-employed persons from the poorest layers of the population.

The upper end of the range is comparable to the small- and medium-sized enterprises (SME) segment found in developed countries. In South Africa, a large majority of SMMEs are concentrated on the very lowest end, where survivalist firms are found (Berry, 2002). These firms can take the form of street trading enterprises, backyard manufacturing and services, and occasional home-based evening jobs.

The informal sector comprises almost exclusively of SMMEs; those classified as survival entities have very little growth potential and are less likely to hire staff (The DTI, 2008).

According to the GEM South Africa 2014 report, lack of access to finance and poor profitability, are among the chief reasons for business discontinuance in South Africa. The GEM report also pointed to the fact that poor profitability, as a reason for discontinuance, was rising sharply. Typical hindrances towards small businesses obtaining finance include: inadequate collateral on the part of the entrepreneur, a lack of credit history (Financial Services Regulatory Task Group, 2007), the inability to produce an acceptable business plan according to financial institutions, poor market research and the absence of a viable business idea, and lack of access to vibrant markets (GEM, 2014).

Table 1: Statistics on SMME's South Africa

Number of SMMEs	2 251 821	
Number of formal SMMEs	667 433	
Number of informal SMMEs	1 497 860	
SMME owners as % of total employment	14%	
% operating in trade & accommodation	43%	
% operating in community services	14%	
% operating in construction	13%	
% operating in fin. & business services	12%	
% contribution to GVA*	21%	
% black owned formal SMMEs	34%	
% operated by income group < R30k pa	7%	

Source BER/ Stats SA 2015 (SEDA research document 2016)

\*GDP before taxes and subsidies

## BACKGROUND

PDG Geraldine Nichol has supported this initiative and has provided the information below that supports the development and implementation of the **RISE TO SUCCESS** project:

<p><b>Rotary District Entrepreneurship Strategy and the potential role of Rotary Clubs</b></p>	<p><b>Rotary District Entrepreneurship Strategy:</b> Ten main Entrepreneurship targets were identified at the RI President’s International Economic Conference in February. District 9350 Entrepreneurship Committee combined these into the following four main targets for our district:-</p> <ul style="list-style-type: none"> <li>i) <b><u>Education</u></b></li> <li>ii) <b><u>Mentorship</u></b></li> <li>iii) <b><u>Incubation hubs/ Ignition centres</u></b></li> <li>iv) <b><u>Partnerships.</u></b></li> </ul> <p><b>Suggested Guidelines for individual Rotary Club Entrepreneurial Committees</b> To encourage the role out and implementation of these targets , it is proposed that each Rotary Club establish a <b>Club Entrepreneurship Committees (CEC)</b> to help motivate, identify and implement projects within this broad strategy. Guidelines for club entrepreneurial committees:-</p> <ul style="list-style-type: none"> <li>• Rotary Club Board to approve club’s commitment to Entrepreneurship</li> <li>• Rotary Club Board to decide whether to establish separate Club Entrepreneurship Committee (CEC) - this is the ideal; or to include Entrepreneurship in Vocational or Youth Services committees</li> <li>• CEC to commit to working in partnership with both District Entrepreneurship Committee and other entrepreneurial partners</li> <li>• <b>CEC to develop a Club Entrepreneurship Strategy:</b> <ul style="list-style-type: none"> <li>○ <b>Quarter one</b> : Research possible projects &amp; and identify potential partners</li> <li>○ <b>Quarter two: Meet</b> with potential partners, decide on strategy, funding needed, and get board approval to implement plans</li> <li>○ <b>Quarter three: Begin implementation</b> of entrepreneurship plans</li> <li>○ <b>Quarter four: Monitor and evaluate</b> progress and share results with District Entrepreneurship Team; Decide whether year two will focus on expansion, or changes needed in current project or the need to identify alternate projects</li> </ul> </li> </ul>
<p><b>Entrepreneurship Targets</b></p>	
<p><b>Entrepreneurship Target: Education</b></p>	<p><b>Overall goal within targeting education is to change the mind-set, so parents, communities and students understand that the future world of work is through entrepreneurship. CECs to research what initiatives are working in their areas and partner with them or create their own. Ideas include:</b></p> <ul style="list-style-type: none"> <li>i) <b>Pre- primary and primary:</b> <ul style="list-style-type: none"> <li>• Partner with existing school based entrepreneurship initiatives, such as Pocket Money Market (<a href="http://www.pocketmoneymarket.com">www.pocketmoneymarket.com</a>).</li> <li>• REPT ( Rotary Entrepreneurship Partners Team is establishing a District Pocket Money Market Sub committee to work with Pocket Money Market NGO to help roll out concept throughout our district , possibly also using your Early Act and Youth programmes</li> <li>• Identify other primary school based programmes to find ways to support and expand workshops and training and practical entrepreneurship opportunities into your schools and areas.</li> </ul> </li> </ul>

	<p>ii) <b>High schools :</b> Three possible partners identified so far:</p> <ul style="list-style-type: none"> <li>• Teen Entrepreneurship: <a href="http://www.Teen Entrepreneurship.co.za">www.Teen Entrepreneurship.co.za</a></li> <li>• Junior Achievement South Africa: <a href="http://www.jasa.org.za">www.jasa.org.za</a></li> <li>• <a href="mailto:Business Ventures: SAIEntrepreneurs@entrepreneurship.co.za">Business Ventures: SAIEntrepreneurs@entrepreneurship.co.za</a></li> </ul> <p>iii) <b>Tertiary level :</b></p> <ul style="list-style-type: none"> <li>• Identify and partner with TVET colleges and universities in your area who have entrepreneurship programmes.</li> <li>• Opportunities: Consider partnering with False Bay TVET College &amp; other Rotary Clubs to sponsor and mentor 30 entrepreneurs in wood &amp; metal skills and marketing.</li> </ul>
<p><b>Entrepreneurship target: Mentorship</b></p>	<p>Sharing our Mentorship skills will help build and grow entrepreneurs on the job and transfer skills from our vast Rotarian experience base</p> <ul style="list-style-type: none"> <li>• <b>Club skills audit:</b> Complete an audit of club business skills, marketing and networking links and job shadowing opportunities which could be of use to entrepreneurs (ask District Entrepreneurship Committee for Audit template)</li> <li>• <b>Work in partnership with local tertiary TVET</b> or other colleges or incubation centre and find what types of mentors are needed</li> </ul>
<p><b>Entrepreneurship target: Innovation Centres / Ignition centres</b></p>	<ul style="list-style-type: none"> <li>• Identify potential incubation / innovation centre partners and work with them to help their development</li> <li>• Help them expand through support lecturing, work-shadowing opportunities, identifying access to funding, strategic planning, governance</li> <li>• <b>Example; Black Shanduka Umbrellas</b></li> </ul>
<p><b>Entrepreneurship Target: Partnership</b></p>	<ul style="list-style-type: none"> <li>• Identify, facilitate and create Entrepreneurship partnerships with Govt, NGO's, Tertiary Institutions, businesses</li> <li>• Integrate training, mentorship, access to funding and entrepreneurial growth</li> </ul>
<p><b>Rotary District support for CEC development</b></p>	<ul style="list-style-type: none"> <li>• Rotary Entrepreneurship Partners Team ( REPT ) encourages all clubs to commit to contributing to Entrepreneurship Development at various levels in our country by:- <ul style="list-style-type: none"> <li>i) continue researching the new and exciting developments in this new challenge to Rotary – clubs are encouraged to share their research</li> <li>ii) District Entrepreneurship Committee will run quarterly workshops to assist clubs to grow. The first one was held in June, next 10 Sept and final 2016 at Mini conference on 29 October</li> <li>iii) For more information contact District Entrepreneurship Committee Chairman Geraldine Nicol on <a href="mailto:geraldinicol@global.co.za">geraldinicol@global.co.za</a> or 082 8577044</li> </ul> </li> </ul>

## EXECUTIVE SUMMARY

Our proposal is that we initiate a course, scheduled for **24 weeks**, during which we help entrepreneurs in the Informal Sector (street vendors) to establish themselves as **Sole Proprietors, and therefore legal business entities**.

The course will be presented as **one hour sessions**, on a selected day of the week at a scheduled time.

We suggest that the members of the Rotary Club become **involved as Mentors/Coaches, Trainers, and Course Content Developers**.

It is important that these volunteers understand the environment that they will be working in. We therefore suggest that we schedule a **work session of around 90 minutes** to provide them with insight in what we would like to achieve and how we intend achieving it. We need to do this prior to starting with the course.

We will be **negotiating for a suitable venue to present these courses**.

It needs to be understood that we will experience a number of opportunities to also help the attendees with other relevant material, for which we might have to schedule additional sessions and which might require additional resources.

Although we start with a business development project during the initial phase, we will be growing it to include **individual skills development** with a number of complementing subjects. For some of these subjects we might involve **guest speakers** sourced from local businesses and networking organisations such as Chamber of Commerce, Business Partners, Business Women Association.

During the duration of the course we will be **issuing certificates for completed modules** to individuals who successfully complete the training. These certificates are not accredited and could, if you so wish, bear the logo of **HSRC**.

### TARGET GROUP:

Potentially, there are 3 groups that can benefit from the training immediately:

1. Existing informal traders in the Somerset West and surrounding informal settlements in the Helderberg basin that have been trading for a maximum period of 2 years;
2. Post matric students who wish to participate in the development programme;
3. Informal traders who have businesses less than 1 year old

**The purpose of targeting these three groups will be to create an opportunity for transfer of learning amongst students as they participate and grow whilst on the course.**

### MARKETING THE COURSE AND STUDENT SELECTION:

- The course will be marketed to an existing database of students;
- Applications and course content will be distributed at the local municipality, high schools, churches, informal training venues around the Helderberg and within the informal settlements and informal markets and Somerset West shopping centres;
- Student applications will be reviewed and all applications will be used to create a database
- Applicants will be required to fulfil assessment criteria

### PR AND MEDIA REACH:

- During the 24 week period, press releases will be issued to local newspapers distributed in Nomzamo, Lwandle, Zola, Somerset West and Strand.
- During the 24 week period press releases will be issued to District Mail and Bolander
- The COESA facebook page / website will have 24 weekly updates on the progress of students and the course

- The HSRC facebook page / website will be invited to post updates
- Participating students will be encouraged to create social media content promoting their own businesses

**Further benefit of social media exchange will result in increased awareness of the informal traders, COESA training capacity and HSRC resource support for the project**

### **SOCIAL AND ECONOMIC OUTCOME:**

From our previous experience with training and developing informal traders, we have encountered the following:

- Basic business skills education provided a deeper level of understanding of basic economics that was previously absent
- Application of the learning was encouraged and participants, once equipped with the knowledge, were more comfortable with making informed decisions in their business
- As more knowledge was gained with each module, participants were able to share business ideas with each other and this created excitement, enthusiasm and collaboration
- Growing in confidence, participants were then applying thought processes and logic that would develop innovative ideas to grow and expand their businesses
- Participants would evaluate the quality of their products and services and have a deeper understanding of the sustainability of the offering
- The benefit of empowerment through knowledge extended to their immediate families and community members

## **NEXT STEPS**

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1. Meet each volunteer individually to determine the scope of expertise and skill for tutorial material development, training and mentoring.
2. We will review the training material that Adriaan has developed and set out the schedule of training over the next 24 weeks
3. Collate and print the training manuals - (also, find a sponsor that will print)
4. A combined meeting with all volunteers will be scheduled to outline the programme comprehensively and issue the training schedule
5. Develop the advertisement for the course that will include the acceptance criteria / selection process
6. Contact stakeholders on collective databases - elicit support for distributing the marketing material supporting the programme
7. Distribute the marketing material via direct marketing / social media and HSRC and Somerset West Rotary Club
8. Secure a venue - preferably within the Somerset West CBD vicinity

Further action points, which require more detailed planning will be related to:

- reviewing applications and replying to respondents
- interviewing prospective students
- selecting according to the three categories of applicants to be reached
- registration and payment processing
- issuing course materials / manuals

The objective is to commence the course on Saturday 15th July.

## PROPOSED TIMETABLE

<b>ITEM</b>	<b>DATE</b>	<b>RESPONSIBLE PERSON</b>	<b>ACTION</b>
Present update on programme development at HSRC meeting	Tuesday 23 May 2017	Lyn BPR	Completed
Prepare project documentation	Tuesday 23 May 2017 to 24 May 2017	Lyn BPR	Completed
Forward Documentation to proposed committee members	25 May 2017	Lyn BPR	
Contact volunteer committee members and document area of participation	25/26 May 2017	Lyn BPR	
Prepare documentation for HSRC web and Newsletter	26 May 2017	Lyn BPR	
Present update on project to the HSRC Board	06 June 2017	Lyn BPR	
Secure Training Venue	26 May – 05 June	Lyn BPR / Adrian T	
Develop Ad / distribute Ad	05 June- 30 June	Lyn BPR / Adrian T	
Collate Training Material – input from Rise to Success Volunteers	29 May 2017 to 02 June 2017	Lyn BPR Adriaan T Rise to Success Committee	
Volunteer Meeting	13 June 2017	ALL	
Response to ads and selection process	26 – 30 June 2017	ALL	
Interviews and registration	03 – 08 July 2017	ALL	
COURSE INTRODUCTION AND DISTRIBUTION OF COURSE MATERIAL	15 JULY 2017	ALL	
BASIC SKILLS COURSE	14 WEEKS COMMENCING 22 July 2017 (END 21 Oct)	ALL	
INTERMEDIATE SKILLS COURSE	10 SESSIONS /5 WEEKS COMMENCING 28 OCT	ALL	
STUDENT GRADUATION	02 DECEMBER 2017	ALL	

## COURSE CONTENT

<b>COURSE INTRODUCTION:</b>	
1.	PERSONAL DEVELOPMENT ASSESSMENT
2.	PERSONAL GOALS
3.	BUSINESS GOALS
4.	CURRENT BUSINESS STATUS EVALUATION
<b>COURSE OUTLINE: BASIC</b>	
1.	CREATING A LEGAL BUSINESS
2.	UNDERSTANDING THE BUSINESS ENVIRONMENT
3.	DEFINING THE PRODUCT / THE SERVICE
4.	MAKING MONEY WORK FOR YOU
5.	PROSPECTING – ACQUIRING CLIENTS /CUSTOMERS
6.	DEVELOPING YOUR BUSINESS / BUSINESS PLAN
7.	COSTING
8.	PROFIT AND LOSS
9.	RECORD KEEPING
10.	NETWORKING
11.	BRANDING
12.	MARKETING
13.	SAVING
14.	NEGOTIATION
<b>COURSE OUTLINE: INTERMEDIATE</b>	
1.	ADMINISTRATION (4 SESSIONS)
2.	COMPLIANCE (3 SESSIONS)
3.	FINANCE MANAGEMENT (3 SESSIONS)