



## What's in this issue

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**AMPED:** The first nine clients graduate from AMPED, TBP's Accounting Mentorship Programme for Entrepreneurial Development...

**FARMERS:** TBP eQonce links local farmers to the taste of success...

**OPEX:** R6.5 million in contracts awarded to TBP Joburg entrepreneurs...

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## IMPACT

The Business Place continues to have great impact on our clients on many different levels.

- We see on average 6,000 – 6,500 clients a month over the eight sites.
- About 3,000 are consultations, 1,500 use the internet, 750 receive training and the rest are enquiries and visitors.

However we count the creation of jobs as one of the biggest and most important indicators of positive growth.

- A recent analysis of TBP Alexandra clients showed that from 1 July 2007 until 30 June 2008 **91** operating business created a total of **414** jobs.
- TBP's Opportunity Exchange (**OpEx**) project resulted in a number of contracts being awarded to TBP clients and jobs created from 1 August 2007 – 31 July 2008:

## The Business Place Newsletter

Welcome to The Business Place newsletter! Our mission is to provide easy access to relevant early-stage business support for entrepreneurs. As one of the most innovative organisations supporting new venture creation and entrepreneur development in Southern Africa through our growing branch network, we want to share our insights, new services, achievements and evidence of our impact with you.

Partners and partnerships are our lifeblood, so please take this and future newsletters as an invitation to engage with us if you believe you can help us in our work, which is so critical to socio-economic transformation.

We hope you find the stories interesting and welcome any feedback you may have.

Martin Feinstein  
Managing Director, The Business Place Network  
December 2008

## AMPED

Ask most small business owners how their financial record keeping is going and you are likely to be met with a blank stare. Long experience at TBP has shown us that as innovative and resourceful as our clients are there is one area where virtually all of them struggle: that of basic financial record keeping and accounting. This lack makes running a small business a thumb-suck affair and impacts negativity on long term decision making and sustainability.



The first graduates from the AMPED Pilot Project, October 2008 l-r: Aubrey Masuku, Natalie Morton (TBP), Obed Padi, Mathepelo Mokoena, Joseph Mokoena Rendani Muvhango, Sam Dlodla, Neville Beard (trainer)

Amount of contracts awarded: **R6,405,016.15**

Permanent jobs created: **32**

Temporary jobs created: **137**

- King Williams Town has linked some farmers in the East London area to a new Fruit & Veg City there and Farmer's Direct in King. Twelve cooperatives supply their produce to the stores.
- The Accounting Mentorship Programme for Entrepreneurial Development (AMPED) was launched in September and trained eight clients in practical bookkeeping and accounting concepts on the QuickBooks accounting software. This will be rolled out nationally.
- The Growthpoint enterprise development project has resulted in six companies being awarded contracts worth nearly R5.4 million rand. They are security, cleaning and landscaping companies.
- Cape Town has formed a collaboration with local government which means Red Door co-locates with them.
- The Botswana TBP is the leading entrepreneurial development hub in the country and they have hosted the president and most of the cabinet. They are well on the way to securing their next three years of funding.
- Alexandra and Kliptown are busy with the Business Leader Awards events following such a successful event in Alex last year which led to the expansion of the relationship with Standard Bank.
- Philippi launched successful outreach in Manenberg, running a Micro-MBA training there which reached a coloured community who would not normally visit Philippi.
- Philippi Worx was launched and has the funding for the feasibility study of the agri-urban development. The Old Cement Factory has been launched as an entertainment venue.

To address this need The Business Place launched AMPED: the Accounting Mentorship Programme for Entrepreneurial Development. Spurning the dry academia of most accounting courses we opted for a practical approach incorporating an accounting software package, QuickBooks Pro, purchased with a very generous discount from QuickBooks SA.

Each clutching their copy of the QuickBooks software programme, a four gigabyte memory stick and a training manual the size of a telephone directory the pilot group of eight Business Place clients started the course in September 2008. British American Tobacco SA (BATSA) sponsored the course, providing the computers, software and paying for the specially designed course material.

*"This has been a dream in the making for years, being able to assist entrepreneurs with financial literacy skills. May this be the start of many innovative projects and partnerships with other forward-thinking companies."* **Natalie Morton**, AMPED project manager

Overcoming basic computer literacy issues was the first challenge many of the clients had to face. However, despite these initial setbacks plus the accounting terminology, all the clients found the course was very beneficial to them.

*"This will help me generate my own records so that when I go to a bookkeeper they just check and sign."* **Joseph Mokoena**, small business owner

The course covered basic accounting terms, chart of accounts, balances, reconciliations, reports, budgeting, cash management and how to use the QuickBooks software for all of the accounting functions. We are hoping to introduce the next course by mid-February 2009 offering additional financial literacy tools to equip entrepreneurs with the basic principles of accounting.

Going forward we are delighted to have budget from BATSA to run a further five courses of the programme and it is anticipated that this will be rolled out nationally by 2010. A final word from **Aubrey Masuku**, another AMPED graduate:

*"I came here a small company, thinking small, now I'm thinking big because .... with proper systems then you can conquer."*

## FARMERS

A new Fruit & Veg City opening in Mdantsane near East London in the Eastern Cape has created opportunities for emerging farmers to sell their produce, thanks to a connection made by Lungile Sululu, Agribusiness Project Coordinator at **The Business Place's King William's Town** branch.

On noticing the store Lungile met with the manager, Mr Mlibo Mkrweqe, to try to persuade him to take produce from emerging farmers and he proved very willing to do this. The Agribusiness project has been running for several years and there are a number of different farmers' cooperatives being supported. This linkage means access to market for twelve different co-ops, most of which consist of between eight to fifteen members.



Mielies growing at **Somila Project, Newlands**, close to East London.  
This project, run by three women and five men, also grows spinach and beetroot.

In order to assist the emerging farmers the store manager arranged for payment to be cash on delivery for under R5,000 of produce which allows them to replenish their stock. The other advantage in selling direct to the store is it cuts out paying the handling fees which would be charged if they took their produce to the municipal market in East London. Mdantsane is a lot closer so they don't have to pay a large amount for transport which was previously cutting into any profit they would have made.

TBP eQonce has also assisted the farmers with marketing workshops and negotiating skills to try to help them forge these types of linkages themselves.



**Simanye Vegetable Production, Mdantsane Zone 18.** This project is run by Mr Masumpa (pictured) and his wife. They have recently taken on thirteen young people who have just finished matric to give them skills in growing vegetables. They have already delivered cabbage, spinach, turnips and broccoli to Fruit & Veg. The fields are watered using water from a nearby dam which is stored in the containers to enable ease of watering.

Going forward Lungile is working on helping the farmers to diversify away from just vegetable production, for example moving into broiler farming and piggery as there are potential markets available in these areas. They also need to get training on costing and pricing and record keeping to ensure that they get the right price for their produce and this money is recorded correctly.

## OPEX

The Business Place Joburg's Opportunity Exchange (OpEx) has been doing a fantastic job over the last year of linking clients to opportunities. This has resulted in contracts worth over R6.5 million being awarded to clients which created over thirty permanent and nearly 140 temporary jobs. We interviewed OpEx's Delsy Dlodlu and Maxwell Nyamajiwa to find out how they are achieving this.



Maxwell Nyamajiwa and Delsy Dlodlu, the OpEx Team

So what is the OpEx? Delsy explains: *"It's a place where clients are linked into available opportunities from both private and public sectors. Where they can attend information and networking sessions on specific sectors, and where they can interact and exchange opportunities amongst themselves"*.

A dedicated database allows Max and Delsy to assess each client and assist them with governance issues so that they achieve a basic level of compliance before trying to access government and private sector opportunities. They are also encouraged to attend various training sessions specific to their sector to ensure they have sufficient knowledge to run professionally. Getting a contract is just the first step, it is equally important to be able to deliver on time and in budget and to get subsequent business after each contract ends.

Delsy spends a lot of time sourcing opportunities from companies and Government who are often desperate to employ a certain percentage of small businesses but don't know how to contact reliable ones (prompted in part by the BEE scorecards). Although they know they need to use SMMEs they are also wary of possible non-delivery and sub-standard services. They use TBP because of the support mechanisms OpEx provides in ensuring clients are able to meet the demands of the contracts. OpEx bridges the gap between corporate demands and small business delivery capacity.

## AWARDS

Last year the inaugural Alexandra Business Leader of the Year Award was held for small business owners in the Alexandra area who had been operating for six months or more and had an annual turnover of under R500,000. The idea of the competition was to inspire and celebrate small businesses as well as give the top three winners a cash injection into their business. It was instigated by **The Business Place Alexandra** in collaboration with Standard Bank Ekurhuleni Region.



A transformed Alexsan Kopano Centre in Alexandra

The Alex Awards were so successful it was decided to repeat them this year but also run a second event in Soweto billed as the "Gauteng Business Leader Award 2008".

The finalists receive access to a Standard Bank business advisor for a year plus a year of free trainings and workshops from The Business Place. The three winners in each event received a capital injection of R25,000, R15,000 and R10,000 respectively into their business from Standard Bank.

The winners were announced at two gala events. The first, in Alexandra, saw Gerson Rasehlo, owner of Rasehlo Transport & Tours, walk away with the top prize. His driving school and transport business has built up a solid reputation over the last decade and the award recognised this sustainability and steady growth.



The Alex winners, Moipone Mogodi (2<sup>nd</sup> prize), Gerson Rasehlo (1<sup>st</sup> prize), Betty Nkutha (3<sup>rd</sup> prize)



Networking session at OpEx

Notable OpEx clients include **Sam Dladla**, who runs a cleaning business started in 2007. When he came into the programme in June 2007 he had 31 workers. After participating in all the interventions he was awarded contracts directly from GrowthPoint Properties and now he has 100 workers.

**Koos Mahlangu**, from Kliptown, runs a company doing building maintenance. His last contract was worth R3 million. There has been a direct, positive impact on his business from participating in all the programmes and using all of TBP's interventions.

### **ABOUT The Business Place**

The Business Place is a national network of business information and referral centres. It offers a friendly, accessible walk-in environment where aspiring and existing entrepreneurs can go to access information and support relating to small business.

The model is a collaboration between government, the private sector and local communities with the aim of promoting entrepreneurship and the creation of sustainable businesses.

For more information please go to our website at: [www.thebusinessplace.co.za](http://www.thebusinessplace.co.za) or contact Julie Machin on 011 833 0340/juliem@tbp.co.za

Asked what impact he thought this award would have on his business, Gerson said:

*"It is going to have a profound positive impact on my business. It will help me in marketing further my business and fulfilling the marketing initiatives I had planned."*

The second event was held at the Ubuntu Kraal in Orlando West, Soweto, hosted by **The Business Place Kliptown**. Winner Kenny Malao has a wide variety of business experience and has recently won a large tender for road maintenance from Gauteng Provincial Government worth over R7 million for the next 24 months. This project is currently employing 20 people but this should grow to 30.



Gauteng Business Leader Award Winner Kenny Malao of Kenny Malao Trading cc

When asked about his win Kenny said:

*"I feel very honoured, motivated and inspired to grow the business in the field of construction and civil engineering, very happy. Obviously the money will be used for the right cause, to grow the business, to take the personnel on the necessary developmental skills programmes, and to buy some equipment."*

This collaboration with Standard Bank has been of great benefit to The Business Place and small business owners. The commitment and enthusiasm of Standard Bank staff contributed to the success of the events and we are looking forward to the Business Leader Awards in 2009.