



SEDA STRATEGIC OVERVIEW

SABOA 2017 CONFERENCE AND EXHIBITION

*Together Advancing
Small Enterprise Development*

25/05/2017

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SMALL ENTERPRISE DEVELOPMENT AGENCY

an agency of the dsbd



OUTLINE

- ✓ General Statistics of the South African SMME sector
- ✓ Vision and Mission of the Organization
- ✓ Seda's Strategic Objectives
- ✓ Key Thrusts/Programmes in relation to Seda's Strategic Objectives
- ✓ Seda's Target Market
- ✓ Seda Offerings Overview
- ✓ Seda Provincial Network
- ✓ Plans for 2016/17
- ✓ Development Areas



GENERAL CHARACTERISTICS OF SMME SECTOR IN SOUTH AFRICA

- ✓ Key challenge with SMME sector in South Africa is unavailability of reliable periodic data. Statistics are limited to sources such as Finscope Survey & Global Entrepreneurship Monitor Reports; and
- ✓ This limits the ability of government to conduct sector analysis & design policy interventions. From existing sources there is an indicative upward trend in number of SMMEs since 2000:
 - According to the dti Review on Small Businesses (for period 2005 -2007) an estimate of 1.6 million small business was recorded in 2000;
 - An additional review commissioned by the dti recorded 2.4 million small businesses in 2007; and
 - Finscope South African Small Business Survey 2010, which is most recent survey, estimates number of SMMEs operating in South Africa at **5.6 million**.



GENERAL CHARACTERISTICS OF SMME SECTOR IN SOUTH AFRICA

SMMEs play a vital role in SA economy as reflected hereunder:

- ✓ GDP: contribution was 35% in 2007; targets for future contributions to GDP range from 60% to 80% over next 10 to 15 years;
- ✓ Private sector employment: estimates range from 56% to 61%;
- ✓ Gross capital formation: at around 25%; and
- ✓ Exports: contribution is markedly low, as an estimated 2% of SMEs are export-oriented

Low established business ownership rates (businesses that have survived beyond three years)

- ✓ At 2.9%, SA's established business activity rate (i.e. established business owners as a percentage of overall economically active population), is lower when compared to 15.4% in Brazil, 8.5% in Chile, 28% in Thailand, 11% in China, 6% in Malaysia (2013 GEM SA Report).



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GENERAL CHARACTERISTICS OF SMME SECTOR IN SOUTH AFRICA

The 2010 FinScope survey estimated that there were 5.6 million enterprises. This consists of survivalist enterprises (3.3 million), micro enterprises (1.7 million) & small enterprises (554 thousand)

- ✓ 64% of survivalist enterprises are run by women;
- ✓ 92% of survivalist & 82% of micro-enterprises are black-owned;
- ✓ 75% of microenterprises are informal businesses;
- ✓ 98% of survivalist enterprises are informal businesses; and
- ✓ 87.3% of small businesses are formal businesses.



GENERAL CHARACTERISTICS OF SMME SECTOR IN SOUTH AFRICA

Formal/registered business consist of:

- ✓ 1.3% of survivalist enterprises
- ✓ 24.6% micro-enterprises
- ✓ 76.3% of small businesses



VISION AND MISSION OF THE ORGANIZATION

- ✓ **Vision** - To be the centre of excellence for small enterprise development in South Africa.
- ✓ **Mission** - To develop, support and promote small enterprises to ensure their growth and sustainability in coordination and partnership with other role players.
- ✓ **Values** - Nurture, Innovation, Customer Service Excellence, Ethical Behavior, Resilience (NICER).
- ✓ **Goal** - Ensure that the small enterprise sector grows and increases its contribution to sustainable and equitable social and economic development, employment and wealth creation



SEDA'S STRATEGIC OBJECTIVES

- ✓ **Strategic Outcome Oriented Goal 1:** Improve the sustainability of small enterprises and cooperatives;
- ✓ **Strategic Outcome Oriented Goal 2:** Increase Seda delivery network to reach under-serviced areas; and
- ✓ **Strategic Outcome Oriented Goal 3:** Maximise support offered to Seda clients through stakeholder contribution.



KEY PROGRAMMES IN RELATION TO SEDA'S STRATEGIC OBJECTIVES

Strategic Outcome Orientated Goal 1

- ✓ Business Advisory Services;
- ✓ Mentorship and Coaching;
- ✓ Incubation;
- ✓ Supplier Development;
- ✓ Access to local and international markets;
- ✓ Quality and Standards Training and Implementation;
- ✓ Basic Entrepreneurial Skills Development (BESD) Programme;
- ✓ Export Readiness and Facilitation; and
- ✓ Technology Transfer.



KEY PROGRAMMES IN RELATION TO SEDA'S STRATEGIC OBJECTIVES

Strategic Outcome Orientated Goal 2

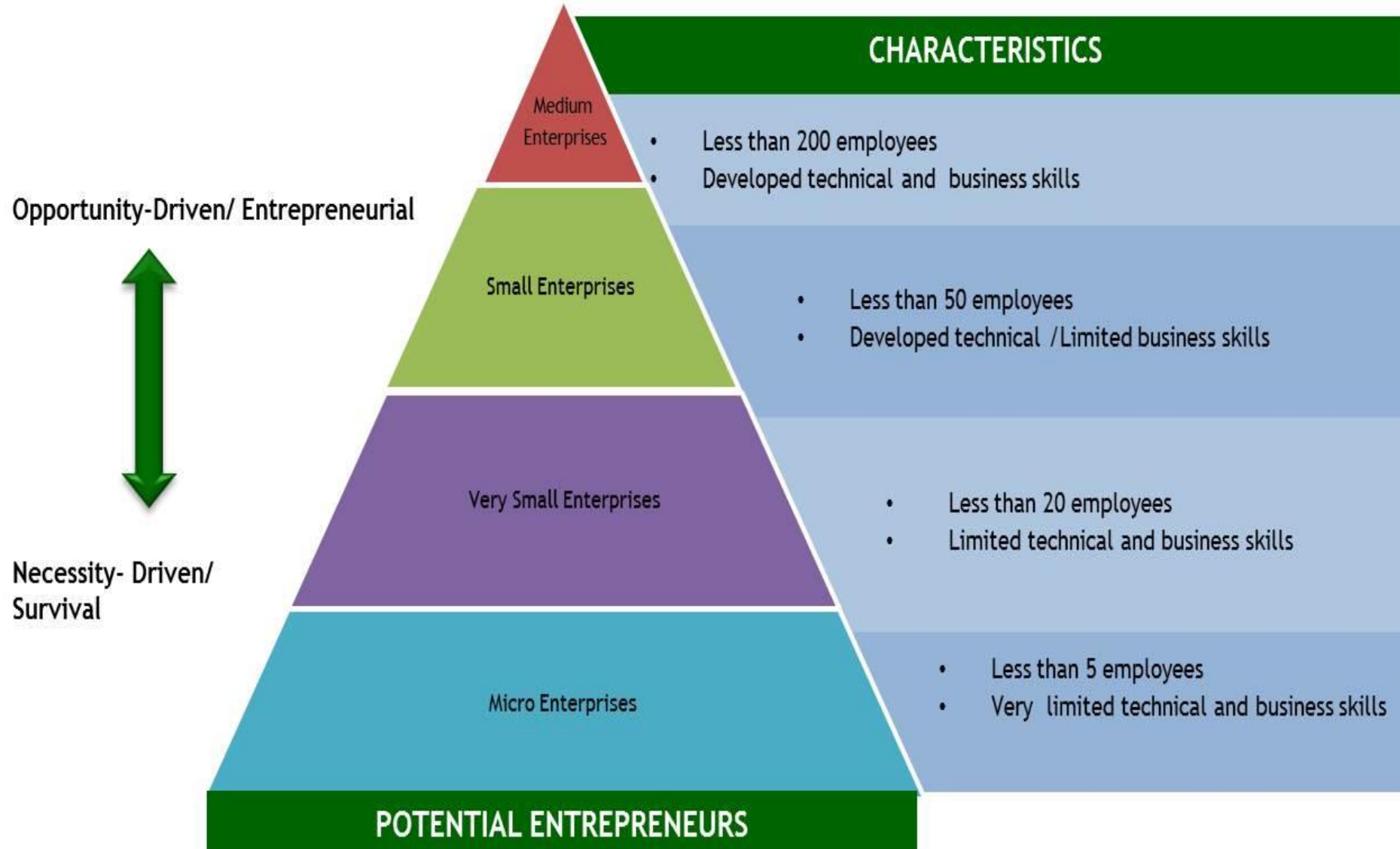
- ✓ Co-location; and
- ✓ One-stop shop.

Strategic Outcome Orientated Goal 3

- ✓ Annual Stakeholder Forum;
- ✓ Improving Organizational Efficiency; and
- ✓ Resourced allocation that is biased towards the Delivery Network.



SEDA'S TARGET MARKET





SEDA'S SERVICE OFFERINGS

| For survivalist and micro enterprises | |
|--|--|
| Entrepreneurship awareness | Franchise awareness |
| Business start-up training | Business planning |
| Business registrations | Business start-up advice |
| For small and medium enterprises | |
| Access to local markets | Access to export opportunities |
| Incubation | Access to technology |
| Quality and standards testing, advice and implementation | Hotline to assist with late payment of SMMEs |
| Business mentoring | Facilitation of access to finance |
| For collectively owned enterprises | |
| Social facilitation and mobilisation | Cooperatives development and registration |
| Access to local markets | All other relevant products and services still apply |
| For people with disabilities | |
| Programmes with MODE, DeafSA and SANCB | All other relevant products and services still apply |

SEDA PROVINCIAL NETWORK AS AT 31 MARCH 2016

| Province | Seda Branches | Seda Satellite Offices | Seda Supported Incubators | Co-location Points | Mobile Units | Info Kiosks |
|--------------|---------------|------------------------|---------------------------|--------------------|--------------|-------------|
| EC | 6 | 0 | 8 | 5 | 3 | 6 |
| FS | 5 | 2 | 1 | 0 | 5 | 3 |
| GT | 3 | 0 | 16 | 7 | 0 | 6 |
| KZN | 6 | 0 | 11 | 4 | 2 | 1 |
| LP | 5 | 0 | 2 | 1 | 3 | 1 |
| MPU | 5 | 0 | 4 | 8 | 0 | 14 |
| NC | 5 | 0 | 1 | 0 | 2 | 3 |
| NW | 5 | 0 | 1 | 5 | 4 | 6 |
| WC | 3 | 12 | 3 | 0 | 0 | 13 |
| TOTAL | 43 | 14 | 48 | 29 | 19 | 53 |



PLANS FOR 2017/18

To focus on outcomes (job creation, increase in turnover and sustainability), the following are key focus areas/themes for the 2017/18 financial year:

- ✓ Roll out of Small Business Incubation;
- ✓ Focused attention on collectively owned Large Scale Projects;
- ✓ Facilitation of timeous payment of SMMEs;
- ✓ Public/Private Partnerships;
- ✓ Directing specific interventions at medium sized enterprises (i.e. employing between 21 and 200), such as access to markets, mentorship and coaching, supplier development, technology transfer; and
- ✓ Repositioning of support functions from a reactive role to a proactive, strategic support role, especially in areas such as ICT, advocacy and lobbying, and human capital.



DEVELOPMENT AREAS GOING FORWARD

- ✓ Ensuring that Seda has sufficient funding for key programmes;
- ✓ Attracting and retaining, as well as developing key, skilled staff;
- ✓ ICT controls and enterprise architecture;
- ✓ Developing focussed programmes for the small and medium size segment;
- ✓ More private sector involvement especially on procurement opportunities;
- ✓ Prioritisation of high impact programmes;
- ✓ Service provider competency levels; and
- ✓ Elevating the SMME agenda and discourse.

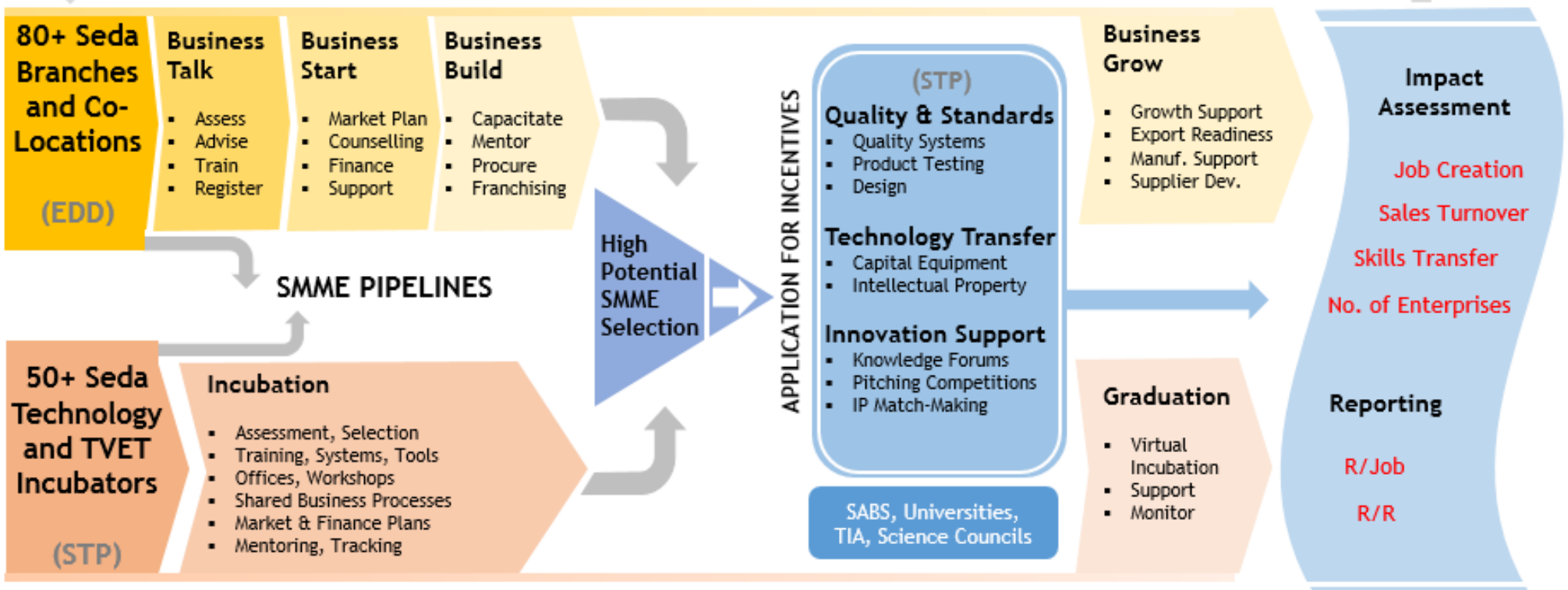


Approximate timelines during each stage

| | | | | | | |
|---|------------|---------------------------------|----------------------|----------------------|----------------------|-------------------------|
| Government Enablers DSBD, DTI, DST, DHET | 1 Month | 6 Months - 36 Months | 6 Months - 12 Months | 3 Months - 12 Months | 6 Months - 24 Months | 6 Months - 36 Months |
| | Assessment | Enterprise Development Services | Selection | Technology Services | Post Intervention | Monitoring & Evaluation |



Monitoring and Evaluation and Post-Intervention Support



EDD: Seda Enterprise Development Division
STP: Seda Technology Programme

Tools and Partners

Technical and Commercial Service Providers

TOOLS: Company Operations, Critical Planning Exercise, Export Readiness, GrowthWheel Mentoring, CRM Tracking, FinFind Matching





“We all depend on others for our livelihoods. I have, throughout my entire life, been assisted so many times by other people, including people who did not even know me...” - Dr Sam Motsuenyane - Lead Founder - African Bank

“Yes, you can say it was like a dream come true for me. Celtic was my baby and still is. I know great days are still around the corner for my beloved club...” - Ntate Petros Molemela - Owner Bloemfontein Celtic

*“I am not impressed with the exchange and buying of shares that do not create jobs. I would like to see people start up something and create hundreds of jobs...”
Dr Richard Maponya - Maponya Mall*

“If you decide to go into business and the entrepreneurial space then you need a hard work mentality...” - Herman Mashaba - Black Like Me

seda 

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THANK YOU