

SA-EU Summit

Science and Technology *as a tool for poverty alleviation in South Africa*

**A Case Study: Social Enterprise
Development in Greater Tzaneen
Limpopo Province, South Africa**

Brussels

September 2012



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Introduction

The **Plant Oils and Extracts for Cosmetics Project** falls within the expanded focus of Department of Science and Technology's (DST) Technology for Sustainable Livelihoods (SL) unit.

In 2009 the SL focus was expanded to include 'Diversified Post-Harvest Beneficiation' as thrust area with 'Demonstration Agronomy' and 'Aquaculture'.

Funding for the project is through the European Union's Sector Budget Support (SBS) to DST.

The project, implemented as the **Nkowankowa Demonstration Centre (NDC)**, draws on the expertise of Sasol ChemCity as implementing and technical partner, with Biosciences unit of Council for Scientific and Industrial Research (CSIR) and Vaal University of Technology (VUT) as knowledge and administrative partner.



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“A good head and a good heart are always a formidable combination. But when you add to that literature, a tongue or pen, then you have something very special” Nelson Mandela

It is with this combination that WE will grow entrepreneurs...



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South Africa is a land of contrasts



Very modern cities



Poor rural areas



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Purpose of this presentation



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How do we develop entrepreneurs?

Identify needs

- Boardroom? no, under a tree in the rural area.
- Listen to the needs of the people, turning the needs into a business.
- Most of the time it will not be a corporate idea.

Traditional leadership

- If the answer will be yes - make an appointment with the local Chief and get the buy-in.
- It is very important to built a relationship and to meet regularly.

Identify candidates

- Ask the Chief is s/he want to recommend possible entrepreneurs, if not, the analyst must search for entrepreneurs. Through this process the Chief is part of the decision making right from the start



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Developing entrepreneurs cont.

Screening

- Screen the Entrepreneurs and put all documentation in place - e.g. *Scope of ChemCity's business assistance, Branding, Indemnities, Termination*

Business identity

- Allow the Entrepreneurs to choose their own business name and logo. By doing this, they get the feeling that it belongs to me, this goes hand in hand with taking ownership.
- Do the IP check on the business names. Start the process of branding

Business training

- Start the process of training, both in the commodity (need) and business.
- Compile a business file and give the Entrepreneurs each one to complete daily - *Set targets; Data Base; Finances - private and business; marketing; Stock Levels; Pricing of stock; Appointing of agents*



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Developing entrepreneurs cont.

Mentoring

- Analyse the data receiving from the Entrepreneurs monthly. Show and explain to them the graphic results, to enable them to understand their business

Monitoring

- The analyst must visit the Entrepreneurs once a month for at least 12 months
- Encourage, but do not force the Entrepreneur to open a business bank account

Distribution

- The difference between a township and the Rural area is the availability of goods. Make sure that distribution is in place



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What have we learned from the process

**“ It seems impossible until it is done”
Nelson Mandela**



- Although the Entrepreneurs are willing to complete the documentation regarding their selling, they will never declare all their sales
- Never box the Entrepreneurs in, if the tar road is the boundary lines for a business, keep them between the lines, it does not matter where they are

- The Analyst MUST visit once a month.
- Allow the Entrepreneurs to make mistakes
- Becoming part of the rural area is important.
- Approach is from the bottom up



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Statistics of Success

Hair Turnover	-	R 150 151.00
Hair Profit	-	R 105 105.00
4 Salons		
Soap Turnover	-	R 52 445.00
Soap Profit	-	R 37 146.00
8 Entrepreneurs		
Nutrition Turnover	-	R 277 815.00
Nutrition Profit	-	R 144 463.00
19 Entrepreneurs		
Body Care Turnover	-	R 181 055.00
Body Care Profit	-	R 108 631.00
21 Entrepreneurs		
Other Turnover	-	R 94 794.00
Other Profit	-	R 59 010.00
6 Entrepreneurs		
Total Turnover	-	R 756 260.00
Total Profit	-	R 454 356.00



- Gaining of trust
- Language barrier
- Illiteracy
- Individual performance
- Flexibility in performance (mistakes)
- Distribution / Transport



THE HEAT! 36°C



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From this:



To this



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WE ENVISION THE DECREASE IN UNEMPLOYMENT,
DECREASE IN POVERTY, MORE JOBS CREATED THAT ARE
SUSTAINED THROUGH SOCIAL COHESION AND EQUAL
VALUE CREATED FOR ALL PARTIES

**THEY ARE IN CHARGE OF THEIR FUTURE THROUGH THE ASSISTANCE OF THE
EUROPEAN UNION, DST AND SASOL CHEMCITY**



The entrepreneurs of Tzaneen say to the EU:
*'Thank you for the support, it is giving us
hope, a future and a better life'*



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Questions?



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