

eThekweni Informal Economy Support Programme (IESP)

- Jobs Fund and eThekweni Municipality Co-funded

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Case Study: Akubeziyesuka Co-operative

Enterprise description

The Akubeziyesuka Co-operative has been in operation for over ten years. It is located in Folweni and has a number of business activities that include block manufacturing, driver training, crèche/child care facility and a logistics operation. The chairperson, Philisiwe Purity Mnguni, is a vibrant, highly motivated individual with exceptional leadership qualities. The co-operative started with four full time employees, and one part time, seasonal employee. PPT anticipates 20 new jobs being created, 15 of these have started since PPT commenced supporting the enterprise.



Photographs (above) show the original site and production of blocks. The pictures also show the delivery vehicle and block making equipment which the enterprise has purchased through business savings.

Job creation

- Initial jobs prior to PPT involvement: seven jobs
- Created to date: an additional 15 jobs
- Approximately 5 additional jobs can be created by the business.

The additional job creation can occur once a new truck is purchased, the new machinery is operational and additional contracts or orders are secured. There is consolidation of houses taking place in the area and potential for new orders. The jobs created so far are for manual workers operating the block press, concrete mixers, and assisting with deliveries.

Achievements

- IsiQalo basic business skills training provided by PPT helped to improve business operations and according to the entrepreneur the profits have increased, an internship position for a local student from Comtech college studying book-keeping was created and new equipment was purchased between 2014 and 2015 as follows: 1 ton bakkie for operations / deliveries; 2 new taxis (now in operation).
- There has been a 10% increase in salaries being paid to staff.

- Started a new driver training venture, closing the internet venture which was not profitable and decision to make alternate use of the space.
- Able to register with the Department of Social Development for the crèche (PPT assisted in business plan according to the Department's format).
- Enterprise has become better at saving and using their capital for business improvements (e.g. extending the block-making slab, investing in an advertising board, starting the SABS compliance process by looking for electric block making machine to meet the required standards)

Way forward

- PPT will assist the enterprise to complete and submit an application for Small Enterprise Finance Agency (SEFA) finance and develop a more effective and compliant business plan e.g. by: Assisting the enterprise to improve financial and administrative records e.g. maintain all financial and job creation records; improve book-keeping; getting audited financial statements. This included assistance in revising the existing plans and consolidating them into a final, combined business plan.
- Enterprise must obtain SABS accreditation for blocks to gear up to supply to the local hardware store and to supply RDP housing construction projects in Durban and surrounding areas.
- Develop new markets by advertising in local newspapers and scanning tender bulletins to supply contractors who have recently won tenders in the area as well as create lists of possible buyers and engage all hardware stores in the area. PPT will assist to assess the possibility if supplying the contractors based on quantities and capacity

Learning

- IsiQalo plays an important role regardless of any level training and educational level. The chairperson is a Technikon graduate but has applied skills acquired via IsiQalo training effectively in the business.
- A financial advisor would be a useful support for the business to start assisting the owners with doing cashflow projections and calculation of profits. PPT is now providing such specialist support.



Pictures (left) shows people working to produce bricks at the Folweni Training centre

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