

ACHIEVEMENTS OF IESP: SUPPORTING INFORMAL AND MICRO ENTERPRISE

PPT Newsletter

15 July 2016

A ground-breaking initiative: The Informal Economy Support Programme (IESP), the first of its kind in South Africa, is a specialised business support initiative. It reaches micro and informal enterprises (MIEs) in innovative, and cost-efficient ways. It unlocks untapped enterprise growth and job creation through niche-focussed business support services and other structured interventions across a range of sectors (e.g. manufacturing, specialist retail, services, contracting and agriculture). It is programmatic and scale-able. The current, pilot phase of the IESP is co-funded by the Jobs Fund and eThekweni Municipality.

Rationale: Although it is accepted that micro-enterprises and the informal economy are critical in addressing joblessness and sustainable economic growth, there remains a vacuum of effective support and a range of other barriers. The formal economy on its own cannot address these problems, especially given slow economic growth and high structural unemployment. The informal economy is an important long-term driver of economic growth.

Collaborations and delivery capacity: The IESP is a collaborative effort. PPT is working closely with eThekweni Municipality and other stakeholders. Collaborations are important in establishing the necessary capacity to successfully deliver the Programme. PPT has established a panel of professionals and specialists with varying skill sets and capacities (e.g. finances, human resources, agriculture, crafts, manufacturing methods, marketing etc.). Additional collaborations include: Durban Chamber of Commerce; Newlands-Mashu (agri-hubs/micro-growers); Africalgnite (crafters); corporates (e.g. in accessing supply chains); development finance institutions (DFIs) such as the Small Enterprise Finance Agency (SEFA).

Upscaling—the next phase: After a successful three-year pilot phase, the IESP is ready for its next phase and funding is required in the short term for this purpose. The current momentum needs to be maintained. The platform necessary for upscaling has been laid with the required methods, tools, collaborations and capacity established.



"Small Business is Big Business" - President Jacob Zuma, State of the Nation 2015

Key achievements to date:

New jobs created: 202

Enterprises creating jobs: 20

Enterprises assisted: 52

Enterprises assessed: 280

Trainees: 180

Enterprises Profiled :

- Akubesiyezuka Co-op
- Makholeka Trading CC
- Nonhlanhla Zondi
- Frutee Belliez
- Georgesamo & Vukaphansi
- Nathi Interiors
- Ester Masinga
- Zukula
- Nhlapho's Steelwork
- Nhlanhla's Steelwork
- Eyekethelo Furniture
- Kukies bakery
- Green Door
- Ziyawa Shisa-nyama
- Agrihubs— Microgrowers
- Khumalo and Udomo Crafters

Successes of the IESP Pilot Phase

Enterprises identified and assisted: 52 enterprises (and 256 entrepreneurs) were assisted in various ways including: skills training, planning, optimisation and mentorship. 280 enterprises have been identified, assessed and screened. A survey is underway creating a database of MIEs in eThekweni.

Jobs created: New job creation in MIEs of 202 permanent jobs. New jobs were created by 20 enterprises and via micro-growers.

Jobs/enterprises made more sustainable: 263 existing jobs were made more sustainable. This is regarded as a significant achievement. It is well recognised that Business Retention and Expansion (BR&E) is a core response for job creation and economic growth (though often not given sufficient recognition).

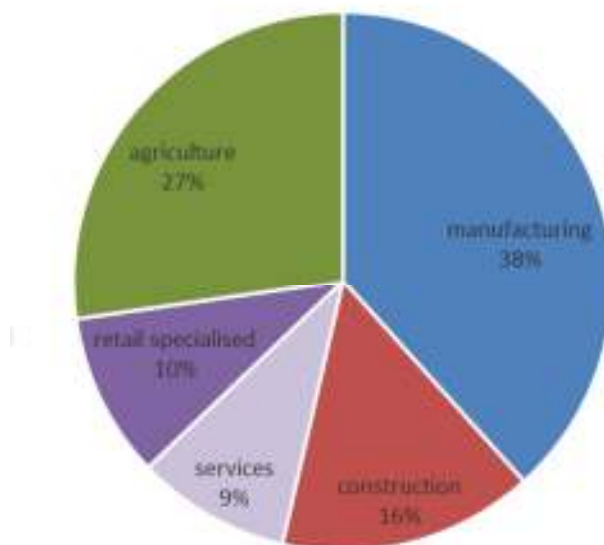
Job potential in the pipeline: An additional 430 new jobs within 30 enterprises already forming part of the Programme can potentially be created.

Business plans and SEFA funding applications: 29 business plans were developed and optimised to date and an additional 6 SEFA compliant business plans are underway.

Toolkits: 31 knowledge resources and case studies were developed and disseminated

Training & skills development: 180 people have been trained. Training events included: customised isiQalo basic business skills training; advanced business skills; and workplace-based sector skills training (e.g. cut-make-trim or factory floor/machinery layout).

IESP Sectoral Mix *Jobs created and in the pipeline*



IESP Method

Identification, assessment and selection:

Only MIEs which meet specific pre-conditions are eligible for support services. Criteria include enterprise viability, job creation potential (priority to those which can create more than 5 new permanent jobs) and entrepreneur commitment. Enterprises are identified in various ways including via: the IESP's web-based portal (under development); collaborating partners; PEAPs which are being rolled out in eThekweni; selective promotion (e.g. Metro-Beat, current business incubators etc.).

Business development and optimisation is

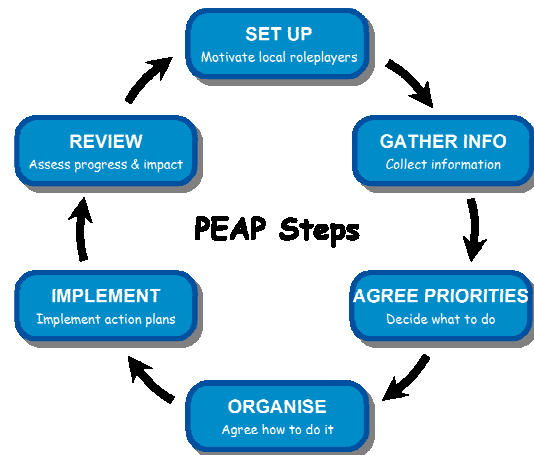
achieved mainly via targeted support services, but also via other supportive interventions such as affordable business space, corporate supply chain access, and collaborative purchasing. Business development plans are short and focussed on catalytic priorities. Comprehensive business plans are prioritised when functional (e.g. for a SEFA application).

Business mentorship: This is provided to all enterprises via the support services outlined above and includes: assisting the entrepreneur to identify and resolve ongoing challenges; identifying areas where specialist assistance can catalyse change; distinguishing short versus long-term plans; ongoing encouragement and acting as a 'sounding board'.

Affordable business space

Through the identification and assessment of enterprises, a lack of functional and affordable business space was identified as a key business constraint, in particular for micro-manufacturers (e.g. producers of metal products). A business space concept was finalised and plans, specifications and cost estimates provided sufficient to enable eThekwini to commence with procurement for implementation.

It is likely that warehouse-type space or modified containers will be utilised along with electricity supply, shaded outside space, fencing, water supply and sanitation. Construction will commence once eThekwini has procured service providers.



Participative Economic Action Planning (PEAP)

Targeted business development support services: A range of specific, structured support services are provided to each enterprise based on the assessment and the specific interventions that can catalyse business development and job creation. They are provided up to a specified cost limit cost per enterprise depending on job creation potential (where-after services must be paid for). Services typically include: *Profitability and cash-flow analysis*; *Record and book-keeping*; *Workspace access and optimisation* (e.g. layout); *Accessing finance* for working capital or capital acquisitions; *Markets and selling*: e.g. identifying and accessing new markets, establishing new business collaboration; *Human resources* management and compliance; *Product/service and production*: e.g. refinement, re-development, differentiation, improved manufacturing methods; *Logistics* e.g. bulk ordering direct from wholesalers, shared transport to market; *Legal and compliance*: e.g. income tax, VAT, health safety, labor; *Procurement* e.g. of raw materials or input services.

Training and skills development: are provided only when needed for job creation and may include 'Isiqalo' (basic business skills) training or on-site sector-specific skills training to address deficits (e.g. 'cut make and trim', machinist training, product design, factory layout).

Sectorally-based interventions: MIEs are often clustered within particular sectors with common challenges (e.g. logistics, purchasing, getting product to market) or obvious opportunities (e.g. customers requiring large orders to be filled). The IESP undertakes carefully-structured, sectorally-focussed interventions. So far these have included micro-growers, crafters, and construction contractors. In the next phase others will be added (e.g. textile, furniture and metal manufacturers).

IESP web portal: The IESP web-based portal (cell-phone linked) will enable more efficient communication, dissemination, screening and collaboration. It is under development and will be operational by September 2016.



Block-making at Akubesiyezuka's premises in Folweni, eThekweni

Akubesiyezuka Co-operative

The co-operative started with four full time employees and has a number of business activities which include block manufacturing, driver training, crèche/child care facility and a logistics operation. The enterprise was nominated to receive assistance in October 2013. The focus for business support was the block-making enterprise which required a larger premises, better logistics, SABS accreditation and better financial and administrative systems. In early 2014 the business analysis determined business development priorities, namely that it required an extension to the block-making slab, training for new staff and the set up basic systems to manage and monitor staff. Additionally some plans were made to assist the crèche in registering with the Department of Social Development.

IESP activities

The team undertook site visits to conduct the analysis and provide the mentorship required to achieve the prioritised tasks. Mike Fraser, a town planner and PPT mentor assisted to develop the site plans for the extension to the block-making yard. The mentorship activities included:

- assessing the block-making costs and material suppliers,
- assisting to obtain SABS accreditation for blocks,
- assisting with pricing and to initiate a simple book-keeping system, and
- research into micro-grant finance for the enterprise

Additionally the team conducted risk assessments for a new business venture into the taxi business and assisted with registration with the Department of Social Development.

Akubesiyezuka Continued ...

From inception to date PPT prepared a business plan and profile, provided Isiqalo basic business skills training and recently an IESP specialist Tony Croudace (CA) provided business advice and assistance for compiling a SEFA application. The entrepreneur is considering changing the institutional arrangements from a Co-operative to a Sole Proprietor in order for the business to develop without conflict and the mentorship she receives will guide that process.

Outcomes and potential:

Since PPT commenced support, 15 new permanent jobs have been created (13 permanent and 2 short term). There is still potential for additional job creation should the Programme also assist in the other business interests namely the crèche, tuck-shop, vegetable gardens, transport and driving school.



Frutee Belliez entrepreneurs Masibonga and Mbali alongside the construction site that is now their new factory in Waterfall, eThekweni. The enterprise's core business is preparation and packaging of vegetables and fruit.

Frutee Belliez

Frutee Belliez is owned by two sisters, Ms Masibonga and Mbali Mthethwa, and has been operating for seven years. The sisters initially started packaging fruit, salads and pre-cut vegetables from their parent's kitchen and garage in Umlazi, Durban.

The business was nominated to the Programme in December 2013. The enterprise has since grown into a registered company that is in the process of establishing a factory in Waterfall. This has been made possible by grant funding received from various donors including government departments and agencies, as well as a number of rewards from competitions entered. The core business is the preparation of uncooked fruit and vegetable products.

The IESP assisted to:

- Refine business and operational plans and identify new opportunities for business and finance;
- Communicate with sellers and cancel the Hillcrest Sales Agreement due to non-performance of the seller and search for and purchase alternative property with a factory now under construction;
- Draft and compile a Business Plan and Presentations to funders and using these documents, the entity managed to source funding for e.g. ACSA (R1,7000,000.00 was approved);
- Draft and review presentations to prospective clients, including drafting 'Confirmation of Supply Agreements' or 'Letters of Intent' which resulted in: Capitol Caterers confirming supplier arrangements to the value of R70K/month and this may increase depending on the enterprise's performance;
- Capitol Caterers has committed to assisting and mentoring Frutee Belliez in all aspects of the Industrial Catering Industry;
- Tsebe Outsourcing Group and Fedics KZN identified the enterprise as a preferred supplier and candidate for development.

Since PPT commenced support, 4 new permanent jobs have been created There will be additional job creation as the factory becomes more operational. The entrepreneurs are undergoing a process of municipal approvals for their new factory workspace.



PPT mentor, Mandla Sindane on a site visit with Makholeka Trading employees in March 2016

Makholeka Trading CC

The small business is sub-contracted to the South African National Roads Agency Limited (SANRAL) for road verge maintenance, mainly grass-cutting along major routes.

In March 2015 the enterprise was nominated to the IESP where the assessment aimed to develop short term and long term interventions in regard to: Assessing security measures and providing advise; Assist to set up computer programmes for better administration of the business; provide basic business management skills training (i.e. Isiqalo); Assist the entrepreneur to achieve compliance and to access SEFA finance; Assign an IESP specialist to the enterprise; Provide sector skills and mentorship. PPT developed a business plan and profile for the enterprise.

The entrepreneur benefited from Isiqalo business skills training. A business specialist to the enterprise prepared detailed budget and cash flow forecasts a SEFA application is underway. 39 new permanent jobs have been created. Potential for additional job creation of approximately 25 provided that the enterprise can access finance.

“Over the past 20 years the informal sector has grown twice as fast as the formal sector. It is estimated that it now contributes 6-7% of GDP, twice that of the agricultural sector and the same size as the mining sector.

- *Stats SA estimates economic activity in the informal sector to be at R120 billion per annum.*
- *The UCT Unilever Institute believe it to be R280 billion.*
- *Loan Sharp, now of the Free Market Foundation, believes it to be at R680 billion.*

It is estimated that the spending power of the informal sector is R300 billion per annum”

Steuart Pennington (2014)



Makholeka Trading cc employees

Georgesamo CC & Vukaphansi:

These Co-operatives are small scale piggeries. Income generating activities include the piggery and low scale crop farming. The enterprises were nominated to the project in September 2013. Mbuso Zondi, the Georgesamo entrepreneur, has 20 years of experience in animal farming and crop farming. Plans to assist this enterprises was scheduled for 3 phases: phase one being immediate action which included analysis, training and improving infrastructure and phase two included securing working capital and purchasing equipment and phase three were broader goals of streamlining resources by merging with Vukaphansi to access more space for increased production and diversifying products. The PPT mentor assisted the entrepreneur in identifying the challenges. This activity included the analysis of the viability and management of the businesses. As a result it was identified that the inactive members and lack of bookkeeping and financial recording are fundamental factors that are impacting on the businesses.

Georgesamo: PPT has recommended that Mr Zondi should meet with all the members and discuss their future with the Co-op. PPT also assisted in engaging with the Municipality and Department of Agriculture in respect of securing land access / the adjacent abandoned farm. isiQalo business skills training has been provided to the active member of the Co-op. Since PPT commenced support one new permanent full time job has been created with potential for further jobs to be created.

Vukaphansi: PPT mentors assisted with a Participative review of business plan; Researching funding for capital to expand pig sties, build new chicken run and some kraals for goats including buying baby goats, piglets, chicks etc; Following up with Dept. of Agriculture to finish the building of three pig sties for which earthwork began; advice on using savings / loans to improve infrastructure; Skills development (isiqalo and improving logistics).

Since PPT commenced support one new permanent full time job has been created. However the expectations for additional job creation will not be met as the entrepreneurs have decided to focus on other ventures.

Green Door:

Green Door manufactures and supplies linen and linen clothing. The enterprise was nominated to the project in June 2014. Mentorship and business support was provided as follows:

Improvements on an existing business plan and developed a business profile. Assigned a sector skills specialist to improve the production process [cut make and trim] how to source and select suppliers and ways to create a bigger market through product diversification (school shoes). However entrepreneur highlighted that Norbert Gruss's approach to production process optimization was outdated and did not accept all of the provided expert input. Facilitated the collaboration between textile enterprises to establish a working relationship and penetrate new markets by working together. Where different textile groups agreed to meet regularly to resolve common challenges. This worked well because 4 entrepreneurs (3 self-financed and 1 sponsored but not coping due to shortage of material) managed to highlight mismanagement and were willing to be strengthened via sharing large orders and division of labor. A Business coach was assigned to the enterprise for further analysis and to plan a way forward. It was then identified that there was a lack of sales and hence the development of a marketing and sales plan was required.

The entrepreneur responsiveness and participation in the IESP has steadily declined from the entrepreneur mainly because she is also being assisted by the Business Investment and Promotions Unit and Raizcorp for similar services.



Image from Manqoba's Tavern Facebook page. The entrepreneur has various business in retail and a taxi business.

Nonhlanhla Zondi:

Entrepreneur Nonhlanhla Zondi (an entrepreneur) owns an array of businesses, namely:

- Tuck-shop,
- Tavern
- Leasing 12 cottages in Inanda,
- 5 Vodacom containers,
- Owns a guest house in Kwa Swayimani (PMB area),
- Tavern building (leasing) as well as
- Free standing dwelling in Durban North (leasing).

The entrepreneur was nominated for IESP support in May 2015. The focus for business support services were the tuck-shop and the main tavern situated on the same property in Nhlungwane, Inanda. Nqobile Zondi (pictured below) worked closely with Geoff Feldon, a Business Coach assigned by PPT, to assist her mother improve the Tavern and create an atmosphere that invites clients to enjoy a unique experience.. The IESP team undertook site visits to conduct the analysis and to provide the mentorship in capital investment, setting up an accounting package, etc. The priority activities for the business included: purchasing and licensing taxi's; application for a liquor license (which can take Ms. Zondi up to 3 years to obtain according to the mentor's report); develop better ablution facilities for the guest house; and to manage risks in terms of succession for ownership of the businesses as well as the difficulties of working in the taxi industry.

Nonhlanhla Zondi Continued ...

After support commenced the entrepreneur handed over management of the Tavern to her daughter Nqobile Zondi in 2016 and the IESP sought to provide concentrated business support to this aspect of the business by assigning an IESP specialist, Geoff Feldon.

Since PPT commenced support, 9 jobs have been created (all of which are permanent). The entrepreneur attended PEAP workshops, bought three taxis and the refurbishment of the guest house is almost completed.

The entrepreneur has since handed over the tuck-shop and tavern business to be run by her daughter Nqobile. There is still potential for additional job creation provided that the entrepreneur acquires a license to establish a bottle store in the current property and subsequently develops a VIP lounge.



These business are located in Inanda and a third business in Pietermaritzburg.



Eyekhethelo Furniture Co-op

Eyekhethelo designs and manufactures furniture and provides a furniture repair service from skilled workers in carpentry, upholstery and spray painting. The business was nominated to the project in October 2013 and the key priorities identified included developing the entrepreneurs business skills; better production systems and establishing more cost effective production; and improvement to existing workspace or finding new premises. Since support commenced, the enterprise has completed isiqalo basic business skills training which enabled the enterprise to strengthen its operations by calculating costs and profits, began holding regular staff meetings, and began keeping records. A sector skills specialist, Norbert Gruss, was assigned to the enterprise and practical onsite training included:

- Better use of machinery and tools - clean, check and service tools and proper use
- Improved health and safety
- Manufacturing of tools instead of buying them
- Getting cheaper inputs e.g. using inexpensive materials, for example using cheaper yet strong 'backing- boards' cabinets has reduced costs and increased profits with no impact on quality
- Boards are being cut more efficiently with minimum wastage (as a result of training in 'cut-make-trim')

Outcomes and potential:

The PPT mentor motivated the entrepreneurs by introducing the entrepreneur to banking - a new bank account was opened and the enterprise no longer relies on handling cash and are able to manage money better using services such as cell phone banking. The mentor and entrepreneur aim to negotiate more secure tenure to enable a grant for renovations from eThekweni's Economic Investment and Promotions Unit. Since PPT commenced support, 2 new job were created and the entrepreneurs attended Isiqalo basic business and sector skills training.



Nhlanhla's Steelworks specializes in manufacturing high quality mild steel gates, stainless steel, gates balustrades, palisade fencing, razor wire, carports gate automation and intercoms.

Nhlanhla's Steelworks

Focuses resources on stainless steel products rather than mild steel because of high competition in this space.

The business preparation includes going to EThekweni for the Ingonyama land identified as a second site and the PPT mentors assisted to provide information on Ingonyama land in Umlazi and continued to remind and support the entrepreneur. Mentors also assisted with quotations and best options for machinery (enabling the entrepreneur to purchase a vehicle for business use March 2015), a large drilling machine and a heavy duty angle grinder; isiqalo basic business skills training; costings for new products; identify new business opportunities.

Ester Masinga

Ester Masinga manufactures traditional three legged aluminum pots of various sizes and was nominated to the IESP in May 2015. The enterprise well established and the analysis showed that growth in the business can be facilitated by better work space and cheaper raw materials. The IESP undertook to assist in the following ways:

- A specialist business coach was assigned to assist in sourcing better raw materials and better ways of production. Including obtaining estimates from an engineer for a more efficient furnace and establishing a network for cheaper scrap metal
- Overcoming challenges of working with and older entrepreneur who had a 'co-owner' where the entrepreneur would not get involved in the technical discussions of the operation who was not always available. The PPT mentor advised that it is important to recognise that financial records and banking could be a useful tool for the business
- A high risk to the business is that the Municipality has begun preparation for a new road and indicated that the current business hub at Newlands is a road reserve. Hence the enterprise may have to move the business.

Outcomes: Since PPT commenced support 2 new job were created. From inception to date PPT prepared a business plan, offered ongoing mentorship and created a profile for the enterprise.



Ester Masinga: has manufactured traditional three legged aluminum pots for over 10 years

Steelwork Stress

There is noted stress on the steel enterprises and plans for growth are longer term as further job creation is not envisaged for within the current pilot project.

The mentor aimed to generate a list of needs from a collaborative meeting, in the meeting entrepreneur's from Nhlanhla's and Nhlapo's indicated that they would share larger orders and bulk buy to save costs however no further meetings have taken places since.

Hence the way forward is for the PPT mentor to update the action plans and inform the enterprise that further assistance is pending upscaling of the project.

From inception to date the IESP has assisted in: A business development plan; provided Isiqalo (basic business skills training); linked the steel manufacturing enterprises in the IESP programme to discuss challenges and find collective solutions that will benefit all the steel businesses and advised Nhlanhla to approach eThekwin and re-install signage for advertising the enterprise.



Typical product (gate), tools and storage facilities found at informal steel enterprises

Nhlapo's Steelwork and Construction CC

This enterprise specializes in the manufacturing of high quality steel products (such as gates, palisade fencing, burglar guards and car ports) and was nominated to the project in October 2013. The process of manufacturing steel gates is labour intensive and the business outsourced some work due to workspace constraints.

An assessment of the business undertaken by the PPT mentors prioritised assisting the enterprise complete plans for a larger workspace; costings for construction; identifying funding sources; assist with marketing products; identification and negotiation with suppliers for raw materials.

From this support the entrepreneur was able to do the following: resurrected a good working relationship with the Dept. of Education and local schools; developed a new catalogue and stickers which helped the business attract new clients; obtained more repair work (for gates and on site welding); started to delegate more often and train supervisors; undertook to commence resolving compliance challenges and was able to go back to architect to redesign plan. Since PPT commenced support, 1 new job was created.



An example of a micro-growers farm, PPT supports micro-growers located in Cliffbuck, Marianhill and Umbumbulu

Agrihubs

The collaboration to support micro-growers provided skills and jobs monitoring for a sector that is highly informal in the economy. Tools were created to measure jobs and training was implemented to ensure that the jobs created were sustainable.

Collaborative approach

NMP undertook support PPT in job creation in the agricultural sector as follows:

- Identify and register 80 farmers and conduct a baseline survey
- Undertake monitoring and mentorship visits (using an online tool called Kandu)
- Training on three levels:
 - Soil and water training in permaculture
 - Planning and harvest records where entrepreneurs received yield sticker charts to monitor their production and sales
 - Market enterprise development
 - Close out survey (to be done at the end of June 2016)

Outcomes:

As a result of the project many micro-growers benefited from training, skills development, mentorship sessions, and access to subsidized seedlings and therefore increased their production. 89 new jobs were created out of the 100 identified for the collaboration.

Nathi Interiors Designs

A furniture design and manufacturing enterprise owned by Nathi Msomi was nominated to the project in September 2013.

The analysis of the enterprise included the following: The owner required some training in business management skills (particularly financial management, marketing, human resources); The premises did not belong to the owner (Ithala property/ deceased estate) hence tenure was not secure; Main marketing strategy relied on 'word of mouth' with no evidence that the business had skills or capacity to access new markets. Hence the owner has identified a need for business development support and improving the business model.

Mentorship was focused on addressing these challenges. PPT mentors undertook to develop a business plan and provide Isiqalo training (although the entrepreneur was not available to attend all Isiqalo sessions); and assisted in obtaining quotations for vehicles. Since PPT commenced support, 2 new jobs have been created. Nathi Msomi of Nathi Design was a challenge to assist as many appointments were not kept.

Kukies Bakery

Kukies bakery manufactures and sells muffins, scones and other baked products to clients and was nominated to the IESP project in December 2013. The key challenges and priorities identified by PPT mentors included: insufficient work space; insufficient capacity to fulfill large orders; insufficient working capital and poor logistics.

PPT mentors undertook to assist the enterprise with workspace extension because initially the entrepreneur wanted to modernise his bakery and add a shisa-nyama

After assessing the viability of the business, an IESP Business Coach was also assigned to assist to identify that funding required to increase facilities, as well as a marketing plan to grow the sales from the current facility.

The specialist and PPT mentor collated information for the business plan to enable a better assessment and plan for improvements. However in cases where PPT mentor and specialist attempted to follow through with plans the entrepreneur failed to honor business meetings.

Since PPT commenced support, 1 new job was created and from inception to date PPT prepared a business plan, profile and provided Isiqalo basic business.

Ziyawa Shisa-nyama

Ziyawa Shisa nyama is a tavern and eatery which was nominated to the project in March 2014. The business development priority was to fully renovate the tavern, get the butchery and shisa-nyama running with a trustworthy and motivated staff and to see the business grow. PPT mentors assisted the enterprise as follows:

- Develop a business plan and a business profile
- Provided guidance and the steps for accessing the Inanda heritage route to attract the tourist market, e.g. register on the Inanda tourism database.
- Offered to assist with signage quotations and design, however the entrepreneurs preference was to design his own signage
- Assisted with advice for developing a savings plan. Including advising the entrepreneur to follow up on the R20 000 prize money won from a cigarette company to use for renovations.

PPT's manner of approach to enterprise development has worked well with Ziyawa. The entrepreneur has realised that as a business, it is always important to save money and invest back into the business. 2 new permanent jobs were created as a result of the IESP. The mentor indicated that the entrepreneur is happy with PPT Project assistance.

Zukula Sikhakhane

The enterprise was nominated to the project in September 2013 and consists of a number of business activities including:

- Block manufacturing;
- Butchery
- Shisa-nyama and
- A school lift club operation (for schools based in Verulam).

PPT mentors have mainly supported the block-making operation. The PPT mentors assisted the entrepreneur in identifying the challenges: This activity included the analysis of the viability and management of the businesses. As a result the business was assisted in the following ways: The enterprise owner was a beneficiary of isiqalo basic business skills training and is better able to undertake costing; record keeping (there was no records prior to PPT involvement) and methods to improve health and safety on site (employees were provided overalls and boots compulsory to wear on site). The entrepreneur has increased understanding of compliance in terms of the following: Business registration: the business has moved from CC to PTY Ltd which complies with CIPRO and in process of resolving SARS issues; SABS, CIDB (online registration), BBBEE certificate, NHBRC etc., the business is able to access new and more customers including well established hardware stores. In 2016, due to the changes in ownership, IESP's specialist Geoff Feldon was assigned to assist the enterprise. From inception to date 2 new permanent jobs have been created with the potential for more currently being assessed due to the change in institutional structure of the business in 2016.



Participants at the craft sector skills training event coordinated by PPT and Africa!Ignite

Craft Sector business support: The crafters were identified from a screening process in June 2014. The sector was recognized as significant for job creation in the informal economy. The family co-operatives selected were in business for a long time and have managed to gain the confidence of a number of customers. The project initially provided:

- Isiqalo Basic Business skills training (which included: Bookkeeping, Basic business administration, Marketing, Financial management, Business profitability calculation, Costing and pricing).;
- Sector skills training: Manufacturing arts and crafts;
- Research into accessing markets to sell products to Cape Town; Post products on the Africa!Ignite website

Collaborative approach:

- Improve creative design as this is commonly a huge challenge for crafters for national and local markets.
- Exhibitions were identified, for example Africa!Ignite considered products for a German exhibition (February 2016).
- PPT has teamed with an accessories group that assisted to train 2 crafters for selling at flea markets. Local markets identified were: Shongweni Dam, Hillcrest, iHeart, Stables, Essenwood.
- PPT assisted in the facilitation of the Africa Ignite-PPT collaboration *Sector Skills Training* workshops. The sector skills training workshops have assisted the crafters to improve product design and quality as well as reduce production time.
- As part of the sector skills workshop, the crafters have produced products which have been placed in new markets in Eshowe. The products were well received by customers.



Business Development Support Services



General IESP images showing various enterprises and products.





Participants at the Roundtable: Unlocking sustainable economic growth in the informal economy

Project Preparation Trust

Project Preparation Trust of KwaZulu-Natal (PPT) is an independent public interest organization with more than 20 years' experience in the preparation of a range of developmental projects for communities and in mobilizing capital funding and other resources for them. PPT has a particular focus on the poorest of the poor, and those in special need such as people residing in highly marginalized rural communities or urban informal settlements or vulnerable children. The projects with which PPT is involved are often innovative pilots, which test new or improved development solutions and approaches. PPT's approach is participative, systematic and holistic. PPT was registered with the Master of High Court in 1993, the year before the election of South Africa's first democratic government. PPT is a registered not-for-profit organization. To date, the projects PPT has prepared have resulted in R1.82 billion in capital funding being leveraged for over 218,000 disadvantaged households in 170 pro-poor development projects. The projects include housing and infrastructure, special needs housing and HIV / AIDS relief, pro-poor local economic development, sustainable energies and capacity building and skills transfer.

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