



# SEDA STRATEGIC OVERVIEW

## SEDA\_SOWETAN DIALOGUE ACCESS TO MARKETS

*Together Advancing  
Small Enterprise Development*

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# 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 2019/20
- ✓ Development Areas



SMALL ENTERPRISE DEVELOPMENT AGENCY

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# 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).



# 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

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- ✓ **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

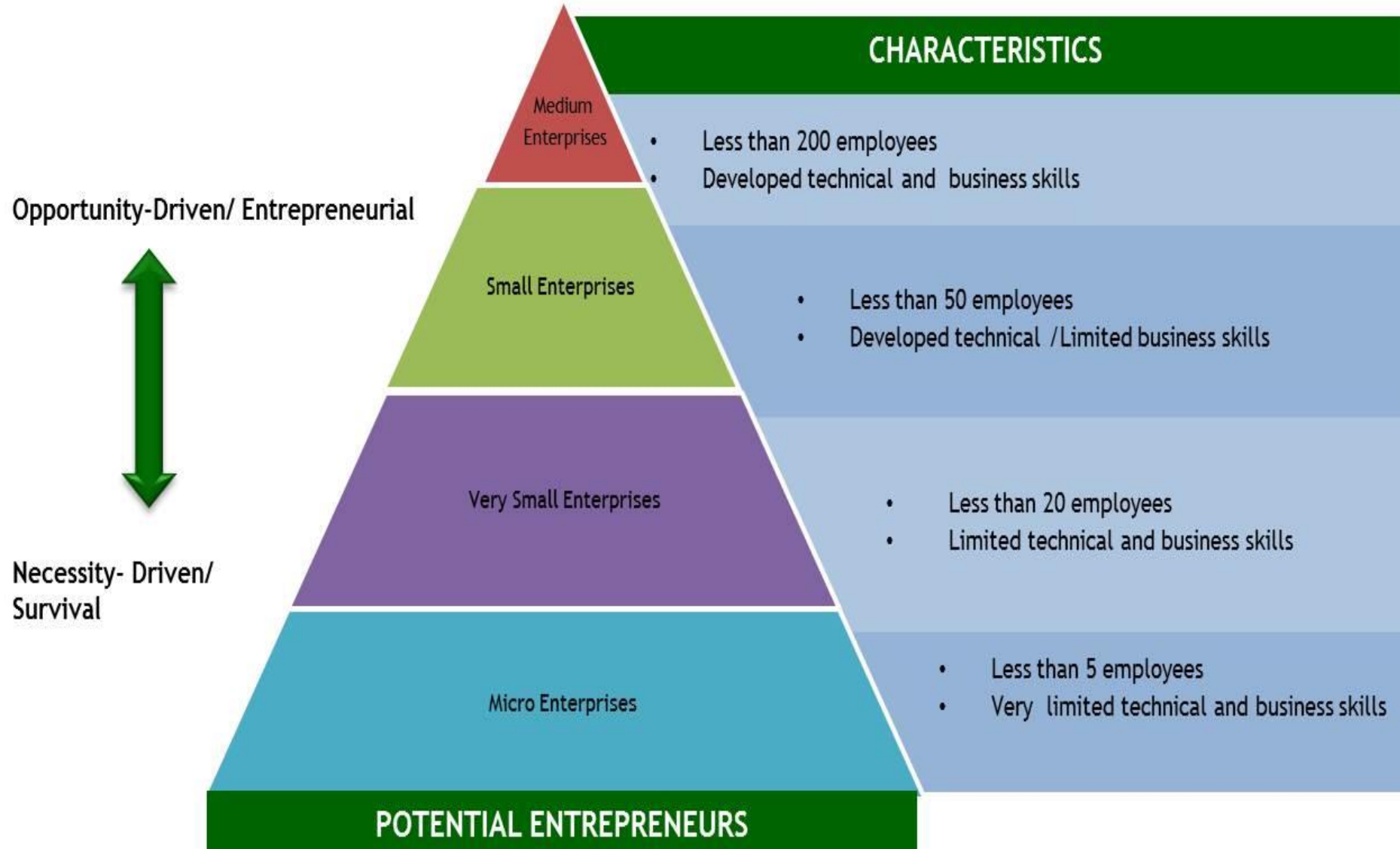
- ✓ Co-location; and
- ✓ One-stop shop.

## 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 2018

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
<b>TOTAL</b>	<b>43</b>	<b>14</b>	<b>48</b>	<b>29</b>	<b>19</b>	<b>53</b>



# PLANS FOR 2019/20

To focus on outcomes (job creation, increase in turnover and sustainability), the following are key focus areas/themes for the 2019/20 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.



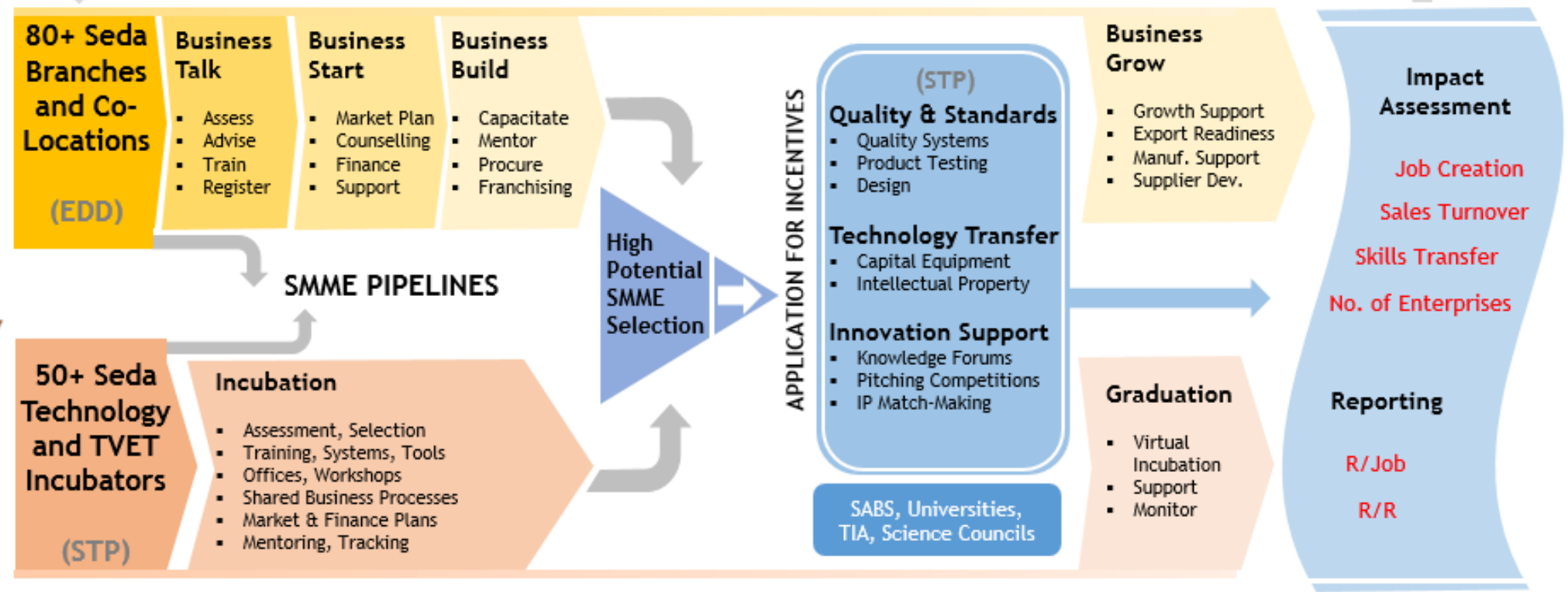


Approximate timelines during each stage

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



EDD: Seda Enterprise Development Division  
STP: Seda Technology Programme

Tools and Partners

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

Technical and Commercial Service Providers





*“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*

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an agency of the dsbd



**THANK YOU**