

Advice for Start-up Business Owners

"It takes time to succeed because success is merely the natural reward of taking time to do anything well!" |JOSEPH ROSS|

So you have an idea – one that could result in a viable business - but where do you start and where can you get help and advice? In the following articles we look at some of the essentials for planning, establishing and growing your business. The information has been supplied by people who have professional knowledge of the law and taxation and who are experts in the fields of IT and business management. There's a success story too – to encourage and inspire you. Contact details are provided should you want to find out more.

- Starting your own Business Petrina Roberts
- The Other Side of Strategy Marcus Coetzee
- The Importance of researching your market John Peters and Suzanne Greef
- An effective business plan www.frain.org.za
- A business plan outline www.frain.org.za
- What sort of business – the legal implications Xoliswa Daku
- How to register your business CIPRO -
Companies of Intellectual Property Registration Office
- Useful information about the 4 types of business SARS - South African Revenue Service
- Tax and your Small Business Xoliswa Daku
- Value Added Tax guide SARS - South African Revenue Service
- Twenty important points to remember when tendering Sophia Davids
- The importance of following-up on your tender submission B.O.N.
Business Opportunities Network
- IT Management and Support Reforge Systems
- Important factors to bear in mind when accessing finance Rosy Jethro
- Promotion of Access to Information Act Cape Chamber of Commerce
- SUCCESS STORY:
Starting a Publishing and Design Business Henry Ludski



Starting your own Business

There are many reasons why people feel the need to start their own business: Maybe you have lost your job through retrenchment and do not want to risk having to be dependant on an employer again.

| VERA LAWRENCE, SANTAM & PETRINA ROBERTS, EXECUTIVE DIRECTOR, MENNGOS |

Unemployment could be a motivating factor and you might have decided that you would rather determine your own destiny and set yourself a series of goals to become financially sustainable. Possibly you have decided 'enough of this working for a boss and enriching other people'. Perhaps you feel that you have a particular skill and want to develop it to its maximum potential by selling a product or service to an identified market. Whatever the reason there are critical success factors that need to be considered.



Once you have an idea, it will be in your interest to plan for success, so before you proceed, back track, do some thorough homework and consider the following factors:

Every business needs a Business Plan! It can be regarded as your road map to success. When you leave on a journey from Cape Town to Gauteng by road there are many factors to be considered. What do you need for this journey? Do you know the route (N1), you might land up in Namibia if you take the wrong route (N7). What about petrol? Where will you be staying in Gauteng? Will you need a food and an entertainment allowance? What

resources will make all this happen? A plan will be needed to achieve your objective successfully: a roadmap and money to realise your goal!

A Business Plan process has many similarities. In your business, are you going to sell products or your services? A proper description of the product or service will be needed. What will be unique about your product or service? What will make your product stand out from other similar products or services?

Have you established a market for your product or service? What market research have you conducted? Many small businesses fail due to business owners running with a business idea before conducting market research.

As a Start-Up business you will need some idea of who your clients will be. How many will buy your product? Is your market in your own community or is there potential to develop a market further afield? Can both potential and secure clients afford your products? Have you conducted a simple market survey to realistically gauge your figures and to assess your potential market share? What risks are involved? Do you have competitors? A simple market survey will help you determine the answers to these questions and begin to minimise the risk of failure.

What are the requirements of the business in terms of office space, equipment and staff? Setting up an office will require finance/money for rent, electricity and telephone and fax communications. The product

Relevant Information for existing Small Business



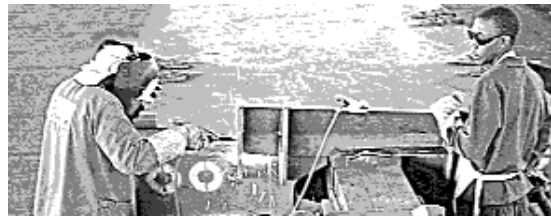
Congratulations – you have established your business, now you face the challenges of the business world and of making your business grow! In this chapter we will provide you with essential business management information and take a look at labour laws and the effect of AIDS on small business. Tax and market research are two vital areas of concern and you should also be aware of legislation governing joint ventures, patenting and the Competition Act. MENNGOS have compiled some useful advice for you and the success story in this chapter looks at a business which was failing - but the partners were brave enough to set off in a new direction and reap the rewards of success.

- | | |
|-----------------------------------------------------------|---------------------------------------------|
| • Administration
(Retention of Records) | Blue Business Book |
| • AIDS is your Business | Metropolitan Life |
| • Black Economic Empowerment Report | An introduction |
| • Black Economic Empowerment at TELKOM | TELKOM |
| • Rural Small Business Assistance Programme
Foundation | ESKOM Development |
| • Growing together towards a successful future | KPMG |
| • Joint Ventures and Contracts | KPMG |
| • What to consider when establishing Joint Ventures | Business Opportunity Network article |
| • Labour Laws governing Small Business | Xoliswa Daku |
| • A Simple Tax Guide | South African Revenue Services |
| • BRAIN: An Essential Market Research Tool | Wiseman Nako |
| • Useful small business information | Compiled by MENNGOS |
| • Patenting | Support Programme for Industrial Innovation |
| • The Competition Commission | William Maphoto |
| • SUCCESS STORY: From plastic bags to fruit juice | Sukuma Trainers Co-operative Ltd |

In the directory at the back of this book you will find a LIST OF USEFUL SMALL BUSINESS BOOKS many of which are available at your nearest LBC.

Opportunities in various sectors

We've looked at the rules and regulations for setting up your business and discussed essential aspects to keep you organised and successful.



Now we turn our attention to opportunities in various sectors: agriculture, franchising, exports, fishing, minerals and energy, and tourism. You might feel inclined to skip sectors that you feel have nothing to do with your business – DON'T DO THAT! There's valuable information about markets, investment opportunities, general business hints and personal knowledge that you will find useful. Several success stories are dotted throughout this chapter – be inspired and make use of all the opportunities on offer!

Agriculture

Here you will find specific hints and contacts for people involved in Agriculture and inspiration for all entrepreneurs.

- Organic farming & land reform in South Africa
 - Crop rotation
 - Investing in FUR – African Alpacas
 - Land Reform Business Opportunity
 - Highlighting an emerging farmer
 - Proudly South African – Mohair
 - Agrilink provides small farmers with markets for products
 - New crops and Technologies Feed Agritech Unit
 - SUCCESS STORY: Farmers & Workers join as one company
- Moegammad Kara
 - Farmer's Weekly
 - Compiled by Petrina Roberts
 - A Khula Product
 - Famer's Weekly
 - Farmer's Weekly
 - Ntsika Procurement & Business Linkages
 - Cape Times Business Report 25/2/2003
 - Big News for Small
 - Business Newspaper September 2002

Exports

Does your business produce goods which could be exported? Read on for information about support structures and export opportunities ...

- TIDP – Development of exports
 - SUCCESS STORY – A Soap Manufacturer
 - Connecting Globally - International Trade Links
 - Export Funding Reallocation
 - International Trade Exhibition Specialists
 - EMIA International Trade
 - Export Support Scheme - updated guidelines
 - The AGOA Trade Agreement
- Trade & Investment Development Programme
 - Trade & Investment Development Programme
 - Roland Hein (WESGRO)
 - Trade & Investment South Africa
 - International Trade Exhibition Specialists
 - compiled by MENNGOS
 - compiled by MENNGOS
 - African Growth & Opportunity Act

Incentives for small business

Life is always a little easier when someone is encouraging you! The same is true in the business world. For SMME owners who are often working on their own, or with a very small workforce, knowing someone has faith in you and your ideas and is willing to give you work is even more important.

In the following chapter we look at incentives for small businesses, especially those owned and run by people from the previously disadvantaged sectors of society (PDI's). Take careful note of the organisations who will give YOU advantages when considering your tenders - and don't forget the lessons learnt in Chapter 1 on submitting tenders! We also take a look at SETA's - the Services Sector Education and Training Authority.

The success stories look at SELF-INCENTIVES and at a consultant who has succeeded as an individual in the business world and has also opened doors to hundreds of other PDI's through his involvement in the Business Opportunities Network (BON).

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| <ul style="list-style-type: none"> • Department of Trade and Industry incentives for SMME's
<i>HINT: LOOK AT THE SMEDP SECTION IN THIS ARTICLE!</i> | Department of Trade and Industry |
| <ul style="list-style-type: none"> • Tendering: Government development initiatives focusing on Black and Emerging Businesses | Western Cape Government |
| <ul style="list-style-type: none"> • Preferential Procurement Policy | Western Cape Government |
| <ul style="list-style-type: none"> • SUCCESS STORY: Incentives in Farming | Kevin Wultefeld Jansen |
| <ul style="list-style-type: none"> • SUCCESS STORY: Profile of a Consultancy | Brian Johnston, FABCONSULT |
| <ul style="list-style-type: none"> • SETA's – an introduction | MENNGOS |

The Department of Economic Affairs, Agriculture and Tourism designed a booklet addressing difficulties and challenges as well as offering advice and possible solutions to specifically emerging businesses. It covers:

- How small businesses are classified and categorised
- Points to ponder on whether or not you possess the skills and know-how to have your own business
- Pitfalls to watch when embarking on having your own business
- Checklists with basic "important to know and to haves"
- Guidance on Researching the industry, market and competitors
- Guidance on the Financial implications of having your own business
- Listing financial contacts
- Explaining the laws governing businesses
- Explaining other legal considerations
- Discussing the preparation of a business plan
- Giving information relating to support organisations

THIS BOOKLET IS AVAILABLE AT 9 DORP STREET, PO BOX 979, CAPE TOWN.
TEL: 021 483 2628 OR FAX: 021 483 4892 OR
E-MAIL: jpeters@pawc.wcape.gov.za

Facilitating access to finance

“Money makes the world go round ...” or so the saying goes. It certainly is essential when you are setting up your business or looking to expand.

The fact is that it is very difficult for SMME's to access loans – and those business owners who use their homes as collateral or turn to money-lenders for financial assistance can end up losing everything. When accessing finance you must protect yourself, your family and your business partners. In the following pages we'll have a look at the pitfalls, the opportunities and some of the service providers in the world of finance for SMME's. The success story looks at a woman who nearly lost all when she was charged with breach of contract – but who went on to create a successful construction business by accessing the right sort of financial assistance for her circumstances.

Another famous saying is: “nothing is certain – except death and taxes”. Strange as it may sound you must factor death into your business planning. What happens to your partner and your family if you die? Will you leave them with a positive future or destituted? That's why we've included a section on trauma and life assurance and on drawing up a Will. Read on, it's not all doom and gloom if you plan carefully for the future.

- SMME's and the micro lending industry Rashid Ahmed
- Tips to access finance Reuben Japtha
- Financial Products compiled by MENNGOS
 - ABSA
 - African Contractors Finance
 - Khethani Finance
 - Standard bank
 - IDC
- SUCCESS STORY – Accessing Finance Sylvia Khumalo

Preparing Small Business for the future

- Sanlam Trauma Policy SANLAM
- All you need to know about Wills and Estates First National Bank Trust Services



Youth and women in business

Every person entering the business world faces challenges - some more than others.

Young people with bright ideas and seemingly limitless energy might not have credibility – simply because they are young. They often struggle to gain access to financial support, because they have no savings or property to act as surety and they face the question: “what experience do you have?” when there hasn’t been an opportunity to gain any. Women face similar problems in accessing finance and often have the added responsibilities of running a home and being expected to support their partner in developing his career or business, with no reciprocal support to realise their dreams.

So, do they sit back and feel like victims? NO – many young people and women get out there and make a success of a business, despite the challenges! In this chapter we look at support structures and incentives for young people and women in business and celebrate some of their successes.

Youth in Business

- Umsobomvu Youth Fund - an Overview
- Umsobomvu Youth Fund Voucher Programme
- Umsobomvu Moves into Higher Gear to ensure Economic Access for SA Youth
- The Centre for Education and Enterprise Development
- SUCCESS STORY : Kickstart into exports
- SUCCESS STORY: An artist builds a Business
- SUCCESS STORY: Filling the gap in advertising
- The Nations Trust - Youth Enterprise Finance
- David Brothers Tool Hire
- Ndumi Mayile,
- Katleho Namane Chalala
- Inkululeko Soft Drinks Distribution
- Umsobomvu Services and Products
- Umsobomvu Voucher Programme
- Umsobomvu Advertorial
- The Centre for Education and Enterprise Development
- Emma Makatu
- Centre for Opportunity Development
- Education With Enterprise Trust
- The Nations Trust Advertorial
- Christopher Davids
- A Dressmaker
- Fashion Designer
- Jerry Hlongweni

Empowering Women in Business

- MENNGOS Policy document
- Empowering Grassroots women
- New Network Opportunities
- ESKOM Creates opportunities for Women
- Black women are entering the Franchise Market
- SUCCESS STORY: International chemical business
- SUCCESS STORY: Re-location becomes a business Opportunity
- SUCCESS STORY: Starting a Business Telemarketing Gift baskets
- MENNGOS
- Maradadi
- Women for Housing
- ESKOM
- Franchising
- Euleen Felix
- Ailsa Tudhope
- Marlene Pillay



Success Stories Awards and Competitions

We all face challenges in building and running our businesses. At times we feel despondent and wonder whether it is worth all the work and strain. That's when we need encouragement!

The following stories show how entrepreneurs and small business owners have overcome hurdles and found success. They tell tales of determination, acknowledge the support structures and individuals who have offered a helping hand and they show how important it is to use every opportunity which comes your way. In this chapter you will meet people who are realising their dreams - their experiences and advice might be just what you need to hear RIGHT NOW! Then we take a look at the rewards and recognition to be had in entering competitions and receiving awards.

Success Stories

Agriculture

- Irrigation project

Mdantsane Business Service Centre

Construction

- Amabamba Fencing

Technology Women in Business

Fishing

- Ruwekus Fishing

Business Partners

Informal Market and Trading

- Informal traders find more power in being formal
- Selling and Teaching
- Spaza Success

Limosa Investment Limited
Weskuns Arts & Crafts Store
Zenzele Training and Development

