

Love to Give

Enterprise Development Project

Introduction:

There are two levels of enterprise development that Love to Give run. The first is dealing with starting and growing very small businesses with the women who are on our programme.

The second level is for businesses that have been in operation for a minimum of six months and have an average monthly turnover of less than R5 000 per month. This is open to the wider Kayamandi community as well as the beneficiaries of Love to Give.

Basic Enterprise Development

Any of the Love to Give beneficiaries who want to start or grow a business enrol in a three month course showing them how to start a small business and how to grow an existing small business. This course is run three times a year and on average 30 women complete the course.

During the course they evaluate different business ideas that they have, look at the competition that exists in the area that they live, work out what their profit margins would be like on the product/s that they wish to sell, evaluate the interest of their market, strategise how to market their product/s, learn how to manage money in their business and then develop a very simple three page business plan as well as a budget for their business.

If their business plan looks viable then they are able to access an interest free loan of up to R1 000 to start their business or grow an existing business. This loan is generally paid off within five months. For the duration of the loan they continue to get advice and help from a business mentor.



Types of Businesses

The types of businesses are usually retail related. Business owner buy stock from factory shops and then resell them in the community. There are others who sell items that they have made and these range from clothes to crocheted bags. The sale of second hand clothes is also a popular relatively risk free starter business and Love to Give facilitates this business by distributing second hand clothing that has been donated by a local Stellenbosch church.

Other businesses include starting a small crèche, being a day mother for the small babies and toddlers of women who work, putting in hair extensions, selling braaied meat and food on the side of the road and the sale of meat, chickens and paraffin.





Second Level of Enterprise Development


This project has been running for just under a year and there are clear indications that it is has been very successful. Two groups of ten business owners that qualified were admitted to the programme. They were offered a R5 000 loan/grant to grow their business. Each of the beneficiaries submitted a basic business plan of what they wanted to do with the money. They worked with a business mentor to ensure that this was the best way to spend the money. Once this step was completed they were given the R5 000. Half of this was a grant and the other half (R2 500) was an interest free loan which needed to be paid back within 10 months.


During the period of the loan, they continued to meet regularly with the business mentor who assisted with business advice, help with setting up facebook pages and a presence on line, as well as being helped with quoting for jobs and finding specialised help and business contacts.

Profiles of Second Group of Beneficiaries


	Type of Business: Crèche
	Name of the Business: Umtha Wemfundo Educare
	Situated: 1860 Snake Valley
	She has spent the money on building a toilet for the kids. This will assist the crèche to meet the health and safety regulations put up by the department of Basic Education and Social Development to establishment looking after adolescents. It will also prevent easy transmission of diseases.
	Ntombizanele Mvoto


	Type of Business: Student Accommodation
	Name of the Business: Rubu's Place
	Situated: 138 School Crescent Snake Valley
	She has spent the money on renovating the rooms she is renting out to students. This will allow her to increase the monthly rent. And create a more homey atmosphere.
	Ntombizintathu Pukuza


	Type of Business: Variety Business (Sales)
	Name of the Business: Nozukile Business
	Situated: 153 Mdala Street
	She has spent the money buying stock. It will maximize her turnover.
	Inrene Mrali


	Type of Business: Dress Making (Sewing)
	Name of the Business: Kulu's Fashion Designer
	Situated: J218 Ndumela Street
	She has used the money to buy material and a design new range and keep stock on the shelf.
	Saliswa Nqwitha

	Type of Business: Variety Trading
	Name of the Business: Ikunyamezela
	Situated: A 3 Flat 13th Street
	She has spent the investment on new pots and stove to start braaing and baking. She will also hire them out during events (Stokvel, funerals and parties)
	Nombeko Mantshi

	Type of Business: Dress Making (Sewing)
	Name of the Business: Siyakhula Sewing
	Situated: J238 Dumela Street
	She has used the money to buy material and design new range and keep stock on the shelf.
	Nomvula Mgadi

	Type of Business: Fashion Design
	Name of the Business: GT4 Enterprise
	Situated: D147 Monde Crescent
	She will use the money to buy industrial machine and start working on school uniforms.
	Lebohang Masokanye

	Type of Business: Variety Trading
	Name of the Business: Beauty's Bargain Clothing
	Situated: D 90 Luyolo Street
	She has spent the investment on new pots to start braaing and baking. She will also stock clothes and perfumes.
	Beauty Lindelwa Vundle

	Type of Business: Hair Salon
	Name of the Business: Nomapha Hair Salon
	Situated: J11a Setona Street
	She will use the money to buy cosmetics, hair products and chemical. She will stock cosmetics products to beef up her income.
	Nomapha Mntuyedwa

Repayment of Loans

The repayment of the loan portions of the grant/loan has been going relatively well. There have been a few hiccoughs but significantly few. The role of the business mentor has been crucial in this process. Paul has been able to follow up on any late payments, find out why payments are late and then come up with suggestions if they are having difficulty paying.

The repayment schedules can be found below:

Names	Total Loan Disbursed	Pd Prev	Aug-16	Sep-16	Oct-16	Total Repaid	Balance
Bongeka Mbabalala	R2 500	R500	R250	R250	R250	R 1 250	R 1 250
Mncedisi Nyanga	R2 500	R500	R250	R250	R250	R 1 250	R 1 250
Noma Afrika Dyantji	R2 500	R250	R250	R250	R250	R 1 000	R 1 500
Nomsa Sihoyi	R2 500	R490	R250	R250	R250	R 1 240	R 1 260
Esethu Bangaza	R2 500	R500	R250	R250	R250	R 1 250	R 1 250
Kholeka Bangela	R2 500	R500	R250	R250	R250	R 1 250	R 1 250
Nonyameko Herwel	R2 500	R250	R250	R250	R250	R 1 000	R 1 500
Nondyebo Belebesi	R2 500	R750	R250	R250	R250	R 1 500	R 1 000
Zizo Sitole	R2 500	R250	R250	R -		R 500	R 2 500
Nomvelo Kuta	R2 500	R250	R250	R250	R250	R 1 000	R 1 500
						R11 240	R13 760

In this group, the only one who has had a problem with repayments has been Zizo Sitole. She got a job recently and her business didn't get the necessary attention to continue effectively. She was also without an income for the first month before her salary was paid. After consultations and meetings with the business mentor, Zizo has elicited the help of an unemployed friend of hers who will help her run her business during the week when she is at work. She will be able to put time into the business over weekends. She anticipates being able to make a payment at the beginning of November.

The second group of beneficiaries repayments are as follows

Names	Total Loan Disbursed	Sep-16	Oct-16	Total Repaid	Balance
Lebohang Masokanye	R2 500	R250	R250	R 500	R2 000
Nomvula Mgadi	R2 500	R250	R250	R 500	R2 000
Saliswa N. Nqwiha	R2 500	R -	R250	R 250	R2 250
Nokoleko Mantshi	R2 500	R -	R250	R 250	R2 250
Inrene Mrali	R2 500	R250	R250	R 500	R2 000
Ntombizanele Mvotho	R2 500	R250	R250	R 500	R2 000
Beauty Lindelwa Vundle	R2 500	R250	R250	R 500	R2 000
Ntombizintathu Pukuza	R2 500	R250	R250	R 500	R2 000
Nolitha Esme Makalima				R -	R -
Nomapha Mntuyendwa	R2 500	R250	R250	R 500	R2 000
				<u>R4 000</u>	<u>R21 000</u>

Nolitha Esme Makalima replaced one of the other beneficiaries who decided not to be part of the project before payment had been made to her. Mama Esme's loan/grant will be paid out in the next week and she will make her first repayment at the end of November. Her business is home stays. She rents out accommodation to tourists as well as overseas volunteers who have come to work in the community.

Life Coaching, Business Mentoring and Business Courses

Further group life coaching has taken place with both groups. The participants have found this useful and have enjoyed getting together with the other beneficiaries as well as learning how to overcome inner obstacles and realise their strengths and unique gifts.



Baxolile Zwane the Life Coach working with Beneficiaries

The business mentoring has been crucial in keeping the project momentum going, advising and motivating the beneficiaries as well as dealing with issues as they arise and before they become a major problem. Our good repayment record thus far can definitely be attributed to the work that the business mentor is putting in and the regular contact that he has with all of the participants.



Paul Khambule the Business Mentor

The business mentor identified a recent SEDA course for small businesses that was taking place in Stellenbosch. Interested beneficiaries filled out application forms for the course and participated in the two day event. Feedback from the beneficiaries was that it was useful although many of them found it difficult to follow all of the discussion as it was in English and was also largely structured for more formalised businesses. Nine of the beneficiaries took part in this course. We will be referring our beneficiaries to any further useful courses that are offered by the local SEDA office.

Other Developments

Nonyameko Herwel's baking business (Charl's Baking) will potentially be supplying biscuits to Melissa's in Stellenbosch. With the help of two local business people, recipes were tested as well as product and packaging designs developed. The initial discussions and tasting with Melissa's owners has been favourable and further refining of the product will be taking place in the next few weeks. We are hoping that this will lead to an increase in Nonyameko's turnover and further growth in her business.



Nonyameko's biscuit taste test for Melissa's

Paul Khambule has also had contact with an artist living in Franschoek who has contacts in Europe (Belgium and the Scandinavian countries) and is setting up a web portal to promote small businesses in the greater Stellenbosch area. A few of our beneficiaries will be included on this website and will be assisted with dealing with queries and orders for their products. Additionally it will promote Kayamandi and local business people to tourists coming from these countries.

Picture Essay of Some of the Beneficiaries and How They have Utilised Their Loan/Grant



Nomvula Mgadi with the clothes that she is making



Mncedisi Nyanga with one of his "Smileys"



Zanele Mvoto's crèche children in their temporary structure while the new crèche is being built



The new crèche taking shape. The loan/grant was used to purchase and install small toilets in the permanent structure



Mama Esmé in her “Home Stay”

Conclusion

All indications thus far are that the projects are successful and have enabled the micro-businesses to be started and grow with an increase in turnover. It has also become clear that a few of the businesses could grow further with the help of outside investors and have the potential to become very successful businesses. Two examples of these are Kholeka Bangela’s event hire company as well Nonyameko Herwel’s Baking business. Both of these businesses could also be providing work for other members of the community in the future.

It has also become clear that in an impoverished community it is really difficult to start and grow a business without some financial aid. We would like to continue to offer this to the small businesses in Kayamandi as well as being able to provide the assistance of a business mentor and business coaching. None of this is possible without the financial aid of donors.