

The Entrepreneur Competition

Executive Summary

The Entrepreneur competition was initiated by the iLembe Chamber of Commerce in 2011 in a joint venture partnership with African Bank and Enterprise iLembe (local municipal development agency), with the purpose to provide entrepreneurs and small businesses with a platform and vehicle to move their business forward to a sustainable level of growth where they could be competitive in the local business arena.

Like other chambers in the country, the ICCIT recognises that a strong local business environment encourages the growth and expansion of existing businesses and, international research shows that up to 80% of all new jobs are created through stimulating the growth of existing small businesses.

Given the current weak economic climate and high unemployment rate of both the iLembe region and the county as a whole, the need to assist SMME's was identified as critical.

The iLembe Chamber designed programme that would not only provide free mentorship, guidance and training to enhance the skills necessary to run and manage a sustainable business and to improve their business model, but would also provide the opportunity for the entrepreneurs to win vital capital investment for their business.

The 2012 Entrepreneur Competition saw 30 semi-finalists go through an intensive 8 week programme which covered all aspects of putting together and fine-tuning their individual business plans including; outline and strategy; marketing and sales planning; operational planning; staffing; financial planning and presentation skills.

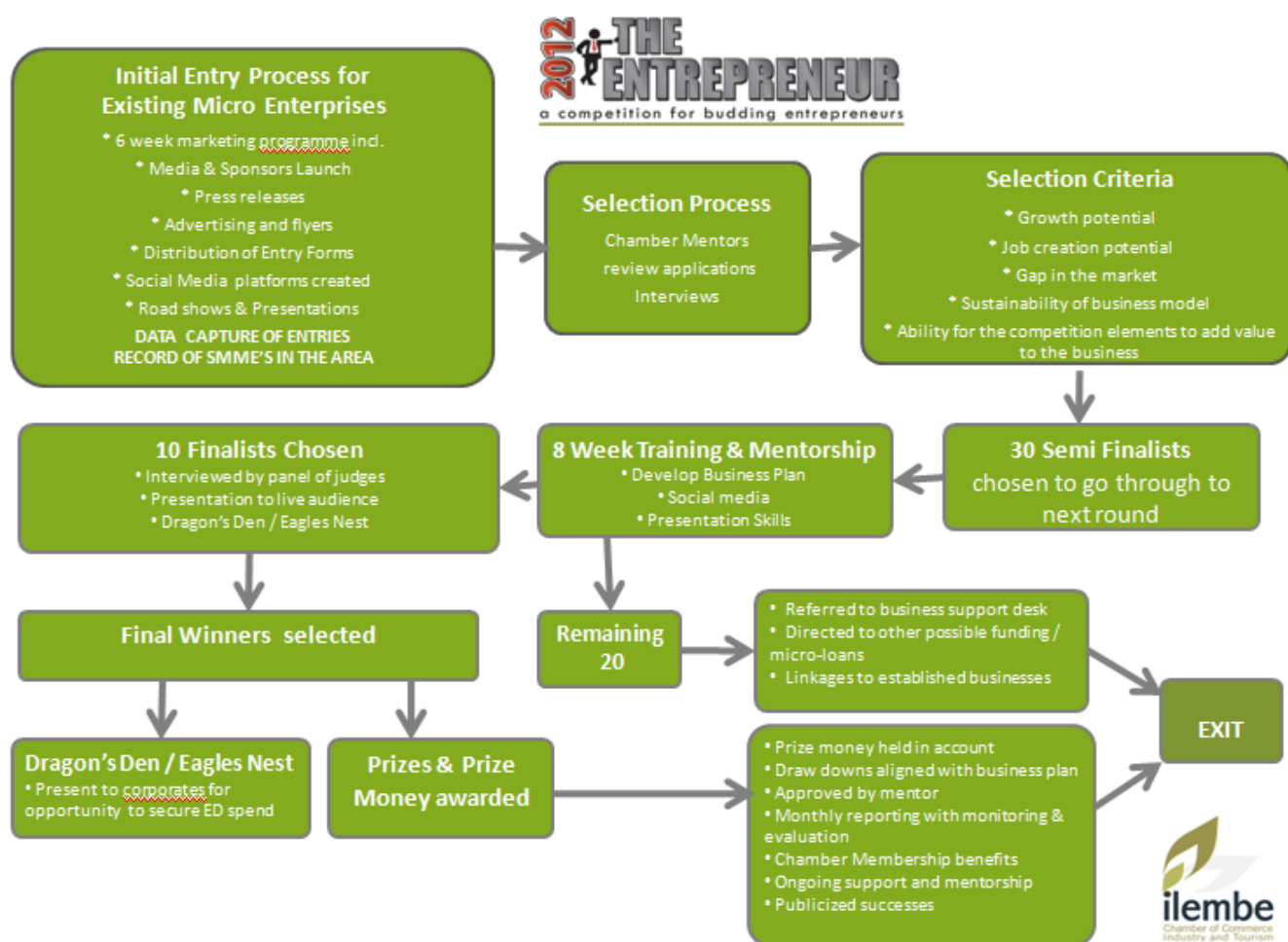
The mentorship together with a panel of judges spent a considerable amount of time reviewing and discussing the merits of each individual application as well as interviews with the entrepreneurs. A rigorous screening process and scored on the following criteria; the candidates track record, ie. their experience and length of time the business has been operational; the niche market for their product or service; the future growth & job creation potential; the long term sustainability of the business model; the ability for the training and mentorship programme to add value to the business and; the consideration by the mentors if they would personally invest in such a business. Eleven finalist were then chosen and underwent further mentorship and a workshop on presentation skills which would prepare them for the final event, which involved each of the finalist presenting their businesses on stage in front of a live audience and panel of judges.

A total of R 320 000 prize money was shared between the 5 winning entrepreneurs to be invested into their businesses under the guidance and authorization of their mentors. In addition, the finalists received exposure and marketing opportunities through an extensive media campaign pre and post the competition, which drew the attention of many larger companies and organisations who came forward and donated further prizes, assistance and venture capital.

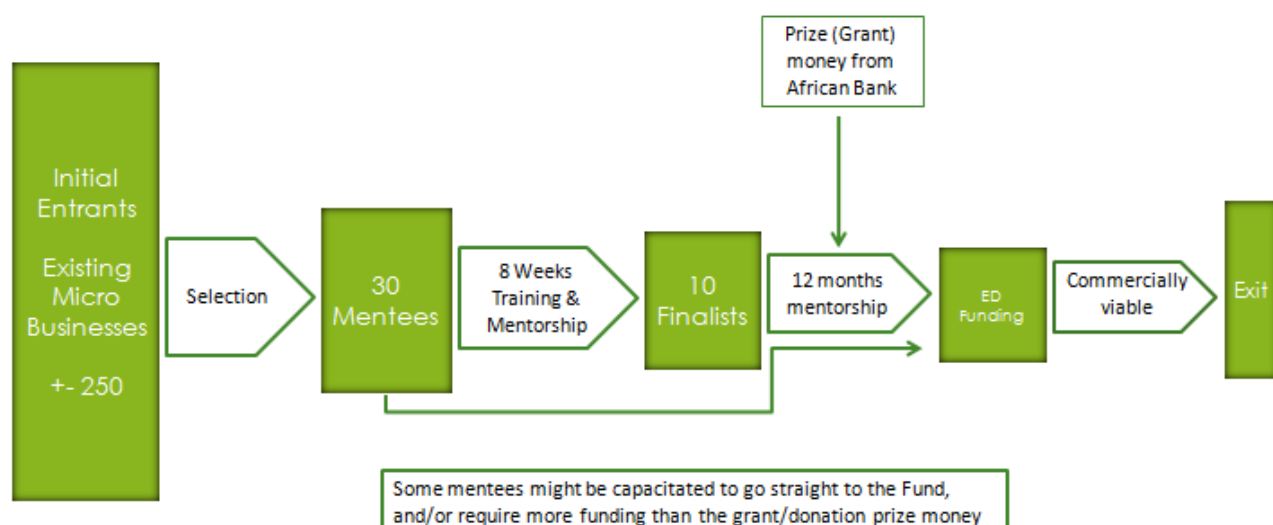
The Entrepreneur Competition is aligned to the Chamber's objectives in that it promotes and supports new and established local enterprises, it identifies and creates employment opportunities and promotes best practice in business. The joint venture has also enhanced public/private relationships and has used local resources and skills to maximise opportunities for business growth and development

This programme has the potential to have an enormous impact on enterprise development and job creation in South Africa. Unemployment is one of the greatest challenges facing South Africa, and the Chamber has the opportunity to increase its impact on job creation through this innovative competition and be at the forefront of this positive change in South Africa.

The 2012 Entrepreneur Competition process flow



The Entrepreneur ED Funding Programme



The Entrepreneur Competition

The Final Event and Outcome of the 2012 Entrepreneur Competition

The grand finale show took place on the 1st of November 2012. The event attracted more than 120 guests, including some of last year's competition winners, VIP guests, sponsors, local business owners, the Chamber Mentors who have coached and trained the finalists over the last couple of months, members of the media and the supporters and fans of the finalists. A group of six Grade 10 Business Studies learners from the local college also attended the event. The class has been following the competition's progress since its start and were keen to find out who the winners were.

The judges panel included carefully chosen businessmen and women who have demonstrated their own entrepreneurial success in the local business arena.

The finalists all took to the stage and were allocated 5 minutes to pitch their business to the audience and judges panel, followed by on-the-spot questions from the judges. "The quality of the presentations and the business plans was absolutely outstanding, which was a tribute to the months of hard work of the contestants and the dedication and expertise of the mentors." Said judge Jane Wiltshire

The judges had met and interviewed each one of the finalists in the week leading up to the final event, to get to know the contestants and explore their entrepreneurial qualities. "The jockey is just as important as the horse when it comes to a winning team", said Trenley Tilbrook CEO of iLembe Chamber of Commerce, Industry & Tourism and added, "Even if the businesses plan itself is good, it can only be effectively implemented if the entrepreneur exhibits important qualities such as enthusiasm, self-confidence, passion, optimism and perseverance to ensure success."



The Entrepreneur Competition

The Final Event and Outcome of the 2012 Entrepreneur Competition.....

The Top 5 winners' line-up included;

Cindy Gien, who won R50 000 investment into her company called Domestic UIF, who offers a simple online registration service for Domestic Employers with the Unemployment Insurance fund.

Bhekile Buthelezi also won R50 000 investment into Buthelezi Enterprises who offer an Internet Cafe and printing service located in the neighbouring community of Etete.

The charming duo from Superwaste Recycling, Vusi Maduna and Xolani Sibiya receive R30 000 which will go towards the transport and logistics of their recyclable waste products. These two young men who started their waste recycling business four years ago – with two supermarket trolleys and flattening tin cans by jumping on them. They now have equipment worth R70,000 but have still never taken a salary. However, when they sold their first batch of glass (30 tons broken with a 4lb hammer), they did take R100 to buy themselves one pizza!

Donald Manda, alias 'Donald Trump' of Donald Manda Properties receives R30 000 which will be used to employ and train 2 new staff members.

Toni Watson, aka 'The Iron Lady' (because she gave birth to her baby daughter during the final weeks of the competition), and owner of The Sarmie Shop receives R30 000 to expand her catering operation.

The runners up certainly did not go away empty handed, and all received R5000 for their efforts, as well as more unexpected additional prizes donated by local business, organisations and venture capitalists:

Ntombifuthi Mavundla owner of NTO's Home Bakery was delighted with her donation of a new oven, sponsored by Ellerines, which will make her cup cake baking a whole lot easier and more efficient. Until now, Ntombifuthi has had to get up at 2am when she gets a big order to bake her cup cakes (6 at a time in her mini oven) to ensure that she is able to deliver fresh product to her client. Lifestyle Spar is also sponsoring her with R500 of ingredients.

Emritha Maharaj, nicknamed 'The Banana Queen' from Amy's Fruit & Veg will be assisted with venture capital from the Kelleigh Trust.

Lungile Khuzwayo a dressmaker and designer was given a box full of designer evening wear garments donated by a locally based senior executive of African Bank, which she will hire out to her clients through her company Siyaqhakaza, and will also receive a new sewing machine and other equipment and fabric kindly sponsored by The Lions Club.

Bonginhlanhla Mncube from Cherish Funeral Services, Tholakele Sibiya of Inqununu Fresh Daily Vegetables and Nonhle Dlamini owner of Designa Bedouin Tents & Events, made up the remainder of the eleven finalist positions, with Nonhle also being assisted further by financing of new tents by UTL Financial Services.

Over and above the capital investment prize money, the Top 5 also receive a 12 month contract with a local business management company, who will provide the winning companies with an all-inclusive business service, including business planning, mentoring, marketing, bookkeeping, year-end financials, tax planning, BEE advisory and business administration. All this is bound to give the winners leverage to further develop and grow their enterprise.

The finalists were further rewarded with a 12 month free Chamber membership, and will be closely monitored and assisted with the development of their businesses, with the help of the Mentors. During this time it will be decided which of the Top 5 will receive a further equity investment of R100 000, based on their continued performance.

The event was also filmed by a local film company which was screened on national television in a series of 4 x 45 minute slots. Discussions are currently underway with a production company to source funding in order to produce a reality TV show similar to that of popular series "The Dragon's Den".

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Benefits of the Competition

The Entrepreneur Competition has helped enhance business competitiveness, has increased markets for many new businesses, and has highlighted obstacles to business growth. Through the marketing campaign linked to the competition, the Chamber has received great exposure and thereby increased membership numbers as well.

In summary the benefits are:

- ❖ Supports local economic development (LED)
- ❖ Promotes Business Retention and Expansion (BR&E)
- ❖ Promotes enterprise development (ED)
- ❖ Assists corporates with their BEE scorecard, avenues for their enterprise development points
- ❖ Promotes, inspires and develops entrepreneurship
- ❖ Creates linkages between established business within economic hubs and the second economy
- ❖ Gives fledgling businesses access to opportunities
- ❖ Provides exposure to micro-enterprises (entrants)
- ❖ Showcase chamber's commitment to LED, ED, BR&E and small business development
- ❖ Gives chambers excellent exposure
- ❖ Encourages chamber member companies participation

The Future of The Entrepreneur Competition

Local and international organisations, both in the private and public sector, have expressed interest in partnering with the ICCIT on this programme to further develop and drive this worthy and impactful initiative.

The University of Kwazulu-Natal Graduate School of Business (South Africa), has done a case study on the 2012 competition and will be working closely with the iLembe Chamber on further enhancing this programme.

This will also include a workshop and on-site visit to iLembe in early January 2013, where students of both the UKZN and guest students from the Massachusetts Institute of Technology US A (School of Entrepreneurship) will be engaging with some of the winners of the 2012 competition and mentors, to seek possible interventions for the challenges facing entrepreneurs.

This programme received the attention of the South African Chamber of Commerce & Industry (SACCI), who have endorsed the project and have expressed their support for the competition to be run through other chambers in the country. As a result, three other chambers from various provinces will also be running The Entrepreneur Competition in 2013, with the intention that the winners from each of the 4 competitions will then go forward and compete on a national level.

The competition has the potential to grow into a far reaching event which will attract the attention of government and corporate companies nationally who may be looking for opportunities to invest in small business and entrepreneurship.