

R2 I was also referred at Umsobomvu to a private business advisor whom I paid R200 in order to develop a business plan. It is that business plan that he drew up for me, the private consultant that I managed to get funding from Umsobomvu. But for them, they did not give you funding directly, they pay the suppliers of your business directly into their accounts for the equipment and whatever materials that you needed for her business. You just have to tell them what you need in the business plan and they work it out from there.

R2 This consultant that SEDA gave me only visited me once, this was even before I had started this business he never came back to her. When I called to ask SEDA for him or if they could give me someone else they told me that Paarl was too far. Up till now I tell you, no one from SEDA has ever bothered to see or find out how I am doing or try to offer any help especially when I was trying to establish my business. That is why I am still bitter with SEDA because had it not been for her own initiative, I would have had no business and no job since I resigned from Dis-Chem with the hope of starting my own business. I believed that the business plan would work out as was on the paper, but no.

She went on saying that EDA did not have any formal follow up sessions with its clients that it had helped. They were promised to be in a kind of network so that they could support and encourage one another, but all that never materialized.

R2 SEDA keep starting new programs with new clients but does not follow up or help its old clients. The whole thing was a flop. When I called SEDA to complain, all I was told is that 'will try to do it better next time'. But that does not help me now.....they really frustrated me.

R2 My business is doing very well. I am in the middle of town and I moved with some of my clients from Dis-Chem. A lot of people here know me so I have a lot of customers. But this is all my doing not because of SEDA.

R2 clearly appears to have a wrong perception of the role of SEDA. SEDA is indeed there to help and give advice to small business start-up. But it appears from this interview that SEDA promised them development of business plans and the actual business. So she got frustrated when the course ended because she was not helped in line with what she was being advised to do. She was left to start doing everything by herself. She had to re-develop the business plan, apply for funding, look for a place, buy equipment.

I think SEDA's needs to emphasise the point that it is just a support agency and not a lending organisation.

CASE 3

Respondent No. 3 - Married couple.

Location: Kuilsriver (Sarepta).

22/10/2009 at 16:30.

R3 are a young retrenched couple who worked for Shoprite. They have combined accumulated work experience in baking and operations management. Currently they both work at Pick-n-Pay

I went up to grade 10 ... I went up to grade 12. But I did a small baking and confectionery course at Shoprite Baking School, and that is what I do these days. I work at the bakery section in PicknPay and my husband works at the fruit and vege section.

R3 We heard about SEDA from my sister in-law who heard about it being talked somewhere RED door. They had a presentation and that is where they were told about all this business stuff ... starting your own business. So she came and told us at home.

They heard about SEDA by word of mouth from a family member who attended a session with Red Door and talked about SEDA. When they went to SEDA to seek help in starting a business, there were invited to a 2 day seminar by SEDA.

R3 When we went to SEDA in Bellville, they invited us to attend a two day seminar with them. We attended the seminar but it was mostly intended for existing businesses, the things they were talking of.... he stuff they were talking about was nothing that was interesting to us because they were talking about cars, things related to 210..things that attract tourism Not for small business like us... they were talking in dollars with the K sign... I don't know what the K sign means. It wasn't actually for us that wanted to start a business. And their talk was specific talks on tourism. It did not apply to us that time because we had no business.

But SEDA assured them they will help them start a business.

R3 SEDA gave us 3 names of business advisors to get quotes and choose one. We found the lowest price that we could afford from the list, and we found one that lived close by us in this area. SEDA paid 90% of what he charged and so we only paid 10%. But this one asked for his money before he helped us do the business plan, so we refused and told him we had no money, we only paid him half. He asked for R400 but we only paid him R200 because they said that he needed to finish helping us get money before we could pay him the whole amount.

R3 *He used to visit us everyday and gave us good advice but in the end it was not helpful because what we needed was the money which we did not get from them.*

R3 *We did not get any money from SEDA, we had good contact with the advisor. We decided to take the business plan to ABSA to apply for a loan. But we could not even start the loan application. We did not meet any of their requirements; I remember they asked us if we have a bank account with them. They said at least one needs to have a business account with them which we did not have. They also wanted the account to have been opened for six months with a balance of R10 000.*

R3 *We used our retrenchment packages to buy a few things like equipment, we bought miniature, cake mixer, fridge and a stove which we used for the business. The advisor linked us up with JJ Brokerage Service. He constructed a short term cash-flow plan that he used to negotiate with them. So they gave us a credit facility ... we used that that to buy our ingredients with Goos Bumps. We were supposed to be paying Goose bumps once we started selling our cakes.*

R3 *We started baking from home with R400 out of our own pocket. My husband was the sales person at this nearby U-Save supermarket you passed as we were coming. Our consultant helped us to keep record of all our sales and expenses. He showed us how to use their receipt book and how to keep a daily cash-flow statement. We were quite happy with his help as we had no idea of how to do that to do a cash flow statement. We just used to spend the money and not knowing how much we were using for the business.*

R3 *We could make up to R2 500 in just two days especially over the weekends. But we were struggling to pay Goos Bumps for the ingredients that they we had bought and the machine. So all the money we made went to paying Goos Bumps. Our business did not grow. We did not even finish paying off the debt until I was written off. After the business advisor heard that we were struggling to pay Goos Bumps, he disappeared from us, he never visited us and later I think he changed his number because we never got hold of him again since that time.*

R3 *We are actually upset because we had so much potential in this area to grow our business. Even now our neighbours keep asking us when we are going to start baking because not one has such a business here. But we do not have money now. We were even asked for mini quotes for industrial baking as well as price park homes ... these were going to be our potential places we could use to sell because we do not have good place to sell from. We used to sell outside the U-Save supermarket.*

R3 *We also tried to apply with Umsobomvu Youth Fund but the application was a long process, and we did not know how to complete the application form. Look, here they ask me for personal assets... I do not have any assets so I do not know what to put here.*

CASE 4

Respondent No. 4.

Location: Phillipi.

Sex: Female.

Date: 19/10/2009.

How did you come to get to know about SEDA?

***R4** I knew about SEDA from the South African Women's Entrepreneurship Network (SAWEN) which is connected to the DTI. They are a government arm, to assist women in the various agencies and it is through these organisations that SEDA's name kept on popping up and that is how she took interest into seeking help from SEDA.*

Did you attend any course with SEDA?

***R4** I did not attend a course with SEDA but I received products from them. I got the business plan and admin plan product from SEDA. Everything about my business was being done manually and it was causing such a lot of strain as the business was growing, so I needed help in order to for the business operations to run smoothly. I needed everything to be put together in terms of filing, accounting, anything and everything to do with admin within the business in order to keep a proper record of everything.*

What type of business do you do?

***R4** I am in the manufacturing industry, I manufactures doors, door frames etc, I own the business which has been running now for the past 5 years, but has been in the business for the past 12-13 years. I used to work for the business before I bought it. I have has about 15 permanent employees but she also get 2-3 subcontracting teams at the constructions site. Sometimes it can go to about 6 teams.*

***R4** I do not advertise my company because I am still in the process of establishing the company, I just advertise by word of mouth. Although that the company has great potential and has been able to beat some competitors in the market. Right now we are in the process of establishing the factory to be in a good running condition.*

***R4** SEDA has other service providers that help them deliver their products. When I went to SEDA to look for the development of a business plan, SEDA gave me 3 quotes where I chose from and I took the best of the three. I used Business Survivor Solutions (BSS). BSS did the business plan for me and the other service provider helped me on the admin plan. SEDA paid 90% and I paid only 10%.*

Did you apply for any funding?

R4 *The business was already in full swing when I went for help from SEDA. I needed the business plan because I wanted to apply for funding to expand her factory. I did not get the funding. At that time that I applied, my turnover was low and the banks did not approve my application. I have not applied for any funding since then because I have been waiting for my business to do well. I hope I can go and apply once again now.*

R4 *The service providers that they give are very much involved in helping you develop the business plan and whatever you need help from them “the problem that I have is that to even start to implement or assist the business owner or the SMME, it is someone’s money. I just feel that whoever in investing this money can better assist SMMEs if they were to involve the development of these products. I took two products, but it’s been absolutely no help to my business. Am grateful that I only paid 10%, but that’s my money from my returns. They say that they are giving you the business plan, but I had to take whatever they had to offer.*

R4 *If you have to ask me at any one time, that was my choice because that is what they had to offer and to that they came to help me at my point of need. And even with the admin plan, it was intensive, its beautiful, but I was given a formal document that doesn’t help me. As an entrepreneur, you are hands on, you are your owner manager. I know what I need in the business, so the document that they gave me was just a formal structure of what I already had in my head, It just wasn’t rolled out. It is irrelevant; it doesn’t make it useful or valid to the business*

R4 *I believe and I know that my business is very sustainable, because as for today she says I am debt free, my employees are earning good money compared to the others in the same industry. We have a good reputation in the industry, we are satisfying their clientele.*

R4 *I guess what SEDA or the government is doing is that they are using one system to evaluate or help SMMEs which is very irrelevant. Each must have its system which suits their business and I think this is where SEDA is missing the point. I think it a big waste of money. If they had to ask me to say , here is R30 000 how can it assist you? I am more than willing to tell them how I am going to use it and add my portion because I know my business and exactly what it needs and consider other skills. SEDA could assist to the pressure to provide assistance in terms of finance.*

R4 *I have not heard from SEDA since then. But the service providers came and I am in contact with them. SEDA needs to be seriously involved in the development of SMMEs. They are busy drawing up new programs, and most of them are irrelevant to the development of SMMEs. My concern though is that, whether what SEDA is doing has assisted us or not, the fact is that someone is*

paying for those programs. Whose money it? Tax payers' money? Whatever the case, It was not spent to the best of its ability. I get passionate about these things because when you run a business every cent counts.

R4 *SEDA helps with the development of the business plan and other products. But one has to look at what they are offering to see if its fits their business needs because for her, what SEDA offered did not suit my business needs, though they helped me develop a business plan in the end.*

