M&E framework for enterprise development within a township economy

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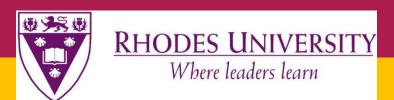




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Defining enterprises:

...a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more...

..., whether or not incorporated or registered under any law, ...

...size classification by sector...

Total Entrepreneurial Activity:

- 1. Entrepreneurial Intention
- 2. Early-Stage Enterprise
- 3. Established Enterprise
- 4. Business Discontinuance

Entrepreneurial Intention:

- Def: intend starting a business within next 3 years
- See a good opportunity + Belief in their skills + Grit
- For transition to entrepreneurial behaviour: enabling and support environment + cultural validation
- Exceptionally Low and Decreasing in South Africa

Early-Stage Enterprise:

Nascent: Committed resources, but no wages/salaries or income for 3 months

New Business Owners: Paid wages, salaries for more than 3 months, but less than 42 months

- Internationally comparable measure
- South Africa lower than comparable countries, support interventions required.

Established Enterprise:

Trading for more than 42 months

• Declined by 26% since 2015

- Sector specific support needed
- Relatively low due to earlier phases
- Sectorial stability indicator

Enterprise Discontinuance:

Withdrawal, closure, acquisitions

 67% due to financial reasons – cash-flow, profit margins

Rate of replacement low

Legislative Framework

 National Strategy for Development and Promotion of Small Business, 1995 National Small Business Act, 1996

Ntsika Promotion Agency + Khula Enterprise Finance

- Ntsika: co-ordinate and monitor training, advice and non-financial services
- SEDA, 2004 replaces Ntsika: provide Business Development Support services, generally through other agencies
- Department of Small Business Development, 2014: loan and credit facilities orientated

Legislative Framework

SEDA:

25% awareness, (Population Survey): largely Gauteng and urban centres Access to technology and technology innovation drive

Demands unmet:

- 1. Business Planning sector specific
- 2. Skills Training occupational upskilling
- 3. Access to market & funding opportunities

Thank You!

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