

SMALL BUSINESS SUPPORT

Dream about it? DO IT!

By Justice Mohale

Many South Africans will do anything just to make sure there's food on the table and roofs over their families' heads. For many business-minded people, if only they had the finances, they would secure themselves by starting a small business venture.

Government realised that small businesses often struggle, because they do not have enough money to keep a business going. To help, the Department of Trade and Industry (**the dti**) created programmes to support small businesses.

One of those who benefited from the opportunities, is Doll Mahatane of Bloemfontein. Mahatane, who has an events management and interior decorating business, recently bought 50% shares in an arts and craft village worth R5 million.

■ Successful

The Industrial development Corporation (IDC), also helped Mahatane buy a 34-bedroom hotel for R11 million.

Mahatane says she is successful, because she works very hard.

"During the first three years it was difficult to make ends meet. Now even banks have faith in my business and it is easy for me to get a loan," Mahatane said.

Malusi Mbonambi of Syavaya Travel and Tours also benefitted from programmes of **the dti**.

His business Syavaya — township language for "we are moving" — specialises in transport, logistic co-ordinating and tours.

After he lost his job, Mbonambi did not know what to do. He entered a business competition and won R5000 and a computer. This was the beginning of his own business.

Malusi's vehicles include luxury mini-buses. He plans to buy more vehicles with the help of **the dti**.

Malusi also applied for

assistance from the Umsobomvu Youth Fund.

■ Game finance

A unique, black-owned game reserve has recently opened its doors in Sidbury, Eastern Cape. It's owner, Yusuf Jeeva, says Kwantu Game Reserve is the first game reserve in South Africa to offer halaal food and Muslim prayer facilities. The reserve is situated 80km outside Nelson Mandela Bay. The IDC funded Jeeva's business. @

Thuso Mentorship Programme

The Thuso Mentorship programme transfers skills on a one-to-one basis.

It offers pre-loan, as well as post loan services. During the pre-loan stage, entrepreneurs get advice and counselling from mentors. The mentors also help with the development of viable business plans.

Entrepreneurs can go to mentorship offices where a regional co-ordinator will evaluate each request. The co-ordinator then appoints an accredited mentor/advisor to help the entrepreneur with a business plan. Once a business plan is complete, the co-ordinator refers the client to a bank.

Thuso Mentorship appoints an accredited, suitable mentor to draw up a business plan and the bank may apply for a credit guarantee through Khula. @



WHAT IS KHULA?

Khula Enterprise Finance Limited is part of the DTI and it helps entrepreneurs get finance.

... just in case you were wondering

■ Why is there no Khula office where I live?

Khula does not give loans directly to the public. It uses retail financial intermediaries, micro credit outlets and the banks to reach entrepreneurs and will supply a guarantee to the bank on your behalf.

■ My bank does not know about the relationship with Khula.

Khula works with most banks in South Africa. Sometimes communication is difficult, because banks are big organisations. Contact the mentorship office in your area and they will put you into contact with the right people at the bank

■ What is a Khula credit guarantee and how do I get one?

A Khula credit guarantee is an

Khula Financial Services:

Business loans for retail finance

It gives business loans to small business owners. The loan will only be granted for the starting of a new business, expansion or acquisition of a new or existing business. In this case, a person may be loaned up to R75 000.

Empowerment Scheme

It gives loans to small business people who cannot afford bank securities

Equity Fund

The fund gives loans to companies that intend to start business together or buy shares. Applicants must be able to show that the business will have profits in the long-term and that investors can expect more profit.

Individual Guarantee

It gives loans to small business people who cannot afford bank securities. A business person applies for funding to the bank, and Khula will guarantee the loan.

arrangement between a bank and Khula, where Khula carries part of the risk when a bank gives a loan to an entrepreneur. It often happens that entrepreneurs would not qualify to get finance because of lack of security.

Such a guarantee can be accessed through the banks who have

signed agreements with Khula.

■ What is the cost of such a guarantee?

A fee of 3% of the loan amount has to be paid in advance every year for as long as the entrepreneur needs the guarantee. 📄

Some of the dti's divisions are:

■ South African Women Entrepreneurs' Network, aimed at improving the status of women by giving them financial support
Tel: (012) 394-1606
Email: unatim@thedti.gov.za

■ Small Enterprise Development Agency, aimed at supporting and promoting cooperative businesses, especially in the rural areas. Cooperative business is where

a group of people come form a businesses together, especially in agriculture.

Tel: (012) 428-5000
Call Centre: 0860 103 703
[www. Seda.org.za](http://www.Seda.org.za)

■ South African Micro-Finance Apex Fund was formed by government to address unemployment by giving loans of up to R10 000. Tel: (012) 394 1796/1805

■ Technology for Women in

Business is aimed at improving the empowerment of women in science and technology and encourages girls to choose careers in engineering, science, business and technology.

Tel: (012) 841-4983/4990/4422
Website: www.twib.co.za

■ National Empowerment Fund, aimed at promoting Black Economic Empowerment (BEE) business ideas for small business. Tel: (011) 731-9000