Unemployment in South Africa – The Context

- A population of approximately 50 million
- Over 15 million people are eligible for social grants (SAPA, Feb 2012)
- 6.1 million individual taxpayers - 4.8 million taxpayers (79%) are below the tax threshold and pay zero tax (Budget Review, 2012).
- 8.3 million households live on less than $8 a day = approximately 30 million people (Dalberg, 2012)
- Unemployment rate is 25.2% (Stats SA)
  - 72.3% are 34 and younger
- The national government agenda is to create 5 million jobs over the next 5-10 years
How does South Africa compare to BRICS: 2011 GEM Report

<table>
<thead>
<tr>
<th>Country</th>
<th>Total early stage entrepreneurship activity (TEA)</th>
<th>Total established business ownership rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
<td>2011</td>
</tr>
<tr>
<td>Brazil</td>
<td>11.6%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Russia</td>
<td>4.8%</td>
<td>4.6%</td>
</tr>
<tr>
<td>India</td>
<td>10.4%</td>
<td>N/A</td>
</tr>
<tr>
<td>China</td>
<td>16.2%</td>
<td>24.0%</td>
</tr>
<tr>
<td>South Africa</td>
<td>5.3%</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

As indicated above, South Africa's growth prospects are lower than other BRIC countries. Given that entrepreneurial development is supposed to be a key driver in increased economic development.
South Africa’s entrepreneurship environment

A National Expert Survey (NES) found the following:

• Government entrepreneurship programmes are not effective in developing entrepreneurs and is not contributing to the growth of entrepreneurship in SA

• Experts rated Government support programmes for entrepreneurs second lowest overall

• While there are multiple Government organisations with huge budgets, their impact is negligible

• This was most worrying given the high priority Government has attached to SME development

• The NES highlighted the need to address the lack of cultural support for entrepreneurship through education. One expert noted that one way of creating this culture is to teach entrepreneurial skills at school level
South Africa’s entrepreneurship environment

- Inefficient Government bureaucracy is the most problematic factor for doing business in SA * Global competitiveness report 2011

- SMME Business Confidence Report 2011 suggests Government taxes and regulations are major limiting factors.

- Access to finance has remained in the top 3 constraints for the last couple of years of running the GEM project

- Inadequate education and training is constraining entrepreneurial activity in SA-

  - The school system not producing functionally literate/numerate students

  - Those who completed matric or have a tertiary education are more likely to run a small business

- Higher levels of education are strongly related to the probability that businesses will survive beyond the initial start-up phase – 83.2% of entrepreneurs have no tertiary education
Entrepreneurial solutions

• The Virgin Group
• The DNA of the Virgin Group is entrepreneurial
• Richard Branson is a global Icon for entrepreneurship
• Virgin has started over 400 companies
• 7 of these companies have been valued at over $1billion
• Employs 50 000 people across 5 continents – 5 000 in SA

By supporting entrepreneurs to grow their businesses we will play a role in job creation
Virgin Unite connects people and entrepreneurial ideas to make change happen

**Business as a Force for Good**
transforming business to value people and planet in all they do

**Global Leadership Initiatives**
creating entrepreneurial approaches to gaps in global leadership

Supported by a **community** of people who never accept the unacceptable and believe that business must be a force for good
Who Do We Support?

• Survival entrepreneurs – to become sustainable entrepreneurs
• Opportunity driven entrepreneurs – to grow and create more jobs
• High potential entrepreneurs – to develop into high impact entrepreneurs who create 100s of jobs
Branson Centre Vision and Mission

VISION
To be a global Entrepreneurship Centre that supports, develops and inspires ambitious entrepreneurs from disadvantaged communities to grow successful, sustainable businesses and positively impact society.

MISSION
The Branson Centre South Africa provides practical business skills, mentorship and access to business networks to bold, tenacious entrepreneurs who have taken the step of launching a business but need help growing it.
Relevant = impact
Research – “Young Upstarts Report”

To be relevant your service offering must be informed by research
The “Young Upstarts Report” was conducted in 2011

These critical areas of need were highlighted:
• Access to knowledge and business skills
• Access to mentorship
• Access to finance and markets
Branson Centre – Service Offering

We focus on the following key areas:

1. **Access to Knowledge**
   A vital hub for entrepreneurs to access training and mentorship

2. **Access to Networks**
   A channel to access local and international business communities, peer and industry networks, and the economic cluster of government

3. **Access to Markets**
   A platform to showcase entrepreneurs both locally and internationally, and to access procurement opportunities

4. **Access to Resources**
   A link for entrepreneurs to access finance and professional services
Access to Knowledge - Training

The Branson Centre Foundation Course

SESSION 1
We’re in this together
- Team building

SESSION 2
What are you selling
- Opportunity
Who is the customer
- Industry & competitors
Where is the market?
- Target markets
- Value proposition

SESSION 3
Strategise it
- Vision and mission
Plan it
- Developing a strategy
Then just do it!
- Planning
- Putting systems in place

SESSION 4
Communicate with your customer
- Championing your customer
- Marketing
- Sales

SESSION 5
It’s all about the money
- Cash flow
- Breakeven
- Balance sheet
- Income statement

SESSION 6
Doing the right thing
- Tax and compliance issues
- The habits of successful entrepreneurs
- Writing a business plan

www.virginunite.com
UK Registered Charity Number 297540
Access to Knowledge - Training

Creating Value
1. Strategy – Building a viable business model
2. Innovation
3. Finance

Realising your own value as an entrepreneur
10. Leadership
11. Habits of Successful Entrepreneurs

Delivering value
7. Operations and logistics
8. Human resources
9. Governance and ethics

Communicating value
4. Marketing / Social media
5. Sales and customer relations
6. Communication

The Branson Centre Advanced Course

www.virginunite.com
UK Registered Charity Number 297540
Access to Knowledge – Mentorship

• The mentorship pilot programme was launched in May
• The pilot is currently being evaluated to ensure a successful launch of the full programme in October
Measuring Impact – Monitoring and Evaluation

Underpinning our service offering is a rigorous monitoring, evaluation and reporting (MER) system - Baseline indicators and a quarterly assessment track the entrepreneurs' progress

The following pillars of growth are assessed:

Financial → Growing business and generating wealth
Customer → Achieving excellence in product and service offerings to customers and expanding the customer base
Community → Positively impacting communities and creating jobs
Internal processes → Creating efficiencies and innovating business operations (as the businesses mature)
Learning and growth → Personal development of the entrepreneur and employees (leadership, skills development and being responsible role models)
Data Analysis – (sample size 171)

Total number of businesses supported per industry

- Advertising & Marketing
- Agriculture
- Art & Design
- Business Services
- Construction
- Education & Training
- Environmental Services
- Fashion & Textiles
- Film & Television
- Financial Services
- Health & Wellness
- Hospitality & Tourism
- Information Technology
- Manufacturing
- Other
- Property & Facilities Mgt
- Publishing & Printing
- Retail
- Sport & Entertainment
- Transport & Logistics

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A Virgin Unite Initiative
Number of employees per business at baseline

- 0 employees: 70
- 1 employee: 20
- 2 employees: 10
- 3 employees: 5
- 4 employees: 3
- 5 employees: 2
- 6 employees: 2
- 7 employees: 1
- 8 employees: 1
- 10 employees: 1
- 15 employees: 1
Average monthly turnover across businesses per industry (baseline)
(Sample size 33 businesses)
(Sample Size 33 businesses)
(Sample size 33 businesses)
(Sample size 33 businesses)
Networks
Access to Networks – It’s About the People Around Me

Industry Master Classes

- Entrepreneurs get to showcase their work and receive critical feedback from both local and international industry-specific “masters”
Access to Networks – Speed Mentoring

• Speed Mentoring exposes entrepreneurs to both local and international successful business leaders and entrepreneurs
• Entrepreneurs pitch their businesses and get constructive feedback from Virgin MDs and other business leaders
Opportunity
Access to Markets – Catalysing Opportunities

We create opportunities to showcase entrepreneurs both locally and internationally:

- Fast Track 100 – London May 2011 and 2012
- Global Entrepreneurship Congress – London March 2012
- Amazing opportunities e.g.: Lesego Malatsi – London Fashion Week
A step at a time
The Journey of an Entrepreneur

1. Yes! I’m in!
2. Signing on
3. Answering key questions
4. Doing the Foundation Course
5. Taking A Minute to Spin It
6. Submitting the Business Plan
7. Joining industry networks
8. Accessing more services
9. Complying with what’s required
10. Getting assessed quarterly
11. Getting into the Advanced Course
12. Getting a mentor
13. Taking part in the Screw It Let’s Do It Day
14. Getting profiles
15. Attending speed mentoring sessions
16. Accessing global opportunities
17. The annual business assessment
18. Attending the Leadership Development Course
19. Becoming a Branson Centre Ambassador
Screw business as usual
How Are We Doing It?

• We put our money where our mouth is
• We have contracted an entrepreneur to do all in-house catering and other services we require
• Sometimes we are learners and our entrepreneurs are the teachers – e.g. Social Media Day hosted by Lebo
• Our entrepreneurs drive our recruitment strategy – they are our voice
Next step
Harnessing Technology for Retention; Scale; Sustainability

• Working with EZapps to deliver our content via a mobile platform to help with retention of learning and to have a greater reach

• EZapps mission is - To develop portable digital solutions that changes lives through education, changes the way we communicate, bridges the digital divide, makes access to technology and information easier and affordable.
ezapps, your portable PC with preloaded content is loaded onto a micro SD card. The SD card inserts into the dongle SD slot as shown above or can be inserted into a mobile phone turning a device into portable computer with connectivity.
EZAPPS Media Platforms

EZAPPS operates portably and across different technology platforms.....Devices are enabled through the portable computer being loaded on a Micro SD card or can be used via a USB flash drive.

PIE™ (predetermined internet experience) guides the user to access “offline” content that is preloaded onto the enabled device. Content pertaining to different grades can be loaded based on the learner/student’s requirements.
ezapps incorporates licence free software applications — emulates your computer/laptop but makes the computing process completely portable.
About the Branson Centre of Entrepreneurship - South Africa

The Branson Centre of Entrepreneurship - South Africa is an independent centre of entrepreneurial expertise meaning it is flexible and can attract the very best applicants. It is funded in part by Virgin Unite, Virgin’s nonprofit foundation in addition to global business leaders and investors. Virgin Unite, the non profit foundation of the Virgin Group part funds and supports the Branson Centre as one of its premier global leadership initiatives.

Virgin Unite is about uniting people to tackle tough social and environmental issues in an entrepreneurial way, drawing upon all the resources from across the Virgin Group.
Examples of offline business tools for the dynamic on the move entrepreneur

- Open source applications required to operate your business
Online Tools

With internet connection – more blended online experience for user – updated information on the fly with connection

Bespoke social engine creates access to mentors, fellow entrepreneurs, sharing knowledge, collaboration, business opportunities
Why the need for EZAPPS

• EZAPPS creates a digital portable computing platform that digitizes a learner/students educational experience

• The role of ICT (information communication technologies) has global recognition as a vehicle to enhance the standard of education

• EZAPPS promotes and enhances the learners/students digital literacy thereby allowing them to enhance their overall skills for the job market

• EZAPPS is the only solution that bridges the digital divide by incorporating education and information communication technologies into an integrated digital portable platform
FY 2013 YTD ANECDOTAL IMPACT

“I just want to take this time to thank you for the amazing job you are doing, the advance course is the most amazing thing that has ever happened to me and my business, when you guys called me I had just lost everything, my life and business was going down, I was literally sinking and you guys threw me a life jacket.

The course allowed me to do some serious digging in and finding out what I was doing wrong and what I was supposed to be doing. In fashion schools we only learn about the creative side of the business and not the business side of the business, the course also gave me hope to keep pushing and pushing and pushing. I have so much that I still need to do and I’m going to be coming to you guys a lot because I feel that I can still learn so much from you.

What I also like about the course is that you make it easy for everyone. I am slow (I don’t see that as a handicap), I was in an accident years ago and something happened to my brain well...... long story short I have hard time getting too much information in my head. the first few weeks of the course was extremely difficult for me, it was too much information but I’m not much of a quitter so I told my brain that it had to get with it, but I am currently going thru my file and its amazing what new information I come across almost every day.

SO THANK YOU SO MUCH. KEEP UP THE GREAT WORK, YOU HAVE NO IDEA HOW MUCH IMPACT YOU ARE MAKING.”

“Other small businesses have come to me for advice, since they knew I had completed the foundation course at the Branson Centre.”

“When I started at the centre I was making R6 000 a month, but now I make between R40 000 and R60 000 a month - reason being that Jane was always telling us that we must always focus on things that are making sales for the company.”

“What I have gained unbelievable experience and expertise not only from the trainer but from other entrepreneurs I’ve met through the programme, I know have lifelong friends who are happy to advise and share with me at any time when I’m in need it’s sad but true but being an entrepreneur can be sad and lonely road if you don’t have people who are on same boat or who have been through same things as yourself.”

“The Branson Centre of Entrepreneurship has made a really huge impact in our business. It has really worked in the positive for the business, customers now trust our brand because we are associated with the Branson Brand. Our clients have also watched us on YouTube as we have a one minute video on YouTube which was done by the Centre and Google. We are a trusted Brand thanks to the Branson Centre of Entrepreneurship.”

“More people are aware of greening and how it can work with saving money, and making money through recycling.”

“The Branson Centre has made a huge impact on my business, purely due to the fact that I know there is someone behind me who believe in what I do. It is also a great knowledge base on business that I would never have had before. The Branson Centre has given me the extra push I needed to see my business be a success.”

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