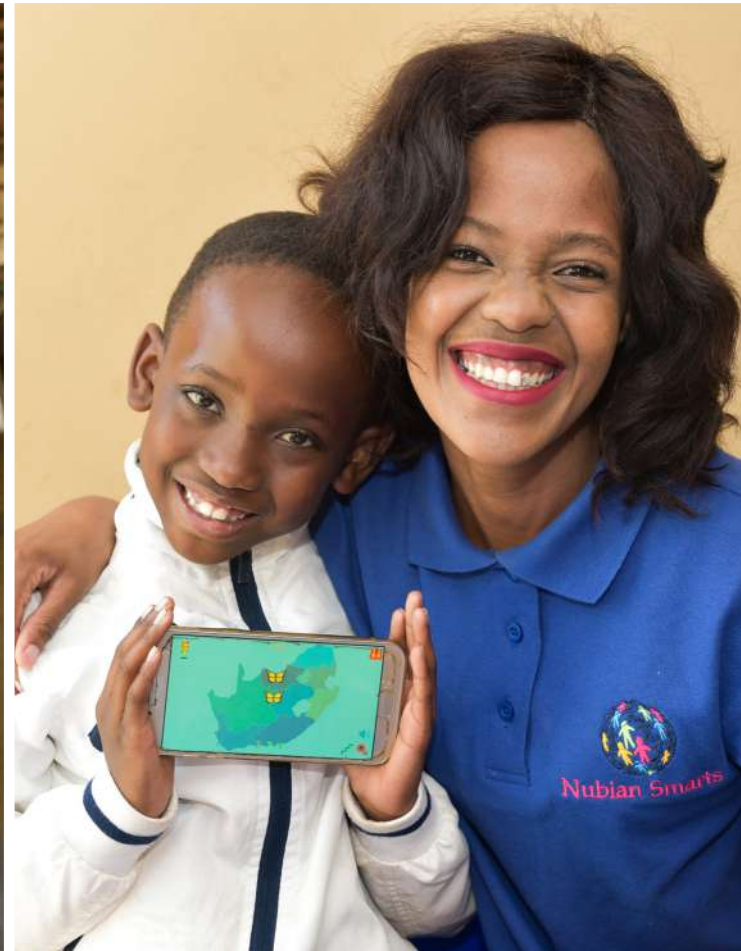


# SOCIAL INNOVATION



## Impact report

Compiled by the SAB Foundation for the period 2011 to 2018.

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## 1. A NOTE FROM BRIDGIT EVANS, SAB FOUNDATION DIRECTOR

Impact assessment helps organisations understand the effectiveness of their activities, in order to recognise shortcomings, build on strengths and implement more effective solutions. The SAB Foundation was founded to drive economic and social empowerment in South Africa and each year we assess the impact of our key programmes to ensure that we are effectively working towards this objective.

This year, as well as assessing the impact of our Social Innovation and Disability Empowerment Awards, we will look at the effectiveness of our new social innovation programmes, including the Social Innovation Fund and the Student Seed Fund. These findings will help us understand our strengths and weaknesses so that we can better assist social innovators in the creation of jobs, profit and, most importantly, new and cost effective ways to address social challenges. As a foundation, set up to benefit South Africa as a whole, we have chosen to publish these results to enhance transparency and encourage others to invest in social innovation and measure their impact.

### SOME KEY FINDINGS

I was encouraged to note that over **95%** of our social innovators are still working on their innovations, mostly on a full-time basis. This is particularly impressive considering the often long, arduous and expensive journey to profitability. Many of our innovators are extremely talented, however, instead of finding jobs elsewhere, they have opted to stay and make a difference.

Since joining the SAB Foundation family, innovators have seen significant increases in business income, amounting to a **125%** collective increase for our Social Innovation and Disability Empowerment Award winners and a **31%** increase for our Social Innovation Fund beneficiaries. This equates to an additional **R103 million** for the South African economy and more jobs.

Job creation is one of the SAB Foundation's key focus areas and I am pleased to find that our innovators went from employing **959** people at inception to employing **1573** as at December 2018, creating **614** new jobs. This represents a significant impact in South Africa, where unemployment is currently at 29% and job creation is critical for economic recovery.

Since receiving support from the SAB Foundation, **60%** of the Social Innovation and Disability Empowerment Award winners have developed a prototype, **57%** have developed a product and **52%** have taken their innovations to market.

Despite only being launched in 2015, our UCT Student Seed Fund has already been instrumental in **78%** of the innovators formally registering their businesses. Furthermore, **50%** of the innovators have been linked to further funding since being awarded an SAB Foundation grant, with **48%** of those saying that they were linked to these opportunities by the SAB Foundation.

The foundation recognises that there are limits to the opportunities we can provide, therefore we actively research and share additional opportunities with our beneficiaries.

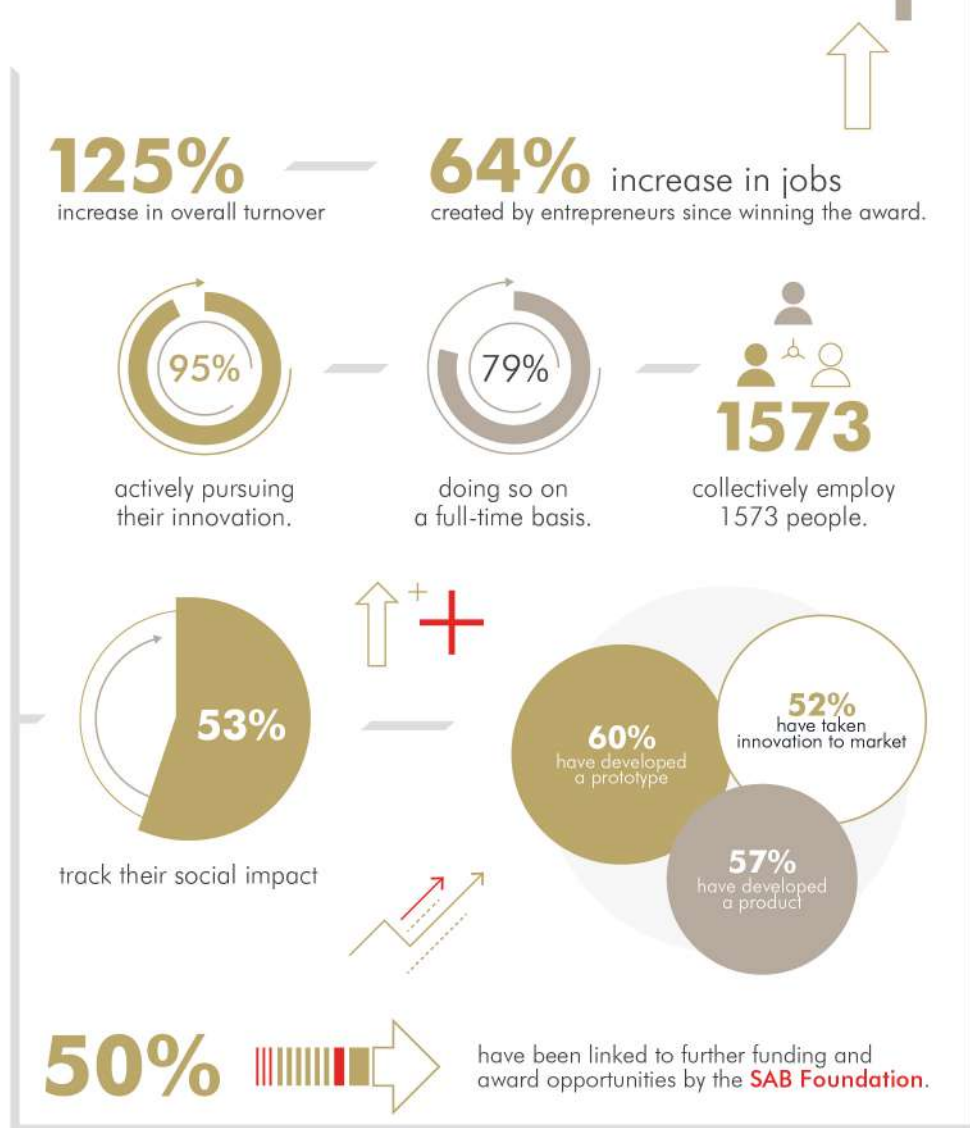
Survey participants' comments around mentoring and technical support were mixed and sometimes critical. While most innovators rated the businesses mentorship provided by the SAB Foundation as above average, feedback regarding our BizAssist online portal was not as positive, with many respondents highlighting issues associated with poor response rates to their questions or queries. As a result, the SAB Foundation has worked with the service provider to address inefficiencies and provide an improved service.

We recognise that the SAB Foundation cannot claim all of the credit for what our award winners have achieved. However, based on the importance of their contribution to society, it is vital that we keep measuring our impact with the goal of finding more effective ways to assist social innovators.



## 2. KEY FINDINGS

### Social Innovation and Disability Empowerment Awards

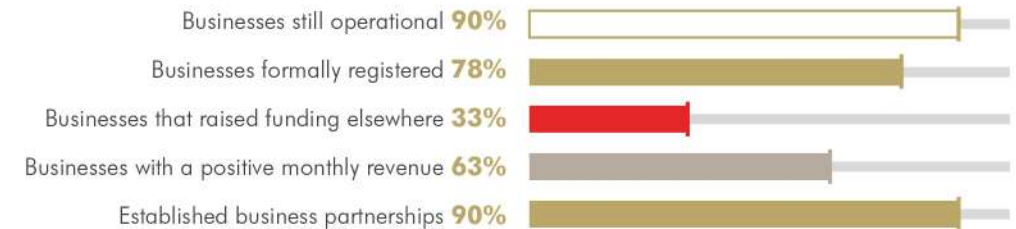


### Social Innovation Fund and Accelerator

Of the Social Innovation and Disability Empowerment Award winners selected to participate in the Social Innovation Fund:



### UCT Seed Fund



### Outputs and social impact for innovators

- Recycled over 400 geysers and over 2 555kg of waste in 2018
- Helped to treat 90 111 rural patients by connecting healthcare workers with on-call experts via a mobile application
- Were instrumental in a 9% drop in murder rate and a 26% drop in sexual offences in Diepsloot, a 67% drop in sexual offences in Mashamplane, a total elimination of theft in no fee paying schools in Mooi Nooi and a 95% improvement in Diepsloot SAPS response times
- Grew 124 tonnes of vegetables and saved 25 million litres of water

## OUR INNOVATORS' DELIVERY AGAINST UNITED NATION'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS



### QUALITY EDUCATION

Over 5 000 teachers and students from under-resourced schools and communities given access to a portable solar computer lab-in-a-bag.



### ZERO HUNGER

Grew 124 tonnes of vegetables and saved 25 million litres of water in 2018.



### GOOD HEALTH AND WELLBEING

Produced and sold over two million litres of safe, affordable drinking water.



### GENDER EQUALITY

Trained eight women and youth on how to replace informal backyard shacks with durable structures, using alternative building technology.



### DECENT WORK AND ECONOMIC GROWTH

Over 50 people have been trained to weave, spin and knit cashmere.

Re-integrated 50 substance abusers back into society by helping them start businesses, get a job or go back to school.



### SUSTAINABLE CITIES AND COMMUNITIES

40 tonnes of waste per month diverted from landfill.



### REDUCED INEQUALITIES

Accessible transport provided to about 3 000 persons with disabilities.



### 3. THE SAB FOUNDATION'S PROFILE

Set up in 2010 as one element of the broad-based black economic empowerment transaction conducted by South African Breweries Ltd (SAB), the SAB Foundation is an independent trust that annually invests millions of rands towards developing entrepreneurship in South Africa. The SAB Foundation holds 8.4 million SAB shares, using the dividend and special dividend income for the benefit of the wider South African community. It was the first organisation in South Africa to receive tax exemption and is registered as a tax exempt Small Business Funding Entity under section 10(1)(cQ) of the Income Tax Act.



The SAB Foundation's objective is the provision of funding for small, medium and micro-sized enterprises, in order to contribute to the economic and social empowerment of historically disadvantaged persons.

This is done primarily (but not necessarily exclusively) by means of entrepreneurship development and with a priority focus on providing opportunities for women, youth, people in the rural areas and persons with disabilities.

### 4. DEVELOPMENT IMPACT

#### 4.1 PROGRAMMES

This is an impact assessment of the three SAB Foundation programmes aimed at promoting social innovation in South Africa.

##### 4.1.1 SOCIAL INNOVATION AND DISABILITY EMPOWERMENT AWARDS

The **Social Innovation Awards** are aimed at innovators, social entrepreneurs, institutions and social enterprises with prototypes or early-stage businesses that can solve social problems.

These products, services, business models and processes directly address the challenges faced by low-income women, youth, people living with disabilities, or people living in rural areas.

People with disabilities are some of the most marginalised members of society, with an estimated unemployment rate of between 70% and 90%.

The **Disability Empowerment Awards** find and support social enterprises that provide innovative solutions which either improve access to the economy for people with disabilities and/or provide solutions for people with disabilities, while generating enough revenue to become sustainable over time.

Social Innovation and Disability Empowerment Award recipients are awarded prize funding of between R200 000 and R1.3 million which is used as an investment in the innovation. In addition, winners are also assessed on a case-by-case basis and placed in a tailored business development programme with a specially selected business mentor.

The programme is flexible and is adjusted to the needs of each winner, as mutually agreed upon by them and their mentors.

#### 4.1.2 SOCIAL INNOVATION FUND AND ACCELERATOR

The Social Innovation Fund and Accelerator was born out of the long-standing Social Innovation Awards, and is only open to past winners of the programme. Our surveys have revealed that a lack of access to further finance, post SAB Foundation funding, is one of the biggest challenges innovators face when it comes to commercialisation.

While 95% of the businesses are still operational, many struggle with growth. For this reason, the SAB Foundation established the Social Innovation Fund and Accelerator. The programme offers entrepreneurs the skills, knowledge, documentation and funding required for immediate success, but also positions them for future rounds of funding from other investors.

#### 4.1.3 STUDENT SEED FUND

The University Of Cape Town (UCT) Graduate School Of Business' Bertha Centre for Social Innovation and Entrepreneurship (the Bertha Centre) is the first academic centre in Africa dedicated to advancing social innovation and entrepreneurship. Its mission is to build-capacity and pioneer practices in Africa, working with partners, practitioners and students to advance the discourse and systemic impact of social innovation.

Since 2015, the Bertha Centre has successfully collaborated with the SAB Foundation to design and establish a social enterprise seed fund, open to both current students and recent alumni of the university. The fund focuses on providing social ventures with access to pure grant seed capital at the pre-start-up business model discovery phase, the start-up phase, as well as those in transition between the two phases. The fund's key objective is to support social ventures with high potential for commercial viability and social impact creation. In 2019, thanks to the impact achieved through this fund, the SAB Foundation expanded the Student Seed Fund to other universities. Work has already commenced at University of Limpopo, University of Zululand and University of Venda.

## 4.2 METHODOLOGY

This report reflects on the survey responses of 81 Social Innovation and Disability Empowerment Awards entrepreneurs, 18 Social Innovation Fund entrepreneurs and nine Student Seed Fund entrepreneurs from inception to 2018.

Each of the Social Innovation and Disability Empowerment Award and Social Innovation Fund and Accelerator entrepreneurs were asked to complete an annual survey consisting of 33 questions that pertained to:

- Information on the entrepreneurs and their social innovation businesses.
- Alternative means through which entrepreneurs were able to access additional funding.
- Feedback on the support services that were accessed.
- Information on job creation and turnover.

A baseline survey was completed in 2011, with subsequent annual surveys being conducted until 2018.

For entrepreneurs who completed the baseline survey and the latest survey in 2018, a comparative analysis was conducted to determine the entrepreneurs' business growth relating to income generation and job creation.

Although focussing on comparison since inception, this report also includes an in-depth comparison between 2017 and 2018 survey results.

The UCT Student Seed Fund is analysed by the Bertha Centre and this report reflects the in-depth responses of nine of the 12 programme participants. Through a survey, each business was asked to report on their progress, sustainability, social impact, use of funds, financing prospects, challenges and support.

The insights gained from these surveys will assist the SAB Foundation's understanding of the value of their social innovation programmes, providing insights regarding how the SAB Foundation can improve its offering according to the needs of the entrepreneurs.

## 4.3 THE NATIONAL CONTEXT

Social entrepreneurship is the collaboration of different practices that can effectively solve social problems. It is about challenging the status quo and presenting new solutions for old problems.

It is generally acknowledged in the developing world that social services provided by local and national governments are not fully able to fulfil their intended purpose. Consequently, there is a need to create entrepreneurial solutions to social problems, while also regarding social entrepreneurship as a process of creating value.

A recent study by the <sup>1</sup>Gordon Institute of Business Science explains that the social enterprise construct focuses on solving social problems while generating revenue to ensure future sustainability. This makes it a model that can strengthen the economic, social and environmental pillars of a country. This is where the SAB Foundation is a key player, with its focus on identifying and funding new ideas and innovations, grooming entrepreneurs and providing business support services and mentorship aimed at promoting social enterprises in South Africa.

Over and above the need for job creation by SMMEs in the National Development Plan, the impact of the SAB Foundation's social innovation programmes aligns to the <sup>2</sup>United Nation's Global Sustainable Development Goals. This contribution will be unpacked in further detail later in this report.

<sup>1</sup> Gordon Institute of Business Science: *Social Enterprise in South Africa: Discovering a vibrant sector*, May 2018.

<sup>2</sup> Sustainable Development Goals, <https://sustainabledevelopment.un.org/?menu=1300>

### CASE STUDY: GRADESMATCH

United Nations Sustainable Development Goal  
– Quality Education

Rudzani Mulaudzi, Lebogang Diale and Unathi September met while studying information systems at the University of Cape Town. They all shared a common concern regarding the lack of career guidance provided to high school learners, particularly in rural and township schools. Therefore, they decided to develop the Gradesmatch app to connect high school learners with education and career opportunities, using information on their preferred subjects, personality traits and career goals. Through the app, they sought to create a central hub where pupils could access guidance on career paths, admission requirements for tertiary institutions, student funding and academic mentorship.

Since winning R600 000 in grant funding at the SAB Foundation's Social Innovation Awards in 2015, Gradesmatch has employed 34 people on a permanent basis, 25 in Johannesburg and nine in Cape Town. They have significantly increased their turnover from just R110 000 to R3.5 million per annum. They were recently accepted onto the SAB Foundation's Social Innovation Fund, which has provided them with the funding and opportunities they need to pursue even more growth. This has allowed them to hire their own in-house developer and increase marketing efforts aimed at their userbase.

"In the next three years we aim to be a leader in the provision of career-related data and services to support the career planning journey," explains Lebogang.

## 4.4 PROGRAMME IMPACT

### 4.4.1 ABOUT THE ENTREPRENEURS

Of 119 entrepreneurs (81 Social Innovation and Disability Empowerment Awards beneficiaries and 18 Social Innovation Fund beneficiaries), 99 responded to the survey questions, resulting in an 84% response rate. The SAB Foundation is satisfied with this as a representative sample of the group.

Of the 99 respondents, 95% confirmed that they were still actively pursuing their innovations. The remaining 5% provided the following reasons for no longer pursuing their innovations:

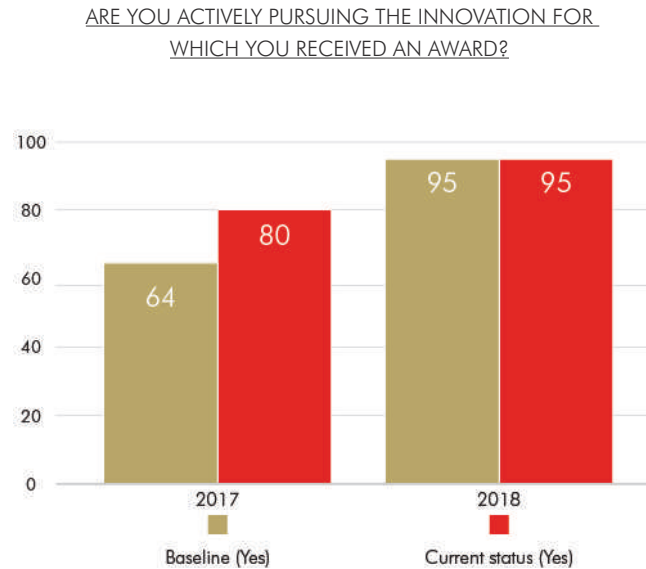
- Lack of funding
- Shifting focus to other projects due to a small market for current product
- Business model becoming outdated

Of the entrepreneurs who are actively pursuing their innovations, 79% are doing so on a full time basis and 16% on a part time basis with 'the need to raise additional funds' or 'having a full time job' cited as the main reasons for only working part time.

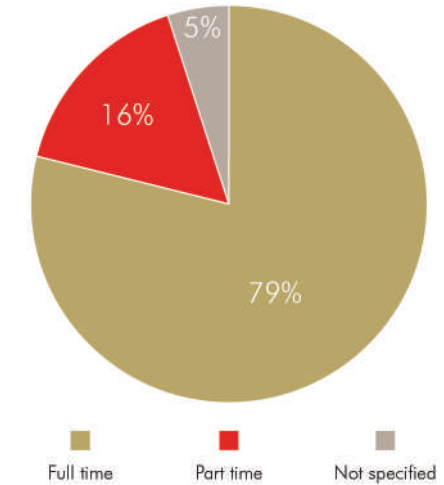
From the analysis, the attrition rate of entrepreneurs compared to their baseline remains low, indicating that the majority continue to pursue their innovations. Since winning an SAB Foundation Social Innovation and Disability Empowerment Award, 1% have sold their intellectual property to investor/partner organisations, 60% have developed a prototype, 57% have developed a product, and 52% have taken their innovation to market.

Of the 12 UCT Student Seed Fund beneficiaries, nine provided in-depth feedback resulting in a 75% response rate. Of the respondents, 90% are still operational, with a track record of between one and five years. The majority (78%) are formally registered, and most of these are structured as for-profit entities.

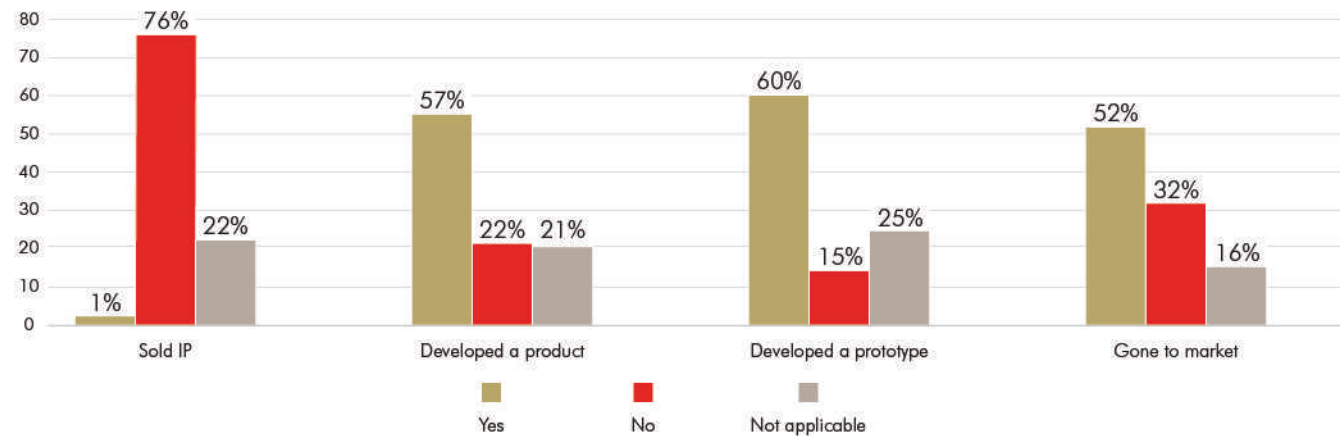
The following graphs represent SAB Foundation's analysis.



IN WHAT CAPACITY ARE YOU PURSUING THE INNOVATION?



WHAT HAVE YOU DONE AFTER WINNING THE AWARD?





#### 4.4.2 ABOUT OTHER FUNDING OPPORTUNITIES ACCESSED

Of the respondents from the Social Innovation and Disability Empowerment Awards and Social Innovation Fund and Accelerator, 50% went on to secure further funding awards, with 48% being linked to these opportunities by the SAB Foundation, a 5% increase from 2017.

Of the UCT Seed Fund entrepreneurs, 33% were able to raise grant funding elsewhere, proving that the Student Seed Fund offers significant additionality in the market for social enterprise start-ups.

Access to funding remains a key challenge. A recent study on the <sup>3</sup>Entrepreneurial Ecosystem of South Africa found that access to finance is one of the most critical factors holding back the South African entrepreneurship ecosystem, both at the venture-capital stage and at the seed-funding stage. The criteria being used to access finance from formal finance institutions is not favourable for small businesses, due to their high-risk factor.

South Africa does not have a large, well-developed venture-capital market and many investors are hesitant to invest due to the high degree of risk (be it actual or perceived) associated with entrepreneurial activities.

It is therefore pleasing to note an overall appreciation of the SAB Foundation's support among the entrepreneurs. As noted in the previous report, many of the entrepreneurs feel that the award received from the SAB Foundation also gave their innovation credibility, which enabled them to knock on doors and unlock additional capital from other funders. The SAB Foundation brand was regarded by entrepreneurs as having a positive perception amongst other funders, which they noted as extremely helpful in their quest to secure further funding.

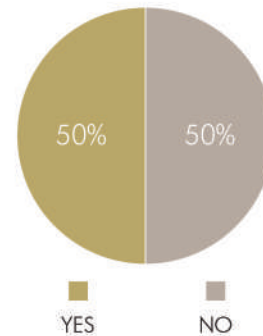
<sup>3</sup> *The Entrepreneurial Ecosystem of South Africa: A strategy for global leadership 2017 (commissioned and funded by SAB Foundation and Allan Gray Orbis Foundation in partnership with The Global Entrepreneurship and Development Institute, The Global Entrepreneurship Network South Africa and SEA Africa)*

The following is what some of the entrepreneurs had to say:

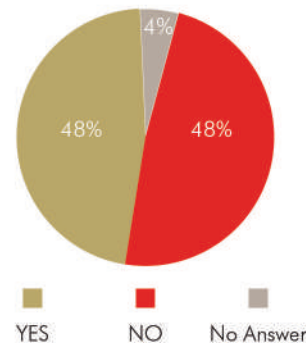
*"The prestige of winning an award from the SAB Foundation greatly helps from a credibility perspective - so thank you!"*

*"Recognition as one of the SAB Social Innovation Awards winners opens doors when I approach potential clients."*

HAVE YOU WON ANY OTHER COMPETITIONS OR RECEIVED FUNDING AFTER ENTERING SOCIAL INNOVATION AWARDS?



DID YOU HEAR ABOUT ANY COMPETITIONS / FELLOWSHIPS / FUNDING OPPORTUNITIES THROUGH THE SAB FOUNDATION?



#### 4.4.3 ABOUT OTHER SUPPORT ACCESSED

The SAB Foundation provides tailored business support and mentorship to entrepreneurs as part of the Social Innovation and Disability Empowerment Awards, Social Innovation Fund and the UCT Student Seed Fund. The SAB Foundation prides itself on constantly seeking ways to improve these offerings.



#### 4.4.3.1 MENTORSHIP OFFERING

The SAB Foundation offers entrepreneurs access to a personal mentor for up to three hours per month with a compulsory quarterly on-site session.

64% of the Social Innovation and Disability Empowerment Awards entrepreneurs who completed the survey felt that the additional business support they received from the SAB Foundation assisted their personal and business growth.

From the two support options available, entrepreneurs found the mentorship offering to be the most valuable, personally mentioning the SAB Foundation team members who provided the most support. 47% of the entrepreneurs rated the mentorship support as being above average and 11% rated it as average.

The 5% who rated it as being below average either had not been allocated a mentor yet or had a mentor who was located far away.

The SAB Foundation has taken note of this feedback and has made improvements to the mentoring process for 2019.

The UCT Student Seed Fund awardees responded very positively to support from mentors with almost 80% seeking out mentorship and, of these, 86% claiming that it added value to their businesses.

45% of the Social Innovation Fund and Accelerator entrepreneurs gave the mentorship offering a rating of above average.

This could be attributed to the fact that mentorship on the Social Innovation Fund and Accelerator is different from the main programme as mentors make use of different mentorship styles that are focused on acceleration and milestones.

The following is what some of the Social Innovation Fund and Accelerator entrepreneurs had to say:

*"The mentorship is relevant, practical and hands on to our business."*

*"Our SAB Foundation mentor was well experienced, empathetic to our project goals and always gave expert advice."*

#### CASE STUDY: E-FACTOR

United Nations Sustainable Development Goal – Industry, Innovation and Infrastructure

Established by Tito Mbatha, E-Factor is an online auction platform that allows small and medium sized enterprises (SMEs) to sell their invoices at a discounted rate. This allows them to secure an immediate payment, while the invoice buyer takes on the responsibility of securing the full sum from debtors.

Many businesses have payment terms of 30 days or more, which can make it difficult for small businesses, with limited financial reserves, to manage their cash flow between delivering a project and being paid for their work. By selling their invoices on the E-Factor platform, they get access to immediate cash, while buyers obtain a new short-term investment with a low risk and a good return.

Having studied Chemical Engineering at the University of KwaZulu-Natal, founder Tito Mbatha went on to do an MBA at the Gordons Institute of Business Science, where he wrote a thesis on online reverse factoring in South Africa.

The idea for E-factor stemmed from this project, paired with a desire to assist and advise SMEs in working capital management techniques.

Since winning R500 000 at the 2011 Social Innovation Awards, E-Factor has managed to go from concept phase, during which they had no employees and did not generate an income, to securing an income of R3.5 million and employing five people to assist in their operations.

To further assist this social innovation, the SAB Foundation recently accepted them into the Social Innovation Fund, which will provide access to a business incubator and growth funding aimed at helping them grow.

"With the SAB Foundation's assistance, we were able to move from concept phase to developing the platform and taking our offering to the market. Now we are focused on growing our business and the further support offered by the Social Innovation Fund will help us during this vital phase," said Tito.



#### 4.4.3.2 BIZASSIST

SAB Foundation Biz Assist is an online platform that offers entrepreneurs telephonic or email advice from business experts, lawyers, tax advisors and marketing or IT specialists for all business support services.

Of those who accessed this online support, 20% rated it as being above average, with majority claiming that it helped with the provision of useful business templates, legal documents and contracts. 16% rated it as being average, however majority of these respondents had not utilised the service as yet. Of the 19% who rated the service as below average, a lack of response to queries or a long turnaround time on responses from the online experts were the main reasons for dissatisfaction.

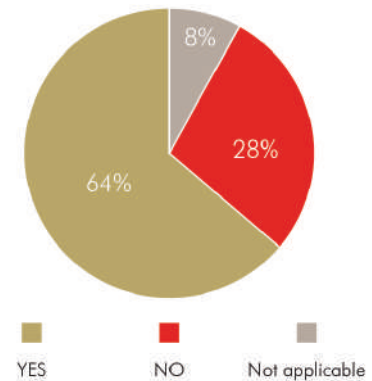
This is disappointing, as it shows that there was little improvement following similar results in last year's assessment. To address this, the SAB Foundation has negotiated extensively with the service provider to ensure that improvements were implemented from the latter part of 2019 onwards. Research conducted by <sup>4</sup>Seed Academy, has found that access to business support services remain key to an entrepreneur's success. <sup>5</sup>Catalyst for Growth were of the same view when, in a recent report, they alluded to the fact that 80% of SMMEs who received business support survived their first year of operation.

Therefore, it is imperative that programmes aimed at enterprise development and growth, like the Social Innovation and Disability Empowerment Awards and the Social Innovation Fund and Accelerator, continue to offer tailored support services to help entrepreneurs negotiate early hurdles and succeed in their businesses. The keys aspects of entrepreneurial success include the development of strong personal networks; proper business planning; access to business support services and the ability to present for new market opportunities.

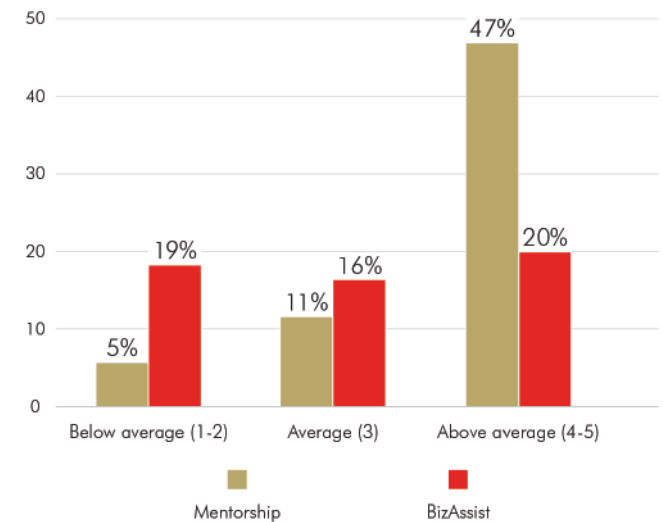
<sup>4</sup> Seed Academy: *The Real State of Entrepreneurship // Survey 2018.*

<sup>5</sup> 2018 Catalyst for Growth Annual Report: *The Role of Business Development Support (BDS) on South African SMME Performance.*

HAS THE ADDITIONAL BUSINESS SUPPORT RECEIVED ASSISTED IN YOUR PERSONAL GROWTH?



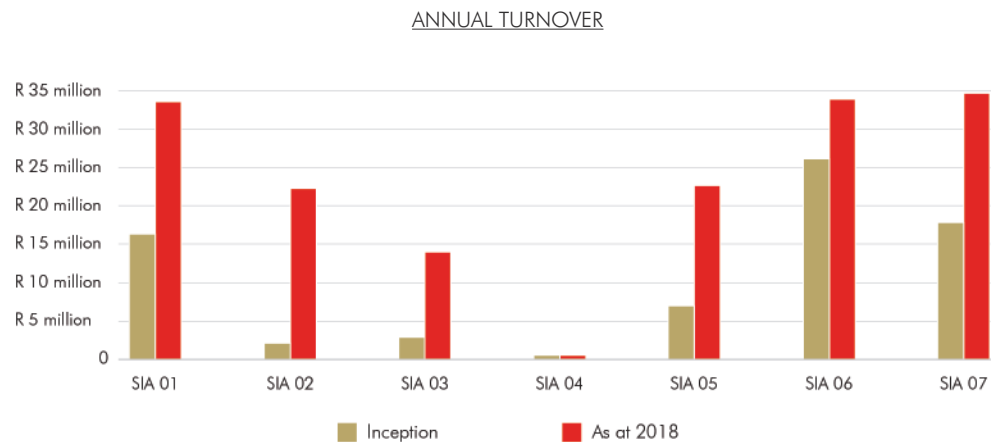
HOW DO YOU RATE THE TECHNICAL SUPPORT RECEIVED FROM MENTORS AND BIZASSIST?



#### 4.4.4 THE ANNUAL INCOME OF THE BUSINESS (TURNOVER)

A comparison of the annual income reported by the entrepreneurs from inception to December 2018 was undertaken to determine whether there were any changes in income following the SAB Foundation’s support. The trends observed reveal a significant increase in turnover of 125%, with a collective income growth from R70.6 million at inception to R158.9 million at the end of 2018. 47% of the entrepreneurs who reported having no income at inception, were generating a significant amount of annual income at the end of 2018. This includes sixteen entrepreneurs who had no annual income in 2017, and who now report business earnings of between R100 000 and R2.4 million.

A further comparison of the annual income reported by the entrepreneurs from the Social Innovation Fund and Accelerator was also undertaken to understand the impact that this fund has had on entrepreneurs’ turnover and to see whether this acceleration fund really makes a difference in entrepreneurs’ businesses. The analysis revealed that 100% of the entrepreneurs had grown their annual income, bringing about a 31% increase in turnover from R46.2 million in 2017, when the programme first started, to R60.5 million at the end of 2018. Given that the programme has only been in effect for a year, this is very encouraging and represents a great return on the R6.9 million in grant funding and R5.7 million in loans invested by the SAB Foundation to date. The 2018 cohort of entrepreneurs have recently joined the programme and will therefore only be able to report on their progress at the end of 2019.



The SIA04 figures are too small to be visible on the graph, which represents the number of companies that are either not operational or are still in development phase.

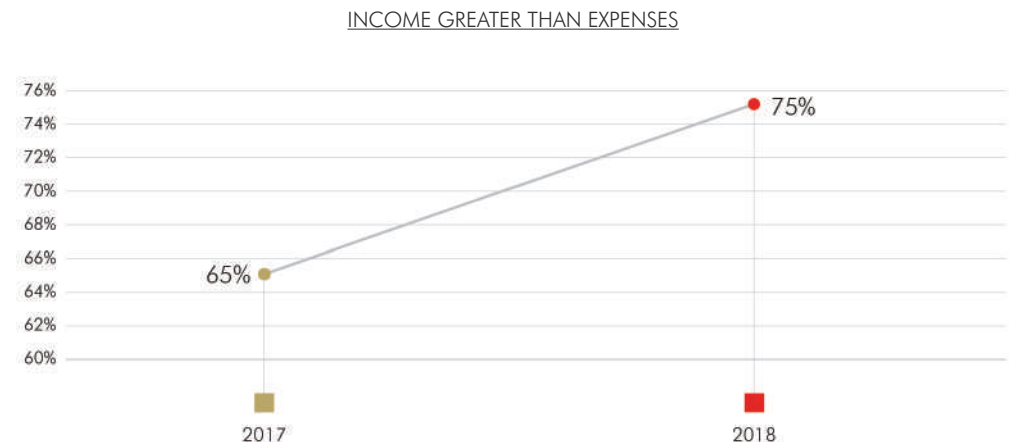
#### 4.4.5 MONTHLY INCOME VS MONTHLY EXPENSES

A comparison between 2017 and 2018 monthly expenses vs monthly income was undertaken. In 2017, 65% of the entrepreneurs’ monthly income was greater than their monthly expenses, with expenses greater than income for the remaining 35%.

It is encouraging to note that, at the end of 2018, over 75% of the entrepreneurs had a monthly income that was greater than their monthly expenses, representing a 10% increase in entrepreneurs that were able to keep their businesses afloat and cover operational costs.

This increase could be due to improvements in business cash flow management or their cash-flow-to-debt ratio. In addition, this increase could also be attributed to the fact that many of the entrepreneurs are now on the SAB Foundation’s Social Innovation Fund and Accelerator, which has extensively accelerated them.

The UCT Student Seed Fund reported a positive monthly revenue for 63% of the businesses ranging from under R5 000 to over R200 000. One of the key indicators of success for enterprises appears to be strong partnerships. Interestingly, almost 90% of the enterprises indicated that they are establishing or have established partnerships that compliment or extend their offering. This suggests that partnerships are a key success factor for new, early-stage businesses.



#### 4.4.6 JOB CREATION

In a recent study, the contribution of formal SMMEs to employment and job creation in 99 developing countries was examined using a new dataset from the World Bank’s Enterprise Survey <sup>6</sup>database.

This determined that SMMEs were more prevalent and larger contributors to employment and job creation in low-income countries, as opposed to high-income countries. It was found that SMMEs contribute 66% of total, full-time formal sector employment and generate 86% of new jobs. <sup>7</sup>In low-income countries, the SMME contribution to employment is even higher, at 78.25%.

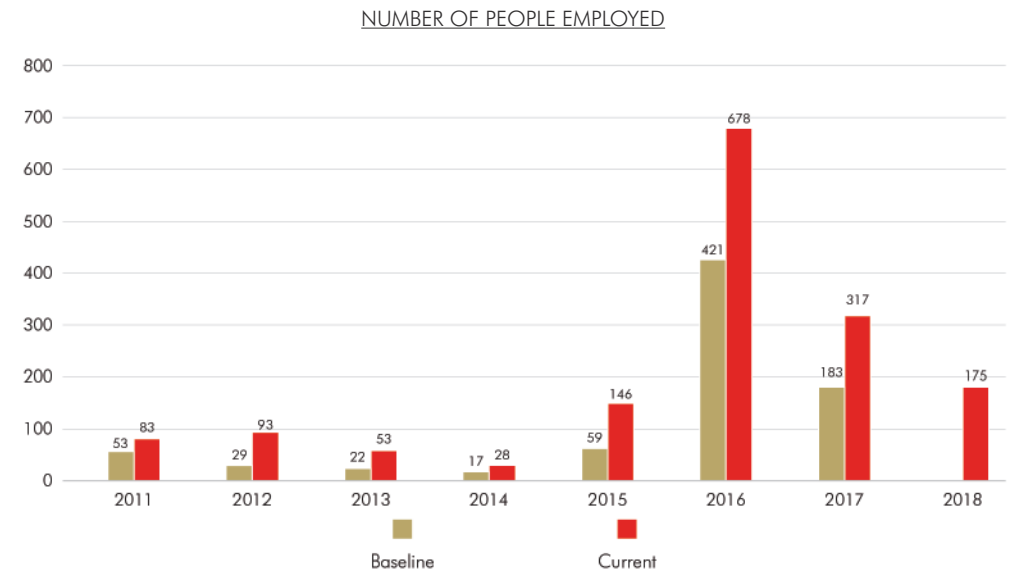
According to <sup>8</sup>Stats SA, the unemployment rate in South Africa is currently 29%, making the SMME sector’s contribution to employment more important than ever. Therefore, a comparison was undertaken of the number of people who have been employed by the entrepreneurs since inception to 2018.



As at December 2018, the entrepreneurs currently collectively employ 1 573 people, compared to only 959 at baseline, an increase of 614 jobs. The 2016 and 2017 cohorts recorded the highest growth, creating 257 and 135 jobs respectively.

Given South Africa’s dire unemployment figures, it is encouraging to note that our Social Innovation and Disability Empowerment Awards entrepreneurs have brought about a 64% increase in job creation.

Social Innovation Fund and Accelerator beneficiaries were also instrumental in creating employment, growing by 51% from 137 employees in 2017, to 207 as at December 2018, resulting in 70 new jobs. This is an encouraging result, signifying that not only does the fund spearhead business growth but, in turn, helps businesses to create much-needed employment for the South African economy. The 2018 cohort of entrepreneurs have given a baseline indication of job numbers currently in their businesses, and a comparison will be made at the end of the reporting period for 2019.



<sup>6</sup> N. T Katua. “The Role of SMEs in Employment Creation and Economic Growth in Selected Countries” 12 December 2014.

<sup>7</sup> Aspen Network of Development Entrepreneurs: Small and Growing Businesses: Investing in the Missing Middle for Poverty Alleviation- Literature Review, March 2012.

<sup>8</sup> Stats SA, <http://www.statssa.gov.za/?p=12689>

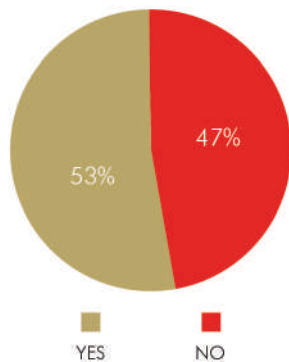
## 4.5 SOCIAL IMPACT

As social businesses, our social innovators have a strong focus on social and environmental impact with a commitment to a diverse range of issues including, but not limited to, financial inclusion, education, health, sustainable agriculture, water, energy, sanitation and accessibility.

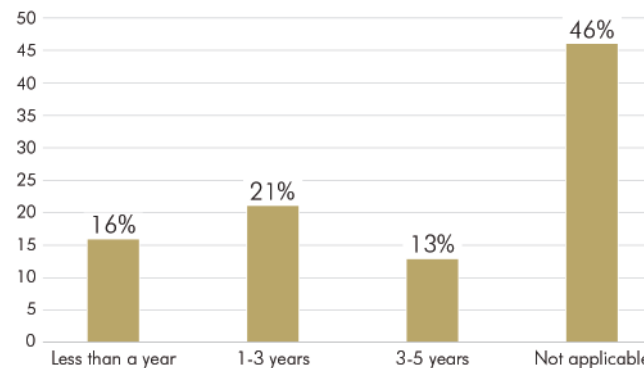
One of the SAB Foundation's key challenges is tracking this social impact. However, only 53% of the entrepreneurs track their social and environmental impact and, of these, 16% have been tracking for less than a year, 21% between one and three years and 13% between three and five years.

The majority of entrepreneurs that responded positively to this question track their impact according to specified indicators. They are able to clearly identify and list these indicators and articulate their impact on intended beneficiaries. Of those who are not actively tracking their impact, the majority are able to articulate the perceived impact that their innovations have had from a social and/or environmental perspective.

DO YOU TRACK YOUR SOCIAL AND/OR ENVIRONMENTAL IMPACT



HOW LONG HAVE YOU TRACKED YOUR SOCIAL / ENVIRONMENTAL IMPACT



Measuring impact is essential to help businesses determine whether their programmes are effectively working towards their goals and, if necessary, to enable mid-course corrections. In research conducted by Aspen Network of Development Entrepreneurs<sup>9</sup>, impact measurement is recognised as central to achieving company growth and organisational objectives. The research also emphasises the importance of impact measurement for buy-in from stakeholders and investors who increasingly look for evidence of the social return on their investments.

In an effort to help entrepreneurs understand the importance of tracking impact, in 2019 the SAB Foundation introduced social impact training for all Social Innovation and Disability Empowerment Award finalists as well as impact based key performance indicators for Social Innovation Fund and Accelerator participants.

New ways to consolidate and measure beneficiaries' overall impact are also being introduced because, as can be seen in the following section, most of what is currently being tracked is qualitative feedback relating to outputs rather than impact.

### 4.5.1 SAB SOCIAL INNOVATION CONTRIBUTION TOWARDS THE UNITED NATION'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS

Below are some of the SAB Foundation entrepreneurs' contributions towards the United Nation's Global Sustainable Development Goals.

- Allowed 8 000 patients to collect chronic medication in an average time of 36 seconds.
- Recycled over 230 tonnes of clothes and funded over 200 school outreach programmes, educating over 200 000 children and teachers about the environmental impact of the clothing sector and the plight of people living with disabilities in South Africa.
- Recycled over 400 geysers and over 2 555kg of waste in 2018.
- Facilitated the treatment of 90 111 rural patients by connecting healthcare workers with on-call experts via a mobile application.
- Contributed to a 9% drop in murder rate and a 26% drop in sexual offences in Diepsloot, a 67% drop in sexual offences in Mashamplane, a total eradication of theft in no fee paying schools in Mooi Nooi, and a 95% improvement in SAPS response times.
- Provided accessible transport to approximately 3 000 persons with disabilities.
- Grew 124 tonnes of vegetables and saved 25 million litres of water in 2018.

For detailed feedback on entrepreneurs' outputs and impact, please see Appendix 1.

<sup>9</sup> Aspen Network of Development Entrepreneurs: Small and Growing Businesses: Investing in the Missing Middle for Poverty Alleviation- Literature Review, March 2012.

## 5. BUSINESS ACHIEVEMENTS

Awardees were asked what the SAB Foundation funding enabled them to achieve that they otherwise would not have been able to. Feedback is categorised into the following five distinct areas.

### 5.1 ADVANCE FROM CONCEPT/IDEA/PRE-PROTOTYPE PHASE TO BUSINESS START-UP/ PRODUCT DEVELOPMENT/ FINAL PROTOTYPE

The majority of entrepreneurs (72%) said that the funding enabled them to advance from a concept or idea phase to building or further developing a prototype or product. The following is what one of the entrepreneurs had to say:

*"After piloting in, I needed to make adjustments on the design of the prototype. I know that listing the ability to pay operational running costs as an achievement might not make sense but when you cannot afford to pay these, it is extremely difficult to perform any innovation or product development."*

### 5.2 BUSINESS SUSTAINABILITY/GROWTH/SCALING AND ACCESS TO MARKETS

57% of the entrepreneurs identified business sustainability or growth and access to markets as something that the SAB Foundation enabled them to achieve. The following is what one of the entrepreneurs had to say:

*"I had funding/capital so I could deliver on a number of big orders that I had a few months following the win. I was able to increase my storage area and I brought some critical equipment like an air conditioner and fume cupboard for the lab, which I couldn't work without."*

### 5.3 PURCHASE EQUIPMENT

27% of the entrepreneurs said that funding from the SAB Foundation enabled them to purchase much needed equipment for their businesses. The following is what one of the entrepreneurs had to say:

*"The funding I received from the SAB Foundation was used to purchase tools and materials to build the first and second prototypes of digester tanks for my business."*

### 5.4 HIRE MORE STAFF/JOB CREATION AND RECOGNITION AND CREDIBILITY

31% of the entrepreneurs said that the SAB Foundation helped them hire more staff and gain more recognition or credibility. The following is what one of the entrepreneurs had to say:

*"We had the ability to hire part-time employees, which are now an integral part of the company. We connected to a number of new people and opportunities through the numerous expos etc. that we were invited to attend and we got increased recognition and credibility from other companies because of our placement in the Social Innovation Awards."*

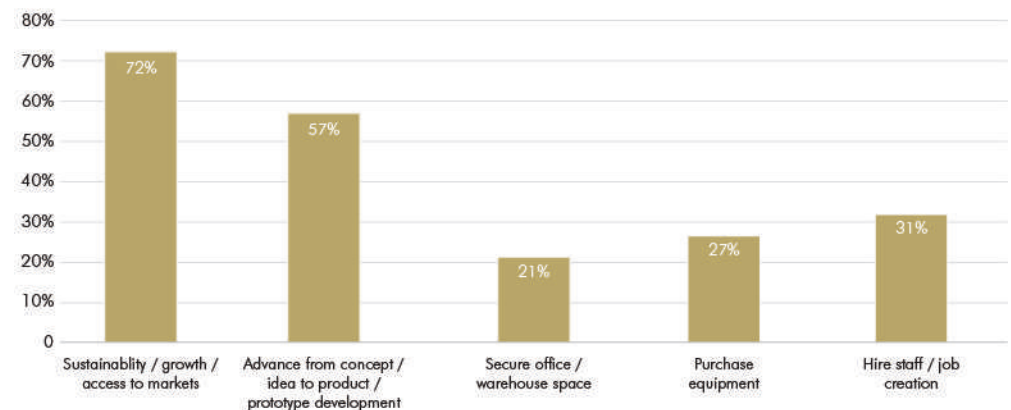
### 5.5 SECURE OFFICE/WAREHOUSE SPACE AND PATENT REGISTRATION

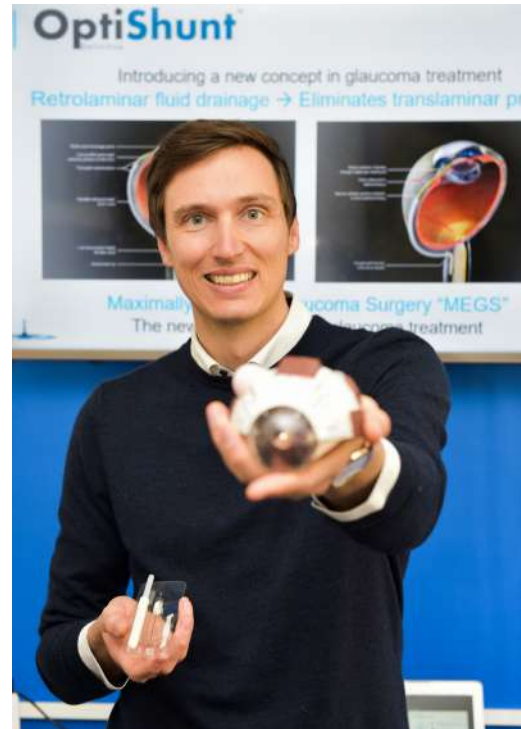
21% of the entrepreneurs said that the funding from the SAB Foundation enabled them to secure office or warehouse space and register patents. The following is what one of the entrepreneurs had to say:

*"I was able to start working on my product because of the assistance from the SAB Foundation. I was also able to rent an office, pay the relevant suppliers and buy the relevant items to build my prototype."*

For detailed feedback on entrepreneurs' business achievements please see Appendix 2.

WHAT THE SAB FOUNDATION HAS HELPED AWARDEES ACHIEVE







## 6. HIGHLIGHTS AND SUCCESSES

Innovators were asked to share their highlights and successes since being selected by the SAB Foundation. Highlights included job creation (41%), increased turnover (51%), local and international recognition (33%), business growth (44%), and registering patents (12%). The word cloud below summarises what the entrepreneurs alluded to as their highlights and successes since being selected by the SAB Foundation.



The following is what some of the entrepreneurs had to say about their highlights and successes:

*“We are very proud to list that we have been running the social enterprise at a significant profit and, most importantly, we have increased our training offering to unemployed youth by 42% from 74 to 108 people, as well as our placement of graduates by 15% from 61% to 76%.”*

*“We have increased our staff compliment to 12 full time employees and six part time employees. In addition all of our former employees are still employed or have studied further. In essence we have managed to create 24 jobs from the R475 000 granted by the SAB Foundation. We have generated sufficient turnover to have paid salaries of three times the amount granted to us and estimate exceeding our R2 million turnover target this financial year.”*

### CASE STUDY: MEDICAL DIAGNOSTECH

United Nations Sustainable Development Goal – Good Healthcare and Wellbeing

Ashley Uys started his business, Medical Diagnostech, in 2010 with the aim of developing and manufacturing rapid diagnostic test kits. He always enjoyed biology at school and therefore enrolled in the Faculty of Science at the University of the Western Cape. Studying biotechnology opened his mind to the possibility of developing products using science.

As the oldest of six children, Ashley felt that it was his duty to set an example for his younger siblings which motivated him to start Medical Diagnostech when he was just 22 years old. The business manufactures high quality test kits that have increased sensitivity and are robust enough to withstand extreme storage conditions for up to 24 months. This allows for the early detection and effective treatment of critical illnesses such as Malaria, even in remote or rural areas.

Since winning R1 million at the SAB Foundation Social Innovation Awards in 2012, the business has expanded and now exports an average of 600 000 tests per year. They have grown their income from R4 million to R12 million and increased employees from 11 to 30 people. They have also established a subsidiary company called OculusID.

Going forward, Ashley aims to use his business not only to provide easy medical access to consumers but to also to create employment for the community. Medical Diagnostech’s corporate culture promotes skills development, knowledge and has a BEE score of 110%.

Ashley was recently accepted onto the SAB Foundation Social Innovation Fund, which provides access to opportunities for further business growth phase funding and support. He intends to use this support to purchase manufacturing assets and increase his business output.

“The SAB Foundation is a stepping stone for many entrepreneurs, helping to reduce the risk relating to capital expenditure and providing critical business assistance,” says Ashley.

## CASE STUDY: NKAZIMULO APPLIED SCIENCES

United Nations Sustainable Development Goal – Quality Education

Nkazimulo Applied Sciences help young people become scientists through ChemStart, a portable science kit that learners can use to perform science experiments at schools without laboratories. The experience of performing the experiments engages young people, helping them better grasp science concepts and gain confidence in handling lab tools.

Founder Bathabile Mpofu says that the inspiration to create her innovation stemmed from the fact that an overwhelming number of schools in South Africa have no lab facilities, making it difficult for learners to be motivated to choose and excel in science subjects. She believes in a South Africa where every young person has an opportunity to fall in love with science by having access to the learning tools that allow them to reach their full scientific potential.

Since winning R600 000 at the 2017 Social Innovation Awards, Nkazimulo Applied Sciences has managed to set up an on-site laboratory of their own, growing their offering from one to nine products and increasing their revenue from R360 000 per annum to R1.6 million.

Nkazimulo Applied Sciences have helped over 12 000 learners in five provinces and their plans include developing an interactive online platform to further help learners. The platform will provide advice, support and encouragement as well as monitoring user's progress, and rewarding their achievements.

"Receiving support from the SAB Foundation gave us credibility, backing what we do and leading to more organisations partnering with us as we make science more accessible, engaging and fun". said Bathabile.

## 7. CHALLENGES

Entrepreneurs are faced with many challenges and, to better understand these, the SAB Foundation asked entrepreneurs about the challenges that they currently face with regards to making their social innovations a success. The analysis revealed a variety of challenges, however, the majority of the entrepreneurs identified the distinct issues presented in the word cloud below as their current challenges. with lack of further funding topping the list at 71%. This is not surprising, as numerous studies conducted on SMMEs have identified funding as a key barrier impeding business success.



The following is what some of the entrepreneurs had to say about their challenges:

*"More funding is required to scale up our micro manufacturing plant to increase delivery capacity and reduce product cost, as well as reach the market with large scale marketing campaigns."*

*"High costs of rental are still a major challenge facing our organisation, and the biggest challenge for us is finding businesses who are willing to partner with us to provide donated or discounted rental, growth partnerships, and integration."*

For detailed feedback on what all the entrepreneurs had to say, please see Appendix 4.

## 8. SUGGESTED IMPROVEMENTS TO THE PROGRAMME

Awardees were asked for suggestions on how the SAB Foundation could improve the Social Innovation and Disability Empowerment Awards.

85 entrepreneurs provided feedback and responses were categorised into the following three distinct areas.

### 8.1 PROCESS

- Respondents felt that the programme timeline, from application to awards granting, could be shortened.

They also suggested hiring independent auditors for the desktop evaluation of applications and judging panellists with thorough industry/sector knowledge and experience.

- Respondents recommended that limitations for what the award can or can't be used for should be made clearer in the application.
- Respondents said that entrepreneurs should be given assistance to start spin-off companies, an activity that many saw as an obstacle, as well as allowing entrepreneurs to apply more often as they continue to innovate.

### 8.2 SUPPORT

- The majority of the respondents felt that market access is paramount for all small businesses, and therefore suggested additional support in this regard, particularly within the SAB Foundation's networks or value chain.

They also suggested collaborating with more access to market partners offering support for scaling innovations.

- Respondents suggested that the SAB Foundation have more face-to-face interaction with entrepreneurs after they have won the award, such as yearly site visits.
- Respondents recommended that the BizAssist offering be improved, with majority of comments referring to re-looking at the service and/or having a session on BizAssist for those who either did not fully understand it or did not get the help that they required.

Respondents felt that striking a partnership with a law firm to assist with legal issues might prove to be more useful.

- Respondents suggested matching mentors by sector as generic mentors take time to come up to speed with industry nuances and, in many cases, were better suited to early stage product and business development.

### 8.3 GROWTH

- Respondents suggested that the SAB Foundation form partnerships with local universities, to help innovators access affordable technical assistance and further develop their innovations.
- Respondents suggested bringing Social Innovation and Disability Empowerment Award alumni together over a few days or creating a strong platform/network for them to share experiences, co-create learning seminars and coach each other to further develop their businesses.

The SAB Foundation is constantly striving to improve the support we provide and, based on entrepreneur suggestions in last year's assessment, the Social Innovation Fund and Accelerator was implemented to address a lack of access to further finance, post SAB Foundation funding.



## CASE STUDY: KHEPRI BIOSCIENCES

United Nations Sustainable Development Goal – Zero Hunger

Khepri Biosciences was founded by Bandile Dlabantu, a local entrepreneur with a passion for bioeconomic development, or the use of renewable bio-materials as production inputs.

The enterprise collects abattoir and agricultural waste as input for the production of insect larvae, which in turn serves as raw material for protein-rich animal feed. Bandile's product is cheaper than conventional animal feed, reducing input cost for farmers and helping to improve food security in the region.

Bandile was motivated to start his business by the need for change in the Eastern Cape, where he grew up. In 2013, after nearly ten years spent working in the IT and health science sectors, he started Khepri Innovations, through which he operates Khepri Biosciences and Renergy, a bio-composite manufacturing company.

Winning R1.2 million during the SAB Foundation Social Innovation Awards in 2015 helped Bandile to further develop his businesses prototype and commission the first mobile fly farms for his pilot facility. This helped him grow his business and start generating a turnover. He now employs six people and has a turnover of R204 000 per annum.

Furthermore, as a previous participant for the Social Innovation Awards, Bandile was able to apply for the SAB Foundation Social Innovation Fund, giving him access to a business accelerator and additional growth phase funding for his business.

He has used this support for research and development purposes, which has helped him expand his offering to include more specialised products such as grower and finisher meal for broiler chickens as well as feed for the fish farming industry in Mozambique. These new developments will help Bandile grow his business significantly and he plans to increase his team to 32 people in the near future.

"It takes resilience, good governance and a good management team to sustain a business and make it a success," explains Bandile.

## 9. CONCLUSION

During the past decade, there has been a phenomenal surge of global interest in social innovation as a way to achieve sustainable economic growth and improve human well-being.

<sup>10</sup>The rise of social entrepreneurs and social enterprises is not only contributing to the mobilisation of people in the innovation process but also providing the impetus for economic growth and social equality. It is therefore encouraging that this analysis suggests that, by supporting social innovators, the SAB Foundation is playing a vital role as an engine of employment and sustainable economic growth in South Africa, creating a positive impact on the economy and society.

In addition, as social businesses, our social innovators have a strong focus on social and environmental impact with a commitment to a diverse range of impact themes, aligned to the National Sustainable Development Goals such as quality education, good health and well-being, sustainable agriculture, water, energy and sanitation.

Economic growth and job creation remains the cornerstone of addressing South Africa's socio-economic challenges. Therefore, it is heartening to note that, despite the dire economic state of South Africa where the national business success rate is only 20%, not only are over 90% of the SAB Foundation businesses analysed above still operational, but they have also increased their overall turnover by 125% and overall jobs by 64%.

The SAB Foundation recognises the challenges that the entrepreneurs have highlighted in this assessment and will keep working on finding better ways to help beneficiaries run successful and sustainable social enterprises.

<sup>10</sup> Kevin Chika Urama & Ernest Nti Acheampon: *Social Innovation Creates Prosperous Societies: Stanford Social Innovation Review Summer 2013.*

## 10. APPENDICES

### APPENDIX 1: ENTREPRENEURS' OUTPUTS AND SOCIAL IMPACT:

- One million units of vegetables donated.
- Saved customers 10% on their monthly food acquisition costs.
- Established 25 school gardens and impacted 250 households.
- Trained and up-skilled more healthcare workers in clubfoot treatment to treat more children.
- Increased the supply of donated braces, and Iowa braces to state clinics and government, to prevent clubfoot relapse and reduces burden on clinics.
- Increase in awareness of the global need for a blood-based TB diagnostic.
- Increase in awareness regarding prostate and breast cancer
- More than 220 people have purchased a hearScope, a low cost, user-friendly smartphone-based otoscope used to diagnose ear disease.
- Over 5 000 teachers and students from under-resourced schools and communities living in rural and peri-urban areas have access to portable solar computer lab-in-a-bag that can convert normal classrooms into temporal computer labs.
- 88 Grade 8 students who had failed mathematics were taught how to use the E-School Application. Now all 88 have passed and are currently enrolled in Grade 9.
- Reduced student dropout rates by between 25% and 75%.
- Improved science marks for Grade 12 learners through a mobile school science laboratory.
- Over 10 000 learners in over 50 schools have had access to a mini-science kit for use at home or school to help them become scientists.
- Grew 124 tonnes of vegetables and saved 25 million litres of water in 2018.
- Produced and sold over two million litres of safe, affordable drinking water.
- Trained eight women and four youth on how to replace informal backyard shacks with durable structures, using alternative building technology.
- 2 500 job seekers trained on CV building and skill endorsement through a series of CV workshops.
- Four previously unemployed graduates now work as agriculture students and are afforded working experience, stipend and accommodation on farms.
- 40 disabled beneficiaries placed in learnerships.
- Over 80 people with disabilities received their driving licence.
- Three youth trained on manufacturing and basic electronics.
- Over 50 people have been trained to weave, spin and knit cashmere.
- 40 tonnes of waste per month diverted from dumping.
- Increased total income of waste collectors as well as providing health and safety, financial literacy and waste repurposing training.
- Accessible transport provided to about 3 000 persons with disabilities.
- Increase in the number of employees with intellectual disabilities provided with housing, transport and sporting and cultural opportunities including two social outings per annum.
- Increased financial wellbeing in fisher communities and shifted the species profiles on the marketplace towards more sustainable resources.
- Replaced two backyard shacks with three formal and sustainable units.
- Re-integrated 50 substance abusers back into society by helping them start businesses, get a job or go back to school.

### APPENDIX 2: BUSINESS ACHIEVEMENTS

#### 1. ADVANCE FROM CONCEPT/IDEA/PRE-PROTOTYPE PHASE TO BUSINESS START-UP/PRODUCT DEVELOPMENT/ FINAL PROTOTYPE

The majority of entrepreneurs (72%) said that the funding enabled them to advance from a concept or idea phase to building or further developing a prototype or product. The following is what some of the entrepreneurs had to say:

1. "It helped me to create prototypes of my product and perform pilot studies which was great in helping me learn a lot about my business (market, customers and validate my product offering).

It helped us quickly go through the product testing phase which is always the most difficult part for every start-up because you spend a lot of money trying out your product with a target group at one's own cost."

2. "Prototype (Product) Improvement. After piloting in, I needed to make adjustments on the design of the prototype to make it not very difficult for installers to install the DCP Cable Theft Prevention System. I know that listing ability to pay operational running costs as an achievement might not make sense but it makes sense to me. When you are in business and cannot afford to pay basic operational running costs, the business will sink and it would be extremely difficult to perform any innovation or product development without resources."
3. "I have managed to build two V1 Prototypes and have donated one to WITS University. I have also managed to work on V2 (Mark 2) of my design which I am hoping to take to market along with V1."
4. "The funding from SAB Foundation enabled us to perform further development on our product, and take it from an early prototype to a pre-production design."
5. "I've been able to partner with CUT Bloemfontein who was willing to sponsor an additional amount towards the design, development and manufacturing of the first five prototypes. SAB Foundation enabled me to move forward from an idea to a product."
6. "I am able to enlist the services of academic and software specialists to enhance my product, something very difficult for a person that is starting out."
7. "Develop a digital model of the intended project to assist in communicating the project to potential collaborators and/or investors."
8. "Funding from SAB Foundation has enabled us to take both our modular mobility devices and the concept design of our side positioner to the stage where they are now in production and in the case of the side positioner in the process of final field trials. Not only did this enable us develop and follow new, more efficient, processes but it added the unexpected

benefit of assisting us with implementing these new processes through our design into production and ensuring they fed into our new ISO 9001 QM system."

9. "This funding assisted greatly with product development, and patent and legal costs. It also enabled us to attend the GPA workshops in Cape Town."
10. "The funding from SAB Foundation enabled us to perform further development on our product, and take it from an early prototype to a pre-production design."
11. "Wow, the SAB Funding has allowed us to manufacture 500 Balambies which we would never have been able to do. We now have a physical product, which we can show potential funders and the public and the feedback has been amazing. The exposure that we received from our expo and other avenues has also been amazing. The funding also allowed for some much needed 'tools' like computer equipment and printing equipment which is essential."
12. "The fund has allowed us to develop and pilot our business model over a period of six months. We are now able to confidently seek growth funds for the business, as we have a supporting case that proves its viability (market fit) and sustainability."

## 2. BUSINESS SUSTAINABILITY/GROWTH/SCALING AND ACCESS TO MARKETS

57% of the entrepreneurs identified business sustainability or growth and access to markets as something that the SAB Foundation enabled them to achieve that they would not have otherwise achieved on their own. The following is what some of the entrepreneurs had to say:

1. "Access to the market and sustainability. Our marketing budget has been constrained and the grant will enable us to engage in more targeted marketing. We are also going

to be implementing our sustainability strategy through the development of the mobile app for AfterClassAid."

2. "Keeping the company afloat. It was nearly dead."
3. "Opened our second depot in Nelspruit and started extending credit to our customers."
4. "It gave a lifeline to our business enabling us to finish what we started. That is the greatest thing we are most happy and thankful for."
5. "The most significant achievement was funding our initial proof of concept in-office cafe inside Saatchi & Saatchi Advertising, Greenpoint. The funding helped us equip and staff a site much quicker than we would have on our own. Based on the success of this small site we were invited to open a fully-fledged site serving four times the customer base and tripling our staff compliment."
6. "The funding and timing of the funding enabled us to sustain our cashflows long enough to close the investment from Bluewater which has in turn completely transformed our business. We had a number of unsuitable potential funding offers that we were trying to delay long enough for an investor like Bluewater and the support of the Foundation has enabled us to close the investment with a company that shares our social purpose and African innovation focus."
7. "Sustainability at a critical period when the business was being established."
8. "I was able to improve the logistics of my company and I was helped out when my truck broke down in the middle of a contract. Without the SAB Foundation, I am sure my business would have closed shop."

9. "Set up of micro-manufacturing plant to reduce the cost of the Memeza Community Alarm system offered to lower income communities. Helping with access to market through various marketing campaigns. Creation of additional jobs. Many of the additional awards won has been based on how the SAB Foundation has been assisting Memeza since 2012."
10. "We were able to scale our project into two other provinces."
11. "I had funding/capital to use so I could deliver on a number of big orders that I had a few months following the win. I was able to build a loft in the space I work in to increase the storage area. Peace of mind, knowing I could focus on the business without worrying about finances. I bought some critical equipment i.e. air conditioner and fume cupboard for the lab, which I couldn't work without. Without these items, the work area would be a work hazard."
12. "It has helped us develop, run and test an entirely new distribution model for the informal economy. This will be critical for the organisation as we grow."

### 3. PURCHASE EQUIPMENT

27% of the entrepreneurs mentioned that the SAB Foundation funding enabled them to purchase much needed equipment for their businesses. The following is what some of the entrepreneurs had to say:

1. "The funding I received was used for tools, logistics, materials and to build the first and second prototypes of digester tanks."
2. "I purchased raw material, some basic tools and equipment. I managed to deliver on time. I have networked with new business contacts from the SAB Foundation group of winners."
3. "The tooling of the foldable legs was beyond my financial reach. I have been able to achieve this milestone."

4. "The funding enabled the business to purchase goods for the growth of the business as well as many business development tools."
5. "The funding enabled me to purchase brilliant equipment and pay monthly operations costs."

### 4. HIRE MORE STAFF/JOB CREATION AND RECOGNITION AND CREDIBILITY

Some of the entrepreneurs (31%) identified job creation increased recognition and credibility as something that the funding from SAB Foundation enabled them to achieve, that they would not have otherwise achieved.

The following is what some of the entrepreneurs had to say:

1. "Hiring additional resources to do the daily admin work, thus freeing me up to do more strategic work, to grow and evolve the business."
2. "Additional skilled labour and safe and better working conditions."
3. "We have been able to employ an Operations Manager on a full time basis. We continue to make improvements on our platform using the funds that are available to us."
4. "The ability to hire part-time employees, which are now an integral part of the company. A greater number of product offerings. Promotional and marketing merchandise. Becoming a Proudly South African company."

Connecting to a number of new people and opportunities through the numerous events that we were invited to attend. Increased recognition and credibility with other companies. A complete overhaul of our website which is now able to support basic e-commerce."

5. "Firstly, recognition as one of the SAB Foundation's Social

Innovation Award winners opens doors when I approach potential clients. Then the intellectual property and prototype (product) improvement. After piloting in, I needed to make adjustments on the design of the prototype to make it not very difficult for installers to install the DCP Cable Theft Prevention System. I know that listing ability to pay operational running costs as an achievement might not make sense but it makes sense to me. When you are in business and cannot afford to pay basic operational running costs, the business will sink and it would be extremely difficult to perform any innovation or product development without resources."

### 5. SECURE OFFICE/WAREHOUSE SPACE & PATENT REGISTRATION

21% of the entrepreneurs said that the funding from the SAB Foundation enabled them to secure office/warehouse space and register patents. The following is what some of the entrepreneurs had to say:

1. "I was able to start working on my product because of the assistance from SAB Foundation. I was also able to rent an office, pay the relevant suppliers and buy the relevant items for building a prototype."
2. "The R150 000 helped us to secure our current warehousing space, without this we would not have been able to secure discounts from manufacturers."
3. "Patents and buying a vehicle."
4. "The grant I received from the foundation was R150 000, part of this was then used to register patents. The breakthrough of my device wouldn't have happened without the support from the SAB Foundation."
5. "Furthering the patents to PCT level."

### APPENDIX 3: HIGHLIGHTS AND SUCCESSES

1. "Won fourth place at the GAP ICT, was named as one of the 19 emerging women to watch out for in 2019 by the African Women Innovation Entrepreneurship Forum (AWIEF), won a collaboration Grant from The Young African Leaders Initiative (YALI), Mnadela Washington Fellowship to go to Kenya, received a fellowship by the Gratitude Network, received a fellowship from TEDX Johannesburg."
2. "We have received a lot of interest from investors."
3. "SAFM interview and our digital presence is increasing"
4. "We have successfully expanded operations from the Cape to also include Gauteng, with 30 quality contractors on our platform. The first projects have already been completed, with rave reviews from clients."
5. "We have made a few contacts from the awards evening, with whom we will try to create collaboration."
6. "We had our first meeting with representatives from seven of eight medical schools to set up the first online national clubfoot database. The pilot will start on 1 January 2019. It's too soon to report any highlights/successes. The response from our stakeholders and partners has been great and we have had media coverage in print and TV."
7. "Our first Wheelchair Seating Services Hub has opened in partnership with Mukisa Foundation in Uganda and their technicians and therapists have so far received two rounds of training."
8. "We are currently managing funding of R500 000 per week on one client, for the next coming three years."
9. "I think the company is growing into a medium enterprise. It has a several national clients, including BP SA, Eskom,

Transnet, Imperial, RTMC and RAF. We are also seeking to enter other African and Australian markets."

10. "The Social Innovation has helped with a 67% reduction in sexual offences and 9% reduction in murder rate in Diepsloot. SAPS response times have improved from 48 hours to between seven to twelve minutes."
11. "Now self-funding, sales of R750k/year, employing 15 people permanently."
12. "Excitement about the product by all stakeholders; the readiness and appetite of consumers in 2018 based on our field testing using design thinking methodology."
13. "Winning the Western Cape referral tender. Being the first SA invention to be presented at the Royal Society of Medicine. 300% growth annually for four years in a row so far."
14. "A highlight for me was to cook a full meal on gas provided by the prototype digester tank."
15. "I have managed to patent the idea locally"
16. "Being able to expand to regions across South Africa and being able to pursue this business full time."
17. "The SPII grant of R1 million through the DTI which has enabled us to refine the device and file patents to 65 countries (November 2017). Being selected as one of the top 50 African Innovations at the 2018 Africa Innovation Summit in Rwanda, being selected to exhibit at the 2018 International Telecommunications Conference and winning the best exhibition stand under the South African Pavilion with a prize of R100 000.00."

The R450 0000 grant that we received from Multichoice and the R750 000 grant we received from The Innovation Hub. In 2016, when the organisers of the Pioneers Festival

considered our solution as part of 500 promising technology based solutions in the world and I was also invited to give a talk on "using technology for the social good". When I was invited for an international pitch battle that took place in Switzerland.

When I was invited to the Eureka Innovation week in Sweden and when I was invited to give a talk on "what is a smart city, in relation to people who are differently able". Both these seed funds have enabled us to do product refinement and covered the many rounds of prototyping we've had to do."

18. "Achieving the first municipally approved EcoBrick building plan in SA. Expanding our range of services on offer, to broaden the multiple services which sustain the business."
19. "In 2018, we secured a R4 million deal with the SAB Foundation to pilot the Abomakgereza project with 54 waste pickers in Tembisa. The pilot project has proven to be a huge success with UWS recovering over 150 tonnes of recyclables in Tembisa and improving the earnings of the informal recyclers by 15% to 40% in a space of six months."
20. "In January 2018 we had expanded our network of educare customers to 105 across Khayelitsha and Gugulethu. We've delivered over 50 tonnes of food to these customers since the award and we've redesigned our offering to create more focused impact in the Early Childhood Development sector."
21. "We have continued to take revolutionary solutions to market, refining our product constantly to meet the demands of schools, and have won multiple prestigious awards in recognition of the work we do."



22. "I believe being awarded Industrialist of the Year in Southern Africa at the Regional All Africa Business Awards in 2018 was the highlight because it recognised the work that one was doing. Also getting to commercial stages was a highlight because there is so much that goes into getting a product to the market and getting customer interest in buying it."
23. "GradesMatch is considered a top 12 social innovation in South Africa and a top five innovation by the Impumelelo Trust."
24. "We have managed to grasp the production side of the innovation. We have done wide ranging tests, all of which came out successful. We have now managed to iron out all production issues and we are ready to proceed to marketing. We are now renting a small factory and gradually building up our production team."
25. "Our biggest highlight remains the moment when the first patient collected medication for the first time from our locker. That was a really great validation of all the effort and work that we had put in. The second was when we secured a contract with the National Department of Health for eight of the nine provinces just a few months back."
26. "There are over 20 schools that have since received the StarLab. Some of our Grade 12 graduates passed science with high marks and obtained a bursary from CBE to study engineering at Pretoria University."
27. "The award gave me enough confidence to pitch my business to potential customers and investors. My highlight was winning the Total Startupper Competition."
28. "We are very proud to list that the past two years we have been running the social enterprise at a significant profit and most importantly we have increased our training offering to unemployed youth by 42% from 74 to 108 people as well as increasing the placement of our graduates by 15% from 61% to 76%."
29. "Transporting 100 persons with disabilities from all provinces to a conference hosted by Disabled People South Africa (DPSA)."
30. "Getting the opportunity to showcase our social innovation to the Asian market at the EdTechX Asia conference in Singapore (funded by DTI and the CiTi EdTech Cluster). Another success was developing a relationship with the NECT, which saw us presenting our social innovation to SA's Minister of Education, and being granted the opportunity to pilot our product in five public schools to over 1 650 users in 2018. We also got the opportunity to host the Microsoft Education SA National E2 Summit at Steyn City School with 80 other educators from Microsoft Showcase Schools."
31. "Two patents passed the PCT stage and the International Search Report (ISR) and Written Opinions (WO) considered most of the claims in the two patents as patentable. The patents are now in the national and regional phases. They were lodged in the USA, Canada, EU, China and South Africa. I am now collaborating with scientists from SAMRC, NWU, and University of Limpopo on various stages of this project."
32. "Doing a training project with five prosthetic professionals from Africa (Tanzania, Mozambique, Zimbabwe, Namibia, SA) who bought a child amputee to fit with a prosthetic. I could not afford to handle the whole project so partnered with an international prosthetic manufacturer. This meant I could not fit out blades.
- The victory here was in doing the training in sports prosthetics so that they know how to approach fitting blades. This is not taught in most tertiary training. The kids got a chance to get active new solutions and I hope it is the start of work into Africa. Finally manufacturing the blades and owning the jig is a big step for me. From here I can test and work out how to get funders like the Road Accident Fund to back it for the amputee kids they support."
33. "At the start of 2018, we rolled out our resources to 59 schools in the Western Cape.
- We have also released our categorised exam books. Our version 3 Content Hub has also been rolled out."
34. "We have increased our staff compliment to 12 full time employees and six part time employees. In addition six of our six former employees are still employed or have studied further. In essence we have managed to create 24 jobs from the R475 000 granted to by the SAB Foundation.
- We have generated sufficient turnover to have paid salaries of three times the amount granted to us, generating R1.2 million turnover so far this year from one in-office cafe and estimate exceeding our R2 million turnover target this financial year."
35. "We were given significant funding by Allan Gray Orbis Foundation Endowment Fund for three years. This has enabled us to create more than 100 jobs/internships. Capital expenditure has been applied to develop the infrastructure to support these jobs."
36. "The cashmere programme has grown in leaps and bounds since receiving the awards. Penetration of the market has increased and we have achieved business growth, whilst employing more people. Training has improved product quality and delivery."
37. "We have met our desired milestones for 2018. Our student base has grown from around 40 (in 2017) to a student base of 400 students. In 2019, we expect this to be around 8 000.
38. we have expanded our model to another location in KZN, we have hired three additional staff members and we now have branding material and a website."

39. "We have opened a second office in Cape Town and now employ 20 people (up from four when we won the award). Our new product offerings are attracting interest from multiple countries in Africa, Europe and the USA."
40. "Media coverage in Fin24 due to articles submitted by Anton. Mamamagic Cape Town where we introduced the product to the public. Having products available where you can physically show possible donors the product."
41. "We shipped our first batch of hearScopes in September 2018. This initial batch of hearScopes contained upgrades we made to the prototype to improve its functionality."
42. "Four more awards won, selected for The Bertha Institute Social Innovation Programme; expanded into two other townships; approached by Government and are currently working on a National Strategy to help spaza shops."
43. "I currently have an order for 1000 units. I have been featured in Carte Blanche, Beautiful News and ENCA."
44. "The partnership with Woolworths and with Cavalier Foods with a farm that can accommodate over 5000 cows hence increasing capacity. Leasing the Jesmond Farm in Richmond that has enabled us to acquire more cows thus increasing the number of investors."
45. "Nation Builder Award - first prize; first of the 10 Lesotho kiosks are built and ready to go; multiple quotes sent on the AutoTurtle - lots of interest so far mostly from the mining, agriculture and fisher industry; speaker at the Serious Social Investing forum; panellist at Royal Institution of Chartered Surveyors, Africa Summit; panellist at UNIDO, Business Forum on Decentralised Energy in Vienna. "
46. "Seebox now has our first paying corporate customers, who see the benefit for their workplace skills development. We have concluded a partnership with TendoPro who has

a footprint as a supplier to over 800 schools in South Africa. They are currently marketing the Seebox engineering education solution to schools. We have been able to get approval from the Department of Basic Education to run a pilot project in a couple of schools beginning in 2019. The pilot will be crucial for us to break into the schools market."

47. "We have been able to create meaningful jobs. We now have a full time Operations manager and developers who are contracted to develop the platform."
48. "Sales from all over; becoming a Proudly SA company; radio interviews (incl. 360 Disability, 5fm and CliffCentral); increased business acumen; having written an article and it being published in Rolling Inspiration (a magazine for the disabled); introducing Jayd and Steven as brand ambassadors (fashion and sport respectively); attending the Disability Awareness days hosted by ABSA in Pretoria and Johannesburg; exhibiting at a number of business/entrepreneur exhibitions compliments of the SAB Foundation; growing our social media presence and following considerably. "
49. "Our prototype that was tested on the Camino Walk in Spain attracted much attention due to the design that catered for all the needs of the people who used it."
50. "We are about to rebrand to allow more people to recognise and support our organisation. We have also found employment for two people from our training programme, and will be integrating two more people in January 2019, with a further potential of at least three more people at the beginning half of 2019."
51. "Excellent media coverage and interest shown by attendees of the SABC Disability Summit. Cape Town Society for the Blind partnering with us to do pilot project."

#### APPENDIX 4: CHALLENGES

1. "Funding. We require large amounts of funds, and the founders have not had a salary in over six months. The financial pressure is crippling."
2. "My biggest challenge has been finding a supplier that will be able to manufacture and produce the product according to the designer's specifications."
3. "Lack of funds in developing the ACA mobile app which will tackle the problem of sustainability."
4. "Access to market and brand exposure."
5. "Our challenge at the moment is having a proper legal structure in place and paying salaries for myself and our employees for the next six months, having proper accounting systems to properly manage our funds and to put in place all the relevant compliance documentation e.g. NHBRC, CIDB and Agreement SA Licensing etc."
6. "Access to funding to develop a robust tech platform that will facilitate scale and support a minimum 100 000 users/job seekers per annum. Current investors have a much stronger financial than social impact interest, posing too high a risk of mission drift."
7. "We lack the tech we need to operate efficiently at scale."
8. "We are finding it difficult to find a premises that can serve as both a retail outlet as well as a workshop where our product can be manufactured."

9. "Our largest challenge was capacity to sort larger volumes of clothes. In securing the SAB Foundation grant we expect to overcome this challenge. We also want to provide the opportunity for work to youth with disabilities from disadvantaged communities, however the barrier is the cost of transportation to the facility in Centurion, and the ability of their parents to pay the 24 month inclusivity training fee provided by our Occupational Therapist and team, to allow the trainee to be included into the facility."
10. "The challenge of staff shortages in the public health sector - especially in Kwa-Zulu Natal is restricting our growth in Durban, but we are holding a training there in November to teach the healthcare workers and set up Clubfoot clinic support."
11. "The project is resource intensive and demanding financially. The project requires additional financing of around a million rand to complete it and be ready for the market plus for regulatory compliance."
12. "We are currently struggling to access wholesale funding from bigger investors, to be able to assist more clients through our service."
13. "Funding. Government compliance requirements also add to the strain of operating a rural enterprise."
14. "The fraud and corruption in the learner driver training industry is making it difficult to grow the business at the rate we like to."
15. "More funding is required to scale up the micro manufacturing plant to increase delivery capacity and reduce product cost, and reach the market with large scale marketing campaigns."
16. "Need funds to upgrade agricultural site irrigation system and to replace site vehicle. Cannot fund from sales revenue."
17. "We are currently looking at raising growth funding to expand within the African continent."
18. "It's funding to commercialise, funding to design and set up the product assembly line, funding required for quality assurance machinery needed to verify product quality before the product is shipped to customers, funding required for gear for the employees in the assembly."
19. "I need new prototypes done, these are costly, leads for grants will be great to cover these costs. I also just created a work group of marketers and new sales will be coming in. I see a challenge with stock on hand as cash flow is tight and I want to meet the demand on time. I do installations and have ladders, tools and equipment to move around with in my small car, a small second hand bakkie would be ideal. I do not have a website and want to start marketing and selling online. I would like to have systems put into place e.g. invoicing, statements etc."
20. "Funding is getting harder to acquire for the distribution of the product. Government does not want to engage with the product however they supply a far less quality product that is not sustainable."
21. "We are in a process of scaling the project to other regions (including outside Gauteng). This will therefore need us to raise more funding to facilitate and harness the expected growth in 2019."
22. "The current challenge is finding appropriate office space to support our growing team. The other challenge is finding means to access the market we seek to penetrate namely being parents and schools, however the SAB Foundation has provided some help in this regard."
23. "Institutional blindness and lack of visionary paradigm understanding, with regards to funding innovations."
24. "We are facing the access to markets challenge. We would like to roll out our solution with as many corporates as possible."
25. "Currently the only challenge preventing me from going to market is a lack of funds. I am currently engaged to SEFA for loan facilities so that I may complete legalities such as insurance, medical licensing, marketing, merchandising and importation of stock."
26. "Our current business model is still really challenging when trying to position it to be sustainable. The current agreement with the national Department of Health is one where they pay a fee for the outcomes. This means that we have to figure out a way to fund the assets upfront. To get around this, we've been exploring the potential of setting up a hybrid structure to raise funding to install the units. If we don't get this right, we will have to close shop or move away from the healthcare market all together."
27. "The biggest challenge is the production equipment which we still do not have. Most of the specialised work is still outsourced, which reduces our profit margins drastically."
28. "The SAB Foundation has given me all the resources I need to turn my idea into a success. The biggest obstacle has been my own mind, I am intimidated by the task and that's what I need to overcome."
29. "The one big challenge we are experiencing is unlocking the doors to engage the correct\ideal stakeholders within the bigger retail corporate\businesses."

30. "We have been facing manufacturing challenges during small scale production in 2018 due to the high upfront cost required for plastic injection molding tooling. We are preparing to start medium scale mass production, in order to go to market in 2019. During 2018, we also experienced human resource capacity issues, and we couldn't afford to hire the highly skilled individuals we require for our product development.

31. "My other challenge is to make sure the mandate funding for the non-profit is in place to actually fit the kids we aim to support. Balancing gaining this funding with the social enterprise work and funding is hard.

The economic challenges we face have made it harder as non-profit funding for mandate work has become more difficult to attract, especially for work like ours where high costs limit the amount of kids you can help, making it feel less impactful. Other challenges have been structural, as I have had to pull the day to functions away from the founder. This has taken much longer than expected."

32. "Our biggest challenge is that the demand for deaf employment far exceeds the opportunities we can provide in one in-house cafe. To resolve this we need to formalise our training not only in terms of content and how it is presented but also a training facility.

Our roastery and Strand Street training facility, along with the accreditation process, would resolve this. We did not realise there would be a delay in the switch over to the new fund which presents a challenge and also delays us entering the market to capitalise on the summer season."

33. "Access to large retail chains for our core grocery store offering in I-Drop remains agonisingly complex and challenging."

34. "My heart will always be in the social enterprise area and even though we have gone to 'market' with the product, I still have a few challenges obtaining funding to provide the Balambie to mothers and babies in need. This is the dream and this is where I believe the Balambie will make a difference. I am still actively seeking funding to donate the product."

35. "We are facing capacity challenges, our innovation is needed throughout the country and we get requests daily to service other areas but, due to capacity issues, we have not been able to. Educating our customers on use of the Innovation has also been a major challenge."

36. "I am in need of tools to manufacture more growing systems and more capacity to handle the volumes of demand for the growing systems. I need a dryer and a juicer to preserve the 130 tonnes of vegetables that we have produced collectively with the rural small holder farmers. With a dryer and juicer we will make value addition to our vegetables and thereby create zero waste."

37. "Financial Management and growing our revenues. However we are working with 10x to streamline our resources and increase our staff capacity. Finding accessible cows that are affordable as the price of beef is high.

38. "Funding to grow team - we need someone to handle sales more aggressively and full time. We need funds to travel, to meet customers and attend conferences and trade shows.

We need funds to cover salaries, rent and other operating expenses - currently we are self-funded and it may take some time before any of our big deals close. Surviving has been very difficult.

We are also in the process of producing a low cost version of the solar kiosk - AKA Baby SolarTurtle, or BabyTurtle for short. With the reduced cost we hope that the solar kiosk

will be more accessible via micro-finance for community entrepreneurs. We have also submitted a proposal to include software to the SolarTurtles to assist with training, monitoring, e-motivation, point of sales, impact tracking and more. We have written a proposal to the DST for funding to develop the SolarTurtle app for both the Turtlepreneurs and the customers. We believe that this will push these micro-franchise to new heights."

39. "Running capital is still a big challenge. The pilot projects will still take some time to conclude, and only after that will we be able to get traction in the market."

40. "We are still looking for a product to manufacture using the plastic derived from our cartridges (PSFR) but the market is small and many companies cannot work with the material because it is too brittle."

41. "With people with disabilities being a niche market it is difficult to always reach them. We have advertised in target-specific media and will continue to do so but product uptake is still slow."

42. "CUT has trained two people with disabilities to be able to manufacture the wheelchairs but our biggest challenge will be a workshop where we can start manufacturing the wheelchairs.

We will train more people with disabilities to create more job opportunities, but still need a small area to set up a workshop. CUT are willing to avail a 5mx5m area for a few months."

43. "High costs of rental are still a major challenge facing our organisation, and the biggest challenge for us is still finding businesses who are willing to partner with us in both donation or discounting rental, growth partnerships, and integration (or companies hiring trained beneficiaries).

