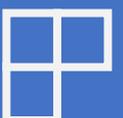


2019

Business Opportunities for South Africans



The most comprehensive and practical book on business opportunities for South Africans. Anchored on Opportunities & Building Solid Relationships. The project cover more than 1.000 Entrepreneur voices discussing business opportunities, the highs and lows of business and a lot of useful and inspirational advice.



Introduction

Taking advantage of the interest in entrepreneurship which is an at all time high, the book captures inspiring stories, advice, discussions and interactions by South African entrepreneurs. They share their stories and experiences on the entrepreneurship journey giving each other advice and in the process shaping the future they desire for the Rainbow Nation.

With unemployment at an all time high and not projected to decline in the near future, one of the viable solutions in solving the problem is empowerment through entrepreneurship. With disposable incomes dwindling and income disparities widespread, the entrepreneurship route is an avenue which should be given top priority by all stakeholders. In order to help inspire more to accept and appreciate entrepreneurship, there is need for more discussions and resources available for present and future entrepreneurs. The book is therefore compiled with an objective of providing more resources available for South African Entrepreneurs.

Approaches in compiling this book

Opportunities Based	Plus	Relationship Based
The starting point for South African entrepreneurs is appreciation of available local opportunities. We have therefore gone to great lengths to showcase the available opportunities in Agriculture, Tourism, ICT and other service sectors. Some of the opportunities are grouped into women and youth specific chapters		The definition of business is erroneously centered on money capital. Those interested in starting business think of money capital first but few think in other terms and view business as a combination of money capital and social capital. We argue that business is anchored on solid relationships.

Opportunities Based Approach: The continent has a lot of resources available but sadly few Africans appreciate them. Interestingly, our forefathers were experts at identifying local opportunities and tapping into them for many centuries. They had excellent skills of identifying opportunities in their local environment such as agriculture, mining, construction, fishing and trade. We build upon the expert knowledge systems they developed and inspire present generations. The starting point is therefore to develop an interest in identifying the abundance of local opportunities, get skilled in opportunity identification and getting organised in taking advantage of them. There is no comprehensive literature or resources on South African Opportunities and how locals can expertly tap into them.

Relationship Based Approach: A good number of resources exist on financial literacy. A lot of schools, colleges and universities cover the area producing millions of graduates who are financially literate. Fields such as accounting, economics and business management produce graduate with a great appreciation of finance. The missing link is on the development of solid relationship skills and how social capital helps in the development of business.

A person with solid relationships with bank managers is likely to easily access a bank loan than one walking into a bank for the first time. A business with solid relationships with its customers is more likely to be more profitable than the one without. Solid relationships in access to money capital. Solid relationships in the management of finances, employees, clients and other stakeholders.

The starting point in business teaching is appreciation of relationships and how they help in the development of successful business models.

We therefore redefine business as **'the expert management of relationships in order to create and maximise wealth on a sustainable basis'**. Relationships and opportunities are the starting point in entrepreneurship and if managed well they create immense opportunities and wealth for entrepreneurs across the continent.

A book by Africans for Africans, we shape the future we want through the more than 1.000 voices giving diverse views on key entrepreneurship topics affecting the current crop of entrepreneurs across Mzantsi. Proudly African our firm belief is that Africa is the next big thing and entrepreneurship will play a crucial role in the realisation of this dream.



My heartfelt thanks my family for allowing me time and support in the compilation of the book which entailed sleepless nights and spending time away from home carrying our researches and tours across all provinces of South Africa. Credit to more than 1.000 members who generously contributed their voices as critical inputs to the book. Special credit to my sister from another mother Sne Mzimela in Durban, Abbie Tresor and Bongwiwe Xaba in Pietermaritzburg, Siviwe Vava Melani in East London, Thandazile P Mokoena in Nelspruit, Thabo D Masweneng and board members of our ZBIN Organisation- Martha Tholanah, Farai Zinyemba, Maggie Ganagana, Polite Ndlovu, Rudo Mataranyika Chaza, Laureen Munoani Mushati, Farai Mchibwa Tunhuma, Tavaziva Machigidi and Rutendo Shyleen Mudarikwa. My team members Catherine, Theresa, Mooy and Felicity.

What is unique about the book?

We could simply have written a book about our researches and experiences on entrepreneurship in South Africa but that would not have been enough, instead we gave South African entrepreneurs a blank cheque and allowed them to share practical experience on a number of issues on their entrepreneurship journies. The tears, sorrows, joy and inspirational stories to help uplift the spirit of those in business or contemplating entering the entrepreneurship journey. We captured unedited experiences and thoughts through social media and trainings conducted in xxxxxx *A single bracelet does not jingle. ~ Congolese proverb.*

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Victor and One Thousand Voices

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This a **book sample** for ZBIN Subscribed Members: The book valued at R300.00 coming free of charge to our subscribed members and a **full version** will be available on the 1st of February 2019.

Our third book Business Opportunities for Zimbabweans 2019 Edition coming in April 2018.

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2.13 Lessons from Somali Owned Plazas



Thabang Thank you sir. What they do is pool banking. They combine resources and buy in bulk leading to lower prices.

Blessing Truly Speaking Black South Africans don't have Entrepreneurial Spirit. Look at how Somalians are handling their business, they are always on standby by the till, when you want to buy from a South African citizen, you have to wait or call him from wherever he might be. When we buy goods less than R2 or lower amount, South Africans will give you that hostile look, or he or she will say they don't have change even when they do! They are not customer friendly and they increase their prices like every week.

Sinah As long as you treat your customers with respect, you will never lose them, most of our people do not take business seriously and they forget that it is customers who made them rich or bring money.

Ndumiso We lost the spaza business due to being out of stock, opening late, not having change and also insulting the clients.

Agreciah Jealousy! We don't support each other. One will be like I won't buy bread from x and I would rather go to Shoprite. My question is who is the owner of Shoprite? If you get stranded will he or she be able to help you? Let's stop supporting people we don't even know.

Lyrical We have too many options, we hate competition and we are not united.

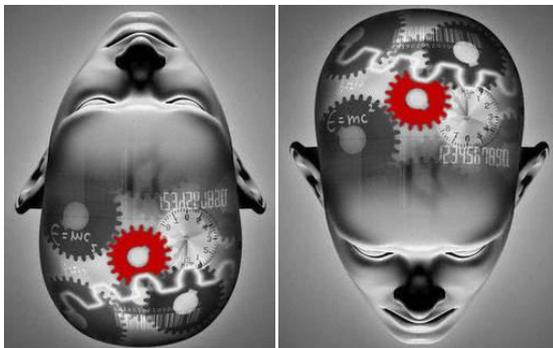
Sipho Credit my guy credit. New or small businesses should avoid giving credit. They need that cash flow to keep running. What happens when you give too much credit then mid month you are out of stock and can't replenish? One thing I hate is trying to support my African brothers and sisters but they are always out of stock. So I think credit killed the spaza hype.

Purine Lost our spaza because we don't support our own. I had ispaza my neighbours supported me only when they were about to ask for credit. Then boom when payday comes they pass by my spaza with a plastic from Spar.

Tshepo Let's not compare ourselves to others, rather let's highlight our mistakes. Firstly majority of blacks have poor service and customer management skills (professionalism). Secondly poor financial management skills: most consume more from the business as opposed to giving more to the business. Lastly emotional stability, resistance to criticism and truthfulness, most of us hate the truth, we would rather have somebody lie to us to make us feel good rather than facing reality

Lucy As Black people we don't support each other; we focus on names than the actual products.

The Mindset of Funders



1. Key in their mind is RISK. They do not want to offer funds which will not be returned or sink funds into non viable projects.
2. Unregistered businesses are the riskiest-formally register your business and improve your chances of accessing funds.
3. They do not fund ideas, get your hands dirty and create a small viable business operation.
4. For government funds, they look at impact and return on investment. Therefore distributing funds to successful groups of entrepreneurs make more impact than to an individual. Team up with other entrepreneurs and improve your chances of access to funding.
5. They have their own priority areas. Research on their key priority areas and align your business model. Speak their language to improve your chances.

6. Evidence, Evidence, Evidence- Show funders that you can handle funds properly by maintaining proper books of accounts. Show that you have paid your taxes, you have banked funds properly and you are not high risk.

5.4 Entrepreneurship Skills: Opportunities Identification Toolkit

Traditional African Entrepreneurship School

Our forefathers had an excellent entrepreneurship education system that identified opportunities in local environments and took advantage of them. They knew the type of land to farm various crops and rearing domesticated animals. They developed skills tailor made to their environment which led to specialisation in areas such as farming, mining, fishing and trading. The skills in identification of opportunities is one area we are focusing on which present generations seem to struggle with.

It is not surprising to ask a financial degree graduate to give at least 4 ways of identifying business opportunities and they will struggle with coming up with comprehensive answers. The subject is not covered at school and college –it's a question which many college lecturers can also struggle with.

The inability to identify opportunities is what is leading to many not appreciating that opportunities exist in abundance in their local areas. Opportunities are identified from afar by foreigners resulting in many coming and exploiting them as shown by the import opportunities we covered in the previous page.

Africa is rich, extremely rich but its citizens are not fully aware of the wealth they possess. The first foreign ship to land on African shores was full of opportunity seekers and many centuries later ships and planes continue landing on African soil in search of opportunities-they still exist in abundance. Therefore Africa should rise and build upon its traditional systems of identifying opportunities and organising communities to tap into them.

Opportunity Identification skills should therefore be Education 101 for every African student. The first arithmetical lesson for an African child was counting the number of possessions their forefathers owned such as cattle, goats, sheep and chickens. Opportunity identification skills started with an appreciation of the local environment; the weather, local domestic and animals, farming land, the seas and rivers, minerals and local medicine. If opportunities ran out, communities moved to greener pastures and this worked well for centuries. The only challenge they faced was the slow pace of technological development which opened opportunities for other continents.

6.4 What makes being an entrepreneur in Zambia so hard?

We also capture experiences from Zambia which reflect the same struggles that South African entrepreneurs encounter.



Why is it hard to be an entrepreneur in Zambia?

Frank Zambians have bad orientation about commercial enterprises. And they like copying each other. They hate business

advice. They fail to understand some businesses are dying. I advised a Zambian girl that web design is a dying career and she showered me with a variety of insults. With this poor orientation, I doubt if Zambians can make good business.

Priscilla Great insight. Poverty of the mindset and laziness is what makes people stick to these low paying jobs because they always depend on the boss to do things for them. And their work becomes routine and always wait for instructions. If only 75% of the Zambians think like you, the country would be much more developed.

Kapembwa So many factors. The laws do not advantage an indigenous Zambian entrepreneur. High interest rates on loans as compared to other countries like China etc.

Ntavizii It all starts from our education system and the way our families have raised us, we are fed with information that life is all about getting a job, saving and building a house, starting a family and so forth. They never teach about being an entrepreneur hence we find it so hard to think outside the box and we are so lucky as to think outside the box, we limit ourselves to the kind of business to venture in because we lack research.

6.14 Creativity and Innovation Question

Are we as black people lazy to use our minds or yaang?

When one sells shoes, we all wanna sell shoes.

When one sells bags, we all wanna sell bags.

When one sells this, we all want to sell it.

When one does this, we all want to do it!

Where is creativity?

Where is innovation?

When are we going to challenge our minds?



Teboho We are lazy to think brother. We can't think out of the box.

Koza I get offended when you say "black people" are not creative as in my field I have met the sharpest, brightest and most creative minds. A lot of the times these are black minds. A lot of us are in business, unique businesses we don't sell shoes or bags. In fact we break down barriers; we don't take the easy route.

Blacks with PhD's in their 20's who realise that trying to get work is not an option so we do our own sh*t with our unique set of skills. Did you know there are blacks designing weapon systems for international arm companies? Did you know there are blacks leading research in Safety, Security and Landward Sciences for the military?

There are many spheres that the black man is involved, even with proper tenders from the state without the corruption and shoddy workmanship. Don't look down on your fellow black and think we are the same. I am a proud black man, I don't challenge my mind, I challenge the world and there are many like me.

Nkosinathi Everyone thinks the easy way is the best way, we now present tuck shops instead of doing proper business, " he's selling this and have a market, now let me sell it too" mentality. For example everyone sells Tupperware/ IFA, can anyone sell suits, socks, shirts and ties. We need something different now.

Jiepe Go to Durban, Marabastad, Chinatown, and our townships and see how Indians Chinese are doing what you say blacks are doing. To me it is very sad for someone who hasn't travelled the world to come up with such conclusion when s/he hasn't experienced

other cultures. So my question is have you been to Europe, USA, China and South America?

Khoeti We only think survival and not beyond the means of survival.

Zanazo Speak for yourself and/or those around you my dear.

Quattro Our education is limited they still give us inferior information. Because some information is costly because of its effects on the mind.

Bongani We've lost the appetite to think. We believe in every information we come across without thorough evaluation. Just like people who believe there is a thing like 'thinking out of the box', believe me it killed many ideas. Actually what is it that you do when you think out of the box? Can we be creative, believe in our own ideas and think without a box because we don't even know who brought the box.

7.4 Opportunities

First time investors should be encouraged by the continued increase in tourist arrivals and should closely analyse the value chain and choose areas of preference. Technological developments offer new hope in terms of disruptive technology which is breaking down some of the monopoly benefits enjoyed by established tourism players.

To their credit, South African investors in the tourism sector have been globally thinking when it comes to tourism engaging tourists in their home country and arranging regional tour packages that help tourists to appreciate local and regional country tourism opportunities in Botswana, Lesotho, Malawi, Zambia and Zimbabwe. Some have also been investing in Mozambique and Malawi. We cover a few opportunities below and start-ups across the world that is helping to shape the tourism industry.

Travel Agency: Another highly thriving and profitable travels and tourism business that an entrepreneur who is looking towards starting a business in the industry should consider starting is a travel agency. Travel agencies render services that cover all aspect of travelling. They help their clients in securing visas, purchase flight tickets, book hotels, book taxi cabs and bus shuttle services and off course make arrangement for site seeing amongst other services. The good news is that this does not need a big capital budget.

10.16 A post that went viral



We posted the above picture on our forum and below are the responses we got;

Tshephisho How much did he spend on those courses? Just to come back and beg for a job. We need to do something about this education system.

Ak Dibodu This is a problem of attitude, he wants to be employed, he does not open himself to other opportunities about the skills he acquired, he does not see himself doing anything to make him independent according to his own vision.

WiseKing We attended MBA Africa indaba 2016, had talk about this MBAs in Africa and their significance. Totally a waste of money without business management experience. You can't be allowed to complete an MBA until you have proved your abilities to run and manage a business.

Manyedi You cannot go to school and beg someone to employ you. We must know that, we went to school so that we can think and know how can we pull yourself from poverty. You cannot do business administration and fail to start a small business, whose business do you want to administrate? Administrate yours- if he can think to make big expensive poster to beg for a job why not make big less expensive business plan then beg for funding instead?

Nceba I'd never hire a person of this kind, never. The fact that he spends all his time studying BUT cannot hire himself in the process shows that he is no businessman/entrepreneur at heart. With his level of education, he should have started something at BTEch level at the latest! Not without practical experience, as for me I'd rather hire a more experienced person than someone more educated. Education is much less important than practicals.

I know this for a fact because very little of what you learn becomes relevant in the work place. Don't get me wrong, schooling is great for certain people BUT why study to a level of

masters without being in a place where you're getting experience. Remember this guy is competing at his level of education in business with those who are head hunted!

Lebogang However, not everyone is born to be an entrepreneur; some people are just born to be employees. Some people don't have the strength to deal with the risks and lack of secured income that comes with entrepreneurship. They would rather use their education to bring R500k per month for the company and only take home R30k and get an award at the staff function, inzima le ndlela.

Omolemo To those that say the guy should be looking at starting a business, not everyone has the drive to be entrepreneurs, some people are as comfortable at being employees. Every person has their role in this chain called life.

Nicolette That qualifications can open doors for him if he takes a leap of faith and starts his own business. HR ticked ✓✓ Health and safety ticked ✓✓ Management ✓✓ Come on man! Apply the knowledge!

Tlabo The evidence of educational system is undeniable it only produces good employees but it lacks perspective alternatives in creating entrepreneurs. Smart people must build things not to beg like this, hope you got the message.

Omolemo This is where black business fails. An entrepreneur sees an opportunity where others don't and bridges a gap between supply and demand yet you still need skilled people to make your dream flourish and help you reach your goal/s.

Benny This reflects our culture as black people. We always go to schools in order to be employees not employers.

Omolemo I'd like to beg to differ with you on that. From back in the days people have always been employers & have always been entrepreneurs just like our fellow Europeans and other races. In every black Kasi we had established business & they were doing well. Where are they today? they are down & under because most of the owners wanted to do everything themselves "nothing will ever succeed if done as a one man show", issues such as the lack of customer service and not being financially responsible.

Daisy Dayee I thought this only happens in Kenya.

11.6 Successful Entrepreneur: Bongiwe Xaba

Our best case study on Digital Marketing is Ms Bongiwe Xaba based in Pietermaritzburg...What a talented woman! When our team arrived for women entrepreneurship training in Durban we saw a car with interesting number plates ' *Why Work!*'. We got curious wanting to know who owned this car. Later on during training we realised that the car had come from Pietermaritzburg and was owned by a successful entrepreneur Ms Bongiwe Xaba!

An entrepreneur involved in designing traditional Zulu attire and arts & crafts, she effectively uses digital marketing to market her products to clients dotted across all the 9 provinces in South Africa and beyond. She has a lot of clients in USA, Canada and Europe and regularly ships products there helping to promote South African products and earning an income. She has mastered the art of branding and attends most local and international fairs where she networks and opens new markets.

Towards the end of 2018, she had expanded her portfolio by launching a wedding shop in the heart of Pietermaritzburg which is already proving to be popular. Why work when you can do it for yourself? A bold statement from an empowered Pietermaritzburg resident!



13.2 Managing Bank Loans



I get asked this question so many times 'Are banks racist?' and my answer is always the same. No! banks are not racist. The next question I get asked is then "how come they keep funding only specific and reject our proposals".

Well, I will tell you the truth but it truth hurts- but let me tell you the truth now anyway.

I am going to tell you a real life situation that happened. This is not a hypothetical situation, it is not an example I made up to prove my point. NO! This ACTUALLY happened.

We approved 2 transactions almost at the same time. Brick manufacturing plants, one in the Free State and another in KZN. The one in the Free State was operated by a Black Male and the one in KZN owned by a White Male. I will give both of these Fundees names that are not real. Let's call the black business owner Mr Ndlovu and the White Business own Mr Debruin.

Right! After 6 months I went to KZN to find out how the plant was doing. I found Mr Debruin out in the yard, busy with the workers, feeling the texture of the mixture of bricks. His Khakhi clothes were dirty and his hands rough from all the brick handling. His wife welcomed me. She was in the office doing their books. The first thing I noticed in the carport was that Toyota Tazz they drove when they came to apply for funding. The production was around a thousand bricks a day. He was already delivering bricks to a few customers.

A month later I visited the Free State brick manufacturing

plant of Mr Ndlovu. Before I got to the reception area, I saw a brand new BMW M6, white, with burgundy seats. It was parked under the shaded carport branded with the name C.E.O. Well finally I went inside and I found the man. Wow! The man had transformed. It was certainly not the same man that came to our offices a year ago... Wow! This man was now

the king of BLING. Expensive suit, shiny shoes; expensive watch. He was not too happy to see me!

It took me a few minutes to understand why. You see, he had spent the money that was meant for working capital on unnecessary capex, (Capital expenditure). He had bought expensive arts on the wall, Apple Laptop, boardroom suite that could make our Sandton offices look like an informal settlement. He was now getting orders, large orders, but he could not fulfil them because he just had no working capital.

So, within 15 minutes talking to him, he asked me if he can come to ask for more funding. He was already in financial trouble, 7 months after his transaction was approved. When I asked him when we can we expect repayment of the facility, the man stood up, pulled up his shirt, and pointed me a scar on his big belly. He said, 'I got this scar in exile'.

Wait a minute. Sir, I am not coming for vitality points, no need to show me that belly, I just wanted to know when you are going to repay us. Struggle credentials are not mentioned in the repayment schedule.

So within a year, we had to close down his business. And so who do I find to run this business? You bet, I called Mr Debruin in KZN. I asked him, 'sir, don't you need to expand into the Free State? He said it was a big decision and needed to discuss with the wife. After 2 days or so, he says they came up with a strategy to run both businesses in different provinces. Today as I speak, the businesses are having a combined turnover of more than R200 million. He has long serviced his debts. So tell me, when Mr Debruin asks for more business, and he wants to venture into Green Energy, will the funders say no?

Does it mean that banks are racist? Not at all banks are businesses. They want to fund entrepreneurs who they are sure will return their capital back with interest. Banks are not charity institutions.

(Author Unknown)