



# SAB FOUNDATION

## SOCIAL INNOVATION - IMPACT REPORT

Compiled for the period 2011 - 2019

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## 1. ABOUT THIS REPORT

This impact study report has been conducted by the SAB Foundation impact team for the period 2011 - 2019.





## **2. A NOTE FROM BRIDGIT EVANS, SAB FOUNDATION DIRECTOR**

Our focus on social innovation is underpinned by our belief that business as usual will never solve the challenges that exist in society today. It is necessary to invest in innovation that enables us to do things more effectively, affordably and at scale.

After six years of being involved with social innovation at SAB Foundation, I am still amazed and humbled by what each new round of our Awards presents to us, and the levels of commitment and sacrifice that these unique entrepreneurs are prepared to make.

In order to ensure that we are an effective vehicle to facilitate the important work done by entrepreneurs, we analyse their progress each year and continually ask them how we can do better.

The published results are made available to the public, because we believe that transparency is important, we hope others can learn from us, and we hope that this will encourage other organisations to do the same so that we can learn from them.

Overall, we are very pleased with the results. Businesses are growing and creating jobs, and this has had a positive impact on a diverse range of different social issues. Quantifying and consolidating this impact, however, is a challenge for us. Another challenging area is finding the right mentoring mix. We are continuously refining this process and have concluded that it needs to be bespoke for each innovation that combines coaching, business and technical support.

Lastly, funding remains a huge challenge in this sector. We have added the Social Innovation Fund where we have seen some wonderful success stories, however, we have identified a clear gap in available affordable finance of between R500 000 and R5 million in South Africa. Proper investment could have a highly positive impact when businesses reach scale and the SAB Foundation remains committed to finding solutions to this problem.

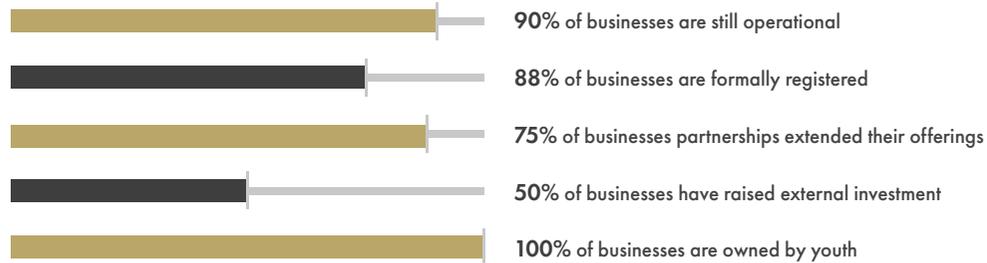
**Bridgit Evans, SAB Foundation Director.**

### 3. THE IMPACT OF THE SAB FOUNDATION SOCIAL INNOVATION PROGRAMMES

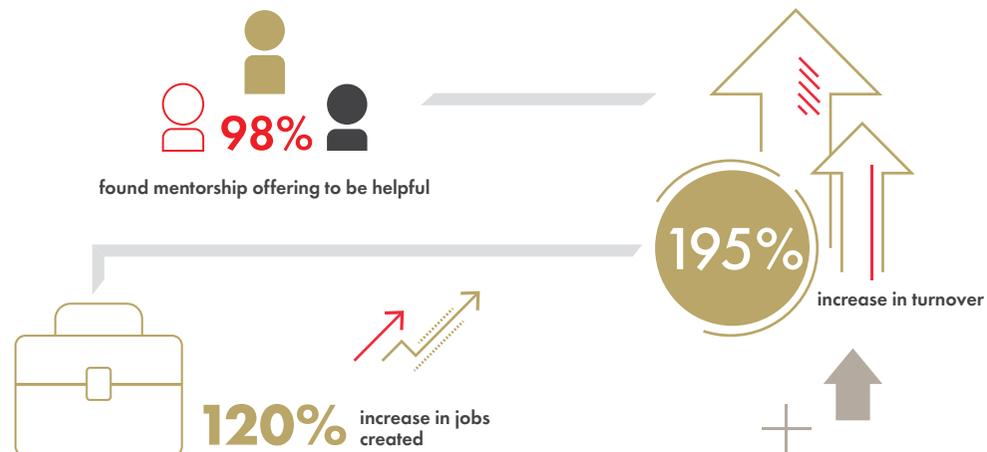
#### SAB Foundation Social Innovation Support Continuum



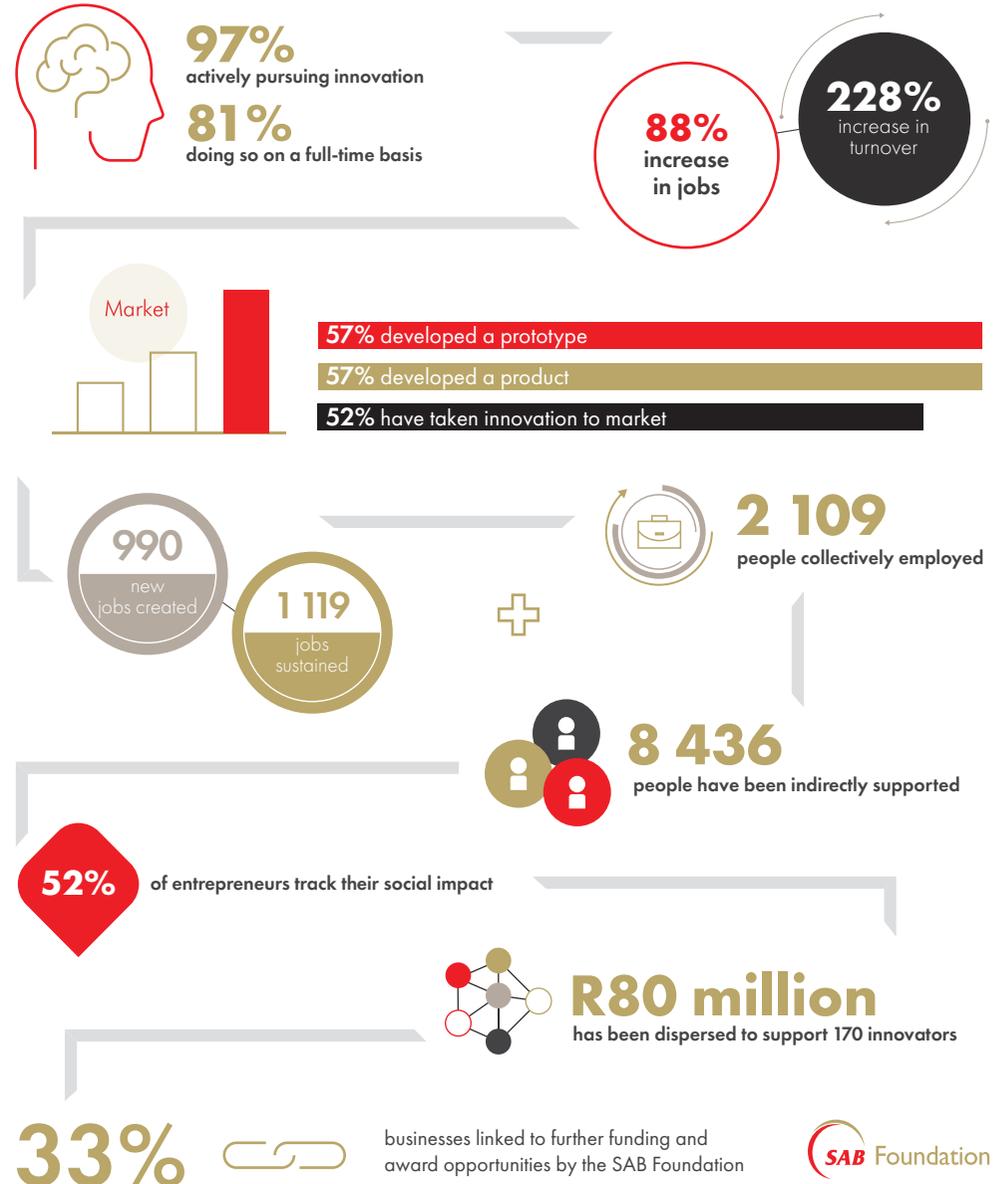
#### UCT Seed Fund



#### Social Innovation Fund and Accelerator Programme



#### Social Innovation Awards and Disability Empowerment Awards (as at December 2019)



#### 4. THE SAB FOUNDATION'S PROFILE

The SAB Foundation was founded in 2010 as a beneficiary of SAB's broad based black economic empowerment deal.

It is an independent trust overseen by a board of trustees, which include respected South African businesspeople. The foundation's mandate 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 within small, medium and micro-sized enterprises for women, the youth, people in the rural areas, as well as persons with disabilities."



## 5. OUR DEVELOPMENT IMPACT



### 5.1. PROGRAMMES

#### 5.1.1. UNIVERSITY SEED FUND

The University of Cape Town Graduate School of Business' Bertha Centre for Social Innovation and Entrepreneurship (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 - 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 in designing and establishing a social enterprise seed fund, open to both current students and recent alumni of the University of Cape Town's programmes.

The fund focuses on providing social ventures with access to pure grant seed capital at the pre-start-up business model discovery phase, start-up phase, as well as those in transition between the two phases. The fund's key objective is to fund social ventures with high potential for commercial viability and social impact creation.

Thanks to the impact achieved through this fund, in 2019 SAB Foundation was able to expand this programme to other universities with over R69 000 awarded to the University of Limpopo, over R57 000 awarded to the University of Zululand and R70 000 towards a national university competition.

#### 5.1.2. SOCIAL INNOVATION AND DISABILITY EMPOWERMENT AWARDS

The Social Innovation Awards (SIA) 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 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 unemployment rate estimated to be close to 91%. The Disability Empowerment Awards (DEA) recognise and award social enterprises that have come up with 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.

Prizes range from R200 000 to R1.3 million and are used as an investment in the innovation.

In addition to the prize money, the winners are assessed on a case-by-case basis and placed in a tailored programme with a suitable business mentor and coach. The programme is flexible and is adjusted to the needs of each winner, as mutually agreed upon by both the winner and their mentor.

#### 5.1.3. SOCIAL INNOVATION FUND AND ACCELERATOR PROGRAMME

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

Whilst over 95% of the businesses are still operational, many are struggling with growth. For this reason, the SAB Foundation established the SIF. This offers entrepreneurs the skills, knowledge, documentation and a combination of grants and interest free loans to assist with immediate growth needs. It is our intention that this also positions them for future rounds of funding from other investors.



## 5.2. METHODOLOGY

This report reflects on the survey responses of 94 SIA and DEA entrepreneurs and 26 SIF entrepreneurs from inception of the SAB Foundation to 2019.

As in the previous report, each entrepreneur was 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; and
- Information on job creation and turnover.

Each entrepreneur is required to complete a baseline survey when joining the programme, with subsequent annual surveys being conducted annually over five years.

For entrepreneurs who completed a survey and the latest survey in 2019, 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 particularly compares 2018 and 2019 survey results in depth.

The insights gained from the survey responses will assist the SAB Foundation in understanding the value of the SIA, DEA and SIF, and provide insights on ways in which to improve the foundation's offering so that it is relevant to the needs of the entrepreneurs.

The University of Cape Town's Student Seed Fund is analysed by the Bertha Centre. Through a survey, each business was requested to report on their business' progress, sustainability, social impact, use of funds, financing prospects, challenges and support.

Of the 13 enterprises, eight provided in-depth feedback and insights. One of the businesses did not make use of the seed funding due to a shift in their mission and mandate that no longer aligned with the SIF, and as such, was not included in the survey.

Given that this leaves 12 enterprises, the response rate was 67% compared to the previous response rate of 75%. The slight drop in feedback is disappointing but understandable, given that the survey period overlapped with the Covid-19 crisis and lockdown period, a very trying time for any small business.



### 5.3. LIMITATIONS OF THE SURVEY

The major limitation of the survey is that the data collected is self-reported. There is belief that there are threats to the validity of self-reported data, which serve to weaken the intended substantive inferences to be drawn from the data. Self-reported answers may be exaggerated; various biases such as social desirability may affect the results; respondents may provide responses that make them look good or make them appear more distressed to receive promised services. We have tried to mitigate this risk in a few ways.

Firstly, entrepreneurs only fill in surveys once a year and do not have access to their previous answers. Our assumption is that most will not be able to recall what they said a year ago and will therefore fill it in to reflect their current status.

Secondly, they only complete the baseline survey once they have already been accepted onto the programme, so there is no incentive to give exaggerated answers. Thirdly, there is extensive education throughout the programme about the importance of surveys and the importance of accurate information.

Lastly, we use data and investigator triangulation where the programmes' acceleration team provides full reporting on entrepreneurs and the data from this team is then compared against the annual survey data.

### 5.4. THE NATIONAL CONTEXT

There are many definitions of social innovation, social entrepreneurship and social enterprise. We simply define it as a business solution to a social problem.

It is generally acknowledged in the developing world that most of the social services provided by local and national governments will not be sufficient to fulfil their intended purpose. Consequently, we need to think entrepreneurially about solving social problems and, at the same time, social entrepreneurship must be regarded as a process of creating value.

In recent years, social innovation has been receiving increasing consideration as a viable alternative for solving social problems by policy makers, scholars and the man-on-the-street.

Social innovation has the capacity to offer solutions to an assortment of current societal problems that have not been solved by either classic government policy tools or market solutions.<sup>1</sup>

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 solving social problems, while boosting social enterprises in South Africa.

Furthermore, the SAB Foundation contributes to the understanding and knowledge of social innovation in South Africa by initiating and participating in events to share knowledge, by participating in multiple research studies and by publishing its results.

The Global Entrepreneurship Monitor cited that a key focus in many economies' development strategies is to facilitate growth that is sustainable and inclusive in order to generate widespread employment and to reduce poverty.<sup>2</sup>

Therefore, over and above the need for job creation by our social innovators, the SAB Foundation's SIA, DEA, SIF and Student Seed Fund's impact aligns to the United Nation's Global Sustainable Development Goals. Some of our programmes' contribution towards the United Nation's Global Sustainable Development Goals will be unpacked in detail in a later section.



<sup>1</sup> The Support Structures for Strengthening Social Innovation in South Africa: Research Article: 2019 Vol: 23 Issue: 4. Lawrence Mpele Lekhanya, Durban University of Technology.

<sup>2</sup> Global Entrepreneurship Monitor: Is there a change in attitude towards the small and medium business sector in South Africa? 2017/18 Report.

## 5.5. SOCIAL INNOVATION AWARDS, DISABILITY EMPOWERMENT AWARDS AND SOCIAL INNOVATION FUND PROGRAMME IMPACT

### 5.5.1. ABOUT THE ENTREPRENEURS

120 out of 140 (94 SIA and DEA, and 26 SIF) entrepreneurs responded to the survey questions, resulting in an 86% response rate. The SAB Foundation is satisfied with this response rate, as it is representative of the group.

Of the 120 entrepreneurs who responded to the questions about their innovation, 97% confirmed that they were still actively pursuing the innovation for which they received an award. 3% of the entrepreneurs had stopped pursuing their innovations, citing the following reasons:

- Internal disputes as to the strategic direction the company should take;
- Various setbacks with deals falling through, as well as the political climate and state procurement processes acting as a barrier to further opportunities.

Of the entrepreneurs who are actively pursuing the innovation, 81% are doing so on a full-time basis and 19% on a part-time basis. Those who were working on a part-time basis reported that this was due to the need to raise additional funds, having other commitments and having a full-time job.

As per the previous year, the attrition rate of entrepreneurs compared to their baseline remains low indicating that the majority of entrepreneurs continue to pursue their innovations. Since being awarded the SAB Foundation SIA and DEA, 2% have sold their intellectual property to investor/partner organisations, 57% confirmed to having developed a prototype, 57% have developed a product, and 52% have taken their innovation to market.

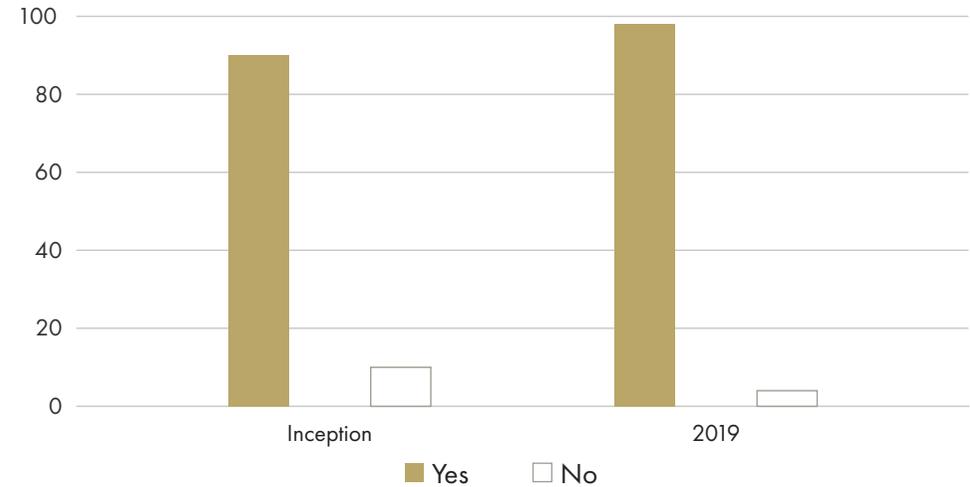
Of the entrepreneurs who responded positively to the above questions, over 85% went on to elaborate on the improvements they had made to their prototypes and products, and the markets they were able to access both nationally and internationally.

Of the 13 UCT Student Seed Fund businesses, eight provided in-depth feedback resulting in a 67% response rate.

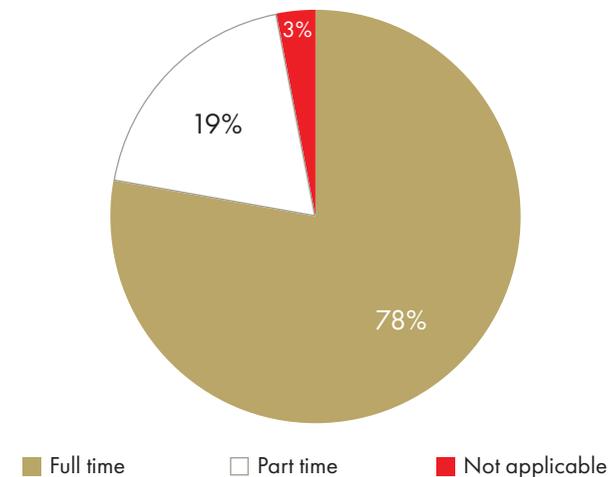
Of these enterprises who responded, seven are still in operation, and have shown growth and progress since the award of funds. This results in 90% of the respondents being operational, mostly with a track record of 1-5 years. 88% of the businesses are formally registered and are structured as for-profit entities.

The following graphs represent SAB Foundation's analysis.

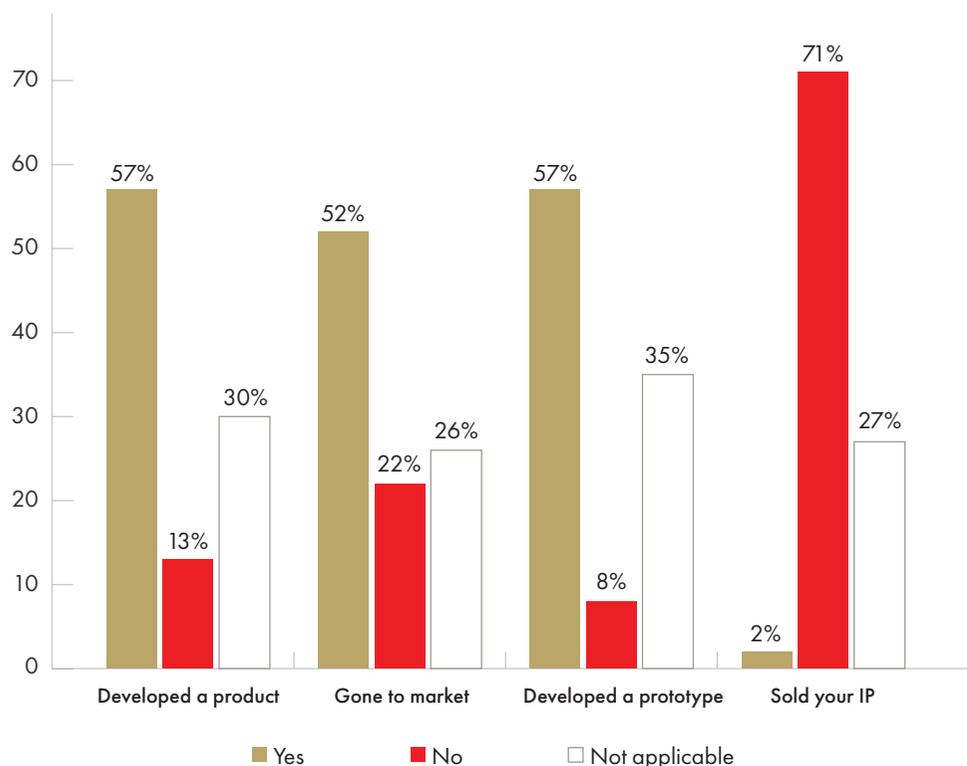
#### ARE YOU STILL PURSUING THE INNOVATION FOR WHICH YOU RECEIVED THE AWARD?



#### IN WHAT CAPACITY ARE YOU ACTIVELY PURSUING THE INNOVATION?



### WHAT HAVE YOU DONE AFTER WINNING THE AWARD?



### 5.5.2. OTHER FUNDING OPPORTUNITIES ACCESSED

Of the respondents, 50% went on to win other competitions or receive funding from other organisations, with 40% reporting to having been linked to these opportunities through communication from the SAB Foundation.

In 2018, 48% confirmed to have been linked to these opportunities through communication from the SAB Foundation. Therefore, as at 2019, we have noted a slight decrease of 8%. Although there was a slight decrease in entrepreneurs linked to funding opportunities by the SAB Foundation, it is still very encouraging to have linked entrepreneurs to further funding opportunities because this is critical for their business growth in the longer term. Of the UCT Seed Fund entrepreneurs, 50% of awardees were able to raise grant funding elsewhere.

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. This is even more pronounced for social entrepreneurs/ innovators. South Africa does not have a 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.<sup>3</sup> The Global Entrepreneurship Monitor views access to funding as a universal problem and studies over the years have shown that the “lack” of funding is not unique to South Africa but is a universal problem probably caused by a rift between what the entrepreneur is able to offer and what the funders require.<sup>4</sup>

Given the difficulties associated with access to funding, it is therefore encouraging to note an overall appreciation of SAB Foundation’s support among the entrepreneurs with the majority noting how helpful the service offering is.

The majority of the entrepreneurs feel that the award received from SAB Foundation gave their innovation credibility, which enabled them to knock on doors to 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.

The following statements are what some of the entrepreneurs had to say:

*“We’ve had access to individuals and companies that we previously could not speak to, and we have gained market awareness as we are now vetted by one of the biggest entrepreneur foundations in Africa.”*

*“So far the SAB Foundation has given us incredible reach that would never have happened. Also, it has given our innovation a level of credibility that is challenging to come by.”*

*“It contributed to our credibility which did probably contribute to our successful raising of funds from The Innovation Agency. We intend to use the funding (R 150 000) to pay for two critical instruments required for our ongoing development work.”*

<sup>3</sup> The Entrepreneurial Ecosystem of South Africa: A strategy for global leadership 2017

<sup>4</sup> Global Entrepreneurship Monitor: Is there a change in attitude towards the small and medium business sector in South Africa? 2017/18 Report.



## IMPACT FROM BUSINESSES WHO HAVE GONE THROUGH SAB FOUNDATION PROGRAMMES.

Over 160 000 learners assisted to reach various career guidance related outcomes including subject choices, understanding what careers are in demand and which careers they already qualify for, and understanding career pathways from high school to employment. These learners were also assisted with their application processes.



276 tonnes of carbon emissions reduced through recycling.



Over 660 people in eight schools and eight communities, trained on a mobile computer solution that enables students to access a computer.



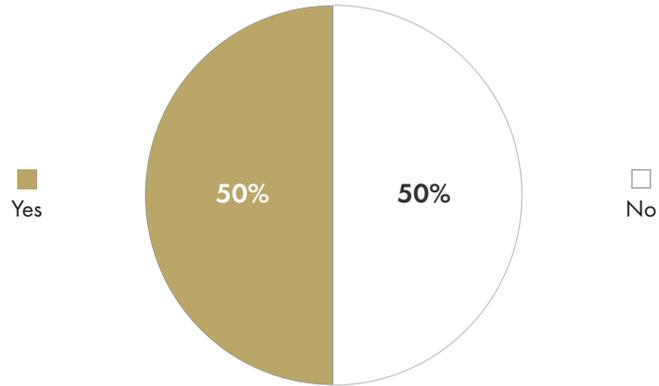
Over 200 000 rural patients treated through connecting healthcare workers with on-call experts via a mobile application.

Over 50 crèches made ECD learning kits and up-cycled toys using clothing waste material in order to stimulate learners, including those with disabilities, impacting over 3 600 children (252 of which are children with disabilities).

Gradesmatch assisted 75% of learners to achieve positive understanding or behaviour concerning their subject and career choices.



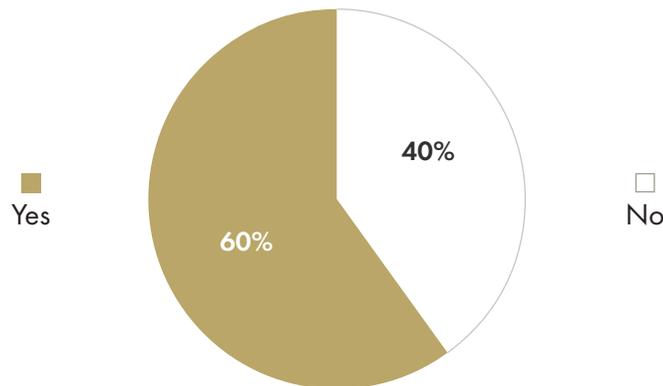
**HAVE YOU WON ANY OTHER COMPETITIONS OR RECEIVED ANY FUNDING AFTER ENTERING THE SAB FOUNDATION SOCIAL INNOVATION AWARDS?**



**5.5.3. OTHER SUPPORT ACCESSED**

With tailored business support and mentorship to entrepreneurs as part of the SIA, DEA, SIF, and the UCT Student Seed Fund, the SAB Foundation prides itself in constantly seeking ways to improve these offerings.

**DID YOU HEAR ABOUT ANY OF THESE OPPORTUNITIES THROUGH SAB FOUNDATION?**



**5.5.4. MENTORSHIP OFFERING**

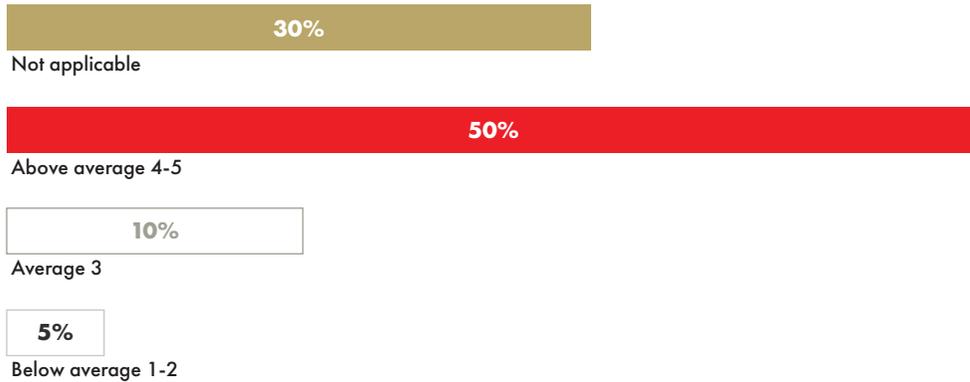
The SAB Foundation mentorship offers entrepreneurs access to a personal mentor for up to three hours per month with a compulsory quarterly on-site session.

76% of the SIA and DEA entrepreneurs who completed the survey felt that the additional business support they received from SAB Foundation assisted their personal and business growth. This is an increase of 12% compared to 2018. 8% of the entrepreneurs felt that the additional support they received from the SAB Foundation did not assist their personal or business growth because either they had not kept contact with the foundation for a while, the allocated mentor did not match their sector or they had tried to make contact to access support without success. The SAB Foundation has taken note of this and has since started putting processes in place to address the above.

50% of the entrepreneurs rated the mentorship support as being above average, 15% as being average, while 5% rated it as being below average. There has been a slight improvement of 3% given that in 2018, 47% of the entrepreneurs rated the mentorship support as being above average. Another slight improvement is noted in those entrepreneurs who rated the mentorship support as being average, 11% in 2018 and 15% as at 2019, resulting in a 4% increase.



## HOW DO YOU RATE THE TECHNICAL SUPPORT RECEIVED FROM MENTORS?



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

*"The mentoring and support provided to our design team has ongoing impact on our design to production processes."*

*"I can always count on SAB Foundation."*

*"Mentorship was very useful particularly in business administration and marketing."*

*"The support received from Impact Amplifier was well received. It helped in advising and opening markets for the business."*

*"The mentorship provided valuable insight on the then state of the business and provided tools that are useful in our business operations mapping."*

*"Mentorship from the Impact Amplifier has been very beneficial."*

*"Fetola has provided exceptional mentorship that extends to hands on practical support. We look forward to engaging at the same level with Impact Amplifier."*

The percentage of those entrepreneurs (5%) who rated the mentorship support as being below average remains the same for 2018 and 2019, again for the same reasons such as not yet being allocated a mentor and for those who had mentors, there was a long distance relationship between the mentor and the entrepreneur. The SAB Foundation has taken note of this feedback and has made improvements to the mentoring process. The rest (30%) of the entrepreneurs rated the mentorship application as not applicable mostly because they are part of the 2019 cohort and the mentorship offering was still in process at the time of the analysis.

In the past, the Bertha Centre has seen mixed responses on the usefulness of mentorship across South Africa. The Student Seed Fund awardees responded very positively to support from mentors. Almost 90% of enterprises sought out mentorship, and of these, 88% found that this mentorship added value to their business. Only one business reported to have sought out mentorship and did not find it helpful. Mentorship for the awardees came from a variety of sources, including Allan Gray Orbis Foundation, Foundation for Farmers, GSB Solution Space, and through other role-players.

To gain a deeper understanding of the impact of our recently launched SIF, an analysis on their response regarding mentorship was also undertaken. 98% of the entrepreneurs found the mentorship offering to be valuable and gave it a rating of above average. This could be attributed to the fact that, mentorship on this programme is different from the main programme as mentors make use of different mentorship styles, with the former being focused on acceleration and milestones.

It is widely acknowledged that the presence of a mentor as a form of business support is agreed to be very positive and appropriate for business growth. In his recent thesis, Willemse has proved using regression analysis, that indeed mentorship, as a form of business support is not only desirable but also a highly successful way to develop entrepreneurs<sup>5</sup>.

Yet through a survey conducted by Seed Academy in 2018, only 22% of the businesses surveyed highlighted that their programme included a mentor as part of the support to their business.

It is therefore imperative that programmes like the SAB Foundation's SIA, DEA and SIF, aimed at enterprise development and growth, continue to offer tailored support services that not only enable entrepreneurs to succeed in their businesses, but also protect the SAB Foundation's investments.

<sup>5</sup> Willemse A; (2017) The moderating effect of mentorship on Enterprise Development in South Africa.

### 5.5.5. ANNUAL INCOME OF THE BUSINESSES (TURNOVER)

A comparison of the annual income reported by the entrepreneurs from inception to December 2019 was undertaken to determine any income growth that the businesses had experienced.

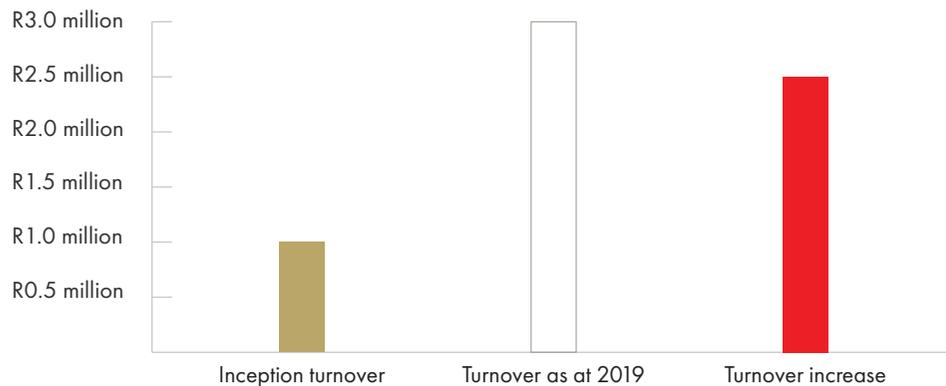
The trends observed reveal a major turnover increase of 228% with a collective income growth from R95.6 million at inception to R314 million at the end of 2019. This shows a great return on investment, given that roughly R44 million has been invested by SAB Foundation to date. At inception, 53% of the entrepreneurs reported that they had no annual income, however as at 2019, this number had decreased to 38%, showing a significant improvement of 15%. This improvement could be attributed to the fact that some entrepreneurs (52%) reported to have taken their product to market at the end of 2019.

A further comparison of the annual income reported by the entrepreneurs from the SIF 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 a 195% turnover increase from R29 347 557 at inception to R 86 602 945 at the end of 2019. This is very encouraging and a satisfying increase, given the fact that the programme has been effective for two years. This also shows a great return on investment given that over R27 million has been invested by the SAB Foundation to date.

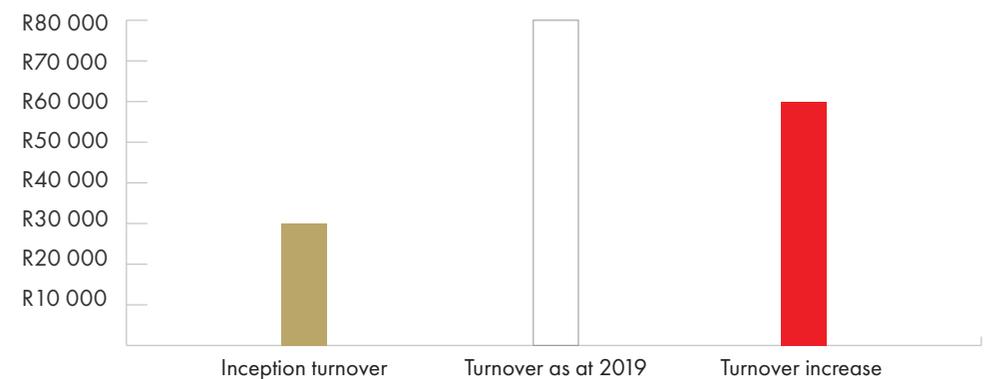
The 2019 cohort of entrepreneurs have recently joined the programme and will therefore only be able to report on their progress at the end of 2020.



**SOCIAL INNOVATION AND DISABILITY EMPOWERMENT AWARDS:  
BENEFICIARIES ANNUAL TURNOVER**



**SOCIAL INNOVATION FUND AND ACCELERATOR:  
BENEFICIARIES ANNUAL TURNOVER**





### 5.5.6. MONTHLY INCOME VS MONTHLY EXPENSES

A comparison between 2018 and 2019 monthly expenses vs monthly income was undertaken. The analysis of the figures revealed that in 2018, 75% of the entrepreneurs had a monthly income that was greater than their monthly expenses.

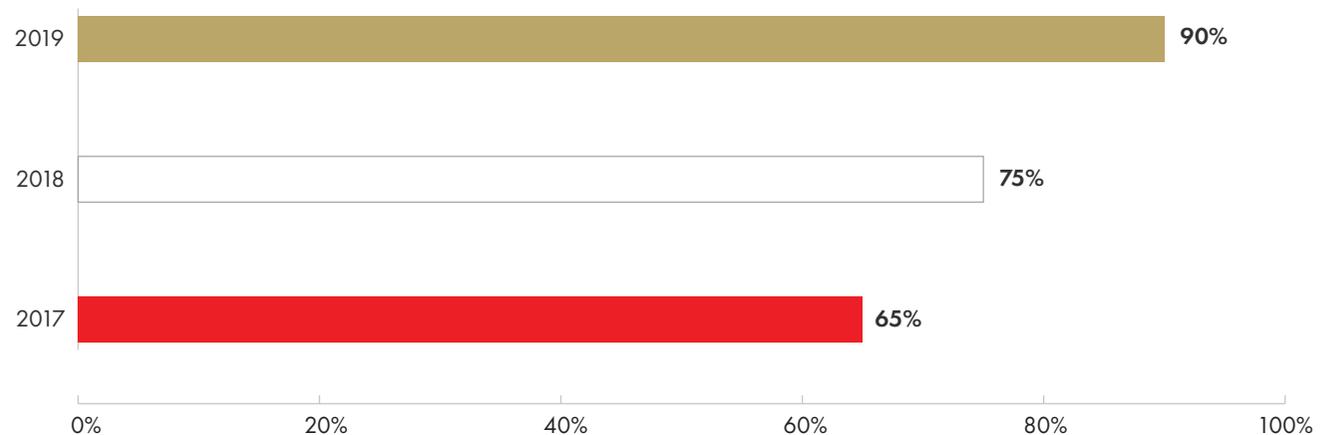
At the end of 2019, almost 90% of the entrepreneurs had a monthly income that was greater than their monthly expenses. This resulted in a 15% improvement compared to the previous report, meaning that entrepreneurs were able to cover their operational costs and keep their businesses afloat.

This improvement could be attributed to a number of factors; the natural maturing of these businesses, financial management systems that entrepreneurs have in place, the guidance from their mentors on financial management systems or the injection of capital. Most likely, it is a combination of factors. In addition, 23% of the entrepreneurs are on the SAB Foundation's SIF, which could have assisted in accelerating their businesses.

The University of Cape Town Student Seed Fund reported a positive monthly revenue for 63% of the businesses ranging from under R5 000 to over R100 000. Innovative ways of revenue generation are coming to the fore amidst the impact of Covid-19.

At the time of this analysis, one of the businesses was currently testing online sales by creating a quick "Small Business Menu". In the days before lockdown the business received private orders from 25 different clients. The company is now working on setting up an online store to boost its cash flow going forward, which will boost revenue.

#### INCOME GREATER THAN EXPENSES



### 5.5.7. JOB CREATION

A comparison of the number of people who have been employed by entrepreneurs since inception until 2019 was undertaken.

The comparison revealed that, as at December 2019, entrepreneurs collectively employ 2 109 people, as compared to 1 119 at inception, resulting in 990 new jobs. This is an increase of 88% in job numbers and it is an improvement of 24% compared to the previous year with the 2016 and 2017 cohorts recording the highest number of jobs created of 296 and 221 jobs respectively.

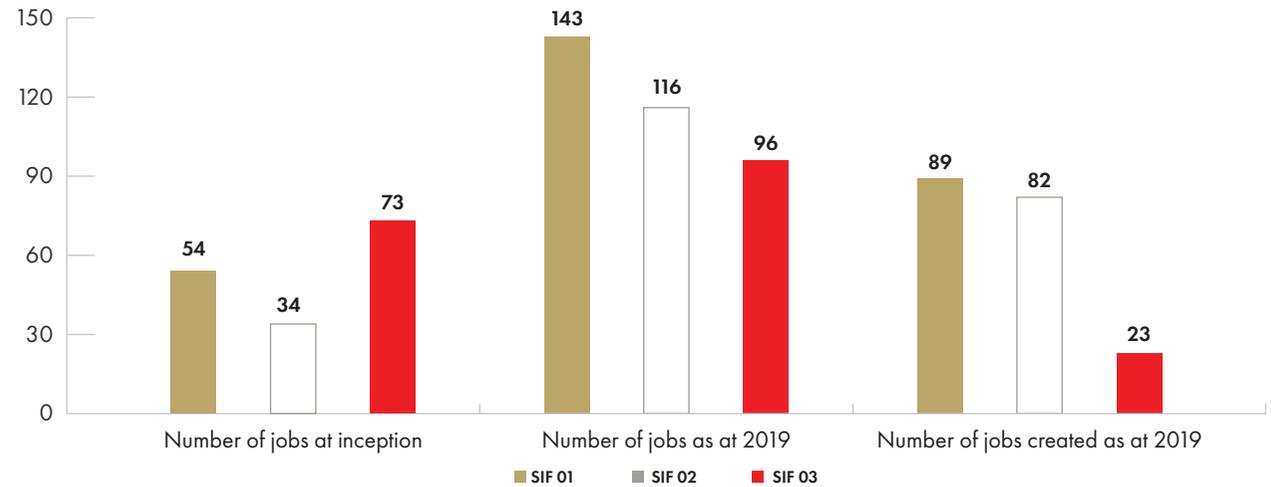
The role entrepreneurs play in creating jobs and contributing to economic growth and development is universally acknowledged. The National Development Plan envisioned that by 2030 small businesses would contribute 60 - 80% to GDP increase, and generate 90% of the 11 million new jobs in our country.

But, despite these ambitions, South Africa continues to have one of the highest unemployment rates in the world currently sitting at 30,1%. Therefore, given South Africa's dire unemployment figures, it is encouraging to note that our social innovators have made great in-roads and strides, managing to increase job creation in their small businesses by 88%.

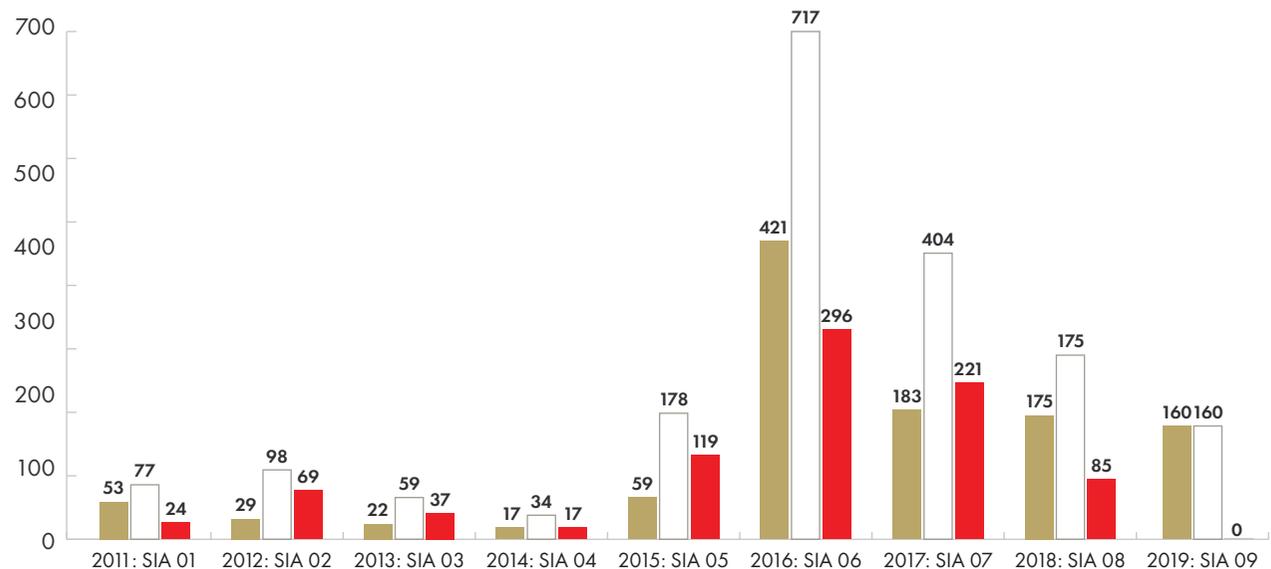
A further analysis was undertaken to document the impact of the SIF on job creation. The analysis revealed that as at December 2019, the SIF entrepreneurs collectively employ 355 people as compared to a 161 people at inception, resulting in 194 new jobs. This is an increase of 120% since inception, therefore it is clear that the SIF really does accelerate businesses by offering entrepreneurs the skills, knowledge, documentation and funding required for immediate success, in this case growing their businesses and creating more employment.

The 2019 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 2020.

**SOCIAL INNOVATION FUND: NUMBER OF JOBS CREATED PER COHORT**



**SOCIAL INNOVATION AND DISABILITY EMPOWERMENT AWARDS: NUMBER OF JOBS CREATED PER COHORT**



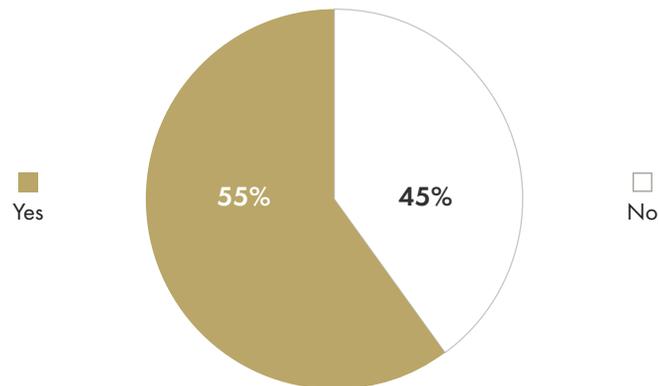
### 5.5.8. SOCIAL IMPACT

The phenomenon of “Impact Investing”, investments with the intention to generate social and environmental impact alongside a financial return, is growing rapidly in South Africa. It is increasingly recognised that entrepreneurs will have an extraordinary influence on both the South African economy and solving what have previously appeared to be intractable social challenges.<sup>6</sup>

Therefore, 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 including but not limited to; education, health care, housing, food security, financial inclusion, energy, water, sanitation and agriculture as well as a range of initiatives in support of people with disabilities. Measuring impact remains an essential aspect that helps businesses determine whether their innovations are creating the intended change and to enable mid-course pivots if necessary. In research conducted by Aspen Network of Development Entrepreneurs<sup>7</sup>, impact measurement is recognised as central to achieving company growth and organisational objectives.

The research also emphasised the importance of impact measurement for buy-in from stakeholders and investors as investors, are increasingly looking for evidence of the social return on their investments.

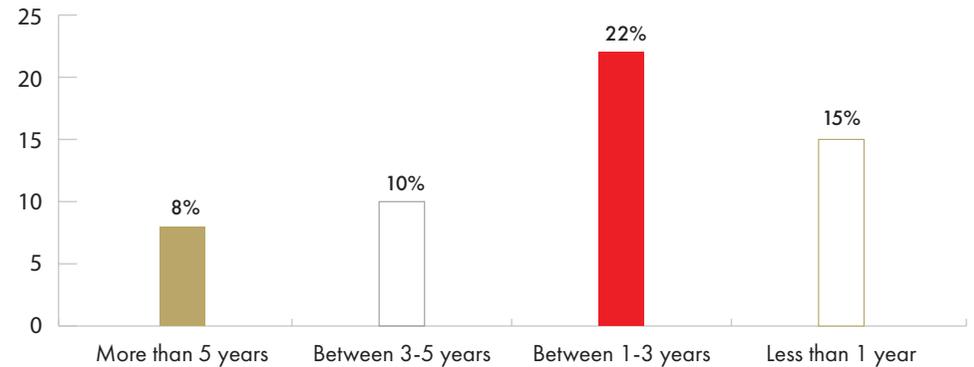
#### DO YOU CURRENTLY TRACK YOUR SOCIAL AND/OR ENVIRONMENTAL IMPACT?



<sup>6</sup> [https://www.impactamplifier.co.za/entrepreneur-programmes-and-training/investment-readiness-accelerator-2017/?\\_sm\\_au\\_=iWnRM5TPFODqqrHftsVKQJcR7F](https://www.impactamplifier.co.za/entrepreneur-programmes-and-training/investment-readiness-accelerator-2017/?_sm_au_=iWnRM5TPFODqqrHftsVKQJcR7F)

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

#### HOW LONG HAVE YOU TRACKED YOUR SOCIAL AND/OR ENVIRONMENTAL IMPACT?



One of our key challenges as the SAB Foundation remains tracking this social impact. The 2019 analysis revealed that, 55% of the entrepreneurs track their social and/or environmental impact. Although very slight, an improvement of 2% was noted compared to 2018 where 53% of the entrepreneurs reported that they tracked their social and environmental impact. Of the 55% who reported to tracking their social and environmental impact, 15% have been tracking their impact for less than a year; 22% between one and three years; 10% between three to five years and 8% for more than five years.

The 45% of entrepreneurs who reported that they were not actively tracking their social and/or environmental impact are able to articulate the perceived impact that their innovations have had from a social and/or environmental perspective. The entrepreneurs are also able to identify and list indicators used to track impact clearly, and are able to report the impact that they are having on their intended beneficiaries.

From the above analysis, it is clear that a lot of work still needs to be done in the impact measurement space, not only from the SAB Foundation’s perspective but also by all the key stakeholders involved. The SAB Foundation positions itself as a thought leader in this space as we continue to learn more effective ways of measuring impact and we hope that other foundations and corporates follow suit.

In an effort to help entrepreneurs understand the importance of tracking impact, in 2019 the SAB Foundation has introduced training on social impact for all SIA and DEA finalists and impact key performance indicators in the SIF. We are also establishing ways of reporting impact in a more consolidated way. As can be seen on the next page, currently we are only recording qualitative feedback and much of it is outputs and not impact.

## 5.6. CONTRIBUTION TOWARDS THE UNITED NATIONS' GLOBAL SUSTAINABLE DEVELOPMENT GOALS

All 170 businesses supported are contributing to the United Nations Sustainable Development Goals in some way. We help them grow so that they can address an issue at scale and make a meaningful impact. Due to the diversity of interventions, as well as the many sectors they operate in, we have not been able to find a way to consolidate this information.

Some examples are below, but for a full list, please see Appendix 1.

### United Nations Sustainable Development Goal #3: Good Health and Wellbeing

- In an average month, 3 429 patients collect chronic medication in under 22 seconds instead of waiting hours using the Pelebox Smart Locker.
- Over 200 000 rural patients treated to date through connecting healthcare workers with on-call experts via a mobile application.
- 900 000 ear tests/ screenings performed using a world-first smartphone video-otoscope with integrated automated ear disease diagnosis in 38 countries.
- Over 500 healthcare workers trained in clubfoot treatment and over 7 400 clubfoot braces issued to clubfoot patients.
- 80 customised chairs provided to children with disabilities, allowing them to sit independently and learn new skills.

### United Nations Sustainable Development Goal #4: Quality Education

- Over 50 crèches made ECD learning kits and upcycled toys using clothing waste material in order to stimulate learners, including those with disabilities, impacting over 3 600 children (252 of which are children with disabilities).

- 35 learners exposed to coding and robotics during a small pilot study, with over 90% showing interest to pursue coding and robotics.
- Fully equipped, curriculum-based foldable and mobile ECD Classrooms distributed to 70 ELC in disadvantaged communities, helping to improve the literacy of over 4 000 children.
- Successfully assisted over 160 000 learners, to various career guidance related outcomes, including subject choices, understanding what careers are in demand, and which careers they already qualify for and understanding career pathways from high school to employment. Learners were also assisted with the application process.
- 75% of learners show a positive understanding or behaviour in relation to their career choices, while at least 60% of learners show a positive understanding or behaviour in relation to their career trajectory.
- Approximately 12 500 mini science kits that contain 52 experiments, one for every week of the year for continuous practical interaction with science concepts, given to school learners for use at home and/ or school to help them become scientists.
- Approximately 10 140 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 temporary computer labs.
- Over 660 people in eight schools and eight communities trained on a mobile computer solution that enable students to access a computer.

### United Nations Sustainable Development Goal #6: Clean Water and Sanitation

- Over 20 million litres of clean drinking water served across multiple countries

### United Nations Sustainable Development Goal #8: Decent Work and Economic Growth

- More than 750 farmers trained in goat combing, weaving, spinning and knitting with cashmere blends.
- R40 million direct investment into 40 black-owned farms, which collectively employ over 300 people, facilitated through an innovative platform.

### United Nations Sustainable Development Goal #11: Sustainable Cities and Communities

- Approximately 200kg of coffee waste prevented from going to landfills each month.
- Over 400 tonnes of clothes recycled.
- Approximately 129 tonnes of waste diverted from landfills.
- Approximately 276 tonnes in carbon emissions reduced through recycling.



## 6. BUSINESS ACHIEVEMENTS

Awardees were asked what the SAB Foundation funding enabled them to achieve that they otherwise would not have achieved. Feedback and responses from entrepreneurs were categorised into the following distinct areas. For detailed feedback on entrepreneurs' business achievements please see Appendix 2.

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

Most of the entrepreneurs (35%) 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.

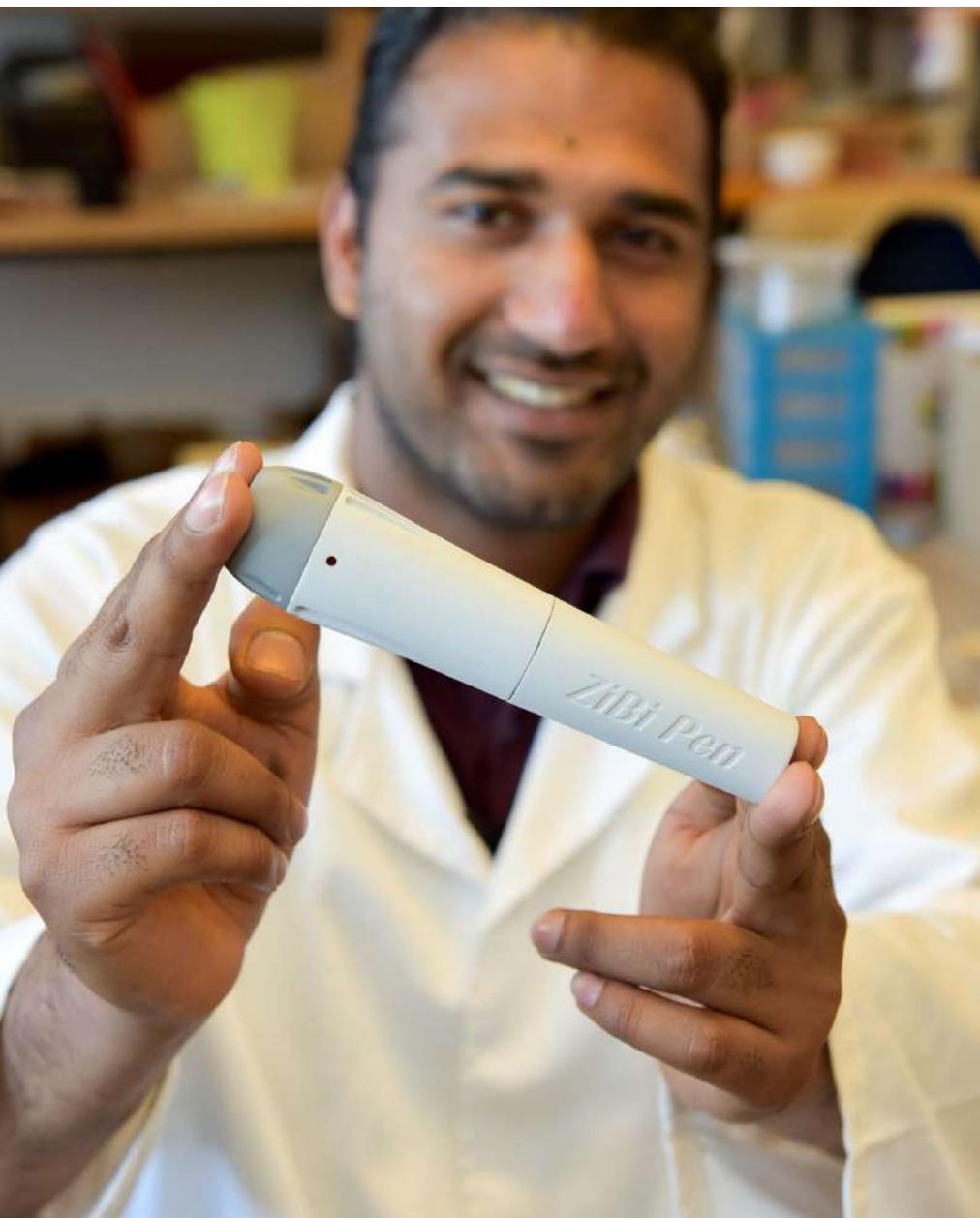
The following is what some of the entrepreneurs had to say:

*"We were at the verge of 'closing shop'. We had no income for months. And although we had won several competitions, none of them had paid out. SAB Foundation paid out immediately, and that helped us to keep going. To put it very frankly, SAB Foundation funding is a very crucial part of the reason we are still alive as a company."*

*"Through the SAB Foundation funding we were able to prepare land for farming and running our pilot activities on a 50-hectare plot. We managed to de-bush the land and fence a big portion of it, and we were also able to set up the area with piping, a water pump and a tank for water storage. We currently have potatoes planted on about three hectares/ 30 000 square meters and some of this will be due for harvest."*

*The farm currently has eight labourers working. We have also expanded our technical team for the development activities for Farmru. We have hired an Agricultural Sciences graduate on a short-term contract who is responsible for conducting research on agricultural topics that guide our development. We also managed to hire an independent mechatronics contractor who is responsible for the electronic design of the system. Without the SAB Foundation all of this would only have been a wild dream."*





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

32% of the entrepreneurs 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:

*"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. With the SIF funding, we were able to commercialise our product in order to go to market in 2020. We have already taken some paid pre-orders for 2020, and production will commence in December 2019."*

*"Without SAB Foundation funding I would never been able to develop an export ready product for people who are really in need of mobility. The funding enabled me to team up with the Central University of Technology in Bloemfontein which has been working on my project for more than a year now. Without the funding, this would still have been "just an idea", as I would never have been able to save or borrow that kind of money. We are currently in the final phase of development and should be market ready in 2020."*

*"The SAB Foundation helped us to prototype and launch our product and have allowed us to work with the Department of Education and scale and test the viability of the product, not just here in South Africa, but in Kenya and Botswana. We have also received orders from customers in Nigeria and Ethiopia. We received our largest order from Libya of 1 100 units but unfortunately could not fulfil the order due to capacity and turnaround times. We wouldn't be where we are without the help and support from SAB Foundation."*

### 6.3. HIRE MORE STAFF/JOB CREATION

11% of the entrepreneurs mentioned that the SAB Foundation funding enabled them to hire more employees.

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

*"When I started with SAB Foundation, I could not even pay myself from the business. Today not only can I pay myself, but I have a staff compliment of 12 full-time employees, 28 seasonal and two interns. Through the SAB Foundation I built a thriving business site which I have now handed over to the Chesterville community to self-sustain. The business site alone is worth more than R3 million now. The ladies who are handling the project now are able to earn R800 a week per person, and their dignity has been restored."*

### 6.4. RECOGNITION AND CREDIBILITY

10% of the entrepreneurs identified 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 one of the entrepreneurs had to say:

*"We've had access to individuals and companies we previously could not speak to, and we have gained market awareness as we are now vetted by one of the biggest entrepreneur foundations in Africa."*



### 6.5. PURCHASE EQUIPMENT

12% of the entrepreneurs mentioned that the SAB Foundation funding enabled them to purchase much needed equipment for their businesses.

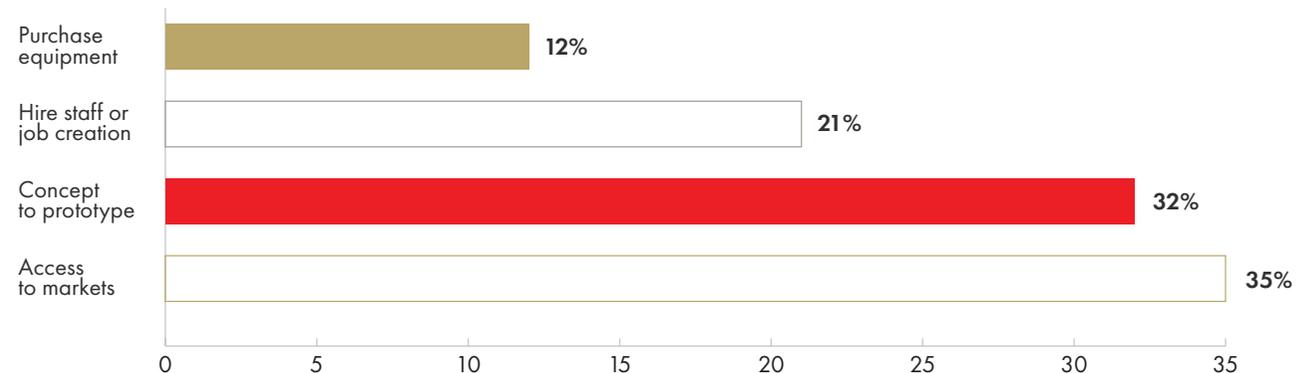
The following is what some of the entrepreneurs had to say:

*"The funding enabled me to acquire a bigger brick-making machine that can produce up to 3 000 bricks a day and a crusher machine that can convert and upcycle builders' rubble into aggregate sand that we can use to produce our Eco bricks."*

*"We bought our first waste vehicle which we still use till today to recover recyclable material."*

*"The funding helped me to procure manufacturing machinery that I could not by any means have been able to purchase."*

### WHAT DID THE SAB FOUNDATION ENABLE YOU TO ACHIEVE?



## 7. HIGHLIGHTS AND SUCCESSES

Awardees were asked about their highlights and successes since winning the SAB Foundation award. Entrepreneurs mentioned a number of highlights and successes specific to their innovations. On the top of this list was the extensive business growth that entrepreneurs reported to have had experienced in the form of increased turnover and being able to hire more people to grow their teams.

Secondly, entrepreneurs reported to have had gained extensive credibility and exposure, where many were featured in different media, invited to be guest speakers at conferences nationally and internationally, as well as winning different awards that were innovation specific.

Some mentioned market access and the ability to further develop and/or complete their products and/or prototypes as their business successes.

The word cloud below summarises what the entrepreneurs alluded to as their highlights and successes since winning the SAB Foundation award.



The following is what some of the entrepreneurs had to say about their highlights and successes. For detailed feedback on entrepreneurs' highlights and successes, please see Appendix 3:

*"The fact that we have samples and a physical product available has been awesome! We have also been able to supply about 150 units to hospitals (Montagu Hospital and Tygerberg Hospital) who are distributing the product to mothers who need it.*

*We were again invited by the National Department of Health as they love the product, but funding is a challenge. We also met Gift of the Givers who has indicated that they love the projects, and we are waiting for further communication (MOU) from them."*

*"I have been featured in countless media, getting great exposure with the highlight being featured in the Sunday Times."*

*"The support and exposure that resulted from the winning has been invaluable. We have been approached by a number of property developers, media agents and even business mentors that are keen to help us grow"*

*"Our biggest highlight is the development of version zero of the smart cane, this has allowed us to move into testing of the product and from the feedback from the beta testing we will improve the product to develop a market ready version of the product."*

## 8. CHALLENGES

Awardees were asked to report on challenges that they are currently facing concerning making their social innovations a success.

71% of the entrepreneurs identified lack of funding as their biggest challenge. This is not surprising, as numerous studies conducted on SMMEs have identified funding as a key challenge that entrepreneurs are faced with in regard to making their businesses a success. Market access, inability to hire skilled staff and lack of equipment are some of the challenges that entrepreneurs also mentioned.

The word cloud below summarises entrepreneurs' challenges.



The following is what some of the entrepreneurs had to say about their challenges. For detailed feedback on entrepreneurs' highlights and successes, please see Appendix 4:

*"Currently my biggest stumbling block is financial. In order to take the product to market I need to make a substantial capital outlay and this is why progress has been so slow. I am currently having to pay a premium to get smaller quantities to complete the evaluation product and as a result am unable to even meet the small number of requests that there have been.*

*Additional funding has been through a personal loan, which is the only reason I was able to complete the chair that went on tour to Europe. Another stumbling block is that the Medical Control Council set criteria that need to be met before the manufacturing of assistive devices can commence."*

*"Access to market. The waste industry is dominated by few players who usually have long term contracts with most corporate waste producers. The business is capital and labour intensive and therefore requires large financial capital."*

*"The greatest challenge I am facing is access to wider markets and government market."*



## 9. SUGGESTED IMPROVEMENTS TO THE PROGRAMME

Awardees were asked for suggestions on how the SAB Foundation could improve the SIA and DEA.

Over 90% of the entrepreneurs felt that the programme was well structured, efficiently administered, results driven, the most genuine and the best social entrepreneur support programme in the country.

Entrepreneurs had a few suggestions listed below:

- Allocating mentors as soon as possible, ensuring that mentors are located closer to the business to facilitate face-to-face interactions and tracking progress of mentors with regular feedback and milestones from entrepreneurs.
- The formation of an alumni event and/or platform where past award winners can self-organise, collaborate, learn from each other and facilitate peer-to-peer mentoring.
- Personalised follow-ups with businesses to better understand what is happening with entrepreneurs' businesses.

The SAB Foundation is constantly striving to support its entrepreneurs in all ways possible. Based on the suggested improvements to the programme provided by the entrepreneurs in the previous reports, SAB Foundation has done the following:

- In 2017 the SAB Foundation launched the SIF to address a lack of access to further finance, post SAB Foundation funding.
- Changed the mentoring process to better serve the needs of entrepreneurs.

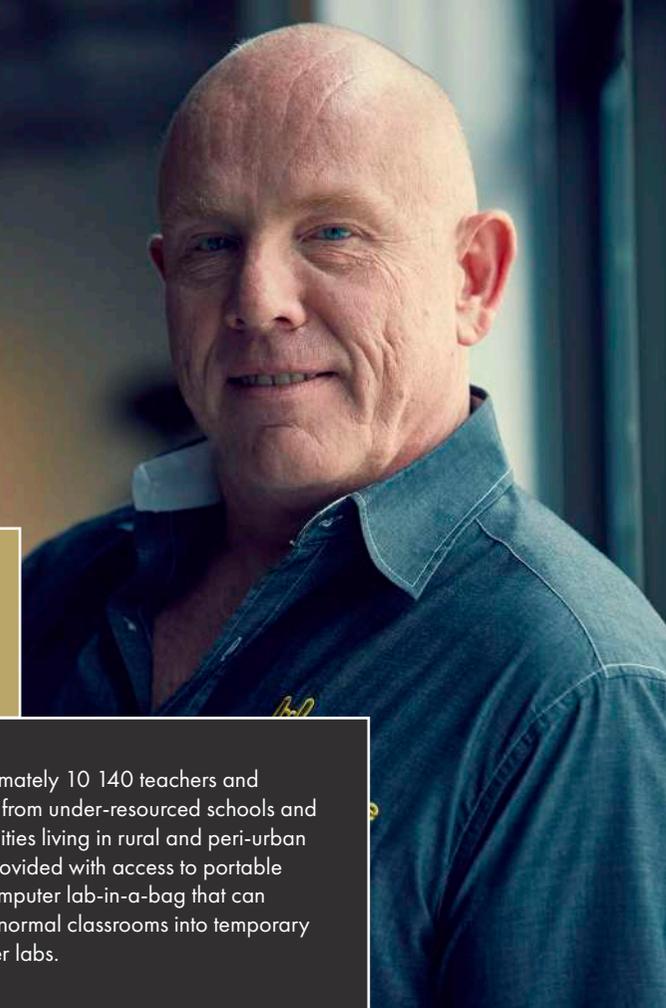


More than 750 farmers trained in goat combing, weaving, spinning and knitting with cashmere blends.



## IMPACT FROM BUSINESSES WHO HAVE GONE THROUGH SAB FOUNDATION PROGRAMMES.

900 000 ear tests/screenings performed using a world-first smartphone video-otoscope with integrated automated ear disease diagnosis in 38 countries.



Approximately 10 140 teachers and students from under-resourced schools and communities living in rural and peri-urban areas provided with access to portable solar computer lab-in-a-bag that can convert normal classrooms into temporary computer labs.



Approximately 12 500 mini science kits that contain 52 experiments, one for every week of the year for continuous practical interaction with science concepts, given to school learners for use at home and/or school to inspire them to become scientists.

Fully equipped, curriculum-based foldable and mobile ECD Classrooms distributed to 70 ELC in disadvantaged communities, helping to improve the literacy of over 4 000 children.

The Pelebox Smart Locker enabled an average of 3 429 patients per month to collect their chronic medication in under 22 seconds.



Over 500 healthcare workers trained in clubfoot treatment and over 7 400 clubfoot braces issued to clubfoot patients.



## **10. CASE STUDIES OF IMPACTFUL BUSINESSES**

## UMGIBE FARMING ORGANICS, FOUNDED BY NONHLANHLA JOYE

Nonhlanhla Joye founded Umgibe Farming Organics in 2014 due to the urgent need to feed her family after she was diagnosed with cancer and was unable to work. Umgibe Farming Organics is a 100% black-owned Level 1 B-BBEE company that promotes local sustainable food farming through cost-effective measures and an environmentally friendly, up-cycled growing system. More than 131 farmers have received access to this system, which offers a platform that enhances their market access and boosts local income generation. The enterprise also delivers organic products to local communities, at a reasonable price, without harming the environment.

In 2017, Umgibe Farming Organics was awarded R400 000 by the SAB Foundation.

The funding was used repair their delivery truck after it was involved in an accident, as well as to lease eight hectares of land in Richmond, KwaZulu-Natal, allowing them to expand their production. They also bought a generator and an irrigation pump for projects in Northern KwaZulu-Natal. In addition, the SAB Foundation funds paid for Umgibe Farming Organics to receive relevant accreditation and they are now a fully-fledged NQF 1 to 5 Training Institution in Plant Production, Animal Production and Horticulture.

Prior to winning the SAB Foundation, Umgibe had six permanent employees and a few seasonal workers. They now have 12 permanent employees and 26 seasonal employees, which has enabled them to grow their productivity and increase their income.

Their annual gross turnover was R450 000 before being funded by the SAB Foundation and has now increased to more than R1.2 million. Currently, the company has a hand operating juice extraction machine. They aim to purchase bottling and canning equipment in order to build a facility that will enable them to process and package their own products. In future, they would also like to build a manufacturing factory for Umgibe and the Seedpreneurs Growing box.

*"I can truly say that if it wasn't for the SAB Foundation my business would not exist today. I will forever be grateful for the assistance that the funding gave me and also the mentorship that was provided to guide me in the growth of my business."*

**- Nonhlanhla Joye, founder Umgibe Farming Organics.**





## CLOTHES TO GOOD, FOUNDED BY JESSE NAIDOO

Clothes to Good is a hybrid social enterprise consisting of Clothes to Cash Exchange (Pty) Ltd and Life Link 24/7 Cares NPO.

The enterprise provides sustainable jobs and micro-business opportunities for people with disabilities and their families through a clothing recycling programme.

In 2018, Clothes to Good were the overall winners of the Disability Empowerment Award, receiving R1.2 million in funding.

The funding they received enabled them to support their microbusiness empowerment programme, which resulted in them raising the number of enterprises that they supported from 50 to 108 microbusinesses. They also started a toy factory to up-cycle waste into toys for Early Childhood Development (ECD). Currently, they have provided 148 ECD centres in Diepsloot with ECD kits and training, supporting over 7 700 children, including approximately 539 children with disabilities.

Prior to winning the SAB Foundation Social Innovation and Disability Empowerment Award, Clothes to Good had 10 employees. They have since increased their number of employees to 18 and, in addition, 10 people with disabilities are part of the Clothes to Good inclusion programme, working onsite at their head office in Centurion. Their annual turnover is currently R1 290 251.

Since winning the SAB Foundation Disability Empowerment Award, Clothes to Good has recycled a tonne of post-consumer clothing. They are now the largest post-consumer recycling operation in South Africa.

*"We felt very privileged when we were awarded as winners at the Social Innovation and Disability Empowerment Awards.*

*Being part of the SAB Foundation really changed our lives and also grew our business, we don't think we would be here if it wasn't for the help of the SAB Foundation. Clothes to Good aims to expand further and also continue to empower people with disabilities."*

*- Jesse Naidoo, founder Clothes to Good.*

## STEPS CLUBFOOT CARE, FOUNDED BY KAREN MOSS

Karen Moss is the founder and Executive Director of STEPS Clubfoot Care, a non-profit organisation that improves the lives of children born with clubfoot. Clubfoot is a treatable birth defect that affects around 2 000 children in South Africa each year and, if left untreated, causes permanent disability to the child.

Being mother to a child born with clubfoot, Karen discovered the Posenti Method. Developed by Dr Posenti, a Spanish physician, this method provides a gentler, yet very effective treatment alternative to traditional surgery. It is currently the global standard and accepted as best practice for clubfoot care. After her son's successful treatment, Karen was inspired to bring this method back home. Today STEPS Clubfoot Care supports 35 clinics in the state health sector, trains healthcare professionals, imports and distributes clubfoot products and runs advocacy campaigns to remove stigma and increase early detection and treatment.

In 2018 STEPS Clubfoot Care won second place at the SAB Foundation Social Innovation and Disability Empowerment Awards. As well as receiving R800 000 in grant funding, they won the R150 000 audience choice award, and were awarded an extra R150 000 funding for marketing purposes, bringing the total funds they received from the SAB Foundation to R1 100 000.

This funding enabled them to expand and improve their programme by 30% and hire two staff members to streamline and coordinate their activities to partner clinics. The funding also enabled them to establish eight new clinic partners in rural areas of the Northern Cape and Eastern Cape thereby increasing their partner clinics from 27 to 35.

Prior to winning the SAB Foundation Social Innovation and Disability Empowerment Awards, they had 13 employees. They have since increased the number of employees to 16 permanent employees, four contract employees and two casual employees who work when needed.

Their annual gross turnover was R 2 700 000 before being funded by the SAB Foundation and has now increased to more than R3.2 million.

STEPS Clubfoot Care currently has 35 partner clinics, has trained over 500 healthcare workers in clubfoot treatment, has over 4 000 clubfoot patients enrolled and has issued over 7 400 clubfoot braces to patients.

In the future, STEPS Clubfoot Care aims to expand and develop the organisation further, providing online training that will cover the medical curriculum, complete with content videos and virtual tutor sessions. They would also like to offer clinic support and grow their sales to support 50% of programme costs in the 2021 financial year.



*"We have had an incredibly rewarding journey since STEPS Clubfoot Care joined the SAB Foundation family. Winning the second prize Disability Empowerment Award raised our profile substantially.*

*My advice to other entrepreneurs is to always keep your core purpose in mind, think ahead and make plans to ensure sustainability, but stay flexible for opportunities and changing conditions. Remember to have fun while on this journey, it is challenging but can be such a rewarding experience."*

**- Karen Moss, founder STEPS Clubfoot Care**

## GRADESMATCH FOUNDED BY RUDZANI MULAUDZI, LBOGANG DIALE AND UNATHI SEPTEMBER

Rudzani Mulaudzi, Lebogang Diale and Unathi September met while studying information systems, finance and computer science 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 the information on their preferred subjects 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.

In 2015, Gradesmatch was awarded R600 000 at the SAB Foundation Social Innovation and Disability Empowerment Awards.

The funding enabled the further development of their platform by adding additional functions to better facilitate digital career guidance. This includes expanding it to Grade 8 to Grade 11 learners, improving engagement through social networking features and expanding the scope of their system to include FET colleges and TVET colleges, over and above the existing universities and universities of technology. Portions of the funds were also used for marketing the platform. Lastly, the funding was used as a leverage to get their first equity investment and hire a full-time senior developer to manage the platform.

In 2017, Gradesmatch was awarded R500 000 in grant funding and a R123 500 interest-free loan from the SAB Foundation's Social Innovation Fund and Accelerator Programme.

This additional funding enabled them to hire more staff to reach new markets in Kwa-Zulu Natal, Limpopo and Eastern Cape through their on the ground marketing activations. They further on-boarded an additional team to assist with technology from data management, testing, UX design and frontend development.

As at 2020, Gradesmatch have settled their loan repayment of R123 500 to the SAB Foundation. Prior to winning the SAB Foundation Social Innovation and Disability Empowerment Award, Gradesmatch had three employees. They now employ 34 people on a permanent basis: 25 in Johannesburg and nine in Cape Town.



*"In the next three years we aim to be a leader in the provision of career advisory and applications support for the journey from education to employment."*

*- Lebogang Diale, co-founder Gradesmatch*

Their annual gross turnover has increased from R110 000 before being funded by the SAB Foundation and is now just under R6 million.

Gradesmatch has successfully assisted over 220 000 learners, to various career guidance related outcomes, including:

- Subject choices;
- Understanding what careers are in demand;
- Which careers they already qualify for;
- Understanding career pathways from high school to employment; and
- Assisting learners with the application process.

In 2020 Gradesmatch scaled their Bridge offering that assists matric learners in applying for post-schooling opportunities, having helped 7 500 learners, an increase of over 800% from 2019. Gradesmatch plan to continue expanding this business line, moving forward in assisting high school learners in accessing services.

After interacting with Gradesmatch, 75% of learners show positive understanding or behaviour concerning their subject and career choices. At least 60% of learners show a positive understanding or behaviour in relation to their career trajectory.



## VULEKA, FOUNDED BY BRIAN MAKWAIBA

Brian Makwaiba founded Vuleka in 2007 due to the dire need to help build sustainable informal businesses.

Vuleka is a grassroots economic development initiative focused on growing formal and informal townships-based businesses. Through the Vuleka mobile app they facilitate bulk purchases of goods sold by township-based businesses.

Vuleka's large network of township-based businesses forms a collective purchase power that enables them to negotiate better deals when buying in bulk. They buy directly from manufacturers and suppliers of these goods, therefore bypassing wholesalers and ensuring that they negotiate higher discounts. These savings are then passed onto the traders.

The orders are then delivered to the traders, saving them time and money. The traders do not need to leave their businesses in order to purchase stock but are able to place and receive stock orders whilst running their businesses. The app is linked to a virtual wallet meaning that purchases are cashless.

The business understands that not all shop owners are tech savvy, hence they work with local unemployed youth who assist in taking orders. Each youth marketer is responsible for between 20 - 30 spaza shops where they assist with teaching the shop owners about using the app, stock control and pricing.

The Vuleka app has two user interfaces. The first is for the business owner where they can place orders and pay for them with the virtual wallet upon delivery.

The second interface is for the consumer who buys from the business owner, who is able to pay for goods from a registered business using the app. This gives consumers the option to pay for the goods remotely and the goods can be collected from the business by a third party.

In 2017 Vuleka was awarded R150 000 at the SAB Foundation Social Innovation and Disability Empowerment Awards. The funding was used to develop updates to the Vuleka app as well as expanding the buying network beyond spaza shops to include churches and crèches to increase the monthly order frequency, size and quantities.

In 2019 Vuleka was awarded R559 500 in grant funding from the SAB Foundation's Social Innovation Fund and Accelerator Programme. This funding was used to secure larger spaza shops, which had previously been inaccessible due to the product and service offering available. The funding was also used for tests to find the best balance of incentives (delivery, credit, minimum orders and price parity) to grow and retain the customer base.

Prior to receiving the SAB Foundation Social Innovation and Disability Empowerment Award, Vuleka employed three people. They now employ 12 people.

Their annual gross turnover was R72 000 before being funded by the SAB Foundation and has now increased to R1 732 000.

Since its inception, the Vuleka platform has established a network of informal businesses. It has recently implemented experimentation pilot projects in Soweto, Alexandra and Thembisa with the objective of growing their customer base, retaining existing customers and re-acquiring customers that were lost. These experiments have increased the customer base by 38%; secured two new manufacturers to sell directly to retailers in the network; provided credit to 13% of the customer base; and increased revenue by 12% per month.

The Vuleka app supports 300 informal business owners that order regularly, with a live database of 6 000 informal businesses on its books. To date they have employed 30 previously unemployed youth from the townships that they service and currently have 12 in their employment.

*"Create value and the money will come"*

*- Brian Makwaiba, founder of Vuleka*

## 11. CONCLUSION

Globally, over the past decade, there has been a phenomenal surge of interest in social innovation as a way to achieve sustainable economic growth and improve human well-being.<sup>8</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 to note that the above analysis suggests that the SAB Foundation is playing a vital role in funding social innovation and is an engine of employment and a success driver of much needed 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 that are aligned to the United Nation's Global Sustainable Development Goals including, but not limited to, quality education, good health and well-being, sustainable agriculture, water, energy and sanitation, and support for people with disabilities.

The Global Entrepreneurship Monitor reports show that South Africa has one of the highest business start-up failure rates in the world where over 70% of new businesses fail in less than two years of being in operation.

It is therefore quite encouraging to note that, despite the dire economic state of South Africa, 97% of the SAB Foundation businesses analysed above are still operational with a turnover increase of 228% and an increase in jobs created of 88%.

The SAB Foundation recognises the challenges that the entrepreneurs are facing and keeps working on finding new ways to assist entrepreneurs to run successful and sustainable social enterprises.

<sup>8</sup> Kevin Chika Urama & Ernest Nti Acheampon: Social Innovation Creates Prosperous Societies: Stanford Social Innovation Review Summer 2013



## 12. APPENDICES

### Appendix 1: Anecdotal feedback from SAB Foundation beneficiaries as to the impact their businesses have had since benefitting from SAB Foundation programmes.

- 17 million litres of water saved.
- 124 tonnes of vegetables harvested.
- 75% of learners show positive understanding or behaviour in relation to their subject choices, and at least 60% of learners show a positive understanding or behaviour in relation to their career trajectory after interacting with Gradesmatch.
- About 150 persons with disabilities transported in 2019.
- Over 3 million litres of clean drinking water served across multiple countries. The equivalent of one 500ml bottle is sold through grocery store machines every five seconds.
- Learners are improving tremendously in STEM knowledge and the results they are obtaining in related subjects are showing an upward trajectory. Some learners are obtaining distinctions in science at matric level.
- A 15% to 25% mark increase for learners who have consistently been on the School in a Box System.
- Grown permanent employment from one in 2017 to nine in 2020. Grown temporary employees from 0 in 2017 to more than 55 in 2020.
- More than 750 farmers trained in goat combing, weaving, spinning and knitting with cashmere blends.
- An 80% improvement in mathematical knowledge from the learners who are using the business's services.
- Approximately 200kg of coffee waste prevented from going to landfills each month.
- 12 500 learners have had access to a mini science kit for use at home or school to help them become scientists.
- 900 000 tests or screenings performed in 38 countries.
- More than 1 250 small scale farmers growing food organically using the growing systems, with more than 18 900 people having food on their table every day.
- Approximately 10 140 teachers and students from under-resourced schools and communities living in rural and peri-urban areas have access to a portable solar computer lab-in-a-bag that can convert normal classrooms into temporary computer labs.
- 3 000 job seekers trained on CV building and skills endorsement through a series of CV workshops.
- Over 660 people in eight schools and eight communities trained on a mobile computer solution that enable students to access a computer.
- Over 4 000 clubfoot patients enrolled, 582 healthcare workers trained in clubfoot treatment meaning more children can be treated. Increase in supply of donated braces, sales tender of lowa braces to state clinics and government, which prevents relapse and reduces the burden on clinics.
- 7 000 active users on an app used by parents of autistic children to communicate.
- Over 400 tonnes of clothes recycled.
- 129 tonnes of waste diverted from landfills.
- Approximately 276 tonnes reduction of carbon emissions reduced through recycling.
- Over 50 crèches made ECD learning kits and upcycled toys using clothing waste material in order to stimulate learners, including those with disabilities, impacting over 3 600 children (252 of which are children with disabilities).
- Launched the OnRoute Life Skills model and supported employment service to enable people with disabilities to secure and keep their jobs in mainstream employment.

## Appendix 2: What did the SAB Foundation funding enable you to achieve that you would otherwise not have achieved?

### 1) Business sustainability/ growth/ scaling and access to markets (35%)

35% 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 the entrepreneurs had to say:

- I will be able to produce larger volumes of my product, reducing cost and increasing demand as a result.
- Shift from surviving on grant funding to generating revenue.
- It catapulted us forward with regards to manufacturing (with assistance of TIA technology station). Seed funding helped to get our business off the ground in terms of preparing for large scale production. We would have taken longer to get to the market without SAB Foundation assistance.
- The funding helped us achieve the following: develop the initial website; set-up an initial presence within three communities in Gauteng; get initial branding done.
- It provided a cash bridge to a larger capital raise that has helped us grow the business.
- Getting more exposure in terms of my products.
- It allowed me to start working towards turning JK into a social enterprise when funding was very challenging and expanding my workload was not an option.
- It helps me to get my legal framework in place, it will allow me to add many more nannies to our platform.
- It was through the SAB Foundation support that we were enabled to have access into the larger AB-InBev Group where we are now a vendor in the agricultural development space after adapting the innovation initially presented in 2017.
- It was of incalculable value to have received financial support when the business was just starting out.
- On the day of the awards, I was on my last R9 000 and I had all these things to achieve. A week before that, our packaging company liquidated with my packaging of R30 000 and my plates for the business were stuck inside a factory which seemed like the end. I also gave our last stock to a client in Zimbabwe.
- Access to market.
- We were able to extend our social media marketing to a point where we were generating a positive ROI.
- We have started planning conversations with our developers and other key stakeholders.
- The funding was helpful at a time when we really needed it to continue keeping our doors open.
- Build the platform which is now ready for additional iteration to enable business growth.
- We were able to further build one of our platforms.
- Thanks to the SAB Foundation funding, we were able to put legal contracts in place with part-time employees and contractors. We were able to grow our social media following substantially and upgrade our website. The funding from SAB Foundation also helped cover the salaries of two disabled part-time employees.
- Through the SAB Foundation funding we were able to prepare land for farming and run our pilot activities on a 50-hectare plot. We managed to de-bush the land and fence a big portion of it, we were also able to set up the area with piping, a water pump and a tank for water storage. We currently have potatoes planted on about three hectares/ 30 000 square metres and some of this will be due for harvest by November. The farm currently has eight labourers working on it. We have also expanded our technical team for the development activities for Farmru. We have hired an Agricultural Sciences graduate on a short-term contract who is responsible for conduction research on agricultural topics that guide or development. We also managed to hire an independent mechatronics contractor who is responsible for the electronic design of the system. Without the SAB Foundation all of this would only have been a wild dream.
- Marketing - we didn't do any active marketing outside my personal Facebook page. Now I have been able to do summer campaigns, drone videos, branding and signage.
- With the SAB Foundation funding received, we were able to have 520 Balambie units manufactured which allowed us to physically show the product to possible funding partners. We were also able to donate a lot and sell a few. We were part of a marketing show and the SAB Foundation has made some funding available for PR support.
- Research and development and creating an access to the market to find buyers for our waste plastic as well as to create a product which is now being sold nationwide and internationally.
- Development of two new apps, a new website, marketing materials and also helped with my marketing efforts.
- 100% independence, in allowing WWBF to separate from our partner, SSISA, and set up our own practice away from their influence and their bureaucratic structure. We are solely independent and self-sustainable.

- We were at the verge of 'closing shop'. We had no income for months. And although we had won several competitions, none of them had paid out. The SAB Foundation paid out immediately, and that helped us keep going. To put it very frankly, the SAB Foundation funding is a very crucial part of the reason we are still alive as a company.
- Grow the business from MVP to an automated platform enabling us to support 10x the number of unemployed jobseekers within the first month of launching the automated platform.
- The funding enabled us to show Transnet that a proudly South African engineering company has a world class technology (as proven by the fact we already won the SABS Design Excellence Award).

## 2) Advance from concept/idea/pre-prototype phase to business start-up/ product development/ final prototype (32%)

32% of the entrepreneurs 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 the entrepreneurs had to say:

- Funding from the SAB Foundation has enabled us to take both our modular mobility devices and the concept design of our new side positioner, Lala2, to the stage where they are now in production. Not only did this enable us to 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.
- It allowed us time and space to develop the system further and hire support staff so the founder can concentrate on more strategic parts of the business.
- Got the business started, bought time to get major grant funding to support development phase.

- The prize money of R100 000 assisted me in producing the prototype and production model, plus purchasing of basic manufacturing and test equipment.
- I was able to validate my idea and without SAB Foundation funding, that wouldn't have been possible.
- To be able to test for cellular toxicity on metastatic breast cancer cell lines and to determine the mechanism of action of the isolated compound against *Candida albicans*. To be able to present my research at international conferences.
- To further develop my product into a more marketable product. The lack of money is the downfall for most innovations. This assisted in "polishing off" the end product.
- The R1 million assistance allowed us to develop the best possible injection moulds.
- Enabled me to move from an idea to a solution that is being used in multiple communities across Gauteng. We managed to move from a concept to a commercial solution operating in a real clinic. Enabled me to focus on building for value instead of building just for innovation.
- 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. With the SIF funding, we were able to commercialise our product in order to go to market in 2020. We have already taken some paid pre-orders for 2020, and production will commence in December 2019.
- Went from proof of concept to revenue generation and marketplace validation.

- Our original innovation was not ideal for everyday regular consumption by the market, but now we have identified a commercial approach from the idea we originally had, which can be of regular consumption allowing customers to return for more supplies.
- The funding has also allowed me to create a fully working prototype of the VoQoL voice remote control, including a 3D enclosure.
- Without SAB Foundation funding I would never been able to develop an export-ready product for people who are really in need of mobility. The funding enabled me to team up with the Central University of Technology in Bloemfontein which has been working on my project for more than a year now. Without the funding, this would still have been 'just an idea' as I would never have been able to save or borrow that kind of money. We are currently in the final phase of development and should be market ready in 2020.
- The funding helped us to experiment with different scenarios for bringing better value and impact to our beneficiaries. We have now started giving stock on credit to our spaza shop owners, they in turn have started giving credit to their customers, mostly the elderly and the young that get SASSA grants, they give them groceries on credit until they are able to pay after receiving their SASSA grants. Without the funding we would not have been able to. We have also moved our offices to include warehousing space which has assisted in us being able to store more stock that benefits the spaza shop owners as we are able to buy stock in bulk and save money.
- The SAB Foundation funding will enable me to test and certify my mining product on a technical and practical level, ensuring that I am one step closer to commercialisation of which I would not have been able to do without winning the award prize.

- We were able to grow the product to a second version, of which we've done multiple production runs. The product will now run with an AI system for automated diagnosis too.
- The SAB Foundation helped us to prototype and launch our product and have allowed us to work with the Department of Education and scale and test the viability of the product, not just here in South Africa but in Kenya and Botswana. We have also received orders from customers in Nigeria and Ethiopia. And we received our largest order from Libya of 1 100 units but unfortunately could not fulfil the order due to capacity and turnaround times. We wouldn't be where we are without the help and support from SAB Foundation.
- Our product is being developed to the next phase, we have brand presence, and we are able to focus on the work at hand because we know we have SAB Foundation on our side. We are able to reach our clients. We are able to sell more which will ultimately make us sustainable.
- Development of primary Prototype Development of Second Prototype (with Chinese IP: Comparison case). Development of relationships with local farmers. Development of a growing brand identity.
- The funding has allowed me to consult with some of the best ECD practitioners in the country, making for a better product. It has also allowed me to physically enhance the product, increasing our chances of success.
- Able to further develop our product, have access to much needed working capital that enabled us to test various hypothesis.
- Funding to test our business model and assumptions.

- With the funding we will now be able to do a feasibility study for the ShowerBath, improve the prototype by designing a mould for replication and developing one using composite material, develop a business and marketing plan and roll out the ShowerBath within the rest of the sections in our care centres and beyond.
- Now that we have SAB Foundation funding we now have the resource that can allow us to launch a beta version of our platform in 2020, go to the market, generate traction and prove our business model.

### 3) Hire more staff/ job creation (10%)

Some of the entrepreneurs (10%) identified job creation or hiring more staff as something that the funding from SAB Foundation enabled them to achieve, that they would not have otherwise achieved. The following is what these entrepreneurs had to say:

- It allowed us to develop and equip a waste bioconversion test facility. Has allowed for us to recruit and pay for the human resources needed to develop Khepri.
- It enabled us to have enough capital to be able to commit to hiring a full-time development resource and forge ahead with the technology. The funding from the accelerator fund helped us to stay afloat during financially constrained times until we got a breakthrough through Google and large clients like Nedbank.
- When I started with SAB Foundation, I could not even pay myself from the business, today not only can I pay myself, but I have a staff compliment of 12 full time employees, 28 seasonal and two interns. Through the SAB Foundation funding I built a thriving business site which I have now handed over to the Chesterville community to self-sustain. The business site alone is now worth more than R3 million. The ladies who are handling the project now are able to earn R800 a week per person and their dignity has been restored.

- Marketing and increase staff compliment. Moved into wonderful office space.
- We have been able to expand and improve our programme, we have hired two staff members to streamline and coordinate our activities to partner clinics. We have increased the number of partner clinics from 27 to 35.
- Invest in a capacity upgrade and employ more people with disabilities. Invest in a learning management system to improve and scale our OnRoute life skills model and supported employment services. Invest in a process management system. Establish a toy making workshop which includes a shoe shredding machine and other equipment. Increase the number of micro-businesses owned by mothers of children with disabilities. Employ and contract more professionals (i.e. occupational therapist, speech therapist and seating therapist) to empower people with disabilities.

### 4) Recognition and credibility (11%)

Some of the entrepreneurs (11%) identified 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 these entrepreneurs had to say:

- Having been an award winner in the SAB Foundation Social Innovation Awards has provided both Coral Tech and the VoQoL project with outstanding credentials. People we meet take the project more seriously as soon as we mention the SAB Foundation award and the short video created by SAB Foundation on the VoQoL project has become a very powerful marketing tool.
- So far it has given us incredible reach that would never have happened. Also has given our innovation a level of credibility that is challenging to come by.

- It contributed to our credibility which probably contributed to our successful raising of funds from TIA. We intend to use the funding (R150 000) to pay for two critical instruments required for our ongoing development work.
- At the time of receiving the first award we were barely a start-up. The building where we operated our proof of concept cafe was demolished shortly after we won the award. At the time I considered returning the grant. Without it we literally would not have been able to carry on. At that stage no one was prepared to open any doors to us. The SAB Foundation was literally the lifeline we needed to continue. The funding allowed us to refine our B-BBEE structure which has helped us access enterprise development funding which has driven the employment of the deaf community.
- Exposure to national media coverage, access to funding and a great support structure where you feel like you not facing difficult challenges of being an entrepreneur alone. A reputable brand that opens doors to new markets.
- We've had access to individuals and companies we previously could not speak to, we have gained market awareness as we are now vetted by one of the biggest entrepreneur foundations in Africa.
- I was interviewed by SABC TV news even before I won the award. This made more people aware of my business. The MEC of Health invited me to her budget speech, in which I was mentioned, and I was a VIP guest. I was also interviewed by Ligwalagwala FM. The therapists at Tintswalo Hospital have also made other therapists in Mpumalanga government hospitals aware of my business, so hopefully I will get orders for my chair from other hospitals in the future.
- Access to an amazing network, international conference exposure. Simply amazing work from SAB Foundation!

- Making it into the MSA Lead fellowship and being exposed to a different dynamic of entrepreneurs. Through that fellowship we were also introduced to two individuals that have social innovations in a similar field to ours, that we could learn from, as they are in the expansion phase of their businesses.
- Outstanding business branding, international marketing (UK and two Ghana trips). In Ghana I am establishing a partnership and am in a process to apply for export licence as a result. Business turnover has improved as well.

#### 5) Purchase equipment (12%)

12% of the entrepreneurs mentioned that the SAB Foundation funding enabled them to purchase much needed equipment for their businesses. The following is what the entrepreneurs had to say:

- The funding has enabled me to acquire equipment, but more importantly it has allowed me to experience the trials and tribulations needed for such a project.
- We bought our first waste vehicle which we still use till today to recover recyclable material.
- The funding helped me to procure manufacturing machinery that I could not by any means may have been able to purchase.
- The SAB Foundation funding enabled us to purchase much needed training support equipment and aids that have bolstered our talent department. These would otherwise have been items we would have had to do without. Now training and facilitation are being executed more effectively and efficiently, making training-based outcomes and deliverables much easier to achieve. SAB Foundation's funding ensures the talent department runs better with the new acquired equipment and aids.
- It enabled us to buy a truck and fund our marketing activities. These grew the business greatly.

- I would not have been able to purchase a workstation with a GPU. I also managed to get a laptop as a replacement for the damaged GPU system after the floods in Durban in 2017.
- Secured hardware to use for app development. Managed to get some publicity for business (SABC event). Managed to get a website.
- Before the competition I was outsourcing most welding equipment and power tools. We now have our own tools. It has opened global exchange programmes for me and the company. Through the SAB Foundation I went to Israel and Belgium to learn on how to build and grow my social enterprise. The funding has helped me build, test and successfully add new products in our business. An example was the food trailers.
- I was able to buy supplies for the big order I got shortly after the awards, I installed a fume cupboard and bought an industrial size air conditioner for premises which I had recently moved to.
- The funding enabled me to acquire a bigger brick making machine that can produce up to 3 000 bricks a day and a crusher machine that can convert and upcycle builders' rubble into aggregate sand that we can use to produce our Eco bricks.

**Appendix 3: Please share any highlights or successes of your social innovation so far (since being awarded at the SAB Foundation Social Innovation and Disability Empowerment Awards).**

- 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.
- For the past year or so we have had success in assisting two companies that received three one-year contracts to supply aggregates (gravel) to Transnet, Akganang and Bo Technical Solutions. The funds financing these transactions are raised through crowd funding from a few individuals who have a Stockvel (R4 million), and they have managed to earn very good returns from their investment in these two transactions.
- Being selected as a recipient of the Securing Water For Food Grand Challenge.
- Steady growth of sales/customer base. Allocation of 32% shareholding in Zuplex Pty Ltd.
- MTN Best Health App 2019. Passing our 10 000th health professional and passing over 200 000 assisted patients.
- Our highlights include: setting up a nationwide presence; having a full-time team; having a growing client base; taking the business from an idea to a business.
- My chair went on a month-long trip across Europe and while there, the attractiveness, robustness, comfort along with appeal to others were assessed and the results have been promising. I would like to engage a formal year-long study to determine its true value to the individual, but that time will come. I have been able to build a complete chair on my own.
- People love the product and all my sales thus far are purely from word of mouth. I have municipalities showing interest for this product to go into their communities. I have export enquiries from Zambia and Zimbabwe.
- We won an ITU Global Award for our work; Thulisile Volwana was selected as one of Mail and Guardian's 200 Young South Africans; we started selling our goods online; I was selected as a candidate for Harambean ([www.harambeans.com](http://www.harambeans.com)).
- Getting listed in a major retail chain was a major success for us.
- Successfully assisted over 160 000 learners with various career guidance related outcomes, including subject choices, understanding what careers are in demand and which careers they already qualify for, understanding career pathways from high school to employment, and lastly assisting learners with the application process.
- In 2018 - 2019 we worked with 54 waste collectors in Tembisa who benefitted from better income, waste infrastructure and skills development programmes.
- Transporting over 300 persons with disabilities per year; signing partnership agreements with three vehicle owners with accessible minibuses; signing a MoU with the National Council of and for Persons with Disabilities (NCPD); trademarking the product.
- Patents have been granted in Europe and USA.
- I-Drop Water has now developed into a connected water systems platform that we have applied into multiple applications including hospitality refill solutions, large event solutions, as well as our grocery store core offering.
- Opening of markets in Madagascar and Indonesia.
- We have further developed the system. It now consists of software and hardware. The Qbell Care system is now no longer only a nurse call system, though the introduction of IoT sensors, it is now a hospital risk management system.
- Our innovation was featured on Time Magazine's 100 Best Inventions for 2019 (November 2019), a global platform that looks at all the inventions in that year. Our innovation won the 2019 SITA Digital Public Service Awards for Digital Social Transformation (October 2019). Additionally, Pelebox was the first South African social innovation to win the Africa Prize for Engineering Innovation.
- In addition to the successes that we have mentioned in previous surveys like attending EdTechX Asia in Singapore, and building a relationship with the NECT and DBE, we have had more highlights and successes in 2019. The most prominent is winning bronze at the EdTechX Europe 2019 Global Start-up Super League in June. Another highlight is being identified by UNESCO as one of the only and most promising educational robotics start-ups from Africa.

After identifying us, the Science Secretariat at UNESCO flew us to Paris to meet UNESCO's Director General, and a few ambassadors from various African countries. This is when we realised that we have a lot of potential to expand into other African countries within the next few years. Another highlight is being selected as the main robotics partner for the NECT's Sandbox School initiative in 2020. This will allow us to develop, deploy and test a Robotics programme in 11 schools in Limpopo in 2020.

- The greatest highlight for my innovation is when one learner from an Eastern Cape township school passed Science due to using the StarLab to the extent that he got a bursary from the Department of Public Works to study at university.

One learner from Umlazi who used the StarLab was awarded the first prize for being the best Science student from the District with 97% for matric.

There are so many successful stories of learners who have passed Science and went on to get university entrance due to the help they received from the StarLab. These stories are my success highlights that could not otherwise have happened had SAB Foundation funding not materialised.

- The marketplace is now nearly self-sustainable, with proven socio-economic and ecological impact in fishing communities.
- If you need multiple sources of funding to start a project, you struggle to get a project rolling. By reducing the cost for empowering a woman with her own energy business to an amount that smaller impact investors can manage, we can get more projects on the ground.
- We have a product that is highly recommended by industry experts. I am able to work with market leaders to assist me in developing this product which can hit the market anytime soon. There is a marketing and distribution firm that is willing to work with us.

- African training programme trained five technicians and fitted five kids from their counties with equipment. All feet and blades made by JK have been supplied and, as yet, we only have one breakage in three years. JK as a non-profit has continued to support approximately 100 amputee kids with equipment and services. JK has given out bursaries to seven kids and next year this will double. Our kids have broken multiple world records and had great success in various sporting events. Our discussions with the DTI have progressed well. We are included in a plan for a cluster development. The DTI are considering the hub for this, but it is one of a few options in the area. The cluster we are a part of will link into the UDZ development zone for motor manufacturing being set up in Silverton. The IDC have indicated their willingness to support in setup and capital expenses.

- Development of the VoQoL model to expand installations to other areas of South Africa. This allowed me to find a local partner in Port Elizabeth and expand VoQoL to Port Elizabeth and surrounds. Marketing coverage to target market segment by advertising in Rolling Inspiration magazine and providing comment for a related article in the same edition.

- Our organisation is more secure and generated more sales than before.

- We have had articles written in the TimesLive publication and we have also had a double page article in the YOU Magazine.

- The highlight in this year has been the SAB Social Innovation and Disability Empowerment Awards, and the fact that the Nunanny business is getting busier and busier, demand is growing.

- The company has grown and now manages R60 million in assets. We plan to start our direct meat delivery business in April 2020. We also expanded the business beyond cows into trees and macadamia nut trees.

- I received a certificate for the DST/ NIPMO Top Intellectual Property Creator Award for the patent that is currently in the national phases. This patent was further lodged in RSA, USA, Canada and Europe in 2018. In 2019 the EU patent office gave a positive response and the two patents might be granted in EU in 2020.

- Using an adaptation of the innovation, which was presented in 2017, we have been able to take an emerging farmer into commercial farming by registering the farmer as a direct vendor to Pick n Pay.

- The feedback on the prototypes that were tested and donated to community members were amazing. People who were confined to their house for years due to circumstances could now move around, and even in the suburbs, due to the off-road capability that the chair provided. But the best part is that they could move independently, without help from family members or strangers.

To think, we have only donated four chairs (demo, not even the upgraded models) to date and the amazing difference it already has made. Imagine when we go to market in 2020 how many other community members will have independent mobility in their communities? We are going to replace all four prototypes with upgraded market ready models as soon as they are completed. The main problem with the chairs is that the wheels continuously get punctures.

The funding made it possible for us to go to a local manufacturer of seats for armoured vehicles for the Defence Force. PermaTube is currently busy with the moulds for solid tires on all wheels of the chair. Not only will the wheelchair itself have solid wheels, but also the hand bike and free off-road wheel attachments. Users of the chairs will now be able to move wherever they want to, and punctures will not be a problem anymore. One of our users said to us that since he started using our hand bike wheelchair it's the first time in 18 years that his two sons do not have to push him around anymore! Now that is amazing.

- Our biggest highlight is the development of version zero of the smart cane. This has allowed us to move into testing of the product and based on the feedback from the beta testing we will improve the product to develop a market ready version of the product.
- Managed to run a test with visually impaired individuals at Cape Town Society for the Blind. Visited the Worcester School for the Blind where there was interest in a test roll-out. We did not follow up with a concrete proposal as yet.
- From the 2017 award, the cashmere programme has grown in leaps and bounds since receiving the award and we certainly see the improvements in our business. Penetration of the market has since increased, and we have employed more people to improve the quality and quantity of our products.
- I received an expression of interest from Centlec (Pty) Ltd in order to discuss the possibilities of implementing my cable theft prevention solution on their electrical network. Unfortunately, my company collapsed early last year due to mismanagement, but I have since recovered and am currently pursuing the business. I have multiple potential customers with interest in our cable theft solution, but I feel that I still need to develop the prototype further.
- The mobile app has been partially developed (i.e. incomplete with a few bugs to be attended to).
- Invited to speak at 2019 GIBS Festival of Ideas Competition 2019.
- I attended the Venture Leaders programme in Switzerland in 2019 which was a business training programme focused on pitching, developing an elevator pitch, business plan, learning negotiation skills and ways to expand and internationalise your business to other markets. I have also been selected as part of a BRICS delegation which will be heading to Brazil in 2019 to exhibit my product and explore business opportunities for my product in BRICS countries.
- Expanding our reach. We are now entering a new phase, focusing on growth.
- Secured TIA funding in November 2017. First custom screen-printed electrode in December 2018. First coated electrode in April 2019.
- We have signed a Barista and Coffee Supply agreement with WeWork to roll out with them in South Africa We have signed a three year/ R3 000 000 business support partnership with the Branson Centre of Entrepreneurship.
- We are very encouraged by the initial interest in our new SeeBlocks circuit builder and will continue with this business venture going forward.
- Pilot testing, product and solution designs completed. We are ready for solution development with the aim to fully launch by March 2020.
- We have managed to close a pilot with a big South African university.
- Our social media following has grown organically. We hosted our first two social/ network events. The aim of these events is to break down barriers between those with disabilities and those without. Tabacks law firm signed us up as a pro-bono client. Increased our affiliates' portfolios considerably. We are working on an NPO arm of Smergos to filter CSI projects through to help those less fortunate. We are working on an auditing arm of Smergos which will offer consulting services to companies looking to become more accessible.
- We are now able to rebrand to become more relevant and readjust our organisation's revenue streams to better achieve our social goals. We have continued to find employment for people with intellectual disabilities.
- Since we have been awarded, we were selected by Investec in 2018 to go to Israel as part of a social innovation exchange that had a very positive effect on the business. We were also selected in 2019 to go to Belgium to learn and develop our social enterprise. We represented South Africa in the Yunus and Youth Fellowship in 2018, an organisation by the "Muhammad Yunus."
- It allowed us to pilot the distribution and community-based application of Aqua Screen which has become the main selling point.
- The fact that we have samples, a physical product available has been awesome! We have also been able to supply about 150 units to hospitals (Montagu Hospital and Tygerberg Hospital) which are distributing the product to mothers who need it. We were invited again by the National Department of Health as they love the product, but funding is a challenge. We also met Gift of the Givers who have indicated that they love the projects, and we are waiting for further communication (MOU) from them.
- New followers on Instagram.
- We have launched our debut product.

- Being recognised as Top 20 in the Africa Netpreneur Prize 2019 by the Jack MA Foundation; being invited to China to speak about our innovation and how it can be used in platform economies; we were showcased in a BRICS research paper about using technology in the informal space.
- Invited to Singularity University Global Start-up Programme.
- Went to Israel with Investec; registered for VAT with SARS; received the Ithala Business of the Year Award and sold ChemStart.
- We have been able to build an AI system that is able to diagnose ear conditions to accuracies in the top 90%, allowing us to intervene in the further development of hearing loss.
- Sold 75 Umgibe Growing Systems to 25 schools for a solid R825 000.
- We have created our Android app and have been featured on a number of media outlets for our app.
- The highlight has been that WWBF is independent, a bold step. The rehab centre is working as it should and is starting to show profit.
- We are in the process of changing our business model to appeal more to customers and make it more scalable.
- We are now stocked in Clicks stores.
- We have been able to work with the Department of Education and increase our footprint at a higher rate. African Union Innovating Education Africa Expo - we were selected as part of the top 40 innovators in Africa to showcase our innovation in Botswana. Gratitude network which is a U.S based company that selects high growth start-up companies and assist them in strategic development to scale. France AFD Social and Inclusive Business Camp (SIBC) provides the opportunity for social entrepreneurs in Africa to accelerate the societal impacts of their projects and join a dynamic community. GOVTECH - we have been selected to exhibit and pitch at Durban ICC. Invited to showcase and be part of the South Africa - China innovation Expo in Port Elizabeth and attend the Seda Pitch-and-Perfect at the South African Innovation Summit in Cape Town.
- Reached 3 000 jobseekers, closed two paying customers, built a team of five people.
- I have been featured in the Times newspaper, Drum and Move magazines which is great exposure for my product.
- We have eliminated most of the technical risk involved in the development of the product; acquisition of initial pool of clients interested in piloting the innovation with us.
- I have been featured in countless media, getting great exposure with the highlight being featured in the Sunday Times.
- We developed and held our first in-clinic coordinator training. We developed a clinic 'tool-kit' with all materials required for support, parent education, statistics recording and clubfoot brace distribution. This will be issued to all support staff during January 2020. We have improved our data capture in both clinical and M&E, by upgrading our data capture system, automating reporting, weekly contact with clinics and monthly email reports. We are working in partnership with the South African Paediatric Orthopaedic Society to host the first sub-Saharan international conference - Clubfoot Africa Conference, in November 2020. Five international speakers are confirmed with more to be added.
- We now have +1 500 registered users; we now have fixed working office space; we are actively engaged with our users and have access to support we need.
- The support and exposure that resulted from the winning have been invaluable. We have been approached by a number of property developers, media agents and even business mentors that are keen to help us grow.
- Growing a network of over 100 educators in Khayelitsha.
- The awards ceremony connected us to some potentially valuable customers.
- To date, having recently been awarded second place under the Disability Innovation category, the social media and media exposure has been valuable.
- I received good media coverage and was interviewed by Drum and Rolling Inspiration magazines.
- So far, I've received media exposure (ITWeb Brainstorm magazine, Move! magazine, MarkLives Q5 column, TimesLive article) and having the University of Pretoria marketing team promote my company and the award won.
- A higher level of recognition of the value of the project and book reading.
- Amazing international exposure.

- We were offered the opportunity to exhibit at the recent SA Innovation Summit in Cape Town for three days which gave us exposure to potential partners and relevant networks. We also received a three-page feature in this year's SALGA Human Settlement Magazine, and we collaborated with three MBA students from the Emzingo Programme over the course of six weeks. They created critically valuable material for us including a detailed financial model, website, templates for communication with stakeholders, an updated business plan and several marketing materials.
- 108 active micro-businesses (56 of whom are mothers of children with disabilities); secured the H&M store collection of used clothes from 32 stores nationally (i.e. secured more stock for micro-businesses growth); secured a partnership with recycling clothes from high resourced schools with a 15% in-store discount as a reward for school recycling per student (i.e. secured more stock for micro-businesses growth); secured the Barloworld Nike up-cycling contract and established a shoe shredding facility to use the waste for toy up-cycling.

Also upcycled de-branded clothing into high quality soft toys for ECD centres; established a toy factory to upcycle clothes and other waste into 123 ECD toy kits at scale; completed 50 low-resourced crèche training with 123 ECD kits. We impacted over 3 600 children (i.e. includes approximately 252 children with disabilities). This is supported by the OnRoute learning management system. We are also using this OnRoute service to up-skill 294 Cotlands Centres to be inclusive; established the OnRoute life skills model and supported employment service, (i.e. invested in a Learning Management System - eFront) to enable people with disabilities to secure and keep their jobs in mainstream employment; secured four jobs for people with disabilities at the H&M distribution centre and are busy creating six more jobs at the stores until July 2020.

- We have been able to score significant funding since the SAB Foundation and won several awards around the world. Our device is closer to completion, and we are on track to begin clinical trials in 2020.
- We were the first social enterprise that got WhatsApp API integration. We automated our solution enabling us to support at least 10 times more job seekers supported with CV building, job application and skill endorsements.
- In October we reached 10 000+ learners from 60 schools with coding workshops in the Mandela Bay metropole, in partnership with the Mandela Bay Development Agency and software company S4 Integration. I am a finalist in the IITPSA Presidents' Awards for national IT Personality of the Year as well as in the category Social Responsibility. We have had wide local and national media coverage in newspapers, radio and television. I have been invited to speak to the top 400 leadership of Volkswagen at the end of November. I am actively pursuing getting a footprint in the USA, in partnership with an expat there.
- We've received A LOT of PR since the competition. The highlight within this is the amount of franchising offers we received which was interesting and provides us with a new 'pre-validated' avenue to scale.

**Appendix 4: Please provide information on any challenges you are facing currently with regards to making your social innovation a success.**

- The cost of organisational development, bringing on board new skilled members of staff and upskilling existing team members in order to roll out improved QM Systems and ISO certification needed for both new standards requirements in South Africa and international export standards is prohibitive. These delays are delaying opportunities to access alternative income streams and secure our financial sustainability as we grow and replicate our model.
- We have been struggling with a constant pipeline of funding as we have customers most of the time, but not funders, as they place their money for individual deals and then pull it out, and cannot do the next deal, as there would be lack of funding.
- Increasing sales.
- Need for additional investment in infrastructure to increase cost effectiveness and productivity.
- Currently raising capital in an equity round: \$2.3 million.
- At the moment our major challenge is raising growth funds required for us to set up in identified territories within the continent.
- Growth is a huge challenge and we are tackling it.
- No accounting and stock control system. I'm invoicing in a manual book. I have no web site or email address for the business. I need good marketing and sales strategy with material. I cannot deliver on time due to poor stock levels and very little working capital. I need to improve on my moulds and make it more manufacturing friendly. Lack of good tools for production. I need a generator or 5KWh power back up system to assist during load shedding.
- Currently my biggest stumbling block is financial. In order to take the product to market I need to make a substantial capital outlay and this is why progress has been so slow. I am currently having to pay a premium to get smaller quantities to complete the evaluation product and as a result am unable to even meet the small number of requests that there have been. Additional funding has been through a personal loan which is the only reason I was able to complete the chair that went on tour to Europe. Another stumbling block is that the Medical Control Council set criteria which need to be met before the manufacturing of assistive devices can commence.
- We are experiencing issues building internal tech to allow for more sales. We've built a wireframe and require funding to fully execute this solution.
- We have got our work cut out in terms of marketing and expansion of the distribution footprint.
- Raising large enough funding rounds that would allow our social impact organisation to attract top talent in corporates and match their salaries; collaborating with government on product deployment and reaching commercial agreements that allow the beneficiaries who typically cannot afford to be impacted positively; once the product reached a level of maturity that made it attractive to multiple corporate stakeholders, corporates would want to have exclusive relationships with Gradesmatch to increase their value proposition to clients, however it does limit the pool of people who can be positively impacted. The fee which they are willing to pay is very small relative to the sacrifice they are expecting a small social enterprise to be making.
- Access to market. The waste industry is dominated by few players who usually have long term contracts with most corporate waste producers. The business is capital and labour intensive and therefore requires large financial capital.
- Disabled commuters being picked up by competitors; our service not guaranteeing full capacity for group travellers; reliability on contracted vehicles and drivers; lack of disability transportation driving skills from drivers; lack of funding for vehicles and operational equipment.
- Funding after prototype development for clinical trials.
- Aligning social enterprise priorities and timelines with investor attitudes remains a huge challenge. Our current lead investor in I-Drop has been through a change in executive management and the relationship with the new team has almost completely broken down.
- Lack of budget/ money at local government level.
- Access further funding to further develop the Qbell Care risk management software.
- Skilled personnel and buying power from government being the main challenge.
- I need to raise R3 million to get to the next stage of the business. If we don't reach this mark in the next four months, I will need to close the business. Additionally, we need to fund the introduction of a new innovation that will help diversify our revenue. I need to raise an additional amount of R12 million to fund our growth plan. Otherwise, we remain stuck in one stage as a business. It is important for us to find a way to reach over 50 communities in the next six months.

- We have been experiencing a number of challenges while preparing for our small-medium scale production in 2019. The tight deadlines and high budgets related to the plastic injection moulding, tooling and electronics procurement have limited our ability to react fast to the increasing market demand in 2019. Delays in our DFM process and human resource capacity issues have adversely affected our sales lead generation plans. We have also been struggling to find the right talent to hire at an affordable price. We are hoping that we'll be able to focus on building a stronger team of sales agents, educational specialists and software developers in 2020.
- The greatest challenge I am facing is access to wider markets and the government market.
- Growth funding. We are actively pursuing blended finance including impact investment to scale the business and the platform as a service.
- Introducing new technology to street vendors that might not be ICT ready; instilling good business practices in our franchise vendors; promoting e-payments from our customers to develop a more secure bankable/ validated financial model with a good IRR Security and safety of our vendors. We focus on women and youth, but they are still trading on the streets.
- Partnering with new partners seems to be more challenging than what we initially thought it would be. Securing good product and to try and maintain our market segmentation is another challenge to overcome. Whilst product can be readily sourced, it is the ideal sought after product. We would like to buy and to do so at a cost to keep it at an affordable price point to our customers.
- Our main challenge is being able to source shelf space in the retail market for my newly developed tool, and also marketing the tool to improve awareness to the industry about the availability of this unique tool. Cost effective production of the tool will also help to introduce the tool at a relatively lower price for people to be able to trial it and being able to trust it.
- We are trying to get the Prosthetic Centre of Excellence started but are delayed by the slow pace of government and the lack of a sponsor, allowing us to run the pilot projects that could be done with the RAF and others to gain buy in. Meetings with the RAF senior management have reached a point where they want a site meeting, but the CEO's admin staff have not set this up despite the CEO asking for this happen. I am waiting for follow up. Until we have the ability to cover the graduates and technicians' salaries so we can offer the services we are in limbo and unable to build the capacity to deliver the services that allow the system to function.
- The biggest challenge is finding suitable partners in each region that can be trained to install and support VoQoL in their areas. While there are many technical people, they also need to have a personal interest in the project and be willing to understand that future installations are not guaranteed i.e. that earning revenue from future installations are not guaranteed. They also need to have compassion for the physically disabled recipients of the VoQoL system during installation and support visits. After the experience in Port Elizabeth, it's clear that the best candidates for local technical partners are those that already offer technical services to care homes in the area.
- We aim to be a self-sustainable organisation but need more sales to come in to attain this.
- Waiting for the mentorship programme to commence to roll out a digital plan that I have in mind.
- As I am busy setting up the business and its frameworks, it's very time consuming as I also have to run the operations on a daily basis. Once I have this all set up, I will be able to concentrate on growing the database of nannies faster and marketing the Nunannies. I know that this is when we will see serious growth.
- We require more funding to hire a team to bolster the top management structure.
- Most of the compounds are not entirely soluble in cell-based or in an enzymatic system. It is very challenging to design compounds that are soluble and potent at the same time.
- Mostly finding trained agricultural staff.
- Sales will start in 2020 and personally it will give my great pleasure to deliver most of the products myself to customers around South Africa in order to capture these moments on film and video. I know that it will have financial implications in order to do this, and I'm not sure if the sales will cover these costs in the beginning.
- The biggest challenge has been finding a suitable manufacturing partner that will work with us when we commercialise.
- We were disappointed by the Android app developer we employed, resulting in the app being incomplete. The directors of ProxiSee are all working full-time in other capacities. The time to focus on the business was very limited. We also have not kept up meetings with our mentor and feel disconnected. This is due to us not calling a meeting for a long time.
- I am still battling to get access to market and create a sustainable business.
- The process of accessing the funds has been slow due to changes in mentors. However, we are confident that we will achieve the desired results in due course.
- Prototype improvement. With lessons learned from the piloting of the cable theft prevention system, I am constantly refining the prototype to meet customer expectations.
- Lack of funds to complete the AfterClassAid mobile app. On-boarding of clients is also a challenge as many of the high schools are unable to pay to the tutors. Therefore, sponsorship for two high schools is needed (we have already identified the schools).

- Disabled users who live and work in different directions.
- A plant equipped with necessary machinery and equipment to produce products that are of a high quality and standard, transport to collect material and the relapse of our beneficiaries.
- The key issue is that PRASA and Transnet are manifestly failing to provide rail passenger transport. The non-core national rail line is disintegrating through the lack of maintenance. Our vehicles can use this unutilised railway line and provide jobs, safeguard the rail line, and empower the community.
- Access to markets (specifically mines). Product testing on a technical level as some of the tests required are only available on an international level.
- With technology, initial development costs can be significant, this can be a challenge for entrepreneurs, particularly start-ups when the innovation is seeking to disrupt an established industry, but its success is yet to be proven.
- Exposure.
- Orientation of mycolic acid on the coated electrode can be manipulated by changes in solvent and coating process conditions. Reliability of nanoparticles supplied by CSIR.
- Our biggest challenge is balancing the demand for deaf employment with the limited supply of jobs. The best way to provide jobs is to scale cafes. This presents logistic challenges. These include the set-up of central kitchens in Johannesburg and Cape Town and purchasing vehicles for the delivery of food to sites; accredited training to ensure we hire and train deaf staff correctly. Our third-party roaster can no longer meet our demand for coffee, so it is becoming more important to set up our own roastery. This will allow us to maintain the highest quality of coffee, and provide a great number of jobs for deaf youth. We also need to hire a food technologist to maintain quality and margins on food and develop our manufacturing capabilities.
- As always operational capital is a challenge.
- Access to additional funding required to accelerate the development and launch of CommuScore.
- We are currently pressed for technical resources to build our product to the desired level.
- Increased sales are needed. Lack of brand awareness. Slow response/ uptake of B2B opportunities.
- The main challenge that we have is the lack of a proper start up ecosystem within rural areas wherein founders, directors, and managers can link for further networking purposes and creation of further opportunities. The lack of such an ecosystem causes a lot of missed opportunities since most things happen in the metros and most times, we can only be in touch with them via the internet or on social media and without physical presence the engagements are not as fruitful.
- In the last year, the hospitality sector in general has been hard-hit by economic and socio-economic pressures. Securing reliable revenue streams for our social innovation has been difficult, but we are steadily growing. We still find it difficult to find businesses to partner with to hire the PWD's that we train in-house. On top of the challenges of less consumer spending, we are still struggling with customers harbouring stigmas towards PWD's. However, this is not unexpected.
- We are struggling with setting up systems to record our social impact. We have therefore outsourced help to help us record, analyse and communicate our data. We are expanding and scaling, and expansion is becoming quite a costly activity.
- More work is needed to strengthen route to market and to enable consistent clientele attraction.
- The Balambie was always meant to be a product to be supplied to mothers who cannot afford a safe sleeping space for their babies and who would benefit from health information. The challenge is to find a funding partner who would join hands to fund and distribute the product. Another challenge is the quantities to be manufactured in time.
- Long delays in kicking off our seed fund awarded by the Technology Innovation Agency. Any help in fast tracking would be much appreciated!
- We need additional funding to purchase a new pelletiser in order to meet the demand of the plastic and to create more employment opportunities for people with disabilities.

- *Current challenges involve cashflow, given that we are introducing technology to people that usually wouldn't have used it, it is very cash intensive to get adoption. We also still use traditional ways of ordering, such as our youth marketers and they also need to be paid. Cashflow also plays an important factor when we have to buy stock in bulk, we can only service the number of stores that we have enough cash to supply. We are also having challenges with regards to the giving on stock on credit as we believe we would need to register as a credit provider soon. Additional changes on the platform need us to keep paying developers to make the changes as we outsource all development, but are working to develop an in-house solution.*
- *I need to buy input materials in bulk for better pricing, but I don't have a space to keep all the items. Also, administration is taking a toll, especially keeping track of the inventory.*
- *Reliable manufacturing partners.*
- *I am currently faced with financial challenges for compliance e.g. local and global GAP, HACCP, lack of enough space for our hub to be fully self-reliant from seedling to harvest, logistics and the whole value chain.*
- *The key challenge is finding the right customers and to keep the business sustainable.*
- *Require funding for our robotic walking suit. The current suit that we have is damaged, with a fine crack in the left hip. EKSO Bionics has advised that we cannot use the suit as it could cause incorrect walking technique.*
- *Growing brand awareness has been a challenge.*
- *Funding for donation is tight. No engagement with government in their tender projects.*

- *Our mini solar lab cases have been receiving more orders than we can fulfil, notably our largest order from Libya of 1 100 units, but unfortunately could not fulfil the order due to capacity and turnaround times. This was very disappointing, but it was an affirmation for us as a company to work harder so that we can grow, as we have a product that has a market demand. Our biggest milestone is to set up a production/manufacturing assembly point that will enable us to outsource the large parts and assemble them internally to allow us to shorten our turnaround times and fulfil our orders on time.*
- *We are refining product market fit, and development took a long time.*
- *Access to the market nationally and neighbouring countries. Access to investors to expand the company. To enable the business to function on a daily basis and ultimately creating employment. Transportation to distribute the product to remote rural areas.*

- *We realised during the development cycle that we had underestimated the cost of the development of the automation cycle of the project, which is crucial and necessary in the efficient delivery of the proposed services. Given the funding that we had, we decided to acquire a Chinese-developed autopilot system with the hardware, that we used to not only benchmark the completion of the development of our own IP, but to also start approaching clients with as a step in measuring the market forces to primarily probe the profitability of the sector, and secondly, to help in the further development of our systems.*

*However, these acquired systems in hand do not possess the ideal envisioned performance needed, but is sufficient to measure market forces and allow to craft a market strategy based on the probed. Because of the limited number of drone systems in possession, this has limited our rate of progress, and there is a need to raise more funding to define our market position and competitiveness.*

*This is primarily in the acquisition of more drone systems so that we establish our first-to-market position in many provinces of the country, and secondly, to finish the development cycle of our own IP, which will further strengthen our differentiation strategy through superior product specifications and performance (compared to the nominal Chinese drone systems used today).*

- *We are currently building a centre that we want to run parallel to our mobile unit. Together with the funds received from SAB Foundation we are raising more funds to get more materials as we would like to launch our centre in 2020. The challenge is getting more equipment and materials that we require.*
- *We are currently getting requests for our product in other provinces. We need to find a way of making them available there.*

- Challenges are working in the public health sector - limited staff resources and patients have socio-economic challenges which affect adherence. Rural clinics have high risk of patient drop out. Staff changes in partner clinics mean that we are responsible for continuity and sustainability of good care. Superstition and ignorance results in late diagnosis and referral which is a burden on families and clinics.
- Our biggest challenge has been to sign a large corporate client to subscribe to Kuba to use our platform to trade with small business owners.
- A key element is understanding what is required to scale the business. We have proven a case for one element – we are able to offer savings and credit solution to our segment with reasonable success. A key aspect to scale is understanding how we address the cash in/ cash out issue as our segment is very cash oriented and has serious digital limitations.
- We need assistance with the certification and endorsement of our product.
- Our initial assumptions on the business model did not hold up, requiring a pivot.
- Scaling. We still need to do a lot of groundwork to make the innovation easily scalable. We believe the funding from SAB Foundation will greatly assist with this.
- We have not yet started working on the roll-out, it's been two weeks since we received the award. We are still working on the SAB Foundation administration requirements.
- My biggest challenge is to decide where to build my workshop. I need to produce more chairs, but in order to do that I need a workshop. Once my production is increased, I can do more advertising and approach other hospitals in Mpumalanga which may be interested in buying my chairs. I also would like to buy a bakkie, but first need to get my learners and drivers licences.
- Due to limited financial resources, I need to find expert assistance (Mechanical Design Engineer and Curriculum Developer) who will be able to assist with product and curriculum development at a low budget.
- The license and public sales environment is a challenge.
- Commercial model seems to have failed. Monetising it has been a nightmare. I did at least find a model/ service that sits on top of FigerTalk, as an extension, but had to create a separate product for it, WeSignIt.
- Our biggest challenge is finding the right lawyers to assist in creating legal agreements and contracts between Hustlenomics and homeowners. We are in continuous discussions with the attorneys at both Norton Rose Fulbright and MacRoberts, who are assisting us pro-bono in legally formalising our contractual needs as a business, but this has not materialised for the past few months.
- Unable to secure the municipal rights to put up the eco building and struggled with space. Temporarily rented additional space across the road and a storage facility 300 metres down the road. The space is a challenge until we have the municipal rights to erect the building. Struggled with the logistics vehicles break downs. Will need to refresh all three collection vehicles due to age. Struggled with people with disability transport. Need a person with disability transport vehicle. Need to appoint two more Occupational Therapists to assist with the demand for the OnRoute life skills model and supported employment services at businesses and ECD inclusion of children with disabilities.
- Part of the THRIP funding we received requires co-investment. We have been approved for R16 million in grant funding but require 10% of that as a co-investment. We are busy working on finding a source for these funds. The R15 million is broken down into six milestones, and we are currently seeking funding for the first year, which is approximately R545 000. The other major challenge is around finding an ISO 13485 manufacturer, but we have been making good headway in finding one as well as our cartridge supplier that allows us to keep our device as cost effective as possible.
- Our next focus is on three things. We are at scaling phase and would like to penetrate the SME market as we've come to the conclusion that a lot of sustainable job opportunities exist in the small business sector that are currently not being realised because of inefficient recruitment practices. Our next challenge is to create awareness and adoption in the SME market. Another challenge is to further improve our screening methodology to ensure that we can identify quality candidates with the right aptitude and attitude. Further we need to automate our platform to include an application tracking system that we need to service both ourselves as well as a number of our NPO partners that focus on youth development and want to be able to keep track of their progress.
- The biggest challenge to date had been lack of funds so that we can implement our strategic thoughts as best we possibly can, but now with the funding we got from SAB Foundation, we are excited about next year.
- How to scale will be a challenge soon. SITA, my biggest sponsor, has not paid an invoice which has been due since July.



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