



High Growth ICT Enterprise Incubation

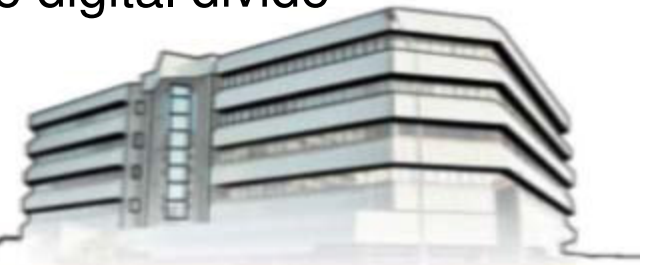
Oct 2009



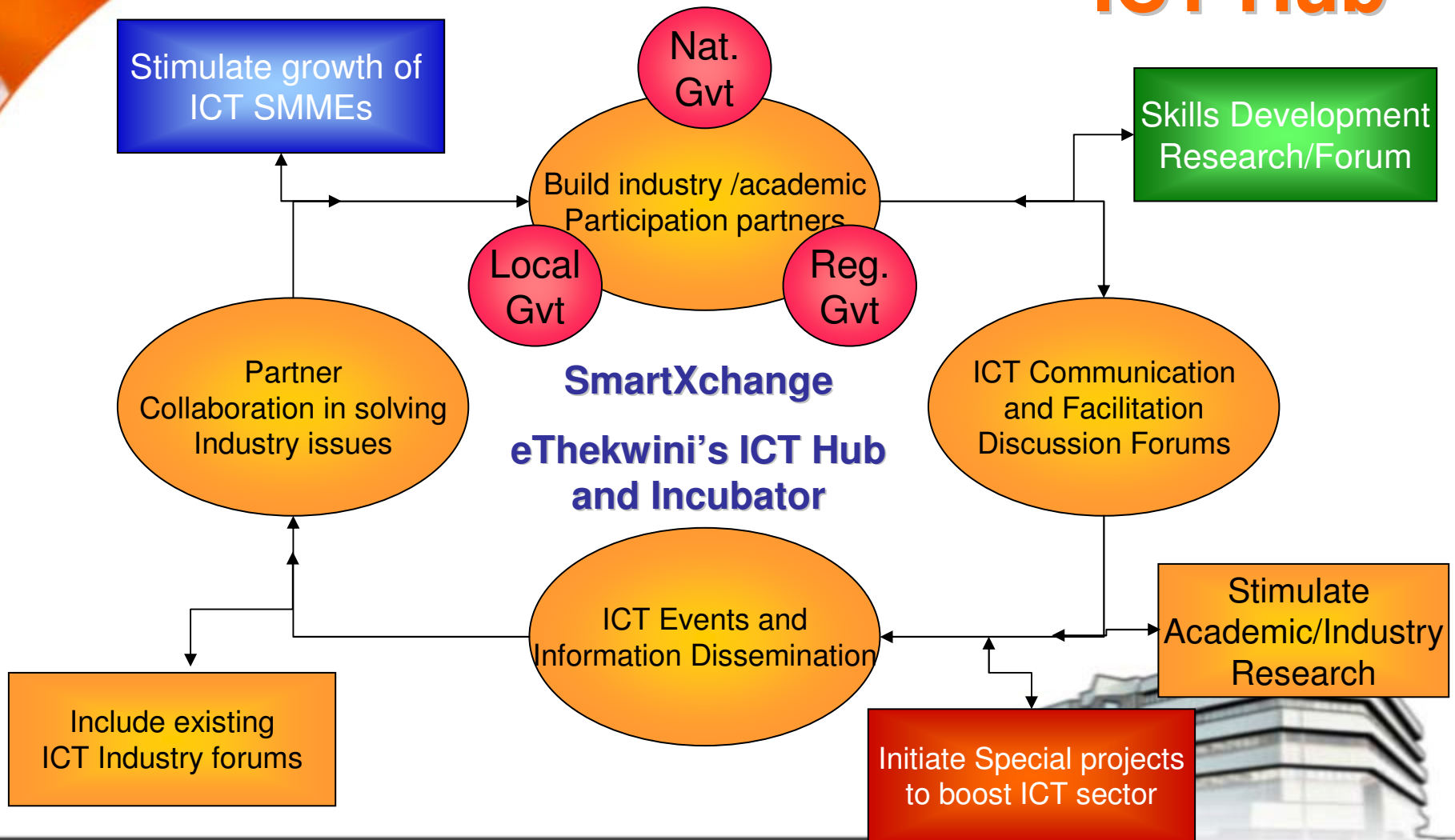


Strategic Objectives

1. Identify and assist in developing a quality ICT BEE SMME base in KZN
2. Vehicle for public and private organizations to work through to realize the vision of KwaZulu-Natal becoming Africa's ICT Hub
3. Build a pool of skilled ICT workers that will enable KwaZulu-Natal ICT businesses to flourish
4. Support initiatives that work to bridge the digital divide



Strategic Approach ICT Hub



The Incubation Growth Cycle

2006 to 2008



Formal 3 year incubation programme

Challenges

- Inadequate exposure to Business and basic Economics
- Technical knowledge not at required industry levels
- No culture of lifelong learning
- Lack of Professionalism
- Lack of Business Language skills (proposal writing)
- Poor time management
- Chasing cash – lack of focus
- Emotional immaturity
- Sense of entitlement
- Business plans written FOR them
- Work Partnerships happened even if the work substandard

Opportunities

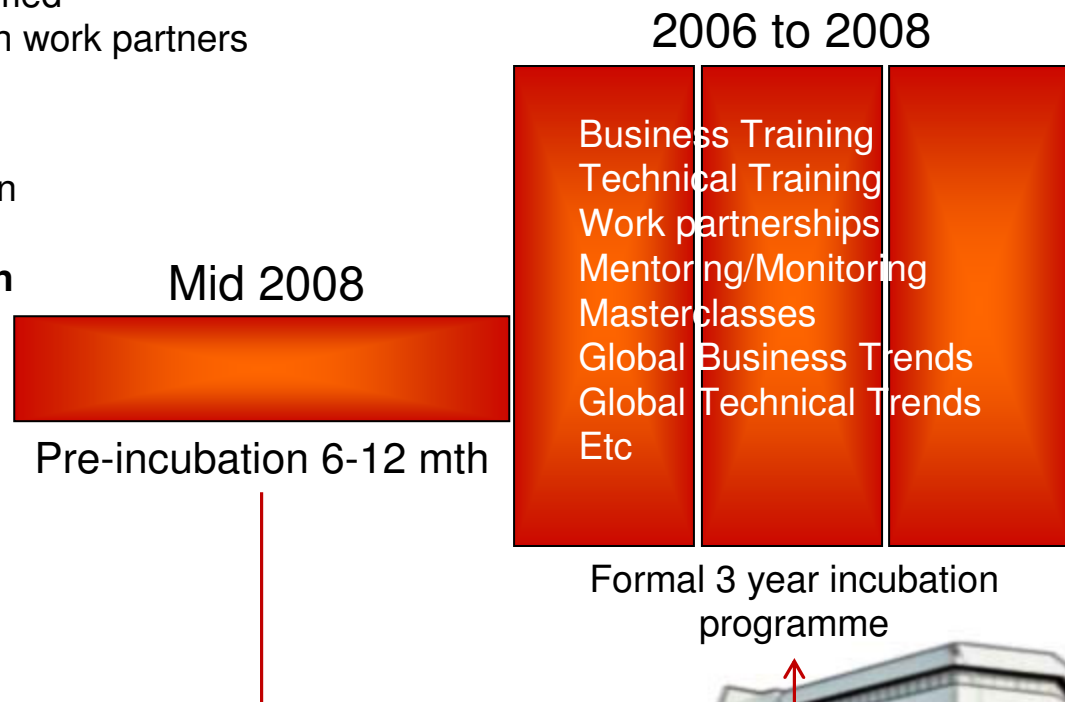
- Government legislation promotes previously disadvantaged small business
- Number of Gvt funded Small Business Support Agencies
- Gvt tenders have to include Small Businesses

This model builds sustainable businesses but NOT high growth businesses

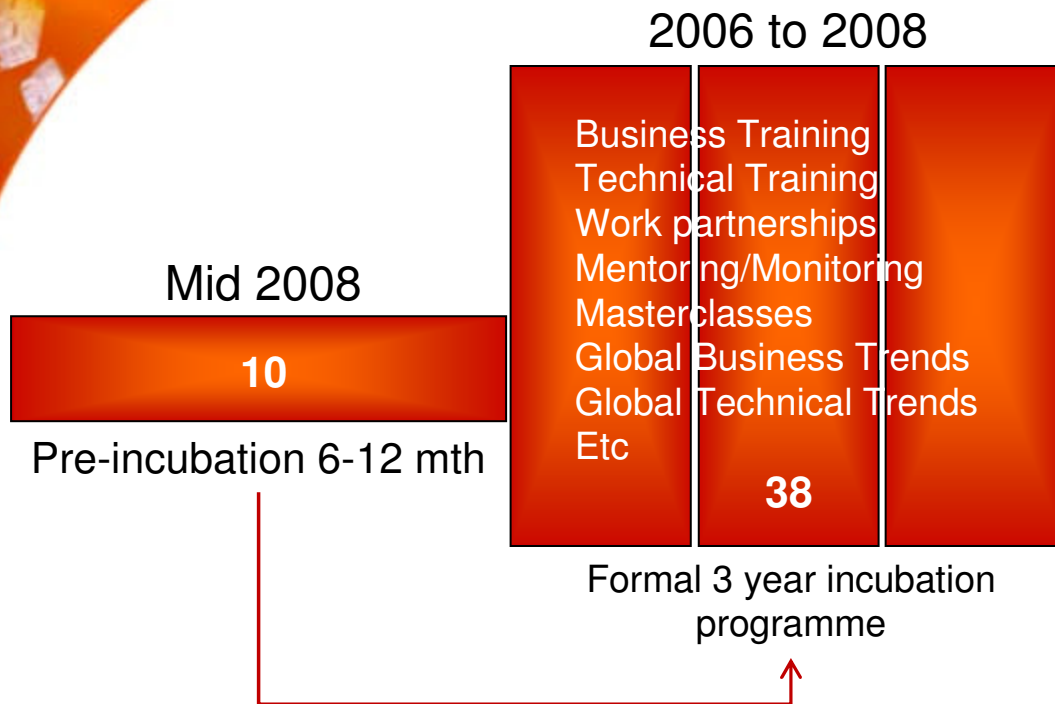


Improving the Starting Point

- New Partnerships formed
- New relationships with work partners
- UKZN, Graduate School of Business and Venture Capitalists partnered to run 13 week (weekends, evenings) **course that teaches you to write (& use) own Business Plan**
- **Managed work partnerships**
- Start at home – we outsource to our small businesses and can mentor through the project
- 2010 will facilitate partner outsourced work



Fostering High Growth



Concentrates on innovative companies and aims to:-

- Expand outside of our province
- Expand outside of our country

- SAIBL – indepth business analysis & capacity building programme
- SAEC – preparation on working in different countries
- DTI/TIKZN –Gvt assisted trade missions and international linkages

4 intakes a year. 19 graduating from incubator end 2009. 6 moving to Accelerator. 16 scheduled for next intake in November





Challenges/work arounds

- Lack of advocacy for SME products/services
- Vulture capital
- Financing the development
- Capacity to quickly upscale when markets open

- Use bread/butter products to fund innovation
- Build local success first
- Understand venture capital options – legal advice
- Understand target country pros & cons
- Capacity plan



Thank You

