

SMME Clinic Masterclass

HOW TO ACCESS ESD, SED & HRD FUNDING

Lorna Ernst

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Lorna Ernst
Socio-Economic Development Consultant
"Bringing the pieces together for micro & macro development"



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Introduction to this session:

Requesting funding is hard work and the rate of success for start-ups, and even 1–2-year-old EMEs are very low.

Even established EMEs and QSEs are missing out on low hanging fruits.

Alternate ways to look at funding.

Alternate ways to approach requesting funding.



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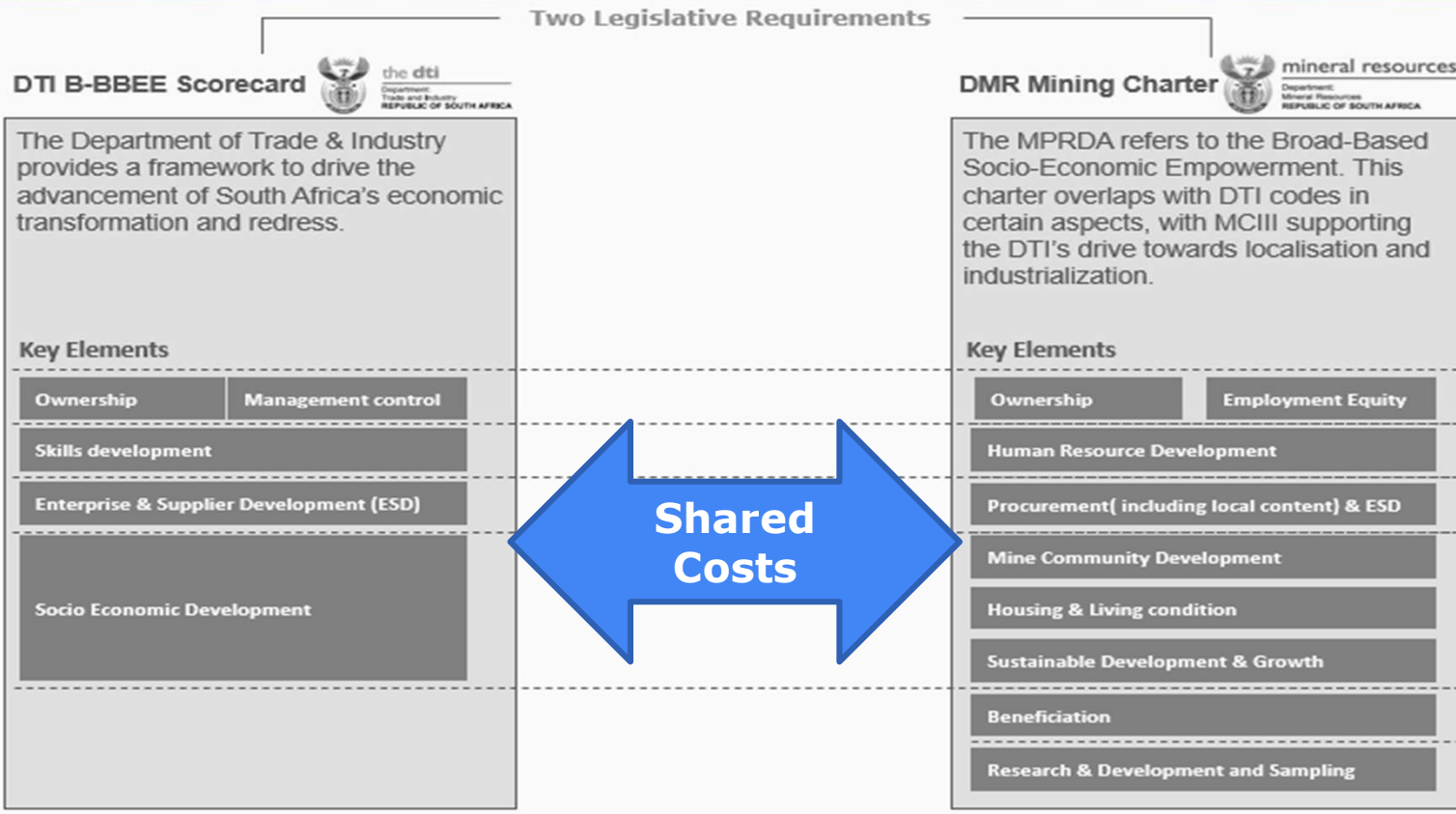


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The Legislative Requirement



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**Cost of
non-compliance?**

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Different Types of Funding (generic)

ELEMENT	TARGET	Potential Score	Contribution
Ownership	20	10	18,9%
Management Control	19	19	17,9%
Skills Development	20	5	18,9%
ESD (PP & ESD)	42	10	39,6%
SED	5	5	4,7%
(excl. bonus points)	106	49	

Enterprise Development – 1% of NPAT

Supplier Development - 2% of NPAT

HRD – 1% of total amount paid in employees' salaries aligned to EAP targets

Socio-Economic Development – 1% of NPAT

If company is not making a profit, then revert to industry growth norms as percentage of turnover

GENERIC SCORECARD LEVELS		POINTS
LEVEL 1	135%	100
LEVEL 2	125%	85-99.9
LEVEL 3	110%	75-84.99
LEVEL 4	100%	65-74.99
LEVEL 5	80%	55-64.99
LEVEL 6	60%	45-55.99
LEVEL 7	50%	40-44.99
LEVEL 8	10%	30-39.99
LEVEL 9	Non-compliant	



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Key HRD targets

Black women = 40%
Black youth
Black people living in rural areas
Black unemployed people

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What is your current approach?

Supplier or not?

How are you introducing yourself?

Do you have a proposal?

What does the proposal contain?



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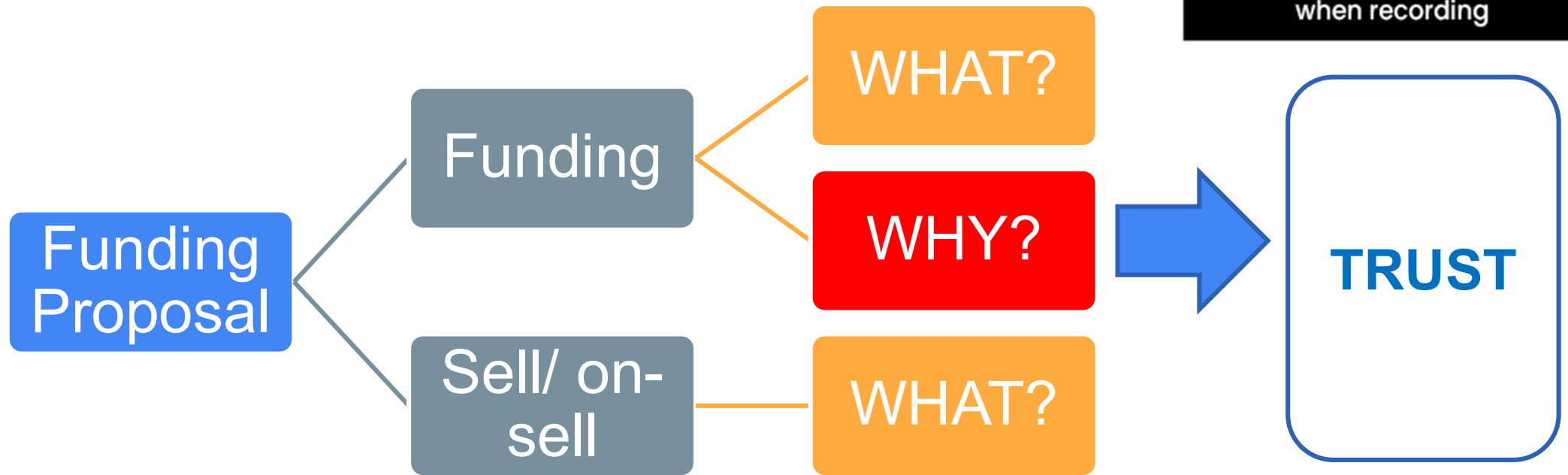


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Double-sided Sales Pitch



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Facing Reality

Accessing funding is not easy:

Who do you want to target? Do your research:

What does the company's current scorecard look like? Are they advertising ESD/ HRD or SED opportunities or projects?

What are the company's current challenges - read their company reports, incl. Sustainability Reports.

What is being said about the company in the news, community forums, ESD Centres, municipal notices boards?

Research key contacts in the relevant departments on their websites and LinkedIn



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Facing Reality

Accessing funding is not easy:

Look internally:

What is your company's value proposition? What is your growth strategy – how will funding help you achieve it?

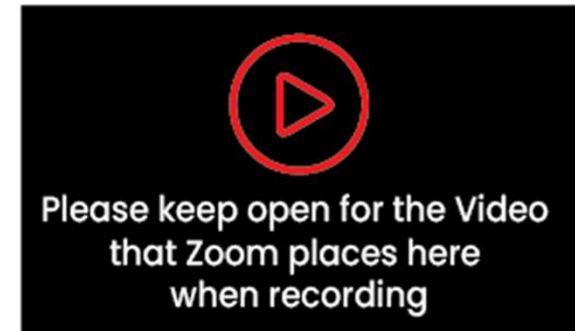
What is the Return on Investment for the sponsoring company?

Are you funding ready?

What does your bookkeeping look like (system, account, outstanding loans)?

Is your company compliant (VAT, tax, PAYE, COIDA?)

Design your action plan!



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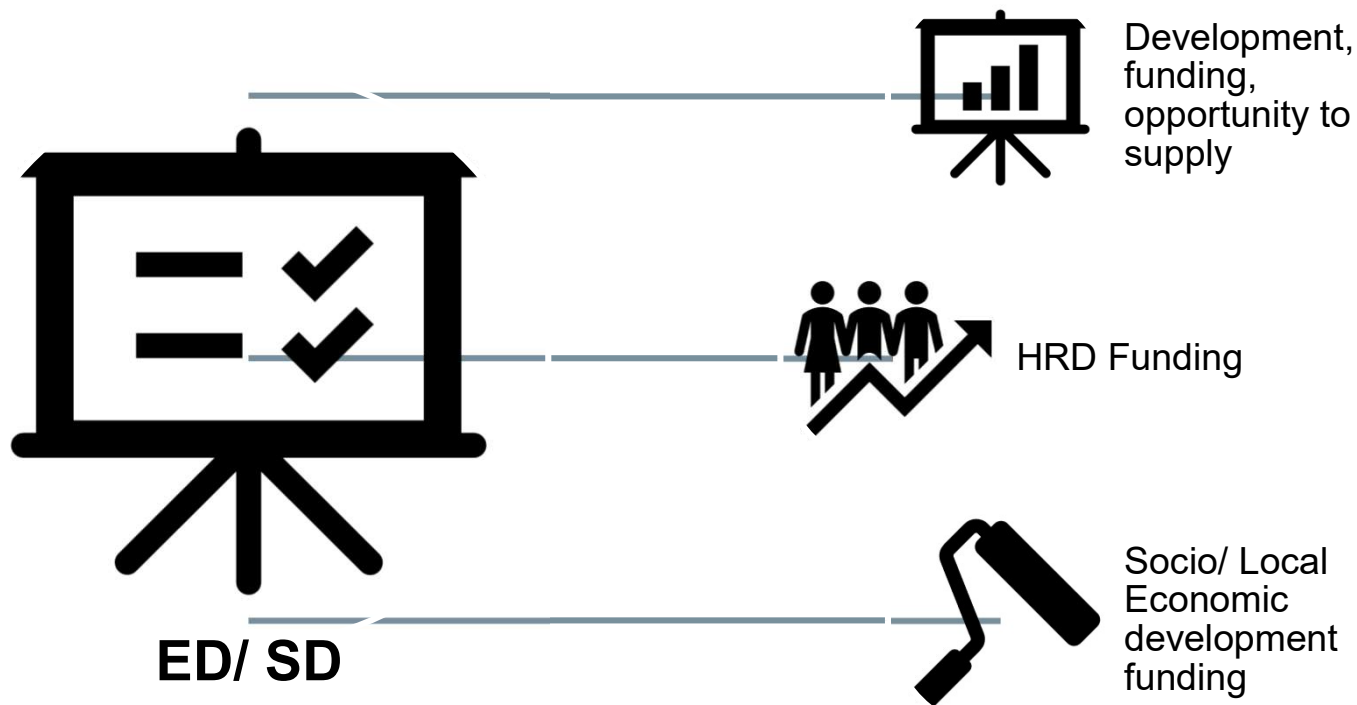


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ACTION PLAN



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FIRST CONTACT

Who did you identify in your research?

First impressions – likely to pass you on to someone else or ignore you.

Start with a 2-pager introduction or slideshow

Use graphics - too much verbiage will not be read



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FIRST CONTACT (cont.)

COMPANY BACKGROUND

Private Limited Company (pty) Ltd has been an enterprise since its inception in 2010 for the purpose of providing services to the public and private sectors of the economy. The company has been operational for the past 10 years and has been successful in the sales and marketing industries with the aim of generating employment for the underprivileged youth and physically disabled members of the public. The company has been successful in the income tax in our recent economic recession and has been able to provide the company with the necessary financial support. The company has been successful in the income tax in our recent economic recession and has been able to provide the company with the necessary financial support. The company has been successful in the income tax in our recent economic recession and has been able to provide the company with the necessary financial support.

11 pages



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specializes in the following service offerings:

- Technical services
- Transport and delivery services
- Survey services
- Water and pipe services
- Water and pipe services
- Water and pipe services
- Water and pipe services
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- Water and pipe services
- Water and pipe services

“not limited in trading”

What do you specialize in?

Do not oversell your abilities



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LOW HANGING FRUITS

What would add value to you and to them?

Essential skills training (health & safety, working at heights, operator skills, construction related, learnerships, etc.)

Succession planning

Sponsorship of BBBEE certificates – construction, including electrical, fencing, plant hire, landscaping)

Access to funding for essential business items such as:

IT Hardware and software

Marketing materials

PPE

Equipment (what is already in the basket?)



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Questions?



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Thank You

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