

2017 NATION BUILDING IMPACT REPORT



*PROMOTING SOLUTIONS FOR THE
NATIONAL DEVELOPMENT PLAN
THROUGH OUR MEMBERS*



SAICA

THE SOUTH AFRICAN INSTITUTE
OF CHARTERED ACCOUNTANTS

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SAICA ENTERPRISE DEVELOPMENT & THE HOPE FACTORY

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50 unemployed graduates benefited from work-place readiness training thanks to SAICA Enterprise Development and J.P. Morgan

SAICA ENTERPRISE DEVELOPMENT & THE HOPE FACTORY



OVERVIEW

The Hope Factory (Non-Profit Company) delivers Socio-Economic Development (SED) Programmes that result in mobilising economic activity for Black South African citizens (as defined by the B-BBEE codes) as part of SAICA's Nation Building transformation objectives. The main objective is to provide solutions for unemployment by equipping individuals with the skills and abilities needed to generate income through new business opportunities. Besides creating bespoke SED Programmes for both the private and public sectors, The Hope Factory offers a flagship training and mentorship programme to help individuals effectively start and operate their own businesses.

SAICA Enterprise Development (Pty) Ltd houses all of SAICA's Enterprise and Supplier Development (ESD) profit-generating programmes and activities. SAICA Enterprise Development offers flagship and customised ESD programmes (previously housed under The Hope Factory) and Accounting Support Initiatives. The major purpose of this entity is to grow South Africa's entrepreneurial ecosystem through advancing the sustainable growth of small black businesses, which in turn, will create employment opportunities.

Through partnership with SAICA's SMPs, SAICA Enterprise Development aims to achieve financial excellence in both SMMEs and incubators nationwide. In doing so, these SMPs have the opportunity to attract new staff through growth and create a pipeline of new clients. SAICA Enterprise Development also aims to influence corporate and government policies to support and facilitate the creation of impactful ESD programmes aligned with the B-BBEE Codes and the Chartered Accountancy Profession Sector Codes (CA Charter).

LEGAL STATUS

The Hope Factory is a Socio Economic Development entity that is a registered Non-Profit Company and Public Benefit organisation in terms of Section 18(A) of the Income Tax Act. A Board of Directors is responsible for the overall running and governance of The Hope Factory. In 2018, The Hope Factory established a subsidiary (Pty) Ltd company called SAICA Enterprise Development to house all the Enterprise and Supplier Development profit-generating activities. The same Board of Directors as The Hope Factory is responsible for the overall running and governance of SAICA Enterprise Development. SAICA Enterprise Development is 100% owned by The Hope Factory.

OUR VALUE PROPOSITION

The Hope Factory's core focus is to see people grow and positively and financially impact communities through SED initiatives:

- *well defined & Impactful Socio-Economic Development Programmes;*
- *solving for unemployment through mentoring start-up businesses; and*
- *customisable SED interventions for transformation.*

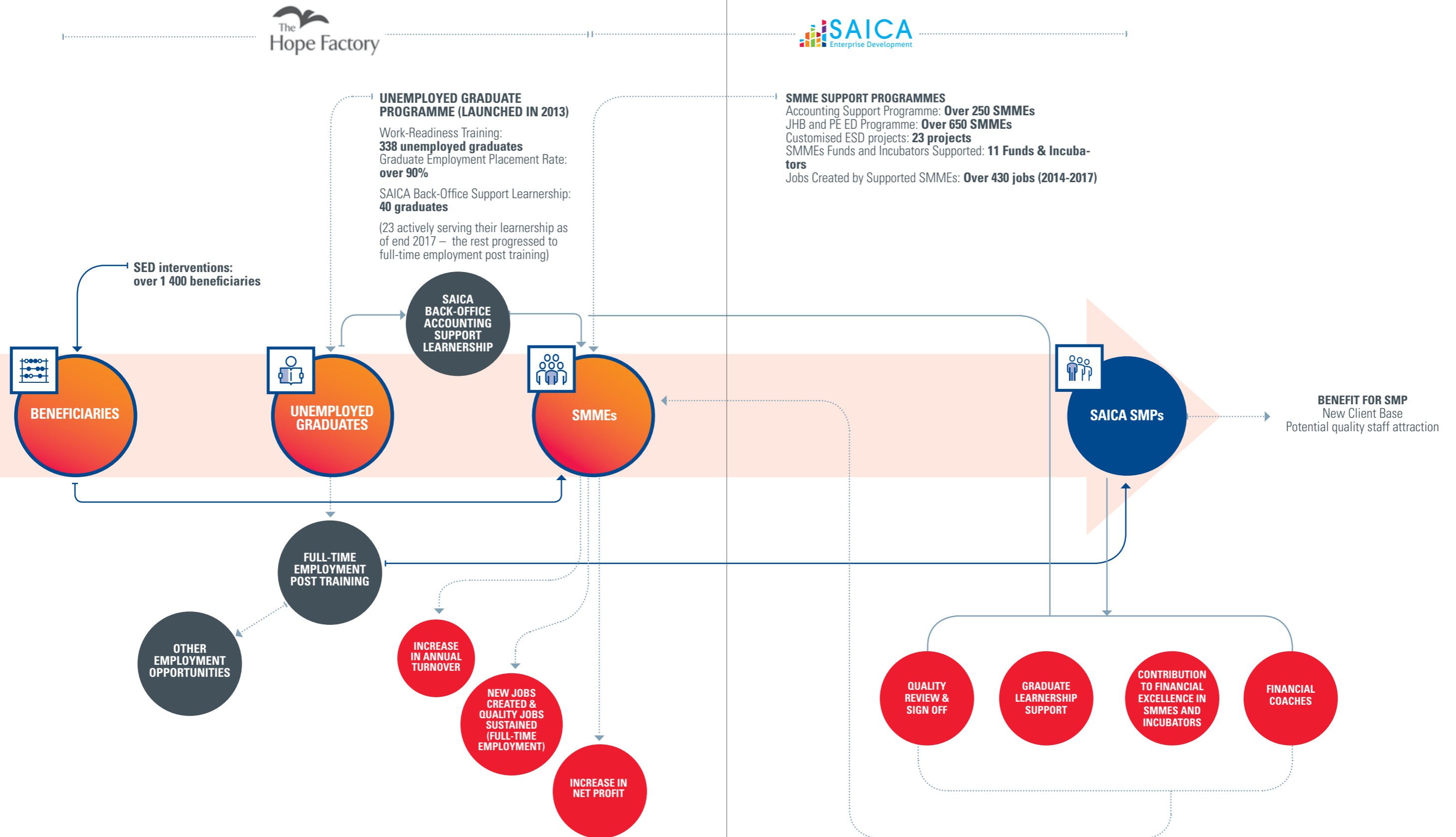
SAICA Enterprise Development aims to partner with corporate SA, the public sector and the SMME development sector to authentically make change happen and advance the economic transformation agenda, making South Africa better for everyone. We provide credible and impactful B-BBEE Enterprise and Supplier Development solutions that fit with Corporate and Public Sector transformation objectives:

- *customisable end-to-end ESD interventions that make business sense;*
- *affordable Accounting Services for the SMME sector;*
- *proven B-BBEE compliance and impact;*
- *peace of mind in B-BBEE ESD implementation; and*
- *enabling clients to seamlessly broaden their supplier base by integrating vetted Black SMMEs.*

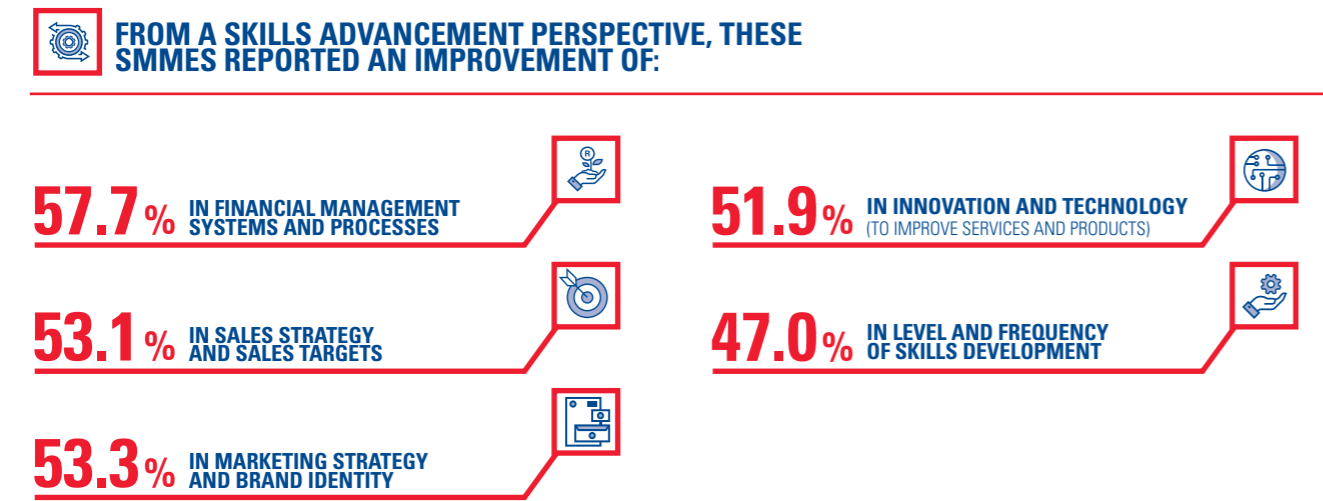
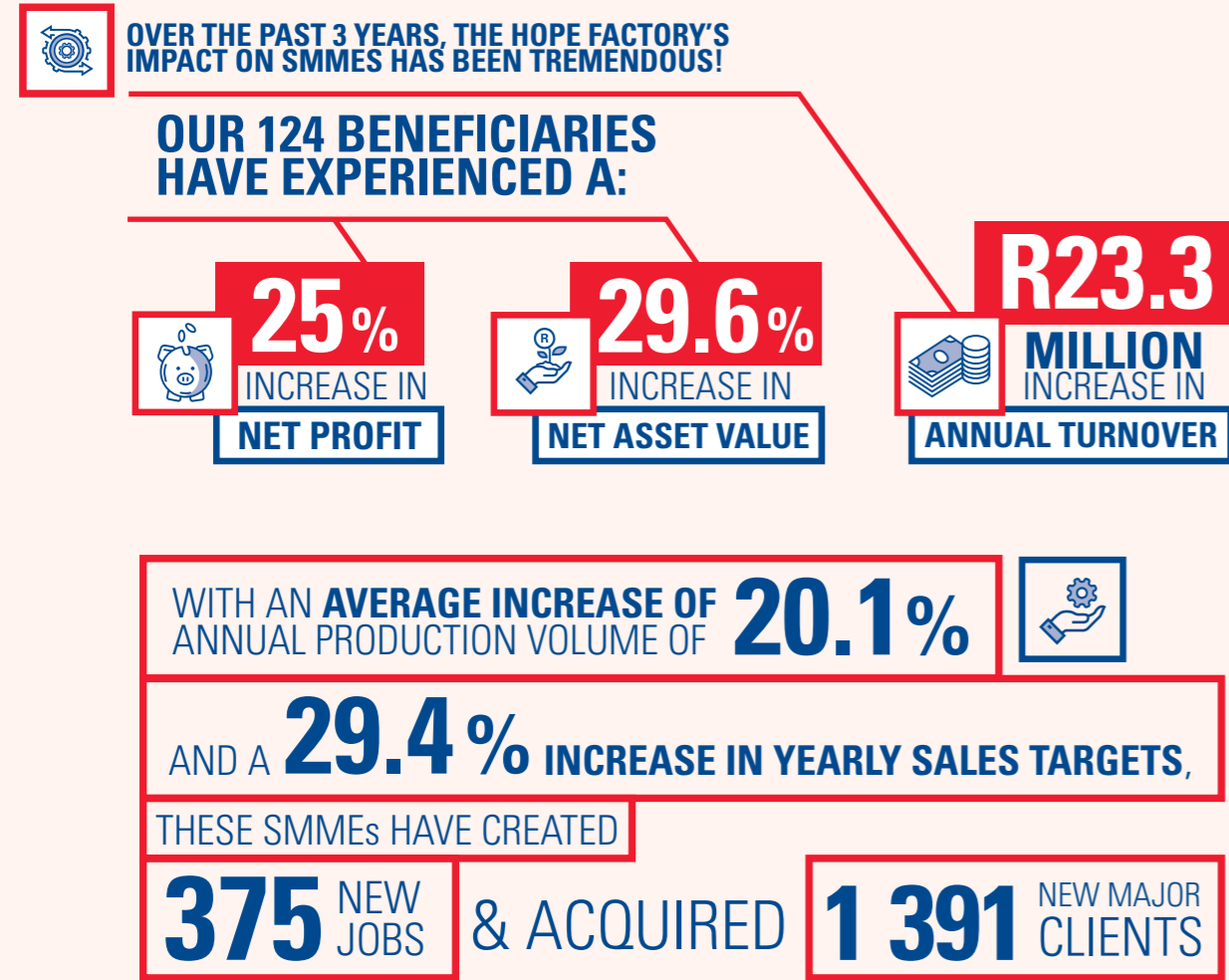


Two of The Hope Factory's top award winners Jubi Nkumane and Tsholanang Montsho with Annie McWalter, CEO of The Hope Factory

SAICA ENTERPRISE DEVELOPMENT IMPACT ON SAICA VALUE CHAIN (SINCE INCEPTION)



SAICA ENTERPRISE DEVELOPMENT AND THE HOPE FACTORY IMPACT



— IN ADDITION, —

89%

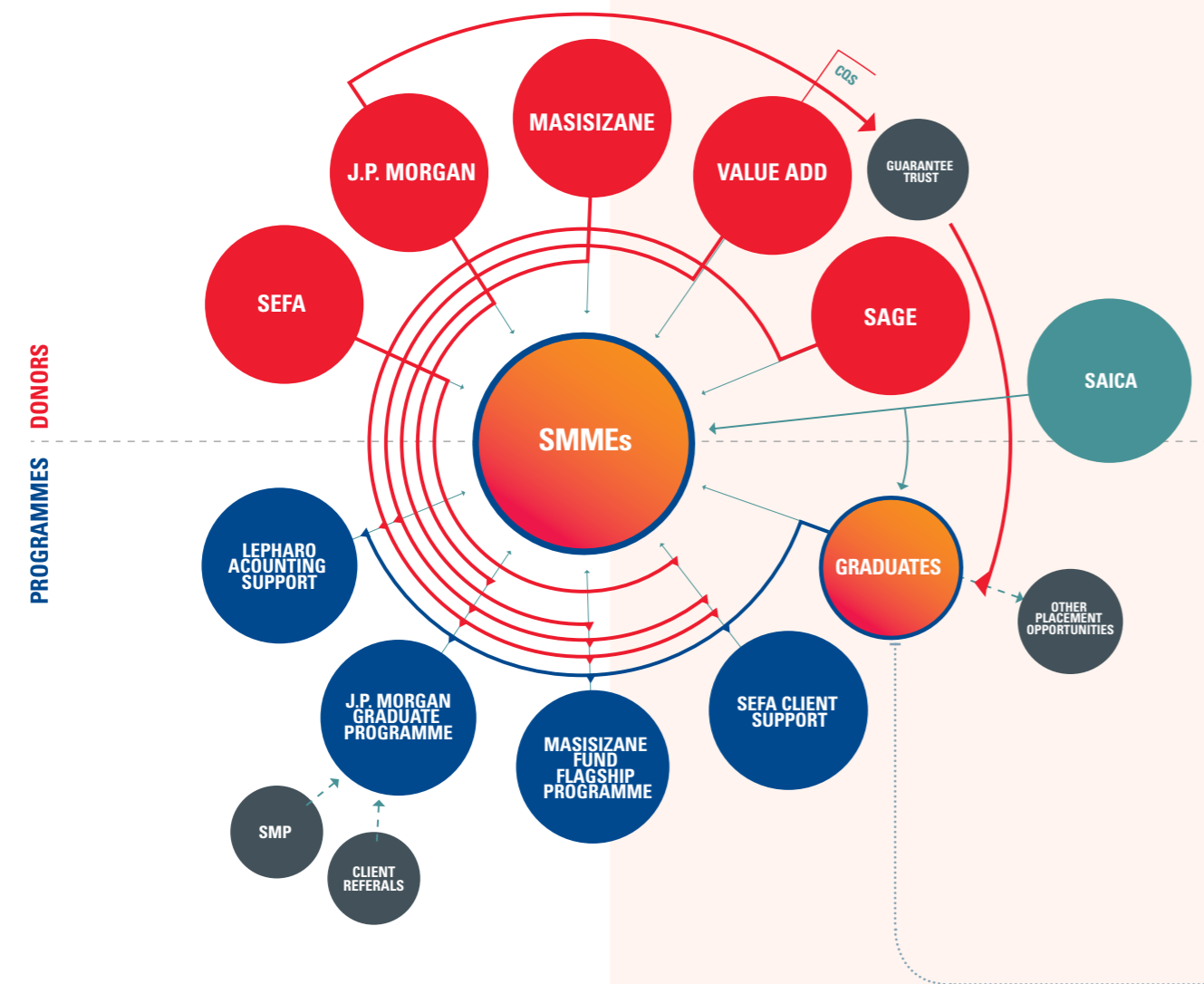
OF SMMES THAT RECEIVED **MENTORSHIP & COACHING** SAY IT HAS IMPROVED THEIR **EFFECTIVENESS & ABILITY TO ACHIEVE THEIR BUSINESS OBJECTIVES**

THE HOPE FACTORY AND SAICA ENTERPRISE DEVELOPMENT ECO-SYSTEM

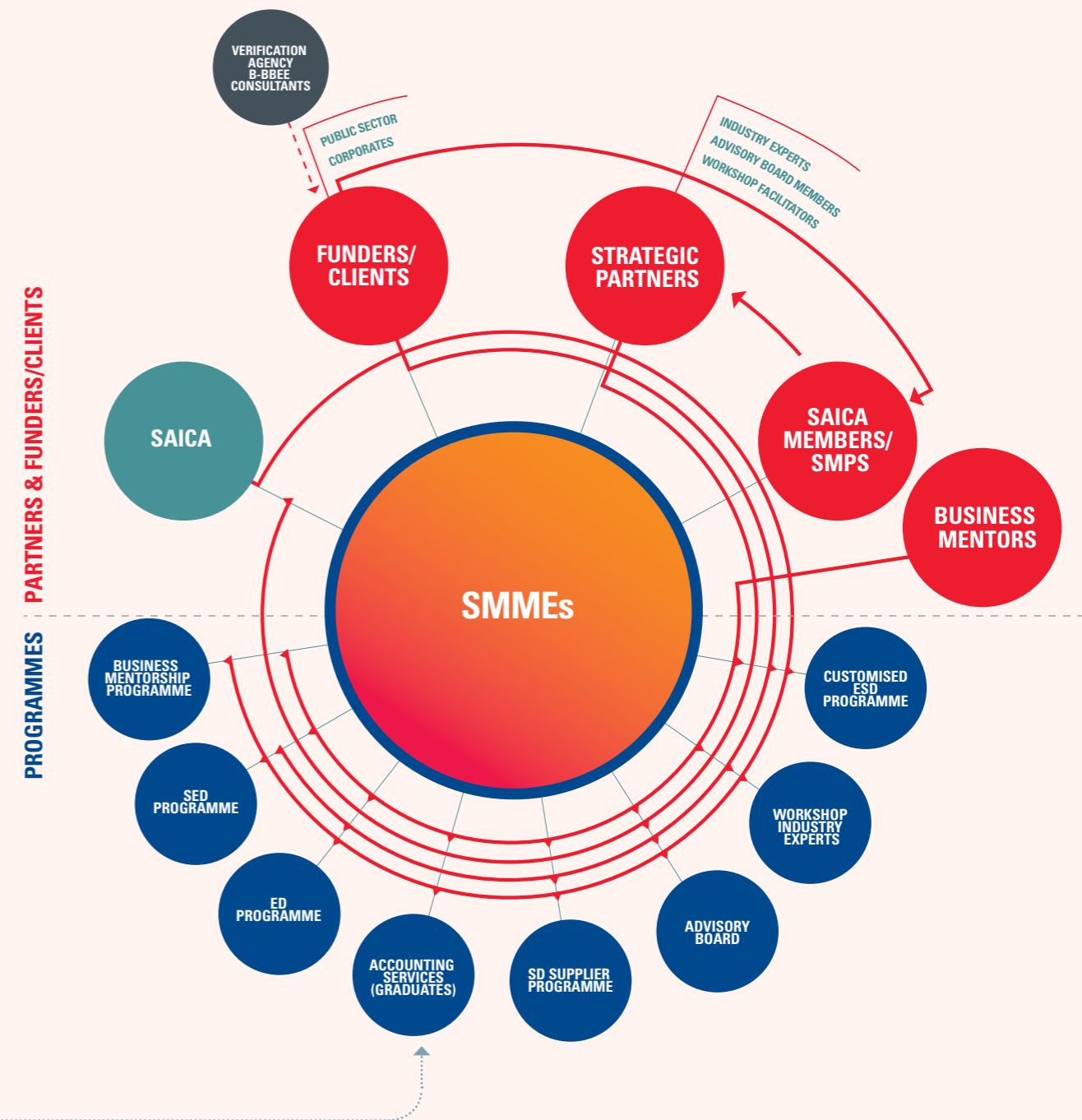
TRUE COLLABORATION – SMME SUPPORT

The strength of all the SMME Support programmes that The Hope Factory and SAICA Enterprise Development runs is achieved through the support of powerful partnerships. The initiatives are linked to the beneficiaries through a network of relationships developed over many years. Through the power of collective collaboration, the complex structure is indicative of a strong network supporting The Hope Factory and SAICA Enterprise Development value-creating initiatives.

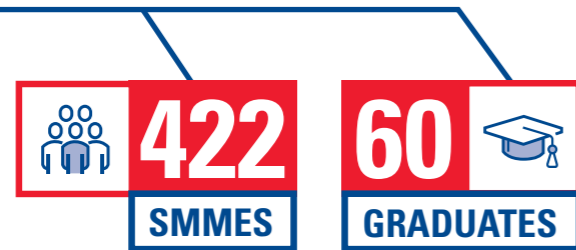
BACK-OFFICE ACCOUNTING SUPPORT ECO-SYSTEM



THE HOPE FACTORY AND SAICA ENTERPRISE DEVELOPMENT ECO-SYSTEM



TOTAL ENTERPRISE DEVELOPMENT INTERACTIONS DURING 2017



KEY ACCOUNTING SUPPORT INITIATIVES

J.P. MORGAN ACCOUNTING SUPPORT FLAGSHIP PROGRAMME

Providing back-office accounting support services to Gauteng SMMEs through unemployed graduate learnership

Funded by the J.P. Morgan Foundation



SMP partnership programme piloted with Khumalo and Mabuya Chartered Accountants

SEFA CLIENT ACCOUNTING SUPPORT PROGRAMME

Providing back-office accounting support to clients of the Small Enterprise Finance Agency (sefa)



OLD MUTUAL'S MASISIZANE FUND ACCOUNTING SUPPORT PROGRAMME

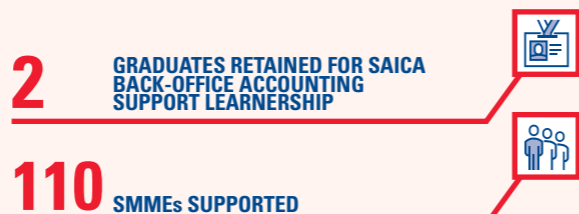
Providing back-office accounting support to small-scale farmers in rural KwaZulu-Natal and the Eastern Cape

In partnership with Old Mutual



LEPHARO INCUBATOR ACCOUNTING SUPPORT PROGRAMME

Providing back-office accounting support to SMMEs participating in the SEDA Ekurhuleni Base Metals Incubation (Lepharo) Programme



KEY SMME SUPPORT INITIATIVES

SAICA ENTERPRISE DEVELOPMENT FLAGSHIP PROGRAMME

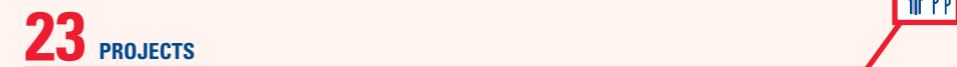
Developing black SMMEs from various sectors through three impactful entrepreneurial development programmes where business mentorship and financial coaching forms the core. The three main areas of development are:

- Business Skills Mastery
- Financial Excellence
- Leadership



SAICA ENTERPRISE DEVELOPMENT CUSTOMISED ESD PROGRAMME

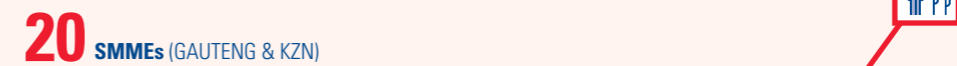
Developing SMMEs that form part of Corporate supply chains



TRANSNET PIPELINES CUSTOMISED PROGRAMME

Mentorship programme aimed at empowering and enabling entrepreneurs with disabilities

Funded by Transnet



THE HOPE FACTORY (PE) SOCIO-ECONOMIC DEVELOPMENT PROGRAMME

Personal Development in Business Programme targeting historically disadvantaged people with informal businesses, start-up businesses, and those with potentially viable business ideas

Funded/in partnership with clients throughout SA



ADVISORY BOARD

Providing SMME business owners with a panel of advisers to deliver strategic advice and introduce new skills to the business. Aimed at continuously improving the way SMMEs run their businesses

31 SMMEs



#COMMONCENTS FUNDING FAIR

Educating entrepreneurs on defining and understanding their business financial position, accessing funding, looking at available opportunities, preparing for investment readiness and typical issues around funding application processes

In partnership with Mercantile Bank, Rubele, IDC, NYDA, Linken Group & Allan Gray

OVER 42 SMMEs



HIGHLIGHTS

EMPOWERING AND ENABLING ENTREPRENEURS WITH DISABILITIES

Through a customised project sponsored by Transnet Pipelines, 20 entrepreneurs from KZN and Gauteng became part of a specialised Enterprise and Supplier Development mentorship programme aimed at empowering and enabling entrepreneurs with disability.

The programme helps them to develop the personal and business skills needed to take their businesses to new heights.

It covers development in the three main areas of personal leadership, business skills and financial excellence, while mentorship remained at the core.

Some of the business successes included the following:

- Business 1 – substantial increase in sales per annum over the past year. Three major clients acquired, and employee numbers increased from two to 12 (job creation).
- Business 2 – excellent increase in sales and one major client required. Number of employees increased from one to three.
- Business 3 – substantial increase in sales and a multi-million-rand tender awarded.
- Business 4 – substantial increase in sales, increase in employees from one to four.
- Business 5 – awarded a large tender for supply of bread, along with a three-year contract that is expected to create 20 jobs.



Graduates of the Transnet Pipelines Customised Programme

SAICA AND J.P. MORGAN PARTNER TO HELP 100 SMES REACH NEW HEIGHTS

Through SAICA's J.P. Morgan Accounting Support Flagship Programme, 100 Gauteng SMEs are currently receiving partially subsidised back office accounting support and financial training for a period of 18 months. This after they beat over 500 SMME candidates in a gruelling 'Dragon's Den' type selection process, and were chosen to be given assistance to help them become sustainable businesses

In addition, 50 unemployed, accounting graduates from disadvantaged backgrounds received six months' work-readiness training to develop the soft skills, professionalism and technical know-how needed in an office environment. On completion of this training, all graduates were placed into formal learnerships and employment. Of these graduates, 13 joined the SAICA Back-Office Support Learnership for the duration of the project to service the accounting needs of the selected SMMEs.



The 100 SMMEs on the J.P. Morgan project learn more about their roles and responsibilities at their induction session

THE SUCCESS OF THE J.P. MORGAN PROJECT TO DATE

IN THE FIRST SEVEN MONTHS OF THE PROJECT, THE 100 SMMEs:



CREATED **60** NEW JOBS

RECEIVED **13** NEW CONTRACTS

AQUIRED FUNDING FOR **4** COMPANIES ON THE PROGRAMME

SECURED **2** GRANTS FOR COMPANIES ON THE PROGRAMME

& 2 COMPANIES ARE IN THE PROCESS OF SECURING TENDERS – VALUED AT OVER **R2.5 MILLION**

SUCCESS STORIES

MOTLALEPULA MAKUNYANE

**ACCOUNTING GRADUATE - SAICA
BACK-OFFICE ACCOUNTING SUPPORT
LEARNERSHIP**

'Giving unemployed graduates an opportunity to shine.'

Already this programme has transformed us. As trainee accountants our journey began at a learnership at Guarantee Trust. We were given training at Guarantee Trust that has made us work ready. Today we use that training to give the project's SMMEs services that add value to their businesses. We as graduates are excited to be practicing what we've learnt.

ZIZIPHO NYANGA

**CHIEF EXECUTIVE OFFICER,
MASISIZANE FUND**

'The SAICA/Old Mutual Masisizane Fund partnership is very important to us as it fits squarely with our mandate of making a difference in people's lives.'

Two main objectives achieved by this programme:

1. it creates jobs for the accounting graduates that would otherwise be at home doing nothing after their parents would have spent significant amounts of money on tertiary education; and
2. it helps the SMMEs we fund in the rural and peri-urban areas, that would otherwise not afford to pay for an adequate financial management and reporting capability. This increases the chances of these SMMEs becoming sustainable as they have a competent resource that can help analyse the financial decisions affecting the business.



JUBI NKUMANE

**GRADUATE OF THE HOPE FACTORY
AND FOUNDER OF JUBZIN SECURITY**

'The timing was perfect and the soil was fertile. I needed to learn more and desperately needed mentorship, and was impressed that The Hope Factory is 'powered by SAICA''

The entrepreneurial bug bit when an opportunity arose for Jubi Nkumane to provide security for the complex in which he owned a unit. He grabbed it with both hands, and Jubzin Security was born. Within a year, the business started to grow and soon they landed another residential complex as a client.

Targeting big corporates was the next step for Jubzin Security. That's when Jubi joined the The Hope Factory's business mentorship programme in early 2015.

He says learning to work with big corporates has been an interesting journey. Not only did he have to compete with well-known big security brands, but he also had to convince corporates that his SMME could scale up and deliver excellent quality service. In 2017, his team was awarded a three-year contract for SAICA's head office security services, which is testament to Jubzin Security's solid track record, excellent work and ability to secure big contracts.



VIOLET LUPUWANA

**GRADUATE OF THE HOPE FACTORY AND
DIRECTOR OF CHUMILE HOLDINGS**

'Sales have doubled and we've grown our national footprint.'

Thanks to The Hope Factory's business mentorship programme, Chumile Holdings – a 100% black female-owned training and transportation business – increased its annual turnover by 61% and is now a VAT-registered, +R1-million operation.

Violet Lupuwana, the director of Chumile Holdings, joined the programme in 2014 and says that mentoring has helped her business to grow. 'You have an advisor who is genuinely looking out for your best interests. My mentor has challenged my thinking; to move from a small business mind-set to think big.'

Since joining the programme, Chumile Holding's sales have doubled and the company has grown its national footprint. Violet explains: 'We have taken on more clients and grown our sales significantly in Gauteng and we continuously tap into new markets, nationally and beyond the SA borders.' Chumile Holding's biggest success in 2017 was signing its first long-term contract with a multinational company. Chumile Holdings was also profiled on the CNN African Start-Up Programme and was selected to train Agripreneurs from 12 SADC countries on business skills.