Business Accelerator Workshop

27 April 2016 – Marlboro Gardens Hall

Ismail Lambat



082 761 7865

Credentials

- CA (SA), CIA, MAP, MBA (cum laude), ADP
- Executive Manager Capital Efficiency at Eskom
- Bachelor of Commerce Accounting degree at the University of Johannesburg
- Bachelor of Commerce (Honours) University of Kwa-Zulu Natal
- Chartered Accountant
- Certified Internal Auditor
- Management Advancement Programme (Top of Class) Wits Business School
- MBA (cum laude) Wits Business School
- Accelerated Development Programme London Business School
- Certified Director IODSA
- Diploma in Islamic Finance CIMA (Current)

About Me

- Amazing Wife
- 3 Beautiful Kids
- Naturally Curious
- Nerd
- Keen Traveller
- Pathetic Golfer
- Injured Cyclist
- Used to be Thin

Experience

- PricewaterhouseCoopers
- Director at IFAS
- **Nuclear Energy**
- Capital Strategy
- Trustee
- Corporate Finance
- Memberships SAICA, IIA, IOD ,LBS,CEB,

Strengths

- Low cost of business start-up the sixth lowest in the G20 and cheapest among rapid-growth markets.
- Societal attitudes towards entrepreneurship are favorable media attention is high, and entrepreneurship is seen as a positive career choice.
- Private equity investment remains strong relative to most G20 markets.

Weaknesses

- Secondary school and tertiary education needs to improve dramatically to support more advanced entrepreneurship
- South Africa is lacking the research and innovation institutions needed to generate a high volume of new patents that have commercial potential.2
- Hiring and firing is difficult and expensive in South Africa, discouraging new enterprises and keeping small businesses from growing larger.3

Opportunities⁴

- South Africa benefits from a growing, urbanizing and modernizing stream of "new consumers." Entrepreneurs can use simple strategies like price and convenience to serve these markets, reducing the need to innovate.
- The country has a mature and profitable financial sector. Entrepreneurs enjoy worldclass innovation, technology and competition in the financial marketplace.
- South Africa is a gateway into other thriving African markets.

Threats

- From the top down, corruption is rife in South Africa. As much as entrepreneurship is lauded, locals also speak of "tenderpreneurship" — where Government tenders are awarded to companies with strong political connections.
- High levels of crime affect all businesses in South Africa. This already deters many entrepreneurs, particularly in retail and cash-based industries.
- There is a risk that there will be growing social unrest if the rate of unemployment is not tackled more successfully.

South Africa: Land of extremes

Quick and cheap to start Getting the necessary a new business registrations and compliance in place is difficult Expensive and onerous Rising middle class of consumers providing rich opportunities, to hire and fire new workers NNOV ATION

- **Commercial Banks**
- Khula Enterprise Finance
- Small Business Growth Trust Fund
- Izibulo SME Fund
- Islamic Finance
- **Identity Development Fund**
- **Enablis Acceleration Fund**

- Ithubalentsha Micro-Enterprise Program
- DTI
- **SEDA**
- **IDC**
- NYDA National Youth Fund
- **Incubation Support Program**
- **Tourism Enterprise Partnership**
- **Business Partners**



- Anglo-Khula
- Akwandze Fund
- South African Investment Network
- African Contractors Finance Corporation (Pty) Ltd
- Business Finance Promotion Agency (BFPA)
- Land Bank
- **Venture Capital**



Common Pitfalls

Some Truths about Failure

- Talking about it is taboo
- South Africans low tolerance for entrepreneurial failure
- Whispered dinner party convos'
 - I have this friend
 - Belly up
 - Gone Bust
 - Did his own thing
 - Freelancing....for a bit
- Could someone else's failure make us feel better?
 - -Had they succeeded.....our mediocrity exposed
- Entrepreneur Failure viewed as Badge of Honour USA
 - Gained insights into what went wrong
 - Attributed little blame to others
 - Took on mammoth task, too much too soon
- World History = Bulk Failures



When you try your best, and it's still not good enough.

Pitfalls in Business

P I T F A L L S

Be true to yourself.....

- Don't think that all good ideas are opportunities and will make successful ventures
- Don't let others tell you what knid of business you should start.
- Don't conclude that lack of competition means you have a wonderful opportunity. It might mean there is no market for your product or service
- Don't search for a business concept that will revolutionize the world
- Beware of friends and family telling you what they think of your business idea.
- Don't start a business that does not match your image and personal goals
- Don't open a me-too venture a direct copy of an existing business

- Don't fool yourself into thinking that good food recipes are easy to sell and market
- Don't forget about securing the required licenses
- Don't overlook business insurance for your equipment and inventory even if it's a home based business
- Don't start a business without writing a business plan
- Beware of business consultants who offer to write your business plan for a reasonable price.
- Don't try to save start-up costs by locating your retail business in a less desirable location.



Mind Food.....



- Its not having bundles of money that makes people happy, but rather having bundles more than the next person....
- "So, what made you decide to go into business for yourself?"

"It was something my last boss said."

"Really, what was that?"

"You're fired."

BEWARE : Official Reasons For Business Failure



No Written Plan

No Revenue

Limited Opportunities

Unable to Execute

Competition is Too Much

Early Giving ir



- If you cant say what you do in 20 seconds
- If you never see your teeth
- If you value your bank manager more than your idea

The Straight and Narrow in Business

- Income & Expense Reporting (Tax Fraud)
- Truth in Advertising
- Bribing Customers and Bid Rigging
- Direct Selling, Pyramid Schemes
- Effects of owners ethics on their employees
- Get rich quick schemes donot work Period







2015 – Entrepreneur of the Year



- 2 * Bibi Cash and Cash and Carry
- Bibi Distribution Outlet
- 500 Employees
- Benefits 3000
- Mind over Matter



Lets meet Tommy Makhato

- Mobile Hair Salon
- Backyard Hair salon in Soweto
- Hair Care Products
- MT Hair Salon 1980 2014
- 4* Jabula Cosmetic Centre 1991

Do not go into business for the sake of money.



The One Minute Economist......

Whats Happening in Your World?

Backdrop

- Global Positive Sentiment
- Growth in African Economies @ 5% pa
 - China @ 7%pa
 - US @ 2.5% pa
- Where to be?
 - Manufacturing
 - Big Agriculture
 - Mining
 - Tourism
 - Education
 - Energy
 - Online Business
 - African Trade

What you can do

- Access myriad of opportunities
- Develop your niche
- 3. Export
- 4. Act Now
- 5. Believe

The Not so Goods.....

- Energy Constraints
- Lack of adequate governance
- Elections imminent nervous investors
- Apathy of youth
- Unemployment
- Overall macro-economic dissatisfaction



3 Knowing your DNA

Entrepreneurs Are....

- People who start or operate a business activity
- Discoverers of consumer or industrial needs and launch new firms to meet those needs
- Risk Takers who provide an impetus for change, innovation and progress
- All active owner managers (founders and/or managers of small businesses)

What are you?

- Reluctant / Refugee Person who becomes an entrepreneur as a result of some severe hardship
- High Potential Venture- Small firm that has great prospects for growth
- Attractive Small Firm Small firm that provides substantial profits to its owner
- Microbusiness Small firm that provides minimal profits to its owner
- Lifestyle Business A microbusiness that permits the owner to follow a desired pattern of living

Or are you?

- Artisan Entrepreneur A person with primarily technical skills and little business knowledge who starts a business
- Opportunistic Entrepreneur A person with both sophisticated managerial and technical knowledge who starts a business

A womanpreneur



- 140 million across the globe
- 38% of all entrepreneurs in USA
- In SA 29,5% Cape, 19,8% Gauteng, 19,6% KZN
- Move into non traditional industries

Issues

- Newness of entrepreneurial role
- Lack of access to credit
- Lack of networking connections
- Discrimibation

How to Make Business or any Decisions.....



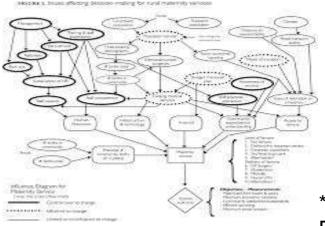
INFORMATION

C CRITERIA

A ALTERNATIVES

C CONSEQUENCES

INTENTION



** Pre Frontal Cortex: Front, Thinking, Rational, Discipline

10 Most – Asked Questions from Entrepreneurs

- 1. I'd love to start a new business, but I don't have a great idea. What kind of business should I start?
- 2. I want to open a business in my home. What do I need to do to get started?
- 3. Who do I approach to get funding for my business venture?
- 4. What are the basics required to get started from a legal perspective?
- 5. Will my business succeed?
- 6. How can I increase my sales and find new customers?
- 7. Since I don't have much money to market my business where should I advertise?
- 8. How can I successfully market my product with a limited budget?
- 9. What kind of franchise should I purchase?
- 10. Where should I operate my business from?

Home Based Business Quiz

- 1. Do you have adequate living space to devote a section of your home to a business without disturbing your home?
- 2. Will your family refrain from interfering with you while you work on your business?
- 3. Are you comfortable operating independently?
- 4. Can you organize your time well, set aside the necessary hours to run your business and stick to it?
- 5. Can you make decisions on your own?
- 6. Are you a self-starter?
- 7. Will you need to leave your home to go out and call on customers?
- 8. Do you tend to complete projects on time?
- 9. Do you have sufficient funds to start a home-based business?
- 10. Are you willing to research your home-based business idea and write a business plan to make your dream a reality?

17

Reasons and Advantages of Being in Business

Is an idea a Good Investment Opportunity?

- Market Factors Is there a clearly defined market need for the product or service
- Competitive venture financially rewarding, and does it have significant profit and growth potential
- Management Capability Is there a good fit between entrepreneur and opportunity?
- Advantage Can the proposed business achieve a durable or sustainable competitive advantage

The Two Paths....

INTREPRENEURSHI

Startup Creating a new
business from
scratch

Buyout -Purchasing an existing business







Why would you want to?

**

Advantages and Reasons for going into Business

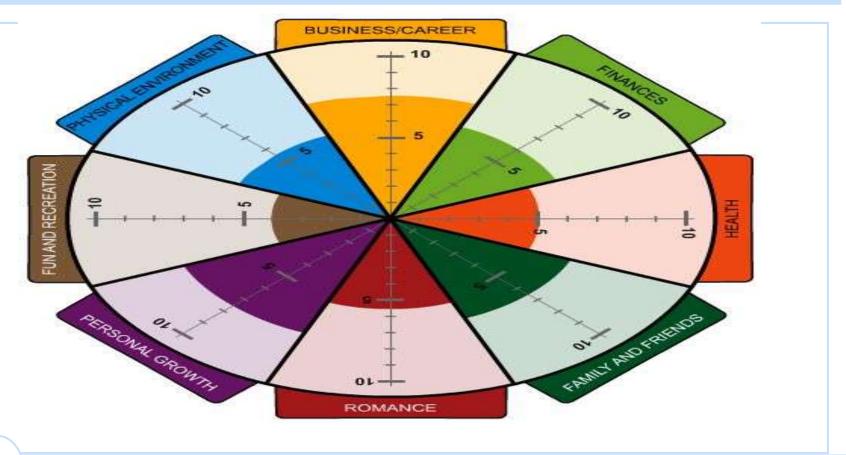
**

- Developing a commercial market for a recently invented product or service
- Taking advantage of available resources, ideal location, advances in equipment, employees, suppliers and bankers
- Avoiding precedents, policies, procedures, and legal commitments of existing firms
- Wanting the challenge of succeeding or failing on your own

The Wheel of Life

Q

Do you have any punctures?



A

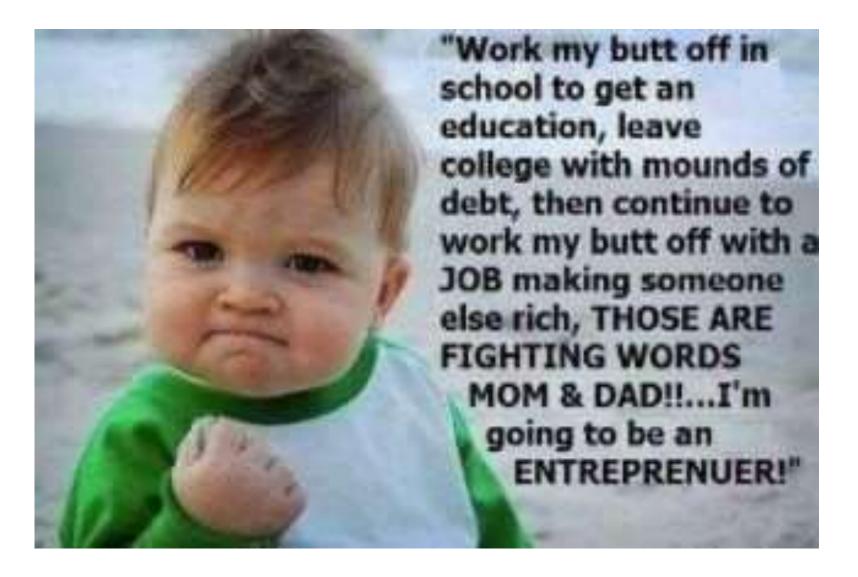
Only you can ensure perfect alignment and balance....

Is this you?





Entrepreneurs Born or Made....

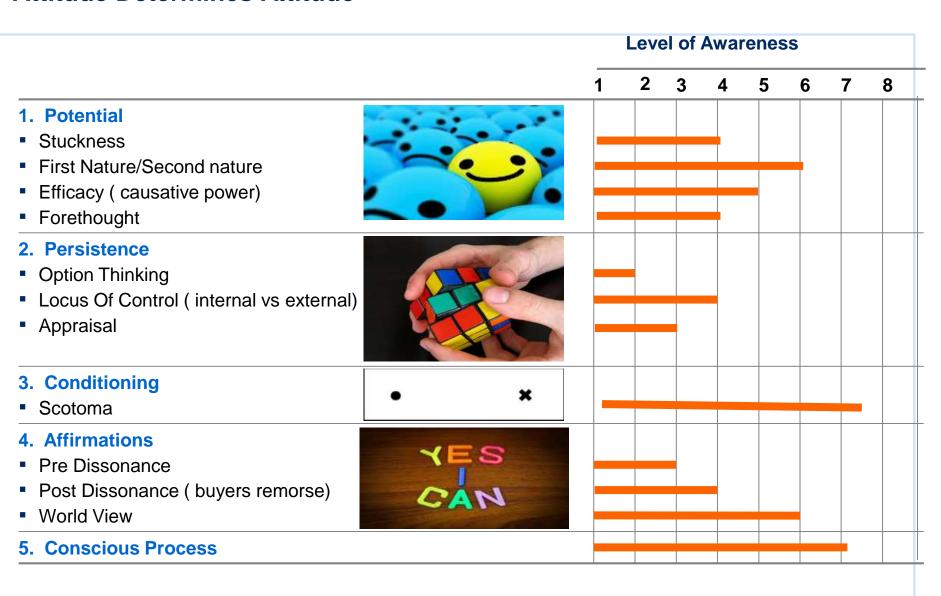


Mompreneurs are a growing trend...



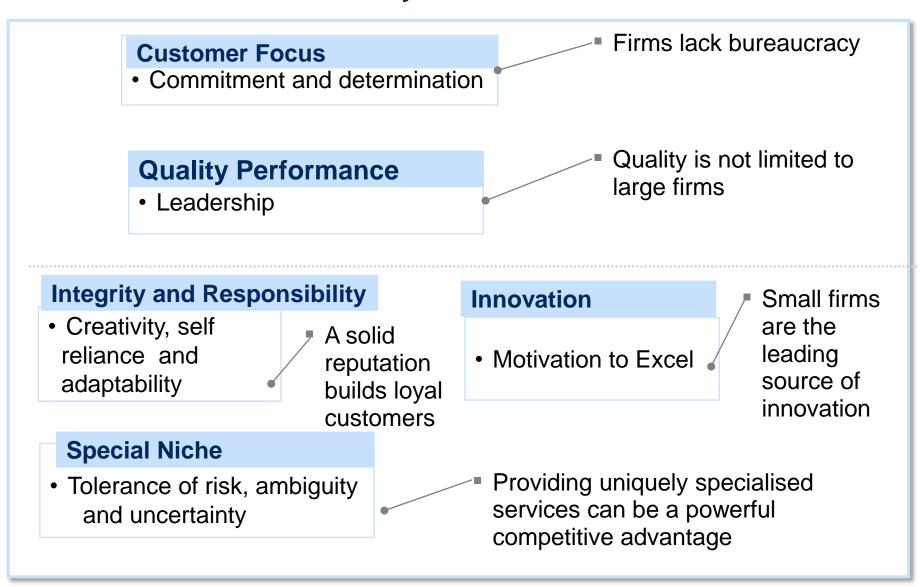


Attitude Determines Altitude



What are you doing?

What do you need?



Entrepreneurship Tip

ALWAYS..... KEEP YOUR EYE ON THE BALL OR THE **PLANE**



Small Business Myths The positives....

1. Business owners have more 1.lts cool to be an entrepreneur independence 2. Business owners make a lot of 2.Banks are increasingly more small business friendly money 3. Business owners are funded 3. The government loves small by venture capital and angel business for economic development investors 4. Small business creates a lot of new iobs 4. The playing field is more level 5. Slow and lumbering big business is vulnerable to quick and agile small business

1 minute - Marketing Cheat Sheet

Kr	now what your customers want	
Ma	ake your product or service the best it can be	
Ar	nalyze competitors & capitalize on weaknesses	
Es	stablish a complete customer profile database	
Gi	ve your good customers a little extra	
Us	se direct marketing to discover how to improve	
	ay in close and constant communication with stomers	
Ge	et your customers to sell for you	
Fo	llow Up and Feedback	

Need for Integrated Marketing Strategy



- Consistent Messaging
- InstantCommunication
- ReputationManagement
- Strict Filtering & Admin
- Correct TargetAudience
- Interactive
- Wide Member Choice



Claim Your Google Local Listing



List your business on local directories



































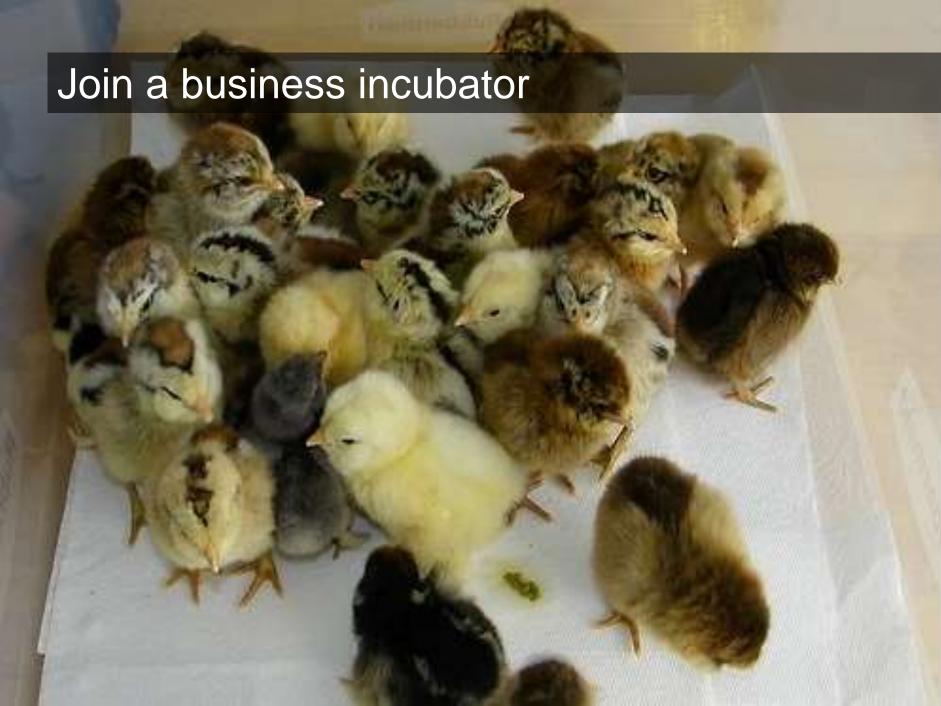
Ask your customers for online reviews



Optimize your site for mobile devices







Start a blog



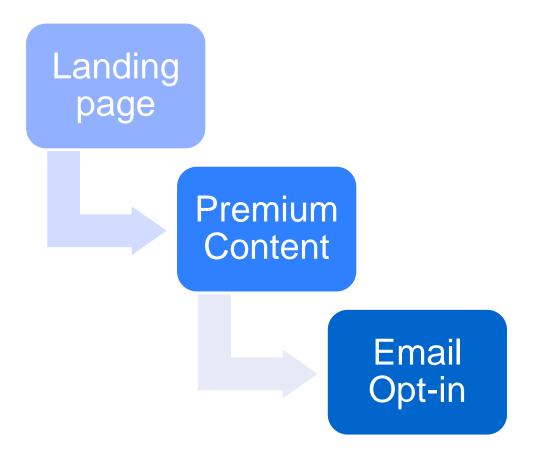
Create videos and post to YouTube

Comment on blogs in your niche



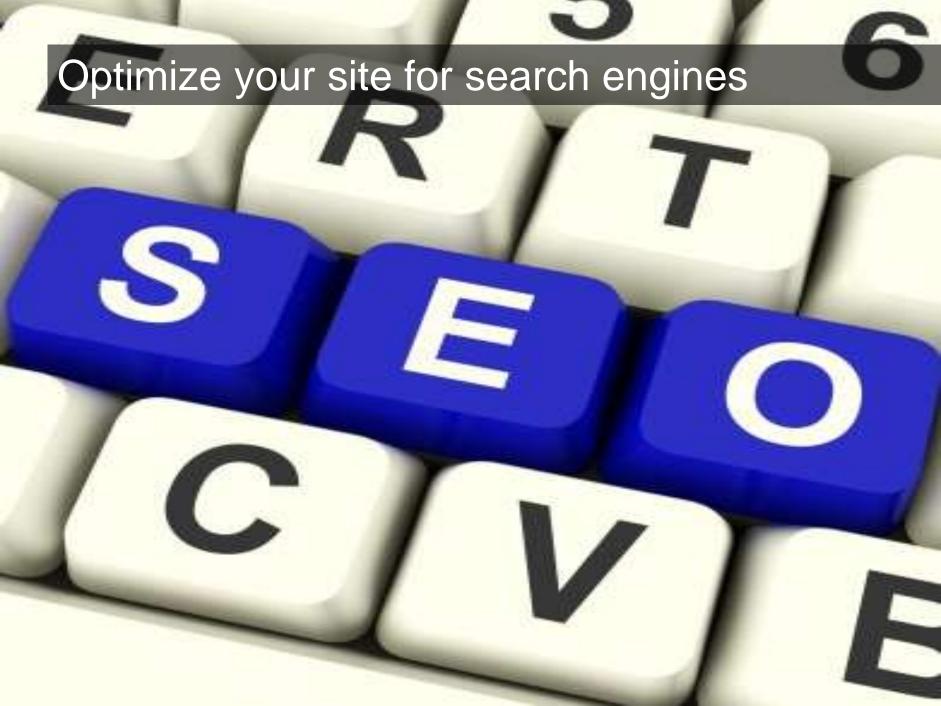
Create a monthly email newsletter 191010100101010100101010101010101110101

Create premium content to collect emails



Establish a presence in social media

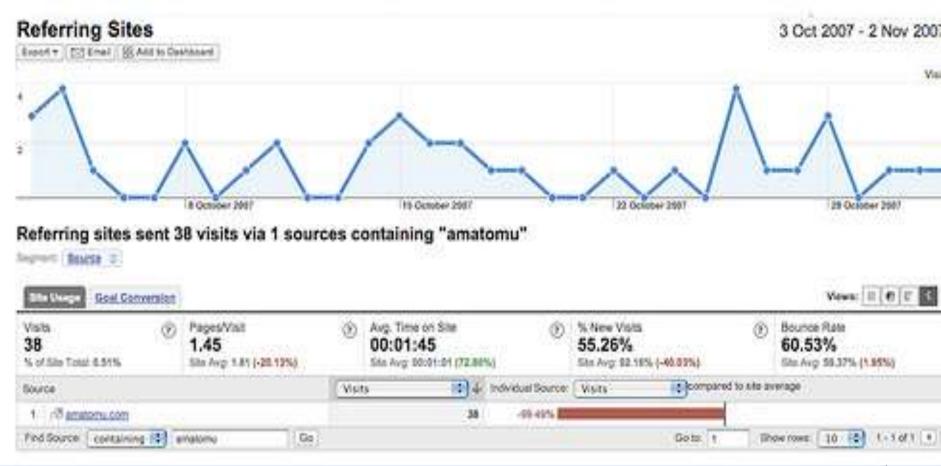








Setup Google Analytics



Start a contest





Branding for Business



Know What is Branding!

- Branding is the process of creating a clear, distinctive and durable perceptions in the minds of consumers.
 - Most people associate branding with big companiesSmall business can also use
 - Small business can also use branding techniques with great rewards
- Technique of branding include association of a company with:
 - Logos
 - Distinctive colors
 - Slogan, jingle
 - Unusual qualities and product uniqueness
 - Packaging
 - Mascots
 - Memorable name
 - Behavioral incidences and hallmarks
- Brand strategy must be a vibrant interaction between you and your target market





Building a Brand: The Decisive Edge for Your Business

Building a brand is one of the most important things a small business will do:

- Marketing doesn't happen without a brand and sales
- We have already have a brand whether you know it or not!
 - A brand started when we open doors and sold our first product or service
 - People who contact your company has experienced your brand and formed an opinion about your business
 - Brand reputation is being formed and your firm's future is being determined!





The important question is: What do they think of you, and how it affect your sales?

- If you cannot answer this question, you have no control of your brand!
- Without control, your business is at the mercy of your competitors and other unseen forces in the market
- Your company will lose because you choose not to play the branding game!

Profitable companies understand how to build a winning brand!

Elements of A Brand

Benefits: the effect our product has on customers

Positioning: how different we are from our

competitors

Preference: the customers' propensity to buy

our brand

Customer Commitment: the ultimate result of our branding strategy, loyalty is built through brand contact and relationships

Pricing: represent value we offer to our customers

Distribution: how available our offer is?

Quality: this influences satisfaction

Presence: how prominent we are in the

marketplace, high or low profile?

Reputation: the market's opinion to your brand

Image: perceptions of your brand by buyers



Critical Branding Questions

Answer these to start building a brand that wins:

- What are the benefits of using your product and services?
- Does your product or service have an advantage over your competitors? If yes, what is it? And how does it benefit the customers?
- How do your competitors position their brands?
- What is your main competitors's marketing message?





- Do your competitors deliver on their marketing promises?
- Can that advantage be positioned into your brand identity?
- Is there a marketing niche that would benefit from your brand?
- Is your company name and logo descriptive and distinctive? Are there ways that it can be improved?
- What is your company's core message? And is your message clear and focused? Do your message connected to your target audiences?

Critical Branding Questions

- Do your competitors deliver on their marketing promises?
- Can that advantage be positioned into your brand identity?
- Is there a marketing niche that would benefit from your brand?
- Is your company name and logo descriptive and distinctive? Are there ways that it can be improved?
- What is your company's core message?

• And is your message clear and focused? Does your message connect to your target audiences?

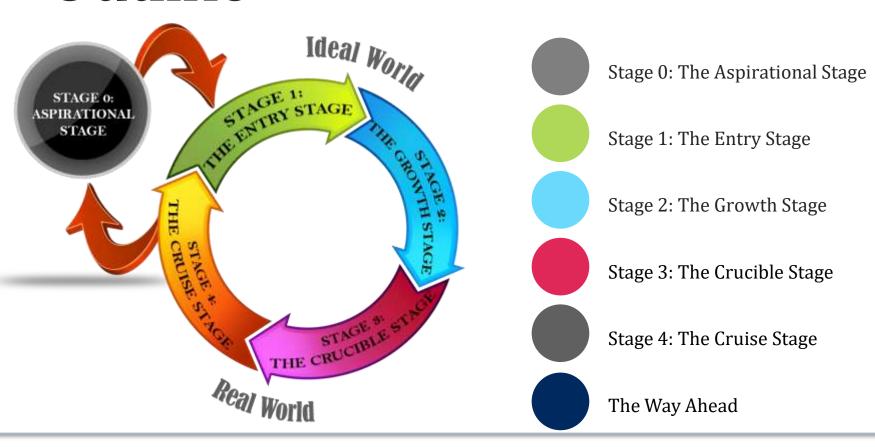




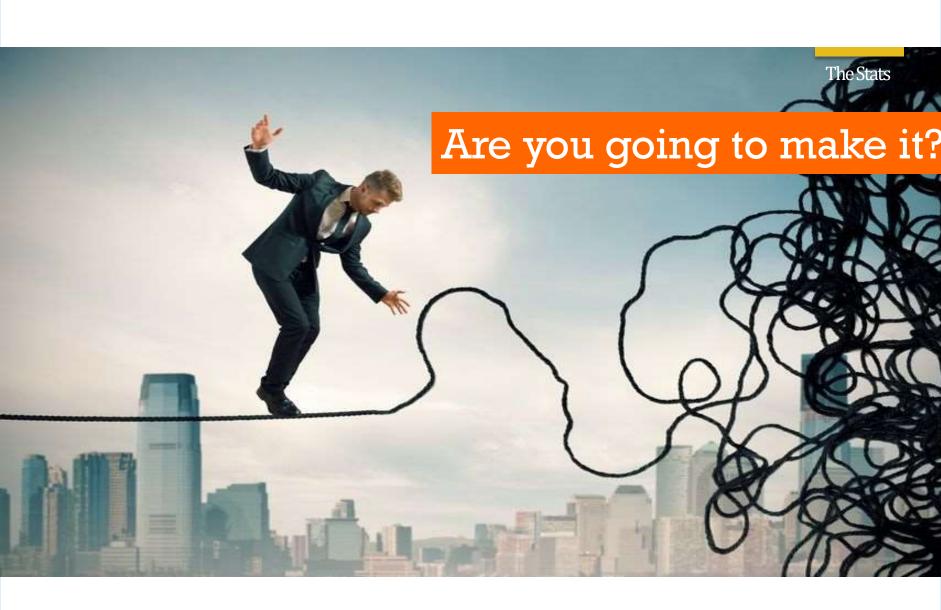


The Small Business Life Cycle

Outline









Most small business owners feel overwhelmed

by all the information they get about

how to grow their business.

- One expert says one thing,
 and another says something else.
- Best practices from last year are obsolete this year.

There is always more to do...

...than time and resources available to do it with.





Intro to the Stages of the Small Business Life Cycle

Small Business Life Cycle Overview

Every stage has:









Myth:

The farther through the cycle you get, the easier a time you'll have growing your business.

If you believe everything you read,

don't read.



Fact:

Every stage will have challenges.

Don't Give Up!

The Secret to Small Business Success

Take the right steps at the right time.

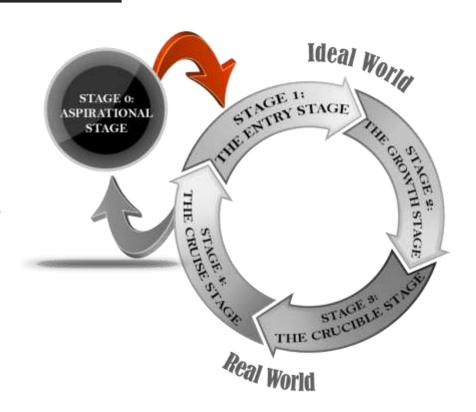


Stage 0: The Aspirational Stage

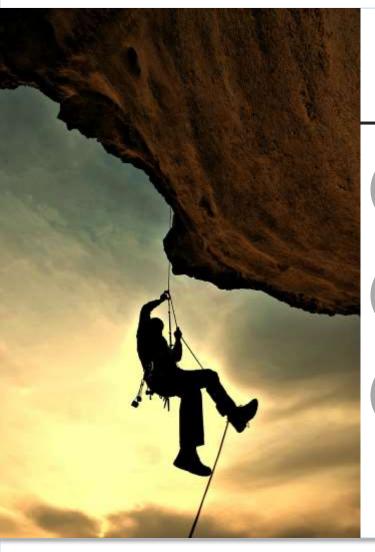
The Aspirational Stage

"Whenever you see a successful business, someone once made a courageous decision."

-Peter Drucker







Challenges

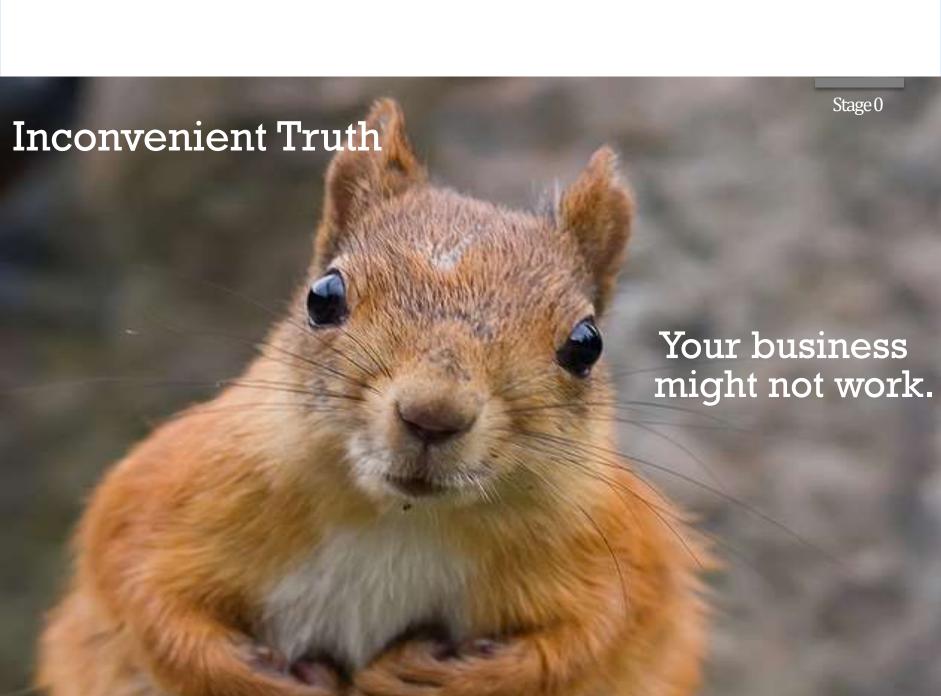
- Figuring out what business to start
- 02 Making the leap
- Overcoming the overwhelm around changing the world



Strengths

01 Energy 02 Hope 03

Anything counts as a win



The Way Ahead

Just Start.



What makes you come alive?

What are you natively good at?

Who fires you up?

04 What frustrations can you solve?

Pick one frustration and start generating solutions.

SnapClickTripod

NOTES:

Catalytic Moment

You try something and it

WORKS

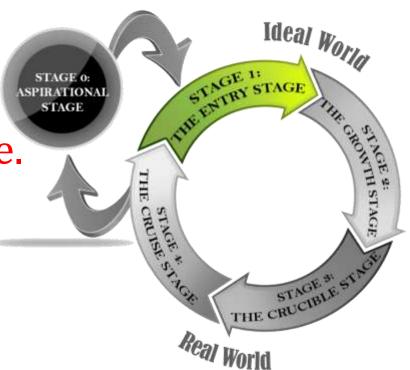
even if it's just a little bit.

Welcome to Stage 1: The Entry Stage

Stage 1 – The Entry Stage

"In the business world, everyone is paid in two coins: cash and experience. take the experience first; the cash will come later."

-Harold S. Green



In Stage 1 you get a little traction, but don't yet have a lot of customers, market share, or demand for what you do.

The Entry Stage is a Yes Stage

Take on too much work, work with anyone willing to work with you, and say yes to anyone who shows interest.

This is a natural part of the process of growing a business.



Challenges

- Having a little success does not mean you'll have sustainable long-term success
- 102 Talking about what you do
- 03 Undervaluing what you do

Strengths

You still have energy

Success High

Small wins count as huge wins because you are #winning

You're not too big to fail

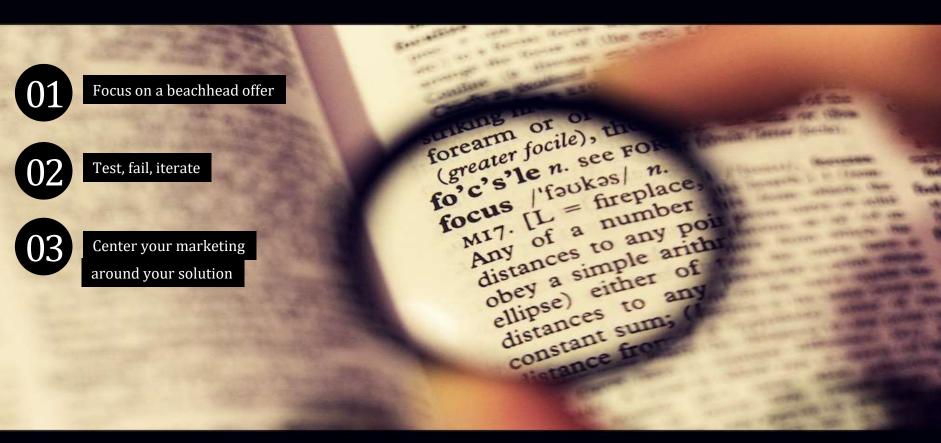
"Fail fast and fail often." -Seth Godin

At this stage, there aren't a whole lotta people watching.





The Way Ahead



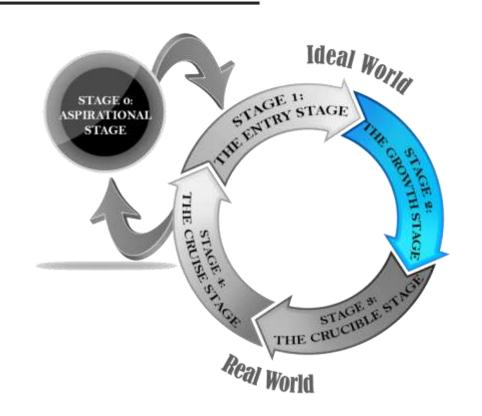


Welcome to Stage 2: The Growth Stage

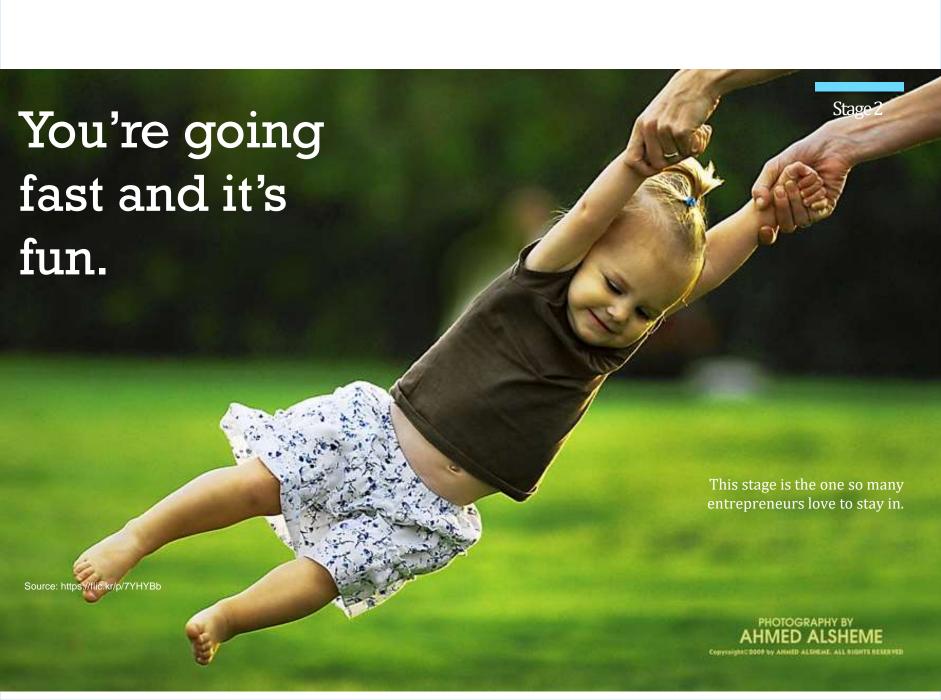
Stage 2 – The Growth Stage

"The success combination in business is: do what you do better... and: do more of what you do..."

-David Joseph Schwartz









Challenges

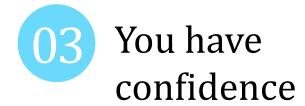
- 01 It's hard to hold on
- 102 You have too many ideas
- 03 You're not there yet



Strengths

01 It's fun

O2 There are lots of possibilities



Inconvenient Truth

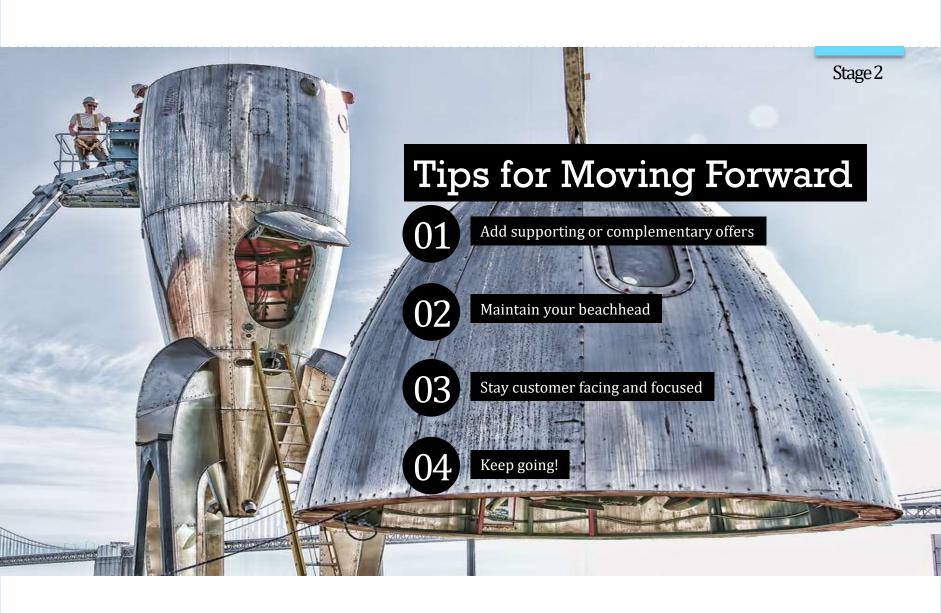
You can't keep going like this, or you'll burn out.



The Way Ahead

Focus on your specialty or niche.





Catalytic Moment

Market demand exceeds your ability to deliver.

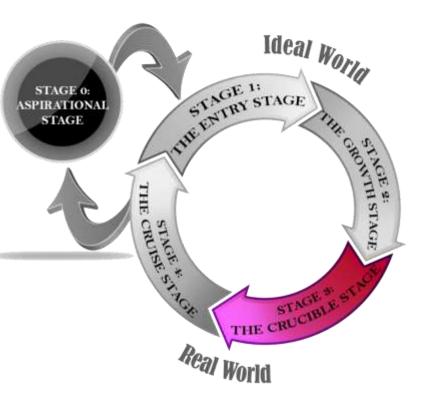


Welcome to Stage 3: The Crucible Stage

Stage 3 – The Crucible Stage

"The mark of a successful organization isn't whether or not it has a problem; it's whether it has the same problems as last year."

-John Foster Dulles



The First "No" Stage

This is everyone's least favorite stage because it is frustrating.

Seth Godin calls it "the dip."

The First "No" Stage

There is enough going for you that it's hard to quit, but not enough in place to continue indefinitely.



Challenges

- 01 You're tired
- 02 You need help
- O3 People are watching you now



- 01 You're a small giant
- You know what's working
- You're finally at home as an entrepreneur

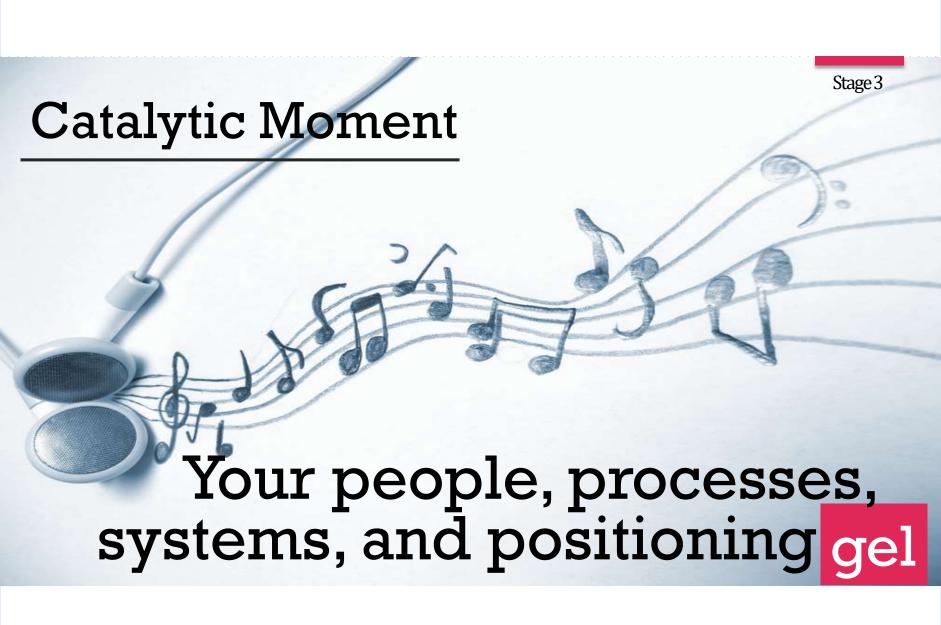


The Way Ahead

You need to get 4 key ingredients into place:

- people 03
 - systems
- 02 processes 04 positioning





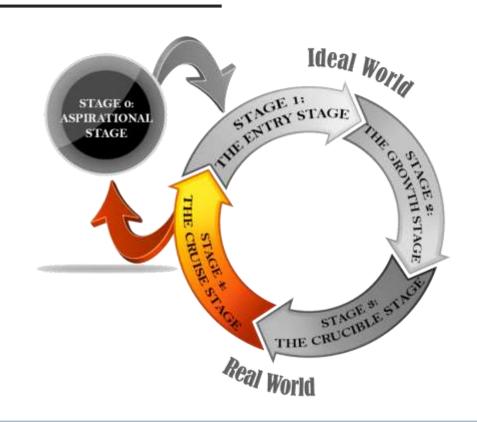
In life and business one size doesn't fit all

Welcome to Stage 4: The Cruise Stage

Stage 4 – The Cruise Stage

"Keep your eyes on the stars and your feet on the ground."

-Theodore Roosevelt



What happens at Stage 4?

All entrepreneurs do 1 of 3 things:

Any of these things will cause you to move back down to a previous stage.

new business model They lose a

critical

resource

They

implement a

They sell the business and start over



What is BSO?

A Bright and Shiny Object is a new project or potential project that key players in the business latch onto that alters the business's ability to operate.

Look for the words



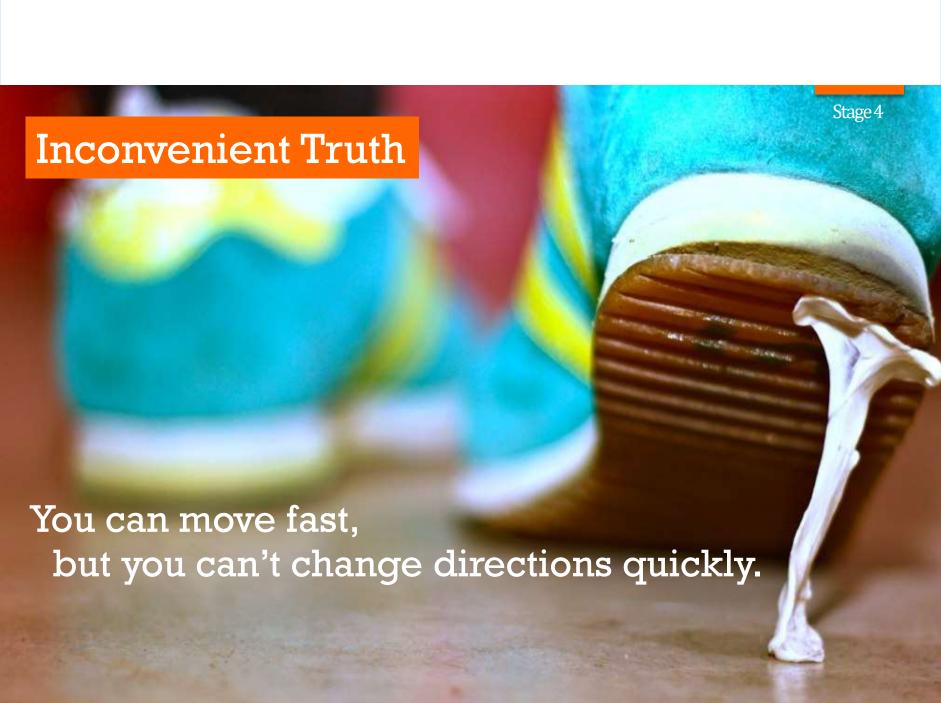




You're a well-oiled machine
You have leverage

03

Money and profit become secondary to your mission



The Way Ahead

01 Scale intelligently

02 Make your key players obsolete

03 Develop a BSO warning indicator



The Way Ahead





Your task as an entrepreneur trying to grow your business is to assess the resources you have NOW, and productively use them to solve the challenges of the day.



If you run out of problems to solve, you're either out of business or asleep at the wheel.



"A journey of a thousand miles begins beneath your feet."

-Lao Tzu

THANK YOU FOR YOUR ATTENTION......



YOU HAVE BEEN GREAT.....