



SAB FOUNDATION

IMPACT REPORT

Compiled for the period **January 2015** to **December 2019**

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1. ABOUT THIS REPORT

This report seeks to track and illustrate the impact of the SAB Foundation's programmes from 2015 until December 2019. This forms part of the foundation's commitment to annual impact assessment and transparent reporting.

Drawing on information gathered from participants of the SAB Foundation's key programmes, this report outlines progress in terms of income generation, job creation, business skills development and in some cases, social and environmental impact.

The programmes assessed in this report include the Tholoana Enterprise Programme, the Tholoana Enterprise Alumni Fund, the Social Innovation Awards, the Social Innovation Fund, the UCT Student Seed Fund, the Disability Empowerment Programme, and the Rural Catalyst and Micro-enterprise Programmes.





2. A NOTE FROM BRIDGIT EVANS, SAB FOUNDATION DIRECTOR

This impact report documents five years of SAB Foundation operations until December 2019. The SAB Foundation began closely monitoring its impact from 2015 and therefore has limited information regarding the impact of our activities prior to then. It is our firm belief that without measuring performance, it is not possible to understand whether an investment has added any value, so measuring underpins all that we do.

We realise that socio-economic development is not an exact science and that mistakes will be made along the way. We also experiment with new types of business models which we know are high risk, particularly in farming, so we play a hands-on role. By receiving constant feedback, we can learn lessons quickly, allowing continuous adaptation and improvement. Since entrepreneurs are our customers, we hold ourselves accountable to them by asking for their feedback regarding their engagement with us.

We publish these results to you, the public, for two reasons. Firstly, the SAB Foundation was set up to benefit the South African public, so we feel an obligation to be transparent. Secondly, we hope that this encourages others to measure and report on their impact so we can all learn from each other. Ultimately, those of us working in this space all share a similar goal of producing as much positive impact as possible. By learning from each other, we can fast track our progress towards successful interventions and, by extension, bring about an improvement to the overall quality of life for all South Africans. These results track our impact up until December 2019. Since then, with the outbreak of COVID-19, the world has changed dramatically, creating a lot of hardship for many entrepreneurs. As I write this at the end of July 2020, there is still so much uncertainty that I am sure that our impact study next year, which will take data from 2020 into account, will show very different results.

Like many South Africans, we have been working hard to stay in touch with businesses, offering them increased mentoring support and web-based training sessions. We also made R20 million available for COVID-19 relief to ensure that as many businesses as possible make it through this difficult time. Through the application process, we received a lot of valuable information from entrepreneurs and we have been overwhelmingly impressed by their resilience, adaptability and innovation during this time. It has reassured us of the fact that these entrepreneurs are such survivors and that most will get through this. Having reviewed this report, I am so pleased with the results. Almost all of the businesses we have supported are less than five years old. However, they have already achieved an average of 137% increase in turnover, despite South Africa's current economic slump. Encouragingly, there is a 95% business survival rate even though it is widely reported that only one in seven businesses make it past the first year.

I believe that the models of socio-economic development we are using are working and I am looking forward to seeing how many jobs these entrepreneurs are able to create and how much more they contribute to the economy as they mature. The quality of the social innovation we invest in holds so much promise in disrupting the way we address socio-economic challenges. It continues to be a privilege to serve all the amazing men and women we work with, which includes our partners.

Our hearts go out to all South Africans and people across the world struggling with the ongoing effects of COVID-19.

Bridgit Evans, SAB Foundation Director.



"The understanding that the SAB Foundation has shown for the social innovation space is unparalleled."

– Social Innovation Awards participant

"To be one of the very lucky few who were selected to participate in the SAB Foundation Tholoana Enterprise Programme was a major achievement, not only to me but also to my community. It means at the end of the programme I will be able to grow a viable or sustainable business, which will be able to employ more people and also be able to contribute to the economy of the country."

– Tholoana Enterprise Programme participant

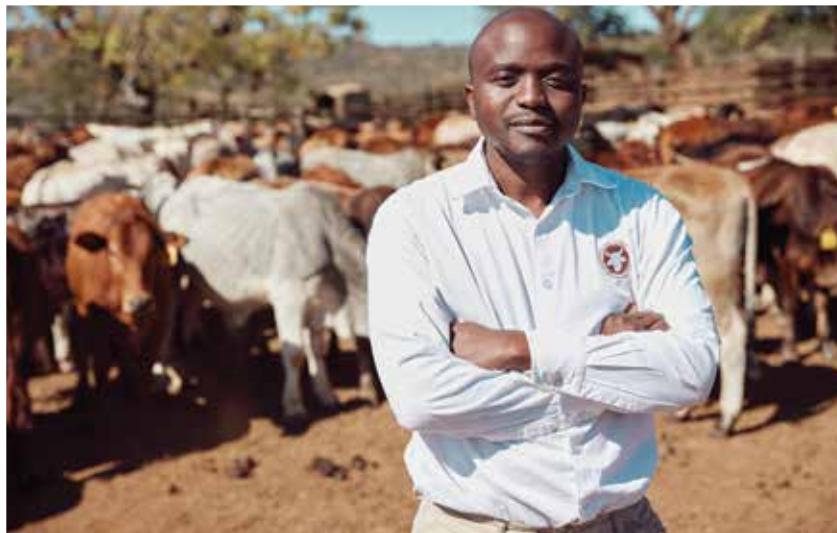
"This is one of the best, results driven programmes available. Well done."

– Social Innovation Awards participant



"The SAB Foundation has always been ready to provide mentorship where required, and the wonderful thing is, it is flexible to where we are in our business life cycle."

– Social Innovation Awards participant



3. INTRODUCING THE SAB FOUNDATION

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 business people. 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 rural areas, as well as persons with disabilities."

3.1 THE SAB FOUNDATION'S OVERALL IMPACT FROM ALL PROGRAMMES

The annual turnover of entrepreneurs on the SAB Foundations anchor programmes, namely the Tholoana Enterprise Programme and Social Innovation and Disability Empowerment Awards, went from roughly **R265 million** at inception to roughly **R627 million** as at December 2019, resulting in a turnover increase of 137%.

South Africa has one of the highest rates of dependency in the world, where every working person supports themselves and at least three other people. According to Old Mutual's¹ Savings and Investment Monitor, non-working families increasingly look to breadwinners for financial assistance. The 10X Investments' latest Retirement Reality Report² also notes that a working person has the added financial pressure of supporting older family members, such as parents and siblings, as well as their own children. However, dependency is not limited to family, and employees often also support other jobs through their work. Research suggests that each direct worker is associated with more than four³ supply chain jobs.

Interestingly, responses from the SAB Foundation's annual surveys have indicated that each entrepreneur lives with between one and eight people whom are financially dependent on the income their businesses bring in every month. As such, the SAB Foundation conservatively estimates that, if each of the **8 543** people employed by their entrepreneurs supports four people, then the foundation has indirectly supported **34 172** people.

¹ Old Mutual Investment and Savings Report, 2019

² 10X South African Retirement Reality Report, 2019

³ Alex MacGillivray¹ and Aneese Lelijveld: Measuring the Indirect Impact of Businesses in an Investment Portfolio: a job estimation tool, July 2019.



FEEDBACK FROM COVID-19 RELIEF FUNDING

"The SAB Foundation never ceases to amaze us. This will help keep the lights on. May God bless the SAB Foundation team."

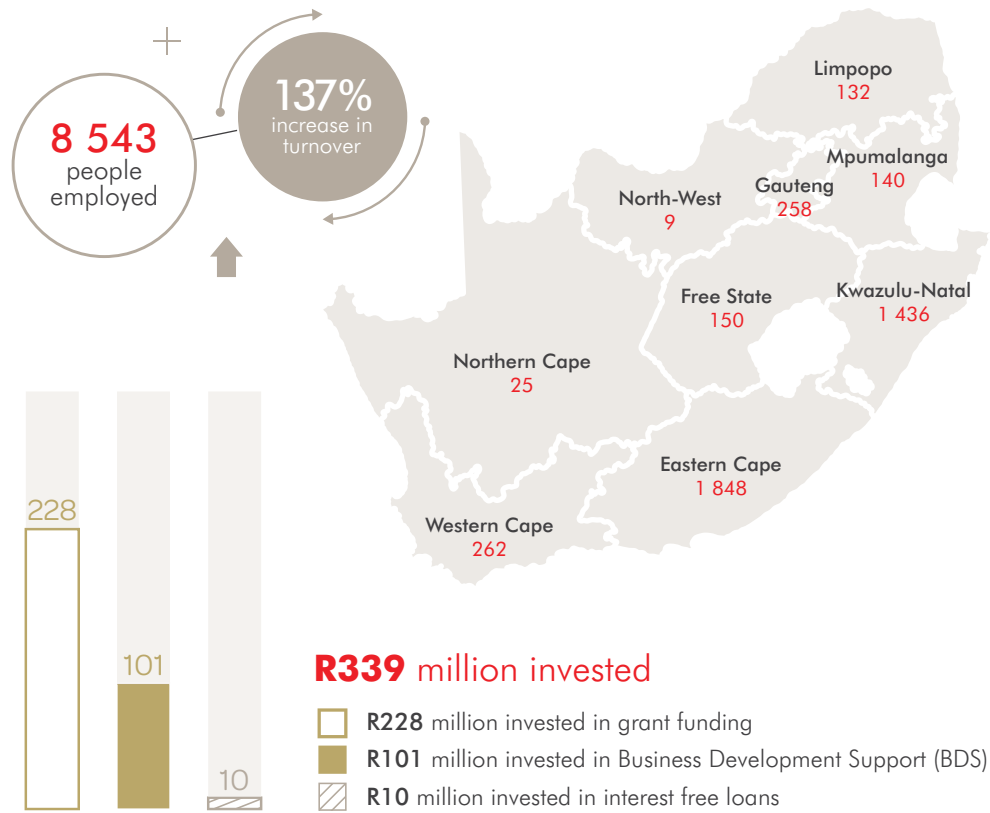
"This must be the highlight of 2020, thank you for putting a smile on my face."

"I am truly blessed by the generosity and compassion so often displayed by the SAB Foundation team."

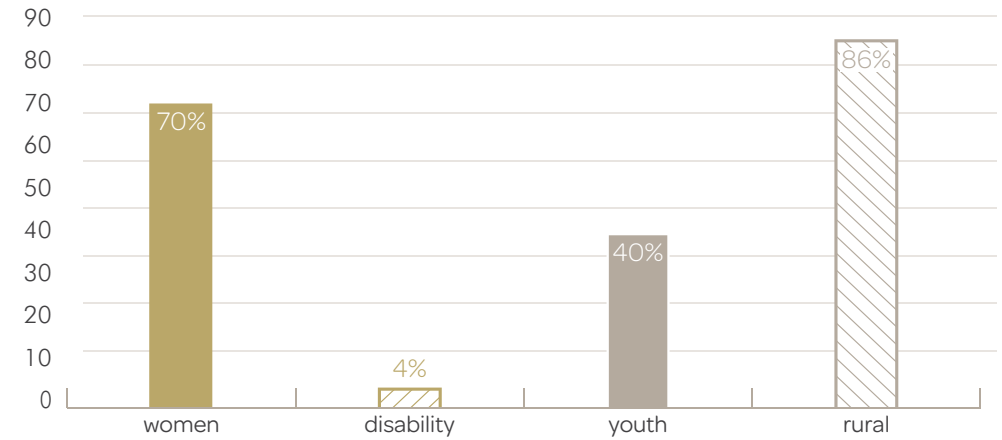
"We have heartfelt joy, thanksgiving and humility for the journey we have travelled with the SAB Foundation, from day one as a finalist in the SAB Foundation Social Innovation Awards way back in 2012. Your support, your dedication, your love and leadership has taken us so far."

"From the bottom of my heart, thank you so much to the SAB Foundation for your astounding contribution and support to a worthy cause."

National footprint in all nine provinces:



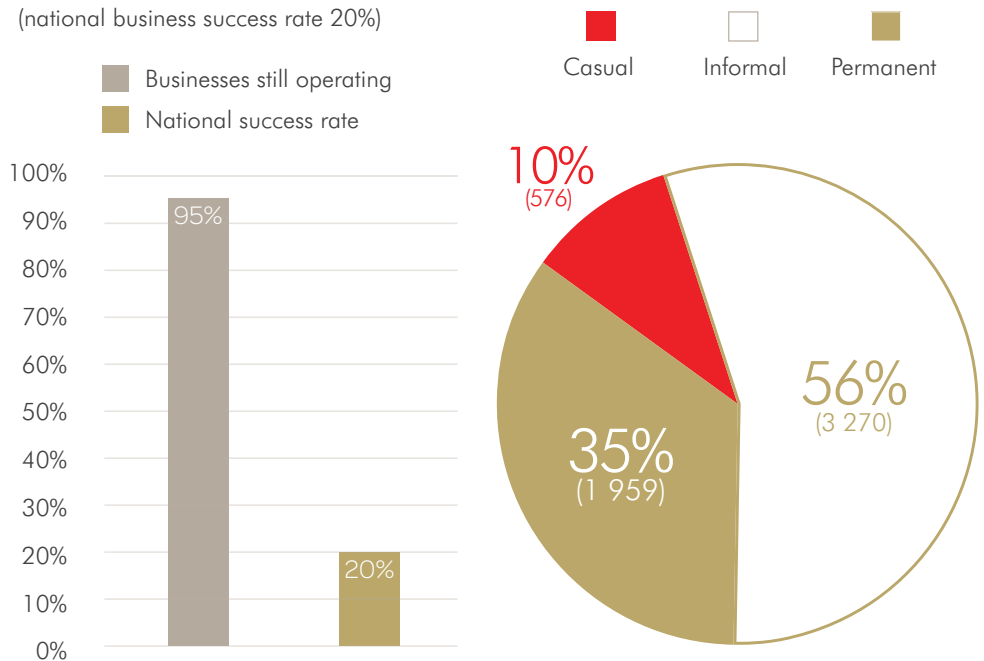
Entrepreneur demographics:



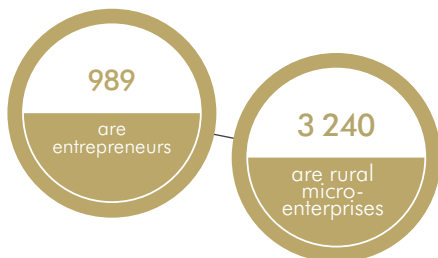
Over 95% of businesses are still operational after up to five years

(national business success rate 20%)

New jobs created:



4 229 entities supported, of which:



Entrepreneurs collectively employ 8 543 people, of which:





4. THE THOLOANA ENTERPRISE PROGRAMME

The SAB Foundation's Tholoana Enterprise Programme was implemented in 2015 and is a carefully designed two-year programme that assists small businesses to grow. The programme includes extensive entrepreneurial skills development, mentorship, access to tools and templates, and financial support. The unique aspect about the programme is that it focusses extensively on businesses that are outside the major metropolitan areas, as they have limited or no access to support and opportunities. As such, the Tholoana Enterprise Programme is one of the very few supporters of rural businesses and businesses that are outside of major supply chains. Although one of the goals is to assist these businesses in accessing corporate supply chains, often they also provide goods and services to geographic areas in which they were previously unavailable.

It has been encouraging to see how many of these businesses thrive, while also creating a significant social impact. A couple of examples include swimming schools, which cater for people with disabilities, as well as pharmacies and radiology clinics. Something as simple as an internet and print shop in a rural area makes a significant contribution, providing access to a computer, a place to print CV's and a place to complete and submit distance learning assignments. This further helps by eliminating the need for long commutes, often 50 kilometres or more, putting significant funds back in the pockets of those who need them the most. From 2011 to 2015, the SAB Foundation had a Tholoana Enterprise Fund, which provided once-off funding to 197 entrepreneurs. The SAB Foundation only began measuring its impact in 2015, so little is known about the impact of the this fund. However, as part of her masters research dissertation, University of Johannesburg student, D.B. Tlou, reported on the fund, as at the end of 2015.

According to this research, 98% of respondents indicated that the fund had a moderate to major effect on the continued existence of their businesses, while 84% of respondents indicated that the fund had a moderate to major effect on increasing employee numbers. Furthermore, 89% of respondents indicated that the fund had a moderate to major effect on increased profits in the business and 87% of respondents indicated that the fund had a moderate to major effect on increased revenue in the business.

4.1 THOLOANA ENTERPRISE PROGRAMME IMPACT

Over **R157 million** in grant funding and business support has been deployed to support **473 entrepreneurs**.

Of the 473 entrepreneurs, 197 are from the Tholoana Enterprise Fund, which ran from 2011 to 2015, and **276 are from the current Tholoana Enterprise Programme**.

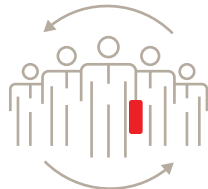
The SAB Foundation tracked 268 Tholoana Enterprise Programme participants from six cohorts between 2015 and 2019 to determine their impact:



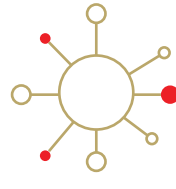
1 613 jobs sustained



832 new jobs created, an increase of 52%



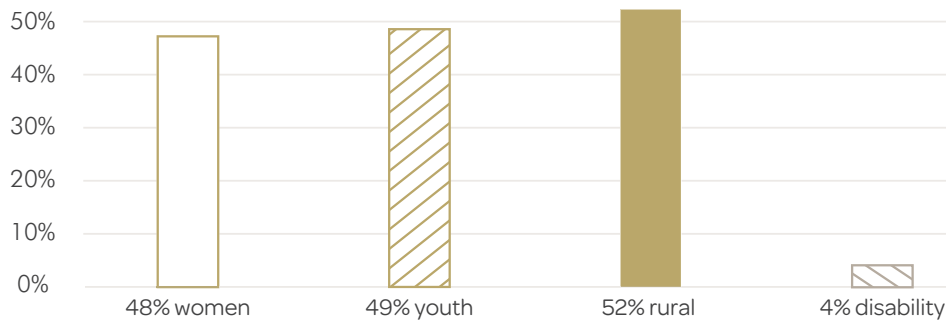
Businesses collectively employ 2 445 people



Indirectly supports 9 780 people

- Turnover went from roughly **R 170 million** at inception to roughly **R 315 million** as at December 2019, resulting in a turnover increase of **85%**.
- Lived poverty measures a number of different indicators, including shelter, clean water, nutrition, electricity, cash income, medical treatment, fuel to cook and money to send children to school. Average levels of lived poverty decreased by **16%** from inception to **2019**.
- There was an average overall increase of **26%** in business skills and knowledge amongst entrepreneurs from year one to year four.⁴

Demographics of Tholoana Enterprise Programme participants



⁴ For a full report on entrepreneurs' Lived Poverty Indicators and Knowledge & Skills please see our Tholoana Enterprise Report.





"So grateful for the opportunity to be part of this programme. Sometimes we just need to be seen to keep on going. We just need that one person to say, "wow, this could work. Keep on going, don't give up."

– Disability Empowerment Awards participant



"This programme is a lifeline to so many and should in no way be tinkered with. A successful recipe if ever there is one. Hopefully I will be able to be among those who have successfully taken their products and innovations to market, making this world we live in a better place for all."

– Social Innovation Awards participant

"The programme is wonderful as is. I learned a lot on Business Model Canvas and I now know how to test a business idea before I invest a lot of resources on developing the idea further. I also learned about the importance of Human Centered Design, such as prospective customer involvement in the early product development phases.

The mentorship is priceless. Most of us get into business with raw talent, the mentor or the business coach is able to fine tune that raw talent. They also assist the entrepreneur to download what is inside their mind and put it into documented business systems so that the business doesn't have to rely on the entrepreneur for its survival."

– Social Innovation Awards participant

"This programme is making a positive contribution to our society, and I appreciate being associated with the programme, and being able to benefit from it."

– Social Innovation Awards participant





4.2 THOLOANA ENTERPRISE PROGRAMME ALUMNI FUND

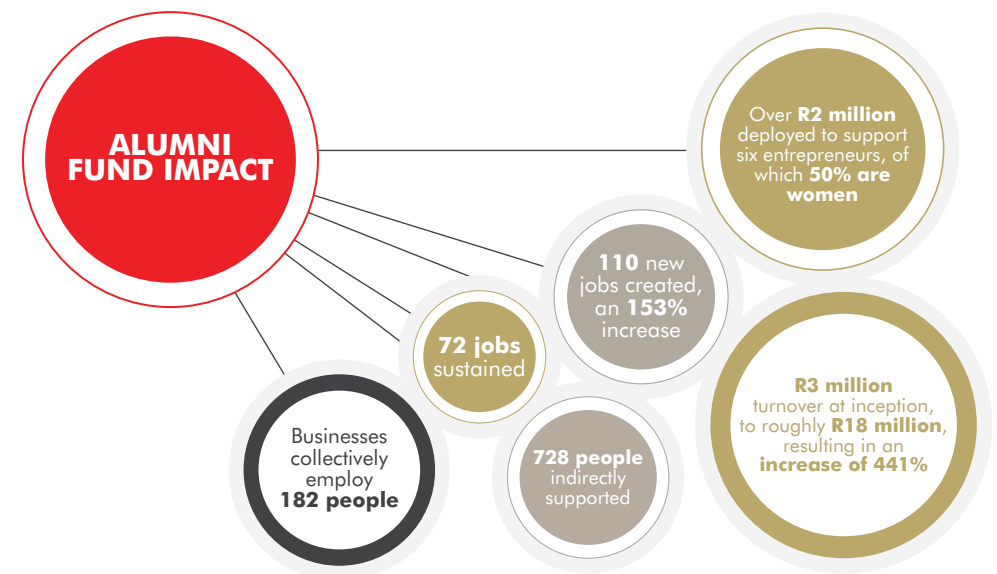
Responses from our annual surveys identified access to further funding as a challenge. To address this, the Tholoana Enterprise Programme Alumni Fund was launched in 2019. It is a fund that allows selected Tholoana Enterprise Programme alumni to access further support in the form of grants and interest-free loans, provided that they meet certain criteria.

The aim of this growth fund is to further increase participants' turnover and create as many new jobs as possible.

Funding terms are determined on a case-by-case basis according to the cash flow cycles of the business. Most commercial banks do not offer bridging finance or capital investment to small and medium-sized enterprises (SMEs) as it is considered too risky. Interest charged to SMEs by financing houses can be as high as 36%.

This offering has been put in place to assist SMEs fulfil a new contract or invest in capital for a growing business.

4.3 THOLOANA ENTERPRISE PROGRAMME ALUMNI FUND IMPACT:



4.4 CASE STUDIES

4.4.1 TEHILAA GOLDEN BAG CC, FOUNDED BY CHERILYN LUCENA

Cherilyn Lucena is the founder and director of a clothing factory, Tehilaa Golden Bag CC, based in Thaba Nchu, Free State. From a young age, Cherilyn knew she would end up in the textile industry as she always enjoyed making her own clothes. Prior to opening her own factory in 2010, Cherilyn worked as a manager in a local factory where she acquired many of the skills and the knowledge required to run a successful business. For the past 10 years, she has worked tirelessly to grow her enterprise and today she is a proud supplier to major South African clothing shops, including Pick n Pay Clothing, Mr Price and Ackermans.

In 2010, she bought second-hand machinery from an auction and employed 33 people to work at her small start-up factory. She remained hungry for more, confident in the knowledge that there was a demand for her services. However, she lacked the funds for brand new machinery and the business skills required to expand her business. She applied for the two-year SAB Foundation Tholoana Enterprise Programme and, in 2017, she was accepted, receiving business training, mentorship and R220 000 in funding. This enabled her to replace her old sewing machines with new, modern ones and also purchase more fabrics for the factory, allowing her to work faster and take on more orders from clients.

After graduating from the Tholoana Enterprise Programme, Cherilyn applied for the Tholoana Enterprise Programme Alumni Funding. She received grant and loan funding which she used to open a second factory in the same area. She was also able to buy brand new sewing machinery and fabrics as well as hire more employees to work in the new factory.

Before being part of the Tholoana Enterprise Programme, Tehilaa Golden Bag CC had a yearly turnover of R3 million. However, after graduating, Cherilyn has managed to tremendously grow her yearly turnover to more than R12 million, an increase of 400%. From opening their second factory, they have been able to accept more bulk orders from retailers and fast track productivity. Currently Tehilaa Golden Bag CC has 88 permanent employees and 25 casual workers.

Over the next few years, Cherilyn plans on opening more factories in rural areas to create vital employment, while further growing her business to be one of the leading trusted suppliers to major clothing retailers in South Africa.



“I have seen the poverty that many people live with here in the Free State. Creating employment for people in rural areas is what gets me up from bed each morning and also keeps me motivated to grow this business even bigger.”

– Cherilyn Lucena, Founder of Tehilaa Golden Bag CC.

"I want to show other young people that there is power in youth and that young people are capable of doing great things that can change the country and contribute to the local economy. Many young people, especially in rural areas, have lost hope in life as we face a lot of difficult challenges. I want to encourage them to believe in themselves and turn their passion into something they could benefit from and also create opportunities for other people."

– Thabiso Mncwabe, Founder of Twin Twice Tissues.



4.4.2 TWIN TWICE TISSUES, FOUNDED BY THABISO MNCWABE

Thabiso Mncwabe is the founder of youth-owned entity, Twin Twice Tissues, based in Greytown, KwaZulu-Natal. Thabiso started his business after realising that there were not many affordable locally manufactured products for people in rural areas. He sought to address this issue through the creation of his own toilet paper manufacturing company, which could also tackle the high unemployment in rural areas. Today, Twin Twice Tissues is a proud supplier to a number of major outlets in KwaZulu-Natal, including Spar grocery stores that are located in the province.

When Thabiso started his business, he did not have sufficient capital to bring his vision to life, so he approached a number of business funding programmes for assistance. This helped him acquire the start-up capital he needed to secure factory space, machinery and raw materials. He also got the opportunity to attend a six-week course during which he learned the fundamentals of running a business and manufacturing toilet paper.

When he started, he only had five employees who worked in his factory in Greytown. However, as the years progressed, the demand for Twin Twice Tissues increased due, in part, to the government improving sanitation in rural areas and building flushing toilets. Thabiso realised that he needed to expand his business to cater for this growing demand and applied to the SAB Foundation Tholoana Enterprise Programme. In 2017, he was accepted and, as well as business skills development and mentorship, he received R200 000 in funding which he used to buy a business vehicle to assist with the procurement of raw materials, as well as toilet paper deliveries.

After graduating from the Tholoana Enterprise Programme, Thabiso applied for the Tholoana Enterprise Programme Bridging Finance. He obtained a loan of R1.1 million which he used to purchase additional machinery and raw materials, as well as open a second manufacturing factory in Pietermaritzburg.

After participating in the programme, Thabiso was able to increase sales by 150% and employ more people to work at both factories. To date, he has four company vehicles, has created 26 new jobs and has a yearly turnover of R4 million. With the SAB Foundation's assistance, he was also able to build his client base and is now a supplier to various retailers in the province, as well as being a part of Unilever's Janitor Programme.

The business training he received as part of the Tholoana Enterprise Programme was a highlight for Thabiso, and he credits it for helping him build his business into the credible company it is today. His business efforts were recognised when he received a Presidential Award and today Thabiso is a mentor to promising young entrepreneurs in his community.



"From opening in May to June, we grew our revenue by 20%. From June to August we grew revenue by 111%, and from August to October revenue grew by 24%. Revenue over the entire six month period grew by 213%. We have also achieved great recognition from the schools we have marketed our services in. The Department of Education is aware of our service and has endorsed it. We have secured office space, which was our main challenge, and we have managed to brand ourselves professionally which has increased our visibility. We have achieved fair to good media coverage."

– Tholoana Enterprise Programme participant

"Since starting with the Tholoana Enterprise Programme, we are now able to close the gaps, especially with the general running of the business and the costing of the products."

– Tholoana Enterprise Programme participant



"Of all the programmes that support entrepreneurs, the SAB Foundation is the most genuine. They really do care and do not want to just tick a box or perpetually incubate you or tick their incubation scorecard."

– Social Innovation Awards participant

"Honestly at this point I am still incredibly overwhelmed at the support we have received. I appreciate that it's more than just the seed grant, for me you took a chance and invested in my success."

– Social Innovation Awards participant



5. THE SOCIAL INNOVATION AND DISABILITY EMPOWERMENT AWARDS

The Social Innovation and Disability Empowerment Awards seek to find, support and scale business innovations that help solve a social problem.

The SAB Foundation looks for innovative products, services, business models and processes that directly address the challenges faced by low-income women, youth, people living with disabilities, or people living in rural areas.

This programme is focused on idea and startup phase and awards can range from R200 000 to R1 300 000, along with business development support and tailored mentoring to assist with venture growth.

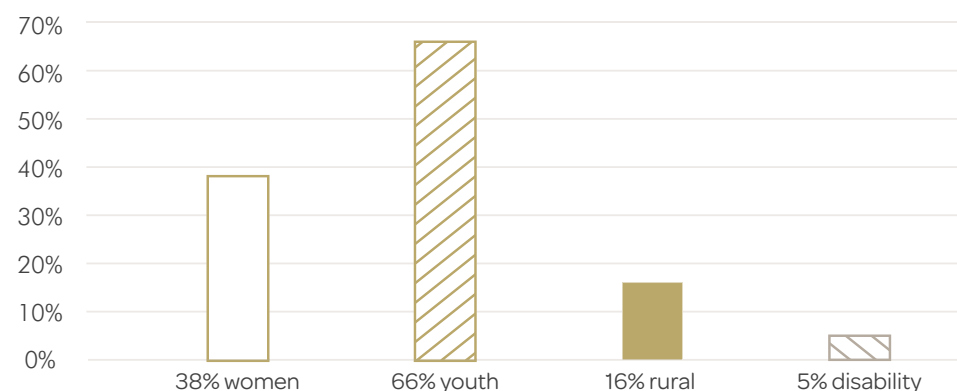
JUDGING CRITERIA

- Originality: how innovative is the solution, and is it a significantly new business model, technology, product, service or production method?
- Social impact: can the innovation solve a serious social problem which affects the SAB Foundation target groups?
- Viability: to what extent is the innovation/solution commercially viable, to ensure its sustainability?
- Job creation: is there potential for the creation of direct and indirect sustainable jobs currently or in the future?

5.1 SOCIAL INNOVATION AWARDS IMPACT

Over **R44 million** has been deployed in grant funding and business support, to support **122 social innovators**. Each innovator focuses on solving a social problem in sectors such as housing, healthcare, education, social services, disability, energy, water and sanitation, community safety and security, job creation, agriculture, recycling and financial inclusion.

Demographics of Social Innovation Awards winners:



Turnover went from **R95 million** at inception to **R314 million** as at 2019, resulting in a turnover increase of 228%.





5.2 SOCIAL INNOVATION FUND AND ACCELERATOR

In 2017, the SAB Foundation created a new accelerator and fund. The Social Innovation Fund and Accelerator is open to all previous winners of the Social Innovation and Disability Empowerment Awards and allows social innovators to access a business accelerator and further funding to enable them to grow.

The fund was established in response to there being a national “missing middle” of growth phase funders for social innovation in South Africa.

It aims to address key challenges experienced by social entrepreneurs including, amongst others: identification of and securing access to target markets; a clear revenue generation model, financial plan and strategic direction; and difficulty in securing access to capital to fund growth in either capacity or different geographies.

The SAB Foundation hopes that the impact achieved through this fund will encourage others to provide growth phase funding for this important work.

The aim is to ensure that once this intervention is completed, social innovators will be ready to attract other more commercial investors. Encouragingly, feedback from the South African Venture Capital Association and other early stage finance providers indicate that this strategy is working.



Primary application criteria

The primary criteria that is used to shortlist the applicants beyond stage development includes:

- Use of previously awarded SAB Foundation grants and the progress made after receiving this support.
- The strength and experience of the management team and the precedent set by the team in terms of co-operation, achieving business goals, and developing a cohesive value proposition.
- Ability of the business to be commercially viable and create long term and sustainable value through social or environmental impact.
- The social or environmental issue the business is addressing; how material is this issue; and what impact will the business have on it.
- Whether the business model is scalable and replicable i.e. whether it has got a business model that can be followed in different geographies.
- Likelihood of the business to benefit from the business accelerator.
- The potential of the business to create jobs.
- Whether or not the business has complied with previous reporting requirements set out by the SAB Foundation.



5.3 SOCIAL INNOVATION FUND AND ACCELERATOR IMPACT

Over **R27 million** has been deployed to support **26 social innovators** from the following sectors, amongst others: health and medical, recycling, manufacturing, education and environment.

Demographics of Social Innovation Fund and Accelerator recipients



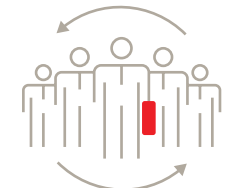
Job creation and turnover



161 jobs
sustained



195 new jobs created,
an increase of 120%



356 people
collectively employed



1 424 people
indirectly supported



Entrepreneurs' turnover increased by
195% from R29 million to R86 million



“The SAB Foundation funding was the first funding we received to take our project further. It enabled other funders to feel more confident in supplying additional funding.”

– Social Innovation Awards participant

“I have been recognised for good service in my district. I am able to gain new customers in every local municipality I visit and, on top of that, I gain referrals.”

– Tholoana Enterprise Programme participant

“With the SAB Foundation funding we were able to prepare land for farming and running our pilot activities on a 50 hectare plot, by clearing the land and fencing 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 or 30 000 square meters and some of it will be due for harvest by November 2020. The farm currently has eight labourers. We have also expanded our technical team for the development activities.

We have hired an agricultural science 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 have been a wild dream.”

– Social Innovation Awards participant

“My biggest achievement in the past 12 months is being able to create employment and seeing my employees happy and enjoying coming to work. I have also been happy to be on social media, seeing people responding and recommending my business to others. I’ve seen myself being stretched in terms of manufacturing products that are outside the scope of the company.”

- Tholoana Enterprise Programme participant

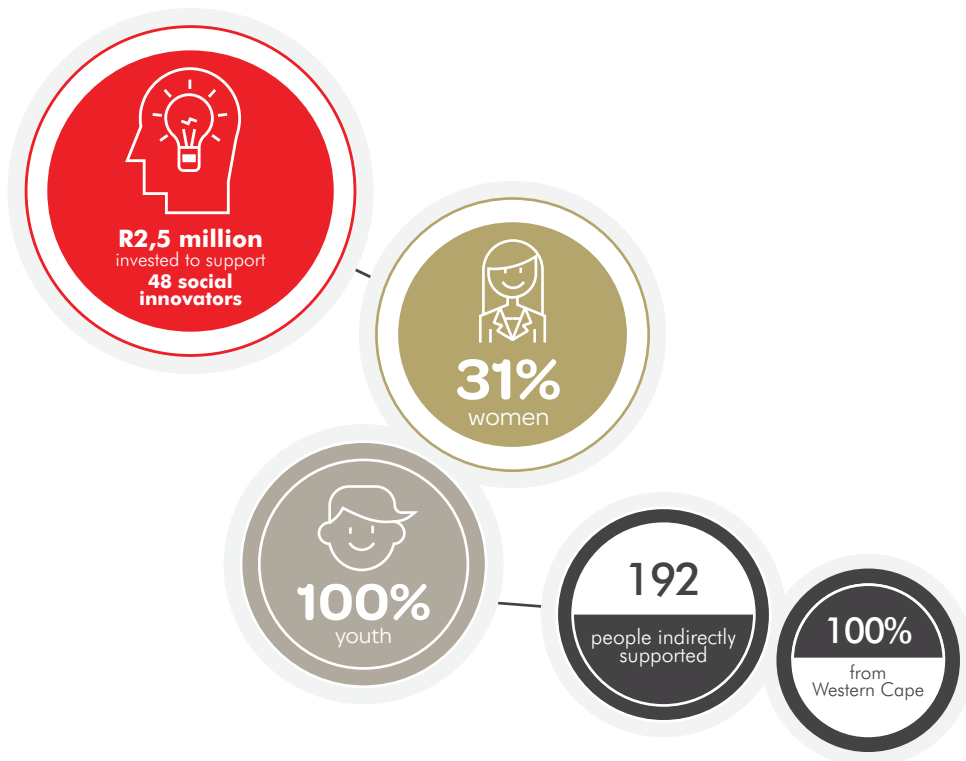


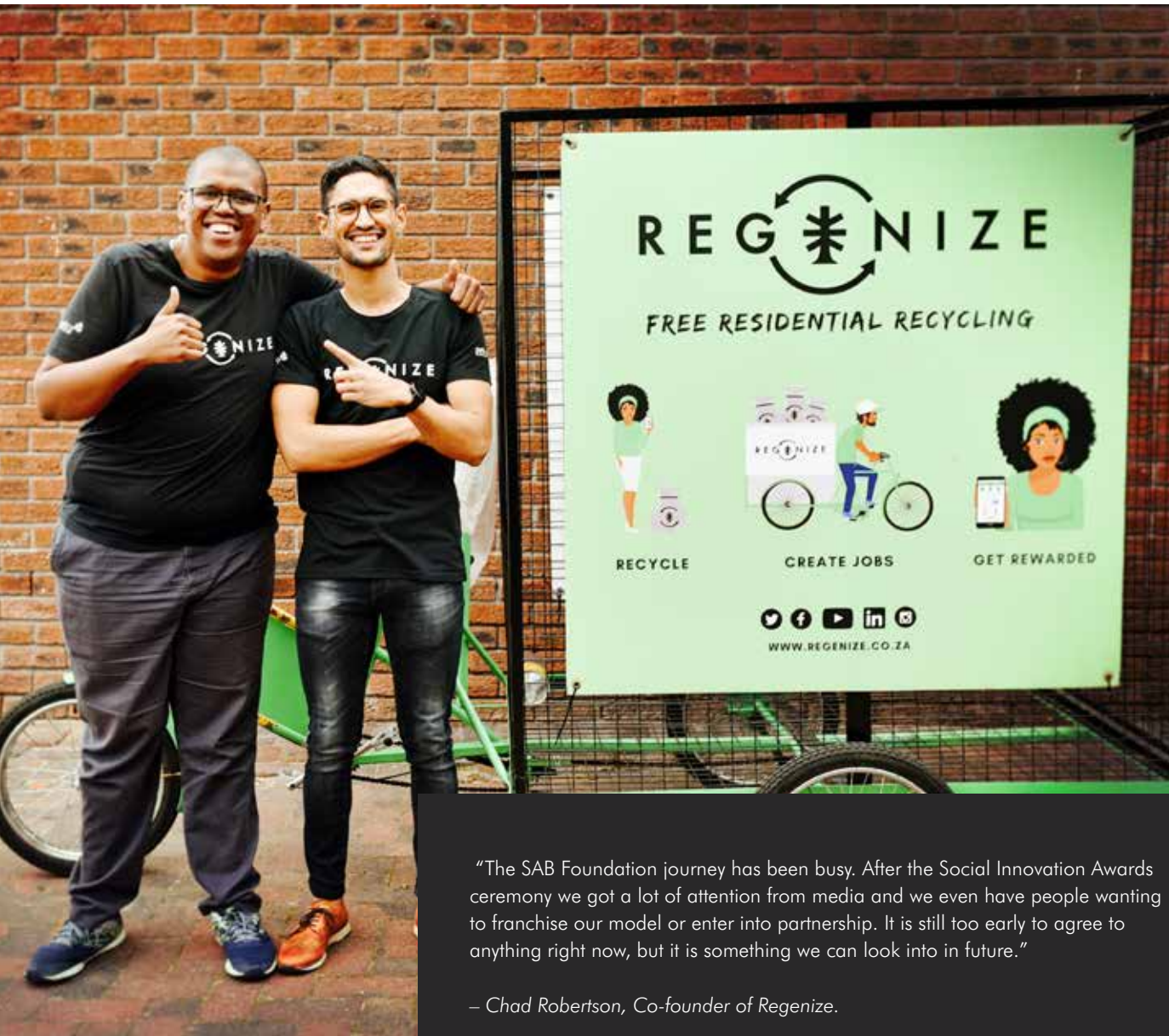
5.4 UNIVERSITY OF CAPE TOWN STUDENT SEED FUND

Since 2015, the University of Cape Town (UCT) Graduate School of Business' Bertha Centre for Social Innovation and Entrepreneurship has successfully collaborated with the SAB Foundation in designing and implementing a social enterprise seed fund, which is open to both current students and recent UCT alumni. It is important to note that the seed fund is an excellent pipeline for the main Social Innovation Awards programme.

Thanks to the impact achieved through this fund, in 2019 the SAB Foundation expanded this programme to other universities. Work has already commenced at the University of Limpopo, with the University of Zululand and University of Venda also in the pipeline for funding.

5.5 UNIVERSITY OF CAPE TOWN STUDENT SEED FUND IMPACT





“The SAB Foundation journey has been busy. After the Social Innovation Awards ceremony we got a lot of attention from media and we even have people wanting to franchise our model or enter into partnership. It is still too early to agree to anything right now, but it is something we can look into in future.”

– Chad Robertson, Co-founder of Regenize.

5.6 CASE STUDIES

5.6.1 REGENIZE, FOUNDED BY CHAD ROBERTSON AND NKAZIMLO MITI

Social entrepreneurs Chad Robertson and Nkazimlo Miti, founders of Regenize, came up with the idea for creating a free recycling service that incentivises recycling by exchanging it with a virtual currency called Remali.

Remali can be used to buy groceries and airtime. Regenize also partners with waste pickers to collect recyclables from households and provides them with uniforms, transport and mobile devices.

In 2018, Regenize applied to the SAB Foundation’s Student Seed Fund and they were awarded R100 000. With the funding, they were able to run a pilot, which then allowed them to validate assumptions and to raise more money to grow the pilot. With the seed fund acting as a pipeline for the main Social Innovation Awards Programme, Regenize was then awarded R1.3 million at the 2019 Social Innovation and Disability Empowerment Awards.

With the award grant, Regenize plans to expand its services to more communities, providing recycling services to further households in Cape Town, as well as creating better working conditions for their waste pickers. The funds will allow them to employ a full team to assist in the management of the business.

They have implemented their services in various communities in Cape Town and currently provide recycling services to over 22 000 households. They have also partnered with 40 waste pickers, employ 10 people and have an annual turnover of just over R212 000. In the next year or two, Regenize plans to grow their business and expand their offering to other cities and communities in Cape Town.

5.6.2 TECHNOVERA (PELEBOX), FOUNDED BY NEO HUTIRI

In 2014, Neo Hutiri was diagnosed with TB. As a patient collecting medication at his local clinic, his original challenge was not just the disease itself but also losing so much time while queueing for medication. Technovera was founded in 2015 with a mission to develop, promote and scale inclusive technologies to solve access to healthcare challenges in African low-income communities. The Pelebox Smart Locker was conceived as a solution to allow patients to avoid long queues at clinics, often compromising employment, and to help ensure that they collect medication quickly and stick to their treatment cycle.

In 2016, the organisation was awarded R400 000 at the SAB Foundation Social Innovation Awards. They went on to develop the first commercial Pelebox Smart Locker for chronic medication collection and ran a controlled pilot in partnership with the City of Tshwane and the National Department of Health in Mamelodi. In the pilot, the organisation reached over 11 500 patient collections with an average collection duration of 22 seconds over 12 months. Following the success of the pilot, Technovera has been able to secure a national contract to scale in eight provinces (excluding the Western Cape). The social enterprise has sold 13 Pelebox Smart Lockers in 13 townships through partnerships with The Aurum Institute, City of Tshwane, and City of Ekurhuleni, impacting 8 673 patients per month. Currently, Technovera only manages and operates one Pelebox, and has shifted its business model towards operating the lockers as part of its commercial sustainability plan.

As part of assisting entrepreneurs during COVID-19, the SAB Foundation granted Technovera R1 500 000 in funding for an expansion plan to respond to a Department of Health contract. Technovera is planning to use the fund to scale its operations by establishing and operating an additional 10 Pelebox Smart Lockers. This funding will establish a minimum viable system of 10 (or more) Pelebox Pick-Up-Points to reach 11 120 additional patients per month, across 10 geographically close township communities.

Before joining the SAB Foundation, Technovera employed three people and was not generating any income. As at December 2019, they now employ six people and have an annual turnover of R1.4 million.



“The SAB Foundation 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. This enabled me to focus on building for value, instead of building just for innovation.”

– Neo Hutiri, Founder of Technovera.



“The mentoring support has been invaluable. It has allowed us to gain insight on our innovation and view it from an external, objective perspective. This has enabled us to ask different questions and explore and pursue new territory.”

– Social Innovation Awards participant



“The ongoing mentoring has helped us to look at our strategy and business model critically and improve it as we gain more insight. It’s also been super helpful in proposal writing and defining our value proposition to all our different partners.”

– Social Innovation Awards participant

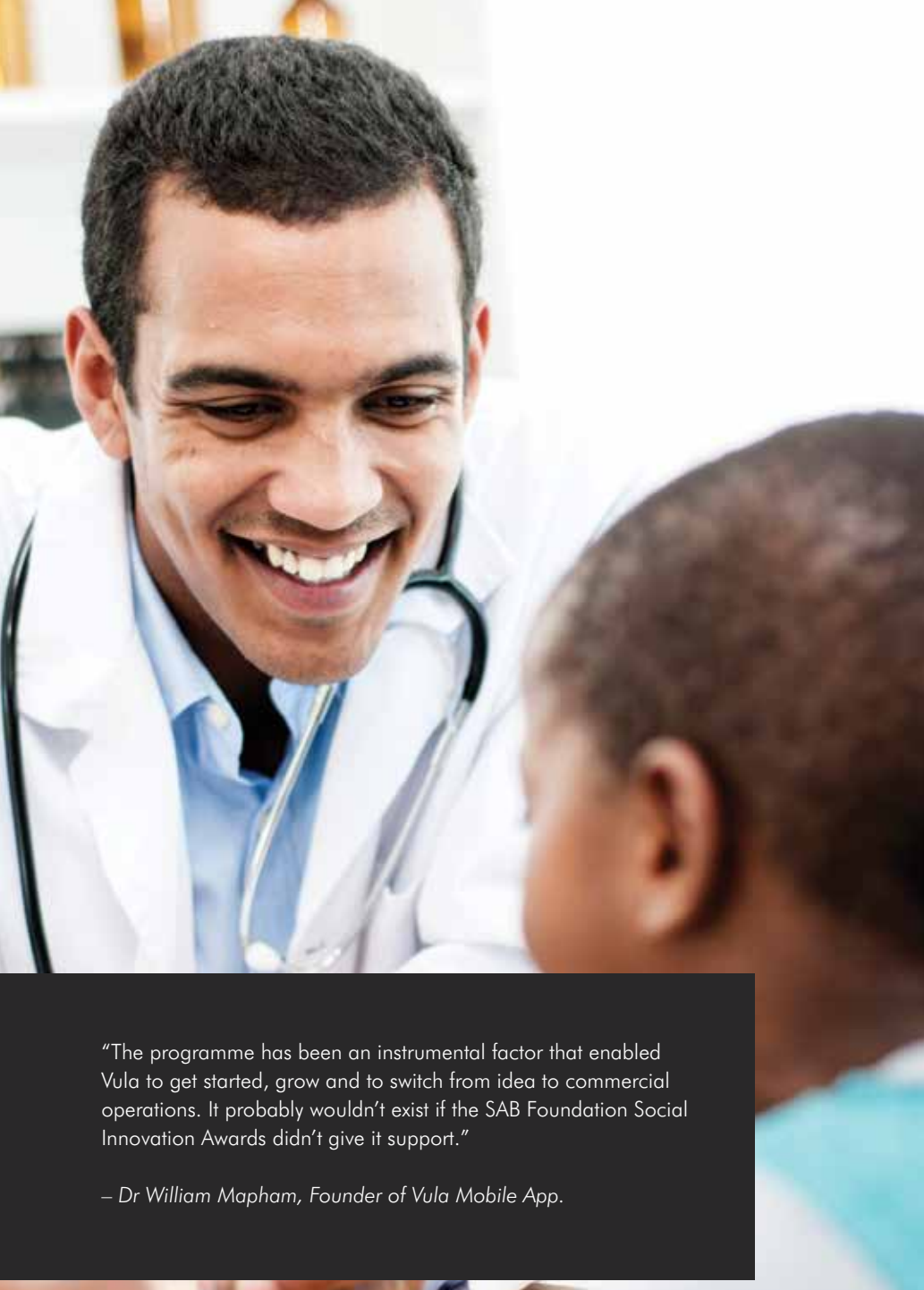
“The SAB Foundation team have been nothing but totally supportive. This is unique in my experience of investing in South Africa, that is otherwise a viscerally self-interested market with little to no support whatsoever from government agencies.”

– Social Innovation Awards participant

“I have grown far greater in the last year than the last five years in business.”

– Social Innovation Awards participant





“The programme has been an instrumental factor that enabled Vula to get started, grow and to switch from idea to commercial operations. It probably wouldn’t exist if the SAB Foundation Social Innovation Awards didn’t give it support.”

– Dr William Mapham, Founder of Vula Mobile App.

5.6.3 VULA MOBILE “PROFESSIONAL HEALTH NETWORK”, FOUNDED BY DR WILLIAM MAPHAM

Vula is the brainchild of Dr William Mapham, who conceived the idea for the app while working at the Vula Emehlo Eye Clinic in rural Swaziland. He experienced first-hand the difficulties faced by rural health workers when they needed specialist advice.

In 2013, Vula was awarded the first prize of R1 million at the SAB Foundation Social Innovation Awards. The prize money enabled him to launch the app for Android and iOS in July 2014 and helped him to shift from surviving on grant funding to generating revenue.

The app was initially used only for ophthalmology referrals, but it quickly became clear that the functionality provided by Vula was widely needed. Specialists from several different fields donated their time to work with the Vula team to design functionality for their own specialities with cardiology, orthopaedics and burn information added in April 2016.

This redesign enabled the app to scale to include referral forms for any number of specialities. The aim of the app is to give health workers – particularly those in remote rural areas – a tool that helps to get patients quick and efficient specialist care.

Furthermore, as a previous participant of the Social Innovation Awards, Dr Mapham was able to apply for the SAB Foundation Social Innovation Fund in 2017. This gave him access to a business accelerator and additional growth phase funding of R700 000 for his business. To date they have helped over 200 000 patients connect with over 10 000 specialists.

Vula had no employees or revenue before partnering with the SAB Foundation. Today they employ 12 people and have an annual turnover of R3.6 million.

6. DISABILITY EMPOWERMENT

According to the United Nations, the **unemployment rate** of persons with **disabilities** is estimated to be close to 91%⁵. Persons with disabilities are frequently not considered as potential members of the workforce, with perception, fear, myth and prejudice continuing to limit understanding and acceptance of disability in workplaces everywhere. Myths abound, including that persons with disabilities are unable to work and that accommodating a person with a disability in the workplace is expensive. With this in mind, the SAB Foundation's Disability Empowerment Programme is aimed at innovators, social entrepreneurs, institutions and social enterprises whose innovations focus on providing solutions for people with disabilities.

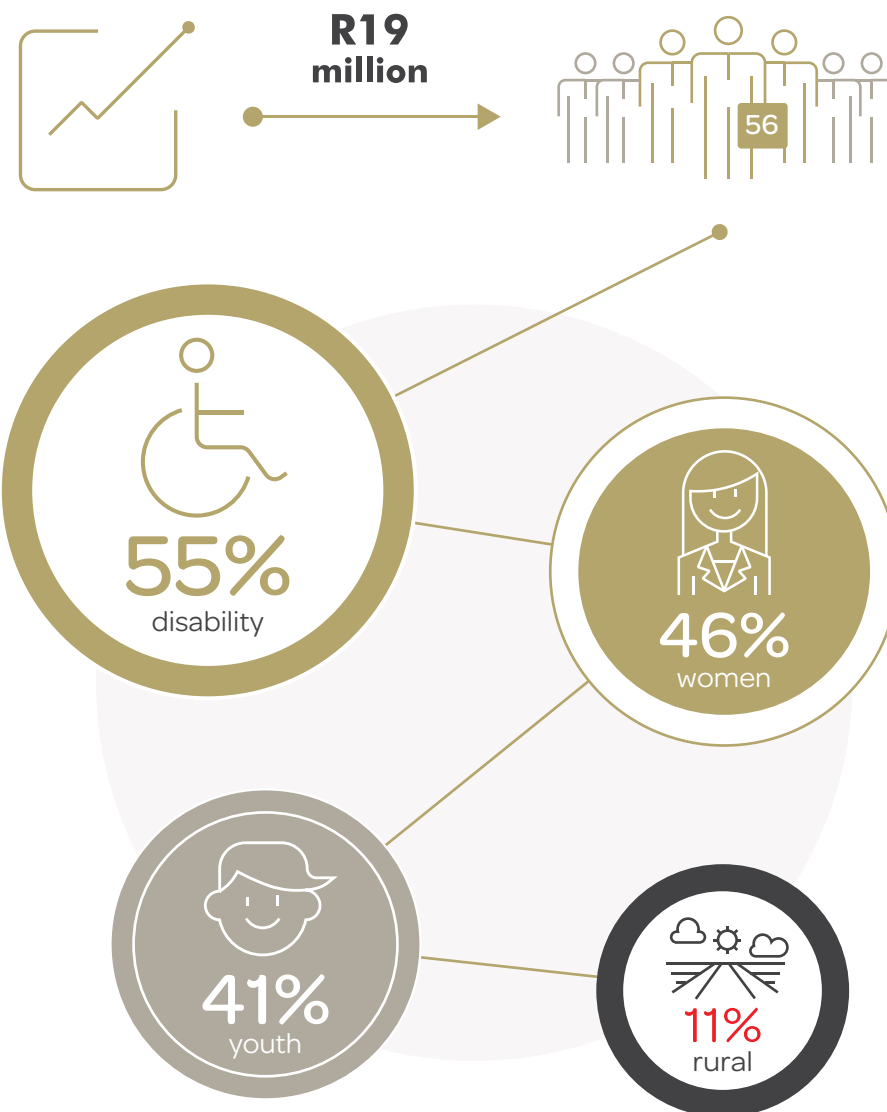
6.1 DISABILITY EMPOWERMENT IMPACT

Over R19 million in grant funding and business support has been deployed to support 56 entrepreneurs focusing on, amongst others:

- An implantable device that prevents blindness in glaucoma patients by draining excess fluid from the eye in order to equalise pressure.
- A mobile application that is designed to connect people with disabilities with trained drivers.
- A deaf-run coffee shop.
- A voice-activated device for quad and paraplegic persons.
- A training center to equip people with intellectual disabilities to be employable in the hospitality, service and retail sectors.
- Different recycling projects that benefit people with disabilities.
- A cross innovation between a bathtub and a shower that eases a caretaker's stress when bathing patients by eliminating electro-mechanical hoists, which are expensive and prone to breakdowns.
- Specialised seating for children and adults with disabilities.

⁵ <https://www.un.org/development/desa/disabilities/resources/factsheet-on-persons-with-disabilities/disability-and-employment.html>

Over **R19 million** has been invested to support **56 entrepreneurs**





"I am very excited about the South African Breweries order. This is my biggest order to date. Thank you, SAB Foundation."

– Caroline Van Rooi, Founder of Red Pilot Clothing.

6.2 CASE STUDY

6.2.1 RED PILOT CLOTHING MANUFACTURES, FOUNDED BY CAROLINE VAN ROOI

Caroline Van Rooi is a fiercely courageous woman and a huge role model for the SAB Foundation. Caroline is confined to a wheelchair and is legally blind, but this did not stop her from founding Red Pilot Clothing Manufacturers in September 2016.

Caroline is an up-and-coming entrepreneur in the disabled community, proving that persons with disabilities can empower themselves and others. Red Pilot has a dynamic team with years of experience in the clothing industry, committed to pleasing their customers and catering to their individual clothing requirements, using the highest quality materials.

When they were awarded R150 000 through the SAB Foundation Disability Empowerment Programme in 2017, Red Pilot used the grant to purchase new machinery. This has positively contributed to an increase in productivity, allowing all aspects of the garments to be produced in-house.

The new machinery inspired enthusiasm amongst staff members as it provides a great platform for staff development. A versatile new label printer was also acquired to brand all clothing items, such as sportswear and schoolwear, creating visibility for the brand. Before being supported by the SAB Foundation, Red Pilot had an annual turnover of just over R20 000 and employed six people (two permanent and four casuals). As at December 2019, the business has maintained their number of employees and has a turnover of over R100 000.

Caroline has stated that the gift she was given through her association with the SAB Foundation is that she now sees herself as an entrepreneur and feels empowered to make a difference in her community.

The COVID-19 pandemic presented an opportunity for the business, as they were awarded a contract to produce 7 500 masks for the South African Breweries. As a result, they are looking to add at least six more employees to their team to assist with the production. In order to fulfil this contract, Red Pilot was given a R65 000 interest free loan as part of the Tholoana Enterprise Programme Bridging Finance.



"My greatest achievement comes from overcoming my greatest challenge which was wearing the different hats in business. At first it was difficult to balance every aspect of the business. So basically learning to work on the business and not in the business was important. I was also able to buy two more cars for the company."

- Tholoana Enterprise Programme participant

"I have been in contact with many potential funders over the last four years and it is obvious that the mentorship provided by the SAB Foundation is unmatched."

- Social Innovation Awards participant



"I learned much in the mentorship. So much so that I am able to understand the business concepts that I did not take seriously before."

- Social Innovation Awards participant

"Without the SAB Foundation funding, I would never have 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 (CUT) in Bloemfontein, who has been working on my project for more than a year now. I am one of the CUT's only clients who have contributed such a huge amount towards developing a product. I did this as I believe that we can make a difference in people's lives. Without the funding this idea 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."

- Disability Empowerment Awards participant



7. RURAL CATALYST PROGRAMME AND MICRO ENTERPRISES

The Rural Catalyst Programme was set up to look at innovative ways to create jobs through entrepreneurship in deep rural areas. The intention is to find business models which could successfully expand or be replicated into other areas.

7.1 QOBO QOBO

In conjunction with **Qobo Qobo** Essential Oils, the SAB Foundation has established independent farmer units to grow rose geranium and rosemary in Keiskamahoe, Eastern Cape. A model is being tested where outgrowers produce one or two high value crops and a central hub is used to provide mentoring and training, equipment and machinery, oil distillation, growing of cuttings and secure market access for the oils. Higher volumes reach higher prices and input costs are reduced through bulk purchases. Through training at GIBS and professional mentoring paid for by the SAB Foundation, Qobo Qobo's leadership have made significant strides towards converting from an NGO to a sustainable business.

7.2 QOBO QOBO IMPACT

R18 million has been deployed to support Qobo Qobo and **eight farmer units**, of which **67% are women**. As at December 2019, the organisation has **336 employees**. It was also the SAB Foundation's hope that other farmers would show an interest and join the operation. Therefore, we were pleased to note that two more farmer units will be added in 2020.



7.3 MADIMBO MACS AND MAC SWARM GROUP

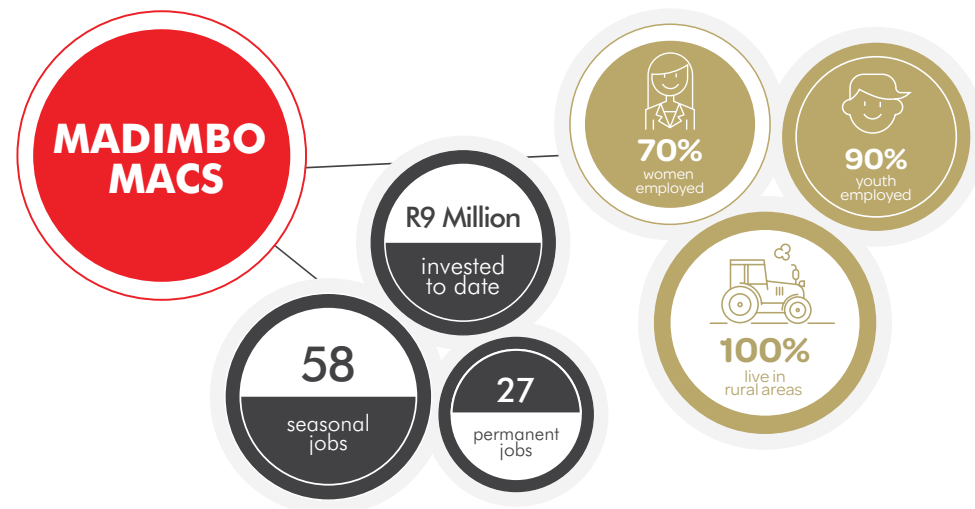
Macadamia Farming in conjunction with **Madimbo Macs and Mac Swarm Group**, is a relatively new SAB Foundation investment that takes advantage of this rapidly growing industry in the old Venda region of Limpopo Province. This initiative sees the backing of a successful macadamia farmer, Gene Likhanya, who had a vision to create a learning and support system for many other small macadamia growers in the area.

By increasing the Madimbo Macs farms by 30 hectares, the SAB Foundation has assisted Gene to solidify his standing as a leader in the area. He receives ongoing mentoring and, in turn, mentors 12 other small macadamia farmers through a co-operative he has set up.

The SAB Foundation has assisted all 12 farmers with land preparation, access to water, seedlings and everything else required to extend these farms to reach five hectares each. Since macadamia nuts have a six year lag before they begin generating revenue, all farmers have planted vegetables between the macadamia trees to ensure cash flow and put complimentary nutrients into the soil.

7.4 MADIMBO MACS AND MAC SWARM GROUP IMPACT

MADIMBO MACS:



MAC SWARM GROUP CO-OPERATIVE:



7.5 GROWTH SHOOT

In conjunction with **Growth Shoot**, the SAB Foundation took advantage of an emerging rabbit meat farming industry in South Africa, where there is a growing export market. This was a great learning curve for the SAB Foundation, because the market for all rabbit meat (supporting over 100 farmers), was later halted due to the only exporter going out of business.

The SAB Foundation stepped in to bring all role players in the industry together, on two separate occasions, to find a way forward. Thankfully, the industry has re-organised itself and is becoming viable again. The new industry is focusing on both local and international markets and market penetration is looking good. The farmer has shown such resilience and after a tough five year journey is now both growing and selling rabbits to other farmers and has recently secured an offtake agreement for rabbit meat.

7.6 GROWTH SHOOT IMPACT

As at December 2019, **R1 335 000** was deployed to support one dynamic female farmer, Nono Sekhoto.

In turn, she has employed **seven** staff, of whom **43%** are women and **86%** are youth.

7.7 PICK N PAY DEVELOPMENT TRUST

SAB Foundation has contributed to a project in partnership with Pick n Pay and the National Treasury's Jobs Fund to support five emerging farmers to become Pick n Pay suppliers.

7.8 PICK N PAY DEVELOPMENT TRUST IMPACT

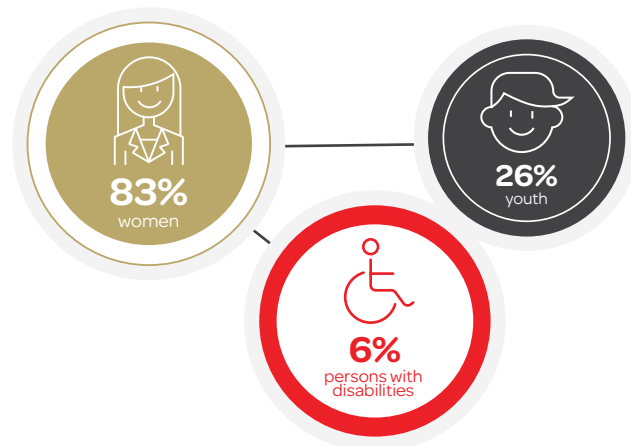
As at December 2019, R5 million has been contributed. 60% of the farmers are women and 40% are youth. This is a new project, but it is estimated that at least 50 jobs will be created.

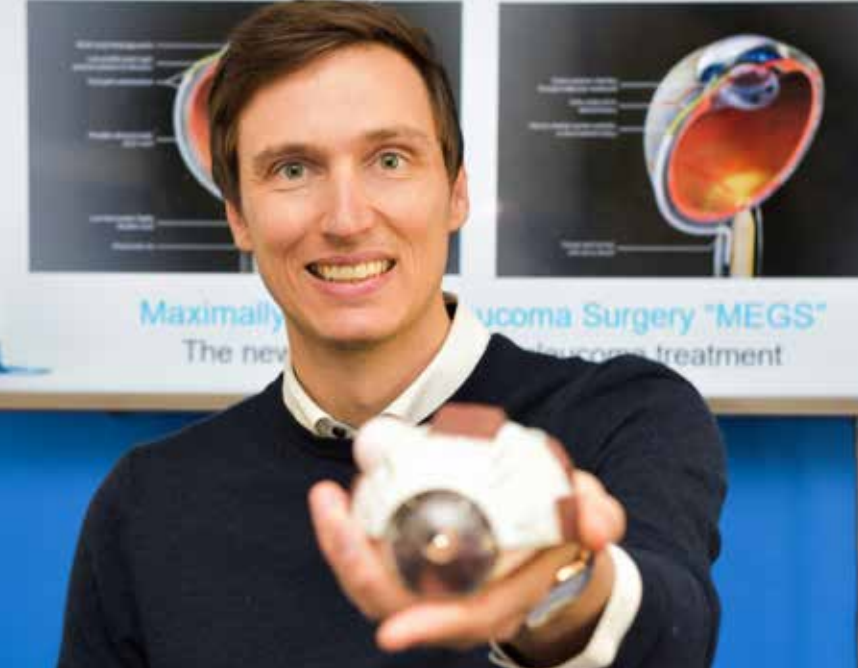
7.9 MICRO-ENTERPRISES

7.9.1 SAVEACT IMPACT

In conjunction with **SaveAct**, the SAB Foundation creates rural logistics channels for social innovation products through entrepreneurship and sets up small farming businesses in hard to reach rural areas.

As at 2019, over R20 million has been deployed to support 2 333 entrepreneurs. Of the 2 233:





“Our greatest achievement in the last 12 months was to be selected as one of the businesses that would be supported by the Tholoana Enterprise Programme. As an entrepreneur, one reaches a point at which one knows that they are the bottle neck.

The knowledge one has can only take them so far. The business needs to grow beyond the capabilities of the owner. Through the Tholoana Enterprise Programme, we will be able to tap into the vast knowledge base that can only make us grow.

Outside the Tholoana Enterprise Programme, we have received recognition as a business that is making strides in the Eastern Cape through various publications such as the Business HiLite, Iso Lezwe and Destiny. The exposure has been highly appreciated. It helped to put us at the forefront and to spread the word about what we do.”



“My biggest achievement has been qualifying for the Tholoana Enterprise Programme as this opens bigger doors for me. It will assist us in getting our accreditation which is some of the red tape we face in the concrete industry.”

– Tholoana Enterprise Programme participant

“My biggest achievement in the last twelve months has been the ability to grow my business from a box of 100 chicks to 500 chicks. It is not easy and the growth has been slow but to be able to see where I have started and where we are now gives me hope that I can only grow bigger. I was also operating from my back yard but now I’m in a proper poultry farm.”

- Tholoana Enterprise Programme participant



“I have managed to establish a unique business and gain clients in three months. Since joining the Tholoana Enterprise Programme I am seeing increased sales month to month and expanding my business in a short period. This is my proud moment.”

– Tholoana Enterprise Programme participant





7.9.2 SOCIO-NEXT IMPACT

In conjunction with **SocioNext**, the SAB Foundation runs five day acceleration workshops in peri-urban and rural areas targeting the unemployed. These give people the confidence and early stage skills to start a business in their area.

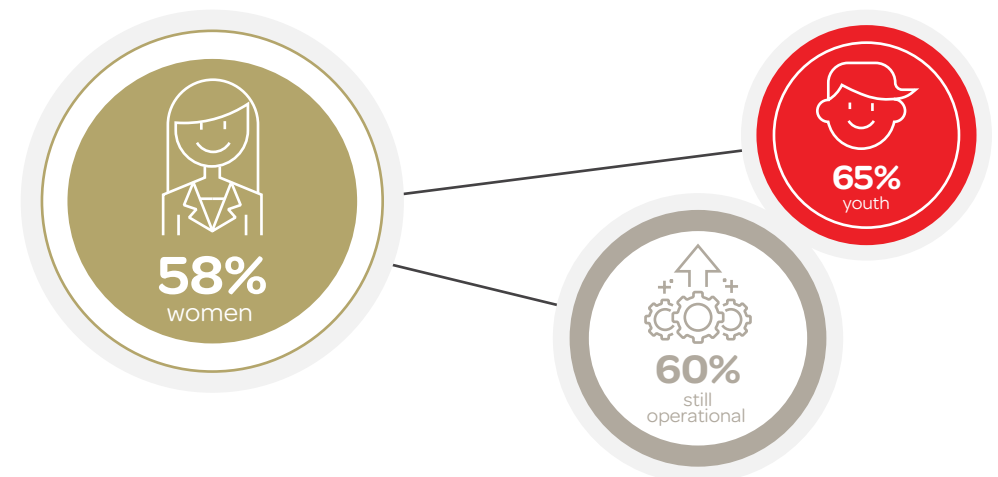
Over the course of one week, participants form groups, come up with business ideas, conduct market research, sell to customers and pitch to investors. Members of the SAB Foundation team have attended three different workshops in different provinces and have been so inspired by the business ideas and the personal transformation achieved in such a short time.

SocioNext stays in touch with previous participants and has established that only 16% remain unemployed after completing the workshop. 31% keep working on the business that they started during the workshop, 29% start their own businesses and the balance are either employed or studying.

The SAB Foundation's overall intention is to use this group to create a pipeline for the Tholoana Enterprise Programme and, so far, three people have graduated onto the next phase.

As at 2019, over **R5 million** has been deployed to support **1 037** entrepreneurs.

Of the 1 037:



7.10 CASE STUDIES

7.10.1 CHICKEN RESTAURANT, FOUNDED BY SANTOS PHUKUNTSI

Santos Phukuntsi's entrepreneurial journey started when he attended a SocioNext workshop in February 2016 in the town of Phomolong, Free State. During the workshop, he and his team worked on the business idea of selling chickens.

This business grew well beyond the workshop, but the team members realised that they had different ambitions and parted ways. Stuck with a few chickens and no fridge to store them in, Santos thought on his feet and cooked and sold the chickens. This is when the idea for his restaurant was born.

He used the knowledge he gained at the SocioNext workshop to do market research and ensure he had priced his products well. His business now generates between R6 000 and R8 000 each month and has created employment for three people.

7.10.2 MATHS AND SCIENCE TUTORING, FOUNDED BY ZANELE HOBONGWANA

In 2019, Zanele attended a five-day entrepreneurship acceleration workshop at The Business Place. She is from the small township of Uitenhage, in Port Elizabeth. She studied at the Nelson Mandela University where she completed a BSc degree in Geology.

While at university, she tutored other students in the subjects of geology, maths and statistics. As with many graduate students in South Africa, she struggled to find employment opportunities after university. Instead of losing hope and becoming despondent, she used her time to improve her skills and gain more knowledge.

During a university Socio-Next workshop, she and her team members worked on the idea of starting a labour brokering business. Even though the team did not follow through with this business, the experience propelled her to start her own tutoring business.

Soon she found a location from where to work and started marketing her business to attract students in need of help with their schoolwork. Her business has grown from strength to strength and she is currently working on a business plan that she believes will help her focus her goals and also attract funding and support opportunities. Her average turnover per month is R5 000.





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