Evaluating the performance of The South African Breweries Foundation Tholoana Enterprise Fund

by

Dineo Tlou (née Molatseli)

A dissertation submitted in fulfilment for the Degree

of

Master's in Commerce

in

Business Management

at the

College of Business and Economics
UNIVERSITY OF JOHANNESBURG

Supervisor: Dr. Darelle Groenewald

Co-Supervisor: Mr. John Davids

2017

DECLARATION

I certify that the minor dissertation/dissertation/thesis submitted by me for the degree Master's of Commerce (Business Management) at the University of Johannesburg is my independent work and has not been submitted by me for a degree at another university.

DINEO TLOU (NEE MOLATSELI)

Acknowledgements

I would like to express my gratitude to the following for walking with me at various stages of this process. I am forever grateful.

• The Godhead - My Heavenly Father, Lord and Saviour Jesus Christ and Holy Spirit for giving me sufficient grace, strength and divine wisdom during my studies

• My Family – My very supportive husband, Pako and son, Selekane Kgosietsile ''The King''. Thank you for believing in me and for being understanding of the sacrifices that were made during this time. The return on investment will be worth it. My friends and study group, thank you. To my siblings and in-laws, thank you. To my parents and grandparents, I will go where you could not go and do what you were unable to do.

• My Pastors – Pastors Tim and Kemi Grage. This is ''Kairos''

• Mr. Arnold Chikwenya – You made me fall in love with learning again

• My supervisors – Dr. Groenewald and Mr. Davids (The dream team). Thank you for your support, guidance and faithfulness to my studies. You made me a better person at each one of our encounters.

• The South African Breweries for allowing me access to your business. To Bridgit Evans and Mbali Zamisa, thank you for your support and for making this research possible.

• Mr. Anesu Kuhudzai, Chartered Statistician at Statkon for your professionalism and assistance that went beyond the call of duty.

• My manager, Richard Spencer, for your support and understanding especially concerning study leave. You make everything look easy.

• The respondents and small businesses that participated in the study – thank you for making time and availing information about your businesses.

Abstract

Small businesses play a major role in the economic development of South Africa, yet the country's business environment is marked by low entrepreneurial activity, small business failure and stunted small business growth. The impact of small businesses on the economy and general development is determined by the performance of small businesses, but these businesses are faced with challenges that hinder growth or cause businesses to be untenable. Several support programmes from government and the private sector are available to assist entrepreneurs to establish small businesses but the performance or success of these programmes is not measured and therefore the effect of the programmes not quantifiable and lessons or models not recorded and shared. Very little empirical research exists on the evaluation or measurement of the success of entrepreneurship support programmes.

The purpose of this study is to evaluate the performance of the South African Breweries Foundation Tholoana Enterprise Fund with a specific focus on the successes.

A quantitative study was conducted and primary data collected using questionnaires and telephone surveys among the beneficiaries of the Tholoana Enterprise Fund between 2012 and 2014. The entire population made up of 197 elements was targeted with only 175 entrepreneurs being reachable.

The methods of analysis employed in this study are descriptive statistics using frequency tables, custom tables, mean and standard deviations and inferential statistics using correlation and paired sample tests.

The findings of this study suggest that most respondents attributed business continuity to the grant received from the Tholoana Enterprise Fund. The study also determined that success for small businesses is determined by a combination of success factors rather than only one. The study indicated that a few small businesses received support from either the private sector or government.

The results of this study contributed to theory building as there is a paucity of evaluations or measurement of entrepreneurship support programmes.

Foreword by the SAB Foundation

The vision and mission of the SAB Foundation is to create jobs and grow the economy though entrepreneurship. In the attempt to work towards this impact, SAB Foundation has put in place a number of different programmes. As a Foundation it is vital that we hold ourselves accountable to obtaining the impact we seek and the only way to do this is through continuous monitoring, evaluation and fixing weaknesses. The SAB Foundation has already altered programmes significantly based on the valuable lessons learnt through entrepreneur surveys and studies. However, all of the studies conducted thus far have been internal. We therefore welcomed the opportunity to be externally evaluated through Miss Dineo Tlou's thesis and thank her for the learning opportunity it has given for us as we strive for excellence in creating jobs and growing the economy in our blessed land.

Warm Wishes,

Bridgit Evans
Director: SAB Foundation

Table of Contents

vii

UNIVERSITY
OF
JOHANNESBURG

List of Tables

List of Figures

List of Abbreviations

ABI	Amalgamated Beverage Industries
AIC	African, Indian and Coloured
AIDS	Acquired Immune Deficiency Syndrome
B2B	Business to Business
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CIPC	Companies and Intellectual Property Commission
CC	Close Corporation
CFA	Confirmatory Factor Analysis
Co-Ops	Co-Operatives
CPUT	Cape Peninsula University of Technology
CSBP	Centre for Small Business Promotion
CSI	Corporate Social Investment
DTI	Department of Trade and Industry
EFA	Exploratory Factor Analysis
FET	Further Education and Training
ID	Identity Document
IDC	Industrial Development Corporation
GEM	Global Entrepreneurship Monitor
HIV	Human Immunodeficiency Virus
Ha	Alternate hypothesis
Ho	Null hypothesis
KMO	Kaiser-Meyer-Olkin
NEF	National Empowerment Fund
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
NYDA	National Youth Development Agency
PPE	Personal Protective Equipment
PTY LTD	Proprietary Limited
SA	South Africa
SAB	South African Breweries
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency

SBIR	Small Business Innovation Research
SMME	Small to Medium and Micro Enterprises
SPSS	Statistical Package for Social Sciences
TEF	Tholoana Enterprise Fund
TNA	Training Needs Analysis
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
US	University of Stellenbosch
UWC	University of the Western Cape
VAT	Value Added Tax
WEP	Women Entrepreneurship Fund
WINGS	Women's Income Generating Support
WOM	Word of Mouth

CHAPTER 1

INTRODUCTION

1.1 Background and rationale

South Africa (SA) as a country has achieved great milestones in terms of democracy, political transformation and developments in the economic landscape of the country, but although this is commendable, the speed at which economic growth has taken place since the first democratic elections in April, 1994 has been notably slow and similar to the speed at which employment was generated to assimilate the unemployed population into the economy (Worku, 2015:58). According to OECD (2015:18), South Africa's slow economic growth can be strongly attributed to the unemployment rate, which is one of the highest in the world with more than 8.5 million people either unemployed or underemployed. The unemployment rate is however only a fraction of the issues that plague South Africa and restrict the country's economic growth. Other issues highlighted by Bates (2005:343), include poverty, the apartheid heritage of the country, a shortage of skills and limited entrepreneurship. It is therefore imperative for the government and private sector to work together in closing these gaps, through entrepreneurial initiatives to subsequently move the country forward (Nepad, 2014: Introduction, para.2).

To address the issues of unemployment and slow economic growth, the government and businesses in the private sector have developed funding sources to encourage entrepreneurship and small business development as core vehicles which have been identified as major stimulants of the economy (Lekhanya & Mason, 2014:331). Small business development or enterprise development is a government imperative that forms part of the core strategy for economic development, through poverty-alleviation and job creation initiatives (DTI, 2014:14). Enterprise development aids in the advancement of sustainability and financial autonomy of an enterprise development beneficiary and subsequently contributes to economic growth (Shanduka Black Umbrellas, 2015: Enterprise Development FAQs, para.1).

According to Luiz (2002:27), the small business sector in South Africa is massive, but it is not yet entirely incorporated into the main economy. This may be due, partially to challenges faced by small businesses in South Africa. Maloka (2013: 22-26) refers to the major challenges encountered by South African small businesses that act as obstacles to sustainable success. These challenges are categorised under three umbrellas, namely, (a) socio-economic challenges, (b) institutional challenges and (c) business level challenges.

(a) Socio-economic challenges are documented to include:

- limited access to infrastructure and services (water, electricity and roads)
- restricted access to funding
- limitations to being able to access rental properties for office space and land
- limited access to skilled labour
- heightened crime levels.

(b) The institutional challenges as stated by Maloka (2013:22-26) are inclusive of the regulatory framework that encompasses various factors such as:

- tax laws
- labour laws
- zoning requirements
- business registration pre-requisites outlined by the government.

(c) Business level challenges refer to internal issues such as limited industry knowledge and limited financial management. Other challenges include:

- constrained access to infrastructure
- low barriers of entry resulting in increased level of competition
- lack of access to markets and new customers
- debt management and inflationary pressure
- macro-environmental elements such as political, economic, socio-cultural, technological, environmental and legal environments.

The study by Van Eeden, Viviers and Venter, (2003:48) further refers to the macro-economic variables that challenge South African small businesses and these are documented as:

- economic instability

- inflation and rising interest rates

- tax rates for small businesses

- swift technological changes

- the HIV/AIDS pandemic that affects the labour force

- social demands from friends and family

- labour unrest and strict labour laws that make it difficult to dismiss employees.

Chowdhury, Alam and Arif (2013:48) concluded that instability in the political and economic environments of any country are challenges affecting the performance of small businesses. This is particularly because political instability affects investor confidence and has detrimental effects on the economy of any country (Brink, Cant & Ligthelm, 2003:18; Kamunge, Njeru and Tirimba 2014:7; Van Eeden, *et.al.* 2003:48). A summary of some of the macro-economic challenges and the subsequent effect on the small business is documented in Table 1.1.

Table 1.1: Macro-economic challenges and the effect on small businesses

Macro-economic challenges	Effect on small business
Political • Political Instability • Bureaucracy	• Political Instability: Dampened investor confidence, weakening of the Rand, increase in the price of goods and services • Bureaucracy: Red tape, corruption increases the cost of doing business
Economic • Rising interest rates • Rising Inflation • Weakening currency • Volatile Exchange rate • Unemployment • Labour market volatility	• Rising Interest rates: Cost of borrowing increases, disposable income decreases resulting in the suspension of big purchases or luxury items (Aziakpono and Wilson, 2015) • Inflation: Increases in the price of raw materials. Value of wealth decreases • Weakening currency: Acceleration of inflationary process and increased opportunities for exports • Volatile Exchange rates: Inability for businesses to forecast and deterrent for investors (Aye, Gupta, Moyo and Pillay, 2014) • Unemployment: Reduction in spending power, increase in opportunistic crimes, loss of skills employment and increased inequality gap between the rich and the poor • Labour market volatility: Increased unemployment, negative investor perceptions, decreased production (Bohlmann, Van Heerden, Dixon and Rimmer, 2015:403).
Socio-Cultural • Health:HIV/ AIDS pandemic • Crime	• HIV/Aids pandemic: Sickly workforce, high absenteeism affecting productivity • Crime: Increases in the cost of doing business (Sitharam and Hoque, 20163:279)

(Source: Adapted from Tait, *et.al.* 2001:7-12)

Ingle (2014:37) shared that the demise of small businesses is due to systematic issues because the performance of small businesses in countries of similar macro-economic challenges is not necessarily as compromised as those in South Africa. Tait, Van Eeden and Venter (2001:10) have presented that small businesses are an

integral part of a macro-environment and do not exist as islands. The macro-environment consists of other players or networks in the broader private sector that may offer support to small businesses to mitigate challenges and so become effective vehicles of employment generation and innovation. One such player in the private sector is South African Breweries (SAB) through the SAB Foundation.

The SAB foundation is an autonomous trust that was established for previously disadvantaged societal groups and individuals through the enactment and expansion of entrepreneurial initiatives (SAB, 2016: Home, para.1-4). Founded by South African Breweries (SAB) in 1999, as part of the broad based black economic empowerment (BBBEE) agreement and termed SAB Zenzele, the foundation is aimed at stimulating and fostering a culture of entrepreneurship with a specific focus on young people, the disabled, individuals in undeveloped areas, and women. The foundation acts as a cornerstone for entrepreneurs and small businesses, assisting in business expansion, grooming entrepreneurial role models, igniting and compensating new ideas and innovation (SAB, 2016:Our approach,para.1-4). These objectives are achieved through three approaches, namely, the Tholoana Enterprise Development Programme, formerly the Tholoana Enterprise Fund, the SAB Foundation Social Innovation Awards and the Rural Catalyst Programme (SAB, 2016:SAB Foundation programmes,para.1-2).

The SAB Foundation was initiated in response to three areas of concern that SAB shares with the South African government. Firstly, a lack of a significant number of small to medium businesses (SMME) against the backdrop of a business environment that is largely dominated by big business and unsustainable micro businesses; secondly, the challenges that SMMEs face when raising start-up capital for new businesses due to the risk profile and, thirdly, the untapped potential of social innovation in the country (SAB, 2012: Home, para.4). The Foundation therefore aims to address these concerns by offering financial support through the three programmes that make up the SAB Foundation.

This study has a specific focus on the success of the SAB Foundation Tholoana Enterprise Fund (TEF) beneficiaries and the performance of the fund between 2012 and 2014. It is therefore fundamental to elaborate on the reasons for such a study to

be undertaken. Subsequent to this, SAB Foundation has set up the Tholoana Enterprise Development Programme which focuses on business support and funding.

The author's interest in the SAB Foundation's Tholoana Enterprise Fund was provoked by the reality that although small businesses contribute to the Gross Domestic Product (GDP) in South Africa, the rate of survival is extremely low with a high rate of inactive businesses and liquidations (Singer, Amoros & Moska, 2014:72). The high quota for lack of success has a negative effect on the ability of small businesses to accelerate economic growth. Both internal and external aspects are identified as contributors to the failure of small businesses. Internal aspects would include management competencies, training and customer relations while external factors would include rising costs of raw materials, changes in the macro-environment and competition (Fatoki, 2014:926). The start and survival of small businesses is imperative for economic growth in South Africa as without small businesses, the country will be exposed to the possibility of sluggish or negative economic growth (Fatoki & Garwe, 2010:729-730).

Radipere and Van Scheers (2005:402) have documented that 40% of start-up businesses become unsuccessful in year one of existence, while 60% experience failure in year two of existence, whereas 90% of start-up businesses experience failure in the initial ten (10) years of the business' existence. This implies that only 10% of businesses survive beyond 10 years of being in business. Research studies by Jacobs (2010) and Fatoki and Garwe (2010:729-730) further suggest that the frequency of failure for small businesses in South Africa is extremely high, ranging from 63% to 75%. These figures are the highest in the world and mean that most small businesses are successfully registered but do not remain in existence beyond three and a half years (SEDA, 2016a:10; Mason, 2017: Introduction, para.3).

It is therefore important to evaluate programmes like the SAB Foundation Tholoana Enterprise Fund that contribute to small business development and assess whether small businesses that were part of the fund are also part of the shocking statistic of businesses that: did not survive, whether the businesses are still in operation and growing, and the factors that contributed to business success. It is also imperative to review the performance of the Tholoana Enterprise Fund with the aim that the

outcomes may assist in making improvements to the fund and to possibly inform the structure of other entrepreneurial funds or programmes.

Exposure to local and international research studies has highlighted the inconsistencies that exist on how small businesses are defined, ranging from small to medium and micro enterprises (SMMEs), small to medium enterprises (SMEs) and small businesses. Therefore, for the purposes of this study all start-up businesses will be referred to as small businesses. In cases where the word 'business', SMME, SME or enterprise is mentioned, it will be assumed that the research refers to a small business. The study will also make use of the terms 'business owner', 'beneficiary' and 'entrepreneur' interchangeably.

1.2 Preliminary literature review

The preliminary literature review will set the foundation by providing a short abstract of the research relating to the definition of small businesses, the role of small businesses in South Africa, the definition of success for small businesses and research done in similar studies in South Africa.

1.2.1 Defining small businesses

The official definition of a small to medium and micro enterprise (SMME) as documented in The National Small Business Amendment Act (26 of 2003) is:

> "[A] separate and distinct business entity, together with its branches or subsidiaries, if any, including co-operative enterprises [and non-governmental organisations], managed by one owner or more [which, including its branches or subsidiaries, if any, is] predominantly carried on in any sector or subsector of the economy mentioned in column 1 of the Schedule and [which can be] classified as a micro-, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3, 4 and 5 of the Schedule [opposite the smallest relevant size or class as mentioned in column 2 of the Schedule]" (DTI, 2014:2).

In 1996, The National Small Business Act was developed by the South African government with the aim of providing a blueprint to assist in the advancement and expansion of small businesses (Swart, 2010:10-12). The amendment act was then enacted in 2003 to supplement the National Small Business Act, by further

categorising businesses into five classes, namely, standard industrial, class size, full time and paid employees, and turnover which excludes fixed property (See Table 1.2) (Banking Association of SA, 2016:SME definition, table 1).

Another explanation of SMMEs as outlined in the Global Entrepreneurship Monitor (GEM) is:

> "[A]ny attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business" (Amoros, Bosma and GERA, 2014:3; Hughes, 2006:107).

Small businesses can also be defined in terms of limitations that can be classified as resource limitations, including economic, workforce and capacity restrictions. These can further be extrapolated to a paltry market footprint and responsiveness to macro-environmental changes such as political, economic, socio-cultural, legal framework and environmental changes and developments (Dragnic, 2014:122). In attempting to define small businesses, researchers have found that it is much simpler to attempt to describe small business characteristics rather than to define them (Mahlase 2010:54).

Small businesses are occasionally characterised by business perspectives that suggest that the small businesses are often more prone to risk-taking, are instinctive, practical, dynamic, flexible and inundated with associated or apparent uncertainty (Dragnic, 2014:122). Other definitions do, however, characterise small businesses in terms of the growth factors of business such as the number of employees, the aggregate value of all assets, business revenue and venture capital projects (Taiwo, Yewande, Edwin & Benson, 2016:3-5).

There are several other informal definitions or descriptions of small businesses such as start-ups but there is no homogenous annotation for a small business unit or entity (Guettabi, 2015:49). In South Africa, the term SMME is commonly used to describe small to medium and micro-enterprises with the acronym SME being used reciprocally (Tustin, 2015:79).

The description of small businesses is inclusive of a wide variety that range from being formal, informal or non-value added tax (vat) registered (not being registered for value added tax as income generated in a consecutive twelve (12) month period is not more than R1 million). These can be anything from family-owned businesses that can be medium-sized enterprises to survivalist businesses where self-employment is prevalent, like street vendors (SEDA, 2016a:5).

In South Africa, SMMEs are businesses that constitute a maximum of 200 employees and are further represented in accordance to the total workforce and annual earnings, in alignment with the type of industry (Bredenkamp, 2002:13-16). Medium enterprises are classified as those businesses that have an employee complement of between 50 and 200 employees. Another classification is that of small enterprises that comprise between 5 and 50 employees and micro enterprises that comprise a maximum of 5 employees (Bredenkamp, 2002:13-16). Table 1.2, is an illustration of the categories that businesses are divided into as stipulated in the National Small Business Amendment Act; (namely, sector by industrial classification, class size, fulltime employees, turnover and asset value (DTI, 2014b:15-16)).

TABLE 1.2: Classification of small businesses according to the National Small Business Act

Sector or subsector in accordance with the standard Industrial Classification	Class Size	The total fulltime equivalent of paid employees	Total turnover (Millions)	Total gross asset value (fixed property excluded)
Agriculture	Medium	100	R5m	R5m
	Small	50	R3m	R3m
	Very Small	10	R0.50m	R0.50m
	Micro	5	R0.20m	R0.10m
Mining and Quarrying	Medium	200	R39m	R23m
	Small	50	R10m	R6m
	Very Small	20	R4m	R2m
	Micro	5	R0.20m	R0.10m
Manufacturing	Medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very Small	20	R5m	R2m
	Micro	5	R0.20m	R0.10m
Electricity, Gas and Water	Medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very Small	20	R5.10m	R1.90m
	Micro	5	R0.20m	R0.10m
Construction	Medium	200	R26m	R5m
	Small	50	R6m	R1m
	Very Small	20	R3m	R0.50m
	Micro	5	R0.20m	R0.10m
Retail and Motor Trade and Repair Services	Medium	200	R39m	R6m
	Small	50	R19m	R3m
	Very Small	20	R4m	R0.60m
	Micro	5	R0.20m	R0.10m
Wholesale Trade, Commercial Agents and Allied Services	Medium	200	R64m	R10m
	Small	50	R32m	R5m
	Very Small	20	R6m	R0.60m
	Micro	5	R0.20m	R0.10m
Catering, Accommodation and other Trade	Medium	200	R13m	R3m
	Small	50	R6m	R1m
	Very Small	20	R5.10m	R1.90m
	Micro	5	R0.20m	R0.10m
Transport, Storage and communications	Medium	200	R26m	R6m
	Small	50	R13m	R3m
	Very Small	20	R3m	R0.60m
	Micro	5	R0.20m	R0.10m
Finance and Business Services	Medium	200	R26m	R5m
	Small	50	R13m	R3m
	Very Small	20	R3m	R0.50m
	Micro	5	R0.20m	R0.10m
Community, Social and Personal Services	Medium	200	R13m	R6m
	Small	50	R6m	R3m
	Very Small	20	R1m	R0.60m
	Micro	5	R0.20m	R0.10m

(Source: The Banking Association of South Africa, 2016: SME definition, table 1)

Table 1.2 indicates the criteria of 12 sectors in which formal, South African, small businesses engage. This also allows small businesses to be classified in terms of the class size; whether the businesses are micro, very small, small or medium businesses and the number of full time, paid employees that the businesses employ. Furthermore, it provides a classification in terms of total turnover and the value of assets which can include, but are not limited to, machinery, equipment, buildings and land. Table 1.2 is included as a useful guideline for the classification of all types of small businesses.

As there seems to be no standard definition of small businesses, for the purposes of this study, small businesses will be defined as businesses that have been:

(a) in existence for not more than three years

(b) in any industry and employ less than 50 employees with a total turnover of less than R6 million; and

(c) a gross asset value of less than R1 million.

This definition will assist to classify the business cases of this study and define the role played in the economic context of South Africa. The next section outlines the role of small businesses in South Africa.

1.2.2 The role of small businesses in South Africa

According to The World Economic Forum (2013: Africa Competitiveness report, para.1) South Africa is seen as one of the leading countries in Africa in terms of economic growth and potential opportunities.

Yet, despite being a hub of opportunities with a lot of growth potential, the unemployment rate is still a major issue in South Africa at 26.4% for the period January to March 2015 (IDC, 2014:Introduction, para.1-6; StatsSA, 2015:1). The concept of the contributions of small businesses being important role players in the economy was first introduced by Kesper (2001:171). It is stated that small businesses are instruments that can address the inequitable distribution of income, contribute to black economic empowerment and absorb new labour entrants (Kesper, 2001:171). Small businesses serve as conduits that deal with the issues of stimulating economic development (Mahlase, 2010:4). Small businesses are

therefore the most practical solution to the two grievous issues currently plaguing South Africa, Africa and the world at large; economic downturn and escalating numbers of unemployment (Gumbi & Mkandla, 2015:14). Small businesses can also be described as mechanisms that propel and influence economic growth through new ideas and innovation (Chan & Quah, 2012:50)

A study by Friedrich and Isaacs (2010:7-22) further entrenches that small business development is one of the means to eradicate poverty and reduce high unemployment in an economy. Nhlanhla Nene, the former Deputy Minister of Finance in South Africa in 2008, argued that small businesses were not only vital for the interests of job creation, but that small businesses play a significant role in impacting the competition and market structures of the country and in the crucial contribution to innovation (PBF, 2012:Why are SMMEs important, para.1-3).

Small businesses differ from large corporations in that there is very little bureaucracy in the structures, making it easier to be flexible, make decisions, act swiftly in executing new concepts and minimise costs, while maximising efficiency. Small businesses are said to have the ability to get the desired results at a far less cost and make use of increased financial output by employing more employees than much larger businesses, who invest in exorbitantly priced machinery and overhead costs (Bredenkamp, 2002:26-27).

The global economic crisis that occurred between 2007 and 2008 was marked with a plethora of job losses and minimal to no profitability for most businesses. Small businesses internationally, including South Africa, portrayed similar characteristics in dealing with the reduction in the business environment. These characteristics included greater adaptability to change, resilience and minimal job losses. Small businesses also played a significant role in weathering economic storms and strengthening the global economy (Spremo & Mićić, 2015:63-68). In South Africa, small businesses were positioned to combat economic stagnation and decline to assist the country's high growth trajectory (IDC, 2014: Introduction, para.1-6). Numerous governments across the world have consistently accredited salient social and economic progress to small businesses such as new product development, product and process modifications, improved customer service, and the increased proliferation of competitive forces (Sangsuvan, 2015:341). These characteristics

were also observed in South African small businesses and this therefore proves that small businesses are the anchors of any economy (Bharati & Chaudhury, 2006).

Small businesses are also large benefactors of manufacturing and production in advanced economies. This is because of the inherent nature of small business activities that frequently result in innovation which is a key driver of economic expansion and important to perpetual economic growth. Small businesses can therefore regularly be creative, innovative and pioneer new ideas with reduced risk (Petkovska, 2015:55-74).

Small businesses are a contributor of more than 50% of the total monetary value of finished goods and services that are produced in most African countries, within a specific period (Gross Domestic Product (GDP). The Global Entrepreneurship Monitor's (GEM), South African Reports of 2014, 2015 and 2016, indicate that the small business sector contributes more than 45% of the country's GDP and that future contributions are targeted at between 60% and 80% of GDP (Singer *et al.,* 2014:18-22; Herrington & Kew, 2016:75). In South Africa, small businesses, make up 91% of formal businesses and contribute between 52%-57% of the total GDP (Tustin, 2015:82). From 2007-2014, small businesses contributed between 27-54% of total GDP (DTI, 2014a:12). This is an indicator of the catalytic nature of small businesses in triggering economic restoration and assistance in the further prevention of repetitive cycles of negative growth through intrinsic job creation properties (Baptista & Leitão, 2015:334-335).

Small businesses do not only play a pivotal role in economic development but also provide social benefits (Barkhatov, Pletnev & Campa, 2016:29-30). The opportunities created by small businesses in communities enable populous minority groups to have access to social and economic arenas, thereby increasing economic and social mobility. These minority groups include women, foreign nationals, disabled citizens and the previously disadvantaged, for example, black South Africans (Ackermann, (Ed.) 2012:1-16). Research by Maas and Herrington (2006:20) suggests that small businesses play a significant role in uplifting local communities by augmenting endeavours to satisfy principal necessities to help sustain the subsistence of those very communities (Maas & Herrington, 2006:20; Mahlase, 2010:9).

The South African government has recognised the important role that small businesses play in effecting the objectives of poverty alleviation, employment generation and ensuring the equitable distribution of income (Peters & Naicker, 2013:13-14). In the national strategy for the development and promotion of small business in South Africa, the business sector is recognised as a key driver of black economic empowerment (BEE), activation of niche markets, stimulating competition and absorbing more labour entrants (DTI, 2007:7-14). The strategy is to foster an empowering environment for small businesses and address the injustices and discrimination brought about by the apartheid regime (Peters & Naicker, 2013:13-14-20). The success of small businesses, however, is what will ensure that these positive results are achieved. In the next section, the success of small businesses will be defined to give a clearer view of what success refers to in the context of the study.

1.2.3 Defining success

Keil (2007:107) defines success as constant development and consistent advancement towards accomplishing set objectives. A study by Philip (2011:120) echoes the same sentiments, and states that success in life refers to the accomplishment of objectives. The study by Philip (2011:120) further states that business success is different in that there are two aspects to the definition; firstly, financial versus other success, and secondly, short-term versus long-term success. Financial and other success can refer to the bottom line of profitability, increased sales, survival, and an increase in employment statistics. Short and long-term success refers to the sustainability of business success (Philip, 2011:120). Lekhanya and Mason (2014:334) suggest that business continuity or survival should be used as the fundamental determinant of business success.

Studies by Toledo-López, Díaz-Pichardo, Jiménez-Castañeda and Sánchez-Medina, (2012:1659-1660) suggest that success as defined for large enterprises differs greatly from that of small businesses. Although it may be common knowledge that all businesses including small businesses are initially established with the primary objective of generating a profit, the landscape of the business environment mostly determines that small businesses operate business for the purposes of creating a means for provision, financial survival and self-employment, where profitability then becomes a secondary objective, especially for survivalist business. This contrasts

with mega business that aims for maximum profitability, increased market share and economic influence (Toledo-López *et al.,* 2012:1659-1660). In small businesses, the argument for measuring business success revolves mostly around survival (Cowling, 2007:479). There are, however, arguments around measuring business success using both financial measures like profitability, market share and turnover and non-financial measures like employee and customer satisfaction, work life balance and autonomy (Toledo-López *et al.,* 2012:1659-1660; Walker & Brown, 2004:578-579).

There seems to be no consistent definition of success for small businesses, but for this study, success will be defined in terms of small business continuity. To gain more insight, research on other similar studies on success factors and assessment of programmes will be reviewed in the next section.

1.2.4 Research done in similar South African studies

In a study by Keil (2007:4) on success factors among small businesses in Gauteng, the inadequate research on the success of small businesses in South Africa has been highlighted. Keil (2007:10) suggests that unless success is sustainable over a lengthy span of time it cannot be referred to as success. The outcomes of the study were the attribution of success to the owner or manager's expertise, personality, educational development, existing business proficiency, knowledgeable staff and being resolute. Success was also attributable to the use of a business plan (Keil, 2007:10-12). The importance of such a study is to assist in identifying success factors specific to South African businesses and to give a view of the sustainability of these businesses.

In 2008, Swanepoel conducted a study on the effect of interventions of the South African Breweries' Kick-Start Youth Entrepreneurship Programme on entrepreneurial and small business performance in South Africa (Swanepoel, 2008:17). The study by Swanepoel (2008) was primarily conducted to determine whether the Kick-Start Programme achieved the objectives of increasing entrepreneurial activity and setting a benchmark for the design of other entrepreneurial programmes (Swanepoel, 2008:17). The findings highlighted that funding and mentoring are critical to the success of entrepreneurs, post training and that these elements are significant for the success of the Kick-Start Programme (Swanepoel, 2008:261-300). Such studies are

important to determine whether entrepreneurial programmes have the desired effect and achieve the set objectives, and whether there are opportunities for improvement, and if SAB should continue investing resources in the programme.

The research study by Makina and Malobola (2004:800-813), states that assessment studies assist programme initiators to measure whether the programmes are achieving the desired objectives of increasing entrepreneurial activity and sustainability. Assessment studies also prove the effectiveness of these programmes for the purposes of advocacy; especially for the government or private sector to prove to communities the role that both government and private sector are playing in reducing unemployment (Makina & Malobola, 2004:800-813). This study by Makina and Malobola (2004:800-813), however, also suggests that assessment studies in micro-finance institutions like Khula Enterprise Finance have previously been carried out solely to justify funding and not to measure efficiency and identify improvement opportunities.

A ten-year review was conducted from 1994-2003 on government small business programmes to assess post-apartheid implementation of programmes initiated by the Department of Trade and Industry (DTI) - (Rogerson, 2008:765-781). The findings included the fact that there is a lack of official data relating to these programmes and that the impact of small businesses on employment cannot be accurately measured due to stunted growth. The study by Rogerson (2008:765-781) also highlights that entrepreneurial programmes initiated by government and other institutions often overlook micro-enterprises and informal businesses. These findings further reiterate the importance of such a study as future programmes can be modified to be more relevant and to achieve the desired results.

1.3 Problem statement

Small businesses have been identified as significant contributors towards employment generation, poverty alleviation and the equitable distribution of income (Peters & Naicker, 2013:13-14). It is therefore evident that this grave need for the establishment and development of small businesses to prosper has become equally important to achieve the objectives of fuelling economic development and growth.

There have been several programmes initiated by either government or the private sector that aim to provide enough support to small businesses to encourage entrepreneurship and promote small business success. However, according to Rogerson (2008:765-781) while a lot of investment has been made in small businesses and entrepreneurship, the impact or success and performance of the programmes is either not assessed, or incorrectly assessed. Therefore, to encourage small business success and sustainability, the assessment of entrepreneurship programmes has become a crucial element to understand the compelling reasons that influence the high rate of business discontinuance in South Africa and how intervention strategies can be employed to mitigate against discontinuance (Herrington & Kew, 2016:32).

According to Abor and Quartey (2010: 219-225) the biggest contributing factor to the survival, continuity and success of small businesses is access to seed capital; essential for the initial registration and operation of the business. This is further re-iterated by Herrington and Kew (2016:32) who have highlighted that more than a third of businesses in 2015 closed because of limited access to finance. It would therefore be beneficial to review a programme that offered entrepreneurs access to capital to assess whether the entrepreneurs are still in business and whether the programme was successful. One such programme was offered by the SAB Foundation between 2012 and 2014.

The SAB Foundation maintains that to address the pressing issues of unequal distribution of income, economic expansion and unemployment, emphasis must be placed on fostering a culture of entrepreneurship by establishing and developing local businesses with the aim of economic inclusivity (SAB, 2016:Introduction, para.2). The SAB Foundation therefore offered two initiatives in 2016, The Tholoana Enterprise Programme that emanates from the Tholoana Enterprise Fund and the Social Innovation Awards that undergird the SAB Foundation's entrepreneurial position (SAB, 2016:SAB Foundation Programmes, para.1). The Tholoana Enterprise Fund, a grant funding support programme, will be the focus of this study.

The research problem for this study is therefore focused on the two-fold research question:

How successful were the beneficiaries of the SAB Foundation Tholoana Enterprise Fund between 2012 and 2014 and how successful was the performance of the SAB Foundation Tholoana Enterprise Fund?

1.4 Purpose of the study

The purpose of the research study will be to assess the success of the beneficiaries of The SAB Foundation Tholoana Enterprise Fund and review the performance of the fund to identify possible improvements that can be made to increase the fund's effectiveness and efficiency. The success of small businesses that received funding from SAB is reviewed by assessing whether the grants received from the SAB Foundation's Tholoana Enterprise Fund contributed to the positive performance of the businesses and; with a view to identify success factors, possible factors that may have led to failure and the performance of the fund. In other words, the purpose is to conduct a review to evaluate the contributions of the fund to the success of the small businesses and to review the performance or success of the Tholoana Enterprise Fund (TEF).

This study will raise awareness of the TEF, now known as the Tholoana Enterprise Programme since 2015 by informing entrepreneurs and small businesses about the programme. The study will also provide an archived record of the TEF at the SAB Foundation and assist in determining future strategies for the programme. In addition, the study will also assist other South African businesses and government departments that offer enterprise development programmes to realise the merit of conducting assessments of the programmes for future investments.

1.5 Research objectives

The primary and secondary objectives of the study are formulated from the statement of the problem.

1.5.1 Primary objective

The primary objective of the study will be to assess the success of the beneficiaries of The SAB Foundation's Tholoana Enterprise Fund (TEF) between 2012 and 2014 and to review the performance of the fund.

1.5.2 Secondary objectives

The secondary objectives of the study, derived from the primary objective will be:

1. To determine the following through a literature review:

- small business success factors

- small business support programmes

- the structure of the Tholoana Enterprise Fund

- the evaluation of entrepreneurship support programmes.

2. To conduct an empirical study by achieving the following:

(B1)   Collate a demographic description of the participants of the Tholoana Enterprise Fund;

(B2)   Assess the perceived success of the beneficiaries of the Tholoana Enterprise Fund based on the identified key success factors for small businesses;

(B3)   Identify other entrepreneurial support programmes in which the beneficiaries of the Tholoana Enterprise Fund were engaged;

(B4)   Determine if there is a relationship between the Tholoana Enterprise Fund impact and small business success; and

(B5)   Determine if there are statistically significant changes in the turnover, profit and number of employees of the businesses of the Tholoana Enterprise Fund before and after receiving the TEF grant.

1.6 Hypotheses

In alignment with secondary objectives (B4) and (B5), the following hypotheses have been formulated:

Hypothesis 1

H_0: There is no relationship between the Tholoana Enterprise Fund impact and the success of small businesses engaged in the Tholoana Enterprise Fund.

H_1: There is a relationship between the Tholoana Enterprise Fund impact and the success of small businesses engaged in the Tholoana Enterprise Fund.

Hypothesis 2a

H_0: There is no statistically significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant.

H_1: There is statistically significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant.

Hypothesis 2b

H_0: There is no statistically significant change in the annual profit of small businesses before and after receiving the Tholoana Enterprise Fund grant.

H_1: There is statistically significant change in the annual profit of small businesses before and after receiving the Tholoana Enterprise Fund grant.

Hypothesis 2c

H_0: There is no statistically significant change in the number of employees of small businesses before and after receiving the Tholoana Enterprise Fund grant

H_1: There is statistically significant change in the number of employees of small businesses before and after receiving the Tholoana Enterprise Fund grant.

1.7 Research methodology

Research methodology will involve all the methods and techniques that are used to successfully implement the research design and it will involve strategies to collect data and methods of investigation (Babbie & Mouton, 2006:647).

There are two research methods that can be employed in a research study; qualitative and quantitative methods. Qualitative research is used to answer the questions of ''why'' and ''what if'' (Cresswell, 2009:4) and it provides a rich source of information in the form of ideas, beliefs and opinions.

In this study, quantitative research methods will be used to answer questions such as ''what'' and ''how many'' through mathematical analysis (Cresswell, 2009:4). The method will focus on collecting the numerical data, summarising the data and extracting meaningful conclusions from the data (Curwin & Slater, 2008:7-8).

1.7.1 Research design

According to Geisler (2004:2), the most important elements of research design include: "[t]he subject to be studied; when data was collected; venue where the study will take place; issues of reliability and validity; methodology and data types". The research design and methodology applied in this research will attempt to answer these questions and provide confidence in the process to be followed and the consequent outcomes.

The research designs that will be used in the study are cross-sectional as data was collected for more than one small business, a descriptive design and an exploratory design because there is very little existing research on assessment studies and no formal research on the performance of the TEF beneficiaries and the fund (Van Wyk, 2012:8).

1.7.2 Research approach

The research approaches that will be used in this research study are exploratory and descriptive research. Exploratory research is used in cases where there are no or few prior studies on a subject matter (Kolb 2008:25-26). The approach will be used in the beginning of the study to identify insights into the review of the success of small businesses as in the case of the TEF. The aim of the exploratory research will be to identify trends and patterns. The second approach to be employed will be descriptive research that is used to obtain statistical data (Kolb, 2008:25). The research study will attempt to answer questions that are related to the TEF such as:

- What are the success factors for small businesses?
- How does support received by small businesses influence business success?

- How do small business support programmes assess business performance?

1.7.3 Sampling design

In conducting research, "a target population always needs to be clearly defined so that the correct individuals are included in the sample frame from which the final participants will be chosen" (Kolb, 2008:180-181). For this study the target population will be chosen from the participants of the TEF that were selected between 2012 and 2014. Therefore, a population of 197 small businesses will be used, using a quantitative design that will make use of categorical and quantifiable data (Saunders, Lewis & Thornhill, 2000:153).

Coldwell and Herbst (2004:77) define sampling as "[t]he act, process or technique of selecting a representative part of the population for determining parameters or characteristics of the whole population and it can either be probability or non-probability sampling". Since the entire population was targeted a sample was not drawn from the population. There is a database of these businesses available from the SAB Foundation and the businesses all have the same parameters of interest (Curwin & Slater, 2008:52).

The parameters of interest for this study are the attributes that are used to describe the population (Cooper & Schindler, 2014:300-380). The parameters of interest for this research study are as follows:

- The participant business for the research study that should have been part of the Tholoana Enterprise Fund between 2012 and 2014.

- Criteria for participation in the Tholoana Enterprise Fund (SAB, 2014) is as follows:
o Participating businesses should be start-ups that are at the initial stages of operations (between six months and three years).
o Participating businesses must be black owned as described in the BBBEE amendment bill, 2011 that defines black people as the following:

> "[A]fricans, Coloureds and Indians (AIC) who are citizens of the Republic of South Africa by birth or descent or who became citizens of the Republic of South Africa by naturalisation (a) before 27 April 1994; or (b) on or after 27 April 1994 and who have

been entitled to acquire citizenship by naturalisation prior to that date but were precluded from doing so by Apartheid policies" (DTI, 2011:3)

- o Participating businesses must be operating within South Africa.
- o Participating businesses must be commercially sustainable and viable.
- o Entrepreneurs or business owners must be involved in the daily operations and management of the business.

1.7.4 Data collection

Data will be broken down into primary data and secondary data. Primary data is original data gathered from the source while secondary data has already been collected by other sources (Kolb, 2008:192). The first method of data collection will be self-administered questionnaires collected from the 197 small businesses that were issued grants between years 2012 and 2014 (Kolb 2008:179-181). This method will generate primary data for the research study. Secondary data will also be collected from the SAB Foundation, academic sources, government statistical databases and other sources of existing data (Page and Meyer, 2005:96).

- **Questionnaires.**

The questionnaire will be self-constructed and will be designed in Survey Monkey to enable online completion. Hard copies will also be available on request. The questions will include a demographic profiling of the participants and the rest will be broken down into themes such as business performance and Tholoana Enterprise Fund performance. An accompanying letter will be attached to the questionnaire detailing the purpose of the research and motivating respondents to complete the questionnaire. The questionnaires will be distributed to the 197 candidates through The SAB Foundation.

Cronbach Alpha coefficients will be calculated to evaluate the internal reliability and thus validity of the questionnaire. Cronbach Alpha's are used to measure the close relation of a group of items within a category (Tavakol & Dennick, 2011:53).

1.7.5 Data analysis

It is extremely important to analyse data once it has been collected so that the raw data can be translated into meaningful findings. Data will first and foremost be pre-analysed to check for validity and completeness. All open-ended questions will be coded and all non-electronic copies of the questionnaires captured electronically (Kolb, 2008: 248).

The collected data will be submitted to the University of Johannesburg's statistical analysis consultation services; STATKON. The collected data will be scrutinised by a professional statistician with the aim of verifying consistency, clarity and exclusions before being arranged for analysis. The validity and reliability of the data will be tested using adequate statistical measures such as descriptive statistics. Descriptive statistics indicate what the data presents and will provide a simple summary of the sample and data. Descriptive statistics that will be used in this study are frequency tables, custom tables, and means and standard deviations (Kolb 2008:194-248).

Inferential statistics may also be used to try and make inferences of what the data may mean or depict (Lowry, 2014:22). To make statistical inferences and test the hypotheses, statistical tools such as exploratory factor analysis, correlation analysis, reliability analysis and paired sample-T tests will be employed.

1.8 Limitations of the study

The limitations of the study are flaws that may affect the validity and reliability of the study. The limitations in this study are that only one fund will be assessed; The SAB Foundation Tholoana Enterprise Fund within the geographical boundaries of South Africa. The entrepreneurs are also not grouped into clusters so success cannot be attributed to businesses in a specific cluster. All the research tools will be distributed through the SAB Foundation and this may restrict access to participants. Most of the information will also be self-reported by the entrepreneurs and may not be entirely accurate. The financial figures reported will not be audited. Another limitation is that for the hypotheses (H2a, H2b and H2c) to be accurately measured, a longitudinal study needed to be conducted measuring the respondents before and after the support was received.

1.9 Outline of the study

• Chapter 1 summarises the content of the research study and provides a background and rationale of the study. Certain concepts that are applicable throughout the study are defined and clarified within the context of the study and a preliminary literature review provided. Research in similar studies in the form of literature is explored and the problem statement, purpose of the study, objectives and hypotheses of the research stated. Chapter 1 ends with a brief overview of the research methodology and limitations of the study.

• Chapter 2 reviews and provides a theoretical overview of relevant literature. The literature broadly discusses the success factors of small businesses, followed by a discussion on the challenges faced by small businesses. Chapter 2 then culminates into an overview of the support that small businesses receive from government institutions and private sector.

• Chapter 3 builds a conceptual framework for an understanding of The Tholoana Enterprise Fund. An overview of the fund and the various funding vehicles within the fund are outlined. The stages of the Tholoana Enterprise Fund are then described including the application process and eligibility criteria for entrepreneurs and business owners. This overview is followed by literature on the evaluation of entrepreneurship support programmes.

• Chapter 4 gives a discussion of the research methodology presented in Chapter 1. The research problem, objectives and hypotheses and testing techniques for the hypotheses are presented. A detailed discussion on the collection of data, the questionnaires to be used, questions relevant to the investigated topic and the validity and reliability of the data will be given. The data analysis and techniques used to analyse the data will also be discussed.

• Chapter 5 involves an analysis, interpretation and discussion of the empirical data collected. Representation will first be of demographic data, followed by descriptive statistics and inferential statistics. A summary of the discussion of the results and findings are also documented in Chapter 5. The findings will be reported based on the objectives and hypotheses formulated in Chapter 1.

• Chapter 6 summarises the research dissertation. This will be followed by recommendations from the research dissertation, recommendations for future research and conclusions.

CHAPTER 2

SUCCESS FACTORS OF SMALL BUSINESSES AND SUPPORT FROM GOVERNMENT AND PRIVATE SECTOR

2.1 Introduction

The first part of this chapter expounds upon the success factors of small businesses as highlighted by the literature. The aim of the review on success factors is to provide adequate evidence in the literature on the determinants of business success as documented by various academic and non-academic sources and to assist in defining success factors for the TEF.

A study by Everett and Watson (1998:371-373) argues that when entrepreneurs endeavour to start a business, there is a need for the businesses to predict the probabilities of success or failure, and to understand the three types of risks that will most likely be encountered. The first risk is associated with the economy of the potential location of the business, for example the macro-economic variables at play. The second risk is associated with the chosen industry, like trade union influence on wages and operations and access to markets. The entrepreneur would also need to consider the third risk that is associated with the business and these would entail management proficiency and staff competency (Everett & Watson, 1998:371-373). These risks will be elaborated on later in this chapter.

In breaking down the definition of business success for small businesses, researchers have identified factors that are the building blocks of success for small businesses. These success factors are those few things that will ensure the success of a business by going well (Boynton & Zmund, 1984:24). Forrer (2006:19) believes that the critical success factors for small businesses should be comprehensive and cover the businesses entire operation. Forrer's study (2006:19), defines success

factors as those that are critical to a business' ability to consistently maintain quality and high performance. Kirkwood (2016:594) has suggested that there are no notable differences in the way male and female business owners define success factors but that the most consistent factors across both genders were financial success, stakeholder satisfaction, work life balance and overall satisfaction and contentment. Success factors as presented in the following section include access to capital, financial management, business owner expertise and experience, industry experience, marketing activities, partnerships, employee competence and remuneration, business plans, macro-environmental factors, and finally access to skills and markets.

2.2 Small business success factors from the literature

According to Zaridis and Mousiolis (2014:464), international literature presents evidence that the factors that lead to small business success vary and are sometimes contradictory depending on the representative industries, but the consistent factors can be summarised as follows:

- access to capital
- bookkeeping and financial management
- relevant industry experience including access to skills and markets
- managerial expertise
- age and education
- marketing
- a business plan
- macro-environmental factors.

These pre-determinants suggest that small business success is hinged on:

- research
- the development of relevant products to the market
- effective sales of the products
- financial stability
- management skills
- a vision or a plan for the business.

The factors that lead to small business success are therefore expanded upon in the following paragraphs.

2.2.1 Access to capital

In the study by Zaridis and Mousiolis (2014:464) it is indicated that access to capital is in most cases a key ingredient to small business success as it enables businesses to invest in business assets, resources and marketing to enable the initial operation of the business (Everett & Watson, 1998:371-374). Access to capital and credit availability to small businesses may be the main reason why numerous businesses even fail to start or to grow because there are no funds to conduct market research, register a business or pay licensing fees where necessary (Abor & Quartey, 2010: 219-225). According to Abor and Quartey (2010: 219-225) the biggest contributing factor to the survival and success of small businesses is access to seed capital essential for the initial registration and operation of the business. This seed capital ensures that there is a business and it can operate.

A study conducted by Lekhanya and Mason (2014:345) on selected key external factors influencing the success of rural small and medium enterprises in South Africa concluded that access to funding was a critical contributor to small business success and that small businesses with access to funding seemed to be more successful than small businesses with inadequate funding. This study by Lekhanya and Mason (2014:345) highlights the fact that increased access to funding for small businesses could improve small business success and sustainability.

Krishnan, Nandy and Puri (2015:1807) have argued that access to funding for small businesses improves productivity as these businesses can engage in investment opportunities. A study by Omri, Frikha and Bouraoui (2015:1074) argues a similar view and suggests that small businesses that have adequate access to financial capital have high probabilities of success than small businesses with limited access to financial capital. This is primarily because small businesses with access to significant amounts of financial capital are driven to innovation and the exploration of new opportunities that promote business success. On the other hand, small businesses that have limited access to capital will have limitations in terms of new and existing product development, accessing new markets, developing prototypes and marketing of products and services (Omri, *et al.,* 2015:1076)

Katwalo (2010:143), however, throws in a caveat and argues that although small business financing is critical, most financing is more focused on the growth of the small business and entrepreneurship and neglects an important aspect that suggests financing should take a more marketing and operational perspective, in addition to the financial perspective for sustainable business success. The study by Katwalo (2010:143) also indicates that funding alone may not be enough because an understanding of relevant markets is also imperative.

Kamunge, Njeru and Tirimba (2014:5-6) indicate that inadequate funding has the same contribution to the demise of small businesses as lack of funding. This is because inadequate funding paralyses small businesses in that the small business can operate but is unable to meet pressing customer needs, or initiate product developments or enhancements, and is unable to expand the business into related businesses, unrelated businesses, current or new markets (Kamunge *et al.,* 2014:5-6). The process of acquiring capital may be tedious and unproductive but once capital has been attained, financial management and administration then become imperative to circumvent the misemployment of funds (Zaridis & Mousiolis, 2014:464).

2.2.2 Financial management skills

Entrepreneurs or small business owners do not usually have sufficient knowledge or time to manage the financials of the business and functions like bookkeeping and general financial management are necessary controls that enable the business to manage balance sheets and account for all business transactions. Small businesses that are diligent in financial practices can identify potential financial constraints and make means to mitigate them (Jindrichovska, 2013:80; Nieuwenhuizen & Kroon, 2003:132-133; Zaridis & Mousiolis, 2014:464).

According to Mazzarol (2014:2), the major obstacles faced by small businesses in managing business financials are cash flow management and the management of current assets and current liabilities necessary for business operations (working capital). The main elements of working capital are cash, receivables and inventories and a business should ideally not have excessive working capital to avoid financing

assets that are not in use. A business should also not have too little working capital to avoid disruptions in production (Jindrichovska, 2013:80).

The study by Jindrichovska (2013:80) further explains that the most important aspects of financial management for the success of small businesses is asset management as in the long run, the lifecycle of the business assets would determine the path of the business. Business owners need to have an in-depth understanding of the cash cycles of the business (meaning an understanding of the time lapse between when cash exits the business in the initial stages of manufacturing or production and when it is recovered back into the business). Another aspect of asset management within financial management that small businesses are challenged with are the critical decisions of capital investments that are made without conducting an analysis on which fixed assets are necessary for the initial operations of the business, without jeopardising the liquidity of the business. Studies by Mazzarol (2014:12), Jindrichovska (2013:80) and Zhong (2014:89) confirm that there is a positive relationship between diligent financial management with a specific focus on working capital and cash flow management and the survival, efficiency and sustainability of small businesses.

Karadag (2015:34) has concluded that small business success is not only dependent on accessing capital but that having a financial management system in place is as important. The research by Karadag (2015:34) further suggests that financial management in small businesses should evolve from only focusing on getting financing to an all-inclusive financial management skills panorama that is inclusive of bookkeeping, managing asset portfolios, debt management and investment prospects. The level of prudence required for efficient financial management requires the business owner or entrepreneur to have a certain level of expertise, experience and education (Nieuwenhuizen & Kroon, 2003:132-133; Zaridis & Mousiolis, 2014:464).

2.2.3 Business owner skills, education, expertise, personal values and age

According to Radipere and Van Scheers (2005:410), small business owners do not have adequate business management skills, resulting in poor performance and subsequently in small business failure. These business management skills are inclusive of poor management behaviour and inadequate expertise and are the main causes of small business failure (Radipere & Van Scheers, 2005:410). Small

businesses that are led by more mature entrepreneurs, who have experience and developed skills paired with formal tertiary education, have been recorded to succeed more than those led by much younger, less skilled entrepreneurs, with minimal education (Ropega, 2011:479-480; Zaridis & Mousiolis, 2014:464). This is an indication that the latter lack certain skills or expertise gained by the former during years of growth, sharpening of skills and drawing from the wells of knowledge. This notion was explained by Apostolidis (1977:48-51) that managerial expertise is one of the success factors of small businesses. Döckel & Ligthelm (2005:61-62) have found that successful businesses demonstrated a positive relationship between business management skills and entrepreneurial conduct.

The paucity of management expertise and skills results in a liability of newness that hinders success and results in internal challenges and conflicts due to inexperience, lack of connections in the industry, and lack of market buy in because of lack of market intelligence (McDowell, Harris & Geho, 2016:1904-1908). The lack of education, training and expertise in dealing with legal facets of small businesses and portfolio management, also often results in the translation of business risks into personal risks for the small business owner (Mbonyane, 2006:12). The scarcity of management skills, expertise and experience can be attributed to the perceived high cost of training and advisory services as well as complacency. This clouds the compelling need to be properly equipped and upskilled to yield better results in business (Abor & Quartey, 2010:219-226). Mustafa (2016:264-266) suggests that business owners must not only possess management skills and expertise but must be able to offer guidance and motivation and be willing to seek counsel from business mentors and advisors. The small business owner is a critical factor to the success of the business (Hayes, Chawla & Kathawala, 2015:403-404).

It has also been suggested that there is a criterion for entrepreneurial success that is based on the relationship between entrepreneurs and personal values (Gorgievski, Ascalon & Stephan, 2011:209-210: Walker & Brown, 2004:578-579). The studies by Gorgievski *et al.* (2011:209-2010) further elaborate that the entrepreneur and the skills sets, experience, personal values, family background (including whether the business mind set is prevalent in the entrepreneurs' families or not) have a huge bearing on the performance of small businesses. The commitment, aptitude and

inspiration of the business owner or entrepreneur have a huge impact on the outcomes of the business (Nieuwenhuizen & Kroon, 2003:132-133). These are inclusive of personal traits like resilience, flexibility, foresight, the capability to appeal to skilled employees and retain them, and general market knowledge. Ayala and Manzalo (2014:133) have found that there is a positive relationship between the business owner's resilience and the success of the small business.

An interesting study by Seaton, Waggoner and Jacquelyn (2015:84) states that hope, (i.e. an expectation or desire for success) is an important factor to the success of small businesses. Hope is described as a key quality that exists within business owners but can be cascaded down to others in the small business. The research by Seaton *et. al.* (2015:84) suggests that hope is an enabling force of the small business owner that may influence small businesses to be more productive and resilient during challenging times. In addition, managerial expertise, qualities and entrepreneurial conduct are significant factors in the success of small businesses (Ibrahim & Goodwin, 1986:48).

2.2.4 Relevant industry experience and access to skills

The study by Zaridis and Mousiolis (2014:464) indicates that small businesses that venture into industries in which there is vast knowledge and experience are more likely to experience success than those that initially choose unchartered territories. This is because in familiar industries, there already may be existing networks, knowledge of challenges and how to overcome them, and a view of the business cycles within the industry.

In a study on small business ventures, Lazányi (2015:77) has presented that entrepreneurs with previous experience in relevant industries and those with experience in starting up businesses have a completely different approach to potential threats. The difference between new entrepreneurs and those with experience is that the experienced entrepreneurs give special attention to financial issues that may pose a threat to the operation of the business, while entrepreneurs with no prior experience, focus on developing a business model and neglect the threat of financial predicament (Lazányi, 2015:77). This is a confirmation that relevant industry experience is a key component of small business success.

Staniewski (2016:5147) has found that, entrepreneurs or small business owners with managerial experience and those who employ employees with skills and sufficient industry knowledge will accomplish business success. Managerial experience includes:

(a) the business owner's prior experience in managing a business;

(b) professional industry experience in the relevant industry in which the small business is engaged;

(c) prior experience in running the business owner's own business; and

(d) the business owner's unique knowledge of either the industry, competitor behaviour or knowledge on product or service offering.

Business owners that have access to skilled employees are also more likely to have an advantage over competitors as an employee's understanding of the business, industry or product and service offerings will put the business at an advantage (Staniewski, 2016:5150). Storey (2016:180) suggested that the reason why skilled employees are most likely to be attracted to more established businesses than to small businesses is because the former, structures compensation according to skills level and small businesses are not able to remunerate at the same level due to restrictions in funds. This notion is supported by Atkinson and Storey (2016:83) that further suggest that because small businesses do not have a training and development structure for employees, this is a deterrent for skilled labour that constantly seek opportunities for improvement and development.

Seeletse (2012:10994) has confirmed that most small businesses fail because of limited knowledge and understanding of the businesses, the market and management. This is particularly important for the positioning, promotion and marketing of the products or services offered by the business (Zaridis & Mousiolis, 2014:464).

2.2.5 Marketing capabilities and access to market

Price, product, promotion, quality, efficient service and excellent customer service affect the image and success of a business (Zaridis & Mousiolis, 2014:464). Small business owners or entrepreneurs who understand the marketing mix and have marketing skills are most likely to succeed due to well defined marketing

opportunities. The entrepreneurs can then optimise the impact of product or service offerings to the chosen market (Forrer, 2006:19).

The product or service offerings must resonate with the chosen market, be ideally located, available at a competitive price and at the right time (Mustafa, 2016, 264-266). Another part of the marketing factors that contribute to the success of small businesses is the ability of small businesses to conduct thorough market analysis and develop an attractive product line (Apostolidis, 1977:48-51). One of the emergent themes of a research study by Turner (2015:80) is the fact that to achieve success, small businesses need to achieve market differentiation through aggressive pricing, strategic location of the business, product development, superior customer service, brand awareness, and customisation. The challenge is that some of these factors may require significant financial investments such as customisation (as opposed to mass production), product development, and brand awareness campaigns. Cant and Wiid (2013:714) have presented a congruent argument that in addition to macro-environmental factors, small business success in South Africa is challenged by incorrect costing strategies, the physical situation of the business, the incorrect target audience, poor demand for product or service offerings, and access to new customers and markets.

Watson (2005:119) has stated that among other limitations, one of the infrastructural factors that contribute to the lack of success of small businesses is the limited, or no access to markets and new customers. This is reiterated by Mutoko (2014:28-35) who elaborates on the negative impact this has on small business existence and continuity as it is a recipe for failure regardless of how much financial or other support the small businesses have received. Access to markets and new customers are key success factors that can improve small business profitability, growth, increase the number of employees and thus contribute to economic development (Mutoko (2014:28-35). This is supported by SEDA (2016a:10), who see this as an irremediable challenge to small businesses since lack of access to markets is an aspect that may jeopardise the continuity and sustainability of small businesses. In addition, credit providers in South Africa base the issuing of credit to small businesses on a variety of factors including access to markets and the lack thereof.

Bodea (2016:482) has suggested that there is a correlation between the performance of a business and the marketing capabilities of the business. Marketing capabilities

(such as the ability to develop new products or modify existing products), and the ability to manage sales continuously keeps businesses relevant to the target market and gives businesses a competitive advantage. Bourletidis and Triantafyllopoulos (2014:643) have recommended that during times of economic downturn, the adoption of marketing strategies can also assist in small business survival. These marketing strategies as suggested by Bourletidis and Triantafyllopoulos (2014:643) include price change considerations, product planning, managing supplier partnerships, and product modifications and enhancements. Herbert, Takupiwa, Honest & Ephraim (2013:5) have presented a similar argument in that the research suggests that a key factor to assist small business survival during periods of economic turmoil would be an element of marketing like the diversification of products and markets. This is when small businesses would have the opportunity to explore markets with minimal competition and would also be able to establish niche markets for products and services. Other studies by Pretorius and Millard (2005:55-56) argue that small business survival and success is mostly reliant on ingenuity and the ability to constantly invent and innovate. There seems to be a relationship, however, between the level of innovation in small businesses and the level of inspirational leadership within an organization. This therefore implies that business success is influenced by inspirational leadership that encourages innovation (Dunne, Aaron, McDowell, Urban & Geho, 2016:5).

Van Scheers (2011:5048) has indicated that the absence of marketing skills in small businesses has unfavourable ramifications on small business success. The study by Van Scheers found that small businesses that lacked marketing skills (inclusive of knowing and understanding the market), segmentation, understanding the competitor footprint, consumer needs analysis, access to markets and the actual marketing of products and services were most likely to experience failure.

2.2.6 Strategic business partnerships
More favourable success rates can also be observed in businesses that began as collaborations or partnerships. This is because of the conglomeration of resources from all partners, reducing the burden of resource constraints. It is however important to partner with individuals with a similar business vision and goals (Hyder & Lussier, 2016:92-93). Small businesses can form partnerships with the private sector,

government institutions and key suppliers to expedite increased profitability through shared capabilities, shared skills, and shared learning (Robinson & Stubberud, 2013:97).

Hyder and Lussier (2016:92-93) share a similar view to O'Dwyer, Gilmore and Carson (2011:101-102) in that there is consensus that by embracing strategic partnerships with the objectives of marketing, a competitive edge can be gained by small businesses through increased access to human and financial resources, expertise, professional connections, and a geographical footprint. From a marketing perspective, strategic partnerships do not only increase the competitive edge of small businesses but also increase the impact of innovative marketing (O'Dwer *et al.,* 2011:101-102).

2.2.7 Employee competence and remuneration

A study by Pletnev and Barkhatov (2016:193) on Russian small businesses suggests that the success of small businesses is based on employee competence and individuality. The study further suggests that there is a relationship that exists between employee remuneration and business success. This relationship exists parallel to the relationship between the differences in management remuneration and employee remuneration. When employees perceive remuneration to be fair and believe that there are trivial disparities between management compensation and employee remuneration, then performance - and thus business performance - will increase and contribute to business success (Pletnev & Barkhatov, 2016:192-194).

Schlosser (2015:50) has highlighted that employee competence is a critical factor to small business success. This study by Schlosser (2015:50) indicates that successful entrepreneurs or small business owners are made successful by the right employees that have relevant competencies for the small business and industry. These employees act as a support structure to the business owner and the small business and are willing to take on a modest amount of risk, match the success factors of the small business, and have a different level of education and experience relative to the business owners. In addition, these employees are dependable, work diligently and are both efficient and effective in the business deliverables (Schlosser, 2015:50). The appointment of the right employees, therefore, seems critical to the success of small businesses.

2.2.8 Good business plans

Finally, small businesses that have a well-constructed business plan or a master plan that entails the presence of strategy, goals and objectives, and alignment with value creation are well on the way to success. A business plan or master plan serves as a road map that constantly reminds the business of its objectives and how the goals can be attained (Apostolidis, 1977:48-51; Forrer, 2006:19; Zaridis & Mousiolis, 2014:464). Turner (2015:80) has highlighted that small business owners may well have a business plan when the business is initiated, but that the plan and business strategy need intervention from experienced personnel. A study by Fernandez-Guerrero, Revuelto-Taboada and Simon-Maya (2012:2399), however, has highlighted that the elements that assess the quality of a business plan on the commercial, financial and business feasibility do not influence the survival or success of the business. In other words, the quality of a business plan cannot predict the success or failure of small businesses.

Nevertheless, a business plan may not always be enough as initial success, which refers to the setting up of the business, may in certain industries be determined by the rigidity of the regulatory framework, barriers to entry and start-up costs like registration and licensing fees (Abor & Quartey, 2010: 219-225). Holistic business success is therefore not a function of one success factor but rather a combination of several factors. Mbonyane's (2006:20) study has documented factors that may contribute to the failure of a small business as inadequate business planning, lack of funding, lack of financial and business acumen, lack of small business owner's expertise and education, lack of employee contentment, and lack of experience in managing customer interactions. Whereas, the success factors as highlighted by Forrer (2006:19) are as follows:

- **Distribution:** the ability of a business to get the product or service to the customer affects its success.
- **Manufacturing:** the ability to produce quality products or services that are effective and efficient at low cost contributes to the success of a business.
- **Technology:** the ability to use technology to enhance productivity and efficiency at the most optimal cost affects the success of a business.

The ability to know and understand these success factors will yield a profitable business and will ensure that market share is continuously gained (Forrer, 2006:19).

Considering the above, the key success factors that will be used to review the SAB Foundation TEF will be a selection of some of the success factors mentioned above that are of relevance to the SAB Foundation. It is believed that the use of the following factors will provide a picture of balanced and comprehensive success for the TEF:

- **Access to capital:** access to seed capital for start-up costs (Abor & Quartey, 2010: 219-225).
- **Good business plan:** goals, objectives and value creation (Zaridis & Mousiolis, 2014:464).
- **Financial management skills:** an understanding of financials, bookkeeping and financial stability, managing working capital and cash flow (Jindrichovska, 2013:80; Nieuwenhuizen & Kroon, 2003:132-133).
- **Education and business training:** training on business principles and business management and formal education (Mbonyane, 2006:12).
- **Marketing capabilities and access to markets:** relevance of product or service, attractiveness of product or service, market analysis, price and promotion and access to markets and new customers (Mustafa, 2016, 264-266; Mutoko, 2015:28-35)
- **Managerial expertise:** skills and capabilities and knowledge of the business (Zaridis & Mousiolis, 2014:464)
- **Strategic business partnerships:** existing partnerships with individuals or businesses with common goals (Hyder & Lussier, 2016:92-93)
- **Relevant industry experience and access to skills:** prior business or management experience in relevant industries including access to skilled labour (Lazányi, 2015:77; Staniewski ,2016:5147).

The support that is available for small businesses in South Africa is discussed in the following section.

2.3 Small business support in South Africa

Support is imperative for small businesses to realise success, but it has been established that in South Africa, small businesses lack support for business ventures

(Mutezo, 2005:2). Peters and Naicker (2013:13-23) have identified the most common challenges faced by small businesses as lack of access to funding, an unfavourable legal environment, lack of access to information, and lack of access to relevant markets and procurement among others. It is argued that support is necessary from both government and the private sector to overcome these challenges and foster an environment that is enabling for the expansion of small businesses (Peters & Naicker, 2013:13-23).

The study by Malebana (2012:10) has highlighted that support is mainly financial but can also be in terms of skills development, access to information, business counselling, and mentorship. Small businesses do not only lack financial resources but also a business network and the necessary human capital to execute the demands of a start-up business (Preisendorer, Bitz & Bezuidenhout, 2012:7-14). In the research study by Preisendorer *et al.,* (2012:7-14), it is suggested that financial aid is not enough and that those that endeavour to support entrepreneurs and small businesses need to look at support holistically. This would encompass, among other things, training, mentorship, financial assistance, and exposure to key networks within industries (Preisendorer *et al.,* 2012:7-14).

Rogerson (2001:268-284) has stated that the most successful entrepreneurs and business owners are those that have received support in the form of training and education. The study further elaborates that the entrepreneurs that have received training support continue to gain competitive advantage over competitors or counterparts. Bradford (2007:96-97) shares similar thoughts and highlights the three key skills that entrepreneurs lack to operate businesses effectively. These skills as highlighted by Bradford (2007:96-97) are lack of financial acumen in maintaining financial records, establishing a marketing strategy, and obtaining capital for small businesses.

However, Nieman (2001:445-450) makes a distinction between entrepreneurship training and business training. Entrepreneurial training is defined as a training environment that fosters innovation, prepares entrepreneur's perception of risk and performance. Entrepreneurial training is aimed at complementing the performance of the entrepreneur. Business training, on the other hand, is defined as a

comprehensive training fund that encompasses all facets of business management. Together, entrepreneurial training and business training prepare the small business owner for success. The challenge in South Africa remains that most training funds that are targeted at entrepreneurs and small business owners are still focused on conventional methods of management and not entrepreneurial methods, which are more relevant for small businesses (Nieman, 2001:445-450). Entrepreneurship and small business training is documented as a pre-requisite for business success, especially sector-specific training and education (Rogerson, 2008:77).

Considering the research, it is evident that the success of entrepreneurs in small business ventures rests on the pillars of support that is received. The following section will expand on the support that small businesses receive from government and the private sector.

2.3.1 Support from government

In 2014, the SA Government, in recognition of the invaluable contribution of small businesses to the economy, removed small business development from the Department of Trade and Industry and formed a new department that focuses solely on the development of small businesses under the leadership of Minister Lindiwe Zulu (DTI, 2014:3-10; SEDA, 2016c:Features, para.1-6). Minister Zulu committed to assisting small businesses by reviewing all legislation relating to small businesses and co-operatives and liaising with all government departments to explore opportunities that may exist for small businesses (DTI, 2014:3-10; SEDA, 2016c: Features, para.1-6).

Swart (2010:10-12) has suggested that the role of government in creating an environment that is conducive for nurturing entrepreneurship is to reduce existing red tape and to ensure the regulatory framework is less stringent. Maloka (2013:17-30), further states that the regulatory environment is known for excessive formalism that restricts small business expansion. Small business owners, in most cases, do not understand this environment and end up paying penalties for non-adherence to the law. In the 2016 budget speech, the former South African Finance Minister, Pravin Gordhan explained that the government, via the Department of Small Business, aims to reduce the level of bureaucracy and regulatory margins by partnering with Invest

South Africa to reduce the costs of initiating a business venture (National Treasury, 2016:21).

This is further seasoned by the provisions of the national small business strategy that confirm that the objectives of the strategy were to deal with a hostile legal environment, scarcity of financial assistance, inferior skills levels, limitations in accessing information, procurement and customer bases, provision of entrepreneurial training, improving labour regulations, offering distinct tax laws, and addressing market failures related to government. In the White Paper on national strategy on the development and promotion of small business in South Africa, the South African government aimed to nurture an environment that will empower small businesses and address the injustices and discrimination of the apartheid regime (DTI, 2007:Foreword, para.3-5). The government employs various tools and instruments to support small businesses and among these are tax incentives and grants such as the much-contested youth grants in South Africa. The term 'grant' is used to describe government efforts to subsidise entrepreneurial ventures and innovation initiatives (Radas, Anic, Tafro & Wagner, 2014:15-21). Other studies by Doh and Kim (2014:1561-1562), even suggested that the role the government plays in providing financial support to small businesses encourages these businesses to be more innovative and efficient as the technological capabilities are improved.

The government had, for the 2016 budget year, allocated an amount of R475 million to the Department of Small Business to help small businesses (Writer, 2016: On the small business development ministry, para.1). In the 2017 budget speech, South Africa's former Minister of Finance, Pravin Gordhan announced that an amount of R3.9 billion for small, medium and micro enterprises and co-operatives would be allocated (Ensor, 2017:8-9). Minister Gordhan also announced the stabilisation of the wage bill and the presentation of opportunities for the participation of small businesses through the improvement of public spending that will be achieved through procurement modifications. This was a much-welcomed announcement as it meant that more support would be given to small businesses in the hope that the small businesses, in turn, would help facilitate the economic recovery of the country (Ensor, 2017:8-9).

The tax-free portion of the taxable income for small businesses was also marginally increased from R75 000 to R 75 750, in 2017 (Ensor, 2017:12). In the 2016 budget speech, it was also reported that there would also be no increases in value added taxes (VAT). These amendments were instituted as an attempt to bring tax relief for small businesses by modifying income tax and refraining from increases in both personal and company tax, thereby preserving consumer and business confidence and the further plummeting of the economy (Writer, 2016:Vat, para.1-2). In 2017, however, a new top personal income tax rate of 45% was proposed for individuals with an annual income above R1.5m (Ensor, 2017:12).

An allocation of R870 billion was also made for infrastructure spend which incorporates education and energy projects, residential services and transport services in 2016 (National Treasury, 2016:12). The investment in infrastructure was to address the challenges faced by small businesses that contribute to lack of sustainability and reliability, such as electricity supply challenges. In 2017, more than R5 trillion was allocated to infrastructure spend that include broadband implementations, water infrastructure, provincial roads maintenance, public procurement, national road network and social housing (Petterson, 2017: Introduction, para.2).

A study by Friedrich and Isaacs (2010:2-7) has argued that South Africa has been continuously applauded for its flawless policy frameworks, and that it has been unable to not only implement them but also monitor and review them. It further presents that those previous plans for small business development by government had not been executed and therefore government may not be offering the best support (Friedrich & Isaacs 2010:2-7). This is reiterated by Oranje and Voges (2014:35) who have stated that local government plans for economic development have been a failure.

On the contrary, a study by Peters and Naicker (2013:13-16) has presented that government has implemented policies to assist with the establishment of small businesses and competitive structures. These programmes include the Black Economic Empowerment (BEE) strategy that aims to include black participation; the National Youth Development Agency (NYDA); the Small Enterprise Development Agency (SEDA); the Industrial Development Corporation (IDC); Khula Enterprise

Finance; the National Empowerment Fund (NEF); the Department of Trade and Industry (DTI) and others (Peters and Naickers, 2013:13-16). Government institutions have therefore advanced with the objective of providing holistic aid to the small business sector and thereby remove constraints (DTI, 2007: Foreword, para.3-5). Five of these support structures are outlined below.

- **National Youth Development Agency (NYDA).**

The National Youth Development Agency (NYDA) is a South African government agency that was established to deal with matters of youth development at local, provincial and national government level (NYDA, 2016:About us, para.1). Young people or youth in South Africa (identified as individuals between the ages of 14 and 35) are representative of 42% of the total South African population (StatsSa, 2015). The manifold challenges that plague South Africa like unemployment, inequality, high crime levels, and poverty are predominantly endured by the youth and it therefore justifies the attention given to youth issues and consequently the establishment of the NYDA (NYDA, 2016:About us, para.1).

The NYDA was initially launched with the intention of improving entrepreneurship and assisting young entrepreneurs with venture capital and mentorship (Fatoki, 2010:88). During the 2011/2012 financial year, the government has, through the NYDA issued approximately 10 000 business loans to support over 1 500 youth entrepreneurs (NYDA, 2016: New focus, para.2). The agency's approach has since changed from enterprise financing, to education and skills development. This approach offers grants instead of loans, allowing young entrepreneurs the opportunity to not only access financial assistance but non-financial assistance as well, in the form of education and training. Its key focus areas are to encourage economic participation of young people, ensure opportunities for further education through bursaries, promotion of healthy lifestyle choices, policy and research and good governance (NYDA, 2016:New focus, para.3). Government through the NYDA makes valuable investments in young entrepreneurs (Fatoki & Garwe, 2010:729).

The NYDA has also partnered with Sasol Group, Exxaro, the MTN Foundation, Absa and the Gauteng Enterprise Propeller to launch a school-based entrepreneurship programme that is aimed at creating a competitive environment that will inspire new business ideas. Government values entrepreneurship and has also established

several support and development programmes for small businesses such as the Small Enterprise Development Agency (Fatoki, 2010:88).

- **Small Enterprise Development Agency (SEDA).**

The SEDA is a vehicle that was established to assist small businesses under The Department of Trade and Industry (SEDA, 2016: About, para.2). Formerly, SEDA was an amalgamation of three institutions namely, Ntsika Enterprise Promotions Agency, Community Public Private Partnership Programme (CPPP) and the National Manufacturing Advisory Committee (NAMAC) (SEDA, 2016 About, para.1). SEDA has now been mandated to develop and assist small businesses and ensure success and continuation, by assisting with non-financial services like the facilitation of capital, marketing, procurement advice and training (Mutezo, 2005:27).

The agency also boasts a technology programme, the SEDA Technology Programme, which is intended to:

(a) boost technological innovation;

(b) enhance the efficiency of small businesses;

(c) assist small businesses to achieve increased profitability and productivity;

(d) improve the competitive advantage of small businesses; and

(e) decrease the quotas of failure, while improving access to technology for small businesses.

These efforts are meant to equip small businesses so that there is sustainability, global competitiveness and contributions towards growing the South African economy (SEDA, 2016:Home, para.3).

The SEDA branches in the district municipalities offer entrepreneurs advice, import and export training, market access and business networks (Small Business Development, 2015:SEDA, para.1). These tools assist entrepreneurs in either starting new businesses or growing existing businesses. The commitment of either starting or expanding a business may, however, give rise to the need for credit availability to either cover start-up costs or expansion costs; a function of Khula Enterprise Finance.

- **Khula Enterprise Finance.**

One of the biggest constraints that small businesses face is the lack of credit availability (Nigrini & Schombee, 2002:735-739). The government, therefore, through Khula Enterprise Finance, offers small businesses a credit guarantee scheme that shares the risk between banks and guarantee institutions. The scheme encourages banks to lend to small businesses that cannot provide the required collateral (Nigrini & Schombee, 2002:735-739). The government through Khula enterprise finance mediates on behalf of small businesses to ensure access to credit. Under the scheme, the government has also developed the Thuso Mentorship Scheme which assists small businesses with developing business plans and offering advisory services (DTI, 2007:Summary, para.2).

The South African government has employed several arms to assist entrepreneurs to address financial constraints, as traditional financial institutions do not want to carry the entire risk. Credit alone may not be enough support as entrepreneurs are mostly first time business owners that may not have the necessary skills to operate a business successfully (Nieuwenhuizen & Kroon, 2003). Khula continuously seeks to develop new avenues to improve access to finance (DTI, 2007: Summary, para.3).

The government of South Africa has also established support programmes that are specific to the historically disenfranchised population of the country, such as the National Empowerment Fund

- **National Empowerment Fund (NEF**).

The NEF is a fund that was established by the National Empowerment Fund Act 105 of 1998, to assist BEE transactions through financing (DTI, 2007: Introduction, para.1). The Fund predicts prospective financing needs and the essentials for investment, with the aim of assisting black entrepreneurs and businesses to achieve the components of the code of good practice. These components are inclusive of changes in management structures and employees, favourable procurement and the prohibition of weakening black shareholding (Nefcorp, 2016:About, para.1).

The NEF also encourages a culture of savings and investments among the previously disadvantaged or individuals and businesses that are classified as black

South Africans. The loans offered by the fund range from R250 000 to R75 million irrespective of the industry and are offered for either new business creation, business development or the procurement of shares (DTI, 2010: NEF, para.2). The fund executes the commission in three ways namely; asset management, fund management and strategic project funds (Funding connection, 2012: NEF, para.2).

The NEF offers solutions to common challenges encountered by entrepreneurs and business owners as detailed in Table 2.1 (Nefcorp, 2016: Challenges and market failures, table 1).

TABLE 2.1: **Common market challenges and NEF solutions**

Common challenges	Solutions by NEF
Constrained capital.	Financing offered ranging from R250 000- R75 million for new business, business development and changes in equity.
Lack of or restricted management expertise including commercial, sales and marketing and specialized skills.	Business planning support available online as well as focused mentorship and advise.
Access to inexpensive financial assets or financing.	Reduced need for collateral premiums because of fair costs of financing coupled with a higher risk propensity and the condition for a hands-on approach in operations.
Paucity of correct and dependable financial information.	Business planning support available online as well as focused mentorship, advisory and professional assistance.
Business plans of inferior quality.	Business planning support available online as well as focused mentorship, inclusive of a financial forecasting programme.
Limited bargaining power and fierce competition from experienced and well-established competitors with significant market influence.	Prioritization of Broad Based Black Economic Empowerment or the Code of good practice.
Inability to enter domestic and foreign markets.	Interconnecting stakeholders in take-off agreements.

(Source: Nefcorp, 2016: Challenges and market failures, table 1)

The NEF, as documented in Table 2.1 aims to address the common market challenges experienced by black business owners such as limited access to capital, lack of management expertise, access to finance, financial information, business plans that are inferior in quality, limited bargaining power and lack of access to markets.

- **Industrial Development Corporation (IDC).**

The Industrial Development Corporation (IDC) is another extension of government that not only provides funding for start-ups but also fosters an environment of skills transfer from a pool of professionals (IDC, 2016:What we do, para.1). The Corporation provides finance for industrial development projects and assists in encouraging partnerships in the Southern African Development Community (SADEC). The objectives of the IDC include distinguishing and financing labour intensive ventures with colossal impact, adopting higher risk ventures and being forerunners in establishing new industries (IDC, 2016:Our mandate, para.1-5).

The IDC has, since its inception, invested more than R130 billion and directly created more than 360 000 jobs, while preserving more than 43 000 jobs through financing activities of small to medium businesses (IDC, 2016:20 years of impact, para.1-4). Current successes of the corporation are prevalent in the following industries; automotive, film, new technologies, chemicals and pharmaceuticals, tourism, agro-processing, green industry, forestry and wood, and mining and minerals beneficiation (IDC, 2016:20 years of impact, para.1-4). Government, through the IDC, partners and supports businesses in industrial sectors with the vision of creating an inclusive economy (IDC, 2016: Our mission, para.1).

Based on the above research, government intervention is imperative to the establishment and expansion of small businesses. It should, however, again be noted that the responsibility of entrepreneurial support does not only rest on the broad shoulders of government but the private sector has also been requested to play a role.

2.3.2 Support from private sector

The government can only do so much to support small businesses but believes that in partnership with the private sector much more can be achieved especially in closing the gaps of mentorship and funding (Nepad, 2014:Introduction,para.2). This view was echoed by the Minister of Finance in the 2016 and 2017 budget speeches, where much significance was placed on stimulating the economy through collaborations with government, private sector and communities (National Treasury, 2016, 2017:23, 80, 121). The private sector plays an important role in the establishment and development of small businesses (DTI ,2006:13).

Oxford (2015:introduction, para.21) asserts that private sector partnerships with government are critical in addressing funding issues as the government is not sufficiently equipped to provide the necessary funding that will expand entrepreneurial levels from 6% to the desired 15%. Primary lending institutions like banks are hesitant to fund small businesses due to lack of collateral. Even internationally, bank funding has become a scarce phenomenon except for businesses like Sasfin that have taken up the challenge of funding entrepreneurs with a solid business plan and efficient book keeping (Sasfin, 2016:Private equity, para.3). However, there are big businesses that recognise the importance of entrepreneurship to innovation and the economy that have designed entrepreneurship or enterprise development programmes to not only fund small businesses but equip the businesses with business skills and intelligence. Private sector players are also helping vendors and suppliers to become viable in relation to financial prospects through training programmes (Emuze, Klaas & Smallwood, 2013:1241).

Some of these programmes include the Discovery Enterprise and Supplier Development Programme, Anglo American Zimele Programme, PetroSA Enterprise and Supplier Development Programme, South African Breweries Kick-Start Programme, Old Mutual Entrepreneurial Venture Fund (EVF), The Hope Factory, Shell Live-Wire Programme, Standard Bank Ignitor Programme and Microsoft DreamSpark Programme. These programmes are explained below:

- **Discovery Enterprise and Supplier Development Programme**.
As part of the Corporate Social Investment (CSI) strategy, Discovery, a financial services group, has developed an Enterprise and Supplier Development Programme that is aimed at initiating investments in small to medium businesses, with the objective of generating employment opportunities, poverty reduction and the inclusion of more unemployed individuals as active participants of the economy (Discovery, 2016:Enterprise Development, para.1).

The programme is targeted at infant and seasoned businesses, owned by black entrepreneurs in the health and insurance sectors and it offers financial and general business assistance. Through one of Discovery's business incubators, Awethu, small

businesses are assisted with loans, business owner support and training and mentorship. The programme's success is also anchored by the collaborations it has formed with several small business incubators (Discovery, 2016: Enterprise Development, para.7). In 2014, Discovery entered the first partnership with Raizecorp that developed a programme called Horizon aimed to develop social entrepreneurs. Enterprise room is another partnership that the company entered into to assist independent contractors of various funeral groups (Discovery, 2016: Enterprise Development, para.4).

Other investments made in the health care sector include the financing of a medical centre in the east of Johannesburg and an Oncology centre in the Western Cape. Discovery has ensured that meaningful contributions are made to the economy of South Africa, by empowering entrepreneurs and small businesses to become active participants of the South African economy (Discovery, 2016:Enterprise Development, para.9).

- **Anglo American Enterprise Development - Zimele Programme.**

Anglo American established the Zimele enterprise development programme to enable the historically disadvantaged population of South Africa to succeed in entrepreneurial ventures and small businesses by aiding them with capital investment and business support (Anglo American, 2016:3).

Founded in 1989, the programme has over the years employed a little under 40 000 employees and assisted 1 885 businesses in mining districts. Zimele, meaning 'standing on one's own feet' enables small businesses to be empowered and to stand independently by creating opportunities for employment. The programme provides financing from R2 million to R30 million (Anglo American, 2016:7).

Zimele provides assistance and financing opportunities for disparate kinds of businesses. In alignment with Anglo American's business objectives, these are categorised into six finance vehicles. The Community Programme supports small businesses through financing, education and business aptitude, while the Supply Chain Programme sources small businesses and empowers them to supply products and services to Anglo American (Claasen & Claasen, 2008). The Green Fund is aimed at empowering small businesses that encourage green opportunities. Other

programmes include the Sebenza Programme, aimed at sustained employment; the Godisa Programme, aimed at black Transnet suppliers; and the SEFA Mining Programme, aimed at small business development in the mining industry (Claasen & Claasen, 2008). The Zimele Programme not only assists in the development of small businesses in the mining sector but it aims to include those small businesses in Anglo's supply chain as vendors. This is an achievement that most support programmes have not been able to attain.

- **PETROSA Enterprise and Supplier Development Fund.**

The Petroleum Oil and Gas Corporation of South Africa Limited (PETROSA), is a South African based oil company that aims to develop small businesses in the oil and gas fraternity. PETROSA has over the years developed an Enterprise Development Programme that helps small businesses to have access to the oil and gas industry. The organisation assists small businesses with education in business, guidance and training including studies of feasibility (Emuze *et al,* 2013:23-26).

The programme is inclusive of around (15) small businesses that are current vendors of PETROSA through the provision of various goods and services. Small businesses are assisted in terms of business coaching, technical upskilling, expediting the process of accessing financing, and general business management (PETROSA, 2016: ESD, para.2).

Various target small businesses are integrated in PETROSA's Enterprise and Supplier Development Programme, including those owned by handicapped women, with the aim of encouraging inclusivity in the oil and gas sectors. Women that are involved in the construction industry are equipped with relevant skills through the Skills Upgrade Programme that is part of the Programme (PETROSA, 2016: ESD, para.6).

Shell, Sasol and Total SA have also developed similar programmes as part of the contribution to government's objective of small business development. The Shell-Live Programme is outlined below:

- **The Shell Live-Wire Programme.**

The Shell Live-Wire Programme was established to initiate better access to entrepreneurship for young people, between the ages of 16 and 30, in various countries including South Africa (Greene & Storey, 2004: 145-147). Shell Live-Wire further aims to equip entrepreneurs with management skills, financial skills, capital funding and business planning skills that are necessary for the successful operation of a business. The private company has partnered with various municipalities, non-profit organizations and young entrepreneur initiatives to achieve these objectives (Shell Live-Wire, 2015: Introduction, para.4). Shell supports government objectives concerning skills development, but is also more focused on the energy sector with a spotlight on innovations that preserve natural resources, innovations in sustainability in energy, innovations in mobility and transportation of people, goods and services and innovations that will assist in the clean-up of urban areas (Shell Live-Wire, 2015: Introduction, para.3).

- **Arcelor Mittal Enterprise Development Hub.**

Arcelor Mittal is the biggest steel manufacturer in the continent of Africa and is a supplier of more than two thirds (2/3rds) of the steel consumed in South Africa (Arcelor Mittal, 2016: Our Company, para.1). The organization has a wealth of knowledge, expertise and experience in the steel industry that spans over more than 80 years. With the vision of transferring the skills gained over the decades, Arcelor Mittal has developed an incubation hub that is targeted at small businesses in the steel industry (Arcelor Mittal, 2016: Our Company, para.2).

The hub is focused on small businesses owned by most African, Indian and Coloured (AIC) owners that offer production, fabrication and repairing of products or services within the steel industry (Arcelor Mittal, 2016:Enterprise development, para.2). The hub aims to equip small businesses with substantial business coaching: access to office space for operations: and a physical, lock up workshop of 50 square meters, linked to a communal workshop with industrial production machinery (Arcelor Mittal, 2016: Enterprise development, para.2).

Many of these enterprise development programmes are sector specific and may exclude small businesses that do not operate in those sectors. There are however

programmes like the Hope Factory, The Standard Bank Ignitor Programme, The SAB Kick-start Programme and The SAB Foundation Tholoana Enterprise Fund that are not sector specific.

- **The Hope Factory- a flagship of the South African Institute of Chartered Accountants (SAICA).**

The (SAICA) has, instead of pumping funds into small businesses, taken a different approach of training entrepreneurs through a flagship project; The Hope Factory (SAICA, 2016: The Hope Factory, para.1-2). The project presents entrepreneurs with the opportunity to receive prudent counsel that will enable small businesses to attain economic stability. The Hope Factory has trained more than 700 entrepreneurs in various sectors and placed over 87% of the entrepreneurs. The programme claims to be one of the most successful entrepreneurship development programmes in South Africa (The Hope Factory, 2015: About us, para. 2).

The Hope Factory attributes the success of the project to the fact that most of the programmes are established on mentorship as opposed to funding (The Hope Factory, 2015: About us, para. 3). The strategy followed by The Hope Factory is much like Standard Bank's Ignitor Programme.

- **The Standard Bank Ignitor Programme.**

According to Ignitor (2015:About us, para.1-3), the programme which is Standard Bank's brain-child, is aimed at accelerating small businesses by giving these businesses practical advice, one-on-one coaching, online training, a three-day boot camp, a best practice curriculum and a three-month acceleration. This incubation programme closes the gap of lack of entrepreneurial skills and training and is aimed at various sectors. The support given to small businesses is immeasurable and business success is not only dependent on capital injections but on training, coaching, mentoring and advise from those in the know (Ignitor, 2015: About us, para.1-3).

- **SAB Kick-Start Programme.**

SAB established the SAB Kick-Start Programme to address the unemployment that is plaguing South Africa (SAB, 2010: Introduction, para.1). The programme provides monetary grants for the start-up or expansion of current businesses but it also provides mentorship and coaching for skills development (SAB, 2010: Introduction, para.1). The programme is geared towards empowering previously disadvantaged young people (Asian, Indian, Coloureds and Blacks) to develop businesses and in 2015; SAB's enterprise development strategy was expanded to include SAB Kick-Start Ignite and SAB Kick-Start Elevate (SAB, 2015:Kick-start, para.3).

Aimed at promoting innovation within the youth by partnering with Further Education and Training (FET) colleges, SAB Kick-Start Ignite offers young people training, mentorship and funding (SAB, 2015:Kick-start, para.3). The SAB Kick-Start Elevate is aimed at assisting high growth youth businesses to increase operational capacity so that the businesses can be enabled to deliver in bulk to big supply chains. Loan funding and mentorship are offered to enable these results (SAB, 2015:Kick-start, para.3).

SAB has various empowerment programmes including Barley farmer's project, owner-driver scheme, distributor operators, distribution centres, Coleus packaging and the SAB Foundation (SAB, 2015: Empowerment programs, para.2).

- **SAB Foundation Tholoana Enterprise Fund.**

The SAB is the South African subsidiary of Anheuser-Busch InBev. It is one of the largest companies in the South African private sector with a contribution of 3.1% to the country's gross domestic product. It is also one company that has continuously contributed to the economic and social development of South Africa through corporate social responsibility initiatives, empowerment drives and investment in the labour force (SAB, 2015: About us, para. 1).

The company recognises that to protect the business's licence to trade and continue being a large force in the liquor industry; the business needs to play an active role in South African communities. The corporate affairs strategy, therefore, includes the development and mentorship of small businesses through the SAB Foundation (SAB,

2015: SAB Foundation, para.1).

The vision of the SAB foundation is to address the challenges of unemployment and sluggish economic growth through entrepreneurship and social innovation (SAB, 2016). The focus is on closing the gaps that cannot be mitigated by big business and are opportunities for small businesses. The Foundation has up to 2015, invested approximately R60 million in the businesses of over 330 entrepreneurs (SAB, 2016: Our approach, para.2). SAB Foundation operates three funds, namely, The SAB Foundation operates three funds, namely, the SAB Foundation Tholoana Enterprise Programme (previously Tholoana Enterprise Fund – the focus of this study), The SAB Foundation Social Innovation Awards and the Rural Catalyst Programme (SAB Foundation, 2016: SAB Foundation programmes, para.1).

The TEF is aimed at young people, disabled individuals, women and entrepreneurs based in rural and peri-urban areas. Launched in 2011, the fund is a small-scale seed-capital grant fund that was established to assist small businesses that are instrumental in generating employment and stimulating the economy (SAB, 2012:3).

2.4 Summary

Chapter 2 provides a review of the literature on the success factors of small businesses, and thereby further draws out the success factors for the entrepreneurs of the TEF. The chapter then establishes that support for small businesses is imperative and that there are numerous support programmes that are available from government and private sector institutions that are inclusive of funding, training, mentorship, coaching or a combination of all the elements. Chapter 2 concludes with a brief introduction of SAB and the TEF that will be elaborated on in Chapter 3.

CHAPTER 3

THE THOLOANA ENTERPRISE FUND AND MEASUREMENT OF ENTREPRENEURIAL SUPPORT PROGRAMMES

3.1 Introduction

Chapter 3 provides an overview of the TEF, including the various funds within the TEF and stages of the fund. The application process and eligibility criterion for entrepreneurs and business owners are also addressed. The chapter also includes literature on the evaluation of entrepreneurial support programmes such as those elaborated on in Chapter 2.

3.2 An overview of the Tholoana Enterprise Fund

The TEF began as an enterprise fund that was aimed at furnishing support for small businesses (co-operatives, micro-businesses, and small enterprises) that had the potential to create employment opportunities and that may have had the objective of developing entrepreneurs (SAB Foundation, 2014:1).

The TEF offered support in the form of funding by using three vehicles; namely, Mbeu, Tshimela and Muri (SAB, 2014:2). *Mbeu,* meaning 'seed' in Tshivenda (one of the official languages of South Africa), was a funding vehicle that extended seed funding to small businesses that had been operational and in existence for less than two years with the condition that the business owner was involved in the routine operations of the business. Since Mbeu was a seed-funding vehicle, the capital offered was between R50 000 to R100 000 and did not require the businesses to be registered with the Companies and Intellectual Property Commission (CIPC) (SAB, 2014:2).

The second funding vehicle offered by Tholoana was called *Tshimela,* which means 'sapling' or 'seedling' in Tshivenda. The criteria for the Tshimela fund required businesses to be registered with CIPC as either Co-operatives (Co-ops), Proprietary Limited (PTY LTD) or Close Corporations (CC) and to be operational at the time of application. As a pre-requisite, Tshimela also required the businesses to have been

in business for less than two years and the business owners to be involved in the daily operations of the business. The funding offered by the Tshimela fund was between R100 000 and R150 000 (SAB, 2014:2). Similarities in the Tshimela and the Mbeu funds were the target markets which were businesses in the start-up or early development phase of business (SAB, 2014:2).

The third funding vehicle offered by the TEF was the *Muri* fund (*Muri* means 'tree' in Tshivenda). The difference between Muri and the other two funds above; Mbeu and Tshimela is the recruitment criteria and the businesses targeted. Muri was targeted at businesses that were operational and were either in the early development or development phase of the business. The businesses were also required to have been registered with CIPC, and compliant with tax laws and other regulatory obligations such as the Companies Act. Muri was targeted at businesses in operation for a minimum of six months and a maximum of three years. The common factor for all the Tholoana funds is that the business owners needed to be involved in the daily operations of the business. Funding for Muri beneficiaries ranged from a minimum of R150 000 to a maximum of R250 000 (SAB, 2014:2). A total of approximately R24 million has been awarded to entrepreneurs between 2011 and 2014 (SAB, 2014:3).

3.3 Stages of the Tholoana Enterprise Fund (2012-2014)

The TEF was targeted at all the nine provinces of South Africa, with a specific focus on rural and peri-urban areas. Focus was also given to individuals with disabilities, women and young people (SAB, 2014:4). From 2012-2014, the fund was composed of four stages: (a) awareness of the next fund cycle, (b) applications and recruitment, (c) selection of beneficiaries, and (d) life after the TEF.

3.3.1 Stage 1: Awareness of the next fund cycle

Stage 1 of the TEF was awareness of the roll-out of the fund throughout the nine provinces, but with a special focus on rural and peri-urban areas. The awareness of the fund was mostly reliant on local newspaper advertisements, community radio stations, SAB's website, and word of mouth (WOM). The SAB Foundation also communicated funding periods for the year to the Foundation's networks that included SEDA and the Small Enterprise Finance Agency (SEFA) through SAB's internal communications. The networks thereafter disseminated the information to the

relevant entrepreneurial forums or the entrepreneurs within reach. There was, therefore, no formal advertisement done.

The awareness campaigns were launched annually at the beginning of the year to target black-owned and managed businesses classified as African, Indian or Coloured (AIC) that were preferably in rural or peri-urban communities. The awareness campaigns were to encourage young people, women and people living with disabilities to apply for the fund even though businesses or entrepreneurs that did not meet such criteria were not to be excluded (SAB, 2014:4).

3.3.2 Stage 2: Applications and recruitment

The application process for the TEF commenced towards the end of the marketing fund between February and March of every year. There were three application forms differentiated by the type of fund for which the business was applying (Mbeu, Tshimela or Muri) and these had to be submitted during the four quarterly application periods only**.** Applicants were prohibited from applying for more than one fund and had to clearly demonstrate the capacity of the business to be sustainable. Details on what the grant would be used for was mandatory, with a specific requirement to motivate for the necessity of the funding. Applicants were also required to provide particulars of prevailing contracts or prospective contracts and customers (SAB, 2014). Applications had to be submitted via email in Word format with all supporting documentation. When the initial applications were submitted only a certified South African Identity Document (ID) was required. After shortlisting, further documentation was required from the shortlisted candidates including the CIPC registration certificate and a Broad Based Black Business Economic Empowerment (BBBEE) confirmation letter, where applicable. Applications that were not submitted in Word format or incomplete were disqualified. However, applications that were not submitted with the CIPC registration and the BBBEE confirmation letter would nevertheless be considered as site visits could still be conducted to confirm the legitimacy of the business (SAB, 2014:4).

The application forms had certain eligibility criteria for which the applicants had to qualify. All businesses applying for the TEF must have met the following criteria (SAB, 2014:2):

- new businesses that had been in existence for between six months and three years
- black owned (AIC)
- black managed (AIC)
- functional
- economically capable and potentially sustainable
- operating in South Africa
- business owner to have been involved in the daily operations of the business
- business owner was equipped with the relevant expertise for the business.

The application process had also made certain exclusions for the Tholoana Enterprise Fund and these were as follows:

- Businesses that had previously applied for the Tholoana Fund and had been declined by the investment committee could not re-apply for the specific business that was applied for and declined.
- Businesses that had received grants from the Tholoana Enterprise Fund.
- Businesses that required sponsorships or bursaries.
- Businesses where the owner was an SAB or Amalgamated Beverage Industry (ABI) employee.
- Businesses that required funding that was more than R250 000.
- Businesses that did not have the objective of gaining profit such as a Non-Governmental Organisation (NGO), Not for Profit Organisation (NPO), and Youth Organisations.
- Businesses where operations were solely alcohol related or gambling, tobacco, sex and other illegal businesses.
- When the business was part of a franchise.

3.3.3 Stage 3: Selection of beneficiaries

The application process did not have a limit on the number of applications that would be accepted, but once applications were received by Tholoana, evaluation was done against the application criteria and the information provided by the applicants was then vetted. The potential sustainability of the businesses would further be reviewed.

This process was conducted by a single representative of the SAB Foundation. Thereafter, a shortlist of the prospective businesses for the TEF would be handed over to the Investment Committee, a sub-committee of the Board of Trustees of the SAB Foundation. The investment committee had the role of suggesting prospective investments to the full board and may have, in some instances, requested the entrepreneurs or businesses to make brief presentations of the businesses and conducted due diligence or site visits on some of the businesses. The Investment committee approved funding for the Mbeu and Tshimela funds and gave recommendations to the SAB Foundation Board of Trustees for the Muri fund. The entire process from initial application to final board sign-off had a timeline of three months and applicants that required funding before the three-month period lapse were advised to rather not apply for the TEF. The entrepreneurs or businesses that applied increased from approximately 30 in 2012 to just under 2 000 by 2014.

The Mbeu and Tshimela beneficiaries were then awarded the grants with the amounts that had been approved by the Investment Committee. Applicants recommended to the SABs Board of Trustees for the Muri fund were then invited to do presentations to the board where the business would be presented and the necessity for funding demonstrated. All this had to be accomplished in not more than 15 minutes. Thereafter, applicants were questioned by the board on the presentations that were made. The board then reached a decision on the business that was to be invested in and specified any special conditions that advocated for the decision to grant Muri funding to the chosen business (SAB, 2014:5).

The applicants selected as beneficiaries for the Mbeu, Tshimela and Muri funds then entered into grant funding agreements with the SAB Foundation. The agreements detailed the special conditions tabled by the Investment Committee and the expectations for both the SAB Foundation and the beneficiaries (SAB, 2014:5). Beneficiaries had access to the funds once the conditions of the agreements had been fulfilled (SAB, 2014:5). The beneficiaries were then required to find three quotes from reputable suppliers for the best quote to be selected. Payment was then made into the supplier's business account (rather than the entrepreneur's or small business account).

Beneficiaries of the TEF between years 2012 and 2014 were then referred to as Tholoana Legacy Entrepreneurs.

3.3.4 Stage 4: Life after the Tholoana Enterprise Fund

After receiving funding from the TEF, entrepreneurs were encouraged to access any additional service from the Bolster Service, now called SAB Foundation Biz Assist. The Bolster service is made available to SAB Foundation Entrepreneurs for mainly general business advice, legal and tax advice, promotion of business, sourcing of goods and services and the SMeasy accounting system.

3.4 Evaluation of entrepreneurship programmes

In researching the evaluation of entrepreneurship support programmes, it was found that there was a scarcity of empirical research on the topic both within South Africa and internationally. Havnes and Skjekkeland (2007:341) have suggested that measuring entrepreneurship support programmes and conducting evaluations on the programmes assists in determining whether resources have been correctly employed, and whether the groups that were targeted to receive the entrepreneurial support had indeed received the support. The ability to measure and evaluate entrepreneurial support programmes, however, relies on the ability to evaluate and measure invested resources and outcomes accurately and explicitly (Havnes & Skjekkeland, 2007:341).

The monitoring and evaluation of entrepreneurial programmes measures the performance of the programme, determines whether the objectives of the programme have been achieved, and measures whether the objectives were met within the proposed resource allocation. When programmes are evaluated properly, opportunities to recognise programme successes and challenges are presented that enable businesses to make sound decisions. Evaluation of programmes also assists in keeping programme managers accountable to investors and helps investors make the right investment resolutions (Lyfnet, 2015:15-18).

McMullan, Chrisman and Vesper (2001:37-39) have stated that to effectively evaluate whether entrepreneurship support programmes had returns that exceeded the investments, it is advised that the efficacy of the programmes be clearly measured or assessed. The study by McMullan *et al.* (2001:37-51) explains that the

most appropriate methods of evaluating entrepreneurship support programmes or training programmes are those that can directly associate the performance of the programme with the objectives or the intent of the programme. This is a mammoth task as it is sometimes not as simple to determine whether good performance can be attributed to a specific entrepreneurship support programme. The implications of the study by McMullan *et al.* (2001:50) are measures such as attributed employment, attributed growth and attributed sales of goods and services or revenue (sales before tax) can be used to effectively assess the performance of entrepreneurial support or training programmes. Attribution measures may, however, not be enough and must be used together with objective measures that relate to the performance of businesses after receiving support from entrepreneurship programmes like profitability (after tax) and enquiring about whether the businesses were still operational (McMullan *et al.*, 2001:51).

A study by Botha, Nieman and Van Vuuren (2013:169) that has measured the effectiveness of the Women Entrepreneurship Programme (as a training intervention, on potential, start-up and established Women Entrepreneurs in South Africa) established that there is insufficient research on the assessment of the effectiveness of entrepreneurship training programmes. It has further asserted that the effectiveness of training programmes should be measured and assessed so that the benefits can be compared to the incurred programme costs and risks as well as opportunity costs. The proposed entrepreneurship training model presented in the study by Botha *et al.* (2013:166) then suggests that entrepreneurship training programmes should be measured against entrepreneurial performance that include:

- Increases in revenue and number of employees;
- Motivation that includes mentorship and role models;
- Entrepreneurial skills and success themes that include innovation, leadership, interpersonal skills and susceptibility to risk;
- Business skills that include skills in sales and marketing, operations and financial management;
- Business plan utilisation including preparation, presentation and assessment, facilitator; and
- Programme context that includes a Training Needs Analysis (TNA) and the various approaches to learning.

The measurement of other entrepreneurship training programmes using the framework of the Women Entrepreneurial Programme can be beneficial as the programme also provides a framework for programmes that would like to employ entrepreneurship training as an intervention strategy.

Link and Scott (2012:89-92) have documented an assessment of the Small Business Innovation Research Programme (SBIR). This programme was developed with the objectives of stimulating technological inventions initiated by small businesses to fulfil governmental research and development requirements; encouraging the active involvement of minority groups (such as disabled individuals and women) in technological innovation; and using the innovations by private sector to generate profits. The SBIR Programme offered grant funding to recipients and was measured (using the effect the programme has had on) job creation and long-term employment; on additional research; and on commercialisation. The findings indicated that the job creation effects attributed to SBIR were small but that job retention, because of the technology innovations, was significant. The effect of the programme to long term employment was also significant to small businesses funded by the SBIR as mostly indicated that the businesses would not have undertaken the projects if the funding had not been awarded (Link & Scott, 2012:89-92). The assessment of the SBIR Fund provided the fund managers and government with a view of whether the programme was meeting the required objectives of technology innovation, commercialisation and increasing minority group participation in technological innovations.

A similar assessment of the SBIR Programme at the National Science Foundation reviewed the programme more holistically by issuing three questionnaires that covered a different section of the programme (Wessner & National Research Council, 2008:Introduction, para.4). The first questionnaire had a specific focus on the grants and the commercial results, while the second questionnaire sought answers on the expertise of the small business owner, the grant awards received and the effect of the SBIR Programme on the establishment of the small business, business continuity and growth. The third questionnaire then reviewed small businesses that had not received secondary or follow up assistance from SBIR and further probed other funders of the small businesses other than SBIR (Wessner & National Research Council, 2008:Introduction, para.4). There was also a separate

questionnaire for the programme managers of SBIR to gain an understanding of the programme operation and how the programme has evolved since inception in 1982. An interesting aspect of the study was also the review conducted on programme documentation such as interview guides, annual reports, and the success stories that had been recorded (Wessner & National Research Council, 2008:Introduction, para.8). This assessment was more comprehensive as each aspect of the programme was reviewed and therefore presented more opportunities to identify challenges, failures and possibilities of improvements.

A fascinating study was conducted by Blattman, Green, Annan, Jamison, Aryemo, Carlson, Emeriau, Segura and Innovations for Poverty Action (2013:1-2) to assess the impact of issuing cash grants and fundamental business training to a minority of poverty-stricken women from a war-torn geographical area in Uganda. The programme, Women's Income Generating Support (WINGS), was measured against the economic effects of the programme on the women (i.e. household economy, household consumption, savings and investments, poverty empowerment, family education) and subsequently the secondary effects of the programme on the physiological and mental wellbeing of the women (i.e. empowerment status changes in the household, gender-based violence and increased community acknowledgement) (Blattman *et al.,* 2013:57-60). The outcomes of the programme indicate the significant economic impact of the programme on household livelihoods but very little change on women's empowerment and social inclusivity. The assessment of the WINGS programme provided a refreshing view of the return on investment from the programme as the results indicated that the programme assisted in the substantial reduction of poverty because of the pronounced increase in business, a remarkable increase in savings and fixed assets. The assessment also assisted in clarifying the absence of a relationship between economic empowerment and physiological or mental wellbeing and economic empowerment and changes in social status, independence and freedom from gender-based violence (Blattman, *et.al.,* 2013:57-60). Another interesting outcome from the assessment was that in instances where supervision existed from Innovations for Poverty Action (the partnered NGO) much greater economic outcomes were achieved, further reiterating the importance of accountability in small businesses.

Xavier, Raja and Nandhini (2008:215-226) conducted an impact study to assess a rural women's micro-entrepreneurship project named Project Shakiti that was aimed at creating rural women micro-entrepreneurs in India. Project Shakiti further intended to improve the earnings of rural people by presenting economic and educational opportunities to assist in upgrading the standard of living. The objective of the impact assessment was to measure the outcomes of the project and the impact on the more than 30 000 women micro-entrepreneurs. The assessment reviewed the impact of the women's association with Project Shakiti, on the generation of sales, entrepreneurial expansion, economic emancipation and social empowerment. The study also revealed the real effect of the Shakiti Project on the households and communities that were engaged in the programme against economic and social measures.

For the purposes of this study, the TEF will be assessed using a combination of recommendations from the literature. The indicators used to review the TEF were to determine the following:

- The relationship between the Tholoana Enterprise Fund and continued business existence of the small businesses.
- If there were statistically significant changes in the turnover, of the beneficiaries of the Tholoana Enterprise Fund.
- If there were statistically significant changes in the profit of the beneficiaries of the Tholoana Enterprise Fund.
- If there were statistically significant changes in the number of employees of the beneficiaries of the TEF.

3.5 Summary

Chapter 3 provides insight into the TEF by giving a brief background of the Fund that includes an explanation of the three funding vehicles, namely, Mbeu, Tshimela and Muri. The various stages of the fund are also outlined as the awareness stage, followed by applications and recruitment, selection of beneficiaries and life after the funding. Brief research on the measurement of entrepreneurship programmes is conducted to get an indication of how similar programmes have been measured. The chapter then concludes with an outline of how the TEF will be measured in this study.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 Introduction

This study's review of the performance of entrepreneurship support programmes has explored the objectives of the support programmes, as well as the determinants of success or good performance, and elements that contribute to failure, in addition to enhancements that contribute to future entrepreneurship support programmes. The aim is to ensure that entrepreneurship support programmes as intervention strategies for entrepreneurship and small business development in South Africa will be able to use the recommendations from this study to ensure small business objectives are met.

The primary objective of this research study is to assess the success of the beneficiaries of the SAB Foundation TEF and to review the performance of the fund. To address these objectives, a literature review and empirical research were conducted. Chapter 4 therefore has a specific focus on the research methodology employed to meet the objectives of the research study which is to present the research methodology by discussing the research design, the sampling design, data collection technique and finally, analysis of the data.

The research objectives and research hypotheses that were introduced in Chapter 1 are repeated stated again:

The primary objective of the study is to assess the success of the beneficiaries of The SAB Foundation TEF between 2012 and 2014 and to review the performance of the fund.

The secondary objectives of the study were to determine the following through a literature review:
- Small business success factors.
- Small business support programmes.
- Structure of the Tholoana Enterprise Fund

66

- Evaluation of entrepreneurship support programmes.

The following objectives will be achieved through an empirical study:

(B1) Collate a demographic description of the participants of the Tholoana Enterprise Fund;

(B2) Assess the perceived success of the beneficiaries of the Tholoana Enterprise Fund based on the identified key success factors for small businesses;

(B3) Identify other entrepreneurial support programmes in which the beneficiaries of the Tholoana Enterprise Fund were engaged;

(B4) Determine if there is a relationship between the Tholoana Enterprise Fund impact and small business success; and

(B5) Determine if there are statistically significant changes in the turnover, profit and number of employees of the businesses of the Tholoana Enterprise Fund before and after receiving the TEF grant.

The hypotheses formulated in line with objectives (B4) and (B5) were:

Hypothesis 1

H_0: There is no relationship between the Tholoana Enterprise Fund impact and the success of small businesses engaged in the Tholoana Enterprise Fund.

H_1**:** There is a relationship between the Tholoana Enterprise Fund impact and the success of small businesses engaged in the Tholoana Enterprise Fund.

Hypothesis 2a

H_0: There is no statistically significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant.

H_1: There is statistically significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant.

Hypothesis 2b

H_0 : There is no statistically significant change in the annual profit of small businesses before and after receiving the Tholoana Enterprise Fund grant.

H_1: There is statistically significant change in the annual profit of small businesses before and after receiving the Tholoana Enterprise Fund grant.

Hypothesis 2c

H_0 : There is no statistically significant change in the number of employees of small businesses before and after receiving the Tholoana Enterprise Fund grant

H_1 : There is statistically significant change in the number of employees of small businesses before and after receiving the Tholoana Enterprise Fund grant.

4.2 Research design

The research design is the blueprint of a research study and a master plan of how the research will be accomplished. It is the process through which the research will be conducted (Saunders *et al.,* 2009:136-137). For Bryman & Bell (2015:49) a research design refers to the guidelines that are used when assessing business research. It is thus a structure for gathering proof that is complementary to the research question and certain guidelines as research design provides a structure for data collection and data analysis (Bryman & Bell, 2015:49). In other words, a research design is a plan for moving from questions that need to be answered to having the answers for the questions (Yin, 2013:19).

The selection of a research design is indicative of the resolutions taken on: (a) the priority of the various elements of the research process including the comprehension of behavioural traits and the meaning thereof; (b) highlighting relations between certain variables in the research study; and (c) making assumptions derived from participants of the research study to a much larger group or of individuals (Bryman & Bell, 2015:49-70). There are various types of research designs, namely; case study design, experimental design, cross-sectional or social survey design, longitudinal

68

design, comparative design, exploratory design, causal and descriptive designs (Bryman & Bell, 2015:49-70). These are outlined as follows:

A **case study design** is employed when there is an interest in a specific case and can either be because of a single organization or single location, while **experimental design** can be divided into field experiments and laboratory experiments and is employed when the researcher seeks to determine, whether certain variables influence other variables (Bryman & Bell, 2015:49). Experimental designs differ from **cross-sectional research designs** that employ the collection of data of more than one case at a single point in time, with the aim of gathering measurable data in relation to a minimum of two variables that are subsequently analysed to identify trends of association (Bryman & Bell, 2015:49-70).

A **longitudinal research design** is like a cross-sectional study with the common factor being the time dimension. Longitudinal research designs are often used as a tool to outline changes in business and management research and require that a sample be surveyed on more than one occasion (Bryman & Bell, 2015:49-70). The benefit of longitudinal studies is that changes and trends can be tracked over time (Cooper & Schindler, 2014:128).

In a **comparative research design**, the research study employs similar approaches to multiple contrasting cases with the understanding that certain occurrences can be comprehended by making comparisons in relation to more than one contrasting case or circumstance (Bryman & Bell, 2015:49-70). Another type of research design is **exploratory research design** that is used with the aim of determining prospective research questions and is often employed where the area of research is new and uncharted (Cooper & Schindler, 2014:128-129).

Research design types also include **causal and descriptive** studies. While causal studies are concerned with how particular variables create or ignite changes in other variables, descriptive studies are more concerned with answering the questions of ''who, what, when, where and how much'' and are used to describe former and current events (Cooper & Schindler, 2014:21).

This study made use of **a cross-sectional research design** because the collection of data was for more than one case and it was conducted at a certain and specific point in time. The study also makes use of an **exploratory** study as no formal independent research into the SAB Foundation TEF exists. A **descriptive research design** was also used because all the data collected by the researcher was primarily from the research questionnaires that were distributed to the TEF legacy entrepreneurs and to describe the current and former circumstances of the TEF Fund legacy entrepreneurs.

4.3 Sampling design

Sampling is the process of meticulously selecting a segment of the target population that is to represent the larger population. The concept of sampling is that certain conclusions can be drawn and extended to the entire population by selecting a sample from the population (Cooper & Schindler, 2014:341-345). A population element is the dependent on which the study is being undertaken while the population is the sum of all elements from which deductions can be made. If taken further the total of all elements within a population make up a census (Cooper & Schindler, 2014:341-345).

Sampling is conducted because of the arguments of lesser costs, availability of population elements, more outcomes, and an accelerated process of collecting data (Cooper & Schindler, 2014:338-339). According to Saunders *et al.* (2009:213-217), sampling techniques can be divided into probability or random sampling where the probability of selection for each case in the population is equal. Cooper and Schindler (2014:349-359) state that probability sampling is based on a regulated process that ascertains that a non-zero probability of selection is given to each population element. Alternatively, a sampling technique can be non-probability or non-random sampling where the chance of selection of individual cases from the population is unknown (Saunders *et al.*, 2009:213-217). Non-probability sampling can be biased and subjective (Cooper & Schindler, 2014: 349-359). Probability sampling includes various sampling types including simple random sampling, systematic sampling, stratified random sampling, cluster sampling and multi-stage sampling. Non-probability sampling includes convenience sampling, quota sampling, purposive sampling, snowball sampling and judgment sampling (Cooper & Schindler, 2014:349-359).

The sampling frame for probability sampling is the entire record of all factors in the population from which the sample will be extracted (Saunders *et al.*, 2009:213-214). The sampling frame is therefore an account of the population representatives (Cooper & Schindler, 2014:347).

Since this research study was limited to small businesses that were part of the TEF between 2012 and 2014, no sample was drawn in order to use the entire population (census) as drawing a sample would have decreased the size even further. The population consists of 197 elements.

According to Cooper and Schindler (2014:345-346), the parameters of interest are the "summary descriptors for example, incidence proportion, mean and variance of variables of interest in the population". Parameters of interest are the characteristics of the population (Cooper & Schindler, 2014: 345-346). For this study, the parameters of interest detailed in Chapter 1 are repeated here:

- The participant businesses for the research study need to have been part of The Tholoana Enterprise Fund between years 2012 and 2014.

- Criteria for Tholoana Enterprise Fund participation (SAB, 2014):
  o Participating businesses should be start-ups that are at the initial stages of operations (between six months and three years).
  o Participating businesses must be black owned as described in the BBBEE amendment bill, 2011 that defines black people as the following:

  > "[A]fricans, Coloureds and Indians (AIC) who are citizens of the Republic of South Africa by birth or descent or who became citizens of the Republic of South Africa by naturalisation (a) before 27 April 1994; or (b) on or after 27 April 1994 and who have been entitled to acquire citizenship by naturalisation prior to that date but were precluded from doing so by Apartheid policies" (DTI, 2011:3)

  o Participating businesses must be operating within South Africa.
  o Participating businesses must be commercially sustainable and viable.
  o Entrepreneurs or business owners must be involved in the daily operations and management of the business.

4.4 Data collection

Data collection is the process by which the researcher gathers the data required to respond to the research question (Cooper & Schindler, 2014: 85-86). There are various means or research instruments that can be used to collect data that are inclusive of questionnaire, interviews, observation, records, experimental, distribution, survey approach and checklist method (Cooper & Schindler, 2014: 85-86).

This study made use of self-administered questionnaires and telephone surveys for respondents that were not accessible by internet, postal and delivery. The selection of the data collection instruments was based on a review of the advantages and disadvantages for both methods and the assessed requirements of this study. Owing to the geographical spread (all nine provinces of South Africa) of the population, self-administered questionnaires that were communicated as e-mail surveys were ideal due to the low cost of distribution, the accessibility of the participants, and the expectation of standardised answers. The disadvantages of self-administered questionnaires included the possibility of prolonged turn-around times, incomplete information and limitations in the information received from the respondents due to the absence of probing and changes in email addresses that are not communicated (Cooper & Schindler, 2014:226-230). Telephone surveys are also known for the low to moderate costs of administration, quicker completion of the research data, and the low rate of refusal from respondents. The disadvantages of telephone surveys include the lack of visual information, contact details that are inaccurate, inability to avoid participant environmental distractions, and limitations on the overall length of the telephone survey (Cooper & Schindler, 2014: 232-234).

The questionnaires consisted of three sections. Section A enquired about the TEF beneficiary demographics. The demographics are inclusive of both participant and business demographics. Section B sought information about the business performance of all the small businesses that were engaged in the TEF. Section C enquired about the performance of the TEF. The questionnaire was amended (with permission) from Swanepoel' s (2008) questionnaire from the study of the effect of the interventions of the South African Breweries' Kick-Start Youth Entrepreneurship Fund on Entrepreneurial and Small Business Performance in South Africa. The questionnaires also included additional questions developed by the researcher and

the SAB Foundation, with the assistance of the researcher's supervisor and co-supervisor.

The design consisted of single response questions, multiple response questions, check list, five point Likert scale questions and open questions. The number of open questions was extremely limited in this research study to avoid dilemmas in data interpretation and to reduce the costs of data analysis (Cooper & Schindler, 2014:308).

The secondary objectives were addressed using specific questions as indicated below:

- **Questions 3-23** were used to collate a demographic description of the participants of the Tholoana Enterprise Fund.
- **Question 30** was used to assess the perceived success of the beneficiaries of the Tholoana Enterprise Fund based on the identified key success factors for small businesses.
- **Question 31** was used to identify if there was a relationship between the Tholoana Enterprise Fund impact and small business success.
- **Questions 32-37** were used to determine if there are statistically significant changes in the turnover, profit and number of employees of the businesses of the TEF before and after receiving the TEF grant

The self-administered questionnaires were distributed to the SAB Foundation TEF Legacy Entrepreneurs through Survey Monkey, an online survey tool to increase convenience of completion as participants would then be able to utilise various means to complete the online questionnaire such as laptops, desktops, smart phones or tablets (SurveyMonkey, 2016:Introduction, para.1). The questionnaires on Survey Monkey were accompanied by a covering letter to provide respondents with a brief explanation of the purpose of the research, a request for respondents to participate in the research, and for providing contact details of the SAB Foundation programme co-ordinator. The link to Survey Monkey was communicated to all legacy entrepreneurs through e-mail with an initial deadline of four weeks from the first communication. Data was collected between November and December 2016 and the deadline was later extended by an additional two weeks to allow for a higher response rate as the

survey took place over the festive season. An example of the questionnaire and covering letter can be found in Appendix 1.

In this study, 197 e-mails were sent out to legacy entrepreneurs communicating the survey and the request for participation. Of these 197 e-mails, 37 failed to reach the recipients and this was due to incorrect addresses or e-mail addresses no longer in use. A telephone survey was then employed for participants that were not accessible via e-mail to increase the response rate. Of the 37 that failed to reach respondents, an attempt was made to contact them telephonically of which 15 of the calls were successful, eight were incorrect numbers, and 14 were unreachable. A total of 175 entrepreneurs were therefore contacted via email and telephone.

A weekly reminder e-mail was sent to all participants to remind the participants to complete the survey should the participants wish to participate in the survey. Reminder text messages were also sent five times to the entrepreneurs increasing the response rate to 20 additional responses. In addition, to increase the response rate, the SAB Foundation also made available cash prizes of R5 000 each for two participants of the survey to win. As the online surveys were being completed, the researcher contacted all the participants that had begun with the permission of SAB, but not completed the survey, increasing the response rate by another 13 responses. Further telephonic reminders were made to all entrepreneurs, communicating the date extension, and increasing the response rate by ten responses. These surveys were then completed via telephone. A total of 123 questionnaires were collected.

The data was collected with due regard for the participants ensuring that confidential information is not disclosed.

4.5 Data analysis

The process of data analysis entails the collection of data to a quantity that is practicable for summarising the data, establishing trends and utilising statistical methods to evaluate hypotheses. The results of the analysis require interpretation in alignment with the research questions, objectives and hypotheses (Cooper & Schindler, 2014:655).

The first step of data analysis is the preparation of the collected data. The preparation of data is a process that guarantees data accuracy to the conversion of data to be more suitable for analysis. Data preparation starts with the process of editing the collected data so that the data does not have errors, is not incomplete, not inaccurate and does not have any inconsistencies (Cooper & Schindler, 2014:376-377).When editing has been completed, data is coded by allocating characters or numerical values to answers to enable categorising the responses into groups. The process of coding answers gives the researcher an advantage in that responses are drastically lessened to a small number of categories (Cooper & Schindler, 2014:456-463). This research study also made use of pre-coding to assist in the process of entering data received as the data is directly fed from the questionnaire (Cooper & Schindler, 2014: 456-463).

The process of data entry is then initiated post coding using various mechanisms and statistical packages like the Statistical Package for Social Science (SPSS) that enable researchers to gain information from databases without much effort. Other mechanisms include keyboarding, bar coding, voice recognition, optical scanning and electronic notebooks (Cooper & Schindler, 2014: 470). This research study made use of SPSS version 23 and version 24 for data entry. Before data was entered into SPSS, the researcher underwent sufficient training that was conducted by a Chartered Statistician from STATKON. Of the total of 175 questionnaires distributed, 123 questionnaires were returned including nine incomplete questionnaires and eight duplicates. All the questionnaires were verified to check for completeness, with the incomplete and duplicate questionnaires expelled from the process of data analysis. Therefore, only 106 questionnaires were finally entered for data analysis. Yong and Pearce (2013:81) have suggested that incomplete data should not be included in the analyses to avoid overestimation, but rather supplemented by making additions to the sample size. This recommendation could not be employed in this study because the 175 questionnaires that were distributed were the only ones that had valid contact details in the population of 197. After data, was entered, the analysis of the data then took place that is documented below.

4.5.1 Analysis methodology

In this research study the SPSS version 23 and 24, were used for statistical data entry and analysis and the following analyses was completed to address the objectives of the study.

TABLE 4.1: Objectives and analyses methods used in the study

Objectives	Statistical analyses method
To collate a demographic description of the participants of the Tholoana Enterprise Fund	Descriptive statistics: frequency tables
To assess the perceived success of the beneficiaries of the TEF based on the identified key success factors for small businesses	Descriptive statistics: custom Tables and mean and standard deviations
To identify entrepreneurial support programmes that the beneficiaries of the TEF Fund were engaged in other than the fund	Descriptive statistics: custom tables and Frequency tables
To determine if there is a relationship between the TEF impact and small business success	Correlation analysis
To determine if there are statistically significant changes in the turnover, profit and number of employees of the businesses of the Tholoana Enterprise Fund before and after receiving the TEF grant	Paired sample t-tests
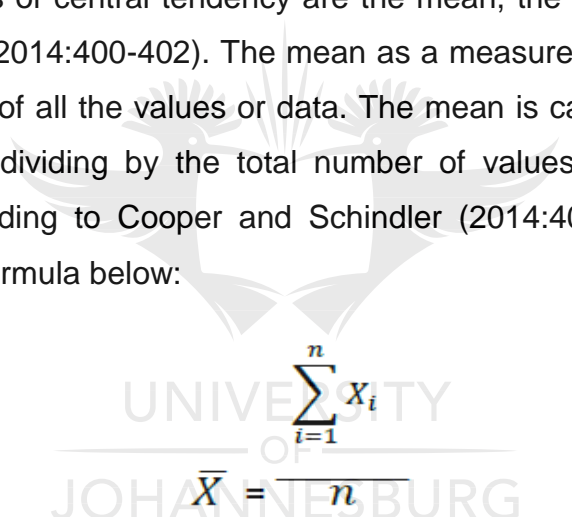
(Source: Researcher's own construct).

The statistical analyses methods that were employed in the study are elaborated on below.

4.5.2 Statistics

There are generally two different types of statistics. These are descriptive statistics that focus on describing the presented data of a sample of the population or the entire population, and inferential statistics that infer conclusions from the sample often to the larger population to establish any variances (Sapsford & Jupp, 2006:211-212). Cooper and Schindler (2014:656) are of the view that descriptive statistics exhibit features of the situation, variability and shape of the data display and that inferential statistics is a measure that encompasses the testing of statistical hypothesis and the evaluation of population values. Descriptive statistics is divided into three measures, namely: central tendency, measures of location, and measures of spread (Sapsford & Jupp, 2006:211-212).

The familiar measures of central tendency are the mean, the median and the mode (Cooper & Schindler, 2014:400-402). The mean as a measure of central tendency is basically the average of all the values or data. The mean is calculated by taking the sum of all data and dividing by the total number of values (Balnaves & Caputi, 2001:132-138). According to Cooper and Schindler (2014:400) the mean can be calculated using the formula below:

$$\overline{X} = \frac{\sum_{i=1}^{n} X_i}{n}$$

The median is described as the specific point where half of the data will lie. In the case where ranking of data values is applied then the median value will be the value in the middle of the ranked values (Balnaves & Caputi, 2001:132-138). When the data is organised in a sequence of minimal to most, or *vice versa* then the median value is the value in the middle of the data (Sapsford & Jupp, 2006:211-212). When the data has an even number of values then the median value would be the sum of the two middle values, divided by a value of two - (Cooper & Schindler, 2014:400-402). According to Balnaves and Caputi (2001:132-138), the following formula can be used to calculate the rank position of the median:

$$\frac{(n+1)}{2}$$

The mode is usually the least reported measure of central tendency as it is a measure of the most repeated instance of an occurring value and can also not exist if the number of observations per score is even within a distribution (Cooper & Schindler, 2014:400-402). It is the most frequent value in a distribution and permits that there be more than one mode, hence the reasons why it is the least used measure of central tendency (Balnaves & Caputi, 2001:132-138).

This study made use of the mean.

The measures of variability or spread of the distribution indicate the extent of the disparities that exist within the distribution and can be commonly measured using range, interquartile range, quartile deviation, variance, and standard deviation (Cooper & Schindler, 2014:400-402). The range is simply the variance between the biggest and smallest values. The range consists of the interquartile range, commonly referred to as the mid-spread, and is the variance between the first (1st) and third (3rd) quartile. The quartile deviation is ''a measure of dispersion for ordinal data involving the median and quartiles; the median plus one quartile deviation on either side encompasses 50 percent of observations and eight cover the full range of data" (Cooper & Schindler, 2014:650-668). The variance, calculated as the squared deviation scores from the mean is the measure of the variability of scores meanwhile the standard deviation is the square root of the variance that is represented as a positive value. The measures of shape represent the deviations from the equilibrium of a distribution (Balnaves & Caputi, 2001:132-138; Cooper & Schindler, 2014:650-668).

Descriptive statistics employed in the study are explained below:

4.5.2a Descriptive statistics

- #### Descriptive statistics: frequency tables.
Salkind (2010:507-510) explains frequency as the absolute value of the sum of instances that a score appears in a set of data while frequency tables are explained

78

as techniques of arranging raw data in a compressed way by only demonstrating a sequence of scores in an order paired with the frequencies. Frequency tables may therefore include columns for the score, columns for the frequency or a count of instances of occurrence, columns for related percentages and columns for relative frequencies. Frequency tables can either be used with grouped or ungrouped scores where the grouped frequency tables make use of scores that are arranged in an order and the ungrouped frequency tables make use of limitless number of values (Salkind, 2010:507-510).

- ***Descriptive Statistics: custom tables.***

Custom tables in this study are used to analyse multiple response and Likert-scale questions. Multiple response data groups are inclusive of numerous elements that document the received responses to questions where respondents can select more than one response (IBM, 2011: Features, para.1-3).

4.5.3 Inferential statistics

Inferential statistics is divided into two aspects, namely, hypothesis testing and estimation of population parameters from sample data. Hypothesis testing can assist in determining whether a sample is from a specific population as it tests the consistencies that exist between a single value in the population and the data (Balnaves & Caputi, 2001:176-200). There are usually two types of hypothesis; the null hypothesis (Ho) and the alternative hypothesis (Ha). The null hypothesis is based on the inference that there are no variances between the population data and the sample parameter. The alternative hypothesis is the exact opposite of the null hypothesis and it tests that a variance does exist between the population data and the sample parameter (Cooper & Schindler, 2014:650-668). When it has been established that, there is no existing data to test the null hypothesis then it can be concluded that the null hypothesis is true. The calculation of statistics relating to the null hypothesis is done to assess whether there is proof that is in support of the null hypothesis, that contradicts the null hypothesis or that supports the alternative hypothesis. The null hypothesis is maintained if there is no ample evidence that is contradictory whereas if the sample data contradicts the null hypothesis then the alternative hypothesis will be accepted (Balnaves & Caputi, 2001:176-200).

Inferential statistics are explained below:

- ***Factor analysis***.

Factor analysis is a procedure for condensing large sets of data by identifying categories among the interconnections of a group of variables. Factor analysis is also a method of compressing huge sets of variables to a more controllable size before employing the variables in various analyses (Pallant, 2011:181-187). Beavers, Lounsbury, Richards, Huck, Skolits and Esquivel (2013:1-7) have suggested that factor analysis is used for exploring the associations among a set of ascertained variables while Yong and Pearce (2013:79) have suggested that factor analysis employs statistical methods to clarify correlation measures to identify trends and patterns in a group of variables.

There are various elements of factor analysis that include **factor extraction**, **rotation methods**, and **labelling of factors**. Factor extraction assists in the discovery of the smallest number of factors that can be utilised to best depict the correlation between groups of variables. Factor extraction is composed of diverse methods of extraction including maximum likelihood that explores the maximum likelihood of sampling a correlation matrix and is more suitable for confirmatory factor analysis (CFA). Factor extraction also includes the Principal Axis Factor that is employed on the assumption that all variables are members of an identical group, computing a residual matrix. This method of extraction suggests that factors be extracted until there is a considerable difference in the correlation matrix and is most common where the data do not meet the prerequisite of multivariate normality. Principal components analysis can be used to reduce the amounts of data by extracting the maximum variance from the data set with individual components (Yong and Pearce, 2013:79).

Rotation methods can be categorised into two, namely, uncorrelated factor solutions that are easier to interpret or correlated factor solutions that are more complex to report and interpret (Pallant, 2013:184-185). The two categories are comprised of various techniques such as Equamax, Quartimax, Promax and Varimax that is commonly used to reduce the number of variables with high loadings per factor (Pallant, 2013:184-185, Chetty and Datt, 2015).

Factor analysis, commonly used to reduce time and expedite elementary interpretations, is divided into two main methods, namely, exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) introduced earlier. The EFA is frequently used in the initial phases of a research study with the aim of exploring the interconnections that exist among a group of variables. The EFA is used when a researcher is required to identify the sum of determinants of affecting variables and to examine the variables that are related (Pallant, 2011:181-187; Yong & Pearce, 2013:80). Owing to the numerous resolutions that should be reached by the researcher in a single analysis and to make the results of factor analysis more accurate, EFA is therefore classified as having restrictions. On the contrary, the CFA is employed much more downstream in the research process to validate hypotheses in relation to a group or set of variables (Pallant, 2011:181-187).

According to Yong and Pearce (2013:80-87) the requirements for factor analysis are the following:

- Univariate and multivariate normality within the data;
- Absence of univariate and multivariate anomalies;
- Assumption that there is a direct link between factors and variables when estimating the interrelationships;
- Recommended sample size of at least 300 and variables should have a minimum of five (5) observations and a maximum of ten (10) observations;
- A sample size of 150 is acceptable in cases where the data consists of numerous factor loading scores that are greater (>) than 0.80; and
- the sample size must be diverse as homogenous samples will reduce the difference or variance.

This study made use of Exploratory Factor Analysis and according to Yong and Pearce (2013:80-87), the pre-requisites for conducting the EFA can be summarised to the sample size and the nature of the link between the variables. The EFA in this study was conducted using the principal component analysis. This was used as a measure of construct validity and the dimension reduction technique. Construct validity encompasses testing the relationship of the construct with other related and unrelated constructs and is a measure that tests whether variables measure what is

supposed to be measured (Pallant, 2013:7). Dimension reduction technique has to do with the grouping of variables (Pallant, 2013:7).

The varimax rotation method was employed. Prior to conducting the principal component analysis, data was assessed for suitability to factor analysis. Two statistical measures were used to assess the suitability of data for factor analysis and these are the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett's test of sphericity (Williams, Osman & Brown, 2010:5-6). The KMO index according to Williams, *et al.* (2010:5-6) ranges between zero (0) to one (1) with 0.6 considered to be a suitable value for factor analysis (Pallant, 2013:183-185). Also, for the factor analysis to be considered as suitable, then the Bartlett's test of sphericity should have a p-value of less than (<) 0.05 significance level (Williams, *et al.,* 2010:5-6).

The eigenvalue shows the number of factors that were extracted; the sum of which should be equal to the count of factor variables that will undergo factor analysis. A total variance explained of 60% is commonly accepted and was considered for this study (Chetty & Datt, 2015: Variance explained, para.10-12). Kaiser's eigenvalue criterion of greater than one was also employed to establish the retention of factors and according to Pallant (2013:184-185), the employment of the rule therefore means that only factors with an eigenvalue of >=1 are retained for further analysis. The factor loadings of >=0.5 were retained for further analysis as factor loadings of less than 0.5 are indicative of weak factor loadings or no significance (Dinno, 2009:291).

The retention of factors was also considered using the scree plot - a graph that illustrates eigenvalues against the factors (Chetty & Datt, 2015: Variance explained, para.10-12).In this study, EFA was conducted on Business Success Factors and Programme/Fund impact items.

Reliability analysis, correlation analysis and paired sample tests are elaborated on in the following sections:

- *Reliability analysis.*

Cronbach's Alpha reliability coefficient was used to measure the internal consistency of the factors (Tavakol & Dennick, 2011:53). Cronbach's Alpha reliability coefficient has a range of between 0 and 1 with <0.5 being unacceptable, >0.5 being poor, >0.6 being questionable, >0.7 being acceptable, >0.8 being good and >0.9 being excellent (Gliem, J.A. 2003:87 & Gliem, R.R., 2003:87). High values of alphas are indicative of internal consistencies that are good for items (Gliem, J.A. 2003:87 & Gliem, R.R. 2003:87).

- *Correlation analysis.*

Correlation is one of the most beneficial statistical measures as it explains the extent of the relationship between two variables (Cooper & Schindler, 2014:469-472). Correlation analysis simply measures magnitude and direction between two variables, direction being a measure of positive or negative relation and magnitude being the strength of the correlation. The correlation co-efficient can be represented by values between +1 and -1 with a value of +1 standing for a positive correlation and a value of -1 standing for a negative correlation. Values of 0 mean that the variables are completely independent, a phenomenon that is not very common (Saunders *et al.,* 2009:451-458). According to Cohen (2003:294), the magnitude varies from 0.10 to 0.29 (weak), 0.30 to 0.49 (medium) and 0.50 to 1.0 (large). Correlation hypothesis states that variables occur simultaneously without suggesting that the one variable is the cause of the other (Cooper & Schindler, 2014:469-472). There are typically two types of correlation methods that are mostly documented and these are Spearman's rank order correlation and Pearson's product moment correlation (Morgan *et al.,* 2002:31-34).

- *Paired sample tests.*

T-tests are usually used to identify whether two categories of data have differences caused by chance, for example whether the selected data is different from the population that it was selected from (Saunders *et al.*, 2009:451-458). Paired sample t-tests are used to measure variances between paired data (Saunders *et al.*, 2009:451-458). According to Pallant (2013:109), paired sample t-tests are used in cases where one is particularly curious about the differences in points of related respondents that have been tested at Time 1 and again at Time 2. When the sample

t-tests are independent then the groups of people used are completely different (Pallant, 2013:109).

4.6 Summary

Chapter 4 documents the research methodology followed in this research study. The study makes use of a cross-sectional research design, an exploratory research design, and a descriptive research design. Self-administered questionnaires were compiled and the link distributed via e-mail by the SAB Foundation. The questionnaires had to be completed on Survey Monkey. Questionnaires for participants that were unreachable via e-mail were completed as telephone surveys. The questionnaires were accompanied by a covering letter requesting participation in the survey, explaining the significance of conducting the study and explaining the contents of the survey. The process of collecting data was conducted in a manner that ensured that participants felt respected always and that confidentiality was not violated in any way.

The population of the study consists of small businesses that were part of the TEF from 2012-2014. The population comprises 197 elements and was made available from SAB. The number of entrepreneurs that were reached is 175. Data analysis was conducted using both descriptive and inferential statistics. The descriptive analysis methods that were utilised include frequency tables, means, standard deviations and custom tables. Inferential analysis techniques include exploratory factor analysis, hypothesis testing, correlation analysis, reliability analysis and paired sample t-tests.

CHAPTER 5

RESULTS AND DISCUSSION OF THE STUDY

5.1 Introduction

Chapter 5 documents the results of this research study. Of the population of 197 entrepreneurs, 175 were reachable, with 160 e-mails successfully sent and 15 initial telephone calls successfully made. A total of 123 questionnaires were returned with only 106 questionnaires fully completed. The valid response rate for this study is therefore 60.57%. Since only 106 questionnaires were found to be valid for analysis the completion rate of this study is 86% (Fluidsurveys, 2014: Comparison, para.2-12).The results of this study are presented below using descriptive statistics and inferential statistics (factor analysis, correlation analysis, and reliability analysis).

5.2 Descriptive statistics of the respondents

The results of the analysis of the demographic profile of the respondents and the businesses of the respondents that were collected in Section A and part of Section B of the questionnaire, are documented in this section. The variables outlined include gender, age, disability, ethnicity, highest qualification, managerial experience, prior experience in a similar business or industry, year that the TEF grant was received, age of business when grant was received, location of the business at the time of receiving the grant, industry category of the business, type of business ownership, strategic partnerships, current value of capital assets of the business, use of the bolster service, medium where first heard of the TEF grant, current status of the business, reasons for closed businesses (if applicable), changes in nature of the business, sources of additional support, and an open question on how the entrepreneurs suggest the TEF can be improved.

5.2.1 Gender of respondents

The analysis of the gender profile of the respondents of the survey indicates that 67% of respondents were males and 33% were females as indicated in Figure 5.1.

FIGURE 5.1: Gender of respondents

Gender

- 33% Female
- 67% Male
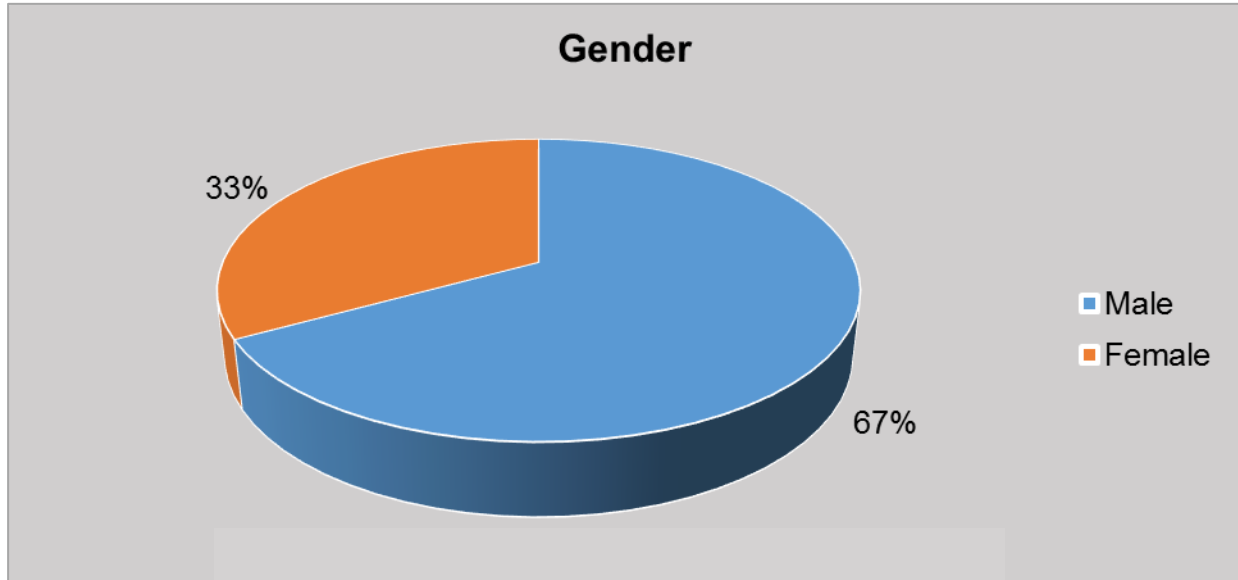
(Source: Researcher's own construct.)

5.2.2 Age of respondents

The respondents of this research study were organised into four age groups as illustrated in Figure 5.2. The results indicated that 59.4% of respondents were older than 35 years, 23.6% were between the ages of 31-35 years, 15.1% were between the ages of 26-30 years, and only 1.9% were between the ages of 21-25 years.

FIGURE 5.2: Age of respondents

Age

- 1.9% — 21- 25 years
- 15.1% — 26-30 years
- 23.6% — 31-35 years
- 59.4% — Older than 35 years
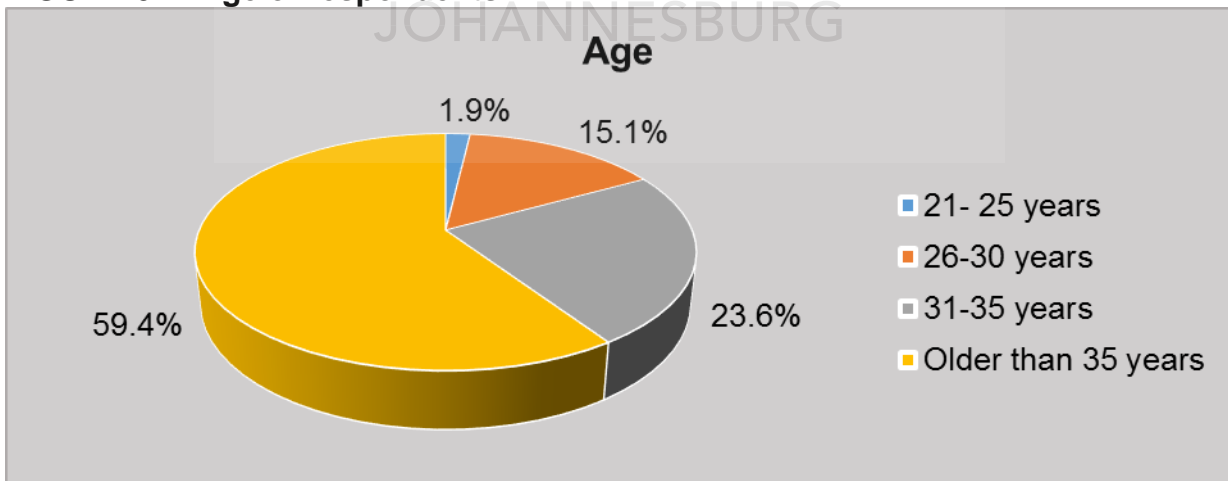
(Source: Researcher's own construct.)

5.2.3 *Disability status of respondents*

The disability results indicated that 93.4% of the respondents were not living with a disability, and that 6.6% of the respondents were living with a disability as indicated in Figure 5.3.

FIGURE 5.3: Disability status of respondents
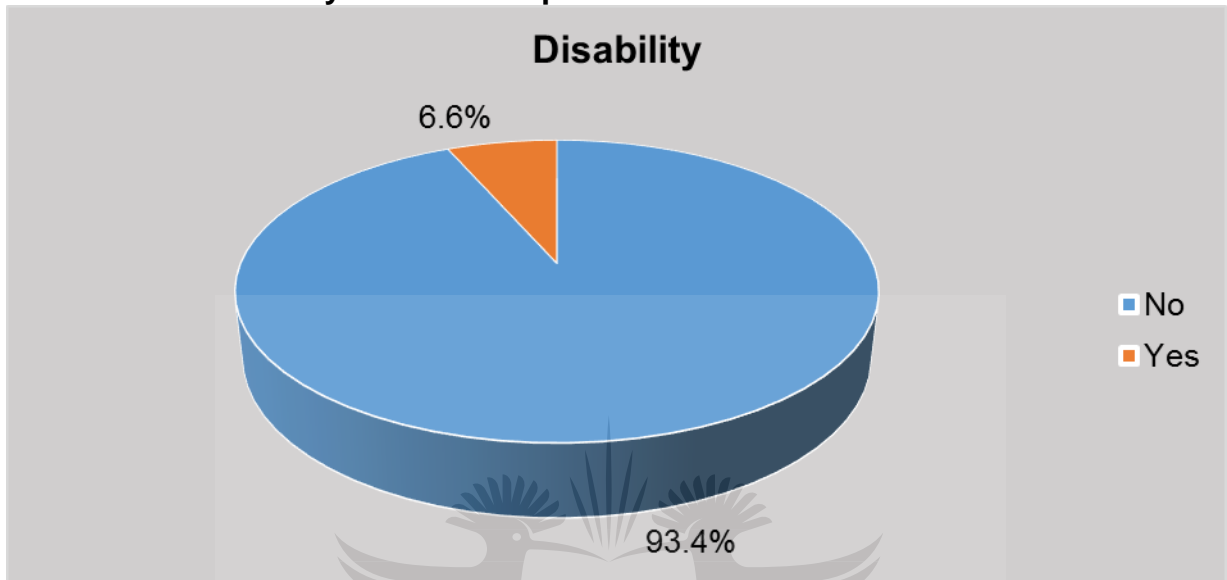
(Source: Researcher's own construct.)

5.2.4 *Ethnic group of respondents*

The ethnicity profile of the respondents as illustrated in Figure 5.4 indicates that most respondents were African with 83%, followed by Coloureds with 16%, and Asian/Indians with 0.9%.

FIGURE 5.4: Ethnic group of respondents
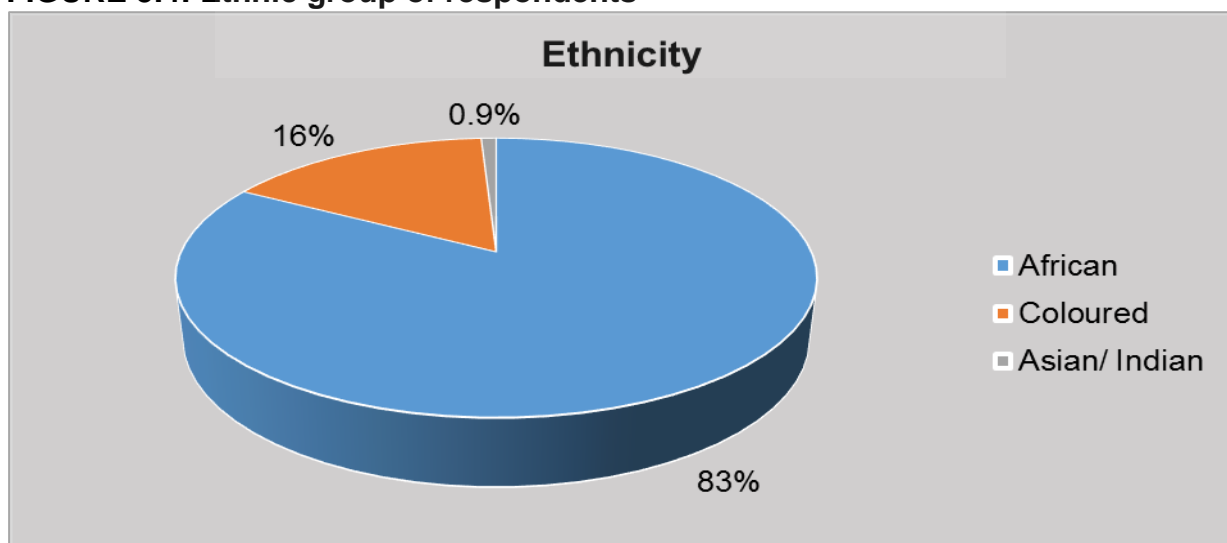
(Source: Researcher's own construct.)

5.2.5 Highest qualification of respondents

Figure 5.5 presents the formal educational background of the respondents of the survey and the results showed that 13.2% of respondents have a qualification that is lower than matric, while 22.6% of the respondents had a matric certificate, whereas 33% of the respondents had a post-matric certificate/diploma, 13.2% of respondents had a bachelor's degree and 17.9% of the respondents have a post-graduate qualification.

FIGURE 5.5: Highest qualification of respondents
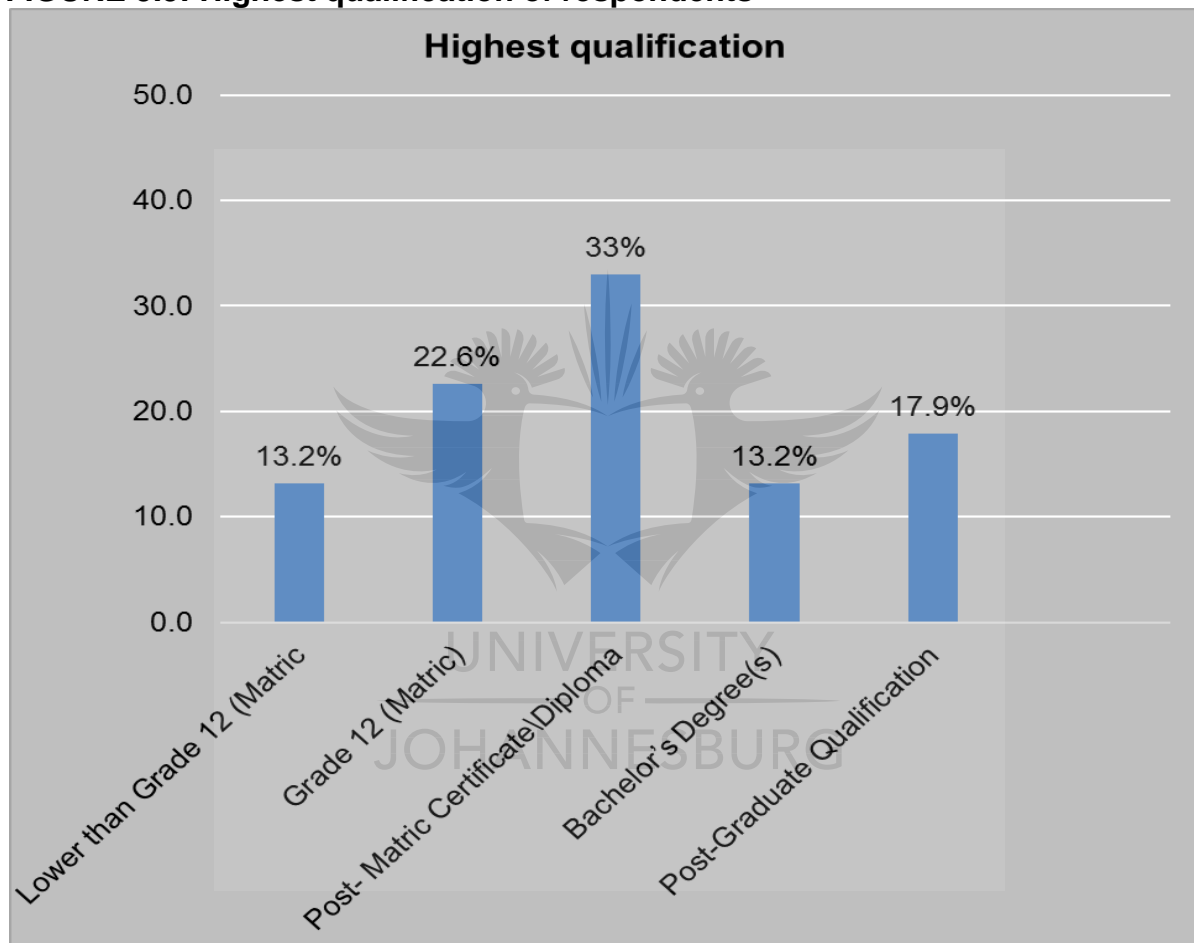
(Source: Researcher's own construct.)

5.2.6 *Managerial experience of respondents*

An analysis into the managerial experience of the respondents revealed that 35.8% of respondents had no managerial experience at the time of starting the businesses, 23.6% had supervisory level experience, 22.6% had middle management experience, and 17.9% had senior management experience. The results suggested that most respondents (64.1%) had some level of management experience at the time of starting the businesses.

FIGURE 5.6: Managerial experience of respondents

Managerial Experience

- None: 35.8%
- Supervisor: 23.6%
- Middle Management: 22.6%
- Senior Management: 17.9%
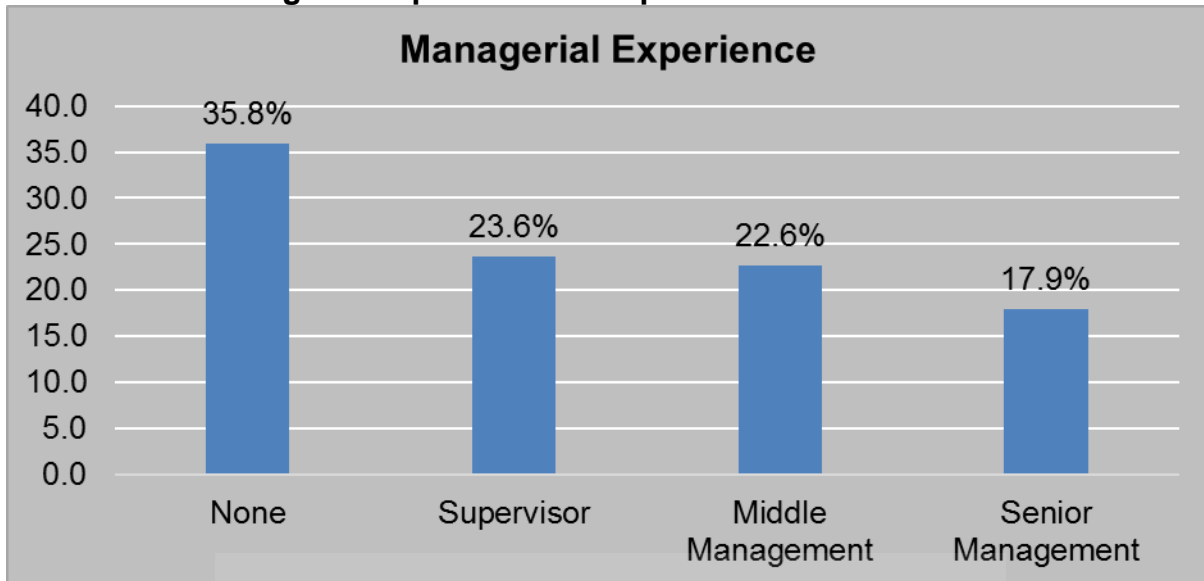
(Source: Researcher's own construct.)

5.2.7 Prior experience in a similar business or industry

Figure 5.7 shows that 31.1% of respondents had between 2-5 years' experience in a similar business or industry, 25.5% of respondents had 6 years or more experience, and 17.9% had less than 2 years' experience while 25.5% had no experience in a similar business or industry.

FIGURE 5.7: Prior experience in a similar business or industry

Prior experience

- None: 25.5%
- Less than 2 years: 17.9%
- Between 2-5 years: 31.1%
- 6 years or more: 25.5%
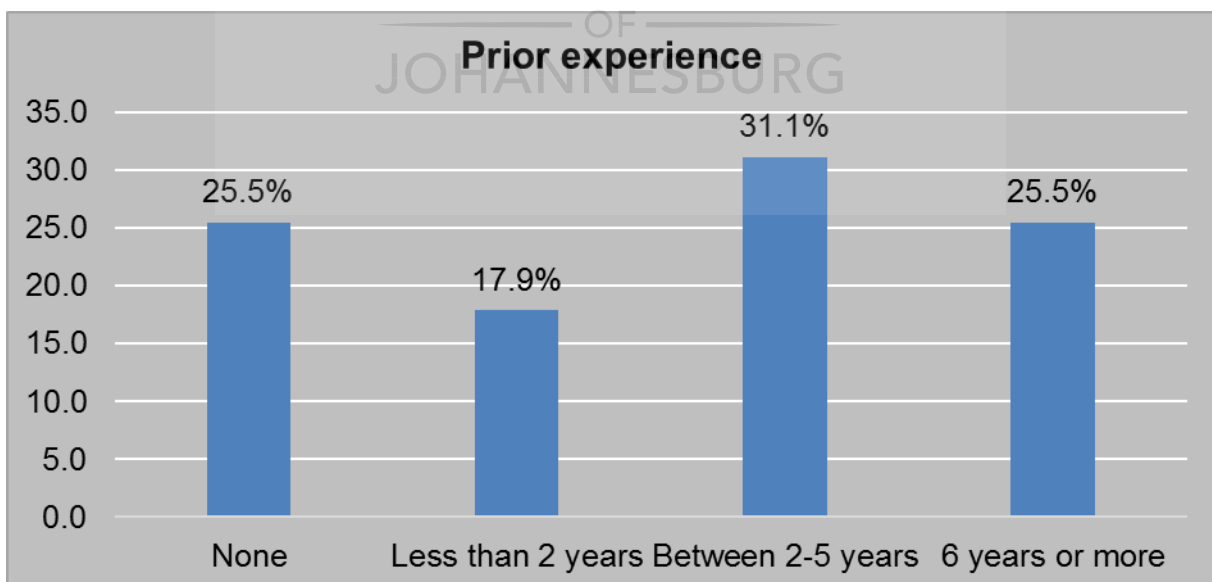
(Source: Researcher's own construct)

5.2.8 Year funding received from SAB (TEF)

The results indicated in Figure 5.8 reveal that 47.2% of respondents received funding in year 2014, while 31.1% received funding in year 2013, and 21.7% received funding in year 2012.

FIGURE 5.8: Year funding received from SAB (TEF)
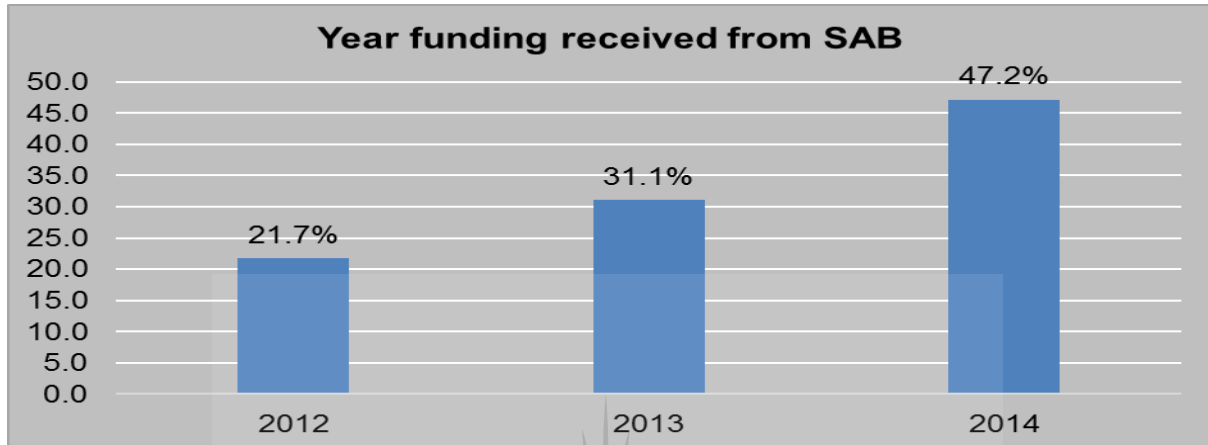
(Source: Researcher's own construct)

5.2.9 Age of business at the time of SAB (TEF) grant

A close analysis of the age of the businesses of the respondents at the time of receiving the grant from SAB indicates that 50% of the businesses of the respondents were between 25 and 36 months, 24.5% were between 13 and 24 months, 18.9% were between 6 and 12 months, and 6.6% were less than 6 months as illustrated in Figure 5.9.

FIGURE 5.9: Age of business at the time of SAB grant
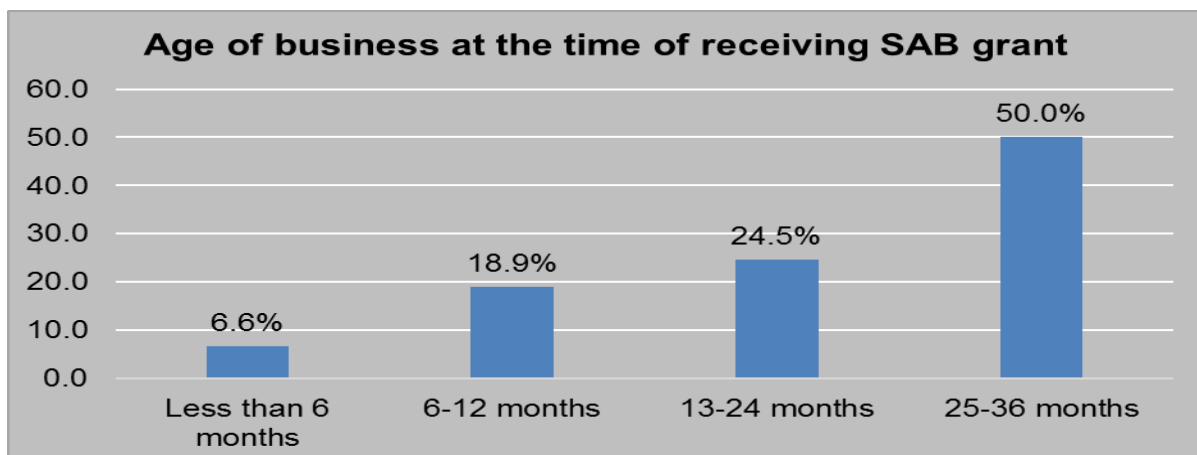
(Source: Researcher's own construct.)

5.2.10 Type of grant received from SAB (TEF)

The findings of the survey reveal that 46.2% of respondents received the Mbeu grant, 29.2% received the Muri grant, and 24.5% of respondents received the Tshimela grant as presented in Figure 5.10.

FIGURE 5.10: Type of grant received from SAB (TEF)
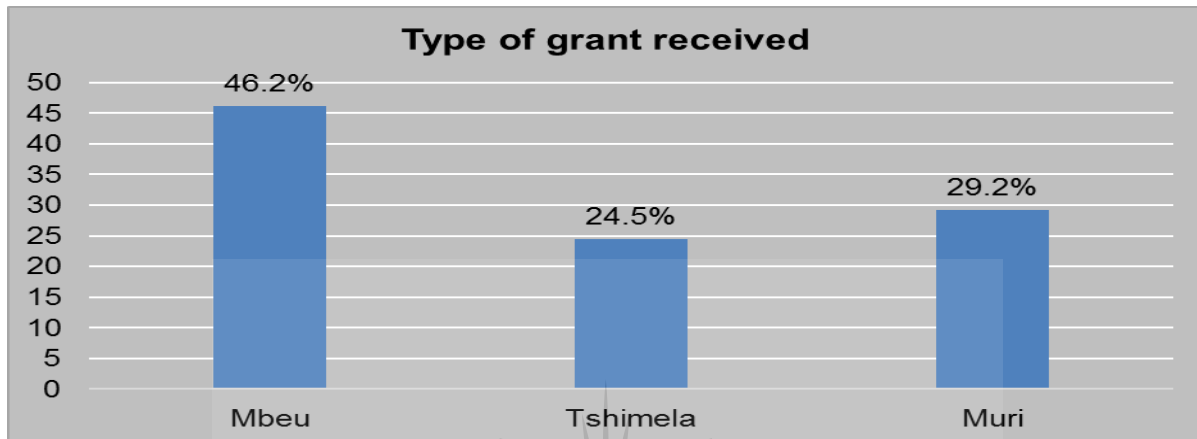
(Source: Researcher's own construct.)

5.2.11 Location of business at the time of SAB grant

The results on the location of the business at the time of receiving the SAB grant indicated that most of the respondents' businesses were based in the Western Cape, constituting 39.6% of the respondents. In a further breakdown of data, 12.3% of businesses were in Gauteng, 12.3% were in the Northern Cape, 11.3% were in Kwazulu-Natal, 8.5% were in the Eastern Cape, 6.6% were in Limpopo, 3.8% were in Free State, 3.8% were in Mpumalanga and only 1.9% were in North-West as demonstrated in Figure 5.11.

FIGURE 5.11: Location of business at the time of SAB (TEF) grant
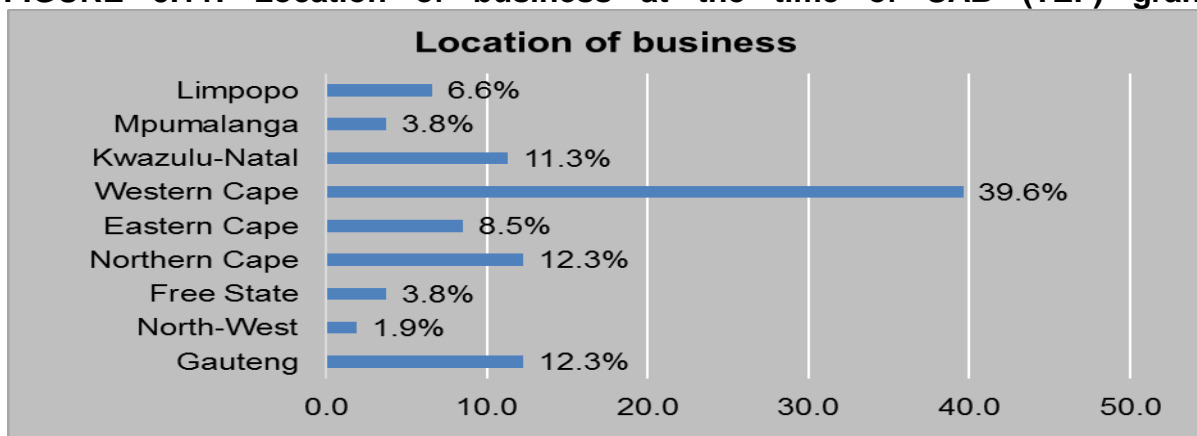
(Source: Researcher's own construct.)

5.2.12 Industry category of the business

An analysis into the industry categories of the businesses of the respondents shows that 22.6% of businesses are in the construction industry, 19.8% are in the communications industry, 15.1% are in the agriculture, forestry and fishing industries, 12.3% are in finance, insurance and real estate, 11.3% are in restaurant and catering, 7.5% are in manufacturing, 5.7% are in professional services, 3.8% are in transport, storage and utilities and 1.9% are in personal and community services. The results are shown in Figure 5.12.

FIGURE 5.12: Industry category of the business
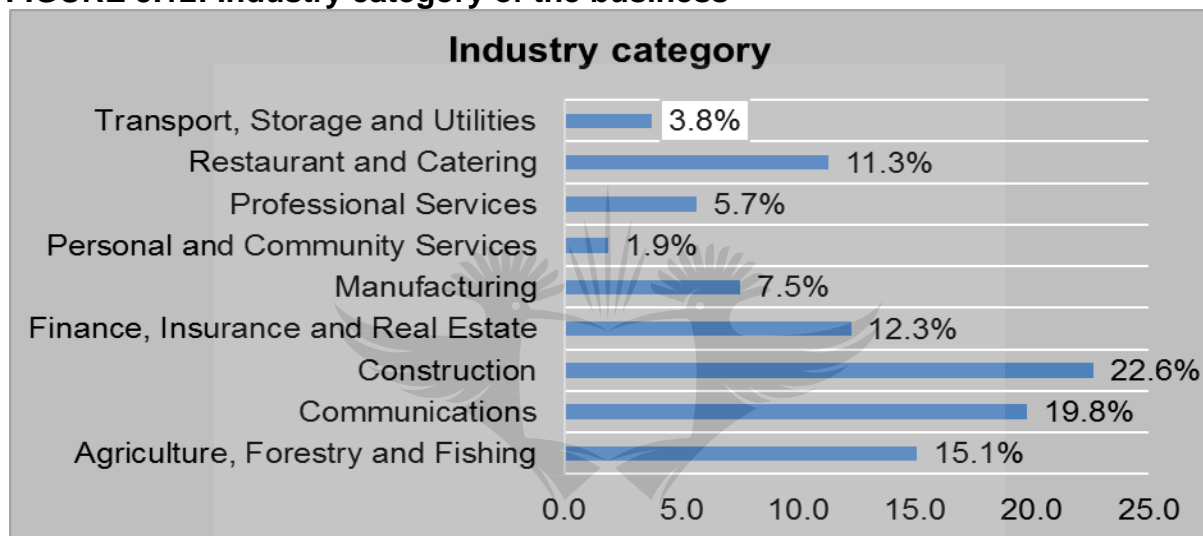
(Source: Researcher's own construct.)

5.2.13 Type of business ownership

Figure 5.13 presents the type of business ownership of the businesses that participated in the research study. Most of the businesses that responded to the survey were close corporations (CC) representing 42.5% of the respondents. Others (33%) were private companies, 13.2% were sole proprietorships, 5.7% were co-operatives, 3.8% were partnerships and 1.9% were non-profit companies.

FIGURE 5.13: Type of business ownership

Type of business ownership

Category	Value
Co-operative	5.7%
Non-Profit Company	1.9%
Private Company	33%
Close Corporation	42.5%
Partnership	3.8%
Sole Proprietorship	13.2%
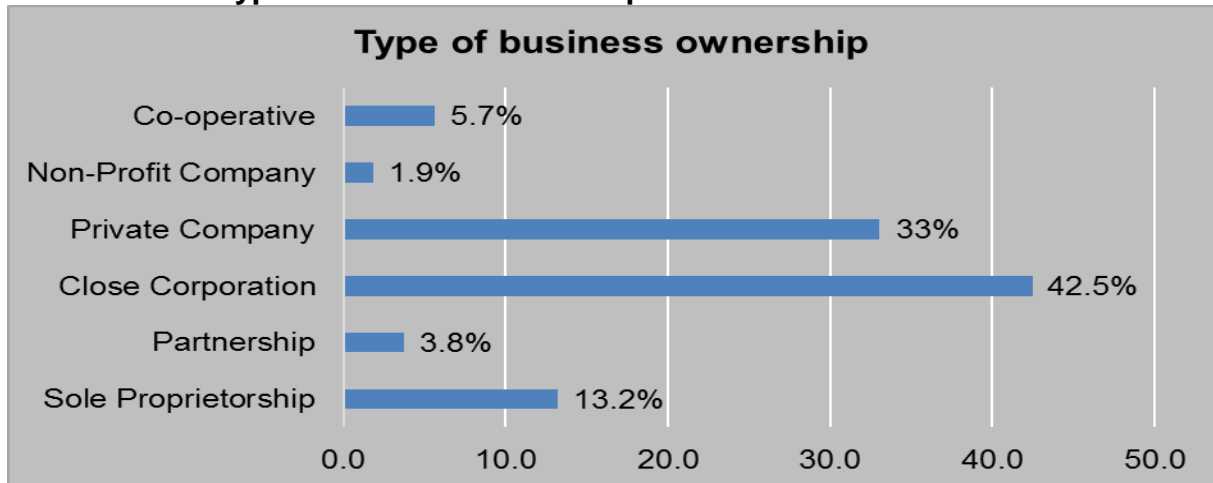
(Source: Researcher's own construct.)

5.2.14 Strategic partnerships entered by the respondents

In relation to strategic partnerships, 66% of respondents indicated that no strategic partnerships existed between the businesses and other strategic partners or businesses. The results in Figure 5.14 also demonstrated that 34% of respondents had strategic partnerships or other businesses or partnerships with the aim of helping both parties achieve more success.

FIGURE 5.14: Strategic partnerships entered by the respondents

Strategic Partnerships

- No — 66%
- Yes — 34%
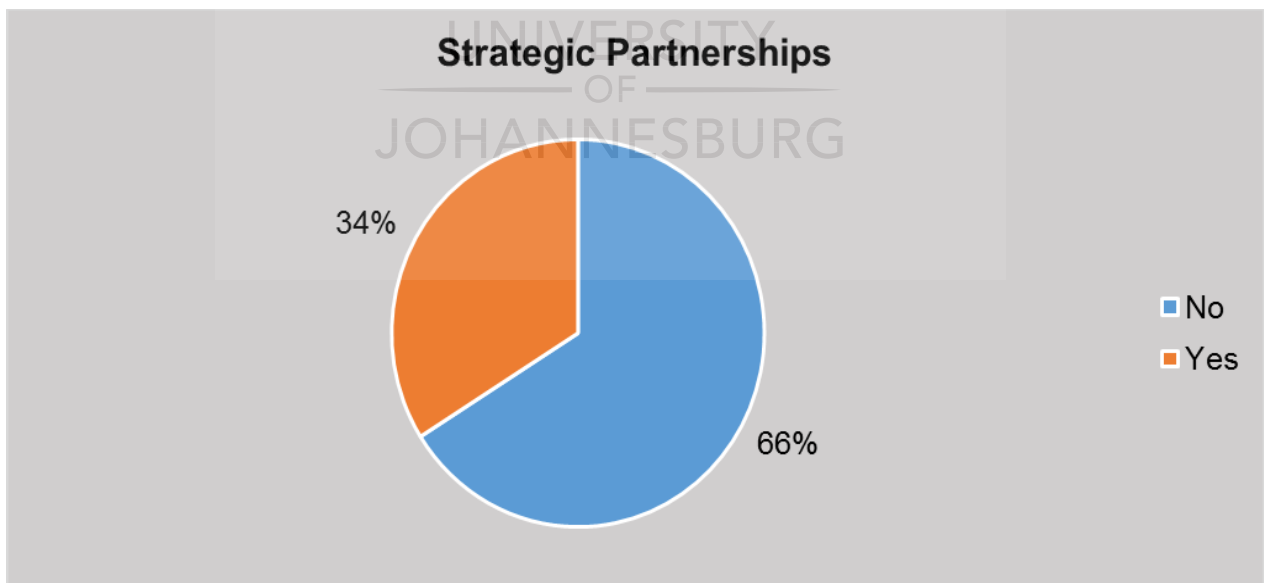
(Source: Researcher's own construct.)

5.2.15 Current value of capital assets of the business

The results on the current value of capital assets of the respondents' businesses are demonstrated in Figure 5.15. It is evident that 48.1% of respondents had capital assets to the value of over R250 000, 15.1% had capital assets to the value of between R0 and R50 000, 12.3% had capital assets to the value of between R201 000 and R250 000, 10.4% had capital assets to the value of between R51 000 and R100 000, 7.5% had capital assets to the value of between R151 000, and R200 000 and 6.6% had capital assets of between R101 000 and R150 000.

FIGURE 5.15: Current value of capital assets of the business
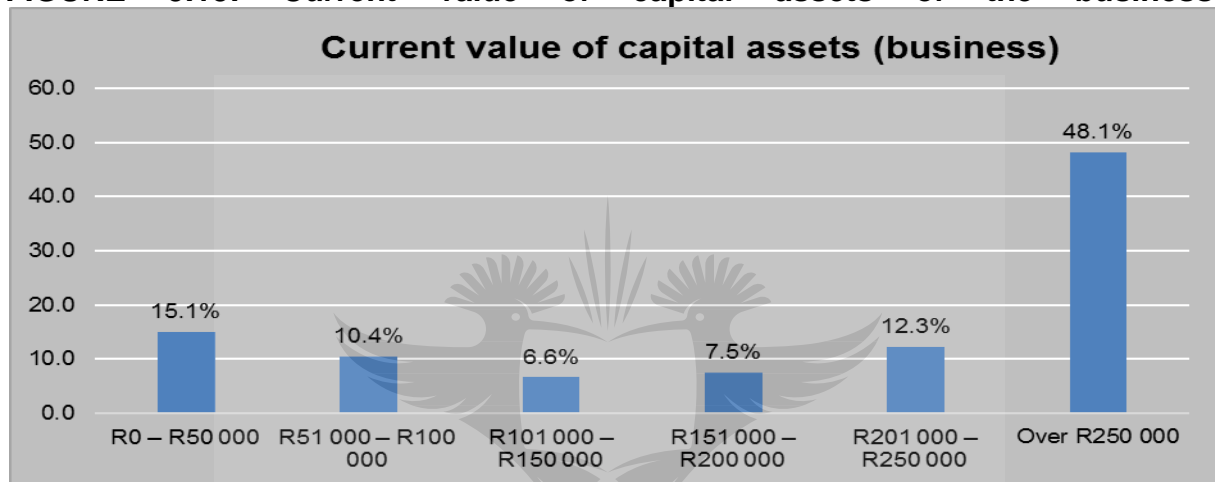
(Source: Researcher's own construct.)

5.2.16 Use of the Bolster service by respondents

According to the results illustrated in Figure 5.16, 81.1% of the respondents do not use the Bolster service for general business advice, legal services, tax services, promotion of the business, sourcing of goods and services and the SMeasy accounting service, and 18.9% of the respondents use the Bolster service.

FIGURE 5.16: Use of the Bolster service by respondents
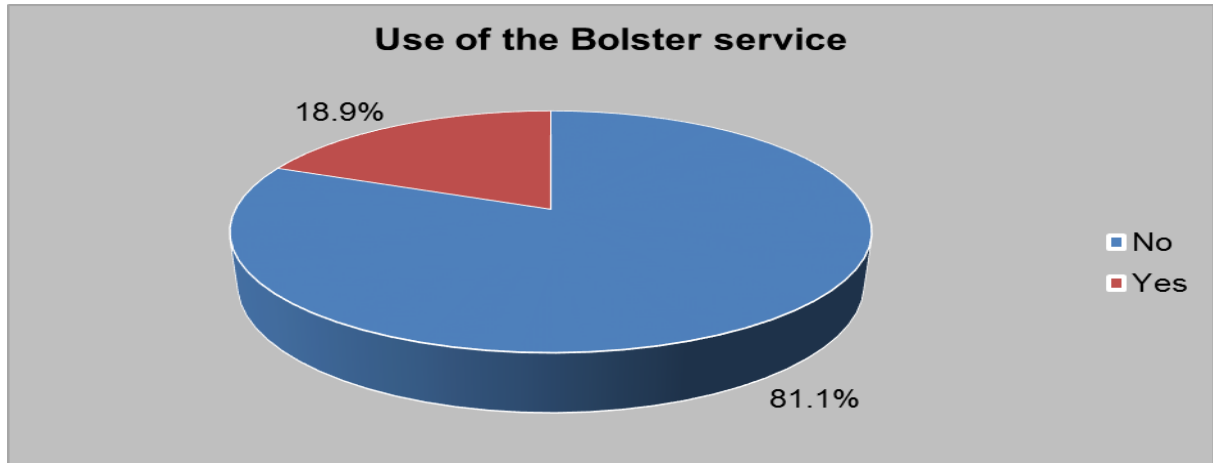
(Source: Researcher's own construct.)

5.2.17 Medium where respondents first heard of TEF

An analysis into the medium where respondents first heard of the TEF show that 54.7% of respondents heard from other sources, 32.1% of respondents heard from word of mouth, 6.6% heard from the newspaper, 3.8% heard from the local community centre, and 2.8% heard from the radio. The results are illustrated in Figure 5.17a. The respondents that first heard of the fund through other mediums are further shown in Figure 5.17b. Most respondents (representing 25% of the 54.7%) indicated the first medium of communication for TEF was from the Small Enterprise Development Agency (SEDA), while 15% indicated that the first encounter was from the Internet.

FIGURE 5.17a: Medium where respondents first heard of TEF
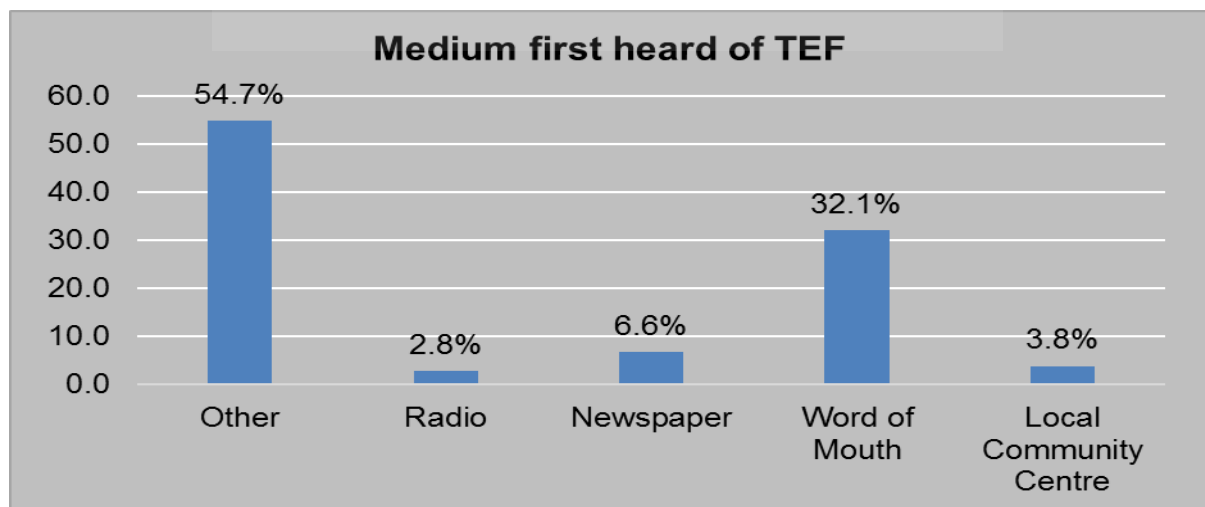
(Source: Researcher's own construct.)

FIGURE 5.17b: Other mediums where first heard of TEF

Other Mediums
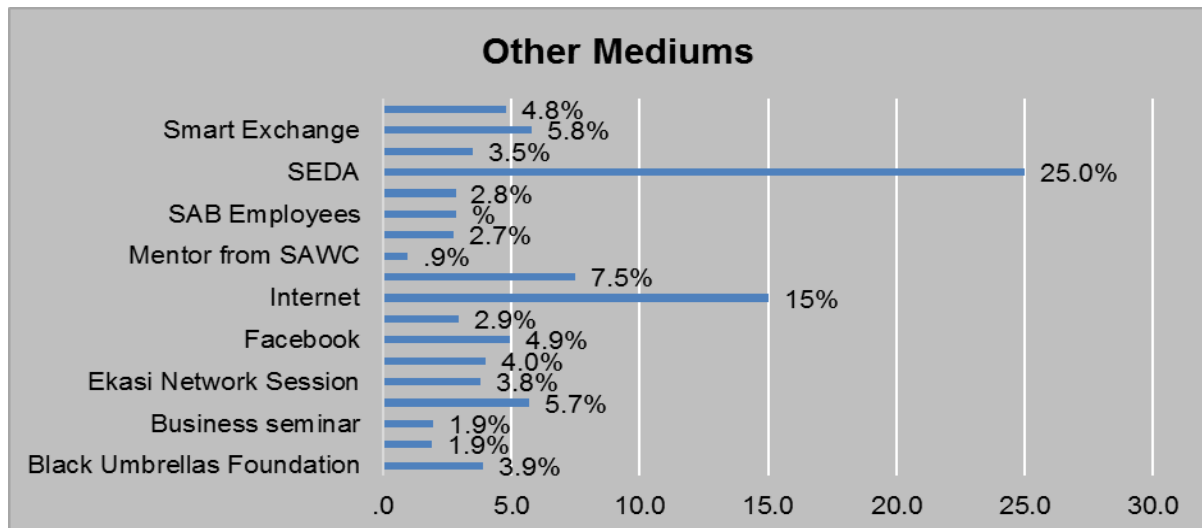
(Source: Researcher's own construct.)

5.2.18 Current status of the business

The results of the current status of the business indicated that most of the businesses were operational representing 84.9% of the respondents. 13.2% of businesses were in existence but not operational and 1.9% closed as demonstrated in Figure 5.18a.

FIGURE 5.18a: Current status of the business

Current status of the business
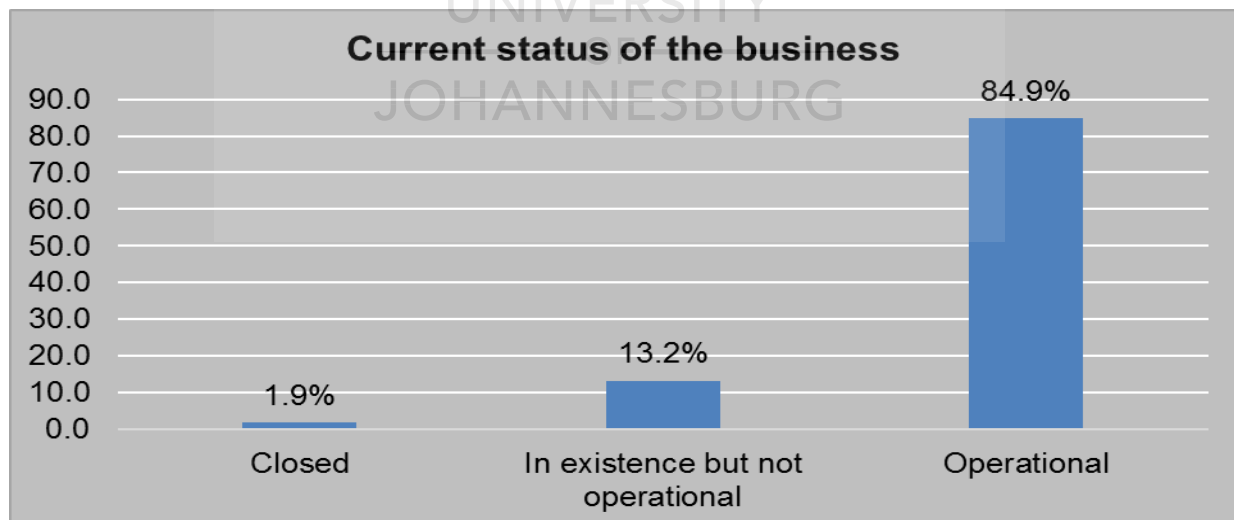
(Source: Researcher's own construct.)

For the 1.9% of businesses that were closed, 2.8% of the businesses were not making enough money, 1.9% of the businesses were sold, 0.9% of the businesses had name changes, 0.9% of businesses were closed due to personal reasons, and

6.6% were closed due to other reasons such as non-functional equipment for one of the businesses. These are reasons demonstrated in Figure 5.18b.

FIGURE 5.18b: Reasons for closed businesses
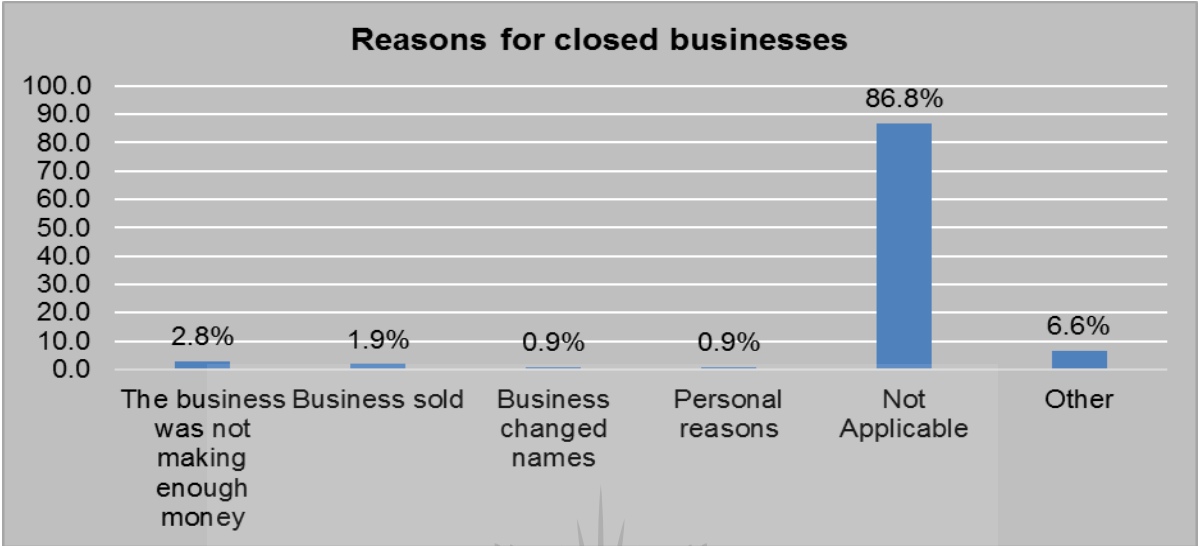
(Source: Researcher's own construct.)

5.2.19 Changes in nature of the business

In the results, 54.7% of businesses did not change the nature of the industries in which the businesses were operating, 31.1% of the businesses had changed the businesses by including a diverse product or service range, 10.4% of businesses had not changed industries but had different products or services, and 3.8% of business had changed industries as presented in Figure 5.19.

FIGURE 5.19: Changes in the nature of the business
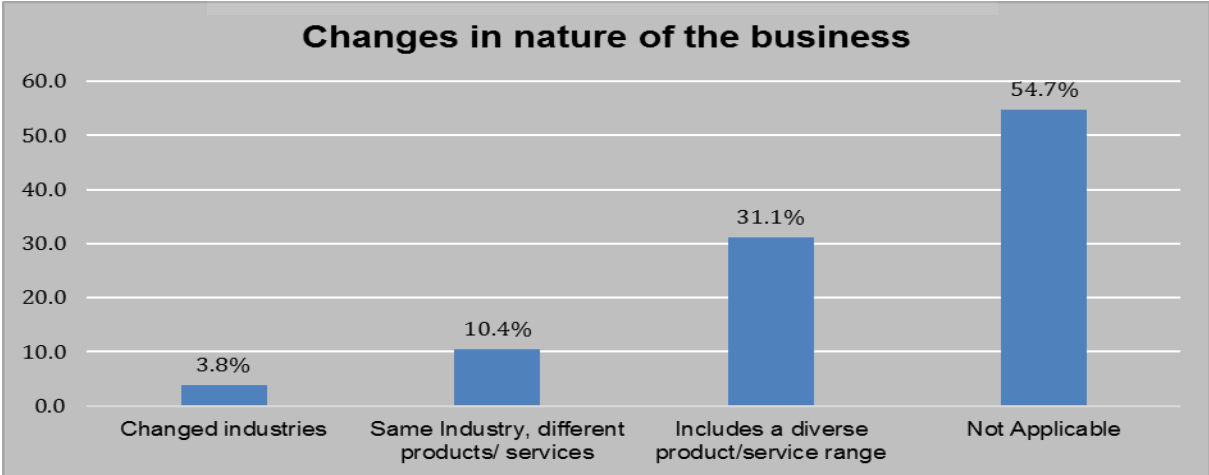
(Source: Researcher's own construct.)

5.2.20 Sources of additional support

An analysis of the results of the sources of additional support that respondents received other than the SAB grant revealed that 48.1% of respondents did not receive any additional support from other sources, whereas 27.4% received additional support from government institutions, while 24.5% of respondents received additional support from the private sector. This is illustrated in Figure 5.20.

FIGURE 5.20: Sources of additional support
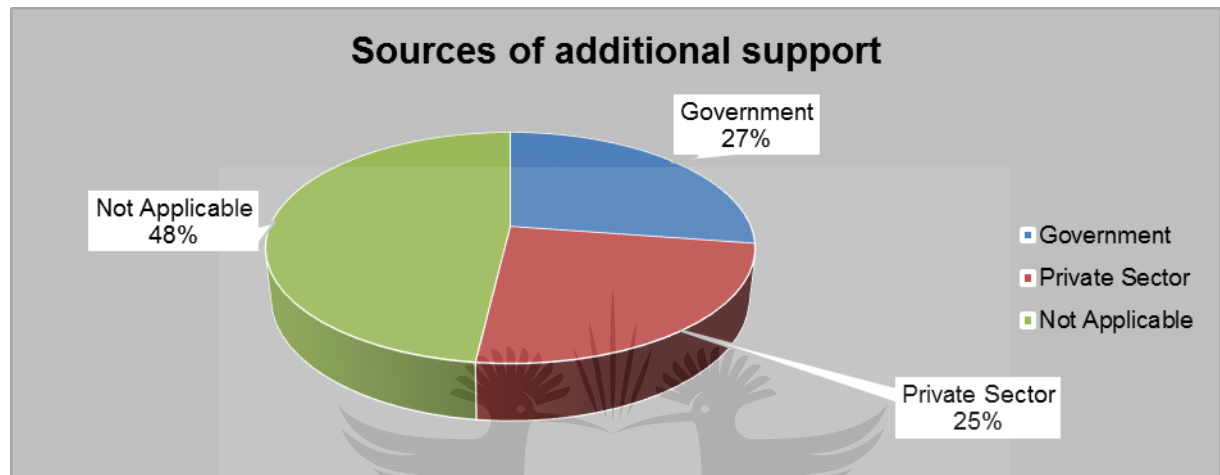
(Source: Researcher's own construct.)

5.2.21 Suggestions on how the Tholoana Enterprise Fund can be improved

The analysis on how the TEF can be improved was done by determining common themes from data. The results revealed that:

- Most (19.1%) respondents suggested that additional funding should be considered for business growth;

- Some (18.4%) of respondents suggested that the TEF do follow ups and evaluations of previously funded entrepreneurs (alumni), to improve communication and support given to entrepreneurs;

- 19.1% of respondents suggested that additional funding be considered for business growth, (14%) suggested that entrepreneurs provide industry-specific mentorship and coaching from big businesses;

- Some (11%) respondents complimented the fund and fund managers;

- A further 9% of respondents suggested that entrepreneurs be provided with business training to include financial training, pricing strategies and computer literacy;

- An alternative suggestion from 4.5% of respondents was that entrepreneurs be assisted with marketing business locally and internationally;

- Some 4.5% of respondents suggested that entrepreneurs should also be assisted with access to markets;

- Some (4%) of respondents gave no comments

- A few (2.7%) suggested that entrepreneurs should be given assistance with sourcing reasonably priced raw materials;

- Another 2.7% suggested that assistance with reliable suppliers should be given;

- There were 1.8% of respondents who suggested that entrepreneurs be enabled and empowered to be SAB service providers;

- For 1.8% of respondents, the creation of a network of entrepreneurs was also suggested so that established businesses could secure services of products from less established businesses;

- For 0.9% of respondents it was suggested that entrepreneurs should be assisted with securing reliable insurance for assets;

- Another 0.9% of respondents suggested that the complaints handling system should be improved to effectively deal with customer queries and complaints;

- A further 0.9% of respondents suggested that micro-business funding be provided;

- For another 0.9% of respondents it was suggested that the visibility and knowledge of Tholoana should be improved;

- A different 0.9% of respondents suggested that the age criteria of the fund should be extended beyond 35 years of age;

- An additional 0.9% of respondents suggested that SAB provide a representative in board member capacity to ensure governance and due diligence in the business; and

- Lastly, there were 0.9% of entrepreneurs who suggested that entrepreneurs should be offered value-added solutions, for example, helping entrepreneurs to market, gain legal and business risk insight.

These responses are illustrated in Table 5.1 below.

TABLE 5.1: Suggestions on how the Tholoana Enterprise Fund can be improved

Suggestions on how the TEF can be improved	Percentage %
Additional funding for business growth	19.1
Follow ups and evaluations of previously funded entrepreneurs (alumni), communication and support	18.4
Provide industry specific mentorship and coaching from big businesses	14.0
Compliments made towards the fund and fund managers	11.0
Provide business training including financial training, pricing strategies, computer literacy	9.0
Assist with marketing business (locally and internationally)	4.5
Assistance with access to markets	4.5
No comment	4.0
Assist with reliable suppliers	2.7
Assisting with sourcing of reasonably priced material	2.7
Enable entrepreneurs to be service providers of SAB	1.8
Create a network of entrepreneurs so that the more established businesses can secure services or products from the less established businesses	1.8
Assistance with securing reliable insurance for assets	0.9
Improve complaints handling system to effectively deal with customer queries and complaints	0.9
Provide micro-business funding	0.9
Improve visibility and knowledge of Tholoana	0.9
Extend age criteria for above 35 years	0.9
Offer value added solution e.g. helping entrepreneurs to market, gain legal and business risk insight etc.	0.9
Having SAB representative in board member capacity to ensure governance and due diligence	0.9
Total	100.0

(Source: Researcher's own construct.)

5.3 Descriptive statistics: custom tables

Custom tables were used to analyse the answers to several multiple response questions in the survey.

5.3.1 Statistics on support received from the Bolster service

The responses received in Question 21 of the survey on the support received from the Bolster service indicate that most of the respondents did not receive any support from the Bolster service. The responses were as follows:

- For 14.2% respondents, general business advice from the Bolster service was received;
- For 10.4% legal services support was received;
- For 9.4% of respondents support for sourcing goods and services was received; and
- For 4.7% of respondents, leads for the promotion of the businesses was received;
- Other respondents (1.9%) indicated receiving support in terms of the SMeasy accounting system; and
- Tax services support was received by only 1.9% of respondents.

These responses are further illustrated in Table 5.2.

TABLE 5.2: Support received from Bolster service

		No	Yes	Total
Q21.1 General Business advice	Count	91	15	106
	Percentage%	85.80%	14.20%	100.00%
Q21.2 Legal services	Count	95	11	106
	Percentage%	89.60%	10.40%	100.00%
Q21.3 Tax services	Count	104	2	106
	Percentage%	98.10%	1.90%	100.00%
Q21.4 Leads (Promoting your business)	Count	101	5	106
	Percentage%	95.30%	4.70%	100.00%
Q21.5 Sourcing of goods and services	Count	96	10	106
	Percentage%	90.60%	9.40%	100.00%
Q21.6 SMeasy accounting system	Count	104	2	106
	Percentage%	98.10%	1.90%	100.00%

(Source: Researcher's own construct.)

5.3.2 *Statistics on additional support received*

The responses regarding additional support received for small businesses other than the support received from the TEF were as follows:

- There was a majority (29.2%) of respondents who indicated that training was received as a form of additional support:

- Some respondents (17%) indicated that additional funding was received for the businesses other than from the TEF.

- In terms of mentorship, 16% of respondents indicated that this was received as a form of additional support, while 12.3% of respondents indicated that capital assets were received and 32.10% indicated that other support that was not included in the survey was received.

- For 6.6% of respondents, additional support in the form of loans and in terms of training was received;

These responses are further illustrated in Table 5.3.

TABLE 5.3: Additional support received

		No	**Yes**	**Total**
Q29.1 Funding	Count	88	18	106
	Percentage%	83.00%	17.00%	100.00%
Q29.2 Loan	Count	99	7	106
	Percentage%	93.40%	6.60%	100.00%
Q29.3 Training	Count	75	31	106
	Percentage%	70.80%	29.20%	100.00%
Q29.4 Mentorship	Count	89	17	106
	Percentage%	84.00%	16.00%	100.00%
Q29.5 Capital assets (building, machinery, equipment, warehouse, property)	Count	93	13	106
	Percentage%	87.70%	12.30%	100.00%
Q29.6 Other	Count	72	34	106
	Percentage%	67.90%	32.10%	100.00%

(Source: Researcher's own construct.)

5.3.3 Statistics on business success factors

Statistics on the perceptions of the respondents on business success factors are further illustrated in Table 5.4. The statistics indicate the following responses:

- The majority of respondents (95.3%) attributed the success of the business to having seed capital (grant);
- 84.9% of respondents attributed business success to having business training;
- For 84.9% of respondents business success was attributed to having marketing capabilities;
- Another 84.9% of respondents attributed business success to having managerial expertise;
- For 84% of respondents business success was attributed to having access to markets;
- For 84% of respondents business success was attributed to having financial management skills;
- For 83% of respondents, business success was attributed to having relevant industry experience,
- For 78.3% of respondents business success was attributed to having a good business plan;
- For 78.3% of respondents business success was attributed to having formal education (which is interesting because the results of the highest qualification indicate that 86.7% of respondents have a matric and post-matric qualification);
- For a further 78.3% of respondents business success was attributed to having access to skilled employees;
- Only 56.6% of respondents attributed the success of the business to having strategic business partnerships.

These results are further illustrated in Table 5.4 by combining the responses for the disagree/strongly disagree and agree/strongly agree as recommended by (Morgan *et al.,* 2002:26).

TABLE 5.4: Business success factors

		Disagree/ Strongly disagree	Neutral	Agree/ Strongly agree	Total
BS1 Having seed capital (grant) contributed to the success of my business	Count	3	2	101	106
	Percentage %	2.8%	1.9%	95.3%	100.0%
BS2 Having a good business plan contributed to the success of my business	Count	16	7	83	106
	Percentage %	15.1%	6.6%	78.3%	100.0%
BS3 Having financial management skills contributed to the success of my business	Count	9	8	89	106
	Percentage %	8.5%	7.5%	84.0%	100.0%
BS4 Having formal education contributed to the success of my business	Count	12	11	83	106
	Percentage %	11.3%	10.4%	78.3%	100.0%
BS5 Having business training contributed to the success of my business	Count	6	10	90	106
	Percentage %	5.7%	9.4%	84.9%	100.0%
BS6 Having marketing capabilities contributed to the success of my business	Count	6	10	90	106
	Percentage %	5.7%	9.4%	84.9%	100.0%
BS7 Having managerial expertise contributed to the success of my business	Count	6	10	90	106
	Percentage %	5.7%	9.4%	84.9%	100.0%
BS8 Having strategic business partnerships contributed to the success of my business	Count	33	13	60	106
	Percentage %	31.1%	12.3%	56.6%	100.0%
BS9 Having relevant industry experience contributed to the success of my business	Count	7	11	88	106
	Percentage %	6.6%	10.4%	83.0%	100.0%
BS10 Having access to markets contributed to the success of my business	Count	5	12	89	106
	Percentage %	4.7%	11.3%	84.0%	100.0%
BS11 Having access to skilled employees contributed to the success of my business	Count	11	12	83	106
	Percentage %	10.4%	11.3%	78.3%	100.0%

(Source: Researcher's own construct.)

104

5.3.4 Statistics on Tholoana Enterprise Fund impact

The statistics on the TEF impact revealed that 98.1% of respondents indicated that the fund had a moderate to major effect on the continued existence of the businesses, while 84% of respondents indicated that the fund had a moderate to major effect on the increase in the number of employees. The results on the impact of the fund on increased profit reveal that 88.7% 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 has a moderate to major effect on increased revenue in the business as shown in Table 5.5.

TABLE 5.5: Programme/Fund impact on businesses of the respondents

		No effect/Minor effect	Neutral	Moderate/ Major effect	Total
PI1 Continued existence of my business	Count	0	2	104	106
	Percentage%	0.0%	1.9%	98.1%	100.0%
PI2 Increase in the number of employees	Count	7	10	89	106
	Percentage%	6.6%	9.4%	84.0%	100.0%
PI3 Increase in profit	Count	2	10	94	106
	Percentage%	1.9%	9.4%	88.7%	100.0%
PI4 Increase in revenue (sales income and other streams like interest/donations)	Count	1	11	94	106
	Row N %	0.9%	10.4%	88.7%	100.0%

(Source: Researcher's own construct.)

5.3.5 Statistics on additional support that could have assisted the business

An analysis into the additional support that entrepreneurs have indicated could have assisted the business, it is evident that most respondents (71.7%) indicated that more money could have assisted the business. The second most popular response selected was marketing, representing 67.9% of respondents, and third most popular (46.2%) was training, as shown in Table 5.6.

TABLE 5.6: Additional support that could have assisted the business

		No	Yes	Total
Q38.1 More money	Count	30	76	106
	Percentage%	28.3%	71.7%	100.0%
Q38.2 Training	Count	57	49	106
	Percentage%	53.8%	46.2%	100.0%
Q38.3 Marketing	Count	34	72	106
	Percentage%	32.1%	67.9%	100.0%
Q38.4 Legal assistance	Count	58	48	106
	Percentage%	54.7%	45.3%	100.0%
Q38.5 Labour relations	Count	70	36	106
	Percentage%	66.0%	34.0%	100.0%
Q38.6 Operations management	Count	71	35	106
	Percentage%	67.0%	33.0%	100.0%
Q38.7 Risk Management	Count	61	45	106
	Percentage%	57.5%	42.5%	100.0%
Q38.8 Business planning	Count	73	33	106
	Percentage%	68.9%	31.1%	100.0%
Q38.9 Mentoring and business coaching	Count	61	45	106
	Percentage%	57.5%	42.5%	100.0%
Q38.10 Business administration	Count	59	47	106
	Percentage%	55.7%	44.3%	100.0%
Q38.11 Business advisory services	Count	63	43	106
	Percentage%	59.4%	40.6%	100.0%
Q38.12 Industry networks	Count	42	64	106
	Percentage%	39.6%	60.4%	100.0%

(Source: Researcher's own construct.)

5.3.6 Statistics on biggest challenges in the business

Further statistics illustrated in Table 5.7 on the biggest challenges faced by businesses showed that 66% of respondents indicated the biggest challenge was limited funding. This is consistent with the results of the statistics on additional support that could have assisted the business that indicated that 71.7% of respondents felt that more money could have assisted the businesses to be more successful. Another 52.8% of respondents indicated that access to new clients and customers was one of the biggest challenges, and 39.6% of respondents indicated securing premises as another big challenge in the business.

TABLE 5.7: Biggest challenges in the business

		No	Yes	Total
Q39.1 Limited access to infrastructure (water, electricity, roads)	Count	81	25	106
	Percentage%	76.4%	23.6%	100.0%
Q39.2 Regulatory framework (Tax laws, company registration, environmental laws, ways to operate legally)	Count	76	30	106
	Percentage%	71.7%	28.3%	100.0%
Q39.3 Macro-economic environment (Political, economic, social)	Count	71	35	106
	Percentage%	67.0%	33.0%	100.0%
Q39.4 Limited funding	Count	36	70	106
	Percentage%	34.0%	66.0%	100.0%
Q39.5 Labour laws	Count	84	22	106
	Percentage%	79.2%	20.8%	100.0%
Q39.6 Securing Premises	Count	64	42	106
	Percentage%	60.4%	39.6%	100.0%
Q39.7 Increased competition	Count	67	39	106
	Percentage%	63.2%	36.8%	100.0%
Q39.8 Attracting skilled talent	Count	73	33	106
	Percentage%	68.9%	31.1%	100.0%
Q39.9 Access to new clients/ customers	Count	50	56	106
	Percentage%	47.2%	52.8%	100.0%

(Source: Researcher's own construct.)

5.4 Descriptive statistics: means and standard deviations - Business success factors

In the analysis of the business success factors using means and standard deviations, it is evident that all the responses are above the neutral value of three (3) with most respondents either agreeing or strongly agreeing with the business success factors. Questions BS1(Having seed capital (grant) contributed to the success of my business), BS3 (Having financial management skills contributed to the success of my business), BS5 (Having business training contributed to the success of my business), BS6 (Having marketing capabilities contributed to the success of my business), BS7 (Having managerial expertise contributed to the success of my business), BS9 (Having relevant industry experience contributed to the success of my business) and BS10 (Having access to markets contributed to the success of my business)had the most agree/strongly agree responses while questions BS8 (Having strategic business partnerships contributed to the success of my business), BS2 (Having a good business plan contributed to the success of my business), BS4 (Having formal education contributed to the success of my business) and BS11 (Having access to

skilled employees contributed to the success of my business) had the highest degree of disagree/strongly disagree responses. The standard deviations of BS8 (Having strategic business partnerships contributed to the success of my business), BS2 (Having a good business plan contributed to the success of my business), BS4 (Having formal education contributed to the success of my business) and BS3 (Having financial management skills contributed to the success of my business) are higher than the rest of the standard deviations implying that the responses to these questions had a much higher level of variability. The highest concentration of responses on agree/disagree were contained in Question BS1 (Having seed capital (grant) contributed to the success of my business) as evidenced in Table 5.8.

TABLE 5.8: Means and standard deviations – business success factors

		Strongly Disagree/ Disagree	Neutral	Agree/ Strongly Agree	Mean	Standard Deviation
BS1 Having seed capital (grant) contributed to the success of my business	Count	3	2	101	4.61	0.788
	Percentage%	2.8%	1.90%	95.3%		
BS2 Having a good business plan contributed to the success of my business	Count	16	7	83	4.03	1.167
	Percentage%	15.1%	6.60%	78.3%		
BS3 Having financial management skills contributed to the success of my business	Count	9	8	89	4.21	1.002
	Percentage%	8.5%	7.50%	84.0%		
BS4 Having formal education contributed to the success of my business	Count	12	11	83	4.09	1.019
	Percentage%	11.3%	10.40%	78.3%		
BS5 Having business training contributed to the success of my business	Count	6	10	90	4.2	0.93
	Percentage%	5.7%	9.40%	84.9%		
BS6 Having marketing capabilities contributed to the success of my business	Count	6	10	90	4.17	0.889
	Percentage%	5.7%	9.40%	84.9%		
BS7 Having managerial expertise contributed to the success of my business	Count	6	10	90	4.13	0.874
	Percentage%	5.7%	9.40%	84.9%		
BS8 Having strategic business partnerships contributed to the success of my business	Count	33	13	60	3.43	1.345
	Percentage%	31.1%	12.30%	56.6%		
BS9 Having relevant industry experience contributed to the success of my business	Count	7	11	88	4.19	0.874
	Percentage%	6.6%	10.40%	83.0%		
BS10 Having access to markets contributed to the success of my business	Count	5	12	89	4.18	0.848
	Percentage%	4.7%	11.30%	84.0%		
BS11 Having access to skilled employees contributed to the success of my business	Count	11	12	83	4.02	0.995
	Percentage%	10.4%	11.30%	78.3%		

(Source: Researcher's own construct.)

5.5 Descriptive statistics: means and standard deviations - programme/fund impact

The responses on programme/fund impact are above the neutral value of three with most respondents suggesting that the fund had a moderate to major effect on the business. The highest concentration of responses on moderate to major effect were contained in PI1 (continued existence of my business) as evidenced in Table 5.9.

TABLE 5.9: Means and standard deviations – programme/fund performance

		No effect/ Minor effect	Neutral	Moderate effect/Major effect	Means	Standard Deviation
PI1 Continued existence of my business	Count	0	2	104	4.88	0.383
	Percentage%	0.0%	1.9%	98.11%		
PI2 Increase in the number of employees	Count	7	10	89	4.4	0.912
	Percentage%	6.6%	9.4%	83.96%		
PI3 Increase in profit	Count	2	10	94	4.57	0.743
	Percentage%	1.9%	9.4%	88.68%		
PI4 Increase in revenue (sales income and other streams like interest/donations)	Count	1	11	94	4.57	0.717
	Percentage%	0.9%	10.4%	88.68%		

(Source: Researcher's own construct.)

5.6 Exploratory factor analysis

In Table 5.10, the Kaiser-Meyer Olkin sampling adequacy is 0.769, meaning there is adequate sampling adequacy for the scale. The Bartlett's Test of Sphericity had a p-value of 0.000 and was therefore significant. The KMO results were therefore confirmed.

TABLE 5.10: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.769
Bartlett's Test of Sphericity	Approx. Chi-Square	561.479
	df	66
	Significance	0.000

(Source: Researcher's own construct.)

Kaiser's eigenvalue of >1criterion was used to extract three factors called programme/fund Impact, business operational success factors and business skills and resources. The three factors shown in Table 5.11, contributed a total variance of 64.63% of which 34.376% was represented by programme/fund impact, 19.466% represented by business operational success factors, and 10.788% represented by business skills and resources. All factor loadings documented in Table 5.11, show that all are above the required threshold value of 0.5 and thereby showing significance to the relevant factors. Three items were deleted as the items did not measure what was intended.

TABLE 5.11: Exploratory factor analysis

Factors	Factor Loadings	Eigenvalues	Variance explained%
Factor 1: Programme/Fund Impact			
1. Increase in profit	0.905		
2. Increase in revenue (sales income and other streams like interest/donations)	0.897	4.125	34.376
3. Increase in the number of employees	0.706		
4. Continued existence of my business	0.701		
Factor 2: Business Operational Success Factors			
1. Having a good business plan contributed to the success of my business	0.834		
2. Having financial management skills contributed to the success of my business	0.777	2.336	19.466
3. Having seed capital (grant) contributed to the success of my business	0.760		
4. Having marketing capabilities contributed to the success of my business	0.664		
Factor 3 : Business Skills and Resources			
1. Having access to skilled employees contributed to the success of my business	0.784		
2. Having relevant industry experience contributed to the success of my business	0.723	1.295	10.788
3. Having access to markets contributed to the success of my business	0.650		
4. Having business training contributed to the success of my business	0.525		
Total			64.63

(Source: Researcher's own construct.)

The Scree plot revealed a clear break after the third (3rd) component therefore collaborating with the Kaiser's eigenvalue of greater than 1 criterion as illustrated in Figure 5.22.

FIGURE 5.22: Scree Plot of the constructs retained
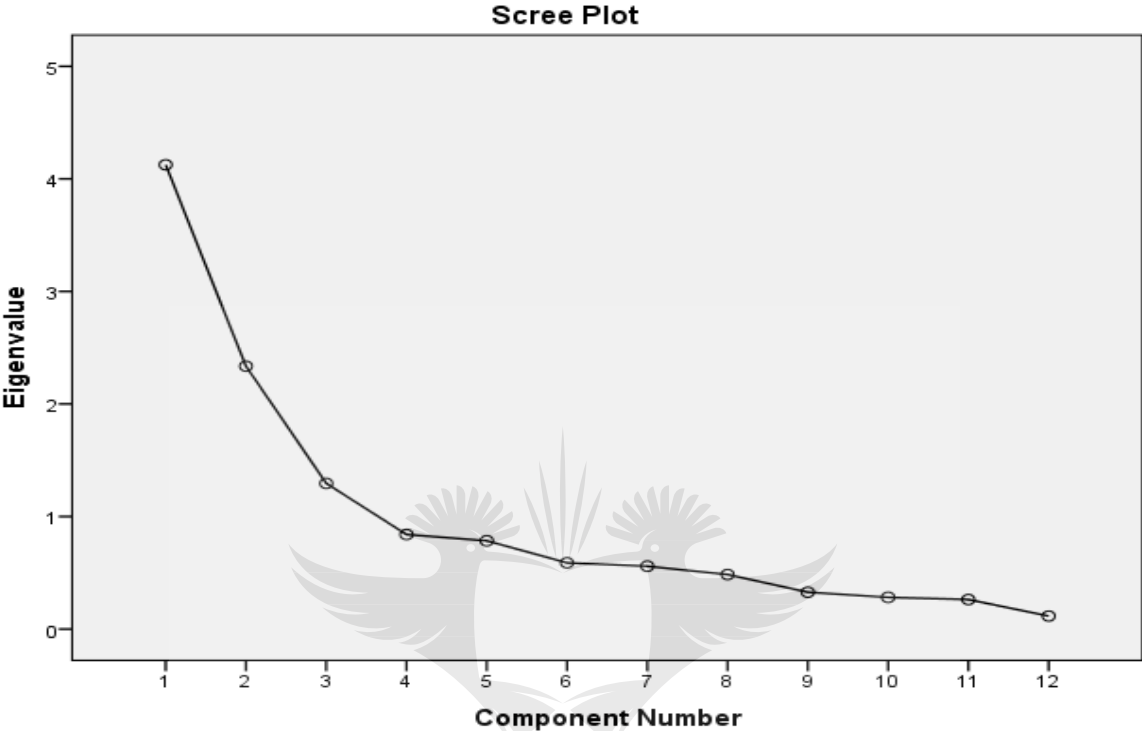
(Source: Researcher's own construct).

5.7 Reliability analysis

According to Gliem, J.A. (2003:87) & Gliem, R.R. (2003:87) the scores of the two factors that were extracted from the EFA are acceptable (0.821 and 0.794) with one of the scores being questionable (0.693) as it is below 0.7. This indicates good internal consistencies of the constructs in Table 5.12.

TABLE 5.12: Reliability analysis

Construct	Cronbach's Alpha	Number of items	Acceptability
Programme/Fund Impact	0.821	4	Good
Business Operational Success Factors	0.794	4	Acceptable
Business Skills and Resources	0.693	4	Questionable

(Source: Researcher's own construct.)

5.8 Correlation analysis

Table 5.13 reveals that between business skills and resources and business operational success factors, there exists a significant, positive and strong relationship since the p-value is <0.05 level of significance and the correlation co-efficient is between 0.50 and 1.0 (r=0.504). Between programme/fund impact and business operational success factors, there is no relationship as the p-value is greater than (>) 0.05 level of significance. The table also shows that between programme/fund impact and business skills and resources there exists a significant, positive and weak relationship as the p-value is 0.002 and is therefore less than (<) 0.05 level of significance and the correlation co-efficient is 0.297 and is therefore between 0.10 and 0.29.

TABLE 5.13: Correlation analysis

Correlations		Business Operational Success Factors	Business Skills and Resources	Programme Impact
Business Operational Success Factors	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	106		
Business Skills and Resources	Pearson Correlation	.504**	1	
	Sig. (2-tailed)	0.000		
	N	106	106	106
Programme/ Fund Impact	Pearson Correlation	0.181	.297**	1
	Sig. (2-tailed)	0.063	**0.002**	
	N	106	106	106
**. Correlation is significant at the 0.01 level (2-tailed).				

(Source: Researcher's own construct.)

5.9 Paired sample t-tests

5.9.1 Annual turnover

The following hypotheses were tested in relation to annual turnover:

H_0 : There is no statistically significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant.

H_1: There is statistically significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant.

113

As shown in Table 5.14, the p-value =0.254. Since the p-value is greater than 0.05 significance level, the null hypothesis will not be rejected meaning that there is no statistically significant change in annual turnover before and after receiving the TEF grant.

TABLE 5.14: Paired sample t-tests - annual turnover

	Paired Differences							Sig. (2-tailed)
			Std. Error Mean	95% Confidence Interval of the Difference		t	df	
	Mean	Std. Deviation		Lower	Upper			
Pair 1 Q32 - 33	-56485.311	506939.871	49238.353	-154115.870	41145.247	-1.147	105	.254

(Source: Researcher's own construct.)

5.9.2 Annual profit

Paired sample t-tests in this study where conducted to investigate the existence of a statistically significant difference in annual profit before and after the TEF grant was received by businesses engaged in the study.

The following hypotheses were tested:

H_0 : There is no statistically significant change in the annual profit of small businesses before and after receiving the Tholoana Enterprise Fund grant.

H_1: There is statistically significant change in the annual profit of small businesses before and after receiving the Tholoana Enterprise Fund grant.

Table 5.15 indicates that the p-value =0.015. Since the p-value is less than 0.05 level of significance, the null hypothesis is rejected meaning there is a statistically significant change in annual profit before and after receiving the TEF grant.

TABLE 5.15: Paired sample t-tests - annual profit

		Paired Differences							Sig. (2-tailed)
			Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
		Mean			Lower	Upper	t	df	
Pair 1	Q34 - Q35	-32852.755	136269.604	13235.674	-59096.651	-6608.858	-2.482	105	0.015

(Source: Researcher's own construct.)

Since there is a statistically significant difference in annual profit before and after receiving the TEF grant, it is ideal to assess the magnitude of the difference. This can be achieved by calculating Eta squared (η^2), an effect size statistic that ranges from 0 to 1 (Pallant, 2013:109). The following formula is used to calculate Eta squared (η^2) for paired sample t-tests:

$$\textbf{Eta squared } (\eta^2) = \frac{t^2}{t^2 + (N-1)}$$

$$= \frac{(-2.482)^2}{(-2.482)^2 + (106-1)}$$

$$= \frac{6.160324}{6.160324 + 105}$$

$$= \frac{6.160324}{111.160324}$$

$$= 0.0554$$

$$= 0.06 \text{ to two (2) decimal places}$$

Using commonly suggested guidelines by Cohen (1988:284-287), that 0.01=small, 0.06= moderate and 0.14= large effect, the above result suggests that there is a moderate difference in annual profit before and after receiving the TEF grant.

5.9.3 Number of employees

In analysing the number of employees, the following hypotheses were tested:

H_0: There is no statistically significant change in the number of employees of small businesses before and after receiving the Tholoana Enterprise Fund grant

H$_1$: There is statistically significant change in the number of employees of small businesses before and after receiving the Tholoana Enterprise Fund grant.

It is shown in Table 5.16 that the p-value =0.000. Since the p-value is less than 0.05 level of significance, the null hypothesis is rejected meaning that there is a statistically significant change in the number of employees before and after receiving the TEF grant.

TABLE 5.16: Paired sample t-tests - number of employees

	Paired Differences							Sig. (2-tailed)
				95% Confidence Interval of the Difference				
	Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df	
Pair 1 Q36 - Q37	-3.189	4.988	.484	-4.149	-2.228	-6.582	105	0.000

(Source: Researcher's own construct.)

The magnitude of the difference is calculated using Eta squared (η^2).

Eta squared (η^2) = $\dfrac{t^2}{t^2 + (N-1)}$

$$= \frac{(-6.582)^2}{(-6.582)^2 + (106-1)}$$

$$= \frac{43.322724}{43.322724 + 105}$$

$$= \frac{43.322724}{148.322724}$$

$$= 0.292$$

$$= 0.29 \text{ to two (2) decimal places}$$

These results suggest that there is a very large difference in the number of employees before and after receiving the TEF grant.

5.10 Discussion of the results

The scope of this research study was small businesses that were part of The TEF between years 2012 and 2014. The data was collected using self-administered questionnaires and telephone surveys.

One of the secondary objectives of this study was to collate a demographic description of the participants of the TEF. With respect to this objective, the demographic variables used to determine the demographic profile were gender, age, disability, ethnicity, highest qualification, managerial experience, prior experience in a similar business or industry, year that TEF grant was received, age of business when grant was received, location of the business at the time of receiving the grant, industry category of the business, type of business ownership, strategic partnerships, current value of capital assets of the business, use of the bolster service, medium first heard of the TEF grant, current status of the business, reasons for closed businesses, changes in nature of the business, sources of additional support and thoughts of how the entrepreneurs can improve the TEF. These results are discussed further in the following paragraphs.

5.10.1 Gender of respondents

The findings of this study indicate that 67% of the respondents who participated in the study were men. This is quite interesting as the fund encouraged women to apply as part of the recruitment criteria. This result may be explained by the possibility of the TEF being mostly a male population with females in the minority. A possible account of this female to male ratio in the SAB Foundation database can be found in a study by Meyer and Landsberg (2015:3739-3740) that suggested there is a significant gap in the female to male entrepreneurship ratio and that men are more entrepreneurially active in South Africa. Meyer and Landsberg (2015:3739-3740) further identified the challenges that women entrepreneurs face in addition to challenges faced by both genders. These challenges are identified as the paucity of female role models, pressure of domestic duties or conflict of roles, inequality in accessing financial assistance, lack of confidence, cultural influences, lack of business skills and training and fear of failure that is driven by cultural perceptions of women being misplaced in the business arena (Meyer & Landsberg, 2015:3739-3740). It is however worth noting that according to StatsSA (2015b:1), 51% of the

117

South African population is female and it is a fair expectation for this distribution to be represented in the TEF demographics (StatsSA, 2015b:1, StatsSA, 2016:7).

5.10.2 Age distribution of respondents

The study found that 59.4% of respondents were older than the age of 35 years. The TEF was primarily targeted at the youth, which according to the National Youth Policy 2015-2020, are individuals between the ages of 14-35 years (The Presidency, 2015:10). These results corroborate the ideas of Herrington and Kew (2016:33) that suggested there is relatively low entrepreneurial activity among young people between 18 and 24 years and that between 25 and 34 years, young people have limited access to financial assistance, assets, or a significant credit history that will stand as surety or collateral when securing financial assistance from financial institutions like banks. This makes it financially challenging to explore entrepreneurial activities although the opportunity costs are still significantly lower due to minimal responsibilities. Individuals between 35 and 44 years of age are, according to Herrington and Kew (2016:33), more entrepreneurial and this is because at this age individuals have affirmed capabilities and advanced in industry or business knowledge and experience and education. The results of this study further match those observed in earlier studies by Ropega (2011:479-4800) that stated that mature entrepreneurs who have adequate experience, skills and education tend to succeed when compared to younger, less experienced entrepreneurs.

5.10.3 Disability status of respondents

On the question of the disability status of respondents, the results of the study show that 93.4% of respondents were not disabled. These results are inconsistent with the recruitment criteria for TEF that encouraged disabled entrepreneurs to apply for the Fund (the second criteria that was not enforced by TEF). This inconsistency may be explained by making reference to a study by Maziriri and Madinga (2016:3-4) that indicates that in general entrepreneurs are faced with challenges but that disabled entrepreneurs with physical challenges are faced with a plethora of more challenges. The challenges, as summarised by Maziriri and Madinga (2016:3-4) include lack of confidence due to discrimination and lack of awareness on entrepreneurial programmes that offer support to entrepreneurs living with disabilities. The lack of confidence experienced by entrepreneurs living with disabilities may hinder the

entrepreneurs from taking risks and applying for programmes or funds such as TEF due to fear of discrimination. Another possible element highlighted by Maziriri and Madinga (2016:3-4) was a lack of awareness of entrepreneurial support programmes targeted at the disabled community of entrepreneurs. This may be another possible reason for the low response of entrepreneurs living with disabilities to TEF.

5.10.4 Ethnicity of respondents

The current study found that 83% of respondents were African, 16% were Coloured and 0.9% were Asian/Indian. These results confirm the ethnic criteria of the fund that includes Black, Asia/Indian and Coloureds and are a close resemblance of South Africa's population distribution as documented in the 2016 survey as 80.7% African, 8.1% White, 8.8% Coloured, and 2.5% Indian/Asian (StatsSA, 2016:7).

5.10.5 Highest qualification of respondents

The findings of this study indicate that 64.1% of the respondents have a post-matric qualification. The findings highlight that the possibility of entrepreneurs with a post-matric qualification being selected for TEF which may be because of the clarity in the content of the applications and greater expertise in presenting the business. With reference to the literature, (Zaridis & Mousiolis, 2014:464) have suggested that formal education is an important factor to small business success. Cooper, Folta, Gimeno-Gascon and Woo (1992:75-79) found a positive relationship between prior educational experience and the performance or outcomes of businesses. Abay, Temanu and Gebreegziabher, (2015:66) corroborate the findings of Cooper, *et al.*, (1992:75-79) by confirming that the level of education is an important contributor to small business growth. This study raises the possibility that formal education had an influence on the selection of TEF participants.

5.10.6 Managerial experience of respondents

The results suggest that the majority (64.1%) of respondents had some level of management experience at the time of starting the businesses. An interesting finding is that the percentage of respondents with managerial experience (64.1%) is the same as the percentage of respondents with a post-matric qualification (64.1%). It is therefore possible that such connections exist between the level of formal education

119

and managerial experience. Robinson and Sexton (1994:141) found that education has a strong, positive effect on entrepreneurial success. In the same study, Robinson (1994:141) found that experience also has a positive relationship on entrepreneurial success.

5.10.7 Prior experience in a similar business or industry

The outcomes of the research study relating to the prior experience of the entrepreneurs in a similar business or industry illustrate that most respondents (74.5%) had experience in a similar business or industry prior to participating in the TEF. These results are encouraging as Zaridis and Mousiolis (2014:464) attributed a fraction of business success to prior experience and understanding of the industry in which the business operates.

5.10.8 Year funding received from SAB (TEF)

Respondents had to indicate the year in which funding was received from the TEF. The findings show that the majority (47.2%) of businesses received funding in 2014 while the smallest percentage (21.7%) of respondents received funding in 2012. There were several possible explanations for this result. The infrequency of database maintenance may be one of the reasons and the fact that the contact details of the recipients of the fund in 2014 may be more accurate and up to date than those of recipients in former years. The benefit of having most recipients from 2014 is that the recipients are the last recipients of the fund and the memory of the experiences may be more recent and accurate.

5.10.9 Age of business at time of grant and type of grant received

Half of the respondents' businesses were between 25 and 36 months in operation at the time of receiving the TEF grant and the other half were between 6 and 24 months. The findings of the survey also revealed that the majority of respondents (46.2%) received between R50 000 and R100 000 (Mbeu grant). This was a rather interesting finding as participants of the TEF applied for specific funds as highlighted in Chapter 3 and the results showed that most participants applied and motivated for the Mbeu grant (R50 000- R100 000). This is contrary to the results in Table 5.7 that indicate that most respondents (71.7%) believed that the additional support of more money could have assisted the businesses. It may be that the majority of participants

applied for the grant that offered the least amount of funding without proper research on the amount of funding necessary to make the businesses viable. Perhaps a more long-term view of the business and adequate research could have provided participants motivation for applying for the Muri Fund that offered between R150 000 and R250 000.

5.10.10 Location of the business at the time of receiving grant

The study found that the majority of respondents (39.6%) were based in the Western Cape followed by 12.3% of respondents based in Gauteng and the Northern Cape. A possible reason for this might be that the Western Cape is dubbed the "biggest start up hub in South Africa" (Coetzee, 2015: Introduction, para.1). The results are consistent with the results of the Ventureburn Start-up Survey 2015 that revealed 59% of start-ups are based in the Western Cape followed by Gauteng (29%) (Ventureburn, 2015: Results, para. 1-6). The reasons for this distribution are that the Western Cape is said to have:

- more venture capital available for start-up businesses;
- has more support structures for entrepreneurial ventures;
- has a high quality of living, boasts four top ranking universities (University of Cape Town (UCT), Stellenbosch University (SU), University of the Western Cape (UWC) and Cape Peninsula University of Technology (CPUT)) which contribute to the entrepreneurial culture;
- has various government campaigns to reduce red tape for start-ups; and
- also, provided resources to start-ups for accessing financing (Coetzee, 2015: Introduction, para.5-10).

The support that is available from the Western Cape may bring about confidence to entrepreneurs attempting to start small businesses encouraging the operation of more small businesses and risk taking such as applying for TEF.

5.10.11 Industry category of the business

The current study found that the majority of respondents (22.6%) were in the construction industry at the time of application to the TEF. A possible reason for this could be that there were more and more opportunities in the construction industry

121

due to the massive government investment towards infrastructure. In the 2017 budget speech, the previous Finance Minister Pravin Gordhan announced that where contracts of R30 million are awarded to big businesses, 30% of the work must be outsourced to small businesses (South African Government, 2017:Public procurement, para.3).

5.10.12 Type of business ownership

The survey shows that most businesses that responded to the survey are close corporations (CC) representing 42.5% of the respondents, 33% were private companies, 13.2% were sole proprietorships, 5.7% were co-operatives, 3.8% were partnerships, while 1.9% were non-profit companies. The results were very interesting because most respondents were CCs and after the implementation of the New Companies Act (Act 71 of 2008) CCs can no longer be registered and companies can no longer convert to CCs although CCs already registered are not altered (CIPC, 2017:FAQs, para.1).

Hypothesis 2a tested the change in annual turnover before and after receiving the TEF grant, while Hypothesis 2b tested the change in annual profit before and after receiving the TEF grant. The results indicated that there was a significant change in profit before and after receiving the TEF grant yet there was no significant change in annual turnover before and after receiving the TEF grant. These results match those of the type of business ownership because in a CC, the business needs to lodge an annual return but the financial statements do not need to be audited which may mean that because entrepreneurs that own CCs are exempt from this responsibility, the entrepreneurs may not monitor or know how to accurately represent annual turnover in the business financials (CIPRO, 2011: Comparison between a Private Company and a Close Corporation, table.1).

5.10.13 Strategic partnerships entered into by the respondents

On the question of strategic partnerships, 66% of respondents indicated that no strategic partnerships existed between the businesses and other businesses or organisations. In reviewing the literature, it was found that businesses that had partnerships with other businesses or organisations tend to succeed because parties contribute to the resources and risk is shared (Hyder & Lussier, 2016:92-93). These

results support the research by Hyder and Lussier (2016:92-93) and Robinson and Stubberud (2013:97) that suggest the absence of strategic partnerships will result in reduced profitability, mega risks and limited learnings. Table 5.8 highlights the biggest challenges faced by the respondents' businesses as limited funding, access to new clients, securing premises and increased competition. These challenges could have been alleviated by having strategic partnerships to contribute to funding and marketing campaigns.

5.10.14 Current status of the business

The results of this study show that 84.9% of businesses were still operational and 45.3% changed the nature of the industries. Another 1.9% of businesses were closed and for the majority this was due to the business not making enough money. Birkel, Kelly and Welch (2013: Introduction, para.2) suggested that to survive, some businesses must completely change industries, the product or service offering or the way things are done. The results are therefore consistent with the literature by Birkel *et al.* (2013: Introduction, para.2) and it can therefore be suggested that the change initiated by the businesses in this study contributed a certain extent to the sustainability of the businesses.

5.10.15 Current value of capital assets of the business

According to the findings of the study, 74.5% of businesses currently have capital assets greater than (>) R100 000. The interesting finding was that the majority (46.2%) of the TEF grant recipients received the Mbeu grant which was between R50 000 and R100 000 and now the majority (74.5%) of recipients have capital assets greater than (>) R100 000 which is indicative of positive growth.

5.10.16 Medium in which first heard of TEF

Most of the entrepreneurs either heard about the programme through word of mouth (32.1%), or from SEDA (25%). An interesting finding is that only 2.8% heard of the TEF from the radio. The SA Advertising Research Foundation stated that local radio is the most consumed form of media in the country, especially in rural areas (Mybroadband, 2016:Introduction, para.1-4). The top radio stations in South Africa based on weekly listenership are:

- Ukhozi FM (7.5 million), most popular in Kwazulu-Natal;

- Umhlobo Wenene (4.6 million), most popular in Eastern Cape;

- Lesedi FM (4 million), most popular in Free State;

- Thobela FM (3 million), most popular in Limpopo;

- Metro FM (6.8 million), most popular in cities like Gauteng; and

- Motsweding FM (3.1 million), most popular in the Northern Cape and North- West.

Another 4.9% of respondents heard about the TEF from Facebook and social media, (as one of the fastest growing, real time marketing mediums in the world) (Tuten & Solomon, 2014:43-47). It is rather concerning that most respondents heard about the fund by word-of-mouth as this raises a question on the lack of marketing that is compromising the bid to raise awareness about the TEF.

5.11 Sources of additional support

To meet secondary objective (B3), (the entrepreneurial support programmes that the beneficiaries of the TEF were engaged in other than the fund) were categorised into either government support or private sector support. The majority (51.9%) of respondents indicated that additional support was received either from government (27.4%) or private sector (24.5%). The results indicate that just over half of the respondents have received additional support, but this is contrary to expectation because the availability of entrepreneurship support programmes from both government and the private sector as documented in Chapter 2 seem to be vast and the expectation was that more entrepreneurs would have received additional support from either of the two entities. Something to note could be that the level of awareness of these entrepreneurship support programmes is low resulting in a lot of entrepreneurs not benefiting from the programmes.

5.12 Suggestions to improve the programme/fund

The results indicate that 24.3% of respondents are suggesting that SAB offer assistance in either the marketing of businesses, access to markets, sourcing of reasonably priced raw material, sourcing of reliable suppliers and value added services like legal and business risk insight and business training including financial training. These are services provided by the Bolster service that is only utilised by 18.9% of respondents only for general business advice, legal services, tax services,

promotion of the business, sourcing of goods and services and the SMeasy accounting service. These results were quite concerning as respondents are either unaware of the Bolster service and the benefits thereof, or the Bolster service needs to be communicated in a way that is relevant and more attractive to small businesses.

Also, 52.4% of respondents indicated that the fund can be improved by offering additional funding for business growth, follow ups of alumni, industry specific mentorship and coaching and improvement of the complaints-handling process. These items can be identified as a suggestion for a much longer term relationship with SAB that begins with granting seed capital, providing industry specific mentoring and coaching, additional funding for business expansion and constant follow ups on businesses.

5.13 Discussion of results of business success factors

Several perceived success factors were tested to meet secondary objective (B2) of assessing the perceived performance of the beneficiaries of the TEF based on the identified key success factors for small businesses. The responses were as follows:

- Lekhanya and Mason's (2014:345) suggestion that access to funding was an important ingredient to small business success was echoed by the majority (95.3%) of respondents who attributed business success to having seed capital (grant). In analysing the results of the means and standard deviations for business success factors, it was also noted that the highest concentration of agree/strongly agree responses were contained on the question of seed capital (grant) further confirming the studies of Lekhanya and Mason (2014:345) and Zaridis and Mousiolis (2014:464).

- Many respondents (78.3%) also attributed success to having formal education which was quite interesting because 86.7% have formal education (matric and post-matric).

- A lot more respondents (84.9%) attributed business success to having managerial expertise, yet only 64.1% have had prior managerial experience at the time of applying to TEF. The 84.9% could include managerial expertise provided by other members of the businesses (83% attributed business success to having relevant industry experience, yet 74.5% indicated having prior experience in a similar

business or industry). Again, other members of the business could have possessed industry experience in addition to the respondents themselves.

- In terms of financial management, another 84% of respondents attributed success to having financial management skills. In reviewing the literature, it was found that studies by Mazzarol (2014:12), Jindrichovska (2013:80) and Zhong (2014:89) corroborated the results that diligent financial management results in the survival, efficiency and sustainability of small businesses.

- Other respondents (84.9%) attributed business success to having business training. These results are quite encouraging to further support the idea of Rogerson (2001:268-284) that states that the most successful entrepreneurs and business owners that have received business training support continue to gain competitive advantage over competitors. What is of concern however is that 46.2% of respondents indicated that additional support was needed in the form of training to assist the businesses. Further research would need to be conducted to specify the additional training needs that entrepreneurs have.

- There were 84.9% of respondents who attributed business success to having marketing capabilities. In Chapter 2 of the literature review, it was found that Forer (2006:19) advocates that in order for small businesses or entrepreneurs to have maximum impact on the target market, entrepreneurs need to have a very good understanding of the marketing mix and skills to execute the marketing function. Although the results indicate 84.9% of respondents attributed business success to having marketing capabilities some 67.9% of respondents indicated that marketing could have assisted the business. This contradiction could be explained by the fact that the businesses might possess marketing capabilities but might lack the financial resources to execute the marketing mandate of the business. It is also worth noting that only 4.7% of respondents use the Bolster service for promotion of the businesses, a service that could assist the marketing functions of the businesses. 84% of respondents attributed business success to having access to markets. In the literature, a study by Mutoko (2014:28-35) explains that limited or lack of access to markets has detrimental effects on small business profitability, increasing the number of employees and business continuity. These results confirm the study by Mutoko (2014:28-35) as 84.9% of businesses are still operational. The challenge of access to new clients was what 52.8% of businesses faced and 60.4% believe that industry networks could assist the businesses. These results are likely to be related to expansion of the businesses.

- In terms of access to skilled employees, 78.3% of respondents attributed business success to this factor. The results confirmed the study by Staniewski (2016:5147) that suggested businesses with relevant industry experience that hire skilled employees will experience business success. In the study, 31.1% of respondents indicated that one of the biggest challenges faced by the business is access to skilled talent. These results are explained by our literature that suggested that the lack of access to skilled talent is because of the high cost of skilled talent and the willingness or ability of the small business to cover those costs (Storey, 2016:180).

- In terms of strategic business partnerships, 56.6% of respondents indicated that business success was attributed to this factor. This result is contrary to the response received on strategic partnerships as only 34% of businesses indicated having strategic partnerships. The findings on strategic partnerships also had a higher standard deviation and therefore a higher level of variability.

- Other respondents (78.3%) attributed business success to having a good business plan. This outcome is contrary to that of Fernandez-Guerrero, *et al.* (2012:2399) and Abor and Quartey (2010: 219-225) that suggested that the quality of a business plan is not the only factor to influence the success or failure of small businesses as other factors like barriers of entry and start-up costs must be considered.

5.14 The TEF impact

The results of the study are very interesting as many recipients (46.2%) received a grant of between R50 000 and R100 000 and most recipients (74.5%) now have capital assets of more than R100 000. The majority of respondents (98.1%) also indicated that the TEF had a moderate to major effect on the continued existence of the business. Another 88.7% indicated a moderate to major effect on increased profitability, and 87% a moderate to major effect on increased revenue. The results are also consistent with the results of the business success factors where 95.3% of respondents perceived that having seed capital (grant) contributed to the success of the businesses, the only offering of TEF.

These results were compared to meet secondary objective (B4) and Hypothesis 1 (There is a relationship between the Tholoana Enterprise Fund impact and the success of small businesses engaged in the TEF) to determine if there is a

relationship between the TEF's impact and small business success. It was found that while there exists a relationship between TEF and business skills and resources (success factors), there is no link to business operational success (success factors). In Chapter 2, it was highlighted by Abor and Quartey (2010: 219-225) that the survival of small businesses is greatly assisted by access to seed capital (grant). The statistics on programme/fund impact are consistent with the literature as 98.1% of respondents indicated that TEF had a moderate to major effect on the continued existence of the businesses. It is also interesting to note that 98.1% of respondents indicated that the businesses were still in existence or operational which is the same percentage as the perceived effect that TEF had on the continued existence of the business (98.1%).The results for means and standard deviations on programme/fund impact are also consistent with these results as the highest concentration of responses on moderate to major effect were attributed to the effect that TEF had on the continued existence of businesses (98.1%). This is quite interesting as in Chapter 1; success for this study was defined as business continuity. This means that 98.1% of respondents indicated that the TEF had a moderate to major effect on success if success is defined as business continuity.

5.15 How additional support could have assisted the business

What is intriguing about these results is that 67.9% of respondents and 45.3% of respondents indicated that marketing and legal assistance respectively, could have assisted the business and these services are offered through the Bolster service that is only used by 4.7% of respondents for promotion of the business (marketing) and 10.4% of respondents for legal services.

5.16 Correlation analysis

Table 5.13 indicates that business skills and resources were found to have a high correlation with business operational success factors (r=0.504). The presence of this significant, strong and positive relationship is a confirmation of studies by Abor and Quartey (2010: 219-225) and Mbonyane (2006:20) who have suggested that the achievement of business success cannot be realised using one success factor but that comprehensive business success is a combination of different success factors. The results therefore indicate that between programme/fund impact and business operational success factors there is no correlation; however, between programme/fund impact and business skills and resources there exists a weak

correlation. It seems to be a difficult task to isolate whether the success of small businesses was exclusively due to TEF but the research has indicated business success is not a function of a single factor but a combination of a lot of factors including seed capital to make the business work. It therefore seems fair that only part of the success as determined by the success factors is attributed to TEF as the fund only offered seed capital and could not have therefore exclusively contributed to the success of the small businesses. This is also consistent with Katwalo (2010:143) in the literature, who has stated that seed capital is beneficial but may not be sufficient to for sustained business success.

Owing to these results, Hypothesis 1 has been revised:

Hypothesis 1 previous

H_0: There is no relationship between the Tholoana Enterprise Fund impact and the success of small businesses engaged in the Tholoana Enterprise Fund

H_1: There is a relationship between the Tholoana Enterprise Fund impact and the success of small businesses engaged in the Tholoana Enterprise Fund - have been revised as follows:

Hypothesis 1 revised into Hypothesis 1a and Hypothesis 1b

Hypothesis 1a

H_0: There is no relationship between the Tholoana Enterprise Fund impact and business operational success of small businesses engaged in the Tholoana Enterprise Fund

H_1: There is a relationship between the Tholoana Enterprise Fund impact and business operational success of small businesses engaged in the Tholoana Enterprise Fund.

Hypothesis 1b

H_0 : There is no relationship between the Tholoana Enterprise Fund impact and the business skills and resources success of small businesses engaged in the Tholoana Enterprise Fund.

H_1 : There is a relationship between the Tholoana Enterprise Fund impact and the business skills and resources success of small businesses engaged in the Tholoana Enterprise Fund.

Based on the results from the correlation analysis the following hypothesis were either accepted or rejected:

TABLE 5.17: Hypothesis Results (Hypothesis 1)

Hypothesis Results	Accepted/Rejected
Hypothesis 1a: There is a relationship between the Tholoana Enterprise Fund impact and business operational success of small businesses engaged in the Tholoana Enterprise Fund.	Rejected
Hypothesis 1b: There is a relationship between the Tholoana Enterprise Fund impact and the business skills and resources success of small businesses engaged in the Tholoana Enterprise Fund.	Accepted

(Source: Researcher's own construct)

5.17 Paired sample t-tests results

The secondary Objective (B5) of this study was to determine any statistically significant changes in the turnover, profit and number of employees of the businesses of the TEF. The following were hypothesised:

Hypothesis 2a

H_0 : There is no statistically significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant.

H_1 : There is statistically significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant.

Hypothesis 2b

H_0: There is no statistically significant change in the annual profit of small businesses before and after receiving the Tholoana Enterprise Fund grant.

H_1: There is statistically significant change in the annual profit of small businesses before and after receiving the Tholoana Enterprise Fund grant.

Hypothesis 2c

H_0: There is no statistically significant change in the number of employees of small businesses before and after receiving the Tholoana Enterprise Fund grant

H_1: There is statistically significant change in the number of employees of small businesses before and after receiving the Tholoana Enterprise Fund grant.

Below are the hypothesis test results for Hypothesis 2 represented in Table 5.18.

TABLE 5.18: Hypothesis Results (Hypothesis 2)

Hypothesis Results	Accepted/Rejected
Hypothesis 2a: There is statistically significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant.	Rejected
Hypothesis 2b: There is statistically significant change in the annual profit of small businesses before and after receiving the Tholoana Enterprise Fund grant.	Accepted
Hypothesis 2c: There is statistically significant change in the number of employees of small businesses before and after receiving the Tholoana Enterprise Fund grant.	Accepted

(Source: Researcher's own construct)

The findings indicated that there was no statistically significant difference in annual turnover before and after receiving the TEF grant. Hypothesis 2a is therefore rejected.

131

The results also reveal that there was a statistically significant difference in annual profit before and after receiving the TEF grant and the magnitude of the difference calculated using Eta squared (η^2) is 0.006. These results therefore suggested that there was a moderate difference in annual profit before and after receiving the TEF grant. The results confirmed the outcome of fund impact that indicated that 88.7% of respondents felt that the fund had a moderate to major effect on increased profitability. Hypothesis 2b is therefore accepted.

The findings on the change in the number of employees indicated that there is a statistically significant difference in the number of employees before and after receiving the TEF grant and the magnitude of the difference is 0.29 which is a very large difference. The findings were consistent with the results of the fund impact as 84% of respondents indicated that the fund had a moderate to major effect on the businesses by increasing the number of employees. Hypothesis 2c is therefore accepted.

The findings in relation to annual turnover indicate that there was no statistically significant difference before and after receiving the grant. These results need to be interpreted with caution as the results are contradictory to the results of the fund impact that indicated 87% of respondents felt that the fund had a moderate to major effect on revenue. This discrepancy could be explained by the fact that the respondents were not too keen on revealing the actual annual turnover of the business. Another possible reason for non-significant change in annual turnover against annual profitability that indicates a moderate change could be the possibility that the small businesses reduced operational costs or costs for support functions like marketing which would possibly explain why 67.9% of respondents indicated that marketing would have assisted the business. Operational costs would, however, include employees and in these cases, the number of employees increased significantly unless the employees were not being paid well and this would also then explain why 31.1% of respondents were challenged with accessing skilled labour.

5.18 Reliability analysis

The Cronbach's Alpha coefficients of the three factors extracted from EFA were close to and above 0.7 indicating good internal consistency among the factors.

132

5.19 Limitations of the survey

The limitations that applied to the survey are identified as follows:

- **Data collection period.** Data were collected between November and December 2016, a period that included the festive season that may have affected the response rate as some businesses were closed over this period.

- **Unavailability of some turnover figures.** A few of the respondents withheld the turnover figures either because the figures were not known or the respondents did not want the figures to be known.

- **Database of TEF that is not maintained.** Some of the participants of the fund could not be reached either by e-mail or telephone because the contact details have changed and the database was not updated especially for the participants of the 2012 year. This could have affected the results as most respondents were from year 2014.

Even though the limitations were encountered, the findings of this study assisted making recommendations that are discussed in Chapter 6.

5.20 Summary

This study was successful in answering the research questions and the results suggest the following:

- **Secondary Objective B1.** (Collate a demographic description of the participants of the Tholoana Enterprise Fund). The demographic profile of TEF according to the respondent profile consists of 67% men, 59.4% entrepreneurs older than the age of 35 years, 93.4% of entrepreneurs not disabled, 83% of entrepreneurs are African, 16% are Coloured and 0.9% are Asian/Indian. Some entrepreneurs (39.6%) were in the Western Cape and the majority of respondents (64.1%) had both a post-matric qualification and managerial experience while 74.5% had experience in a similar business or industry. Half of the respondent's businesses were between 25 and 36 months at the time of receiving the TEF grant and 46.2% received between R50 000 and R100 000. Some businesses (47.2%) received funding in 2014, 31.1% in 2013 and 21.7% in 2012. Some of the businesses (42.5%) were registered as CCs at the time of receiving the grant and the majority (22.6%) were in the construction industry with 66% having no strategic partnerships. Other businesses (74.5%) currently have capital assets

greater than (>) R100 000 with 84.9% being operational and 54.7% of businesses indicating that the nature of the business has not changed. Lastly, 52% of the businesses received additional support from either government or private sector.

- **Secondary objective B2.** (Assess the perceived success of the beneficiaries of the Tholoana Enterprise Fund based on the identified key success factors for small businesses). The majority (95.3%) of respondents attributed business success to having seed capital (grant) and the minority (56.6%) attributed success to having strategic business partnerships. It was also established that success cannot only be achieved through a specific or isolated success factor but that holistic business success can be achieved by combining all success factors to the small business.

- **Secondary objective B3.** (Identify entrepreneurial support programmes that the beneficiaries of the Tholoana Enterprise Fund were engaged in other than the fund). It was established that only 52% of small businesses received support from either government or private sector and the question of awareness was raised as to whether there was sufficient awareness regarding entrepreneurship support programmes.

- **Secondary objective B4.** (Determine if there is a relationship between the Tholoana Enterprise Fund impact and small business success). According to EFA, small business success factors were categorised into business operational success factors and business skills and resources. The study found that there is no relationship between TEF impact and business operational success factors and a relationship between TEF impact and business skills and resources. 98.1% of respondents however attributed business continuity to TEF and in Chapter 1 we defined success in this study as business continuity.

- **Secondary objective B5.** (Determine if there are statistically significant changes in the turnover, profit and number of employees of the businesses of the Tholoana Enterprise Fund). It was established that there are no statistically significant changes in the annual turnover before and after receiving the TEF grant. It was also revealed that there are statistically significant changes in the annual profit and number of employees before and after receiving the TEF grant.

- Revised Hypothesis 1a: There is a relationship between the Tholoana Enterprise Fund impact and business operational success of small businesses engaged in the Tholoana Enterprise Fund. Hypothesis 1a is rejected as there is no

relationship between the Tholoana Enterprise Fund impact and business operational success of small businesses engaged in the Tholoana Enterprise Fund.

- Revised Hypothesis 1b: There is a relationship between the Tholoana Enterprise Fund impact and the business skills and resources success of small businesses engaged in the Tholoana Enterprise Fund. Hypothesis 1b is accepted.

- Hypothesis 2a: There is a significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant. Hypothesis 2a is rejected as there is no significant change in the annual turnover of small businesses before and after receiving the Tholoana Enterprise Fund grant.

- Hypothesis 2b: There is a significant change in the annual profit of small businesses before and after receiving the Tholoana Enterprise Fund grant. Hypothesis 2b is accepted.

- Hypothesis 2c: There is a significant change in the number of employees of small businesses before and after receiving the Tholoana Enterprise Fund grant. Hypothesis 2c is accepted.

The limitations of the survey were noted and recommendations will be discussed in Chapter 6.
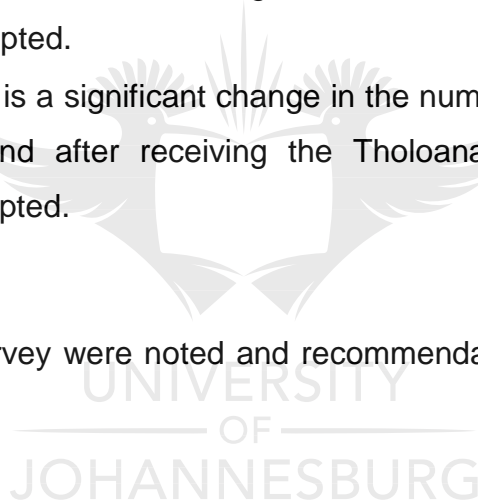
CHAPTER 6

RECOMMENDATIONS AND CONCLUSIONS

6.1 Introduction

Chapter 6 is a summary of the research study that aligns the objectives of the study and the results. The chapter then culminates into recommendations for demographic profiling, identified success factors and TET impact, considerations for future research and conclusions.

6.2 Summary

The role of small businesses in the South African economy is established as one of utmost importance. Small businesses are identified as critical partners in the stimulation of economic growth in South Africa through employment generation and poverty eradication.

There are various programmes aimed at assisting small businesses to become established so that the mandate of economic development can be achieved; however, small businesses in South Africa still have some of the highest failure rates. A study by Herrington and Kew (2016:32) confirmed that in 2015, more than 33% of businesses were no longer in existence due to restricted financing. Another concerning factor was the lack of research on the measurement of entrepreneurship support programmes to assess the impact or extent of the effect of these programmes on small business continuity.

The purpose of this study is to therefore review a fund that provided entrepreneurs with seed capital (grants) and also review the success of these entrepreneurs so that the effect of the fund could be measured. The Fund reviewed is The South African Breweries Foundation Tholoana Enterprise Fund (TEF). An empirical study was conducted among the beneficiaries of TEF between years 2012 and 2014 using a survey methodology.

The primary objective of the study is to assess the success of the beneficiaries of The SAB Foundation Tholoana Enterprise Fund between 2012 and 2014 and to review the performance of the fund. The study found that the perceived success of entrepreneurs that were engaged in the Fund indicated the entrepreneurs were successful.

The secondary objectives of the study were firstly, to determine through a literature review for the following:

- Small business success factors,
- Small business support programmes,
- Structure of the Tholoana Enterprise Fund, and
- Evaluation of entrepreneurship support programmes.

Secondly, another five objectives are achieved through an empirical study. These are to:

(B1)   Collate a demographic description of the participants of the Tholoana Enterprise Fund;

(B2)   Assess the perceived success of the beneficiaries of the Tholoana Enterprise Fund based on the identified key success factors for small businesses;

(B3)   Identify entrepreneurial support programmes that the beneficiaries of the Tholoana Enterprise Fund were engaged in other than the fund;

(B4)   Determine if there is a relationship between the Tholoana Enterprise Fund impact and small business success; and

(B5)   Determine if there are statistically significant changes in the turnover, profit and number of employees of the businesses of the Tholoana Enterprise Fund before and after receiving the TEF grant

This study collates a demographic description of the participants of the Tholoana Enterprise Fund and it was found that the perceptions of small businesses engaged in TEF based on identified success factors that make the businesses successful. The study further finds that more entrepreneurs receive additional support from government entrepreneurship programmes than from programmes in the private sector but that only a fraction of the entrepreneurs benefit from programmes in both sectors. This raises the question of awareness of these programmes. Another finding

of the study is that there is a relationship between TEF and small business success (business skills and resources). From the results it seems the small businesses attributed part of the success to TEF when analysing the relationship between TEF and perceived success factors. This is a fair result as TEF only offered seed capital and it is established that success cannot only be determined by seed capital although seed capital plays a major role in small business initial start-up, operation and potential success. The study also finds there was no statistically significant change in turnover before and after receiving the TEF grant but surprisingly there is a statistically significant change in profitability and the number of employees before and after receiving the TEF grant. The study reveals that the seed capital (grant) provided by TEF had a great impact on the small businesses engaged in the Fund and since success in Chapter 1 is defined as business continuity it can be assumed that TEF contributed to success in the form of business continuity.

6.3 Recommendations

It is undeniable that from the results in Chapter 5, the SAB Foundation's TEF was effective to some extent. This could be intensified so that the entrepreneurs that exit the programme can make meaningful contributions to the economic development of South Africa.

6.3.1 Demographic profiling

Recommendations from demographic profiling are as follows:

- The maintenance of the TEF database would provide value especially in conducting longer term studies on the success of the Tholoana initiative. SEDA (2016a) provides statistics that most small businesses do not remain in existence beyond 3.5 years. A long-term study, therefore, could be beneficial in assessing the success of the legacy entrepreneurs beyond 3.5 years. This would require a database that is well maintained and the recommendation is to therefore to review the database bi-annually.

- In terms of the target market, it is recommended that community youth groups, NPOs and students from technical schools as well as, organisations that represent the disabled communities are targeted for more inclusion of the intended groups.

- More females should to be considered in a bid to increase the female to male ratio. StatsSA (2015b:1) suggests that the female population of South Africa is 51% so the recruitment drive should be packaged in such a way that more women are encouraged to apply and are considered to increase the number of female participants.

- Marketing outreaches can be considered for the disabled communities to aid and guide members on how to become more entrepreneurial and to gain confidence in their abilities and talents

- Have a more flexible target age group including both young and mature entrepreneurs. Herrington and Kew (2016:33) suggest that individuals mostly take on the entrepreneurial risk beyond the age of 35 years due to experience and financial resources that become available. It was also found that there is very little entrepreneurial activity between the ages of 18-25 years, therefore, a deliberate drive to encourage young people between these ages can assist especially targeting matriculants, students from Further Education and Training (FET) colleges, Technical and Vocational Education and Training (TVET) colleges and Universities. University open days in various target provinces could also be a good platform.

- The marketing of TEF must be deliberate and proactive. Marketing can be done through community radio stations such as Kurara FM in Kuruman, Mokopane community radio in Limpopo, Qwa-Qwa radio in Free State and Radio Bushbuckridge in Mpumalanga, Oranje FM in Northern Cape, North-west and Free State, Thetha FM in the Vaal and campus radio stations. The national radio platform can also be explored for marketing in radio stations like Lesedi FM, Umhlobo Wenene, Ukhozi FM, Motsweding FM, Thobela FM, Jacaranda FM and Metro FM. Another marketing medium that can be explored is an online presence on social media to not only make the TEF known, but also create a community where alumni can share experiences of how the fund assisted them and what challenges faced the businesses and what strategies were used to overcome them. Tips can also be shared on this platform on how to make applications more attractive. The platform can also be used as a networking platform from business–to-business (B2B).

- Awareness campaigns can be initiated in rural communities by engaging with community leaders to communicate through community imbizos (gatherings),

church groups, NGOs and schools especially in rural communities with the least participants such as Kwazulu-Natal, Free State, Limpopo and Mpumalanga.

- Increased visibility and awareness of the Bolster services. Consider involving Bolster services throughout the entire process so that there is an understanding of how to communicate with the entrepreneurs and awareness from entrepreneurs of the services that are available and what are the available channels of communication with Bolster.

6.3.2 Identified success factors

Recommendations from identified success factors are as follows:

- Consider a longer-term relationship with the small businesses that includes business training, mentorship/coaching.

- Conduct a training needs analysis for selected candidates that can be done using assessments for various areas like financial, customer service, business ethics, business growth and investments to target relevant training needs during training. General training to cover risk management, labour relations, legal management, financial management, investments and savings, marketing and pricing of goods and services.

- Consider launching adopt an alumni strategy that continuously reviews the alumni businesses and engages services from these businesses as strategic partners. The strategy could also include using these businesses to partner with new entrants. Partnering with some of the businesses for services required by SAB could also increase small business networks, credibility of small businesses and access to markets for example, businesses that do catering, signage, printing and personal protective equipment (PPE).

- Involve alumni in training sessions for newly recruited employees to specifically address lessons learned in new businesses

- SAB learnership programme to partner with small businesses and allow learners to render services at a relevant business for a period of six (6) weeks to learn entrepreneurial skills and as a form of the businesses giving back to the learners.

- Set up a formal complaint handling system where small businesses can log complaints within 24 hours and be contacted within 48 hours for assistance.

6.3.3 TEF impact

Recommendations from TEF impact are as follows:

- Offer business management courses for small businesses that will include financial management and bookkeeping so that small businesses are financially savvy and know how and when to record annual turnover, expenses, profit, assets, liabilities and owner's equity. Alternatively, SAB can partner with government organisations like SEDA that can provide training to the small businesses that have been selected.

- Increase the requirements of the TEF to include research conducted on business viability as part of the application process with guidelines like target market, projected sales, challenges of the business/industry and marketing strategy. Also, the provision of bi-annual audited financials as a form of accountability for the businesses.

6.4 Suggestions for future research

It is proposed that for future research, the entrepreneurs are grouped by the year of application and the success of the groups measured to see if there are differences in success cases between the various years using cluster analysis. The spilt can further be made by industry to check if small businesses in particular industries are more successful than others. This research will provide an indication of which industries need more support.

Further research can also be undertaken to measure the survival and possible success of the entrepreneur businesses beyond 3.5 years to evaluate whether the businesses that received the grants survive beyond that period.

It is also recommended that longitudinal studies be conducted to measure the success of the respondents before and after receiving support (grant).

6.5 Conclusions

The purpose of this chapter is to provide a summary of the research study and thereafter make recommendations on how the Tholoana Enterprise Fund can be improved to have a greater impact on small businesses engaged in the TEF. Suggestions for future research were also made. The results of this study contributed

to theory building as there is a paucity of evaluations or measurement of entrepreneurship support programmes. The contribution of the study to SAB Foundation is that the foundation will have an empirical, independent study that measures the success of the beneficiaries of TEF and the performance of the fund from 2012 to 2014. It will also provide an archived record of the TEF performance at the SAB Foundation and assist in determining future strategies for the programme. This study will raise awareness of the TEF, now known as the Tholoana Enterprise Programme since 2015 and will also assist other South African businesses and government departments that offer enterprise development programmes to realise the merit of conducting assessments of the programmes for future investments.

References

Abay, H.H., Temanu, F.G. & Gebreegziabher, A.H. (2015). Owner factors affecting the growth of micro and small enterprises (MSEs) in Ethiopia: a case study in Shire Indaselassie Town, Tigray. *Clear International Journal of Research in Commerce & Management*, 6(5), pp.66

Abor, J. & Quartey, P. (2010). Issues in SME development in Ghana and South Africa. *International Research Journal of Finance and Economics*, 39(6), pp. 215–228.

Ackermann, S.J. (Editor). (2012). *Are small firms important? Their role and impact.* New York: Springer Science & Business Media.

Atkinson, J. and Storey, D.J. eds., 2016. Employment, the small firm and the labour market. New York: Routledge.

Ayala, J.C. and Manzano, G., 2014. The resilience of the entrepreneur. Influence on the success of the business. A longitudinal analysis. Journal of Economic Psychology, 42, pp.126-135.

Aziakpono, M.J. & Wilson, M.K. (2015). Interest rate pass-through financial structure and monetary policy in South Africa. *African Finance Journal,* (1):67.

Amorós, J.E., Bosma, N. & Global Entrepreneurship Research Association (2014). *Global Entrepreneurship Monitor - 2013 global report: fifteen years of assessing entrepreneurship across the globe*. Santiago: GERA

Anglo American (2016). *Enterprise Development– Zimele*. [Online]. Available from: http://southafrica.angloamerican.com/~/media/Files/A/Anglo-American-South-Africa-V2/zimelejunebrochure.pdf/ (Accessed 12 July 2016).

Apostolidis, P. (1977). Criteria for success in small business. *Journal of Small Business Management,* 15(1):48–51.

Arcelor Mittal, 2016. Our Company. [Online]. Available at: http://www.arcelormittalsa.com/Whoweare/Ourcompany.aspx/ (Accessed 12 July 2016)

Ayala, J.C. and Manzano, G., 2014. The resilience of the entrepreneur. Influence on the success of the business. A longitudinal analysis. *Journal of Economic Psychology*, 42:126–135.

Aye, G.C., Gupta, R., Moyo, P.S. & Pillay, N. (2014) The impact of exchange rate uncertainty on exports in South Africa. *Journal of International Commerce, Economics & Policy,* 6(1):1–12.

Babbie, E. & Mouton, J. (2006). *The Practice of Social Resear*ch. Cape Town: Oxford University.

143

Balnaves, M. & Caputi, P., 2001. *Introduction to quantitative research methods: an investigative approach.* London: Sage.

Banking Association of South Africa. (2016). *Small business definition.* [Online]. Available from: http://www.banking.org.za/what-we-do/sme/sme-definition/ (Accessed 19 June 2016).

Baptista, R. & Leitão, J. (2015). *Entrepreneurship, human capital, and regional development: labor networks, knowledge flows, and industry growth. International studies in entrepreneurship.* Heidelberg: Springer.

Baron, R.A. & Tang, J. (2007). *Entrepreneurships' social competence and new venture success: evidence on mediating mechanisms and generality of the effects.* Paper presented at proceedings of the 27th Babson College Entrepreneurship Research Conference. New York.

Barkhatov, V., Pletnev, D. & Campa, A. (2016). Key success factors and barriers for small businesses: comparative analysis. *Procedia Social and Behavioural Sciences,* 221(1):29–38.

Bates, T. (2005). Analysis of young, small firms that have closed: delineating successful from unsuccessful closures. *Journal of Business Venturing* 20(3, May):343–358.

Beavers, A.S., Lounsbury, J.W., Richards, J.K., Huck, S.W., Skolits, G.J. and Esquivel, S.L., 2013. Practical considerations for using exploratory factor analysis in educational research. Practical assessment, research & evaluation, 18(6):1-13.

Berry, A., von Blottnitz, M., Cassim, R., Kesper, A., Rajaratnam, B. & van Seventer, D.E. (2002). *The economics of SMMEs in South Africa. Trade and industrial policy strategies, (1):*7-100

Bharati, P. & Chaudhury, A. (2006). Studying the current status of technology and adoption. *Communications of the ACM,* 49(10): 88–93.

Birkel, F, Kelly, C.L & Welch, G. (2013). *Survival of the most adaptable: becoming a change-ready culture.* [Online]. Available from: https://www.spencerstuart.com/research-and-insight/survival-of-the-most-adaptable-becoming-a-change-ready-culture/ (Accessed 17 March 2017).

Blattman, C., Green, E., Annan, J., Jamison, J., Bureau, C.F.P., Aryemo, F., Carlson, N., Emeriau, M. & Segura, A. (2013). *Building women's economic and social empowerment through enterprise. An experimental assessment of the Women's Income Generating Support (WINGS) programme in Uganda.* New Haven, CT: AVSI and Innovations for Poverty Action,

Bodea, L.S. (2016). The effects of marketing capabilities on firm's performance. *Annals of the University of Oradea, Economic Science Series*, 25(1):476–484.

Bourletidis, K. & Triantafyllopoulos, Y. (2014). SMEs survival in time of crisis: strategies, tactics and commercial success stories. *Procedia - social and Behavioral Sciences,* 148:639–644.

Bradford, W.D. (2007). Distinguishing economically from legally formal firms: targeting business support to entrepreneurs in South Africa's townships. *Journal of Small Business Management,* 45(1):94–115.

Bredenkamp, M. (2002). *An assessment of Peoples Bank business' service to SMMEs sponsored by the Khula Indemnity Scheme*. Masters Dissertation, Johannesburg: University of Johannesburg.

Brink, A., Cant, M. & Ligthelm, A. (2003, September). *Problems experienced by small businesses in South Africa.* Paper presented at the 16th Annual Conference of Small Enterprise Association of Australia and New Zealand, 28:1–20).

Bruno, A.V. Leidecker, J.K. & Harder, J.W. (1987). Why firms fail. *Business Horizon,* 30:50–58.

Bohlmann, H.R., Van Heerden, J.H., Dixon, P.B. & Rimmer, M.T. (2015). The impact of the 2014 platinum mining strike in South Africa: an economy-wide analysis. *Economic Modelling,* 51:403-411.

Botha, M., Niemann, G. & Van Vuuren, J. (2013). Measuring the effectiveness of the Women Entrepreneurship Programme on potential, start-up and established women entrepreneurs in South Africa. *South African Journal of Economic and Management Sciences,* 10(2):160–183.

Boynton, A.C & Zmund, R.W. (1984). An assessment of critical success factors. *Sloan Management Review,* 4(24):3–4.

Bryman, A. and Bell, E., 2015. *Business research methods*. Oxford University Press, USA.

Cant, M.C. and Wiid, J.A. (2013). Establishing the challenges affecting South African SMEs. *The International Business & Economics Research Journal* [Online],12(6):707.Available from: http://uir.unisa.ac.za/bitstream/handle/10500/13739/Establishing%20the%20challeng es%20affecting%20South%20African%20SMES.pdf?sequence=1&isAllowed=y/ (Accessed 01 February 2017)

Chan, J.L. (2012). Start-up factors for small and medium-sized accommodation businesses in Sabah, Malaysia: push and pull factors. *Asia Pacific Journal of Tourism Research,* 17(1):49—62.

Chan, J.K.L. and Quah, W.B., 2012. Start-up factors for small and medium-sized accommodation businesses in Sabah, Malaysia: Push and pull factors. Asia Pacific Journal of Tourism Research, 17(1):49-62. Chetty, P & Datt, S. (2015). *Interpretation of factor analysis using SPSS*. [Online]. Available from: https://www.projectguru.in/publications/interpretation-of-factor-analysis-using-spss/ (Accessed 09 February 2017).

Chetty & Datt, 2015. Interpretation of factor analysis using SPSS. [Online]. Available at: https://www.projectguru.in/publications/interpretation-of-factor-analysis-using-spss/ (Accessed: March 2017)

CIPC, (Companies and Intellectual Property Commission) (2017). *Close Corporations FAQ.* [Online]. Available from: http://www.cipc.co.za/index.php/faqs/close-corporations-faq/ (Accessed 01 March 2017).

CIPRO, (Companies and Intellectual Property Registration Office) (2011). *Comparison between a private company and a close corporation.* [Online]. Available from: http://www.cipro.gov.za/products_services/covscc.asp/ (Accessed 12 March 2017).

Chowdhury, M.S., Alam, Z. &and Arif, M.I. (2013). Success factors of entrepreneurs of small and medium sized enterprises: evidence from Bangladesh. *Business and Economic Research*, 3(2):38.

Claasen, L. & Claasen, L. (2008) *Anglo Zimele. Financial Mail Supplement. corporate report: Enterprise incubators - Anglo Zimele,* 197(11):1.

Coetzee, J. (2015). *Entrepreneurship: why Cape Town has emerged as the biggest start-up hub on the African continent.* [Online]. Available from: http://ventureburn.com/2015/11/why-is-cape-town-a-world-class-hub-for-tech-startups/ (Accessed 15 March 2017).

Cohen, J. (1988). *Statistical power analysis for the behavioral sciences.* Hillsdale, NJ: L. Earlbaum Associates.284–287.

Cohen, J. (2003). *Applied multiple regression correlation analysis for the behavioral sciences.* Mahwah, NJ: L. Erlbaum Associates:703.

Coldwell, D. & Herbst, F. (2004). *Business Research.* Cape Town: Juta.

Cooper. D.R. Schindler. P.S. (2014). *Business Research Methods.* 12th edition. Singapore: McGraw-Hill International.

Cooper, A.C., Folta, T., Gimeno-Gascon, F.J. & Woo, C.Y. (1992). Entrepreneurs' process of founding and new firm performance. *The state of the art in entrepreneurship.* Edited by D. Sexton and J. Kassandra. Boston: PWS Kent Publishing.

Cresswell, J.W. (2009). Research design: qualitative, quantitative and mixed methods approaches. 3rd edition. Thousand Oaks, CA: Sage.

Curwin, J. & Slater, R. (2008). *Quantitative methods for business decisions.* 6th edition. London: Thomson Learning.

Dinno, A. (2009). Implementing Horn's parallel analysis for principal component analysis and factor analysis. *Stata Journal*, 9(2): 291.

Discovery, (2016). *Enterprise development.* [Online]. Available from: https://www.discovery.co.za/portal/individual/corporate-enterprise-development/ (Accessed: 12 July 2016).

Döckel, J.A. & Ligthelm, A.A. (2015). Factors responsible for the growth of small business. *South African Journal of Economic and Management Sciences*, 8(1): 54– 62.

Doh, S. & Kim, B. (2014). Government support for SME innovations in the regional industries: the case of government financial support programme in South Korea. *Research Policy,* 43(9):1561-1562.

Dragnic, D. (2014). Impact of internal and external factors on the performance of fast-growing small and medium businesses. *Management: Journal of Contemporary Management Issues,* 19(1):119–159.

DTI, (Department of Trade and Industry) (2007). *Integrated strategy on the promotion of entrepreneurship and small enterprise*s. [Online]. Available from: http://www.dti.gov.za/sme_development/docs/strategy.pdf/ ([Accessed 12 July 2016).

DTI, (Department of Trade and Industry) (2010). *The National Empowerment Fund (NEF).* [Online]. Available from: https://www.thedti.gov.za/agencies/nef.jsp/ (Accessed: 01 July 2016).

DTI (Department of Trade and Industry) (2011). Broad-Based Black Economic Empowerment Amendment Bill. (Notice 893 of 2011). [Online]. Available from:http://www.gov.za/sites/files/34845_gen893.pdf/ (Accessed: 25th January 2017).

DTI (Department of Trade and Industry) (2014a). *Annual review of small business in South Africa 2013/2014.* Available from: https://www.thedti.gov.za/parliament/2014/SEDA_AR2014.pdf/ (Accessed: 23 July 2015).

DTI (Department of Trade and Industry) (2014b). *National Small Business Amendment Act, 2004.* [Online]. Available from: https://www.thedti.gov.za/business_regulation/acts/small_business_amendmentact.pdf/ (Accessed 19 June 2016)

DTI (Department of Trade and Industry) (2014c). White Paper on National Strategy for the development and promotion of Small Business in South Africa. (Notice 213 of 1995). [Online]. Available from: https://www.thedti.gov.za/sme_development/docs/White_paper.pdf/ (Accessed: 15 June 2016).

Dunne, T.C., Aaron, J.R., McDowell, W.C., Urban, D.J. & Geho, P.R. (2016). The impact of leadership on small business innovativeness. *Journal of Business Research,* 69(11):4876-4881.

Emuze, F.A., Klaas, V. & Smallwood, J. (2013). *A case for deepened construction supply chain management in South African state-owned enterprises.* Paper presented at the *West African Built Environment Research (WABER) Conference.* British Council, Accra, Ghana, August 2013. West Africa Built Environment Research (WABER) Conference. Johannesburg: University of the Witwatersrand.

Ensor, L. (2017). *Budget in a nutshell: tax hikes hit South Africans' pockets hard.* [Online]. Available from: https://www.businesslive.co.za/bd/economy/2017-02-22-budget-in-a-nutshell-tax-hikes-hit-south-africans-pockets-hard/ (Accessed 28 February 2017).

Everett, J. & Watson, J. (1998). Small Business Failure and External Risk Factors. *Small Business Economics,* 11(4):371-390.

Fatoki, O.O. (2010). Graduate entrepreneurial intention in South Africa: motivations and obstacles. *International Journal of Business and Management*, 5(9):87.

Fatoki, O. (2014). The causes of the failure of new small and medium enterprises in South Africa. *Mediterranean Journal of Social Sciences*, 5(20): 922.

Fatoki, O, & Garwe, D. (2010). Obstacles to the growth of new SMEs in South Africa: a principal component analysis approach. *African Journal of Business Management*, 4(5): 729–738.

Fernández-Guerrero, R., Revuelto-Taboada, L. & Simón-Moya, V. (2012). The business plan as a project: an evaluation of its predictive capability for business success. *Service Industries Journal*, 32(15):2399–2420.

Forrer,D. (2006). Don Forrer: Managing success factors key to small businesses. Fluidsurveys (2014). *What is the difference between a response rate and a completion rate?* [Online]. Available from: http://fluidsurveys.com/university/difference-response-rate-completion-rate/ (Accessed 26 January 2017).

Forrer, D. (2006). *Don Forrer: Managing success factors key to small businesses*. Bonita daily news (Bonita springs, FL).

Friedrich, C. & Isaacs, E. (2010). Service delivery to SMMEs: a pilot study of SMMEs in the Western Cape, South Africa. *South Asian Journal of Management,* 17(1):7–22.

Funding connection (2012). *NEF- National Empowerment*. [Online]. Available from: https://fundingconnection.co.za/funding-agencies-in-south-africa/nef-national-empowerment-fund/ (Accessed 01 July 2016).

Geisler G. (2004). *Research design concepts*. Springs: Simmons College.

Gliem, J.A. & Gliem, R.R. (2003). *Calculating, interpreting, and reporting Cronbach's alpha reliability coefficient for Likert-type scales*. Paper presented at the Midwest Research-to-Practice Conference in Adult, Continuing, and Community Education. In 2003 Midwest Research to Practice Conference in Adult, Continuing and Community Education. Columbus, OH.

Gorgievski, M.J., Ascalon, M.E. & Stephan, U. (2011). Small business owners' success criteria, a values approach to personal differences. *Journal of Small Business Management,* 49(2):209–210.

Greene, F.J. & Storey, D.J. (2004) An assessment of a venture creation programme: the case of Shell Live-Wire. *Entrepreneurship & Regional Development,* 16(2):145–159.

Guettabi, M. (2015). The determinants of small business success in Alaska. *Economic Development Journal,* 14(2):49.

Gumbi, L.N. & Mnkandla, E. (2015). Investigating South African vendors' cloud computing value proposition to small, medium and micro enterprises: a case of the City of Tshwane Metropolitan Municipality. *African Journal of Information Systems,* 7(4):1–16.

Havnes, P. & Skjekkeland, L.B. (2007). Evaluating entrepreneurship programmes – Objectives and measurement dilemmas. *Journal of Enterprising Culture*, 15(4):339–370.

Hayes, J.P., Chawla, S.K. & Kathawala, Y. (2015). A comparative study of problems encountered in the development of small businesses in the U.S. and Mexico. *Journal of Developing Areas,* 49(3):395–406.

Hebert, Z., Takupiwa, N., Honest, M. & Ephraim, C. (2013). Survival of the vulnerable: factors accounting for the survival of small to medium enterprises in Zimbabwe during the economic crisis. *Annamalai International Journal of Business Studies & Research,* 5(1):1–6.

Herrington, M. & Kew, P. (2016*). Is South Africa heading down for an economic meltdown?* Global Entrepreneurship Monitor – South African Report 2015/2016. [Online]. Available from: http://www.gemconsortium.org/country-profile/108/ (Accessed 19 October 2016).

Hughes, K.D. (2006). Exploring motivation and success among Canadian women entrepreneurs. *Journal of Small Business and Entrepreneurship,* 19(2):107–120.

Hussey, J. & Hussey, R. (1997). *Business research*. Basingstoke: Palgrave.

Hyder, S. & Lussier, R.N. (2016). Why businesses succeed or fail: a study on small businesses in Pakistan. *Journal of Entrepreneurship in Emerging Economies,* 8(1):82-100.

IBM, (2011). *IBM SPSS Custom Tables 20.* [Online]. Available from: https://www.csun.edu/sites/default/files/custom-tables20-32bit.pdf/ (Accessed 10 January 2017).

Ibrahim, A.B. & Goodwin, J.R. (1986). Perceived causes of success in small business. *American Journal of Small Business,* 11(2):41–50.

IDC (Industrial Development Corporation) (2014). *Small business, huge potential for South Africa.* [Online]. Available from: http://www.idc.co.za/home/media-room/articles/738-small-business,-huge-potential-for-south-africa.html/ (Accessed 19 October 2015).

IDC (Industrial Development Corporation) (2016a). *Home: Our industrial development role.* [Online]. Availablefrom: http://www.idc.co.za/about-the-idc.html/ (Accessed 26 October 2015).

IDC, (Industrial Development Corporation) (2016b)*. Making an impact.* [Online]. Available from: http://www.idc.co.za/20years/index.php/making-an-impact/ (Accessed 10 July 2016).

Ignitor, (2015). *Start-up acceleration*. [Online]. Available from: http://www.ignitor.co.za/standardbank/ (Accessed 28 September 2015).

Ingle, M.K. (2014). An analysis of factors impeding SMME performance in South Africa. *Africa Insight,* 44(2):37–50.

Iyfnet (2015). *Supporting young entrepreneurs - a practical guide to quality programming.* International Youth Foundation. [Online]. Available from: http://www.iyfnet.org/sites/default/files/library/GPYE-EntreprGuide.pdf/ (Accessed: 28 September 2016).

Jacobs, N. (2010). *Entrepreneurs: why small businesses fail.* [Online] Available from: http://www.fin24.com/Entrepreneurs/63-of-small-businesses-fail-20101111/ (Accessed 25 July 2015).

Jindrichovska, I. (2013). Financial management in SMEs. *European research studies,* 16(4):79-95.

Joppe, M. (2000). *The research process*. [Online]. Available from: http://www.academia.edu/930161/The_research_process/ (Accessed: 10 June 2013).

Kamunge, M.S, Njeru, A. & Tirimba, O.I. (2014). Factors affecting the performance of small and micro enterprises in Limuri town market of Kiambu County, Kenya. *International Journal of Scientific Research and Publications*, 4(12):1–19.

Karadag, H. (2015). Financial management challenges in small and medium-sized enterprises: a strategic management approach. *EMAJ: Emerging Markets Journal,* 5(1):26–40.

Katwalo, A.M. (2010). Competence and critical success factor development as an avenue for achieving sustainable micro and small enterprises in Africa. *Journal of Management Policy & Practice*, 11(5):139–144.

Keil, M.C.M.P. (2007). *An investigation into the success factors amongst small businesses in Gauteng.* Masters Dissertation. Johannesburg: University of Johannesburg?

Kesper, A. (2001). Failing or not aiming to grow? Manufacturing SMMEs and their contribution to employment growth in South Africa. *Urban Forum,* 12(2):171.

Kirkwood, J.J. (2016) How women and men business owners perceive success. *International Journal of Entrepreneurial Behaviour & Research*, 22(5):594–615.

Krishnan, K., Nandy, D.K. & Puri, M. (2015). Does financing spur small business productivity? Evidence from a natural experiment. *Review of Financial Studies*, 28(6):1768–1809.

Kolb. B. (2008). *Marketing research: a practical approach.* London: Sage Publications.

Lazányi, K. (2015). What makes a start-up successful? -- Small business ventures in focus. [Online] *Journal Modelling the New Europe*, (16):68-79. [Online]. Available from:
http://0eds.b.ebscohost.com.ujlink.uj.ac.za/eds/pdfviewer/pdfviewer?sid=236e0c8b-d94b-4268-8f7c-d086ce328271%40sessionmgr104&vid=1&hid=119/ (Accessed: 12 October 2017)

Lekhanya, L.M. & Mason, R.B. (2014). Selected key external factors influencing the success of rural small and medium enterprises in South Africa. *Journal of Enterprising Culture,* 22(3):331–348.

Link, A.N. & Scott, J.T. (2012). The small business innovation research program. *Issues in Science & Technology*, 28(4):89–92.

Lowry, R. (2014). *Concepts and applications of inferential statistics.* [Online]. Available from: http://doer.col.org/handle/123456789/4853/ (Accessed: 04 December 2016)

Luiz, J. (2002). Small business development, entrepreneurship and expanding the business sector in a developing economy: the case of South Africa. *Journal of Applied Business Research*, 18(2):53–68.

Maas, G. & Herrington, M. (2006). *Global Entrepreneurship Monitor: 2006 South Africa Executive Report*. Cape Town: Graduate School of Business.

Mahlase, M.S. (2010). *The role of small, medium and micro-enterprises (SMMEs) in achieving sustainable development in the Limpopo Province*. [Online]. Available from: Available at: http://hdl.handle.net/10210/3789/ [Accessed: 03 September 2016]

Makina, D. & Malobola, L. (2004). Impact assessment of microfinance programmes, including lessons from Khula Enterprise Finance. *Development Southern Africa,* 21(5):799–814.

Malebana, M.J. (2012). *Entrepreneurial intent of final-year commerce students in the rural provinces of South Africa*. Doctoral dissertation. Pretoria: University of South Africa.

Maloka, C.M. (2013). *The contribution of small, medium and micro enterprises towards local economic development in Mankweng Township, Limpopo Province.* Master's dissertation, Administration in Development, University of Limpopo, South Africa.

Mason, M.K (2017). *Research on small businesses*. [Online]. Available from: http://www.moyak.com/papers/small-business-statistics.html/ (Accessed 25 February 2017).

Maziriri, E.T. and Madinga, N.W., 2016. A Qualitative Study on the Challenges Faced by Entrepreneurs Living with Physical Disabilities within the Sebokeng Township of South Africa. *International Journal*, 1:1-13.

Mazzarol, T. (2014). Research review: a review of the latest research in the field of small business and entrepreneurship: Financial management in SMEs. *Small Enterprise Research*, 21(1):2–13.

Mbonyane B.L. (2006). *An exploration of factors that lead to failure of small businesses in the Kagiso township*. College of Economics and Management, UNISA, Pretoria, South Africa.

McDowell, W.C., Harris, M.L. & Geho, P.R. (2016). Longevity in small business: the effect of maturity on strategic focus and business performance. *Journal of Business Research,* 69(5):1904–1908.

McMullan, E., Chrisman, J.J. & Vesper, K., (2001). Some problems in using subjective measures of effectiveness to evaluate entrepreneurial assistance programmes. *Entrepreneurship: Theory and Practice*, 26(1):37–55.

Meyer, N. & Landsberg, J. (2015). Motivational factors influencing women's entrepreneurship: a case study of female entrepreneurship in South Africa. *World Academy of Science, Engineering and Technology, International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering,* 9(11):3756–3761.

Mouton, J. (2001). *How to Succeed in Your Master's and Doctoral studies: A South African Guide and Resource Book*. Pretoria: Van Schaik.

Morgan, S.E., Reichert, T. & Harrison, T.R. (2002). *From numbers to words: reporting statistical results for the social sciences*. Boston, Mass.: Allyn and Bacon.

Mustafa, L. (2016). *Challenges and managing of small and medium enterprises in Kosova.* Paper presented at the multidisciplinary academic conference, 258-267. Kosova: University of Peja.

Mutezo, A.T. (2005). *Obstacles in the access to SMME finance: an empirical perspective on Tshwane*. Master's dissertation. Pretoria: University of South Africa

Mutoko, W.R. (2014). Challenges of Access to Markets and Opportunities for Small, Medium and Micro Enterprises (SMMEs) in Botswana. *European Scientific Journal.* Special Edition:28-36

Mybroadband, (2016). Biggest radio stations in South Africa. [Online]. Available from: https://mybroadband.co.za/news/broadcasting/160358-biggest-radio-stations-in-south-africa.html/ (Accessed: 20 March 2017).

National Treasury, (2016). *2016 Budget Speech - National Treasury..* [Online]. Available from: http://www.treasury.gov.za/documents/national%20budget/2016/speech/speech.pdf/ (Accessed 17 July 2016).

National Treasury, (2017). *2017 Budget Speech – National Treasury.* [Online]. Available from: http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf/ (Accessed: 28 February 2017).

Nefcorp. (2016). *National Empowerment Fund - strategic role and positioning.* [Online]. Available from: http://www.nefcorp.co.za/AboutbrtheNEF/StrategicPositioning.aspx/ (Accessed: 03 July 2016).

Nepad. (2014). *Progressive Business Forum: Speech by Nhlanhla Nene.* [Online]. Available from: http://www.pbf.org.za/show.php?id=8253/ (Accessed: 05 August 2015).

Nieman, G. (2001). Training entrepreneurs and small business enterprises in South Africa: a situational analysis. *Education & Training*, 43(8/9):445–450.

Nieuwenhuizen, C., & Kroon, J. (2003). The relationship between financing criteria and the success factors of entrepreneurs in small and medium enterprises. *Development Southern Africa*, 20(1):129–142.

Nigrini, M. & Schoombee, A. (2002). Credit guarantee schemes as an instrument to promote access to finance for small and medium enterprises: an analysis of Khula Enterprise Finance Ltd's individual credit guarantee scheme. *Development Southern Africa,* 19(5):735–750.

NYDA, 2016. About us. Online. Available at: http://www.nyda.gov.za/About-Us/nyda/Pages/default.aspx/ [Accessed: 4 August 2016]

O'Dwyer, M., Gilmore, A. & Carson, D. (2011). Strategic alliances as an element of innovative marketing in SMEs. *Journal of Strategic Marketing*, 19(1):91–104.

OECD, 2015. Economic Surveys South Africa. [Online]. Available at: http://www.oecd.org/eco/surveys/South-Africa-OECD-economic-survey-overview.pdf/ (Accessed: 15 August 2015)

Omri, A., Frikha, M.A. & Bouraoui, M.A. (2015). An empirical investigation of factors affecting small business success. *Journal of Management Development*, 34(9):1073–1093.

Oranje, M. & Voges, P. (2014). A successful local economic development-urban renewal initiative: a case study of the Mandela Bay Development Agency. *Town and Regional Planning*, 65(1):35–47.

Oxford, T. (2015). *Ministry must produce the goods.* [Online]. Available from: http://mg.co.za/article/2015-08-01-00-ministry-must-produce-the-goods/ (Accessed 15 October 2015).

Page, C. & Meyer, D. (2005)*. Applied research design for business and management.* Sydney: McGraw-Hill.

Pallant, J. (2013). *SPSS Survival Manual.* Unkited Kingdom: McGraw-Hill Education.

Parton, B., Valerio, A. & Robb, A. (2014). *Entrepreneurship education and training: insights from Ghana, Kenya, and Mozambique*. Washington D.C: World Bank Publications

PBF (Progressive Business Forum). (2014). *Speech by Nhlanhla Nene, Deputy Minister of Finance: the role and Importance of SMMEs in the South African Economy and potential benefits to the region and to Africa*. [Online]. Available from: http://www.pbf.org.za/show.php?id=8253/ (Accessed 30 October 2015).

Peters, R. & Naicker, V. (2013). Small medium micro enterprise business goals and government support: A South African case study. *South African Journal of Business Management,* 44(4):13–24.

PetroSA, 2016. ESD Programme. [Online]. Available at: http://www.petrosa.co.za/driving_change/Pages/ESD-Programme-Info.aspx/ (Accessed 24 January 2016)

Petterson, D. (2017). *Budget 2017: the low down on infrastructure spend.* [Online]. Available from: http://www.infrastructurene.ws/2017/02/23/budget-2017-the-low-down-on-infrastructure-spend/#/ (Accessed: 28 February 2017).

Petkovska, T. (2015) The role and importance of innovation in business of small and medium enterprises. *Economic Development / ekonomiski razvoj,* 17(1/2):55–74.

Philip, M. (2011) Factors affecting business success of small & medium enterprises (SMEs). *Amity Global Business Review*, 6(1):118–136.

Pletnev, D. & Barkhatov, V. (2016). Business success of small and medium sized enterprises in Russia and social responsibility of managers. *Procedia - Social and Behavioral sciences,* 221(2016):185-193.

Pretorius, M. & Millard, S.M. (2005). *Creativity, innovation and implementation: management experience, venture size, life cycle stage, race and gender as moderators,* 36(4):55–68.

Preisendörfer, P., Bitz, A. & Bezuidenhout, F.J. (2012). In search of black entrepreneurship: why is there a lack of entrepreneurial activity among the black population in South Africa? *Journal of Developmental Entrepreneurship,* 17(1):1250006-1250001; 1250006-18.

Radas, S., Anić, I., Tafro, A. & Wagner, V. (2014) The effects of public support schemes on small and medium enterprises, *Technovation,*38:15–30.

Radipere, S. & Van Scheers, L. (2005). Investigating whether a lack of marketing and managerial skills is the main cause of business failure in South Africa: Management. *South African Journal of Economic and Management Sciences / Suid-Afrikaanse Tydskrif vir Ekonomiese en Bestuurswetenskappe,* 8(4): 402-411

Robinson, P.B. & Sexton, E.A. (1994). The effect of education and experience on self-employment success. *Journal of Business Venturing*, 9(2):141–156.

Robinson, S. & Stubberud, H.A. (2013). Partnerships for innovation among European small businesses. *Journal of International Business Research*, 12(2):97–108.

Rogerson, C.M. (2001). Growing the SMME manufacturing economy of South Africa: Evidence from Gauteng province. *Journal of Contemporary African Studies,* 19(2):267-291.

Rogerson, C. (2008). Tracking SMME development in South Africa: issues of finance, training and the regulatory environment. *Urban Forum,* 19(1):61-81.

Ropega, J. (2011). The reasons and symptoms of failure in SME. *International Advances in Economic Research,* 17(4):476.

SAB (South African Breweries) (2010). *SAB entrepreneurship Programme celebrates 15 years.* [Online]. Available from: http://www.sab.co.za/sablimited/content/sab-press-releases-archive-2010?oid=2320&sn=Detail&pid=2660/ (Accessed: 26 October 2015).

SAB (South African Breweries) (2012). *SAB Foundation* [Report 2012].

SAB (South African Breweries) (2014). *SAB Foundation - Tholoana Enterprise Fund Information* [Brochure].

SAB (South African Breweries) (2015). *What Kick-Start is about.* Available from: http://www.sab.co.za/sablimited/action/media/downloadFile?media_fileid=915/ (Accessed 24 July 2015).

SAICA, 2016. The Hope Factory. [Online]. Available at: https://www.saica.co.za/About/TheHopeFactory/tabid/3294/language/en-ZA/Default.aspx/ (Accessed: 13 July 2016)

Salkind, N.J. (2010). *Encyclopedia of research design.* (Vol. 1). Thousand Oaks, CA: Sage.

Sangsuvan, K. (2015) Small businesses in the WTO: small fish in a big pond or globalization 3.0. *Michigan State University Journal of International Law,*23:341-344.

Sapsford, R. & Jupp, V. (Editors) (2006). *Data collection and analysis.* 2nd Edition. London: Sage.

Saunders, M.N.K,, Lewis, P. & Thornhill, A. (2000). *Research Methods for Business Students.* 2nd edition. Edinburgh: Pearson Education.
.

Sasfin, (2016). *Private equity.* [Online]. Available from: https://www.sasfin.com/divisions/business/private-equity/overview/ (Accessed 23 July 2016).

Schlosser, F. (2015). Identifying and differentiating key employees from owners and other employees in SMEs. *Journal of Small Business Management,* 53(1):37–53.

Seaton, T.S., Waggoner, F.I. & Alexander, J. (2015). The role of hope in small business success: beyond dreams and wishes. *Academy of Business Research Journal,* 3:84–93.

SEDA (Small Enterprise Development Agency) (2016a). *The small, medium and micro enterprise sector of South Africa. Research note 1.* [Online]. Available from: http://www.seda.org.za/Publications/Publications/The%20Small,%20Medium%20and%20Micro%20Enterprise%20Sector%20of%20South%20Africa%20Commissioned%20by%20Seda.pdf/ (Accessed 25 June 2016).

SEDA (Small Enterprise Development Agency) (2016b). *About SEDA- Who are we?* [Online]. Available from: http://www.seda.org.za/AboutSEDA/Pages/WhoweAre.aspx (Accessed 03 July 2016).

SEDA (Small Enterprise Development Agency) (2016c). *The DTI.* [Online]. Available from: http://www.seda.co.za/AboutSEDA/DTI/Pages/Lindiwe%20Zulu.aspx/ (Accessed 17 July 2016).

SEDA (Small Enterprise Development Agency) (2016d). *The small, medium and micro enterprise sector of South Africa. Research note 1.* Bureau of Economic Research. [Online]. Available from: http://www.seda.org.za/Publications/Publications/The%20Small,%20Medium%20and%20Micro%20Enterprise%20Sector%20of%20South%20Africa%20Commissioned%20by%20Seda.pdf/ (Accessed 26 November 2016).

Seeletse, S.M. (2012). Common causes of small businesses failure in the townships of West Rand district municipality in the Gauteng Province of South Africa. *African Journal of Business Management,* *6*(44):10994.

Shanduka Black Umbrellas. (2015). *Enterprise Development FAQs.* [Online]. Available at: http://shandukablackumbrellas.org/resources/faqs/enterprise-development-faqs/ (Accessed 27 August 2016).

Sharpe, B. (2011). *How brands grow: what marketers don't know.* [Online]. Available from: http://martinweigel.org/tag/byron-sharp/ (Accessed 07 August 2015).

Shell Live-Wire. (2015). *Find a programme - South Africa.* [Online]. Available from: http://www.shell-livewire.com/home/findFundme/southafrica/ (Accessed 27 September 2015).

Sibiya, N.F. (2004). *Initiating small businesses in Ga-Rankuwa and Mabopane townships.* M-Tech dissertation. Pretoria: Tshwane University of Technology

Singer, S., Amoros J.E. & Moska, D. (2014). *Global Entrepreneurship Monitor 2014 Global Report.* Available from: http://www.gemconsortium.org/report/ (Accessed 24 July 2015).

Sitharam, S. & Hoque, M., (2016). *Factors affecting the performance of small and medium enterprises in KwaZulu-Natal, South Africa.* Masters Dissertation, Kwazulu Natal: University of Kwazulu Natal.

Small Business Development. (2015) *Small Enterprise Development Agency.* [Online]. Available from: http://www.gov.za/about-government/small-business-development#Small-enterprise/ (Accessed 25 October 2015).

SME (Small and Medium Enterprises). (2015). *Procurement opportunities.* Available from: http://www.smesouthafrica.co.za/15634/Procurement-opportunities-and-prompt-payment-for-SMEs-key-for-driving-economic-growth-in-SA/ (Accessed 8 July 2015).

South African Government, 2017. Minister Pravin Gordhan: 2017 Budget Speech. [Online]. Available on: http://www.gov.za/SPEECHES/MINISTER-PRAVIN-GORDHAN-2017-BUDGET-SPEECH-22-FEB-2017-0000. (Accessed: 10 March 2017)

Spremo, T. & Mićić, J. (2015). Small enterprises: key source of employment and economic growth. *Zbornik radova ekonomskog fakulteta u istocnom sarajevu,* (11):63–73.

SPSS (Statistical Package for the Social Science) (2015). SPSS- About us. [Online]. Available from: http://www.spss.co.in/aboutus.php/ (Accessed 10 November 2015).

Staniewski, M.W. (2016). The contribution of business experience and knowledge to successful entrepreneurship. *Journal of Business Research*, 69(11):5147–5152.

StatsSA, (2015a). *Publications*. [Online]. Available from: http://www.statssa.gov.za/publications/P0210/P02102007.pdf/ (Accessed 04 August 2015).

StatsSA, (2015b*). Mid-year population estimates 2015*. [Online]. Available from: https://www.statssa.gov.za/publications/P0302/P03022015.pdf/ (Accessed: 03 March 2017).

StatsSA, (2016). *Mid-year population estimates 2016*. [Online]. Available from: http://www.statssa.gov.za/publications/P0302/P03022016.pdf/ (Accessed 01 April 2017).

Storey, D.J., 2016. Understanding the small business sector. New York: Routledge.

SurveyMonkey, (2016). *Create and send surveys with ease.* [Online]. Available from: https://www.surveymonkey.com/mp/take-a-tour/?ut_source=header/ (Accessed 15 December 2016).

Swanepoel, E. (2008). *The effect of the interventions of the South African Breweries' Kickstart Youth Entrepreneurship Programme on entrepreneurial and small business performance in South Africa.* Doctoral dissertation. Pretoria: University of South Africa.

Swart, M. (2010). Small businesses are set to lead economic recovery: SMMEs and economic recovery. *Professional Accountant,* 2010:10-12.

Tait, M., Van Eeden, S.M. & Venter, E. (2001). Small businesses in the port Elizabeth/Uitenhage metropole. *Journal of African Business*, 2(2):7–22.

Taiwo, J.N., Yewande, O.A., Edwin, A.M. & Benson K.N. (2016). The role of microfinance institutions in financing small businesses. *Journal of Internet Banking & Commerce,* 21(1):1–20.

Tavakol, M. & Dennick, R. (2011). Making sense of Cronbach's Alpha. *International Journal of Medical Education*, 2:53.

The Hope Factory (2015). *The Hope Factory.* [Online]. Available from: http://www.thehopefactory.co.za/ (Accessed 25 October 2015).

The Presidency (2015). *National Youth Policy 2015-2020.* [Online]. (Accessed 01 March 2017).

Toledo-López, A., Díaz-Pichardo, R., Jiménez-Castañeda, J.C. & Sánchez-Medina, P.S. (2012). Defining success in subsistence businesses. *Journal of Business Research,* 65(12):1658–1664.

Turner, S.J. (2015). *Success factors of small business owners.* Doctoral Dissertation. Walden: Walden University.

Tustin, D. (2015). The physiognomy of SMMEs in South Africa and consequential national strategy reinforcement. *The Retail and Marketing Review,* 11(1):77–91.

Tuten, T.L. & Solomon, M.R., (2014). *Social media marketing.* 2nd edition. London: Sage.

Van Eeden, S., Viviers, S. & Venter, D. (2003). An exploratory study of selected problems encountered by small businesses in a South African context. *Journal of African Business,* 5(1):45–72.

Van Scheers, L. (2011). SMEs' marketing skills challenges in South Africa. *African Journal of Business Management,* 5(13):5048.

Van Wyk, B. (2012). *Research design and methods. Part I.* University of the Western Cape.

Ventureburn (2015). *Ventureburn 2015 start-up survey.* [Online]. Available from: http://ventureburn.com/startupsurvey/ (Accessed: 10 March 2017)

Walker, E. & Brown, A. (2004). What success factors are important to small business owners? *International Small Business Journal,* 22(6):.577–594.

Watson L, M. (2005). *Entrepreneurial support for rural small, medium and micro enterprises (SMMEs) in South Africa*. [Online]. Available from: http://161.31.108.27/research/icsb/2005/119.pdf/ (Accessed: 26/11/2016).

Wessner, C.W. & National Research Council (2008). *An assessment of the SBIR program at the National Science Foundation Washington DC*: National Academies Press

Wessner, C.W. (Editor). (2009). *An assessment of the SBIR Programme*. Washington DC: National Academies Press.

Wiid, J. & Diggines, C. (2011). *Marketing research.* 3rd edition. Cape Town: Juta.

Williams, B., Onsman, A. & Brown, T. (2010). Exploratory factor analysis: a five-step guide for novices. *Australasian Journal of Paramedicine*, 8(3):5-6

Worku, Z. (2015). The South African labour market and the incubation of small businesses in South Africa. *African Journal of Science, Technology, Innovation and Development,* 7(1):58–70.

World Economic Forum, (2013). *Africa Competitiveness Report.* [Online]. Available from: http://www.southafrica.info/business/economy/globalsurveys.htm#africa/ (Accessed: 19 October 2015).

Writer,S. (2016). *A look at the impact of the budget on the small business sector*. [Online]. Available from: http://www.smesouthafrica.co.za/00999/SME-experts-weigh-in-on-Budget-2016/ (Accessed: 21 July 2016).

Xavier, M.J., Raja, J. & S. U.N. (2008). Impact assessment of a rural women's micro entrepreneurship project using path analysis models. *IIMB* (Indian Institute of Management, Bangalore) *Management Review*, 20(2):215–227.

Yin, K.R. (2013). *Case study research: design and methods.* 5th edition. Thousand Oaks: Sage.

Yong, A.G & Pearce, S. (2013). A beginner's guide to factor analysis: focusing on exploratory factor analysis. Tutorials in quantitative methods for psychology, 09(2):79-94.

Zaridis, A.D. & Mousiolis, D.T. (2014). Entrepreneurship and SMEs organizational structure. Elements of a successful business. *Procedia - Social and Behavioral Sciences,* 148:463–467.

Zhong, Y. (2014). Analysis of financial problems faced by small business enterprises, *Scottish Journal of Arts, Social Sciences and Scientific Studies* 20(2):89–94.

Appendix 1

Dear Sir/Madam

The SAB Foundation is continuously striving to improve its support to entrepreneurs and small businesses. In order to achieve excellence in this area, an understanding of the progress of our beneficiaries is necessary. In this regard, we kindly request a few moments of your time to complete the following questionnaire regarding the performance of your business and your experience of the Tholoana Enterprise Fund. The questionnaire consists of three (3) sections; Section A contains demographic questions, Section B consists of questions regarding the performance of your business and Section C is about the performance of the Tholoana Enterprise Fund. The questionnaire should take no longer than 20 minutes to complete. Your response is highly appreciated and will be of utmost importance to us.

Should you have any queries or comments regarding this questionnaire, you are welcome to contact us telephonically on 011 881 8798 or email us at TholoanaProgramme@za.sabmiller.com.

Warm Regards,
Mbali Zamisa
Enterprise Programme Co-ordinator

Questionnaire

INSTRUCTIONS: The questions in the questionnaire can mostly be answered by placing a cross 'X' in the appropriate block with the answer that has been selected.

SECTION A: THOLOANA ENTERPRISE FUND PARTICIPATION DEMOGRAPHY

1. What is your name? …………………………………..

2. What is the name of the business that received funding from the SAB Foundation?..

3. Gender

Male	1
Female	2

4. Age

18-20 years	1
21- 25 years	2
26-30 years	3
31-35 years	4
Older than 35 years	5

5. Are you living with a disability?

No	0
Yes	1

6. Ethnicity

African	1
Coloured	2
Asian/ Indian	3
White	4

7. Highest formal education qualification

Lower than Grade 12 (Matric)	1
Grade 12 (Matric)	2
Post- Matric Certificate\Diploma	3
Bachelor's Degree(s)	4
Post-Graduate Qualification	5

8. What managerial experience did you have at the time of starting your business?

None	1
Supervisor	2
Middle Management	3
Senior Management	4

9. When you started the business did you have prior experience in a similar business or industry?

| No | 0 |
| Yes | 1 |

10. How much experience did you have?

None	1
Less than 2 years	2
Between 2-5 years	3
6 years or more	4

11. In which year did you receive support from the Tholoana Enterprise Fund?

2011	1
2012	2
2013	3
2014	4

12. How old was your business when you received support from the Tholoana Enterprise Fund?

Less than 6 months	1
6-12 months	2
13-24 months	3
25-36 months	4

13. Which grant did you receive from the Tholoana Enterprise Fund?

Mbeu	1
Tshimela	2
Muri	3

14. What was the value of the grant received?

R0 – R50 000	1
R51 000 – R100 000	2
R101 000 – R150 000	3
R151 000 – R200 000	4
R201 000 – R250 000	5

15. At the time of receiving support from the Tholoana Enterprise Fund, in which one of the following Provinces was your business located?

Gauteng	1
North-West	2
Free State	3
Northern Cape	4
Eastern Cape	5
Western Cape	6
Kwazulu-Natal	7
Mpumalanga	8
Limpopo	9

16. Indicate the industry category of your business? (If you have more than one option, choose the most dominant)

Agriculture, Forestry and Fishing	1
Communications	2
Construction	3
Finance, Insurance and Real Estate	4
Manufacturing	5
Personal and Community Services	6
Professional Services	7
Restaurant and Catering	8
Transport, Storage and Utilities	9
Wholesale, retail & trade	10

17. At the time of receiving support from the Tholoana Enterprise Fund what was the form of business ownership?

Sole Proprietorship	1
Partnership	2
Close Corporation	3
Private Company	4
Public Company	5
Non-Profit Company	6
Co-operative	7

18. Does your business have any strategic partnerships (other businesses or partners that you entered into an agreement with, with the aim of helping both of you achieve more success)?

No	0
Yes	1

19. Provide the current value of the capital assets of your business in Rands (equipment, machinery, warehouse, buildings, properties)

R0 – R50 000	1
R51 000 – R100 000	2
R101 000 – R150 000	3
R151 000 – R200 000	4
R201 000 – R250 000	5
Over R250 000	6

20. Are you using the Bolster service?

No	0
Yes	1

21. What support do you receive from the Bolster Service?

	Support	No	Yes
21.1	General business advise	0	1
21.2	Legal services	0	1
21.3	Tax services	0	1
21.4	Leads (promoting your services)	0	1
21.5	Sourcing of goods and services	0	1
21.6	SMeasy accounting service	0	1
21.7	Not Applicable	0	1

22. From which one of the following mediums did you come to know about the Tholoana Enterprise Fund for the **firsttime**?

Radio	1
Newspaper	2
Billboards	3
Word of Mouth	4
Local Community Centre	5
Other	6

If   other,
specify……………………………………………………………………………………………

SECTION B: BUSINESS PERFORMANCE	
Instructions: This section of the questionnaire explores the performance of your business	
Please read the following questions and indicate your answer with an ''X''	

23. What is the current status of your business?

Closed	1
In existence but not operational	2
Operational	3

24. If the business was closed, why was it closed? (Please select one option)

The business was not making enough money	1
I went back to formal employment	2
Changes in laws and regulations	3
Business sold	4
Business changed names	5
Personal reasons	6
N/A	7
Other	8

If other, specify…………………………………………………………………………

25. Has the nature (industry, products/services) of your business changed since receiving a Tholoana Enterprise Fund grant?

No	0
Yes	1

26. How has it changed?

Changed industries	1
Same industry, different products/ services	2
Includes a diverse product/service range	3
N/A	4

27. Did you receive any other support for your business besides that of the Tholoana Enterprise Fund?

No	0
Yes	1

28. If yes, was the additional support from government or private sector?

Government	1
Private Sector	2
N/A	3

29. What type of additional support did you receive? (You can mark more than one answer)

	Additional support	No	Yes
29.1	Funding	0	1
29.2	Loan	0	1
29.3	Training	0	1
29.4	Mentorship	0	1
29.5	Capital assets (building, machinery, equipment, warehouse, property)	0	1
29.6	Not Applicable	0	1
29.7	Other	0	1

If other, specify…………………………………………………………………………………..

30. To what extent do you agree with the following statements? Please indicate your answer using the following 5-point scale:

BUSINESS SUCCESS

The following factors can be attributed to the success of your business.

	Factor	Strongly Disagre	Disagre d	Neutral	Agree	Strongly Agree
BS1	Having seed capital (grant) contributed to the success of my business	1	2	3	4	5
BS2	Having a good business plan contributed to the success of my business	1	2	3	4	5
BS3	Having financial management skills contributed to the success of my business	1	2	3	4	5
BS4	Having formal education contributed to the success of my business	1	2	3	4	5
BS5	Having business training contributed to the success of my business	1	2	3	4	5
BS6	Having marketing capabilities contributed to the success of my business	1	2	3	4	5
BS7	Having managerial expertise contributed to the success of my business	1	2	3	4	5
BS8	Having strategic business partnerships contributed to the success of my business	1	2	3	4	5
BS9	Having relevant industry experience contributed to the success of my business	1	2	3	4	5
BS10	Having access to markets contributed to the success of my business	1	2	3	4	5
BS11	Having access to skilled employees contributed to the success of my business	1	2	3	4	5

SECTION C: THOLOANA ENTERPRISE FUND PERFORMANCE

31. To what extent do you agree with the following statements? Please indicate your response using the following 5-point scale:

PROGRAMME/FUND IMPACT

Indicate the effect that the The Tholoana Enterprise Fund had on the following aspects of your business.

	Aspect	No effect	Minor effect	Neutral	Moderate effect	Major effect
PI1	Continued existence of my business	1	2	3	4	5
PI2	Increase in the number of employees	1	2	3	4	5
PI3	Increase in profit	1	2	3	4	5
PI4	Increase in revenue (sales income and other streams like interest/donations)	1	2	3	4	5

Please read questions 28-30. Please write your answer clearly.

32. What was the annual turnover of your business at the time of application to the Tholoana Enterprise Fund?

R……………………….

33. What is your annual turnover for 2016?

R ……………………….

34. What was the annual profit of your business at the time of application to the Tholoana Enterprise Fund?

R……………………….

35. What is your annual profit for 2016?

R………………………..

36. How many employees did you have at the time of application to The Tholoana Enterprise Fund?

R………………………..

37. How many employees do you have in 2016?

R……………………….

38. What kind of additional support do you think could have assisted you in helping the success of your business? (You can mark **multiple options**)

	Additional assistance	No	Yes
38.1	More money	0	1
38.2	Training	0	1
38.3	Marketing	0	1
38.4	Legal assistance	0	1
38.5	Labour relations	0	1
38.6	Operations management	0	1
38.7	Risk Management	0	1
38.8	Business planning	0	1
38.9	Mentoring and business coaching	0	1
38.10	Business administration	0	1
38.11	Business advisory services	0	1
38.12	Industry networks	0	1

39. What were some of your biggest challenges in the business? (Mark all the options that were relevant to your business).

	Challenges	No	Yes
39.1	Limited access to infrastructure (water, electricity, roads)	0	1
39.2	Regulatory framework (Tax laws, company registration, environmental laws, ways to operate legally)	0	1
39.3	Macro-economic environment (Political, economic, social)	0	1
39.4	Limited funding	0	1
39.5	Labour laws	0	1
39.6	Securing Premises	0	1
39.7	Increased competition	0	1
39.8	Attracting skilled talent	0	1
39.9	Access to new clients/ customers	0	1

40. Suggest how The Tholoana Enterprise Fund may be improved to better serve future entrepreneurs such as yourself?

………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………

Survey Monkey Link

https://www.surveymonkey.net/r/Preview/?sm=wwhTbIaMdxi8nL8V1NpsK8uK2TOXQQJ1SL
DSpqHDVFWtAqkg7v5KeVhVDCEVi2dyVzC_2B8TieGNOfFXdbhNLBZ0nwPQldQZ8C7eV4ft3J9J
3AEnxvPUpt2dhH6Bt8_2BsNs