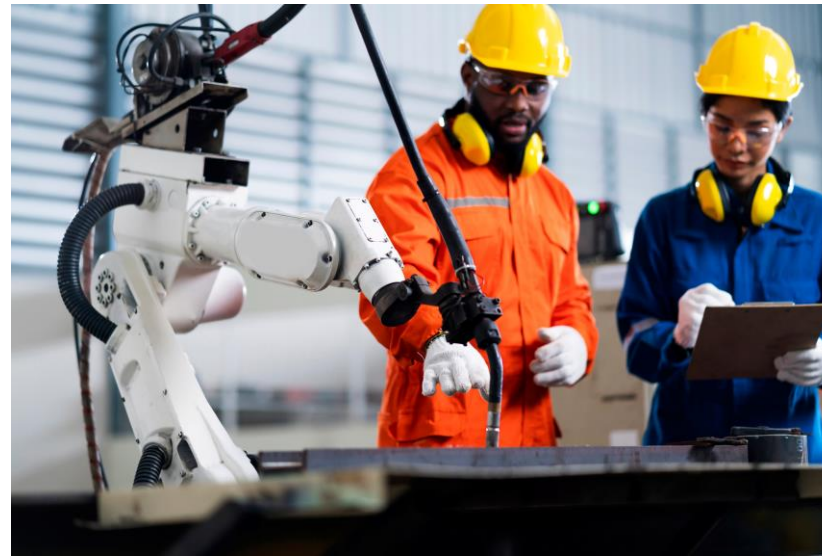


Growing manufacturing is critical to economic development & job creation



Key driver of transformation and meaningful employment **for the most marginalised**

Crucial to developing **advanced technological capabilities** that are **scalable, attractive and high-paying**

Manufacturing provides jobs with **strong economic multipliers**



Accelerator Overview

Driving local sourcing & enabling transformation

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

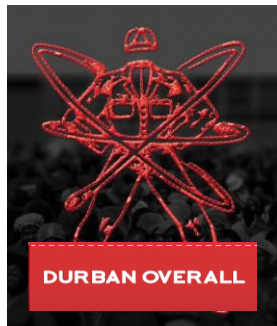


FFS
REFINERS

PEPKOR[®]
Speciality

 **mr price group limited**

@home
THE HOMEWARE STORE



SHERWIN
WILLIAMS.

Primary opportunities for corporates pursuing local sourcing



Optimise Transformation

- Increased BBBEE score
- Reduced cost
- Increased impact of spend in value chain
- Appropriate SMEs identified to invest in



Increase Localisation

- Reducing supply chain instability
- Shortening supply chains
- Positive public relations opportunities
- Masterplan/legislated localisation targets



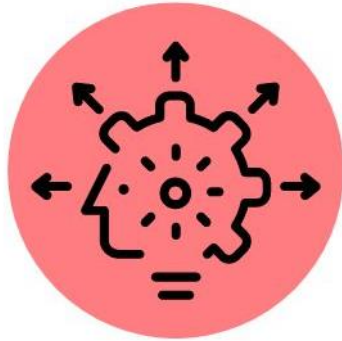
Strengthen Strategic Capability

- Procurement to support growth strategy
- E.g., Product capability, speed, technology, market intelligence, innovation

The challenges



Commitment



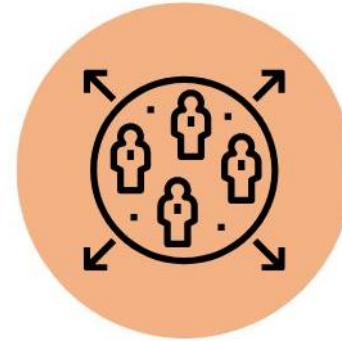
Capability



Competitiveness



Compliance



Capacity



Cash

Accelerator Overview

Objective: Identify & develop high potential SMEs as strategic suppliers to industrial lead enterprises through market access, standards upgrading, & capital investment interventions



1. Lead firm engagement

Inspire lead firms to participate & confirm requirements



2. Marketing & Screening

Market & screen for high potential, high-commitment SMEs



3. Validation & Capacity Building

Validate financial & compliance info. Support development of pitches



4. Dragons' Den

Connect Lead firms to high-potential SMEs



8. Closeout

Celebrate successes, shared learning



7. Supporting Growth

Upgrade in pursuit of identified commercial opportunity. Capital investment where required



6. Letter of Interest

Confirm lead firm requirements to unlock formalised commercial opportunity



5. Business Case Development

Analyse Business case & identify improvement opportunities

Ongoing business coaching and mentorship

Accelerator impact & highlights

(since 2019)



100+

new commercial commitments



R150+ m

new commercial opportunities in 1st year



1000+

new jobs



R4

in commercial opportunities
created annually for every R1
invested in Accelerators



150+

SMEs supported



20

corporate BBBEE scorecards
optimised annually

Key benefits of the Accelerator



Reduced burden of finding and developing future suppliers, especially beyond known networks



Rigorous screening reduces wasteful and fruitless expenditure by focussing on high potential SMEs and tangible commercial opportunities



Directs BBBEE spend towards one's own growth strategy & value chain



Maximise SED, ED, SD & Bonus BBBEE points through one initiative



Strong manufacturing niche, distinct from competitors

KhanyiTex case study

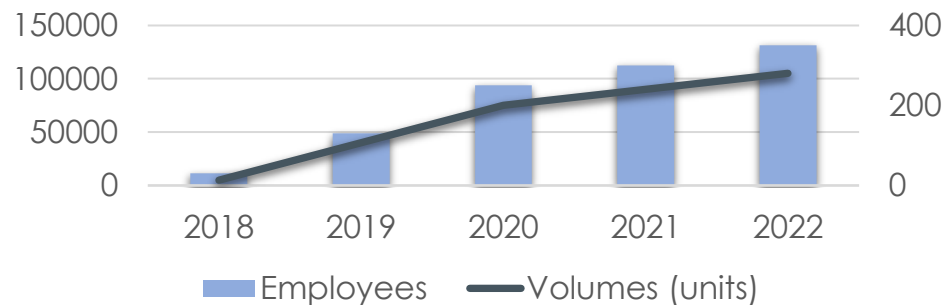
Black-owned manufacturer in Hammarsdale, KZN specialising in denim and underwear. Joined Accelerator in January 2019.

Accessed large retailers through market access initiatives and received Lean support to stabilise & scale

Outcomes:

- 700% sales & employment growth
- Factory space increased from 150m² to 850m² to 3000m²
- Established Siyafunda Africa NPO (training Hammarsdale youth to enter the workforce)
- Established New Beginnings ECD Centre (for employees' children to attend school & be safe from crime in surrounding areas)

KhanyiTex's growth through the Accelerator



Alifurn Outdoor Living case study

Alifurn is a family-owned and run business that produces high-grade outdoor furniture in Shakas Head, KZN with showrooms in Cape Town and Johannesburg.

Alifurn joined the Accelerator in November 2021. They accessed large retailers through market access initiatives and were awarded "Best Business Case" and R20,000 cash prize in the cluster's Dragons' Den event.

Alifurn received an LOI from an existing customer @home for the procurement of additional products in addition to an LOI from Mr Price Home for the procurement of contemporary outdoor products.

Outcomes:

- Undergone business case development
- Received mentorship from experienced industry expert
- Completed cluster's detailed benchmarking study
- Access to Lean support through cluster's skills development programmes
- Independently submitted application to the KwaZulu-Natal Furniture Manufacturers' Association
- Opportunity to demonstrate product offerings at the Durban House and Garden Show as part of the Department of Trade, Industry and Competition's stand



Ocean Plastics case study

Ocean Plastics recycle ocean and waste plastic into a diverse range of products and laminate boards that can be used in a multitude of everyday products.



Outcomes:

- R750,000 investment unlocked from lead firm in 2019 Accelerator
- Repurposed shipping containers to establish township-based Micro Recycling Plants
- 450 jobs created
- 1,553 tons of plastic waste reclaimed and recycled
- Lead firm secured:
 - Maximum BBBEE points
 - Green raw material
 - New product offering due to SME innovative

Thank you

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