



nyda

NATIONAL YOUTH DEVELOPMENT AGENCY
OUR YOUTH. OUR FUTURE.

ENTREPRENEURSHIP SURVEY REPORT 2019/2020



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Acronyms

DfID	Department for International Development
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
IEL&P	Innovation, Entrepreneurship, Leadership and Participation
MS	Member State/s
NEPAD	New Partnership for Africa's Development
NYC	National Youth Council
NYP	National Youth Policy
NYDA	National Youth Development Agency
NYS	National Youth Service
OECD	Organisation for Economic Co-operation and Development
PPP	Public Private Partnerships
R&D	Research and Development
RISDP	Regional Indicative Strategic Development Plan
SADC	Southern Africa Development Community
SAIS	Southern Africa Innovation Support
SETAs	Sector Education and Training Authorities
SIDA	Swedish International Development Cooperation Agency
SMEs	Small and Medium Enterprises
STEM	Science, Technology, Engineering and Mathematics
STI	Science, Technology and Innovation
STISA	Science, Technology and Innovation Strategy for Africa
SWOT	Strengths, Weaknesses, Opportunities and Threats
TVET	Technical Vocational Education and Training
UN	United Nations
UNESCO	United Nations Educational, Scientific, and Cultural Organisation
UNICEF	United Nations Children's Fund
WHO	World Health Organisation

Term	Definition
Business Success	Top Four (4) Indicators to Measure Business Success: Profit, Growing Network, Team Satisfaction and Business Owner Satisfaction
Innovation	Innovation is “a new way of doing something” [social or economic] or the development of new customer value through solutions that meet new needs, or existing customer and market needs in new ways (SADC Youth Strategy and Business Plan 2015-2020). The Organisation for Economic Co-operation and Development (OECD) defines four types of innovation as follows: <ul style="list-style-type: none"> • Organisational innovation – “A new organizational method in business practices, workplace organization or external relations”.
Entrepreneurship	Is the pursuit of opportunity (social, economic, business, cultural, spiritual or political), without regard to resources currently controlled (Stevenson & Jarillo, 1990: 23) or risks involved, in order to derive an individual or collective benefit or profit. The <i>entrepreneurial spirit</i> is characterised by innovation, pioneering change, generating or introducing new technologies or products and services, and increasing efficiency and productivity, and is an essential part of an individual or a nation's ability to succeed in an ever-changing and increasingly competitive global marketplace (SADC Youth Strategy and Business Plan 2015-2020).
Entrepreneurship Development Policy (EDP)	The programme is designed to create entrepreneurship awareness and provide business skills training to aspiring and existing entrepreneurs aimed at developing their personal entrepreneurship competencies (PEC). It is furthermore the ultimate goal of the policy to enable these young and aspiring entrepreneurs to expand their enterprises to create jobs and increase incomes for sustainable livelihoods
Business Outlook	A forecast regarding the future trend of a company, economic segment, commodity or stock market exchange. Market outlooks are based upon past performance, prevailing economic factors, consumer demand and opinion. also called market forecast
Participation (of youth)	This refers to the informed and voluntary involvement of young people in social and developmental processes, including decision making and responsible actions, that derive benefits both for them at individual levels and for the broader society (locally and globally). Youth participation involves recognising and nurturing the strengths, interests and abilities of <u>young people</u> through the provision of real opportunities for youth to become involved in decisions that affect them at individual and <u>systemic</u> levels (SADC Youth Strategy and Business Plan 2015-2020).
Sector	A sector is one of a few general segments in the economy within which a large group of companies can be categorized. An economy can be broken down into about a dozen sectors, which can describe nearly all the business activity in that economy. such as such as telecommunications, transport, healthcare, and financial
Youth	The UNICEF/WHO defines youth as every person between the ages of 15 and 24 years and young person as aged between 10 and 24 years; the African Youth Charter defines youth or young person as aged between 15 and 35 years. This assessment adopts the African Youth Charter definition of youth.



EXECUTIVE SUMMARY

More impactful business development support that provides entrepreneurs with robust business basics is needed to increase small business success rates, while a decline in youth owned businesses has emerged as cause for concern given South Africa's dire unemployment figures.

These are just some of the findings the National Youth Development Agency (NYDA) survey, which canvassed entrepreneurs throughout South Africa, expanded its scope from start-ups to all entrepreneurs at any stage of business development to gain valuable insight on the true state of entrepreneurship in South Africa, to assist the NYDA to innovate more on its product and services.

According to the report remarkably, 57% of entrepreneurs' attributes proper planning business planning contributed to the success and 62% of the businesses were self-funded. 52% respondents employ between 5-10 people in their business. More employment must be done in the SMME sector to fight unemployment. What we can interpret from this is that entrepreneurs place a high value on cultivating strong trust-based relationships that can help the business owner with access to markets and other opportunities including access to financing.

Essentially the aim of the survey is to positively influence the entrepreneurial ecosystem in South Africa and particularly to enhance the NYDA service offering and products to its potential beneficiaries by providing the basis for robust engagement for policy makers and providers of financial and non-financial support to business in South Africa. In addition, the research functions as a useful touchpoint to help educate individuals thinking about starting a business, and those already running businesses, about the current challenges and opportunities facing entrepreneurs in South Africa. With each survey, we learn something new that challenges us and the broader entrepreneurial ecosystem in South Africa. Armed with concrete new insights we are better equipped to make significant changes to the way we support entrepreneurs.

Key words: Youth entrepreneurship, access to funding and markets remain key challenges

1) DESIGN/METHODOLOGY

The essence of survey method can be explained as questioning individuals on a topic or topics and then describing their responses. In business studies survey method of primary data collection is used in order to test concepts, reflect attitude of people, establish the level of customer satisfaction, conduct segmentation research and a set of other purposes. Survey method in this study was distributed to the entrepreneurs electronically and they provided feedback through filling in questions posed to them by the presenter. The reason for this study method is because surveys can be conducted efficient and effective manner compared to other methods of primary data collection such as observation and experiments. Primary data gathered through surveys are also relatively easy to analyse

2) MAIN FINDINGS:

The South African ecosystem remains difficult for entrepreneurs to navigate with several entrepreneurs reporting that they don't know how to access available support. South Africa ranks 31 out of 54 nations in the GEMS study with respect to government support and 52 out of 54 for barriers to entry or regulation burdens.

Entrepreneurs are not thriving (revenues are not increasing significantly; their challenges have remained the same over the period we conducted the research) and they are not growing at a level and pace that will significantly impact the NDP. Entrepreneurs are employing between 2-4 individuals on average. This is supported by the GEM study of 2018 where South Africa is ranked 7th out of 54 nations with respect to job creation propensity.

Entrepreneurs are starting to mature with an enhanced understanding of the aspects that need to be addressed in their businesses as well as identifying the requirement for high impact business development support. While the majority of entrepreneurs are working from home, there has been an increase in entrepreneurs working from shared spaces and understanding the value thereof.

The key challenges our entrepreneurs face include: finding customers; inability to raise funds and wearing too many hats followed by lack of guidance; slow sales, customers paying late and unpredictability of business condition

3) RESEARCH LIMITATIONS

The following were critical to the study conducted: Reaching the entrepreneurs in the rural areas was a challenge and challenge
Challenge in engaging entrepreneurs outside the big metros
Gender spread of the report not sufficiently spread across all demographics (more male responded to the survey)

4) PRACTICAL IMPLICATIONS TO THE STUDY

We need to identify opportunities and innovative ways to integrate entrepreneurship & leadership into schools, technikons and university programmes. China's entrepreneurship identity is based on manufacturing, Rwanda's on agriculture and Israel's on technology. By being too focused on 'entrepreneurship' in general, we are diluting efforts where we should be developing businesses against what we need as a country.

Tailormade solutions and training towards internal entrepreneurship development model and grant system

Outreach: Rural communities, as noted elsewhere, appear to be uninformed about and accessible, to NYDA programmes. Information dissemination, consistent messaging and management of expectations needs to be conducted.

Allow youth to experiment with entrepreneurship from school level.

Create a culture of transparency where failures in entrepreneur development programmes are shared openly.



FOREWORD BY MS JULIET TSHOKE (EXECUTIVE DIRECTOR: CORPORATE STRATEGY AND PLANNING)

The NYDA position is that there are persistent challenges faced by entrepreneurs resulting in youth participation remaining low. Early stage of Entrepreneurial Activity (TEA) indicate that there's low level of participation in the ages of 25 – 34yrs of age cohort. Lack of awareness by government initiatives, access to business development support services, are some of the challenges highlighted as affecting youth entrepreneurs.

For the NYDA, it is critical to understand the difference between those who "are in it" for making money, and the real practice of entrepreneurship. The terms SME and Entrepreneurship are often used interchangeably. It is critical to differentiate both, because SME's are independent business operators not necessarily specialising in their field, and very stable in approach. Whereas entrepreneurs are more innovative, and growth orientated. Their business activities are mostly known for their innovative approach, and sustainable growth.

Entrepreneurship is understood within the context of generating an idea, taking an initiative, producing resourcing for this idea, taking the risk and persuasive success. Entrepreneurship theory has been developed over centuries. According to author D Kuratka, it has

become an important aspect of business in recent time, the concept associated to this theory relate to issues of external locus of control, financial capital and displacement which is unpacked as follows:

Macro Level: According to author Bhat (2004), the macro view of entrepreneurship presents an array of factors that relate to external processes that are sometimes beyond the control of entrepreneur, for the factors exhibit a strong external locus of control point of view for the success or failure of entrepreneurial ventures.

- 1) Environmental Factors: Issues that are external and impact on the entrepreneur's lifestyle.
- 2) Financial Capital/Funding: The entrepreneur is forever seeking capital or funding.
- 3) Displacement: A situation where an individual is restrains to become an entrepreneur due to political, cultural or economic situation. This could affect entrepreneurship development of the country.

Micro Level: The micro view of entrepreneurship examines the factors that are specific to entrepreneurship and are part of the internal locus of control, this is according to the European Journal of Business Management. The potential entrepreneur has the ability or control to direct or adjust the outcome of each major influence in this view.

- 1) Internal Locus of Control: Demonstrate the ability to control or direct own success
- 2) Entrepreneurship Trait: The ability to exhibit certain characteristics that increase success of the entrepreneur
- 3) Venture Opportunity: Identifying venture opportunities to fund the idea, concept development and implementation of key steps to success
- 4) Strategic entrepreneurship: ability to plan and leveraging on existing platforms for marketing, product development, resource mobilisation and associating with others.

The NYDA has been implementing the Entrepreneurship model has been biased towards alleviating inequality and unemployment.

¹Research TEA on GEM report

²D Kuratko, Entrepreneurship Theory, Process and Practice, 10th Edition, 2016

FOREWORD BY KGOTSO KOBO (KNOWLEDGE MANAGEMENT MANAGER: CORPORATE STRATEGY AND PLANNING)

This is the first survey that NYDA is presenting the results of the State of Entrepreneurship Survey. We now have a time series of data that has been collected which allows us to start getting a better understanding the needs of entrepreneurs we strive to serve.

The survey is meant to assist the NYDA on how to better support entrepreneurs and start-ups, to continue to be successful, sustainable business and essentially to directly hear from the entrepreneurs on what support they need and how NYDA can innovate to provide the best service in future.

The document also outlines an AS-IS analysis of our current entrepreneurship model that supports entrepreneurship (Entrepreneurship Development Programme, voucher programme, grant, as well as mentorship programme) and maps the findings of the entrepreneurs to a To-Be model with recommendations based on the evaluations that are conducted by the Monitoring and evaluations unit to see if there's any gaps, consistencies and overlapping issues.

The NYDA Status of entrepreneurship report describe the environment from a strategic level and we have asked the entrepreneurs themselves what their views are. We have seen a trend of more discussions around the difficulty of the operating environment not only from a policy perspective but also regarding the presence of crime and corruption that is impacting entrepreneurs. This has been highlighted in the latest Corruption Watch report released on 7 August this year. Bribery in South Africa sits at 28% with procurement irregularities up from 12.7% in 2017 to 16.9% in 2018.

Building on this survey, we wanted a better geographical spread in our sample group of respondents, and this was achieved, although we

could not reach a satisfactory number of entrepreneurs who are based in the rural areas and most entrepreneurs are in the top metros i.e. Johannesburg, Pretoria, Durban and Cape Town.

The other challenge was also acquiring a 50/50 gender representation approach in respondents, we have a much higher number of male entrepreneurs which responded but the women do find a fair presentation, and this is encouraging given South Africa's challenge of creating an inclusive economy.

We hope to offer thought provoking findings that will be used to build the ecosystem and inform decision making. We hope that one day, South Africa will have a robust and interactive ecosystem for entrepreneurs free of red tape that provides easy access to opportunities and resources

2. INTRODUCTION

National Youth Development Agency (NYDA) is a youth development-based agency that was established by the Parliamentary Act 54 of 2008 as a unitary structure. The Agency was established to address youth development issues at National, Provincial and Local government level. The NYDA attempts to address several challenges that are affecting the South Africa youth such as unemployment, skills development and economic participation.

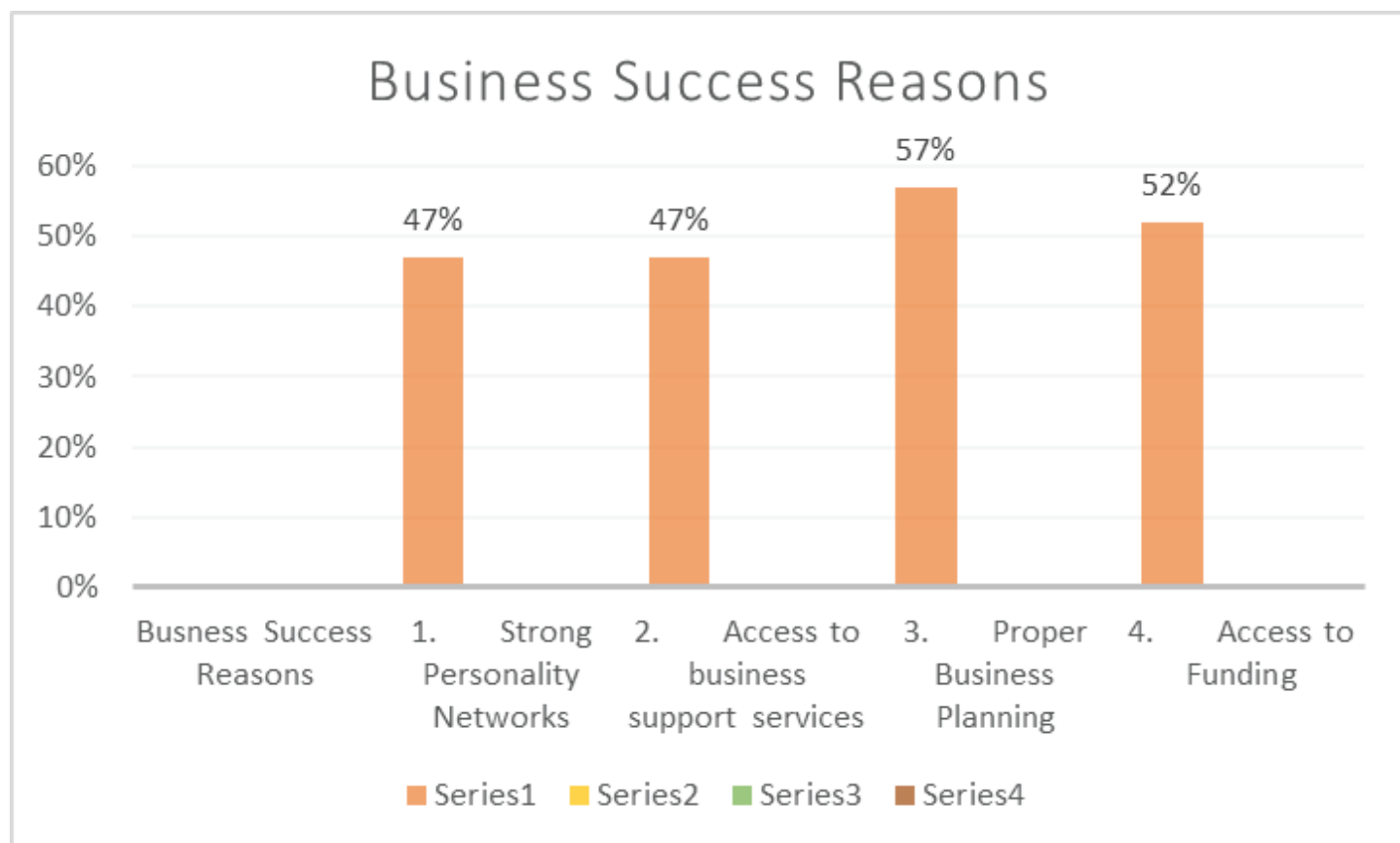
The first pillar of the National Youth Policy 2020 is economic participation. Within this pillar is both employment and unemployment status of youth as focus point as well as entrepreneurship. The NYDA has for long time created programs in which it aimed to support the development of young entrepreneurs. The

organisation has conducted entrepreneurship survey as part of understanding the challenges faced by the youth entrepreneurs together with hope to find better ways of improving their services toward the support of youth entrepreneurs.

Therefore, the survey focuses on the nature of youth businesses, challenges and what seeks to be solutions. Primarily the questionnaire is developed to help the NYDA to understand the broader perspective about why young people alter to participate in entrepreneurship and how they conduct and sustain their businesses. The survey further aims to explore how young entrepreneurs are performing in terms of small business development. Some of the tested factors are the business success reasons, number of employees, confidence of running a business. Sector to which business is based.

3. Survey Responses

Business Success Reasons



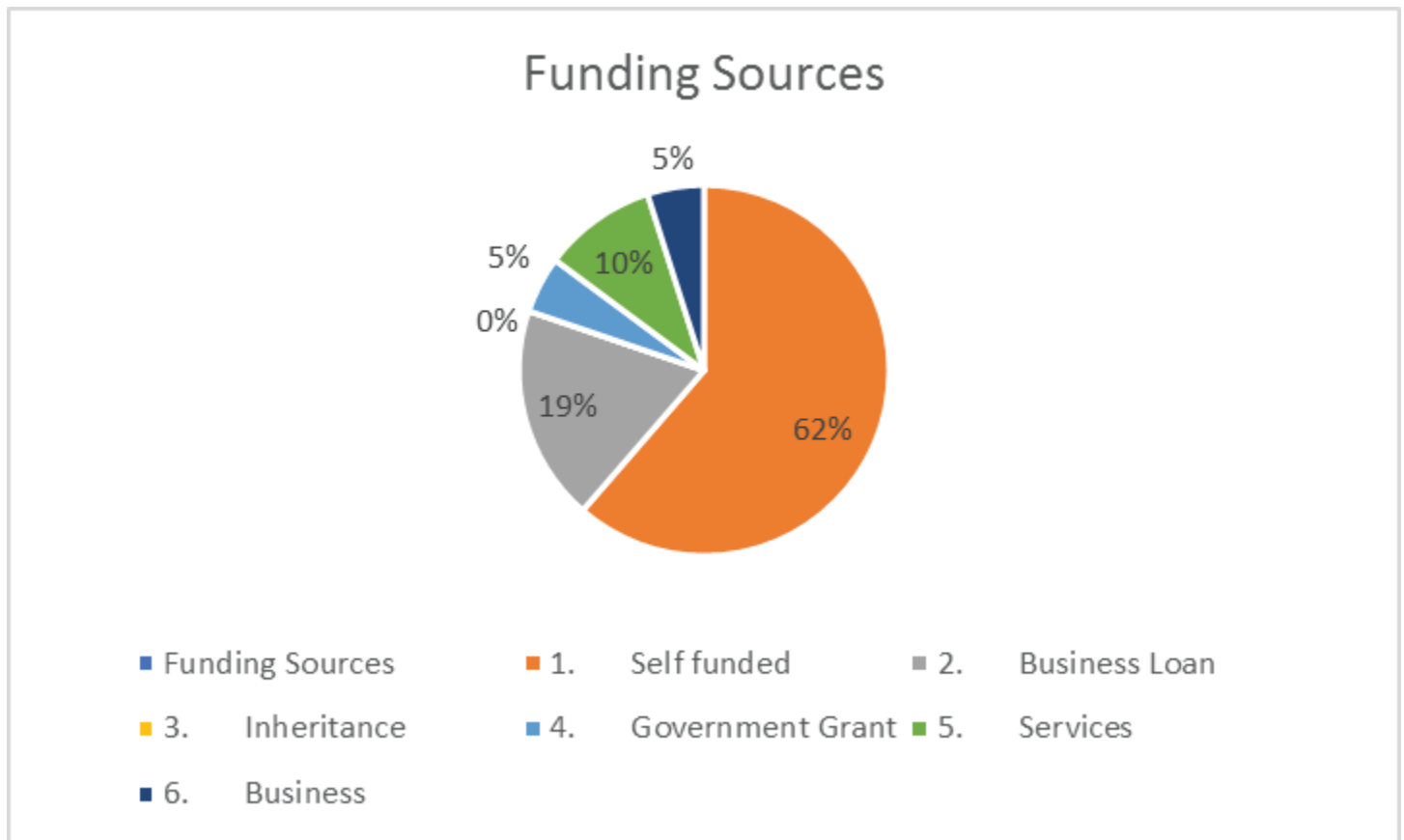
The main question to answer to understand the reasons why business become a success, this will guide in terms of development of training needed by SMEs. This survey proposes that proper business planning is one of the reasons for successful business. Currently

the NYDA provide the business plan assistance through voucher program. This program offers an opportunity for those who are unable to access professional advice for business planning through providing small business support.

57% of the entrepreneur’s attributes proper planning business planning contributed to the success.



Funding Sources



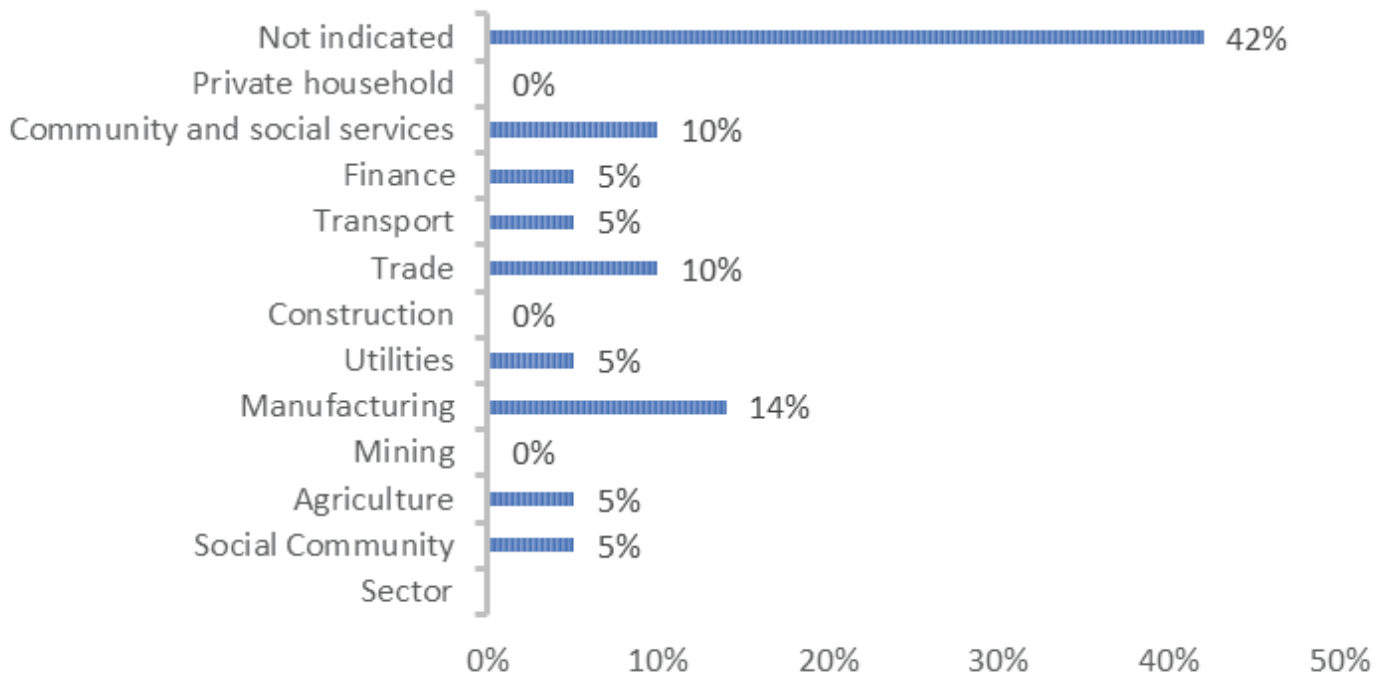
Funding has and is still the major challenge in the growing of businesses by SMEs. The results of this survey propose that majority of business owned by youth are still funded through self-funding. This could be detrimental to the existence of the business for when the business needs to be rescued one finds that they have exhausted all their savings leading to the collapse of the business. Research suggest that many

new businesses collapse as results of lacking funds to support when faced with financial crisis.

62% of the businesses were self-funded



SECTOR



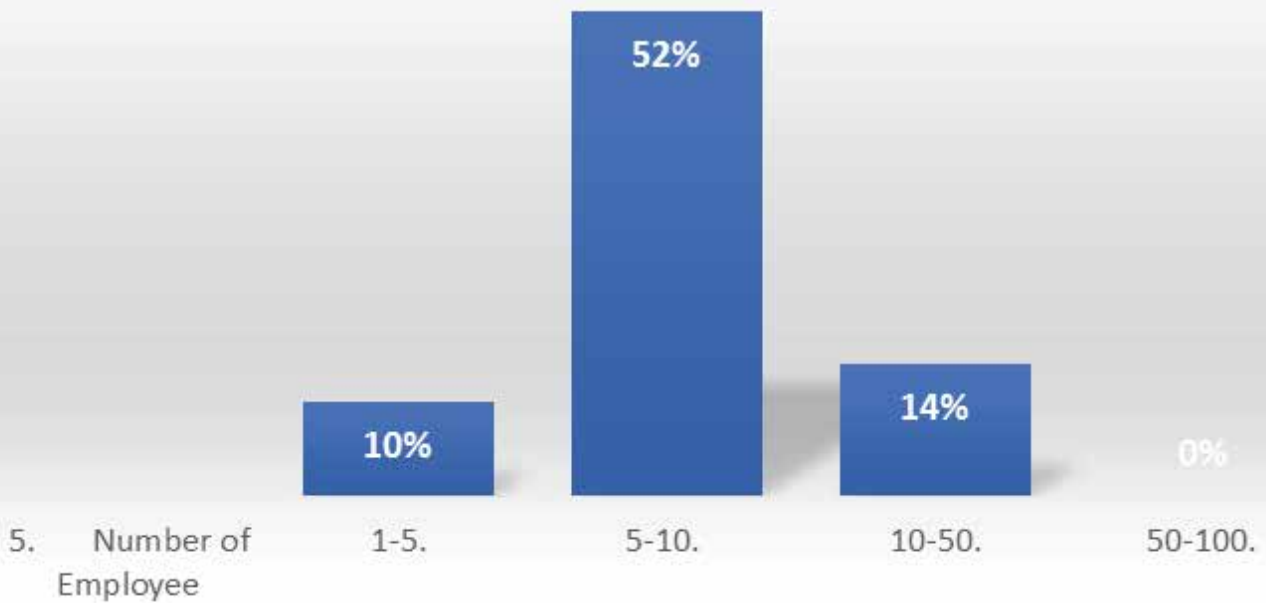
Majority of youth 42% did not disclose the sector of which they operate. This could suggest the perspective that most SMEs at the first 3 years of operation are still yet not clear in terms of their own specialization and that these businesses may be somersaulting from one service to the next based on the demand. The question

therefore would lie on whether small businesses owned by youth are clearly defined from the time when they begin. Furthermore, the edge to constantly stay up float is the reason for such behaviour.

FOOD FOR THOUGHT

The Sectors accounting for most of the early – stage entrepreneurial activities as reported by GEM 2017/18 include the Consumer sector (57%), Transformative sector (Manufacturing, Construction, Utilities, Communication and Wholesale Distribution), (25%) and Business Service sector (15%). Our finding in this survey is that most start up companies by young people are not specific when an entrepreneur start a business and hence the categories is concentrated on other

Number of Employees

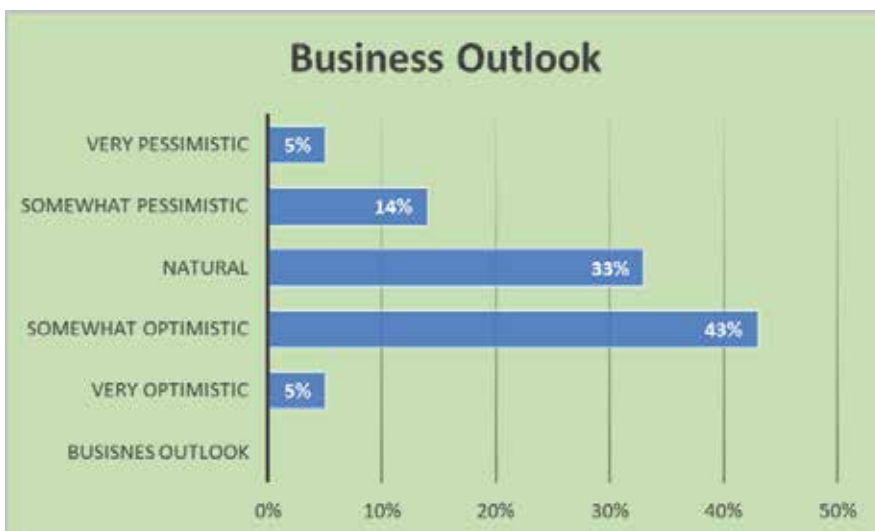


The results propose that about 52% of youth entrepreneurs employ about 5-10 people in their companies. This is very concerning Business Outlook as economy of the country will rely more on Small

Business Enterprise to create employment for the future. Only 14% of youth own business employ from 10 – 50 people this could suggest that SMEs are struggling to expand businesses.

52% Respondents employ between 5-10 people in their business. More employment must be done in the SMME sector to fight unemployment

Business Outlook





About 33% of entrepreneurs indicated that they neutral when it comes to Business outlook, and about **43% indicated that they are somewhat optimistic about the business outlook.**

This could suggest that entrepreneurs are not really worried about the business outlook more that other

aspect of the business however there is equal percentage 5% between very pessimistic and very optimistic about the business outlook proposing that this aspect of business building is or may not necessary be the focus point or worrisome point for entrepreneurs.

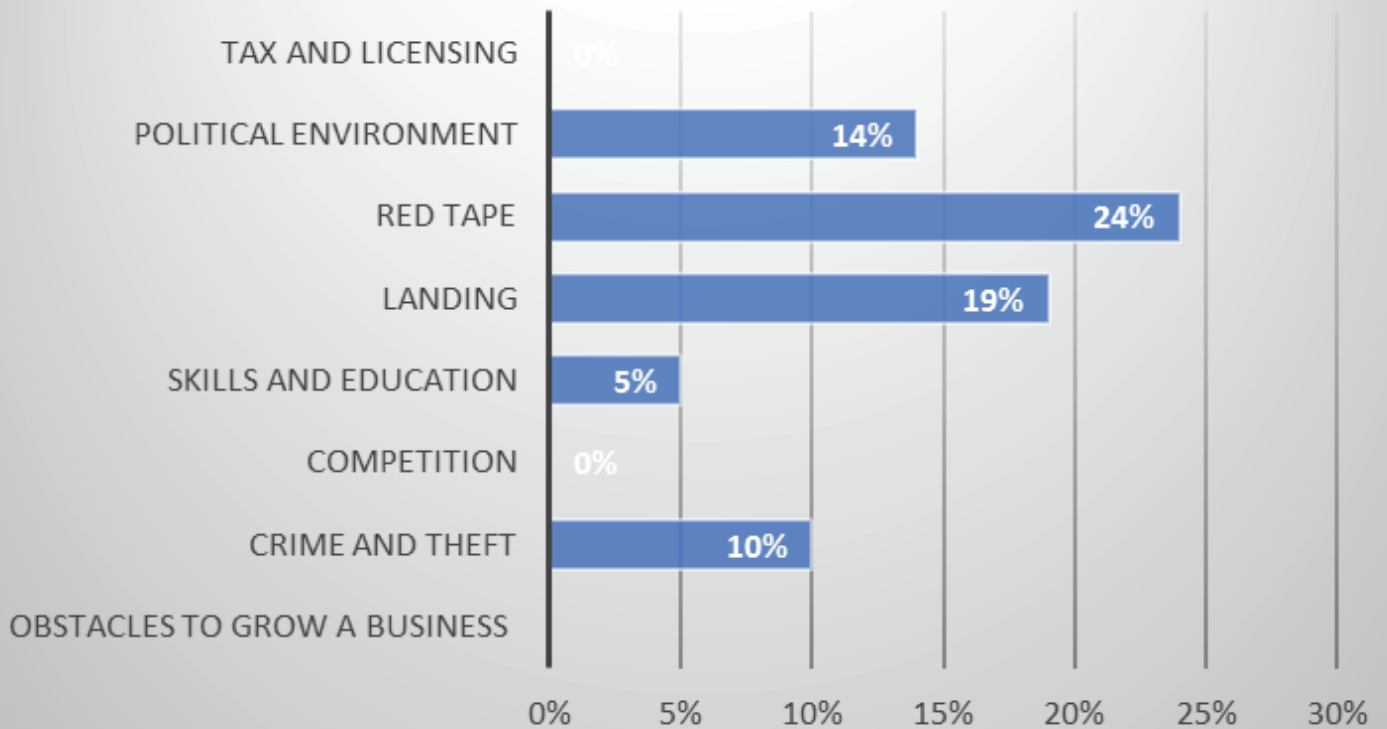
Opportunities Business Needs



The most need for businesses identifies in the survey is the funding, with 39% of respondents while access to Market is about 30% among those who responded. These two factors have been the challenge for a long time for young entrepreneurs. Others argue that small businesses are not easily funded because of the risk

they possess but riskier when they are owned by young people. There is about 11% of those who indicated that machinery is one of the needs for business to prosper. We could relate to minimal machinery or lack of. Mentorship seem to be the least concern of those who responded on the survey.

Obstacles To Grow Business



About 24% of youth owned business find that obstacles to grow business are related to red tape. There has been a number of concern that new businesses seem not to be able to deliver according to

anticipated standards therefore found that when opportunities arise, they do not become first preference. Red-Tape has been attributed as one of the major obstacles for success.



WHAT INNOVATIVE PRODUCTS WOULD YOU RECOMMEND WE INTRODUCE TO ASSIST ENTREPRENEURS?

- Business networking meetings for all small business people
- A downloadable toolkit
- Passion and discipline
- Focussed/Segmented" Networking Tools
- Point of Communication (POC). Similar to a point of sale tablet, entrepreneurs will register their business profiles in order to access the network. All businesses will be able to manage the day to day running while sharing opportunities with possible partners.
- Business support
- Small development Centre where entrepreneurs laugh successful business through free business education, consulting and mentoring
- Business support and access to information
- Access to funding especially the bridging finance. The turnaround time should not exceed 3 days from the day of application.
- Skills training, funding and business support/mentorship.
- Business development. Deal negotiation and structuring
- Easy access to loans and funding
- Workshops and mentoring
- Consolidate public offices that are meant for entrepreneurs because many are not efficient and are redundant in their functions. The government must stop seeing itself as a funder of businesses because that's not sustainable when you have to take the long approach of growing business. Because usually a business runs +/- 7 without profit. Rather make it easier for private sector to fund start ups
- Entrepreneurs NEED access to markets. The funding is only consequence of the demand or the business environment we find ourselves
- Access to e-business
- Tax Breaks and Government loans
- Subsidies for training and tax rebates
- State owned bank

ADDITIONAL COMMENTS OR SUGGESTIONS FOR IMPROVEMENT (RECOMMENDATIONS)

- More public broadcasts when there are opportunities on offer.
- Do the survey periodically with the same population to see the impact/changes if you have to action some of the suggestions as per point 9 above.
- Do the survey periodically with the same population to see the impact/changes
- More awareness and hands on support
- Access to funding for technology innovation tools information must be easily accessible even to business owners in rural areas
- More funding and increase in business support services
- Classification of business and funding in a group.
- Need more outreach programmes
- Marketing

4. KNOWLEDGE MANAGEMENT IN NYDA

Knowledge management facilitates continuous learning, empowers individuals and enables ongoing organisation effectiveness with an organisation. There are numerous internal and external benefits to knowledge management as highlighted below:

Internal Benefits

- Knowledge content becomes readily available and easily accessible
- creates a structure in the processing of information and knowledge
- Provides an environment conducive to creativity and innovation
- Limits the amount of critical knowledge that is lost when an employee leaves the organisation
- Enables effective knowledge sharing and transfer
- Improved understanding of the services and activities of the organisation
- Improve business efficiency and speed up decision-making
- Leverage and retain existing skills within the company
- Bolster employee capacity and productivity through readily available knowledge content
- Harness internal resources to create value from company information and intellectual capital

External Benefits

- Greater awareness of the organisation and its work
- Improves corporate image through 'thought leadership' and resulting publications
- Enhances market positioning and competitive advantage through innovation and creativity
- Better understand from clients
- Accurate monitoring and evaluation of external initiatives
- Promotes transparency, collaboration, and better relations with external stakeholders

These can be achieved through research insights relevant to organisational products and services, policy analyses, programmes review and align to best practises. It is within this context that entrepreneurship survey recommendations afford NYDA the opportunity to relook at policy and programme elements that relate to Macro (external) and Micro (Internal locus of control) factors as recommended by Bhait's best practice.



5. NYDA ENTREPRENEURSHIP DEVELOPMENT POLICY

The policy is designed to create entrepreneurship awareness and provide business skills training to aspiring and existing entrepreneurs aimed at developing their personal entrepreneurship competencies (PEC). It is furthermore the goal of the policy to enable these young and aspiring entrepreneurs to expand their enterprises to create jobs and increase incomes for sustainable livelihoods. This policy is aligned to internal locus for entrepreneurs, because there's more emphasis on personal development of the entrepreneur which is to demonstrate the ability to control or direct own success.

The premise is that young people have the best ideas to offer, but without necessary skills to start and sustain their business, their ideas are as good as being non-existent. The policy is implemented through the NYDA branches through structured training and awareness programmes.

The objective of the policy are as follows:

The policy is crucial in addressing the challenges of low entrepreneurship activity and skills in the country, but it also increases business development knowledge in the country amongst young people through structured training.

The policies are intended to encourage prudent programme implementation, management and sustainability, while creating the framework from which the NYDA can reach its target market, by the following:

- a) Inculcate an entrepreneurship culture amongst South African youth through training
- b) Providing entrepreneurship awareness to youth, with the aim of motivating them to choose entrepreneurship as an option to employment
- c) Developing necessary skills, knowledge and values of aspiring and existing entrepreneurs, through training, in support of them starting and sustaining their businesses.

The Entrepreneurship Development programme is an integral offering and requirement for other programmes such as Grant, Voucher and Mentorship Programmes. Young people apply for grant funding, business vouchers and mentorship, without having the pre requisite skills to manage a business. It is a role of EDP to bridge the entrepreneurial skills and knowledge gap, prior to participation in other programmes.

The Entrepreneurship Development Programme involves activities such as the Entrepreneurship Awareness Programme and the Business Management Training Programme. The awareness programme offers basic information on entrepreneurship and business, with the aim of motivating youth to pursue entrepreneurship.

The Business Management Programme offers formal training as full courses or modular courses in support of setting up and sustain a business. The business management training programme is delivered as full courses or as modular course.

5.1. Programme Integration

The NYDA Economic Development programmes support development of youth in an integrated approach as follows:

- EDP programme introduces young people into the entrepreneurship pool, provides skills on how to start and sustain their business
- The Voucher Programme offers business Consultancy Services
- The Mentorship Programme provides guidance and coaching
- Market Linkages (MKL) links business with opportunity providers
- The Grant programme provides grant funding as required

For each of the above offerings the EDP programme is a key pre-requisite for access into most programmes.

5.2. Challenges about EDP Programme

- Outdated policy vs the products and services being offered by the organisation
- Lack of proper institutional arrangements (between branch and district branches). No proper SOPs structured reporting.
- System to record client information is not adequately captured, therefore affecting costs to measure impact
- Not having “tools of trade” (laptops and stationery etc.) affects service delivery of clients (entrepreneurs)
- Technological challenges are also affecting how the programme is delivered. Too many manual processes like using workbook in implementing training. If the workbooks are not available, it impacts training efficiency.
- No online access training options for the clients. Entrepreneurs can't take five (5) days off the schedule in business.
- Rural clients must travel far to access training
- Not all young people come to the training, are interested in the training and or posse's entrepreneurship passion. Some are accompanying their peers and have been referred because they do not have anything to do. They don't have an entrepreneurship awareness.

5.3. Recommendations for the Entrepreneurship Development Programme

- International Labour Organisation (ILO) thus is being rolled out by the NYDA programme has proven to be efficient and impact full, need to align with the technological aspects of the ILO standards
 - Online technology access for entrepreneurs training to limit travelling and five days out of work
 - Active training, and less manual implementation by limiting workbooks
 - Face-to-face online training and interactive learning online
 - Use of social media in an interactive way.



6. NYDA GRANT POLICY

The NYDA Grant programme model is constructed on the firm business development support ethos. Business development is a catalyst to young people attaining knowledge and growing their survivalist business to well acclaimed enterprises. The programme focuses on youth entrepreneurs who are intentional, nascent and new stages of enterprise development or which seeks to sustain or expand their business. The funding is advanced as a 'Grant'. Grant is a term used to define financial and non-financial support advanced to grantee.

The Grant programme includes Business Consultancy Services Voucher Support Services (referred to as BCSVP) which is a business support programme aimed at assisting young entrepreneurs by providing on-on-one business development support to access quality business development services through NYDA approved business consultancy service providers thereby enhancing their participation in the mainstream economy. The programme also provides young entrepreneurs with an opportunity to access, non-financial and financial business development support to establish or sustain their business. ***The programme comprise of two (2) delivery channels:***

- Business Consultancy Services
- Grant Funding

6.1. KEY FINDINGS OF GRANT POLICY

Poor Communication and Outreach - Most young people are not aware of the NYDA Grant especially in the rural areas. Below are they findings from the policy:

- Problems with service providers (turnaround times) – Voucher Programme
- Inadequate follow up from the branch offices (irregular/infrequent aftercare)
- Funding and support do not always meet business' needs
- Screening process
- Training is not tailor made
- Segment the applicants so that the ones with experience and skills to run a business can receive first and train and develop the ones who are not skilled

6.2. RECOMMENDATIONS FOR IMPROVEMENT

Rural communities, as noted elsewhere, appear to be uninformed about and accessible, to NYDA programmes. Below are the recommendations for improvement:

- Information dissemination, consistent messaging and management of expectations needs to be conducted.
- NYDA should be flexible and allow youth to apply at an office closest to them
- NYDA must appoint service providers who are real, experienced entrepreneurs to run the workshops, educate and empower the grantees because they have in away experienced what these grantees are experiencing
- Partnership and Networks - Assist with networking relationships, including within the NYDA network.
- Develop a comprehensive M&E Plan: There is a severe lack of evidence to show what is actually working amongst youth entrepreneurs within the programme.
- Pre-screening and gap identification: Applicants for grants appear to fulfil the requirements with regards to formal documents. It would be useful if they
- NYDA should investigate a possible need to upgrade training materials away from general and aligned to specific sectors
- Pre-Screening: This could be conducted prior to extensive plans drawn up. Idea generation workshops maybe useful at a very early stage

7. FINDINGS INSIGHTS AND RECOMMENDATIONS

There's a need to equip entrepreneurs with skills to run a business and a mindset that promotes creative thinking, problem-solving and an action-orientation.

- Train entrepreneurs to identifying venture opportunities to fund the idea, concept development and implementation of key steps to success
- Test the entrepreneur on the ability to plan and leverage on existing platforms for marketing, product development, resource mobilisation and associating with others.
- Conduct Impact assessment on environmental factors that are external and impact on the entrepreneur's lifestyle continuously
- Put entrepreneurship on the radar at a young age and start to make it a "real" career option from an early age youth should be exposed to what it means to be



an entrepreneur.

- We need to identify opportunities and innovative ways to integrate entrepreneurship & leadership into schools, technikons and university programmes.
- Develop an entrepreneurial environment that allows entrepreneurs to fail fast. Entrepreneurs in South Africa are failing slowly - we know this from our experience working with entrepreneurs and this is supported by the survey results.
- By embedding a culture of entrepreneurship where failure is seen as part of the journey and an opportunity to learn, we can make it easier for entrepreneurs to take risks and be open to failing.
 - Allow youth to experiment with entrepreneurship from school level.
 - Create a culture of transparency where failures in entrepreneur development programmes are shared openly.
 - Profile success stories showing that 'regular' entrepreneurs can get funding.
- Partner with activation organisations to conduct outreach programmes that equip entrepreneurs to be funding ready and educate them about the funding organisation, their processes and criteria for success.
- Profile successful female entrepreneurs & share best practice. It is evident that the focus on female entrepreneurs and initiatives in this regard are starting to bear fruit as we see the gap between male and female entrepreneurs starting to close slightly.
- Create platforms to showcase and celebrate successful female entrepreneurs.
- Continue efforts to support female entrepreneurs through innovative funding mechanisms, mentoring and women-specific entrepreneur programmes.
- Develop 'hubs' focused on the development of sector specific entrepreneurs.



8. CONCLUSION

The survey shows some concerning results in relation to align to best practice which is informed by a theoretical framework, research insights, reviewed policy and processes for sustainability of small businesses. There is a huge concern in terms of business needs, as the survey indicates that equipment and funding are most critical factors for a successful entrepreneur, in terms of organisation policy and processes, there is a need to fast track turn-around time related to funding and reduce tape. Most importantly the policy must take note of macro and micro factors when designing programme solutions for entrepreneurship.

The theoretical frameworks change from time to time,

due to emerging needs of young people which are not homogenous by nature. These changes compel organisation to review their policies from time to time in order to stay relevant and innovative.

Currently global space is already operating within the Fourth Industrial Revolution (4IR), and this may suggest that all effort by stakeholders should consider affording young entrepreneurship interventions that will support this new phenomenon. Furthermore, there is a need to inculcate entrepreneurship to those who are still in young age cohort. This could assist for future intervention, realisation of market future demand.



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