



**Nala – Partners for Entrepreneurship**

**92 Highway Road  
Fish Hoek 7975  
South Africa  
[www.nala-partners.co.za](http://www.nala-partners.co.za)  
[info@nala-partners.co.za](mailto:info@nala-partners.co.za)**

## **Nala - Partners**

### **Annual Report 2006/07**

#### **TO SERVE TO LEAD:**

**Supporting African women entrepreneurs  
in their quest to succeed**

**Dear Nala – Partners donors, friends and partners,**

it gives me great pleasure to submit to you our annual report 2006, highlighting activities and engagements during our fifth year of operation. We sincerely thank you for your commitment and ongoing support.

The awareness of entrepreneurship development as the engine for growth and transformation is well established in South Africa today. An estimated 2.5 million SMME's exist today of which 80% operate in the 'informal economy' (livelihood providers). Over the past years, many initiatives have been launched by the public and private sector and NGO's (often partnering with each other) to accelerate the development of SMME's (Small, Micro & Medium Enterprises).

Yet, according to the Global Entrepreneurship Monitor (GEM) entrepreneurship development in South Africa has been the lowest in emerging markets for some time.

*'Sound education and transformation take time and cost money. There are no shortcuts, particularly in a postcolonial situation. It is not possible to overcome centuries of disadvantage overnight. Developing skills, and harnessing practical experience take time to develop'; (paraphrasing Dr. Mamphela Ramphele, icon of transformation in South Africa).*

The critical role women entrepreneurs' play in South Africa has been widely accepted and supported. **"Women are the lifeblood entrepreneurs of South Africa"**, Center for Innovation and Entrepreneurship, UCT, 2006. Women entrepreneurs remain the dominant target group for Nala - Partners support programs.

We believe that many exciting opportunities exist. This is a good time for creating innovative models for enterprise development. By linking the global business management experience and knowledge of Northern economies with the enterprising zeal for obstacle management and creative solution building, the resilience and inter-personal relationship skills of Southern Africans, a uniquely complementing approach can be developed. It takes exposure of diverse mindsets to each other as well as dialogue and knowledge exchange. Nala – Partners are passionate about creating such value-adding joint ventures.

Nala – Partners have established a solid track record, underpinned by a number of successful projects amongst South African mainstream & community entrepreneurs. The experience we gained has helped us to optimize our support approach. Throughout the year, we focused on expanding specific business start – up and growth methodologies, which form the core component of the Nala business development toolkit ©.

Sincerely,

Elke Geising  
**Executive Director**

## 1. INTRODUCTION

### Background

Nala – Partners have been operating as a None Profit Organization (029-098 NPO; Tax registration: 2002/024639/08) since late 2002. Our mission has been: to serve to lead – supporting African women entrepreneurs in their quest to succeed.

Focusing on three main competency areas, consisting of Entrepreneurship Development, Transformation Leadership and Intercultural Dialogue, we have worked with over 80 potential and existing entrepreneurs, providing feasibility guidance, business start-up support, mentoring and coaching services as well as some seed financing. Much time was spent with candidates on reviewing ideas, their vision and motivation for selecting entrepreneurship as a source of income or modus for social impact. Additionally, we conducted business development and cultural diversity workshops and hosted visiting managers and donors during intercultural dialogue events.

### Nala – Partners e.V. Germany



Nala – Partners have been supported by their Board of Nala Germany and the Board of Nala South Africa, both registered and tax exempt social profit (NGO) organizations.

### Nala – Partners Board South Africa



Nala – Partners have been operated mostly by their founders with the support of board members, part time consultants, volunteers and interns. Funding was provided by private individuals and small entrepreneurs in Germany, the USA and South Africa plus donations from a corporate sponsor in SA. Our annual Christmas Letter 2006 fundraising campaign generated over 20,000 Euros, which enabled us to plan for expansion into 2007 with regard to enrolling new entrepreneurs, expanding our support capabilities and adding full-time staff to our organization.

## 2. ENTREPRENEURS WE WORKED WITH IN 2006/07



### **NOMTHUNZI TOWNSHIP TOURS**

Township tours have become popular, and Charlotte's walking tours in Masiphumelele offer a very special experience. We conducted a field and SWOT analysis to ensure that the quality of Charlotte's tour is excellent, especially in showing a real picture of life in a prospering township. Needing marketing support, we enrolled her in a workshop at CIE / UCT and have assisted her with forging important ties with tourism organizations.



### **SITHABE AFRICAN CRAFTS**

We are proud to report that we have started to prepare Sithabe for growth. We are supporting Mathokoza Nhlapo's business now for two years and our market and competitor analysis showed that Sithabe has the opportunity to position in a promising niche of handmade up-market products. To structure the growth, we spent several planning sessions with Mathokoza Nhlapo, the founder of Sithabe, focusing on sales, financial planning and supplier relationships.



Sithabe now sells its sophisticated crafts products to clients worldwide.

### **The Sithabe Supplier Network**

Over the past two years, Mathokoza Nhlapo, founder of Sithabe, developed a wonderful model of community support combined with enterprise development. Mathokoza met Ma Masangu, an expert crafter of the famous Ndebele beading tradition on Esselen Street in Pretoria where Ma Masangu was trying to sell her work.



Mathokoza caring for rural women and their tradition and generating income for them is what Nala – Partners is all about.

Mathokoza offered a deal to take Ma Masangu back to her village and family in order to establish a local crafting business that would allow the women crafters to work in their community, close to their families and earn a good income while proudly sharing the Ndebele beading skills with young upcoming entrepreneurs in their familiar environment.

To us this is a viable example of combining business objectives with a real concern for upholding traditions and fostering social cohesion. This approach of a sophisticated marketing expert like



### **MBONGENI TELECOMMUNICATIONS**

We have been supporting Mbongeni since early 2006 with business mentoring and start-up capital (loan). In the past, the challenge of running his own business and studying at the TSiBA University was too much for him to balance. We decided to cooperate with TSiBA Educations to analyze his business and develop a business model that allows Mbongeni to finish his studies while also running his business



### **LINGRA TOURS**

*Combining nature hiking with meaningful cultural learning*

Starting in October 2006, we assisted this team of three entrepreneurs with writing their business plan and helped them to finish their financial planning. They also needed a competitor analysis and several strategy meetings to focus on target customer groups. We plan to assist the group for the next phase, preparation for launch in 2007.



**NKOSINATHI WOMEN'S FARMING COOPERATIVE** *rural farming empowers women to start their own business thus uplifting their community*

We helped this cooperative of mostly women farmers who are cultivating 20 hectares of farmland to write a business plan. We received funding from donors in Germany for this first step of support. We

helped to write proposals, which have been submitted to the Department of Trade and Industry and to regional agricultural associations. We continue to seek funding support.

**ZIZAMELE CERAMICS**

A group of six community residents from Masiphumelele underwent pottery and ceramics training at False Bay College for a period of six months. Thereafter they enrolled in a 'learn and earn' program further developing their pottery skills while also already selling their products and starting their own company called ZIZAMELE Nala – Partners provided bursaries for 6 students during 2006 totaling 16,000 Rand. In parallel, we introduced sales opportunities and bought corporate gifts from the team.



**SMDS VETKOEK FACTORY**

During 2006 after supporting SMDS for two years, the business was sold to a chicken fast food company. Kaya Tsabalala, the founder decided to shift into her second business, a community funeral service offering family counseling as an added support. Nala – Partners advised with the sale of the company.

## JOZIKIDS

Since November 2006, when Merle Dietrich entered our portfolio her start up [www.jozikids.co.za](http://www.jozikids.co.za) made an amazing start. Her website went online early in 2007 after only 3 months of business development. During the first four weeks [www.jozikids.co.za](http://www.jozikids.co.za) attracted 140.000 page impressions which is a fantastic start. Merle has done a tremendous job marketing Jozikids and many families are using her directory in their daily planning. We conducted strategy workshops on her market entry, her pricing strategy and advertising approach. We also advised her on a number of legal issues.



We lead sessions with her in Joburg and spent many hours on e-mail and the telephone to guide her planning phase, including financial modeling, a competitor analysis and launch preparations. During the next phase, we will concentrate on strategic positioning and stabilizing operations: [www.jozikids.co.za](http://www.jozikids.co.za)

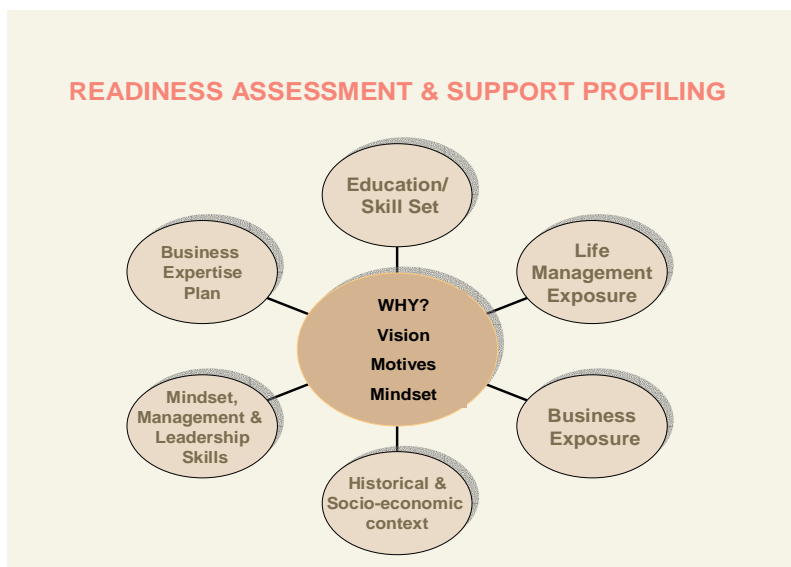
## MAWEHTU DEVELOPERS, MONT FRERE, EASTERN CAPE

Barbara Manata, founder of Mawethu Developers was introduced to us by the Cape Town office of the German – Southern African Chamber of Commerce late 2006. We conducted several feasibility sessions and helped with the development of an executive summary of the business and fundraising plans. Mawethu Developers plan to launch a major chicken breeding and marketing business involving local farmers in surrounding communities. The firm will build an abattoir in Mont Frere and market chicken in the Southern African region. Mawethu envisages creating over 1000 jobs in various Eastern Cape communities. In 2007 we enlisted the support of Peter Kraan Entrepreneurs to provide additional business planning support and jointly with Nala – Partners ongoing business mentoring.

### 3. METHODOLOGY AND TOOLKIT

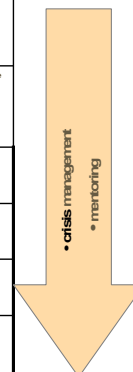
We worked on several business planning, marketing, sales and financial tools across our multifunctional support toolkit. We completed our feasibility assessment tool, linking it with the candidate's readiness, vision, values and motivation and deriving from this a roadmap for support to start a business or seek further training, development or a job.

A number of potential entrepreneurs received our business planning and mentoring guide, which helped them in their planning and start-up process. We also designed our own automated financial tool to simulate several scenarios for financial planning. This tool is used for a sensitivity analysis of different cost structures. Our entrepreneurs have now the possibility to see directly the impacts of several cost structures on their own business.



The Nala Toolkit © for a detailed view see: [www.nala-partners.co.za](http://www.nala-partners.co.za)

functions		marketing & sales	finance	organisation	personal growth	operations
Phases						
idea/ business plan	feasibility	Market analysis; Competitors analysis; Basic Sales & Marketing Plan etc	3-years Planning (Sol); Investment planning; Break-even analysis etc	Define roles & responsibility; Decide on legal form; HR planning etc	Define support needed	Define systems needs; Assess suppliers etc
preparation for launch		Create marketing materials; Detailed forecasting & planning etc	Open up bank account; Cash-flow management; Secure start-up financing etc	Register company; HR: searching, finding, selecting, employing; etc	Mentoring & Training set up	Front to back office integration etc
Launch	start-up	Mar-com plan & KPI's; Market roll-out;	Invoice and receipt processing; Set up controlling system etc	Set up office; Set up comm. & IT etc	Handholding	Bus. Proc. Architecture etc
Tuning		SWOT-analysis; Research & tracking etc	Tune financial processes; Tune controlling system etc	SWOT-analysis; Tune organisation etc	Regular sessions	Tune BPA etc
stabilization		Controlling product portfolio etc	Tune financial processes; Tune controlling system etc	HR development etc	Ongoing training	Controlling performance etc
looking for growth	growth	Market analysis; Competitors analysis; Sales & Marketing Plan etc	Investment planning; Financing; Cash-flow management etc	Assess legal form; Assess organisational structure; Profiling etc	Assessing readiness	
Implement						
Tuning						
Stabilization						





#### **4. THE NALA – PARTNERS TEAM**

During the fourth quarter of 2006, we worked with Carsten Boehlhoff (volunteer), a business executive from Germany, to develop plans for Nala – Partners expansion. In that process, we analyzed past projects, identified where we are today and where we want to be in future. We examined entrepreneurs and projects that are and have been supported in the past. We identified success stories and also examined problems which had to be solved, obstacles which had to be overcome and failures experienced in the process. We gathered valuable information which we call „Lessons Learned“. They have informed our planning for the way forward and influenced our positioning of service delivery.

Bongile Bokwana joined our team (staff) in January 2007 as a consultant with a special focus on community entrepreneurship development and training. Bongile has worked for the past four years as entrepreneurship development assistant, supporting a number of township entrepreneurs in the community of Masiphumelele, WC. Lukas Dopstadt is a successful entrepreneur from Germany who volunteered three months of his time.

#### **5. KNOWLEDGE EXCHANGE AND INTERCULTURAL DIALOGUE**

Throughout the year we built bridges between enrolled entrepreneurs and international visitors. Some visitors bought products, participated in tours and made donations to projects, they were introduced to by the entrepreneurs. Charlotte from Nomthunzi Township Tours for example, introduced German visitors to an Aids orphanage in Masiphumelele and secured a major donation by the visitors for the orphans (over 200,00 Rand). On another occasion, we introduced visitors to the Saturday School ASSET, which tutors township youth for passing their High School exams. Here too, intercultural bridge building lead to bursaries for five students to enroll in university programs.

We arranged for ZISAMELE crafters to sell their ware at various conferences and weekend markets, generating valuable income and international exposure. Early during the year, we conducted an inter-cultural competency workshop for German and South African Managers in co-operation with the German - Southern African Chamber of Commerce. Additionally, Nala – Partners were invited by Phambili Strategies to conduct intercultural competency and diversity workshops for women managers at MNET, a South African multi-media company.

We continued throughout the year to work closely with EDUCO Africa, a leadership and transformation development organization. We lead several strategy development workshops with the EDUCO Board to position in a changing service environment. At the beginning of 2007 we forged a link with the Centre for Innovation and Entrepreneurship at the University of Cape Town, enrolling staff and entrepreneurs in their business education workshops.

## **6. NALA – PARTNERS FINANCIAL SUMMARY**

During 2006, we operated on a lean budget being diligently supported by our board members (pro bono), interns and volunteers. We are especially grateful for the donations from individuals the world over and small companies who gave generously and for whom contributions of the magnitude they made represent a deep personal commitment and perhaps also some sacrifice. These kind gestures ‘are the wind beneath our wings’ and keep us going and growing.

### **Income Statement:**

Donation and workshop income:	325,022 Rand
Expenses including grants, project expenses and overhead:	291,327 Rand
(Loss) Profit before taxation*:	33,528 Rand

\* Nala – Partners are tax exempt

The Executive Director / founder worked pro bono for Nala – Partners during this fiscal year and so did select board members and volunteers. They generated personal income through independent sources. Staff received salaries (starting in January 2007) commensurate with NGO remuneration.