



Seda 2023/24 Quarter 1 Performance

Meeting: Portfolio Committee

Date: 06 September 2023

Presenter: Mr. N Mbatha



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Presentation Outline

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Performance Information

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Introduction

- The report highlights the organisation's performance for the first quarter of the 2023/24 Financial Year.
- In this financial year the organisation will be monitoring its performance on 24 indicators.
- In the first quarter 16 indicators were due for reporting
- The organisation achieved 100% or more on 13 indicators.
- This performance reflects an organisational achievement of 81%.

The organisation underperformed on 3 indicators and the margin of performance varied as follows:

- One indicator was achieved between 80% to 99% category:
Number of SMMEs and Cooperatives supported to participate in local markets.
- One indicator was achieved between 50% to 79% category:
Number of SMMEs and Cooperatives supported with training, mentorship and coaching.
- One indicator was achieved below 50% category:
Number of SMMEs and Cooperatives supported through trade missions.



Performance Overview



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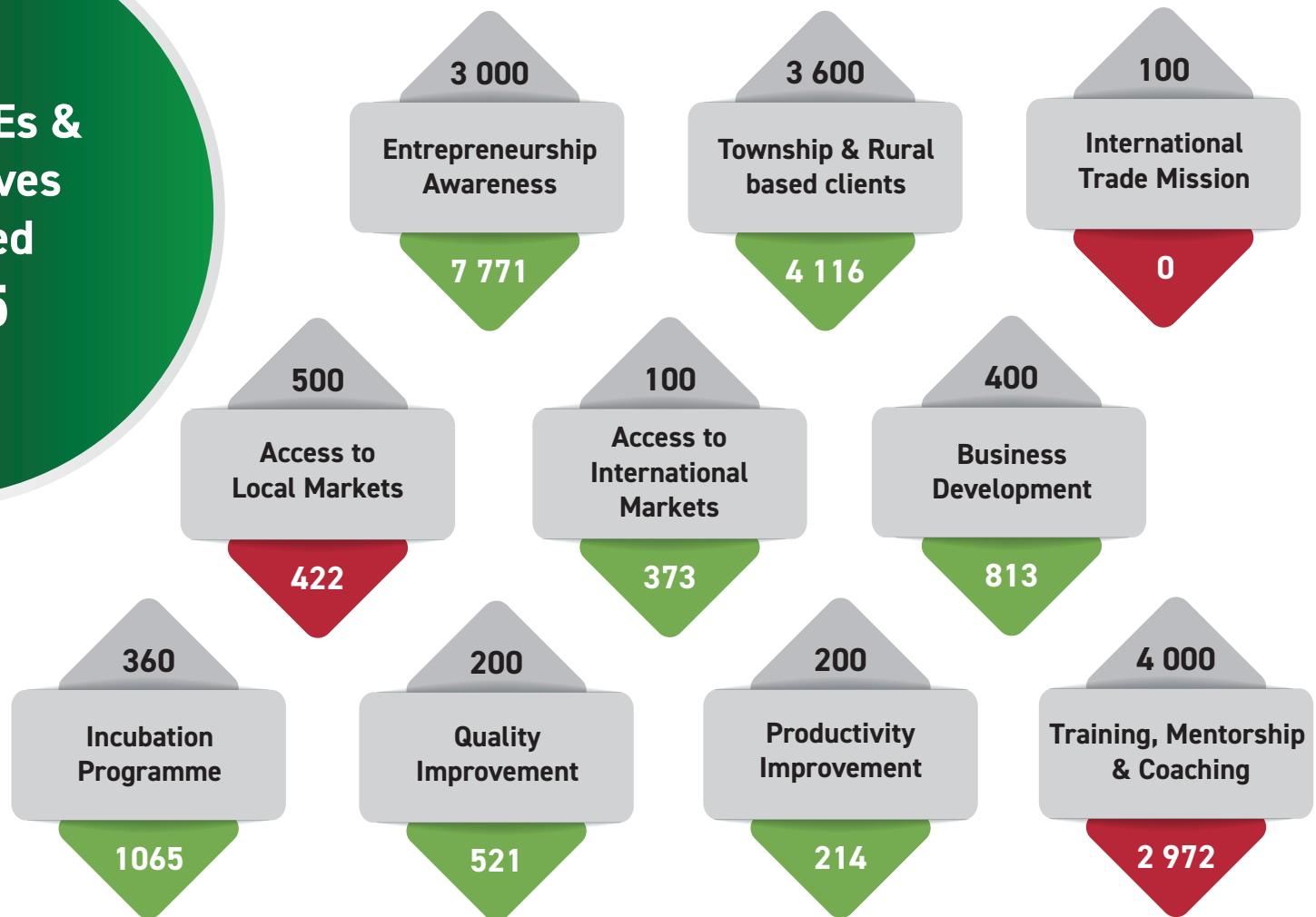
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Performance Overview

Total SMMEs & Cooperatives Supported
20725



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Performance Overview



Jobs Created - 1010
Jobs Sustained - 2 172



Turnover Increase
Above 5% - 252



Scale Up
SMMEs - 6



Customer
Satisfaction - 96%



Seda Branches - 53
Incubation Centres - 110
Seda Access Points - 52
Seda Colocation Points - 57



Vacancy Rate - 7%



Client Profile
SMME - 98%
Coops - 2%



Focus Groups
Black 88.3%, Coloured 10.8%
Indians 0,6%, White 0,4%



Client Category

Female: Target 3600, Achieved 4690

Disabled: Target 630, Achieved 302 and Youth: Target 2700, Achieved 2771

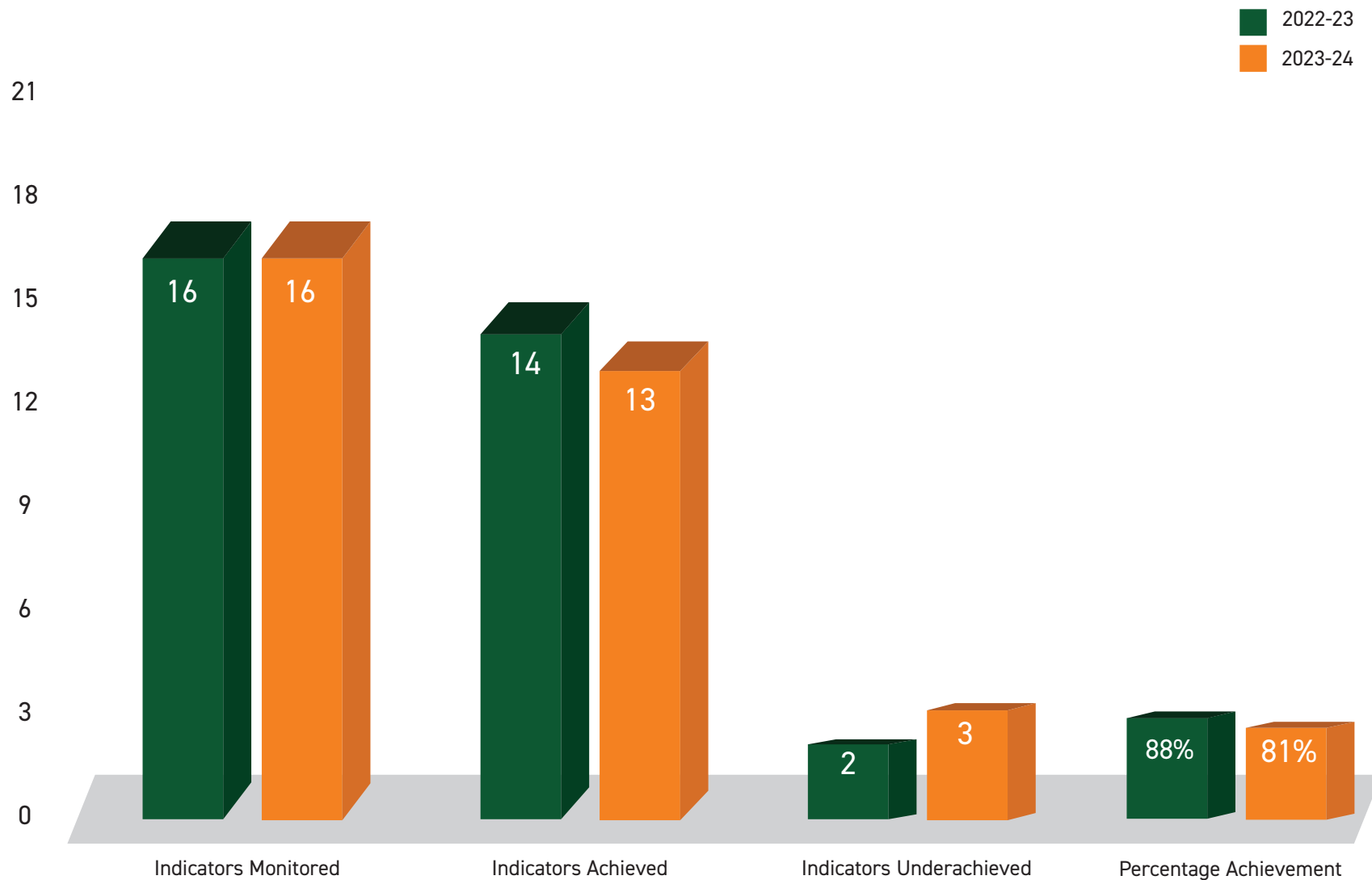


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Performance Overview





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Performance Information

Programme 1: Enterprise Development

	Annual Targets	Q1 Target	Q1 Achievement	Q1 Variance	Corrective Measures	YTD Target	YTD Achievement
Number of people who attended entrepreneurship awareness sessions	20 000	3 000	7 771	4 771	None	3 000	7 771
Reason for Variance: Target exceeded due to more briefing and outreach sessions that took place during the quarter.							
Number of township and rural based business supported with non-financial business development	86 000	3 600	4 116	516	None	3 600	4 116
Reason for Variance: The leads that were generated in the previous quarter were now assisted with various interventions.							
Number of SMMEs and Cooperatives supported to participate in local markets	2 500	500	422	-78		500	422
Reason for Variance: Some of the partnerships for ESD couldn't be implemented in Q1. Provinces are also finalising the hosting of the Pop-Up markets with municipalities and private sector stakeholders.							
Corrective Measure: All Provinces will roll out their Pop-Up markets in Q2. More SMMEs that are being assisted through ESD partnerships will be reported in the next 2 months.							
Number of SMMEs and Cooperatives supported with international markets readiness interventions	500	100	373	271	None	100	373
Reason for Variance: A significant number of clients who participated in tradeshows, export awareness and international trade webinars.							



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Performance Information

Programme 1: Enterprise Development

	Annual Targets	Q1 Target	Q1 Achievement	Q1 Variance	Corrective Measures	YTD Target	YTD Achievement
Number of SMMEs and Cooperatives supported through trade missions	500	100	0	-100		100	0
Reason for Variance: Budget was approved at the end of May, which didn't leave enough time for call for applications & procurement. The Embassies that were identified by DSBD & Seda as potential partners in the 1st quarter were available for virtual events.							
Corrective Measure: Exhibitions & missions are planned for Quarter 2. FACIM (20 SMMEs) Milan Fashion Week (10 SMMEs), Free Food Dubai (20) BRICS Summit exhibition (40)							
Number of SMMEs and Cooperatives supported with business development	2 000	400	813	413	None	400	813
Reason for Variance: The leads that were generated in the previous quarter were assisted with various interventions							
Number of SMMEs and Cooperatives supported in priority sector with non-financial business development to scale-up their business	50	-	6	6	None	0	6
Reason for Variance: Some of the branch clients that needed support were in this sector.							
Number of SMMEs and Cooperatives supported with training, mentorship and coaching	20 500	4 000	2 972	-1 028		4 000	3 019
Reason for Variance: Some of the procurement couldn't be finalised on time.							
Corrective Measure: More training, mentorship and coaching support are planned for the next quarter. The partnerships with the MerSeta, W&R Seta and NSF will also contribute towards this indicator.							



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Performance Information

Programme 2: Technology Programme

	Annual Targets	Q1 Target	Q1 Achievement	Q1 Variance	Corrective Measures	YTD Target	YTD Achievement
Number of SMMEs & Cooperatives assisted through Incubation programme	1 800	360	1 065	705	None	360	1 065
Reason for Variance: A targeted number of clients were enrolled into the incubation programme.							
Number of SMMEs & Cooperatives assisted through the Technology Transfer Assistance Programme	50	-	-	-	None	0	0
Reason for Variance: Not due							



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Performance Information

Programme 2: Impact & Sustainability Programme

	Annual Targets	Q1 Target	Q1 Achievement	Q1 Variance	Corrective Measures	YTD Target	YTD Achievement
Number of SMMEs & Cooperatives assisted with Quality improvements	1 000	200	521	321	None	200	521
Reason for Variance: Training focusing on Quality Management Systems & HACCP took place and QMS training were facilitated during the quarter.							
Number of SMMEs & Cooperatives assisted with Productivity improvement	1 000	200	214	14	None	200	214
Reason for Variance: The organisation was able to support clients who needed productivity improvement support.							
Number of SMMEs & Cooperatives whose turnover has increased by 5% per annum	700	150	252	162	None	90	252
Reason for Variance: More improvement assessments were conducted during this quarter, whilst more businesses reported an increase in turnover steadily recovering after the lockdowns, unrest, and natural disasters.							
Number of jobs created	4 500	900	1 010	94	None	900	1 010
Reason for Variance: The main focus has been large-scale businesses, and they have contributed to high number of new jobs created.							
Number of jobs sustained	8 000	1 500	2 172	672	None	1 500	672
Reason for Variance: The high number of jobs sustained is a result of the number of interventions implemented with most of the assessed businesses focusing on retaining jobs due to the economic climate.							



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Performance Information

Programme 3: Administration

	Annual Targets	Q1 Target	Q1 Achievement	Q1 Variance	Corrective Measures	YTD Target	YTD Achievement
Percentage of innovative ideas implemented	40%	-	-	-	None	-	-
Reason for Variance: Not due.							
Number of priority systems digitised	1	-	-	-	None	-	-
Reason for Variance: Not due.							
Percentage of Seda brand awareness	65%	-	-	-	None	-	-
Reason for Variance: Not due.							
Percentage stakeholder satisfaction	85%	-	-	-	None	-	-
Reason for Variance: The target was exceeded due to positive feedback from clients.							
Percentage of customer satisfaction	85%	85%	96%	11%	None	85%	96%
Reason for Variance: Continuous and improved service excellence.							



Performance Information

Programme 3: Administration

	Annual Targets	Q1 Target	Q1 Achievement	Q1 Variance	Corrective Measures	YTD Target	YTD Achievement
Percentage of employee satisfaction	55%	-	-	-	None	-	-
Reason for Variance: Not due.							
Percentage of vacancy rate	10%	10%	7%	-3%	None	10%	7%
Reason for Variance: Not due.							
Percentage of staff who performed at 311 & above in the performance evaluation recognized for excellence	60%	-	-	-	None	-	-
Reason for Variance: Not due.							
Percentage implementation of the Ecosystem development plan	70%	-	-	-	None	-	-
Reason for Variance: Not due.							



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Human Resource Report



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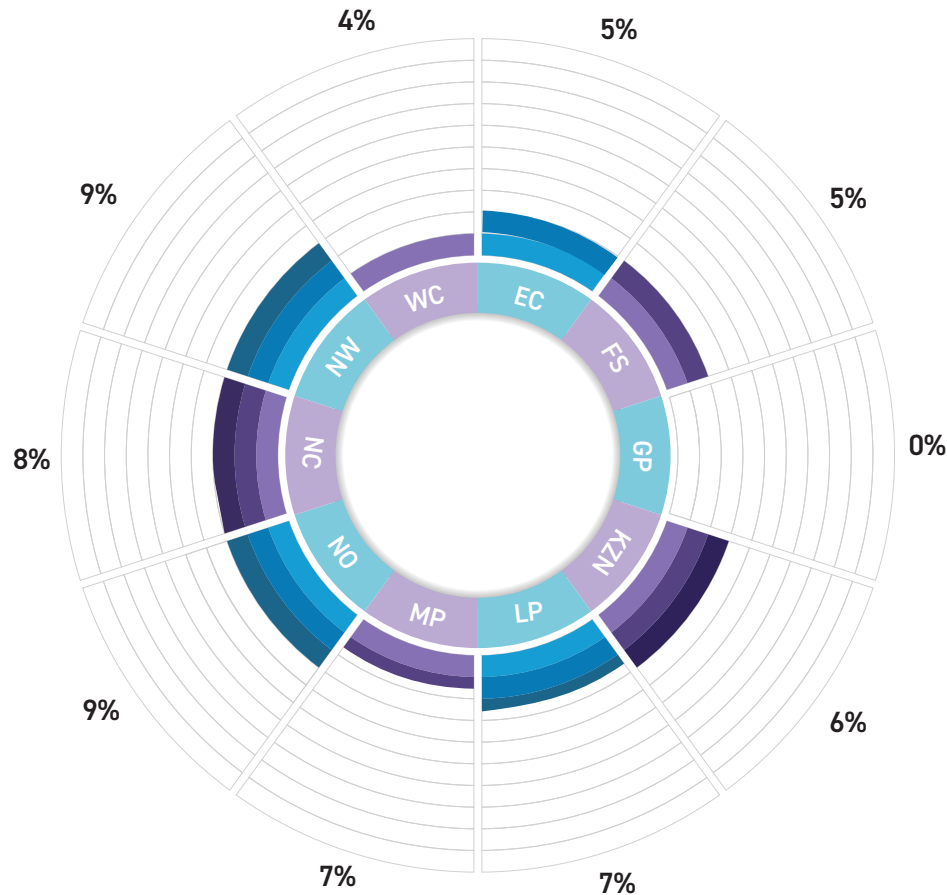
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Human Resource **Vacancies**



- The total approved structure - 713
- The total number of staff as of the end of June 2023 was 663
- The vacancy rate as of the end of June 2023: 7%

Human Resource Workforce Profile

- Total Headcount is 663 as at 30 June 2023
- Core Business Function: Enterprise Development Division (EDD) and Seda Technology Programme (STP)
- Support Business Functions: Corporate Services, Finance, Risk and Compliance, Internal Audit, Stakeholder Relations and PR, Legal Compliance, and Governance

Core 82% VS
Support 18%
Functions



Permanent 79%
VS Fixed Term
21% Employee



Employees with
Disabilities
Females 3% VS
Males 1%

Gender Profile
Female 59%
Male 41%



National Office
27% VS
Provinces 73%



Workforce Racial Profile: African 573, Coloureds 55, Indians 8, White 23, Foreign Nationals 4



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Financial Report

Budget for 2023/24

The total revenue budget for Seda for the **2023/24 financial year amounts to R1,195 million** and, the total expenditure budget amounts to R1,195 million (including capital). The total include **R235,78 million** from the National Skills Fund (NSF).

2022/2023 Annual Budget		R 'million
Revenue	Department of Small Business Development (DSBD)	843,558
	Interest Received	7,000
	Sundry Income	17,935
	Provincial Governments	9,276
	Local Governments	3,571
	DSBD Specific Projects	53,286
	Specific Projects	260,402
	A - Total Revenue	1,195,028
Expenditure	Personnel Costs	389,104
	Administration	176,221
	Programme and Project-Related Costs	606,009
	Depreciation	16,466
	B - Total Expenditure	1,187,800
SUB-TOTAL (A-B) Loss as per Income Statement		-7,228
C - Capital Expenditure		7,228
TOTAL (B + C)		1,195,028



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Financial Report

Expenditure Split of Core Vs Support Functions (Q1)



Core:
R198,540 million

Core:
75%

Core:
90%

Support:
R21,741 million

Support:
25%

Support:
10%

Seda's target is to allocate 75% and above on the core and 25% to support.

Financial Report

Financial Report For Quarter 1

Details	Annual Budget 2023/24	YTD Budget 2023/24 (Apr - Jun 2023)	Actual expenditure (Apr - Jun 2023)	Variance	% under / (over)
Personnel costs	R 389 104 189	R 98 816 465	R 95 749 931	R 3 066 534	3,10%
Administration, projects and programme costs	R 782 229 727	R 128 997 813	R 120 751 414	R 8 246 399	6,39%
Depreciation	R 16 466 413	R 3 445 744	R 3 007 334	R 438 410	12,72%
Capital Expenditure	R 7 228 200	R 848 300	R 773 264	R 75 036	8,85%
TOTAL	R 1 195 028 529	R 232 108 322	R 220 281 942	R 11 826 380	5,10%

- The expenditure for the quarter 1 (April - June), amounted to R220,28 million against the budget of R232,11 million, resulting in underspending of 5.10%.
- The spending of the Quarter 1 is 94.9%. The projects that underspent will catch-up in the next quarters.
- 99,9% of the invoices (2 552) were paid within 30 days. Four (4) invoices amounting to R6 280 were paid late and the consequence management was implemented.

Financial Report

Financial Report For Quarter 1

Explanation of variances:

Personnel costs – The variance of 3,10% in the first quarter is mainly due the vacancies to be filled. Critical vacancies appointments are in progress.

Administration, Project and Programme – Underspensing of 6,39% due to programmes and projects starting later than anticipated. These include the international event for export development, which will catch-up in the next quarters.

Depreciation – Under by 12.72% . This is non-cash transaction, however caused by underspensing of CAPEX.

Capital expenditure – Underspensing of 8.85% is due to ordered items receivable in Quarter 2.

The overall expenditure for the quarter is an underspending is 5.10%.



Financial Report

Expenditure Per Provinces Only (Apr – Jun 2023)

Province	YTD Budget - R	YTD Expenditure - R	Variance - R	Variance %
Eastern Cape	35,095,915	34,674,480	421,435	1.20%
Free State	15,960,094	15,729,072	231,022	1.45%
Gauteng	20,194,972	20,025,888	169,084	0.84%
Kwa-Zulu Natal	24,007,453	23,985,605	21,848	0.09%
Limpopo	16,662,124	16,810,646	(148,522)	-0.89%
Mpumalanga	16,719,274	16,666,518	52,756	0.32%
Northern Cape	14,154,276	14,106,731	47,545	0.34%
North-West	14,543,472	14,497,558	45,914	0.32%
Western Cape	21,293,293	21,024,805	268,488	1.26%
Total	178,630,872	177,521,303	1,109,569	0.62%

The provinces have spent 99.38% of their budget in Quarter 1, resulting in a 0.62% minor underspending.



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Financial Report

Ag – Audit, The Findings and Remedial Actions

Seda has achieved the Unqualified Audit opinion, with the below main findings.

Seda was able to resolve the key findings raised by AGSA in past year, however the Performance Information findings were raised, as the entity was in the process of implementing the Client Information and Operation management system, whereby clients information will be captured at the branch level. **Action: The Go-live of the system is planned for the second quarter of 2023/24.**

The findings relating to APP measurement and definitions.

Action: Management to review and ensure that APP guideline and methods of calculations are well-defined and measurable.

Other major findings are relating to the Incubators, mainly the implementation and monitoring the deliverables as per the MoA.

Action: The entity is reviewing the MoA with the incubators and amending the clauses that were inappropriate and costly to implement. The addendum to be entered into with the incubators in 2023/24 financial year.



Governance & Compliance



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Governance & Compliance

Board Priorities (April – June 2023)

- | | | |
|---|---|------------------------------------|
| • Board meetings | 1 | 30 May 2023 |
| • Strategy and Organisational Performance Committee | 1 | 28 April 2023 |
| • Audit and Risk Committee | 1 | 25 May 2023 |
| • Human Resources and Remuneration Committee | 1 | 25 April 2023 |
| • Social and Ethics Committee | 1 | 17 May 2023 |
| • Amalgamation Committee | 1 | 19 June 2023 |
| • Incubation Committee | 2 | 3 May 2023 (Special), 29 June 2023 |



Governance & Compliance

Board Priorities (April – June 2023)

During the period under review the Board held 1 meeting. The Board approved the following Policies to enhance operational efficiency:

- Audit Strategy and Engagement Letter
- Draft Annual Financial Statements
- Annual Performance Report
- Budget of 2023/2024
- Finance and Supply Chain Management Quarter 4 Report
- Review of the Supply Chain Management Policy
- Strategic Risk Register
- Review of the Risk Management Policy
- 2023-2024 Prioritised Acts
- Review of the Delegation of Authority



Marketing & **Communication**



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Marketing & Communication

Events support provided to Seda divisions and the DSBD

DSBD

Portfolio Committee on Small Business Development, Eldorado Park, 14 April 2023.

Ministerial Imbizo at Rockville (Elkah) Stadium in Soweto, 04 May 2023.

EDD

SAITEX, Gallagher Convention Centre, Midrand 18/20 June 2023.(etc)

STP

Green Principles Webinar (Productivity SA), 24 May 2023.

Conformity & Quality Forums: Role of SABS in Product Testing Webinar, 15 June 2023(etc)

Other Events

Provincial offices

22 x provincial events supported

Generic marketing

7 x Events initiated by the CCM unit

Audio Visuals

Seda Talk

Manufacturing Talk – Workers Month video clips by Provincial Managers: Koenie Slabbert and Colin Leshou and shared on You Tube.

Other events covered

8x Events photographed/video graphed for social media.

14x success story videos done

Publications

Content collation for semester 1 edition of the Imbadu newsletter is in progress.

Reviewing and updating of Seda EDD Programme brochures is ongoing.

SMME and Cooperatives portal(Ipapatse)

SMME and Cooperatives portal has been developed .Undergoing testing and will go live as soon as all technical requirements have been met.

Seda website

Design (wireframe) was finalised and migration process to Microsoft 365 is in progress.

Audiovisual Communication & websites

Brand Management

Brand Management

- 201 graphic designs were created (162 elements for the National Office and 48 creatives for the provinces)
- Audiovisual and graphic content developed are continuously shared with the Brand Advocates to share on their social media platforms.
- The Brand Style guide/CI has been updated and finalized and have been posted on Phalafala.
- Brand style guidelines workshops were conducted with the provincial marketing specialists in Gauteng and Free State.
- The 2nd phase of the internal brand marketing campaign, “My Seda My Brand My Pride” will start in the 2nd quarter with the theme, “Here for Entrepreneurs –Seda S’la”.
- Creative concept and plan for a digital marketing campaign completed – implementation in Q3



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High Impact PROJECTS



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High Impact **Projects**

Project/Targeted sSport as well as Project Focus/Outcomes

South African Furniture Initiative (SAFI) Programme

SAFI has identified youth artisans for business development support. Seven (7) SAFI clients attended Decorex CT, which took place from 22 to 25 June 2023 at the Cape Town International Convention Centre (CTICC). Seda WC Provincial Office fully sponsored these clients' exhibition stands. The Seda practitioners will be working with these clients going forward to ensure continuity and business support for these clients.

Moloto Development - Gauteng

Seda Gauteng signed a partnership agreement with Matelot Properties on the 30th of March 2023 to support the development in and around the Moloto City Mall which was acquired by Matelot recently. Matelot has identified the area as being underdeveloped and whilst their focus is on making the Mall and its surroundings a viable retail undertaking, they also acknowledge the need for social and economic development in the region. Matelot, therefore, approached Seda to form a partnership that will encompass several issues, not limited to the following:

- Identification and provision of business development support and business skills training to local entrepreneurs.
- Office and training space to allow Seda the opportunity to consult with local entrepreneurs.
- Provision of retail and advertising space to relevant small enterprises.
- Hosting of an annual market to showcase local small enterprises.

Bhelisa Mining JV - Mpumalanga

Seda Ehlanzeni Branch facilitated the establishment of Bhelisa Mining JV with other partners consisting of 21 members. The business was formed to blast, crush, and screen dolerite for building roads and construction. Crusher sand will also be produced and supplied to the precast concrete-making industries. Seda will support the business with QMS/SABS approval, business linkages, marketing, mentoring with technical and legal aspects of the business, financial management, and market research for cement manufacturing. The Branch continued with Project Management and the first tranche of payment for policy development and training was submitted for payment. The Service Provider continues with the remaining deliverables.



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THANK YOU





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