

**SUBJECT:               ESKOM DEVELOPMENT FOUNDATION :  
                              ESKOM SMALL BUSINESS DEVELOPMENT EXPO.**

Herewith a brief background of this initiative to date:

## **1.     Background**

### **1.1     The Eskom Development Foundation**

The Development Foundation is a wholly owned subsidiary of Eskom, which incorporates and integrates the corporate social investment (CSI) initiatives of Eskom. For the second consecutive year, the Development Foundation was rated as having the most hands-on approach to corporate social investment, making the strongest contribution to development in the State-owned enterprises sector and was rated the most caring company in South Africa and amongst the top five since 1994.

It is a major player in the sector of social and economic development. Its target groups include rural women, youth and people with disabilities. Grants are considered for income generating community-based organisations, as well as small, medium and micro enterprises. This sector plays a critical role in economic growth, the eradication of poverty, job creation and the level of investment by the Development Foundation.

### **1.2     The 2004 Eskom Small Business Development Exhibition**

Eskom initiated the expo in 1997 with the intention of sponsoring an event that has a broad impact in stimulating entrepreneurship and contributes to the development of small, medium and micro enterprises with a view to enhancing the country's future economic prosperity and employment opportunities. An exhibition is a versatile marketing medium which represents the marketplace in one place and time and provides an ideal opportunity for exhibitors to launch new products, generate media coverage, build brand awareness, generate leads and interact with customers.

### **1.3 Objectives:**

- Providing an opportunity for SMMEs from previously disadvantaged backgrounds to showcase their goods and services with a view to forming linkages with big business.
- Creating an opportunity for the Eskom Development Foundation and relevant Eskom departments such as Procurement, to interact direct with the SMME markets.
- Contributing to a "one stop" opportunity where all supporting services are available to inter alia grantmakers, financial institutions, trainers, Government departments and business consultants
- Exposing visitors to affordable business opportunities in the form of franchises, direct marketing opportunities, new dealership opportunities as well as ideas for home industries and micro businesses.
- Exposing available technology and equipment for small enterprises.
- Exposing visitors to Eskom's corporate social investment commitment through the work of the Eskom Development Foundation.

### **1.4 Achievements to date:**

Since its inception in 1997, the attendance of the Eskom Small Business Development exhibition has shown phenomenal growth:

Some 2 000 visitors attended the expo in 1997, 4 000 in 1998 and over 4 500 in 1999. Although the 2000 Expo attracted rather less visitors (about 2 500), this is attributed to the general economic climate at the time and reduced advertising spent on the event. No exhibition took place in 2001 however, the 2002 event was considered extremely successful with 5 700 visitors attending the exhibition.

Being part of the Business Week, and one of the accredited World Summit events, there were also numerous international visitors to the 2002 event. These included the following countries: Bosnia/Herezegovina, Botswana, Canada, Gabon, Hong Kong, Ireland, Israel, Kuwait, Lesotho, Namibia, Netherlands, Nigeria, Swaziland, Sweden, USA, United Arab Emirates and Zambia.

Generally, the exhibitors are extremely positive and based on random feedback by the visitors; the event appears to be extremely well received. The "Global Village" flavour of the 2002 event, which took place during the World Summit resulted in several of the exhibitors obtaining international contracts.

The 2003 event built on the NEPAD initiative and the Eskom Small Business Development Exhibition had a record number of 11 279 visitors to the 117 SMME exhibitors.

During the 2003 expo, statistics on the visitors' profile revealed the following:

- 36,45% of visitors were employed
- 19,23% were self-employed
- 24,58% of visitors own their own businesses and
- 3,85% of visitors were unemployed

The 2004 event was extremely successful. An opportunity was created by the Development Foundation for 113 historically disadvantaged SMME companies to exhibit, as well as 18 provincial projects and four Eskom departments. (135 exhibitors in total). The 2004 target of 120 subsidised exhibition stands (of 4,5 square metres each) was exceeded by 24 stands this year.

The event was well publicised and there were 10 907 visitors that attended the exhibition over the four day period. Feedback from our provincial projects indicated that they were extremely grateful for the opportunity and found the event most beneficial.

Visitor statistics at the 2004 event indicate that: (2003 figures in brackets)

- 43,72% of the visitors were employed (36,45%)
- 38.85% were self-employed (19,23%)
- 8.64% unemployed (3,85%)

Mr Reuel Khoza was one of the key speakers the cocktail event which took place on the evening of the first day, alongside Mr Ignatius Jacobs, MEC for Roads and Transport, Gauteng.

The Eskom Development Foundation Board have agreed in principle to the continued funding of this project in 2005.

### **1.5 Feasibility:**

The popularity of the exhibition and positive attitude of the exhibitors and visitors indicates a need for an event of this nature, which addresses the aspirations and needs of prospective entrepreneurs and existing small businesses who wish to expand or diversify. Small business opportunities are not confined only to those at the forefront of technology. The market for the innovative use of traditional skills is also potentially huge. When harnessed to a working business plan, skills such as baking and beadwork, cooking and carpentry, sewing and sculpting can be lucrative income earners. A number of franchises are suitable for start-ups and business opportunities abound in the areas of art, car exhaust replacement, car window engraving, confectionery manufacture and dressmaking, amongst others.

### **1.6 Benefits to visitors:**

- One-stop shop for small business ideas, opportunities, CSI managers, financial loan institutions and support services
- Direct one-on-one access to companies offering the above services or business opportunities
- Exposure to the Eskom Development Foundation and to other Eskom departments participating
- Exposure to other events running concurrently at the same venue
- Opportunity to network with existing small business entrepreneurs that are already established
- Opportunity for Procurement staff to establish linkages with a view to expanding their databases of BEE service providers / suppliers.

### **1.7 Benefits to exhibitors:**

- Marketing of their business opportunity, machinery, services to the appropriate market
- Exposure for small businesses from previously disadvantaged backgrounds and an opportunity to establish trade linkages with company buyers
- Opportunity to forge linkages with possible service providers and thereby strengthen a company's BEE procurement endeavour
- Government initiatives can demonstrate their commitment to SMMEs
- Exposure of companies involvement or support to the SMME sector - financial institutions and corporate social investment managers.

Sponsored and subsidised by the Eskom Development Foundation, the Eskom Small Business Development Expo provides the opportunity and the platform for previously disadvantaged small, micro and medium enterprises and entrepreneurs to showcase their goods and services with a view to forming links with business. The Expo is also the platform for the Eskom Development Foundation as well as other Eskom departments to interface directly with SMME markets.

The criteria for participation: SMME Enterprises / Entrepreneurs from previously disadvantaged backgrounds.

### **1.8 Exhibitor profiles:**

- SMMEs Enterprises / Entrepreneurs from previously disadvantaged backgrounds
- Eskom Development Foundation
- SMMEs who had received development grants from the Eskom Development Foundation
- Eskom Departments related to the SMME market

### **1.9 The 2005 Event:**

Approval has been given by the Eskom Development Foundation board to the funding of the event again in 2005.

Negotiations to date indicate that this will once again take place at Gallagher Estate, the proposed dates being from Thursday 8 September to Sunday 11 September 2005.

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