

New initiative to focus on youth and women-owned SMEs

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The Jobs Fund, a R9 billion fund established by the South African Government to facilitate sustainable employment amongst previously disadvantaged South Africans, youth and women, recently announced an innovative project with Black Umbrellas.

This partnership will drive sustainable inclusion in South Africa's small and medium enterprise (SME) sector by integrating skills development and practical business mentorship with an online application that will offer virtual support to a broader cohort of entrepreneurs.

Black Umbrellas, previously known as Shanduka Black Umbrellas, is a business incubator addressing the skills, finance and market-access challenges faced by SMEs in South Africa. The Jobs Fund has partnered successfully with Black Umbrellas in the past and is happy to announce a new project that will focus predominantly on youth and women-owned SMEs.

This year, working with numerous partners, the R107.9 million project will see Black Umbrellas further its business development support programme in which 100% black-owned SMEs will receive support services via Black Umbrella's ten incubation offices and through a virtual incubation support app.

The Jobs Fund and Black Umbrellas recognise that in an increasingly digital world, the demand for online training and support for SMEs is growing exponentially. SME incubation and support centres tend to be located within urban areas.

"By offering virtual support we are closing the geographical divide between rural and urban locations which will result in more inclusive access to enterprise development services," Najwah Allie-Edries, head of The Jobs Fund.



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“Youth who actively wish to pursue entrepreneurship, but are based far away from the physical incubation centres, can be supported in their ventures through the Black Umbrellas web-based application”, she adds.

Fundamental to the success of the Black Umbrellas intervention is their tiered support process, where participating entrepreneurs transition and bolster their business through successive levels of activation. After the initial SME/entrepreneur selection process, programme activation begins with a pre-incubation phase (3 months), followed by full business incubation (3 years) through to graduation. The proposed project is a scale-up of this existing support model and the plan is to integrate the Black Umbrellas business development programme with the virtual app.

3 types of support will be offered to SMEs/entrepreneurs

1. **Resident Support:** Participating SMEs/entrepreneurs are housed at the incubation hubs. These SMEs have access to the Black Umbrellas offices, office space, the internet, face-to-face training and business mentors.
2. **Remote Support:** Participating SMEs/entrepreneurs have their own office premises but require assistance with access to procurement, finance and networking, and skills development.
3. **Virtual Support:** Participating SMEs/entrepreneurs are supported through a Web-Based Virtual Application. These SMEs will have access to a cloud-based system that will provide virtual incubation and online mentoring.

The Jobs Fund and Black Umbrellas partnership, which kicked off on 1 October 2019, is set to create 1,432 new permanent jobs and train 2,400 people.

Black Umbrellas is working towards ensuring that 40% of participating SMEs are youth-owned, 50% women-owned and at least 5% are owned by people living with disabilities.

Significantly, the R107 million leveraged by the Jobs Fund and its new partnership with Black Umbrellas demonstrates the immeasurable value of building the right partnership ecosystem, skills and resources. This is fundamental in, “equipping and empowering SMEs to overcome hurdles to development while effectively accessing real market opportunities,” concludes Allie-Edries.

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