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This issue, in a nod to the power of reality TV, we chat to SABC 2’s Big Break Legacy winner Graham Rowe (p6) who tells us about the serious business chops required to win. There were some tough moments and great competitors, but also some great business lessons to be learnt.

Elsewhere, marketing guru Howard Fox has some tips on how to overcome a PR disaster (p58). All of the disasters he draws on happened in the real world; though you might find this hard to believe when reading how these scenarios played out. Take Pacific Airlines’ marketing campaign in 1967 as an example. Despite a horrific crash and an attempted hijacking, the airline decided to launch a humorous campaign, making light of people’s fear of flying. Due to a public outcry, the campaign was pulled and more than one executive lost his job. Mistakes are made by companies big and small, and Howard has some great advice for handling the fall-out.

Balancing austerity and plans for growth can be a tough ask. But it is possible, and mentor Gareth Cotten takes us through a few points to ponder on p22. The process starts with you setting out having defined targets or expenditures that you are working towards.

If you’re looking at targets and goals, you’ll probably need to cast your eyes over your business plan at some stage… While all businesses should have one, we know many don’t, which is why this issue features the fantastic opportunity to win a business plan – written by yourself with online guidance, and then checked and verified by a professional team. Turn to p5 to enter.

Happy reading,

Liz and the Your Business team

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Government launches funding agency

The newly developed Small Enterprise Finance Agency (Sefa), unveiled by Economic Development Minister Ebrahim Patel, aims to assist SMEs in the manufacturing, agro processing, services in infrastructure development, mining services, the green economy and tourism industries.

According to Gerrie van Biljon, executive director of Business Partners, specialist risk finance company for SMEs in South Africa, this agency is a much-needed boost and will be welcomed by the SME sector in South Africa, as these enterprises are currently struggling when it comes to support, cash flow and financing.

He says that government initiatives such as this agency are the answer to job creation and economic growth in South Africa, as small business is a sector that can be grown considerably. "SMEs already contribute so much towards employment and GDP growth, and it seems that potential for economic growth and employment from these enterprises are far from fully captured."

Full details of how the fund will be operated had still not been released at the time of going to print with this edition.

Improve your cash flow

Carrie-Anne Diniz of Cape-based accounting firm Cents & Accountability offers some advice to help you improve your cash flow …

Understand your cash flow cycle: Look at what trends drive payments in your business. Detail all the commitments that will impact your cash flow. Do you know how much working capital you require to keep the business up and running? Stay on top of all of your reporting.

Measure your cash flow: By analysing your sales; debtors turnover (how long do your customers take to pay); inventory turnover (how much time is there between buying, and selling); find out which creditors need to be paid; and how much cash you have in the bank at the end of every week.

Plan ahead: Set yourself a weekly sales target, as well as a weekly debtors' turnover target. Determine your stock turnover (less holding stock, improves cash flow).

Look to the future: What cash will you need going forward? Monitor your cash flow; if not daily at least weekly. Always know what money is coming in and what is going out. Communicate with your creditors; this will help to negotiate better terms with them. Have a debtor's management policy and stick to it, if you are soft on your debtors then it will make it difficult to get payment from them. Let your team know when there is a problem with cash flow; they may come up with some suggestions to improve things.
A PLAN TO HELP BUILD YOUR BUSINESS

A business plan is an indispensable tool; the drafting process will force you to focus on all the intricacies of your concept and research it well. Your plan should be referred to and updated regularly.

The experts agree that entrepreneurs should write and take ownership of their business plans. The truth is anyone can write a business plan, but the true benefit of the plan lies in the research done, and the depth with which you explore your concept. There are many tools available online and in the real world to guide you through the process. A new one, the EEZEE Business Plan, which launched in June, takes you step-by-step through the drafting of the plan, and offers a professional review service as well.

The system, available from Franchising Plus, a leading consultancy in the franchise sector, draws on a team of SME and franchising experts, as well as the services of a chartered accountant to review your financial projections. The result is a professional business plan compiled by you but reviewed by experts.

To prepare a first draft, follow the online questionnaire and fill in as much detail as possible. On completion this draft will be forwarded to Franchising Plus for review. The team will then ensure that all bases have been covered and assess the accuracy of your data by analysing industry. The end result is a business plan that includes all information pertinent to the business, as well as detailed financial graphs. The EEZEE Business Plan process will also make sure that you collect and submit all the additional documents typically required by banks. The end result is a bank ready business plan.

For more information visit: www.franchisingplus.co.za or contact Melissa Ontong at melissa@franchisingplus.co.za.

EEZEE Business Plan (worth R12 000) up for grabs!

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The grand prize went to Graham Rowe who won a cash injection into his business Biped Personal Biotech. Here he shares some of what it took to come out on top…

Do you think reality TV is good for aspiring entrepreneurs?

For viewers I think it was a great learning curve. We got a lot of amazing feedback from viewers about how much the show had inspired and enabled them. There was plenty of engagement via Facebook and Twitter and that was very gratifying.

For the contestants it was an awesome experience. Obviously there are costs: being away from your business, loved ones etc. but this was more than made up for in experience and relationships formed. Of course there's also the national exposure which gives a great platform for future relationships.

In your view, what was the hardest task you were set?

In Episode 12 (Final 3) we had to build an original business from scratch using a tiny amount of capital. We had only three days to pull it off. This was a tough challenge under any circumstances, made even more difficult by the fact that one of the three final contestants had to go home!

Why was it so hard?

We needed to utilise a broad range of skills, in a pressured environment, with very little time to spare. We had to use imagination and creativity to come up with the concept, communication and persuasion skills to get people involved, and technical skills to set up the systems and platforms etc. And, of course, managing to sell a brand-new concept in a few days, isn't easy.

Entrepreneur, author and investor Paul Graham says that the key quality for an entrepreneur is to be “relentlessly resourceful”. Basically, this means finding a way to make the most out of the little that you have and be relentless in implementing. This task really tested these qualities. The result was good for me in the end, both because the business was a success and because I made it through the round.

What is the biggest business learning you will take away from the programme?

For me the programme showed how important it is to just put yourself in the right environment if you want to succeed. Just being in that environment with that level of expectation, the quality of the other contestants, the Board and the people we met along the way was a massive learning curve. It really put me on another trajectory in terms of unleashing my potential.

As human beings we tend to overrate our own self-control. If you want to change and achieve something then surround yourself with people and situations that will constantly force you to change in that direction. Don't imagine you can keep living your life within the same situation and same circle and things will somehow change just through your own willpower. Commit to something that scares you and take the leap...
OTHER BANKS TALK ABOUT THEIR FRANCHISING PRODUCTS

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Franchising a business is either a daunting task or something that business people jump into unknowingly. A successful business owner may get a couple of enquiries for franchises and decide that it's a nice way to earn additional income. What they often don't realise is that there are legal, operational and reputational pitfalls to consider.

Franchising is a great mechanism for expanding your business, provided that you do it properly. The Consumer Protection Act has added a new dimension to legal requirements for franchising a business and many people not active in the sector are not even aware of its impact on franchising. Also, when franchising a business you only get a clean sheet of paper once. Once you have implemented a brand design and operational systems, it's nearly impossible to get franchisees to change to something different. This is even more true when implementing a franchise fee structure.

How do you know what franchise fees to charge? Will your brand design translate into all the corporate identity elements required to build a strong franchise? How much capital will you need? How do you manage the relationship with franchisees? New franchises are faced with these questions and often don't know which way to turn. When it comes to finding help, these businesses often perceive consultants as too expensive. There is also the risk of appointing a consultant who doesn't have the necessary credentials or experience needed to develop a franchise professionally.

Franchising Plus has developed a training workshop for new and aspiring franchises that helps to pave the way to successful franchise development. Franchise by Numbers is a week-long course that focuses on every aspect of franchising. From honing your strategy to brand development, from developing a sensible geographic expansion plan to setting franchisees, this course covers all of this and more.

With combined experience of over 40 years in franchising, Franchising Plus is a leading franchise consulting firm that has consulted to a wide range of businesses when franchising a business including Dis-Chem, InspectaCar, Battery Clinic, Mica, Col Cacchio Pizza, Agrinet and Ryk Neethling Swimming Schools. Consultants have the experience necessary to assist small businesses when considering franchising as a distribution mechanism.

“Just because we knew how to run stores didn’t mean we knew how to run a franchising company – at that point, we were in the beginning stages of learning how to be a franchisor.”

Subway’s Fred DeLuca

Franchise your business successfully

Overseas clothing retailers make their way to our shores

South Africa has seen a host of new international clothing brands arrive on its shores over the past six months. Spanish retailer Zara, United States label Gap, the UK’s French Connection and now Hackett London have all opened stores recently. Hackett London, the quintessential British men’s outfitters, has 37 stand-alone stores and 44 concessions worldwide. The new Sandton store is one of two in South Africa; the other is at OR Tambo International Airport. The franchise in South Africa was made possible through a partnership with local investor Moosa Mayet. Mayet is director of Hackett London in South Africa and has also partnered with labels such as Timberland.

Point S moves into South Africa

Retail franchise operation Point S has confirmed an agreement with Unity Tyre Trading, a group of 11 independent tyre dealers in South Africa. The Master Franchise agreement with purchasing group Unity Tyre Trading covers 18 retail outlets in the Gauteng (Johannesburg) and Mpumalanga (North East). All the members have a long and solid experience, some of them with two or three generations in the tyre business, and are looking to use the Point S retail concept and image by sharing a common CI to consolidate their Group.

In the News

Just because we knew how to run stores didn’t mean we knew how to run a franchising company – at that point, we were in the beginning stages of learning how to be a franchisor. Subway’s Fred DeLuca

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