

Phase 1 Research Report.
Conducted by Nthato Malope





#### Purpose

- To understand what the needs of creative & cultural entrepreneurs in Johannesburg
- To use our research to inform the development of the Goethe Creative & Cultural Entrepreneurship Hub in Johannesburg.



#### **Process**

- Research questionnaire
- Time spent in 18 different hubs around the city of Johannesburg
- Interviews with 80 people who either work with or have / currently running a startup



#### **Outcomes**

- A deeper understanding of what Johannesburg creative & cultural entrepreneurs need in a hub
- The need to create a unique offering for the Goethe Creative & Cultural Entrepreneurship Hub.



# **Research Methodology**

- 80 Interviews
- 5 question questionnaire
- Diverse range of young entrepreneurs interviewed
- 100% of participants have visited a hub this year.
- 40% have worked within a hub or an incubator
- 30% go to regular events hosted at hubs
- All interviews conducted within a hub in Johannesburg



# **Executive Summary**

This report outlines my observations during the 8 week long, phase 1 research period into the needs & expectations of creative & cultural entrepreneurs (CCE's) as the Goethe Institut Johannesburg prepares to launch an entrepreneurship hub.

I conducted all my interviews at already existing hubs during my "roadshow" into entrepreneurship hubs & incubators in Johannesburg, in order to understand the both the competitive landscape and the value that hubs add to the Johannesburg (JHB) startup scene.

I deliberately chose to do all my research with participants who have been to a hub either as visitor, as a part time tenant or are incubated within the hub. I did this because I felt that they would provide deeper insights into their own needs, the general needs of CCE's and their candid opinions on what hubs should/can do different.

Participants also shared their concerns regarding the state of South Africa's (SA) economy, given the political climate which is fuelling many of the negative socioeconomic challenges which SA is struggling with at the moment. These include:

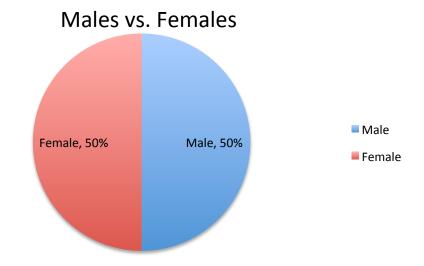
- A downgrade to junk status of the SA bond market by 2 global rating agencies.
- The current "technical" recession the SA economy is in.
- Projected job losses, in an environment where SA has it's highest unemployment rate since independence in 1994
- Diminished corporate confidence, which also means
- Limited growth prospects for startups.

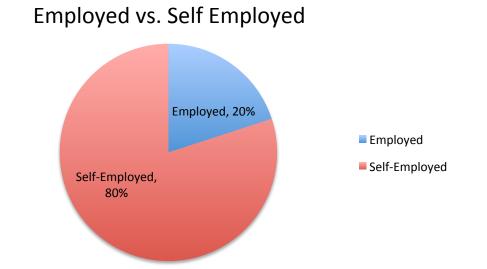
With this in mind, what I learned during the research phase is that entrepreneurship hubs are expected to offer much more than they currently do, in order to be relevant to a growing group of CCE's who want to grow their businesses & be able to compete on the global stage.

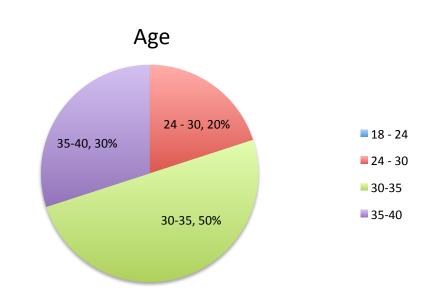


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# **Gender, Age & Employment Demographics**

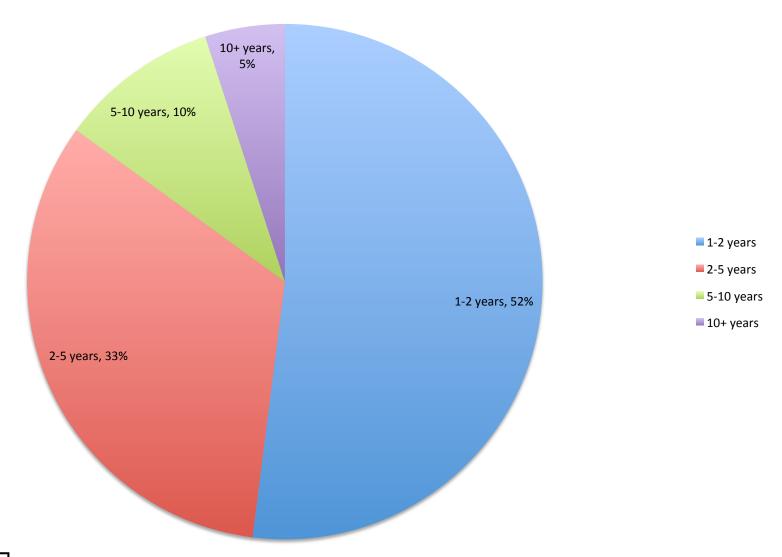




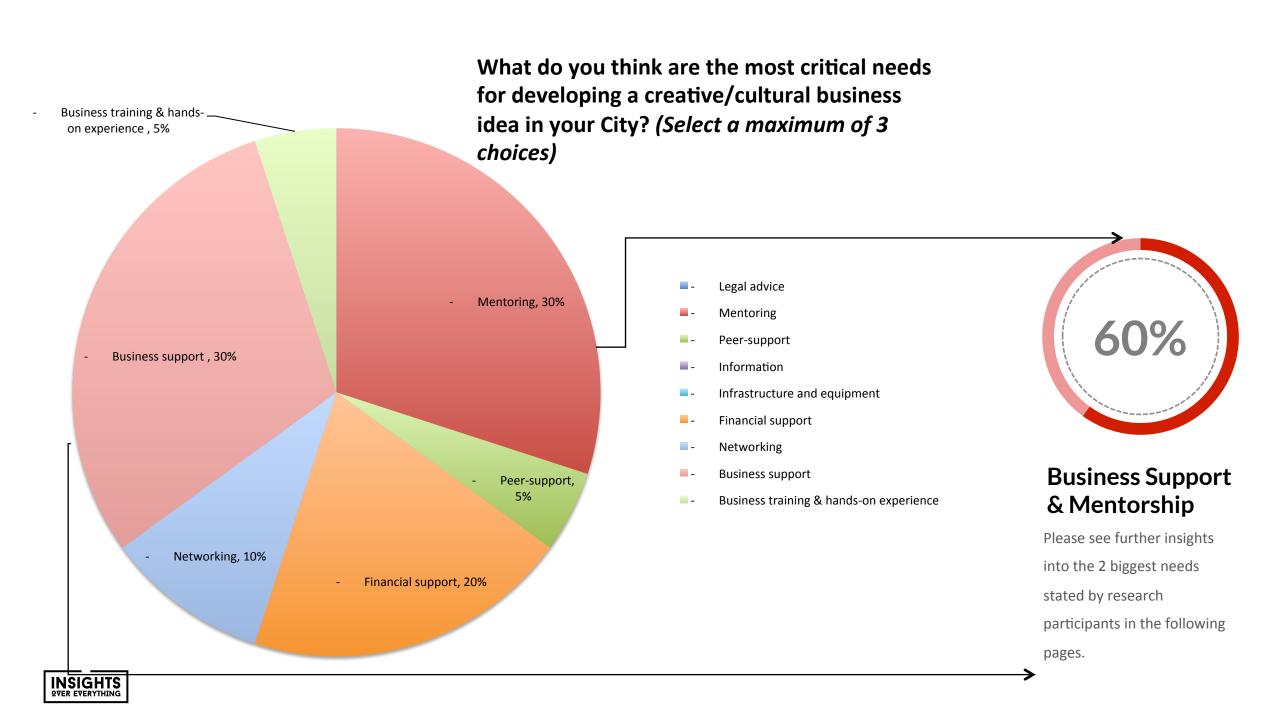




# If self employed, how long have you been running your business fulltime







# **Business Support**

More insights into the stated need for Business Support



**Business Support** 

Further anecdotal probing into the need for Business Support revealed the following:

When asked to elaborate further on the nature of the business support they need, the majority of the participants made statements such as:

- "Help me gain access to markets,
- "Help me grow my business so that I'm able to compete globally.
- Help me connect with my peers in SA & around the world.

When discussing "access to markets" participants stated that this is a priority for them because they are able to tap into other resources where they can learn how to manage a business. Including from other hubs and their personal network etc.

However, learning about and how to enter new or existing markets as well as identifying & taking advantage of opportunities to do business across & outside SA would be a "game changer" both for their businesses and for them personally.



# **Mentorship**

More insights into the stated need for mentorship



Mentorship

Further anecdotal probing into the need for Mentorship revealed the following:

When asked to elaborate further on the nature of the mentorship they need, the majority of the participants made statements such as:

- "I'd like to not only connect with someone/ people who have walked ahead of me in my business but with an audience of my peers who are at the same level in their business as I am.
- "Help me create a global network of my peers who are in the same level in their businesses as I am.
- Help me connect with people I can do business with in SA & around the world.

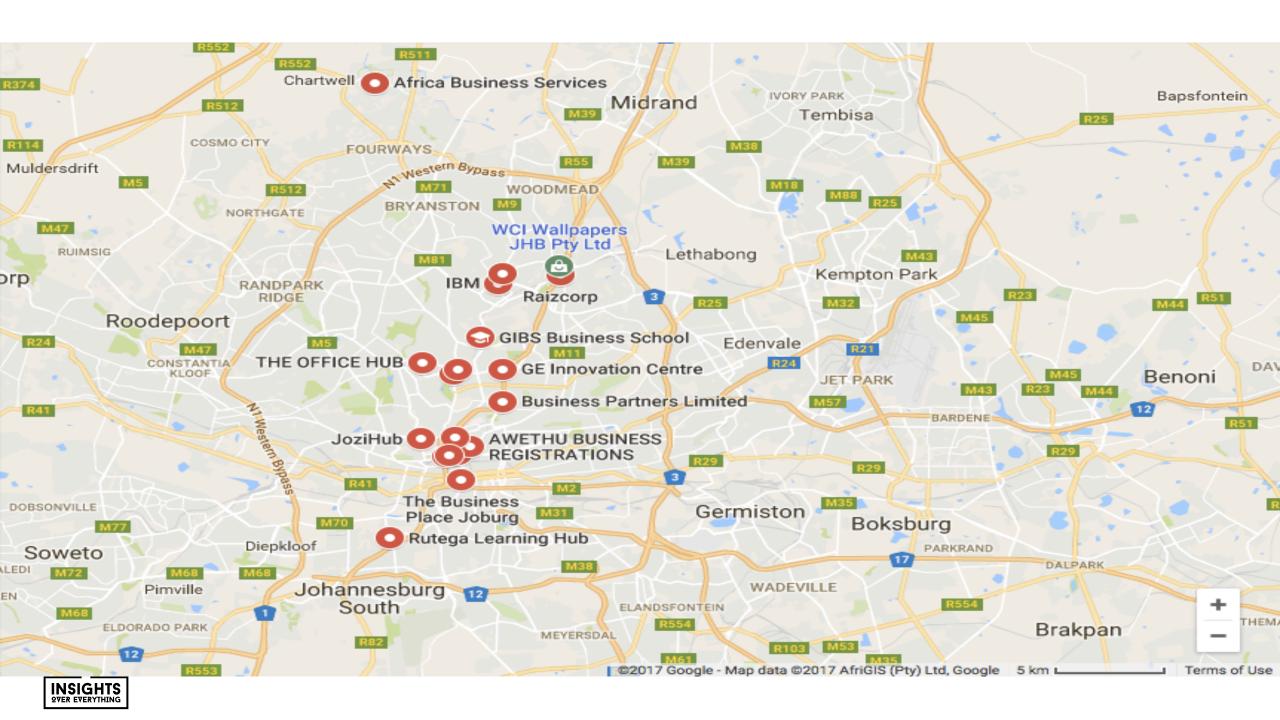


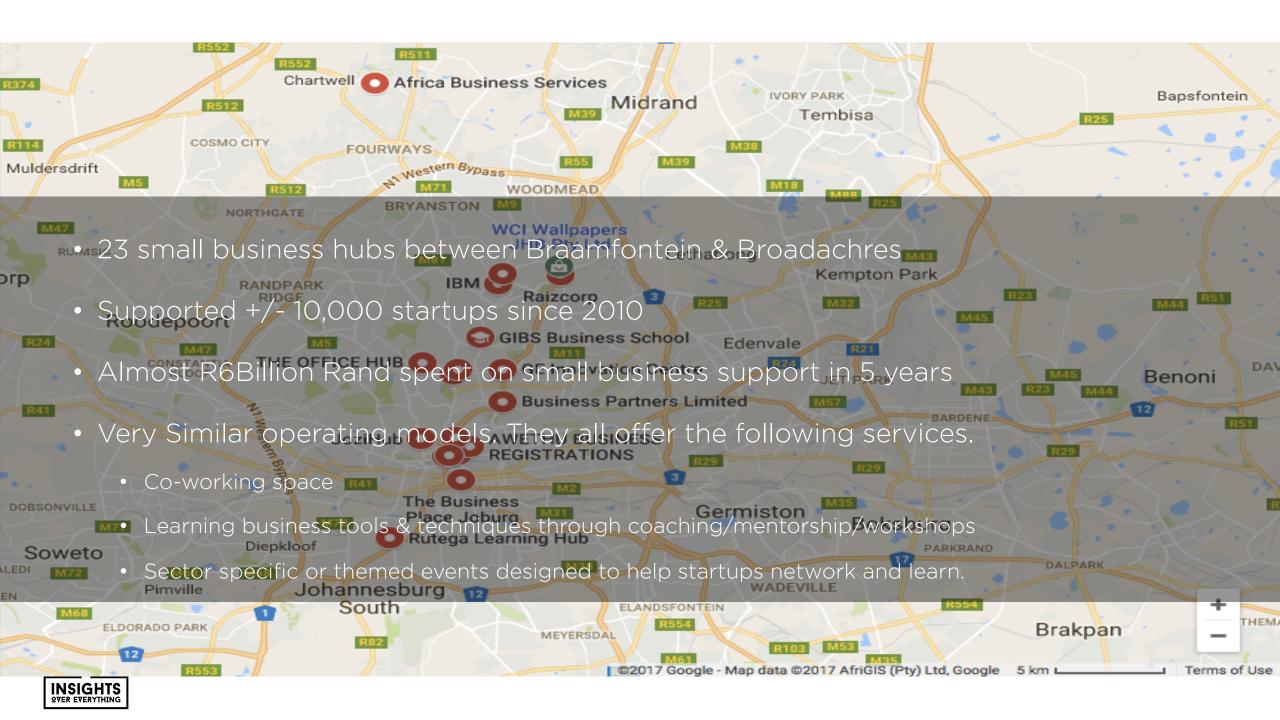
# The Competitive Landscape for Hubs in Johannesburg

In the 8 weeks throughout the research phase I spent time working at and interviewing startups from 18 Hubs & incubators in Johannesburg.

I would encourage who ever is reading this to visit the web pages of each of the hubs/incubators listed to get a better understanding of what they offer.













#### **GE Innovation Centre**

Innovation Centre

The GE Africa Innovation Centre provides a venue to showcase the best of global GE innovation, invention, practices, and methodologies, and to bring together GE's internal and external stakeholders to collaborate in unlocking opportunities for Africa's accelerated growth and sustainable development.

## **Startup Grind**

Startup Grind is a global startup community designed to educate, inspire, and connect entrepreneurs.

# **Alpha Code**

AlphaCode is a club for next generation financial services entrepreneurs, which is supported by a physical workspace and virtual platform. AlphaCode seeks to create a next generation financial services eco-system by bringing together entrepreneurs, intrapreneurs, industry experts and thought leaders to connect, share knowledge and shape the industry.





## **Jozi SME**

The mix Based in the iconic suburb of Sophiatown in Johannesburg, our incubator provides business acceleration, mentoring and coaching for entrepreneurs with a commitment to sustainability. We don't ask for a stake in your business, a monthly fee or a share of your success, our aim is simply to help grow South Africa's underdeveloped green economy.



## Raizcorp

Raizcorp is, according to The Economist, the only genuine incubator in Africa. However, we prefer to think of ourselves as a Prosperator™ rather than an incubator. We provide business support for enthusiastic, growth-hungry entrepreneurs, offering them a platform that fosters learning and guidance, which can be translated into practical business success

# **Impact Hub**

Impact Hub Johannesburg is a member-based co-working space and event venue that unites and empowers impact-driven individuals! Our community is comprised of entrepreneurs, freelancers, techies, consultants, investors, creatives, artists and more. We offer our members a unique ecosystem of resources, inspiration, and collaboration opportunities to grow their impact.







# **Impande**

We are pleased to announce the birth of KTH's dynamic and sustainable supplier development programme which has identified skilled, talented and driven entrepreneurs wishing to grow their businesses and contribute to the growth of the South African economy.

#### **Jozi Hub**

JoziHub is a co-creation space in Johannesburg dedicated to creating sustainable change in Africa.

#### **The Business Place**

Choosing to become a tenant of The Business Exchange is choosing more than just a Landlord – it's choosing a unique business experience accompanied by a wealth of opportunities.









#### **Branson Centre**

The Branson Centre focuses on providing aspiring entrepreneurs who have started a business with the skills, support, opportunities and inspiration they need to take their business to the next level.

# **Standard Bank Incubator**

Manage your business with expert insights on implementing systems, streamlining operations and improving how your business runs.

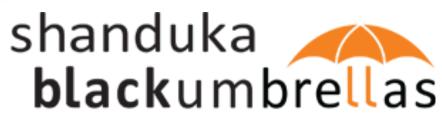
#### **Company Partners**

Company Partners is a One-Stop-Shop for ALL the Company Registration and Tender Compliance Documents you need! Our online system and team of Experts will get you what you need in record time.









Developing South Africa's Future Black Businesses Together



#### **Transnet Hub**

The Transnet Incubator's objective is to create Enterprise

Development initiatives that will create and expand
opportunities for small businesses. These initiatives will
target black owned enterprises with a turnover of less than
R35 million to cover a broad range of designated groups

INSIGHTS
OVER EVERYTHING

#### **Shanduka Black Umbrella's**

Shanduka Black Umbrellas is a non-profit enterprise development incubation organisation partnering with the private sector, government and civil society to address the low levels of entrepreneurship and high failure rate of 100% black owned emerging businesses in South Africa.

#### **Awthu**

Do you need basic business training, tools and networks to help you make more money and improve your life?









# **Aurik**

Aurik works with entrepreneurs and business owners to accelerate the growth and profitability of their businesses with the single purpose of building an Asset of Value. Since inception, we have worked with over 400 business owners to build their businesses into Assets of Value.

#### **Fetola**

Fetola Foundation is a non-profit organisation that fosters job creation and thriving communities through sustainable social and economic development initiatives. Since 2008 we have supported more than 500 small businesses throughout South Africa, in collaboration with public and private sector partners and other donors.

#### **Furntech**

FURNTECH is South Africa's only Centre of Excellence for the furniture industry and is the first port of call for anyone looking for information on business incubation and / or skills development in furniture manufacturing.









#### **African Rose**

African Rose does establishment and support of Business Incubators Designing and implementation of operating systems and support services for Business Incubators, Enterprise Accelerators, Innovation Support centres and Technology Demonstration Centres

# Egoli Bio

eGoliBIO Strives to assist and accelerate the development, sustainability and ultimately financial independence of biotech SMME's across South Africa.

#### Lepharo

The Lepharo technology business centre, situated in Springs, was established in 2007 and opened its doors in February 2010 – the culmination of 5 years of careful planning and consultation between all stakeholders, spanning the private and public sectors, industry associations and tertiary institutions.









#### Chemin

At Chenmin we are dedicated to supporting the growth of very early stage technology-based businesses in the South African Chemical sector. Chemin provides clients with an exceptional entrepreneurial business environment that promotes collaboration, innovation and encourages ingenuity as well the creation of wealth.

## **Timbali Tech Incubator**

At Timbali Our vision is to be the recognised leader in enabling and supporting smallhold commercial farmers to create sustainable wealth through a scalable model that has direct market access. Our mission is to identify market opportunities for these farmers which they are successfully able to serve.

# **Biz Qube**

We are passionate about helping our science and technology incubatees make their business ideas a reality. Our program starts with a highly structured training and mentoring module, OPENSOURCE. In OPENSOURCE the idea is prototyped and tested in the market. Once the feasability is proven, our incubateesmove through our othermodules to start and grow their business.









#### **SA Business Hub**

SA Business Hub: Our transaction and business support services are aimed at both the start up entrepreneur and existing businesses. Our services will take care of the back office operations and free up time for the entrepreneur to get on with business.



## **The Innovation Hub**

The Innovation Hub offers a number of incubation programmes in the Bioeconomy (agro processing and pharmaceutical), Smart Industries (ICT and advanced manufacturing) and Green Economy (Water purification, waste management and renewable energy). In addition, The Innovation Hub operates a range of enterprise development, skills development and innovation enabling programmes both in the science park and throughout the Gauteng region

#### **Maxum Incubator**

Maxum Digital provides technical and business incubation support to start-ups that endeavour to solve customer needs or societal challenges through gaming, animation and virtual reality, and facilitate innovative digital projects by attracting firms who will provide entrepreneurs with practical exposure and opportunities in the market.









#### **Seda Incubation**

**Stp's** incubation division, which has more than 24 incubation centers spread across the country in specific sectors. The incubation division uses three different organizational models of Technology Business Centres to incubate both start-ups and enterprises requiring rehabilitation



## The Hive/Creative Nestlings

The Hive belongs to game-changers; whether it's inventive new products, pervasively untapped sales channels, projects with the potential to massively impact communities or films or photography that tell your story your way, The Hive community is built to make these revolutions happen.

#### **Pick n Pay Small Business Hub**

The Pick 'n Pay Enterprise and Supplier Development Division has three specific aims, which are to:-

- Increase local procurement by accelerating small suppliers into the supply chain;
- Improve and develop great quality and range of local products at competitive prices;
- Provide small producers a national platform by increasing access to national and regional markets.







#### **Business Partners**

Business Partners are a specialist risk finance company that provides customised financial solutions, sectoral knowledge, mentorship, business premises and other added-value services for formal small and medium enterprises (SMEs)

# **Edge Growth**

We've been committed to job creation through the growth of Small and Medium-sized Enterprises (SMEs) since 2007 and we've proven that a holistic, end-to-end approach to ESD is the only way to deliver measureable impact. Success requires removing any and all of the growth constraints facing SMEs – financial and non-financial.

#### **Riversands Incubation Hub**

Riversands Incubation Hub is a large-scale business incubator established in 2015 through a partnership between Century Property Developments and The Jobs Fund. The Hub is home to more than 150 small businesses with many more entrepreneurs supported through business development and support services offered.



# **STARTÛP** *EDGE*



# **StartUp Edge**

StartUp Edge is always looking for strategic partners that will help with its mandate of helping African start ups and promoting disruptive thinking among African entrepreneurs. Below are some of our current partners and sponsors.

# Microsoft BizSpark

Microsoft BizSpark is a global program that helps startups succeed by giving them free access to Microsoft Azure cloud services, software, and support. BizSpark startups receive five Visual Studio Enterprise with MSDN subscriptions, each with a \$150 monthly Azure credit.



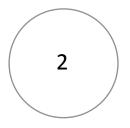
# **SUMMARY**

3 Key lessons from my research journey

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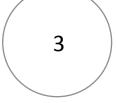
#### **Startups expect more from hubs**

Given that my research participants have had experience with hubs and the value they offer to startups, they are looking for any new hubs to help their businesses reach new heights not only locally but especially internationally



#### Focus on Business Support & Mentorship

Given the anxiety felt by the majority of creative & cultural startups, regarding the state of SA's economy, there is a growing need to explore and take advantage of business opportunities outside SA. Traditional business support services within a hub environment, will have to evolve to suite the startups of the future.



#### Sophisticated & competitive Hub scene

Growing SME's is a priority in SA and as such governments emphasis and corporate money are growing. In order to be relevant both now and in the future, The Goethe hubs have to separate themselves from other hubs and offer a unique value proposition that is responsive to the needs of creative & cultural startups.

