

Invitation to SMMEs

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J.P.Morgan

SAICA and J.P. Morgan wants to help 100 SMEs reach new heights

One of the key factors behind South Africa's high small and medium enterprise (SME) failure rate is a lack of basic financial literacy skills. Enterprisation Development Programmes like the South African Institute of Chartered Accountants' (SAICA) Enterprisation Hub help SMEs overcome this by providing business owners with crucial back office accounting support and financial training. Having assisted more than 120 SMEs over the past three years, Enterprisation will now be providing this support to a further 100 Gauteng-based SMEs, thanks to a new flagship project undertaken together with J.P. Morgan.

Statistics reveal that five out of seven of South Africa's new small businesses fail within the first year. This is one of the highest failure rates in the world, and indicates that something is fundamentally wrong with our entrepreneurial landscape. The impact of this on the country's economy is massive.

Chief among the reasons for this high failure rate is that many individuals have limited education and training in the basic financial literacy skills it takes to make a business successful.

Without adequate financial knowledge, reaching the level where a business is both profitable and sustainable is near impossible. It means that business owners cannot devise proper plans that include budgets and timelines, battle to attract the right investors and adequate funding, cannot appropriately cost their products and/or services, and often do not comply with the rules and requirements of regulatory authorities such as SARS and CIPC. Unless someone helps them navigate these matters, most SMEs fail.

Enter the Enterprisation J.P. Morgan flagship project

Through the Enterprisation J.P. Morgan flagship project, 100 Gauteng SMEs will be selected to receive partially subsidised back office accounting support and financial training for a period of 18 months. The aim is to help them become sustainable businesses, and also to drive economic growth.

In addition, thanks to this project 50 unemployed, accounting graduates from disadvantaged backgrounds are currently receiving six months' work readiness training through Guarantee Trust Corporate Support Services (PTY) Ltd. The training is aimed at helping graduates develop the soft skills, professionalism and technical know-how needed in an office environment. On completion of this training, the top 13 graduates will be selected to join the Enterprisation-J.P. Morgan project team for the duration of the project to service the accounting needs of the selected SMEs. The remaining graduates will be assisted with placement in other projects.

Mandisi Nombembe, Project Manager for Nation Building at SAICA, explains SAICA's enterprise development and graduate employment model in more detail:

'Since launching in 2013, Enterprisation has trained 270 graduates through the Guarantee Trust training programme – an initiative that has seen 95% of graduates placed in positions of employment upon leaving the training programme.

'The graduates who are retained by Enterprisation have gone on to support 121 SMEs around the country with crucial back office accounting support. We provide our clients with accounting, bookkeeping, taxation, business finance consulting, and company secretarial and registration services, so that the SMEs can focus on becoming sustainable businesses and creating jobs for others.'

'With the assistance of J.P. Morgan, Enterprisation will now be able to help another 100 SMEs to do the same thing. In this way, our efforts to help eliminate poverty by creating employment opportunities and ensuring that from a financial management perspective small businesses are able to turn into real players in the South African economy, are really beginning to bear fruit.'

Hang Ho, Head of Global Philanthropy in Europe, Middle-East and Africa at J.P. Morgan adds: 'At J.P. Morgan, we are committed to supporting small businesses and economic growth in the countries where we work. We believe SAICA is in a good position to do this owing to their role as a standard-setter for businesses in South Africa, and we are delighted to be working with them as part of our global efforts to help entrepreneurs access the support they need to grow and create well-paying jobs in their communities.'

Who can apply?

The key objective of the J.P. Morgan Enterprisation flagship project is to help SMEs reach the level of sustainability that allows them to drive economic growth and create employment. For this reason, SMEs accepted into this project will be measured against four key goals: compliance, revenue growth, profitability and employability.

To apply to be a part of the project, SMEs must:

- be owned by a SA citizen
- be successfully operating for a minimum of three years
- have an annual turnover of between R500 000 and R10 million
- be at least 51% black owned
- operate only in South Africa
- have valid tax clearance
- have a valid BEE certificate/affidavit
- be registered with the Companies and Intellectual Property Commission (CIPC) and have valid CIPC documentation
- have an active business bank account
- employ a minimum of two people (excluding directors and owners)
- not have an accountant at present
- not currently be a client of SAICA's enterprise development entities
- be willing to attend SAICA-hosted training and workshops.

SMEs that operate in the top-performing industries in South Africa – namely ICT, tourism, infrastructure, agriculture, transport & logistics, manufacturing, media and entertainment, and education – will be given preference for entry onto the project's shortlist.

How to apply?

Business owners who would like their SMEs to be considered for the J.P. Morgan Enterprisation flagship project should note that the application consists of two steps: an initial online application and, should your SME be shortlisted, a 15-minute pitch presentation to a panel of judges who will select the 100 SMEs that will take part in the project.

To submit your application, visit www.saica.co.za, click on the Enterprisation J.P. Morgan project banner, and fill in the online application form.

Please note that online applications close at midnight on 3 February 2017. SMEs shortlisted for the project will be contacted by 8 February 2017 to set up a presentation to the panel during the month of February.

About SAICA:

The South African Institute of Chartered Accountants (SAICA), South Africa's pre-eminent accountancy body, is widely recognised as one of the world's leading accounting institutes. The Institute provides a wide range of support services to more than 40 000 members who are chartered accountants [CAs(SA)] and hold positions as CEOs, MDs, board directors, business owners, chief financial officers, auditors and leaders in their spheres of business operation. Most of these members operate in commerce and industry, and play a significant role in the nation's highly dynamic business sector and economic development.

About SAICA's Enterprisation project

One of SAICA's prime goals is to contribute towards strengthening the country's economy by playing a significant and leading role in transformation and skills development. Enterprisation, SAICA's non-profit enterprise Development and SME support hub, addresses skills development and employment for young, previously disadvantaged, unemployed accounting graduates, and also provides SMEs with unique back office support relating to accounting and management consulting services. This model is designed ultimately to reduce unemployment among those graduates, and also to assist SMEs to participate profitably in the mainstream economy.

About J.P. Morgan

J.P. Morgan is a global leader in financial services, offering solutions to the world's most important corporations, governments and institutions in more than 100 countries. The firm and its Foundation give approximately \$200 million annually to non-profit organisations around the world. J.P. Morgan also leads volunteer service activities for employees in local communities by utilising its many resources, including those that stem from access to capital, economies of scale, global reach and expertise.

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