

## **Jobs created while all else fails**

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In the same period that saw the South African economy contract, the Rand depreciate, the Consumer Confidence Index plunge, and Eskom gear-up load-shedding, 63 jobs were created by 27 start-up and early-stage businesses located mainly but not only in Gauteng.

Pavlo Phitidis, CEO of Aurik Investment Holdings, says that in the build up to and during one of the most difficult periods in South Africa's recent economic history, triggered by industrial action in the mining and metals industries last year, entrepreneurs showed what they are made of by growing their businesses and employing more people.

The jobs were created in industry sectors such as construction, engineering, business services, technology, textiles, energy, green technology, logistics and mining by entrepreneurs on the Entrepreneur Internship Programme (EIP), a capacity building programme supported by Anglo American's enterprise development arm Zimele.

"What made this programme powerful was the fact that start-up and early-stage businesses in sectors beyond mining were also selected. These included construction, engineering, business services, technology, textiles, energy, green technology and logistics."

"We have an urgent need to decrease unemployment and increase jobs. Anglo's EIP shows how big business can get involved in providing the right support to high-potential entrepreneurs and accelerate economic momentum.

"The small and medium business sector is the primary environment in South Africa right now where job creation can take place at scale. Big business is under pressure to cut jobs, the public sector system is already bloated and with our growth rate down to 1.4%, retrenchments across the board are on the cards," says Phitidis.

"But we can fix our ailing economy – one entrepreneur at a time!"

The EIP was conceptualised as a bespoke business mentorship programme by Aurik together with Anglo's supply chain executives.

Says Phitidis: "Despite a 35% drop in South Africa's Total Early Stage Entrepreneurial Rating (TEA Rate) last year, business owners on the EIP grew their turnover growth - some dramatically.

“Turnover growth is a critical indicator for an early-stage business success potential.”

Among the businesses on the EIP were:

- **Purechem (Pty) Ltd**, owned by former Anglo employee, Phineas Letsoalo, and located in Johannesburg. During the programme, his staff complement grew from **one** to **five**. As the business becomes a major manufacturer of specialist flux, the chemical compound used in the fire assay process that determines the metal content of ore, more jobs will be created at Purechem.
- **Tebogo Technical Enterprise** reported a **305%** growth in turnover during the programme and its staff complement grew from **18** to **26**. The business offers electrical infrastructure construction services.
- **Ensign Energy Solutions** first employed **ten** people in the business. Today it employs **40** people, and **10** new local graduate engineers will join its ranks soon. It reported a **64%** growth in turnover during the EIP. Focusing on complex industrial environments Ensign reduces business costs through energy productivity programmes. It saved its first client millions, and has just signed up a new contract for another large mining company.
- **FDM Development and Promotion** went from a staff complement of **seven** to **27** and experienced a **13%** growth in turnover during the programme. The business provides services in concrete rehabilitation and maintenance, chemical coatings, industrial flooring and epoxy applications systems.
- **Dynamic Propshaft and C.V.Joints** reported a **23%** growth in turnover and its staff grew from **26** people to **36**. The business manufactures and repairs propshafts and driveshafts.
- **Blue Chip Lubricants**’ core operation is the manufacturer and distribution of oils and grease in South Africa. With its **25** staff recently joined by **four** new people, the businesses reported a **40%** growth in turnover during the EIP. More employment will take place as the business sets up a dedicated manufacturing facility of a leading international lubricant product right here in South Africa.
- **Kimmo (Pty) Ltd** reported an **111%** growth in turnover during the EIP while the number of employees rocketed from **seven** to **35**. Using brand-new, innovative technology, Kimmo makes strong but lightweight packaging as a cost-effective alternative to wooden pallets and crates. It is just a matter of time before its client base moves beyond South Africa’s borders.

- **115 Electrical Solutions (Pty) Ltd** offers electrical and mechanical engineering consulting and electrical construction and maintenance. At first there were **two** people, now there are **10**, and more are set to join as 115 Electrical Solutions forges partnerships for bigger contracts. It reported a **52%** growth in turnover during the EIP.
- **Paardekraal Hardware** cc is located in Rustenburg, in the heart of the industrial and economic strife that began last year. With a **76%** increase in turnover during the programme, its staff complement grew from **12** to **26**.
- Phaledzi Investment Group reported a **524%** growth in turnover during the EIP. At the outset of the programme, two people were employed in the business. Currently, **15** permanent workers are employed.

“In the first phase of this programme which kicked off in 2013, a total of six jobs were created and an average turnover growth exceeding 3,000% was achieved. In the second phase which started in 2014, a total of 57 jobs were created and an average turnover growth of 52% achieved,” says Phitidis.

The EIP provided specialist support and skills required by entrepreneurs who wanted to build a business or take their existing business to the next level. Aurik held sessions, seminars, group capacity building activities and focused interventions with the entrepreneurs. These combined business development support with industry exposure, mentoring and networking.

Aurik has worked with 1,097 entrepreneurs across JSE-listed and multinational companies.

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Aurik Investment Holdings comprises Aurik Enterprise & Supplier Development and Aurik Business Accelerator, which work with entrepreneurs and corporate companies to build successful entrepreneurial businesses and transform supply chains.

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