

Innovation in the Western Cape is set to get another healthy boost, with the announcement today (Friday, 14 October 2016) that designers, inventors, entrepreneurs and product developers can apply for grants of up to half a million Rands each from the second round of the Design Innovation Seed Fund (DISF).

The DISF is a project of the Cape Craft and Design Institute (CCDI) with investment and management funds respectively provided by the Technology Innovation Agency (TIA) and the Western Cape Department of Economic Development and Tourism.

The Fund is inviting individuals and SMME's in this round to apply with pre-revenue innovative technologies and tech-enabled ideas and products with the potential to positively impact the agri-processing, health and bio-tech, and the manufacturing sectors.

Launched in 2014 as a World Design Capital project, the first round of seed funding was allocated to develop 12 innovative Western Cape ideas. These 12 were selected from a pool of 151 applications. The grants were used for a large range of activities, including developing prototypes, producing market samples, undertaking market research and investigating intellectual property rights. All of the beneficiaries have made significant advances in developing their innovations and have moved to the next stage where they are either prototyping, doing market testing with clients; or going to market. The 12 participants are already proving the value of the investment with the registration of IP for three new products; the creation of 18 new jobs and a collective turnover of over R2.4m in the past six months from the early stages of marketing their new products/services. Three businesses are showing a market potential of over R7m collectively for the next twelve months.

Erica Elk, Executive Director of the CCDI, said that the DISF has shown that the right funding at the right time put to the right use can have a tremendous impact on small businesses and help them turn ideas into reality.

"Ideas are a dime a dozen; everyone has them. But it's a whole other story to be able to bring your ideas to life. It takes time and resources – not just money. It is a process that is full of twists, turns and challenges, and you need to be passionate, resilient and tenacious. The Seed Fund has given these innovators and entrepreneurs a little bit of breathing space and an opportunity to flex their muscles – which is all they really needed to take their next steps.

"More importantly though, we didn't just give them the money. We walked beside them every step of the way over the two years providing support, advice and access to additional expertise when they needed it."

She added that the DISF and other fund projects have enabled the CCDI to develop

exceptional systems, capacity and networks to effectively manage funds, both in the design and other sectors. Another recent CCDI success has been the investment of R14.5m, over three years, made into 45 companies as part of its first Jobs Fund project. These businesses collectively created 464 new jobs in the process doubling in size and turnover. These fund implementation successes have led CCDI to launch its own SMME investment vehicle, CCDI Capital, which will be managing the second round of seed funding and a second Jobs Fund project it hopes to launch later this year.

The DISF is open to: Western Cape based early-stage small and medium enterprises/entrepreneurs/researchers; Students at Western Cape tertiary institutions as long as the institution does not already have an Intellectual Property claim to the product/service; Pre-revenue businesses in incubation or entering incubation; or Existing SMEs with a new products/innovation that is still pre-revenue. Applicants to the DISF need to show enough evidence of innovation in design, technology and/or its application; market appetite or sufficient evidence of market potential or competitive advantage; and a management team able to drive the process.

The business, product or concept must have a knowledge focus and should include technological innovation or design. The business should not be able to raise funds easily from traditional banks or funding agencies because of the risks involved. Strong preference will be given to businesses with at least 25% black ownership and/or good job creation potential. Entrepreneurs must match 20% of the funding in cash or in-kind contributions.

Saberi Marais, Head of Seed Funding at TIA, says that DISF has made a significant impact on the local early stage funding landscape. “Seed funding such as the DISF assists recipients to inform their opportunities by building prototypes and validating their assumptions around the technical and market-related challenges.

Entrepreneurs at this stage have traditionally faced challenges when it comes to access to funding. The other challenge that DISF helps recipients overcome is that of non-financial support and mentorship – this has also proven to be of great help to recipients,” said Marais.

Marais added that partnerships such as this one with the CCDI and DEDAT are extremely valuable. “Now that the model and partnership has been demonstrated to work, we have to focus on ramping the potential impact the programme could have in relevant economic development sectors locally. We need co-funders and follow-on-funders to come onboard and support the entrepreneurs who have commercially feasible opportunities.” Alan Winde, Western Cape Provincial Minister of Economic Opportunities, said that innovation was a key economic enabler.

“As the fourth industrial revolution starts to shake up the world, we need to embrace innovation in our approach. That is why we support initiatives like this fund. Some of

the businesses and ideas developed through the first DISF have the potential to go global.

“We have an ecosystem taking shape here at the southern tip of Africa because of programmes like this, because of the environment we are in, and because of the mindset of young people coming into the system. I encourage every person with an innovative idea in the focus areas to apply. This is an excellent platform to take your idea or business to a new level.”

Applications close on 04 November 2016. Visit www.ccdicapital.co.za to apply.