

How to build South Africa's entrepreneurial capacity

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The important role that small businesses play in sustaining and growing the South African economy has been well-documented. Estimates show that small and medium-sized businesses (SMEs) contribute as much as 34% to the country's total GDP.

These statistics paint a telling picture – one that presents a compelling case for helping more aspiring entrepreneurs get their ventures off the ground and encourage more South Africans to start their own businesses.

We know that the vast majority of the country's small business fail within the first five years of operation – a rate that is currently amongst the highest in the world.

Fortunately, our country's entrepreneurs are known for their resilience. After each successful year of operation and every milestone, they bring new meaning to the phrase 'when the going gets tough, the tough get going'. But while overcoming the gauntlet of obstacles that lie in wait in the world of business inevitably makes for more robust and determined business leaders, there is much that can be done to make their journey to success more seamless.



Ben Bierman

Entrepreneurs are first and foremost problem solvers – they are the creative minds and hearts behind solutions to several uniquely South African problems. But without a concerted and united drive to encourage and support more young people to take up the mantle of entrepreneurship, the country's potential for innovation and socioeconomic progress will continue to be hamstrung.

Start at the beginning

The most sustainable solution to growing the country's entrepreneurial capacity, must therefore begin at the level of basic education. South African learners and graduates are trained and prepared, from a very young age, to enter the workforce. They are presented with a linear formula for personal and professional development: get a good education, obtain a degree or qualification, land a job and build a career. Very few, however, are presented with the notion that they can join the national workforce as business owners rather than as employees.

School-going learners need to be motivated by their teachers, their parents and their communities to start their own businesses and begin to understand the fundamentals of financial freedom. Entrepreneurship should be better incorporated in the national curriculum and tertiary institutions need to build on this foundation.

A combined investment towards a more equitable future

There is also much to be done in the way of increasing the ease of doing business in South Africa. The red tape committee, having been appointed by President Ramaphosa, needs to drive initiatives that can remove barriers to entry and streamline the process involved with registering a business, paying tax, hiring employees and complying with labour law.

In addition to this, private and public sector partnerships are the key to training emerging entrepreneurs on basic skills such as how to write a business plan, how to apply for small business funding and the basics of business compliance, financial management and administration. These are some of the key pillars of how to become a successful entrepreneur in South Africa.

The corporate world also has much to offer in terms of networking and mentorship opportunities. Sometimes what newcomers need is for someone to be willing to invest the time and energy it takes to walk the road of entrepreneurship with them and offer practical guidance along the way. Today's business leaders and champions of industry have the know-how and proficiency needed to nurture the decision-makers of tomorrow.

If we can succeed in combining forces to uplift the aspiring business people who will lead the industries of the future, we will be making an investment into empowering young entrepreneurs and ultimately, into the development of our country and economy.

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