

# SEDA TECHNOLOGY INCUBATORS

2010/11 – 2012/13

## BACKGROUND

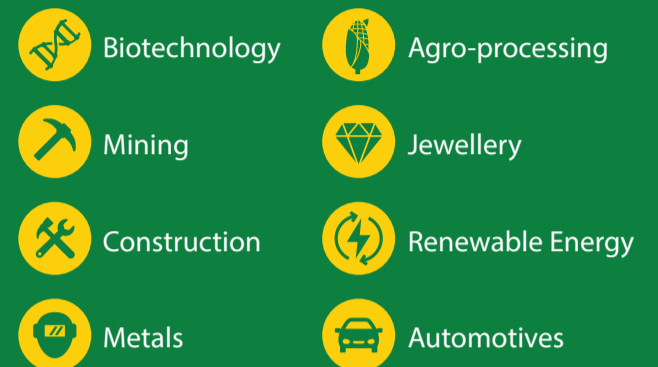
- The Small Enterprise Development Agency (SEDA) runs the only government incubation programme that focuses on commercially oriented, technology-based SMMEs

## INSTITUTIONAL SPACE

STP PROVIDES FINANCIAL AND NON-FINANCIAL SUPPORT TO  
**SMALL ENTERPRISES**

IT HAS AN INCUBATION UNIT, A QUALITY AND STANDARDS UNIT AND A TECHNOLOGICAL TRANSFER UNIT

### ECONOMIC SECTORS



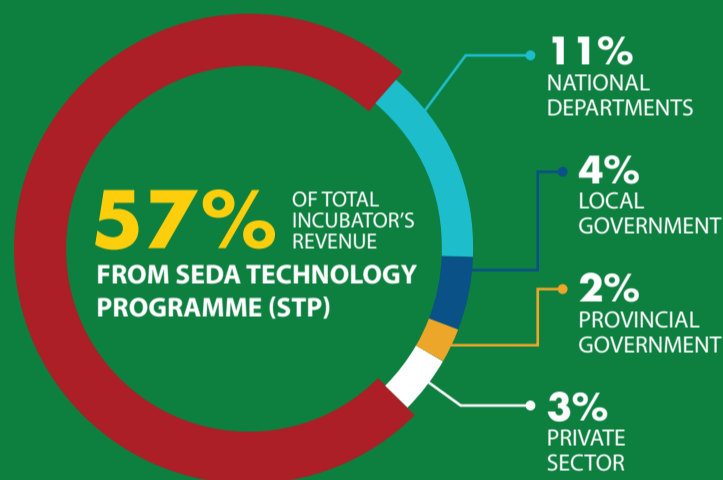
## PERFORMANCE ANALYSIS

IN 2010 'SUCCESSFUL' INCUBATEES OF AN STP INCUBATOR WAS **60-70%**

- The STP incubation programme is well conceived from a programme design perspective, incorporating global best practice for SMME development, technology adoption, sustainability and growth
- Reduced differentiation from other SMME support programmes as a result of gradual dilution of focus from the programme's original mandate to support technology-oriented SMMEs towards assisting the development and growth of a wider range of SMMEs.
- Performance targets now focused on establishing incubators, supporting SMMEs in incubation, and creating jobs

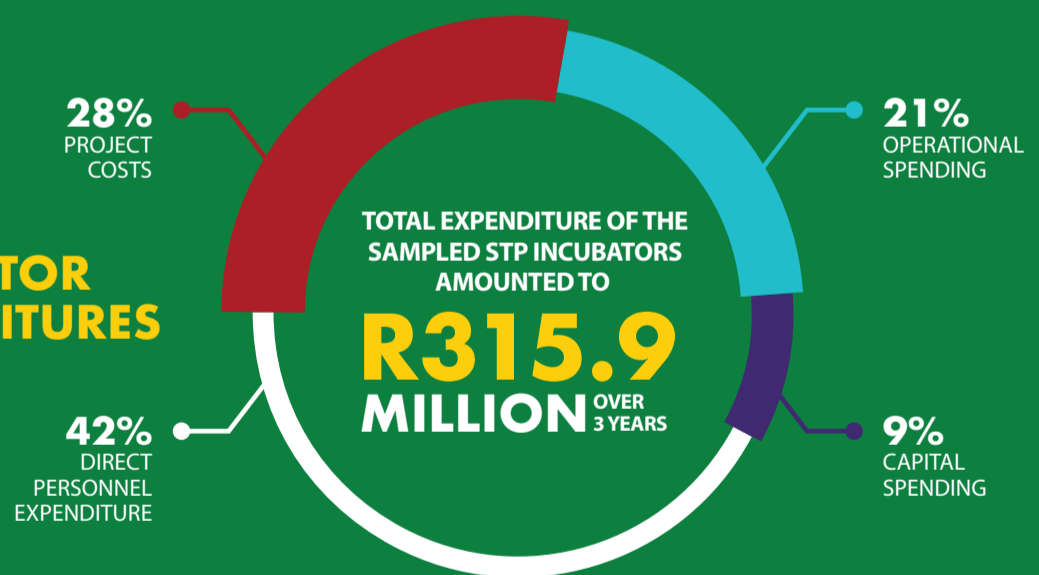
## REVENUE & EXPENDITURE ANALYSIS

### INCUBATOR REVENUES



ANALYSIS OF STP GRANTS REVEAL THAT INCUBATORS RECEIVE BETWEEN **R1 MILLION TO R3 MILLION** PER CENTRE ACROSS ALL INDUSTRIES

### INCUBATOR EXPENDITURES



### COSTING

**R1.1** FOR EACH SUCCESSFUL MILLION SMME  
**74%** COST BORNE BY GOVERNMENT

**MANUFACTURING** MOST EXPENSIVE INDUSTRY **VS** **AGRICULTURE** LEAST EXPENSIVE INDUSTRY  
**R32 MILLION** **VS** **R250 THOUSAND**

Total costs of supporting 984 SMMEs, spread across the 11 industries, over three years. Large differences across the different industries. Manufacturing is by far the most expensive sector, with an average cost of a successful SMME of R32 million.

## POSTSCRIPT

Since this PER was completed in August 2014, oversight responsibility for SEDA has shifted from the DTI to the new Department of Small Business Development.