

# Anglo's Zimele helps SMMEs

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Mining giant Anglo American has not forgotten the little guys - its enterprise development arm Zimele is lending a hand to small and medium enterprises, helping them to grow.



Mampho Selokoma, the enterprising owner of Bustique 244. (Image: [bbqonline](#))

With a little help from Zimele, protective clothing manufacturer Bustique 244 has seen its fortunes soar over the past year or so.

"Previously, my company was faltering and not operating profitably," says owner Mampho Selokoma. "However, acquiring Zimele's assistance has significantly improved my business model, enabled quicker turnarounds, and set me on the road to profitability."

Zimele has been running since 1989 and supports sustainable small and medium enterprises, particularly in rural and peri-urban mining communities.

Over a four-year period it has provided R567-million (US\$64-million) in funding to black entrepreneurs. Some 1 085 companies have received support through 1 481 loans, collectively employed 19 575 people, and achieved a collective annual turnover of R2.4-billion (\$270-million).

## Breaking into the market

Bustique 244 manufactures quality and tailor-made protective clothing, primarily boiler and conti suits, used in the mining and construction sectors. A conti suit is a two-piece workman's overall.

The word zimele comes from Zulu and Xhosa and means "to be independent" or "to stand on one's own feet".

"This support has also enhanced Bustique 244's future prospects, as doors have been opened recently for potential orders with Anglo American's supply chain, including its Kumba Iron Ore, Platinum and Thermal Coal businesses," adds Selokoma.

Selokoma says she has been in business since 2006, after extensively researching the protective clothing industry. Spotting a gap, she started small but in the past year or two she has been able to scale up with assistance from Zimele and the Department of Trade and Industry (DTI).

"While Bustique 244 demonstrated great potential, the company was faltering because its owner Mampho Selokoma lacked the business experience, skills and financial resources to break into the market and achieve long term gains," says Dr Lia Vangelatos, acting head of Zimele.

"Zimele identified that it could make a real difference in the prosperity of Bustique 244, by offering financial support, as well as mentorship in key facets of her business."

Bustique 244 satisfied Zimele's key criteria: that it has the capacity to grow substantially, and that it will create employment within the sector.

"As such, Zimele is highly satisfied with what Bustique 244 has achieved thus far, as the company has not only gone from strength to strength, but has made real difference to the prosperity of the local community," adds Vangelatos.

Zimele provided a loan of R809 000 (\$91 000) to Bustique 244 in 2011 - this enabled the company to take on an order from construction company WBHO, which built three of the 2010 World Cup stadiums and is involved in the King Shaka Airport in Durban, the Gauteng Freeway Improvement Project, and the ongoing Kusile Power Station, among others.

The DTI has provided a R1-million loan (\$112 000) to Selokoma for machinery.

## **Secret of success**

Selokoma was born in Soweto, and holds qualifications from the Wits Graduate School of Public Development Management, and the Graduate Institute of Management Technology.

She has worked in the retail banking, corporate and tourism sectors, in particular Pepsi Cola International, South African Breweries, Katekane Investments, and South African Tourism, for the past 20 years.

Her secret to success is that she has been scrupulously careful about paying back the loans as soon as she receives payment from the contractors.

"They know we are reliable, and like what we are doing," says Selokoma. She sees reliability as her competitive advantage, together with the good quality of her products, and delivering on time. This has given the confidence to apply for more loans in the future.

Selokoma employs four permanent staff, and takes on extra workers on a contract basis. She operates in the Northern Cape and Gauteng, and recently offered 80 workers temporary contracts in the Cape. She is confident that as the company grows she will take on more permanent staff.

"We are growing in leaps and bounds. We can market freely, knowing that the future is good," she enthuses.

Selokoma was invited to speak at the 2012 Enterprise Development conference, held in Midrand in November. She saw it as an opportunity to "provide a considerable boost to her career aspirations, but inspire others to match her business achievements", according to the BBQ website.

## Four funds for businesses

Zimele has four funds that focus on emerging black businesses. The Supply Chain Fund focuses on procurement and business development opportunities for black-owned and managed SMEs within Anglo American's supply chain.

The Khula Mining Fund manages mining-related investments as a joint initiative with Khula Enterprise Finance Limited, a government entity that promotes SME development.

The Community Fund supports entrepreneurs and small businesses in the communities in which Anglo operates, by means of loan finance and hands-on guidance and support from a network of small business hubs.

The Green Fund targets investment opportunities that specifically focus on environmental risks and improving the long-term environmental welfare of local communities. Areas of particular focus include reducing carbon emissions, energy and water consumption, and improving waste and emissions management, as a contribution to sustainable development.

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