

# Seda leads the South African incubation model

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Inspired by Ecosystems Worldwide, the South African incubation model currently led by the Small Enterprise Development Agency (Seda), an agency of the Department of Small Business Development puts **innovation** as a key driver of long-term economic growth and a game-changer in the government's economic transformation agenda. South Africa's socio-economic challenges are drivers in creating a vibrant, innovative entrepreneurship environment. Innovation solves problems, creates business opportunities and, most importantly, sets one entrepreneur or start-up apart from another.

## Collaboration with innovation stakeholders

With the adoption of the ecosystem facilitation role, Seda collaborates with a wide range of innovation stakeholders, academic institutions, Science institutions, corporate companies, as well as South African and global business development ecosystem role-players in its incubation programme.

"Given that the small business sector is the backbone of the South African economy, creating the most jobs for youths, the incubation programme provided under the Seda Technology Programme is a launch pad through which innovation and entrepreneurship align to deliver tangible economic benefits,"  
*Sipho Ngcai - executive manager Seda Technology Programme.*



Sipho Ngcai, executive manager at Seda Technology Programme.

## Empowering small business with better chances at survival

[Seda's incubation programme](#) provides existing and aspiring entrepreneurs with a variety of essential services such as physical co-working space, shared infrastructure (co-creation spaces) and shared services, and advanced services such as networking opportunities, access to specialised knowledge (technology experts), market analysis, market linkages, training in the use of new technologies and access to seed funding. The programme focuses on taking on the sustainability and growth acceleration of start-ups and scale-ups beyond the founding few years, empowering small business with better chances at survival.

## Seda's integrated incubation portfolio

South Africa must propel existing innovative enterprises into multi-million rand and globally competitive unicorns. Seda has various incubation streams under the incubation programmes such as Technology Business Incubators (TBIs), Centre for Entrepreneurship and Rapid Incubators (CfERIs) which are established and aligned to institutions of higher learning (Universities and TVET colleges) and Digital hubs which anchor the implementation of the fourth industrial revolution verticals and the future of business. These different streams of incubation cater to different levels of innovations and across various sources (academia, industry and community) through a single integrated portfolio.

Seda's integrated incubation portfolio follows a structured service continuum, transitioning the enterprise from an idea phase (pre-incubation), scale-up phase (incubation) and growth phase (post-incubation) aligned to the enterprise life cycle. This cycle is coupled at the most suitable phases with other Seda Technology Programme interventions, such as sector-based innovation forums, technology match-making, pitching competitions as well as the provision of quality standards training and implementation.

One of the key aspects of successful incubation programmes worldwide is their ability to attract innovative start-ups and ideas. Its ability to attract adequately skilled professionals to manage the business functions is a critical factor for the success of every business incubator. Without qualified and experienced subordinates' incubators will encounter difficulties

in sustainability and delivering quality services. We also have a challenge of unsustainable incubators, which may discourage private and public investment to provide much-needed technology facilities for innovative enterprises.

### **Supporting early-stage and community-based innovations**

Seda's over 100-strong and still-going [incubation centres](#) supported 2507 enterprises in the 2022/23 financial year. Some of the incubation such as the [4IR incubators](#), are leading in the technological sectors, artificial intelligence and drone technology. One such incubator is [Sarebi](#) that is the leading renewable energy innovation incubator focusing on mostly solar technologies. [Savant](#) on the other hand provides assistance and support to high-tech innovation in various spheres of the economy, including but not limited to Agro-processing, packaging and renewable technologies.

Some early-stage and community-based innovations are supported through our digital hubs, with gaming and animation entrepreneurs accessing support at [AB4IR](#) in Mabopane, resolving challenges of access for township entrepreneurs. Rural areas are well represented with the [Gert Sibande TVET College Centre for Entrepreneurship Rapid Incubator](#), which aims to steer and support artisanally trained graduates into entrepreneurs.

The Department of Small Business Development has prioritised incubation as one of the game changers for enterprise development. The department has pledged to work with both private and public sector incubators to review, harmonise and re-package the programme into integrated support package. The department remains committed to building an ecosystem of enhanced sector-focused support service centres to produce high-performance and innovative entrepreneurs and enterprises to double and even triple economic growth, build future tech giants, create new industries and create much needed job opportunities.

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