



Social Entrepreneurship Model for Crime Prevention: stakeholders' collaboration in South African townships.

Applied Research Business Venture Report

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ABSTRACT

South African townships are grappling with significant challenges, particularly high crime rates, which are influenced by a multitude of factors, including poverty, socio-economic issues, and high unemployment. This situation is further intensified by the influx of illegal immigrants and rural-to-urban migration, which increases the population in townships and leads to a rise in informal settlements, ultimately creating an environment that fosters criminal activities. Additionally, the capabilities of the South African Police Service (SAPS) to address crime are hampered by a lack of resources.

This research investigates the feasibility of establishing a security company as a business venture grounded in the Social Entrepreneurship Model for crime prevention, focusing on stakeholder collaboration in South African townships. The social entrepreneurship business model embodies a customer-centric approach that enhances value creation while fostering a network of trust among diverse stakeholders (O.A. Akinboade, T. Taft, J.F. Weber, O.B. Manoko, V.S. Molobi, 2021). This model not only prioritizes the engagement of stakeholders but also signifies a paradigm shift in business practices, emphasizing the integration of social values within the operational framework. By aligning profit motives with social impact, social entrepreneurship facilitates a holistic approach to business that addresses societal needs while remaining economically viable (O.A. Akinboade, T. Taft, J.F. Weber, O.B. Manoko, V.S. Molobi, 2021).

The business venture aims to empower communities to reduce poverty, unemployment, and crime through a socially entrepreneurial approach drawn from Crime Prevention theory. The concepts and theories used in this research include Social Entrepreneurship (SE), Crime Prevention Theory (CPT), Situational Crime Prevention Theory (SCPT), Third-Party Policing Theory (TPP), and Community Policing Forum (CPF).

The research uses quantitative research methods, with data collected through survey questionnaires distributed within the Bojanala Municipality District townships communities. The studies reviewed and research results demonstrate that the Social Entrepreneurship Model is a powerful strategy for combating crime and economic development. This approach promotes collaboration and fosters a shared sense of responsibility, significantly enhancing community safety, building trust, improving communication within the community, and fostering an economic growth environment.

Keywords: Social Entrepreneurship, Business Venture, Local government, Bojanala District Townships, Communities, South African Police Services, Entrepreneurs, Private Security, Crime, Stakeholders, Unemployment, Socio-economic

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LIST OF ACRONYMS

Acronyms	
CSPS	Civilian Secretariat for Police Service
CPTED	Crime Prevention Through Environmental Design
ICVPS	Integrated Crime and Violence Prevention Strategy
NCPS	National Crime Prevention Strategy
PRCS	Police Recorded Crime Statistics
PSI	Private Security Industry
SA	South Africa
SAPS	SAPS
SE	Social Entrepreneurship
CPT	Crime Prevention Theory
SCPT	The Situational Crime Prevention Theory
TPP	Third-Party Policing
PSIRA	Private Security Industry Regulation Act
CIPC	Companies and Intellectual Property Commission
POPIA	Protection of Personal Information Act, 2013
PSIRA	Private Security Industry Regulation Act 56 of 2001.

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1. Chapter 1: Introduction and scope of the business venture

1.1 Introduction

Rising crime rates in South African townships, driven by poverty, inequality, unemployment, and rural-urban migration, strain the South African Police Service (SAPS), which lacks the resources and personnel to combat these issues effectively (Statistics, 2023; Kumar, 2023; Business Tech, 2023). In response, the government introduced the Integrated Crime and Violence Prevention Strategy (ICVPS) in March 2022 to implement the 2016 White Paper on Safety and Security. This strategy emphasizes early intervention, environmental design for safety, and community participation, aiming to unite stakeholders to enhance police services and community safety. Effective implementation and collaboration are crucial for its success.

This business venture proposal accentuates the importance of stakeholders' collaboration in effectively addressing crime-related challenges and supporting the government's Integrated Crime and Violence Prevention Strategy (ICVPS) (Civilian Secretariat For Police Services, 2023). The study aims to align with the government's efforts to combat crime by implementing a Social Entrepreneurship Model for crime prevention stakeholders' collaboration. This model is rooted in two of the approaches of crime prevention theory principles: environmental justice and the social approach. The Social approach emphasizes community practices that can effectively deter crime. Research conducted by (Putra, 2024), reveals that the Social Entrepreneurship Concept involves entrepreneurs innovatively combining human, financial, and material resources to address social gaps that traditional welfare systems are unable to fill. This process includes recognizing, evaluating, and leveraging opportunities that create social value.

The business venture adopts a social approach that prioritizes community well-being over profit. It aims not only to provide security services and foster a safe environment for local residents but also to close the unemployment and economic growth gaps. It aims to create employment opportunities by offering training in various aspects of the security field, within the communities of the Bojanala Municipality District townships in the North West Province. The Social Entrepreneurship Model for crime prevention involves collaboration among local community members, the local government, Community Policing Forums (CPF), SAPS, entrepreneurs, and security companies. The business venture will facilitate stakeholder involvement in strategic planning for security measures and economic development within the township to enhance safety for both local businesses and the community while promoting economic growth. This growth will create employment and local entrepreneurship opportunities.

Additionally, the business venture seeks to provide free security services for local municipal establishments, including schools, libraries, churches, clinics, stadiums, and pensioners' homes. Meanwhile, residents will have the option to pay for tailored services that align with their needs and financial capabilities, ensuring the sustainability of the business through diverse revenue streams. Funding for this project will come from local government, private investors, and the venture's initiator.

1.2 Background and Context

The business venture research will focus on townships within the Bojanala Platinum District Municipality in the Northwest Province. The district comprises five local municipalities: Bojanala, Madibeng, Moses Kotane, Moretele, and Rustenburg. The municipality area is approximately 18 333km² in extent, and the major cities/towns are Brits, Derby, Hartbeesfontein-A, Hartbeespoort, Koster, Madikwe, Marikana, Mooi-nooi, Phatsima, Rustenburg, Swartruggens, Tlhabane, and Mogwase (Bojanala, 2019). The percentage of unemployed people in Bojanala Platinum is 48.66% of the North-West Province's total (Bojanala, 2019). Furthermore, according to the Bojanala District Profile report, the district has the highest overall crime rate among the sub-regions within the North West Province. This high crime rate is attributed to low levels of skills, a high rate of unemployment, and substance abuse. (Bojanala, 2019).

South Africa faces a significant challenge regarding safety and security in urban townships due to its third-highest crime rate globally. (Kumar, 2023). The rate of violent crimes such as assault, rape, and homicide, as indicated in the Police Recorded Crimes 2023/2024 financial year report, is notably high. Poverty, inequality, unemployment, social exclusion, and the normalization of violence are among the factors contributing to these high crime rates. (Kumar, 2023), particularly in townships. Based on statistics indicated within the Crime Statistics report (Statistics, 2023), and the Bojanala District Municipality Profile report, one can deduce that the contributing factors to these high numbers include the lack of private security in the townships and perhaps the SAPS's lack of visibility due to various factors, such as resources and collaboration between the community and the police.

Research conducted by (Kole, 2015) established the private security sector as a potential collaborator that can complement and support the crime prevention efforts of SAPS. The business venture study advocates private security through social entrepreneurship initiatives as transformative tools addressing the root causes of township crime. Furthermore, the social entrepreneurship approach will address the affordability constraints within the communities, for example, strategic placement of surveillance cameras in hotspot areas, which will provide broader coverage in the community neighborhood and free installation of surveillance systems in community structures such as community halls, Libraries, schools, churches, clinics, old age or pensioners homes and stadiums, etc. Therefore, *A Social Entrepreneurship Model for Crime Prevention stakeholders' collaboration in South African townships* can be a solution to crime prevention. Thus, the research explores the challenges and opportunities of the proposed business venture.

Drawing upon established theories of partnership policing, such as the Third-Party Policing (TPP) theory, which engages non-police agencies through legal levers to perform a crime prevention or control role (Margo van Felius, 2023). This model acknowledges that policing is not solely the responsibility of traditional law enforcement agencies but requires a concerted effort from multiple parties to mitigate crime and improve community wellbeing effectively. The Crime Prevention Theory involves three basic principles, which include the environmental justice approach, which aims to reduce crime by modifying the physical environment; the social approach, which focuses on community practices that can help prevent crime (Putra, 2024). These theories are vital for implementing the Social Entrepreneurship model for Crime Prevention, as they address the importance of collaboration and modification of the environment to curb criminal activities.

The Situational Crime Prevention Theory (SCPT) states that the objective is to cultivate an environment that discourages criminal activity (Kole, 2015). These theories, infused with the Community Policing Forums framework, form the basis of the Social Entrepreneurship Model for Crime Prevention: stakeholder collaboration. Furthermore, the social entrepreneurship model for crime prevention integrates the concept of social entrepreneurship with the crime prevention theory.

The business venture conceptualizes the dynamics and interactions underpinning effective collaboration between SAPS, private security, entrepreneurs, and communities by synthesizing the principles of the theories mentioned above. This theoretical framework provides a roadmap for understanding the complexities of the proposed partnership.

The Social Entrepreneurship Model for Crime Prevention stakeholders' collaboration framework proposes a holistic approach to crime prevention in the Bojanala District Municipality townships. It leverages collaborative partnerships among stakeholders by integrating principles from the Third Party Partnership theory (TPP), the Situational Crime Prevention Theory (SCPT), and Crime Prevention Theory (CPT) focused on the social approach, including social entrepreneurship concepts to create a safer, more resilient, and inclusive township environment.

1.3 Business Opportunity and Value Proposition

Townships in South Africa are experiencing escalating crime rates, including murder, hijacking, rape, robbery, and burglary, as highlighted in the Police Recorded Crime Statistics report for the 2023/2024 financial year (Statistics, 2023). These high crime rates are exacerbated by underlying socio-economic factors such as poverty, inequality, unemployment, and the normalization of violence. Research conducted by (Manaliyo J.-C. , 2014), indicate that factors causing crime in townships include poverty and unemployment, resulting in individuals resorting to crime to make a living.

According to a joint media briefing statement by MEC WM Morweng and Major General Patrick Asaneng, the Fourth Quarter Crime Statistics for the North West Province for the 2024/2025 period were presented. The figures were compiled from cases recorded at 85 police stations between January and March 2025. It was emphasized that domestic violence remains a significant factor in crime, accounting for a total of 1,988 related cases, which included 16 reported murders and 62 instances of rape. Although there has been a reduction in the overall category of aggravated robbery, challenges persist, particularly with carjacking and residential robberies in the Bojanala District. Carjackings saw an increase of 1.2%, while residential robberies rose by 3.5%. The Bojanala Municipality District was identified as a crime hotspot, contributing 44% to the total Provincial Crime Statistics.

The proposed business venture aims to establish a security company in South African townships, particularly in the Bojanala Municipality District, to provide security solutions to communities by preventing crime and creating a safe and secure environment. The value proposition of this business venture is to ease the burden of communities and local entrepreneurs by offering reliable and affordable security solutions. The services include customized home and business security solutions utilizing state-of-the-art technology. Homes and businesses can be monitored remotely using smartphones. The security services include live feed

surveillance, alarm systems, surveillance cameras, movement detector laser beams, armed response, guarding services, and free surveillance cameras, guards, and patrol in neighborhood hot spot areas and establishments such as clinics, pensioners' homes, schools, libraries, and churches. The service packaging is designed to suit the customer's needs and affordability. From a Social Entrepreneurship perspective, the services also offer visibility within the community neighborhood through patrol and quick response to emergencies or callouts and surveillances in high-spot areas, including surveillance, guards, and access control in community establishments. Additionally, the business venture aims to empower local entrepreneurs and residents and provide employment opportunities, community engagement, and free training programs for local youth.

1.4 Objectives of the Proposed Business Venture

The proposed business venture aims to establish a security company in the Bojanala District township. Therefore, the research investigates the feasibility of starting a business venture in the defined geographical areas. The business will operate based on a Social Entrepreneurship model for Crime Prevention stakeholder collaboration. The model entails collaboration between Private Security, SAPS, entrepreneurs, and the community. The business venture will be registered under the Private Security Industry Regulatory Authority (PSIRA). The value proposition of this business venture is to offer tailored security services to prevent and combat crime, creating a safe environment for local businesses, communities, and infrastructures. The business venture aims to contribute to sustainable economic development and generate employment opportunities in the Bojanala District Municipality townships, particularly townships within Madibeng Municipality, which are Letlhabile, Mothutlung, Maboloka, and Damosville, to address social concerns, particularly the safety aspect of communities and the reduction of youth unemployment.

1.5 Scope of the Business Venture

The business venture proposal targets the townships within Bojanala District Municipality, strategically focusing on areas characterized by elevated crime rates and socio-economic adversities. The primary objective is to deliver customized security solutions to residents, businesses, and community establishments; this includes free neighborhood surveillance and patrols, guards, surveillance cameras, access control in community establishments, and free training for local youth. These solutions encompass advanced technologies like surveillance cameras, alarm systems, motion detector devices, guards, patrols, and armed response capabilities. Operating within a social entrepreneurship framework, the venture prioritizes collaboration with critical stakeholders such as SAPS, local entrepreneurs, and community members to tackle the underlying causes of crime and foster safer environments.

Community engagement is integral to the venture's approach, with initiatives planned to build trust, empower residents, and promote active participation in crime prevention efforts. Moreover, strategic partnerships with stakeholders will be forged to ensure a coordinated and effective response to security challenges. Continuous evaluation mechanisms will be implemented to assess performance, gather feedback, and drive ongoing improvements in service delivery.

2. Chapter 2: Literature Review

2.1 Introduction

Social exclusion marginalizes many youths in developing countries, depriving them of resources and pushing them toward gangs and criminal enterprises (Hills et al., 2002; Silver, 2007; Haughton, 2013). The rise of criminal activity has worsened socioeconomic conditions, with ineffective force-based crime prevention strategies.

With rising crime rates and socio-economic challenges in urban townships, there is an urgent need for innovative and collaborative approaches to address these complex issues. This literature review explores and synthesizes existing literature on social entrepreneurship, private security, partnership policing, crime prevention theories, community engagement, and socioeconomic factors contributing to crime. By examining these themes, this literature review provides a theoretical foundation and context for understanding the proposed business venture's objectives, scope, and potential impact on crime reduction and community safety within South African urban townships.

2.2 Social Entrepreneurship and Crime Prevention

Social entrepreneurship in the South African context is a practice that uses innovative business models to bring about positive social and environmental changes (Holt, 2018). According to Social Enterprise South Africa, SEAA (2014), social entrepreneurship involves conducting business to impact society and the environment positively (Holt, 2018). ASEN (2014) and UnLtd South Africa (2015) describe social enterprises as organizations founded by social entrepreneurs to put their innovative ideas into action. These enterprises can be small community businesses, cooperatives, or NGOs that use income-generating strategies to promote sustainability while driving social or environmental change (Holt, 2018). In crime prevention, social entrepreneurship entails using business models and strategies to foster sustainable social progress, strengthen community resilience, and tackle the underlying causes of crime. Research conducted by K'adamawe K'nife and Andre Haughton suggests that social entrepreneurship offers a comprehensive approach to curbing crime and violence while promoting sustainable community development and long-term growth for the country (Haughton, 2013).

Furthermore, social entrepreneurship offers a sustainable alternative by creating social value and economic opportunities (Overall et al., 2010 (Haughton, 2013)). It connects communities, promotes innovation, and helps youth build social capital (Putnam, 1995; Haughton, 2013). Unlike traditional businesses, it is enterprise-driven rather than reliant on grants (Overall, 2010; Haughton, 2013). Social entrepreneurship can break structural barriers by fostering collaboration and economic inclusion (Gittel & Vidal, 1998; Haughton, 2013) and contribute to long-term crime prevention and community development.

2.3 Private Security and Partnership Policing

The private security sector is critical in complementing traditional policing efforts and enhancing public safety (Kole, 2015). Partnership policing, also known as Third-Party Policing (TPP), emphasizes collaboration between police, private security, and community stakeholders to prevent and control crime (Margo van Felius, 2023). Research has shown that partnership policing approaches can lead to more effective crime prevention outcomes by leveraging private security companies' unique capabilities and resources (Ratcliffe, 2005). By fostering collaboration and shared responsibility among police, private security, and community stakeholders, partnership policing initiatives can enhance community safety, improve trust and communication, and create a more resilient and cohesive society (Margo van Felius, 2023; Mazerolle, 2014).

2.4 Community Engagement and Participation

Anti-crime organizations have embraced community participation as a solution to crime problems. This approach gained prominence after governments realized that reducing crime cannot be accomplished by law enforcement alone; communities must be involved. (Manaliyo J. C., 2016). Community participation has become a key strategy for organizations addressing crime-related issues. It is widely recognized that law enforcement alone cannot effectively reduce crime and that local communities must be involved. The idea behind community participation in crime prevention is that those who know their areas best - the members of local communities - can provide invaluable support to traditional law enforcement efforts (Liebermann & Coulson, 2004) (Manaliyo J. C., 2016). In this context, the collaboration between the SAPS, communities, and partnerships between private security and entrepreneurs through social entrepreneurship can be a strategy to combat crime in townships. Research has shown that collaborative approaches involving police, private security, and community stakeholders can improve trust, communication, and

cooperation, thereby enhancing the effectiveness of crime prevention efforts (Edward F. Connors, William C. Cunningham, Peter E. Ohlhausen, 1999).

2.5 Socio-economic Factors and Crime

The correlation between socioeconomic factors and crime has been the subject of extensive research within the field of criminology literature, with poverty, inequality, unemployment, and social disorganization being key factors (Wilson & Kelling, 1982) (Sampson, 1989). Sampson and Groves (1989) have delved deeper into the social disorganization theory, investigating how social inequality and collective efficacy influence crime rates. Their findings suggest that communities with pronounced inequality and weak social cohesion are more likely to experience elevated levels of crime. (Sampson, 1989).

Further research has indicated that poverty, economic inequality, and social exclusion can create a sense of hopelessness, leading to violent behavior and an increased risk of criminal activity (Kumar, 2023). In South Africa, studies have shown that marginalized and disadvantaged communities are particularly vulnerable to the negative impacts of socioeconomic factors on crime rates. (Statistics South Africa, 2017). Indeed, there is a clear correlation between high levels of poverty, unemployment, inequality, and increased crime rates. Focusing on social perspectives, such as enhancing neighborhood security through surveillance cameras and patrols, is essential to effectively address the underlying socio-economic issues. Additionally, providing free training and employment opportunities for local youth and involving community representatives in developing sustainable crime prevention strategies will promote social inclusion, economic development, and overall community well-being.

2.6 Crime Prevention Theories

The Crime Prevention Theory involves three basic principles, which include the environmental justice approach, which aims to reduce crime by modifying the physical environment. (Putra, 2024), which aligns with the Situational Crime Prevention Theory (SCPT). The other Crime Prevention Theory principle is the social approach, which focuses on community practices that can help prevent crime. This approach is anchored by the Social Entrepreneurship concept, which (Putra, 2024) defines as a process involving entrepreneurs innovatively combining human, financial, and material resources to address social gaps that traditional welfare systems are unable to fill. (Putra, 2024).

Situational Crime Prevention Theory (SCPT) is an innovative approach to crime prevention that analyses the circumstances that lead to particular types of crime. Rather than solely focusing on individuals, SCPT aims to diminish the appeal of criminal activity by introducing modifications to reduce opportunities or incentives for crime. This approach is implemented through various public and private organizations and agencies. (Clarke, 2009). According to a study by Wim Huisman and Judith Van Erp, most environmental offenses result from inaction rather than active criminal behavior. Despite this finding, the Situational Crime Prevention Theory (SCPT) focuses on preventing commission crimes. Nevertheless, it has been determined that the SCPT remains a valuable tool for examining the potential for environmental crime. (Erp, 2013).

The SCPT theory aligns with the business venture's goals and model. The business venture seeks to enhance the quality of life for community members while fostering economic growth. It accomplishes this by implementing environmental changes, such as 24-hour security patrols and strategically positioned surveillance cameras, thereby creating a safer environment for the community and local businesses that discourages criminal activities. Additionally, generating employment and entrepreneurial opportunities aims to reduce poverty, thus improving the situation within the community and domestic dynamics and diminishing the appeal of criminal activities.

2.7 Business Opportunity Gaps

The current government prevention strategies have a gap in the lack of cohesion between government entities, communities, and private security companies. Additionally, the ineffectiveness of the SAPS has eroded trust between them and communities. The Social Entrepreneurship model aims to bridge this gap by promoting stakeholder collaboration to prevent crime. The foremost opportunity lies in providing innovative security solutions and prioritizing community safety while promoting economic development. Collaborative partnerships with SAPS, private security companies, entrepreneurs, and residents are crucial to this approach. This business venture can potentially create a safer environment for township residents.

Furthermore, the Social Entrepreneurship Model presents an opportunity to address the underlying socio-economic factors contributing to crime. The business venture can offer sustainable solutions that uplift and strengthen township communities through community empowerment, job creation, and skills development programs. By addressing issues such as poverty, unemployment, and social exclusion, the business venture aims to disrupt the cycle of crime and improve residents' overall quality of life.

Collaboration is central to the success of this business opportunity. Partnerships between SAPS, private security companies, entrepreneurs, and the community form the foundation for effective crime prevention. The business venture can maximize its impact and create lasting positive change within the Bojanala District Municipality townships by fostering trust, communication, and shared responsibility among stakeholders.

2.8 Review of Business Model

The business venture operates in Bojanala District Municipality townships, providing customized security solutions to homeowners, renters, enterprises, and community establishments like schools and churches. It utilizes advanced technology like surveillance cameras, alarm systems, and security personnel to address diverse security needs. The multi-channel distribution strategy includes direct sales, an online platform, and community events for engagement. Revenue will be generated through subscription plans and additional charges for services like installation and security assessments. Strategic partnerships with SAPS and private security firms provide resources and regulatory support. The business venture aims for sustainable growth by managing costs, optimizing operations, and fostering community resilience. It offers tailored security packages, prioritizing peace of mind and protection against criminal activities while actively engaging with the community to build trust and meet their security needs.

2.9 Rationale For The Business Model

The business model is rooted in addressing the urgent need for enhanced security solutions in townships within the Bojanala District Municipality. By leveraging state-of-the-art technology, community engagement initiatives, and strategic partnerships, the model aims to combat crime and improve safety. Collaborating with security companies enables access to resources and regulatory support, while customized security packages cater to diverse customer segments. A multi-channel distribution strategy facilitates effective outreach and community trust-building, including direct sales and online platforms. Revenue streams from service fees and installation charges ensure sustainability, while cost management and operational efficiency drive profitability. The business venture model will integrate innovative technology, community involvement, and sustainable revenue streams to provide comprehensive security solutions and foster safer township environments.

2.10 Summary of the Literature Review

The literature review comprehensively examines crime and crime prevention in South African townships, drawing from various disciplines such as criminology, sociology, and urban studies. It explores key themes, including social entrepreneurship, private security, partnership policing, community engagement, socio-economic factors, and crime prevention theories (Holt, 2018; Kole, 2015; Margo van Felijs, 2023; Manaliyo et al., 2016; Sampson, 1989). Social entrepreneurship emerges as a promising approach to address crime by leveraging innovative business models to promote sustainability and address root causes (Haughton, 2013). Private security and partnership policing emphasise collaboration between SAPS, private security, and community stakeholders to enhance public safety (Ratcliffe, 2005; Mazerolle, 2014). Community engagement is recognized as essential for effective crime prevention, emphasizing the involvement of local communities in crime prevention initiatives (Liebermann & Coulson, 2004).

The review highlights the correlation between socioeconomic factors such as poverty, inequality, and unemployment and crime rates, underlining the importance of addressing underlying socioeconomic issues for sustainable crime prevention (Wilson & Kelling, 1982; Kumar, 2023). Crime prevention theories such as Situational Crime Prevention Theory (SCPT) and Crime Prevention Theory (CPT) principles offer theoretical frameworks for understanding and addressing the circumstances and situational and environmental factors contributing to criminal activities.

In conclusion, the literature review underscores the importance of holistic approaches to crime prevention that involve collaboration between various stakeholders and address underlying socio-economic factors. It provides a theoretical foundation and context for understanding and addressing crime in South African townships. According to the Social Disorganization Theory, communities that fail to uphold the shared values of their residents and maintain adequate social controls are more susceptible to crime. (Groves, 1989). This theory suggests that neighborhoods with weak social ties, high poverty rates, and low residential stability are at greater risk of experiencing criminal activities. Hence, the business venture focuses on identifying the root cause of crime in communities and emphasizes the importance of unity and collaboration to address social issues that adversely affect the community.

In addition, the literature review highlights the potential for innovative business models to contribute to crime reduction and community safety. The theories of crime prevention, partnership policing, and social disorganization anchor the framework of the social entrepreneurship model for business ventures.

3. Chapter 3: Research Methodology

3.1 Introduction

In this chapter of the business venture proposal, the research delves into the various crucial components of the methodology employed in the study. These components include, but are not limited to, the research design and methodology, the sampling procedure adopted, the tools utilized for data collection, the research instrument used, and the data analysis process. Discussing these components provides a clear and comprehensive understanding of the methodology employed in the study and its reliability and validity. The researcher used a literature review and structured surveys to obtain data for the business venture study, which enables the validity of the business venture proposal. The study was conducted in the townships of the Bojanala District in the Northwest Province.

3.2 Research Methodology

The research methodology for this study is Quantitative Research. Quantitative research is a systematic empirical investigation that uses numerical or statistical data to identify patterns, trends, and relationships among variables. It aims to quantify the data and generalize results from the sample to the larger population. (Creswell, 2017). Quantitative methods often involve structured data collection techniques, such as surveys, questionnaires, and structured interviews, to gather numerical data that can be analyzed using statistical methods. (Bryman, 2016).

The quantitative approach allowed the researcher to systematically collect and analyze data to gain insight into crime perceptions, security needs, and potential avenues for collaboration in the Bojanala District townships. This approach allows for statistical analysis of the relationship between the variables and provides empirical evidence to inform the business venture proposal. Surveys and questionnaire instruments were used to collect data, which assisted in assessing perceptions of crime, satisfaction of the communities with current security measures, willingness to collaborate with SAPS and Private security, and their specific security needs and preferences.

3.3 Research Design

In this study, the researcher employed a descriptive research design, which allowed the researcher to systematically collect numerical data to describe the current state of crime and safety perceptions, collaboration and partnership between SAPS, private security services, and communities, socio-economic factors in Bojanala District townships. This design involved cross-sectional data collection using structured questionnaires, employing appropriate sampling techniques, ensuring reliable and valid data collection, and conducting statistical data analysis to describe and understand the complexities of crime and safety issues, collaboration and partnership, socio-economic factors, and social entrepreneurship in Bojanala District Municipality townships.

3.4 Data Collection Method

The researcher collected data through structured surveys or questionnaires in closed questions format, which was guided response types in the form of multiple-choice questions. Data collection was done by collecting quantitative data from the participants by asking them to respond to the structured questions in the survey or questionnaire, ensuring the confidentiality and anonymity of the participants and encouraging honest and accurate responses.

This method involved a set of standardized closed questions designed to obtain quantitative data from participants in a systematic and structured manner (Fowler, 2013). The surveys or questionnaires were specifically tailored and distributed to the sample of participants to gather numerical data on various aspects related to crime and safety perceptions, partnerships between SAPS, private security services and communities, socioeconomic factors, social entrepreneurship, and general recommendations. This approach enabled the researcher to explore the research problem systematically and comprehensively while addressing the research objectives related to crime and safety issues in the townships of the Bojanala District in the Northwest Province.

3.5 Population and Sampling

3.5.1 Population

The research population included residents from various townships in Bojanala District, working in different sectors such as private and government employment, along with local entrepreneurs and unemployed community members. The study aimed to comprehensively understand these communities' opinions, experiences, and perspectives on crime and safety perceptions, collaboration between SAPS and communities, partnerships between private security services and entrepreneurs through social entrepreneurship, and socioeconomic factors. The data collected from this research was used to inform decision-making processes to improve the well-being of the community as a whole while mitigating the business venture proposal.

3.5.2 Sample

The business venture proposal aimed to include community members of the Bojanala District townships, including security experts, security and SAPS officials, and entrepreneurs. Due to the vastness and diversity of the population, the researcher used a Purposive and Convenience Sampling technique. This technique ensured that a representative sample of participants was selected from different demographic groups, community leaders, and stakeholders across various townships within Bonajala District in the Northwest Province. Using this sampling technique, each subgroup within the population was adequately represented in the sample. This allowed for meaningful and comprehensive analysis of the collected data. Because the study dealt with infinite populations, the sampling estimation technique is the Cochran Sample size formula (Cochran, 1977). This method was used to calculate the ideal sample size for the desired level of precision and is recommended for studies with infinite populations (Cochran, 1977) (Ioan Gelu Ionas). According to Ioan Gelu Ionas, MBA, PhD, the Cochran 1977 theoretical sample for an infinite population estimate is determined from the Cochran formula:

$$n_o = (z^2 \cdot p \cdot (1-p)) / e^2$$

Where,

n_o : Sample size

e : is the desired level of precision, the margin of error

p : the fraction of the population (as a percentage) that displays the attribute, and

z : the z-value extracted from the z-table, representing the desired level of confidence

This research determined the appropriate sample size using the Cochran formula. The following variables were assumed: $p = 5\%$, a 99% level of confidence, and a precision of $\pm 5\%$.

$$\begin{aligned} n_o &= \frac{z^2 p (1-p)}{e^2} \\ &= \frac{(2,58)^2 (0,5) (1-0,5)}{(0,1)^2} \\ &= 166 \text{ Community members} \end{aligned}$$

3.6 Research Instrument

The researcher has opted to utilize survey research as the primary research tool. This approach involves posing inquiries to collect data from participants. Depending on the duration of the study, the investigation can be executed through two survey types: cross-sectional surveys or longitudinal surveys. (Teachers College, Columbia University, 2024). The type of questions the researcher used is the Guided Response Type, which was the multiple choice. Guided response-type questions offered researchers a practical and efficient means of collecting standardized quantitative data while minimizing response bias and facilitating data analysis.

3.7 Data Analysis and Reliability

The research methodology for this business venture proposal is the Quantitative Research method. The research instrument employed was survey questionnaires, which were guided response types in multiple-choice questions. The researcher has employed a statistical analysis tool, SPSS V29, for data analysis. The Cronbach's alpha test was run using the SPSS statistics tool to test the reliability of Likert-type items in a questionnaire or survey. The Cronbach's Alpha values range from 0 to 1, where 0 is interpreted as unacceptable and 1 as excellent. This comprehensive and user-friendly software package is designed for statistical analysis, data management, and visualization. Furthermore, it is a valuable tool for researchers conducting quantitative research studies to analyze and interpret their data effectively. (Field, 2018) (Pallant, 2021).

3.8 Quality Assurance

This business proposal outlined a comprehensive approach to ensuring the accuracy and reliability of data in online surveys. The process involved multiple steps, including clearly defining objectives and questions, selecting representative samples, utilizing user-friendly platforms, designing visually appealing layouts, rigorously validating and analyzing data, and continuously monitoring and improving data quality. These steps prioritized specificity and clarity and avoided biases while engaging participants to ensure accuracy and consistency. This approach enabled the researcher to obtain valuable and meaningful insights from online surveys, ultimately improving the quality and effectiveness of their research. (Market Research, 2024).

3.9 Limitations

- The business venture focused on a specific geographic area (Bojanala District townships), which has limited the generalizability of the findings to other regions or populations. This area's unique socio-cultural and economic characteristics may not represent broader contexts.
- Sampling Bias could persist despite using a Purposive and Convenience Sampling technique, leading to skewed results due to the underrepresentation of certain demographic groups or areas within the Bojanala District townships.
- Low Response Rates or Non-response Bias could further skew results, as certain groups may be more likely to participate, leading to biased conclusions.
- Data collection through surveys and questionnaires is highly susceptible to Self-Report Bias. Participants may provide socially desirable responses or inaccurately recall information, leading to unreliable findings on crime perceptions, safety concerns, and collaboration attitudes. To mitigate this limitation, the researcher has included questions to validate the accuracy of responses, such as questions about personal experiences related to crime and perceptions of crime within their neighborhood and cross-referencing with other data sources.

3.10 Ethical Considerations

The researcher has followed ethical and legal standards to ensure the highest ethical standards, such as informed consent, confidentiality, anonymity, privacy, transparency, and honesty. The researchers obtained informed consent, maintained strict confidentiality, respected participants' voluntary involvement, and provided transparent and honest information about the research process.

4. Chapter 4: Key Findings

The preceding chapter examined the various components of the research design and methodology implemented to fulfill the objectives of the proposed business venture. This chapter presents a comprehensive summary of the results derived from the survey data collected from the sample.

4.1 Data Cleaning and Preparation

168 responses were received from the administered survey. 12 responses were found invalid due to incompleteness. Therefore, only 156 responses were considered for analysis. Furthermore, question 3.2, which assesses the level of satisfaction with the current partnership policing initiatives, was only 33.3% completed, and question 1.3 was partially completed. Therefore, these two questions mentioned were discarded from the dataset. Table 1 presents the summary of the collected data.

Table 4: Summary of sample data collected

Description	Number
Total survey responses received	168
Total discarded responses due to incompleteness	12
Total items discarded from the dataset due to incompleteness	2
Total valid responses considered for further analysis	156

Information source: Researcher

4.2 Item Reliability Testing

The supervisor thoroughly reviewed the survey instruments before their deployment. A pilot study was undertaken to ensure the clarity and appropriateness of the questionnaires for the intended data collection. However, the application of Cronbach's alpha was deemed infeasible due to inconsistencies in the scaling of several items within the same construct.

4.3 Descriptive Statistics

The survey questionnaire consisted of two subset questions related to respondents' demography. These subset questions included respondents' residence municipality within the Bojanala District and respondents' employment status.

Moreover, the questionnaire also included scale items assessing factors of Crime and Safety Perceptions, Collaboration and Partnership, Socio-economic Factors, Social Entrepreneurship and Innovation, Recommendations, and Future Outlook; this was considered part A. The same factors were used for part B of the questionnaire; however, different questions and scale items were used.

The researcher evaluates fundamental statistics output, assessing the collected data for statistical variations, including frequency, percentage distribution, minimum score, maximum score, mean item score (MIS), and standard deviation (SD).

4.3.1 Demographic Results

Table 2 below outlines the respondents' districts of residence. According to the survey results presented in the table, 18.6% of the respondents (n=29) live in the Bojanala district. A significant portion, 48.1% (n=75), are from Madibeng. The Moretele district represents only 2.6% (n=4) of the participants, while Moses Kotane accounts for 11.5% (n=18), and Rustenburg comprises 19.2% (n=30) of the research participants.

Table 5: Participant district of residence.

Municipality in Bojanala District			
Question: Which Municipality in Bojanala District do you reside in?			
District	Frequency	Percent	Valid Percent
Bojanala	29	18.6	18.6
Madibeng	75	48.1	48.1
Moretele	4	2.6	2.6
Moses Kotane	18	11.5	11.5
Rustenburg	30	19.2	19.2
Total	156	100.0	100.0

Information Source: Survey

Table 3 presents the employment status of the survey respondents. Employment levels have been recognized as a significant factor driving the rising crime rates in South African townships. The results reveal that a considerable percentage of respondents are employed, accounting for 71.2% (n=111). In contrast, 15.4% of respondents are unemployed (n=24), and 13.5% (n=21) are self-employed. These findings reinforce the notion that a substantial number of respondents are indeed in employment. This shows that 84.7% of customers can afford the security services offered in various packages tailored to their needs. The remaining customers will rely on the business venture's free essential services from the Social Entrepreneurship model.

Table 6: Respondent's employment status

Employment Status			
Question: Are you currently employed?			
	Frequency	Percent	Valid Percent
No	24	15.4	15.4
Self Employed	21	13.5	13.5
Yes	111	71.2	71.2
Total	156	100.0	100.0

Information Source: Survey

4.3.2 Crime and Safety Perceptions (CSP)

Table 4 presents the survey questions alongside their corresponding item scales and comprehensively details descriptive statistics for crime and safety perception (CSP). This analysis provides valuable insights into community members' perceptions of safety, shedding light on how individuals feel in different contexts and times of day. The analysis reveals that the average perception of community safety is positioned between "unsafe" and "neutral," with a mean score of 2.13 and a standard deviation of 1.066. Participants often reported feeling unsafe at night when asked about their safety while walking alone, yielding a mean score of 3.79 and a standard deviation of 1.309. In contrast, during daylight hours, respondents indicated that they sometimes feel unsafe, resulting in a mean score of 3.01 and a standard deviation of 1.104.

This data highlights the necessity for targeted safety initiatives tailored to specific times and contexts to enhance the community's overall sense of security.

Table 4: Descriptive statistics of CSP factor

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
2.1 On a scale of 1 to 5, how would you rate your community's current level of safety and security?	CSP01	1. Very Unsafe 2. Unsafe 3. Neutral 4. Safe 5. Very Safe	156	1	5	2.13	1.066
2.2 How often do you feel unsafe walking alone in your community during the day?	CSP02	1. Never 2. Rarely 3. Sometimes 4. Often 5. Always	156	1	5	3.01	1.104
2.3 How often do you feel unsafe walking alone in your community during the night?	CSP03	1. Never 2. Rarely 3. Sometimes 4. Often 5. Always	156	1	5	3.79	1.309

Source: SPSS Output

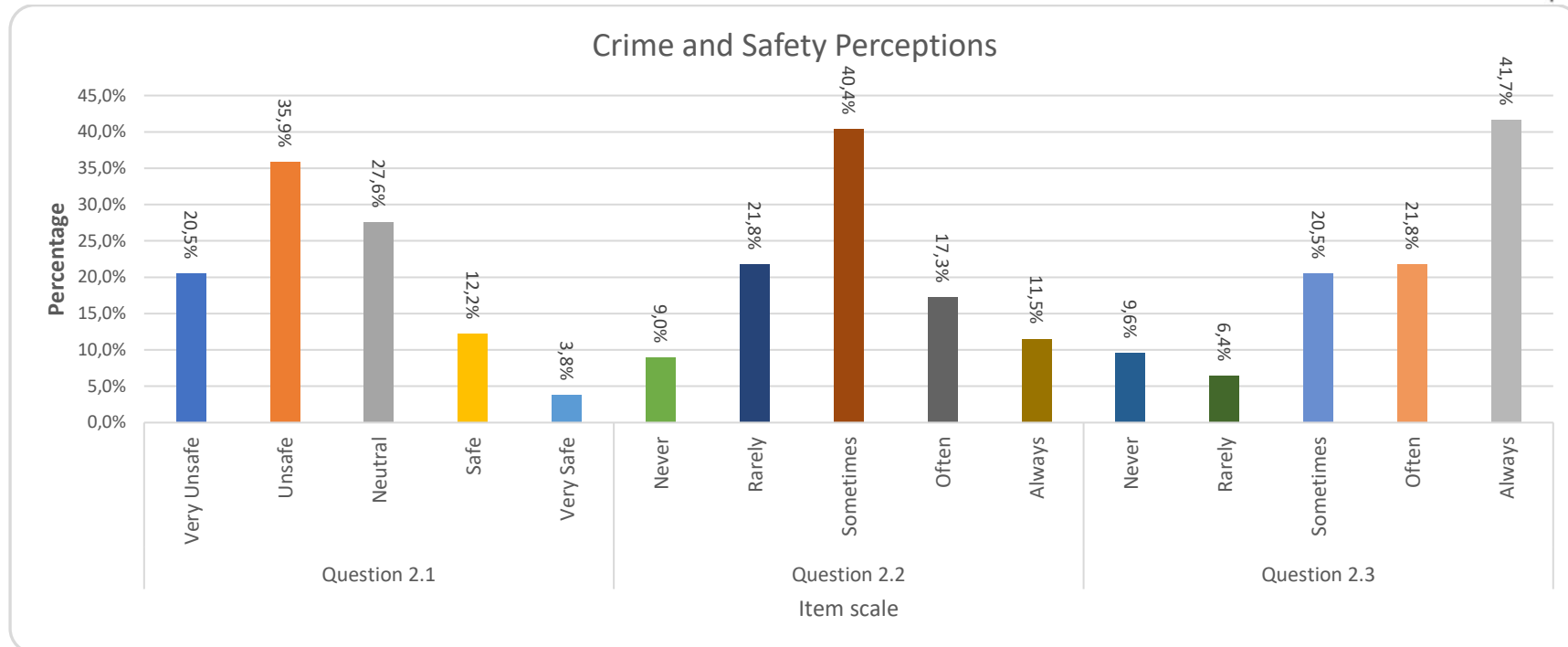


Figure 1: Views on Crime Prevention Perception

The individual scale items were analyzed further and represented in a bar chart. Figure 1 illustrates the distribution of responses. It reveals that 35.9 percent of respondents believe that their community's current level of safety and security is inadequate. Additionally, 40.4 percent of respondents reported feeling unsafe when walking alone during the day in their community. Similarly, 41.7 percent felt unsafe walking in their community at night.

4.3.3 Collaboration and Partnership (CP)

Descriptive statistical results for the Collaboration and Partnership (CP) factor are presented in Table 5. Respondents were asked to evaluate statements on a Likert scale regarding their perceptions of the effectiveness of collaboration among private security services, the South African Police Service (SAPS), and communities in addressing crime and safety in their respective townships. The results shown in Table 5 indicate that the mean score for the items is 2.20, which is close to 2. Additionally, the dataset has a standard deviation (SD) of 1.144, suggesting that respondents generally disagreed with the statement that effective collaboration exists among private security services, SAPS, and communities.

Table 5: Descriptive statistics of CP factor

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
3.1 To what extent do you agree with the statement: "There is effective collaboration between private security services, SAPS, and communities in addressing crime and safety issues in urban townships"	CP01	1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree	156	1	5	2.20	1.144

Source: SPSS Output

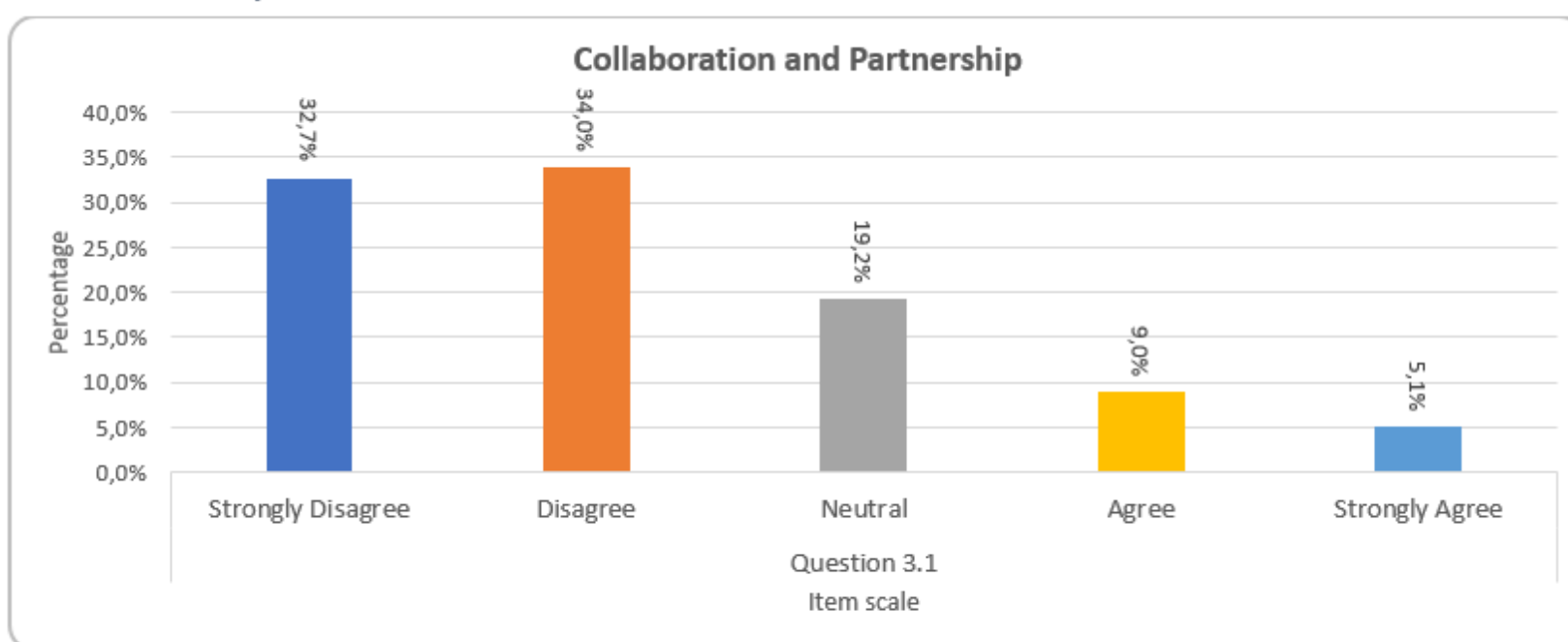


Figure 2: Views on effective collaboration between private security services, SAPS, and communities in addressing crime and safety issues in urban townships

Individual scale items indicate that most respondents either disagree (34.0%) or strongly disagree (32.7%) with the statement regarding effective collaboration among the parties mentioned in question 3.1 for addressing crimes and safety concerns. Figure 2 displays the distribution of these responses.

4.3.4 Socio-economic Factors (SF)

This subsection provides a detailed descriptive analysis of socio-economic factors (SF) statistics. This factor critically examines the influence of social issues such as poverty, economic inequality, and social exclusion on the emergence of hopelessness, which may subsequently lead to criminal behavior.

The calculated mean for this factor is 4.330, which approximates the maximum value of 5, with a standard deviation of 1.135 across all responses. These findings indicate a substantial consensus among respondents regarding the significant role of socioeconomic determinants in exacerbating crime rates within their communities. Additionally, the distribution of individual responses, as depicted in Figure 3, reinforces this conclusion, revealing that 68.5 percent of participants strongly agree with this assertion.

Moreover, the respondents indicated moderate engagement and participation in crime prevention initiatives. The mean score for this aspect is 2.4, with a standard deviation of 0.902, as outlined in Table 6. This score, which is approaching the midpoint of 3, suggests a moderate degree of community involvement in these initiatives.

Table 6: Descriptive statistics for SF factor.

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
4.1 To what extent do you agree that socioeconomic factors (e.g., poverty, inequality, unemployment) contribute to the high crime rates in urban townships?	SF01	1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree	156	1	5	4.33	1.135
4.2 How would you rate the level of community engagement and participation in crime prevention initiatives in your community?	SF02	1. Very Low 2. Low 3. Moderate 4. High 5. Very High	156	1	5	2.40	0.902

Source: SPSS Output

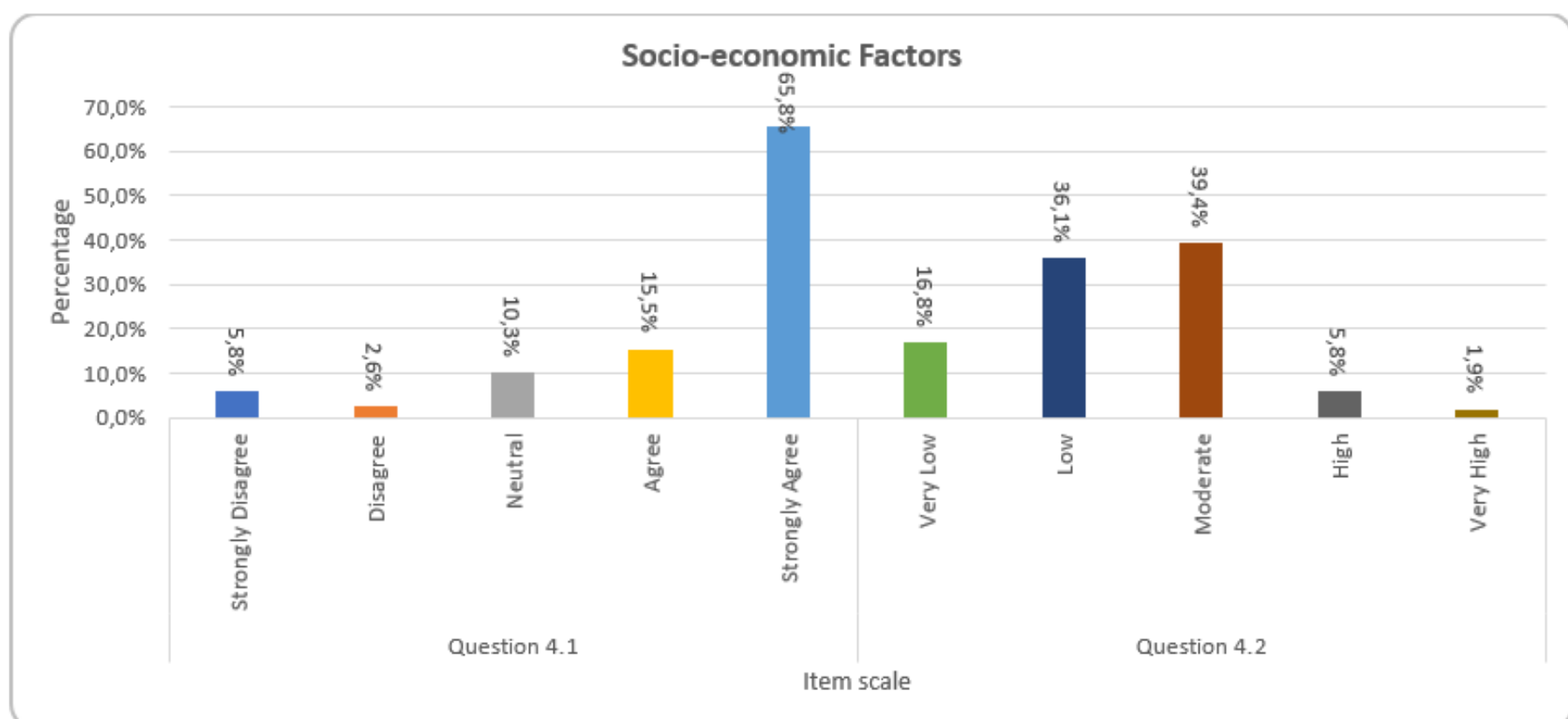


Figure 3: Views on socioeconomic factors contributing to crime.

4.3.5 Social Entrepreneurship and Innovation (SEI)

This section evaluates respondents' familiarity with social entrepreneurship and its role in addressing societal challenges in their townships. In Table 7, question 5.1, respondents rated their familiarity with social entrepreneurship, yielding a mean score of 3.03 and a standard deviation of 1.213. This suggests that many remain uncertain about the concept, although 32.7% indicate familiarity. Refer to Figure 4 below.

In Table 7, question 5.2, regarding the effectiveness of social entrepreneurship, the mean score was 4.03 with a standard deviation of 1.06, indicating that many see social entrepreneurship as moderately effective in addressing community challenges. Notably, 42.3% of the people depicted in Figure 8 believe it can significantly impact societal issues, pointing to its potential for community development and the need for greater awareness.

Table 8 and Figure 9 reveal a lack of awareness about social entrepreneurship initiatives. 42.3% are unfamiliar with programs addressing crime and safety in their townships, highlighting the need for outreach. However, 41.3% believe technology and innovation can enhance crime prevention strategies, indicating a positive perception of their impact on safety.

Finally, the mean scores for SEIB dimensions show varied engagement, with SEIB01 at 2.02 and SEIB02 at 3.99, and similar standard deviations (1.086 for SEIB01 and 1.075 for SEIB02), reflecting differing beliefs among participants.

Table 7: Descriptive statistics for SEI factor.

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
5.1 How familiar are you with the concept of social entrepreneurship?	SEI01	1- Not Familiar 2- Somewhat Familiar 3- Neutral 4- Familiar 5- Very Familiar	156	1	5	3.03	1.213
5.2 To what extent do you believe that social entrepreneurship can contribute to addressing crime and safety issues in urban townships?	SEI02	1- Not at all 2- Slightly 3- Neutral 4- Moderately 5- Extremely	156	1	5	4.03	1.065

Table 8: Descriptive statistics of factor SEIB.

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
10.1 How familiar are you with existing social entrepreneurship initiatives aimed at addressing crime and safety issues in townships?	SEIB01	1- Not Familiar 2- Somewhat Familiar 3- Neutral 4- Familiar 5- Very Familiar	156	1	5	2.02	1.086
10.2 To what extent do you believe that technology and innovation can enhance crime prevention strategies in townships?	SEIB02	1- Not at all 2- Slightly 3- Neutral 4-Moderately 5- Extremely	156	1	5	3.99	1.075

Source: SPSS Output

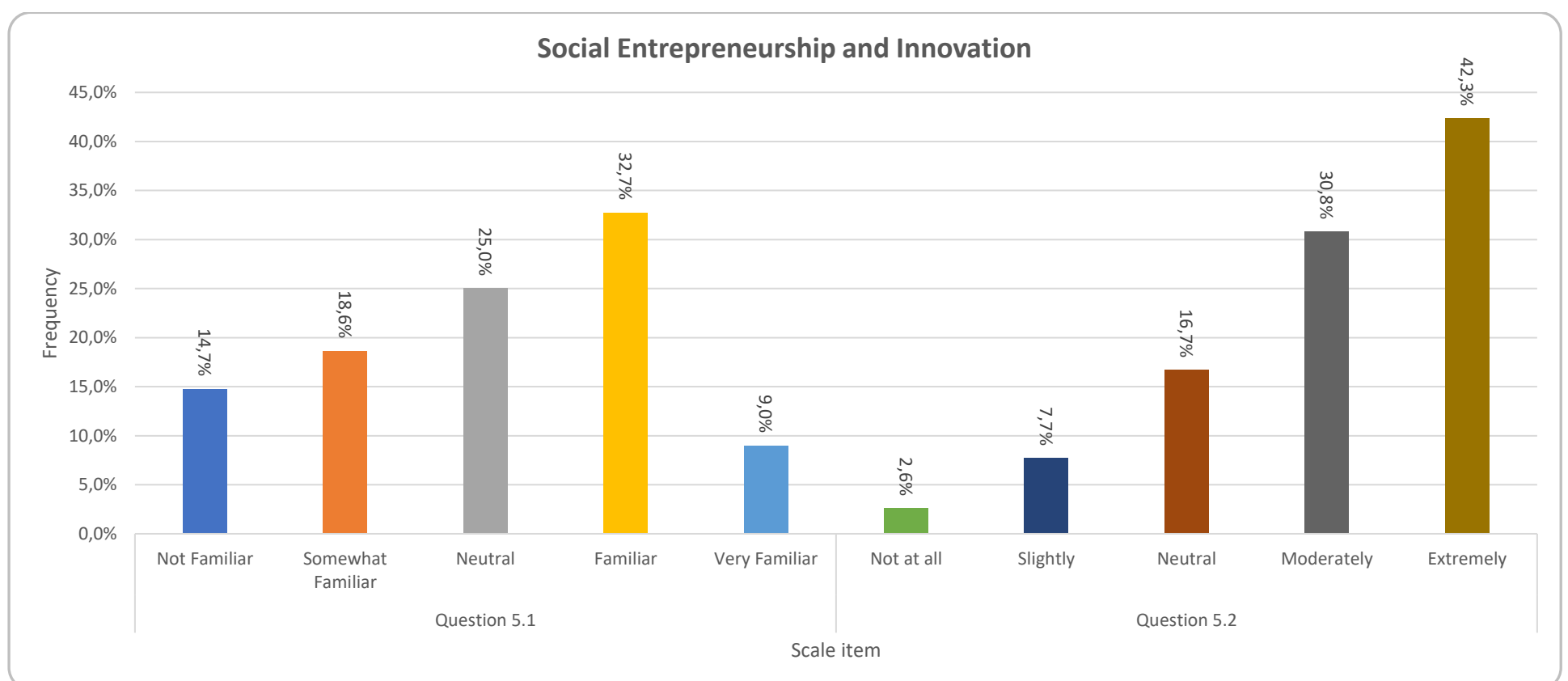


Figure 2: Views on social entrepreneurship factors tackling societal challenges.

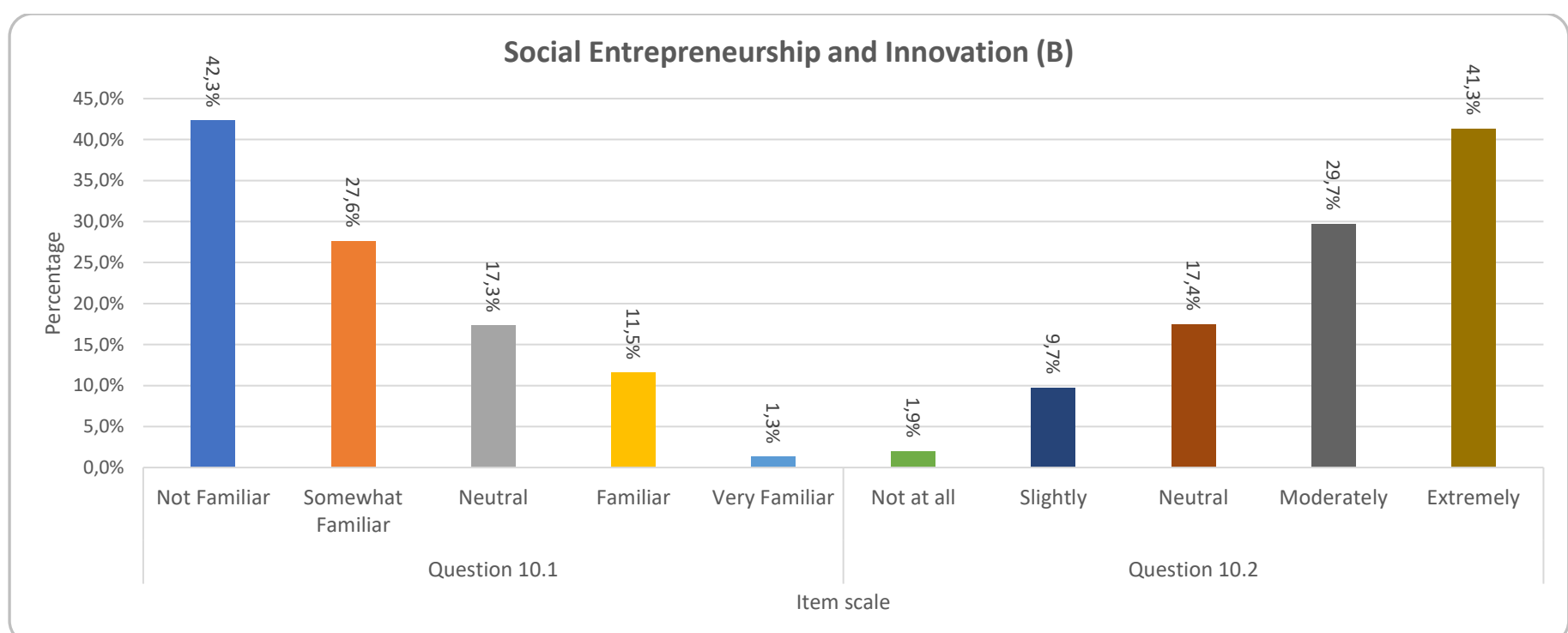


Figure 5: Response distribution for SEIB (Part B).

4.3.6 Recommendations and Future Outlook (RF)

This section of the survey instrument aims to collect valuable insights from respondents about their recommendations and future outlooks on crime prevention and community safety, as outlined in Table 9. The data from question 6.1 reveals a mean item score of 3.55, close to 4. This score reflects an overall optimistic outlook among the respondents regarding the effectiveness of future crime prevention strategies. This optimism is further illustrated in Figure 6 and detailed in Table 9.

In addition, respondents were asked to identify the most effective strategy to enhance collaboration among various stakeholders involved in crime prevention, including private security services, the South African Police Service (SAPS), and community members. Remarkably, 31.4 percent of those surveyed cited social entrepreneurship initiatives as the best solution. This finding suggests that fostering a social entrepreneurship model for Crime Prevention stakeholders' collaboration in South African townships could significantly strengthen partnerships and improve community safety.

Table 9: Descriptive statistics for RF factor.

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
6.1 How optimistic are you about the future of crime prevention and community safety in South African urban townships	RF01	1- Very Pessimistic 2- Pessimistic 3- Neutral 4- Optimistic 5- Very Optimistic	156	1	5	3.55	1.192
6.2 What do you think is the most effective strategy for enhancing collaboration and partnership between private security services, SAPS, and communities to improve crime prevention and community safety	RF02	1- Increased Police Presence 2- Community Engagement Programs 3- Social Entrepreneurship Initiatives 4- Strengthened Partnership Policing 5- Other	156	-	--	--	--

Source: SPSS Output

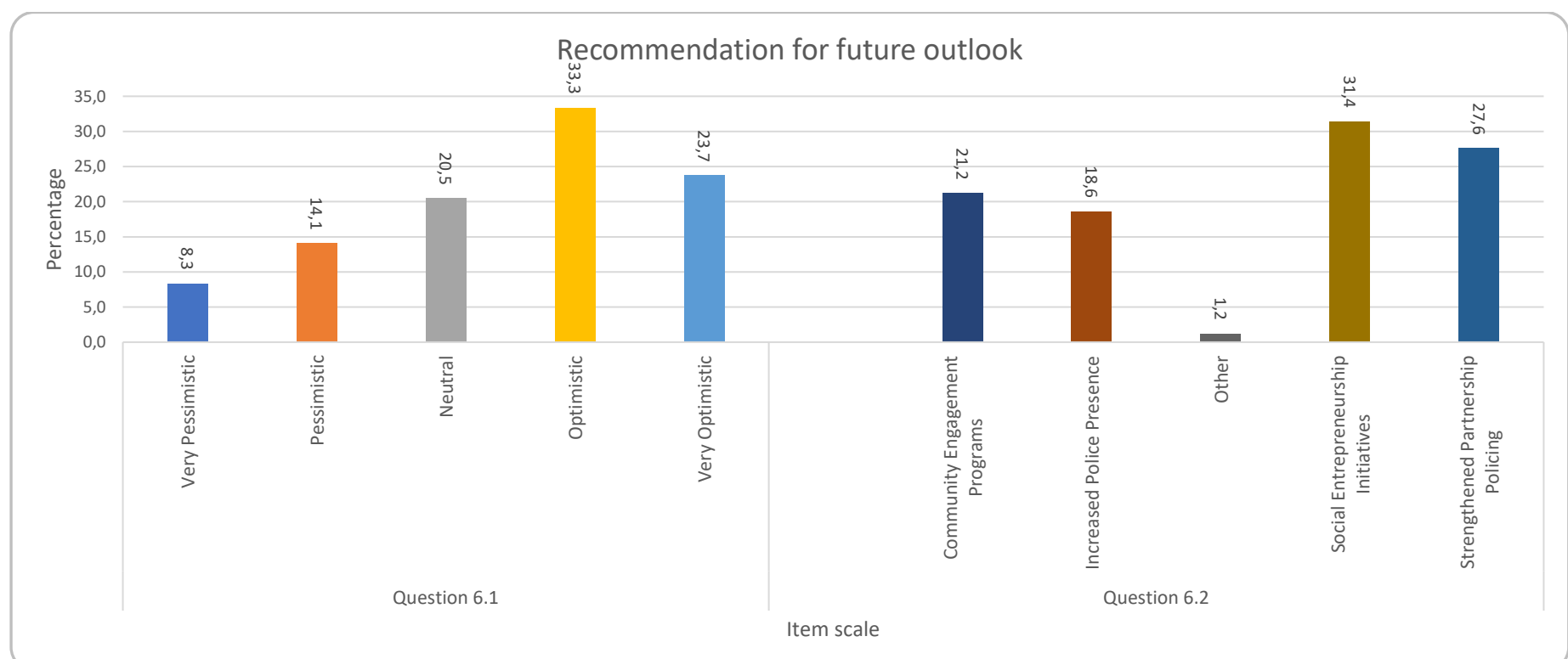


Figure 6: Views on future recommendations for crime prevention and community safety.

4.3.7 Crime and Safety Perception Part B (CSPB)

Table 10 summarizes the descriptive statistics from Part B of the Crime and Safety Perception survey. In question 7.1, 34.6% of participants reported knowing 2 to 3 crime victims in the past year, with a mean of 3.2 victimizations and a standard deviation of 1.236, indicating variability in respondents' experiences.

Question 7.2 suggested a lack of private security companies, with a mean score of around 2, while question 7.3 also showed low presence, as illustrated by response plots. Respondents were dissatisfied with police and private security response times, scoring a mean of 2.07 and a standard deviation of 0.997.

Interestingly, 32.9% believed that visible police and security could deter crime, reflected in a mean score of 3.74 and a standard deviation of 1.196. Additionally, 64.5% recognized the important role of these entities in crime prevention.

Table 10 Descriptive statistics of crime and safety perception part B (CSPB)

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
7.1 How frequently have you or someone you know been a victim of crime in the past year?	CSPB01	1- Never 2- Once 3- 2-3 times 4- 4-5 times 5- More than 5 times	156	1	5	3.20	1.236
7.2 Are there any Private Security operating in your township?	CSPB02	1. Yes 2. No	156	1	2	1.71	0.457
7.3 How often do you see the Private Security patrols in your township?	CSPB03	1. Never 2. Very Seldom 3. Seldom 4. Always	156	1	5	1.85	1.249
7.4 How satisfied are you with the response time of the police and private security services in your community?	CSPB04	1- Very Dissatisfied 2- Dissatisfied 3- Neutral 4- Satisfied 5- Very Satisfied	156	1	5	2.07	0.997
7.5 To what extent do you agree that the visibility of police and private security patrols contributes to the deterrence of crime in your community?	CSPB05	1- Strongly Disagree 2- Disagree 3- Neutral 4- Agree 5- Strongly Agree	156	1	5	3.74	1.196

Source: SPSS Output

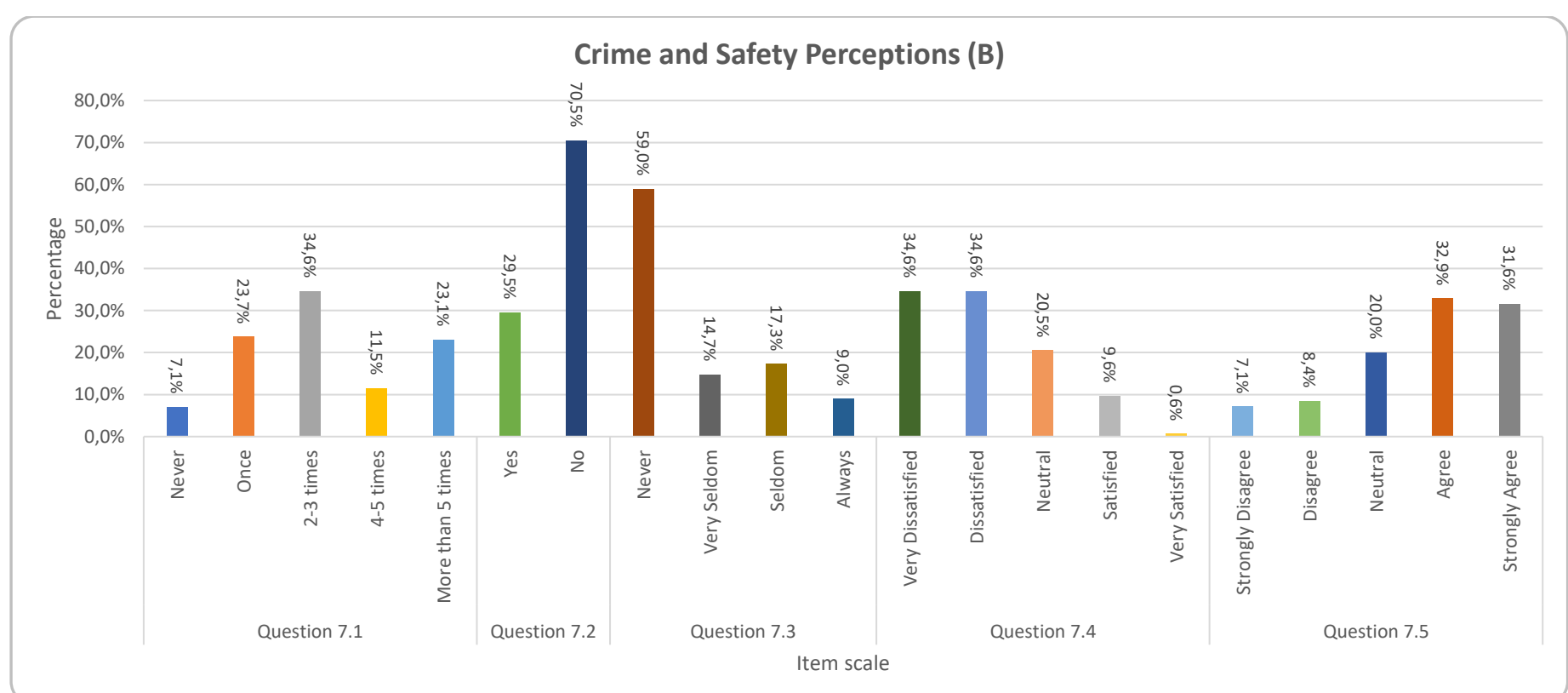


Figure 7: Views on crime and safety perception (Part B)

4.3.8 Collaboration and Partnership Part B (CPB)

Table 11 and Figure 8 below provide a comprehensive overview of the descriptive statistics regarding Community Policing Forums (CPF). The analysis indicates that a significant portion of the respondents, precisely 36.5 percent, perceive their current CPFs as ineffective in addressing the needs and concerns within their communities. This perception suggests there may be underlying issues in how these forums are structured or engage with the community.

Table 11: Descriptive statistics of collaboration and partnership part B (CPB).

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
						Statistics	Statistics
8.1 How would you rate the effectiveness of community policing forums and structures in your area?	CPB01	1- Very Ineffective 2- Ineffective 3- Neutral 4- Effective 5- Very Effective	156	1	5	2.64	0.977
8.2 How frequently do SAPS, private security, and community representatives meet to discuss crime prevention strategies and initiatives in your community	CPB02	1- Never 2- Rarely 3-Occasionally 4- Frequently 5- Always	156	1	5	1.83	0.726

Source: SPSS Output

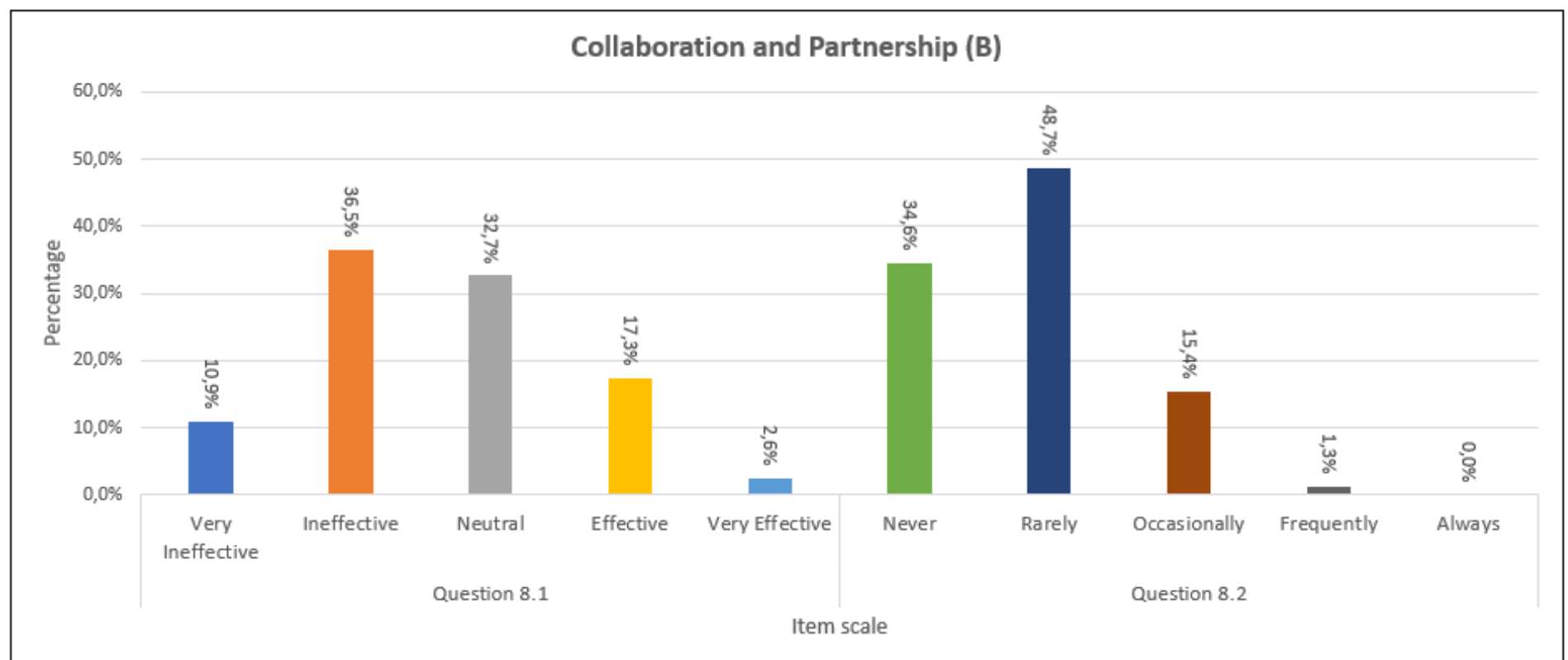


Figure 8: Response distribution on Collaboration and partnership (Part B)

In addition, the findings reveal that 48.7 percent of respondents reported that meetings involving the South African Police Service (SAPS), private security, and community representatives related to crime prevention are held infrequently. This infrequency highlights a potential gap in collaboration and communication among these key stakeholders, which is crucial for effective crime prevention and community safety strategies.

The data also presents mean item scores for specific questions, 8.1 and 8.2, with scores of 2.64 and 1.83. These scores suggest varying levels of satisfaction or effectiveness perceived by the respondents regarding certain aspects of community policing. Furthermore, the standard deviations for these scores, 0.977 for question 8.1 and 0.726 for question 8.2, indicate the variability in responses, suggesting differing opinions on the effectiveness of community policing initiatives within the surveyed population. Overall, these statistics highlight important areas for improvement in community policing efforts and underline the need for more effective collaboration and communication among all parties involved in crime prevention.

Table 11: Descriptive statistics of collaboration and partnership part B (CPB).

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
8.1 How would you rate the effectiveness of community policing forums and structures in your area?	CPB01	1- Very Ineffective 2- Ineffective 3- Neutral 4- Effective 5- Very Effective	156	1	5	2.64	0.977
8.2 How frequently do SAPS, private security, and community representatives meet to discuss crime prevention strategies and initiatives in your community	CPB02	1- Never 2- Rarely 3- Occasionally 4- Frequently 5- Always	156	1	5	1.83	0.726

Source: SPSS Output

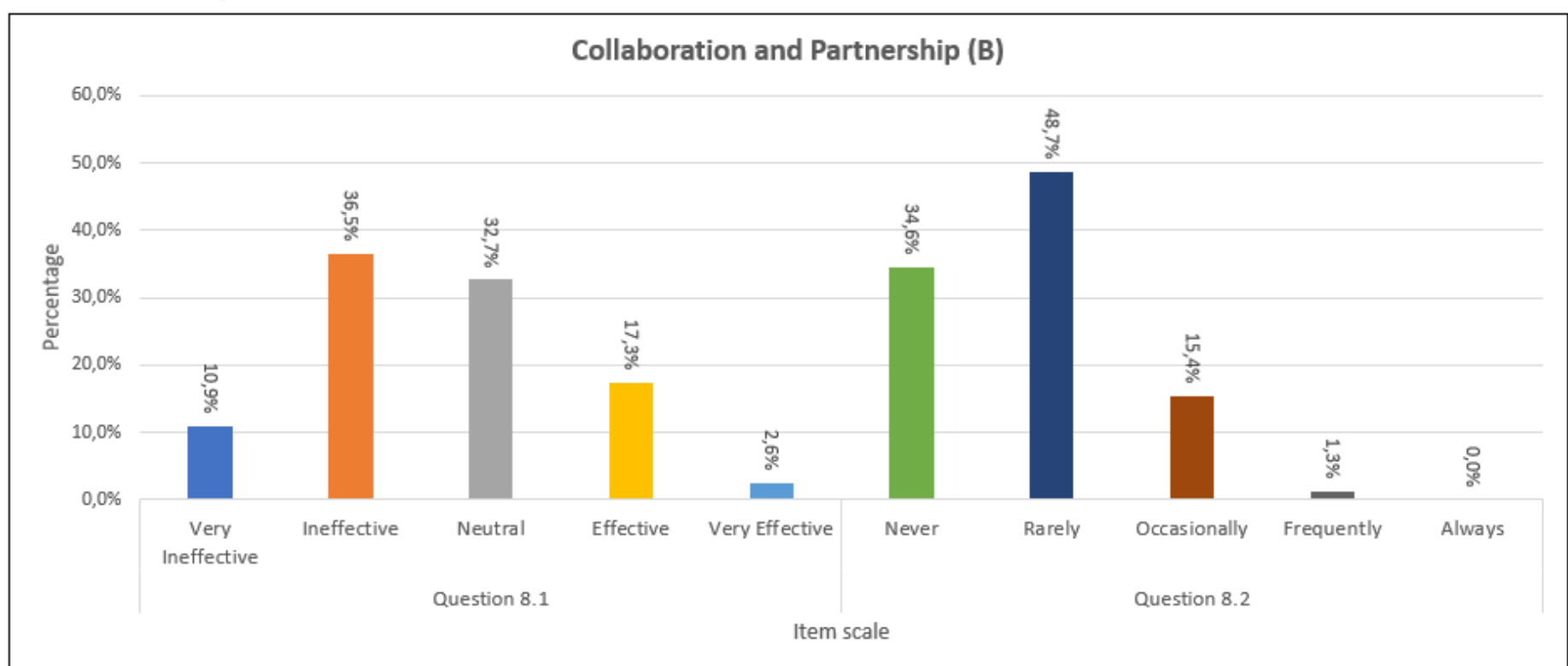


Figure 8: Response distribution on Collaboration and partnership (Part B)

4.3.9 Socio-economic Factors B (SFB)

Table 12 and Figure 9 below present the descriptive statistics and the distribution of responses for Socio-economic Factors Part B (SFB). The findings from the analysis highlight a significant concern among respondents regarding the link between substance abuse and crime. Expressly, 60.3 percent of those surveyed strongly agree that substance abuse is a contributing factor to the rising crime rates observed in townships. This statistic suggests a widespread perception among community members that addressing substance abuse might be crucial for improving safety and reducing crime.

In addition to concerns about substance abuse, the survey reveals insights into economic conditions in the respondents' communities. 46.8 percent of participants perceive job opportunities and economic initiatives as inadequate. This feeling of limited economic prospects could hinder community development and contribute to various social issues, including crime.

To further analyze the data, the mean item scores for the socio-economic factors are as follows: SFB01, which likely addresses perceptions related to substance abuse and crime, has a mean score of 4.26, indicating a strong agreement among respondents. Conversely, SFB02, which relates to job opportunities and economic development initiatives, has a mean score of 1.78, suggesting concern over the lack of economic initiatives. The standard deviations for these scores are 1.148 for SFB01 and 0.899 for SFB02, reflecting participant response variability. Overall, these findings underscore the pressing socio-economic issues facing the community, particularly concerning substance abuse and job opportunities.

Table 12: Descriptive statistics of socio-economic factors part B (SFB).

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
9.1 To what extent do you agree that substance abuse and addiction contribute to crime rates in your townships?	SFB01	1- Strongly Disagree 2- Disagree 3- Neutral 4- Agree 5- Strongly Agree	156	1	5	4.26	1.148
9.2 How would you rate the availability of job opportunities and economic development initiatives in your community?	SFB02	1- Very Low 2- Low 3- Moderate 4- High 5- Very High	156	1	5	1.78	0.899

Source: SPSS Output

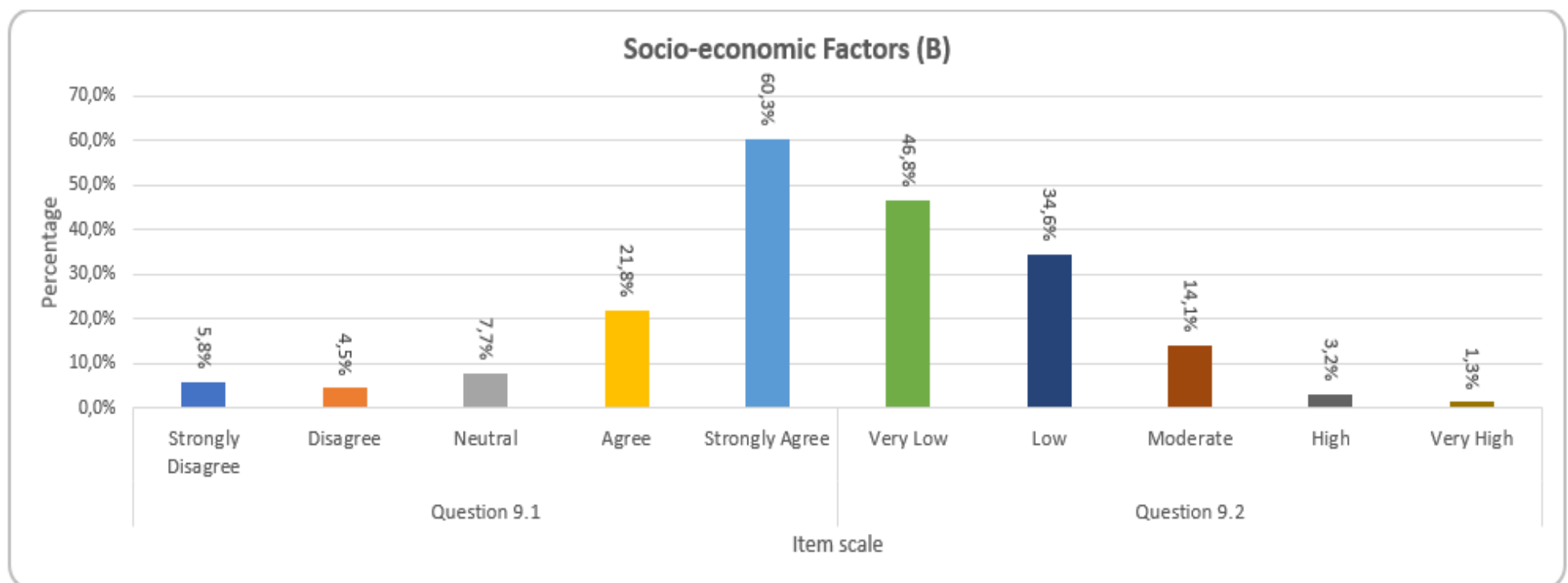


Figure 9: Response distribution on SF (Part B)

4.3.10 Recommendations and Future Outlook Part B(RFB)

The findings presented in Table 13 and Figure 10 concerning Recommendations and Future Outlook in part B (RFB) reveal significant insights into the challenges faced in fostering effective collaboration among key stakeholders: the South African Police Service (SAPS), private security companies, and local communities in their joint efforts to combat crime.

A 44.9 percent of respondents highlighted a lack of resources as the most critical barrier hindering effective collaboration. This indicates that insufficient funding, personnel, or resources may significantly impact the ability of these entities to work together efficiently. Following closely, 36.5 percent of respondents pointed to trust issues as a considerable challenge. This suggests that building strong, trustworthy relationships among the SAPS, private security firms, and communities is essential for developing successful partnerships. Lastly, communication barriers were noted by 11.5 percent of respondents, emphasizing the importance of clear, open channels of communication to facilitate information sharing and joint initiatives.

In addition to identifying barriers, respondents also evaluated the current state of public awareness and education regarding crime prevention and community safety. The results indicate that this awareness is perceived as moderate, with an average item score of 2.38 and a standard deviation of 1.056. Specifically, frequency distribution data shows that 33.3 percent of respondents rated public awareness moderate, suggesting that while some community members reasonably understand safety issues, there is still substantial room for improvement. Furthermore, 28.2 percent rated public awareness as low, highlighting the need for enhanced

educational efforts and outreach programs to ensure that all community members are informed about crime prevention strategies and available resources.

These findings underscore the need to address resource allocation, build stakeholder trust, improve communication, and enhance public awareness and education to foster a more collaborative and practical approach to crime prevention in Bojanala Municipality District Townships.

Table 13: Descriptive statistics of factor RFB.

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
11.1 What barriers or challenges do you perceive hindering effective collaboration between SAPS, private security, and communities in addressing crime and safety issues in your community?	RFB01	1- Lack of Resources 2 Communication Barriers 3- Trust Issues 4- Policy Constraints 5- Other	156	--	--	--	--
11.2 How would you rate the level of public awareness and education regarding crime prevention and community safety in your community?	RFBB02	1- Very Low 2- Low 3- Moderate 4- High 5- Very High	156	1	5	2.38	1.056

Source: SPSS Output

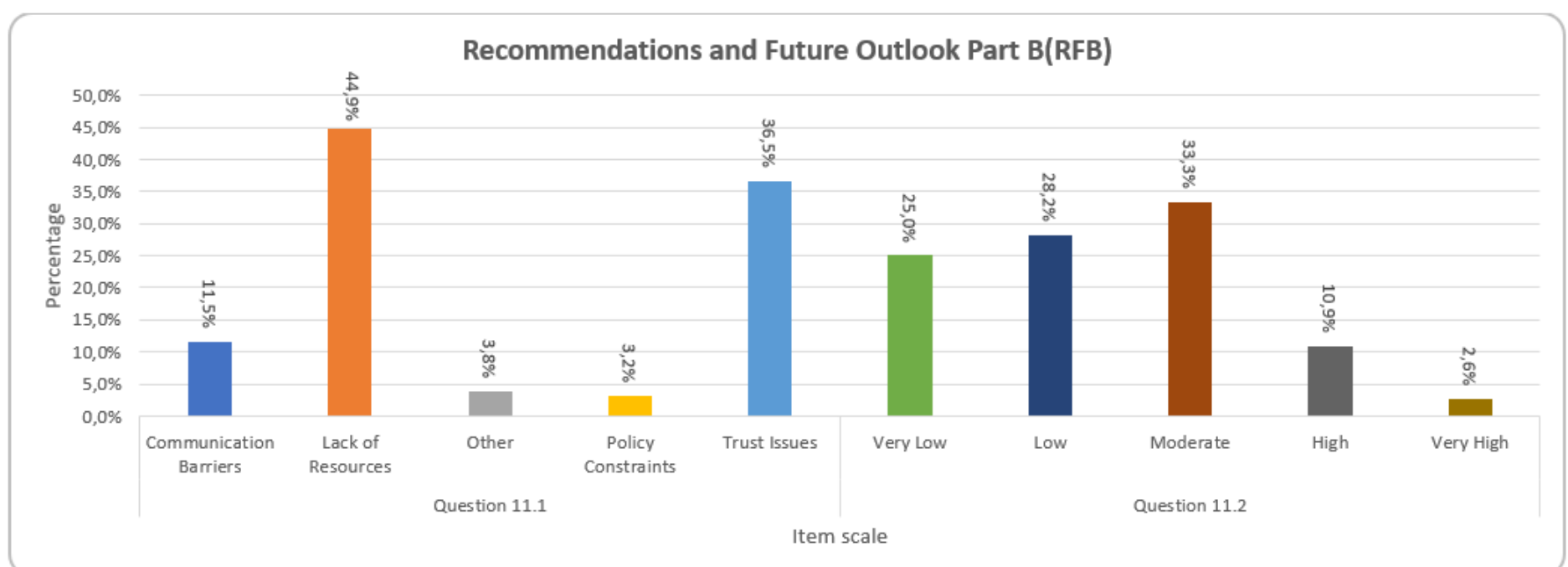


Figure 10: Response distribution for RFB.

4.3.11 General Perceptions (GP)

In question 12.1, respondents were invited to articulate their general perceptions of trust, as well as their confidence in reporting crimes, the effectiveness of community-based crime prevention strategies, and the significance of community involvement in these initiatives. As detailed in Table 14 and Figure 11 below, the findings reveal a pervasive sentiment of low trust in the services rendered by the South African Police Service (SAPS) and private security agencies. The quantitative analysis yields a mean item score of 2.01 and a standard deviation of 0.74, indicating a pronounced lack of confidence among the respondents. Specifically, an overwhelming 52.6% reported low trust in these services, while 24.4% indicated a complete absence of trust, highlighting significant concern regarding the efficacy and reliability of these authorities.

In addressing question 12.2, Figure 11, the survey results indicate that 34.6% and 31.4% of respondents exhibited neutrality or moderate confidence in reporting crimes to SAPS and private security, respectively. The mean item score for this question is recorded at 3.30, with a standard deviation of 1.06, as illustrated in Table 14. This suggests that while some respondents possess a measured level of confidence, a substantial proportion of individuals remain uncertain or lack decisive faith in the capability of these authorities to address and handle crime effectively.

The findings for question 12.3 further underscore the prevailing skepticism surrounding community-based crime prevention initiatives. The data in Table 14 illustrate that respondents predominantly perceive these initiatives as ineffective, with a mean score

of 2.24 and a standard deviation of 1.06. A notable 41.04% of participants classified these crime prevention strategies as very ineffective, with an additional 25.6% considering them ineffective (Figure 11). This widespread perception could reflect a lack of awareness about the initiatives or perhaps insufficient community engagement due to a lack of communication.

In relation to question 12.4, a majority of respondents (52.6%) concurred that community involvement and participation are vital for the success of crime prevention efforts (Figure 11). This inquiry's calculated mean item score stands at 3.46, accompanied by a standard deviation of 1.25, as illustrated in Table 14. This suggests that respondents recognize the vital role that community engagement plays in enhancing the effectiveness of crime prevention strategies. Community involvement can lead to increased vigilance, the sharing of information, and collaborative problem-solving, all of which are critical in the fight against crime.

With respect to question 12.5, respondents collectively acknowledged the potential of private security to address various socio-economic challenges, including job creation, youth training and development, and crime prevention at the community level. This is particularly significant as it underscores the multifaceted role that private security can play beyond merely offering protective services. Specifically, 32.7% of respondents expressed agreement with this assertion, while 35.3% stated they strongly agreed (Figure 11), resulting in a mean score of 3.92 and a standard deviation of 1.03, as indicated in Table 15. This insight suggests an emerging perspective that sees private security as a proactive partner in fostering community resilience and enhancing overall public safety.

Lastly, regarding question 12.6, respondents were queried about their perceptions of the value of paying for private security services. The results in Figure 11 indicated that 32.1% remained uncertain about the worth of these services, while a considerable 63.5% believed such investments were indeed worthwhile. This finding reflects a growing acknowledgment of the role that private security services can play in personal and community safety and a recognition of their potential benefit in enhancing the overall quality of life within townships.

These findings collectively illustrate the complex interplay between trust, community involvement, and the perceived efficacy of crime prevention strategies. They indicate a need for more significant engagement between law enforcement, private security entities, and the communities to build trust, improve perceptions of efficacy, and ultimately foster safer environments.

Table 14: Descriptive statistics for GP.

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
12.1 How would you describe your overall trust in the South African Police Service (SAPS) and private security services?	GP01	1- No Trust 2- Low Trust 3- Neutral 4- High Trust 5- Complete Trust	156	1	5	2.01	0.74
12.2 How confident are you in reporting a crime or suspicious activity to SAPS or private security services?	GP02	1- Not Confident 2- Slightly Confident 3- Neutral 4- Moderately Confident 5- Extremely Confident	156	1	5	3.30	1.06
12.3 How effectively do community-based crime prevention initiatives reduce crime rates in your community?	GP03	1- Very Ineffective 2- Ineffective 3- Neutral 4- Effective 5- Very Effective	156	1	5	2.24	1.06
12.4 To what extent do you agree that community involvement and participation are essential for the success of crime prevention strategies in your townships?	GP04	1- Strongly Disagree 2- Disagree 3- Neutral 4- Agree 5- Strongly Agree	156	1	5	3.46	1.25

Source: SPSS Output

Table 15: Descriptive statistics for GP continuation.

Question	Question code	Scale rating/response	N	Min	Max	Mean	Std. Deviation
			Statistics			Statistics	Statistics
12.5 To what extent do you agree that private security could contribute to addressing socio-economic issues such as job creation, youth training and development, and crime prevention in your community?	GP05	1- Strongly Disagree 2- Disagree 3- Neutral 4- Agree 5- Strongly Agree	156	1	5	3.92	1.03
12.6 In your opinion, do you think it is worth it to pay for private security services in your community to enhance safety and prevent crime?	GP06	1. Yes 2. No 3. Maybe	156	--	--	--	--

Source: SPSS Output

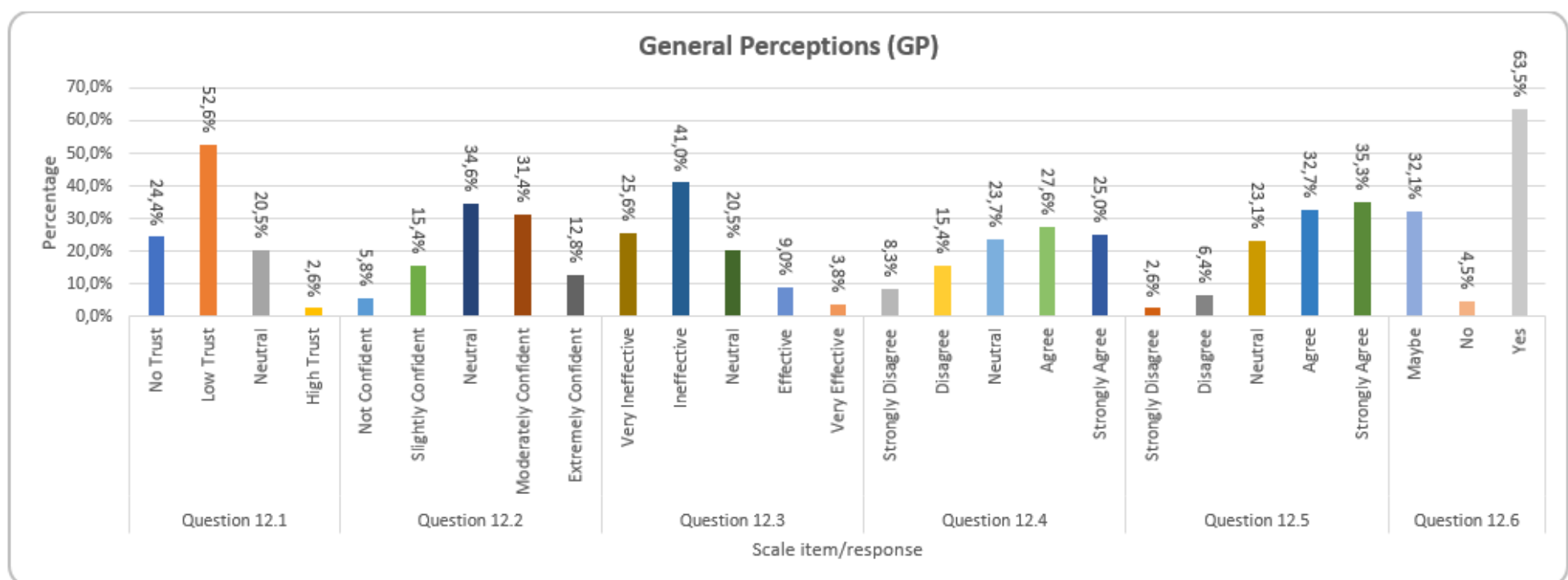


Figure 11: Response distribution for GP

4.4 Discussion.

The increasing prevalence of crime and violence in many communities can often be traced back to underlying socioeconomic issues such as poverty, unemployment, and social exclusion. A robust body of literature highlights the interplay between these factors and the rise in criminal activities, particularly among young people who find themselves marginalized and devoid of essential resources. A literature review highlights a study by Hills et al. (2002; Silver, 2007; Haughton, 2013), which indicates that social exclusion significantly marginalizes many young people, depriving them of essential resources and driving them towards gangs and criminal activities (Hills et al., 2002; Silver, 2007; Haughton, 2013). This cycle exacerbates socioeconomic conditions due to ineffective crime prevention strategies.

In the face of these challenges, social entrepreneurship emerges as a compelling framework for addressing not only the symptoms of crime but also the root causes associated with socioeconomic deprivation. By fostering community connections, generating economic opportunities, and promoting social innovation, social entrepreneurship presents a sustainable alternative that can significantly enhance community safety and overall quality of life. The study also suggests that social entrepreneurship presents a sustainable alternative by generating social value and economic opportunities. It fosters community connections, encourages innovation, and aids youth in building social capital(Overall et al., 2010 (Haughton, 2013).

In addition, research conducted by K'adamawe K'nife and Andre Haughton suggests that social entrepreneurship offers a comprehensive approach to curbing crime and violence while promoting sustainable community development and long-term growth for the country (Haughton, 2013).

From the perspective of social entrepreneurship and innovation, the survey findings underscore the necessity for stronger collaboration among law enforcement, private security, and communities. This collaboration is essential for building trust, enhancing

perceptions of crime prevention initiatives, and fostering safer environments. Additionally, the findings highlight the critical role of social entrepreneurship in addressing the societal challenges prevalent in these communities, particularly crime. By promoting innovation and collaboration among stakeholders, social entrepreneurship can improve socioeconomic conditions, strengthen trust, enhance community safety, and elevate residents' overall quality of life. These findings align with the studies conducted by Overall et al. (2010) and Haughton (2013).

The literature review indicates a correlation between high levels of poverty, unemployment, inequality, and increased crime rates. The survey findings highlight significant concern among respondents regarding the link between socioeconomic factors and crime. Expressly, 60.3 percent of those surveyed strongly agree that substance abuse and unemployment contribute to the rising crime rates observed in townships.

From the perspective of private security, partnership policing, and community engagement, research suggests that promoting collaboration and shared responsibility among police, private security, and community stakeholders significantly enhances community safety. These partnership policing initiatives foster improved trust and communication, contributing to a more resilient and cohesive society (Margo van Felius, 2023; Mazerolle, 2014). The rationale behind community participation in crime prevention is that local residents, being most familiar with their neighborhoods, can provide invaluable support to traditional law enforcement efforts (Liebermann & Coulson, 2004). Analysis of survey data further corroborates this finding; from a collaboration and partnership standpoint, including community policing forums, respondents acknowledge the critical role of community engagement in enhancing the effectiveness of crime prevention strategies. This involvement can lead to increased vigilance, information sharing, and collaborative problem-solving, all of which are essential in the fight against crime. Additionally, the findings indicate that private security is a proactive partner in fostering community resilience and improving overall public safety.

4.5 Conclusion

In conclusion, the literature review reveals a multifaceted connection between socioeconomic factors, social exclusion, and crime, emphasizing the urgent need for innovative solutions. The studies reviewed illustrate how social entrepreneurship can serve as a viable strategy to tackle these challenges by fostering community engagement, building social capital, and generating economic opportunities. Enhanced collaboration between law enforcement, private security, and community stakeholders emerges as a crucial element in developing trust and improving safety in communities facing the pressures of poverty, unemployment, and inequality. The findings underscore the importance of incorporating local insights and active participation into crime prevention strategies. Overall, a social entrepreneurship model for crime prevention approaches presents a sustainable path for fostering safer environments and improving the quality of life for residents.

5. Chapter 5: Business Venture Proposal

5.1 Executive Summary

The proposed business venture is an innovative entrant in the security industry, specifically addressing the urgent need for enhanced safety in townships within the Bojanala Platinum District Municipality, North West Province. Operating under the "Social Entrepreneurship Model for Crime Prevention," the business venture fosters collaboration among private security providers, local government, law enforcement, local business owners, and community members to deliver practical, affordable, and technologically advanced security solutions. With crime rates steadily rising in the region, which includes car hijackings, housebreakings, muggings, cable thefts, domestic violence incidents, and an influx of illegal immigrants, which results in the rapid growth of informal settlements that create a conducive environment for criminal activities and traditional security firms focusing on metropolitan and suburban areas, this business venture fills a critical gap in the market. It seeks to create safe, sustainable environments by addressing socio-economic challenges contributing to criminal activity. The business venture is uniquely positioned to align with the government's Integrated Crime and Violence Prevention Strategy while empowering local communities through job creation, youth development, and entrepreneurship.

Key strategies include leveraging cutting-edge technology, establishing feedback mechanisms to engage communities, and prioritizing collaboration to ensure shared accountability and trust. This holistic approach provides a competitive edge, addressing the market's untapped potential in underserved township areas. The company aims to empower and protect communities and businesses by providing reliable, innovative, cost-effective security services. Its vision is to become a leading social entrepreneurship security agency and a pioneer in crime prevention strategies tailored to township needs.

By fostering strong stakeholder relationships and delivering high-value services, the venture is poised to achieve its dual goals of sustainable profitability and socio-economic impact, creating a safer, more prosperous future for the Bojanala District's township communities.

The business venture plans to implement a lean model framework as its entry strategy by launching a pilot project in one of the townships. This initiative aims to establish a presence and build brand recognition. The goal is to expand to other townships within the Bojanala Municipality District. To achieve these objectives, the business seeks to secure capital resources from investors, including potential funding from the local government.

5.2 Company Description

The business venture is a new entrant in the security industry. It is focused on delivering security solutions to townships within the Bojanala Platinum District Municipality in the Northwest Province. The company will operate under a business model, "A Social Entrepreneurship Model for Crime Prevention," which facilitates collaboration among key stakeholders, including private security providers, local government, law enforcement, and community members.

This approach addresses the pressing need for improved security measures in the townships of the Bojanala District Municipality. The company's primary objective is to foster a safe and sustainable environment for township communities by offering effective security services and addressing the socio-economic challenges contributing to criminal activity.

5.2.1 Mission Statement

The business's mission is to collaborate with all stakeholders to empower and protect communities and local businesses by providing affordable and technologically advanced security solutions.

5.2.2 Vision Statement

The business venture aims to be the leading innovative social entrepreneurship security agency. Its vision is to pioneer crime prevention strategies in townships by offering high-tech security solutions for township community members, community infrastructures, and business owners. Additionally, commitment to providing opportunities for youth development forms a key component of the business venture's vision.

5.2.3 Goals and Objectives

The business venture aims to provide innovative strategies for crime prevention. This proposed business venture seeks to establish a security company operating on a social entrepreneurship model in the Bojanala Municipality District townships. This model emphasizes collaboration among private security firms, the South African Police Service (SAPS), local entrepreneurs, and the

community. By adopting this approach, the business venture strives to deliver affordable, high-tech security solutions that promote a sustainable and safe environment. Moreover, it is dedicated to fostering socio-economic development within the townships.

5.2.4 Company Values

The business venture's objectives and mission are anchored by its core values, which are:

- **Safety:** This value serves as the company's paramount principle, emphasizing the imperative of safeguarding the well-being of both communities and local businesses.
- **Reliability:** This value embodies the organization's steadfast commitment to ensuring communities' and local businesses' ongoing safety and security.
- **Collaboration:** This value highlights the organizational framework designed to facilitate cooperative efforts with township communities in the fight against crime.
- **Trust:** This value underscores the critical significance of transparency and dedication to establishing and maintaining trustworthy relationships.

5.3 Strategic Analysis

5.3.1 Macro Environmental Analysis (PESTEL)

ENVIRONMENT ANALYSIS	BUSINESS OPPORTUNITY	High/Low	Threat	High/Low
POLITICAL	BUSINESS OPPORTUNITY	<i>High</i>	THREAT	<i>Low</i>
The South African government endorses the involvement of private security companies, as articulated in the Integrated Crime and Violence Prevention Strategy of 2022 (South African Government). This strategy reflects a comprehensive approach to enhancing public safety and addressing crime-related challenges within the country.	• Collaboration with local government and the SAPS • Local government funding		PSIRA has concerns about the lack of coordination between SAPS and PSIRA, especially regarding the PSIRA requirement for firearm registration and whether this would help or hinder SAPS processes. There were also concerns that the regulations do not go far enough in ensuring security guards are adequately armed and trained in firearms, care for the working animals, and crowd control. (Parliamentary Monitoring Group, 2019)	
ECONOMICS	BUSINESS OPPORTUNITY	<i>High</i>	THREAT	<i>Low</i>
From an economic perspective, crime in South Africa significantly impacts the country's growth, especially in townships with high unemployment rates. As a result, many community members turn to crime and substance abuse. This situation hinders the development of local businesses and entrepreneurial opportunities.	• Economic Growth in Townships • Employment Opportunities • Reduce crime rate and substance abuse • Increased demand for security services due to high crime rates		• Low-income wage, resulting in minimum disposable cash. • Price increase in bare essentials • Lack of government funding • Lack of investors	
SOCIAL	BUSINESS OPPORTUNITY	<i>High</i>	THREAT	<i>Low</i>

Rising crime rates in South African townships, driven by poverty, inequality, unemployment, and rural-urban migration, strain the South African Police Service (SAPS), which lacks the resources and personnel to combat these issues effectively (Statistics, 2023; Kumar, 2023; Business Tech, 2023). An uncontrolled influx of illegal immigrants results in the rapid growth of informal settlements with no access roads and further creates a conducive environment for criminal activities.	• Employment Opportunities • Create an opportunity for locals to establish small businesses without fear. • Opportunity to train and develop local youth in various fields, such as security, administration, clerks, drivers, and control room personnel.		• An uncontrolled influx of illegal immigrants results in the rapid growth of informal settlements with no access roads and further creates a conducive environment for criminal activities. • Corruption with the staff working with local criminals. • Minimum jobs available in the business venture	
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Table 16: Macro Environmental Analysis (PESTEL)

5.3.1 Macro Environmental Analysis (PESTEL) Continues

ENVIRONMENT ANALYSIS	BUSINESS OPPORTUNITY	High/Low	THREAT	High/Low
TECHNOLOGY	BUSINESS OPPORTUNITY	High	THREAT	Low
South Africa has largely kept up with technological advancements, particularly in the security domain. Advanced equipment is utilized to bolster security in both private establishments and public spaces. This includes deploying CCTV cameras, security alarms, tracking devices, motion sensors, and live feeds that can be accessed via smartphones.	• Technological advancements allow businesses to offer communities affordable, high-tech security solutions. • Utilize technology for marketing and brand growth to ultimately attract investors.		• Affordability of high-tech equipment and software • Digital Attacks • Cyber Crime	
ENVIRONMENTAL	BUSINESS OPPORTUNITY	High	THREAT	Low
The rapid expansion of informal settlements within the township provides a conducive environment for various criminal activities, including illegal electricity connections, unauthorized immigration, drug trafficking, residential burglaries, automobile theft, and incidents of gender-based violence. Additionally, this phenomenon contributes to rising unemployment rates, exacerbating social and economic challenges within the community.	• Reduction of illegal informal settlements • Creation of a safer environment by having visible security patrols • Minimize illegal electricity connections		Corruption among SAPS officials may lead to accepting bribes from offenders, resulting in their release.	
LEGAL	BUSINESS OPPORTUNITY	High	THREAT	Low

The Private Security Industry (PSI) is governed by the Private Security Industry Regulatory Act 56 of 2001 (PSIRA). South African's personal information is protected by the Protection Of Personal Information Act, 2013 (POPIA)	• Solid Private Security Industry Regulation Act 56 of 2001 (PSIRA) • Solid Protection Of Personal Information Act, 2013 (POPIA)		• Non-compliance to regulations • Corruption	
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Table 17: Macro Environmental Analysis (PESTEL) Continuation

5.3.2 Macro Environmental Analysis Conclusion

The Macro-Environment analysis reveals that available opportunities significantly outweigh potential threats. This finding suggests that the business venture startup can collaborate with the local government, secure funding from the local government, and partner with stakeholders to create job opportunities and a safe environment for local communities.

5.3.3 Industry Analysis (Porter's Five Competitive Forces)

Understanding the industry's position relative to competitors is imperative to ensuring a long-term strategy. Therefore, Porter's Five Competitive Forces factors model is applied to determine the strategy choice for entering the market.

PORTER'S FIVE FORCES	ANALYSIS	FORCE STRENGTH	OVERALL STRENGTH
1. Competitive Rivalry			Low
	I. Number Of Competitors • Research findings indicate that 68.7% of survey respondents reported the absence of security companies operating within the townships of the Bojanala Municipality District. II. Industry Growth and Competition • According to Thorne (2024) in Business Tech News, the private security industry has substantially increased by approximately 86% in registered firms since 2014. This growth has contributed to an estimated market value of R50 billion. (Thorne, 2024) • According to Paul Adant's 2024 Netcash report, South Africa has the largest private security industry in the world, with over 10,830 registered companies (Adant, 2024). III. Low Differentiation • Private Securities offers a range of security solutions, including neighborhood patrol services, alarm systems, security personnel, and closed-circuit television (CCTV) surveillance. The product offering has a low differentiator. IV. Low Fixed Costs • In the context of a pilot project for a start-up business venture, it is noted that the fixed costs are relatively low, and the exit barriers are minimal.	• Low • High • Low • Low	Low
2. Threat Of New Entrants			Low
	i. Capital Requirements • The industry has a low barrier to entry, requiring minimal capital for new entrants. ii. Legislation and Governance • Collaboration with local governmental entities and registration with the Private Security Industry Regulatory Authority (PSIRA)	• Low • Low	

	ensures the company adheres to all relevant legal requirements and standards. iii. Retaliation - New entrants are likely to face strong opposition from existing competitors, as they are perceived to be entering a niche market that most security companies are currently neglecting due to their profit-driven motives. iv. Brand Loyalty - Communities often show reluctance to engage with new stakeholders. However, collaborating with community members and local business owners can lower this barrier.	- High - Low	Low
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Table 18: Industry Analysis - Porter's Five Competitive Forces

5.3.3 Industry Analysis (Porter's Five Competitive Forces) Continues

PORTER'S FIVE FORCES		ANALYSIS	FORCE STRENGTH	OVERALL STRENGTH
3. Threat Of Substitutes				Low
	The target market for the Business Venture Start-up is the townships within the Bojanala Municipality District. Research indicates that this area has not yet been penetrated, making it a niche market. As a result, the threat of substitutes is very low due to the lack of competitors.		Low	Low
4. Power Of Buyers				High
	The Business Venture Start-Up employs a Social Entrepreneurship Model designed for crime prevention. This model emphasizes inclusive collaboration among stakeholders. This approach empowers the community, both as stakeholders and customers, and positions them as integral contributors to the overall success of the enterprise.		High	High
5. Power Of Supply				High
	The private security industry is highly competitive and utilizes advanced technology, which empowers security software developers and equipment manufacturers. Therefore, suppliers' power is considerably high in this sector.		High	High

Table 19: Porter's Five Competitive Forces Continuation

5.3.4 Industry Analysis Conclusion

The analysis reveals that the bargaining power of buyers and suppliers constitutes a significant threat, whereas the other competitive forces within the industry exhibit a relatively low threat level. This finding indicates that the overall competitive environment is favorable for establishing a new business venture. Furthermore, the research indicates a notable absence of active security companies operating within the Bojanala Municipality District Townships, particularly those employing a social entrepreneurship business model.

5.3.5 Opportunities/Threats vs Competitive Forces Analysis

Macro-Environment Analysis			Industry Analysis Porter's Five Forces Framework	Impact on Macro-environment Analysis
Opportunity/Threat	Category	High/Low	Competitive Forces	Remarks
Employment Opportunities Create an opportunity for locals to establish small businesses without fear. Opportunity to train and develop local youth in various fields, such as security, administration, clerks, drivers, and control room personnel.	Social	High Opportunity	Competitive Rivalry: The industry presents a compelling opportunity due to a niche market within townships that has not yet been fully capitalized.	Competitive Advantage
Socio-economic inequality, a high unemployment rate, and a lack of economic and youth development.	Social	High Opportunity	High buyer power: This model emphasizes inclusive collaboration among stakeholders	Productive Advantage
High demand for job opportunities	Social	High Opportunity	Competitive Rivalry - Industry Growth and Competition	Competitive Advantage
Digital Attacks Cyber Crime	Technology	High Threat	Power of Supply	Productive Advantage due to niche target market
Collaboration with local government and the SAPS. Government Funding	Political	High Opportunity	Low Threat of Entry - Legislation and Governance	Competitive Advantage

Table 20: Opportunities/Threats vs Competitive Forces Analysis

5.3.5.1 Conclusion

The analysis of both macroeconomic factors and industry competitive forces indicates that the opportunities in this business venture significantly surpass the potential threats. This suggests a promising landscape for a start-up pivot project. Moreover, the business venture will benefit from a competitive edge by being the first to enter this niche market, particularly in the township areas of the Bojanala Municipality District, located in the Northwest Province. By positioning itself as a pioneer in this underserved market, the business venture can establish brand recognition and customer loyalty before other competitors emerge.

5.3.6 Competitor Analysis

		FIDELITY ADT	SAPS (Indirect Competitors)	Neighbourhood Watch Groups (Indirect Competitors)
Key competitive advantage	Competitive Landscape	• Offer various Home and Business security solutions • Fully trained staff for arm response. • Vehicle Tracking	• Civil Servants	• Collaboration as community members
Target market	Market information	• Business • Suburban Residential Areas	• Civil Servants	• Sections of the township
Marketing strategy		• Branded Patrol Vehicles and Choppers • Social Media Platforms • Television advertisements • Company Website • Displaying Company Boards on their client's premises	• Civil Servants	• Word of Mouth
Products & services	Product information	• Medical Assist • Safe Entry • Casual Guarding • Risk Watch • Localised Security Services (ADT, 2024)	• Carry out SAPS duties as per the South African Police Services Act 68 of 1995	• Patrol the neighborhood in which they resides with the community
Pricing		Price range from R985 – R2999	• Offer Free Services	• A small fee is charged for each household.

Table 21: Competitor Analysis

5.3.7 Competitor Analysis Continues (Competitor SWOT Analysis)

	Prominent Security Companies	Government Agencies	Neighbourhood Watch Groups (Indirect Competitors)
	<i>FIDELITY – ADT</i>	<i>SAPS</i>	
Strengths	• ADT has over 5000 extensively trained response officers. • Established Reputation • Comprehensive Security Offerings • Technological Innovation. • 24/7 Monitoring Services • National Presence (ADT Management Notes, 2023)	• The Government agency • Highly trained • Civil Servants (Free services)	• Communities build trust and rely on one another to ensure their safety. • They share familiarity and in-depth knowledge about their surroundings
Weaknesses	• Cost of Services • Dependence on External Factors. • Vulnerability to Technological Threats • Competition from DIY Security Solutions	• Lack of trust from local communities • SAPS has a bad reputation for corruption. • SAPS has a poor reputation for service delivery	• Lack of experience/Training • Lack of resources
Opportunities	• Expansion into smart Cities • Partnership with Home Automation Companies • Focus on Environmental Sustainability • Target Small Businesses • Educational Campaigns on Security Awareness (ADT Management Notes, 2023)	• Increase resources to meet the demands of communities • Redeem the SAPS reputation by instilling principles to serve with honesty and integrity	• Opportunity to collaborate with the business venture
Threats	• Emergence of New Technology • Economic instability • Privacy Concerns • Regulatory Changes • Competition from Non-Traditional Players (ADT Management Notes, 2023)	• Criminals represent a significant threat to the South African Police Service (SAPS), as they often become targets for robberies involving firearms and police uniforms. • Community mob justice	• Lack of training to de-escalate high-pressure situations and skills to apprehend criminals. • Individuals face significant risks and may encounter criminal charges when they take the law into their own hands.

Table 22: Competitor SWOT Analysis

5.3.8 Business Venture SWOT Analysis

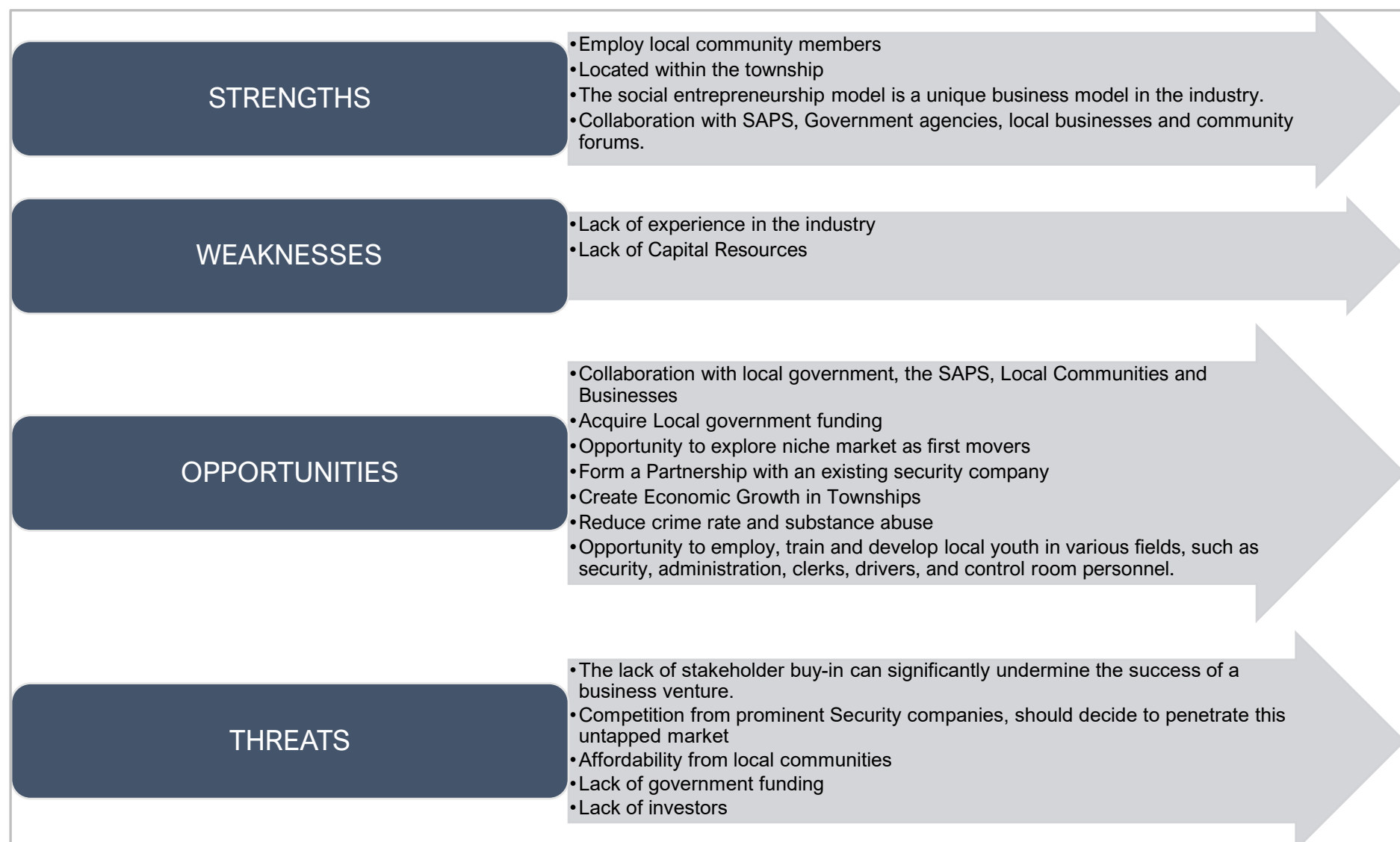


Diagram 1: Business Venture SWOT Analysis

5.4 The Market

5.4.1 Market Analysis

The TOWS Matrix was used to determine a strategic option for effectively entering the market. It also helps create actionable strategies, identify the most effective paths for market entry, and increase the chances of success. see Appendix B for TOWS Matrix.

5.4.2 Opportunity

According to South African Crime Statistics, crime rates have been increasing across various categories, particularly in townships, including those within the Bojanala Municipality District. This upward trend can be attributed to several factors, indicating a lack of effective implementation of the government's Integrated Crime and Violence Prevention Strategy. Furthermore, many prominent private security agencies primarily focus on profit, targeting metropolitan areas and suburban residential neighborhoods, which leaves township businesses and communities underserved.

This gap in security services not only poses a challenge but also presents an opportunity for a potential business venture based on the Social Entrepreneurship model for Crime Prevention. This model encourages collaboration among stakeholders and offers a sustainable, long-term solution that aligns with the government's Integrated Crime and Violence Prevention Strategy. The value proposition of this business venture is to alleviate the security concerns of communities and local entrepreneurs by providing reliable and affordable security solutions.

5.4.3 Competitive Landscape

As a new entrant in the market, the business venture will likely face competition from established security companies such as Fidelity-ADT, one of the largest security firms in the country, as noted in the competitor analysis (Tables 21 and 22 above). These companies pose a potential threat if they decide to enter the specific niche market the business venture is targeting.

However, research indicates that 59% of respondents have never observed private security patrols in their townships within the Bojanala Municipality District. Additionally, responses indicating sighting of patrols as "very seldom" and "seldom" account for 14.7% and 17.3%, respectively. (Refer to Question 7.3 in Figure 6: Views on crime and safety perception (Part B)). These findings indicate the viability of a business venture start-up project in a minimally competitive market.

Indirect competitors, such as the South African Police Service (SAPS) and local neighborhood watch groups, do not represent a significant threat, as the business venture model includes collaboration with all stakeholders, making them part of the business venture's community approach.

These findings suggest that the risk of competition is minimal, and the environment is favorable for launching a start-up business venture, especially in the Madibeng region, where a substantial portion of respondents, 48.1 %, are located.

5.4.4 Company Strategy

The business venture strategy is to build long-term relationships through collaborative efforts with the community, local businesses, local government, and the South African Police Service. The research highlights that a social entrepreneurship model for crime prevention is essential for addressing the societal challenges faced by these communities. This strategy prioritizes the needs of community members by providing excellent security services and actively responding to their concerns. Additionally, it empowers local entrepreneurs and residents through training, employment opportunities, community engagement, and job creation for local youth.

To achieve these goals, the strategy is to incorporate advanced technology into services and establish feedback mechanisms that allow community members to voice their concerns or suggestions. This approach will help strengthen relationships with stakeholders and enhance the business venture services to better meet community needs.

5.4.5 Market Entry Strategy

Based on the matrix above, the recommended strategic option for market penetration is the SO (Strengths-Opportunities) strategy. As a new entrant, this approach is more actionable because it enables a partnership with an established security company. Such a partnership would provide valuable expertise and ensure compliance with legal regulations, facilitating a smooth transition for the piloting phase of the business venture in one of the townships, where there are currently no competitors in this niche market. Furthermore, this option allows for collaboration with local government and other stakeholders, making the community engagement process seamless and aligning well with the business venture's model.

5.5 Marketing Plan

5.5.1 Target Market Segment

The business venture focuses on community infrastructures, residents, and business owners in the townships of the Bojanala Municipality District. The initial phase of the business will be pivoted in one of these townships in collaboration with local SAPS (South African Police Service), community members, business owners, and local government. Future expansion plans aimed to extend services to additional townships within the district. Research indicates that this particular market segment has been largely neglected by existing prominent security companies, which mainly serve high-income areas. Consequently, the business venture seeks to provide affordable and accessible security solutions that are specifically tailored to meet the unique needs of this community, thereby addressing a critical gap in the current security landscape. Furthermore, Research indicates that according to Table 3: Respondents' Employment Status, 71.2% are employed, while 13.5% are self-employed. These facts eliminate concerns about affordability within these communities.

Target Market Segment

Target Market		Township Residents, community infrastructures, and business owners
Demographics	Age	Adults aged 25 to 60 and pensioners. predominantly homeowners, tenants, and business owners.
	Income	Middle- to lower-income earners seeking affordable but reliable security services
	Occupation	Small business owners, shopkeepers, professionals, and workers in the informal sector.
	Family Structure	Families with dependents and single individuals, including pensioners, who have concerns about safety.
Geographic Profile	Location	Bojanala Municipality District Townships
	Property Types:	Residential homes, small retail stores, shopping complexes, malls, small businesses, such as salons, pubs, and community establishments such as schools, clinics, pensioners' homes, libraries, and churches
Psychographics	Key Concerns	- Individuals who are concerned about high crime rates, including burglary, vandalism, and theft. - People who seek a safe environment for their families and businesses.
	Values	Peace of mind, community safety, and trust in reliable service providers.
	Cost-Conscious	Customers are seeking affordable security solutions that provide value for money.
	Technologically Savvy	People are comfortable with technology and interested in modern security features.
Behaviors	Concerned About Crime	Residents who are affected or concerned about high crime rates, including burglaries, muggings, and property theft.
	Behavioral Traits:	Residents who proactively seek cost-effective and trustworthy security solutions.
	Engage Actively in Community Safety Initiatives	Residents engaged in or endorsing community watch groups and safety initiatives.
	Value Local Businesses	Customers who prefer to support local companies, especially those that actively engage with the community.
	Service Preferences	- People interested in subscribing to personalized monthly security service packages. - Individuals who prefer flexible pricing and payment plans tailored for affordability. - Visible security presence (e.g., patrols, response teams) and Modern technology such as CCTV systems and alarm installation

Table 23: Target Market Segment

5.5.2 Customer Needs

Communities in the Bojanala District township require a safe environment and access to affordable, reliable security services. The research highlights the urgent need for effective solutions that protect both families and businesses. The table below outlines the specific customer needs.

<i>Township Customer Needs For Security Services</i>	Description
<i>Safety and Protection</i>	• Effective solutions to address high crime rates, including burglaries, vandalism, and theft. • Visible security measures include regular patrols, alarm systems, and rapid response teams. • Tailored solutions for businesses, such as after-hours monitoring and on-call response services. • Comprehensive security strategies for community establishments like schools, libraries, pensioners' homes, churches, and clinics.
<i>Reliability and Trust</i>	• Customers need 24/7 visible security measures, such as regular patrols, alarm systems, and CCTV cameras. • Consistent communication and swift response to emergencies • Active involvement and visible participation in community safety initiatives.
<i>Education and Empowerment:</i>	• Awareness initiatives designed to promote customer engagement in proactive measures that enhance safety and security. • Guidance on effective security practices to complement provided services.
<i>Affordable Security Services</i>	• Having flexible pricing and customized service packages is crucial for ensuring affordability. • Bundled service packages and scalable solutions for varying income levels.
<i>High-Tech Security Solutions</i>	• Customers need high-tech security solutions such as surveillance cameras with live feeds on mobile phones, motion sensors, and drones for ad-hoc patrols.

Table 24: Township Customer Needs

5.5.3 Product Positioning and Value Proposition

The positioning statement for this business venture is to deliver innovative, high-tech security solutions to township communities. This initiative aims to cultivate a sustainable and secure environment while simultaneously generating employment opportunities for local youth, thereby addressing the socio-economic factors that contribute to criminal activities in these areas.

The venture will adopt the Social Entrepreneurship Model for Crime Prevention, emphasizing stakeholder collaboration as a central principle. The services provided will be positioned as a vital mechanism for mitigating crime and addressing the socio-economic challenges that these communities face.

The value proposition of this business venture is to enhance the overall sense of security within the community by collaboratively reducing crime rates, fostering a safe environment, stimulating economic growth, and creating employment opportunities.

5.5.4 Marketing Mix

The marketing strategy will incorporate the 4P's marketing framework.

4P Marketing Framework

<i>Pricing Strategy</i>	The target market encompasses a spectrum of income segments, ranging from lower to higher socioeconomic classes; therefore, the pricing strategy will account for the requirements of the lower-income demographic. In this context, services and products will be organized into distinct packages: standard, compact, and premium, ensuring that quality remains uncompromised while offering value to all consumers. To foster brand awareness and facilitate market entry, the implementation of a low-cost strategy will be key.
<i>Product Offering</i>	Business Venture offers high-tech security solutions
<i>Promotions Strategy:</i>	The promotion of the business venture will be conducted through various channels, such as: Local Partnerships: Collaboration with community leaders, neighborhood watch organizations, and local councils to enhance community safety and cohesion. Word-of-mouth: Leveraging testimonials from satisfied clients as a means to cultivate trust and credibility. Digital Platforms: Use social media to reach township residents and advertise affordable packages. - Local Media: Advertising on community radio stations and local newspapers. Local Presence: The business venture offices and response teams will be strategically located within the township, which allows easy access and visibility Company Boards Display - Display company boards at community establishments and clients' premises.
<i>Place</i>	The business venture start-up pivot project will be executed in one of the townships within the Bojanala Municipality District.

Table 25: 4P's Marketing Framework

5.5.5 Product and Service Description

The business venture offers a range of products and services categorized into three packages: Standard, Compact, and Premium. These packages will be customized to meet the client's needs and affordability. The available products and services are listed below:

Product and Service Description	
Residents	• Home alarm systems, surveillance cameras that provide live feeds to smartphones and computers, and motion detectors. • 24/7 Arm Response services • Vehicle Tracking systems • Safe Entry – Residents can request security to escort them home
Businesses	• 24/7 Security measures include guards, patrols, alarm systems, surveillance cameras with live feeds accessible on smartphones and computers, and motion sensors. • Access control systems • Armed response services • Vehicle Tracking systems
Community	• 24/7 neighborhood patrols using marked security vehicles equipped with tracking technology. • Ad-hoc Patrols Using Drones • Free 24/7 Alarm systems CCTV cameras strategically placed in community establishments like schools, libraries, pensioners' homes, churches, and clinics • Free security services in community establishments like schools, libraries, pensioners' homes, and clinics, such as access control systems • Safe Entry – Residents can request security to escort them home

Table 26: Product and Services Description

5.6 Operations Plan

5.6.1 Location

The business venture will be located in the townships where it operates, with the objective of providing easy access for local communities. The goal is to maintain a constant presence and visibility, collaborate on community safety initiatives, employ local residents, and integrate fully into the community.

5.6.2 Core Requirements for A Business Venture Start-Up

The strategic approach for initiating the business venture involves implementing a lean model, with a focus on pivoting the project within one of the townships located in the Bojanala Municipality District. The following resources will be required for the project's successful start-up.

Business Venture Start-Up Core Requirements						
Finances	Property	Equipment	ITC	Labour	Training and Certification	Legal And Regulatory
1. Capital Investment	1. Offices Building	1. Office Equipment	1. IT Software	1. HR/Marketing Personnel	1. Employee Training	1. Business Registration (CIPC)
2. Accounting Systems	2. Patrol Vehicles	• Table and Chairs	2. IT Equipment	2. Operations Manager		2. Firearm Registration/Licensing
3. Cash Flow Management		• Computers/Laptops	• Surveillance Cameras,	3. Finance Personnel		2. Drivers Licensing
		• Telephones	• Motion Detector	4. Receptionist and		3. Vehicles Registration/
		• Monitoring Screens	• Laser beams	5. Administrator		Licencing
		• Wifi	• Alarm systems devices	6. Control Room staff		4. PSIRA business and Staff Registration.
		• Fridge/Microwave	• Tracking devices	7. Cleaning Staff		5. Tax Compliance
		• Smartphones	• Communication Systems	8. Security Guards		6. Insurance Coverage
		2. Security Equipment		9. IT Security Systems Specialist/ Technician		7. Risk Management Procedures
			• PPE			
		• Firearms				
		• Two-way Radios				
		• Vehicle/Body Cameras				

Table 27: Business Venture Core Requirements

5.6.3 Management and Organisation

5.6.3.1 Management Team

The start-up business venture will be led by a highly qualified and experienced management team dedicated to steering the company toward success and future expansions. This team will include a financial manager, a marketing, human resources and training manager, an operations manager, and a managing director. See Appendix C for the Organisation chart.

5.6.4 Compliance And Regulations

5.6.4.1 Protection of Personal Information Act, 2013 Compliance

The business venture is committed to protecting the privacy of its clients at all times. All personal information collected will be processed, stored, and safeguarded in compliance with the Protection of Personal Information Act, 2013 (POPIA).

5.6.4.2 Private Security Industry Regulation Act 56 of 2001

The business venture is committed to complying with the provisions of the Private Security Industry Regulation Act 56 of 2001 to prevent legal fines and reputational damage. The regulation is enforced by the Private Security Industry Regulation Authority (PSIRA), which is responsible for regulating the private security industry.

5.7 Forecast and Financial Data

The business venture aims to initiate a small-scale pilot project within one of the townships. The project will be funded with 50% debt, 25% government funding, and 25% equity. This initiative is designed to serve the community's needs while providing a sustainable source of income. The primary profit driver for the venture will be the number of subscriptions obtained from local community members and business owners.

5.7.1 Capital Sources

	Source	Amount	Percentage
	<i>Loan</i>	R4 105 000,00	50,00%
	<i>Government Funding</i>	R2 052 500,00	25,00%
	<i>Equity</i>	R2 052 500,00	25,00%
	<i>Total</i>	R8 210 000,00	100,00%

Table 28: Capital Sources

5.7.2 Annual Estimated Start-Up Costs Summary

	Category	Amount	Percentage
	<i>Registration and Legal</i>	R30 000,00	0,4%
	<i>Land and Building Structure</i>	R700 000,00	21,0%
	<i>Office Setup</i>	R550 000,00	3,0%
	<i>Marketing And Branding</i>	R50 000,00	2,0%
	<i>Equipment and Technology</i>	R2 000 000,00	21,0%
	<i>Patrol Vehicles</i>	R1 000 000,00	42,0%
	<i>Staff Recruiting and Training</i>	R20 000,00	8,0%
	<i>Labour Salaries</i>	R3 500 000,00	8,0%
	<i>Operating Expenses</i>	R360 000,00	1,0%
	<i>Total</i>	R8 210 000,00	100,0%

Table 29: Estimated Start-Up Costs

5.7.3 Financial Summary

5.7.3.1 Revenue Projection/Forecast

Sales Projections/Forecast

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales Forecast	R6 600 000,00	R7 448 760,00	R8 406 670,54	R9 487 768,37	R10 707 895,38
<i>Standard Package Sales</i>	R2 700 000,00	R3 047 220,00	R3 439 092,49	R3 881 359,79	R4 380 502,66
<i>Compact Package Sales</i>	R1 920 000,00	R2 166 912,00	R2 445 576,88	R2 760 078,07	R3 115 024,11
<i>Premium Package Sales</i>	R1 980 000,00	R2 234 628,00	R2 522 001,16	R2 846 330,51	R3 212 368,61
Sale Price Per Item					
<i>Standard Package Price</i>	R150	R157	R164	R171	R179
<i>Compact Package Price</i>	R200	R209	R218	R228	R239
<i>Premium Package Price</i>	R300	R314	R328	R342	R358
<i>Inflation Rate Assumptions</i>		4,50%	4,50%	4,50%	4,50%
<i>Number of customers/ quantity sold</i>	2850	3078	3324	3590	3877
<i>Installation costs - Once off</i>	R1 140 000,00	R1 290 297,60	R1 456 229,87	R1 643 501,03	R1 854 855,27
<i>Unit Cost For Installation</i>	400	419,2	438,064	457,77688	478,3768396
<i>Total Number Of Subscribed Customers</i>	2850	3078	3324	3590	3877
<i>Standard Package Unit Sold</i>	1500	1620	1750	1890	2041
<i>Compact Package Unit Sold</i>	800	864	933	1008	1088
<i>Premium Package Unit Sold</i>	550	594	642	693	748
<i>Projected Growth In Customer Base</i>		8,00%	8,00%	8,00%	8,00%

Table 30: Business Financial Forecast

5.7.3.2 Income Statement

Budgeted Income Statement For The Year Ended 28 February

	Year 1	Year2	Year 3	Year 4	Year 5
Revenue	R7 740 000,00	R8 739 057,60	R9 862 900,41	R11 131 269,40	R12 562 750,64
Cost For Services Rendered	R1 622 500,00	R1 252 360,00	R1 308 716,20	R1 367 608,43	R1 429 150,81
Labour: Installation	R855 000,00	R967 723,20	R1 014 884,77	R1 060 554,59	R1 175 013,11
Gross profit	R5 262 500,00	R6 518 974,40	R7 539 299,44	R8 703 106,38	R9 958 586,72
Operating costs	R4 628 459,33	R5 407 042,28	R7 481 254,90	R7 246 580,39	R8 642 479,01
Fuel and oil costs	R288 000,00	R301 824,00	R786 960,00	R822 373,20	R859 379,99
Uniform	R12 000,00	R12 576,00	R16 427,40	R17 166,63	R17 939,13
Training fees	R20 000,00	R0,00	R5 465,00	R0,00	R0,00
Water, Rates, Levies and Electricity	R21 600,00	R22 636,80	R23 655,46	R24 719,95	R25 832,35
Insurance (Business, Building, Cars, Assets)	R36 000,00	R37 728,00	R39 425,76	R41 199,92	R43 053,92
Depreciation On Fixed Assets	R329 096,33	R329 096,33	R552 100,03	R438 203,70	R988 692,36
Amortization On Intangible Assets	R3 750,00	R3 750,00	R3 750,00	R3 750,00	R3 750,00
Interest Expense	R300 000,00	R280 000,00	R540 000,00	R240 000,00	R280 000,00
Marketing Costs(Launch, Branding)	R50 000,00	R10 000,00	R10 000,00	R10 000,00	R10 000,00
Salaries and Wages	R3 468 000,00	R3 918 840,00	R4 448 289,20	R5 026 566,80	R5 680 020,48
Bonuses	R0,00	R391 884,00	R444 828,92	R502 656,68	R568 002,05
Repairs and Maintenance	R10 000,00	R10 000,00	R12 000,00	R14 000,00	R50 000,00
Bank Charges	R6 000,00	R600,00	R700,00	R800,00	R900,00
Business Internet Fibre Costs	R52 800,00	R58 080,00	R63 888,00	R70 276,80	R77 304,48
Lease Payment (Printers and Scanners)	R14 400,00	R15 840,00	R17 424,00	R19 166,40	R21 083,04
Vehicle Purchase			R500 000,00		
Car Registration And Licences	R1 320,00		R788,47		
Annual car License Renewal	R1 848,00	R2 019,86	R2 207,86	R2 413,34	R2 636,32
Software Licences	R1 500,00	R1 572,00	R1 642,74	R1 716,66	R1 793,91
PSIRA Registration Fee	R210,00	R0,00	R210,00	R0,00	R0,00
PSIRA Annual Fee	R110,00	R115,28	R120,47	R125,89	R131,55
Fire Arm Registration Fees And Competency Certificate	R1 680,00	R0,00	R420,00	R0,00	R0,00
Business Registration (CIPC)	R145,00	R0,00	R0,00	R0,00	R0,00
Legal Costs	R10 000,00	R10 480,00	R10 951,60	R11 444,42	R11 959,42
Profit before tax	R634 040,67	R1 111 932,12	R58 044,53	R1 456 525,99	R1 316 107,72
Tax at 28%	R177 531,39	R311 340,99	R16 252,47	R407 827,28	R368 510,16
Net Profit	R456 509,28	R800 591,13	R41 792,06	R1 048 698,71	R947 597,56

Table 31: Income Statement

5.7.3.3 Balance Sheet

Balance Sheet For The Year Ended 28 February	Year 1	Year2	Year 3	Year 4	Year 5
Non-Current Assets	R1 905 689,00	R1 551 592,67	R2 833 237,06	R1 516 763,03	R1 100 000,00
Buildings	R500 000,00	R475 000,00	R450 000,00	R425 000,00	R400 000,00
Vehicles	R1 000 000,00	R800 000,00	R1 100 000,00	R900 000,00	R700 000,00
Computers	R275 000,00	R183 333,33	R182 166,67	R91 083,33	R0,00
Office furniture and equipment	R130 689,00	R93 259,33	R101 070,39	R100 679,70	R0,00
Investment			R1 000 000,00		
Intangible Assets	R30 000,00	R26 250,00	R22 500,00	R18 750,00	R15 000,00
IT Software	R30 000,00	R26 250,00	R22 500,00	R18 750,00	R15 000,00
Current Assets	R1 020 820,28	R1 622 748,46	R886 055,00	R1 713 185,68	R2 232 597,56
Bank	R645 903,67	R912 748,46	R359 055,00	R771 354,82	R1 804 607,59
Inventory (cameras, laser beams, alarm systems, tracking devices, software)	R366 909,28	R700 000,00	R510 000,00	R922 830,85	R410 989,86
Consumables (Tea, Milk, Stationery, Coffee, Cartridges, Paper)	R8 007,33	R10 000,00	R17 000,00	R19 000,01	R17 000,10
Total Assets	R2 956 509,28	R3 200 591,13	R3 741 792,06	R3 248 698,71	R3 347 597,56
Equity and liabilities					
Equity	R1 456 509,28	R1 800 591,13	R1 041 792,06	R2 048 698,71	R1 947 597,56
Share Capital	R 1 000 000,00	R1 000 000,00	R 1 000 000,00	R 1 000 000,00	R 1 000 000,00
Accumulated Surplus or Retained Earnings	R 456 509,28	R 800 591,13	R 41 792,06	R 1 048 698,71	R 947 597,56
Non-Current liabilities					
Long term loan	R 1 400 000,00	R1 300 000,00	R 1 200 000,00	R 1 100 000,00	R 1 000 000,00
Current liabilities	R 100 000,00	R 100 000,00	R 1 500 000,00	R 100 000,00	R 400 000,00
Short term loan	R 100 000,00	R 100 000,00	R 1 500 000,00	R 100 000,00	R 400 000,00
Total Equity and liabilities	R 2 956 509,28	R3 200 591,13	R 3 741 792,06	R3 248 698,71	R 3 347 597,56

Table 32: Balance Sheet

5.7.3.4 Cash Flow Statement

	Year 1	Year2	Year 3	Year 4	Year 5
Net Cash Flow from Operations	R606 000,00	R7 448 760,00	R8 406 670,54	R9 487 768,37	R10 707 895,38
Net Cash Flow from investing activities	-R1 935 689	R0	-R887 611	R0	R0
Net Cash Flow from Financing activities	R1 900 000	-R100 000	-R100 000,00	-R100 000	-R100 000
Net movement in cash and cash equivalents	R2 400 000,00	R2 300 000,00	R4 600 000,00	R2 100 000,00	R2 300 000,00
Cash and cash equivalents at the beginning of the year	R0,00	R645 903,67	R912 748,46	R359 055,00	R771 354,82
Cash and cash equivalent at the end of the year	R645 903,67	R912 748,46	R359 055,00	R771 354,82	R1 804 607,59

Table 33: Cash Flow Statement

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APPENDIX A – TOWS Matrix

TOWS MATRIX		INTERNAL FACTORS	
		Strengths	Weaknesses
EXTERNAL FACTORS		1. Employ local community members 2. Located within the township 3. The social entrepreneurship model is a unique business model in the industry. 4. Collaboration with SAPS, Government agencies, local businesses, and community forums.	1. Lack of experience in the industry 2. Lack of Capital Resources
	Opportunities	Strength – Opportunities (SO Strategic Option)	Weaknesses – Opportunities (WO Strategic Option)
	1. Form a Partnership with an existing security company 2. Acquire Local government funding 3. Create Economic Growth in Townships 4. Collaboration with local government, the SAPS, Local Communities and Businesses 5. Create Economic Growth in Townships 6. Reduce crime rate and substance abuse 7. Opportunity to employ, train, and develop local youth in various fields, such as security, administration, clerks, drivers, and control room personnel. 8. Opportunity to explore niche markets as first movers	1. Applying the Social Entrepreneurship model for crime prevention requires collaboration with stakeholders, which also presents an opportunity to source funding from the local government. 2. The business venture creates an opportunity for local youth development, training, and employment 3. The business venture will reduce high crime and unemployment rates in townships, thus creating a safer and economically viable environment.	1. Collaborate with local government to secure capital funding 2. Form a partnership with an existing, experienced security company to illuminate the inexperienced threat. 3. Utilize a lean model strategy as the initial market entry to reduce costs.
	Threats	Strength – Threats (ST Strategic Options)	Weaknesses – Threats (WT Strategic Option)
	1. Lack of government funding 2. Lack of investors 3. Affordability from local communities 4. Competition from prominent Security companies should decide to penetrate this untapped market	1. Utilize a lean model strategy as the initial market entry to reduce costs 2. Utilize a low-cost strategy when entering the market	1. The low disposable cash will have an impact on the pricing strategy of the services

Table 33: TOWS Matrix

APPENDIX B – Organisation Chart

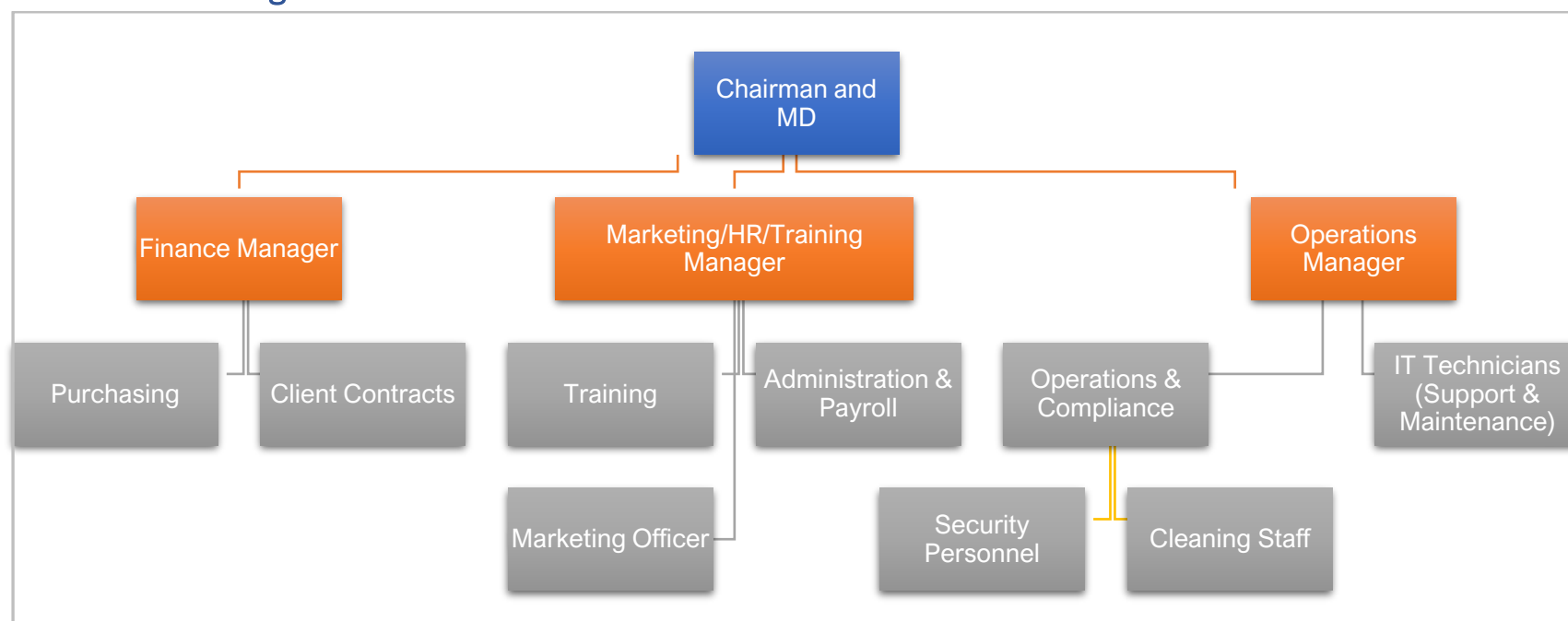


Diagram 2: Business Venture Organigram

