

**Implementing Small Medium Micro Enterprises' development services
platform to collaborate with experienced graduates in South Africa**

Applied Research Business Venture Proposal

Submitted by

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**A business venture proposal submitted to the Faculty of Commerce, Law and
Management, University of the Witwatersrand, in partial fulfilment of the
requirements for the degree of Master of Business Administration**

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DECLARATION

I, Nhlamulo Goodman Baloyi, declare that this business venture proposal is my work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the Degree of Master of Business Administration at the Wits Business School, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Nhlamulo Goodman Baloyi

A handwritten signature in black ink, consisting of several overlapping loops and lines, positioned above a horizontal line.

Signed at Johannesburg, South Africa

On the 20th day of April 2020

DEDICATION

Firstly, I would like to dedicate this report to myself for all the challenging work I have put to it. It was surely not a comfortable journey but every hour I put towards, was worth it. This business venture proposal is in partial fulfilment of the requirements for the Degree of Master of Business Administration. This study allowed me to hone my interest in focusing on the viability of orchestrating approaches to longer-term sustainability of Small Medium Micro Enterprises. The experience has undoubtedly opened the possibilities to excel in business. This study is dedicated to a few people who have either made it possible for me to complete or have inspired or encouraged me to push harder.

My daughter, Risima Baloyi is befitting of this dedication because she encouraged me to work hard in her unique way. I hope this dedication would serve as her stepping stone and encouragement towards her success in life.

I also dedicate this report to my wife, Tlangelani Baloyi, who stood by me in every step of the way. I also sincerely dedicate this study to my parents who sacrificed their all to educate me, I acknowledge their hard labour and encouragement.

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ABSTRACT

Small, Medium and Micro Enterprises (SMMEs), have been recognised as contributors to the development of economies. Despite their economic contribution, SMMEs keep facing several challenges, which lead to their collapse. In South Africa, most SMMEs hardly survive beyond the first three years after they have established (Maleka & Fatoki, 2016). Multidisciplinary researchers over the times have revealed that the fundamental challenges are due to lack of business advisory.

While unemployment is on a high in the country, South African corporates tend to lean towards learned candidates. The critical issue is either on how graduates could remain assertive and relevant, even if they are unemployed or on how they could remain competitive to climb the corporate ladder when they are employed. This research, therefore, aims at proposing a business venture because of the business opportunity stemming from the challenges faced by SMMEs and graduates.

This business venture proposal begins with providing a full synopsis of the proposed venture, followed by the literature review to contextualise the venture. Furthermore, a report of the research methods, including the sampling, the research procedure and the analysis undertaken are provided. The results are then presented. The venture proposal concludes with a presentation of the business plan emanating from the reviewed literature and the results of the conducted analysis.

The establishment of Rent Brains will address the critical challenges that many Small Medium Micro Enterprises experience and warrant the need to develop platforms to support SMMEs to ensure their sustainability and contribute to the economy positively.

The business' presence is ascribed to the gap in the market for a platform to bind to the supply and productively demand the proposed venture. Studies uncovered that the platform will, subsequently make transactions between SMMEs and graduates conceivable, which would not be conceivable without the platforms, while at the same time making an incentive for the two sides. The business is a two-sided marketplace that tries to enhance the coordinating of SMMEs owners with graduates in the different areas of their value chain.

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LIST OF ABBREVIATIONS AND ACRONYMS

- 5G Fifth-generation
- App Application
- BCOEA Basic Conditional of Employment Act
- BMC Business Model Canvas
- CBD Central Business District
- CRM Customer Relations Management
- DSBD Department of Small Business Development
- GDP Growth Domestic Product
- HR Human Resources
- IBM International Business Machines
- IT Information Technology
- IP Internet Protocol
- NDP National Development Plan
- PR Public Relations
- PTY LTD Proprietary Limited
- RB Rent Brains
- ROE Return on Equity
- SA South Africa
- SARS South African Revenue Service
- SEDA Small Enterprise Development agency
- SETA Sector Education and Training Authority
- SME Small to Medium Enterprise
- SMME Small Medium Micro Enterprise
- SMMEs Small Medium Micro Enterprises
- StatsSA Statistics South Africa
- TV Television
- UIF Unemployment Insurance Fund
- UNIDO United Nations Industrial Development Organisation
- USA United State of America
- VPC Value Proposition Canvas

1. INTRODUCTION

Small, Medium and Micro Enterprises (SMMEs), also recognised as Small to Medium Enterprises (SMEs) in other countries, have proven to contribute immensely to the development of economies. Despite their economic contribution, SMMEs keep facing several challenges, which lead to their collapse. In South Africa, most SMMEs hardly survive beyond the first three (3) years after they have established (Maleka & Fatoki, 2016). Multidisciplinary researchers over the times have revealed that the fundamental challenges faced by SMMEs include, but not limited to,

- strategic services;
- advisory on management, advisory on operational performance, spanning supply chain, procurement, finance and outsourcing;
- advisory services that revolve around human capital matters and/or offerings aimed at the HR function;
- financial-based advisory services such as corporate finance, restructuring and actuarial services;
- and technology services aimed at improving and managing the IT-infrastructure of organisations (Hamburg & O'Brien, 2014; Mmatli, 2015; Mole, 2016; Rostamkalaei & Freel, 2017).

There is a need for innovative initiatives to support SMMEs to continue thriving and positively contributing to the economy through majors such as job creation (Herrington et al., 2017). Plenty of research recognises the economic input that graduates can make in companies' development and effectiveness (Connor and Brown, 2009; Rubin and Dierdoff, 2009; Vlachakis, Siakas, Belidis and Naaranoja; 2014).

Research featured in the 2013 yearly insights report of the Department of Higher Education and Training, reveals that a little level of graduates is utilised after joining their first employment. This is especially the circumstance as graduate joblessness is alarming in South Africa, considering that it involves 18% of the national unemployment rate of 29% (Stats South Africa, Quarterly Labor Force Survey, 2019). A similarly concerning measurement is that of the World Economic Forum (WEF) Global Risk 2018, which revealed that many South African are unemployed.

Such a circumstance is perplexing considering reports distributed by Statistics South Africa (Census, 2011) regarding the workforce high rate of unemployment in the nation. It is noticed that a huge extent of the nation's workforce is utilised as blue-collar, suggesting

that the South African corporate leans towards a talented workforce to keep up the creative energy and yielding optimum. What is of paramount concern is how graduates could remain assertive and relevant, even if they are unemployed or how they could remain competitive to climb the corporate ladder.

This business venture proposal proposes an initiative, which will be a way of implementing Small Medium Micro Enterprises' development services platform to collaborate with experienced graduates in South Africa. The proposed venture called Rent Brains (RB) is aimed at benefitting both SMMEs and graduates.

This business venture proposal begins with providing a full synopsis of the proposed venture, followed by the literature review to contextualise the business venture proposed. Thereafter, a report of the research methods including sampling, the research procedure and the analysis undertaken are provided. The results are then presented. The venture proposal is concluded with a presentation of the business plan because of the studied literature and the results of the conducted analysis.

1.1. What is Rent Brains

Rent Brains is a platform that gives SMMEs access to business development services by qualified graduates at an affordable rate. The business is a 2-sided marketplace that seeks to optimise the matching of entrepreneurs with professionals in the various parts of their value chain. The business model enables SMMEs to avoid the tight budget challenges that hinder them (SMMEs) from utilising traditional business consulting firms. All this is through a platform that matches a struggling SMME with a qualified graduate for business solutions collaboration, whom in turn, benefits financially and in brain exercise.

Rent Brains strives towards the satisfaction of both the needs of the SMMEs and the candidate by linking the right individual to the suitable SMME. The result is higher productivity for the SMME and greater satisfaction for the graduate, which is an employed or unemployed individual who has worked towards an Honours or Master's degree. The candidate becomes an asset to the SMME by providing necessary advice, skills and mind-sets required to give a company a competitive edge. The venture has its core in the spirit of Ubuntu, which encourages humanity towards others (Mangaliso, 2001).

1.2. Project (Research) Problem

SMMEs have had a long-acknowledged role in job creation (De Wit & De Kok, 2014; Mas-Verdú, Ribeiro-Soriano, & Roig-Tierno, 2015). These researchers have observed the role

of SMMEs as highlighted in studies such as those done in countries like Sweden (De Wit & De Kok, 2014) the USA (Davlasheridze & Geylani, 2017) and South Africa (Seda, 2016). While SMMEs play a critical role in economic development, a large number of SMMEs face many challenges that contribute to their failure, especially during their early years of operation (Wamba, Hikkerova, Sahut, & Braune, 2017).

In South Africa, it is recorded that approximately 63% of SMMEs experience dire challenges that lead to their failure within the first two (2) years of inception (Cant & Wiid, 2013). In other areas such as Europe, approximately 80% of SMMEs travail after the first year of inception; however, in about three (3) years dropping to 65% and subsequently under 50% afterwards (Wamba et al., 2017). For South Africa, this reflects a fundamental problem, as the country has an alarmingly high rate of unemployment (Seda, 2016). There is an absence of sustainability as well, since these businesses fail within the first two (2) years of inception, considering that some of them in South Africa go through the government incubator/start-up programme.

Several studies attribute SMMEs' failure to a lack of expert advice and collaboration (Hamburg & O'Brien, 2014; Mole, 2016; Rostamkalaei & Freel, 2017). SMMEs owners often prefer to do things by themselves because of lacking a choice to utilise traditional business consulting companies, which charge exorbitant fees (Seseni & Mbohwa, 2016). Owners of the SMMEs are concerned about each part of their operations, from minute activities to doing greater organisation's activities (Xesha, Iwu, & Slabbert, 2014). Numerous entrepreneurs think that it is hard to designate activities to representatives or outside advisors (Mukumba, 2014).

While SMMEs receive business development assistance from Government departments, state-owned entities, private organisations and incubations, several studies have been conducted highlighting some inefficiencies in these business support services. What has not been fully explored is how SMMEs can develop through collaboration with qualified individuals, whom in turn, would greatly benefit in exercising their brains, developing their career profiles and, to an extent, becoming financially sustainable.

1.3. Purpose of the Rent Brains

The purpose of the Rent Brains is to give SMME's different opportunities to utilise quality skills from qualified and experienced graduates at an affordable rate. This venture proposal is about giving SMMEs opportunities to utilise quality skills from qualified and experienced

graduates at an affordable rate. Further, it allows experienced graduates to exercise their brains and grow their career profiles.

Furthermore, the following widely accepted hypotheses gave rise to the establishment of Rent Brains:

- i) Constraints in resources (such as expert advice, business knowledge, technical and marketing skills, operations and finance skills) are main contributory factors to SMMEs failure
- ii) Postgraduates that actively exercise their brains tend to remain assertive and climb the business executive ladder faster
- iii) The collaboration of SMMEs and graduates addresses the issues of the unemployment rate (this approach will also be tested further after the implementation of Rent Brains)

1.4. Scope of Rent Brains

Rent Brains' interest lays in the improvement and iteration of its web application, which mirrors a primary responsibility for continuous development and comparative advantage of SMMEs. Collaborating SMMEs with qualified graduates, who would utilise their cell phones or PCs will wipe out the requirement for Rent Brains to set up physical infrastructure, making this an exceptionally versatile methodology with constrained hindrances to upcoming developments.

1.5. Customer Relationship Management

With the help of industry-leading Customer Relations Management (CRM) suppliers, Rent Brains' approach to managing its customer relationships will be the very lifeblood of its ascent to the top. Rent Brains' CRM will extract data from people engaging with the company on digital media platforms. The CRM system will then store them as potential leads; doing so will enable Rent Brains to get back to enquiries with haste, ensuring the maintenance of an excellent image.

CRM will also enable Rent Brains to track all its interactions with the public. Rent Brains could make increasingly customised and directed advertising efforts through its crucial statistic client data. By taking advantage of the practices and propensities of clients, Rent Brains could give its advertisements excellent possibilities of success; and its clients could get prevalent, progressively custom-fitted service and would be encouraged to utilise Rent

Brains again. Rent Brains has the potential to boost its most faithful clients by making them feel esteemed and encouraging them to utilise the platform.

1.5.1. Operations' Objectives

The interest of the SMMEs of Rent Brains will be met with the assistance of a couple of targets of tasks. First, the structure of the business model to be adopted by Rent Brains would have a goal that would encourage more SMMEs through effective marketing and communications efforts towards the organisation.

Rent Brains would embark on tailoring the skills in some regions of the country as per the requests of the SMMEs encouraging them to fulfil their requests in the market. Rent Brains could furthermore focus on the SMMEs and entrust their services by providing them with alternatives methods of rating them. Lastly, the decrease in the expenditure of organisations could assist Rent Brains in promoting and encouraging SMMEs by providing them with lower costs and possible rebates.

1.5.2. Meeting nature of the plan

Some SMMEs may request more business development strategies from experts with vast experiences in the field. Therefore, Rent Brains aims at providing a good plan of activities for the SMMEs because they need reliable and business support to expand their services unwaveringly.

1.5.3. Improving adaptability of tasks

As the quantity of populace is ceaselessly expanding on the planet, the quantities of SMMEs that are requesting the administrations of Rent Brains are expanding in numerous nations; therefore, there is a prerequisite for Rent Brains to get adaptable in the market and provide their services.

1.5.4. Improving service customisation

SMMEs aim at having customised services. Rent Brains being a technologically developed platform will focus on segmenting its offering according to the needs of SMMEs, which would be dependent on revenues. For SMMEs with the turnover under R1 million will be classified as fundamental, the ones up to R10 million will be the medium tier and the ones up to R50 million may be considered premium. Service customisation will be improved according to the needs of both the SMMEs and graduates, which will be done by way of analysing their behaviour on the platform as well as considering their suggestions.

1.5.5. Improvement of SMMEs' dependability and accountability

The SMMEs want the dependability of the services provided by Rent Brains, and, they are advised to rate the administrations of the graduates, and, the constancy of the administrations is improved.

Rent Brains provides accountability as its services and improves the experience of both graduates and the SMMEs. The real-time feedback will be allotted to assist Rent Brains to respond to any challenges either faced by it or the users (graduates and SMMEs).

1.5.6. Cost or expenditure reduction by Rent Brains

Rent Brains will not charge the graduates to become partners on the system. However, a rigorous exercise would be performed to determine the authenticity and expertise of the brains. For a graduate to become a partner, they would have to go through several competency assessments. Furthermore, copies of updated CVs and qualifications would be needed.

SMMEs could become members eligible to receive business development support from Rent Brains' partners without costs, though a vetting exercise would be conducted. Proof of company registration, all necessary business compliance documentations and business record of accomplishment will be required.

2. LITERATURE REVIEW

2.1. Introduction

This section provides an outline of SMMEs in the South African context. The section defines SMMEs and points out the contribution that the sector provides economically. The chapter further highlights the challenges that SMMEs experience and outlines the state of affairs concerning the SMMEs sector.

To justify the establishment of Rent Brains, this chapter further reviews literature that relates to business development services with the aim of SMMEs' sustainability and competitiveness. The chapter also evaluates the viability of available initiatives that support the development of SMMEs in South Africa. In the end, the section would have provided a precise analysis, identifying the gaps that warrant the establishment of Rent Brains.

2.2. What is an SMME

There are several varying definitions of what SMMEs are. After reviewing the literature of different countries and definitions by the European Commission and UNIDO in an attempt to define what SMMEs are, Abor and Quartey (2010) concluded that it is complicated to have a single definition of what SMMEs are; the definitions vary country by country. This finding was supported by Robu (2013), who found that each country defined SMMEs in their unique way.

In South Africa, according to "the National Small Business Act 102 of 1996", the recognised definition of SMMEs is: "a separate and distinct business entity, including co-operative enterprises and nongovernmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy" (Africa, 1996: 2). For this proposal, SMMEs are any registered companies operating in South Africa with revenue from as little as R1.00 to less than R50 million per annum and staff members not exceeding 100.

2.3. Contribution to the economy

Notwithstanding the variations of amounts per annum, SMMEs have proven to contribute immensely to the development of economies. The economies of several countries progress because of the development and sustainability of the SMMEs sector (Nyamunda, 2009). As a result, several governments have realised a need to establish organisations to support the development of SMMEs and to encourage corporates to have more initiatives that support SMMEs. The economic development that countries tend to enjoy is through jobs

that the SMMEs create (Ngcobo & Sukdeo, 2014). While SMMEs' contributions are desirable and efforts to have SMMEs sustainable, there are still challenges that contribute to SMMEs demise (Ngcobo & Sukdeo, 2014).

Robu (2013) mentions that, globally, SMMEs give staunch support to their countries economy. This evidence is seen in countries such as China and the United States, where the contribution of the sector amounts to up to 65% of the gross domestic product (Robu, 2013). Furthermore, SMMEs have shown the capabilities of creating up to 70% of jobs globally. As a result of their contribution, Swart (2010) suggests that SMMEs should be supported to stay profitable and sustainable. More efforts to support SMMEs should be in developing nations (Swart, 2010).

According to Seda (2016), in South Africa, SMMEs have the potential to contribute up to 42% to the GDP. This contribution to the GDP by SMMEs should be the reason for more business support initiatives to be established by both government institutions and the private sector (Amra, Hlatshwayo, & McMillan, 2013).

SMMEs play a critical role, and this is not limited to job creation, but also to a crucial driver for innovation in the country, which is much needed when it comes to the economic growth (Seda, 2016). "A comparison between 2008 and 2015 shows that even though the growth of SMMEs of 3% over the period was lower than economic growth of 14%, the contribution to GDP by the sector increased from 33% to 42%" (Seda, 2016: 13).

Chimucheka (2013) and Mutoko (2014) outline the importance of SMMEs about job creation, poverty alleviation, social stability, economic growth and sustainable development. Additionally, Nkwini and Munzhedzi (2016) determined that SMMEs are critical in stabilising the economic system, particularly in non-urban communities.

South Africa came up with the National Development Plan (NDP) to deal with the poverty scourge and inequalities by 2030 (Commission, 2012). To date, the plan recognises the support to SMMEs sector as one of the critical urgencies to achieve for growing the economy (Commission, 2018). Ayyagari, Demirguc-Kunt, and Maksimovic (2014), in examining the role of SMMEs to the progress of emerging markets, they discovered that SMMEs contribute to job creation higher than larger corporates. This finding suggests the need to prioritise the SMMEs sector, have nations come up with new policies to support the sector and have more innovative ideas to support SMMEs' development.

2.4. Challenges faced by SMMEs

Even though SMMEs' contribution to economic improvements is well known, these organisations face numerous difficulties. Ndege and Van der Bijl Park (2015) observed 133 organisations in the Vaal and Gauteng and found that absence of access to funding, absence of innovative abilities and absence of mentorship and assessment programs are the fundamental difficulties confronting business people. An investigation by the Bureau of Economic Research recognises the issues entrepreneurs are faced with such as access to funds and markets, weak foundation, laws around labour, criminal activities and inefficient administration (Seda, 2016). Luiz (2002) recognises a few noteworthy hindrances that are faced by SMMEs in South Africa, which incorporate lack of money, labour cost, overregulation of business, taxation, absence of access to tenders, deficient foundation, and absence of interest for particular goods and services.

In 1995, the DTI drafted a white paper on a national technique for the improvement and advancement of private venture in South Africa. In this paper, the limitations that independent ventures face were featured as (Trade & Industry, 1995):

- Finance
- Legal and administrative
- Access to business sectors
- Affordable premises
- Access to proper innovation
- Quality business framework

While these are genuine issues encountered by SMMEs, the issues may vary over the different divisions and from SMME to SMME. Moreover, the reason for these issues may result from inner or outer influences.

The high collapse pace of SMMEs in South Africa is evident in that most of them seldom get by the past three (3) years after foundation (Maleka & Fatoki, 2016). One of the fundamental difficulties experienced by SMMEs is the inability to access funding (Abor & Quartey, 2010). Access to funds at various life phases of a business is essential, as it makes the potential for interest in new pursuits, continuous improvement and advancement possible (DTI, 2008). In any case, the business banks regularly consider SMMEs as "high risk" debtors because of the absence of security and absence of a record of loan repayment (Samans, Blanke, Corrigan, & Drzeniek, 2015).

Mahadea and Pillay (2008) allude to the high regulatory hurdles faced by businesses in Africa, as compared to other countries. These researchers further illustrate the effect of charges such as tax and policies on SMMEs as they take much time to keep accurate records or expand costs and bringing about lower incomes.

Kongolo (2010) expressed current difficulties as in the absence of premium, leadership, management and financial aptitudes, low processing limits, access to business sectors and proper innovation. Kongolo (2000) further noted acquiring clients, getting funding, and managing government administrations as underlying difficulties for SMMEs situated in Johannesburg and Durban.

Maleka and Fatoki (2016) discovered that even though the South African government have made a few agencies to help SMMEs, there is a general absence of familiarity with this help among SMMEs. Far beyond this weakness, Phillips et al. (2014) further suggest the apparent absence of trust of SMMEs in external organisations. The weakness broadens further into the absence of arrangement between the administration offering of the agencies and the budgetary and non-money related needs of the SMMEs.

Chimucheka (2013) notes the assets required by SMMEs to guarantee execution and avoid the disappointment of the SMME. These assets identify with HR, monetary assets, physical assets and data assets. Cant and Wiid (2013) investigated the large-scale macro and advertising factors that influence South African SMMEs. These researchers found that criminal activities, laws, financing costs, economic inflation and joblessness are crucial full-scale factors. Marketing factors included estimating methodologies, low interest for item and area of the business, SMMEs must deal with these elements every day (Cant and Wiid; 2013).

Worku (2015) contemplated the benefit of more than 400 SMMEs for five (5) years, expecting to distinguish hindrances to SMME development and supportability. The principal difficulties were identified with either policy, education and money (Worku, 2015). Worku's view is bolstered by Ndabeni and Rogerson (2017) that distinguished the absence of assets, limitation and foundation as a test in creating innovative technologies. These researchers further accentuate the absence of attention to the real effect advancement has on SMME improvement and intensity (Ndabeni and Rogerson, 2017).

According to the Global Entrepreneurship Monitor (as cited in Herrington, Kew, & Mwanga, 2017), South Africa need to intercede to develop the economy. Making even more empowering condition for SMMEs is a basic need.

2.5. Survival of SMMEs

The survival of SMMEs is affected by multiple factors. These include access to financing, social capital, personal characteristics of the entrepreneur, market factors, life-cycle and regional specifications (Wamba et al., 2017).

Lee and Drever (2014) argue that a lack of social networks may hinder access to finance. This was also presented by Dadvar, Trieschnigg, and de Jong (2013) who note that social networks are tied to access to finance, information and legitimacy. The finding further reinforces that ethnic minority groups whose social network is usually small, tend to experience difficulties in obtaining funding (Lee & Drever, 2014). Most individuals who are likely to pursue entrepreneurship, have their own financial and stronger social capital than those who never attempt to venture into entrepreneurship (Lofstrom & Bates, 2013). This highlights the role that is played by access to capital and social networks in contributing to the success or survival of SMMEs.

Worth noting is that some SMMEs' challenges are inherently linked with lack of finance. For instance, with sufficient capital, it is unlikely that a company will struggle to acquire equipment or infrastructure. Similarly, with sufficient infrastructure and equipment, a company's need for financial capital may be reduced.

Despite numerous training programmes provided, a large skills-gap exists within SMMEs (Abor & Quartey, 2010). This can be partly attributed to management complacency and the cost of training (Abor & Quartey, 2010).

Different governments have attempted to deal with issues experienced by SMMEs in several ways, which include but not limited to business support programmes such as business incubation.

2.6. Business Development Service for SMMEs

Business Development Services (BDS) refers principally to a modern initiative, trying to both deal with enterprise challenges by giving the required information, encouraging the provision of consultancy services, giving or empowering skills and business training; and improve value by participating in innovation transfer and transformation (Debortoli, Müller, & vom Brocke, 2014; Masutha & Rogerson, 2014; Ramraj, 2018; Uhl & Gollenia, 2016).

Radipere and Van Scheers (2005) suggest that business support ought to concentrate on organisation, budgetary administration and branding management. Brand communication as a feature of the business improvement administration comprises a significant role in

advancing the SMMEs sector. Jackson (2004) contends that, while lack of access to finance contributes to SMMEs failure, it is not the only essential imperative to SMMEs' improvement. This contention suggests a severe need for a shift towards the acknowledgement of the fundamental significance of non-financial related requirements, such as the provision of relevant business information and business management skills.

Regarding Business Development Services, Aaker and Adler (2001) suggest two ways, the conventional and market improvement methods. The disappointment of conventional ways to deal with business advancement (particularly in connection to the accomplishment of scale, effort and supportability targets) has lately prompted a focal change in perspective in the way to deal with the arrangement of business support services largely, and business improvement benefits specifically. The accomplishment of eminent new smaller scale financing activities and the expanding acknowledgement that developing organisations get several "hidden" supervisions from causes, besides those explicitly made to give enterprise development (which, despite the tried and true way of thinking is frequently obtained at full cost) has loaned energy to this move.

Concisely, the latest worldview puts consideration to the conveyance of enterprise development services, specifically, on the interaction of the organic market in a practical commercial centre (Aaker & Adler, 2001). Involvement of business support is transitory as it is coordinated for the explicit motivation behind rectifying/making up for market challenges.

Romijn, Caniëls, and de Ruijter-de Wildt (2003) argue that providing business support service should be participatory. In the plan of business support programs, there ought to be a job for clients to co-decide development bearings and needs, go about as accomplices in the real structure of new administrations, and to give input.

2.7. Need for SMMEs Support Initiatives

There are contentions against and for private and the public supporting organisations' involvements. Firstly, advocates of help organisations contend that whenever SMMEs do not receive support, they are not able to grow. In this manner, public and private intercessions contributing towards causing SMMEs to develop, ought to be stimulated (Borooah, 2003). As per Nenzhelele and Pellissier (2014), the business world, wherein the ventures are working, is extremely powerful and volatile. This sort of business setting urges governments to support business' sustainability with the formation of both government and private establishments.

As one of the development tools, training benefits SMMEs perform more excellently as compared to SMMEs whose business leaders do not go to any form of training (Zamberi Ahmad & Xavier, 2012). Detachment to training prospects may prompt moderate business development and growth, as fundamental skills to adapt to the changing nearby or worldwide business environment (Bosma & Levie, 2010).

In this way, the arrangement of public and private supporting organisations forms an excellent environment for organisations to develop, implying that nonattendance may prevent SMMEs from developing (Zamberi, Ahmad & Xavier, 2012). Then again, some researchers contend that the involvement of government institutions and private ones have restriction in advancing SMMEs (Mahadea & Pillay, 2008; Meltzer, 2010). As indicated by Khoase and Govender (2013), while making a favourable atmosphere for organisations, governments may demoralise SMMEs business tasks. Regardless of the nearness of people in general and private organisations, several SMMEs work casually, accordingly, not utilising supporting establishments and disregarding formalities postulated by institutions (Chetty, 2009).

Furthermore, SMMEs owners have capabilities of not utilising the enterprise development organisations, since their thinking is that business development foundations fail to make an improved business condition for them (Chetty, 2009). Regardless, Ghobakhloo, Arias-Aranda, and Benitez-Amado (2011) stress that most organisations who get sufficient help in their underlying beginning, have an excellent opportunity to grow and be manageable. Toward the initiation stage, organisations are in an exceptionally delicate state as they cause costs, for example, compensation, insurance, rental charges and marketing costs (Macal & North, 2005). In the beginning, SMMEs need support regarding getting abilities and different sorts of help (Herrington et al., 2017). A steady domain can therefore empower SMMEs to advance and develop, henceforth expanding the possibilities of job creation.

2.8. Supporting Institutions in South Africa

In 2013, the South African government established the Department of Small Business Development (DSBD). Its mandate is to deliver dedicated and focused support to small businesses. The DSBD pinpointed the improvement of the effectiveness and reach of the supporting institutions among its priorities. Also, the department is commissioned to ensure that familiar challenges faced by the SMME sector are addressed in a coordinated way.

Ngcobo and Sukdeo (2014) argue that despite the initiatives in place to develop the SMME sector, there are yet barriers that hinder the development of the SMME sector in South Africa. Besides, there are deficiencies in the implementation and coordination of the supporting institutions' programmes (Muzondi, 2014). Chetty (2009) states that although South Africa has established public and private supporting institutions to develop SMMEs, the effectiveness of these institutions has not been investigated extensively. These sentiments highlight the importance of considering the implementation of initiatives to produce sustainability to SMMEs.

2.9. Implementation to produce sustainable and viable SMMEs

Ndabeni and Rogerson (2017) found that the prospect exists for SMMEs to create a closer association with institutions of higher learning or universities, to create technological advancements. Not exclusively, will this enable the SMME to access information and innovation; however, it will likewise add to practical financial improvement and lift the pertinence of universities in the country and the economy. The researchers further underline the crucial role that information plays in advancement, whereby it empowers the obtaining of uncommon and imitable abilities; capacities that will empower SMMEs to contend effectively in national and worldwide markets.

Research conducted by Booyens (2011) demonstrated powerless cooperation among SMMEs and institutions of higher learning, even though colleges are seen to add more to the information base of SMMEs than large organisations. What is not clear from these researches is the finding that links graduates directly contributing to the development of SMMEs.

Afolayan and de la Harpe (2015) overviewed SMMEs on how the organisations get data on advancements that could be implemented. The researchers found that SMMEs utilise different methods for getting to the information. The SMMEs dread that the absence of access to information will keep the business from improving its activities (Afolayan & de la Harpe, 2015). Developing nations, for example, Brazil and Malaysia, have indicated a positive effect on the economy by proactively giving access to information, framework and innovation to SMMEs.

2.10. Digital platforms in South Africa

It is paramount to recognise the latest innovative initiatives to actualise the state of readiness within the South African landscape. Early discoveries from various countries such as Rwanda, Ghana, Kenya, Nigeria, South Africa, Tanzania, Uganda, and Zambia

demonstrate more than 300 distinctive digital platforms coordinate suppliers and buyers of products and enterprises (Van Biljon, 2017; Smit et al., 2019; Sanchez-Cartas & Leon, 2019). These stages work in different economic sectors, including transportation, internet shopping, resource sharing, and expert administrations.

A majority of digital platforms in Africa are home-grown (Anwar & Graham, 2019). The Insight2impact study found that across eight focus countries, more than 80% of the digital platforms were founded in Africa. The remainder of the platforms primarily originates from North America (7.8%), Europe (6.8%) and Asia (1.4%) (Smit, 2019) A significant part of the digital-platform conversation in Africa identifies with the exercises of different platforms (such as Uber and Airbnb).

Different platforms lead to cross-border scaling. Thirty-seven platforms operate in more than one African market. Generally, 50% of these platforms are home-grown, for example, Jumia and Twende (Smit, 2019). Different platforms, nonetheless, signify about 70% of the 24 platforms that operate in at least three (3) of our focus nations.

In 2016 the most considerable number of newly developed platforms were launched. The quantity of newly launched digital platforms across our focus countries expanded steadily in the period between 2013 and 2016, as represented in Figure 1. Platforms, which were launched in 2016 fundamentally, link consumers and providers along e-hailing, online shopping and freelance activities.

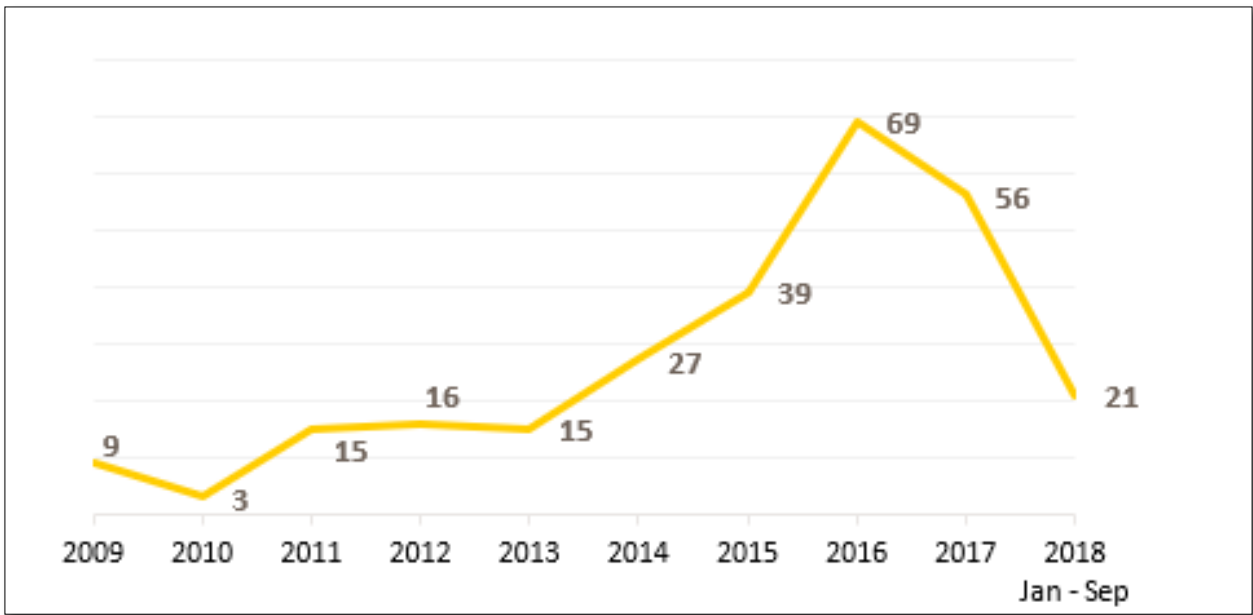


Figure 1: Digital platforms launched across African Markets (Smit, 2019)

A majority of digital platforms link consumers and service providers. Approximately 60% of digital platforms link services, for example, courier and domestic task. This was closely followed by platforms that link tangible products, which are sitting at 30% and that permit asset sharing (9%). The study further identified that a quarter of platforms operated in the freelance or microwork arena see Figure 2.

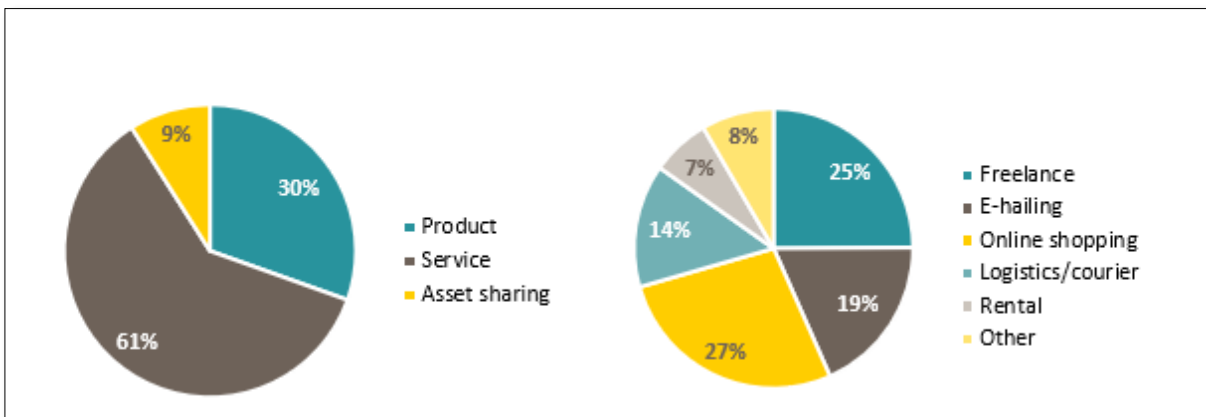


Figure 2: African digital platforms by classification (Smit, 2019)

2.11. The adoption of multiple payment options

The most common payment options that are available to consumers are debit and credit cards. Approximately 70% of digital platforms have the card option available which consumers can utilize for payment, see Figure 3.

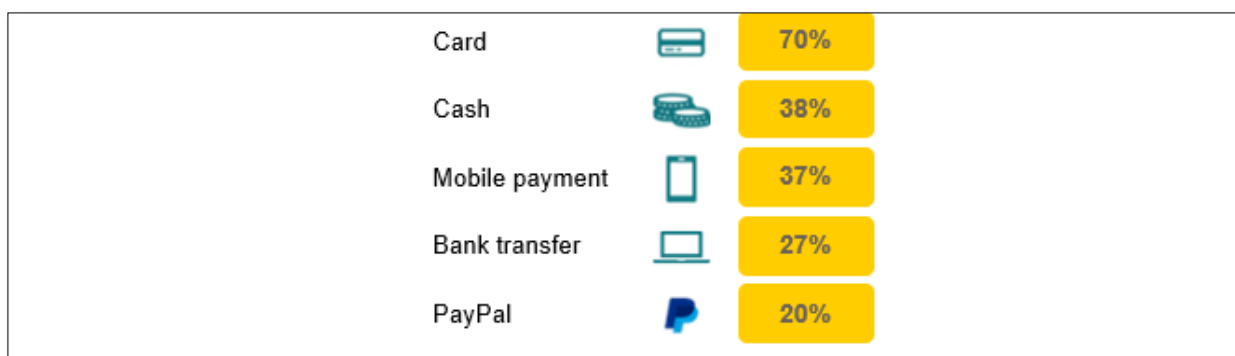


Figure 3: Prevalent payment options available on digital platforms (Smit, 2019)

Mobile and cash payments follow closely. Digital platform providers who were interviewed indicated that digital wallets and cash were introduced to accommodate customers who do not desire to utilize other payment options.

2.12. Factors that have enhanced the adoption of online marketplaces

The platform economy was enhanced by the expansion of the internet and related technology. Rapid growth has been experienced in Sub-Saharan Africa (SSA) about internet penetration and related technology investment. The International Telecommunications Union (ITU) has estimated that sub-Saharan Africans' internet usage raised from 7% in 2010 to 25% in 2017. Internet usage rise has been escorted by processing power, increased investments in data storage and innovation ecosystems. The number of secure servers per 1 million people in SSA increased from 3.6 in 2010 to 760.4 in 2018, and the number of tech hubs in Africa has grown from 102 in 2013 to 442 in 2018. Furthermore, African tech start-ups venture capital improved from USD185.7 million in 2015 to USD334.5 million in 2018.

Improved financial consideration has empowered more people to transact in the platform economy. Financial services are frequently a requirement to execute in the digital economy. As per Global Findex information, more people in SSA have an account (at a financial institution or with a portable money supplier) than at any other time: Account possession expanded from 23% in 2011 to 43% in 2017. Nearby this, the extent of grown-ups who made or got digital payments expanded from 27% in 2014 to 34% in 2017.

This number grew to 277 over the last thirteen (13) years. A recorded number of sixty-three (63) platforms were launched in 2016, which originated mainly from the focus countries, which link consumers and provider for the first time. In fact, according to Smit et al. (2019), in their sample of seven countries (South Africa, Kenya, Rwanda, Uganda, Tanzania, Ghana, and Nigeria) there are an estimated 4.8 million workers in Africa who derive income

from digital platforms. With the internet, connectivity on the continent increasing rapidly, that number is only likely to grow over the next few years.

Digital platforms provide new income-producing prospects to many participants. A survey embarked on by Research ICT Africa in 2016 illustrated that on a regular 1.3% of adults in the focus countries earn income through participating in the platform economy, and just over 50% of these platform participants (also known as micro workers) reported that this source of income was essential for meeting their basic needs (Gillwald, Mothobi, & Rademan, 2018). Platform economies rate of participation in the eight (8) African focus countries equates with that of more digitally progressive and industrialised countries, such as the USA. The JPMorgan Chase Institute projected that about 1.6% of individuals who have accounts with them received an income from the platform economy in 2018 (Farrell, Greig, & Hamoudi, 2018).

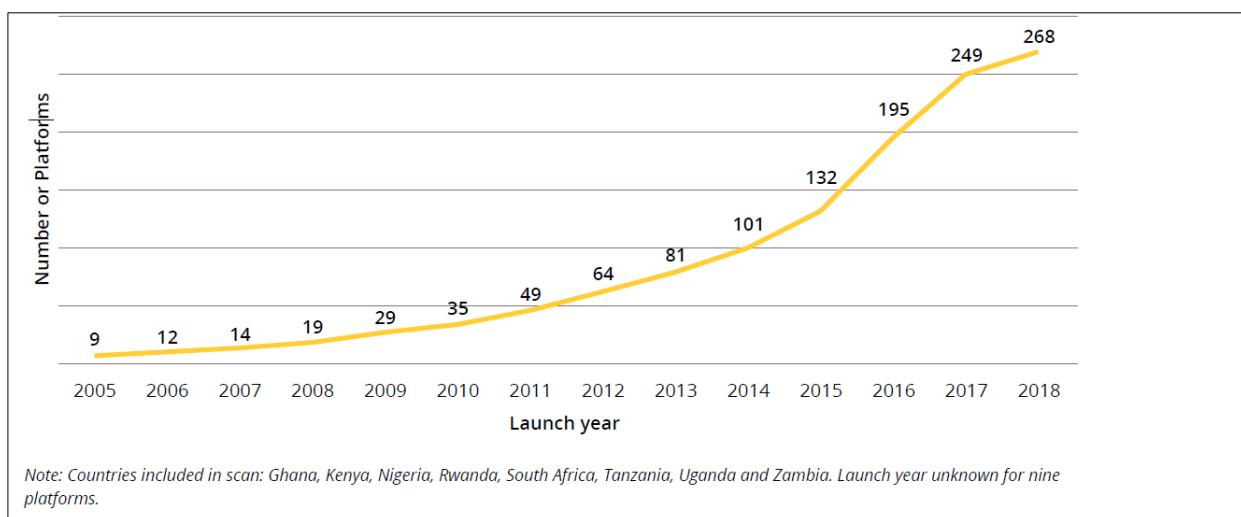


Figure 4: Cumulative numbers of digital platforms launched since 2005 (Smit, 2019)

Figure 4 depicts data available for seven (7) of the eight (8) focus countries. Research ICT Africa’s survey frames microwork activity as follows, “Some people find paid jobs or tasks by connecting directly with people who want to hire them using a website or mobile app. These sites require workers to create a user profile to find and accept assignments, and they also coordinate payment once the work is complete” (Hunter et al., 2018).

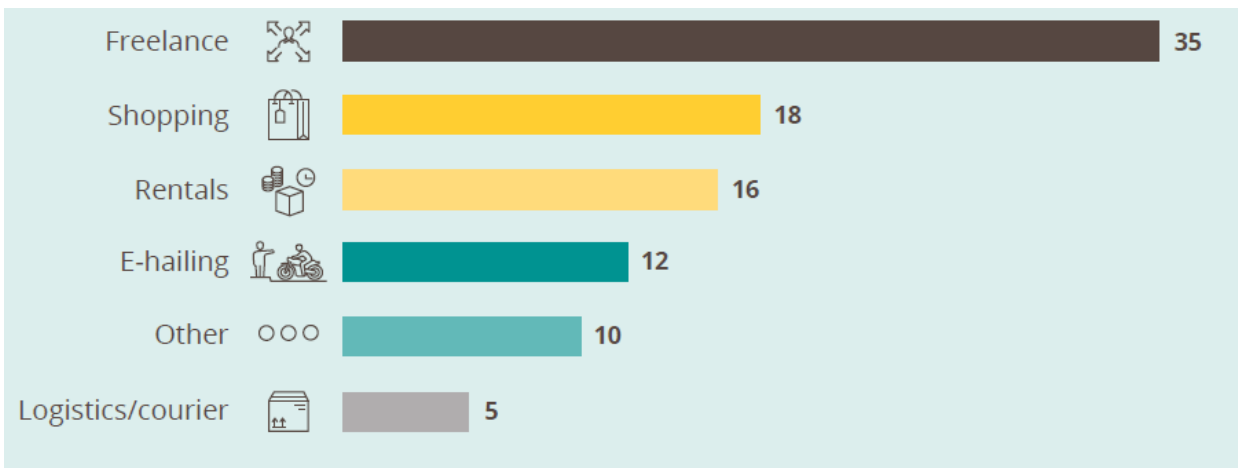


Figure 5: Key platform characteristics (Smit, 2019)

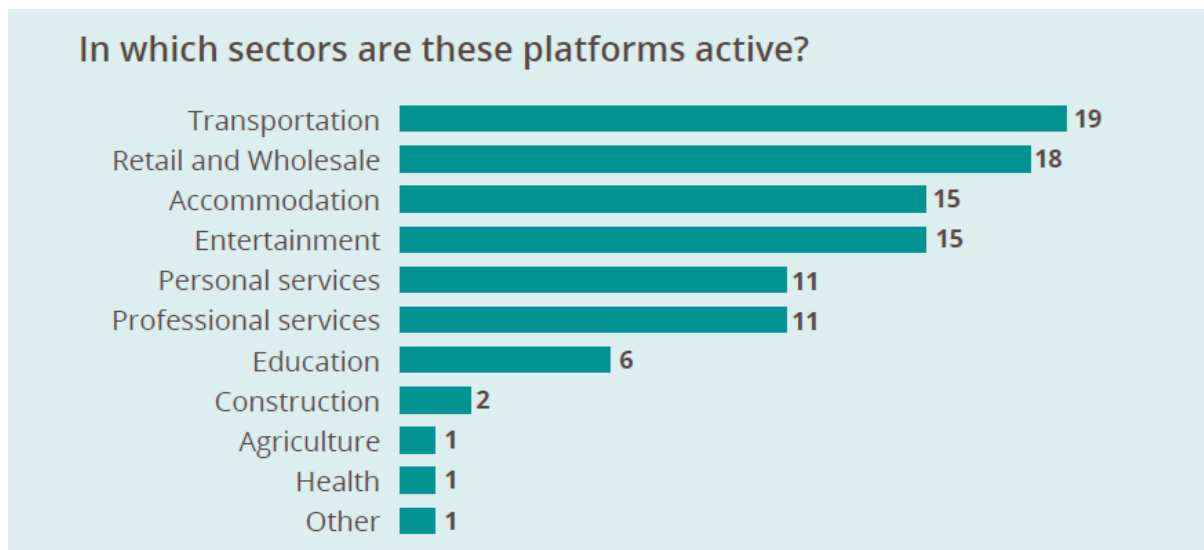


Figure 6: Sectors in which these platforms are active (Smit, 2019)

South Africa has ninety-two (92) active digital platforms, which serve 56.7 million people. It ranks first across our eight (8) countries. Fifty-nine per cent (59%) of the platforms that operate in South Africa are homegrown, and the most common platforms are “freelance” followed by “shopping”, while the least common are “logistics/courier” platforms. South African platforms operate across eleven (11) sectors, of which the most common sectors are transportation, and retail and wholesale, see Figure 5 and 6. The most common payment acceptance mechanisms are bank accounts for providers and bankcards for consumers. Consumers access platforms predominantly through web-browsers and smartphone apps.

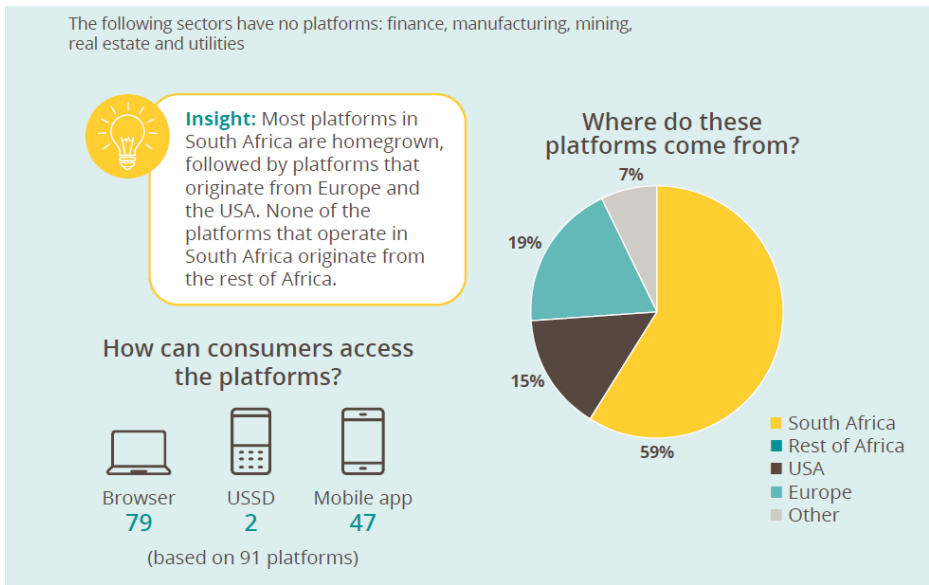


Figure 7: Sectors that are not dominant in platforms (Smit, 2019)

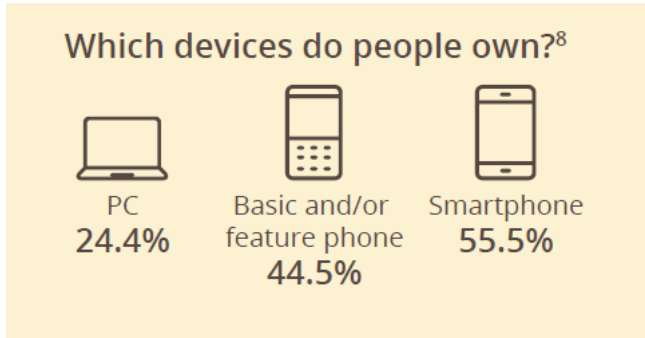


Figure 8: Dominant devices that South Africans use (Smit, 2019)

With the elevated levels of account access and internet usage, it is evident that South Africa has a high level of e-commerce readiness despite a complete lack of postal reliability, see Figure 7 and 8. It is, therefore, suitable for a platform business such as Rent Brains to launch in South Africa.

2.13. Conclusion

This section reviewed an overview of SMMEs and their challenges to justify the need to implement a platform that allows SMMEs to utilise quality workforce for business development purposes. The section highlighted initiatives that are currently underway to support the development of SMMEs; though it pointed out the gap with innovative ideas that could be implemented to support SMMEs – that is also considering the emergent business models. The section defined what SMMEs are and their contribution to the economy. The section further highlighted SMMEs’ challenges despite efforts by several initiatives. The chapter highlighted the needs for new initiatives for SMME development and it concluded by giving a synopsis of the nature in which the proposed venture will operate; it highlighted the state of readiness to launch a platform business in South Africa.

3. VENTURE PROPOSAL ORIENTATION, PROCEDURE AND METHODS

3.1. Introduction

Business decisions are guided by business research, and this is achieved through the collection, recording and analysis of data efficiently and methodically (Chenail, 2011). This approach involves developing a research strategy, research design, selection of a method of research, the procedure for sampling, the collection of data and its analysis (Chenail, 2011).

This chapter highlights the plan of executing a systematic inquiry to implement the venture successfully. Furthermore, to successfully launch, there is a need to collect the required data, analyse it carefully, and use it as a user-centric compass, leading the way for venture development as well as to assess the potential of the proposed business venture. The chapter further highlights the strategy of how data will be collected and how the instruments to collect data will be designed. The chapter also offers the procedure and methods to be undertaken in collecting the data. The chapter finalises by stipulating limitations while collecting the data. The aim is to come up with the data for enabling the formulation of a strategy and offering to effectively meet the needs of the target audience as based on the literature reviewed.

3.2. Strategy

This research strategizes by employing a *research* quantitative method that explains phenomena according to numerical data which are analysed employing mathematically based methods, especially statistics (Yilmaz, 2013). This research aims at testing the ability of the venture, Rent Brains to create value for both SMMEs and qualified and experienced graduates. The research seeks to solicit responses from SMMEs owners and graduates to determine their interest in the venture and its improvement before it launches. The research process approach employed for this proposal is deductive as it would form part of the quantitative research method approach. The deductive research process is a theory-testing procedure, which begins with a recognised theory and seeks to see if the theory applies to specific instances (Spens & Kovács, 2006). The deduction takes on the task of understanding how the independent variable would influence and to what extent of an impact it would have on the dependent variable.

Therefore, by assessing the SMMEs' needs for innovative ideas to develop and sustain their enterprises and interests of graduates to enhance their skills by contributing to the success of SMMEs, the research identified where there would be disparities or similarities

in the factors of these variables. This notion involves the development of an idea, or hypothesis, from an existing theory, which can then be tested through the collection of data (Gratton & Jones, 2010).

Furthermore, to get a better grasp on the proposed business model, the four (4) principal areas of the business environment were mapped, as displayed in Figure 9.

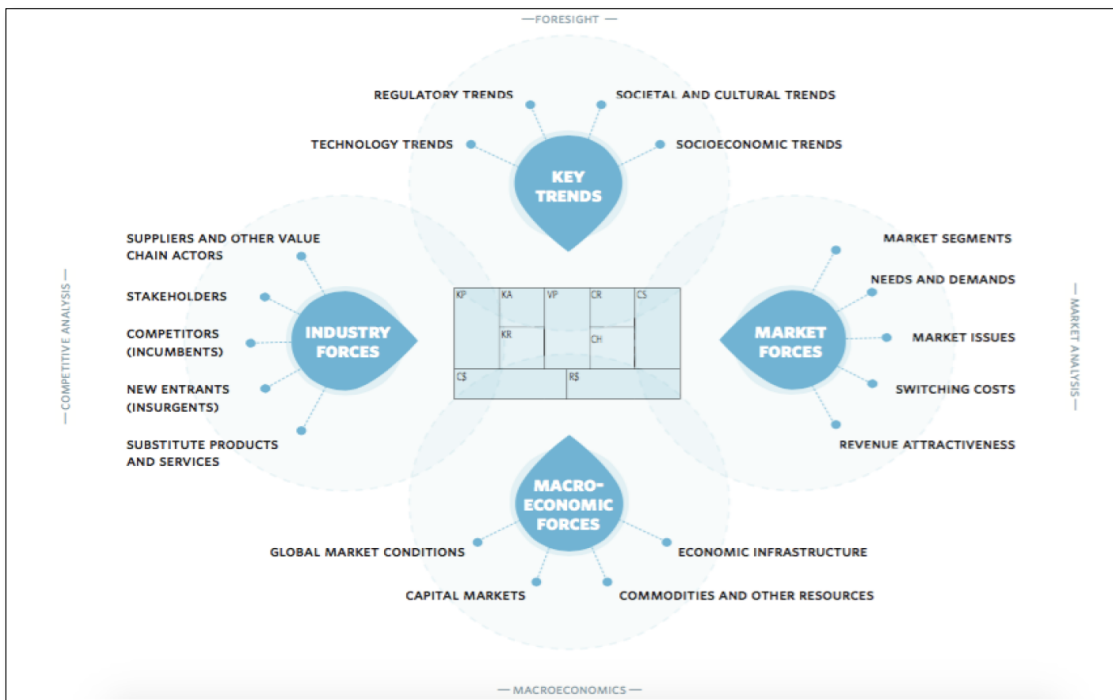


Figure 9: Business Model Environment (Strategyzer.com, 2019)

Figure 9 depicts that with Market Forces, the market issues, which identify vital issues driving and transforming the market from a customer and venture perspective, were determined. The researcher also determined what the most important customer segments were, where the most significant growth potentials would be, as well as segments that would need more attention. The Market Forces also assisted in outlining the market needs and analysed how well they would be served. The researcher also described elements related to SMMEs switching from the current means of operations to the proposed venture. Finally, the researcher identified the revenue attractiveness by assessing what SMMEs would be willing to pay for the services from graduates, and what the graduates would be willing to receive as payments, where the most substantial margins would be achieved.

The Industry Forces identified Rent Brains' competitors and their relative strength and new entrants to determine whether they would compete with a different business model. The industry forces also looked at describing potential substitutes for the venture, including those from other establishments, and described the key value chain incumbents in the

market. The researcher also determined which stakeholders could influence the proposed business venture the more.

Concerning the key trends, the researcher determined the technology trends that could threaten the model or enable it to evolve. Regulations and societal trends that could be influential and significant socioeconomic trends relevant to the business model were defined to determine how to characterise income and wealth distribution in the market and how high could the disposable income and spending patterns be in the market.

Finally, the researcher considered the macro-economic forces to outline the current overall conditions from a global perspective, the capital market condition as they related to capital needs. The commodities and other resources highlighted the current prices and price trends for resources required for the business model. The researcher also looked at the economic infrastructure of the market within the South African landscape.

3.3. Instruments

A questionnaire is an instrument of research entailing a set of questions (items) intended to capture responses from respondents in a standardised manner (Bhattacharjee, 2012). The research instrument utilised for this study was a questionnaire with sections designed to record the responses to explore the interest of (1) a need of development support platform for SMMEs (2) a need for support service from a reputable and experienced graduate and (3) the price they would want to pay for such service. On the other hand, the graduates were asked if they would be willing to be part of this type of service in order to improve their skills while contributing to the success of SMMEs, and the amount they would be willing to be paid.

3.1. Population

Regarding research plan and factual investigation, a population is the entire range of elements one tries to comprehend or, more formally, about which one looks at drawing an inference (du Plooy-Cilliers et al., 2014). The common characteristics of the groups distinguish them from other individual, institutions, objects and so forth (du Plooy-Cilliers et al., 2014).

South Africa has approximately 26 public universities, as seen in Figure 10. This suggests that South Africa produces an adequate number of graduates, those who would have studied a minimum of an Honours Degree with at least three years of working experience from any of these institutions.

3.2. Sampling

Sampling is defined as the collection of data from a selection of specific data sources, intending to address the research objectives (Gentles, Charles, Ploeg, & McKibbin, 2015). The appropriateness of the sample size was determined by how adequately it would address the research question. A total of forty-seven (47) participants were approached for this study.

Sampling is the “statistical process of selecting a subset (called a “sample”) of a population of interest for purposes of making observations and statistical inferences about that population” (Bhattacharjee, 2012: 12). Furthermore, Bhattacharjee (2012: 14) asserts that commonly “we cannot study entire populations because of feasibility and cost constraints, and hence, we must select a representative sample from the population of interest for observation and analysis”.

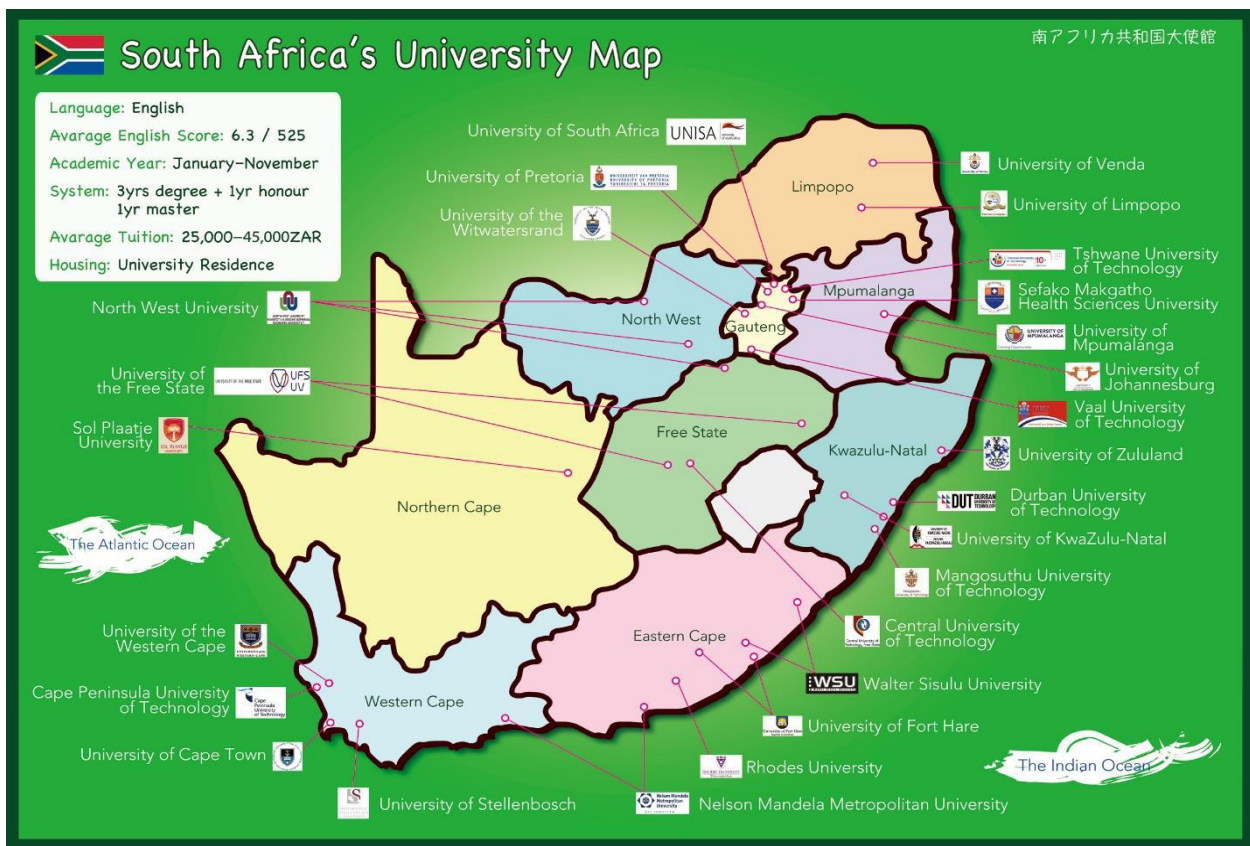


Figure 10: Geographical location of public universities in South Africa (Anon, 2017)

According to the Small Enterprise Development agency of South Africa (2018) SMME Quarterly Update 1st Quarter 2018 report published in July 2018, the recorded number of SMME's in South Africa at the time was 2 443 163 (Small Enterprise Development agency, 2019). The sampling frame for this research involved sharing the link of the online survey via WhatsApp and e-mail with the SMMEs and graduates, who would be willing to

participate in the research and were accessible to the researcher as identified from sources such as the researcher's business networks, university alumni and entrepreneur support institution databases. The data from the online survey was collected during March 2020.

The research utilised the simple random sampling technique, where all possible subsets of a population (more accurately, of a sampling frame) have an equal probability selection (Bhattacharjee, 2012). "Sample statistics are unbiased estimates of population parameters, without any weighting. Simple random sampling involves randomly selecting respondents from a sampling frame" (Bhattacharjee, 2012).

When choosing a sample, there are two (2) crucial issues: will the sample be representative of the population, and will the sample be precise enough (Conroy, 2015). Further, an unrepresentative sample will result in biased conclusions, and the bias cannot be eliminated by taking a larger sample (Conroy, 2015). The sample size of a minimum of forty (40) respondents was to be appropriate for this research based on the finite population of 2 443 163 and the acceptable margin of error to deem the sample size significant considering that the researcher was in effect measuring the prevalence of SMMEs in South Africa with an understanding of certain dependent variables. As such, a desired demographic profile was not relevant to this research. If one (1) has a finite population, the sample size in need can be significantly smaller (Conroy, 2015).

3.3. Research Method

The research method is an explicit technique for gathering and examining information (du Plooy-Cilliers et al., 2014). Building up the research method is an essential portion of your examination plan (Conroy, 2015). The method for data collection adopted for the venture proposal was through self-administered online surveys. A cover letter for the survey and the link to an online survey system (Qualtrics), were sent to the respondents via emails and short messages to their mobile phones.

3.4. Reliability and Validity

Reliability is defined as "the degree to which the measure of a construct is consistent or dependable. In other words, if we use this scale to measure the same construct multiple times, do we get pretty much the same result every time, assuming the underlying phenomenon is not changing" (Bhattacharjee, 2012: 4) Although it is not possible to give an exact calculation of reliability, an estimate of reliability can be achieved through different measures (Heale & Twycross, 2015). The researcher had envisaged meeting the criteria for reliability with the homogeneity (internal consistency) that would produce a correlation

coefficient that is above 0.5. A correlation coefficient of less than 0.3 would indicate a weak correlation, 0.3 - 0.5 would be moderate and more significant than 0.5 would be strong (Heale & Twycross, 2015). Within this proposal, reliability required that measuring of the interest of SMMEs to utilise graduates may produce the same if not similar attributes that are required.

Validity was considered to determine the degree to which a measure sufficiently speaks to the underlying construct that it is supposed to measured (Bhattacharjee, 2012: 4). Validity can be evaluated utilizing hypothetical or exact methodologies, and ought to preferably be measured using the two (2) methodologies (Bhattacharjee, 2012: 4). Hypothetical evaluation of validity centres around how well the possibility of a hypothetical construct is converted into or spoken to in an operational measure (Heale & Twycross, 2015). This kind of validity is called translational validity (or illustrative validity) and comprises of two subtypes: face and substance validity (Heale & Twycross, 2015). Translational validity is commonly surveyed utilizing a board of master judges, who rate everything on how well they fit the reasonable meaning of that construct, and a subjective procedure called Q-sort (Heale & Twycross, 2015).

3.5. Limitations

The limitations of the investigation are those attributes of the research approach that could have affected or impacted the application or translation of the results of the study (du Plooy-Cilliers et al, 2014). They are the requirements on generalizability and utility of discoveries that are the aftereffect of the manners by which a researcher decided to plan the study and additionally the technique used to set up inner and outside validity.

The graduates' population that would complete the online survey for the quantitative analysis could be a limited sample compared to the number of graduates in the South African landscape and would not be the entire representative of all South African graduates, same applied to SMMEs.

Furthermore, people generally do not like surveys, it was envisaged that they might not take their time to respond to the survey which could be a limitation. Again, surveys take time, and several people are not very keen on filling them. Load shedding could also have hamper respondents to fill in the survey. Data or bandwidth could have been a problem as well; other people could have been willing to send their responses but out of data, therefore, not everyone who volunteered their participation would have completed survey as a result of lack of sufficient data.

3.6. Ethical Considerations

Ethical Considerations can be specified as one of the most important parts of research. Researches may even be doomed to failure if this part is missing.

According to Bryman and Bell (2007) the following ten points represent the most important principles related to ethical considerations in research:

- Research participants should not be subjected to harm in any ways whatsoever
- Respect for the dignity of research participants should be prioritised
- Full consent should be obtained from the participants before the study
- The protection of the privacy of research participants has to be ensured
- An adequate level of confidentiality of the research data should be ensured
- The anonymity of individuals and organisations participating in the research has to be ensured
- Any deception or exaggeration about the aims and objectives of the research must be avoided
- Affiliations in any forms, sources of funding, as well as any possible conflicts of interests have to be declared
- Any type of communication concerning the research should be done with honesty and transparency
- Any type of misleading information, as well as representation of primary data findings in a biased way, must be avoided

All these ethical standards were adhered to encourage the reliability of the study.

Participants were informed that the information they would provide would be kept confidential and would be used for this study only. Before collecting data, the sample population was informed of the aim of the study so they could decide whether they wished to take participation or not. They were also informed about what participation entailed, for them to understand what their role would be in the survey, and their right to withdraw anytime from the participants if they wished to, was explained. Anonymity was also emphasized for participants. Participants were all assured of the issues of confidentiality. Furthermore, ethical clearance was acquired from the university.

3.7. Conclusion

The reason for this chapter was to feature the entire plan of executing a deliberate study to actualize the proposal effectively. The section looked to feature the methodology of how the information would be gathered and how the instruments to gather information would be planned. The section additionally offered the strategy and techniques to be attempted in gathering the information. The section concluded by specifying limitations while gathering the data as well as highlighting the ethical considerations. Ultimately, the point was to discover the information for empowering the establishment of the proposal and offering to adequately address the issues of SMMEs and graduates.

4. PRESENTATION OF KEY FINDINGS AND ANALYSIS

4.1. Introduction

This Chapter presents and analyses data collected to ascertain the viability of establishing and operating the proposed business venture, Rent Brains. The objective of the Chapter is to analyse the market fit for the venture. Market fit means being in a decent market with an item that can fulfil that market (Chen, Wang, Huang, & Shen, 2016).

A user survey and a descriptive study were conducted to ascertain who the customer is and how much they would spend to utilise the Rent Brains platform. The analysis covered the full value chain for all stakeholders and both sides of the marketplace.

The business' existence is attributed to the gap in the market for an intermediary to tie to the supply and demand of the Rent Brains platform in an efficient way. Literature has revealed that the intermediary will, therefore make transactions possible, which would not be possible without the platform while creating value for both sides. The business is a two-sided marketplace that seeks to optimise the matching of entrepreneurs with professionals in the various parts of their value chain.

4.2. Data Preparation and Cleaning

Forty-seven (47) respondents participated in the study to ascertain who the client is and the price they would be willing to spend for the use of the platform. The researcher used an online survey system called Qualtrics to collect data, utilising a survey questionnaire. The data was exported from Qualtrics for analysis in statistical software used to solve research problems (SPSS Version 24).

The researcher explored the data for any inconsistencies and missing values to ensure its integrity and efficacy for the study. The researcher did the following as part of the data preparation and cleaning process:

1. Identified and removed meta-data like Internet Protocol (IP) addresses, timestamps and other information not relevant to the study.
2. The researcher checked the consent question to ensure that every case included in the research met the consent requirements.
3. A missing-value analysis was performed.

4.3. Missing Value Analysis

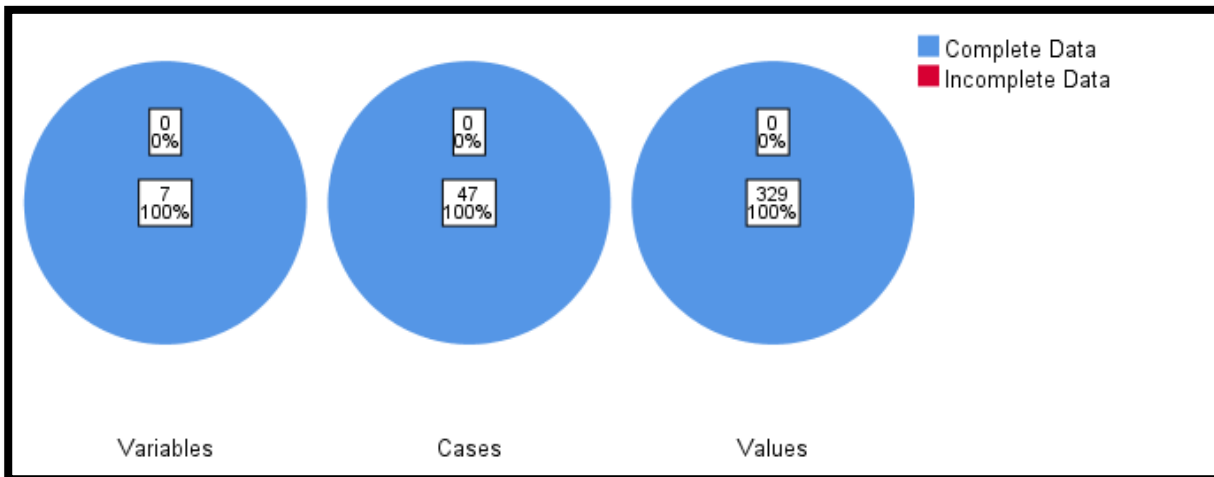


Figure 11: Overall Summary of Missing Values

Missing value analysis was performed to ascertain whether any of the questions had missing values. The researcher made all questions in the survey compulsory, and that ensured that no missing values would emerge (see Figure 11). The blue represents complete variables, cases and values while a red represents incomplete data. There is no red in “cases” neither on “values”, meaning they were all completed.

4.4. Descriptive Statistics

The descriptive statistics for the sample of forty-seven (47) respondents showed that the mean amount of money that participants were willing to pay for the Rent Brains platform was R24 209, while the median and modes were R500 each respectively. This shows that some substantial amounts pushed the mean upwards; thus, the mean is not the best average to use in this case. Based on the mode and median, the researcher concluded that the number of respondents was willing to pay R500 per usage.

4.5. Age and Gender

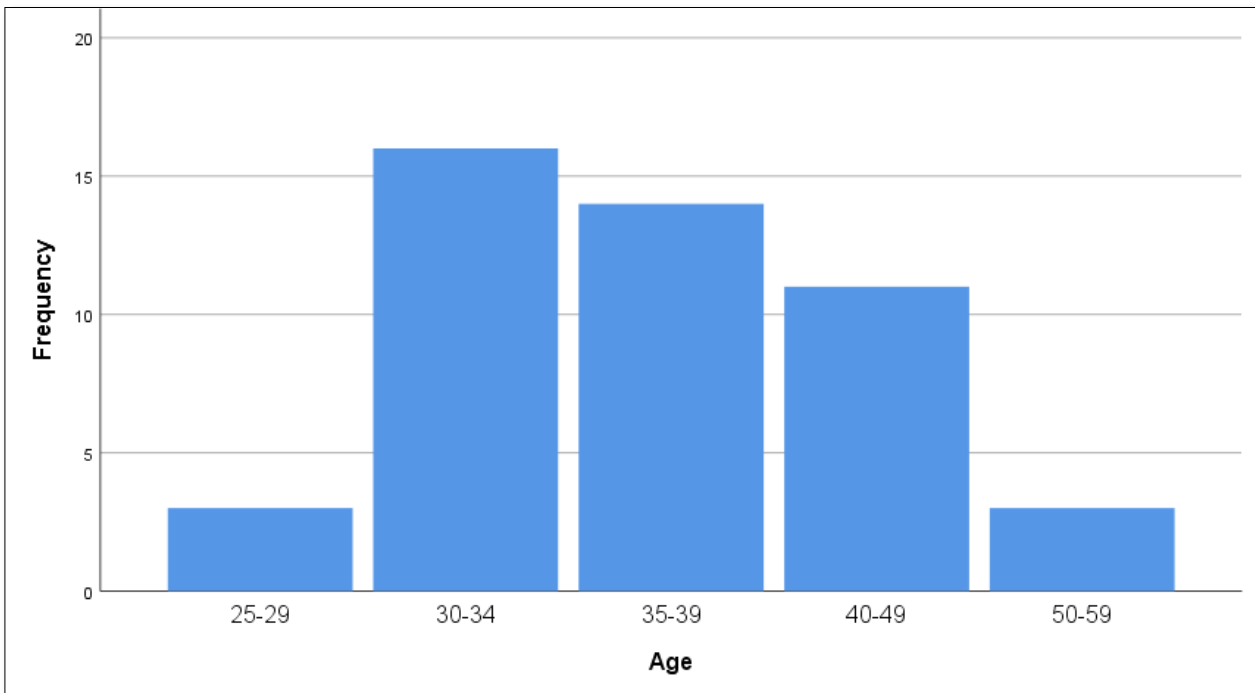


Figure 12: age analysis

As can be seen in Figure 12, the majority of respondents were between 30 and 34 years of age. An aggregate of 87.2% was between 30 and 49. This was a mature sample. There was seven more male than female respondents were (Figure 13). Out of the 47, 20 were female respondents.

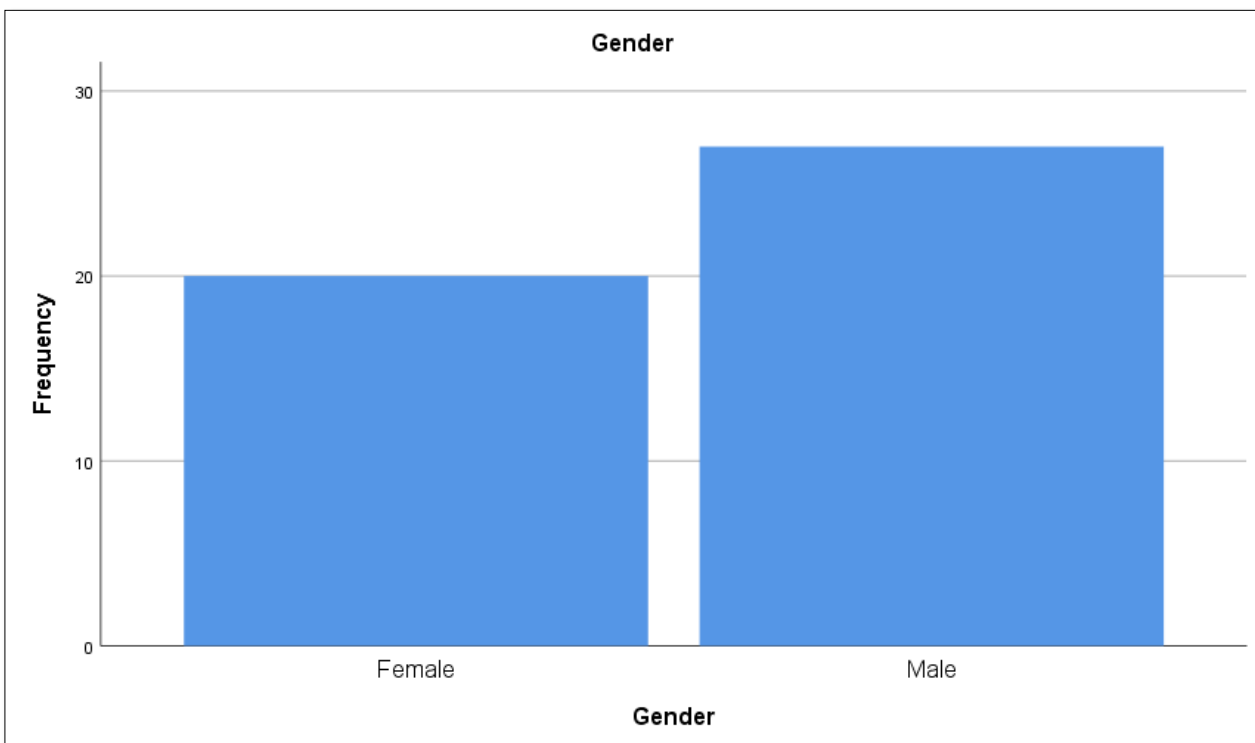


Figure 13: Gender analysis

4.6. Level of Education

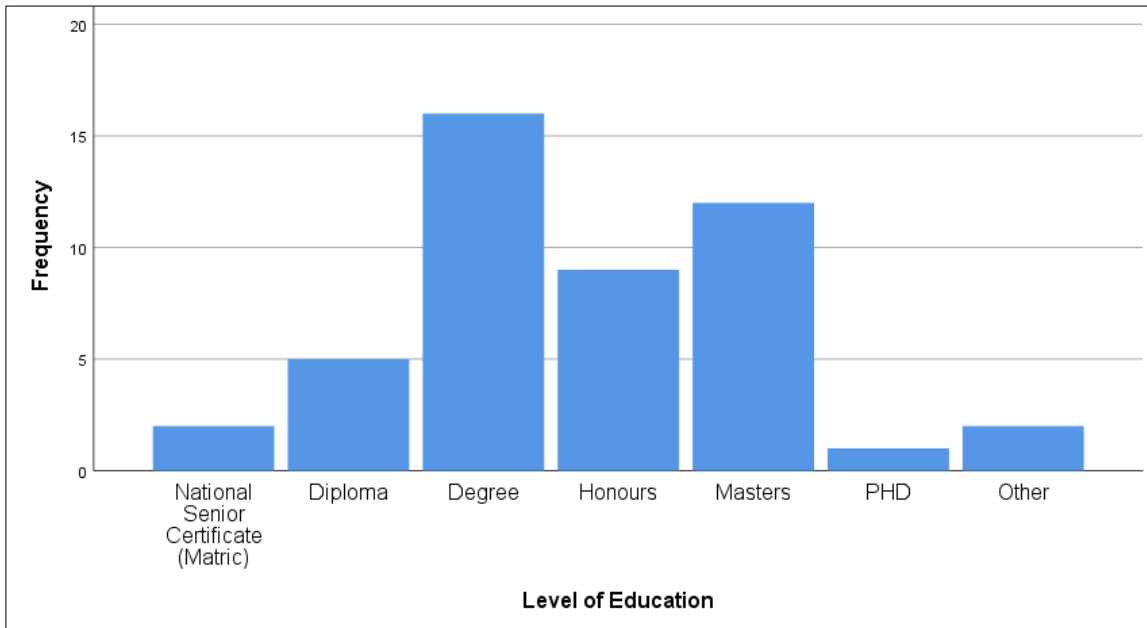


Figure 14: Level of education

Figure 14 shows that 95.7% of the respondents had some post-secondary qualification, while only 4.3% had matric as a qualification. This implies that the respondents were educated and could read and understand the questionnaire as posed by the researcher. It can be inferred that the respondents were sophisticated using a level of education as a proxy. Further, this supported the purpose of the study as it mainly focused on graduates.

4.7. Liking Rent Brains Platform

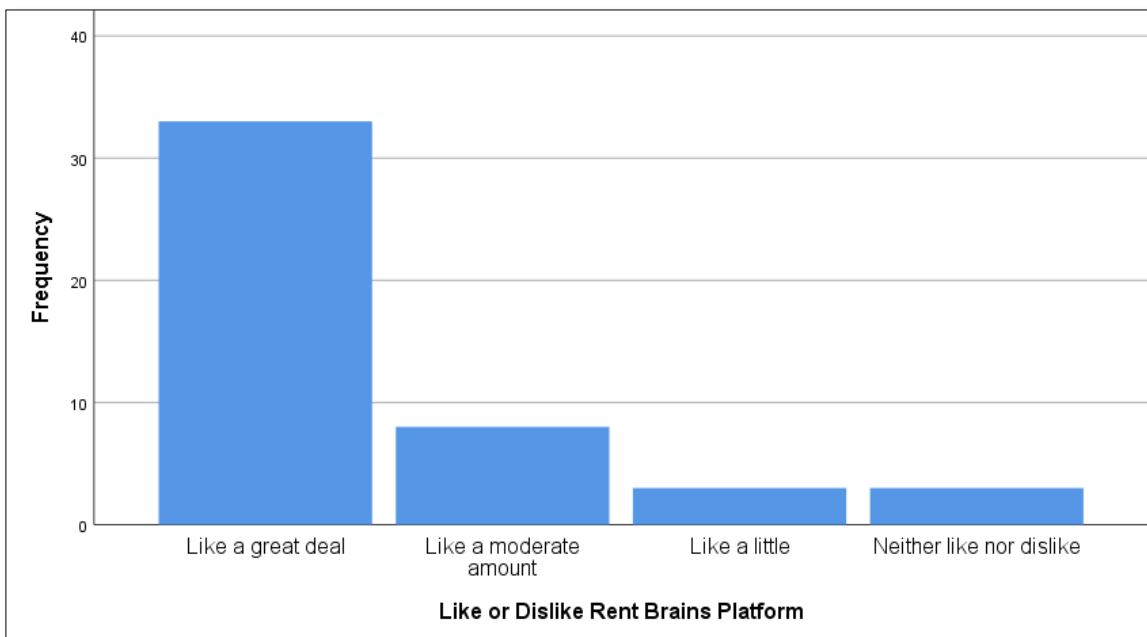


Figure 15: Liking or Disliking of Rent Brains Platform

Figure 15 illustrates how the respondents like the idea of Rent Brains. Thirty-three (33) respondents, which translates to 70.2%, responded that they liked the idea of the Rent Brains platform a great deal. The response was significantly skewed towards a positive sentiment with a few respondents either neutral or not liking.

4.8. Dimensions of Agreement

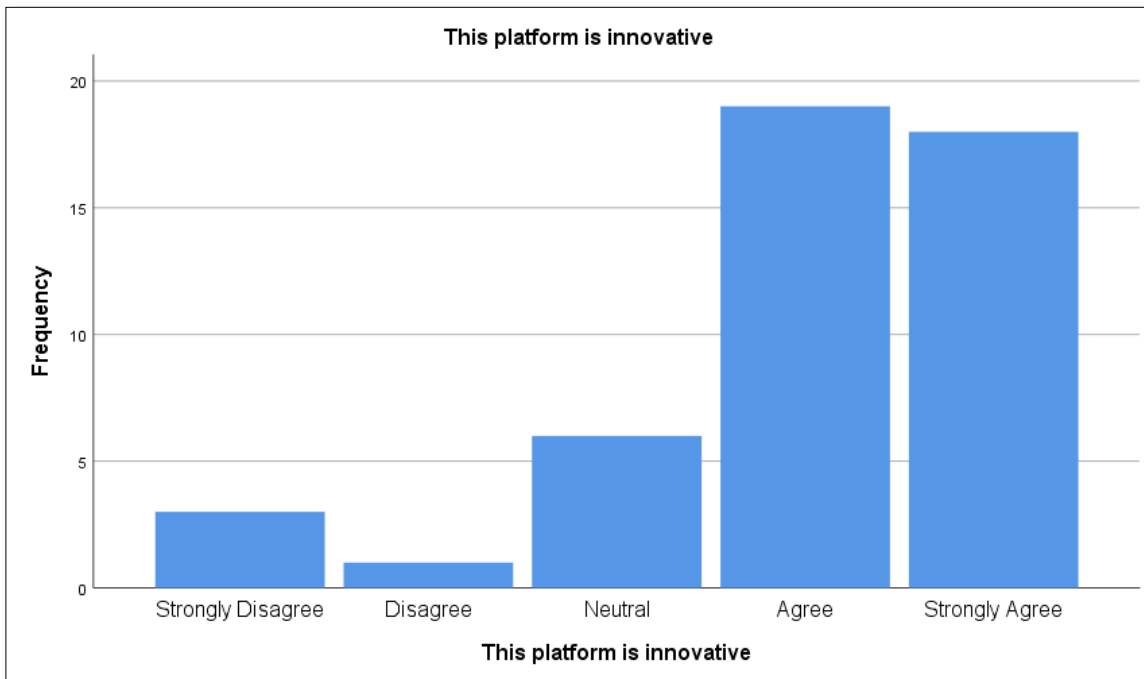


Figure 16: Dimensions of Agreement

On average, respondents mainly rated either a four (4) or a five (5), Agree and Strongly Agree respectively. This is an indication that respondents generally agreed that the Rent Brains platform was innovative and exciting; there was a need for it and respondents would share with friends and family. These results are positive and indicate that there is a strong inclination for users to value the platform.

4.9. Likeliness to use platform

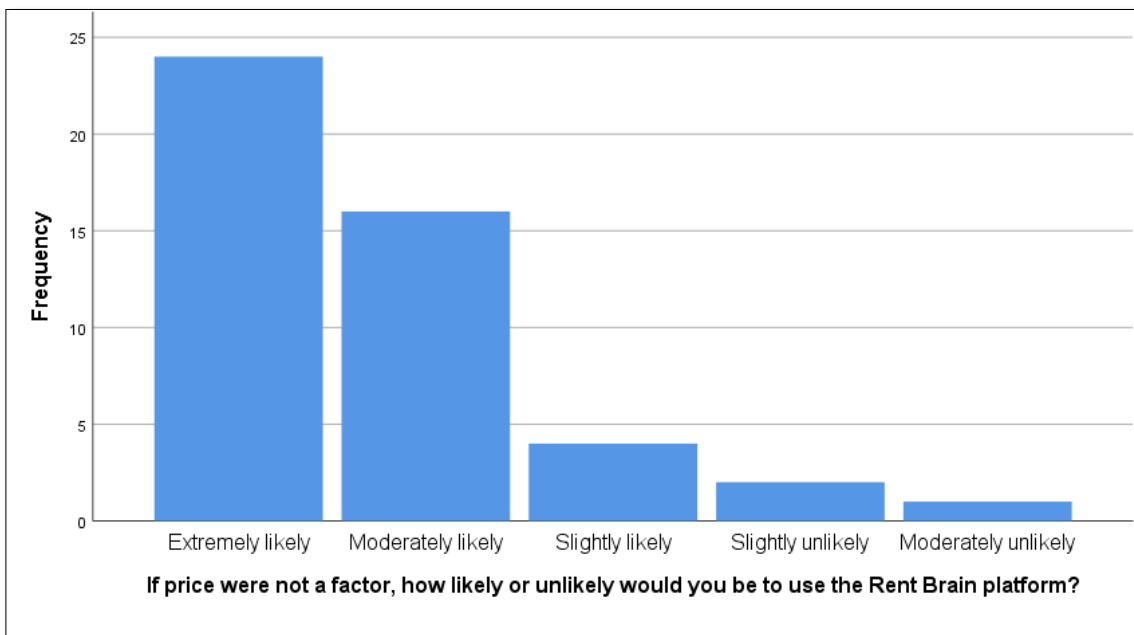


Figure 17: Likeliness to use the platform

The majority, 93.6% indicated that they would utilise the platform with more than 50% indicating an extreme inclination to using the platform (Figure 17).

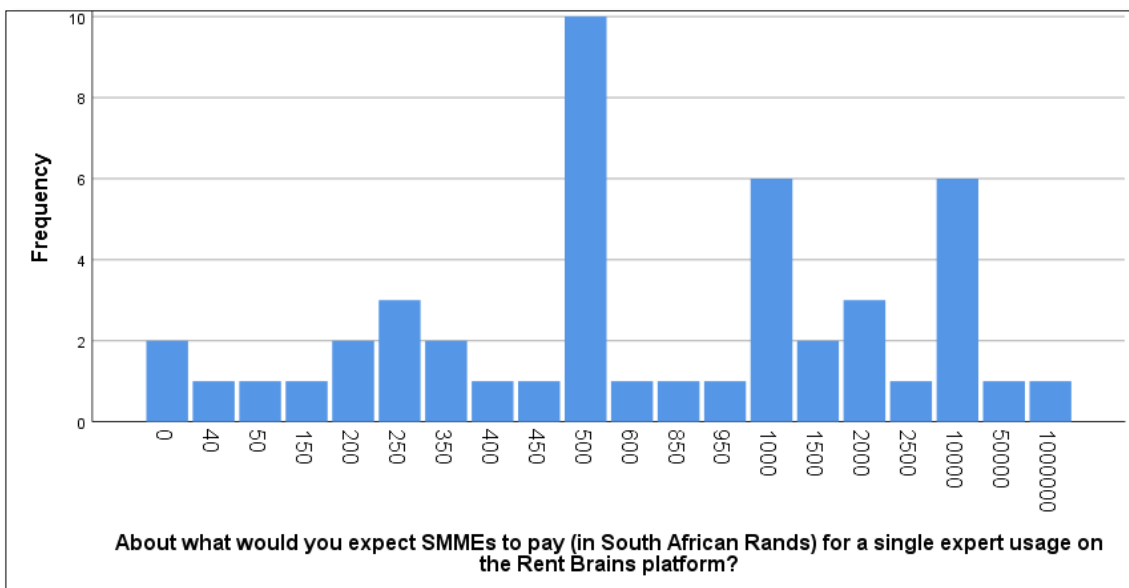


Figure 18: Estimated price to be paid by SMMEs

The question of what would be expected as payment for a single expert usage on the platform was not clear as to whether it was daily, weekly or monthly. However, it was clarified that it was per once off usage in a single day. Figure 18 depicts R500 as the amount suggested for graduates' usage in the platform.

4.10. age Vs Liking Rent Brains and age vs Agreement

Table 1: age vs Liking of the platform crosstab

age * Like or Dislike Rent Brains Platform Crosstabulation						
Count		Like or Dislike Rent Brains Platform				Total
		Like a great deal	Like a moderate amount	Like a little	Neither like nor dislike	
age	25-29	2	0	1	0	3
	30-34	12	3	1	0	16
	35-39	9	3	0	2	14
	40-49	8	1	1	1	11
	50-59	2	1	0	0	3
Total		33	8	3	3	47

The cross-tabulation between age and liking the platform excavated the insights that show that the 30 – 34 age group was the one that respondent with the most positive attitude towards Rent Brains, the positive trend continued up to forty-nine (49) years as illustrated in Table 1.

Table 2: age vs Liking of the platform Chi-Square Test

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.243 ^a	12	.682
Likelihood Ratio	10.096	12	.607
Linear-by-Linear Association	.053	1	.817
N of Valid Cases	47		

a. 17 cells (85.0%) have expected count less than 5. The minimum expected count is .19.

The association between age and liking the Rent Brains platform exists, but is not statistically significant, as illustrated in Table 2. The Pearson Chi-Square value is 0.682, which is above 0.05, the critical value for the test that was performed at a 95% confidence level.

Table 3: age and seeing the platform as innovative crosstab

Count		Crosstab					Total
		This platform is innovative					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
age	25-29	0	1	0	0	2	3
	30-34	1	0	1	8	6	16
	35-39	2	0	3	5	4	14
	40-49	0	0	2	3	6	11
	50-59	0	0	0	3	0	3
Total		3	1	6	19	18	47

The cross-tabulation between age and seeing the platform as innovative showed that all age groups were generally agreeable. Table 3 shows that most responses were positive with the 35-39, the most neutral.

Table 4: age and seeing the platform as innovative Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	27.139 ^a	16	.040
Likelihood Ratio	20.876	16	.183
Linear-by-Linear Association	.074	1	.786
N of Valid Cases	47		

a. 21 cells (84.0%) have expected count less than 5. The minimum expected count is .06.

The association between age and seeing the Rent Brains platform as innovative exists and is statistically significant, as illustrated in Table 4. The Pearson Chi-Square value is 0.04, which is below 0.05 the critical value for the test that was performed at a 95% confidence level indicating statistical significance.

Table 5: Need for Rent Brains crosstab

Count		Crosstab				Total
		There is a need for this platform				
		Strongly Disagree	Disagree	Agree	Strongly Agree	
age	25-29	0	0	2	1	3
	30-34	2	1	7	6	16
	35-39	3	0	7	4	14
	40-49	0	0	6	5	11
	50-59	0	1	2	0	3
Total		5	2	24	16	47

All but 7 of the respondents were agreeable as illustrated in the cross-tabulation Table 5 of age and whether there is a need for the Rent Brains platform.

Table 6: age and the need for Rent Brains

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	12.800 ^a	12	.384
Likelihood Ratio	12.806	12	.383
Linear-by-Linear Association	.006	1	.938
N of Valid Cases	47		

a. 16 cells (80.0%) have expected count less than 5. The minimum expected count is .13.

The association between age and the need for the Rent Brains platform exists, but it is not statistically significant, as illustrated in Table 6. The Pearson Chi-Square value is 0.384, which is above 0.05, the critical value for the test that was performed at a 95% confidence level.

Table 7: Usefulness of Rent Brains crosstab

Count		Crosstab					Total
		This platform is useful					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
age	25-29	0	1	0	1	1	3
	30-34	2	0	2	6	6	16
	35-39	2	0	3	5	4	14
	40-49	0	0	1	6	4	11
	50-59	0	0	1	2	0	3
Total		4	1	7	20	15	47

Thirty-five (35) of the forty-seven (47) respondents were agreeable whilst seven (7) were neutral when age was cross-tabulated with the question of whether the platform was useful, as shown in Table 7.

Table 8: age and usefulness Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.129 ^a	16	.174
Likelihood Ratio	14.417	16	.568
Linear-by-Linear Association	.283	1	.595
N of Valid Cases	47		

a. 22 cells (88.0%) have expected count less than 5. The minimum expected count is .06.

The association between age and usefulness of the Rent Brains platform exists, but is not statistically significant, as illustrated in Table 8. The Pearson Chi-Square value is 0.174, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

Table 9: age and platform being exciting crosstab

Count		Crosstab				
		This platform is exciting				Total
		Strongly Disagree	Neutral	Agree	Strongly Agree	
age	25-29	0	1	1	1	3
	30-34	2	1	9	4	16
	35-39	2	2	7	3	14
	40-49	0	2	5	4	11
	50-59	0	1	2	0	3
Total		4	7	24	12	47

Most respondents (41) were in the age range between thirty (30) and forty-nine (49) years. This group showed to be most excited about the platform, as illustrated in Table 9.

Table 10: age and platform being exciting Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.470 ^a	12	.891
Likelihood Ratio	8.365	12	.756
Linear-by-Linear Association	.086	1	.769
N of Valid Cases	47		

a. 17 cells (85.0%) have expected count less than 5. The minimum expected count is .26.

The association between age and excitement about the Rent Brains platform exists but is not statistically significant, as illustrated in Table 10. The Pearson Chi-Square value is 0.891, which is above 0.05, the critical value for the test that was performed at a 95% confidence level.

Table 11: age and referral crosstab

Count		I would want my friends/colleagues to know I use this platform					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
age	25-29	0	0	0	1	2	3
	30-34	1	1	0	8	6	16
	35-39	3	0	1	5	5	14
	40-49	0	1	1	3	6	11
	50-59	0	0	2	1	0	3
Total		4	2	4	18	19	47

The same age group between thirty (30) and forty-nine (49) years, which showed excitement about the platform also indicated that they would want their friends and colleagues to know they used the platform (Table 11).

Table 12: age and referral Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	22.828 ^a	16	.118
Likelihood Ratio	19.656	16	.236
Linear-by-Linear Association	.507	1	.476
N of Valid Cases	47		

a. 21 cells (84.0%) have expected count less than 5. The minimum expected count is .13.

The association between age and willingness to let friends and colleagues know they use the Rent Brains platform exists but is not statistically significant as illustrated in Table 12. The Pearson Chi-Square value is 0.118, which is above 0.05, the critical value for the test that was performed at a 95% confidence level.

Table 13: age and the likelihood to use Rent Brains Crosstab

age * Likelihood to use platform Crosstabulation							
Count		Likelihood to use platform					Total
		Extremely likely	Moderately likely	Slightly likely	Slightly unlikely	Moderately unlikely	
age	25-29	2	1	0	0	0	3
	30-34	8	6	1	0	1	16
	35-39	9	3	2	0	0	14
	40-49	5	5	0	1	0	11
	50-59	0	1	1	1	0	3
Total		24	16	4	2	1	47

Forty-four (44) of the forty-seven (47) respondents showed a varying degree of positive sentiment towards the platform by indicating that they will likely use the platform (Table 13). The age range of thirty (30) – forty-nine (49) showed the highest likelihood.

Table 14: age and the likelihood to use Rent Brains Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	17.273 ^a	16	.368
Likelihood Ratio	16.876	16	.394
Linear-by-Linear Association	2.169	1	.141
N of Valid Cases	47		

a. 21 cells (84.0%) have expected count less than 5. The minimum expected count is .06.

The association between age and likelihood to use the Rent Brains platform exists but is not statistically significant, as illustrated in Table 14. The Pearson Chi-Square value is 0.368, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

4.11. age Vs Likeliness to use platform

It can be seen (on Figure 19) that the 35 – 39 age range is the most likely to use the platform. Consistent with all other responses, the most positively responsive respondents were between 30 and 49 years of age.

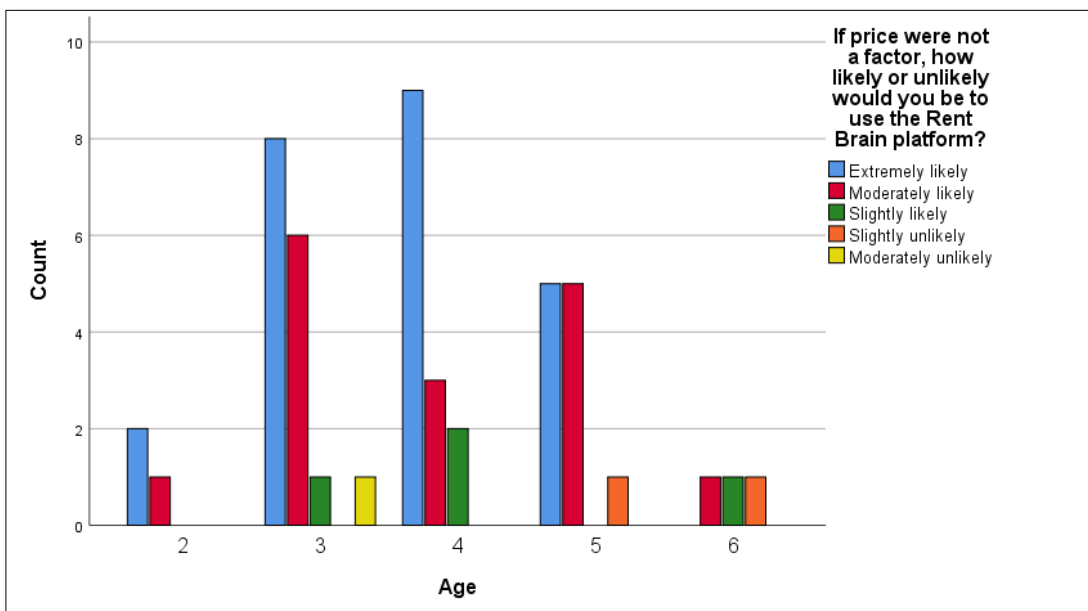


Figure 19: age vs the likeness to use the platform

4.12. Gender Vs Liking the platform

Table 15: Gender vs Liking the platform crosstab

Count		Crosstab				Total
		Like or Dislike Rent Brains Platform				
Gender		Like a great deal	Like a moderate amount	Like a little	Neither like nor dislike	
		Female	12	4	2	2
	Male	21	4	1	1	27
	Total	33	8	3	3	47

On average male respondents exhibited a greater liking for the platform compared to women. More men expressed an extreme liking for the platform compared to women.

Thirty-three respondents like the platform a great deal with twelve (12) females and twenty-one (21) males constituting this sentiment. Overall, forty-four (44) people indicated that they liked the Rent Brains platform, as shown in Table 15.

Table 16: Gender vs Liking the platform Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2.126 ^a	3	.547
Likelihood Ratio	2.119	3	.548
Linear-by-Linear Association	1.988	1	.159
N of Valid Cases	47		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is 1.28.

The association between gender and liking the Rent Brains platform exists but is not statistically significant, as illustrated in Table 16. The Pearson Chi-Square value is 0.547, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

4.13. Gender Vs Agreement

Table 17: Gender Vs Agreement crosstab

Count		Crosstab					Total
		This platform is innovative					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Gender	Female	0	1	5	9	5	20
	Male	3	0	1	10	13	27
Total		3	1	6	19	18	47

Women all gave very positive responses of Agree and Strongly Agreed, but the males were extreme in their agreement; the difference in number could also be attributed to the study having more males than females.

The respondents think the platform is innovative, and there is not much difference between the responses of males and females, as shown in Table 17.

Table 18: Gender Vs Agreement Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.442 ^a	4	.051
Likelihood Ratio	11.145	4	.025
Linear-by-Linear Association	.428	1	.513
N of Valid Cases	47		

a. 6 cells (60.0%) have expected count less than 5. The minimum expected count is .43.

The association between gender and the sentiment of innovativeness of the Rent Brains platform exists, but is not statistically significant, as illustrated in Table 18. The Pearson Chi-Square value is 0.051, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

Table 19: Need for Rent Brains crosstab

Crosstab						
Count						
		There is a need for this platform				
		Strongly Disagree	Disagree	Agree	Strongly Agree	Total
Gender	Female	0	1	14	5	20
	Male	5	1	10	11	27
Total		5	2	24	16	47

Forty (40) respondents believe there is a need for a platform like Rent Brains, as shown in Table 19.

Table 20: Gender and need for Rent Brains Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.030 ^a	3	.071
Likelihood Ratio	8.861	3	.031
Linear-by-Linear Association	1.064	1	.302
N of Valid Cases	47		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .85.

The association between gender and the need for the Rent Brains platform exists but is not statistically significant, as illustrated in Table 20. The Pearson Chi-Square value is 0.071, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

Table 21: Usefulness of Rent Brains crosstab

Crosstab							
Count							
		This platform is useful				Total	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Gender	Female	0	1	4	11	4	20
	Male	4	0	3	9	11	27
Total		4	1	7	20	15	47

Thirty-five (35) of the respondents think the platform is useful. Fifteen (15) females and twenty (20) males constituted this group, as shown in Table 21.

Table 22: Gender and usefulness of the Rent Brains Chi-Square Test

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.739 ^a	4	.102
Likelihood Ratio	9.626	4	.047
Linear-by-Linear Association	.020	1	.888
N of Valid Cases	47		

a. 6 cells (60.0%) have expected count less than 5. The minimum expected count is .43.

The association between gender and usefulness of the Rent Brains platform exists but is not statistically significant, as illustrated in Table 22. The Pearson Chi-Square value is 0.102, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

Table 23: Excitement about the platform crosstab

Count		Crosstab				
		This platform is exciting				Total
		Strongly Disagree	Neutral	Agree	Strongly Agree	
Gender	Female	0	4	11	5	20
	Male	4	3	13	7	27
	Total	4	7	24	12	47

There was a positive sentiment around the platform with the majority of the respondents indicating that they were excited about it. Twelve respondents were strongly excited, as shown in Table 23.

Table 24: Gender and excitement Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.682 ^a	3	.298
Likelihood Ratio	5.144	3	.162
Linear-by-Linear Association	1.175	1	.278
N of Valid Cases	47		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is 1.70.

The association between gender and excitement about the Rent Brains platform exists but is not statistically significant, as illustrated in Table 24. The Pearson Chi-Square value is 0.298, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

4.14. Gender Vs Likeliness to use platform

Table 25: Gender Vs Likeliness to use platform crosstab

Count		Likelihood to use platform					Total
		Extremely likely	Moderately likely	Slightly likely	Slightly unlikely	Moderately unlikely	
Gender	Female	9	7	3	1	0	20
	Male	15	9	1	1	1	27
Total		24	16	4	2	1	47

Females are more distributed in their responses compared to males who are clustered at extremely and moderately likely (Table 25).

Table 26: Gender and Likelihood to use Rent Brains

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2.769 ^a	4	.597
Likelihood Ratio	3.153	4	.533
Linear-by-Linear Association	.105	1	.745
N of Valid Cases	47		

a. 6 cells (60.0%) have expected count less than 5. The minimum expected count is .43.

The association between gender and likelihood of use of the Rent Brains platform exists but is not statistically significant, as illustrated in Table 26. The Pearson Chi-Square value is 0.597, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

4.15. Education Vs Liking the platform

Table 27: Education Vs Liking the platform crosstab

Count		Crosstab				Total
		Like or Dislike Rent Brains Platform				
		Like a great deal	Like a moderate amount	Like a little	Neither like nor dislike	
Level of Education	National Senior Certificate (Matric)	2	0	0	0	2
	Diploma	2	1	1	1	5
	Degree	12	3	0	1	16
	Honours	7	1	1	0	9
	Masters	7	3	1	1	12
	PHD	1	0	0	0	1
	Other	2	0	0	0	2
Total		33	8	3	3	47

Respondents with Degrees, Honours, or masters were the ones that expressed the most liking towards the platform, as shown in Table 27.

Table 28: Education and liking the Rent Brains Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.785 ^a	18	.965
Likelihood Ratio	10.764	18	.904
Linear-by-Linear Association	.258	1	.611
N of Valid Cases	47		

a. 25 cells (89.3%) have expected count less than 5. The minimum expected count is .06.

The association between education and liking the Rent Brains platform exists but is not statistically significant, as illustrated in Table 28. The Pearson Chi-Square value is 0.965, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

4.16. Education Vs Agreement

Table 29: Education Vs Agreement crosstab

Count		Crosstab					Total
		This platform is innovative					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Level of Education	National Senior Certificate (Matric)	0	0	0	2	0	2
	Diploma	2	0	1	1	1	5
	Degree	0	0	2	8	6	16
	Honours	0	1	1	3	4	9
	Masters	1	0	2	4	5	12
	PHD	0	0	0	1	0	1
	Other	0	0	0	0	2	2
	Total	3	1	6	19	18	47

Respondents with Degrees, Honours, or masters were the ones that most agreed with the positive attributes of the platform, as shown in Table 29.

Table 30: Education and sentiment of innovation Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	24.351 ^a	24	.442
Likelihood Ratio	21.831	24	.589
Linear-by-Linear Association	2.002	1	.157
N of Valid Cases	47		

a. 33 cells (94.3%) have expected count less than 5. The minimum expected count is .02.

The association between education and sentiment that the Rent Brains platform is innovative exists but is not statistically significant, as illustrated in Table 30. The Pearson Chi-Square value is 0.442, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

Table 31: Education and the need for Rent Brains Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	17.683 ^a	18	.477
Likelihood Ratio	18.626	18	.415
Linear-by-Linear Association	4.249	1	.039
N of Valid Cases	47		
a. 25 cells (89.3%) have expected count less than 5. The minimum expected count is .04.			

The association between education and the need for the Rent Brains platform exists but is not statistically significant, as illustrated in Table 31. The Pearson Chi-Square value is 0.477, which is above 0.05, the critical value for the test that was performed at a 95% confidence level.

Table 32: Education and usefulness of the Rent Brains Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	24.242 ^a	24	.448
Likelihood Ratio	22.871	24	.527
Linear-by-Linear Association	1.604	1	.205
N of Valid Cases	47		
a. 32 cells (91.4%) have expected count less than 5. The minimum expected count is .02.			

The association between education and usefulness of the Rent Brains platform exists but is not statistically significant, as illustrated in Table 32. The Pearson Chi-Square value is 0.448, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

Table 33: Education and excitement from Rent Brains

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	11.053 ^a	18	.892
Likelihood Ratio	15.541	18	.625
Linear-by-Linear Association	1.047	1	.306
N of Valid Cases	47		
a. 26 cells (92.9%) have expected count less than 5. The minimum expected count is .09.			

The association between education and excitement from the Rent Brains platform exists but is not statistically significant, as illustrated in Table 33. The Pearson Chi-Square value is 0.892, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

Table 34: Education and need to refer friends/colleagues Chi-Square

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	24.903 ^a	24	.411
Likelihood Ratio	24.625	24	.426
Linear-by-Linear Association	1.313	1	.252
N of Valid Cases	47		

a. 33 cells (94.3%) have expected count less than 5. The minimum expected count is .04.

The association between education and wanting their friends/colleagues to know they use the Rent Brains platform exists but is not statistically significant, as illustrated in Table 34. The Pearson Chi-Square value is 0.411, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

4.17. Education Vs Likelihood to use platform

Table 35: Education Vs Likelihood to use platform crosstab

Count		Crosstab					Total
		Likelihood to use platform					
		Extremely likely	Moderately likely	Slightly likely	Slightly unlikely	Moderately unlikely	
Level of Education	National Senior Certificate (Matric)	1	0	0	1	0	2
	Diploma	3	2	0	0	0	5
	Degree	7	6	1	1	1	16
	Honours	7	1	1	0	0	9
	Masters	4	6	2	0	0	12
	PHD	1	0	0	0	0	1
	Other	1	1	0	0	0	2
Total		24	16	4	2	1	47

There was a prodigiously positive response from respondents with Degrees and Honours qualification on the likelihood of using the platform, as shown in Table 35.

Table 36: Education Vs Likeliness to use platform Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.392 ^a	24	.616
Likelihood Ratio	17.946	24	.806
Linear-by-Linear Association	1.007	1	.316
N of Valid Cases	47		

a. 32 cells (91.4%) have expected count less than 5. The minimum expected count is .02.

The association between education and the likelihood of using the Rent Brains platform exists but is not statistically significant, as illustrated in Table 36. The Pearson Chi-Square value is 0.616, which is above 0.05 the critical value for the test that was performed at a 95% confidence level.

4.18. Conclusions

This chapter analysed the data conducted to ascertain the viability of establishing and operating Rent Brains as a new venture. The analysis shows the market fit of the venture. From the graduates' side, the study showed that post-secondary educated, predominately males, of the ages between 30 and 49 years are the primary target. Regarding the likelihood of utilising the platform, the results were positive and indicated that there is a strong inclination for users to utilise Rent Brains.

The analysis also concluded that R500 is the amount suggested for graduates' usage in the platform. This suggests that the amount is sufficient to generate income and have a scalable business. Further, a high percentage of the respondents expressing interest in the platform were those with post-graduate qualifications, implying their quest for improving their fields' prowess. The results presented in this Chapter are the foundation of the business plan presented in Chapter 5.

5. BUSINESS PLAN

5.1. Executive Summary

South Africa is considered an entrepreneurial leader in Sub-Saharan Africa (Beugré, 2016). The country's Small, Medium and Micro Enterprises (SMMEs) are still faced with many entrepreneurial challenges (Gautier et al., 2018). A holistic business advisory is one of the key contributors to over 60% of SMMEs failing within the first two years of inception (Bushe, 2019). As a response to the challenge, Rent Brains is established by the researcher, Nhlamulo Baloyi to provide a solution.

With several graduates striving to be employable, becoming relevant incorporates by honing their fields' prowess, Rent Brains becomes a business venture that is aimed at being a link between SMMEs and graduates. The business venture provides a platform where SMMEs could utilise the business advisory of graduates temporarily at an affordable cost. Digital transformation processes will be utilised as an enabler for quicker and efficient turnaround time.

The target market is registered and operational SMMEs with no limitations to industry type and the length of operation; however, this target is only looked at in the first horizon of the venture. The second target is qualified graduates with a need for remaining relevant in their field, as well as a need to contribute to the economy as SMMEs become sustainable positively.

The key objective of the marketing plan is to gain a 5% market share by 2021 of the consulting market, by having an annual promotional budget of 15% of the total revenue. The Marketing and Sales strategy will be below-the-line advertising for the next three financial years. Digital marketing with the use of social media platforms, sales promotions and public relations through extensive media coverage will be employed to create brand awareness of Rent Brains.

5.2. Company Description

The proposed venture, Rent Brains, is a platform business, which is about integrating both SMMEs and graduates. It is about affording SMMEs opportunities to utilise quality skills from qualified and experienced graduates at an affordable rate. At the same time, the venture will allow graduates to exercise their brains and grow their career profiles.

5.3. Opportunity Identification

5.3.1. Problem Identification

SMMEs have had a long-acknowledged role in job creation (De Wit & De Kok, 2014; Mas-Verdú et al., 2015). We see this role as highlighted in studies such as those done in countries like Sweden (De Wit & De Kok, 2014) the USA (Davlasheridze & Geylani, 2017) and South Africa (Seda, 2016). While SMMEs play a critical role in economic development, a large number of SMMEs face many challenges that contribute to their failure, especially during their early years of operation (Wamba et al., 2017).

In South Africa, it is recorded that approximately 63% of SMMEs experience dire challenges that lead to their failure within the first two years of inception (Cant & Wiid, 2013). For South Africa, this reflects a fundamental problem, as the country has an alarmingly high rate of unemployment (Seda, 2016). In other areas such as Europe, approximately 80% of SMMEs travail after the first year of inception, however, in about three years dropping to 65% and subsequently under 50% afterwards (Wamba et al., 2017). We see comparable results in the USA (Stangler & Kedrosky, 2010).

Several studies attribute SMMEs failure to a lack of expert advice and collaboration (Hamburg & O'Brien, 2014; Mole, 2016; Rostamkalaei & Freel, 2017). SMMEs owners often prefer to do things by themselves because of lacking a choice to utilise traditional business consulting companies which charge exorbitant fees (Seseni & Mbohwa, 2016). Owners of the SMMEs worry with each part of their operations, from picking the kind of kitchen equipment to doing the organisation's activities (Xesha et al., 2014). Numerous entrepreneurs think that it is hard to designate activities to representatives or outside advisors (Mukumba, 2014). While SMMEs receive business development assistance from government departments, state-owned entities, private organisations and incubations, several studies have been conducted highlighting some inefficiencies in these business support services. What has not been fully explored is how SMMEs could develop through collaboration with qualified individuals, whom in turn would greatly benefit in exercising their brains, developing their career profiles and, to an extent, becoming financially sustainable.

5.3.2. Problem statement

The high failure rate of SMMEs in South Africa is primarily attributable to the lack of affordable expert business advice.

5.3.3. Sustainable Opportunity

Solution 1: Develop an institution to support SMMEs with training and coaching, facilitated by seasoned entrepreneurs. The challenge with this is the lack of ability to make profits.

Solution 2: Develop a consulting company that solely works with SMMEs.

Solution 3: Create a network of SMMEs to assist each other when facing challenges. The challenge in this model is that there are no monetary gains for the business.

Solution Statement: An easily accessible means of providing SMMEs with immediate business advice by renowned graduates who have demonstrated a zeal for their growth through working with SMMEs.

5.3.4. Economic Innovation

The venture will contribute to the economy through the sustainability of SMMEs, which is envisaged to contribute to job creation and economic development.

5.3.5. Benefits to the Community

The benefits will include sustainable SMMEs that can grow to well-established businesses; job creation and economic benefits. The SMMEs will have a better social standing, thus contributing to the economy of the community.

5.4. Industry and Market Analysis

The concept of Business Market Environment (BME) considers the context within which businesses operate. This is because the macro environment directly affects the success or demise of businesses. As the business model canvas does not include this analysis, the critical considerations on the BME must be reviewed (Jeffries, 2017). Key BME considerations include (see Figure 20):

Key Trends – being prevailing trends, available technologies, and new legislation;

Market Forces – which consider the market that needs to be met and revenue attractiveness;

Industry Forces – which considers alternatives to servicing customer needs, the strength of these alternatives and the access to these industries;

Macro-economic environment – considers economic climate, markets and infrastructure.

5.4.1. Market Forces

5.4.1.1. Market Issues and needs

One of the challenges faced by SMMEs is dependent on access to affordable consulting due to cash flow matters. This business need is often unmet due to options available and conditions for providing funding, and skills of SMMEs owners to manage cash flow effectively. High-interest rates and business commitments often translate to crippling SMMEs.

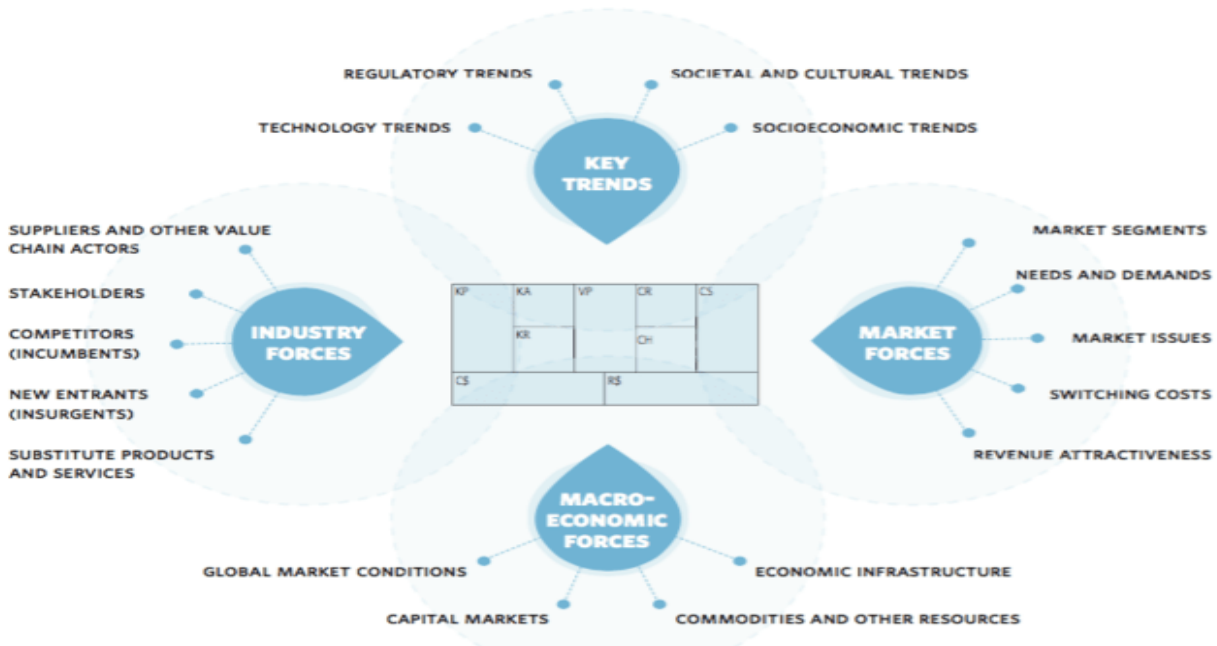


Figure 20: Business Market Environment (Jeffries, 2017)

The SMME Quarterly Update (*The SMME Quarterly Update*, 2018) indicates that the number of recorded SMMEs in South Africa is 2,443,163 with the Gauteng Province accounting for 34.7% of the total number of SMME's as shown in Figure 21. The industry has seen a steady decline year on year with the Q1, 2018 figures reflecting a 1.4% decline from 2 478 877. The formal SMME sector reported an even more significant decline of 9.2% year on year.

KEY INDICATORS	2017Q1	2017Q4	2018Q1	q-o-q change	y-o-y change
Number of SMMEs	2 478 877	2 407 440	2 443 163	1.5%	-1.4%
Number of formal SMMEs	725 698	674 065	658 719	-2.3%	-9.2%
Number of informal SMMEs	1 658 522	1 659 287	1 714 233	3.3%	3.4%
Number jobs provided	10 568 701	9 207 641	8 886 015	-3.5%	-15.9%
% operating in trade & accommodation	39.6%	40.7%	39.3%	-1.4% pts	-0.3% pts
% operating in community services	13.0%	14.9%	15.1%	0.2% pts	2.1% pts
% operating in construction	14.8%	13.4%	13.6%	0.2% pts	-1.2% pts
% operating in fin. & business services	12.7%	11.4%	13.3%	1.9% pts	0.7% pts
% black owned formal SMMEs	73.6%	75.3%	74.9%	-0.4% pts	1.2% pts
% contribution of SMEs* to turnover of all enterprises*	41.0%	40.0%	40.0%	0% pts	-0.9% pts

*excluding micro enterprises

*excluding agriculture, financial intermediation, insurance and government institutions

*The contribution of SMEs to GDP is contested. An estimate could be possible from existing National Accounts data. However, further research, in cooperation and with assistance from Statistics South Africa, is needed.

Figure 21: SMME Quarterly Update 1 (The SMME Quarterly Update, 2018)

This decline can be attributed to several factors, such as the contraction of GDP by 2.6% in the same period. The decline in Business Confidence index and credit rating downgrades, resulting in difficulty in accessing finance (*The SMME Quarterly Update, 2018*; "StatsSA.gov.za," 2018). The turnover of SME's was recorded at R 930 billion in the first quarter of 2018 (*The SMME Quarterly Update, 2018*), at an estimated 35% of total turnover in Gauteng, the Gauteng SME market is valued at R325 billion. Contribution for SMME's to SA Enterprise revenue is measured at 40%.

R million	2017Q1	2017Q4	2018Q1	q-o-q % change	y-o-y % change
Depreciation	R 14 820	R 12 835	R 13 148	2.4%	-11.3%
Employment costs	R 148 083	R 172 296	R 162 203	-5.9%	9.5%
Net profit or loss before taxation	R 39 272	R 77 338	R 63 400	-18.0%	61.4%
Total capital expenditure	R 14 438	R 14 253	R 15 498	8.7%	7.3%
Total expenditure	R 919 753	R 961 554	R 906 608	-5.7%	-1.4%
Total income	R 944 847	R 1 029 622	R 968 318	-6.0%	2.5%
Turnover	R 920 674	R 993 559	R 930 077	-6.4%	1.0%

Figure 22: The SMME Quarterly Update 2 (The SMME Quarterly Update, 2018)

Reports indicate that SMMEs generally do not survive beyond the early years of coming into existence. *The SMME Quarterly Update (2018)*, Figure 22, shows that of the total 1.5% decline in the number of business from 2017 to 2018, the most significant number of failed businesses occurred in the businesses aged between 2-3 years, accounting for 15.5% of the net 1.5% decline year on year. The Gauteng region however reported 2% growth in the number of SMME's for the same period.

5.4.1.2. Industry Segmentation

The SMME industry is segmented into the following (as shown in Table 37):

Table 37: Industry Segmentation

Owner age:	15 -79 with the age groups 30-54 accounting for 70.2% of the SMME owner population group
Enterprise age:	1- 50+ years
Sector	Formal and informal
Industry	Manufacturing, Agriculture, Mining, Energy, Construction, Transport and Communication Trade and Accommodation, Finance, Business, Community
Provinces	Gauteng, Limpopo, Mpumalanga, Wested Cape, Northern Cape, Free State, Kwazulu Natal, North West
Population Groups	African, Indian/Asian, White, Coloured
Education	No schooling, less than Primary completed, Primary completed, Secondary completed, Secondary not completed, Tertiary completed, Other
Occupation	Managers, Professionals, Technical and associate professionals, Clerks, Service workers, Skilled agricultural and fishing workers, Crafts and related trades workers, Plant & machine operator, Elementary occupation, Domestic workers

Source:(The SMME Quarterly Update, 2018)

5.4.2. Macro-Economic Forces

5.4.2.1. Growth Domestic Product and Market Conditions

The country's GDP is a measure of its performance. When GDP growth is strong, the firms are likely to invest more, increased employment translating to increased employment and salaries. This positively impacts on demand for goods and services (Statssa, 2013). South Africa's GDP recorded a contraction of 2.6% in Q1 of 2018, followed by a subsequent 0.4% decline in Q2. Q3, however, saw an increase of 2.2% in GDP, unadjusted GDP measured growth of 0.8% for the first nine months of the year (Statssa, 2018). These economic conditions are not ideal for the growth and sustainability of small businesses, and would likely harm the increase in the SMME industry.

5.4.2.2. Economic Infrastructure

A country's economic infrastructure relates to the establishment of structures to easily access water and electricity, access to ports, cross border links, railway lines and schools, amongst other things. These enable ease of education, trading, transportation links, banking and schooling. The more advanced the infrastructure, the easier it is for business to thrive (Brown, 2019). South Africa adopted a National Development Plan (NDP), which aims to increase growth-oriented development and economic competitiveness with infrastructure development as a critical factor to achieve this (Brown, 2019). The NDP states that South Africa has made significant strides in developing a core network of economic infrastructure; however, the capacity to maintain and to grow in order meet growth demand remains a challenge (Brown, 2019). A lack of adequate infrastructure remains a hindrance to business and the sustainability thereof.

5.4.3. Industry Forces

Porter's five industry forces aim to understand the extent of the competitiveness of the industry to devise appropriate strategies for better competitiveness and profitability. Understanding the various forces and potential impact enables a business to better package service or product offering. The forces are explored in Table 38.

Table 38: Porter's Five Industry forces

Force	Strong	Moderate	Weak	Comments
Suppliers		X		
Customers			X	
Substitutes		X		Graduates who may approach SMMEs directly
Competitors	X			Organisations such as SEDA backed by the Industrial Development Corporation with similar offering as well as consulting firms all have more considerable financial backing.
New entrants		X		The most significant barrier to entry is the availability of capital. The key is financial backing.

5.4.4. Key Industry Trends

5.4.4.1. Technology Trends

Digital transformation is changing the way people interact, live, and the way business is conducted. The upcoming introduction of 5G network, which seeks to provide faster connectivity and quicker access to information, provides users and vast business knowledge at real. This, coupled with a tech-savvy generation of people entering the business arena, requires businesses to adopt digitisation as a way of doing business. Interactions with customers and suppliers alike need to be a digital and seamless process. The lack of adequate technology may disadvantage businesses' ability to gain consumer access and thus demand ("Porter's Five Forces - Understanding Competitive Forces to Maximise Profitability., 2020").

5.4.4.2. Regulatory Trends

The negative publicity on big organisations has placed a greater emphasis on the need to ensure compliance requirements are met by organisations, both small and big. Some of these entail tax compliance, Consumer Protection Act and Labour laws (Timmis, 2019). Adherence to these may be cumbersome and be seen to stifle SMME's; however, these have a positive impact on company reputation. The concerted government efforts to promote small business development in South Africa is evident in the introduction of organisations such as SEDA which aims to support small business development in South Africa (Thulo, 2018).

5.4.4.3. Socio-economic Trends

South Africa faces the challenge of low employment and low-income levels. This hurts people's ability to spend and thus, lower economic growth. The focus on the government to promote entrepreneurship seeks to alleviate these low employment numbers, thus improving the disposable income available for the higher population (Leboea, 2017). Key is the ability for SMMEs to learn and innovate for sustainable business development. This will translate to increased employment and thus less dependency on government (*The SMME Quarterly Update*, 2018).

5.4.4.4. Social and Cultural Trends

Business must understand the markets within which they operate. Online shopping, social media are just some examples of trends that have a bearing on customer interactions and businesses' ability to meet customer needs. Social Media is forcing service providers and business to account for lacklustre service as consumers on these networks share their

opinions on their experiences, and these can negatively impact businesses (Timmis, 2019).

5.5. Company Strategy

5.5.1. Overall Strategic Approach

In terms of the strategic approach, the venture will develop a strategy to address the changing environments in the next three horizons:

5.5.2. Horizon 1 (1 year)

Rent Brains will leverage itself of the existing economic climate in South Africa, that being the stimulation and growth spurge of the private sector. The venture will target business consultancy needs of SMMEs and gain profits mainly from consulting commission. These activities will take place in Gauteng Province. In this horizon, only limited sectors will be supported, example, finance, marketing, human resources, legal and IT.

5.5.3. Horizon 2 (2 years)

The second Horizon will consider expanding into other provinces of South Africa. The density of SMMEs per province will guide this process. In this horizon, more field will be introduced. These will include, engineering and constructions fields.

5.5.4. Horizon 3 (3 years +)

While the venture is a platform market, in the third horizon, there will be consideration of having in-house graduates of diverse backgrounds. The model will be to broaden the capacity to make gains for the company. Furthermore, the services will not only be limited to SMMEs but also feature businesses, and more sectors will be welcomed.

5.5.5. Service Differentiation

The consulting market is an oligopolistic one and is dominated by a few tremendous players, see Figure 23. Differentiating and competing against the dominant firms would require a sound and tactical approach. The following factors will be considered in terms of differentiation:

- While every effort is made to vet graduates as they apply to be consultants, Rent Brains will strive to have the quickest turnaround time from application to approval;
- The application will take place on the online platform, making the process to be quick and straightforward. In this process, graduates will be allowed to learn more

about the company; this will also be a way for them to determine if Rent Brains is something for them.

- SMMEs will go through a screening process, which will determine their business standing. All necessary business documents will be required upon registering in the platforms. This will be used to track the progress of the business and further tailor design services for the SMME.
- Rent Brains strives to be a leader in reaching and communicating with its customers via digital channels and will continuously upgrade its systems for seamless transactions;
- A personal network relationship of existing clients will be used to leverage better rates for newer clients, as well as connect them.

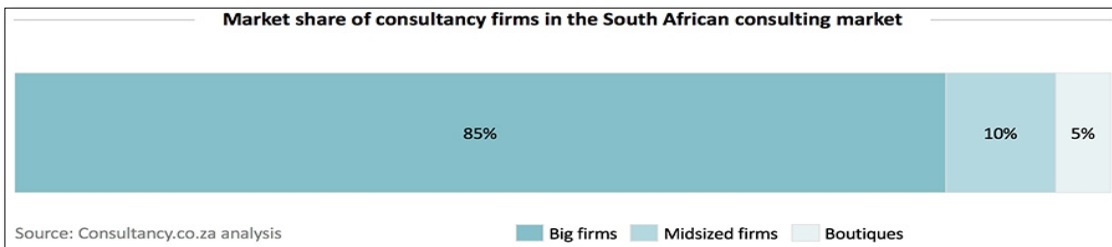


Figure 23: Market share of consulting firms in South Africa

5.5.6. Value Proposition Canvas

The following figure is the value proposition canvass, which illustrates that Rent Brains is positioned around what the SMMEs and graduates value and need.

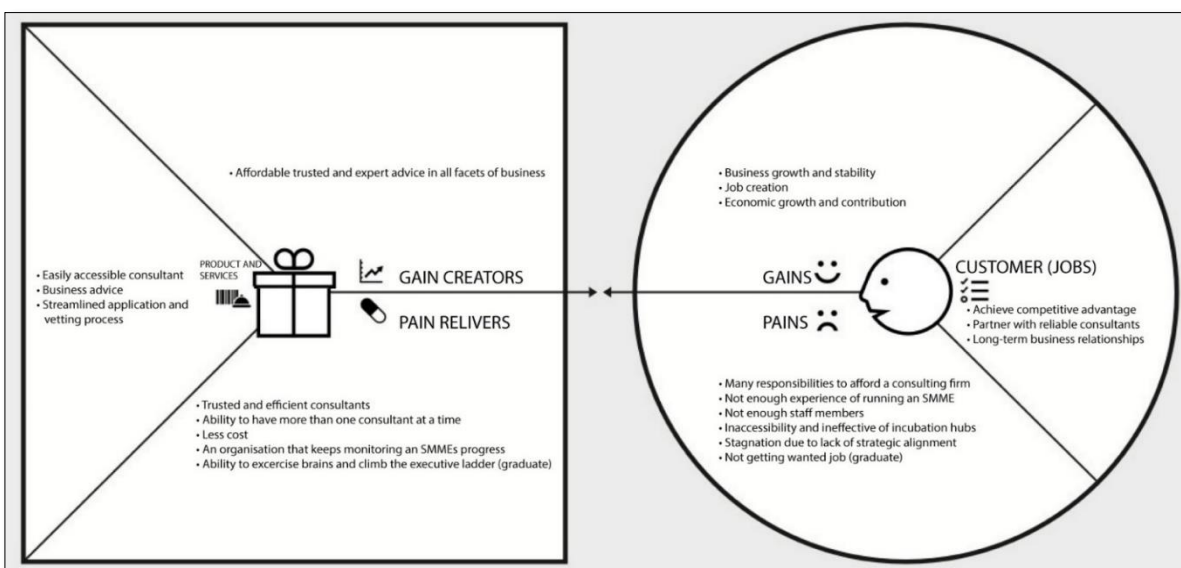


Figure 24: Rent Brains Value Proposition Canvas

5.6. Business Model

The Business Model Canvas (BMC), Figure 25, depicts the rationale of how Rent Brains seeks to create, deliver and capture value, in economic, social, cultural conditions. The BMC is made up of nine boxes, each addressing an aspect of the business idea (Jeffries, 2017). The nine aspects are further grouped into three lenses of innovation. Each lens highlights different strengths and weakness, and a combination of all three creates healthy ideas that consistently create revenue (Jeffries, 2017). These lenses are Desirability, Feasibility and Viability.

Desirability: “it is about understanding your customer, what motivates them, how they engage with you, and what makes or breaks a purchase decision” (Jeffries, 2017:2).

Feasibility: “it is about how you make everything happen behind the scenes. This includes hiring the right people, using the right tools, working with the right partners, and focusing on the right set of core activities” (Jeffries, 2017:2).

Viability: It is about the money: “How many we earn and how many we spend. No matter your legal structure, you will need a surplus to survive – meaning there is money left over at the end of the day” (Jeffries, 2017:2).

5.6.1. Business Model Canvas

Business Model Canvas		Rent Brains: A collaboration of SMMEs and Graduates		18-03-2020
				Nhlamulo Baloyi
Problem <ul style="list-style-type: none"> - SMMEs high failure rate - SMMEs' lack of expert advice to run their businesses - Lack of finances to utilise consultants - Incubators' not able to assist everyone - Graduates' lack of managerial experience and hence staying obsolete Existing Alternatives <ul style="list-style-type: none"> - DIY - Innovation hub - Expensive consulting firms 	Solution <ul style="list-style-type: none"> - A platform that brings SMMEs and Graduates together - SMMEs' utilization of expert advice at low cost - Less failure rate for SMMEs - Continuous learning for graduates - Opportunity to work with a graduate with correct expertise - See who the graduate is, their qualifications and accolades before working with them - Pay reasonable price directly from the platform 	Unique Value Proposition <p>A beneficial integration of SMMEs and graduates with economic enhancement for both parties at a low cost.</p>	Unfair Advantage <p>A disruptive platform that benefits both SMMEs and Graduates at a low cost.</p>	Customer Segments <ul style="list-style-type: none"> - SMMEs - Graduates Early Adopters <ul style="list-style-type: none"> - SMMEs from R10mil - Masters students
	Key Metrics <ul style="list-style-type: none"> - Accounts created by both SMMEs and Graduates with unique selling bios - Graduates utilized by SMMEs - Amount of money used in the platform per month - Users referred 			
Cost Structure <ul style="list-style-type: none"> - Company setup costs - IT infrastructure and development - Graduates recruitment - Staff - Marketing 			Revenue Streams <ul style="list-style-type: none"> - Commission of fee paid by SMME - Contracts, e.g. Government incubators 	
PRODUCT			MARKET	

Figure 25: Rent Brains Business Model Canvas

5.6.2. Desirability

5.6.2.1. Customer Segmentation

The customer segmentation aspect of the Business Model Canvas seeks to identify whom the business will be creating value for, and who are the most important customers. The segmentation would allow the company the ability to divide a large customer base into a niche market.

5.6.2.2. Customer Relationship

The business aims to develop the ability to design what type of relationships each of the venture's customer segments expects, and how costly it would be? These relationships thrive by building a positive customer experience that is equivalent to the value of the service rendered.

Furthermore, Reid (2019) categorises Customer Relationships into six elements: Personal assistance; Dedicated personal assistance; Self-service; Automated services; Communities; and Co-creation. Due to the nature of the business and the fact that most of

Rent Brains' customers are technologically advanced, the self-service element will be preferred in instances of SMMEs selecting preferred graduates to work with. However, personal assistance will be readily available through utilising live chat platforms.

5.6.2.3. Key Channels

Key channels highlight which mode the customer segments prefer to be reached and the way Rent Brains ought to deliver its Value Proposition to each Customer Segment. The approach includes both direct and indirect channels to increase the probability of delivering the customer value proposition. There are two types of channels to consider (Jeffries, 2017):

- Acquisition Channel – which addresses how to meet and entice potential customers. This would be achieved through a digital delivery model; social media marketing, mobile app and an interactive website.
- Delivery Channel – Rent Brains physically provides the benefits to their customers, through a platform that will connect entrepreneurs in need of utilising an expert of any required industry (Jeffries, 2017). The SMMEs will elect to have a face-to-face interaction with experts or via online video conferencing to be provided on the platform.

5.6.2.4. Value Proposition

Competitively priced, streamlined and digitally focused expert solutions for businesses that need growth (See Figure 24). This is a beneficial integration of SMMEs and graduates with an economic enhancement for both parties at a low cost.

5.6.3. Feasibility

5.6.3.1. Solution

The solution for Rent Brains will be resources needed to make the business model a success and to create value for both the customer and the business. The following resources were identified:

- A platform that brings SMMEs and Graduates together
- SMMEs' utilization of expert advice at low cost
- Less failure rate for SMMEs
- Continuous learning for graduates
- Opportunity to work with a graduate with the correct expertise

- Ability to learn whom the screened graduates are, their qualifications and accolades before working with them
- Opportunity to pay a reasonable price directly on the platform

5.6.3.2. Key metrics

Key metrics are identified as the activities that the business needs to do well to ensure the success of the business model. These are activities in which Rent Brains needs to encourage (Jeffries, 2017), and these are identified as follows:

- Accounts creation by both SMMEs and Graduates with unique selling biographs
- Graduates utilization by SMMEs
- Amount of money spent on the platform per month
- Users referral
- Risk mitigation
- Marketing and PR

5.6.3.3. Key Partners

These organisations will empower Rent Brains' operations to run seamlessly, allowing the business to prioritise what is most important. However, partners run independently and cannot be controlled like internal resources; hence, they require thoughtful consideration and management. The approach is to focus the business energy and expertise towards its strengths and outsource its weaknesses.

- Entrepreneurs
- Graduates
- Government Institutions
- Private Companies
- Payment processors

5.6.4. Viability

5.6.4.1. Revenue Streams

Once the desirability and feasibility have been ascertained, and the company has a fair understanding of how customers behave, the company can decide on an appropriate pricing strategy. There are three main approaches to pricing which Rent Brains will consider (Jeffries, 2017):

- Cost-Plus Pricing – where they take the wholesale cost, add a margin, which sets the price for the customer. If costs go up, so does the price.

- Market-Based Pricing – this is pricing concerning their closest competitors, offering a substitute service and base their pricing accordingly.
- Value-Based Pricing – it is pricing based on how much the service is worth to the customer. Therefore, the market-based pricing strategy is most suitable for Rent Brains, as there are competitors such as Small Enterprise Development agency (SEDA) that offer a similar service; therefore, pricing would create a competitive advantage. The sources of revenue are identified as follows:
 - Commission of fee paid by SMME
 - Contracts, e.g. Government incubators

5.6.5. Cost Structure

Cost structure details how much the company will spend and the format in which the company will spend it (Jeffries, 2017). The spending format can take the form of one-off and ongoing costs. The company also needs to distinguish which costs are fixed and which are variable (Jeffries, 2017).

- *One-Off Costs:* Start-up costs are once-off costs; these are items and services that are essential for Rent Brains to commence operations. In the main, this includes building the digital platform.
- *Ongoing Costs:* Majority of the costs are a constant financial commitment. These include; screening costs, salaries, advertising & promotions, software updates, banking costs, maintenance fee, risk management fee, business services and training.
- *Fixed Costs:* These costs are fixed and vary based on services offered, including rent and utilities

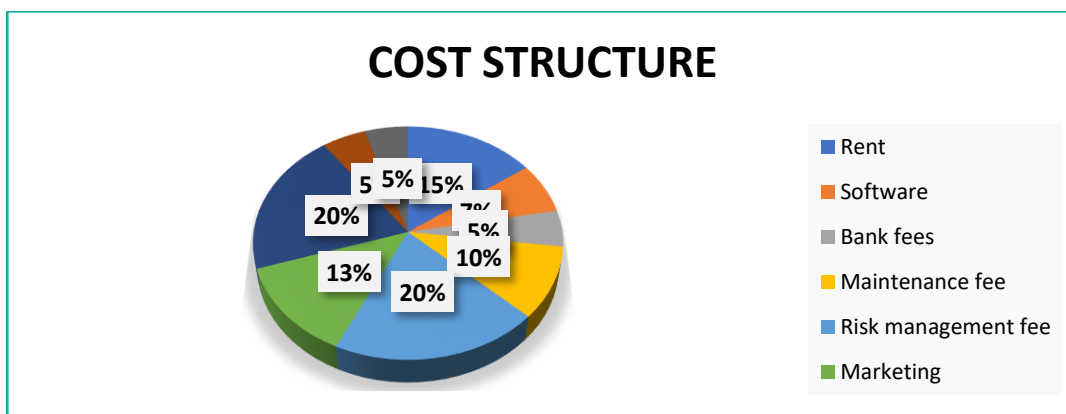


Figure 26: Cost structure

- *Variable Costs:* These costs are directly used in serving customers, and fluctuate, based on service offered. These include; screening costs, salaries, advertising &

promotions, software updates, banking costs, maintenance fee, risk management fee, business services (see Figure 26).

5.6.6. Critical Success Factors

The success of Rent Brains is directly correlated to how well the venture will manage the below critical factors:

- Effective Risk management
- Effective cost estimates
- Effective process and systems
- Effective communication
- Milestone tracking

5.7. Marketing Plan

5.7.1. Marketing Objectives and Issues

5.7.1.1. Issues Identified

Upon reviewing the entrepreneurial market, the following key issues were identified:

- There is a high failure rate of SMMEs in South Africa
- SMMEs lack expert advice to run their enterprises
- SMMEs would like to utilise consultants; however, they lack enough finance to do so
- The number of available incubators is not able to serve everyone
- Graduates' lack of managerial experience and hence staying obsolete

5.7.1.2. Marketing Objectives

For Rent Brains to be of great assistance to SMMEs and graduate, the following objectives would be achieved:

- To be top of the mind of SMMEs and graduate
- Refine business consulting by providing quick, affordable and accessible expert advice to SMMEs by graduates.
- Enter into long-term contracts with 15% of state-owned entities to assist SMMEs requiring expert advise
- Gain 5% market share by 2021 of the consulting market by having an annual promotional budget of 15% of the total revenue

5.7.2. Target Market

According to the SEDA (2017), South Africa's SMMEs' growth profile shows a decline from 2.48 to 2.44 million SMMEs. The decline is from all sectors and industries, with no exceptions to how long the business has been operational for or how many employees they have (SEDA, 2018). The target market for Rent Brains is therefore recommended to be registered and operational SMMEs with limited industries in the first horizon.

5.7.3. The Marketing Mix (6Ps)

5.7.3.1. Products

Rent Brains' core product will be providing a platform that enables SMMEs to interact with graduates for SMMEs soliciting expert consultancy for their business operations.

The primary services of graduates would be the following:

- Strategic services, aimed at corporate business unit strategy
- Advisory on management, business and organisational matters
- Advisory on operational performance, spanning supply chain, procurement, finance and outsourcing.
- Advisory services that revolve around human capital matters and offerings aimed at the HR function.
- Financial based advisory services such as corporate finance, restructuring and actuarial services.
- Technology services aimed at improving and managing the IT-infrastructure of organisations.

5.7.3.2. Price

Based on the market-based price strategy, Rent Brains' pricing model is in comparison to the market. Lower rates of R500 per consultation would be charged to encourage more usage by SMMEs and to motivate graduates to participate. For SMMEs that would choose to be on a monthly retainer and access a wide range of graduates, fees would range from R1 000 to R10 000 per month.

5.7.3.3. Place/ Distribution

The operational office will be in the Johannesburg area of the Gauteng Province, South Africa. The distribution channels will offer convenience and transparency by offering the services directly to the registered SMMEs. The digital channels will include a mobile app, company website and social media platforms.

5.7.3.4. Physical Evidence

The physical decoration of the head office will include a reception with a stand displaying Rent Brains' information packs. There will be comfortable chairs and two couches to make the environment welcoming and professional. The paintings will display drawings of different types of brain parts and their characteristics.

5.7.3.5. People

Rent Brains has projected the need for five experienced individuals to be permanently appointed. There will be positions for a Director, Administrator, Lead Academic, Marketing Manager, and Financial officer. Legal, payroll and IT services will be outsourced.

5.7.3.6. Promotion

Rent Brains will target SMMEs by using below-the-line advertising through digital marketing, sales promotions, pamphlets and public relations to attract potential customers and retain existing customers. Above the line, marketing will be considered mid-Horizon 2 when the venture is profitable.

5.7.4. Digital marketing

Data analytics (search engine optimisation) will be utilised to target specific customers with the correct promotional persuasive content. Internet users searching for words such as *strategy development; how to join a consulting firm; how to grow an organisation; funding for small business; and how to prepare a proposal* will be targeted. Social media platforms such as Facebook, Instagram, Twitter and Youtube will be updated regularly to encourage traffic flow to the company's website and app. The website will contain content to educate existing and potential customers on what Rent Brains is about, what it offers, contact details, and how to be part of the organisation either as a graduate or SMME. E-mail marketing will also be used to inspire SMMEs and graduates to use Rent Brains' services for instructional purposes. Free general business advice will be featured on the monthly emails to subscribed entrepreneurs.

5.7.5. Sales Promotion

Salespeople will be employed to promote the business during entrepreneurship workshops, exhibitions, conferences, expos and networking sessions. Rent Brains will also strive to feature at career days of institutions of higher learning.

5.7.6. Public Relations

The following platforms for public relations will be used: radio interviews, newspapers articles, online blogs, and Television programs specialising on business news and featuring entrepreneurs. Rent Brains will also attend business roadshows to increase visibility.

5.8. Operations Plan

An operational plan defines how the company will operate in practice; how it plans to implement and monitor its action plans; what resources are needed; and how it plans to deal with risks. This section outlines aspects of the company's operational activities and resources required to ensure that the following is achieved:

- A seamless and easy application process by a graduate and an SMME is created;
- Operational costs are kept as low as possible;
- Quick response to customer requests and queries is attained;
- Reliable delivery of services to customers in terms of time, quality and consistency

5.8.1. Operational Process

The submission of the application process will be electronic through the company website. Interested clients will also be able to visit our offices or contact the helpdesk for any assistance. The process outlined below is uniform and uncomplicated to ensure fair and unbiased treatment of all clients:

- Once the customer has applied, a Lead Academic will review the application
- A meeting will be set up with the customer to verify application details, go through the verification of documents and the terms of the contract;
- The customer will be required to provide all necessary supporting documentation — including the required certificates

5.8.2. Location

The company's head office will be in Gauteng, Johannesburg. Once the business expands nationally, it would be ideal to have the offices located in CBDs, which are central and easily accessible to most businesses.

5.8.3. Operating Hours

The business will operate from Monday to Saturdays, between 08:00 and 17:00 and not operational on Sundays and Public Holidays.

5.8.4. Resource Requirements

5.8.4.1. Human Capacity

Critical job functions: the structure might be reviewed in future, based on operational needs as the business expands. Other job functions such as Payroll, IT, and Legal functions will be outsourced to reduce costs and maintain business focus.

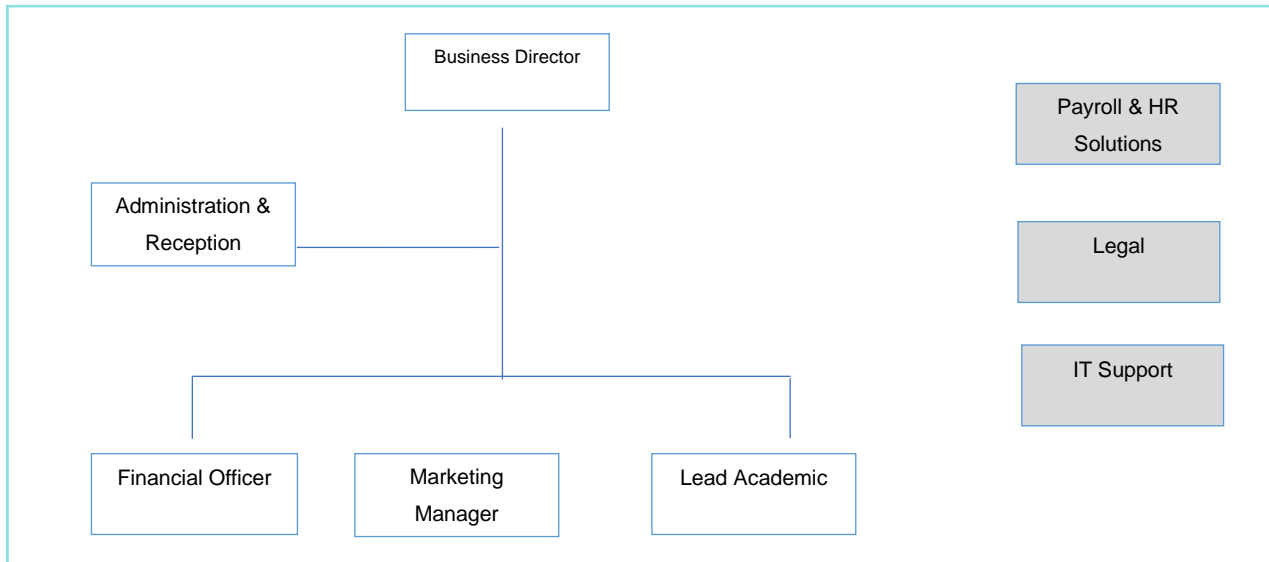


Figure 27: Organisational Structure

5.8.4.2. Type of skills required

One of the most important factors that ensure a company's competitiveness is its human capital. To ensure business success, Rent Brains needs a workforce that is versatile and knowledgeable in business management, strategy development, marketing, and has a clear understanding of how SMMEs operate. The company requires individuals that are driven, charismatic, with great innovation and interpersonal skills. Table 39 depicts an analysis of Rent Brains' skills analysis.

Table 39: Skills Requirements Analysis

Position	Core duties	Qualifications & Background	Skills
Director	Manage the company and drive its strategy. Look for new business and conclude deals and contracts for the business	Bachelor's degree in Business Admin or finance or Accounting, Master's degree preferred; relevant experience	Leadership, Negotiation & Interpersonal skills; Business & Commercial acumen; Problem-solving
Marketing Manager	Develop marketing strategies; drive sales and manage relationships with the customers	A degree in Sales and Marketing or Business Administration; 3yrs relevant experience	Commercial acumen; Interpersonal & negotiation skills; communication skills
Lead Academic	Assesses graduates application and determines their worthiness	A minimum of a Master's in Business Administration; 4 years relevant experience; Relevant IT software	Analytical skills; problem-solving; written & oral communication; Industry knowledge; Diligence
Financial Officer	Provide financial support to the business; recording and reporting of business accounting transactions	Bachelor's degree in finance or accounting; 3yrs relevant experience; Financial reporting; Excel & Accounting software	Analytical ability; Commercial acumen; Communication skills;
Admin/ Reception	Provide administrative support to the business; reception duties and helpdesk	Grade 12 with relevant qualification; 2 years relevant experience; necessary computer skills	Excellent communication and active listening skills; customer service; organizational skills;

5.8.4.3. Recruitment

The company will work with recruitment agencies to attract and appoint candidates with the necessary skills to run a successful business. Rent Brains is on sound business consultation, implying that employees in the venture have business management background. The venture understands that attracting such employees might be challenging because of the high salary expectations, though as the business grows, it would be in a

position to offer more salaries that are competitive. The approach would be to recruit dynamic, self-driven individuals with enormous potential, who meet the job requirements.

5.8.4.4. Type of employment contract

The employee will enter into a permanent employment contract with Rent Brains, under the Basic Conditional of Employment Act (BCEA). About the outsourced services stipulated above, an Independent Contractor agreement will be entered between Rent Brains and the identified service provider. All terms and conditions of the contract will be subject to negotiation.

5.8.4.5. Working Hours

An employee will be required to work 45 hours per week - including a 30min lunch break, Monday to Friday unless stipulated differently in the contract of employment. The company will introduce dynamic working hours to promote diversity and inclusion in a way that increases productivity. "Dynamic working is a new innovative way of thinking about and approaching working arrangements: a flexible working model that supports a high-performance, high-trust culture focusing on how you perform and not how many hours you spend in the office" (SEDA, 2018). The types of dynamic working offered will include flexible working hours and remote working.

5.8.4.6. Training Requirements

Rent Brains needs a workforce with a blend of skills and would, invest in training and development of its employees. An intense orientation programme will be developed to introduce all employees to the company's structures, business model, strategic objectives, culture and values. The company will also provide essential training based on job requirements.

5.8.4.7. Equipment and Technology

The following equipment and technology will be needed for operations to run effectively:

- Workstation computer
- Telephones system
- Photocopy machine, Scanner, Fax machine and other office supplies
- Office, meeting room and waiting room furniture
- Office Stationery
- Software (credit assessments)
- Back-end server and Internet connectivity
- Accounting software

5.8.4.8. Rent Brains Partners & Networks

Rent Brains will collaborate with various stakeholders such as institutions of higher learning, business incubators, banks and Government institutions. This will enable the company to expand the business and source business through existing relationships.

5.8.4.9. Legal Framework

The company will need to obtain the following to ensure compliance with the relevant legislation:

- Formal registration of the company
- Required license to operate
- Internal policies and procedures
- Employment contracts
- Register with SARS, UIF, Seta, etc.

5.9. Financial Plan

An organisation's financial statements are prepared to record the activities of the firm and are utilised by investors, creditors and other interested parties (Corporate Finance Institute, 2019). Forecasted Statements of Profit and Loss, as well as the Statements of Financial Position, are prepared for three fiscal years.

5.9.1. Statement of Profit and Loss

Table 40: Summary Statement of Profit or loss - Financial Years 2021 – 2022

Rent Brains PTY LTD			
Summary Statement of Profit or loss - Financial Years 2021 - 2022			
	2021	2021	2022
Revenue	3,380,000	3,887,000	4,470,050
Less: Cost of sales	- 1,040,000	- 1,123,200	- 1,213,056
Gross Profit	2,340,000	2,763,800	3,256,994
Other Income	225,000	247,500	264,825
Operating Expenses	- 2,024,800	- 2,144,290	- 2,389,911
Ebit	540,200	867,010	131,908
Interest expense	- 454,322	- 480,000	- 590,000
EBT	85,878	387,010	541,908
Taxation	- 24,046	- 108,363	- 151,734
Net Income	61,832	278,647	380,174

Table 40 depicts a summary view of Rent Brains' profit and loss statements for the fiscal periods from 2021 - 2023. The profit and loss statements encompass revenue projections driven by commission income as the core revenue stream. All expense considerations and

projected net income were computed. A growing revenue trend at 15% year on year, is anticipated based on the potential market growth expectancy as well as the targeted availability of funds based on the business model. Operating expenses also escalate albeit at a lower rate of 6% and 11% for the two financial years due to increased businesses efficiencies and the ability for the labour force to extend itself to accommodate growth in the customer base. Rent Brains will focus on minimising costs to grow the business.

5.9.2. Statement of Financial Position

Table 41 is an indication of the Rent Brains' composition of assets, equity and liabilities. It provides investors, banks and other interested parties with a snapshot view of the company, the extent of its financial obligations and asset composition. It is useful for computing financial ratios, analysis use debt to finance operations, and efficient use of cash reserves (Corporate Finance Institute, 2019).

Table 41: Summary Statement of Financial Position

Rent Brains PTY LTD			
Summary Statement of Financial Position - Financial Years 2021 - 2022			
	2021	2021	2022
Assets	5,639,565	5,457,151	5,389,611
Non-Current Assets	63,000	54,900	47,970
Current Assets			
Equity and Liabilities	5,639,565	5,457,151	5,389,611
Equity	561,832	840,479	1,230,626
Total Liabilities	5,077,733	4,616,672	4,158,985
Non-current liabilities	5,000,000	4,500,000	4,000,000
Current Liabilities	77,733	116,672	158,985

5.9.3. Financial Ratios

An analysis of a company's financial ratios attempts to measure a firm's profitability, liquidity and ability to utilise equity and assets and convert them into revenue. These measures indicate the health of a company and assists investors to obtain a view of the viability and stability of the business to trade as a going concern (Corporate Finance Institute, 2019).

5.9.3.1. Gross Profit Margin

The gross profit margin ratio of a company aims to measure the extent at which organisations cost of sales impact on the revenue available for operating expenses and

how well labour and materials effectively produce revenue (Corporate Finance Institute, 2019).

Table 42: Gross profit margin

The year 2021	The year 2022	The year 2023
=2 340 000/3 380 000	= 2 763 800/3 887 000	= 3 256 994/4 470 050
= 69%	= 71%	= 72.86%

Year-on-year projected increase in the gross profit margin indicates an increase in revenue, with a cost of sales increase the lesser proportion of sales revenue. Thus, indicating an efficiency in the use of direct input costs on revenue generation (Corporate Finance Institute, 2019).

5.9.3.2. Return on equity ratio

This is a profitability ratio, that measures the extent to which an organisation generates income, utilising its equity (Corporate Finance Institute, 2019). It is concerned with assessing the return on investments.

This is obtained by calculating = Net income / Shareholder's equity

Table 43: Return on equity ratio

The year 2021	The year 2022	The year 2023
=61832/561832	= 278 647/840 479	= 390 174/1 230 626
=11%	= 33%	=31%

The projections indicate an 11% return on investment, growing to 31% in year 3 of the business. A growing ROE is a positive indication as it indicates a company's ability to generate profit without needing more capital investments. This can then translate to the ability to service debt quicker (Corporate Finance Institute, 2019).

5.9.3.3. Interest Cover ratio

The interest cover ratio measures a firm's ability to extent indebtedness and to cover interest payments. It is calculated as follows = Operating income/Interest expense (Corporate Finance Institute, 2019).

Table 44: Interest Cover ratio

The year 2021	The year 2022	The year 2023
= 540 200/454 322	= 867 010/480 000	= 1 131 908/590 00
= 1.18	= 1.81	= 1.92

An interest cover ratio should be higher than one as it is an indication of the ability to service interest payments. The company has an exciting ratio of 1.18 in the first year increasing to 1.92 in year three, thus indicating an ability for the company to operate with less dependency on debt in the future (Corporate Finance Institute, 2019).

5.10. Action Plan

The following Table is a preview of a detailed plan indicating how the venture will be rolled out.

Table 45: Action Plan

ACTION DESCRIPTION	RESPONSIBILITY	TIMELINE	RESOURCES REQUIRED	OUTCOME
RESOURCES				
Secure Office Building	Finance	29 January 2021	Property agent	Office Building
Obtain office furniture and equipment	Finance	07 February 2021	Office furniture suppliers	Fully furnished offices
Install IT Software and systems	IT Support	10 February 2021	Landlines, Wifi router, computers, printer	Telephones, internet, workstations connected; Necessary software and systems uploaded
Consolidated Supplier Database	Admin	26 February 2021	Suppliers Software programme	A list of reliable suppliers with signed agreements
STAFFING				
Conclude recruitment, selection and hire process	Recruitment agency & Payroll services	29 January 2021	Employment contract; personnel folder and appointment forms	Newly hired workforce
Induction and Orientation of new hire	Training Provider	26 February 2021	Welcome packs; Boardroom;	Employees well-informed about the business, its strategic goals and culture; and their role in the organisation
Basic Essential Training	Training Provider	26 February 2021	Training Manuals; Boardroom;	Trained skilled workforce
COMPLIANCE				
Internal policies and procedures Register with SARS, CIPC, UIF, Seta	Director Payroll Admin	01 March 2021	Necessary documents for submission	Registered with the relevant entities
MARKETING				
BRAND AND BRAND BUILDING FINANCE BRAND MANAGEMENT FINANCE	Finance	01 October 2020	- IBM Analytics Software - Accounting Software	Monies spent on various marketing and communications objectives yields a positive return on investment
LAUNCH THE BUSINESS	Marketing	1 April 2021		increased brand awareness

ACTION DESCRIPTION	RESPONSIBILITY	TIMELINE	RESOURCES REQUIRED	OUTCOME
	Finance Director			
GENERIC ADVERTISING	Marketing	01 March 2021	pop-up ads on YouTube	direct traffic flow to our website
SALES PROMOTION	Marketing	01 March 2021 (Monthly onwards)	pamphlets distributed monthly	Increased brand awareness and new sales
PR/ ROADSHOWS	Marketing	01 March 2021	Radio and TV interviews; roadshows; networking sessions	Media coverage - database register sign-up
SOCIAL MEDIA	Marketing	01 March 2021 (Continues)	twelve months, five days long campaigns with a market reach of 1 million people	- 300 00 clicks, 240 000 views - New followings and Likes (average 200 000 likes & 50 000 new follows) - trending hashtag (min 4 hours per hashtag campaign)
OUT OF HOME ADVERTISING	Marketing	01 June 2021	3month billboard on N1, N12, M1, N3	increased brand awareness

6. CONCLUSION

This document has explored the viability of implementing Small Medium Micro Enterprises' development services platform to collaborate with experienced graduates in South Africa. The concept of Rent Brains is a solution based on the opportunity identified from the challenges in the industry and the gap identified. The proposed business venture is researched and the concept based on the application of theoretical business concepts were researched and literature was reviewed.

Rent Brains would allow SMMEs to access the services of business development that would be offered by qualified graduates at an affordable rate. The two-sided business marketplace seeks to optimise the matching of entrepreneurs with professionals in the various parts of their value chain. Rent Brains' business model enables SMMEs to avoid the tight budget challenges that hinder them from utilising traditional business consulting firms. The Rent Brains platform matches a struggling SMME with a graduated candidate for business solutions collaboration, whom in turn benefits financially and in exercising brains.

The business plan details the viability of the concept, and if replicated, Rent Brains has the potential to grow and franchise to African countries and globally. To this end, the business venture proposal gives a full highlight of Rent Brains' use of profits earned over a period to support its growth strategy.

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APPENDIX A: Questionnaire

Rent Brains Platform Research

Start of Block: New Product Idea

Q1 **INFORMATION SHEET AND CONSENT FORM**

Hello, I am Nhlamulo Baloyi. I am conducting research for the purpose of completing my Masters in Business Administration at Wits Business School.

Topic: Implementing Small Medium Micro Enterprises' development service platform to collaborate with experienced graduates in South Africa.

What I am doing: I am conducting a quantitative study to ascertain the viability of establishing and operating the business venture I am proposing; the objective is to examine the product-market fit.

Your participation: I am requesting you to participate in my research by completing all the questions in the questionnaire. Kindly understand that your participation is voluntary and you are not being forced to take part in this study. The choice of whether to participate or not is yours alone. If you choose not to participate, there will also be no penalties, and you will NOT be prejudiced in ANY way. You will not be affected in any way whatsoever.

Confidentiality: All responses will be interpreted at an aggregate level and treated with high research ethics and confidentiality as stipulated in the Wits Business School's code of ethics.

Benefits: This study will be beneficial in understanding factors that influence the growth of SMMEs participating in Enterprise Development programs.

Who to contact if you have any concerns: The Wits Business School has approved this research. If you have concerns or questions about the research, or complaints regarding the ethical procedures of this study you may contact me at contact@nhlamulobaloyi.co.za / +27 71 480 7937; alternatively, you may contact my supervisor, Peterson Owusu Junior at 1986355@students.wits.ac.za / +27 63 815 3539.

STATEMENT BY PERSON AGREEING TO PARTICIPATE IN THIS STUDY I hereby agree to participate in research on the growth of SMMEs participating in Enterprise Development programs. I understand that I am participating freely and without being forced in any way whatsoever. I understand that this is a research project whose purpose is not

necessarily to benefit me personally in the immediate or long term. I understand that my participation will remain confidential. I freely and voluntarily choose to participate in this study.

- I consent to participate in the study (1)
- I do not wish to participate in the study (2)

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Q9 What is your age group?

- 18 - 24 (1)
- 25 - 29 (2)
- 30 - 34 (3)
- 35 - 39 (4)
- 40 - 49 (5)
- 50 - 59 (6)
- 60+ (7)
-

Q10 What is your gender?

- Female (1)
 - Male (2)
 - Other (4)
-

Q11 What is the highest level of education you have completed?

- National Senior Certificate (Matric) (1)
 - Diploma (2)
 - Degree (3)
 - Honours (4)
 - Masters (5)
 - PHD (6)
 - Other (7) _____
-

Q2 PLEASE READ THE FOLLOWING BEFORE PROCEEDING. I am developing a new platform, and I would like your opinion about it. Your answers will help me develop better service for the users.

The name of the platform is called Rent Brains. Rent Brains is a 2-sided online marketplace platform that gives SMMEs access to business development services by qualified experts at an affordable rate.

It enables SMMEs to avoid the tight budget challenges that hinder them (SMMEs) from

utilising traditional business consulting firms.

Rent Brains matches SMMEs with graduated candidates for business solutions collaboration, whom in turn benefits financially and in exercising his/her brains. Rent Brains strives towards the satisfaction of both the needs of the SMMEs and that of the candidate. The result is higher productivity for the SMME and greater satisfaction for the skilled expert.



Q3 How much do you like or dislike the idea of the Rent Brains platform?

- Like a great deal (1)
- Like a moderate amount (2)
- Like a little (3)
- Neither like nor dislike (4)
- Dislike a little (5)
- Dislike a moderate amount (6)
- Dislike a great deal (7)

Page Break



Q4 What do you like most about the Rent Brains platform?



Q5 What do you like least about the Rent Brains platform?

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Q6 Please indicate your level of agreement with the following statements regarding the Rent Brains platform:

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
This platform is innovative (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There is a need for this platform (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This platform is useful (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This platform is exciting (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would want my friends/colleagues to know I use this platform (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break



Q7 If price were not a factor, how likely or unlikely would you be to use the Rent Brains platform?

- Extremely likely (1)
- Moderately likely (2)
- Slightly likely (3)
- Neither likely nor unlikely (4)
- Slightly unlikely (5)
- Moderately unlikely (6)
- Extremely unlikely (7)

Page Break



Q8 About what would you expect SMMEs to pay (in South African Rands) for a single expert usage on the Rent Brains platform?

End of Block: New Product Idea
