



DR B. A. MTHETHWA COLLEGE

# Proposed Business Plan

2011– 2015

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## **Business overview**

### **Location**

- DR B A MTHETHWA COLLEGE will initially operate on the premises of SHAMMAH COLLEGE. It is situated in the heart of Nkomazi Municipality within the Maputo Corridor, about 35 Km from Malelane.

### **Purpose**

- The purpose of DR B A MTHETHWA COLLEGE will be to train people to become economically active within the community from where they come.
- The DR B A MTHETHWA COLLEGE will also assist through a proper process of RPL (Recognition of Prior Learning) to help the community by ensuring that acquired skills that are not already recognised by certification, be corrected by ensuring proper certification for the skills are acquired.
- DR B A MTHETHWA COLLEGE will also continuously identify shortages of skills within the community. These skills will be trained to the community members through recognised and certified programmes in order to help eradicate the skills shortages as also identified in the Provincial Skills Plan for Mpumalanga.
- It is important to take note that all training done by DR B A MTHETHWA COLLEGE will be quality assured, and will lead to a nationally recognised qualification.
- We would like to get involved with as many as possible of the identified shortages in skills to uplift the capacity of the community. The identified fields that DR B A MTHETHWA COLLEGE will be operating in include the needs identified in the **Mpumalanga Provincial Skills Plan** document (Page 38: Chapter 3). These include:

### **1. Building and Roads Construction**

- Through the government RDP programmes the following opportunities are identified: Brick making, bricklaying, plastering, paving, plumbing, house wiring, construction carpentry, finishing carpentry and welding.

## **2. Agriculture, forestry and fishing**

The empowerment of emerging farmers and the Crocodile River water supply will ensure continuous production of the following identified opportunities in the Lowveld region:

- Products, such as citrus, sub tropical fruit, nuts, vegetables, avocados, litchis, and sugar cane.
- Potential for fruit canning, juice making, fruit drying, sugar production and there are export opportunities to neighbouring countries and beyond.
- In terms of forestry the following opportunities were identified: Gum tree production, pine tree production, furniture making, woodcarving, firewood, charcoal and papermaking.

## **3. Tourism and Hospitality**

- Accommodation, catering, chef, house keeping, waitering.
- Communities will get the opportunity to be placed as tour guides, tour operators, game rangers, to do arts & crafts, and to be involved in cultural villages & environmental protection.
- Value adding: It is important to note that instead of just supplying training, our DR B A MTHETHWA COLLEGE will look to supply its customers with a whole range of goods and services, which would include health care, life skills, HIV/aids counselling, Early Childhood Development, etc.

### **Reason for existence**

- Our primary reason for establishing DR B A MTHETHWA COLLEGE is to skill the community so that our people can become economically active, while also servicing the community with the newly acquired quality skills.
- The labour market demands a skilled population in order to deliver quality service to our country (as clearly identified in the Provincial

Skills Plan). Through DR B A MTHETHWA COLLEGE we aim to contribute maximally towards this goal.

- Through DR B A MTHETHWA COLLEGE we will also be working in close collaboration with businesses. As we will be doing high quality training, this would help us to build healthy relationships with the business sector, which will in turn assist us in seeking employment opportunities and business partnering opportunities for our trainees.
- Trainees that would prefer to venture into the entrepreneurial sector after completing their training will also be skilled appropriately to ensure that they will be successful through their choices and in their career.
- By taking the training into the community and primarily focussing on the population wherein the training will take place, we aim to uplift the area economically by ensuring that the new skills will draw economic wealth to the area. By helping to develop the area in this way, the skilled members will be able to work in this area and thus remain in the area, thereby strengthening the capacity of the community in the DR B A MTHETHWA COLLEGE area.
- DR B A MTHETHWA COLLEGE will be a centre of excellence, and no stone will be left unturned to ensure that only the highest level of training will take place. The development of this training centre is built on the excellent reputation of DR B A MTHETHWA COLLEGE, which is widely respected and acknowledged for its' quality training.
- Another reason for establishing DR B A MTHETHWA COLLEGE in DR B A MTHETHWA COLLEGE is to reduce travelling cost to the community that we primarily target for training. We believe that this will aid the community financially, while it will also increase the pride within the community by having such a centre of excellence within DR B A MTHETHWA COLLEGE.
- We undertake to make our training as affordable as possible to the community, while not sacrificing quality of training. This will be achieved through minimising expenditure, while also seeking funding from all the possible avenues such as skills funding,

donations, and sponsorships, as well as national and international sources.

### **Unique Features**

- As a training provider with a history of excellent quality training at DR B A MTHETHWA COLLEGE, we will be transferring these skills and culture of excellence in training into the DR B A MTHETHWA COLLEGE.
- As circumstances change, DR B A MTHETHWA COLLEGE will be on the leading edge to adapt and improve to the changing environment of training. This pledge of commitment to continuously improving our training is proven through the rapid changes in training being offered and delivered by DR B A MTHETHWA COLLEGE. DR B A MTHETHWA COLLEGE will constantly be reviewing its courses and qualifications so as to stay on the cutting edge of new training opportunities and techniques. This will obviously be done in close collaboration with the community of DR B A MTHETHWA COLLEGE, and all other relevant stakeholders.
- Our primary focus is on training. This will ensure that training and development will be prioritised and that other issues will not derail or unnecessary delay our training.
- Learners will be assessed before starting any training course to ensure that the proper and appropriate training be done. This is being done to ensure that the learner will benefit optimally from the training.
- The skills that we at DR B A MTHETHWA COLLEGE identify that has possibly already have been acquired by the learner will be checked through the process of RPL. If we establish proof that the learner already possesses the skill, then this skill can be credited to the learner without the course being offered. This will save time for the learner.
- The shortages in the skills and gaps in the quality of the skills will then be established. These shortages and gaps can then be eliminated through a training process that will lead to a nationally recognised accreditation of the skill.

- A unique feature of the training that is being done by DR B A MTHETHWA COLLEGE is the outstanding quality of the training. Without spending any more time than is absolutely required, the skill will be transferred to the learner.
- Quality training is ensured by our thorough assessment of the learning and training process in line with the National Qualifications Framework (NQF). Possible mistakes and derailments will be picked up and corrected before the process of training can be harmed. Learners will also be given the opportunity to assess the training process, where after serious attention to possible areas of improvement will be implemented by management.
- In order to ensure that fairness prevails, an independent moderator will moderate all assessments. Recommendations by moderators will be critically scrutinised by management and action(s) will be taken to ensure the highest quality of training is maintained.
- Certification will be done using the nationally recognised certification bodies. This will ensure portability of the training done with the learners.
- Our well-established administration system will be activated at the DR B A MTHETHWA COLLEGE. This will ensure proper liaison with all stakeholders, as well as proper record keeping of the activities of the DR B A MTHETHWA COLLEGE. Through this we aim to serve the community of DR B A MTHETHWA COLLEGE to the best of our ability.
- All training will be complimented by practical exposure to ensure that the acquired skill(s) can be used with confidence in the workplace. This also means that once the training is completed at DR B A MTHETHWA COLLEGE the learner can immediately start generating income by using the acquired skill(s).

### **Projected numbers of learners**

- Information contained in the Provincial Skill plan, and from a tracer study done in the DR B A MTHETHWA COLLEGE area, it is clear that the demand for vocational training is very high. The existing

vocational centres running the Department of Education FET programmes are not sufficient to meet the great demand for the skills training required. The former MEC for economic development, Mr J.I. Mabena, stated at a Furnitech workshop in White River in July 2004 that SASOL alone is intending to 'swallow' over 50 % of existing engineers, artisans, and technicians in South Africa. This raises a very serious question of as from where in South Africa we will be able to obtain the badly needed skilled technicians and engineers to run the other sectors of the economy. We believe that this also proves the justification for our intended DR B A MTHETHWA COLLEGE.

- We intend to start small (45 learners in three groups), while building capacity and adapting to the environment at DR B A MTHETHWA COLLEGE. From there we intend to grow our number of learners, while ensuring that our quality of training is kept at the highest possible level.
- The size of the DR B A MTHETHWA COLLEGE is enormous, and we intend to eventually fill it with learners. More than 1500 learners can at any time be accommodated on the site of the DR B A MTHETHWA COLLEGE. Practical exposure and on-the-job training will take place at various sites of delivery outside the DR B A MTHETHWA COLLEGE campus. This means that many more learners than those accommodated on the DR B A MTHETHWA COLLEGE will be trained simultaneously.

### **Market Size**

- With a population of Mpumalanga being approximately 3 000 000, 66% of the population in this province are under 30 years old. This gives a clear indication that our training will directly impact positively on the economically active population of our community, thereby improving the skills pool. The projected growth rate of the population in Mpumalanga is 17% per annum, which compounds the training needs for the near future.

- 29% of the population in our Province has some secondary education level, while 15% of our population has Grade 12. This means that the educational level of the population that we are targeting will include 44% of the population.

**All the data provided above is taken from the Mpumalanga Provincial Skills plan.**

The communities immediately surrounding the DR B A MTHETHWA COLLEGE shall directly and indirectly benefit in the following ways:

- Most of the trainees shall come from the area immediately surrounding the DR B A MTHETHWA COLLEGE.
- After completing their training, most of graduates will initially set up shop in the very community where they come from.
- Some of the services rendered such as catering for the learners, security, house- keepers and some qualified facilitators will be recruited from the neighbouring community.
- The mere presence of the DR B A MTHETHWA COLLEGE will enhance development of the social infrastructure of the surrounding areas.
- Once DR B A MTHETHWA COLLEGE is up and running, it is planned to be a nucleus and a hub of skills creation and development for the establishment of similar training centres in other municipalities of Mpumalanga province and eventually to the rest of South Africa.

### **Market segments**

The following skills have also been identified as the crucially lacking in our society:

- Art, craft & heritage
- Tourism – tours & travels, hospitality
- Food science & catering
- Security guards and security services training
- Electrical - housing, street and structural installation

- Electrical - auto electrical
- Electrical - refrigeration, stove, geyser, solar technology
- Electronics - TV, pc, cell phone technology
- Carpentry & joinery, timber treatment
- Building & construction, block-making, brick-making, concrete works
- Dressmaking & designing
- Motor mechanics
- Welding & metal works, panel beating & spray painting
- Plumbing & piping
- Agriculture: (quick farming concept) - permaculture, vegetable production, chicken farming, gum tree production, fish farming, floriculture and bee keeping.
- Business management - start-up & developing existing business.
- Computer studies – information technology

### **Competitive Analysis**

- Competition: We consider competition as a healthy way of measuring our excellence in training. Because our quality of training is very high, we have not experienced any drop in students/learner figures when venturing into any training. Our numbers of students/learners are in fact rapidly growing.
- Excellence: The best way of delivering service is by ensuring that the delivery of the service is beyond criticism (in fact we aim at receiving compliments from our trainees). Learners who gain the expected skills through our training programmes will be loyal to the training that we provide. Through this excellence, we know that competition will be based on a healthy premise. It keeps us continually checking for ways in which we can remain at the highest level.
- Partnering: We are constantly seeking partners in training so that we can share the knowledge and load of this mammoth training task. This will help us to specialise in what we do best, and to source other trainers and service providers who are best at what they do. This combination of

strong points will establish a very strong training effort in the DR B A MTHETHWA COLLEGE area.

- Currently we are not aware of any training providers that are training in the DR B A MTHETHWA COLLEGE area that does the training that we intend to do.
- Mammoth task: In South Africa we have a very serious lack of skilled people. It is therefore crucial that a greater than current effort be made to correct these shortages in skills. It is our view that training providers should not see training and development in the light of "taking one-another's learners". With a market as large as ours, we need to combine and align forces and strengthen the learning, teaching and training efforts.

## 2. SWOT Analysis

### Strengths

- Our excellent **quality control** is instrumental to our good reputation in training. We intend to use the same quality instruments at DR B A MTHETHWA COLLEGE. We also regularly revise and improve our quality system to ensure that we remain at the high level of quality control that we are.
- Our excellent **management team is open to new initiatives** that will improve our quality in Management of all our activities that make up our training effort in DR B A MTHETHWA COLLEGE.
- With the high level of **qualified and experienced staff making up the management team** of DR B A MTHETHWA COLLEGE, we know that we will provide excellent service to the community.
- Currently we have **existing clients** that already know the company, as opposed to a training company starting up for the first time.
- We have a **committed team** facing all challenges.
- Our infrastructure is in a very good condition.
- We already have a number of accredited programmes running that can be copied to the site of DR B A MTHETHWA COLLEGE.
- The growth of DR B A MTHETHWA COLLEGE to date shows that this company is doing the right things right.

## Weaknesses

- Our weakness is that we are **new in starting up the DR B A MTHETHWA COLLEGE Centre**. This means that we might experience a number of challenges that we might not have prepared ourselves for. We are however currently investigating all possible avenues to minimise such possibilities.
- Availability of funding. Surely we will need donors and funds to be readily available for setting up the centre. If these funds should not become available, the whole development of DR B A MTHETHWA COLLEGE could be severely hampered.
- Currently the skills pool from where we can source trainers is almost non-existent.

## Opportunities

- The opportunities are great. This area has all the potential to become a pride area with **a skilled population**.
- The area and the fields of training also have an extremely high opportunity for **expansion into the surrounding area**, establishing further satellite training centres.
- To strengthen our communication with the Provincial Government in maintaining provincial focus on training.
- To strengthen our communication with the community to deliver training according to the community needs for training.

## Threats

- The threat that exists is that certain elements of the community might **vandalise or rob** the centre for their own personal benefits by stealing and selling valuable assets that we will bring into the DR B A MTHETHWA COLLEGE. We aim to reduce these threats by planning and doing the training in close collaboration with the community. This would mean that the community would become stakeholders in all the facilities of the DR B A MTHETHWA COLLEGE. Motivational drives

from public platforms and marketing of the value of the centre to the community will also be done. We will however also ensure that we have good security in place.

### **Mission Statement**

- DR B A MTHETHWA COLLEGE assists and motivates individuals, organisations and businesses to utilise their full God given potential, resulting in achieving goals that are worthwhile to them and the communities that they serve.
- This mission will also be applied at DR B A MTHETHWA COLLEGE.

**Motto: "We become successful by helping our clients to become successful."**

### **Target market**

- Our primary target market is the population of the DR B A MTHETHWA COLLEGE area.
- We will however not exclusively serve only the local community. Through fairness and openness, we intend reaching into the communities of the areas further away from the DR B A MTHETHWA COLLEGE area.
- In the true spirit of the SADC agreement we will also be serving the populations of our neighbouring countries should our capacity allow it.
- We will however always ensure that we do not exclude any person from the DR B A MTHETHWA COLLEGE area for the benefit of any further residing persons.

### **Positioning**

We will be positioning ourselves based on the following factors:

- Value of training against cost
- Effective courses for the community
- Quality
- Training team experience

- Equity in terms of the historically disadvantaged population.

### **Our Strategic Highlights**

What we will need in order to achieve our goals

- We will need to combine forces with all the stakeholders to ensure that we achieve our mutual goals that we have set for ourselves as transpired through this business plan.
- We need a strong and very focussed marketing drive
- We need good and regular communication with the relevant stakeholders
- We need to continually provide excellent service of existing clients.

### **Marketing plan**

#### **Marketing Objectives**

- Our marketing objective is to target the identified clients with the strategically proven identified training course(s).
- It is also our objective to ensure that our marketing costs do not increase the course expenses beyond affordability.
- We should ensure that our marketing material is accurate and to the point. It should inform the community.
- Our marketing should raise a desire to participate in the training process.

#### **Promotional Strategies**

We should market through using the following strategies:

- Developing a corporate brochure.
- Radio promotions
- Radio talk shows
- Banners
- Signboards placed at strategic venues.
- Advertise regularly in magazines/newspapers
- Regular visit and address schools in the DR B A MTHETHWA COLLEGE area.

- Open days where schools and community groups will be invited to tour the DR B A MTHETHWA COLLEGE.
- Qualified customers to promote next level of training, and/or to help with open day tours and/or school visits.
- Studying and following up on enquiries
- Existing Customers: Conducting surveys to establish possible suggestions of improvements.
- Offering incentives to diligent learners to ensure that we retain them for further courses.

### **Product Strategies**

- Ensure that our preparation for all training is done thoroughly and properly.
- Constantly evaluate and assess training needs.
- Ensure that schedules for training is honoured
- Ensure that we use the most effective methods to do the training
- Ensure that the training material is most relevant to the client needs.

### **Pricing Strategies**

- Ensure that our pricing is affordable and competitive.
- Offering a discount for front-up payment of the whole course fees.

### **General Marketing Strategies**

- Ensure that our marketing material is always up-to-date with the latest information, and is presented in such a way that it will encourage interest in the training that we offer.
- Keep and maintain a database of successful marketing methods.
- Distribute information on successful training to the community.

## **Financial plan**

### **Financial Strategy**

- Currently DR B A MTHETHWA COLLEGE (Through which DR B A MTHETHWA COLLEGE is run) operates without an overdraft at the bank. The intention is to keep it this way.
- Strict control is exercised on budget expenditure.
- Payment of all accounts will be honoured within 30 days.
- Accurate control of stock and assets will ensure minimal wastage.
- Bank charges will be kept to a minimum.
- Setting up the training facility will however be a major expense that cannot be carried by the finances of DR B A MTHETHWA COLLEGE.  
(See annexure A)

## **Organisational plan**

- Our organisational plan is to utilise the top structure of DR B A MTHETHWA COLLEGE to manage the DR B A MTHETHWA COLLEGE.
- The centre manager will be appointed/assigned and will be responsible for the day-to-day running of the DR B A MTHETHWA COLLEGE.
- An administrative office will be set-up and two administrative officers will be performing all the administrative functions for the DR B A MTHETHWA COLLEGE.
- The centre manager will report through weekly, monthly, quarterly and annually reports about all the activities at the DR B A MTHETHWA COLLEGE. These reports will be forwarded and discussed with the advisory board and the management at DR B A MTHETHWA COLLEGE.

## **Human Resource Strategies**

- An organisational chart will be drawn to ensure transparency and to ensure line function adherence.
- An incentive scheme will be developed to encourage a culture of enthusiasm for creativity and effective work.

- To boost morale, a suggestion box will be kept and regularly serviced.
- Regular meetings with all staff will be held to ensure good communication.
- Performance assessments?
- Development through courses, workshops, encouragement to study formally, etc?

Approved on this the ..... day of ..... month of 20 .....

A B.Mugisa (TQM) 2010.....

Dr B A Mthethwa (CEO).....

Annexure A

Estimated cost

**START-UP EXPENSES FOR DR B A MTHETHWA COLLEGE TRAINING:**

**Total = R2 285 000**

<p><b>Classroom (1 Class Room): Equipped For Computer Courses</b></p> <ul style="list-style-type: none"> <li>• Computer tables 30</li> <li>• Chairs</li> <li>• Lecturer desk</li> <li>• Lecturer chair</li> <li>• Computers</li> <li>• Printers</li> <li>• Networking to reduce printers required</li> <li>• Data projector</li> <li>• Data projector screen</li> <li>• Preparing electricity to handle computers</li> <li>• Securing the computer room</li> <li>• Connecting Internet and e-mail</li> <li>• Air-conditioning the computer room</li> <li>• White board to lecture with</li> </ul>	<p>R40 000</p>
<p><b>Workshops (3 Workshops): Changed And Equipped (Changing A Class Room Into A Workshop):</b></p> <ul style="list-style-type: none"> <li>• R300 000 estimated (Leon Cronje)</li> <li>• Thus 3 workshops = 3 x R300 000 = R900 000</li> </ul>	<p>R900 000</p>
<p><b>Kitchen</b></p> <ul style="list-style-type: none"> <li>• Renovating building (plastering, sealing, fixing, painting)</li> <li>• Renovating toilets</li> <li>• Servicing/fixing stoves</li> <li>• Servicing/fixing Freezers/fridges</li> <li>• Servicing equipment</li> <li>• Servicing water supply</li> <li>• Servicing electricity supply</li> <li>• Servicing sewerage system</li> <li>• Purchasing tables and chairs for diners</li> <li>• Purchasing crockery</li> <li>• Purchasing eating utensils</li> <li>• Purchasing pots &amp; pans</li> <li>• Purchasing containers (e.g. food transport)</li> <li>• Purchasing cleaning equipment</li> </ul>	<p>R100 000</p>

<b>Hall</b> <ul style="list-style-type: none"> <li>• Renovating building (plastering, sealing, fixing, painting)</li> <li>• Purchasing tables</li> <li>• Purchasing chairs</li> <li>• Purchasing decorations</li> <li>• Purchasing curtains</li> <li>• Purchasing sound system</li> <li>• Purchasing pedestal</li> <li>• Purchasing projector and screen</li> </ul>	R80 000
<b>Dormitories</b> <ul style="list-style-type: none"> <li>• Renovating building (plastering, sealing, fixing, painting)</li> <li>• Purchasing tables</li> <li>• Purchasing chairs</li> <li>• Purchasing decorations</li> <li>• Purchasing curtains</li> <li>• Purchasing Lockable cabinets</li> <li>• Purchasing mattresses</li> </ul>	R60 000
<b>Bathrooms</b> <ul style="list-style-type: none"> <li>• Renovating building (plastering, sealing, fixing, painting)</li> <li>• Fixing taps</li> <li>• Fixing toilets</li> <li>• Fixing plumbing</li> <li>• Purchasing curtains</li> </ul>	R80 000
<b>Grounds</b> <ul style="list-style-type: none"> <li>• Renovating outbuilding (plastering, sealing, fixing, painting)</li> <li>• Fixing taps</li> <li>• Fixing toilets</li> <li>• Fixing plumbing</li> <li>• Fencing around premises</li> <li>• Fencing our portion of premises?</li> </ul>	R10 000
<b>Building Of An House For Building Standards</b>	R170 000
<b>Gardening Equipment/Tools</b> <ul style="list-style-type: none"> <li>• Uniforms (clothing, shoes, etc)</li> <li>• Lawnmowers</li> <li>• Shovels</li> <li>• Forks</li> <li>• Picks</li> <li>• Rakes</li> <li>• Wheelbarrows</li> </ul>	R20 000

<b>Vehicle</b> <ul style="list-style-type: none"> <li>• Light Delivery van (share with agricultural activities)</li> <li>• Small vehicle (share with agricultural activities)</li> </ul>	R150 000
<b>Agricultural</b> (Quick farming concept) - permaculture, vegetable production, chicken farming, gum tree production, fish farming, floriculture and bee keeping: <ul style="list-style-type: none"> <li>• Uniforms (clothing, shoes, etc)</li> <li>• Tractor</li> <li>• Implements for cultivating land</li> <li>• Irrigation system</li> <li>• Security implemented for equipment and property</li> <li>• Ground testing kit</li> <li>• Power saw</li> <li>• Fertiliser(s)</li> <li>• Tunnels for floriculture</li> <li>• Chicken house – Broilers</li> <li>• Chicken house – Layers (eggs)</li> <li>• Shovels</li> <li>• Forks</li> <li>• Picks</li> <li>• Rakes</li> <li>• Wheelbarrows</li> <li>• Shed for storing tools &amp; equipment</li> <li>• Shed for storing crops</li> <li>• Flammable liquids store</li> </ul>	R500 000
<b>Arts &amp; Crafts &amp; Heritage</b> <ul style="list-style-type: none"> <li>• Uniforms (clothing, shoes, etc)</li> <li>• Wood carving chisels</li> <li>• Saw to cut wood</li> <li>• Pottery equipment</li> </ul>	R50 000
<b>Tourism – Tours &amp; Travel &amp; Hospitality</b> <ul style="list-style-type: none"> <li>• Uniforms (clothing, shoes, etc)</li> <li>• Tourism vehicle</li> </ul>	R90 000
<b>Security Guards &amp; Security Services Training</b> <ul style="list-style-type: none"> <li>• Uniforms (clothing, shoes, etc)</li> <li>• Security equipment for training</li> </ul>	R10 000
<b>Dressmaking &amp; Designing</b> <ul style="list-style-type: none"> <li>• Machines for dress making</li> <li>• Electricity for multi machines</li> <li>• Equipment</li> </ul>	R25 000

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