

CLIENT EXPERIENCES IN ACCESSING SUPPORT FROM SMALL ENTERPRISE FOUNDATION

DEVELOPMENT MICROFINANCE ROUNDTABLE DIALOGUE
DAY 5 - 18 SEPTEMBER 2020

TINY SHAI



The Small Enterprise Foundation



The Small Enterprise Foundation

Introduction

The Small Enterprise Foundation is a not-for-profit, pro-poor microfinance institution working towards the eradication of poverty by creating a supportive environment where credit and savings services foster sustainable income generation, job creation and social empowerment.

Values

We believe in:

Respect for all

Having positive impact on the lives of our stakeholders

Striving for operational efficiency and self-sufficiency

Mission

To work aggressively towards the elimination of poverty by reaching the poor and *very poor* with a range of financial services to enable them to realise their potential.

Vision

A world free of poverty

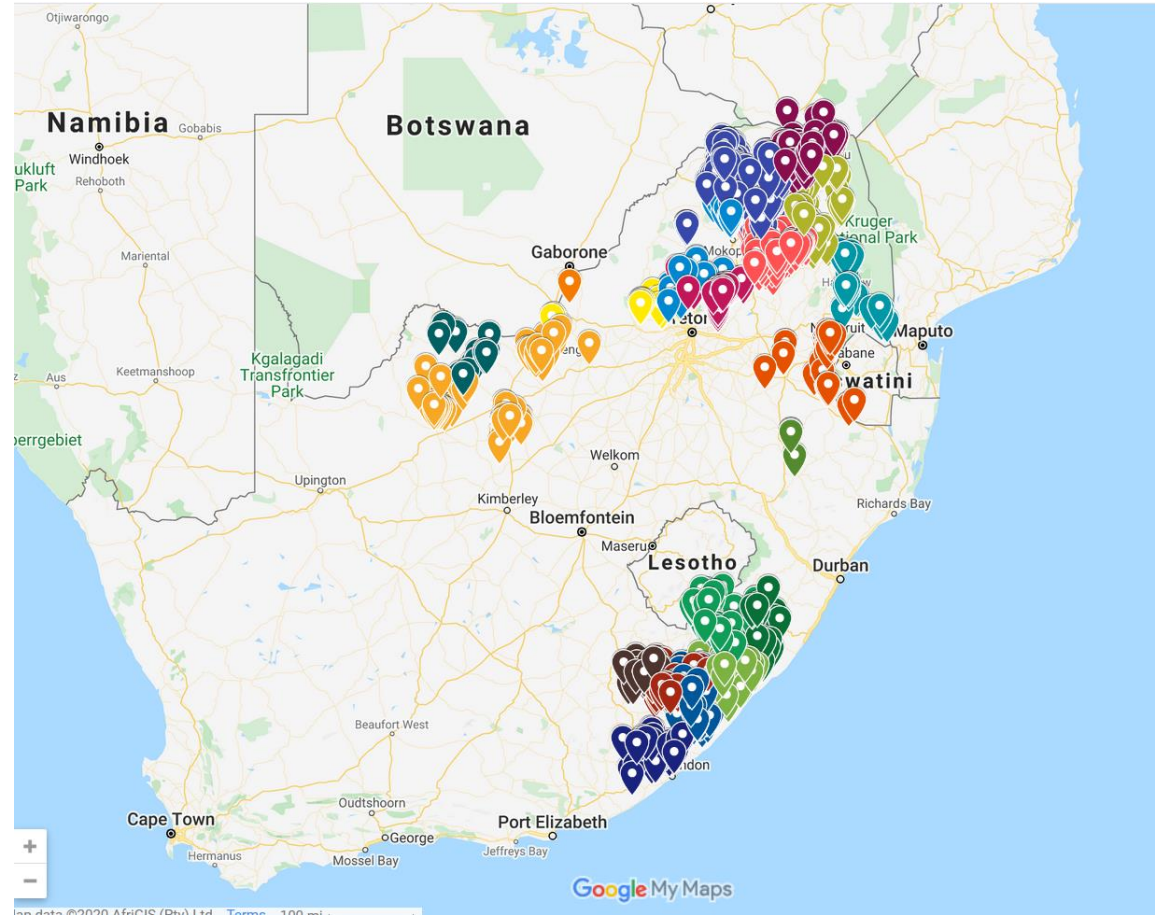
About

- A not-for-profit NGO
- Aim of poverty alleviation through micro-enterprise
- Founded in 1991 by John de Wit and the late Matome Malatji
- Inspired by the approach of the Grameen Bank of Bangladesh

Where we Operate

- 95% rural and peri-urban
- 5% urban

Where we operate



Scale of Operations

- 216 000 active clients
- 950 staff
- Disburse over R2 billion a year
- Loans since inception: R11 billion
- 4 million loans since inception
- Principal Outstanding: R 641 million
- Client savings - R138 million

How SEF works ...

- Clients form groups of 5
- Each client receives their own loan for their own business
- No collateral required
- All group members guarantee each others loans
- Groups meet twice a month in Centres of about 8 groups meeting at a time

Focus on the Poor

- Strong focus on reaching not only the poor but the very poor (those in the bottom half of poverty)
- Use different poverty assessment tools

Client Testimonies



NAME: Delisile Cynthia Mlimi

AREA: Mountain View Jerusalem, Mpumalanga Province

JOINED SEF: December 2016

TYPE OF BUSINESS: Clothing (Second-hand)

Being a good neighbour made her SEF client

DELISILE CYNTHIA MLIMI

- As a good neighbour who respects and loves her neighbours, Delisile found herself being invited by Josephine Shongwe who was then a SEF client.
- Josephine's group was looking for a replacement as one of its members had dropped out. That was when Delisile was introduced to SEF .
- Being a single mother of 1 child, Delisile born on 1st November 1975, started to sell second- hand clothes which she buys from Germiston in Johannesburg.

DELISILE CYNTHIA MLIMI

- SEF offers her credit in a form of a small loan and gives Financial education on how to save and make future plans for her money. Delisile has so far taken 8 loans under her name.
- Her first loan was R2000 . Currently she has taken a R4000 loan. She has used the loan to buy stock which is the second hand clothing that she sells.

DELISILE CYNTHIA MLIMI

- According to her, the interest rates are not affecting her business negatively but instead making it simple for her to run her business smoothly as they are not steep.
- The interest rates are also better than mashonisa's interests which are usually higher than what SEF charges.
- According to Delisile SEF has been really good to her as it helped her get her child educated. Her child is now working in White River as a manufacturer of kitchen caravans.



Name: Sheila Poppy Sithole

Area: Jerusalem Village, Mpumalanga Province

Joined Small Enterprise Foundation: April 2018

Type of Business: Poultry

Mental resilience made her to be in Business.

Sheila Poppy Sithole

- Born on 15/05/1960, Sheila is a single mother of two children who struggled with failed relationships and at some point suffered due to a financial crisis in her life. Sheila found herself joining The Small Enterprise Foundation in April 2018.
- Her niece visited her house from Ka- Bokweni, Khumbula village around December 2017, who by then was a SEF client and she told Sheila about SEF and how SEF operates.
- She then became interested in being a part of the organisation that helps poor women in the rural areas.

Sheila Poppy Sithole

- She organised 14 other women in her village to form 3 groups which eventually became a SEF centre.
- Sheila realised that in her village there was a shortage of live chickens being sold. She decided to embark on this business opportunity.
- The Small Enterprise Foundation offers small loans in a form of credit and also trains rural women (its clients) on savings for emergencies and also how they can grow their businesses.
- Sheila has now received 6 loans from SEF so far, and her first loan when she initially joined was R1500.

Sheila Poppy Sithole

- Currently she has borrowed R2000 which she used to buy live chickens which she sells to her customers.
- Based on what she has benefitted from SEF, she is happy to be part of the organisation that helps women, particularly poor women in South Africa to realise their potentials.
- SEF helps them to improve their lives, homes and children's education and health matters without a problem.
- She wishes that had SEF come earlier, she would be far with her business by now.



- **Name:** Sylvia Mothe
- **Area:** Suurman Village, Hammanskraal, Gauteng Province
- **Joined Small Enterprise Foundation:** May 2005
- **Type of Business:** Catering, Baking, Seamstress, Cosmetics (Beauty) and selling alcohol.

Seeing my neighbour's business flourish ever since she joined SEF, I knew I also had to join SEF as well.

Sylvia Mothe

- Sylvia Mothe was born on 23/04/1972 and bred in Hammanskraal, Suurman village.
- A widow and a mother of one and also a breadwinner joined SEF in May 2005 because she was struggling financially.
- She started with a loan of R500 and saving as little as R30. She started by selling cosmetics. As she was the only one in the village who was selling cosmetics her business was doing very well.
- She also sold her products to her fellow centre members on credit and would collect the money on fortnight meetings, and would use the profit to improve her savings.

Sylvia Mothe

- As the years went by her loan size increased and she ventured into the catering business. She currently caters for big events such as weddings, parties, funerals even SEF workshops too.
- Ever since she joined SEF she has achieved so many things that could never be possible without the help of SEF.
- In 2017 she bought her 1st car, a Peugeot (pictured) and the following year she bought her second car which is a bakkie (NP200) so that she could be able to transport her business props and furniture. She also renovated her house using her savings.

Sylvia Mothe

- Her goal now is to buy a big truck (lorry) and employ more people. She mentioned that she finds peace in empowering more women in her village.
- Sylvia currently has a R25 000 loan on a 6 months loan term and is on her 21st loan cycle.
- Being a widow and single mother, SEF has really helped take care of herself and her household.

Sylvia Mothe

- When asked if there is anything she still needs in her business, she mentions that Advertisement of her business is what she needs now. She is planning on buying a time slot on the community radio in order to advertise her business.
- When also asked how she balances all her businesses, she chucks and says that when you are passionate about your business and have a great support institution like SEF, anything is possible, including balancing your businesses with the same energy.
- She thanks her supportive DFs throughout the years and the branch managers who always encouraged them to save, save and save.