

SMME TRACK AND TRACE REPORT





**CULTURE, ARTS, TOURISM, HOSPITALITY AND
SPORT SECTOR EDUCATION AND TRAINING
AUTHORITY
(CATHSSETA)**

TRACK AND TRACE REPORT



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The information and data found in this document are current as of the date of submission to CATHSSETA and subject to change given market forces and external variables.

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Acronyms and Abbreviations

Acronym	Definition
CATHSSETA	Culture, Arts, Tourism, Hospitality, Sport Sector, Education and Training Authority
ICT	Information and Communication Technologies
SMME	Small, Medium and Micro Enterprise

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Chapter 1: Project Background

1.1 Background

The Culture, Arts, Tourism, Hospitality, Sport Sector, Education and Training Authority (CATHSSETA) is a statutory body established under the Skills Development Act of 1998 as amended.

CATHSSETA has a mission to facilitate skills development through strategic partnerships which contribute to the economic growth of the country.

CATHSSETA envisions themselves as being a skills development leader within their diverse sectors:

- Arts, Culture and Heritage
- Conservation
- Gaming and Lotteries
- Hospitality
- Sport, Recreation and Fitness
- Tourism and Travel Services

SMMEs in South Africa face several internal and external challenges that inhibit their growth. These include access to funding, lack of awareness of opportunities, constrictive or ineffective government policies, lack of appropriate skills and poor and/or inefficient business management practices. CATHSSETA facilitates various development programmes to address these problems and drive SMME growth and sustainability. However, there is insufficient information and evidence on the needs of SMMEs for each of CATHSSETA's sub-sectors. CATHSSETA needs to understand the key SMME needs within each identified sub-sector in appropriate detail so that a strategy that is aligned to these identified needs can be developed.

1.2 Problem Statement and Objectives

CATHSSETA needs to achieve their vision of meeting skill needs in each sub-sector to drive economic growth by 2030, however, there is insufficient understanding of key SMME needs and challenges to effectively address these problems in a strategy that hones in on the development initiatives that are aligned to the needs.

The objectives, therefore, are to:

- develop an integrated CATHSSETA sub-sector SMME strategy and implementation plan for the six CATHSSETA sub-sectors
- identify key pillars and focus areas of the strategy
- provide the implementation plan with short-, medium- and long-term goals of the strategy.

1.3 Purpose of this Document

This document aims to delve deeper into the quantitative analysis by comparing the needs and challenges that were highlighted for those SMMEs who have received support from CATHSSETA and those who have not.

Chapter 2: Methodology

The objective of the quantitative research was to delve deeper into the insights collected from the qualitative research, therefore, a survey was designed using the qualitative insights.

An initial communication was sent out from Letsema on behalf of CATHSSETA to introduce and launch the survey with the desired target group of participants. The target participants included SMMEs from the CATHSSETA database and those sourced from social media during the qualitative research. The communication, via e-mail was to introduce and provide instructions to respondents to complete the survey online. Concurrently, we also marketed the survey on Facebook and Instagram.

The survey was made up of four main sections: background, CATHSSETA interaction (to assess the SMMEs experience with CATHSSETA), COVID-19 impact and SMME needs. The survey contained a blend of quantitative style questioning using Likert scale, tick box (single and multiple answer), ranking, and open-ended questions – mostly in the qualitative style for free text responses.

The data collection period was over five (5) weeks. A follow up communication plan was deployed to non-respondents to drive up response rates. Despite the follow ups, during the first three (3) weeks, we observed a lag in responses from the target participant group. We then decided to incentivise survey participation with five (5) Takealot vouchers – to be won by a draw from SMMEs who chose to participate. In addition, the survey was deployed to LinkedIn and the CATHSSETA website. At the end of the 5-week period, we received a total of 315 responses.

The survey results were analysed to quantify and prioritise key themes by notable factors such as sub-sector and business age of operation. The detailed insights are provided in the Integrated Report.

To highlight the differences between the SMMEs who had received support from CATHSSETA and those who have not, a filter was used on each question. The filter divided the responses between the SMMEs who had agreed to receiving support from CATHSSETA and those who had disagreed.

One limitation that exists within this study is that there was a limited number of responses for certain sub-sectors. These include Conservation and Gaming and Lotteries. Therefore, the insights for these sub-sectors are indicative.

Chapter 3: Comparison

3.1 Demographics

The total number of respondents who have received support from CATHSSETA is 108. This represents 41% of those respondents who are aware of what CATHSSETA does.

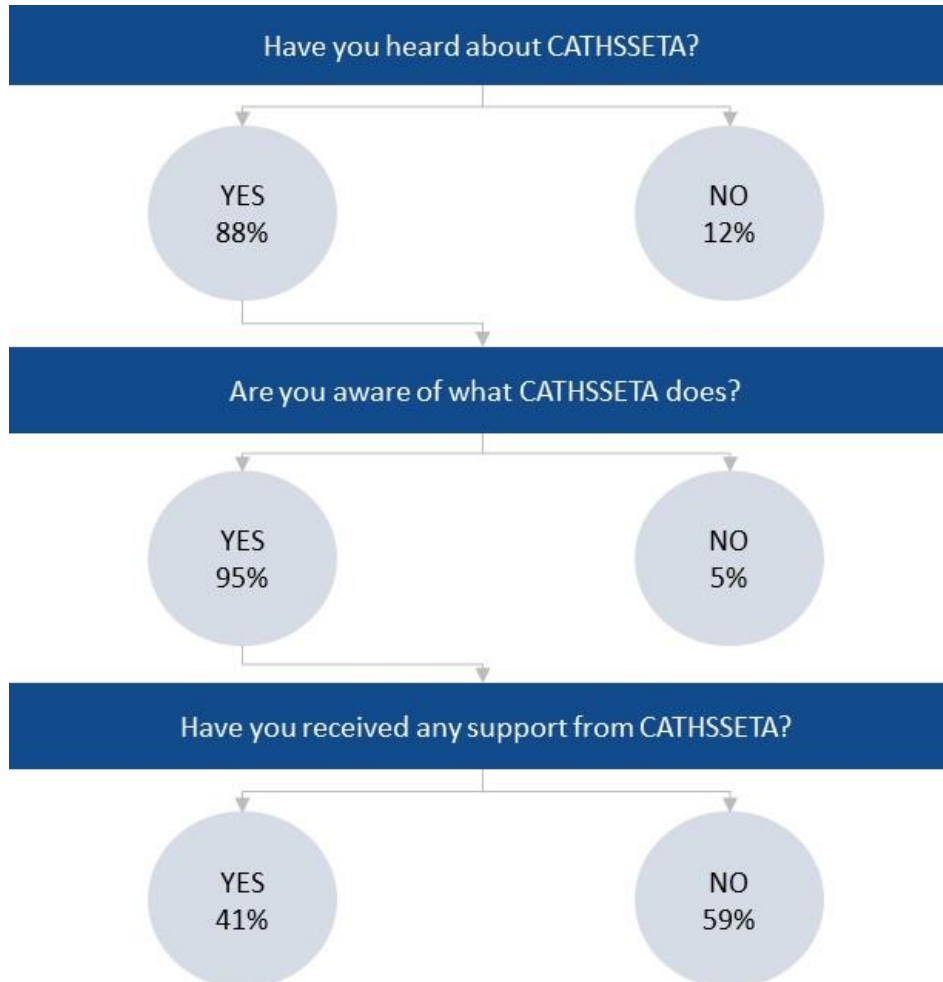


Figure 1: CATHSSETA Interaction

Majority of respondents in the Gaming and Lotteries sub-sector (78%) have received support from CATHSSETA while the majority of respondents in the Arts, Culture and Heritage sub-sector (85%) have not received support from CATHSSETA. More than half of the SMMEs from the survey in the Hospitality, Sport, Recreation and Fitness, and Tourism and Travel sub-sectors have not received support from CATHSSETA.

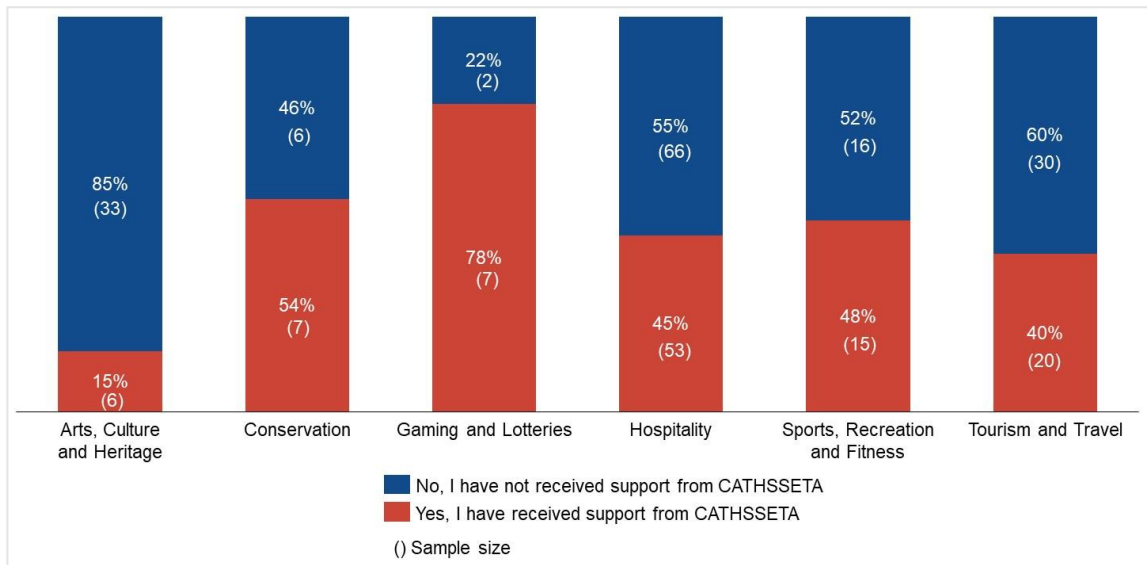


Figure 2: Support received per subsector

The respondents that have been operating for more than 11 years have majority of the SMMEs supported by CATHSSETA while more than 50% of the respondents that have been operating for 0-3 years, 4-7 years and 8-10 years have not received support from CATHSSETA.

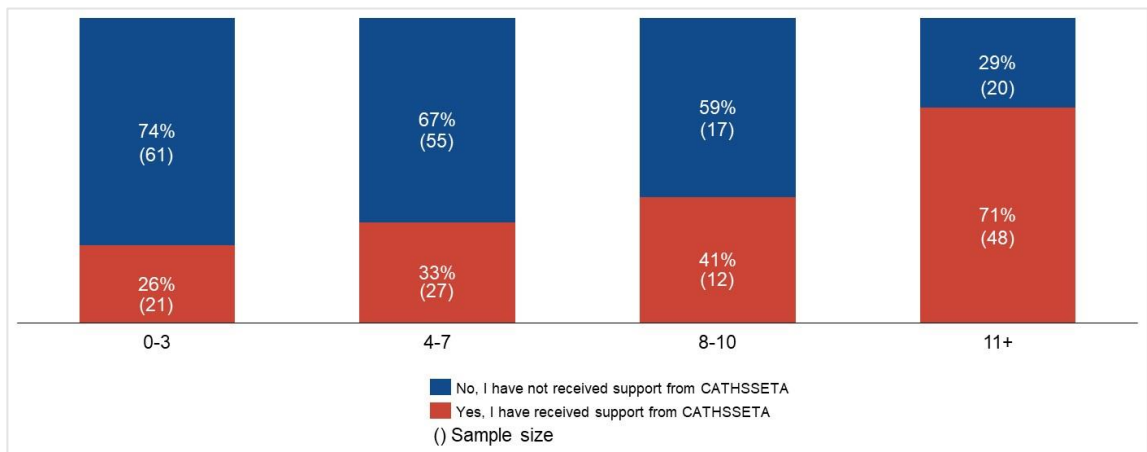


Figure 3: Support received per years in operation

CATHSSETA has yet to provide support to most of the respondents (77%) in Mpumalanga. This is followed by respondents from the Northern Cape, with 71% of respondents that have not received support from CATHSSETA. Limpopo respondents have the highest percentage (52%) of SMMEs who have received support from CATHSSETA, followed by Eastern Cape with 50% of respondents who have received support from CATHSSETA.

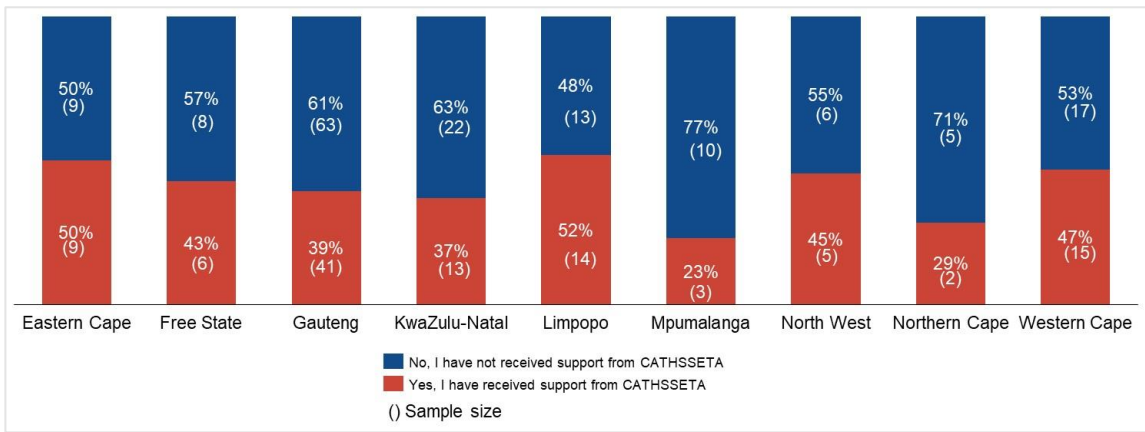


Figure 4: Support received per province location

Most respondents across the three geographical areas have not received support from CATHSSETA. The results show that 63% of the respondents from rural and semi-rural areas and 56% of respondents from the urban areas have yet to receive support from CATHSSETA.

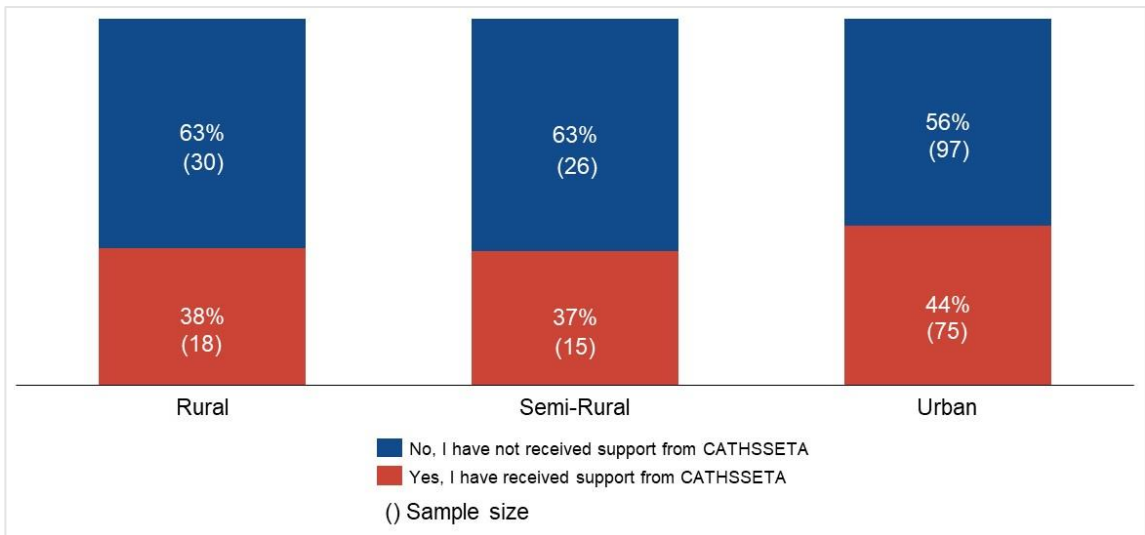


Figure 5: Support received per geographical area

Respondents aged 31-40 years old have the highest percentage (68%) of people who have not received support from CATHSSETA. The 18-30 years age group follows with 63% of respondents who have not received support from CATHSSETA. The highest percentage of respondents that have received support from CATHSSETA are aged 51+ years with 60%.

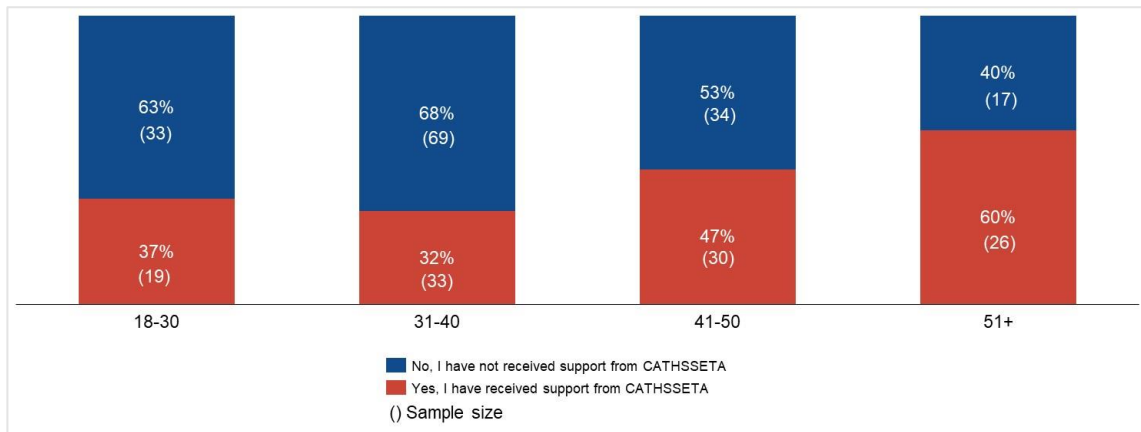


Figure 6: Support received per respondents' age

3.2 Type of Support

A higher percentage of respondents who had received support have received skills programmes and learnerships from CATHSSETA (26% and 25% respectively) while 12% attended sub-sector workshops and 11% received internships and work integrated learning programmes.

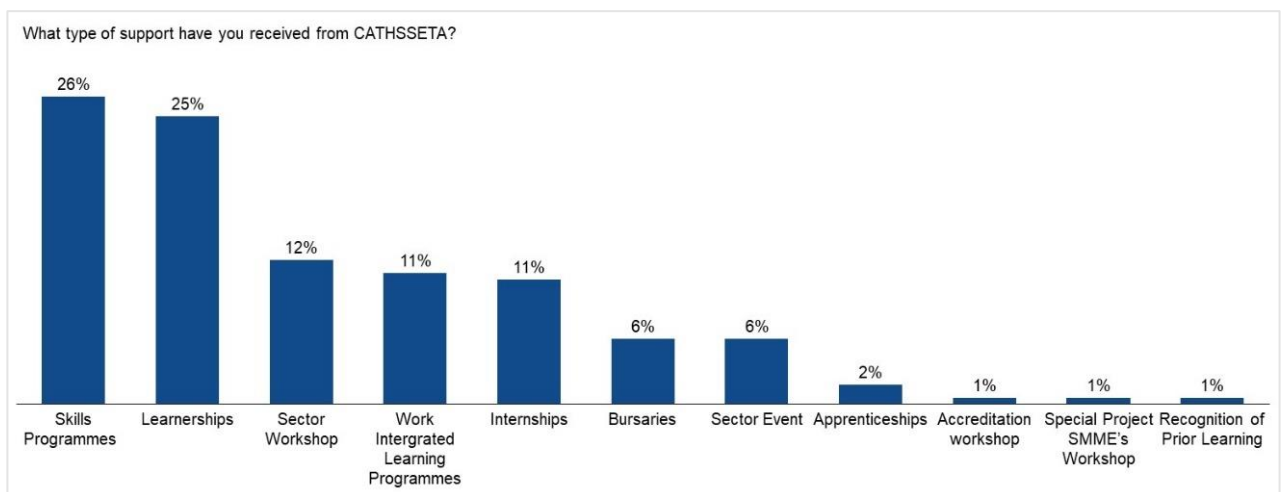


Figure 7: Type of support received from CATHSSETA

3.3 SMME Needs

From the survey, SMMEs who have not received support from CATHSSETA rated all the needs more important as compared to the SMMEs who have received support from CATHSSETA (i.e., the SMMEs who did not receive support rated more needs as very important compared to the SMMEs who have received support from CATHSSETA). All the scores for SMMEs who have not received support from CATHSSETA are greater than 90%.

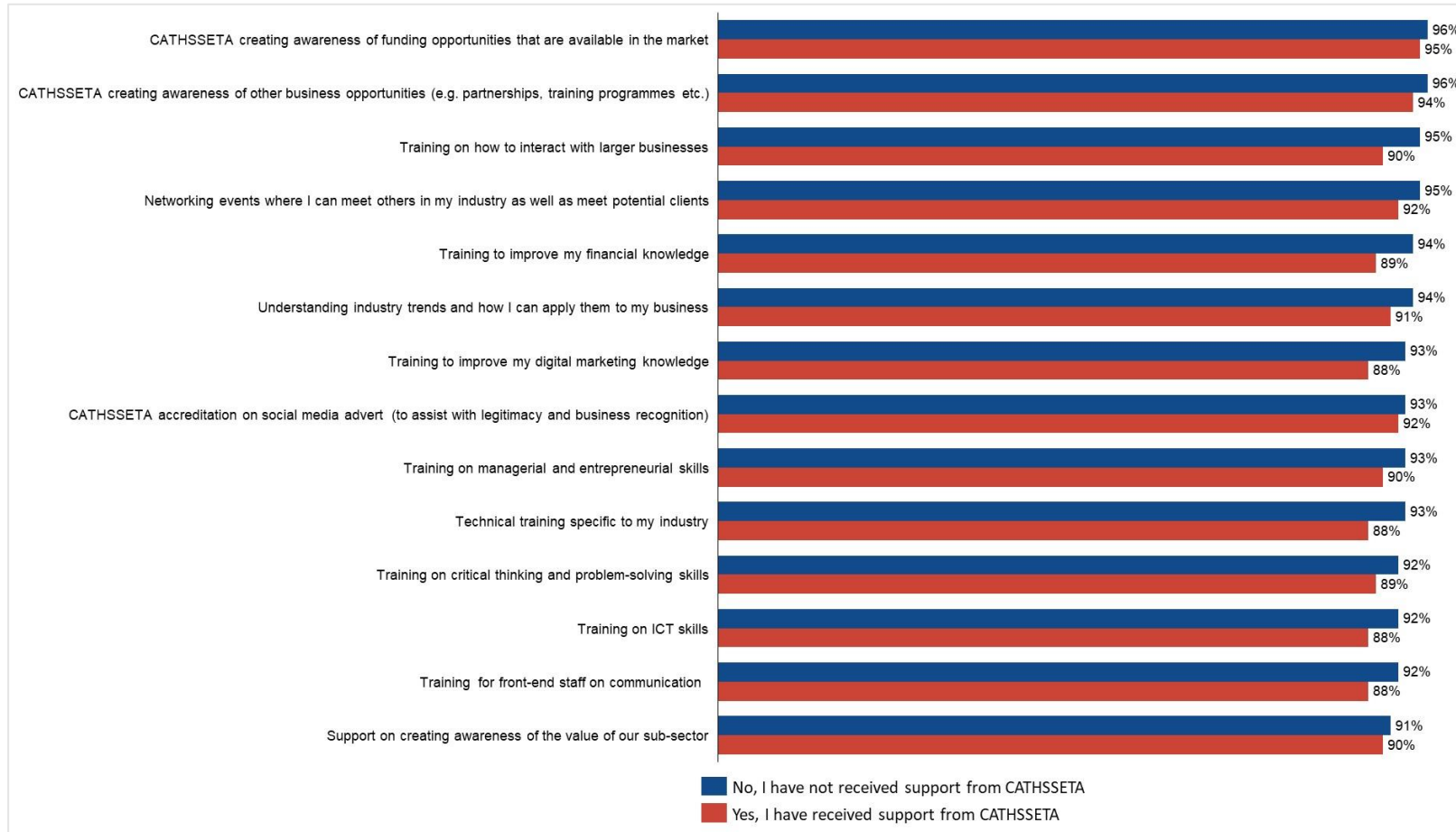


Figure 8: SMME Needs

The respondents who have received support from CATHSSETA find CATHSSETA's creation of awareness of funding opportunities that are available in the market as most important. Another important need for these respondents is the creation of awareness of other business opportunities. The least important needs are the training on ICT skills and technical training specific to the industry.

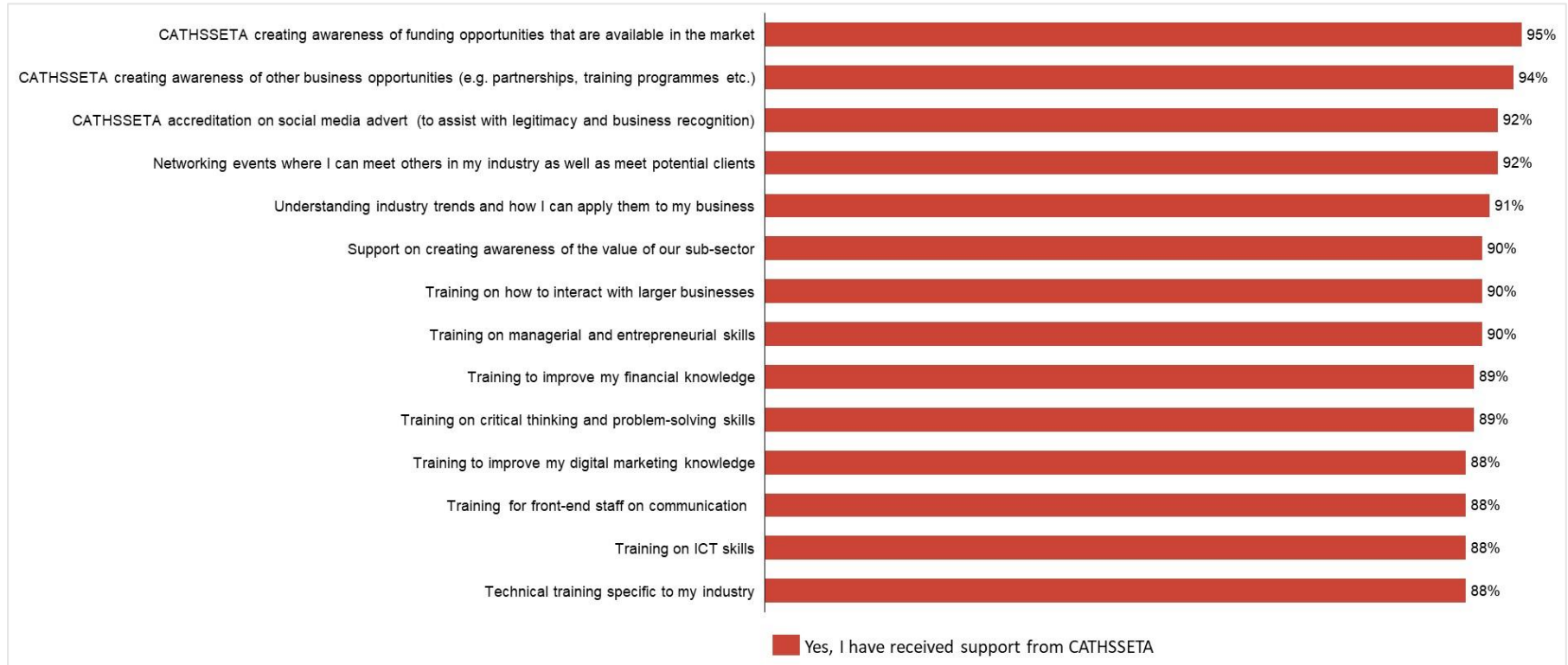


Figure 9: Needs of SMMEs who have received support from CATHSSETA

The respondents that have not received support from CATHSSETA have similar needs to those that have received support in that they also find creation of awareness of funding opportunities that are available in the market and the creation of awareness of other business opportunities as the most important needs. They, however, find the support on creating awareness of the value of their sub-sector as the least important need.

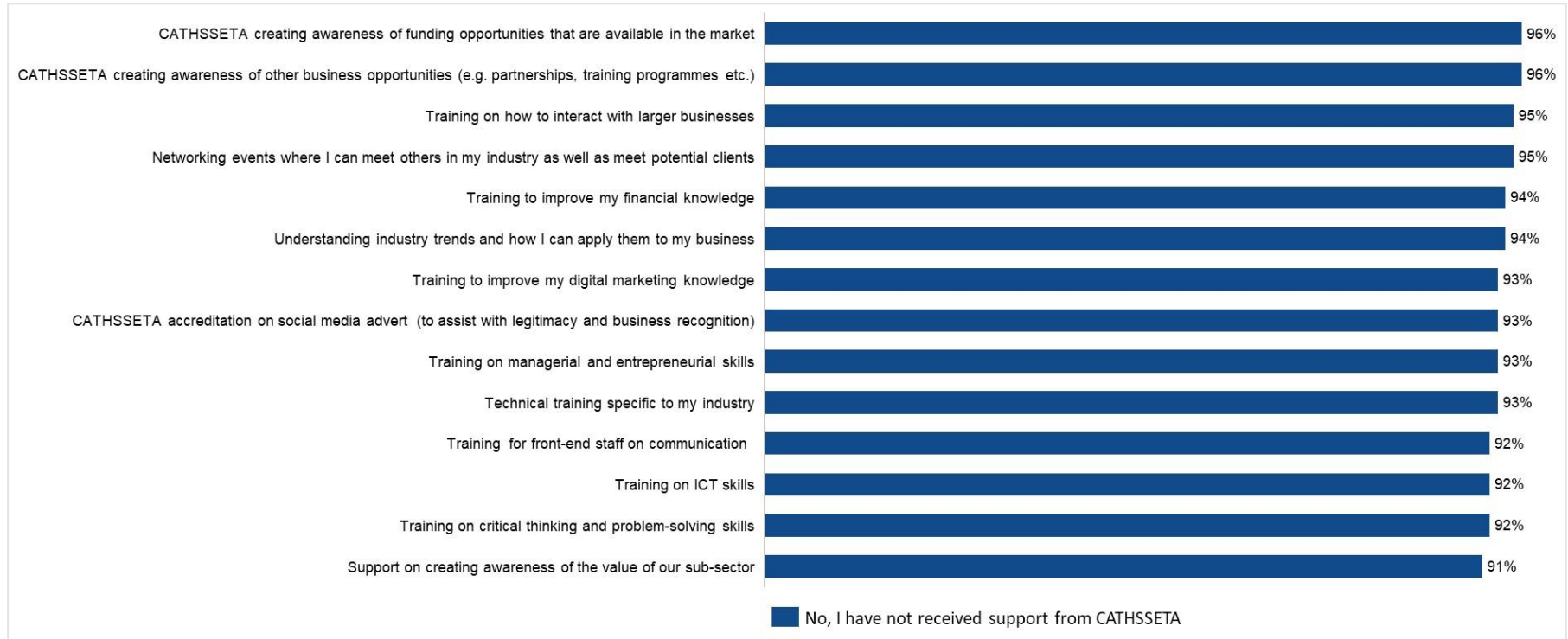


Figure 10: Needs of SMMEs who have not received support from CATHSSETA

3.4 SMME Challenges

Both respondents who have received and have not received support from CATHSSETA find limited access to low -and medium cost funding as the most important challenge. Those who have not received support from CATHSSETA rated the lack of good quality education or business experience as the least important challenge and those who have received support rated lack of financial knowledge as the least important challenge.

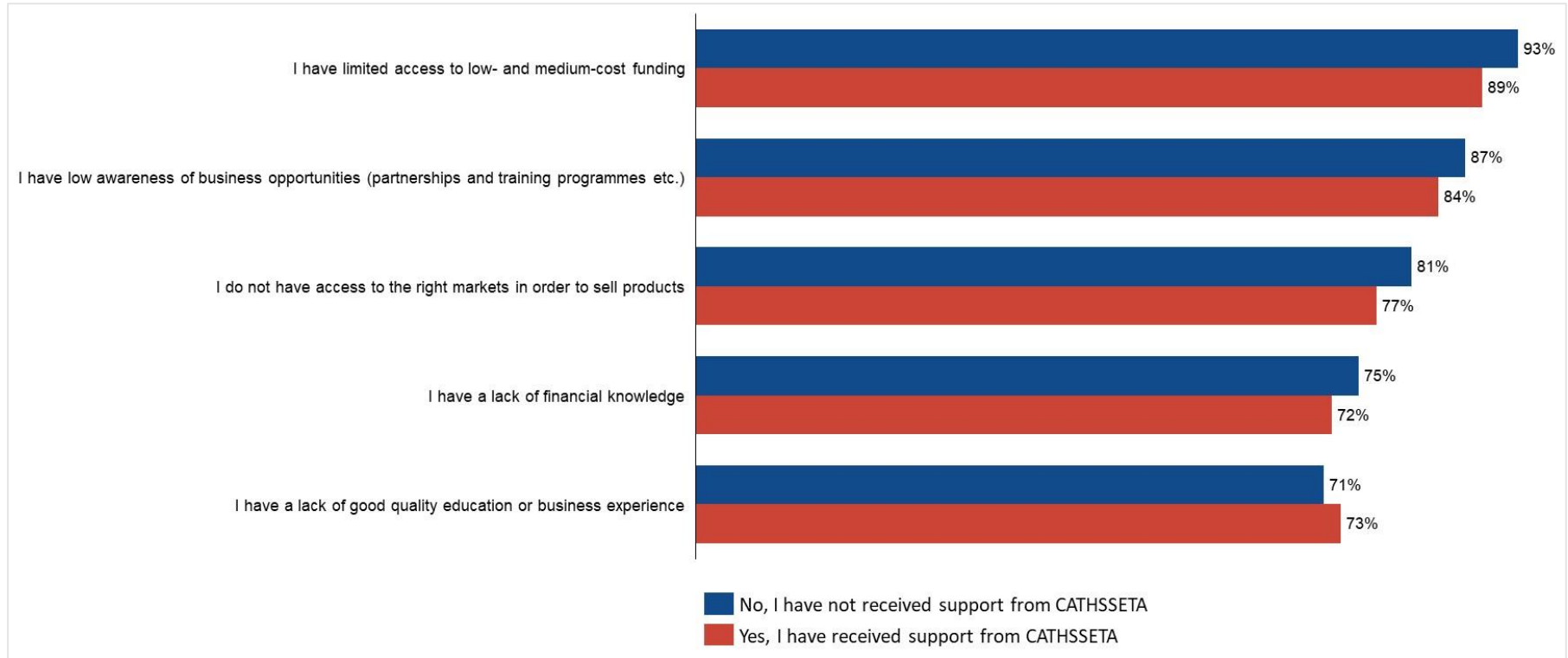


Figure 11: SMME Challenges

Limited access to low-and medium-cost funding is the most important challenge for the respondents that have received support from CATHSSETA. The level of importance is followed by low awareness of business opportunities. The least important challenges for these respondents are the lack of financial knowledge and lack of good quality education or business experience.

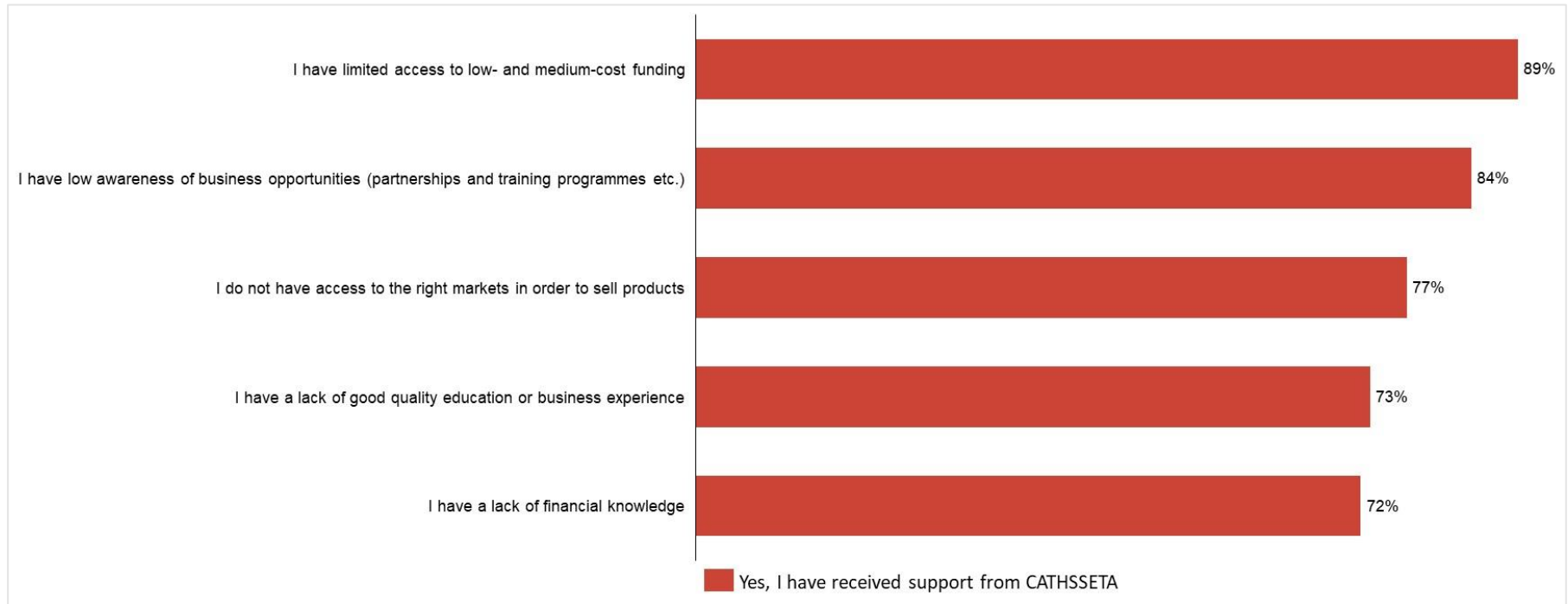


Figure 12: Challenges of SMMEs who have received support from CATHSSETA

Similarly to the respondents who have received support from CATHSSETA, limited access to low- and medium cost funding awareness of business opportunities are the most important challenges for the respondents who have not received support from CATHSSETA. The least important challenges for these respondents are the lack of financial knowledge and lack of good quality education or business experience.

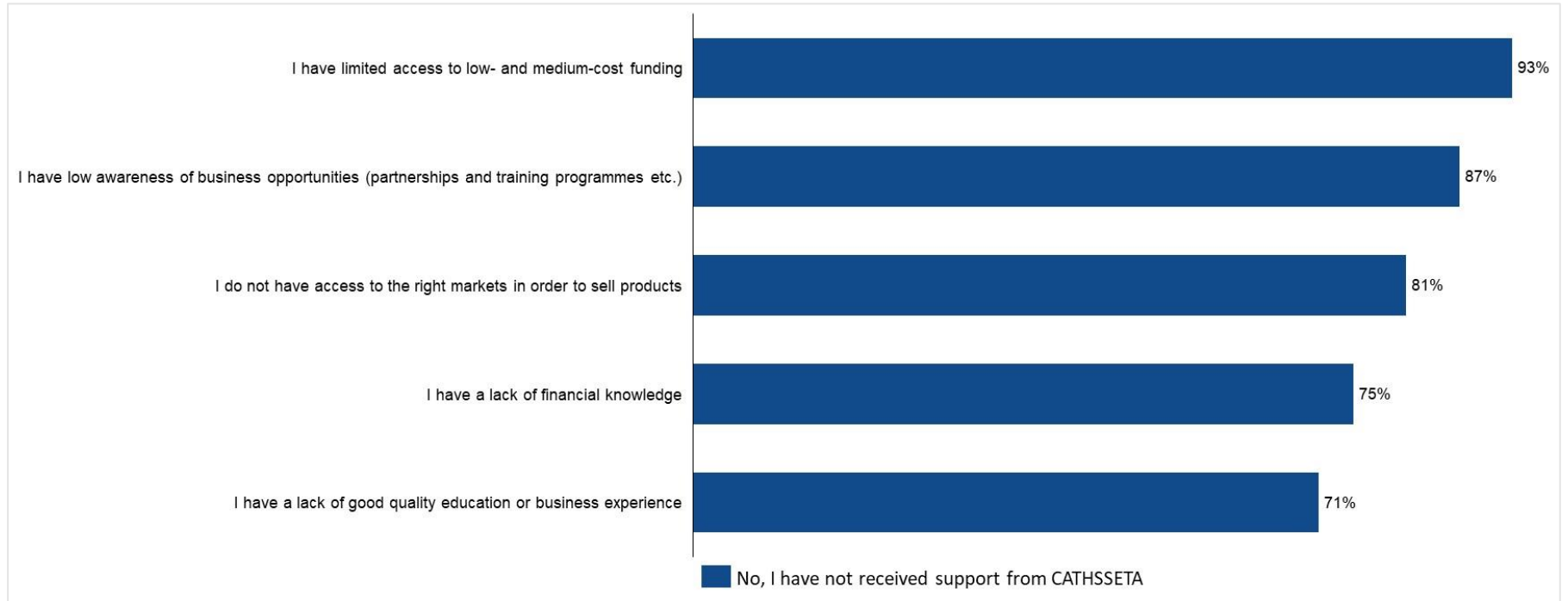


Figure 13: Challenges of SMMEs who have not received support from CATHSSETA

Chapter 4: Conclusion

Respondents from the Arts, Culture and Heritage sub-sector and younger businesses, especially those who have been in operation for 0-3 years, accounted for the least percentage of respondents who had received support from CATHSSETA.

Those who had not received support from CATHSSETA seemed to rate all the non-financial support options as more important than those who did not receive support from CATHSSETA. This could be because they have not had as much support in general, therefore, they rated more factors as important for them, whereas those who had received support might have already received training in specific areas, resulting in them rating these factors slightly lower in terms of importance to them.

Both groups rated the awareness of funding and business opportunities as most important. Those who had received support from CATHSSETA rated training on ICT skills and technical training specific to their industry as least important. Those who had not received support from CATHSSETA rated training on critical thinking and problem-solving skills and support on creating awareness of the value of their sub-sector as least important.

Both groups rated access to low- and medium-cost funding and low awareness of business opportunities as their biggest challenges that they face as SMMEs in South Africa.

Overall, it seems that respondents who have and have not received support from CATHSSETA have very similar results in terms of their key needs and challenges.

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