

## **PETRO COMPANY YOUTH ENTREPRENEURSHIP CASE STUDY**

### **Brief overview of the project**

The high unemployment rate amongst the youth is alarming. The effect thereof is a daily reality in the communities where Petro Company operates. Plenty of research has concluded that entrepreneurship is one of the most likely vehicles to create job opportunities for the youth; the South African government has also emphasised this in their Youth Enterprise Development Strategy (2013 – 2023).

Petro Company developed training programme targeted at the youth. This programme included elements of both personal development (self-discovery) as well as entrepreneurial training. The aim of the programme was to start off by entrepreneurial teaching, but end in entrepreneurial learning, that is relevant, practical and sustainable. The programme was 12 weeks long and 15 initial students participated in it.

As a follow up to the training programme , Training Programme 2.0 was introduced. Mint Fresh ran the 2.0 programme on behalf of Petro Company. The aim of the Training Programme 2.0 programme was to assist youth entrepreneurs to take an idea to commercial stage and build a sustainable business. The programme was designed to dovetail to the Training Programme developed



by Petro Company. Participants of the 2.0 programme were recruited from the graduates of the first training programme. From the first cohort, 6 students were chosen to participate in 2.0. Some of the participants in the 2.0 programme had just started their businesses but not made any traction yet, others, their businesses were still in the idea stage. The duration of the 2.0 programme was just over 6 months.

### **The project deliverables were the following:**

- ✓ Weekly training session with the participants on business management and principles
- ✓ Weekly one on one coaching with the participants
- ✓ Weekly entrepreneurship slot on local community station with participants and experts
- ✓ Create business networking opportunities for the participants

- ✓ Established, income generating businesses by the end of the programme
- ✓ Monthly progress reports

### **What was the business challenge?**

The client had 3 problems they wanted to resolve with this project

1. How to encourage youth to participate in entrepreneurship? (Socio Economic Development)
2. How to support local community SMME's in their growth objectives? (Enterprise Development)
3. How to create a pipeline of new SMME's to introduce to the value chain for new supply opportunities? (Enterprise Development)

### **What we did / our interventions?**

#### **- Training and Coaching**

Mint Fresh developed a curriculum that was delivered to the participants over 24 weeks. This was delivered in a class room format with homework being given on a regular basis for students to complete. The curriculum included the basics of business management, strategy, financial management, marketing, pricing, customer care and operations. The material covered also provided a manual that the students could refer to after the programme was concluded. Individual coaching session was facilitated to guide, support and encourage youth through this journey.

#### **- Social Media and Media Training**

We incorporated the radio element and social media element to the programme. The students were given media training to enable them to do the weekly interviews on the local community station. They alternated being on the radio, with two students being interviewed each week. The students were also given recorders and had to document their journey during the programme. These weekly recordings were cut and packaged and played on the local community station.

The students were also given social media training to enable to open social media accounts for their businesses and use social media to get customers. This is relevant for the youth as most of them are familiar with social media but don't really use it for business purposes.

#### **- Networking Opportunities**

The participants have not been exposed to much outside of their local. Mint Fresh further introduced a networking and business link opportunities. We arranged for them to attend FUNDEX and the Small Business Expo in Johannesburg. They also had two opportunities to exhibit their products at a University and at new Petro Company's head office in Sandton.

With networking events, the aim was to ensure that the SMMEs get exposure, can meet and engage with other SMME development agencies, successful business owners, potential customers and stakeholders within the business spectrum.

### **What were the results /outcome?**

Each of the starting youth entrepreneur walked away with an income generating business and resources to continue running the business. Petro Company also assisting the students with buying them material and equipment required to make their products and deliver their services. A one-year plan and projections was given to each of the participants so that they have a roadmap for their first year of operation post the programme. They also had business logo and identities designed. The participants also received business cards and have had websites designed to assist them to market their businesses.

- ✓ This can help the company when borrowing money: assets are one of the most common source lenders uses to analyse the potential borrower.
- ✓ Increased business resources and productivity: image of the company has improved; advanced machinery and equipment's are used.
- ✓ Some of the businesses will no longer have to rent equipment and machinery, they now have resources in-house saving them on costs of sales and increasing their profit margin.

Three of the youth entrepreneurs have been incubated at Petro Company's Incubation hub and allocated mentors for the duration of their incubation. The first 6 months rent of their incubation has been subsidised and they are expected to be generating enough income to start paying rent at the incubation hub.

The participants walk out of the programme with substantial unique set of skills, knowledge and ideas that they acquired from the training they attended improving their ability to analyse data, improve financial decisions and make better predictions about the future.

The participants were paired with experienced and professionals during their coaching session to help mould, advise, hand-hold, stimulate Improved problem-solving techniques and encourage business owners during their path of growth and development.

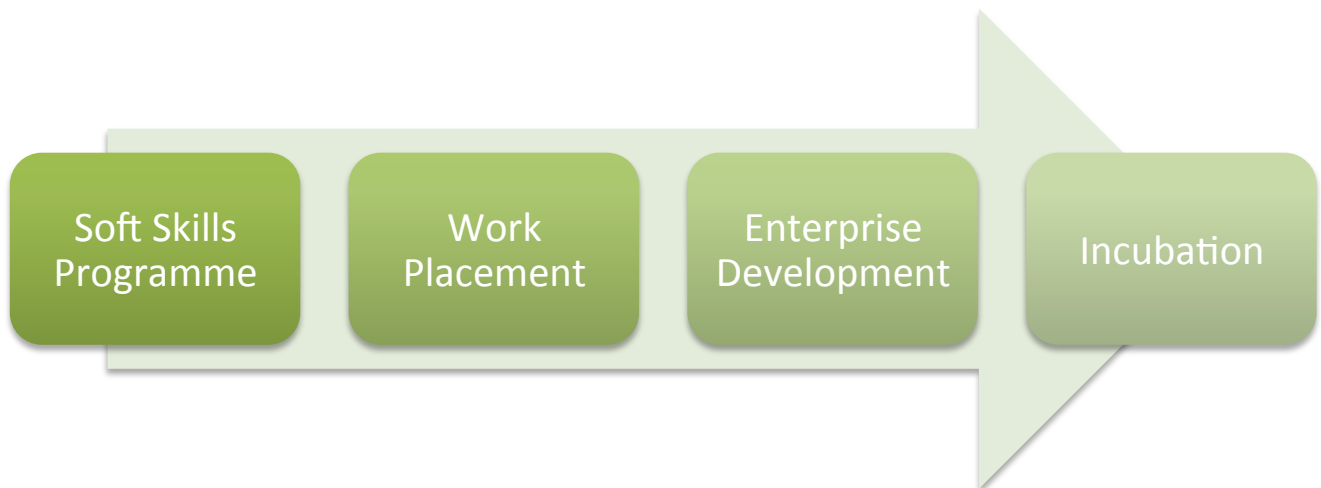
From the exhibition at Petro Company Place, one of the participants who makes clothing received an order from one of the executives at Petro Company. The order was for capes made with the Basotho blankets which were trendy this winter. The daughter of this executive is also a big celebrity in South Africa. This was great exposure for the young man and his business.

The participants continue to utilise the skills, knowledge and templates that they received during the

programme to develop and implement good business practices, putting relevant business strategies, processes and measures in place.

### Lessons Learnt during the project

The process flow below shows how we believe the youth entrepreneurship programmes should be structured based on the experiences during the programme.



- ✓ Some of the participants did not have matric so academic side of the programme had to be brought down to high school level with the help of curriculum experts
- ✓ There needs to be a programme for soft skills to teach them the disciplines of business life.
- ✓ The participants need to be given a stipend during the training period - tap into the youth wage subsidy.
- ✓ Most of the participants had no work experience. They should be placed in a business where they can have a better understanding of the are they want to venture into.
  
- ✓ All candidates should be assessed at each stage before being allowed to progress.
- ✓ Each candidate is to be given a mentor to guide them through the process.
- ✓ Once the Business is up and running it goes into incubation.
- ✓ No organisation can implement the entrepreneurial path on their own, there is a need to partner with other organisations.