

Innovation develops our nation. The story of the Tsilitwa village

Fervent, passionate and inspirational, but also steady, soft spoken and humble – the truth is that innovators come in different shapes and sizes and from all walks of life. This special breed of people embodies different ethnic backgrounds, social standings, educational levels, genders, ages and even general looks.

Innovation and the sustainability of a new enterprise go hand in hand. The ability to make new things happen is the entrepreneur's strength. In a study done by Da Vinci Research, successful SME leaders indicated that their ability to innovate was core to the business' success. Success in this case was defined as very positive turnover growth sustained over a period of 3 years, at least more than 30% per year and up to 200% a year.

Small enterprises are the greatest job creator in South Africa. Boosting this ability across the country is very important for all South Africans. A refreshing success story that shows how innovation through entrepreneurship and community development can build economies in the most rural of areas, is the story of the Tsilitwa Village – a communal effort in innovation. The "sustainable village" project

in Tsilitwa was officially opened on 2nd June 2006 by The Honourable Deputy Minister of Environmental Affairs and Tourism, Ms Rejoice Mabudafhasi. It is regarded as one of the most successful development projects of 2005/6 by the Department of Environmental Affairs and Tourism (DEAT), who provided the funds for the demonstration project. Tsilitwa's closest, larger trading centre is Qumbu, forty-five minutes away by car.

The community of Tsilitwa went into partnership seven years ago with Sustainable Villages Africa (Pty) Ltd (SVA), a spin-off of the CSIR, to develop the innovation capability of the village. In short, it was the business operating ability of the village that had to be expanded. The sequence of development was designed as follows:

- To build a guesthouse (A guest house can be used, during the construction phase, to house the many contractors who have to work on site and to save them hours of travel time and thousands of rands travelling to the village from remote towns with hotel accommodation. The money saved can rather be spent on community members who provide the same hospitality services on site, as a normal guesthouse would in the faraway towns)
- To provide enough energy in the village (This

energy is used to stimulate local economy, such as water pumping for irrigation and power for manufacturing enterprises, not for household consumption)

- To establish a reliable water supply to the village. (Piped water is essential for emerging farmers, who otherwise would have to carry water by hand)
- To set up a technology-driven business (Medium sized, manufacturing a product that can be sold outside of the village's economic area, thus bringing in valuable "foreign exchange")
- To establish a community co-operative (The co-operative allows equitable sharing of profits by all villagers who become members)
- Establish homestead agriculture (The easiest, lowest energy and best cultural fit for start-up agriculture, to be followed by larger commercial ventures when the route to market has been established)
- To operate the Village (Where training and experience are built up over time)

Why are SMEs so important for development?

Mr Clive Norton, MD of Sustainable Villages puts it as follows: "Although commercial agriculture will eventually drive the village economy, in the



first few years, while emerging farmers become viable, a cash cow is needed to stabilise the village. A business platform (a strong SME) is needed to allow community members to gain on-the-job business experience, particularly in the 'softer' fields of marketing, finance, HR and business management.

SMEs and the co-operative create employment, especially for the youth, so that careers other than farming are available to better suit people's aspirations. It is important that the businesses are powerful enough (medium sized, rather than small or micro-businesses) that they can sell their products to towns and cities outside their local area, in order to bring new money into the village economy. The profits from such businesses are used to make the community's co-operative viable, to invest to develop more SME's and for other social benefits within the community, at their own discretion.

Our biggest problem right now is to find venture capital to fund the SMEs. This need does not appear to fit well in any of the existing institutions' portfolios. "

Mr M. J. Jikijela, a leading member of the Tsilitwa community, states that the crucial success factors for the businesses in Tsilitwa are that the community has taken their future into their

own hands, have found development partners who can help them achieve their aims and have correctly, positively and proactively mobilised government to apply the needed funds in the community's responsible hands. Now that a good working model has been established. However the funders should know that they need to continue to invest until the village is viable in its own right. Only then can the job be considered to be done.

The community of Tsilitwa has displayed the attributes of innovators, as identified by a survey done of Impumelelo award winners, by Dr Mohammed Jeenah, from the Centre for Public Service Innovation (CPSI), and the writer. According to the study, innovators show:

- A positive attitude,
- Action, drive and persistence,
- Understanding people and the environment in which they operate,
- Teamwork,
- Bravery and conviction,
- Using their skills,
- Mobilising skills they do not have but need,
- Passion,
- Being real,
- Using what they have and where they are to the best of their ability and most of all,

- Having a vision for a better tomorrow.
- One of the factors that stood out from the conversations with these innovators is that it is people who innovate, not systems or structures. Actually, systems and structures can often stand in the way of, or even bog down, the innovation process. Successful innovators however, always manage to overcome such constraints. Let's drink a toast to the innovators of Tsilitwa who are building our nation through innovation.



Audrey Verhaeghe
Director, Da Vinci Resources Management