Dr Tebogo Matome talks of the challenges facing the Small, Medium and Micro Enterprises (SMME) sector like a doctor who has diagnosed a patient and found out exactly what the patient's problems are. He is passionate about the role of Local Enterprise Authority (LEA) and his talk about the needs of the SMME sector in Botswana is characterised by an academic eloquence that epitomises his total interest and commitment to this subject.

With his grasp of issues that sum up the SMME sector here, he is aware that when LEA was established it was mainly because the Government realised that without such an organ, its efforts of empowering Batswana to become better entrepreneurs would continue to hit a snag.

At the end of this interview with FIRST HAND, Dr Matome said something very interesting when asked what would happen if the organisation failed in its mandate just like all the other citizen empowerment initiatives which came and went in the past. "If LEA fails? Then we should close this country. When companies fail they close shop isn't it?"

There is more to that statement than just a light-hearted joke. LEA is the government's last throw of the dice in its efforts to bring to life the potential of the small, medium and micro businesses in this country which over the years, have struggled unsuccessfully to add value to the national economy.

Matome, who was appointed CEO of LEA in 2005, says the organisation was established by the Small Business Act, No. 7 of 2004, as a statutory authority of the Government of Botswana.
Successes and challenges at Molepolole

Lesedi Ngakane, the Molepolole LEA Branch Manager can’t wait to officially launch his office on the 14th of December this year. He believes that since the office opened in April this year, a great many successes have been scored, despite the prevailing challenges.

Ngakane says his office has assisted 500 clients within the first seven months of operation. “We have a five months plan at LEA when we assist our clients.

Several projects are at various stages right now. Some of the business people who approach LEA already have businesses running and only want to be assisted with skills like marketing, and other forms of training. The fact that within the first seven months of operation we have assisted 500 clients says a lot about the accessibility of our office, and how eager Batswana are to start their businesses after learning about LEA”, says the justifiably proud Branch Manager.

He says when they first set up office in April this year they made sure that they were assisted with skills like marketing, and other forms of training. The fact that since the office opened in April they have a five months plan at LEA when we assist our clients.

Ngakane also comes across as someone with a special talent for herbal medicines. When he starts talking about all the valuable herbs in the region, for a moment one would think that he is a traditional herbalist. He talks with passion about the wealth of natural resources in the Kweneng region, especially the Kgalagadi desert, which he says has a rich, unexploited wealth of herbs.

Ngakane was born in this region, and grew up knowing several herbs important for human health. He names the abundant natural resources found in the area so easily and he wishes that many upcoming entrepreneurs will learn the value of the natural resources found in abundance in this desert place.

The area under his care caters, among others, for people as far in the desert as the hinterlands of Kaudwane, Lephephe, and Letlhakeng, to mention a few. Most of these people are Bakgalagadi and Basarwa.

For the Molepolole region, LEA Branch Manager says the challenges include cultivating a culture of pride in one’s heritage and turning that cultural heritage into commercial value. Sadly for the LEA Manager in this region, most of their clients do not seem keen on exploiting the abundant natural resources in the area that include not only herbs, but also wild animals.

Ngakane talks of a long term plan to have a research unit that would come up with a number of viable natural resource based projects. “Community based projects would be ideal, but at the moment we do not have any but it is important to cultivate that spirit in the future”, he opines.

Wazha Tema is the National Branch Network Director (NBN) at LEA. He is in charge of LEA’s 13 branches countrywide. Tema says NBN, as his division is called, is the delivery arm, the nerve centre of LEA as the organisation’s programs and interventions are delivered by the branches.

“This division ensures that LEA services are consumed, it ensures customer service is very good. We treat our branches as one stop centres and so far things are going fine although we started late in terms of refurbishing the offices. But we have done a lot, seven months since we took off, we have over 4000 clients getting help from us”, he revealed to FIRST HAND.

“It shows that the uptake of our services is very high”, says Tema, formerly Deputy Director in the Ministry of Wild Life, Environment and Tourism. He acknowledges that 13 branches countrywide are not enough.

The service is well received by districts. All our 13 branches are situated at District headquarters. We still have sub-districts to service. Our hope is that we have satellite offices in sub-districts because some districts are just very big and they cannot be serviced from one centre. Our mobile service stops are now targeting villages. This has helped us know where our services are needed most”, he said.

Tema says even some of his 13 branches are not sufficiently staffed. “We are continuing to recruit more people. Most branches have eight employees, some have seven, five or even four employees. We have started putting up adverts in the print media over the last week,” he said. “But overall the programs have been well received by districts. The District Councils have incorporated us into their various district consultative committees, and that shows good initiative,” Tema told FIRST HAND.

Tema mans LEA’s nerve centre

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Agriculture stated as popular enterprise

At a time when young people seem only interested in white collar jobs and were being written off as uninterested in the labour intensive agriculture sector, the Mochudi LEA office has seen the opposite of this. The Bakgatla’s interest in agriculture has amazed the LEA district consultants. Branch Manager Anastasia Nkhumo Mamelodi is upbeat that in the next few years Botswana will no longer be dependent on imports, especially in the areas of vegetables and fruits, an area in which the majority of LEA clients in the Mochudi office are so keen on expanding.

“Most of them are agricultural projects, and we are very excited about that. We are helping them to come up with convincing business proposals for funding, because this is one area where Botswana is currently lagging behind”, said the Branch Manager with a smile. Already LEA has 140 clients enrolled in their monitoring and mentoring program and according to Mamelodi this number is really huge considering that her office was only opened in April this year. She revealed that at the moment they are dealing with business plans, which is the last stage of assisting clients before they get funding.

Mamelodi says her office does not just open doors and wait for people to come to them. They hope people will discern where LEA is or what LEA is all about. To that end they have been going out to every village to take their services to the people. This past Saturday for instance, the Mochudi office staff went to Morwa where a church organisation had invited LEA to explain their services and show the people, especially the youth, how they could benefit from LEA. “We have also been accompanying area MPs and addressing communities through Kgotla meetings. In the last two weeks, we have been doing “mobile stops”, where we visit villages for two days, talk to the community about LEA and register clients on the spot.”

Mamelodi says one of the problems that Batswana are facing right now as evidenced by her LEA office, is a lack of start-up funds. “Most people who come to us have business ideas, but they do not have the funds to get their project going”. 

A thriving vegetable project in Phikwe
LEA: Answer to SMME success

"LEA is intended to create a coordinated and focused one-stop-shop authority that will provide support services to the local industry needs of SMMEs, encompassing training, mentoring, marketing, and technology support for product development". Matome says LEA’s mandate goes beyond mentoring and monitoring of businesses. "Some people think this is the only mandate that LEA has. Mentoring and monitoring are only a small part of LEA’s functions. LEA has indeed, ten other functions. It provides business development services such as screening of clients, business planning facilitation, training and mentoring. We also identify business opportunities for existing and future SMMEs. "We promote domestic and international linkages, especially between SMMEs and Government, large business entities and other SMMEs. We also encourage exploitation of government and large firm procurement opportunities. We facilitate access to finance, standards, infrastructure, and changes in regulations. We facilitate technology adoption and diffusion, and we promote general entrepreneurship", he said with well earned pride in the organisation under his stewardship.

The Virtual Office offers easy access to LEA

"People do not need to keep coming back to us. They save time and expense by just calling us at the Contact Centre. They call it the Contact Centre. Anyone could just dial the toll free number at no charge, and make enquiries about LEA’s services. The virtual office, which is open to all citizens across the country, is located in Mochudi and is managed by a team of four, including a team leader and business and marketing advisors, all extremely knowledgeable in their field of business. The Manager of the Contact Centre, Masego Gwaila says the virtual office is not only open to those wanting to know for the first time about LEA’s services, but also for those who need to check out how far their paper work at LEA has progressed as they travel the road of setting up a new business. "People do not need to keep coming back to us. They save time and expense by just calling us at the Contact Centre on the toll free line. Our clients find it very helpful to make follow ups or more enquiries through this virtual office", explains Gwaila. She says the Mochudi office has also been of great help to those who are meeting LEA for the first time. She said people would call and seek to know where the nearest LEA office is so that they could get help from them. "We simply find out where the caller is and direct him or her to the nearest office in their area", Gwaila says.

Gwaila cautions that the Contact Centre is not for the purpose of opening new businesses. That is handled by the LEA offices. We are there to help answer questions about LEA and direct people who need LEA’s help to open up their businesses. ‘But we learn a great deal about the problems that Batswana face while seeking to break into the business world.’ Some of the calls come from frustrated people who share with us their distress, their disappointments and
Proud gemmere woman

Today Mochudi woman Boitshepo Mooki is beaming with joy. She is about to open a huge factory at Phaphanae ward. She is into the business of brewing traditional drink, gemmere or (“home made”) ginger and is upbeat that gemmere would eventually be able to penetrate the international market competing against other established brands.

Mooki’s gemmere idea started when she was retrenched from De Beers where she was a librarian. She says she started making gemmere the traditional way at her house. She says she learnt the recipe from her late mother. She would then sell the gemmere to the public, at wedding and funerals.

As she waits for the CEDA funding through LEA, Mooki does not stand there arms folded and hopeless. Even from her house, the gemmere brewing business continues to thrive. She says, through LEA, she has been able to grow her business. She can now supply gemmere at the various District Council events. Recently, she got orders from Mochudi LEA Branch which offered the gemmere to guests at its official opening. The LEA officials used the official opening to, among other things, urge local authorities to support businesses such as Mooki’s. Perhaps the icing on the cake was when the joyful looking brewer was asked to come to the podium and share her story of success with the gathering.

She says she has benefited a lot from LEA’s advise that, right now, she has been able to professionally bottle her gemmere, get it labeled or branded with professionally designed stickers. “The help they gave me was enormous. I started from scratch with nothing, but the LEA people have been encouraging. They would phone me, and urge me to come and see them, and they would sit down with me and offer me some vital business solutions. At first I used to bottle the gemmere into Coca Cola bottles and sell it to the public. Now you can tell from the packaging that I’m going to the same thing ever to happen to Botswana. MP for Kgatleng West, Rakwadi Modipane says, for a long time in the past, efforts at empowering citizens have all had to be aborted for lack of an organ like LEA which would mentor and monitor Botswana business initiatives.

“It gives me hope that we will go somewhere as a nation with an organ like this. What pleases me even further is that LEA has been allocated seats in Land Boards, because unavailability of land has hindered Botswana’s progress in their business endeavours. Along with working capital, and labour, land is a prime factor for production and for the success of any business,” Modipane was understands that it is urgent for people to get land. It is also pleasing to me that LEA is helping business people to secure markets, both locally and beyond our borders, we have not had anything like this in the past to boost the citizen empowerment drive of the government”, Modipane said.

The MP also added that it was surprising that a young democracy like South Africa has been able to roll out citizen empowerment in an amazing way while Botswana has struggled to achieve the same results in 40 years of independence. But with the advent of LEA and the way it is progressing, he was certain that Botswana too would succeed in this sphere. He appealed to those sitting in tender committees both at local and central governments to start supporting all Botswana businesses.”

Kgatleng West MP gives LEA the thumbs up!

It’s been just seven months since LEA offices were opened country wide. Successes seen within this small span of time, impressed him so much, that a politician has thrown his weight behind the initiative and hailed it as “the best thing ever to happen to Botswana. MP for Kgatleng West, Rakwadi Modipane says, for a long time in the past, efforts at empowering citizens have all had to be aborted for lack of an organ like LEA which would mentor and monitor Botswana business initiatives.

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SMME Environment Development Services

It is all systems go at the Local Enterprise Authority (LEA) to give the Small, Medium and Micro Enterprises a new face while injecting some confidence in the country that LEA is a significant player in the national economy. Because of the diversity of its mandate, LEA has been divided into various divisions, each charged with a specific mandate. One of these divisions is the SMME Environment Development Services.

Shakie Kebaswele is the Director of the division which has been charged with the responsibility of making the environment conducive for SMMEs to succeed. They are to do so primarily by advocating for either change or introduction of policy and legislation and; marketing the businesses making up the sector.

He has vast experience in dealing with SMMEs. “When I was a government officer at the Ministry of Trade and Industry, I was part of the team that plotted a way forward for the transformation of SMMEs he remembers as he traces his roots in the SMMEs sector.

He told FIRST HAND that there is a standing Presidential Directive that requires government institutions, including parastatals, to endeavour to procure their supplies from local suppliers of goods and services. He and his team have already identified obstacles that need their attention. In an interview, he said, “There are over 80 policies and legislative frameworks that have a possible negative impact on SMMEs and therefore must be reviewed for improvement. “These legislations include the Act that established LEA as well,” he added. The position of his division is that these legislation need to be changed to make them more supportive to SMMEs.

Once the team has identified problems, they engage in stakeholder consultations where they would then press for changes in a united voice. Besides poor quality of goods, Kebaswele and his team further learned that another fact working against SMMEs is that they are erratic in supply.

He said LEA has 13 branches nationwide. Ten are in the districts while three are in Francistown, Gaborone and Selebi Phikwe. The opening of these branches is to make it easy for people wanting to start businesses. It also helps with the marketing of SMME products and services.

Kebaswele said they have come to the understanding that SMMEs are facing competition from products that are imported from outside Botswana. The situation is not helped by the fact that even government departments and institutions, tend to shun local products mainly on account of low quality and poor delivery schedules.

Kebaswele say they are basing their ability to change the environment as a part of their marketing strategies. He says that they have developed a market access plan to show their clients the way to market SMME products and services locally, regionally and internationally.

Part of the strategy is to identify and work on secondary industries opportunities that the Copper Mines offer, which, he said can be exploited by the SMME sector.

In particular, they are thinking of Mmamabula Coal Mine and Power Plant. “We have to ensure that when Mmamabula project starts, a conducive environment has been created for SMMEs to make use of arising opportunities. One such initiative could be the positioning of SMMEs such that they can supply the majority of inputs to the projects as well as beneficicate by-products and waste products from the project,” said Kebaswele.

LEA is seeking to develop a breed of sustainable and profitable SMMEs through the concept of incubation.

Through this concept, LEA shall allocate factory shells, and offices to certain businesses, that will then be mentored and monitored for a period of three to five years. When the businesses have matured enough to sustain themselves and compete effectively in the market they will be required to move out and be on their own.

To achieve this LEA has been allocated all the units that include factory shells and offices that used to belong to the now defunct Integrated Field Services (IFS).

The units that are in Pilane near Mochudi, Gaborone, and Francistown, will now be used to incubate the various prospective Botswana businesses.

Unlike previous efforts of incubation which only saw SMMEs accomodated in the factor shells, this LEA incubation system would be unique in that the SMMEs would continue to receive assistance, and monitoring, as well as skills development, to ensure the efforts bear fruit.

It is hoped the incubators would help local enterprises flourish. It will be the first time that Botswana entrepreneurs have the opportunity of benefiting from incubators.

Incubators for SMMEs

Shakie Kebaswele

Growth prospects through incubation
Did U know?

- LEA was established by an Act of Parliament, the Small Business Act of 2004.
- The functions of LEA are 13, according to the Small Business Act of 2004.
- One of LEA’s functions is to provide assistance to SMMEs in preparation of business plans, feasibility studies and market surveys.
- LEA also facilitates and coordinates the provision of infrastructure and facilities such as factory shells and working space, including serviced land and utility services for SMMEs, in conjunction with local authorities, parastatals, the private sector, and the Government.
- There are currently 13 LEA branches in all the District Councils.
- LEA has a Call Centre, based in Mochudi, anyone seeking business assistance could make enquiries @ Toll Free Number: 0800155155.
- LEA currently employs 260 employees, by end of next year LEA will have 360 employees.
- LEA currently has over 4000 clients.

LEA CEO upbeat about Olive farming

Olive trees and their olive oil. That is a resource associated with the Arab world, where the famed olive oil plant does naturally well. But LEA CEO Dr Tebogo Matome is hopeful that olive farming could do just as well in Botswana. He says both Botswana and the Arab countries have a lot in common; they both sport a desert environment. As such, Matome is keeping his fingers crossed that a pilot olive farming project currently on going at Sebele farm outside Gaborone by Israeli experts would be a success. Matome sees the arid Kgalagadi desert environment as perhaps the ideal place for growing olives. The benefits that could be derived from the success of such projects are enormous as it would mean that for the first time Botswana produces its own cooking oil as well starting other industries associated with olives. Matome says LEA is among others interested in assisting Botswana set up agricultural projects which would be import substitute and are export-oriented like olives.

Cattle farming is potential SMME Business

Dr Tebogo Matome of LEA has singled out cattle farming as having a great potential to help drive industrialization. In an interview with FIRST HAND Matome said due to the review of the Botswana Meat Commission Act there is bound to be competition for beef export in the country. Currently only the government established Botswana Meat Commission enjoys the monopoly of exporting beef. But Matome is not looking at abattoirs alone as opportunities for the future. He sees the review of the BMC Act as having an enormous impact. He sees the creation of more farms, and thus creation of more employment opportunities as there will be several competing abattoirs. “These abattoirs would also create jobs for the locals. We expect to have more tanneries, also employing more people. We would also have manufacturers of leather products, like shoes, bags, leather jackets. The leather manufacturing sector could thrive in this country due to the beneficiation that is coming”, he said adding that these are sectors and sub-sectors that LEA would encourage Botswana to pursue.

Walking the branding path...

LEA’s Director of SMME Environment Development Services, Shakie Kebaswele says they have embarked on a launching of their 13 branches countrywide, as a way of branding the organisation. LEA has so far officially launched five branches, namely, Masunga, Kasane, Ghanzi, Mochudi, Ramotswa and Kanye. Kebaswele explained that LEA’s branch branding includes painting LEA buildings with their colors, signage, and LEA flags. Kebaswele says they have also used road shows to brand the organisation. “The CEO has gone to the districts during the road shows and delivered presentations to District Councils, and other authorities. So far we have done 23 road shows; we are left with nine more shows. The first road show was in April this year”, Kebaswele explained.
A Product of Corporate Interaction

Management Team

CEO of LEA, Dr. Tebogo Matome

Risk and Internal Audit Division (RIA)
Director, Samie Kgosiemang
This Division determines whether the LEA’s risk management, internal control, governance processes, and implementation of best practices, as designed and represented by management, are adequate and functioning in a manner to ensure effectiveness and efficiency of operations, reliability of reporting, and compliance with policies, procedures, laws and regulations.

Research and Information Management Division (RIM)
Director, Neo Mooko
This Division is responsible for the provision of information to other Divisions, that would help develop informed and knowledgeable SMMEs in Botswana. The RIM division is divided into three departments: Research, Public Policy, Knowledge Management. It is also responsible for the research needs of the organisation.

National Branch Network (NBN)
Director, Wazha Tema
The mandate of the Division is the effective implementation of LEA’s mandate. These functions are realised through the LEA branches operating initially in 13 Districts. The branches identify and address SMME program requirements at branch level, and develop demand driven programs/interventions.

Corporate Services Division (CSD)
Director, Cosmas Moapare
The Corporate Service Division responsibilities include the Information Technology Department; the Finance Department (supply and services, purchasing, insurance claims, payroll, insurance); and the Human Resources Department.

SMME Environment Development Services Division (SEDS)
Director, Shakie Kekaswele
This Division is responsible for creating a conducive Small, Medium and Micro Enterprise environment through facilitating changes in regulations and standards, domestic and international linkages, identifying new business opportunities, facilitating market access and promoting general entrepreneurship culture and SMME awareness. It has two departments, Market Access and Business Development and Communications.

Technology and Innovation Division (TID)
Director, Walter Motswedi Kgabung
It is responsible for facilitating technology utilisation, adoption and diffusion by SMMEs. TID also provides business infrastructure and working space to SMMEs. TID has one department, Technology and Innovation. The Technology and Innovation identifies technological gaps on ideas/proposed projects and enterprise operations, and acquires requisite technology identified (for new ideas) among others.

Capacity Development Division (CDD)
Director, Ratang Sehuhula
The Capacity Development Division provides capacity development of entrepreneurs and SMMEs through training, mentoring and entrepreneurship development. CDD has two departments, Training and Mentoring and Entrepreneurship Development.

Enterprise Development Division (EDD)
Director, Victor Mong-gae
This Division is responsible for designing wholesale programmes/interventions for SMMEs in Botswana. EDD has two departments, Micro Business and Small and Medium Business. Micro Business departments is responsible for developing products for entrepreneurial culture in micro business sector and also facilitates the development of clusters in select sectors. The Small and Medium Business division facilitates the development of clusters in selected sectors, among others.