

UNIVERSITY OF ESWATINI
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION

ACADEMIC YEAR 2020

TITLE OF PAPER: Entrepreneurship and Small Business Management

COURSE NUMBER: BUS 632

TIME ALLOWED: Three (3) hours

INSTRUCTIONS

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. THE CASE STUDY SECTION (A) IS COMPULSORY
3. ANSWER ANY **THREE** QUESTIONS FROM SECTION B

NOTE: You are reminded that in assessing your work, account will be given of the accuracy of language and the general quality of expression, together with the layout and presentation of your final answer.

THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED PERMISSION.

SECTION A

A Swati enterprising woman

Lindiwe Mabuza, retails her products under the name Lindz Edibles and Crafts. Interestingly, the goods are not sold from huge showrooms but from 54 roadside mobile kiosks manned by 141 women who work in shifts. Another 3,500 women benefit from this project by making products such as handicraft items, edibles like pickles and jams, packaged spices and ready to eat packed lunches. Lindz also plans to deploy 500 mobile kiosks or carts across the four districts of Eswatini, again manned by women.

“When I got the idea of these mobile kiosks, my first step was to finalize the design and patent it under the intellectual property rights Act. The project Lindz Retail chain is also patented.” Says Lindiwe. The project was a result of extensive research based on material gathered from 20 communities across the country during her university days at Kwaluseni.

“I did my MBA in Logistics and Supply Chain Management and realized during that time that I wanted to become a social entrepreneur. I then did a course in Anthropology to get a grip on human rights. I realized that women needed financial Independence to get freedom from restrictions, abuse and social taboos,” says Lindiwe, who struggled to complete her studies due to financial constraints.

Lindiwe realized that marketing was the bottleneck of all small-scale enterprise and blocking cash within a supply chain was not advisable. “I found that retail was the only option. But setting up huge retail space was beyond my capabilities. I hit upon the mobile kiosk idea and worked at it for two years, getting all the required permissions and licenses to place them on the roads. No loophole was left open. The carts are manufactured at our own unit,” she adds.

When Lindiwe sent her pilot project to the Prime Ministers Office in 2005, the PM encouraged her to go ahead, assuring assistance in case of hurdles. The then Minister of Commerce also instructed his secretariat to offer support.

The attractively designed sleek kiosks which are placed in all major crossings in the cities, easily catch the eye. The apron clad women manning them are polite and knowledgeable about the products. Slindile Dlamini is one of the smiling faces at Mbabane kiosk. “We don’t have any problems with the police regarding parking of our kiosk. Our paperwork is watertight. The customers too are friendly. We get repeat clients on a regular basis now.”

The turnover for the project which started rolling in 2007, has already reached E5 million. The target was E50 million in 2009. The rural women who supply the products come with their samples. The products are then graded into three categories. Under category A, the products are immediately bought with 10 percent advance. For the B category the products are supported with better packaging and then bought. Falling under category C are the products that already have market saturation. Lindiwe trains the women to shift focus to products that have more market

demand. The edible products are tested and certified by the central governments National Test House.

The success of the venture is obvious from the fact that several big retail chains have begun making offers to buy out Lindz Retail as well as the patent for the mobile kiosks. "But I am committed towards my social responsibility. Besides the entrepreneurship, it is the emancipation of women that is my main concern. My venture helps several needy women take home a well earned salary," says Lindiwe. All women within the project are, as Lindiwe puts it "those in need of a livelihood." Sizakele Mdluli, 49 from Endlalani community responded to one of the first advertisements placed by Lindiwe in a news paper and approached her for a job. A school dropout, Sizakele had done menial jobs for over 30 years and yet had managed to send her six siblings to school. However, they all went their own ways once they were well settled, leaving Sizakele to cope with an ailing mother. Sizakele who is in charge of the Manzini kiosk today earns a regular E15,000 and she and her mother live in a rented 2 bedroom flat in Manzini.

Sibongile Thwala, 50, an urban poor, was dumped by her husband during the initial years of their marriage. She managed to educate her son up to higher secondary by doing odd jobs. However when he secured admission to an engineering college, Sibongile found herself helpless. The Lindz Edibles and Crafts came to her rescue and she pays tuition from a regular salary of E12,000.

Lindz Edibles and Crafts is set to spread its wings beyond the main cities with 10 new outlets. Groups of needy women have already been identified in smaller centers from where consignments of products such as sisal baskets, sisal vaseline and peanut butter have already arrived to be sold from the mobile kiosks. Here too, it is the women who are at the back and front of operations.

Questions

- (a) The case study focuses on women entrepreneurs being at the forefront of both conducting and benefitting from the business. Critically discuss the significance and importance of this focus generally and within the context of this study. Why is women entrepreneurship of unique significance in a society and economy? (20 marks)
- (b) Lindiwe stands out as a successful entrepreneur. Identify and analyse the characteristics that portray her as an entrepreneur. (15 marks)
- (c) Lindiwe describes herself as a social entrepreneurs. Explain why she differentiates herself from ordinary entrepreneurs in this manner. (15 marks). Is she correct to describe herself as such?? (10 marks)

SECTION B

Question 1

Formal education in Eswatini is often criticized for almost being exclusively structured to prepare young people for wage employment rather than for self employment. Is it justifiable to solely blame the education system for the low uptake of business opportunities in preference for jobs by young people? Discuss this and other challenges to youth in business and offer mitigation strategies. (20 marks)

Question 2

International trade is a significant part and contributor to the well being of an economy, and COVID 19 has severely curtailed trade activity, negatively impacting doing business across the borders. But even before the scourge, Eswatini Entrepreneurs could not be said to have been particularly prolific international business people. Discuss some of the factors that inhibit or constrain the country s entrepreneurial presence abroad. (20 marks)

Question 3

Governments are actively promoting entrepreneurship and most people do wish to embark on businesses but the vision and ideas on what exactly to do are scarce. As an aspiring business person, one may find it difficult to generate business ideas. Describe some of the sources of business ideas that one may tap into. (20 marks)

Question 4

There appears to be a general consensus that Entrepreneurship and SME development is a potential driver of economic growth and could significantly contribute to the alleviation of socio-economic ills of economic inequalities and poverty. Justify this statement and you're your opinion on its validity using examples. (20 marks)