Kasi Xcelerator to give township-based SMEs a major boost

A bold new initiative is set to give township-based SMMEs and service providers a major boost. Kasi Xcelerator (KX), which will be launched with an entrepreneurship expo in September, is a new platform that has been designed to bridge the gap between township businesses, the private sector and government in order to promote the growth and development of sustainable township economies.

Kasi Xcelerator founders | image supplied

The brainchild of three female entrepreneurs, KX will be an integrated business accelerator that will stimulate investment in and facilitate support for township-based businesses while also providing investors with access to township markets.

About Kasi Xcelerator

"Our aim is to provide a platform that will fulfil three crucial needs for township businesses," says Tlhogi Ngwato, one of the founders.

"Firstly, we want to provide an investment hub; a place where large companies can gain insight into township markets and, in turn, where Kasi entrepreneurs can access funding in order to either grow existing businesses or establish new ones. Secondly, we want to facilitate knowledge sharing among township businesses and also provide a formal means for them to access skills development and mentorship. Finally, we want to give entrepreneurs and innovators a means to showcase their offerings and so to grow their businesses."

Ngwato and her partners, Yonwaba Pangeni and Lufuno Muthubi-Mthethwa, were inspired to develop an accelerator for township businesses by the potential these enterprises have to alleviate poverty, create employment and sustain communities.

"Our starting point was the fact that as much as half of South Africa's urban population lives in townships," says Pangeni, "and these are the people who have been hardest hit by the events of the past two years. With unemployment currently at 34.5%, many families are struggling to survive and entrepreneurship of some kind is the only viable means to earn an income. On the other side of the coin, township markets are attractive to many investors, but they sometimes find it challenging to access and navigate them."

Targeting youth unemployment

Youth unemployment is a particular concern, as 63.9% of young people between the ages of 15 and 24 are jobless. A large number of these have never worked in the formal economy, so support for young entrepreneurs is a cornerstone of the programme.

While it is difficult to estimate the size of the township economy, some commentators have suggested that it accounts for as much as 6% of GDP. In addition, Investec has estimated that it accounts for 17% of the country's total employment.

This is fertile ground for an initiative designed to stimulate investment, support business development and empower township-based innovators, enterprises and communities.

The Kasi Xcelerator Showcase

It is with this ambitious goal in mind that Kasi Xcelerator will kick off with a one-day showcase, which will run on 1 October 2022 at the Soweto Theatre followed by a six-month accelerator programme in 2023.

The expo will be open to 50 businesses, which will have the opportunity to participate in a rich programme of business development activities.

The focus will be on the nature of entrepreneurship, participants will focus on identifying gaps in the market and ways to fill them as well exploring how to test the viability of markets and to map solutions to the gaps in those markets.

This will include exciting talks and presentations by industry leaders, sponsors and other stakeholders as well as a courtyard market, which will be open to businesses that wish to showcase their offerings.

A wide range of entrepreneurs, from spaza shops, hairdressers, mechanics and B&Bs to small-scale market gardeners and farmers, producers of homeopathic and traditional medicines, and enterprises operating in the retail, manufacturing, recycling, engineering, construction, hospitality, transport, financial services and ICT sectors are invited to register their businesses for the programme.