

KZN Funding Fair Project Profile

The 2014 KZN Funding Fair, a partnership between the provincial government of KwaZulu-Natal and Deloitte is to take place in April 2014 and aims to kick-start business initiatives across the Province and also provide impetus for job creation in urban and rural areas.

At the heart of the partnership between Deloitte KZN, Provincial Treasury and the Department of Economic Development and Tourism is opening up face-to-face contact between project promoters, entrepreneurs, business development bodies, venture capital and private equity investors and debt funders.

Leon Bezuidenhout, Corporate Finance Advisory Senior Manager at Deloitte in KZN, says the success of the Funding Fair lies in more than just the money raised, according to feedback from both project promoters and funders who attended the Fair in 2013. "Funders were particularly happy with the groundwork that had been done with the project promoters to get their projects to a stage where they were ready to be presented to funders" says Bezuidenhout.

He also notes that project promoters appreciated the availability of a broad range of funders, all available together over the course of the Fair and that project promoters thus did not have to travel to various parts of the country to meet the funders.

Funders ranged from government agencies to banks and venture capitalists and while all were looking for a return on their investments, different agencies may have slightly different mandates, with government agencies placing emphasis on jobs created for example while venture capitalists while venture capitalist are willing to take a higher risk in search of a higher return.

There was R 344 million worth of funding committed to a range of projects pitched at the fair in April 2013. R 170 million went to technology projects, related to start-ups and an incubator environment.

The next biggest lot of funding, about R 80 million was committed to a tourism project on the North Coast of KZN, whilst a bio-technology project that harnesses an enzyme found in pineapples was also funded to the tune of R 14 million.

Basil Goldswain, who heads up the bio-technology project believes that the success of their project to date has been in identifying the best people to tackle the particular stages of the project. He says, "The types of people required for specific tasks, vary considerably. It is unlikely that all of these attributes can be found in one person, particularly when the project is highly technical."

Goldswain is a chemical engineer who has worked in paper and pulp. Goldswain ascertained that Bromelain, an enzyme found in the stump of pineapples can be used to dissolve protein and therefore have a wide range of industrial uses. The project was originally funded by the Trade and Investment Agency up to the stage of successfully building a pilot plant. Working with Clive Dennison, the former head of bio chemistry at the University of Kwa Zulu Natal and masters student Candice Eades, they have over the past six years refined the extraction and storage process of the enzyme.

The 2013 Fair helped him by offering him the chance to pitch his project to a panel of funders who found his project interesting. He was very appreciative of the support which was provided by the organisers in the build-up to the Fair and is excited about the opportunities for growth which have been afforded to him through the investment in his project.

Bezuidenhout says funders look at a number of things when assessing whether to invest or not, and that one of these is the expertise of the key people behind the project. They will also then look at the demand for the particular product or service by assessing a potential order book or off-take agreement and finally, they will look for certainty related to the supply of the raw materials or components needed to manufacture the end product or needed to deliver the service.

The 2014 KZN Funding Fair is expected to build on the momentum created by last years event and is expected to showcase some exciting projects. The submission deadline for projects to be considered to pitch at the Fair is 2 March 2014 and submission details can be found at www.kznfundingfair.co.za.