



SELECTION AND ENTRY CRITERIA

A start-up may enter or leave at any stage, or progress through all three phases. The movement between the phases is determined by incubator management and depends on the development level of the business at that time.

STAGES OF ENTERPRISE GROWTH

	LAUNCH PAD	SEED	eGROWTH
Sales	No customers or too few customers to be sustainable	Has one or more key clients/contracts	Has a small but sustainable client base
	Little or no repeat sales	Some repeat business	Has two or more annuity accounts
	No database of loyal clients	Small database of clients	Has built good relationships with key clients and has an expanded database of clients who have used the business
	Owner responsible for sales	Owner may still be responsible for sales	May or may not have other staff involved in sales
Market	Has identified a market need for product/ services	Has expanded market size for product/service to ensure a minimal monthly income	Aware of external market trends that affect product/ services
	No formal marketing strategy	Marketing occurs sporadically when time and cash flow allow	Has a marketing plan
	No professional marketing material	Has created basic professional marketing material	Has professional marketing material and communicates regularly with clients
	Insufficient cash flow to afford to market formally	Cash flow allows for some marketing to take place	Marketing a part of the budget
Company organisation	In the process of, or has formed, a cc, sole proprietary, PTY	Business structure legally in place	Business structure legally in place
	No policies or procedures	Registered for tax and maybe for VAT	Registered for tax and maybe for VAT



	LAUNCH PAD	SEED	eGROWTH
Turnover	R0 – R100,000 per annum	R100,001 to R500,000	R500,001 – R2,000,000
Staff	Few staff resources (1 -2 fulltime)	Employs two or more staff members (2- 4 fulltime)	Employs staff in clearly differentiated functions or has formed business partners to compliment offerings (5 or more)
	May not have employment contracts in place	Has employment contracts in place	Employment contracts in place
	No clear job descriptions	Has written job descriptions in place	Job descriptions in place
	Has no formal performance review procedures	May not yet have performance review procedures in place	Undertakes performance management reviews at least once a year
	Owner has to perform the service as well as manage	Owner may still perform primary services as well as manage the business	Owner may still perform primary services as well as manage the business but has staff in other non-core areas of business
		Aware of what staff & skills are required for the business to operate	
Resources	Has minimal resources available	Will have increased items on asset register	Has equipped the business with the tools to do the job
	Does not have the cash flow to provide all resources required	Will have identified the items required to grow the business and has a plan in place for acquiring them	Capital expenditure built into the annual budget
Finance	Keeps basic books or outsources the function (no records at all)	Workable solution for debtors and creditors	Has a sound financial system with checks and balances in place
	May have little or no financial templates/ knowledge of cash flow projects, budgets, income statements	Workable cash flows and budgets	Does not incur tax or VAT penalties
	Has a business bank account	Tax and VAT under control	Cash flow good and carefully managed
	Invoicing and accounts may be kept manually or on a spreadsheet	May have outsourced this function but management is aware of finances and keeps a close eye on progress	



Management

	LAUNCH PAD	SEED	eGROWTH
	Owner managed, no second tier management	Owner managed, may not yet have second tier management	Owner managed, may have second tier management
	Little or no formal procedures for quality control	Informal Quality Control processes in place to ensure quality service delivered	Quality control processes in place, seeks regular feedback from clients to monitor quality assurance
	Little or no risk management processes in place	Ability to identify risk areas and rudimentarily address these	Identifies and manages risks
		Has regular staff meetings to communicate business requirements and obtain feedback	Has formulated plans for growing the business
			Has a working communication plan in place to ensure staff are informed about the business and its projects and their respective roles

Legislation

	Has basic or no understanding of government acts that affect business	Has read and understood the Basic Conditions of Employment Act	Has a working knowledge of all relevant acts
	* Skills Development Act	Has read and understood the Skills Development Act and aware of the benefits/ obligations	Knows when to seek expert advice
	* Employment Equity/ Broad-Based Economic Empowerment	Is aware of the requirements of the Company's Act	Fully complies with all legislation
	* Labour Relations Act	Has read the Labour Relations Act and is aware of the process for hiring and dismissing staff	Fully complies with all legislation
	* South African Revenue Services	Complies with basic requirements	Fully complies with all legislation
	* Company's Act, SMME Act	Has an understanding of the acts	Fully complies with all legislation



	LAUNCH PAD	SEED	eGROWTH
Contractual	Little or no knowledge of contracts and Service Level Agreements	Understanding of contracts and Service Level Agreements	Good understanding of contracts and Service Level Agreements
	Little or no ability to negotiate contracts	Aware of the need to negotiate but may need assistance with restructuring contracts and Service Level Agreements	Ability to read a contract or Service Level Agreements and identify potential problem areas and come up with an alternative option to overcome these.
Sector focus	ICT and film projects	ICT and film start-ups	ICT and film enterprises
Geographic location	In the EC province (ideally, ability to access centre's launch pad facilities)	In the EC province (based on short, medium and long term impact goals)	In the EC province (based on short, medium and long term impact goals)
Demo-graphics	Preference given to PDIs & HD groups	Preference given to PDIs and HD groups	Preference given to PDIs and HD groups
Financial sustainability	Ability to self-fund travelling to facilities, workshops and training	Ability to pay for usage of services and infrastructure	Ability to fund subsidised cost of services and infrastructure
Team capacity	Basic experience and knowledge of area of interest	Team or entrepreneur has relevant technical skills and knowledge	Team or entrepreneur has relevant technical, competencies, skills and knowledge