

A Just Energy Transition:

Unpacking the Green Economy ecosystem:
Business Development support for Green
Entrepreneurs

Presentation to TIPS workgroup

June 2022



sarebi

SOUTH AFRICAN RENEWABLE ENERGY BUSINESS INCUBATOR

Agenda

- About Sarebi
- Technology & Market
- Clean Tech Incubation
- Entrepreneurial Challenges
- Finance Ecosystem

- Operating since 2015
 - 350 enterprises
- 2 Program Streams
 - Start
 - Focussed on capacity development
 - Business Savvy workshops – Peer learning Workshops
 - Business model / Value proposition / Business case
 - Market Intelligence / Product - Market - Fit
 - Grow
 - Trading entrepreneurs-recurring revenue
 - Operational support (Accounting, IT, HR, IR, Marketing)
 - Acceleration / scaling

- Covid Impact
 - Revenue streams under pressure
 - 90% of our cohort back at pre-covid revenue levels
 - Energy efficiency sector rebounded fast due to power outages
 - Sarebi program virtual
 - Greater focus on IT enablement / capacitation of smmes
 - Productivity focus
 - Retained 100% of our entrepreneurs and jobs

Technology & Market

- Technologies mostly mature
- Interesting opportunity for virtual services (digital energy tech: wheeling, virtual PowerStation)
- Little scope for Hardware R&D
- Limited scope to build a technology manufacturing or export industry
 - Energy Efficiency & LED Lights - (Bespoke industrial assembly)
 - Solar Thermal (SWH) - (some scope – esp. Industrial)
 - Photo Voltaic - (Installation only)(Embedded Generation not IPP)
 - Battery Storage - (Installation)
 - Large wind - (Project not technology)
 - CSP - (Project not technology)

- **Regulated commodities**
 - Local manufacturing not competitive
 - Challenges with import duties on components
 - Certification cost – small enterprises and low volumes
 - Requires scale and volume offtake
- **Who is installing technology**
 - Small lifestyle enterprises (2 to 5 employees)
 - Large National enterprises (60 + temp employees)
- **Firm Size**
 - Hydrocarbons - High concentration (couple of large employers)
 - RET - High fragmentation (large number of small employers)

Clean Tech Incubation

- High Tech V.S. Smme Incubation
 - Structure (R&D or entrepreneurial development)
 - Cost
 - Type of intervention (Prototype development or operational support)
- Entrepreneur Expectations
 - Glamorizing Entrepreneurship
 - Free Money
 - Skin in the Game
- Ecosystem Support
 - Understand Value chain
 - Build Value chain support system
 - Sector appropriate support

Entrepreneurial Challenges

- Energy - Engineering game
 - Need critical STEM skills
 - Scaling artisanal business not easy
 - Need business teams
 - Projects need working capital
- Lifestyle enterprise outlook
 - Focus on the business case
 - Understand Bankability

Finance Ecosystem

- No shortage of money
- Lack of bankable smme's
- Lack of appropriate tools for enterprise sizes
- SMME's don't need millions
- Need new finance instruments
- Need smaller working capital for projects

Helmut Hertzog

Helmut@Sarebi.co.za

www.Sarebi.co.za

0717288046