



Grassroots Business Initiative



Streetwires

South Africa



Background

South Africa has made tremendous economic, social and political strides since the end of the apartheid era, and has become a leading economic force in the region, boosting not only its economy, but those of its neighboring countries as well. Despite this progress, unemployment levels remain alarming, around 31%, with even higher rates among black South Africans. With more than 50 percent of the black population living below the poverty line, there is a dire need for enterprises that can create jobs and help close the employment gap.

What Is Streetwires?

Established in 2000, Streetwires is a socially responsible small business organization that is tackling the problems of unemployment and poverty in South Africa.

The organization creates and markets contemporary African wire and bead-craft art by blending contemporary design and marketing with traditional indigenous craft skills. Through its Proudly South African project, Streetwires is providing the training, support, and raw materials to give impoverished Cape Town artisans an opportunity to earn a steady income.



There are many informal manufacturers and sellers of wire art in South Africa. However, Streetwires is a pioneer in organizing street artists into a formal company and providing them with professional marketing and distribution services.

The success of the Cape Town venture has prompted Streetwires to open a new wire art center in the small rural South African town of Clanwilliam. It is the first of several wire art centers that Streetwires plans to open in the near future.

The NGO will use these centers to:

- accommodate expanding sales to increase production capacity and efficiency;
- provide training and sustainable jobs to disadvantaged people in high unemployment areas;
- develop leaders within the organization who will ultimately manage their own centers and become shareholders;
- inject money into the local economy through wages; and
- demonstrate to the broader community that starting a successful business in this environment is viable.

If this expansion is a success, Streetwires hopes to develop additional production centers under a larger “franchise” model.

IFC's Involvement

The International Finance Corporation's (IFC), Grassroots Business Initiative (GBI), is assisting Streetwires in a variety of areas to increase their long-term profitability and sustainability:

Production Management and MIS Assistance: Grant funding has been used to hire a production management consultant, link the production systems to the accounting and cost management systems, and upgrade the management information system.

The initial work has been completed and production capacity has recorded a commensurate increase of 30 percent. Apart from generating direct benefits for Streetwires' current enterprise, this work will create models and templates that can be replicated in the new rural manufacturing hub and future “franchises”.

Human Resource Management: GBI has provided a grant to train management with design and implementation of a comprehensive human resources policy. This should lead to the development of an operations manual to reduce time spent on new staff integration, which is critical for the rural manufacturing hub expansion plan.

Business Planning. GBI is working through the University of Cape Town's Center for Innovation and Entrepreneurship to assist in the business planning process. This work includes the provision of a mentor who is helping Streetwires develop its costing model, and create a comprehensive marketing strategy.

Results to-Date

- **Employment and training:** Over 100 jobless men and women have been employed in the organization's Cape Town studio, and 16 at its Clanwilliam center. With the support of the government funded skills training program. Streetwires is offering training to a further 25 people who will be eligible for full time employment after the training exercise.
- **Sales:** Streetwires is taking advantage of the growing corporate gift market locally and fair trade retail market internationally by supplying several large domestic retailers in 14 countries.

Recognition: The organization has been recognized by the Department of Arts and Culture as being South Africa's only accredited trainer of wire art.