

Seed Engine offering access to R1 million for start-ups

The Seed Engine Business Accelerator is launching a competition this week for those that have great business concepts in any industry but need financial and coaching support to turn it into reality. The ten winners each receive R100 000, coaching, mentoring, workspace and access to investors where each business can raise up to R2 million after a 13-week accelerator boot camp. Applications are open until the end of November 2012.



In South Africa, early stage entrepreneurs are generally ignored, as they only tend to attract funding once the business has existing revenues. Now for the first time, selected entrepreneurs will have the opportunity to convert their business ideas into commercial realities via this initiative.

"The search is now on to find the ten best distinctive and disruptive business concepts that deserve a chance at success. We are looking for early stage entrepreneurs who have a big dream to fulfil," says Marc Elias of Seed Engine.

Once the final selection has been made, ten teams of entrepreneurs will begin a life-changing journey through a 13-week accelerator boot camp where they will each be given R100 000 start-up capital to convert their ideas into practical business plans ready for launch. The accelerator is a business and personal boot camp for entrepreneurs. The concept of accelerators has become a global phenomenon, driven by successful entrepreneurs and investors.

On completion of the programme, they will be introduced to potential investors via a presentation day so that they can attract additional funding. It is anticipated that the entrepreneurs will raise between R200 000 and R2 million for next round funding.

The Seed Engine accelerator model includes seven main features:

1. A highly competitive application process
2. Seed capital in exchange for equity
3. Focus on small teams, not necessarily one founder
4. Intensive mentoring and coaching and a fixed calendar of events
5. Ten ventures per accelerator programme
6. Introduction to investors for further funding

Angel investors interested in accelerator programmes

"Angel investors and venture capitalists take a keen interest in these accelerator programmes because they create a pipeline of investable companies, filter top talent and connect them to disruptive and innovative opportunities," continues Elias.

"The primary investment principle at any stage of investment is the assessment of risk. Typically, in the South African context, investors are known to have a low appetite for risk. The group has therefore developed its accelerator programme to reduce significantly the risk profile of the accelerator participants and improves their chances of success, as well as giving them the opportunity to raise additional capital for their ventures. Eighty-five percent of entrepreneurs going through accelerator programmes in the US are still trading after four years. It is also in the interest of the group to increase the likelihood that the underlying businesses are successful, as we will hold equity positions in all of the accelerator ventures."

Support group

The Seed Engine Accelerator is powered by proud supporters of entrepreneurship, as well as support for employment creation in South Africa.

Tiber, one of the largest private property owners and construction companies in South Africa, has provided Seed Engine with free rent for the first accelerator as well as assistance with the construction of the workspace.

Redwood Capital Partners have provided Seed Engine with capital to develop the innovative workspace and will be mentoring the entrepreneurs through the activation process.

Urban Everest, a coaching and leadership facilitation company has joined Seed Engine to develop the accelerator programme and coach the entrepreneurs.

Applications now open

Entrepreneurs can enter by going to www.seedengine.co.za and completing the application process. The application should clarify points of difference, scalability, disruptive strategies and team details. The first activation will begin in February 2013.

For more, visit: <https://www.bizcommunity.com>