



# Annual Report

2019|2020

The power  of the network

  
GIVING EVERY CHILD THE POWER TO SUCCEED.

SmartStart Early Learning (RF) NPC

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# SmartStart's driving purpose is to achieve population-level change in access to early learning

SmartStart is taking quality and affordable early learning to tens of thousands of children across South Africa. Our vision is to achieve population-level change in access to early learning through a systems solution which, at the same time, provides the operational architecture for accelerated scale and harnesses the immeasurable social capital of (mostly) women in our communities.

As South Africa's first full-service early learning delivery platform, collaboration and partnership are at the heart of SmartStart's approach. Our social franchise model enables us to tap into the experience of our implementing partners or 'Franchisors'. They recruit, license and quality assure a network of early learning practitioners ('SmartStarters') to deliver the same structured

programme for three to five-year-olds, supported by Coaches and SmartStart Clubs.

Along with parents and communities, investors and government, this distributed network of partners and problem-solvers is what makes SmartStart unique.

Together, we are not only ensuring that many more children have the right foundations in place to succeed at school and beyond; we are also creating employment and social enterprise opportunities, enabling more women to work, and stimulating economic activity in even the most under-resourced communities.



# We are a network... of networks

## Our Franchisors



## Our Anchor Investors



## Our Funders



# Message from the Chief Executive Officer

They say that at times of challenge, we find our true strength. 2020 was a year of unforeseeable global challenge. The Covid-19 pandemic triggered an economic and welfare catastrophe in the communities where we work. This pushed us, as SmartStart, to re-imagine how we can act with relevance in a rapidly changing operational environment.

Six years ago, SmartStart set out to achieve a quantum leap in access to quality early learning. During our 'start up' phase in 2015 to 2017, we tested the idea of using a social franchise model to deliver an evidence-based early learning programme at scale. In 2018, we embarked on our 'transitioning to scale' phase – laying in place the critical foundations for exponential growth. Within five years, we had quickly built a network of partners – including non-governmental organisations (NGOs), early learning practitioners and parents – and, most importantly, we had managed to reach over 80 000 children.

In March 2020, as the national lockdown was announced, our focus shifted. We were acutely aware of how vulnerable many of our SmartStarters were. Forced to shut their programmes, we knew that their precious, and often only, household income would disappear. The sheer human need was what kept us awake at night. So we made the decision to instigate a special Covid-19 relief fund to try to ensure that the programmes that we had invested in over the past five years, were in a position to keep running as soon as they could re-open.

We also repurposed our nationwide network to distribute public health messaging alongside materials for parents to support their child's learning and development at home. Coaches received weekly briefings so that they could share information and ideas with SmartStarters, who in turn kept in regular contact with parents. We worked more closely than ever with Franchisors to problem solve and innovate, valuing their local knowledge and delivery expertise.

This was the power of the network – the wheels of supporting, sharing and learning never stopped turning. And these wheels were powered only in small part by us in the Hub, and in very large part by ordinary SmartStarters and parents in their communities; and by Franchisors and their skilled and caring teams of Coaches.





*Simangele Shabalala and one of the children in her programme share an infectious laugh after an exciting playgroup session. Simangele is one of SmartStart's longest serving SmartStarters and operates in Orange Farm, south of Johannesburg.*

A big priority for our country and for the world as we rebuild from the devastation of Covid-19, is economic recovery. And a sustainable economy must start with a generation of children who have an equal start in life; with women who are able to contribute meaningfully and maximally in the labour force; and with support for micro-enterprises that are carrying the full burden of providing early learning in South Africa.

So as I reflect on 2019/20, my hope is that we have created opportunity out of adversity, and used a time of crisis as a moment for growth. With everything that happened last year, we have a network that is more confident than ever to

raise its voice and fight for the status and funding that it deserves.

With that in mind, we decided that in this year's Annual Report, we would like the story of SmartStart to be told by the people who are SmartStart. As you will see, the focus of the report is a series of personal stories. We have tried to edit these as little as possible so that you can hear the authentic voice of each story-teller. So grab a cup of tea, find a comfy chair and journey with them, with us, to learn about the power of the SmartStart network.

**Grace Matlhape**  
*Chief Executive Officer, SmartStart*

# A SmartStarter's story

Everything begins in your mind, and a lot of things depend on how you see them. If you choose to have a positive mindset, a lot of things that some people might see as problems, you see as opportunities. This is one thing that my Club (which is called Rethabile) has helped me realise. Our community has a lot of opportunities, and all we have to do is find how we fit into the solution. When you become part of a SmartStart Club, you become part of a close-knit family and a group of friends that have your best interests at heart. In my Club, we saw a lot of children in the streets during the day, not going to school and decided to start a recruitment drive to teach parents about why education at an early age is so important. When we didn't have enough toys, we got together to make fun toys for children to play with. To do this, we used recycled materials from our community, that we cleaned and made sure they were safe and harmless. We all have the same goal in mind, and this is why we work so well together.

These ladies in my Club have become like family to me because they support me in and out of the classroom. I am able to give them a call when I am not feeling well, or when I am in need, and I know they will make a plan to help me out where they can. Through this programme, I have seen my life change and become so much more than I had planned. I attended the 2019 SmartStarter Unite event and found even more people who had the same experience as me. We had given up on ourselves, but SmartStart gave us a new opportunity to become our true selves.



*Thobisa completes a Child Progress Report for one of the children at her SmartStart programme.*

I believe in myself more now and know the power that I have inside me. I know that I am making a difference in my community, and I make sure that I teach this to my children. I can't wait to meet all of them 20 years from now and hear the stories of how they have been, and the great things they have achieved. On the other side of Covid-19 is an opportunity to do so much more, and I know I will be part of it all.

***Thobisa Gatu is 48 years old and has been running her SmartStart programme in Johannesburg since 2017. She is supported by Coach, Refiloe Ignatia Mokotjo, under Franchisor Kago Ya Bana.***



## Deepening our understanding of our valued practitioners

With the support of LGT Venture Philanthropy we undertook an in-depth study of what motivates and differentiates our SmartStarters. The research, conducted by Grail Insights, has enabled us to segment SmartStarters according to the personal and professional attributes and aspirations that they hold in common. In turn, this understanding is helping us to find ways to better meet the different needs and expectations across our network.

## New opportunities for ECD qualifications

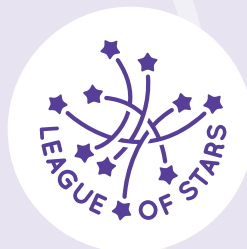
With the support of Grand Challenges Canada and the ETDP SETA, 160 SmartStarters have been given the opportunity to complete a higher level certificate in ECD. This will allow these practitioners to deepen their skills and knowledge-base and benefit from peer support, while still running their programme – all towards the ultimate goal of providing quality and excellence for children at programme level.

## Launching a brand new Call Centre

We launched a Toll-Free Call Centre to increase real-time support to SmartStarters. The Call Centre is staffed by five SmartStart agents who answer questions, resolve problems and flag issues for follow-up. Over the course of the year, the agents fielded 3 845 calls. The Call Centre also played a critical role during lockdown, providing much needed support and information across our network.

## Building the Club network

SmartStart Clubs continued to thrive as hubs for sharing and support. The most vibrant Clubs were recognised through the SmartStart League of Stars. At the Annual Unite Conference we were proud to issue our first ever Long Service Awards to 125 of our most tenured SmartStarters.



# A Coach's story

**SANIBONANI.** I have been with this amazing SmartStart network since June 2017 and I appreciate every single moment of it. I very much believe that we as Coaches play a vital role in building and uplifting the SmartStart network. We are the link between the Hub and what is happening on the ground in the community.

I have built a very friendly open relationship with all my SmartStarters so that it is easy for us to communicate well and inspire each other to reach our common goal of developing the disadvantaged children within our communities. I make it a priority that my SmartStarters receive all the support that they need in order for them to grow and to keep shining bright in the communities that they work in.

When thinking back to 2019, I remember going to the field with no fear and seeing beautiful smiles from the children in the playgroups. This is the most splendid feeling to see when children are so happy to see us. Everything then was so normal. What I remember most before the pandemic began is seeing our SmartStarters growing every day in their work, the parents being very appreciative of the programme, everyone around the community being friendly and supportive, and the children being well stimulated and very happy in the programmes.

I have to say that I have grown so much as an individual because of SmartStart; I have gained so many skills and I am now more confident in everything that I do. What I like most about SmartStart is how well we contribute to changing the lives of people in our communities. I feel so

good when we are invited to the children's graduations towards the end of the year – our SmartStarters, parents and the community show how much this programme has had a positive impact on their lives.

Lockdown last year changed so many things and we were forced to adapt. Our playgroups were closed and the kids were not going to the sites anymore. However, the SmartStart Hub played a pivotal role at this time. Sis Zanele was always there to ensure that we were coping and the Zoom meetings, every week, kept us going and brought back the confidence and hope that this too shall pass. I was able to support my SmartStarters and communicate with them almost every day.

As I conclude, I would like to state that the SmartStart network was always there for us whenever we needed them. It's inspiring to know that I am part of this amazing network. I am really looking forward to 2021 with hope that this year will indeed be a good year for us all in the SmartStart network.



**Fezeka Thembeka Dlamini is 28 years old and works under our Franchisor, LETCEE. Fezeka supports 130 SmartStarters in the communities around Greytown, in KwaZulu-Natal.**

# A parent's story

*Ettiene Wessels with four year-old son Ruben*



**M**y son would come home from school and tell me all kinds of stories about what happens at school, but I wouldn't always believe him. He would tell me how his teacher dances and plays games with them and I thought it was all in his imagination. That was until I went to the school and saw it for myself... His teacher sings with the children, gets on the floor to play with them and even dances with them. She doesn't take herself too seriously and this is the ingredient that is missing in many early learning centres I have seen.

Children are not encouraged to be children anymore. Instead, they are taught to sit still and watch television all day. When I saw my son playing and having fun I knew he was getting an advantage that many children don't have. I love the SmartStart programme because it encourages

my son to be confident in everything he does. My son plays instruments with me and sings all his school songs with so much passion.

When we went into lockdown due to Covid-19, I was worried that his learning would be delayed and that he would fall behind, but that was hardly the case. His teacher sends us activities for us to do with him through WhatsApp, and this way his learning continues at home.

Even as the country was shut down, it felt like we opened an early learning centre in our home because he sings and learns all day long. I also realised how quickly he learns. I would teach him something and he simply wouldn't forget it. It has given us something new to bond through and brought us even closer together.

I am often reminded of myself as a child, especially when we play the piano together. He asks a lot of questions and uses full sentences to do so, this lets me know that he is curious and wants to learn about the world around him.

I wish more parents knew about SmartStart and these amazing SmartStart teachers who make learning fun for children and teach them through educational games. Children really do learn through playing, and my son is on the right path to an amazing future. I am happy that my child has such a fun and educational place to learn and grow with all his friends.

***Ettiene Wessels is father to four year-old Ruben, who attends the SmartStart programme run by Suzette Lewis in Wellington, Western Cape, under our Franchisor Diaconia.***



*A group of SmartStarters celebrating during their Start-Up Training. The small group were the first to successfully complete the training activity! The training took place in Johannesburg and is one of many trainings delivered each year by the SmartStart Hub.*

## Partnering with public employment programmes

Two of our Franchisors, Lima and Siyakholwa, successfully applied for the Expanded Public Works Programme stipends flowing from the Non-State Sector programme run by the Department of Public Works and Infrastructure.

The grant, alongside the steady Community Work Programme stipends, have significantly contributed towards building a livelihood for SmartStarters in provinces such as Eastern Cape, Gauteng, North West Province and Limpopo.

## Investing in early learning entrepreneurs

We quickened the pace of our investment in SmartStarters' capacity to run a thriving social enterprise. A partnership with Business Skills for South Africa Foundation enabled us to introduce a two-day business skills course for SmartStarters, with a focus on marketing, income generation, and basic financial management skills. With the support of J.P. Morgan and the Start-up Hatchery, we also successfully launched a virtual business mentorship programme for 429 SmartStarters.



# A Franchisor CEO's story

The opportunity to be part of the SmartStart network, was a no brainer for my team and me. I was looking for alternative, cost-effective, but quality alternatives to reach children who cannot access early childhood development (ECD) opportunities, and SmartStart offered this.

SmartStart is in total alignment with our mission. It subscribes to the same principles of scalability and quality. The greatest value of being part of the SmartStart network is the capacity to advocate around common ECD issues. My voice is stronger when I speak as one of many.

My highlight for the year was a series of successful grassroots meetings with various stakeholders that included the Tribal Authorities, Provincial Department of Education, Department of Social Development and the Department of Health in efforts to expand the SmartStart programme provincially. This intervention resulted in increased numbers of new SmartStarters joining the programme and recognition of the SmartStart brand in the province.

We were also successful in fostering a partnership with the Ehlanzeni Community Work Programme (CWP) office, in order to secure stipends for SmartStarters in the future. By cementing the relationship with CWP locally and nationally, we will be able to grow in other parts of the province.

As can be appreciated, Covid-19 affected our work in ways we could never have imagined. We had to find new innovative ways to reach into homes during the pandemic. Through community radio, we reached more than two million listeners per

week, providing parents with weekly activity cards to stimulate their children whilst at home. Through regular CEO meetings, we were able to keep in touch with one another as a network and share valuable coping ideas to resolve common problems.

Going forward, I am excited about opportunities to expand the network footprint in Mpumalanga; developing co-branded marketing materials; increasing our efforts on nutrition; and doing more advocacy around issues of ECD. The issues we must deal with are too big to be dealt with by disjointed efforts of small NGOs. We make a greater impact on our communities and country when we act collectively.

***Andile Ncontsa** is the Chief Executive Officer of Penreach, an NGO established in 1991 to provide access to quality education in disadvantaged rural communities in Mpumalanga. Penreach has been a SmartStart Franchisor since 2018.*



# The Club Activator's story

In a nutshell, my job is to find cool and exciting ways to keep the men and women who run the SmartStart programme motivated and inspired to keep going.

Thinking back to 2019, none of us ever imagined that a year later we would be faced with a global pandemic that would force us to think outside the box while staying in our “mask-covered box” and social distancing.

I kicked off the year catching 6 a.m. flights to be in the heart of our network and engage with our purple heroes. In December, our biggest SmartStarter Unite conference to date was attended by South Africa's First Lady, Dr Tshepo Motsepe, who took the time to acknowledge every SmartStarter for the role that they play in developing our country's children.

How does one go from celebrating in person with over 1000 SmartStarters, to lengthy zoom meetings about how to re-connect with the very same people I once had an effortless connection with? One word, Covid-19!

Once the virus came closer to home, early learning was no longer our SmartStarters' first priority. With their programmes forced to close doors, their main concern was how would they support their families, being the breadwinner in their home.

As the SmartStart Hub, we had to re-adjust our mindset from thinking “scale-up” to thinking “survival”. This is the power of our network. We adapt, we support, and we always survive!

2020 was the year of adapting and putting some plans on hold. While we couldn't have some of



*Nthabi presents an award at the Unite conference*

our key events, like the annual League of Stars competition, we instead had an opportunity to reflect on and better understand what our network actually needs to grow beyond the present.

As tough a year as it was, our partnerships were strengthened as we pulled together in a common cause. The pandemic forced us to think of new ways to operate within the digital space and become more creative with how we engage with SmartStarters, parents, and children. We were able to create platforms such as our Club Connect to re-activate our Clubs, as well as leverage our call centre to support SmartStarters.

Although the future is still uncertain, I can confidently say that we are better prepared and heading with purpose in the right direction. I'm excited to see how we will reshape our network into a force of leaders and change-makers – all proud members of the purple family.

***Nthabi Mofokeng has worked for the SmartStart Hub as Club Activator since 2016.***

# The Advocacy Lead's story

**M**y role is primarily about building and holding meaningful relationships with various arms and spheres of government, civil society organisations and communities to advance the right of children to early learning. A typical day involves gliding through the political and social landscape to establish any new policy and programme developments; making calls to connect the dots; and attempting to be in the rooms where conversations about early learning are happening.

SmartStart is a family of activists and child rights enthusiasts who complement my commitment to change South Africa's future one child at the time. I liken the SmartStart network to a village of committed folks who have clear sight of the fact that "it takes a village to raise a child". The rich conversations with our network partners are well placed and organic, and make me feel closely connected to those who need my help the most.

In 2019/20, conversations with government officials about broadening the scope for the ECD regulatory framework to include non-centre based ECD programmes, made me hopeful. More so, seeing this commitment supported through solid action in budget shifts and operational partnerships with some provinces, sent a positive signal that we as a nation might be entering a new era in ensuring fairness for all young children.

Covid-19 brought lots of questions that could not be answered by one person. Like many others, I had to reach out further and deeper in search of safe solutions for children in home and early learning spaces that had been turned on their

head by the virus. Covid-19 has certainly revived lost networks and created new platforms sometimes with strangers emerging as party to the solution. I have personally gained lots of insights about collective effort and wisdom emerging from coalitions and networks that I continue to be part of, especially looking at the great results that we have achieved together.

Our network felt like a brigade in the army, firing day and night, refusing to go on pause. Immersing oneself in the Covid-19 'war rooms' (our weekly action planning meeting) was exhausting but necessary and rewarding as we gained ground and stability during the first wave.

As we look to the future, I am excited about the thinking and conversations at every level of our network, regarding the role of a national delivery platform, like SmartStart, in securing equitable access to early learning for every child in South Africa. This shared driving goal, will shape our engagement strategy with the rest of the ECD ecosystem, and with our partners in government and beyond, in the years ahead.



**Rodgers Norho Hlatshwayo** has worked for the SmartStart Hub as Advocacy Lead since 2019.

## **Finding tomorrow's SmartStarters**

Since the start, we have invested substantially in ensuring that we have a rigorous selection process for applicants wanting to become SmartStarters. Our partner has been Harambee Youth Employment Accelerator, who specialise in solving youth unemployment issues, and whose expertise we were able to harness in designing and running a scalable selection process. In 2019/20, Harambee partnered with us to facilitate 47 'matching days' across the country at which 1 895 applicants were successfully matched to the SmartStart opportunity.

## **Unlocking new funding through the Jobs Fund**

We kick-started an exciting new partnership with the Jobs Fund, a part of National Treasury, with the aim of creating 3 500 SmartStarter jobs by the end of the agreement. This partnership, in conjunction with KYB Enterprise Incubator, is an important step forward in building our platform for scale. It was also a proud moment for us when SmartStart was selected to feature in the Jobs Fund annual symposium of projects.

## **Advocating for an inclusive policy environment**

We continued to work closely with Ilifa Labantwana to shape inputs to government ECD policy-making. We were excited to see the fruits of this engagement in the new Registration Framework issued by the Department of Social Development and a revised National Treasury guideline on the ECD Conditional Grant. These documents marked a step-change in the government's approach to home and community-based ECD programmes by, for the first time, explicitly including them in both the regulatory and funding frameworks.



# The Chief Operating Officer's story

I see my role as providing support to all the various departments in the SmartStart Hub. It's important to make sure that everything we do is scalable, and that is where my department comes in. We make sure that the systems, logistics, people and processes are in place to enable effective execution of the many different elements of SmartStart.

On a typical day, I might spend 60-80% of my time in meetings and problem-solving sessions. The rest of the 20-60% (yes, it's more than 100%!) will be used on data analytics, writing proposals and reports, project management, and developing or optimising network processes.

It's not all about the figures and reports though. Relationships are at the heart of the SmartStart network. We are such a diverse group of people, all passionate about what we do, and that passion creates the willingness to go the extra mile. In 2020, that willingness was needed more than ever.

The Covid-19 pandemic required us to solve challenges that we thought we still had a few years to get right. Priorities shifted and re-shifted: Working with the team to roll out relief support for our SmartStarters; producing funding proposals to meet unforeseen needs; solving tech challenges to enable effective communication across the network; all while trying to ensure we were seeing and preparing for a range of new risks and scenarios.

The extent to which the network, from investors and Franchisors to Coaches and SmartStarters, rallied together to protect the ECD sector, was humbling to be a part of. We were pushed as



individuals and organisations to dig deep and find new reserves. The power of the network – of collective voice and collective problem-solving – became apparent like never before.

In an ops-focused job, it's easy to be lost in the detail and the data, but this year forced us to see people and their needs first and foremost. It was a reminder that ultimately, we are all human beings working towards a common goal – to unlock the personal, social and economic power of early learning, and create a better future for all South Africa. And this is the reason why the SmartStart network is so much more than the sum of its parts.

***Nomsa Muthaphuli is SmartStart's Chief Operating Officer and has been part of the team since 2015.***

# An Investor's story



In the early days of designing the SmartStart solution, even before we had a name, we spent many sessions modelling the pathway to growth. No matter what clever scenario we came up with, it often felt like an intractable problem to solve. It was in one of these sessions, as we puzzled through the costing, that Ntjantja Ned (our godmother of ECD) said, “We cannot solve this problem with money alone. Unless we can tap into the social capital of women in our communities, this will be impossible.”

These words lit a spark in the process. We understood then that this social capital needed to be captured in the social network. This idea is at the heart of what makes SmartStart a unique social enterprise. The SmartStarters get recruited

not for their pedagogical prowess; but for their social capital – love for children, connection to community and their entrepreneurial spirit. They are not employees. They are members of the network. They have equity in the brand. The signage is on the front door of their house.

In the start-up phase, SmartStart built the basic architecture of the network: the data systems, the brand, the Coaches and the Club network. The network is also a complex web of partnerships with Franchisors, local government, national government, the private sector and social partners. The members, SmartStarters, are the heart of the network.

In a study that we did in 2019, we discovered that more than 95% of SmartStarters were feeding children despite the costs of food. They were solving complex problems not within our capabilities. When I attended the annual Club awards, it felt as vibrant and as powerful as any corporate event our businesses run.

When Covid-19 hit the world in early 2020, we expected the worst. This crisis was a real test of the network. Would it survive? Would SmartStarters stay in the network? How do we keep this alive under lockdown? Like all good networks that balance a ‘give and get’, the Covid-19 crisis saw partners rally around to stay connected in unique ways. The network provided financial relief and SmartStart built new and enhanced engagement channels. The crisis saw SmartStart fast track the digitisation of the network with a contact centre and a new app for the Coach network.



Under normal circumstances, in our pre-Covid-19 imaginations, SmartStart would be entering into a challenging phase of scaling up. But as the organisation faces into one of the most serious storms the world has ever faced, the life raft on which it can build its future is the network.

There are significant challenges ahead. A distributed network with thousands of members and strong partners is always stronger than a head office driven organisation. As a social investor, we are proud of where SmartStart is today. We will continue to invest. But we are fully

aware that money alone cannot buy what really powers sustained delivery at scale – partnerships, brand affinity, social capital and the power of the network. It is by harnessing and supporting the immeasurable social capital and enterprising resourcefulness of (mostly) women in our communities, that this will be a platform for delivering access to early learning for all our children.

***Nicola Galombik*** is Executive Director of *Yellowwoods Holdings* and a member of the *SmartStart Board*.



*Nomvula Koetle and her assistant, Nonkululeko Bila, provide the SmartStart early learning programme to 11 children. Nomvula operates the programme from her home in Vlakfontein, west of Johannesburg, and has been an active SmartStarter since 2016. The photograph below shows Nomvula and Nonkululeko actively engaging with children during a playful learning activity. All SmartStarters are trained to help children to extend their learning, whatever they are doing.*



# The Chairperson's story

**T**he past financial year at SmartStart has been like no other. Having been part of this dynamic, and constantly improving organisation since its inception, each year has been an adventure, and I certainly anticipated that 2019/20 would be similar. It was indeed a year of overcoming unexpected barriers, and finding new and innovative ways to build and strengthen the SmartStart network.

What I had not anticipated was the irrevocable demonstration of how powerful the SmartStart network has become, seen in its ability to pivot, respond and create impact urgently and irreversibly.

The first building block of this network, and to me, the most powerful, are the people who make up this incredible force. From Grace and her phenomenal team at the Hub, to the Coaches, the Franchisors, the SmartStarters, and the investment partners. The greatest value within SmartStart has been the people within the SmartStart network who have demonstrated passion for taking quality and affordable early learning opportunities to tens of thousands of children across South Africa.

As Russian inventor Genrikh Altshuller once suggested, 95% of 'new problems' have already been solved many times over, very likely in other industries. As a Board, we recognised that the audacious goals of SmartStart would require unusual connections, building unlikely allies, and opening up individual networks to draw connections with new and different catalytic partners and investors. Over the past year I have been impressed to see SmartStart growing its influence in both small enterprise development, and women and

youth employment, demonstrating real potential solutions provided by the early learning sector.

In mid-2020, we saw the Covid-19 pandemic changing the entire playing field and putting the whole ECD sector at risk. I was blown away to see how quickly and effectively the SmartStart network responded. The shared ownership and collaboration was tangible, as every partner prioritised supporting SmartStarters, ensuring they remained safe and secure, along with the young children in their programmes. SmartStart was able to quickly use its resources and networks to support the broader sector to navigate through this crisis.

As a year of chaos came to an end, I was heartened to see each member of this large network of partners and allies, see deeper value in the network, and in their own ability to create impact. I remain excited at the potential of this network to continue building momentum across a broad constituency in South Africa, placing SmartStart and early learning at the forefront of the solutions to youth employment, micro-enterprise growth, and strengthening outcomes for children.



**Carley Furness-Symms**  
*is Director:  
Programmes at The  
ELMA Philanthropies  
Services (Africa),  
and the current  
Chairperson of the  
SmartStart Board.*

## **Strengthening the Coach development pathway**

We conducted an infield diagnostic of our Coaches and their role, and used the insights generated to design and launch a new Coach licensing and professional development process. The new system is an important pillar of our strategy to build quality at every level of the network, through consistent performance monitoring and management.

## **Accreditation for our training programme**

After a rigorous application process, SmartStart became an accredited organisation with the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA), and our Start-Up Training was registered as an ECD short course (4 Unit Standards). This not only helps to elevate the status of the SmartStart programme and training, it will also assist SmartStarters who are working towards formal ECD qualifications.





# COVID-19 outreach

The Covid-19 pandemic meant that we had to quickly refocus the network to build capacity for home learning and to support public health messaging.

- ★ We launched our 'Every Week Counts' campaign aimed at raising awareness of the importance of every day of a young child's development, and equipping parents with simple tools and ideas for home learning.
- ★ We used a schedule of SMS, WhatsApp and Facebook communications, to actively 'push' public health messaging and home learning materials to SmartStarters and parents. In addition, the Call Centre made 4 141 calls to SmartStarters over this period.
- ★ We resourced Coaches to deliver weekly support and information-sharing engagements with SmartStarters via telephone. This also helped us to gather feedback from the field to inform our programme strategies.
- ★ We zero-rated key pages of our website so that information and resources were freely available to our network and more widely. Between April and June 2020, we had 6 221 visits to the "Every Week Counts" page (of which 4 400 were unique visitors).

- ★ We trained and supported ten of our trainers to become remote Call Centre agents, providing support and information to parents across the country. 10 478 calls to parents were made and connected!
- ★ We invested in initial development of an e-learning platform to enable remote learning for SmartStarters and to streamline information-sharing.

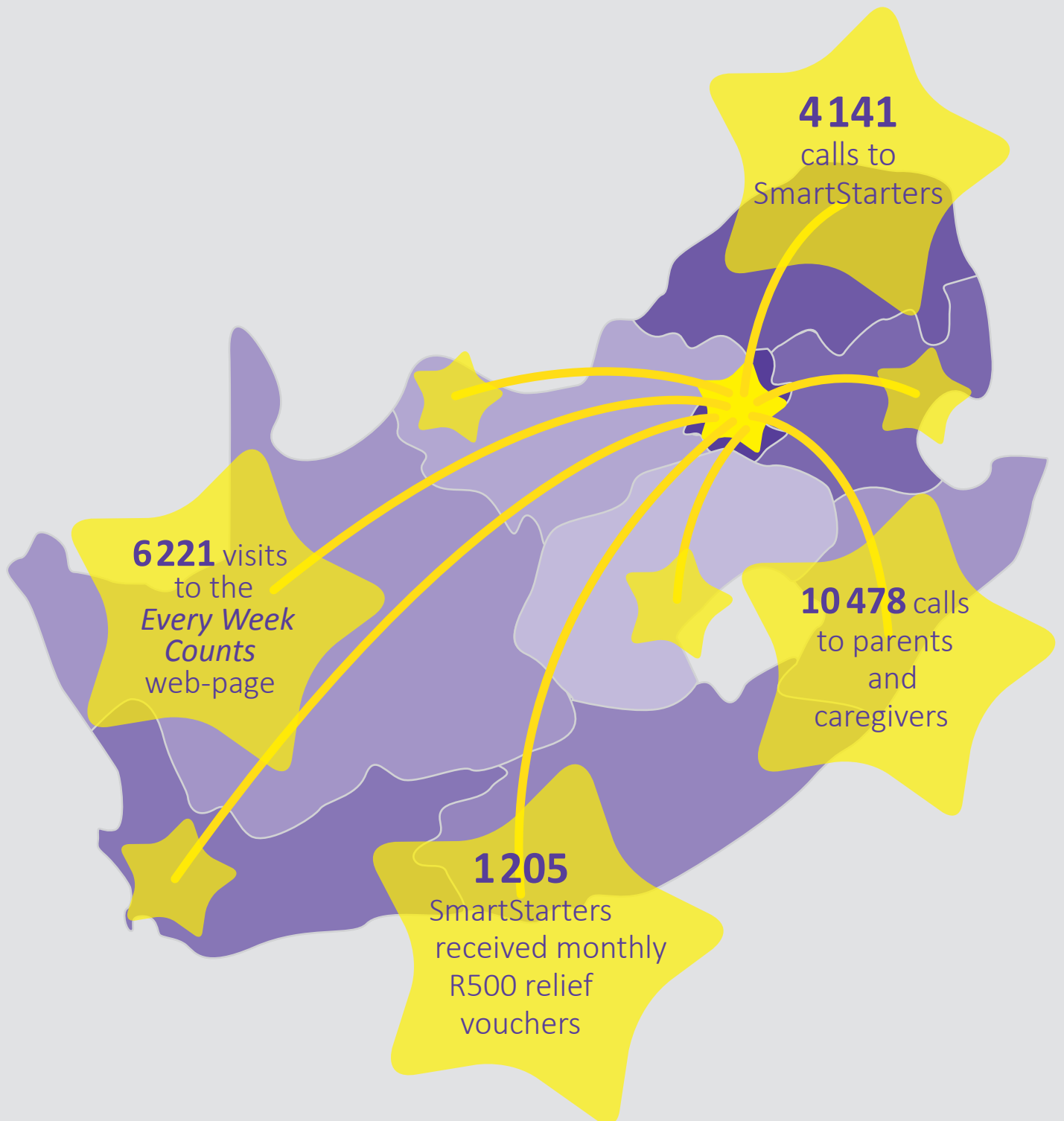
In April 2020, we rapidly distributed user-friendly leaflets with information on:

- How to prevent infection
- How to identify and respond to Covid-19 symptoms
- Hand-washing – and how to make a tippy tap
- Keeping children safe and happy at home





We rapidly reallocated funding to support our SmartStarter network with a monthly R500 emergency relief voucher. **R1.15 million** was distributed to **1 205** SmartStarters between April and June 2020.



# Our year in numbers

## In 2019/20...

**36 795** children attended  
programmes run by **3 897**

SmartStarters, who participated

in **758** Club meetings,

supported by **70** Coaches,

who conducted

**1 247** quality assurance visits

We ran **103** different training sessions – ranging from the week-long Start-up Training, to short courses on business skills and child monitoring.

### Governance

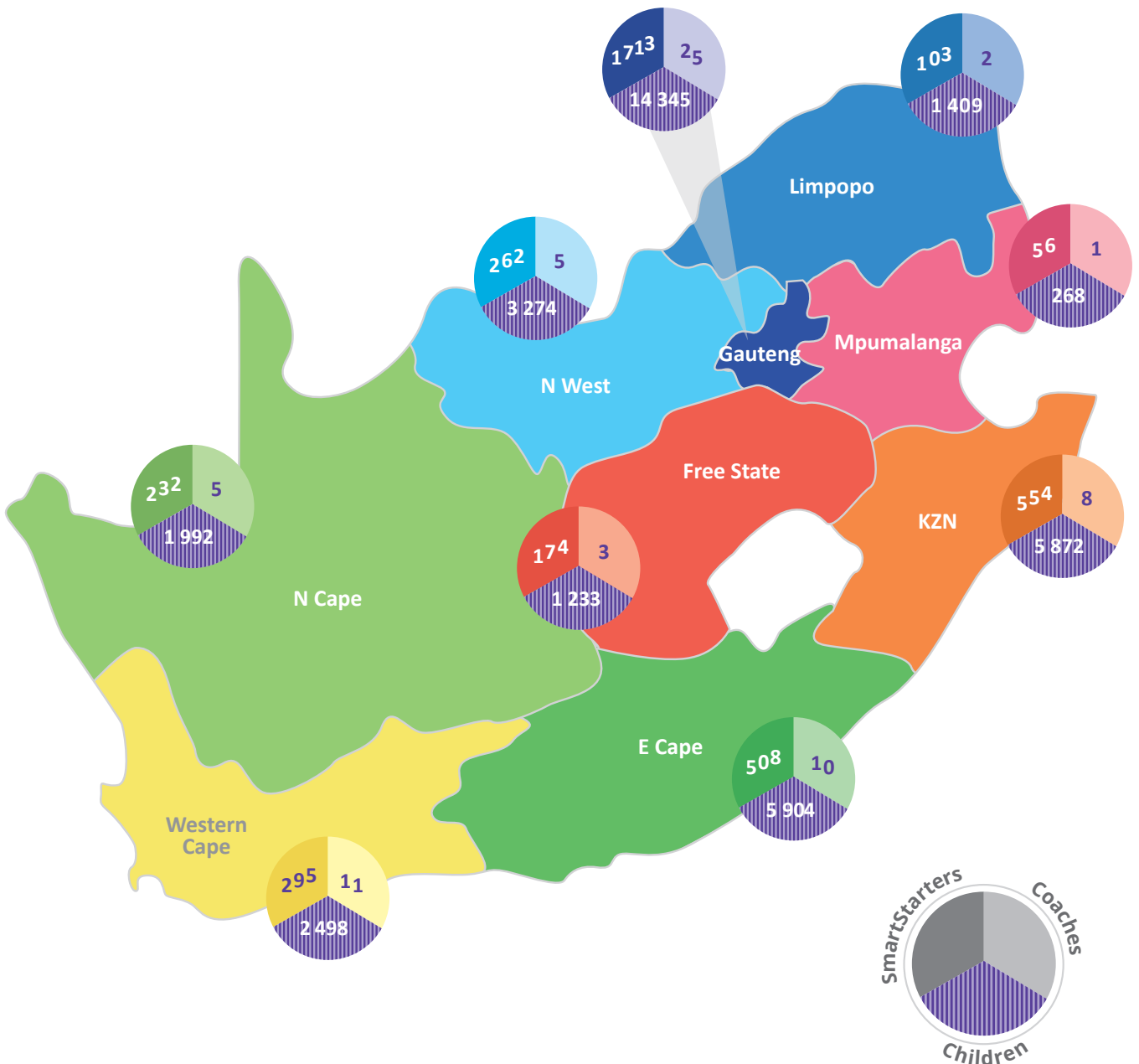
We held four Board meetings and one Annual General Meeting. We also held two Special Board meetings and one two-day Board strategy session. Our senior management team met **22** times. No constitutional changes were made during this reporting period.

We were delighted  
to welcome

**1028**  
SmartStarters

newly licensed

into the network!



# Our finances

SmartStart Early Learning (RF) NPC  
(Registration number 2015/075926/08)

## Statement of Financial Position as at 30 June 2020

Figures in Rand	2020	2019
<b>Assets</b>		
<b>Non-Current Assets</b>		
Plant and equipment	242 719	370 767
Right-of-use assets	621 267	-
Intangible assets	460 000	460 000
	<b>1 323 986</b>	<b>830 767</b>
<b>Current Assets</b>		
Inventories	2 581 298	1 046 377
Loss incurred due to misappropriation	-	734 785
Trade and other receivables	2 001 723	1 526 938
Cash and cash equivalents	30 441 507	1 814 430
	<b>35 024 528</b>	<b>5 122 530</b>
<b>Total Assets</b>	<b>36 348 514</b>	<b>5 953 297</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Retained income	516 297	862 569
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Finance lease liabilities	606 780	-
<b>Current Liabilities</b>		
Trade and other payables	5 636 313	4 708 395
Finance lease liabilities	159 298	-
Deferred income	29 429 826	382 333
	<b>35 225 437</b>	<b>5 090 728</b>
<b>Total Liabilities</b>	<b>35 832 217</b>	<b>5 090 728</b>
<b>Total Equity and Liabilities</b>	<b>36 348 514</b>	<b>5 953 297</b>

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	2020	2019
Revenue	56 031 622	55 973 950
Other operating income	111 998	2 128
Other operating gains (losses)	-	(18 083)
Impairment of loss due to misappropriation	(939 775)	-
Other operating expenses	(55 956 483)	(55 221 084)
<b>Operating (loss) profit</b>	<b>(752 638)</b>	<b>736 911</b>
Investment income	630 365	188 467
Finance costs due to lease	(75 140)	-
<b>(Loss) profit for the year</b>	<b>(197 413)</b>	<b>925 378</b>
Other comprehensive income	-	-
<b>Total comprehensive (loss) income for the year</b>	<b>(197 413)</b>	<b>925 378</b>

## Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 July 2018	(62 809)	(62 809)
Profit for the year	925 378	925 378
Other comprehensive income	-	-
Total comprehensive income for the year	925 378	925 378
Opening balance as previously reported	127 786	127 786
Adjustments		
Prior period errors	734 785	734 785
Change in accounting policy	(148 861)	(148 861)
Balance at 01 July 2019 as restated	713 710	713 710
Loss for the year	(197 413)	(197 413)
Other comprehensive income	-	-
Total comprehensive Loss for the year	(197 413)	(197 413)
Balance at 30 June 2020	516 297	516 297

## Statement of Cash Flows

Figures in Rand	2020	2019
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) operations	28 849 743	(762 302)
Interest income	630 365	188 467
Finance costs due to lease	(75 140)	-
<b>Net cash from operating activities</b>	<b>29 404 968</b>	<b>(573 835)</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(71 295)	(286 958)
Sale of plant and equipment	-	(776)
Additions to right-of-use assets	(1 179 243)	-
Loss incurred due to misappropriation increase	(204 990)	(734 785)
<b>Net cash from investing activities</b>	<b>(1 455 528)</b>	<b>(1 022 519)</b>
<b>Cash flows from financing activities</b>		
Payment on lease liabilities	677 637	-
<b>Net cash from financing activities</b>	<b>677 637</b>	<b>-</b>
<b>Total cash movement for the year</b>	<b>28 627 077</b>	<b>(1 596 354)</b>
Cash at the beginning of the year	1 814 430	3 410 784
<b>Total cash at end of the year</b>	<b>30 441 507</b>	<b>1 814 430</b>

# An overview of SmartStart

SmartStart's reason for existence is to offer a systems solution to the government's goal of achieving universal access to ECD by 2030. This means we are focused on population-level change and we will measure our success by the degree to which early childhood outcomes shift for all South African children, rather than just some. Equitable access to quality early learning programmes in every community will be the key.

The size of the challenge is significant. In South Africa, there are over one million children aged 3-5 years-old who are not accessing any form of early learning programme. Most of these children are from low-income households and live in poor communities. For them, a lack of access to effective early learning opportunities will have a lasting impact on their futures. The early years are a critical developmental window, which lay the foundations for success at school and beyond. But if that opportunity is missed, the personal, social and economic costs are substantial and life-long.

Providing access to early learning for every one of the children who are currently missing out, will require over 100,000 new ECD practitioners and over 40,000 new venues. By implication, without a human resource pipeline and sufficient venues for early learning programmes, it will be impossible to improve access for children. What is more, in order to reach the high numbers of excluded children, system capacity must be expanded at an unprecedented rate in a relatively short time-frame.

Change of this order is unlikely to be achieved by simply extending current approaches, which

generally have not been designed for scale. Instead, a systems-intervention is needed which can close the provisioning gap in two ways: First, by managing for every stage on the service delivery continuum (from recruitment to training to quality assurance); and second, by providing the architecture and systems for establishing and managing early learning programmes at scale.

Importantly, a national delivery platform also unlocks a critical economic opportunity, for society in general and for women in particular. In this sense, early learning programmes are a triple impact investment: enabling labour-market entry for parents by providing them with a safe place to leave their children while they work; providing direct employment and social enterprise opportunities for tens of thousands of (mostly) women; and establishing the fundamentals for every child's personal and economic success.

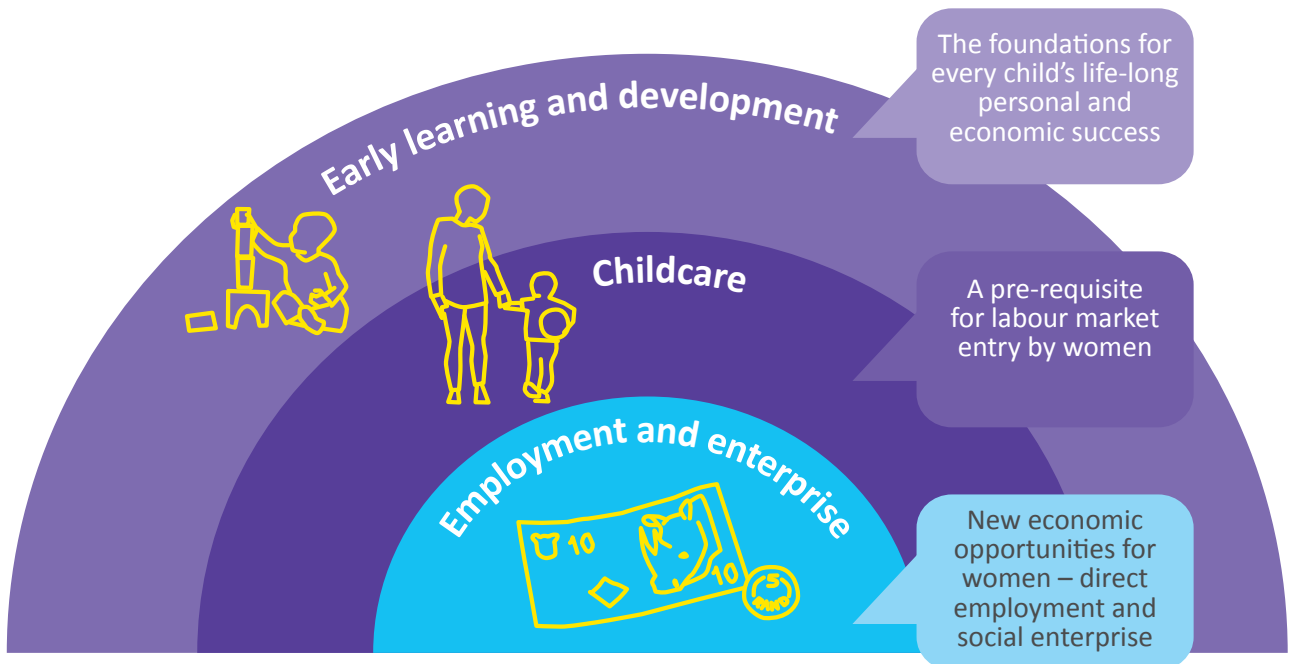
SmartStart has set out to be one such platform. Crucially, our role is not to replace or compete with existing ECD service providers. Instead, we work as an equal partner with these providers, harnessing their experience and assets and linking up their contributions. In areas where NGOs currently have no coverage, the platform seeds new NGOs or provides the full-service spectrum directly itself. This means that the platform can plan for and ensure equitable coverage because the provision of new places is not vulnerable to the significant variations in the presence of other service providers in any particular area.

Placing national early learning delivery platforms at the heart of a national strategy for scale, aligns



the interests and capabilities of government, funders, NGOs and early learning programmes in such a way as to make possible the government's pledge of universal access to ECD for every child. And when the starting-point of the entire Grade R

cohort moves forward, benefits will be felt at systems-level in schools, meaning that population-level change in educational and wider outcomes will be realised.



## Early learning programmes: A triple impact investment



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