



smart  
start

GIVING EVERY CHILD THE  
POWER TO SUCCEED.

# Lessons about Scaling

Annual Report  
2021/22

# About SmartStart

SmartStart is South Africa's first national early learning delivery platform. Within a single platform architecture, Franchisors and regional branches recruit, license and support practitioners (Franchisees) to deliver the same evidence-based programme for three- to five-year-olds, supported by a national network of Coaches and Clubs. SmartStart itself performs the role of platform orchestrator, designing and enabling the operational components of an end-to-end, non-state delivery system. SmartStart currently has over 9000 practitioners nationwide, delivering early learning programmes for more than 60,000 children every week.

Major social impact funding for SmartStart is provided by Hollard Foundation Trust, DG Murray Trust, ELMA Philanthropies, Department of Social Development North-West, DGMT Solar, FEM, First Rand Foundation, Grand Challenges Canada, Imaginable Futures, Jobs Fund Treasury, LGTVP, Mulago Foundation, Nikela Trust, USAID, JP Morgan, Bavaria, and SETA.

For more information, visit [www.smartstart.org.za](http://www.smartstart.org.za) or call the SmartStart office at **011 268 5959**.

## Our Investors and Funders



## Our Franchisors



Our 2023  
Annual  
Report  
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# Letter from the Chairperson, Carley Symms



Please join me in reflecting on SmartStart’s network of partners’ successful past year (July 2021 to June 2022), as we look back, to move forward, with you, together.

A year ago, government took the big step of relocating responsibility for Early Childhood Development (ECD) from the Department of Social Development (DSD) to the Department of Basic Education (DBE). In principle, this responds to the clear statements of the South African constitution; “A child’s best interests are of paramount importance in every matter concerning the child”; and “Everyone has the right to a basic education”. The Constitutional Court has since explained that the right to a basic education is intended to be “immediately realisable”.<sup>1</sup>

In practice, we know that realising early learning for all children isn’t immediate. But we also know that the reasons for doing so are even bigger than a “matter concerning the child”. It is our children’s playful early learning with words, stories and songs; numbers; and each other – all carefully guided by caring adults – that constructs the “building blocks for educational achievement, economic productivity, responsible citizenship, lifelong health, strong communities, and successful parenting of the next generation.”<sup>2</sup>

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<sup>1</sup>For a straightforward explanation, see “Chapter 1: The Constitution and the Right to Basic Education” in Basic Education Rights Handbook [2nd ed.], by Chris McConnachie, Ann Skelton and Cameron McConnachie. Online at <https://section27.org.za/basic-education-rights/Basic%20Education%20Handbook%20-%20Chapter%201.pdf>

<sup>2</sup>See international research summarised here: “What Is Early Childhood Development? A Guide to the Science (ECD 1.0)”, by the Center on the Developing Child at Harvard University. <https://developingchild.harvard.edu/guide/what-is-early-childhood-development-a-guide-to-the-science/>



In the year under review, SmartStart has established and developed an extraordinary partnership with the DBE to develop a systemic approach to transforming the sector. As a network, we have also worked on building similar partnerships with multiple provincial departments of education, with promising results. We specifically appreciate the officials across South Africa's school districts, who following this shift, are grappling with their new responsibilities.

Finally, I sit here writing to you amid the gloom of stage six rolling blackouts. A future-fit electricity system is fundamental to South Africa's socio-economic infrastructure. Power problems, including those at Eskom, are systemic and complex. Yet what is clear, is that these problems are in part consequences of historical underinvestment. Now, a future-fit early childhood development system is also fundamental socio-economic infrastructure. Problems in early learning aren't signalled by our lights going out, but our succeeding as South Africa, depends as much on our giving every child the power to succeed. As the Real Reform for ECD campaign highlights, the costs of quality, affordable early learning are as low as R30 per child per day! Yet even government's significant budgetary increase, allocates only R6 per day per child in most programmes and R17 per day for centre-based programmes.

Despite the gloom, there's no time for doom. Our ongoing, unavoidable collective effort remains turning what we have, into what we need, to get where we must, for our children and as a country. We continue to notice steady growth in the number of franchisees trained and converted, as well as in children reached every week.

Today, the SmartStart team reports that the network has crossed the respective thresholds of 60 000 children engaged by 9 000 practitioners! This in itself is an undercount, as work we will report in future, has identified that an average practitioner in our network registers six children but educates nine. Our collective potential is extraordinary! The artist Passenger sings; "We're born with millions / Of little lights shining in the dark / And they show us the way". This report is an invitation to join us, not as passengers, but as partners in the cause. I invite you to engage the SmartStart network about how we can all "create conditions for a multitude of ECD evangelists and organisers to emerge"!

**Carley Symms**  
Chairman of the Board

# Letter from the CEO, Grace Matlhape



At the end of the first five years of SmartStart, we took a few decisions that resulted in a step change in how we see ourselves as part of the ECD sector, and the development fraternity in general.

We have realised that much of what we had been struggling with, for example, the high turnover of practitioners, had far deeper underlying drivers than we had previously appreciated. Programme intervention alone, without an intentional focus on the underlying systems that hold the problem in place, would continue to result in a revolving door syndrome, which would in turn continue to undermine our growth. One of these insights came from widely available data, that shows that more than two-thirds of the children who do not have access to ECD are from economically deprived communities. This tells us that we cannot close the ECD access gap in South Africa, unless we build solutions that are relevant, achievable, and effective in low-income communities. Simply put, systems solutions that do not see and respond to the particular challenges faced by low-income communities, are likely to simply reproduce existing patterns of exclusion.

## **There are two broader systems challenges of ECD in South Africa:**

1. The ECD system as a whole does not have capacity to accommodate all of the children in the country. This means that there is inadequate supply of ECD services, particularly in low-income communities. The underlying factors driving this challenge is that there is inadequate available and trained workforce to deliver ECD work, particularly early learning, and there is a shortage of land and appropriate venues for programme delivery, particularly in low-income communities.
2. Secondly, there are many unregistered and unregistrable ECD centres in the above communities, brought on largely by childcare demand, where the quality of learning is very poor and resources are inadequate.



It was against these insights that we took the decision to place our national early learning delivery platform at the heart of our national strategy, for population-level coverage, and to intentionally focus on where the early learning access gap is widest –communities in quintiles one and two (66% of all children).

In the second half of the year, we renewed our focus on strengthening the model we have built to adapt it for “doers” and “payers” at scale, using Mulago Foundation’s framework for scale. We identified priorities for the next period, and articulated our learning. We’ve organised this report using five principles for scale, articulated before we came to be, and enhanced with our insights, learnings and questions since. In particular, it is imperative to “Scale impact not organisation”.

## **Our ambition as SmartStart isn’t about us. We have committed to “Build an [ECD] ecosystem” with all our partners.**

**We are pleased to share specific programme successes of 2021-22 that we celebrate at SmartStart:**

We achieved 114% of our target for children in SmartStart programmes, by reaching **47 626 children in programmes every week, by the end of the year.**

We achieved 105% of our target for practitioners in the SmartStart network by growing to **6 891 practitioners – across a network of 954 clubs, supported by a network of 64 coaches.**

We responsibly **grew our annual budget by more than 50%**, enabling us to scale our impact, but also signalling the amazing confidence placed on us by a growing network of impact investors.

Although we had adjusted our targets down due to COVID-19 realism, we are proud that we ended our financial year having converted candidates into practitioners at a rate 20% above our target.

I would like to thank our donors and impact investors for their support and confidence in SmartStart as a venture worth backing. This is what encourages us on to face every challenge with determination. I salute our network of partners, many of whom are as determined as we are, to contribute meaningfully to South Africa’s dream of universal access to ECD by 2030. I would also like to acknowledge the unstoppable SmartStart team across the country, often working in treacherous conditions in the field, and constantly finding solutions for what seems impossible, in the hub. Collectively, they prove true what Nelson Mandela said, that “it always looks impossible until it is done”.

At the heart of our delivery platform, is a network of franchisees, our SmartStarters. An amazing, resilient group of mainly women, determined to give every child in their care, the power to succeed. I hope that a few of them who are highlighted in this report will inspire you as they inspire us every day.

### **Grace Matlhape**

Chief Executive Officer, SmartStart

# Introduction



We've come this far and we're still learning - fast! The conditions in which every child lives in their early years, will shape their subsequent prospects at school and beyond. In turn this will impact our broader society for future generations come.

This report shares what we've learned about scaling social innovations, while working together towards wider systems change to realise early learning for all. It also highlights what we think we still need to learn, together – as fast as possible. Like in all children, collective potential is extraordinary.

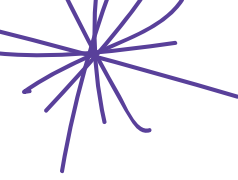
In this spirit, we've organised this report around the five principles for scaling articulated by an **Ashoka Globaliser study from 2013** – and we've enhanced and challenged these with our own learnings and questions.

Our ambition remains to give every child the power to succeed through a smart start for all three to five-year-olds in South Africa. Our ambition demands that we scale early learning to a million children annually by 2030, which depends on transforming specific systems for inclusive impact at scale.

Our strength is rooted in the multiple, complementary elements of our identity. Connected by our common purpose of closing the early learning access gap, SmartStart is growing through a network of non-profit organisations - our franchisors. Each partner is involved in one or more social contexts in each province across South Africa, often through other activities alongside the SmartStart Hub. This affords the network local knowledge and connections for network-building and problem-solving, plus collective credibility.

Our success must be bigger than SmartStart. To truly enable everyone to close the early learning access gap together, we are building a national delivery platform. This platform is an “operating system” for early learning providers and associated organisations, which enables even others outside the SmartStart network to enter, operate and grow successfully. Think Microsoft for Windows.

A national delivery platform enables people, information, and finances we need, to realise flows of care and learning for all three to five-year-olds. We believe that success in building a national delivery platform, as with scaling the SmartStart network, depends in part on seeing and treating informality as an asset at least as much as a constraint.



To this end, the SmartStart network is deepening our collaboration with government:

- To connect multiple state (“vertical”) systems, related to practitioner licensing, venues and infrastructure, monitoring and regulation, and public financing, among others; and
- To connect these state systems together with a frontline (“horizontal”) value chain that offers early learning programmes amid local realities across diverse contexts (“delivery”).

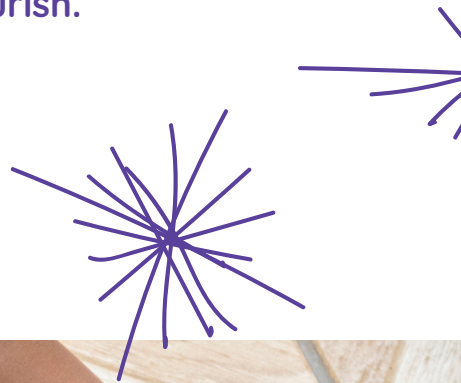
We are enabling SmartStart’s network of practitioners to mobilise together to be heard; and to organise themselves and others in sustained action.

Watch how our practitioners mobilise together for common cause.



Scan the QR code to view the **Ashoka Globaliser study from 2013.**

**Building a national delivery platform is not only a technical challenge. We are learning to practice cooperation as sharing-without-expectations beyond focused collaboration. This means building an early learning ecosystem that enables organisations beyond SmartStart to enter the sector and flourish - so that children flourish.**



# Why target population-level impact?



The first principle is “**Scale impact not organisation**”. Scale is fundamental. SmartStart exists to address the social injustice in early learning and to open the associated socio-economic opportunity at its true, national scale. This demands a population-level solution focused on social inclusion in quality, affordable early learning for all children, especially those who constitute the most excluded 40%.



To achieve this scale of social impact, our strategy is to build a nationwide, population-based solution, which is privately-operated at the point of contact; state-enabled and regulated; and diversely funded.

To close the large-scale early learning gap, we are already succeeding in:

#### Closing the supply gap by:

- Scaling the workforce of suitable practitioners and assistants, via a pipeline of new entrants, and a conversion process (matching, start-up training and support).
- Unlocking access to safe venues at scale, through leveraging and licensing home- and community-based sites and locations.

#### Closing the opportunity gap by:

- Building and assuring the quality of age-appropriate play-based early learning programmes.
- Transforming parents' and caregivers love for their children into **effective demand** for and action towards quality, affordable early learning programmes.

#### Closing the funding gap by:

- Advocating for appropriate laws, policies and regulations, and associated budgets and funding flows, which are relevant to and adaptable across real contexts.
- Building further funding partnerships, which are catalytic and/or complementary, and focused on social impact through scaling innovation and/or seeking system change.

It is important that the work we do not only increases socio-economic impact-at-scale, but that it responds to the magnitude of the challenges we seek to address. "Impact at scale" is not simply a buzzword, but a real target. The communities we work with and in, have little to no infrastructure, therefore scaling for impact means that we recognise and use existing assets in communities, making the best of whatever they have at hand. This is not only cost effective, but it also has the potential for increased sustainable outcome.

SmartStart practitioner, Beatrice Swarts says  
**“While childcare locations may exist in under-resourced communities like mine, the role that a quality early learning programme plays is vastly different. We did not have the learning resources and training that was needed to fully engage with the children in our community, nor did we have the funding to accumulate these resources.”**



To achieve universal access, at scale, there is a need to increase the pool of practitioners. SmartStart's model is designed to increase this pool and give them the training they need to successfully run their own early learning programmes, without the prerequisite of a matric certificate. By attracting and matching the right individuals through our delivery platform, we contribute to growing and expanding the early learning workforce, and continue to scale impact in closing the early learning gap in South Africa. This is enabled through the execution of a codified process of recruiting, matching, training and providing continued support to practitioners, in what we call a "practitioner value chain."

There is, however, an expectation of what infrastructure needs to look like that has been normalised within South Africa. We need to address this without compromising on quality, and by focusing on the standard of learning, rather than the type of infrastructure, that way we will be able to reach more children. Our growth strategy is to identify priority areas where the gap in access is the largest, and to be crystal clear with our implementing partners about targeting those priority areas. This ensures that our commitment to establishing new programmes and setting up new early learning sites, is not in competition, or creating animosity with existing programmes either.

Importantly, we want our impact and reach to extend beyond our own network. Making content accessible and open to the community, feeds into the overall goal of closing the early learning access gap, particularly in the most underserved areas. Involving community members in engagement processes has positive effects on two fronts. On the one hand, mobilising the community changes the life trajectory of individual children, through the power of early learning. On the other hand, it can change the socio-economic trajectory of an entire community, by creating job opportunities in the present, and by empowering the youth of tomorrow to be gainfully employed.

Our successes and efforts here intentionally yield a multitude of new owner-run microenterprises, which are sustained by a transformed early learning ecosystem. This realises the triple socio-economic impact-at-scale, of children's early learning, the employment and enterprise development of practitioners, and secure childcare that enables caregivers, who are predominantly women, time for job searches and labour market entry.

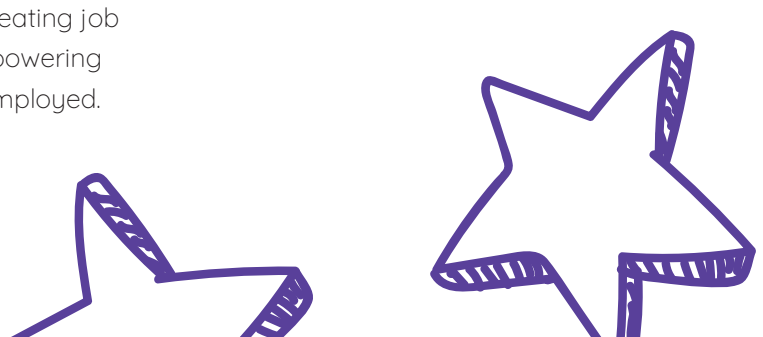
In order to scale effectively, and deliver to the true potential of our delivery platform, leveraging technology is critical. From our CRM platform that enables franchisors to track implementation for their portfolio of sites, to coaches managing their work "on the go" through the coach mobile application (App) or practitioners using the chatbot to manage their sites and get additional digital resources for their programmes – technology helps us to go further with limited resources. Impact of the network depends on the strength of individual partners.

Making a standard of learning available to a wider eco-system, means that we are not only encouraging quality in our own programmes, but in those across the nation. This subsequently broadens our scale of impact to the entire early learning eco-system, which is our primary goal.

We are learning how to achieve greater network-wide economies of scale in programmes and logistics, while we continue to bring new partners into the SmartStart network, thereby scaling impact and not merely the organisation.



Transforming parents' and caregivers love for their children into **effective demand** for and action towards quality, affordable early learning programmes.

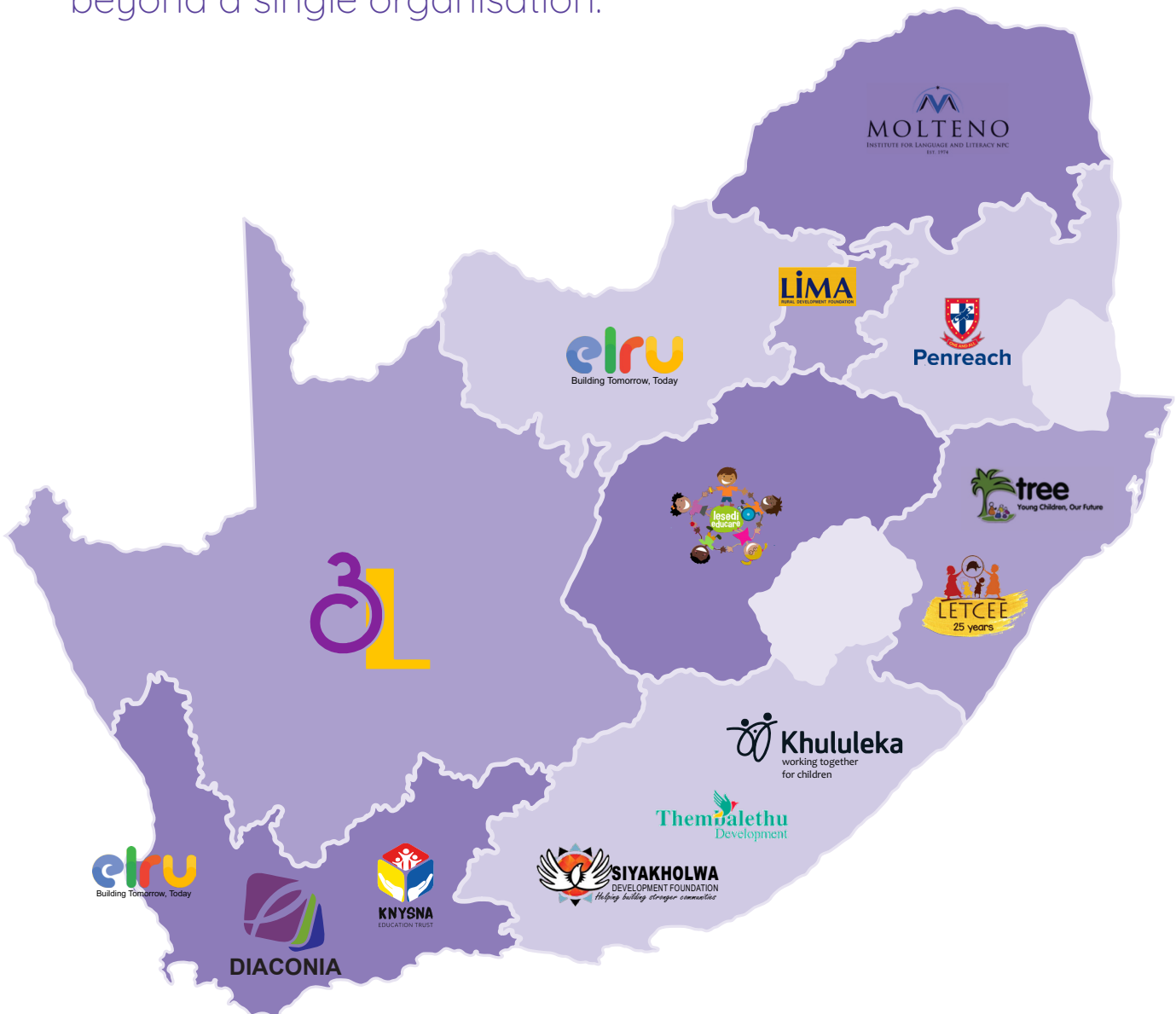




“We have seen our centres grow, and places that were once small become even bigger. This would not have been possible without working with SmartStart,” says practitioner and ECD owner, Jerry Mbatha.

# Who is SmartStart?

A second principle articulated by the Ashoka report is **“Build a team of entrepreneurial problem-solvers focused on a common inspirational mission”** - beyond a single organisation.





The SmartStart model operates as a three tiered-social franchise: the SmartStart Hub that orchestrates the platform, the franchisors who licence and supports practitioners to run quality early learning programmes, and Franchisees who are practitioners connected in clubs and supported by club coaches. So, beyond a single team, SmartStart is a network of networks!

We believe that every person is a problem-solver — because we are all independent thinkers. The SmartStart network brings people together in teams to solve problems and innovate through common purpose; complementary perspectives and contextual know-how; and ongoing feedback. Clubs comprise practitioner-peers who come together for mutual support and shared problem-solving in practice. Club members also collaborate as teams to compete against other clubs in leagues — with winners across categories, and collective enthusiasm for improvement, both celebrated at the network-wide Unite event. Unite, which continued through the COVID pandemic, demonstrates how a common purpose, and technology, connect a nationally distributed network. Similarly, we celebrate franchisors and branches' successes at our annual Day of the Stars event, in ways that encourages improved performance.

Beyond the SmartStart network itself, we continue to build relationships with enterprising government officials, with whom we collaborate regarding relevant laws, policies, and regulations. This is exemplified by the memorandum of agreement between SmartStart and the Department of Basic Education (DBE) which also seconds ongoing expert technical support from SmartStart into the DBE. We are committed to facilitating joint problem-solving across different levels of government, especially focused on building a registration system for scale.



We are already working on supporting local efforts by parents and caregivers and connecting them with each other for this purpose, e.g., through piloting parent engagement panels. We continue to seek partners who would join us to solve intractable challenges of ECD, and realise the opportunities, of complementary critical services, like nutrition and distribution. We are also engaging a growing number of increasingly influential global foundations focused on scaling social innovation and those focused on **systems change** — like **Co-Impact**.

While encouraging internal and external problem-solving at every level, we have realised that there are elements of our engagement that we need to strengthen. We believe that collaboration is necessary to solve the challenges we face. The clubs are a platform for our licenced practitioners to engage and share knowledge and insights. This helps to drive growth, which only happens if they have space to come together to solve similar challenges. This is the space that we want to expand in.

**“A fundamental part of collaboration begins with supporting, and empowering practitioners to be able to advocate for their own needs, of their own accord,”**

says Kayin Scholtz, ECD Resource Hub Manager of the DG Murray Trust.

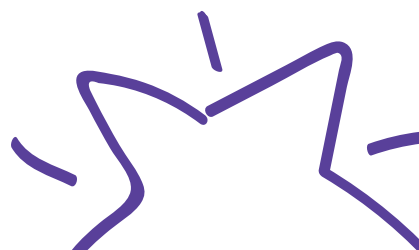
Home-based provisioning which allows practitioners to run an early learning programme in their home, church, or community hall has been one of our answers to addressing the challenges potential practitioners face. By taking the need for specific infrastructure out of the equation, more practitioners are able to implement an early learning programme, and reach more children.


The success of our network is reliant on home-based provisioning, which is something we believe should be adopted nationally to address the early learning crisis. Through our home-based model, which is not capital intensive, we have successfully reached all nine provinces, and more than 150 000 children since inception.

In this reporting year, our team has grown to over 50 fulltime employees who are located at the SmartStart Hub and two newly established branches in Gauteng and KwaZulu Natal. Our coach network has also grown to over 70 coaches located at 14 Franchisors. Our training team has grown to 65 trainers that are tasked with delivering our core start-up training across the country. Collectively, we are a team of entrepreneurial problem-solvers, focused on a common inspirational mission, to expand access to quality early learning for all children.



Scan the QR code to read the **Co-impact report on systems change**.





Kayin adds;  
“We must invest in strengthening this environment, which starts with helping parents realise their pivotal role. Child outcomes are deeply influenced by their relationship with their parent, and their practitioner, which means strengthening relationships at all levels has a substantial influence on SmartStart’s scale of impact.”

# Case study: Partners toward a common mission



**Samantha Maasdorp**  
Network Strategist,  
SmartStart

**Lerato Lehoko**  
Executive Director, IMBE ECD  
Enterprise Incubator

A core feature of SmartStart’s five-year-strategy is partnership. The underlying rationale for a partnership-based approach is our belief that collaboration will enable multiple problem-solvers, each with different assets and experiences, to be directed toward solving complex challenges.

One such challenge facing the ECD sector, and therefore the SmartStart network, is the question of what investments are required to establish self-sustaining ECD social enterprise? In seeking a definitive answer, we have sought out expert organisations to work alongside. Of utmost importance to SmartStart is the requirement that all partners be mission-aligned. One such partner

whose own mission speaks directly to ours, is the IMBE ECD Enterprise Incubator.

Founded in 2015, IMBE’s mission is to advance the financial resilience of women owned ECD enterprises. IMBE itself is a social enterprise that is predominantly funded by social investment. Building on their knowledge of both the ECD sector and enterprise development, IMBE has designed and brought to market a first-of-its-kind ECD Enterprise Accelerator Programme that aims to support ECD businesses to grow their income.

Designed with the practitioner in mind, the Accelerator Programme takes entrepreneurs through a 24-month journey. A combination of financial record keeping, training and development, and direct investment into select growth products is used to support practitioners to both define their own growth path, and ultimately to achieve it. Intended outcomes are beneficial to both practitioners and programmes, with greater income increasing the overall sustainability of the ECD businesses and a larger programme accommodating more children.

Working together, SmartStart’s existing network of practitioners has afforded IMBE the opportunity to move quickly from concept to pilot. Launched in 2021, 442 SmartStart practitioners have been afforded the opportunity to participate and benefit from the Accelerator Programme since its inception. A further 1 350 opportunities will be afforded to the network in 2023.

Early insights from the Accelerator Programme indicate that training and capacitation, when paired with user-friendly tools like a reflective ECD Growth Plan, enables the practitioners to easily identify and rank their priorities toward unlocking growth for their ECD businesses. Similarly, user-friendly digital tools that translate typically paper-based recording practices into time-saving online records, are helpful in so far as they are well understood and are used to inform decision-making.

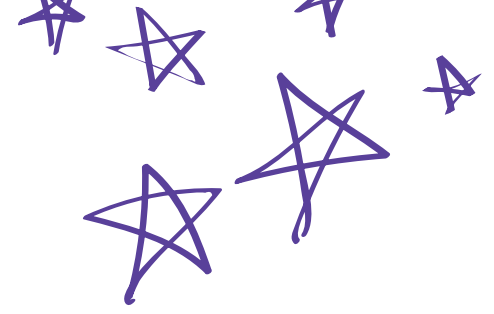
Reflecting on our partnership and the successful launch of the Accelerator Programme within SmartStart's Network, Lerato Lehoko, IMBE Executive Director says; "Our partnership with SmartStart has enabled us to reach a large pool of eligible ECD practitioners to rapidly test and refine our enterprise acceleration offering. We

hope that over time, improvements in the financial sustainability of ECD enterprises will translate into higher retention of those enterprises, and improved learning outcomes for children."

For Samantha Maasdorp, SmartStart's Network Strategist, this kind of partnership is crucial; "Being at the forefront of such innovation within the ECD sector enables SmartStart to continue refining its own value proposition to practitioners, whilst simultaneously ensuring that solutions are designed with scale in mind."

Looking ahead, SmartStart and IMBE have growth in mind - growth in access to this support and support like it. We hope that like-minded individuals and organisations will join us in our innovation and learning journey.





# What is SmartStart?

In addition to being a network and a social franchise, SmartStart is also a **programme**: a consistent, semi-structured daily routine, enriched by a play-base curriculum, all designed for early learning. The SmartStart programme is based on a child-centred and empirically-evidenced playful pedagogy that's adapted to local contexts. Adaptability makes it suitable across owner-run programmes – from a few children, part-time to more than 10, full-time – as well as centre-based classes. This embodies a third, Ashoka-articulated principle: **“Codify, then adapt”**.

We are working hard to enhance and extend the ways we integrate technology, to enable practitioners and others across the network and country with user-friendly tools and information. We have diligently started to adapt our quality assurance system for true scale to overcome systemic constraints, confident that quality-at-scale is central to impact.

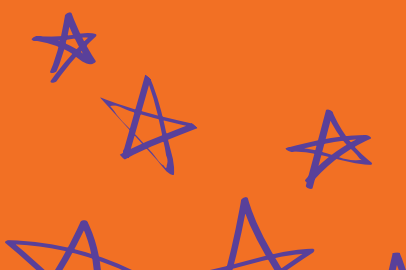
To adapt further to our changing landscape, SmartStart recognises the importance of using technology for further growth. This is an area that is full of opportunities for our national delivery platform and network, but which we have yet to fully realise it. Leveraging technology to a greater extent will increase our reach, accelerate our rate of growth, and facilitate active engagement and support within the network.

As we tend to operate in low socio-economic quintiles areas that are generally under-resourced and marginalised, access to technology is usually unequal because of high cost of data and insufficient network coverage, in the areas that we operate.



“The key to successful scaling is developing a programme that can be faithfully replicated cost-effectively and for every socio-economic environment. Codifying is essential for achieving our goal of closing the early learning access gap, particularly in vulnerable and underserved communities,”

says SmartStart’s Chief Operating Officer,  
Nomsa Muthaphuli.





“The SmartStart model has allowed us to use what we have at our disposal, and adapt the programme to our own resources, and physical landscape. Part of our own learning was realising the importance of our own skills not just the physical environment we find ourselves in.” says Beatrice Swartz, SmartStart practitioner.





We are mindful of the wisdom that scaling demands subtraction rather than addition as **Larry Cooley** says, so that we don't sacrifice our realistic ambition, for perfection and the complexity it entails. We have learned that engaging more with the critical voices in early childhood development research which insists that "different is not deficient" in early learning and child development is important (see Gabriel Scheidecker et al. 2022 and replies). We want to contribute to wider debate on real achievement of quality-at-scale across diversity, including informality here in Africa, through our work.

From the SmartStart Child Outcomes evaluation conducted a few years ago using the Early Learning Outcomes Measures (ELOM), we have learnt which elements of our programme are effective, and which ones need to be redesigned. Understanding and adapting for available resources has also been a critical lesson. We enter communities that do not have, or have very limited, access to early learning, and build an ECD workforce from the ground up. Alongside this, we are redefining what is needed for quality early learning to take place.

The essence of what makes our model unique, is that we are addressing a gap that had no foundation prior to our intervention. We do this by taking previously unemployed or underemployed women, and provide them with training and support to run the SmartStart daily routine, as part of their micro-enterprise. Practitioners are supported by a dedicated coach, and a network of clubs.

The organisation is not just about introducing practitioners into early learning, it's thinking through the entire system, and identifying what is needed. To adapt our practices accordingly, we had to ask, what learnings could we get from across the South African early childhood development sector and abroad? And how to best identify and activate components of quality and build around them?

The SmartStart daily routine itself is firm-and-flexible. So too are playful educational materials, like our wordless story-picture books, given South Africa's wide linguistic diversity. Over time, practitioners become familiar with the individual children they nurture, and build their experience-with-support in responding appropriately.

As we continue to explore ways to reach more communities, we have prioritised local insights as one of our core considerations. Each partner brings unique insight of their respective communities, which allow us to re-evaluate parts of our programme and customise it accordingly. By changing the way we engage to encourage co-planning and co-creation, we strengthen our relationships, using less resources for better outcomes, this in turn strengthens our entire model.

We have built further ways to adapt with integrity in ways that contribute to impact at scale. SmartStart is a hybrid social franchise - the network hub organisation presently operates two branches across urban and rural areas, and at different stages of maturation. This affords us diverse, controlled opportunities to learn about problems and innovate solutions together, so that we can continue to adapt-then-codify.



Scan the QR code to view the **one-page commentary**.



Scan the QR code to watch Larry Cooley's video on **'Why "scaling by subtraction" makes sense for development'**



# Where is SmartStart?



The fourth principle articulated by the Ashoka study is **“Build an ecosystem to create and promote a global standard”**.

On this front, we are committed to stimulating and supporting early learning ecosystems in every community. We engage and involve parents and caregivers in supporting each other – and each other’s children – including through parents’ paying fees regularly towards sustaining early learning micro-enterprises. We are eager to learn whether and how we can do this by leveraging our model of practitioner clubs, together with South African traditions of stokvels, or even cooperatives.

To ramp up impact and create long-lasting change, organisations must explore ways to set the global standard in their field. This requires building an ecosystem around the idea - replicating through partnerships, advocacy, benchmarking, business partnerships, and so on. This also serves to protect your idea from malicious or incompetent copycats as you open it wider and wider to the world.

An emerging trend in this area is the creation of formal training programs, particularly accredited degrees or special certificates. As we have discussed elsewhere, this creates a corps of practitioners who push for the new idea from different roles and perspectives (civil society organisation leaders, academics, policymakers, etc.), going beyond the traditional train-the-trainer model toward a more expansive network of people furthering the mission.

Since our inception, we have continued to use existing knowledge to build our home- and community-based early learning offerings. This approach has enabled us to continue building on global standards that already exists for early learning and continue sharing our learning with others to further strengthen the early learning response in South Africa and beyond her borders. It is such early learning programmes in Brazil, India, Kenya and others that have inspired approach that is replicable and scalable.

Practitioner Alicia Mentoor adds;

“Partnerships with SmartStart, with the practitioners and the existing community organisations are important. As practitioners, we are in the communities day in and day out. We see the impact that it has on children. Enabling our voices, will be to the benefit of the entire ecosystem.”



Practitioner Jerry Mbatha echoes this; “As a practitioner, the value of our voices has been realised, and work continues towards creating a greater space for us. SmartStart helps strengthen these relationships and the ways that we all work together, to better serve our children and our communities.”



The SmartStart national delivery platform is an opportunity for collective action and creation. The goals that we are targeting are complex, collaboration and exchange of ideas is important in reaching them. The ECD sector remains a complex and under-resourced and that fundamentally requires both a population-level-change and systems-change approach if we are to succeed and thrive. Providing relevant data and lessons on the work with do is crucial to inform and inspiring that systems changes that the sector so much desires.

At its core it is a symbiotic relationship where each feeds into the success of the rest of the ecosystem. Without these relationships, the platform would not have grown to its current scale. There is still work to be done which is why

strengthening the network is so important. We cannot be caught in trying to resolve all poverty issues because alone we do not have those capabilities. But by promoting, and strengthening, our partners, we can all improve the country's socio-economic conditions.

We leverage our network learning and impact as the basis for advocating for larger systems changes in the South Africa context. In this regard, our partnership and work with such movements as Real Reform is what is powering the changes the early learning sector seeks in creating a lasting change for early learning in South Africa. The systems challenges in South Africa remain complex and will require a whole society approach to inspire and make the necessary changes that can enable every child to succeed.



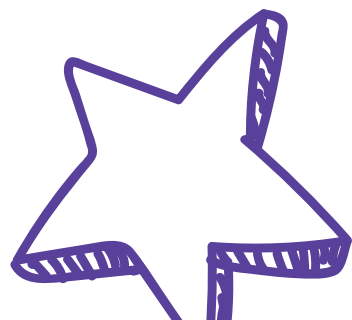
**“The SmartStart network has created a space for various voices to be heard, this has been key to our continued growth. For our partners, this has included increased visibility of their individual brands,”** says SmartStart Chief Growth Officer, Sane Mdlalose.

We have learnt that when dealing with deep social issues, such as a lack of access to quality early learning, partnerships with organisations across a variety of sectors, are essential. Instead of starting from the bottom, SmartStart makes use

of existing resources that are already entrenched in the communities that we work in. This ranges from locating organisations that already operate in the field of early learning and just need some manner of support, to expert partners who can provide valuable insight into certain topics, such as nutrition.



Scan the QR code to view the **Mulago Foundation Framework for Scaling**



# A call to action: What more - and who else?



We are learning what works, for whom, and in what conditions, at scale. But we already know we need and invite individuals and organisations to join us; to share learnings with us. The fifth and final principle articulated by the Ashoka study is “Appoint an evangelist-in-chief”. We rephrase this important principle as **“Create conditions for a multitude of evangelists and organisers to emerge”**.

Though we are not proselytising for any religion, the religious language invoked here is apt. Religions are powerful examples of how the inspired-and-faithful can use a powerful message – a gospel – together with organising – a church – to build trust and community that grows to become a powerful force for change-at-scale.

The SmartStart delivery platform is an opportunity for collective creation and action to realise the goal of giving a voice to a multitude of organisers and evangelists to emerge. It is a call to essentially say, this is what we believe in, and this is where we need your help of others to go forward. Derived from a Greek word that loosely means, “to proclaim good news,” evangelism is no longer just about religious symbolism. In Africa, it reveals itself as active community engagement and living with Ubuntu - “I am, because we all are.” In business,

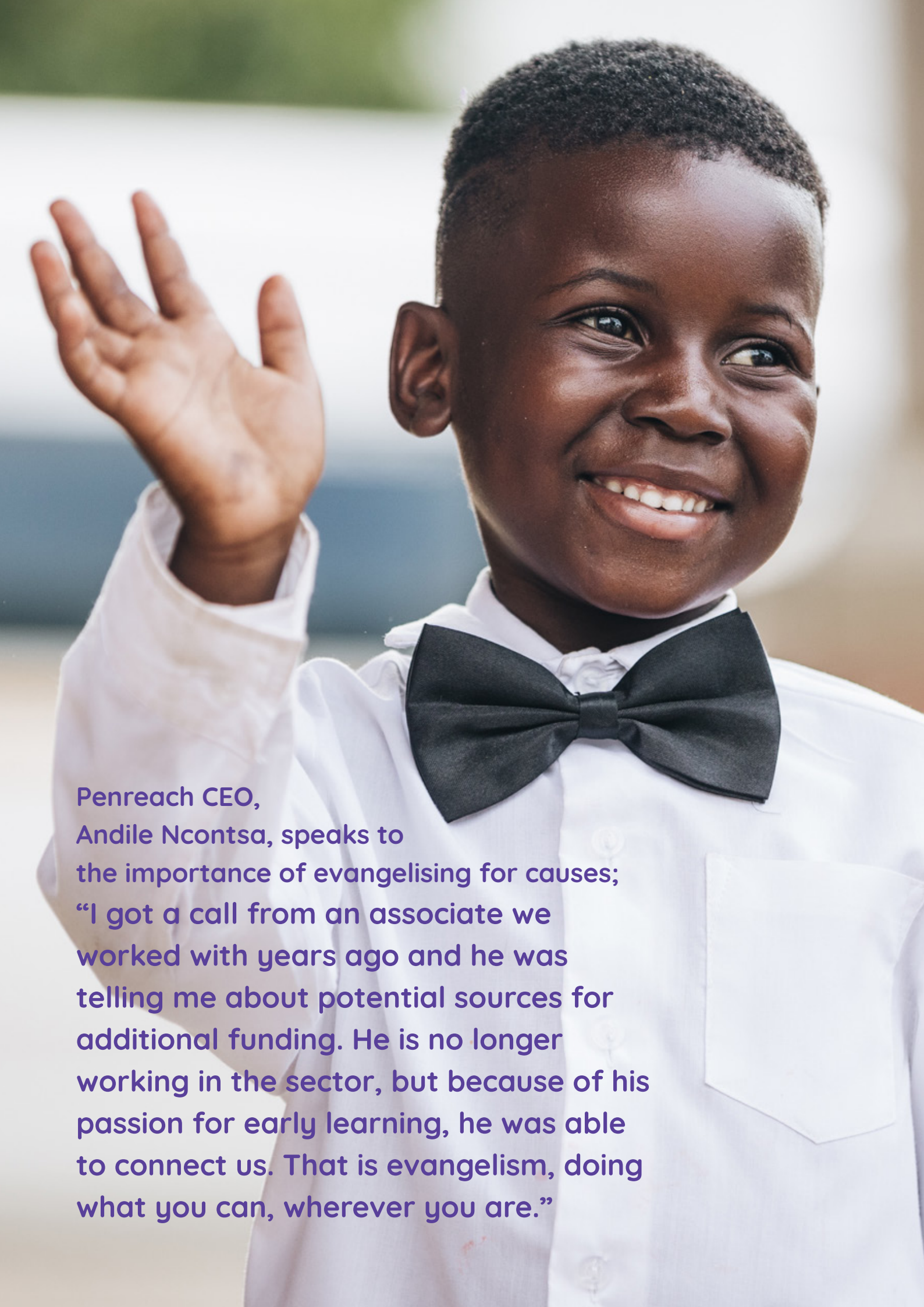
people have embraced the idea that customers are potential evangelists; that the most ardent of them will spread the word about a company’s products or services without pay.

We have welcomed dynamic brand ambassador, public figure and parent, to our network, **Olwethu Leshabane**. A passionate advocate for helping parents engage better with their children, Olwethu’s “evangelism” has reached her 375 000 strong followers on social media, helping to spread the SmartStart word, to give every child the power to succeed. Beyond prominent “influencers”, we are curious to learn how we can leverage the **network dynamics of influence**, from “snowball effects” towards “tipping points” in social norms – through **“the power of the periphery”** (Prof. Damon Centola) – all of which characterise successful social movements.

“As a believer in the SmartStart model, it is my job to evangelise for the organisation and what it has to offer. I feel comfortable playing this role both internally - in boardrooms, over e-mail, through collaborative platforms - and externally, at industry conferences and via LinkedIn, Facebook, and Twitter. In the social media age, evangelism is everyone’s job, and it helps create a wider network of believers in the importance of ECD.” says Ruby Motaung, TREE Director.

Advocacy is very important to the work that we do. Spreading our message and the work of the SmartStart network is central to helping us realise our goals of accessible early childhood education across South Africa.





Penreach CEO, Andile Ncontsa, speaks to the importance of evangelising for causes; “I got a call from an associate we worked with years ago and he was telling me about potential sources for additional funding. He is no longer working in the sector, but because of his passion for early learning, he was able to connect us. That is evangelism, doing what you can, wherever you are.”



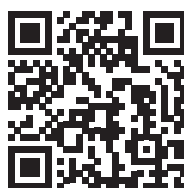
The first objective of evangelising is creating awareness and mobilising society about the importance of ECD and the powerful opportunity for learning that lies in the first five years of life. The more people we can reach with this message outside of the traditional ECD ecosystem, the more appreciation society will gain of not only the short-term benefits of early learning for children, but how it translates into long-term economic development for the country.

The second objective is about raising our collective voice, like the Real Reform, to advocate and lobby for reforms that enable us to scale up access to ECD. In a way, this is a form of spreading 'gospel'. SmartStarters are active leaders who often participate in driving change at the local government level, by influencing policy. For example, contributing to the Integrated Development Plan (IDP) process and in ECD forums has allowed practitioners to voice the issues that are most critical to them, with the aim of affecting change. Practitioners have called for municipalities to remove barriers to ECD programme registration, by simplifying the onerous requirements, to include infrastructure strategies in municipal IDPs, to set aside adequate funding for ECD programmes and for all ECD programmes to be mapped out across individual municipalities to identify where children are missing out on early learning stimulation.

Policy and social change don't happen overnight, and network advocacy needs sustained effort and energy to achieve success that is long lasting. One testament to our success, is when our community speaks unprompted about their experiences of being part of this network. This is the single greatest measure of success at a practitioner level – we have created such a strong value proposition across the SmartStart network, that they can speak so highly of it, on their own accord. This is what ultimately spreads the mission of SmartStart and allows us to achieve a level of scale greater

than we ever could, if advocacy came from our organisation alone.

We as the SmartStart delivery platform, working with our partners and network have started learning about how to build a social movement: an organised-and-self-organising flow for a cause beyond any single organisation. This may be our next step in building impact for scale, pursued by cultivating purpose, or "letting the mission occupy the centre", as the Ashoka report said.



**Olwethu Leshabane**  
instagram profile



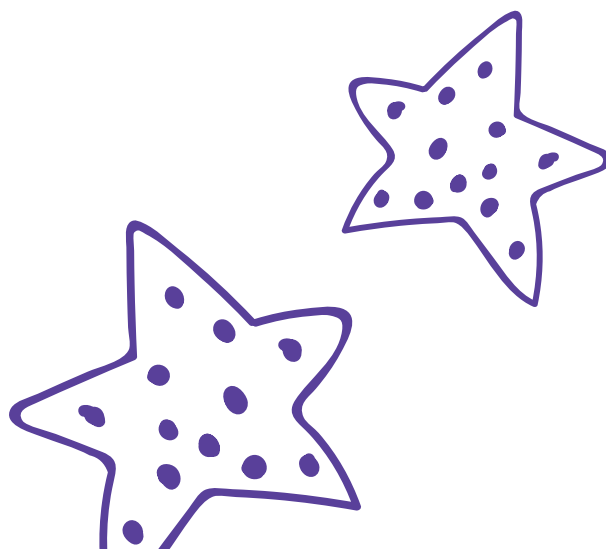
**Network dynamics of influence**



The power of the **periphery**



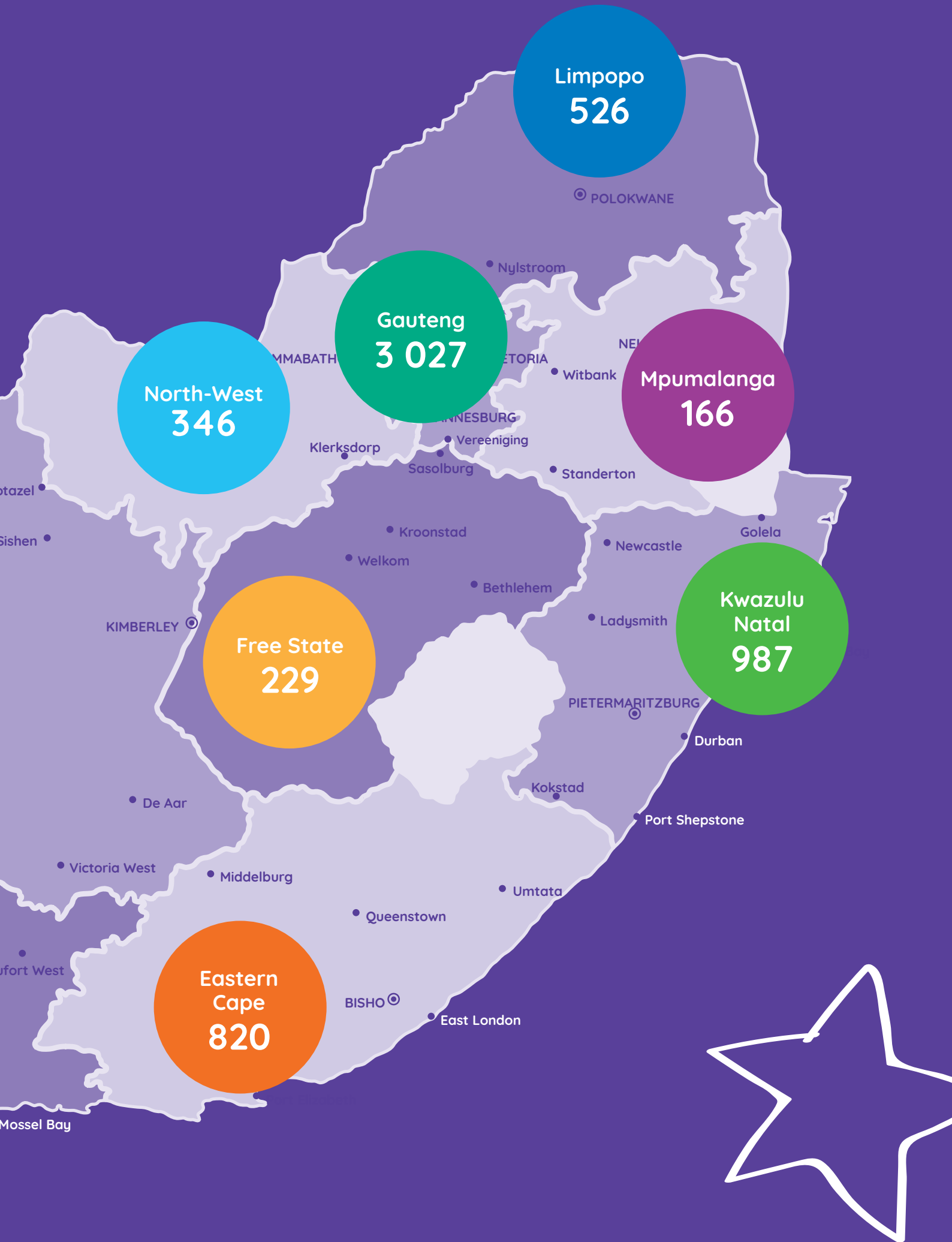
SmartStart early learning **practitioners**



# Our active practitioners by province

**TOTAL**  
**7 109**







**2 891**  
new practitioners



**5 186**  
practitioners receive a  
monthly stipend

In FY 21/22, **50 450 children** attended the programme ran by



**7 109**  
practitioners



who participated in  
**954 clubs**

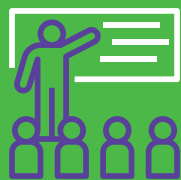


run by  
**64**  
coaches



who conducted

**1 744 Programme Quality visits**



We conducted  
**411**  
training  
sessions

Call centre:

**36 972**  
calls

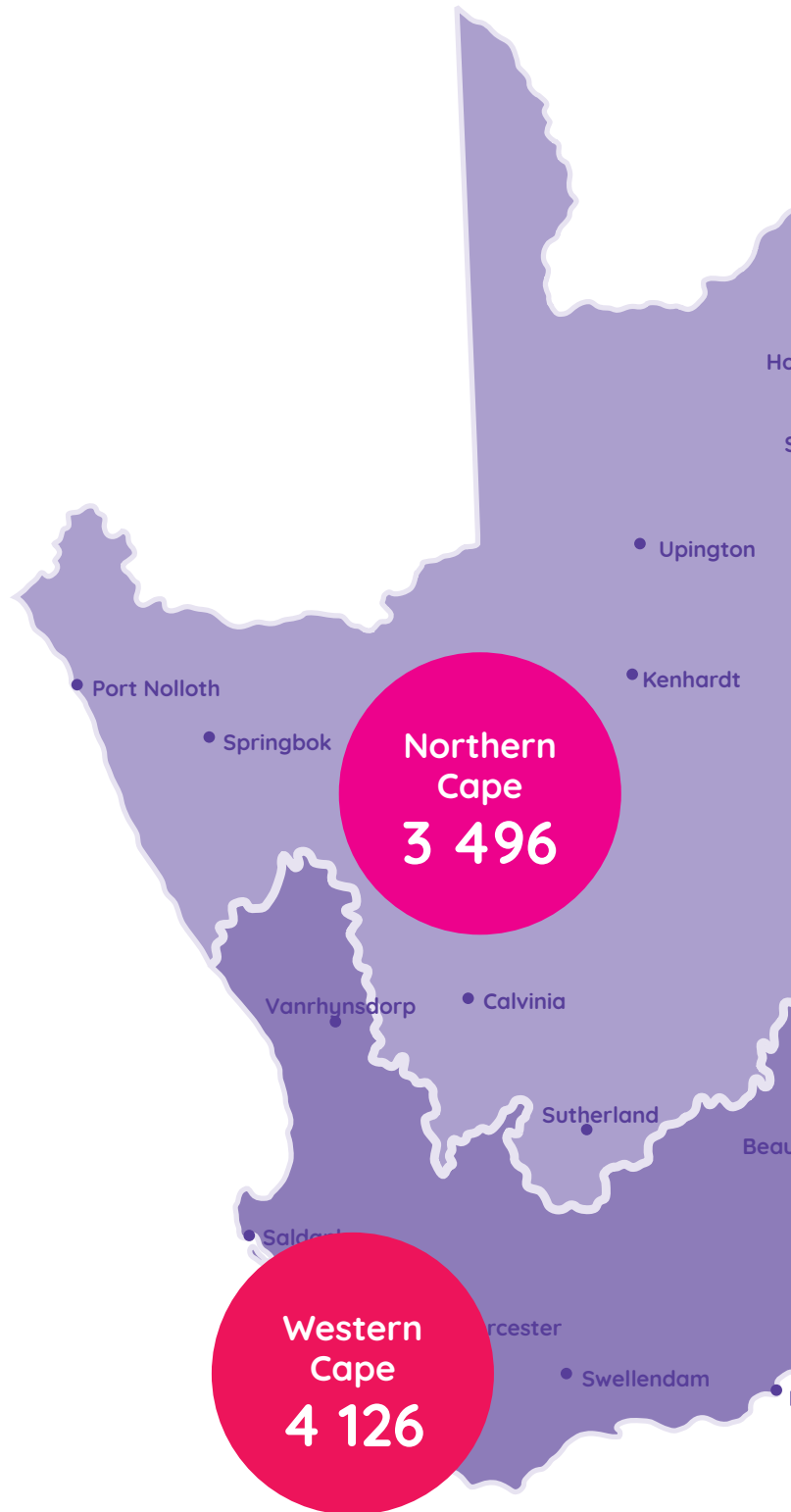
**36 358**  
inbound calls

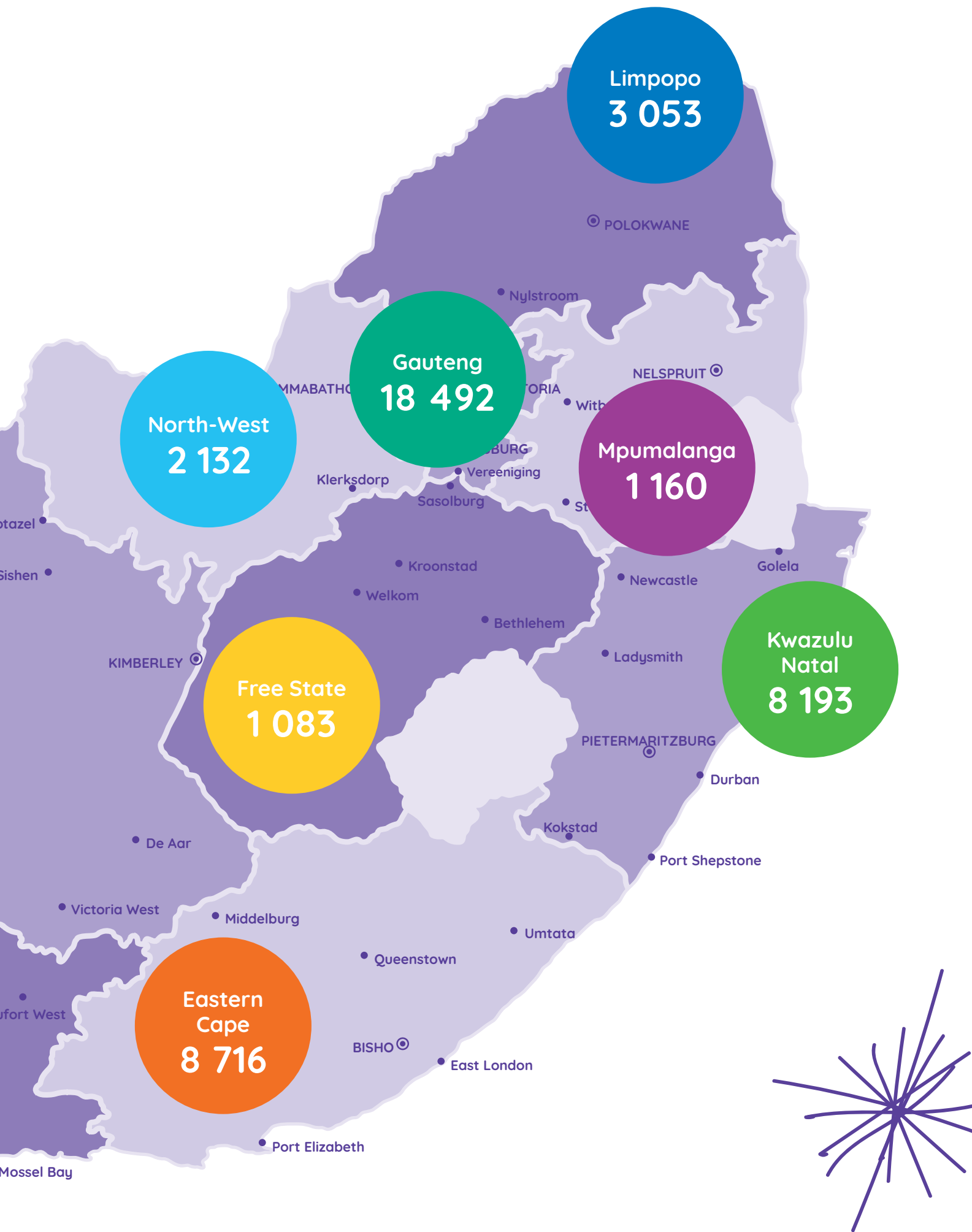


**93%**  
retention of the  
FY 21/22  
practitioners  
cohort

# Our children by province

**TOTAL**  
**50 450**





# Statutory Registrations



## SmartStart Early Learning (RF) NPC

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<b>NPO Number:</b>	54-752 NPO
<b>Reg Number:</b>	2015/075926/08
<b>PBO Number:</b>	930/049/914
<b>Physical Address:</b>	111-113 Oxford Road, Saxonwold, 2196, Gauteng
<b>Postal Address:</b>	Private Bag X777, Houghton, 2041, Gauteng
<b>Contact person:</b>	Grace Matlhape (CEO) 011 268 5959 grace@smartstart.org.za
<b>Directors:</b>	C Symms DB Harrison NR Galombik JA du Preez

### Constitutional Amendments

No Constitutional amendments were made this reporting period.

### Primary Activities

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**Sourcing:** Different types of people were made aware of the importance of early learning and were invited to a matching process that provided an opportunity to potentially be part of early learning.

**Matching:** Beneficiaries were assessed in terms of their suitability for working with children as well as their desire to run potential micro-enterprises.

**Training:** Matched candidates were invited for 5-day Start-Up training. For the reporting period, over 1 500 people underwent SmartStart training.

**Licensing & Coaching:** More than 852 people who passed the training were licensed to start practising the SmartStart programme with recruited children. Ongoing coaching and mentoring was provided.

**Implementing the SmartStart Programme:** More than 10 000 children were part of the SmartStart early learning programme in ECD centres, playgroups and full-week day mother programmes.

**Quality Assurance:** Practising franchisees were quality-assured to ensure they were implementing the programme properly for the benefit of the children. This helped with practice improvement and motivation of practitioners.





smart  
start



# Governance Report

## How we are governed?

A Board of Directors regulates how the organisation is conducted, to further our mission of SmartStart, in accordance with principles of good governance. The Board is directly accountable to the founder organisations and bears ultimate responsibility for the Organisation achieving the purposes for which it exists. Providing leadership and strategic governance, the duties and responsibilities of the Board include, determining the Organisation's strategic direction, annual budgets, and major initiatives.

## Composition of the board

SmartStart has a Board of Directors comprising of one Executive Director, the CEO, and three Non-Executive Directors. The Organisation supports the principles of gender diversity at the Board level and has an optimal mix of knowledge, skills, and experience that effectively meets the Organisation's governance requirements.

## Board meetings

Meetings of the Board are convened by formal notice as per the annual schedule. The schedule is compiled by the Company Secretary and approved by the Board. Special meetings are organised as and when required to address specific material issues. Corporate governance, especially transparency, and accountability, is enhanced with comprehensively compiled Board documents, submitted by Executive Management. During the 2021/22 financial year, there were four (4) Board meetings and one Annual General Meeting. There was also one two-day Board strategy session.

## Executive committee

SmartStart's Executive Committee (EXCO) is chaired by the CEO and includes our Chief Operating Officer (COO), Chief Growth Officer (CGO), Chief Financial Officer (CFO), and all the departmental leads. EXCO is responsible for overseeing the day-to-day management of the Organisation's affairs, executing Board decisions, strategy development, and reviewing the Organisation's values, operations, and financial performance. In accordance with good governance, the EXCO meets every fortnight





# Financial Report

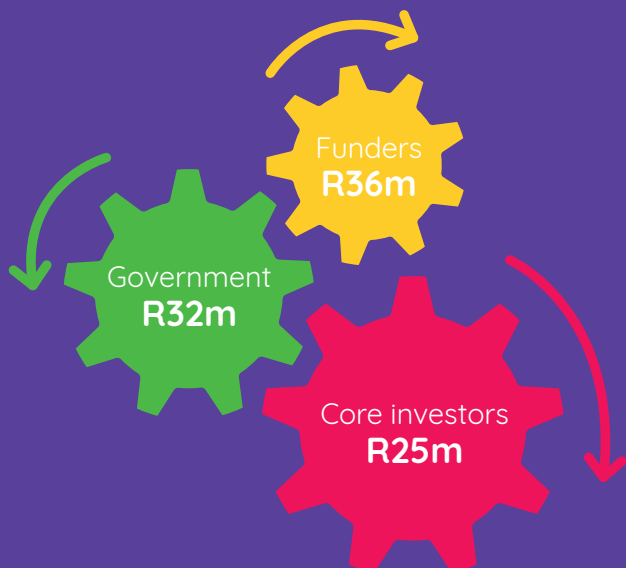
## Our funding

Our funders are the reason SmartStart has been able to give more than 100 000 children the power to succeed. Their support has enabled us to provide quality and affordable early learning opportunities to three to five-year-old children across South Africa. We recognise the value of their investment and support.

In this financial year, we continued to receive great support from our core investors: DG Murray Trust, ELMA Foundation, Hollard Foundation Trust, and Imaginable Futures. Since the establishment of SmartStart in 2015, these investors have contributed to our growth strategy and sustainability.

Our growth for this year was also due to several international and local funders who came on board and contributed about R36-million towards closing the early learning supply and demand gap. Our funders contributed significantly towards the sustainability of the franchisees by funding monthly stipends, business skills training, and business mentorship.

Through our programme, government has also played a huge role in job creation and enterprise development in the ECD sector. A contribution of R32-million was received from the Jobs Fund, SETA, and the Department of Social Development.



**R93.1m**

Funding received from core investors, funders, and government

**17**

Foundations and corporations who supported our 2021/22 growth

**50 450**

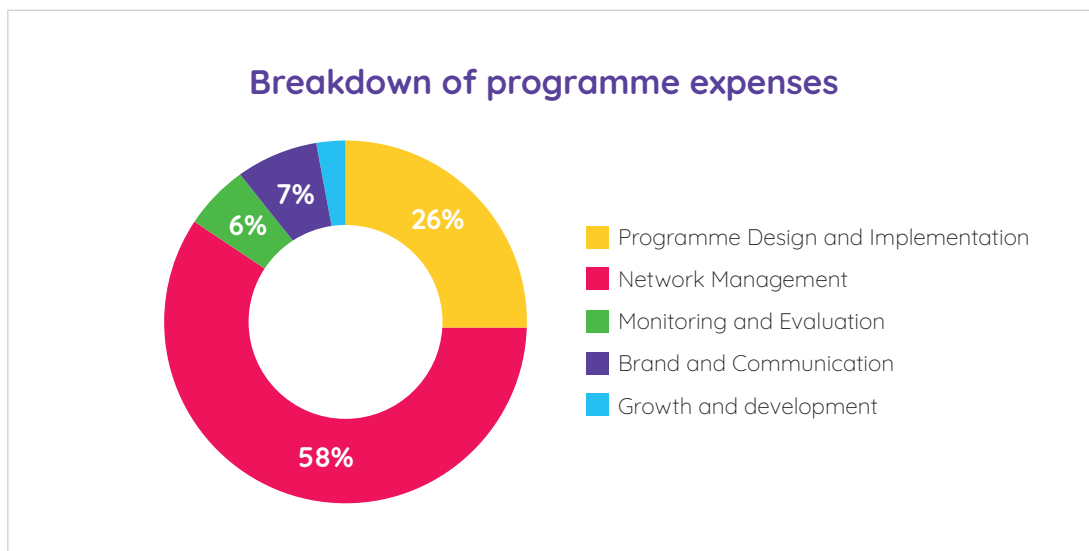
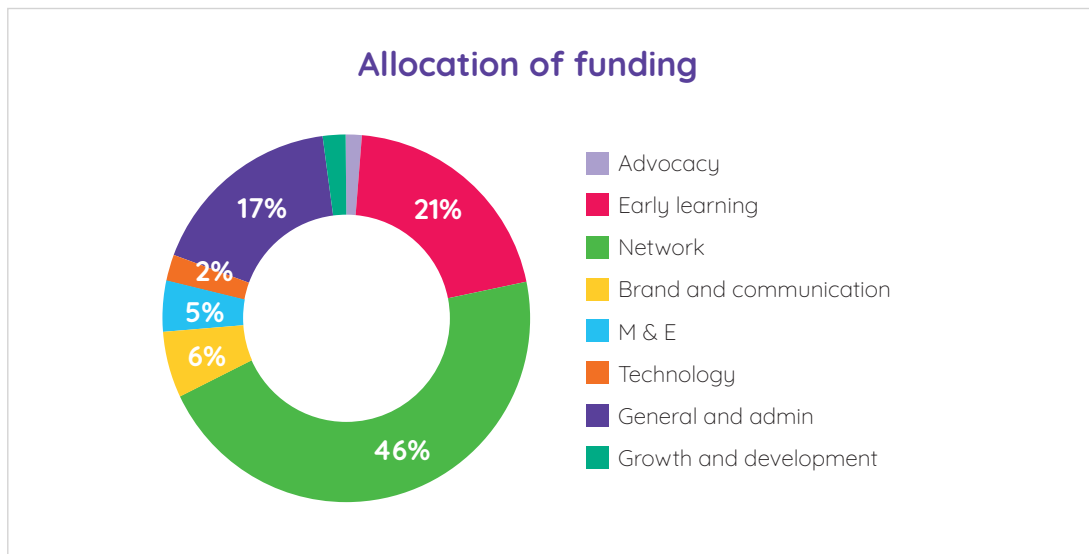
Children currently attending a SmartStart programme

**7 109**

Active franchisees supported

## 2022 Allocation of expenses

SmartStart spent **R 106 892 015** in 2021/22 (31% increase compared to the prior year)



The spending on FY2022 focused on supporting the accelerated implementation to close the performance gaps and meet annual targets. Through a concerted effort, our key targets were exceeded, and main deliverables achieved. The effects of the COVID-19 pandemic did not impact the FY2022 results, as was anticipated, and did not have an enormous effect on our spending patterns. During the second half of the year, we saw a significant improvement in performance where our matching days, training, and licensing ramp-up exceeded targets. As a result, the network ended the year with 6 891 active SmartStarters, (105%) of the annual target of 5 995. Since we exceeded our implementation target, we had to spend more than the budget, as the cost associated with achieving 144% number of people recruited and matched at matching day, 134% Starter License, 114% of active children, 119% number of clubs target and 123% business skills training.

## Statement of Financial Position

Figures in R	2022	2021
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	355 675	568 806
Right-of-use assets	1 156 013	1 669 796
Intangible assets	460 000	460 000
<b>Total non-current assets</b>	<b>1 971 688</b>	<b>2 698 602</b>
<b>Current assets</b>		
Inventories	1 341 287	2 122 323
Trade and other receivables	7 813 181	32 837 476
Cash and cash equivalents	22 553 655	18 827 185
<b>Total current assets</b>	<b>31 708 123</b>	<b>53 786 984</b>
<b>Total assets</b>	<b>33 679 811</b>	<b>56 485 586</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Retained income	2 710 088	279 405
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	935 191	1 517 861
<b>Current liabilities</b>		
Trade and other payables	11 586 258	10 493 803
Lease liabilities	582 645	499 634
Income Received In Advance	17 865 629	43 694 883
<b>Total current liabilities</b>	<b>30 034 532</b>	<b>54 688 320</b>
<b>Total liabilities</b>	<b>30 969 723</b>	<b>56 206 181</b>
<b>Total equity and liabilities</b>	<b>33 679 811</b>	<b>56 485 586</b>

## Statement of Comprehensive Income

Figures in R	2022	2021
Revenue	106 839 278	81 208 526
Other income	1 620 739	228 231
Other expenses	(106 892 015)	(82 867 700)
Other gains and (losses) sale of assets	(17 680)	1 617
<b>Surplus / (deficit) from operating activities</b>	<b>1 550 322</b>	<b>(1 429 326)</b>
VAT refunds disallowed	-	880 166
Finance Income	1 006 253	469 841
Finance Costs	(125 892)	(157 575)
<b>Surplus / (deficit) for the year</b>	<b>2 430 683</b>	<b>(236 894)</b>

## Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
<b>Balance at 1 July 2020</b>	<b>516 299</b>	<b>516 299</b>
<b>Changes in equity</b>		
Loss for the year	(236 894)	(236 894)
Total comprehensive income for the year	(236 894)	(236 894)
<b>Balance at 30 June 2021</b>	<b>279 405</b>	<b>279 405</b>
<b>Balance at 1 July 2021</b>	<b>279 405</b>	<b>279 405</b>
<b>Changes in equity</b>		
Profit for the year	2 430 683	2 430 683
Total comprehensive income for the year	2 430 683	2 430 683
<b>Balance at 30 June 2022</b>	<b>2 710 088</b>	<b>2 710 088</b>

## Statement of Cash Flows

Figures in R	2022	2021
<b>Net cash flows from / (used in) operating activities</b>	<b>3 479 813</b>	<b>(10 531 017)</b>
Finance costs due to lease	(125 892)	(157 575)
Finance income from investment	1 006 253	469 841
<b>Net cash flows from / (used in) operating activities</b>	<b>4 360 174</b>	<b>10 218 751</b>
<b>Cash flows used in investing activities</b>		
Proceeds from sales of property, plant and equipment	108,393	4,000
Purchase of property, plant and equipment	(242 438)	(820 943)
<b>Cash flows used in investing activities</b>	<b>(134 045)</b>	<b>(816 943)</b>
<b>Cash flows used in financing activities</b>		
Proceeds from other financial liabilities	(499,659)	(578,628)
<b>Cash flows used in financing activities</b>	<b>(499 659)</b>	<b>(578,628)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3 726 470</b>	<b>(11 614 322)</b>
Cash and cash equivalents at beginning of the year	18 827 185	30 441 507
<b>Cash and cash equivalents at beginning of the year</b>	<b>22 553 655</b>	<b>18 827 185</b>



# Thank you

I want to thank everyone who is associated with SmartStart for the role they played in our work in the past year.

SmartStart investors and funders for their support to the work of SmartStart over the years, and in particular our ambitions to scale the impact in closing the Early Learning gap.

I would also like to thank our partners and franchisors, for the continued role they play in scaling the Early Learning impact, particularly in local communities where they operate.

Thank you to the SmartStart team as a whole, for your resilience and persistence under really trying circumstances. Final tribute goes to the amazing network of SmartStarters – our franchisees across the country who are the real heroes of the day, for your commitment to giving every child the power to succeed.

**Grace Matlhape**

Chief Executive Officer, SmartStart









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GIVING EVERY CHILD THE  
POWER TO SUCCEED.