



SMALL BUSINESS DEVELOPMENT GUIDE

Are you thinking about starting a recycling business
in South Africa?
You're on the right track then.



The waste management landscape in South Africa is constantly evolving, as steady, incremental changes are being made to move the business world towards a greener and more sustainable future. With climate change looming large and legislation tightening the noose through waste regulations, it's actually never been a better time to invest in the business of recycling.

But how do you even start a business? And what must you consider when weighing up your options? To help assist you in this journey, WastePlan has put together this brief guide to small business development, along with some handy resources to undergird your efforts. Here is what we think you should consider if and when you take the plunge into small business ownership in the waste management world of SA.

1. Let us inspire you

Currently SA waste management is estimated to be valued at R15 billion, supporting around 30 000 jobs - but these numbers could be a lot higher if waste was managed more efficiently. In fact, [GreenCape reports that](#) the industry could unlock an additional R17 billion worth of resources if all 13 identified waste streams were recycled.

The Western Cape plans to create another 1 600 jobs by 2022 in the collection, sorting, processing and treatment phases of the waste management cycle. Of course, these jobs will only materialise if there is more demand to buy these recycled materials. That's where your business can come in and help incentivise new market appetites in recycling.

2. Understand the industry at large

Understanding where the industry is going, and where the tremendous potential for growth lies, can successfully establish your business. GreenCape identifies four key areas within the recycling sector where you could stand to seriously gain:



- Paper, glass and plastic

When it comes to paper and plastic in particular, the recycling market in South Africa is well established, with its primary focus on packaging waste recycling. But there is obviously much room for growth, as [consumer and legislative pressure](#) demands it, and new technologies incentivise large capital investment that will drive mechanical recycling.

Want more details? Read [here](#).

- E-waste

E-waste is an attractive option for aspiring business owners looking to enter the recycling market. The processes to be adopted must however be in compliance with legislation as many substances within e-waste are considered to be hazardous. Support to an aspiring recycler is readily available from the [eWASA association](#) who will assist with required know-how and compliance with codes of practice in the establishment of sustainable, environmentally sound e-waste management.

South Africa currently has over 20 e-waste recycling companies that process only 12% of e-waste, or 45 000 tonnes. But government plans are in place to increase e-waste recycling to 20% over the next five years. This industry has significant employment potential with new 30 jobs created for every 1 000 tonnes diverted.

Want more details? Read [here](#).

- Organics

Food waste recycling is a fast growing industry, particularly in the Western Cape where 100% organics will be banned from landfill disposal by 2027 (50% by 2022). This methane monster, responsible for 6% of global greenhouse gas emissions, accounts for 2.9 million tonnes of waste per year into our landfills. Along with the added pressure of the [SA Carbon Tax](#) to minimise waste to landfill, there is a growing need for businesses to see the innovative gap and invest in this space.

Want more details? Read [here](#).



3. Know where you can win locally

Start by scoping your area; find what waste materials are available, and where there is a gap in the market. Get a reasonable idea of how the market is fairing, as well as who poses as potential competition. Speak to a local waste provider like WastePlan and see where your services could possibly align.

If competition in a particular niche is too cut throat, then consider changing direction and pursuing a start-up in another field. Maybe the area is oversaturated with plastic recyclers, but you could pioneer something in e-waste? Be open to possibilities and stay flexible enough to re-route the original plan as needed.

4. Ask the pros

Once you have identified your niche, don't be afraid to ask your questions. Chat with local entrepreneurs, SME owners and government representatives to ascertain whether there is still room for one more in this shared space. Naturally local business owners may be reluctant to share information, since you represent the competition. But engaging with a diversity of people will help you refine your perspectives and develop an overall sense of whether you stand to succeed in this particular field.

5. Draw up your business plan

Now that you know your market, chisel out your business plan. Start by including your vision: why are you pursuing this endeavour, and what is your intent for the business? What will differentiate your company from the competition? How will you offer your services most effectively and uniquely?

Then do your costing. Scope the full breadth of your pricing model, including operational costs like wages, tools, vehicles and licenses. Consider the upfront capital required to launch the business, as well as the costs of marketing and maintenance over time. Be sure to explore the fundraising options available to you, whether it be government funding, private investment or mainstream advertising.



6. Seek out financial assistance

Thankfully there are many funding agencies and organisations poised to empower your efforts. Government is pushing out several robust initiatives to help financially launch the development of the Small to Medium Enterprise (SME) sector today. In addition to a bank or personal loan, you can work through organisations dedicated to SME funding, such as:

- <https://www.nefcorp.co.za/winning-partnership-enterprise-supplier-development/>
- <http://www.seda.org.za/Programmes/Pages/Seda-Enterprise-Development.aspx>
- www.dhet.gov.za
- www.nrf.ac.za/
- <https://southafrica.angloamerican.com/>
- www.khula.org.za

7. Register with the Companies and Intellectual Property Commission (CIPC)

Now that you have secured your funding, you need to get legal to start operating as a recycling business. By registering with the CIPC, you can attain all needed licensing, apply for permits, create your tax profile, and ensure that all those other sticky compliance issues are handled. Click [here](#) to register.

8. Get going!

Now that you are ready and licensed to launch, get operating! Seek out a premise that is well situated – not too far from your collection and disposal areas, and properly ventialed for operations. Hire the staff you need, ranging from sorting to accounting to marketing. Get the word out about your services, through word of mouth and digital marketing. Then seek out your clientele. Be sure to consider the average size of their waste streams, and match their outputs to your processing capacity.

So there you have it: the small business development guide 101. Through our BuyBack programme, WastePlan is dedicated to be a part of your journey, and to lock arms in building a sustainable future, together.



INTERESTED IN STARTING A RECYCLING BUSINESS OR LOOKING AT OPTIONS TO PARTNER?

**READ UP ON OUR BUY BACK
PROGRAMME AND
CONTACT US FOR FURTHER
INFORMATION BELOW.**

[CONTACT US](#)

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