

## TECHNOLOGY TRANSFER & INNOVATION

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### **BUSINESS CASE of Sizolungisa Group (Pty) Ltd**

#### **I Executive Summary -**

Sizolungisa Group (Pty) Ltd was founded in 2016 to provide specialised software and digital business solutions that help organization to better their operations, employee relations, and customer experience and service and world communities. Sizolungisa Group has rich knowledge and experience in education sector specifically universities. Our mission of **empowering organizations and individuals to better world communities** has enabled us to serve education sector with distinctions.

The Aspiration that drive us

- Helping organizations automate their business processes easily, faster, and cheaper
- Build the Corporate Social Responsibility(CSR) cloud management system

#### **Background**

Universities Version: Build the Corporate Social Responsibility (CSR) cloud management system –

Cloud computing solution that helps universities to deliver and manage their engagements with industry, students and communities' impact effectively. Our service offerings are intuitive and easy-to-use and can be deployed rapidly. We deliver our solutions as a service via all the major Internet browsers and on leading mobile devices. We sell to universities worldwide on a subscription basis, primarily through our direct sales efforts and also indirectly through partners

Durban University of Technology Case Study

The University and the Faculties have to report their community engagement activities to the DVC: Research, innovation and Engagement. Our solution assist in capturing projects and it makes student and staff to easily report. The current reporting process is ineffective, inefficient, and causes a delay.



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The solution register DUT students and staff involved in community engagement projects, based on their Faculties and Departments. It record the general project information and continuous project activities. DUT community members will access the information anywhere, anytime with any device. The objectives are to ensure that staff members and students will record their community engagement projects for support. Again, the University Management and the DUT community have access to the community engagement projects captured. When everyone is working solo, it is difficult for management to support community engagement activities because they don't know who is doing what. The solution will make it easy at a departmental level, to generate report immediately when asked for reports on community engagement projects.

### **I.1 Description of Technology, Product or Service (briefly)-**

To Access the product visit <http://www.dutengaged.co.za/> (IP haven't been decided between DUT and Sizolungisa Group). The source code is still with Sizolungisa Group and hosted on Sizolungisa Group Microsoft Azure subscription. On 28 March 2022 we engaged with DUT ITSS to move host the solution on DUT Microsoft Azure subscription. Then DUT CIO Dr. Mtshali is determining cost of hosting the solution.

#### Features

- Staff and Students can add Programme (e.g., DUT School Engagement Programme)
- Staff and Students can add Projects with Programme (e.g., Level 6 EduMove Project and Teaching Chinese Languages... under DUT School Engagement Programme)
- The Web app can generate the report(Word, Pdf and Excel) using Programme and Project information
- Currently staff and students submitted (to the app) 10 Programmes under 2 Faculties. Faculty of Accounting and Informatics (5 Programmes) and DVC: RIE ((5 Programmes).

Phases	Timeline	Description
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Phase 1: Stabilize the Enterprise solution at DUT (Beta)	01 April 2022 to 30 June 2022	The aim of this phase is to build processes and enough capacity (Infrastructure and personnel) to deliver our Enterprise Solution (adopted by the entire University). Our Technology is still in Beta technology. The current infrastructure (cloud computing) and personnel that our solution uses are insufficient to handle the university-level demand. We are running the solution at the faculty level.
Phase 2: Build Standard Package for the solution(Beta)	02 June 2022 to 30 August 2022	The Enterprise solution is expensive because of the infrastructure and personnel required to deliver it. The sales funnel will be longer and complex.
		The Standard Solution option aim is to offer less expensive, less complex and less sales funnel. The Standard Solution option will be built using existing features of Enterprise Solution
Phase 3: Official Launch of the Solution to the Market	01 September 2022 to 30 November 2022	The solution will be more stable and ready for the market. Mass marketing will be done on this phase.

#### Resources Required

1. Microsoft Azure Subscription to host the solution- We already engaged with DUT ITSS and is willing to
2. 3 Laptops ( i7 Intel Core) for Coding
3. Internet Connection

#### Future Plans

According trialogue Report (2019) Companies in South Africa spent R10.2 billion in CSR. We are going to build a Corporate Social Responsibility Management System *Business Version*.

### **I.3 The Competition**

#### Competitors

Company Name	Product	Description
Microsoft	Office 365 (SharePoint, Excel, OneDrive, Power Platform)	Organizations can use office 365, G-suite or Amazon Honey Code to build their tailor made apps solution without or less coding. The organizations can use App Suit or Amazon Honey o Code Power Apps (No code) in combinations with  SharePoint, OneDrive, Google Drive, Excel to create mobile app that report information and generate report
Google	G-suite( Google Drive, Sheets) AppSheet )	
Amazon	Amazon Honey Code	
ClearPoint	Clearpoint Strategy	ClearPoint's strategy reporting software integrates data from multiple sources so that
		Manage business objectives, measures, initiatives, and action items in one place.
ICThrive	Source Intranet Software	Built for internal communicators to organize documents, share company news, and engage your employees for a thriving workplace.

### Competitive advantage

Most of the competitors building general purpose software that you will have to customize to fit a particular case. Our solution is specifically focused (specialize) on managing Corporate Social Responsibility (CSR) activities or Engagement activities in universities. According trialogue Report (2019) Companies in South Africa spent R10.2 billion in CSR. In addition, Globally Financial Time reported (2014) Fortune 500 companies spend \$ 20 billion on CSR and no specialize software that focuses on managing CSR activities.

## **I.4 Commercialisation strategy**

### Strategic Alliances and Spin off (University)

The Durban University of Technology (DUT) have been financing the development and testing of the solution through Deputy Vice Chancellor: Research, Innovation and Engagement. This has helped to establish a philosophy called “build with the customer”. This is philosophy lead to discovering of DUT Engagement framework that guide the conduct and reporting of engagement activities. We built the solution using that framework and trial and error with DUT which giving us continues feedback to improve the product.

We also used the same DUT Engagement framework to conduct a research on how other universities do their engagement activities. We found that other universities engagement activities aligned with the DUT Engagement framework. The plan is to reference DUT Engagement Framework to develop a Universal Engagement Framework (UEF) and establish a campaign for universities to adopt UEF. This will help us build a quality and sustainable product with less cost (no customization) as product features will be based on the Universal Engagement Framework.

DUT is a perfect Strategic allegiance, it is a customer and also an equity partner. As a customer it give a credibility to the product for the market and as an equity partner, has already invested in the development of the product through DVC: RIE Office. To free the product from university bureaucracy the product need to be a spin off (unbundling it from DVC: RIE Office) by forming an enterprise with Sizolungisa Group that handle will the product.

## **I.5 Management and governance**

### Sizolungisa Group Pty Ltd

In the effort to generate multiple income stream, Sizolungisa Group has other business engagements, such as working on becoming Microsoft Partner for Business Application and Training partner. We are doing lot of projects to ensure we meet the criteria. This document won't dive much into other Sizolungisa Group business engagements. The reason to highlight



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them is there are core team members within the company structure who are specifically focused on business activities that are no relating to product or solution (Corporate Social Responsibility Management System) covered on this business document.

Full Name	Title	Contribution	Share
<b>Core Team</b>			
Reddy Bambi (Started 2016) – Full Time	Chief Executive Officer	Full time involved in day to day (Monday to Saturday) operation, strategic and operation. At moment the main focus is developing (coding) and trying to raise funds for CSR Management System	60%
Fanie Ndlovu (Started 2018)- Part time	Business Development Manager: Business application (Power Platform)	He has been involved in business since 2018. He started helping in Sizolungisa organizing community engagement activities for students through Sizolungisa activities we saw the gap of developing Engagement App for DUT DVC: RIE (CSR Management System). He was the main developer that built the first	15%
		Prototype. Current his main work is ensuring that we become Microsoft Partner that deliver Business Application	
Someleze Diko( Started 2018)  Part time	Corporate Affair : Marketing Managers	Her contribution is to build Brand Visibility of Sizolungisa Group Parent and its brand VarsityGenie. We are operating B2B delivering service and our brand should position itself as professional and trustworthy	5%

Mylessa Novain (Started 2019) – Part time	Sizolungisa President	He will be responsible to establish chapter in universities and colleges. This will give us access to the universities and establish business relations  Sizolungisa is a platform (brand) that help student practice leadership. During the years it has given us access to DUT and enable us to started CSR Management System with DUT,	5%
Mbali Nongalo (Started 2020) Part time	Product Support Manager	She will be handling the users' issues and support of CSR System Management	5%
<b>Skills we needed for CSR System Management</b>			
Commercial Lawyer	To help with contracts		
Senior Developer	To ensure the CSR management system is technically developed well		
Sale Manager	We will help with closing as many deal as we can		
Solution Architect	To ensure we build a system that is aligned with technologies on the market.		

## I.6 Finance

The finances reflected here are Limited to Corporate Social Responsibility Management System  
*Universities Version*

### Summary

Year	Cost of Sales	Sales	Profit or (loss)
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1 <sup>st</sup> 01 July 2022 to 31 December 2022	<a href="#"><u>(470 100)</u></a>	<a href="#"><u>192 000</u></a>	(278 100)
2 <sup>nd</sup> 01 January 2023 to December 2023	<a href="#"><u>(1 187 700)</u></a>	<a href="#"><u>1 152 000</u></a>	35 700
3 <sup>rd</sup> 01 January 2024 to December 2024	<a href="#"><u>(1 640 100)</u></a>	<a href="#"><u>1 632 000</u></a>	(8 100)

**Cost (first Year of operation)- CSR Management System (01 July 2022 to 31 December 2022)**

Position Technical	Per month(R)- Average Market Pays (R)	Per Year- Average Market Pays (R)	What we can afford per Month (We will offer shares) (R)	What we can afford per Year (R)
<b>Management (Sizolungisa Group)-</b>				
CEO – Full Time			10 000	60 000
Corporate Affair: Marketing Manager Part time			3 000	18 000



Sizolungisa President Full Time			6 000	36 000
Product Support Manager			3 000	18 000
<b>Technical (Spin off Company)</b>				
1 intermediary Developer Front End			12 000	72 000
1 Senior Developer	50 000	600 000	20 000	120 000
1 intermediary Quality Assurance Tester	20 000	240 000	10 000	60 000
<b>Technical Support (Spin off Company)</b>				
1 Customer Care Technical Support	24 000	288 000	10 000	60 000
<b>Total</b>				<b>444 000</b>

**Other Expenses (01 July 2022 to 31 December 2022)**

<b>Expenses</b>	<b>Per Month (R)</b>	<b>Total (R)</b>
Office Rental	We will use DUT	0
Internet (MTN Sim only 200) – 20 GB per month	1 600 (8 people * 200)	9 600
Marketing and Sales (Travelling, Accommodation, Events)	2000	12 000
Microsoft licenses Annual		4 500
<b>Total</b>		<b>26 100</b>

Total Cost for 1<sup>st</sup> Year = 470 100(444 000+ 26 100)

**Costs (Second Year of operation)- CSR Management System (01 January 2023 to 31 December 2023)**

**Salaries**

Position Technical	Per month(R)- Average Market Pays (R)	Per Year- Average Market Pays (R)	What we can afford per Month (We will offer shares) (R)	What we can afford per Year (R)

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<b>Management (Sizolungisa Group)</b>				
CEO – Full Time			10 000	120 000
Corporate Affair: Marketing Manager Part time			3 000	36 000
Sizolungisa President Full Time			6 000	72 000
Product Support Manager			3 000	36 000
<b>Technical (Spin off Company)</b>				
1 Junior Developers	10 000	120 000	5 000	60 000
1 intermediary Developer Back End	30 000	360 000	12 000	144 000
1 intermediary Developer Front End			12 000	144 000
1 Senior Developer	50 000	600 000	20 000	240 000
1 intermediary Quality Assurance Tester	20 000	240 000	10 000	120 000
<b>Technical Support (Spin off Company)</b>				
2 Customer Care Technical Support	24 000	288 000	10 000	240 000
<b>Total</b>				<b>1 092 000</b>

**Other Expenses (01 January 2023 to 31 December 2023)**

<b>Expenses</b>	<b>Per Month (R)</b>	<b>Total (R)</b>
Office Rental	5 000	60 000
Internet (MTN Sim only 200) – 20 GB per month)	2 200 (11 people * R200)	26 400
Marketing and Sales (Travelling, Accommodation, Events)	4000	48 000
Microsoft licenses Annual		4 500
<b>Total</b>		<b>95 700</b>

Total Cost for 2<sup>nd</sup> Year = 1 187 700(1 092 000+ 95 700)

**Costs (Third Year of operation)- CSR Management System (01 January 2024 to 31 December 2024)**

Position Technical	Per month(R)- Average Market Pays (R)	Per Year- Average Market Pays (R)	What we can afford per Month (We will offer shares) (R)	What we can afford per Year (R)
<b>Management (Sizolungisa Group)-</b>				
CEO – Full Time			10 000	120 000
Corporate Affair: Marketing Manager Part time			3 000	36 000
Sizolungisa President Full Time			6 000	72 000
Product Support Manager			3 000	36 000
<b>Technical (Spin off Company)</b>				
1 Junior Developers	10 000	120 000	5 000	60 000
2 intermediary Developer Back End	30 000	360 000	12 000	288 000
1 intermediary Developer Front End	30 000	360 000	12 000	144 000
1 Senior Developer	50 000	600 000	20 000	240 000
1 intermediary Quality Assurance Tester	20 000	240 000	10 000	120 000
<b>Technical Support (Spin off Company)</b>				
3 Customer Care Technical Support	24 000	288 000	10 000	360 000
<b>Total</b>				<b>1 476 000</b>

**Other Expenses (01 January 2024 to 31 December 2024)**

Expenses	Per Month (R)	Total (R)
Office Rental	5 000	60 000
Internet (MTN Sim only 200) – 20 GB per month)	2 800 (14 people * R200)	33 600

Marketing and Sales (Travelling, Accommodation, Events)	5500	66 000
Microsoft licenses Annual		4 500
<b>Total</b>		<b>164 100</b>

Total Cost for 3<sup>rd</sup> Year = 1 640 100(1 092 000+ 164 100)

### Sales

Timeline	Target	Customer	Sales (R)
01 May 2022 to 30 November 2022	Four KZN University (DUT, UKZN, MUT and UniZulu)	Two universities subscribe for 12 month of Enterprise version for 100 users per university  200x R80 *12	192 000
<b>Total Sales for 2022</b>			<i>192 000</i>
13 January 2023 to 30 April	Gauteng and Mpumalanga: Wits, UJ, UP, TUT, VUT, Unisa, SMU	Three universities subscribe for 12 month of Enterprise version for 100 users per university  300x R80 *12	288 000
01 May 2023 to June 2023	Limpopo, Free State & Northwest, Northern cape: UL, UMP, UV UFS, USP, CAT, NWU	Three universities subscribe for 12 month of Enterprise version for 100 users per university  300x R80 *12	288 000
01 May 2023 to 30 June 2023	KZN License Renew and one university added	Two universities renew their subscribe for 12 month of Enterprise version for 100 users per university  One university subscribe for 12 month of Enterprise version for 100 users per university  300x R80 *12	288 000

01 July 2023 to 30 September 2023	Western Cape & Eastern Cape: UCT, CPUT, UW, Rhodes, SU, WSU, NMMU	Three universities subscribe for 12 month of Enterprise version for 100 users per university  300x R80 *12	288 000
<b>Total Sales for 2023</b>			<i>1 152 000</i>
January 2024	Gauteng and Mpumalanga License Renew and two universities added	Three universities subscribe for 12 month of Enterprise version for 100 users per university  two universities subscribe for 12 month of Enterprise version for 100 users per university  500x R80 *12	480 000
01 May 2024	Limpopo, Free State & North West License Renew two universities added	Three universities subscribe for 12 month of Enterprise version for 100 users per university	480 000
		two universities subscribe for 12 month of Enterprise version for 100 users per university  500x R80 *12	
01 May 2024	KZN License Renew	Three universities renew their subscribe for 12 month of Enterprise version for 100 users per university  300 x R80 *12	288 000
01 July 2024	Western Cape & Eastern Cape	three universities renew subscribe for 12 month of Enterprise version for 100 users per university  one university subscribe for 12 month of Enterprise version for 100 users per university  400x R80 *12	384 000



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<b>Total Sales for 2024</b>			<i>1 632 000</i>
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## 2. Exit strategy

The Technology Transfer and Innovation at DUT will help with build a spin-off company made of Sizolungisa Group Pty Ltd and Durban University of Technology so the company can be on its own to raise external capital.

Kind Regards

 <b>DUT</b> DURBAN UNIVERSITY OF TECHNOLOGY INYUVESI YASETHEKWINI YEZOBUCHWEPHESHE	<b>TECHNOLOGY TRANSFER &amp; INNOVATION</b>	<b>PROF. KEOLEBOGILE MOTAUING</b> Director  Technology Transfer & Innovation Durban University of Technology P O Box 1334, Durban, 4000, South Africa.  Tel: +27 31 373 2092 Cell: +27 82 499 7354 Email: TtiDirector@dut.ac.za  <a href="http://www.dut.ac.za">www.dut.ac.za</a>
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