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Grindstone Accelerator

South Africa's Grindstone Accelerator announces investment from the SA SME Fund and a partnership with Google for Startups as it doubles the programme intakes

[17 March 2020, Cape Town] South Africa's Grindstone Accelerator received a R25 million investment from the SA SME Fund and concluded partnership agreements with Google for Startups and Deloitte to extend its reach. Grindstone will greatly increase activities by doubling intake numbers, digitising learning content and running annual programmes in both Cape Town and Johannesburg to add six cohorts of ten scale-up companies each over the next three years.

Grindstone is a structured entrepreneurship development programme, jointly owned by leading venture capital firm Knife Capital and African ecosystem player Thinkroom Consulting, that assists high-growth innovation-driven SMEs to become sustainable and fundable. Grindstone supplies each cohort in a year-long programme with knowledge, networks and funding readiness through growth measurement, gap analysis and deep interventions designed to build a foundation for growth, transfer skills, create relevant business networks and enable these companies to take advantage of market access opportunities.

To manage the programmes and partnerships, Grindstone appointed a new Programme Director: Will Green. Green is an emerging market entrepreneur and advisor that brings over nineteen years of business experience, networks and first-hand entrepreneurial knowledge to Grindstone and companies in the cohorts. Green has worked with many start-ups, scale-ups and corporates across different industries within South Africa and abroad. "I was fortunate to take part in the inaugural Grindstone programme and have been involved as an active alumni and mentor over the past four years. I'm extremely excited to be joining the Grindstone team and work with some of the region's brightest people to advance the local entrepreneurial ecosystem. With the support of our value-adding partners, it is time to further accelerate the finding, making and growing of innovative South African scale-up companies. I would love to help discover and capitalise the next Discovery Health, Nando's or Capitec," says Green.

Andrea Böhmert, Co-Managing Partner at Knife Capital expands on the Grindstone growth methodology: "The accelerator programme was created by compressing the VC firm's venture capital engagement model of aggressively growing a company for three to five years into an intense year-long programme. The programme helps entrepreneurs who are navigating their way through the treacherous business scale-up phase by identifying the pitfalls and success metrics of their businesses strategies while closing growth gaps to execute those strategies. Our biggest differentiator is our approach to measurement – the companies need to be able to experience and measure the impact the programme had on their businesses. Across the previous programmes, the Grindstone Accelerator participants on average experienced a consistent growth in revenue of 51% year-on-year off a descent base, while creating jobs and addressing business fundamentals to set up a platform for further accelerated growth."

The SA SME Fund supported the current Grindstone 5 Johannesburg cohort, and confirmed another three-year partnership with its investment. Ketso Gordhan, CEO of the SA SME Fund elaborates on the partnership synergies: "The SA SME Fund is committed to developing world class local entrepreneurs and Grindstone is a good fit as it has shown consistent results in supporting and growing successful South African high-growth SMEs." The SA SME Fund is providing favourable funding support to the next 60 Grindstone companies to enable them to close the initial growth gaps identified. Further growth funding is also available on commercial terms to scale the companies through Knife Capital as well as other funding vehicles backed by the SA SME Fund.

Grindstone also confirmed Google for Startups as a technology partner in South Africa, where it will provide Google for Startups programmes to future Grindstone cohorts. Kevin O'Toole, Google's Global

Head of Accelerator Strategy, Operations, Partnerships and Programs, unpacked the opportunity: “The ‘Grindstone Google for Startups’ initiative will connect Grindstone to an elite group of the world’s top accelerators, allowing it to share information and leverage resources. Grindstone will be able to access Google’s global network, insights from the company’s Silicon Valley-based startup programmes, and twenty years’ worth of Google research and best practice insights on building businesses, products, and teams at massive scale.”

In addition, Deloitte Digital is extending their commitment to the Grindstone programme after a successful 2019 cohort, adding their wealth of knowledge and experience to the scale-ups and the programme overall. “Deloitte is able to introduce entrepreneurs and businesses to the valuable and credible networks and mentors that it has access to,” says Green.

Successful businesses that have completed the Grindstone Programme include iKubu (subsequently acquired by Garmin), Payfast (acquired by DPO Group), SeaMonster Animation, Electrum Payments, Iono fm, Quicket (funded by Knife Capital), PICSA Finance, WhereIsMyTransport (recently raised a \$7.5m round from Google and Toyota), Locstat, Granite WMS (funded by Knife Capital) and OneCart, amongst others.

Over the past two years, Grindstone digitised many elements of the programme using video tutorials combined with virtual conference, coaching and community engagement software in order to scale the programme learnings and reach more scale-ups. Adds Green: “We had earmarked 2021 for this virtual launch, however in the light of the current COVID-19 crisis, we are bringing these plans forward and will roll it out with the 2020 cohorts.”

For more information on the programme, or to apply, visit <https://www.grindstonexl.com/apply/>. Applications are now open and will close on 24 April 2020.

Ends

More Information

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