

# Grindstone Accelerator programme cohorts show positive growth

South African venture capital firm, Knife Capital recently announced the growth metrics of its fourth Grindstone Accelerator programme. The year-long programme takes ten South African SMEs with proven traction through an intensive review of their strategies and provides them with the necessary support to build a foundation for growth in becoming more investable, sustainable and exit-ready.

Some of South Africa's best scale-up companies have been through Grindstone, including radar startup iKubu (acquired by Garmin), augmented reality animation and gaming company SeaMonster, online payment gateway Payfast (recently acquired by DPO Group), financial inclusion business Picsa and Bitcoin blockchain anti-piracy solution Custos. Knife Capital invested in ticketing solutions provider Quicket and warehouse management software company Granite via its SARS Section 12J Venture Capital Company: KNF Ventures.

The fourth Grindstone Accelerator cohort just concluded and helped the participating SMEs circumvent the challenging South African economic environment. In just one year, ten South African SMEs grew revenue by 36% (collectively adding R35m to their top line), created 27 new jobs and increased business fundamentals by 33% while becoming more efficient in doing so.

The future is also looking bright for these companies with growth prospects of 88% over the next three years fuelled by Venture Capital and Angel Investment already raised by some.

IN JUST ONE YEAR 10 SMEs...	GRINDSTONE 1	GRINDSTONE 2	GRINDSTONE 3	GRINDSTONE 4
Increase in revenue (R'm)	R43m	R65m	R52m	R35m
Increase in revenue (%)	61%	64%	44%	36%
New jobs created	43	70	22	27
Increase in efficiency (rev/employee)	22%	42%	18%	23%
CAGR expectation (next 3 years)	64%	72%	60%	88%
Increase in business fundamentals	19%	22%	24%	33%
Top performing companies	  	  	  	  

"We initially set out to prove that by offering the right guidance and support to coachable entrepreneurs, we can engineer growth on a significant and sustainable scale," says Andrea Böhmert, co-managing partner at Knife Capital.



## Grindstone Accelerator programme expands to Gauteng

29 Mar 2019



"The fact another cohort of Grindstone companies have experienced significant growth and investment while increasing their business fundamentals clearly demonstrates that it is possible. We are extremely proud of how this cohort of entrepreneurs embraced the Grindstone learnings from all our value-adding partners and we built lasting relationships and had fun in the process."

Of the top Grindstone4 companies, Knife Capital invested in Granite WMS to expand the warehouse management software business internationally. Geospatial data analytics company Locstat Systems achieved the highest growth across all metrics over this period compared to its peers. It won the Grindstone prize of R100,000 to spend on an international business development initiative of their choice.



Locstat Systems teams, winners of the fourth Grindstone Accelerator programme

Ryno Goosen, managing director of Locstat Systems was impressed by the depth of the programme, saying “Grindstone was very timely and beneficial as we looked to develop the Locstat Brand. The programme content, speakers and Knife Capital leadership team were all top drawer. There was variation, credibility and honest logical mentoring”.

Grindstone triggered a full rebranding and new articulation of the Locstat value proposition.

Grindstone is jointly owned by Knife Capital and Thinkroom Consulting and partnered this year with the SA SME Fund, Deloitte, FNB, Webber Wentzel and the BillyBo Group to run the next Grindstone5 programme in Johannesburg, currently underway.