

3 small business ideas that exist within the SA transport industry value chain

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October is Transport Month in South Africa - a time dedicated to raising awareness around road safety and the economic importance of the sector and looking at how local and global developments are driving change in the industry.

For people interested in starting a business, Transport Month provides the ideal opportunity to hone in on the industry's value chain and the emerging opportunities that exist for aspiring business owners.

This piece explores three lower-investment opportunities that exist within the transport sector as well as the major challenges that lie ahead for entrants going into the market.

Express courier company

The e-commerce boom, triggered by the pandemic in 2020, led to a sudden upsurge in the demand for courier services. Post-pandemic, this trend is showing no signs of slowing down.



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More specifically, according to the South African Express Parcel Association (SAEPA), the express parcel industry is currently the fastest growing transport-related sector in the country. Consumer appetite for quick shipping turnarounds or 48-hour deliveries has increased, creating opportunities for entrepreneurs to start home delivery businesses. Innovative ideas in this arena include a bicycle courier service, grocery delivery to underserved areas or a gift basket delivery company.

The biggest challenge that aspiring entrepreneurs will face when entering the sector is likely to be sourcing funding to cover the cost of the first vehicles, GPS-technology, uniforms, marketing costs and insurance. The success of an application for small business funding in this sector rests largely on the thoroughness of the business plan and a clear breakdown of how the funding will be spent.

Owner-driver training provider

The owner-driver concept first entered the South African market in the mid-1980s and experienced a boom with the advent of technology such as Uber. In these models, employees own the vehicles they use to transport people and goods and have the opportunity to become formal business owners.

Several owner-driver programmes to encourage job creation in this sector have been launched by key industry players such as SAB and Mondi. This has opened up a new ecosystem for aspiring entrepreneurs, specifically with regards to driver education and training. Programme facilitators will need to partner with training providers for soft skills such as financial acumen, customer service, sales as well as health and safety.

The biggest challenge for small businesses in this arena is sharp competition, particularly in terms of pricing. Here, operational efficiency and customer service will need to be prioritised in order to remain competitive and profitable.

Waterless car wash

The Cape Town water crisis of 2017 saw many car wash services across the city iterating their offering to include waterless options. A few years after this disaster brought the reality of water scarcity to the fore, the impact of climate change has

reawakened the demand for more sustainable business models.

This has created an opportunity for pioneering entrepreneurs to start eco-friendly and environmentally conscious car washes. The market for these kinds of establishments remains relatively unsaturated, which gives entrepreneurs the opportunity to be one of the first to market. A mobile, 'green' car wash business that provides a house-to-house, on-demand service for example, could serve as an attractive differentiator in the market.

Entrepreneurs who wish to start their own green car washes will likely be faced with the challenge of sourcing, testing and learning about new technology. Currently, although there are multiple entrants into this space, waterless car wash technology is likely to develop in leaps and bounds in the years to come. The challenge for entrepreneurs, therefore, is finding the most cost-effective tech solutions and then keeping abreast of developments in the sector in order to remain competitive.

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