



Bright Futures Start Here: **A Social Franchise for Early Learning**

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SmartStart Classroom Activity in De Doorns, Western Cape
Photo Credit: SmartStart

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CASE STUDY

Bright Futures Start Here:
A Social Franchise for Early Learning

AT A GLANCE

Company	SmartStart Early Learning
Social theme(s)	Education; Children & Youth; Enterprise Development; Financial Inclusion; Gender Equality
Geography	South Africa
Year founded	2015
Revenues	€5 million annually
Legal structure	Nonprofit organisation
Clients	Nonprofit organisations (franchisors) supporting a network of ECD centre owners (franchisees) across the country
Business model	Private donors and investors (86%); Government (14%)
Product/services	Training and licensing services for nonprofit operators who support privately run ECD centre owners to deliver high-quality, low cost early childhood education to local families
Impact reach	Currently 13 franchisors supporting 10K+ ECD practitioners serving 80K+ children nationwide weekly

Background

Investments in early childhood development (ECD) have outsized returns for societies and economies. Yet, in South Africa, more than 1 million 3-4 year-old children who do not attend early childhood education programmes and a further 2 million children in the same age group who attend programmes in unregistered centres. Although a government priority, there is currently no formal government system to deliver early learning to children under the age of 5 in South Africa.

Instead, parents and caregivers secure spots in home- and community-based programmes that are owned and staffed by local community members, predominantly women. Currently, more than 40,000 of these ECD centres operate across the country through fees paid by families and small government subsidies. These micro-enterprises employ nearly 200K staff members.¹ With support and training, this largely informal system could be leveraged to provide quality access to early learning for South Africa's children.

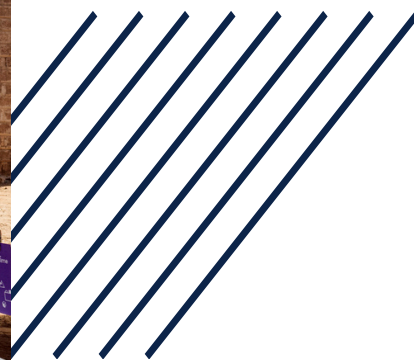
¹ <https://datadrive2030.co.za/wp-content/uploads/2022/09/ecdc-2021-report.pdf>

About the Company

SmartStart was seeded by several private funders in South Africa, in collaboration with the South African government. The model draws on the marketing and systems of commercial franchising to build a delivery platform for ECD across all nine provinces of South Africa. SmartStart works through nonprofit partners (operating partners/franchisors) who recruit, train, and support ECD centre owners (franchisees) to run successful small businesses. ECD centre owners are trained and licensed to deliver high quality, low cost ECD services, and supported to register their centres in order to receive government subsidies. In nearly ten years, SmartStart has grown to encompass a network of 13 franchisors (and 3 branches) and more than 10K ECD centre owners, serving more than 80K children weekly.



SmartStart's network of practitioners play an important role in driving the implementation of early learning programmes in their communities nationwide. These individuals are the real heroes of the day
Photo Credit : Malebitsa, Limpopo Village



Sources of Impact

Customers: Who is served?

SmartStart serves **families and children** in low-income communities

Workforce: Who is employed?

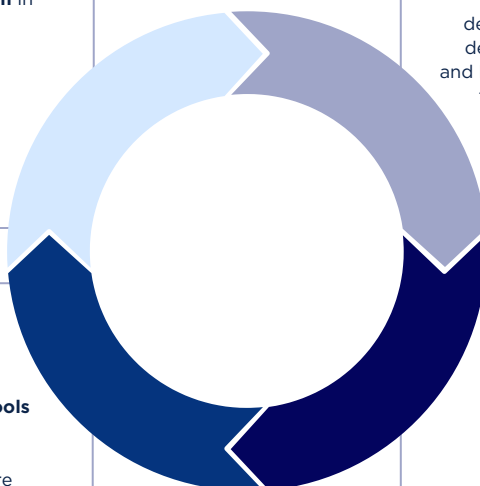
SmartStart has a **core staff of 119** who develop systems to support **franchisors** to deliver the SmartStart programme to train and license ECD operators. These franchisors then support a network of **early learning programmes** in communities. Many of these grow into larger ECD centres that employ other **practitioners**

Product/Service: What is delivered?

SmartStart has developed a **suite of tools** (recruitment, training, compliance, curriculum, & quality assurance) for franchisors/operators to support centre owners delivering quality ECD services

Eco-System: What relationships are developed?

SmartStart builds relationships with **policymakers and funders** to design supportive financing policies, including government subsidies, to grow the ECD sector in South Africa



Innovation Activities

SmartStart engages in several activities that drive innovation, both in the communities where they serve as well as the larger eco-system:

INNOVATION ACTIVITIES



Using research and development to improve learning outcomes: SmartStart develops evidence-based curriculum and daily routines to improve learning outcomes

Creating quality operations and a brand that builds trust with families: SmartStart develops training and resources for operators that supports the establishment and sustainability of ECD centres. SmartStart also creates a brand that is aspirational and trusted by families, while improving business viability for franchisees

Advocating for supportive policies for ECD: SmartStart partners closely with the South African government to develop supportive policies, standards, and budgets for ECD in national and provincial planning

Key Innovation Challenges & Learnings

SmartStart operates in resource-constrained environments where families struggle to pay the full cost of high-quality early childhood education. At the same time, public subsidies are insufficient to accommodate the gap. Key challenges and learnings in this environment include:

- **Changing the model to meet families' needs:** Earlier versions of the programme were based on a cost-effective playgroup model. However, CEO Grace Matlhabe describes that this didn't meet families' expectations: *"At first, we had framed our thinking around a "minimum dosage" of play groups 2 mornings a week to reach as many children as possible. The results of our first child outcomes evaluation confirmed that we were achieving good enough child outcomes even with the minimum dosage, however we heard from families that that's not what they're looking for. While they all want their children to be educated, in fact, in the early years, what they are looking for is child care. So we had to very quickly accommodate the fact that there's little or no child care provision in South Africa and started offering full week programmes that included a full Early Childhood Care and Education ."*
- **Quality assurance:** Currently, quality assurance is provided through a structured licensing and coaching programme. In order to scale, SmartStart continues to refine and explore efficiencies in this system to identify the key elements of a support system to ensure quality programming. Programme Design Lead Justine Jowell says, *"A challenge is how you continue to ensure quality at scale. As you cascade all the things you do, you need systems for quality assurance and then manage them over time. We always had that in mind, but every time we do big, exponential change, we want to be able to say to people, it still works."*

Featured Centre: Xihlovo xa Vutivi ECD Centre

Hellen Mboweni, the founder and principal of Xihlovo xa Vutivi, started her early learning centre in the heart of Tembisa, Johannesburg in November 2021. Through her ECD business, Hellen now employs two assistants.

"I have always been business minded. I sold clothes and cookies before opening the early learning centre. I had six children when I started my programme from a shack in my back yard. The business has grown, and I now have two classrooms with more than twenty children and looking to grow."



Hellen Mboweni, Tembisa, Johannesburg
Photo credit: Marc Shoul