WHITE PAPER

DERISKING FUNDED ENTREPRENEURSHIP SUPPORT UNDER COMPLEXITY DESIGN HEURISTICS

Enterprise Development, Incubators,, and Related Support Interventions

1 SEPTEMBER 2026

By
Tiisetso Maloma, Startup Picnic Academy, and Startup Picnic Venture Studio

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STARTUP PICNIC CAPITAL

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A First-Principles Heuristic Guide to Designing Funded Entrepreneurship Support Programmes:

Enterprise Development, Supplier Development, Entrepreneurship-Focused Skills Development, Incubators, Accelerators, and Related Support Interventions

START PICNIC venture studio

startup picnic academy

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This white paper is a design guide for funded entrepreneurship support. It is not an audit of named programmes. It does not calculate a national overhead ratio. It does not cover venture capital, angel investment, or other return-seeking capital.

KEYWORDS

Funded Entrepreneurship Support (FES); Enterprise Development (ED); Supplier Development (SD); B-BBEE; Enterprise Supplier Development (ESD), programme design; complexity; decision-making, uncertainty; heuristics; Knightian uncertainty; adaptive systems; entrepreneurial agency; value accountability; programme derisking; impact measurement; beneficiary-centric design; South African entrepreneurship; township economy; 51% Majority Principle; Time-Average Rule; Skin-in-the-Game; staged support; fast-and-frugal; programme evaluation; grant design; development finance.

WHY WE WROTE THIS WHITE-PAPER AND PROPOSED GUIDE

Entrepreneurship is treated as a contributor to innovation, productivity, growth, and jobs. That is why governments, corporates, development institutions, foundations, and universities put money into funding, training, mentorship, incubation, acceleration, and supplier development [Acs & Audretsch, 2005][1] [OECD, 2023][2].

The vehicles differ. A grant is not a loan. An accelerator is not Supplier Development. A skills program is not an incubator. When they are funded support, they share one purpose: resources are meant to improve entrepreneurial outcomes. This paper calls that family Funded Entrepreneurship Support (FES).

Venture capital and angel investment sit outside that family. They allocate capital for a financial return. Their prescriptions are different. This guide does not write design heuristics for them.

Programme results are inconsistent. Many programmes report activity: people trained, hours delivered, grants paid, firms enrolled. Fewer show lasting gains in survival, productivity, innovation, jobs, or firm growth [OECD, 2023] [World Bank / IEG, 2014][3] [Cravo & Piza, 2016][4].

The OECD notes that reliable impact evaluation in this field is still scarce, and that evidence is mixed—stronger for finance than for training and advice [OECD, 2023]. That points to a design problem. It does not prove that every local programme failed.

Entrepreneurship does not run on a fixed plan. Customers, competitors, marketing, technology, regulation, cash, and personal circumstances keep changing. Information is incomplete. Decisions are often made before outcomes are known. Knight separated risk, where probabilities can be estimated, from uncertainty, where they cannot [Knight, 1921][5]. Sarasvathy described founders working with available means and affordable loss rather than a complete forecast [Sarasvathy, 2001][6].

A complex system is described as having many interacting agents, emergent behaviour, non-linearity, path dependence, feedback, and continual change

[Holland, 1992][7] [Arthur, 1999][8] [Mitchell, 2009][9]. Peterson and Wu show how product, market, and business-model parts depend on each other, which makes prediction harder as a project grows [Peterson & Wu, 2021][10].

The design question is: How should funded entrepreneurship support be designed when the system it tries to influence keeps changing?

Programmes often report activity—training delivered, mentors assigned, governance and reporting completed [OECD, 2023] [B-BBEE Commission, 2023][11]. That can improve administration. It does not, by itself, show that the design fits entrepreneurship. Evaluation of lasting firm outcomes remains limited and mixed [OECD, 2023] [Cravo & Piza, 2016].

This paper argues that design should start from entrepreneurship itself. Support should not try to remove uncertainty with more process. It should use simple heuristics or principles that keep the entrepreneur able to act, and send most of the money toward value the entrepreneur controls.

South African Enterprise and Supplier Development (ESD) is the local example. The B-BBEE Commission reported ESD resources for 2021 in the region of R26 billion, and reported that 61% of allocated ESD funds were implemented that year [B-BBEE Commission, 2023]. The same work notes how hard it is to link reported spend to changes in beneficiary firms when beneficiary-level data is not required for testing [B-BBEE Commission, 2023]. That shows scale and a visibility gap. It does not prove that overheads ate the money.

Stats SA recorded official unemployment at 32.7% in the first quarter of 2026 [Statistics South Africa, 2026][12]. In the same quarter, youth unemployment—people aged 15–34—was 45.8%. Within that group, the rate was 60.9% for ages 15–24 and 40.6% for ages 25–34 [Statistics South Africa, 2026]. Those figures are labour-market context. This paper does not treat them as an ESD result.

The paper therefore asks: when money is committed as support, how should the split between entrepreneurial value and institutional cost be designed and reported?

AUTHORS OF THIS GUIDE

This paper was authored by Tiisetso Maloma, Startup Picnic Academy, and Startup Picnic Venture Studio. Tiisetso Maloma founded both the Academy and the Studio.

Tiisetso Maloma writes books and tools that help people ideate, innovate, and launch. He studies funds, complex systems, innovation, township economies, rhetoric, and risk. His interest is the complexity of entrepreneurship: how firms, support programmes, and local economies behave when conditions keep changing. His books on these themes include *Forget the Business Plan Use This Short Model, The Anxious Entrepreneur, Future of Township Economies, 90 Days to Create and Launch, and Quick Innovation MBA*.

Startup Picnic Academy builds short courses and practical tools for founders and trainers. It works with corporates, nonprofit organisations, and colleges. Delivery is on-site, mobile, and online, through classes, workshops, bootcamps, masterclasses, and physical games. Courses cover product creation, services, entrepreneurship, innovation, and related skills. Some programmes sit against accredited standards; others are unaccredited and built for speed. The Academy does not score named ESD programmes in this paper.

Startup Picnic Venture Studio builds startups at the intersection of intellectual property, finance, technology, and AI. It also works on infrastructure that enables IP transactions and trading. The Studio looks for firms that can last and scale through linked partner companies.

The tools used in the academy work include the EBC Business Model, the Innovation Design Model, and an AI Coach. EBC treats a business as six parts that can be checked: product, marketing, distribution, cash flow, relentlessness, and decision-making. The Innovation Design Model is a short sequence: imagine, ask customers, research. The AI Coach is a digital aid that uses those models and examples. These tools are how the authors teach. They are not presented here as independently evaluated ESD treatments.

One Academy format is the Innovation Teacher Factory: a short fellowship that trains trainers to use those tools with families and youth, including in township settings. That work sits behind the authors' interest in cheap, repeatable training. It is not a finding of this white paper.

Disclaimer

This paper does not treat the Academy's programmes or the Studio's strategy as proof of the heuristics. The heuristics are design tests. The Academy and the Studio are the practice from which the authors write.

PROLOGUE FABLE: THE TWO TOWERS

In the Valley of Enterprise, the King wished to help two farmers. He gave the South Tower R200,000 to support Mr Fumani and gave the North Tower R200,000 to support Ms Ami.

The South Tower placed the gold in the hands of its Facilitari. More than half disappeared into the Tower: administration, meetings, salaries and programmes. Fumani received R20,000 in cash to buy a tractor and seeds.

The North Tower worked differently. Its Adaptari kept 30% (R60,000) for administering the support and reserved the remaining 70% (R140,000) for Ami. The gold was released in tranches as Ami planted, sold, learned and tried again.

The Adaptari and their entrepreneurs also formed a society called Seed for Adaptation, where they met to exchange ideas about farming, markets and mistakes.

Ami and Fumani often spoke with their friend, the Gambler. "Why do you gamble?" Fumani asked.

"Because every bet teaches me something," he replied. "But a wise gambler never risks everything on one bet."

The King eventually visited the two farms. Fumani had received support, but little control over the gold. Ami had resources still available to act.

The King looked at the two Towers and asked, "Which Tower has put the gold closest to the person doing the work?"

The Gambler smiled. "That," he said, "is the Tower that understands the game."

MOTIVATION FOR THIS GUIDE

This white paper comes from work at Startup Picnic Academy and Startup Picnic Venture Studio, with Tiisetso Maloma. The two organisations design training, tools, and ventures. They also work in and around funded entrepreneurship support, including ESD. Some of that work is funded. Some is self-started. From that practice, a design problem kept coming back. Programmes can report training, mentoring, and compliance. Founders still ask whether they received value they can use and whether they still decide how the firm acts. Those questions are the reason for this guide. They are not a national survey of ESD.

Tiisetso Maloma's interest is the complexity of entrepreneurship: how firms, programmes, and local economies behave when outcomes are hard to predict. That interest shapes the language of the paper. It does not turn the paper into a personal theory.

He has also published essays and a DTIC submission on ESD. Those pieces show a public concern that too little usable value reaches the founder. That is a published view. It is not treated here as proof.

Prior public writing by Tiisetso Maloma on ESD

- Is ESD a Scam? Over-Mentored, Under-Funded (25 July 2025) https://www.tiisetsomaloma.co.za/2025/07/25/is-esd-a-scam/.[13]
- Fixing Capital Leakage in ESD and Proposed Scorecard Revisions (27 March 2026). Submission to the DTIC on Draft Statement 400 of 2026, on behalf of Startup Picnic Venture Studio and Startup Picnic Academy[14]
- South Africa, Bring It Back: Why Section 12J Was Better Than ESD (10 September 2025). LinkedIn[15]

HOW THE GUIDE WAS BUILT

The paper uses two kinds of source, then applies each heuristic on its own.

Research and official material on funded support, ESD, SMMEs, skills programmes, and evaluation.

Separate bodies of work on uncertainty, limited information, simple decision heuristics, changing systems, time averages, and accountability [Knight, 1921] [Simon, 1955]16 [Holland, 1992] [Gigerenzer & Goldstein, 1996]17 [Gigerenzer, 2008]18 [Taleb,

2018]19 [Peters & Gell-Mann, 2016]20.

This paper does not treat those sources as one combined model. It applies each idea as a first-principles design principle because entrepreneurship is hard to predict. The method is closer to health advice than to a single system: eat well, move, sleep. Each tactic can help. This paper does not claim that the heuristics interact in a proven way, or that they have been tested together or individually on ESD files.

This white-paper is not a new survey of all South African ESD spend.

Much local ESD research is qualitative: interviews coded into themes [Barnard, 2020][21] [Sibiya & Barnard, 2019][22] [Nel, 2023][23] [Myres et al., 2024][24]. Those studies describe experience. These studies provide evidence of experiences within the cases and contexts investigated. The identification of recurring themes and patterns from those accounts involves inductive reasoning: observations from particular cases are used to develop propositions about patterns that extend beyond any single observation [Hume, 1748][25].

This paper uses complexity as a way to design support. It does not say that idea has been tested, file by file, against South African ESD programmes. The 51% figure used later is a practical fence. It is not a fitted optimum.

WHY THE PAPER USES ESD

ESD is South Africa's main statutory channel for funded support to black-owned businesses, often delivered through intermediaries [B-BBEE Commission, 2023] [B-BBEE Commission educational material][26].

B-BBEE exists to widen economic participation after apartheid. Apartheid was a legally enforced racial order. In 1973 the United Nations General Assembly adopted the International Convention on the Suppression and Punishment of the Crime of Apartheid. It entered into force in 1976 [United Nations, 1973][27]. That system barred Black South Africans from owning, supplying, and competing on the same terms as white South Africans. ESD is one scorecard tool for that redress.

Qualifying ED (Enterprise Development) and SD (Supplier Development) beneficiaries are, in the main, Exempted Micro-Enterprises and Qualifying Small Enterprises that are at least 51% black-owned, or at least 51% black women-owned [B-BBEE Codes, Code Series 400][28] [B-BBEE Commission educational material].

On the generic scorecard, ESD is a priority element. The usual Net Profit After Tax (NPAT) targets are 2% for Supplier Development and 1% for Enterprise Development (3% combined) [B-BBEE Codes, Code Series 400]. Preferential procurement is separate. That is buying from qualifying suppliers. Supplier Development supports a qualifying firm that already supplies the measured entity, or is entering that supply list. Enterprise Development supports a qualifying firm that is not a current supplier to that measured entity [B-BBEE Codes, Code Series 400] [B-BBEE Commission educational material]. Buying and developing are not the same spend. Missing the priority-element sub-minimum can drop a measured entity one B-BBEE level [B-BBEE Commission educational material]. That is why these budgets exist at scale.

Commission guidance allows a qualified third party to implement ESD. Points are meant to follow benefit to the beneficiary. The measured entity stays accountable [B-BBEE Commission educational material].

The same design tests apply to other funded support: incubators, skills programmes, public funds, university centres, and philanthropic cohorts. They also split a budget between entrepreneur-controlled value and institutional process. The 1% and 2% NPAT prescriptions are scorecard facts. The design tests are not.

The 1% and 2% NPAT prescriptions belong to the B-BBEE ESD scorecard. They do not apply to other Funded Entrepreneurial Support outside of B-BBEEE or ESD: incubators, skills programmes, public funds, university centres, or philanthropic cohorts. Those other funded-support vehicles can still use the same design tests. They also split a budget between value the entrepreneur controls and the cost of running the institution. The tests are: does most of the support money become entrepreneur-controlled value, and does the entrepreneur keep enough decision rights to act?

WHAT PRIOR RESEARCH SHOWS

The Commission recorded large ESD resources and incomplete implementation: 61% of allocated ESD funds implemented in 2021 [B-BBEE Commission,

2023]. That is an implementation figure. It is not an overhead ratio.

Barnard interviewed 17 senior managers from corporates and consultancies about training inside SD and ED. They said participants can learn useful business skills. They also worried that this often does not lead to businesses that last [Barnard, 2020].

Sibiya and Barnard interviewed ten ESD beneficiaries. Founders said they received some money and some other support, but that this help was limited. They said a real buying relationship with the company was worth more than the programme [Sibiya & Barnard, 2019].

Nel's GIBS study looked at trust between a mining company and small suppliers in a supplier-development programme. The sample was small and specific to that setting, so the finding is not treated here as a national result [Nel, 2023].

Myres, Cabot-Alletzhauser, Khoza and Mamabolo interviewed 41 people across corporates, service providers, and SMME beneficiaries between October 2023 and March 2024. They recorded weak shared impact metrics, mismatched needs, and uneven strategy [Myres et al., 2024]. SMEs in that study also said sponsoring companies often prefer courses and support services to direct cash [Myres et al., 2024]. That is testimony about form. It is not a national spend split.

A small-area census across eight township sites in five cities identified about 9,400 enterprises and 10,220 activities in a population of about 325,000 [Charman, Petersen, Piper, Liedeman & Legg][29]. Entrepreneurial settings differ by place, sector, and scale. One template is an uncertain design assumption.

International reviews stay cautious [OECD, 2023] [IEG, 2014] [Cravo & Piza, 2016]. Prior research shows mandate, scale, an implementation gap, permitted intermediaries, mixed interview evidence, and thin causal proof. It does not show one optimal programme shape.

WHAT THIS PAPER PROPOSES

The paper does not say ESD is wasteful by nature. It offers a set of design tests for funded support.

Test 1 — value. Where the objective is entrepreneurial support, most resources should create direct entrepreneurial value.

Test 2 — control. Support should leave usable value and decision rights with the entrepreneur wherever practical.

The later principles are proposals grounded in cited decision under uncertainty heuristics. They are not results of a new expenditure study.

The later principles are proposals. They use simple decision heuristics for uncertainty, drawn from cited work on limited information, time averages, and accountability [Knight, 1921] [Gigerenzer, 2008] [Kelly, 1956][30] [Taleb, 2018]. They are not results of a new expenditure study.*Purpose*

This guideline gives organisations a first-principles way to design, assess, and improve Funded Entrepreneurship Support.

It aims to:

- establish a useful and simple frame for funded entrepreneurship support;
- explain why this support should not be designed like a stable administrative programme;
- derive practical heuristics from complexity and decision-making under uncertainty;
- reduce design risk;
- raise the share of resources that create direct entrepreneurial value; and
- apply across ED, SD, entrepreneurship skills programmes, incubators, accelerators used as support, and related funded vehicles.
- It does not evaluate individual programmes. It does not prescribe one funding model. It does not make recommendations for return-seeking funds.

SCOPE

Funded Entrepreneurship Support means organised mechanisms that deploy money or help as support, to improve entrepreneurial outcomes, without the primary aim of a capital return to the provider.

In scope: Enterprise Development; Supplier Development; entrepreneurship-focused Skills Development; incubators; accelerators used as support; government entrepreneurship programmes; university centres; developmental or concessionary finance; philanthropic initiatives.

Out of scope: venture capital, angel investment, and other return-seeking structures.

Venture studios and venture builders are included only when used as funded support vehicles. They are

excluded when they function as return-seeking platforms.

The principles sit beside existing law and internal policies. They do not replace them.

COMPLEXITY

Support should be designed from the environment it tries to influence.

Complex systems are made of many interacting agents. Collective behaviour emerges from interaction, not from central planning. The systems adapt [Holland, 1992] [Mitchell, 2009].

They are non-linear. In a linear system, double the input and the output roughly doubles. In a complex system, a small change can matter a lot, and a large intervention can matter little [Arthur, 1999] [Holland, 1992].

They are path-dependent. The next state depends on the sequence that came before [Arthur, 1989][31] [David, 1985][32].

They adapt. As agents change, the system changes [Holland, 1992].

Peterson and Wu show interdependencies in entrepreneurial projects, which makes forecasts less reliable as work expands [Peterson & Wu, 2021].

An aircraft is complicated and still designed to stay predictable. Entrepreneurship is different. Entrepreneurs, customers, suppliers, competitors, financiers, regulators, and technologies adapt while decisions are being made [Knight, 1921] [Sarasvathy, 2001] [Mitchell, 2009].

Complexity shifts attention from prediction to adaptation: experiment, feedback, local decision-making, and adjustment [Mitchell, 2009]. Administrative systems are often built on stability, standardisation, and forecasts. Entrepreneurship rarely offers those conditions. Planning and accountability remain necessary. Design should still admit the limits of prediction [Knight, 1921] [Holland, 1992] [Arthur, 1999].

IMPLICATIONS

Do not treat entrepreneurial outcomes as a simple input–output machine. Evaluation reviews do not show that more workshops or training hours reliably produce proportional firm performance [OECD, 2023] [Cravo & Piza, 2016]. A well-timed intervention, such as working capital or a real customer, can change a firm's path. That is a complexity implication, not a measured ESD average.

Assume adaptation. Entrepreneurs change products, markets, partners, and financing [Sarasvathy, 2001] [Holland, 1992]. Over-prescription can freeze the person who has to respond.

Uncertainty is part of entrepreneurship [Knight, 1921]. It is not automatic proof that a programme failed. Reduce avoidable risk. Do not try to eliminate experiment.

HEURISTICS

> ***The word heuristic comes from the Greek heuriskein (to find, to discover). The same root sits in heureka—"I have found it." In that older sense, a heuristic is a method for finding a way forward when no complete procedure is available. Pólya revived the term for modern problem-solving: a heuristic serves discovery. It is used when an algorithm is missing [Pólya, 1945][33].***

Once prediction is limited, the problem is how to decide.

Knight tied entrepreneurial decisions to uncertainty that cannot be reduced to a probability table [Knight, 1921].

Simon described bounded rationality: people decide with limited information, time, and attention, and use heuristics that are good enough [Simon, 1955].

Gigerenzer and colleagues showed that simple heuristics can outperform heavier models when information is incomplete and conditions keep changing [Gigerenzer & Goldstein, 1996] [Gigerenzer, 2008].

In this guideline, heuristics are simple design guides for funded support. They do not replace analysis, governance, or professional judgement.

Some programmes assume that more information, more planning, more reporting, and more control will improve outcomes. That may fit a stable system. In a changing entrepreneurial environment, more administration can slow response and raise cost [Gigerenzer, 2008]. The aim is not to simplify entrepreneurship. The aim is to simplify the decisions of organisations that design support.

FRAMEWORK PROPOSITION

Entrepreneurial environments show features of complex adaptive systems [Holland, 1992] [Arthur, 1999] [Mitchell, 2009] [Peterson & Wu, 2021].

Under uncertainty, simple heuristics can guide action when optimisation needs information that is not available [Simon, 1955] [Gigerenzer & Goldstein, 1996] [Gigerenzer, 2008].

Proposition. Design Funded Entrepreneurship Support with heuristics that reflect entrepreneurship under complexity, not only with administrative prescriptions built for predictable settings.

This does not pick one organogram or funding instrument. It does not discard planning or evaluation. It says the main design job is to strengthen entrepreneurial adaptation rather than administrative optimisation.

PRINCIPLE 1. PUT MOST OF THE VALUE WITH THE ENTREPRENEUR

Funded Entrepreneurship Support exists to improve entrepreneurial outcomes. The intended beneficiary is the entrepreneur and the enterprise being built.

Programmes usually splits resources into two groups.

Direct entrepreneurial value includes working capital, equipment the entrepreneur owns – or needs to own, technology they keep, inventory, customer acquisition, and skills that stay with them.

Institutional cost includes administration, management, consulting, monitoring, reporting, compliance, and facilities.

Both are necessary. Without administration, governance, and accountability, support cannot run. Administration is not the purpose. It exists to enable entrepreneurial value, not to replace it.

Work on complex systems locates adaptive capacity mainly in the agents who deal with a changing environment, not in the offices that observe them [Holland, 1992] [Mitchell, 2009]. Entrepreneurs change products, prices, markets, suppliers, technology, and financing as conditions change [Sarasvathy, 2001]. Institutions govern, account, and coordinate. They do not meet the market in the same way.

Evaluation reviews do not show that more workshops, mentors, or training hours reliably produce proportional firm performance [OECD, 2023] [Cravo & Piza, 2016]. Extra institutional activity can improve reporting without a matching rise in entrepreneurial adaptation.

The implication is not "cut administration at any cost." The implication is that design should keep distinguishing spend that strengthens the entrepreneur from spend that mainly runs the support institution.

Principle. Maximise the share of resources that create direct entrepreneurial value. Keep only the institutional spend required for governance, accountability, and a workable programme.

Different vehicles need different operating models. The principle sets direction: where a trade-off exists, prefer spend that strengthens the entrepreneur's capacity to adapt.

How this changes measurement

Success is then not only activity—workshops delivered, mentors appointed, consultants hired, reports filed. Success also includes the share of the budget that helps entrepreneurs compete, adapt, survive, and grow [OECD, 2023].

Governance then includes value accountability as well as financial accountability: showing that spend creates entrepreneurial value, not only that the institution was paid to deliver support. B-BBEE Commission guidance already states that ESD implemented through a third party must be initiated and implemented for the beneficiary, and that the measured entity stays accountable [B-BBEE Commission educational material].

Proposed reporting boxes

These boxes are a reporting proposal. They are not an audited national split of South African ESD.

overheads: administration, management, facilities, compliance, reporting;

expert delivery: consultant and facilitator fees;

resources the entrepreneur keeps: equipment, materials, stock;

skills the entrepreneur keeps: practical capability that remains with the person or firm.

Heuristic 1. The Majority Principle

> ***The 51% Heuristic is this paper's fence. It uses the idea of a simple threshold under uncertainty [Gigerenzer, 2008]. It is not a finding from heuristic research that 51% is the correct ESD split.***

Where the objective is entrepreneurial support, most of the budget should become entrepreneur-controlled value.

This paper uses the 51% Heuristic: at least 51% of total programme spend should reach entrepreneurs as value they control—cash, working capital, equipment, owned assets, or capability whose ownership stays with them.

Fifty-one percent is a fence, not a scientific constant or a fitted optimum [Gigerenzer, 2008]. Programmes may set a higher bar. The 51% principle makes the Commission's beneficiary-benefit direction measurable in any funded-support budget [B-BBEE

Commission educational material]. It does not claim current programmes sit above or below the line.

External spend benchmarks

These figures come from other sectors. They are not B-BBEE prescriptions and not a finding about current ESD overheads.

The BBB Wise Giving Alliance standard for charity accountability asks a charity to spend at least 65% of total expenses on programme activities [BBB Wise Giving Alliance, Standard 8][34].

Charity Navigator's methodology awards full credit on its programme-expense metric at 70% or more of total expenses, averaged over three years [Charity Navigator, Rating Methodology Guide][35].

Those two standards are about charities, not ESD. This paper uses them only as published examples of majority-to-purpose spending.

Venture capital is out of scope for Funded Entrepreneurship Support as defined in this paper. It is cited here only as another published split between operating cost and deployed capital. Median management fees on venture funds tracked by Carta have commonly sat at 2% a year during the early fund period, with later step-downs [Carta, 2025][36]. A flat 2% a year over a 10-year fund life would sum to 20% of committed capital. With step-downs, lifetime fees are often in a lower band than that, commonly discussed around 15–20% of committed capital over the life of the fund [Carta, 2025] [NVCA, 2024][37]. That fee is spread across many years. Most of the fund is still meant to be invested in companies.

ESD contributions on the generic scorecard are set as an annual share of NPAT—2% for Supplier Development and 1% for Enterprise Development in that measurement year [B-BBEE Codes, Code Series 400]. The cycle is one year, not ten. If a large share of that year's ESD budget stays in administration, consulting, and delivery fees, that share is taken from a single-year pool. The venture-fee comparison is therefore about pace and concentration, not a claim that current ESD overheads have been measured at a given percent.

That is fund economics used as a contrast. It is not a model this paper adopts for grants or ESD.

Preference above the fence

A preference for a 51–70% entrepreneur-controlled value, where feasible, is a design preference in this paper. It is not a measured optimum and not a statutory ESD target. It sits near the charity programme-share figures above [BBB Wise Giving Alliance, Standard 8] [Charity Navigator]. It remains a proposal.

Principle One Fable: The Two Piles

The King gave each Tower R200,000.

The South Tower's Facilitari gathered around their table. "We need administration," said one. "We need workshops," said another. "We need reports," said a third.

When they finished, more than R100,000 had been consumed by the Tower. Mr Fumani received R20,000 to buy a tractor and seeds.

The North Tower gathered its Adaptari. "We need to administer the programme," they agreed. "But most of the gold must remain available to Ami."

They kept 30% (R60,000) for the Tower's administration and reserved 70% (R140,000) for Ami. Ami received the first tranche and bought seeds. When the first crop began growing, another tranche became available. When she sold her harvest, another followed.

One evening, Fumani met Ami beside the fields. "My Tower has spent most of its gold before I could use it," he said.

Ami pointed to her field. "Mine has kept most of the gold where it can still become a crop."

Their friend the Gambler listened. "In gambling," he said, "the money placed on the game is the only money that can win. It must go to work—but in small bits, to test. If you throw all your chips on one number, you learn nothing when you lose. If you place small bets, watch, and adjust, you learn even from your losses."

The King later declared: "Most development gold must remain with the person who must create the result."

PRINCIPLE 2. KEEP THE ENTREPRENEUR ABLE TO ACT

> ***Support exists because entrepreneurs face constraints. The job is to strengthen their ability to decide under uncertainty, not to replace those decisions with institutional judgement [Knight, 1921] [Sarasvathy, 2001]. Adaptation happens through agents responding to changing conditions [Holland, 1992] [Mitchell, 2009].***

Rigid spend prescriptions, long approvals, and mandatory interventions can leave the resource in place and reduce discretion. Agency, in this paper, means the practical ability to make a consequential business decision in time.

Accountability stays. Fraud prevention, law, and reporting remain. Controls should match the risk.

Taleb argues that people separated from the consequences of their ideas tend to add complication [Taleb, 2018]. This paper uses that as a design warning. It is not an ESD expenditure finding.

Principle. Strengthen entrepreneurial agency. Enable timely, informed decisions. Do not substitute institutional judgement where that is unnecessary.

Ask what minimum control is needed. Then stop.

Heuristic 2. Entrepreneur-controlled value

Entrepreneur-controlled value is this paper's name for the design test. It follows from uncertainty and local decision-making [Knight, 1921] [Hayek, 1945][38] [Sarasvathy, 2001]. It is not a pre-existing ESD heuristic proven in the literature.

Wherever practical, deliver support in a form the entrepreneur can hold and use.

That can include working capital, owned equipment, technology, inventory, market development, or skills that stay with the entrepreneur.

Spend that mainly benefits an intermediary, without a clear rise in the entrepreneur's capacity to act, should be justified with care [B-BBEE Commission educational material].

This does not mean unrestricted cash is always right. It does not ban vouchers, mentoring, or specialist services. It requires the designer to show that the intervention raises capability, not only activity.

Ask: does this spend primarily increase the entrepreneur's ability to make better decisions and create more economic value?

In Enterprise Development, prefer usable cash, productive assets, market access, or owned capability over heavy administration.

In Supplier Development, prefer investment that raises the supplier's ability to deliver. Procurement is the purchase. SD is the development spend next to it.

In incubators and accelerators used as support, keep structures lean enough that the founder still runs the business.

Principle Two Fable: The Gold in the Farmer's Hands

The Facilitari gave Fumani his R20,000. "Buy a tractor and seeds," they told him.

"But what if I need something else?" Fumani asked. "That is not in the programme."

Fumani needed fencing instead. Then rain damaged part of his field. The tractor remained unused while his real problem went unanswered.

Across the valley, Ami received her first tranche from the Adaptari. "What do you need?" they asked.

"Seeds now. Fencing next. Then more seed if the first crop works."

So Ami used the gold according to what her farm required. She did not receive everything at once, but she retained a path to the next tranche.

One afternoon, the Gambler visited. "Why don't they simply give you everything?" he asked.

"The Adaptari want me to prove that I am using it well," Ami replied.

"And can you decide what to do with what you receive?"

"Yes."

The Gambler nodded. "Then the gold is controlled. A person can be accountable without being helpless."

The Adaptari watched the farm and adjusted the next tranche according to what Ami learned she would need.

They did not remove control from the farmer. They used controls to manage risk while leaving the farmer able to act.

*PRINCIPLE 3. FUND PEOPLE WHO HAVE ALREADY STARTED*THIS IS A PROPOSED SELECTION HEURISTIC, NOT A PROVEN LAW.

Complex systems require adaptation [Holland, 1992]. An entrepreneur who has already taken something to market has completed at least one cycle of action and feedback [Sarasvathy, 2001].

Look for traction, even if small; demonstrated skill; or an idea tied to visible initiative.

Starting is observable. Long pre-launch training is not the same signal. Beneficiaries in one small study said a real buying relationship was worth more than the programme wrapper [Sibiya & Barnard, 2019]. GIBS interviews recorded SME comments that corporates often prefer courses to cash [Myres et al., 2024]. That supports a caution. It does not prove that only firms with existing sales should be funded.

Heuristic 3. Started-Already

When it is hard to predict which applicant will last, this paper uses one clear cue: the person has already started. That is an application of take-the-best, not a result from that research [Gigerenzer & Goldstein, 1996] [Gigerenzer, 2008] [Sarasvathy, 2001]. Prefer founders with a first cycle of action over applicants who have only attended training.

This is not a finding that every pre-revenue applicant should be excluded.

Principle Three Fable: The Two Fields

Mr Fumani waited for the South Tower's programme. He attended meetings, completed forms and waited.

Ms Ami had already planted a small field. She sold vegetables at the market, kept some money, bought more seed and planted again.

The Adaptari met Ami. "What have you already done?" they asked.

Ami showed them her field, her sales and what she had learned. The first tranche followed.

Fumani eventually received his R20,000. Ami used her first tranche to expand.

"Why did the Adaptari choose Ami before others?" Fumani asked the Gambler.

"Because she has already placed a bet," he said.

"What does that prove?"

"Not that she will win. It proves she is willing to play, learn and change."

Ami's first crop failed. She changed her method and tried again. The Adaptari released another tranche.

The Gambler smiled. "A person who has already begun has something plans cannot provide: evidence that they can start — and thus adapt."

PRINCIPLE 4. GIVE ENOUGH TIME TO TRY AGAIN

Why ticket size and time matter

Kelly's criterion is a tactic for sizing repeated bets when an edge exists [Kelly, 1956]. It is not a formula taken from ESD files. This paper uses it as a design caution: a stake can be too small for the next attempt to happen.

Peters and Gell-Mann distinguish a group average from the path of one agent who can be ruined [Peters & Gell-Mann, 2016]. Taleb writes about optionality and small experiments that can benefit from volatility [Taleb, 2012][39]. Knight's point still sits underneath: the designer often cannot know in advance which firm will survive [Knight, 1921].

OECD evaluation work finds more consistent evidence around access to finance than around training and advice [OECD, 2023]. That does not prove a South African ticket size. It does support treating usable cash and time as central design variables, not as leftovers after workshops.

Principle. Design funded support so a selected firm has enough cash-flow time to complete more than one cycle of action and feedback, rather than spreading the pool so thin that no firm can iterate.

Heuristic 4. The Time-Average Tactic

Prefer fewer, adequately funded firms with follow-on capacity over a large cohort on tickets too small to fund a real cycle.

This is a design heuristic [Gigerenzer, 2008]. This paper does not cite a South African trial that compares twenty larger tickets with a hundred smaller ones.

Illustrative split, not a measured result

The following numbers show the difference between a group spread and a time-average stake. They are not recommended ESD amounts and not results from a cited experiment.

> Group spread: 100 firms receive R10 000 each from a R1 million pool, paid once.
>
> Time-average stake: 20 firms are each allocated R50 000 from the same pool, not as one lump.
> On the second pattern, only the first trench is released at the start. The rest is held for later trenches if the firm produces a usable signal. That can be two trenches or more than two. Each trench is another attempt inside the same allocation [Kelly, 1956] [Peters & Gell-Mann, 2016].
> The first pattern maximises headcount. The second pattern aims to give a selected firm enough total support to attempt more than one move, while keeping unspent trenches available for the next cycle. Which firms survive still cannot be known in advance [Knight, 1921].

Follow-on trenches

A related design proposal is to treat the unused part of the allocation as follow-on, not as money automatically due. Release the next trench when there is a signal—orders, repeat customers, delivery against a specification, or another observable result [OECD, 2023]. If the signal does not appear, that trench can stay in the pool for another firm.

That is staged support. It remains a proposal for funded support. It is not a venture-capital model adopted in this paper.

Two different kinds of bet, as examples

These examples show why one ticket size and one trench pattern do not fit every activity. They are not case evaluations.

A low-outlay service, such as a technician who can earn after buying basic tools and marketing, may need a small first trench and a short cycle. A second trench can follow if sales appear.

A high-outlay build, such as hardware that needs prototyping and months of runway, may need a larger total allocation, more time, and more than two trenches if the first prototype fails [Taleb, 2012] [Sarasvathy, 2001].

The heuristic is the same in both cases: size the total support so the entrepreneur can try again, and release it in trenches so each attempt is a separate bet inside the funded period.

Principle Four Fable: The Gambler's Lesson

One morning, the Gambler sat with Fumani and Ami beneath a tree.

"Suppose you have R200,000," he said. "Would you place it all on one bet?"

Fumani shook his head. "I would be afraid to lose everything."

"Good," said the Gambler. "Now suppose you can make several sensible bets. What changes?"

"I can learn from the first one," said Ami.

"Exactly."

Ami had received her first tranche from the Adaptari. She planted tomatoes.

The crop failed. She studied what happened with the other members of Seed for Adaptation. They discussed pests, planting times and soil. Ami changed her approach.

When the next tranche became available, she planted again. The second crop succeeded.

Fumani watched from across the valley. "I wish I had another chance," he said.

The Gambler looked toward the South Tower.

"Your problem is not only how much gold you received. It is whether the system leaves anything for the next attempt."

The Adaptari had not given Ami unlimited money. They had given her time and resources to learn through repeated attempts.

The Gambler stood. "One big bet is not enough. Several disciplined and small bets let you learn."

PRINCIPLE 5. KEEP TRAINING SIMPLE AND REPEATABLE

Gigerenzer's fast-and-frugal heuristics are short tactics that use limited information and stop as soon as a usable decision is possible [Gigerenzer & Goldstein, 1996] [Gigerenzer, 2008]. Effectuation is learned in use, through the next action, not through a complete plan [Sarasvathy, 2001]. OECD notes weaker and more mixed evidence for training and advice than for finance [OECD, 2023].

Principle. Prefer training that can be applied in the same cycle of work, repeated with feedback, and delivered at low cost. Prefer that over a one-off workshop that cannot be used the same day.

This principle supports the Time-Average Tactic. A short tactic can be used on the next trench or the next trial. A long course that must be finished before any market test delays that second attempt [Gigerenzer, 2008] [Sarasvathy, 2001].

Heuristic 5. The Fast-and-Frugal Training Tactic

Teach a few tactics the entrepreneur can use immediately. Ignore extra content that does not change the next decision. Repeat the same short cycle—act, see the result, adjust—rather than adding more classroom hours [Gigerenzer & Goldstein, 1996] [Gigerenzer, 2008] [Sarasvathy, 2001].

This is a design tactic. It is not a claim that a named curriculum has been proven on South African ESD files.

The named idea is already skin in the game [Taleb, 2018]. Older work on agency makes the same point in other words: when the person who decides does not share the result, incentives drift [Holmström, 1979][40].

Principle Five Fable: The Society of Seeds

The Adaptari and their entrepreneurs established a society called Seed for Adaptation. Every farmer could bring a problem. One farmer spoke about pests. Another spoke about pricing. Ami spoke about losing her first crop.

Nobody prepared a hundred-page manual. Instead, the farmers shared what they had tried. One farmer said: "Test a small plot before planting the whole field." Another said: "Sell a small batch before producing more."

The Gambler listened. "Those are good bets," he said. "Small enough to survive if they fail, useful enough to teach you if they succeed."

Ami tried the small-plot test. It worked. She used the lesson again.

Then another farmer copied her. Over time, Seed for Adaptation collected simple rules that farmers could repeat.

Fumani visited the society.

"Where are the thirty training modules?" he asked.

The Adaptari laughed. "We have something better. Farmers teaching farmers what they can use tomorrow."

The Gambler added: "A small test is like a good bet: simple enough to make quickly, but sensible enough to improve your odds."

PRINCIPLE 6. KEEP SKIN IN THE GAME

Taleb argues that people who do not bear the downside of their ideas add complication, and that bureaucracy can separate people from the results of their actions [Taleb, 2018]. Agency research makes a related point: if the decision-maker is not tied to the outcome, the decision is harder to keep honest [Holmström, 1979].

Principle. Someone in the delivery structure should face a consequence tied to whether entrepreneurs received usable value, not only to whether the file closed.

Heuristic 6. The Skin-in-the-Game Principle

Do not let programme staff, consultants, or intermediaries design support if their pay and standing depend only on activity and compliance. Tie at least part of their consequence to founder-usable value [Taleb, 2018] [Holmström, 1979].

This paper does not prescribe a pay scheme. It sets a design test.

Principle Six Fable: The Gambler's Stake

The King asked the two Towers how they managed the R200,000.

The Facilitari explained their programme. "We receive the gold, administer it, and deliver the activities."

The King asked: "What happens to you if Fumani's farm fails?"

The Facilitari looked at one another. "We still complete our programme. We are paid for our process."

The King then asked the Adaptari: "What happens if Ami fails?"

"We lose our reputation and our mandate," they replied. "We must learn with her and adjust the next tranche. If she fails, we fail too."

The Gambler stepped forward. "You are beginning to understand," he said.

The King turned to him. "What do you know about it?"

The Gambler placed a coin on the table. "When I gamble, my own money is at risk. That makes me pay attention."

He pointed to Fumani. "The Facilitari kept more than R100,000 for themselves. They had no consequence if he failed. Keeping the money was their win."

He pointed to Ami. "The Adaptari kept only R60,000. The rest went to her. If she failed, they had no results to show. Their win depends on her win."

The King nodded slowly.

"If facilitators have no skin in the game," the Gambler said, "they win by keeping more of the gold. If they have skin in the game, they win only if the farmer wins."

The King declared: "From this day, no facilitator may take more than the farmer receives. If they had skin in the game, they would make sure more goes to the farmer."

TWO WAYS TO HOUSE THE WORK

These are sketches, not required models. The question is only who should run the support.

One option is to place an entrepreneurial lead inside the measured entity, with authority to deploy support under the majority rule and under ordinary fiduciary controls.

The other is to use specialist implementers, while the measured entity remains accountable for beneficiary-level implementation, as Commission guidance already requires [B-BBEE Commission educational material]. Accountability is not transferred with the contract.

In both cases, one generic product should not cover unlike mandates. Enterprise Development is not Supplier Development. A current supplier is not a pre-revenue applicant. A service firm that needs tools is not a hardware build that needs runway.

A housing model fails if internal staff costs or implementer fees push entrepreneur-controlled value below the majority fence. A further proposal is to keep only a minority of a support fund locked in pre-revenue ideation. That is a proposal, not a statutory rule.

HEURISTICS AT A GLANCE

1. ***Majority Principle (51%).*** Most of the budget becomes entrepreneur-controlled value. Proposed fence.
2. ***Entrepreneur-controlled value.*** Deliver support in a form the founder can hold, use, and decide. Proposed test, consistent with Commission language that benefit must reach the beneficiary [B-BBEE Commission educational material].
3. ***Started-already.*** Select on observable action: the person has already begun. Proposed test.
4. ***Time average.*** Give selected firms enough money and time for more than one attempt, and release it in stages. Proposed design.
5. ***Fast training.*** Teach a few tactics that can be used immediately, then repeat act, see, adjust. Proposed design.
6. ***Skin in the game.*** People who design and deliver the support should face some consequence tied to usable founder value, not only to activity and compliance. Proposed test.

FABLE'S EPILOGUE: THE KING'S PRINCIPLES

The King gathered the Facilitari, the Adaptari, Fumani, Ami and the Gambler beneath the great baobab.

He held up six seeds:

"The first seed," he said, "is Majority."

"Most of the gold must remain available to the person doing the work."

"The second is Control."

"Support must leave the entrepreneur able to act."

"The third is Started-Already."

"Give greater confidence to those who have already entered the field and learned from reality."

"The fourth is Time-Average."

"Do not make one attempt carry the entire burden. Leave room for another attempt."

"The fifth is Fast-and-Frugal Training."

"Teach rules that can be used immediately and repeated."

"The sixth is Skin in the Game."

"Those who manage support must have consequences tied to whether the support works."

- - - -

Fumani looked at Ami. "Your Tower kept 70% (R140,000) available to you?"

Ami nodded.

"Your Tower kept most of the gold?" she asked.

Fumani nodded. "They kept more than R100,000 for themselves."

"And your Tower created Seed for Adaptation," Ami replied.

The Gambler laughed. "Perhaps the King has learned the oldest lesson of all."

"What lesson?" asked the King.

The Gambler held up a seed. "Don't confuse the person holding the purse with the person taking the risk."

The King looked toward the two Towers. "Then let the Towers serve the fields—not the other way around."

And the farmers returned to their farms.

The Adaptari and the Facilitari returned to their respective Towers.

And the gold was judged not by how much was spent, but by what grew from it.

Heuristics Summary

Principle	Core Idea
1. Majority Principle	Most of the development budget should remain as value available to the entrepreneur.
2. Entrepreneur-Controlled Value	The entrepreneur must retain enough control and flexibility to act, while reasonable controls manage risk.
3. Started-Already	Give greater support to entrepreneurs who have already started, tested, learned and demonstrated action.
4. Time-Average Tactic	Structure support so that failure does not consume the entire opportunity; preserve resources for another informed attempt.
5. Fast-and-Frugal Training	Prefer simple, immediate and repeatable rules that entrepreneurs can apply and improve through practice.
6. Skin in the Game	Cap facilitators as if they had a stake to lose — because someone with skin in the game would ensure most gold reaches the farmer.
Seed for Adaptation	Create peer-learning systems where entrepreneurs share experiments, mistakes and practical tactics rather than relying only on formal training.
The Gambler's Lesson	Treat each intervention as a bet under uncertainty: protect downside, learn from outcomes, and preserve the ability to make another bet.

Summary of Proportional Changes

Element	Original	Adjusted
Total King's grant per Tower	R10,000	***R200,000***
South Tower keeps (>50%)	R5,000+	***R100,000+***
Fumani receives	R1,000	***R20,000***
North Tower keeps (30%)	R3,000	***R60,000***
Ami reserved (70%)	R7,000	***R140,000***
Ratio South keeps vs farmer receives	5:1	***5:1***

Element	Original	Adjusted
Ratio North keeps vs farmer receives	3:7	***3:7***

CRITICISM, INFERENCE AND ENTREPRENEURIAL UNCERTAINTY

The heuristics proposed in this framework are not presented as empirical evidence that a particular programme design will produce a particular entrepreneurial outcome. They are propositions for decision-making under uncertainty.

This distinction is important because purported empirical evidence of programme effectiveness is itself subject to the problem of induction. To observe that a particular entrepreneurship programme was followed by a particular outcome is one thing. To infer from that observation that the programme *worked*, that the intervention caused the outcome, or that the same intervention should be preferred for another entrepreneur is a further inferential step. The movement from observed instances to claims about unobserved or future instances is the classical problem of induction [Hume, 1739–1740; Hume, 1748].

The problem is particularly relevant to entrepreneurship. Entrepreneurial action occurs under conditions of uncertainty, where the relevant future states of the market, the entrepreneur's actions and the consequences of those actions cannot necessarily be known in advance [Knight, 1921]. Entrepreneurs also differ in their capabilities, resources, markets, opportunities, constraints, timing and responses to intervention. Consequently, an outcome observed in one entrepreneurial case does not, by itself, establish what will occur in another.

There is also a distinction between an entrepreneurial event and the evidence subsequently available about that event. A researcher may observe some aspects of an intervention and its outcome, examine programme records, or interview the entrepreneur. Yet the researcher may not have observed every decision, failed attempt, alternative considered, external event or contextual change that occurred throughout the entrepreneurial process. Some relevant conditions may therefore remain unrecorded or unavailable to the researcher.

This may be described in this framework as **silent evidence**: relevant events, conditions, alternatives or causal factors that may have influenced an entrepreneurial outcome but were not observed, recorded or subsequently reported in the evidence available to the researcher. The term is used here as a descriptive concept, rather than as an established methodological category.

Entrepreneurial testimony does not necessarily resolve this problem. An entrepreneur's account is itself a source of evidence, but testimony raises epistemological questions concerning the reliability of the speaker, the speaker's own evidential basis, perception, memory and the inference made by the person receiving the testimony [Lackey, 2006].[41] Memory is also not a transparent recording of the past; its epistemological reliability and relationship to past observation are themselves subjects of substantial philosophical inquiry [Michaelian, 2023].[42]

This does not make entrepreneurial testimony or retrospective evidence invalid. It establishes a more limited point: the evidence available to a researcher may be an account of an entrepreneurial process rather than an exhaustive record of that process. The proposition that a programme caused an outcome therefore involves interpretation beyond the mere observation or reporting of the outcome.

The distinction is consequently between what was observed or reported and what is inferred from what was observed or reported.

For example, an entrepreneur may report that revenues increased after participating in a programme. The observation may be accurately reported. However, the further proposition that the programme caused the increase requires an inference about causation. Other events may have occurred during the same period: changes in demand, new customers, changes in prices, additional capital, changes in the entrepreneur's behaviour, competitor withdrawal, seasonal effects or other circumstances. Unless the research design can adequately account for such factors, the causal proposition remains an inference rather than a direct observation.

This is not an argument against empirical inquiry. It is an argument against treating empirical observation as if it eliminates the problem of induction. Hume's problem concerns precisely the movement from observed instances to conclusions concerning instances that have not been observed [Hume, 1739–1740; Hume, 1748].[1]

Accordingly, empirical evidence can establish what was observed, recorded or reported under particular conditions. It can provide information for subsequent decisions and can contribute to the assessment of competing explanations. It does not, by itself, establish a universally optimal architecture for funded entrepreneurship support.

This distinction is central to the status of the heuristics in this framework. The 51% Majority Principle is not an empirical claim that 51% produces superior entrepreneurial outcomes. Nor is it a claim that 51% is optimal, or that 60% or 70% would necessarily produce better outcomes. Such claims would require an empirical basis and would remain subject to the problem of generalising across heterogeneous entrepreneurial cases.

The 51% threshold is instead a deliberately simple heuristic. Where resources are intended to enable entrepreneurial action, it establishes a default position that the entrepreneur should control the majority of the programme's value rather than the support apparatus consuming the majority of it.

The precise allocation may vary according to the entrepreneur, intervention and circumstances. The heuristic does not attempt to resolve that uncertainty in advance. Rather, it places a design constraint on the support system: if the support apparatus is to consume the majority of resources intended to support the entrepreneur, that allocation requires justification.

The same reasoning applies to the other heuristics in this framework. They are not presented as universal causal laws. They are design propositions intended to help actors make decisions where entrepreneurial outcomes cannot be known with certainty in advance.

The purpose of the framework is therefore not to replace uncertainty with certainty. It is to provide simple principles for making decisions within uncertainty while preserving entrepreneurial agency and maintaining attention to where programme resources ultimately create value.

THE IMPERATIVE TO INNOVATE IN ENTREPRENEURSHIP SUPPORT

The question that follows from this framework is not simply whether funded entrepreneurship support should be more effective. It is whether the support itself is sufficiently innovative for the environment in which entrepreneurs operate.

Where money is the principal enabler of entrepreneurial action, the design of support becomes part of the intervention. Every rand absorbed by administration, coordination, training, reporting, infrastructure, or other programme costs is a rand that cannot simultaneously be deployed by the entrepreneur. This does not mean that such costs are inherently unproductive. It means that their necessity and proportion should be considered against the value they enable the entrepreneur to control.

This creates an important test for innovation in funded entrepreneurship support. Innovation cannot be limited to introducing new training methods, digital platforms, workshops, accelerators, mentorship models, or ecosystem activities. If a new approach requires substantially more resources to deliver the same or less entrepreneur-controlled value, it is difficult to regard the approach as innovation from the entrepreneur's perspective.

The imperative, therefore, is not simply to innovate for entrepreneurs, but to innovate the support system itself.

A more effective programme may be one that finds a way to deliver useful training with fewer resources; one that replaces repeated interventions with simple and reusable tools; one that reduces administrative costs through better systems; one that releases funding in ways that preserve entrepreneurial agency; or one that enables entrepreneurs to learn from one another rather than requiring every lesson to pass through a paid intermediary.

The central consideration is consequently not how much activity a programme can produce from a given budget, but how much useful, entrepreneur-controlled value it can create from that budget.

This also leaves the framework deliberately open. The 51% Majority Principle is not presented as a final answer to the design of funded entrepreneurship support. Nor are the other heuristics intended to prescribe a single programme architecture. They provide constraints and questions against which different models can be designed, tested and adapted.

The broader proposition is that funded entrepreneurship support has an imperative to innovate because the entrepreneurs it seeks to support operate under conditions of scarcity, uncertainty and constraint. The support system should therefore continually ask whether its own design is consuming the resources that entrepreneurs most need in order to act.

The challenge is not to spend more on support.

It is to discover better ways of turning support into entrepreneurial capacity, action and opportunity.

FURTHER WORK: TRAINING TOOLS

Later papers from Tiisetso Maloma, Startup Picnic Academy and Startup Picnic Venture Studio will set out simple, repeatable training tools that can be used to put the heuristics in this guide into practice. The aim of that work is not another long curriculum. It is to describe short tactics that trainers and founders can use in the same cycle of work: act, see the result, adjust.

Some of those tools are already used by the Academy and the Venture Studio.

The next papers will treat those tools as design instruments: cheap enough to repeat, clear enough to teach, and close enough to the next decision that an entrepreneur can use them before the next trench of support is released.

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