# Tips to break into a competitive market

How to:

- Choose a mentor
- Engage your people
- Drive your sales team

# your business

Inspiration | Advice | Opportunities

December/January 2021 DIGITAL EDITION Volume 25 No.6 | www.bizmag.co.za

**FREE COPY** 

**Planning** and

goal-setting for the new year

- as vital as ever Here's how!

FRANCHISE

Your one-stop guide

ADAPT TO THRIVE

**FRANCHISORS SHARE THEIR LESSONS LEARNT**  STRENGTH IN THE COLLECTIVE

**COLLABORATION KEY TO SUCCESS** 

**SOCIAL MEDIA** 

- measure metrics that matter



Most EXCLUSIVE. **EXECUTIVE Dry** Clean & Shoe Repair FRANCHISE in town

Trends to optimise our digital platforms

habits of highly resilient businesses

**WIN A HOT** DESK & MEETING **ROOM PACKAGE** 

**INVEST IN A BUSINESS FIND** YOUR DREAM **FRANCHISE** 

# BUSINESS OPPORTUNITY

## For a 100 years Professional Technicians have reached for Snap-on Tools





In 1920, with the turn of a socket wrench, the founder of Snap-on Tools Joe Johnson, revolutionized the tool industry. His ingenious "5 do the work of 50" Interchangeable sockets & handles, set a new standard and Snap-on has been innovating ever since. Snap-on founders also pioneered direct sales & delivery of tools to technicians at their place of work in a mobile shop-fitted store.

Today, as a proven business model, with more than 5000 business units worldwide, owning & operating a **Snap-on Mobile Dealership** as your own business is worth investigating.





Contact The Business Manager Tel: 031-569 7637 or Email: biz@snapon.co.za

www.snapon.co.za



View video at snapon.co.za/who-is-snap-on or scan OR code

- No Royalties or **Advertising Fees**
- Exceptional Training & on-going Support
- Low Start-up Costs





#### **DEC 2020/JAN 2021**

#### **BizNews & Snippets**

- **6** SMEs starting to see the light at the end of the Covid tunnel, Index reveals.
- 8 Gaps in supply chains an opportunity for local businesses and entrepreneurs.
- 10 5 Major CX trends that shaped 2020, and are likely here to stay.



#### Franchise Focus

#### 16 Turning the franchise business back on

By virtue of its unique business format, franchising was able to, in many cases, modify their business models to stay afloat, draw on their combined talent and resources and regroup to look to the future.

#### 20 A new brand in the mix

The new CloudDine franchise concept, described as 'The Restaurant of the Future' is Fiamme Holdings latest brand alongside their other established South African restaurant brands.

#### 22 Strength in the collective

Strong franchisor and franchisee relationships and collaboration are key to the success of the franchise system.

#### 24 Bigger not always better

Smaller franchises have shown agility in response to market demand.



A Hot-desking and meeting room package in Cape Town is up for grabs. Turn to page 11



ON THE COVER: Yadhir Mooloo, CEO of the LEVINGERS franchise brand that is synonymous with quality, great service and happy customers.

#### Leadership & Management

#### 30 Planning and goal-setting for 2021

Despite the fact that very possibly we can't see even a week ahead, let alone a year, and that many of us are exhausted by just surviving 2020, business planning remains as relevant as it has ever been. ActionCOACH, Kathi Clarke, tells us how to plan our 'roadmap'.

#### 34 Right on target

How to use lead and lag indicators to achieve your business goals.

#### 36 The 5 habits of highly resilient businesses

Common traits that allow companies to emerge successfully, whatever their industry.

#### 38 How to become a digital challenger

SMEs don't have to be an expert in technology to transform their businesses, and can manage their requirements with these 7 steps.

#### 40 The cost of non-compliance

Failure to produce paperwork and show compliance lost many SMEs crisis funding.

#### 42 Director's liability

Circumstances under which a director can be held personally liable for the company's debts.

#### Startup

#### 46 Tips to break into a competitive market

There is no shortage of exciting opportunities for aspiring entrepreneurs, but you will need to offer something compelling to break into an established and cash strapped market.

#### 48 Q&A: How we did it

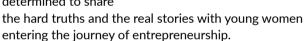
We talk to Frances Edwards of House of Cinnamon, a high end fashion house, about launching and breaking into the competitive premium market.

#### 52 Mentoring: a leg-up for startups

As in sport, the right mentor can help you hone your entrepreneurial instincts and boost your confidence as you build your business...

#### 54 The realities of entrepreneurship

Divya Vasant and Lisa Mgcotyelwa are determined to share



#### Marketing

#### 58 Measuring the metrics that matter

All too often, audience size is a vanity metric which does not serve to grow the business.





#### **Human Resources**

#### 64 New normal - shifting roles and challenges

The coaching industry, like many other industries, is noticing shifting themes as part of their roles. MEL TOMLINSON shares some of these new trends her and other coaches are experiencing.

#### 66 How engaged are your people?

As entrepreneurs start to think about what comes next, higher productivity and profitability are very much on the agenda. One of the keys to achieving this goal is to boost employee engagement.

#### 67 Driving your sales growth

If sales are the engine of your business, sales incentives are the high-octane fuel needed to drive performance.

#### 68 Unpacking payroll myths

Five misconceptions about payroll tax eductions.

#### Technology

#### 60 Trends to optimise your digital platforms

There are several ways for brands to increase visibility, attract and retain clients, and improve online ranking against competitors.

#### 62 Is it time to jack up your website?

A website redesign isn't always something that a business or organisation wants to do, but often is a matter of necessity.



The 4th industrial revolution is forced upon us. Companies that can adapt to the changing environment, will excel. Social distancing means that we will have to revert to electronic means to maintain working standards. We see banks closing branches because of electronic banking, video stores disappearing because of streaming of movies, post offices are suffering because everyone emailing letters and invoices.

i-Manage Compliance was developed in response to the growing demand for a comprehensive health and safety management system. We provide our clients with an electronic safety management tool to revolutionise their Health and Safety systems, as well as the proper training to upskill their employees to adapt to the growing requirements for Health and Safety and Food Safety. The system is accessible from anywhere in the world and allow our clients to effortlessly monitor and manage their legal compliance by means of a dashboard. Our team understands the importance of onboarding in the success of any management system and do our best to ensure that there is full buy-in from all parties.

- · Reporting Module
- Legal Library
- · Electronic Registers
- Communication Tickets
- Safety Documents
- Easy Safety File Export
- · Asset Register
- Maintenance Tracking
- Incident Investigations
- · Training Management
- Audit Reports
- Review Committees
- PPE Management
- · Risk Assessments and SOP's



Limited license opportunities are available for Safety, Environmental & Food Safety professional to become part of our team. For more information please contact +27 860 111 540 www.imanagecompliance.co.za

www.imanagecompliance.co.za info@imanagecompliance.co.za

# SA SMEs starting to see the light at the end of Covid tunnel, index reveals



Following a year of unprecedented challenges, South African small and medium enterprises' confidence levels are on the up.

This is according to the third quarter 2020 Business Partners Limited SME Index – a quarterly measure of the attitudes and confidence levels of South African SME owners – which revealed a unanimous quarterly uptick across broad business confidence indicators.

Commenting on the index results, David Morobe, Executive General Manager for Impact Investing at Business Partners Limited (BUSINESS/PARTNERS), says that local SMEs conveyed an average confidence level of 54 percent that the South African economy will be conducive for business growth in 2021. "This represents a 15 percentage point quarter-on-quarter increase and is even 5 percentage points up from the third quarter of 2019, before COVID-19 had hit.

"SMEs' confidence levels that their clients will pay them on time also rose significantly, up 12 percent from last quarter," he adds.

In line with this improved optimism around payment collection and a more conducive environment, respondents' confidence levels that their businesses will grow within the next 12 months jumped up 16 percentage points from last quarter to 72 percent, reports Morobe.

"While the South African economy experienced some major blows this year, the increase in confidence across the board suggests that SMEs believe the economy may have 'bottomed out'. Based on this belief, SMEs are learning to adjust to their environment, and are putting plans in place for the next 12 months," he explains.

However, with SMEs indicating that cash flow is expected to be their biggest challenge over the next six months, Morobe urges business owners to keep their finger on the pulse. "The economic recovery is not going to be smooth sailing. We are living in volatile economic times, and SMEs need to learn to expect the unexpected or, at the very least, ensure that they are in a financial position where they can ride out a similar scenario in the future."

The increased quarterly confidence levels is very encouraging, notes Morobe. "The uptick illustrates the positive mind-set that SMEs have – to take risks, grow their businesses, and play their role in reviving the South African economy; creating new job opportunities at a time when they are desperately needed.



I have an ActionCOACH

Business Coach

kathiclarke.actioncoach.com



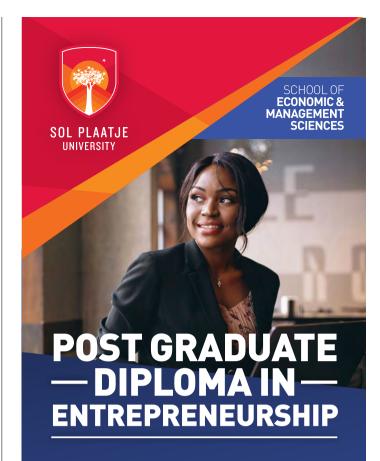
# Homegrown startup wins trip to Europe's biggest startup event in Paris



South African technology startup, SmartWage, has won the VivaTech AfricArena competition, earning the company a trip to VivaTech Paris in 2021, Europe's biggest startup and tech event to celebrate innovation. The challenge brief was to identify how your startup was innovative enough to impact the future of work. SmartWage was one of three finalists, and the win solidified their position as the market leader for wage-access in South Africa. VivaTech 2021 will play host to over 3,300 investors from around the globe and counts Jack Ma (Alibaba Co-Founder), Satya Nadella (CEO of Microsoft) and Mark Zuckerberg (CEO & Founder of Facebook) as past speakers.

Founded in February 2020, SmartWage is South Africa's most affordable and accessible wage-access software. The team are laser-focussed on making an impact, and aim to eradicate the poverty payday cycle by giving employees access to what they have earned in a responsible way. SmartWage has seen exceptional growth in a short space of time.

In a post win interview, Simon Ellis, CEO and Cofounder of SmartWage, told AfricArena "We're incredibly excited about the future for SmartWage - and we're confident we have a product that the market in South Africa desperately needs. We have a 98% user retention rate, and we celebrate the fact that every time someone uses our product, it saves them the risk and cost of taking an expensive payday loan. This win has further validated our business model, and the impact we'll make on millions of employees across the country".



## MINIMUM ADMISSION REQUIREMENTS

A relevant NQF level 7 Bachelors Degree or
 An appropriate Advanced Diploma

#### **SUBJECT CONTENT**

The Post Graduate Diploma in Entrepreneurship is accredited as a 120 credits, NQF level 8 qualification in accordance with the South African Qualifications Framework. All modules are compulsory, and students must pass all modules to obtain the Diploma. The Diploma will be offered over a two-year period.

Entrepreneurship	20 credits
Entrepreneurial Finance	20 credits
Entrepreneurial Marketing	20 credits
Entrepreneurial Law	20 credits
People Management	20 credits
Entrepreneurial Practice	20 credits

#### **FOR COURSE DETAILS CONTACT:**

johann.vanderspuy@spu.ac.za or charmell.cardoso@spu.ac.za

# APPLY ONLINE www.spu.ac.za OR SEND YOUR APPLICATIONS TO THE SCHOOL REGISTRAR:

charmell.cardoso@spu.ac.za

SolPlaatjeUniv ☑@MySPU to sol-plaatje-university

WWW.SPU.aC.Za

# Bolstering our local supply chains

One of the most striking opportunities to emerge from this year is for local producers to profit from the shortening of supply chains. This phenomenon, in part, rolls back the increasing reliance on global supply chains that had prioritised cost over security of supply.

"Many businesses are re-evaluating their reliance on imported goods and materials, and are looking to local suppliers for certain of their inputs," says Saliegh Salaam, Portfolio Manager at Old Mutual Investment Group's Customised Solutions. "This is not happening only in South Africa, but in many countries where governments are looking at the structure of their supply chains."

"This is a big opportunity for businesses and entrepreneurs to identify gaps in the local market for them to supply goods or materials that have previously been imported. The most important outcome from such a shift, however, is that it will build greater resilience into the local economy," says Salaam.



According to Salaam, heeding the President's call to buy local this Christmas would support engines of economic growth that would help to bolster economic activity at a time that consumer spending is under pressure.

"We need greater resilience in our economy to provide protection against these global shocks, and localising supply chains is the ideal way to do this. So, not only should consumers be buying local, but businesses should also be looking to see what they can source locally," Salaam concludes.

#### Robots doing your shopping

Small micro-fulfilment centres are emerging as the future of last-mile delivery logistics.

As consumer demand grows for everfaster delivery of online purchases, retailers are scrambling to find more efficient ways to speed up operations and fulfil deliveries in real-time.



Small micro-fulfilment centres, where products are stored in spaces that only robots, not humans, can reach, and where orders get picked and packed in five minutes or less, may sound futuristic. But these are already being trialled by retailers overseas.

These Micro-fulfilment centres are usually located in urban areas and smaller than 1,000 square metres. Operated through software and executed via automation, it is aimed at speeding up the delivery of goods to consumers through operations that pack large numbers of products into tight, urban spaces.

"Being much smaller than warehouses that are typically based on the outskirts, micro-fulfilment centres are compact and can be set up within cities, ensuring quicker service to a large segment of customers," says Inospace CEO Rael Levitt, who owns and manages 26 business parks in South Africa and abroad.

"These centres significantly boost operational efficiency. They also need only a handful of employees at a time. An operator at a counter - one of just four "touchpoints" - assembles incoming orders from arriving bins, picks the items from them, then scans and bags them. Bags are lowered and robotically ferried to a second touchpoint, an outbound terminal."

"Most micro-fulfilment operations are still being tested, and we're still pretty far off from seeing some of these things happen in South Africa, but distributors have to start looking at the big picture in respect of how they service their customers most efficiently in the next three to five years," Levitt concludes.

Grab the opportunity to take charge of your life!

# BECOME A BUSINESS CENTRE FRANCHISEE

OPPORTUNITIES NATIONWIDE INTO AFRICA AND INTERNATIONALLY



# Take control of your future!







"After what is now approaching our 15 year anniversary, the business model has proven to be a success, despite an economy that is far from galloping, the 3@1 business centre service is still growing at a good pace."

- Peter & Tania Edward's 3@1 Business Centre, Fourways "We are very excited as we are getting the rural community connected. Apart from running a business for the obvious, making profit, we pride ourselves in bringing those much-needed services at a very low price. Our business is growing strength to strength every month..."

Midas Chawane
3@1 Business Centre, Acornhoek

"We've experienced regular month on month growth since inception, even after the disastrous Covid-19 pandemic, and we continue to be inspired by the exceptional successes of the many 3@1 stores who continue their operations well beyond 10 years..."

Assia & Elaais3@1 Business Centre, Green Valley

#### **INITIAL SET-UP FROM R595K ex VAT**

Depending on size of store

- ✓ A turn-key store opening
- ✓ Assistance with location & lease
- ✓ In-store training on all aspects
- ✓ Partnerships with leading brands

Click here to go to www.3at1.co.za for more info





# 5 Major CX trends that shaped 2020

### ...and are likely here to stay

Customer experience (CX) has always been a crucial differentiator for businesses, but in 2020, it became a matter of survival. As businesses around the world were forced to shut their physical shops and placed under immense economic pressure, only those who could leverage technology to pivot and realign their strategies were able to survive, and in some cases, thrive.

Customer expectations have also shifted at an unprecedented rate. Even with hopes of a successful vaccine on the horizon, a few changes are here to stay.

Andrew Bourne, Region Manager, Africa, Zoho Corporation takes a look at some of the trends that have shaped customer experience in 2020, and what we can expect in the coming years:

#### Contact-less customer experience

Businesses have had to pivot to a no-touch model for the delivery of goods and services. Contact-less experiences are here to stay, and this is now evident in customer preferences. For example, as many as 73% of customers would prefer a self-checkout option at supermarkets. There has also been an increase in the use of digital signature software.



Moreover, people may avoid busy shopping centres altogether. In fact, South Africans took anywhere from 59% to 68% fewer shopping trips (during the first week of lockdown). While that number has undoubtedly rebounded somewhat, it's unlikely to have done so fully. The rapid growth of ecommerce in developing markets further supports this. In South Africa for example, World Wide Worx estimates that online retail will grow by at least 40% this year, compared with the 20% it predicted at the beginning of the year. This trend will likely continue even after the pandemic ends because of the sheer agility this model offers.

#### Self-service in B2B 2

Self-service has long played a key role in influencing B2C customers, but the tables are turning and the B2B segment is quickly adopting self-service interaction models too. This is true for both online and offline areas. The main drivers of this trend are faster service speed and sheer flexibility. As a result, knowledge bases, FAQ sections, search functionality, and community forums are becoming as common in the B2B space as they are in the consumer arena. These tools provide the hands-off support that allows customers to get answers quickly and feel empowered.

#### Consistent customer experience from anywhere

Most teams around the world have been pushed out of their comfort zones, having to work remotely. On the plus side, this has allowed teams to remain connected while also eliminating many barriers which seemed insurmountable a year ago. For example, crucial business meetings would need people to gather physically, especially in the B2B space. Even with training or onboarding, in-person experiences were always considered the real deal.

Businesses now want to equip themselves to not just solve problems from anywhere but, to provide superior customer experiences, irrespective of where they're being delivered from. For example, call centres became virtual, rather than requiring hundreds of people to be in a room together. Businesses have also ramped up their digital offerings, right up to wine farms offering remote tasting experiences.

#### **Customer retention**

Even in economically good times, it's more expensive to acquire new customers than to retain existing ones. As the global economy crashed, customer retention became a top priority for many businesses which had to rely on their most loyal customers to stay afloat. With marketing budgets slashed, even new customer acquisitions are focused on fostering long-term loyalty. As a result, we saw an even greater focus on areas like account management and loyalty programmes.

#### Value consciousness

5 Irrespective of size, most businesses have been forced to cut costs. The same is true of households. It will take a long time for both to return to pre-pandemic expenditure levels. Value, therefore, now plays an increasingly important role in customer experience.

It's important for companies to provide competitively priced products or services that deliver immense value and maximise on providing efficient personable service of an exemplary standard. As a result, businesses are focusing on operational efficiency and process optimisation that can help business expenditure reduction, which can then be passed on to the customers in the aftermath of the pandemic.

#### **Embracing uncertainty**

Rather than railing against the changing tides, businesses should embrace this uncertainty as it allows for innovation in effective service delivery and brand building.



# WIN a hot desk and meeting room package in Cape Town

Venture Workspace is offering one lucky person in Cape Town the chance to win a Hot Desk for 10 days (non-consecutive)  $+ 5 \times 1$  hr meeting room bookings valued at R3 000!

Venture Workspace offers affordable and flexible coworking solutions to freelancers, startups, SMEs and corporates. Providing a convenient alternative to offices based in the busy and congested Cape Town CBD, Venture Workspace has branches in Claremont (Brookside Office Park), Constantia (The Constantia Emporium) and will be launching a third space in January 2021 in Somerset West (Sanctuary Mall).

A home away from home, the Venture Workspace coworking offering includes hotdesking, fully serviced shared or private offices, virtual offices as well as meeting rooms, making it the ideal space for collaboration and community. All utilities, internet connection and reception assistance are also included with the added bonus of free parking.

The prize can be redeemed at any one of the three Venture Workspace branches in Cape Town from January - June 2021. Venture Workspace is located in Claremont, Constantia and Somerset West.

**TO ENTER:** Email your name and contact number to competitions@bizmag.co.za with "Venture Worksapce give-away" in the subject line.

#### » CLICK HERE TO ENTER ONLINE

Competition closes 15 Dec 2020. T's & C's apply.



# Partner with the #1 Dry Clean and Shoe Clinic in South Africa

The iconic LEVINGERS franchise brand is synonymous with quality, great service and happy customers.



#### A rich and proud history

Levingers' long and diverse history began in the early 1940's when specialist cobbler, Peter Levinger, opened his first "Shoe Clinic" in Johannesburg. Renowned for his dedication and fine craftsmanship, Peter's loyal customers expanded from Cape Town to Zimbabwe, a feat that allowed him to establish a strong brand that is still in force today, over seven decades later.

A merger with 'The Shoe Hospital' in the 1990s resulted in the steady growth of the network, allowing new and technologically advanced stores to open operating under the Levingers brand.

In 2002 Levingers was acquired by a public company Excellerate Holdings. It was in 2011, that Yadhir Mooloo, a highly successful entrepreneur and CEO of Hay Business Consultants, was contracted to give advice on the future development of the brand. At that time the company owned 17 Levingers stores in Gauteng and the strategy was to focus on developing a number of new franchise stores. Putting his franchising knowledge and business expertise to work, Yadhir developed the Operations and Training manuals to enable systems to be standardised across the new franchise stores they were aiming to launch.

"To prove my commitment to the brand, we bought the first Levingers franchise store in Rivonia. Within three months, we had tripled our turnover. We were so happy that we quickly bought another three outlets," says Yadhir.

Recognising that the brand had great potential, but was getting "lost" within the greater Excellerate Group, Yadhir negotiated a buy-out. In October 2012 he acquired ownership of Levingers Dry Clean & Shoe Clinic and has never looked back since.

#### Levingers today - A multi-million rand business

Under Yadhir's leadership, Levingers has subsequently grown to a multi-million rand organisation with more than 70 stores and on-site facilities throughout South Africa, gaining market share, both in the number of stores and turnover.

The current 'look and feel' of each store is fresh, clean and sophisticated. A custom designed state-of-theart POS system keeps outlets running smoothly and efficiently.

Custom services include; Dry cleaning and laundering; Expert tailoring and mending; Specialised garment cleaning; Professional dyeing of clothes and shoes; "While you wait" shoe repairs; Restoration of leather goods; as well as key cutting. For customer convenience, the stores carry an extensive retail range of shoe and closet care products.

Dry cleaning and laundry items are processed at off-site factory locations owned and controlled by Levingers. Depending on the location of the outlet, the factory offers a same-day or 24-hour turnaround time. A pick-up and delivery service, maintaining all necessary hygiene and safety measures, is part of their latest initiative.

It's true to say that Yadhir has been the driving force behind the brand's phenomenal growth and expansion, turning South Africa's oldest dry cleaners into the finest dry cleaner in the country. Yadhir contributes his success to the unwavering support of his father and father-in-law and dedicated operations and support teams.

"We are proud of the fact that Levingers is amongst a select group of franchise companies in South Africa that boasts not a single existing store for sale," says Yadhir.

#### Committed to franchisee success

Always striving to ensure the success of their franchise outlets, the company has contracts with well-known retail brands to handle their alteration and cobbling requirements. The work generated from these contracts is passed onto the franchisees, therefore boosting their viability.

Levingers has also entered into a partnership with the Bramhope Health & Safety initiative to introduce a garment rental solution to the market. This add-on service offering includes rental of the work wear, its laundering and delivery to clients on a weekly basis. Garments are exchanged on a clean-for-dirty basis.

Royal Shoe Components, established by Levingers in 2014, supplies franchisees with shoe components such as heels, tips, leathers, inner soles, outer soles, laces, glues, polishes etc. at the best prices, with no middleman involved.









#### Working with you

From the initial site selection process, to the store layout and finally the opening of your store, the Levingers support team will provide you with all the business support, processing, sales and marketing tools you need. They will teach you all the ins-and-outs of the industry and what it takes to build a sustainable business.

Prior to the store's opening, franchisees are required to complete a comprehensive training programme to equip them to run an effective, controlled and profitable operation. Training is ongoing to stay abreast of industry trends.

Once stores are up and running, the operations team conduct regular visits to ensure that quality control and desired standards of operation are being adhered to, and that the business system is maintained across the franchise network and compliant with regards to the use of Levingers intellectual property.

With the focus on boosting franchisee profitability, the performance of each store is reviewed frequently and any matters of concern are addressed promptly.

"Most importantly, Levingers works with you to make you the most effective Franchisee you can be", adds Yadhir.

Levingers negotiates and secures the very best product prices with suppliers so that franchisees have the opportunity to stay ahead of the competition. In addition, to keep up with trends and customer needs, the business model is reviewed on a continuous basis.

Area-specific marketing allows franchisees to target specific growth opportunities in their area while leveraging off the wider Levingers footprint.

Most importantly, Levingers works with you to make you the most effective franchisee you can be.

#### Do you fit the profile?

Levingers is looking for ambitious, hands-on, businessminded franchisees who strive for quality and excellent service. Franchisees must be dedicated to making customers feel valued, comfortable and happy to come back. "In this service-driven business, the key to success is developing customer relationships and delivering the quality of service that makes Levingers the trusted premium dry clean and shoe clinic in South Africa," says Yadhir.

The number of Levingers franchisees who own multiple stores speaks volumes to the strength of the brand and the success of the model.

"We are dedicated to building a business that is founded on integrity. And we know that we wouldn't be able to develop a successful company if we didn't have strong partnerships with our Franchisees and other Stakeholders. At Levingers we operate by a Code of Honour that ensures that we all "PLAY THE GAME" in the same way," expresses Yadhir.

#### Are you ready to invest?

The purchase price for a turnkey establishment starts from R895 000 ex Vat.

A joining fee of R150 000 ex Vat and a working capital of R260 000 is required. The cash contribution required is 90% of the estimated establishment cost.

#### A vision for the future

"Our objective for 2021 is to accelerate our growth plans and the company's footprint, with representation in at least two more provinces in South Africa. Although times are tough, the company is looking forward to the future. At the end of the day, we deliver the quality of service that makes us the trusted premium dry clean and shoe clinic in South Africa," ends Yadhir.

If you are interested in joining the Levingers franchise network and becoming part of this success story, WhatsApp +27 82 376 7086, email: info@levingers.co.za, call Head Office on +27 82 656 3886 or visit www.levingers.co.za



# OPPORTUNITY TO INVEST IN A PREMIUM DRY CLEANING AND SHOE CLINIC FRANCHISE

#### Don't be taken to the cleaners, come to Levingers



#### **Specialised services:**

- Deluxe Dry Cleaning and Laundering
- Shoe Repairs
- Expert Tailoring and Mending
- Curtains and Duvet Care
- Clothes Dyeing
- Leather Dyeing & Restoration
- Rug & Carpet Care
- Key Cutting
- Engraving
- Bronzing
- Shoe and Closet Care Products available



#### Franchises available nationally

Levingers offers you the ultimate franchise opportunity that's backed by decades of experience and success. We will train you, walk you through our unique business model, introduce you to our management and support teams, and make you as effective as you can be.

#### Interested in becoming a "LEVINGERS" franchisee?

Start your journey with us today! WhatsApp +27 82 376 7086, email: info@levingers.co.za or call Head Office on +27 82 656 3886 OR visit www.levingers.co.za to complete our Franchise Enquiry Questionnaire



# Turning the franchise business back on

Globally, we have been living in unprecedented times with a future that looks shaky and uncertain at best.

Never has any business experienced having to put a complete stop to their activities, and then to have to turn an entire system back on.

The franchise sector, which in South Africa is represented in around 14 different business sectors, posted an estimated turnover of R734 billion in 2019, equivalent to 13,0% of GDP, with over 800 franchise systems operating through 48 000 outlets and employing close to 500 000 people - representing the highest and most diverse range of entrepreneurial endeavours.

By virtue of its unique business format, franchising was able to, in many cases, modify their business models to stay afloat, draw on their combined talent and resources and regroup to look to the future.

Some of the critical lessons gleaned from franchisors include:

#### Adaptability the name of the game

Traditionally, the franchise industry has successfully weathered difficult economic times with adaptability a primary aspect of its DNA. When a crisis occurs, the franchisor is already looking at how it can adapt so its franchisees can keep moving forward. That is the beauty of 'the collective' made up of franchisors and franchisees who. in times of crisis, come together to tackle the challenges,

find solutions and forge a new path. A good example are those sectors which turned to on-line trade and homedeliveries to keep their businesses going until they were able to resume full services, whilst others accelerated plans for new products and services to fill customer needs.

#### No one-size-fits-all solution

There is no one-size-fits-all solution to re-opening franchise systems post Covid-19. With franchises in around 14 different business categories in South Africa, the challenges facing franchisors varies - impacted by the regulations, its sector, the size of the franchise group, its maturity, business culture and most importantly its leadership. Those franchisors who got involved in finding solutions - whether in easing the royalty responsibilities to negotiating with landlords and suppliers - will be the ones to emerge stronger. A franchise brand's track record and reputation will no doubt stand them in good stead as they navigate getting back on their feet again.

#### Sorting the wheat from the chaff

This pandemic will prove to be the test that separates the men from the boys. Those franchisors that set up solid, ethical operations with good systems in place and had a strong culture of franchisor/franchisee relations, will be able to work their way back to profitability. Those that chose not to abide by franchising's stringent business practices as prescribed globally and by the Franchise Association of South Africa and ran dubious operations could see the demise of their franchise brands. There is no question that, compared to independent, stand-alone businesses hard hit by the lockdown, franchised businesses, by virtue of the very nature of the franchise format of partnership, with strong support systems in place, fared far better.

#### Re-writing the rule book

With franchising so reliant on hard and fast franchise agreements and stringent operation manuals, the pandemic certainly threw a curve-ball in terms of how to deal with system closures and the restarting and reshaping of a business system. Businesses in general and franchising in particular, will have to revise many of their best practices to incorporate changes brought about by the pandemic and build in safeguards should something similar happen in the future. Whilst restructuring will have to happen, with some risk, good business



"In times of uncertainty, we've seen people gravitate towards brands that they know and trust, and brands that they know that enforce processes and systems and standards, which is exactly what franchises do." - AKHONA QENGQE, of KFC & immediate past chairperson for the Franchise Association of South Africa.

judgement and most importantly good communication will make for a stronger and more resilient franchise industry.

#### Changing the office dynamic

With much of the workforce working from home during 2020, companies were forced to drastically change their office dynamics. Whilst it may have seemed simple - all that was needed to create a virtual office space were internet connections for group meetings, but the IT logistics were just one part of the challenge. On-line platforms rose to the challenge to provide various productivity and collaboration apps available for businesses and online trading and delivery became the norm. More crucial to the survival of businesses was how the change in office dynamics impacted on productivity. Keeping tabs on employees and motivating them whilst trying to achieve goals and move forward is a bigger

Continued on the next page

#### **FRANCHISE FOCUS**

challenge to the future of business and to our general way of interaction. But if leadership embraces these human and digital changes with resilience, courage and foresight, we can look forward to new challenges, opportunities and a new way of doing business.

#### **Embracing new ways**

Entrepreneur Alan Knott-Craig, in a recent interview, believes the world is not dying. The world is resetting. It's hard to believe that in 2019 the talk was all about the 4th Industrial Revolution, AI and Robotics... now the resetting from the old to the new has been given a seismic shove by the pandemic. In one fell swoop we went from analogue to digital; from flying planes to Zoom; from brick classrooms to Google classrooms; from grocery store visits to home delivery; from shopping centres to Amazon; from rush hour traffic to tele-commuting; from print newspapers to social media; from cash payments to Zapper & SnapScan. According to Alan, with a front row seat to a seismic shift from an old to a new world, it's an exciting time to be alive!

#### Franchisors weigh in

A good number of FASA member companies have also given details on their survival strategies, and more importantly on their plans to move ahead post-Covid to growing their franchise networks and their brands.

"We believe that the franchise format of our business allowed our franchisees to pull together in tackling the challenges facing them with Covid-19. Calm instead of chaos was our first response. We needed to, as a group, have clarity as to what we were facing, gather as much information on the situation as possible in order to make decisions, plan and move forward."

- Dirk Cilliers, CEO & Founder of Monkeynastix

"When faced with difficult economic circumstances even uncertainty - as a business owner, you'd want to know that you're not alone. The true value of a franchise business model is being able to draw from sound business advice, expert assistance and support during times of economic recessions or, more recently, national lockdowns and even come out the other side - in our unique environment, showing growth."

- Sean Stegmann, CEO of Cash Crusaders Franchising

"The property industry has certainly felt the effects of the recession and we're receiving interest from operators who are struggling without that support. There is also the appeal of the resilience that our

franchise model offers. For a new franchise, it's almost a plug and play with every resource thinkable at your disposal." - Paul Stevens, CEO, Just Property

"In its efforts to provide customers with peace of mind, InspectaCar implemented a number of new systems and protocols in 2020 to ensure buying and selling pre-owned vehicles as safe and easy as possible. We are cautiously optimistic and remain flexible to cater to the growing demand in the used car environment. Our priority is the safety and wellbeing of our dealer partners, employees and customers."

- Pertunia Sibanyoni, CEO of InspectaCar and FASA's Chairperson for 2021/2022

"As a franchise group that didn't lose one franchisee due to the pandemic, we feel positive with regards to the selling of new franchises, as many people have received their retrenchment packages and are looking for new opportunities to work for themselves."

- Natasha Bohmer of Car Service City

"Cash Converters is ideally positioned to take advantage of future growth in expanding its pool of franchisees as the proven business model that will be even more in demand post-Covid. As retrenchments increase amongst mid to senior managers - inevitable as businesses cut costs and as digital adoption drives efficiencies in the work place - more people will be looking for alternate business opportunities. Being your own boss, within the safety net of a global business with a proven business model has never been more desirable."

- Richard Mukheibir, CEO of Cash Converters

"The pandemic has once again highlighted the advantages of buying a franchise. Established infrastructure and buying power secures cost effective procurement and supply, favourable consideration from financiers and a brand already trusted within the marketplace. Tried and tested operational procedures and support systems guide the new franchisee through not only the challenges and pitfalls of initial operations, but also lends resilience required for long term success."

- Mynhardt Oosthuizen, MD, Oasis

Despite the doom and gloom of our current health and economic situation, the board of FASA, in their dealings with members of the association have come to this conclusion: "We wager that the franchise industry will make a faster and better recovery post-Covid than most other business categories."









#### **READY TO INVEST?**

**CONTACT: ZELNERI VAN ZYL** 

zel@fiamme.co.za | 010 601 4900

072 478 1002









## A new brand in the mix

The new CloudDine franchise concept. described as 'The Restaurant of the Future' is Fiamme Holdings latest brand alongside their other established South African restaurant brands: The Fish & Chip Co and Maxi's.

#### The first online delivery-only restaurant franchise of its kind

"COVID-19 has accelerated the adoption of online purchasing and home delivery to the extent that restaurant business models need to be re-imagined with delivery-only in mind," says Carlo Gonzaga, non-executive Director at Fiamme Holdings, "We have carefully considered the pain points in a franchisee's life, and believe that a delivery-only restaurant model will address these, hence the launch of our revolutionary new concept, CloudDine. Franchisees stand to benefit from lower set-up costs as there is only a kitchen and no customer area to be fitted out. Similarly these kitchens can be set up where there is a demand as opposed to prominent shopping malls, which translates into lower rentals."

The first CloudDine franchise outlet is located at the Eastgate Mall precinct servicing customers in the East Rand area. Kitchen set-ups are state-of-the-art, with a paperless business model and a plan to integrate the point-of-sale directly into accounting, labour and payroll modules. Both customers and franchisees can be rest assured of exceptional quality, variety and value, with a laser focus on delivery-only by CloudDine.

Franchisees will benefit from the business model's efficient labour processes and outsourced delivery, which will give them the opportunity to increase margins, lower their risk and manage the restaurant easily.

Fiamme Holdings' Managing Director, Jan de Beer, says customers stand to benefit in two main ways:

- First is choice we have a large and varied menu which means that families don't have to always compromise between a pizza or a hamburger as they currently do.
- Second is speed of delivery, which is treated as a second priority in traditional restaurants, whereas for us it is the whole business. Everything from prep times, packaging, and order accuracy is a priority which means customers get hot food fast.





Jan de Beer and Carlo Gonzaga at the opening of CloudDine, Eastgate Mall.

"Ultimately we want to optimise the work flow and management of the business such that our franchisees can own multiple outlets without needing massive backoffices as is currently the case," says De Beer.

Gonzaga added, "What's exciting about CloudDine is that we have taken everything we've learnt from all the businesses we have been involved in and started from scratch. That means we have not had to make too many compromises. We're excited to be able to offer franchisees an opportunity to participate at the early stages of a new concept."

Now is the time to own a CloudDine delivery-only franchise. You will have a solid support structure and dynamic management team to guide you - Fiamme Holdings have kept franchisees and customers happy with their sit-down and take-away restaurants for over 27 years. all your favourites

Visit: www.clouddine.co.za

#### More exciting franchise opportunities Fiamme Holdings:

#### Maxi's Food and Restaurant Franchise



Originating in Pretoria in 1993, Maxi's is famous for its trendy, value-for-money, quick-service, sit-down family restaurant.

Maxi's has received two Top 10 Sunday Times Family Sit-Down Category nominations in 2009 and 2013, and won FASA Franchisor of the year in 2010.

People who know Maxi's, love Maxi's for its varied menu, affordable prices and evolving promotions as well as its consistently high standard of operations and product quality.

Maxi's offers an extended casual dining menu, including breakfast, light meals, handcrafted 100% pure beef burgers, famous grills, desserts, kids' meals, and premium coffee. The meals are freshly prepared using quality ingredients, and the portions are always generous.

Families, friends and business associates enjoy the welcoming, fresh and contemporary store environment. Maxi's currently have four new-look stores, two in South Africa and two across the border.

In 2019 the Maxi's brand was acquired by Fiamme Holdings. With their exceptional management and support teams at the helm, prospective franchisees can benefit from this tried-and-tested franchise brand that has been in existence for 27 years - it's a great investment opportunity, and one to consider!

Visit: www.maxisfood.com

#### The Fish & Chip Co Take-Away Franchise

The Fish & Chip Co are the market leaders within the fish QSR category in terms of product, brand awareness, store footprint and consumer preference.

The Fish & Chip Co started as a small business in 2009 and today serves the freshest and tastiest fish and chips to thousands of consumers across South Africa.

The Fish & Chip Co is one of the fastest-growing and most popular fast food businesses. It has been nominated for the 5th consecutive year in the top 10 Fast-Food Restaurant category for the Sunday Times Brands awards.

Over 10 years, The Fish & Chip Co has built a reputation for serving generous portions of fish and fresh-cut chips at affordable prices which ties in with our 10 years of nourishing the nation ISSALOT campaign.



The Fish & Chip Co was trading under the Holding Company Taste Holdings from 2012 and was acquired by Fiamme Holdings in 2019. To date there are 100 franchise stores spread across the country. The low set-up cost, easy-to-run operation and return on

investment, make this an attractive offer and perfect catch to prospective franchisees.

Visit: www.fishandchipco.co.za



Prospective franchisees should be totally involved, understand the importance of superior service, and be willing to commit to a long-term plan that will yield results. If you are interested in investing in any of our franchise concepts, contact Zelneri van Zyl on email: zel@fiamme.co.za, or call 072 478 1002 or Head Office: 010 601 4900.

# Strength in the collective

Strong franchisor and franchisee relationships and collaboration are key to the success of the franchise system.

For franchise brands in particular, success going forward will require franchisors to support their franchisees and customers by pivoting their business models to better suit the changing marketplace. The very nature of franchising as a collaborative business structure lies at the core of its success.

As noted by the Franchise Association of South Africa (FASA), many of their members are working towards incorporating changes in everything from introducing new products and services, re-designing supply streams to dove-tail with online trading, and to re-engineering communication strategies.

There is greater pressure on franchisors to up the level of communication and engagement with franchisees to ensure that as a group they weather the storm together and come out relatively unscathed and stronger for having worked together. As one franchisor stated; "We're all this together. It is in all our interests - as franchisors, franchisees and suppliers - to work together for our ultimate survival."

According to Akhona Qengqe, Chairperson of the Franchise Association (FASA), it is important that assistance is given to franchisees so that they in turn can keep employees on the payroll and ride the storm in order to grow when the pandemic passes.

"Having a franchisor whose franchisees can rely on becomes even more critical during these times of crisis. Thankfully most franchisors have taken strong leadership steps - from giving added ongoing support when it comes to operations, adapting procedures and formulating future plans. In all this communication is the key to surviving the onslaught and facing the future together," says Qengge.

The old adage in franchising - that you cannot have a successful franchisor without successful franchisees -will sort the wheat from the chaff and it will be those franchise companies that work together to fight and overcome the challenges that will come out stronger.



"Franchising is represented by the strength of the collective and highlights the importance of partnerships, which, if harnessed in the right way, can help us overcome this crisis. What it has done is forced us, as a collective, to re-look at new channels and new ways of doing business, accelerate plans for introducing new products and services and changing our media and customer strategies. We have always known that the franchise business format works in good times, and now we must all prove that it will also work during the challenging times. I believe franchising can do this and that we will bounce back stronger

- TONY DA FONSECA, MD of the OBC Group and immediate past Chairman of FASA.



FITNESS FRANCHISE BOUTIQUE

2017 NEWCOMER FRANCHISOR OF THE YEAR. 2018 FRANCHISEE OF THE YEAR.

2018 FINALIST IN 5 OUT OF 6 CATEGORIES.

(Brand Builder, Job Creator, Franchisor & Franchisee of the Year)

BECOME A PART OF THE BIGGEST FITNESS MOVEMENT GLOBALLY.



**©** 087 231 0359





# Bigger not always better

#### Smaller franchises have shown agility in response to market demand.

Excessive reliance on retail infrastructure, insufficient investment in digitisation and poor delivery capability has severely impacted big franchised networks. In contrast, more agile franchised businesses are riding the crest of the Covid-19 wave by providing services that drive changed consumer behaviour.

A major impact on franchised businesses is consumers who fear of loss of income due to retrenchments and salary decreases. Customers have become sharply attuned to reducing household expenses. For example franchised OEM workshops (original equipment manufacturer) charge a premium for vehicle services and repairs. Consumers will gravitate in greater numbers to auto-aftermarket franchises that offer greatly reduced vehicle servicing and repairs, and these busineses should see a well-earned increase in business.

Second-hand goods businesses should see an increase in both their buy and sell shops. The extensive franchised building, hardware and paint retailers should also benefit from home-owners investing in home maintenance and improvements as they spend more time at home as a result of no longer working at the office.

Business-to-business franchises should be aggressively scouting for businesses keen to outsource certain functions. Accounting, taxation, human resource management and bookkeeping service providers should benefit from the pandemic. Management will be evaluating the future and budget with clean sheets, as pre-covid overhead structures will not always be relevant for the future.

However, the larger the business, the more difficult it will be to adjust overhead structures. We have witnessed this inability to adapt in the extreme in the airline industry, with Safair having responded admirably to the demand for domestic travel, whilst bigger airlines remained grounded. Strategists should consider franchising as an option to unlock capital and reduce gearing.

Leaders in many business categories have floundered as the pandemic unfolds in South Africa and the world. Even some of the best leaders have failed to listen and connect with their customers before the pandemic. In some cases poor customer retention can be attributed to Covid-19. In other cases, the weaknesses were inherent and overlooked, masked by a better albeit subdued market in South Africa. As the pandemic changes the consumer tide, be sure businesses which have been swimming naked will be exposed.

Franchising is a human endeavor. The franchisor develops a brand and business model, and grows by sharing intellectual property, with willing franchisees. The franchisee rightfully expects direction and support from the franchisor. The Covid-19 situation has demanded franchisees receive intensive care from franchisors. The pre-Covid business model needs nimble changes to ensure market share is retained.

"More agile franchised businesses are riding the crest of the Covid-19 wave by providing services that drive changed consumer behaviour."

- BENDETA GORDON CA(SA) specialist in the franchise sector and author of The Franchise Factor™

# MAKE 2021 YOUR YEAR

Become an Assisted Home Nursing Franchise Owner





# Invest in a Profitable & Rewarding Franchise

Start a tried and tested successful Franchise Business providing quality care for the elderly and disabled in the comfort of their own homes







home or office

Time-tested business model

Low cost of entry

# TERRITORY FRANCHISES FROM ONLY R250K ex VAT

- Full One-on-One Training:
- Recruiting, Training and Retaining Carers
- Expert marketing to Attract New Clients
- Operations Manual
- On-going Support
- Plus a Whole Lot More

If you have management experience and a will to succeed and the aptitude for running a high quality home care business visit our website to find out more

Visit www.assistedhomenursing.co.za to get started

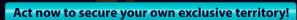






Existing territories already trading successfully include:

Gauteng's Northern and Eastern suburbs, Midrand, Cape Town's Northern Suburbs, KZN's South Coast and now in Port Alfred in the Eastern Cape









### An uplifting business

Maid4U is a premier domestic worker, nanny, au-pair, cleaner and home-based care workers training, recruitment and placement agency.

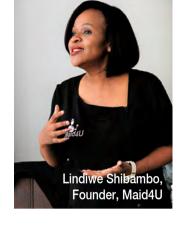
Maid4U's focus is on a safe and secure platform for households. SMMEs and retirement homes to source reliable. screened and trained employees.

With over 7 awards for Good Service, Job Creation, National Business Champion and the Premier Award, the agency is expanding its offering throughout SA.

The recently launched micro-franchise opportunity offers affordable startup costs and high returns. Maid4U is looking for female entrepreneurs who have the drive, discipline and passion to build their own legacy, whilst uplifting the lives of others. Franchisees receive ongoing support and benefit from training provided to them and their staff members. While franchisees focus on servicing their clients in their assigned location, Head Office takes care of all HR, Payroll and legal aspects. Franchisees also run recruitment and training drives for unemployed women in their surrounding communities with the assistance and support of the franchisor.

MAID4U has built a strong digital platform and related systems to ensure the client experience is pleasant and professional.

MAID4U Head Office takes care of all other aspects, including: management and accounting to ensure



compliance, operational license renewals, client queries, compilation and registration of all employees and their pay slips, legal aspects such as a lease, assisting franchisees with applicants' training, moderation and assessments of trainees, national advertising, marketing, sales, IT aspects and assistance with branch opening dates and campaigns.

To find out more, email: franchise@maid4u.co.za, call 073 011 5462 or visit www.maid4u.co.za.



#### Run your own successful business whilst uplifting the lives of others.

Due to high demand Maid4U is now offering Micro Franchise Business Operations across South Africa. Franchisees will be allocated their territory, attend training, set up with all related systems, and Head Office does all the rest!

#### **Key Agent benefits:**

- Credibility of the Maid4U brand and successful formula.
- · Low start-up cost and high income potential.
- · Exclusive area rights.
- Full training in all aspects of running the business with ongoing support
- · Complete start-up package (marketing and promotional material, stationery and contacts, employment forms, software, manuals, branded uniforms, etc)
- Proven lead generation formula to acquire clients.
- All accounting, legal and compliance duties performed by Head Office.
- Multiple revenue streams

Maid4U is a premier award winning agency that provides fully trained, reliable and professional:

- Domestic workers
- Nannies
- Au pairs
- Home Nurses and Home care givers (baby care, child minding, care for the elderly and special needs)
- Office cleaners / General Workers

#### **Additional Services**

Training of Domestic Workers, Nannies, Child Minders. Training in work related skills such as Cooking, Baking, Laundry and Garment care, Swimming, Driving, First Aid and CPR, Cleaning and House Keeping, Time and personal Finances Management.

The Investment required for a Micro Franchise Branch is a Total Capital of R65 000 (excl. Vat). This is a small branch of about 40SQM, home-based or Small Holding Branch (Funders, Funding Application and Assistance and Support Available).





Maid4U has won more than 14 Awards in recognition of job creation, service excellence and a winning business formula. If you are interested in joining the family, email franchise@maid4u.co.za or info@maid4u.co.za, contact Lindiwe 073 011 5462 or visit our website Click on → Franchise for more details and a Prospectus www.maid4u.co.za. We are the Help.

"When our clients find us, they stay with us"









#### A taste of Ireland

Are you interested in owning your own restaurant and pub? A Brazen Head restaurant may be just the answer for you.

Celebrated for its warm and welcoming atmosphere, this popular franchise brand offers guests a truly authentic Irish dining and entertainment experience. Bringing this to life, the restaurant has an extensive food menu and full wine and beverage menu, including many international beers on tap. Our menu features hearty, wholesome, reasonably priced Irish and South African fare that appeals to the local palate. The Brazen Head allows you to experience a true taste of Ireland in South Africa.

Going concerns and new franchise opportunities are available.

The Brazen Head provides a comprehensive training programme that covers the restaurant operations. staff management, financial management and marketing. We assist franchisees in all aspects of the operation from the initial development to ongoing support as your restaurant grows.

For more information, please email us or call our Head Office and speak to Karin van der Walt or Ralph Rojahn.

Telephone: 011 467 4224, email: info@brazenhead.co.za, or visit: www.brazenhead.co.za



## FRANCHISE OPPORTUNITIES



**Traditional Irish Pub & Restaurant** 



#### We have going concerns and new opportunities available.

If you would like to join the Brazen Head family please contact us at head office on 011 467 4224 or email: info@brazenhead.co.za · www.brazenhead.co.za

The Brazen Head Restaurants, celebrated for its warm and welcoming atmosphere, offers guests a truly authentic Irish dining and entertainment experience.

Why don't you visit one of our branches to experience the franchise first hand.

#### THE BRAZEN HEAD STORES

- · Brazen Head Big Bay: (021) 554 6346 · Boksburg: (010) 010 0743
  - · Edenvale: (011) 609 0273 · Fairlands, Gauteng Opening 2021 • Fourways: (011) 465 5318 • Sandton: (011) 326 6654
    - · Witbank: (013) 656 0634 (Re-opening Soon)

**GREAT FOOD · GREAT ATMOSPHERE** 

# Be your own boss in the educational space

Do you have an entrepreneurial mind? Do you want to work for yourself, but not by yourself? Do you have access to computers? Then the e-Learner business opportunity is for you!

Computers 4 Kids is a South African based Education and ICT Company with its head office in Cape Town and a footprint throughout Africa and the Middle East. To date, six million learners and 30 000 teachers have completed the e-learner content - a great accomplishment for this reputable company founded in 1995.

#### Acquire the e-Learner software and get going!

Computers 4 Kids is offering their award-winning e-Learner software to owners of computer training centres, educational facilities, community centres and internet café's across the country with no start-up or upfront fee.

Access to the software is available at R350.00 per device per month on a sliding scale. Free online training is offered to get you started.

#### Curriculum sets on offer to Licensees

Computers 4 Kids is offering three of their awardwinning curriculum sets, namely: Primary School, Secondary School and the Community Curriculum, all made up of hundreds of exciting lessons and activities. All content is accessed from www.classesonline.mobi.

Primary and secondary school curriculum sets are aligned to the national school curriculum, catering for learners from Grade R to 10. Various coding and





programming lessons including Minecraft content are available. Using the Minecraft content will empower you to run online gaming sessions and digital camps.

The Community version allows you to offer ICT classes for adults. These lessons include valuable life skills such as preparing a CV, creating a will, banking, social media safety etc.

Benchmarked certification is available at R500.00 per person, including registration, training manual, assessments and the e-Learner Foundation certificate.

Prepare your students for the 4th Industrial Revolution by joining our team NOW!

Contact Russell Pengelly on 083 310 1438, email: info@computers4kids.co.za or visit: www.computers4kids/business-opportunity





Cell: 083 310 1438 | info@computers4kids.co.za | www.computers4kids.co.za

# Have you done planning and goal-setting for 2021?

#### - you know you ought to, but...

"You must be joking - is it even possible after the year we've just had?", has been the typical response I've received when reminding the business owners that I coach that it is time for planning and goal setting for the 2021 trading year. Despite the fact that very possibly we can't see even a week ahead, let alone a year, and that many of us are exhausted by just surviving 2020, business planning remains as relevant as it has ever been.

#### Why is this still so important

Having detail around our current net position and where we need to end up are the starting points for any plan. These plans may be compromised and worse than we'd hoped, feeling out of the realm of possibility - but nevertheless our net present position is still calculable, and our future is still something we can picture and dream of and strive towards.

The fact is that our plan or road map is the 'true north' of our business. It may have gotten a lot more complicated and now needs to be tweaked and reviewed much more regularly than ordinarily - hourly on some days - but without it we remain the poorer as business owners.

Additionally on the motivational front, as humans we are enormously resilient. Even if our starting point seems to be off an impossibly low base thanks to COVID, by stating out loud where we want to go, we can focus all our execution efforts on working on the solutions. By planning, re-visioning and goal setting, we allow ourselves to employ our subconscious, galvanize the law of attraction, rally the team and provide an essential context to prioritise.

Most businesses are in recovery mode right now, having had to respond to the impossible, the unwanted and



the downright difficult. None of us has escaped being impacted this year - good or hard - and most of us are dealing with business unusual. For this reason, a plan with clear goals is helpful to keep us going as humans. They remain key to activity and team motivation in tough, uphill, hard times. They are an opportunity for little wins to celebrate on the way. So develop them. Keep them simple, focused, clear and SMART.

Keep them regularly reviewed, re-commended often and open for questions. Keep them front and first, and keep them going.

#### The elements of a workable plan

There is no value in coughing up a "tome or volume" that looks good on paper, but is too complicated and not sufficiently practical to be of use. Future planning first and foremost should focus on what needs to actually get done tomorrow/next week/next month/next year to stay in the game. Thinking and planning needs to be strategic, and also needs to be grounded and clear around execution: Who has to do what by when?



GOur plan is the 'true north' of our business. It may be a lot more complicated and now needs to be tweaked and reviewed more regularly than ordinarily, but without it we remain the poorer as business owners.

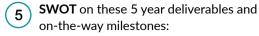
Plans need to be to the point, and uncomplicated. As an entrepreneurial coach that appreciates the need for 'uncomplicated', I am a big fan of Verne Harnish's One-Page Strategic Plan.

It - as with most good plans - includes:

- Values that which is "always or forever true" 1 of the business, come what may and at all times. If you can express these values as verbs, all the better as teams and other stakeholders can then "see" these values in action.
- Vision where is the business heading in the next 5 years?
- What will we all be able to see with regards to deliverables 5 years from now around the 5 P's:
- Performance (financial numbers)?
- Prospecting (the sales and marketing machine that will get you the numbers)?
- People (who's needed on the team to deliver the numbers)?
- Products (includes service offerings if that's what you trade in)?
- Processes (what systems/technologies are needed so they drive the business and people drive them)?
- What are the interim milestones or shorter-term goals that you need to work for to attain the these
- 5 P, 5 year outcomes in:
- The next 90 days?
- 1 year from now?
- 2-3 years from now?

Continued on the next page

#### LEADERSHIP & MANAGEMENT



- Strengths relative to the competition that set you apart and need to be commended in your marketing?
- Weaknesses that create choke points to the plan and need to be considered as brutal facts?
- Opportunities over the next 12 months, within your control, that will allow you to exceed plan?
- Threats over the next 12 months, within your control, that can destroy the plan?
- What are your critical measures your key dashboard numbers - that will tell you whether vou're on track or not?
- What are your top 3-5 marketing strategies per quarter to get you sufficient leads, to get you sufficient sales closes with prospects, to get you sufficient revenue? Do you have a clear target number for each strategy and target cost per lead? Remember to explore all that can be done for free or little investment including leveraging tech and electronic forms of reaching your audience.
- Have content that "promotes to sell" not just promotes (there is a real difference). Have crystal clarity around both your value proposition and who is your target before launching into the expense of how you will attract them. Have the plan to keep you on track and not wasting time and money - which is easily done with marketing.
- Your budgeted financials for each quarter (turnover, cost of sales, expenses, net before tax and projected profit) which will tell you categorically whether it's working or not. Use these to make good business decisions, what to start/stop/continue.
- Your brand promise and USP value proposition that makes you special, different and better from the competition and is part of what you deliver every time.
- Your **elevator pitch** that you use in response to someone asking you "so what do you do?". It is a free marketing opportunity, often not used and good sales practice.

#### Why is a plan so critical to team motivation?

The vision is your prerogative as the owner - what you get to tell the team about where this business vehicle is going - and in this you need to be the most positive

person in the room. The plan however, is the public road map that needs all heads in the game. It is a shared, working document that needs everyone's input and ultimate buy-in to be optimal.

This plan is what dictates and ultimately sets the deliverables for your monthly actual vs budget meetings and every single employee in the business. And these monthly goals are what gets broken down into the weekly deliverables that are reviewed in your weekly meetings (or huddles as we call them). Where you go from department to department along your process flow - from prospect to money in the bank to ensure you're bang on target to the monthly goal....or not. And these weekly deliverables are what should prescribe the activity daily that is the content of your daily meetings (we call them standups so that you don't hang around in them for too long) where direct reports meet their direct boss and confirm the day's activity and any problems preventing it from happening.

The goals, deliverables and activity spell out what people have to do, a benchmark for them to see if they are progressing or not - like a feedback loop, and a place to question. Without these, teams are unclear and uncertain - neither of which makes for motivated employees.

No plan and no goals? Well, then you get the future you get, and certainly not the one you hoped for.

#### The cost of NOT planning and goal setting

No plan and no goals? Well, then you get the future you get and it will certainly NOT be what you designed or hoped for. That is a guaranteed fact. And while a plan and goals don't always result in you achieving them, you retain a 1000% better chance of reaching them if you set them. They also are the key to economic use of resources like time and money; optimal deployment of the team; the glue holding you all to a "true north" and peace of mind for you.

With a plan you can at least know if you are on track or not. With goals you can at least know if you did or didn't hit them. Get it done before you break for Christmas or schedule it for as soon you return from a refreshing break. And please don't forget to take a bit of a break! After the year we've had and the uncertainty of what's to come, we all need to recharge and refresh!

#### Why do we struggle so to execute on a plan. even when we know it's what we need to do?

We are all at fault for saying we'll do something - and then making all sorts of excuses for either delaying or not doing so. Why is that?

Simply put, our plan has to be linked to a destination, vision or dream that matters to us. If not, we'll find that it doesn't bring out our "inner cheetah" in regards to motivational effort. We can then easily find ourselves discouraged, mutinous and/or procrastinating in the face of the "battle fatigue.

Our plan and goals cannot belong to someone else - our inner critic, our spouse or parents, or what we think is expected of us. They have to be our very personal route to what we really, really want. And if we find that we won't and don't do what's needed, then very possibly the destination isn't ours at heart and doesn't really matter to us.

Activity is a powerful indicator as to what we really think, believe or value. If it matters, we'll chase it and make it happen - FACT.



As a business coach and strategist, KATHI CLARKE has a passion for helping businesses position themselves to survive and thrive. She is a registered industrial psychologist and an internationallyaccredited business coach with ActionCOACH, the world's number one business coaching company and currently works between Edinburgh and Cape Town. Her clients have described her as "a 'can-do' kind of gal who really nows her stuff, can lead by example as a business success, and who is also entertaining."

#### Success as a science

Can a person 'learn' to be successful? Yes, definitely, according to a course offered by the University of Michigan called 'The Science of Success - what Researchers know'. Paula Caproni, course instructor, notes that the most important thing one should remember is "success is earned



day-by-day through small wins – small, achievable actions that together can help you achieve your goals sooner and exceed even your own expectations".

Her book shows that researchers agree that concepts such as 'overnight success', 'born leaders' or 'natural talent' are misleading and counterproductive. Instead, researchers agree that what looks like innate talent is usually the result of years of dedicated time and effort, deliberate practice and planning.

"Research has shown that success or failure cannot be attributed to only inherent ability or (in)competence. Many factors play a role. However, what I find most liberating, is that a person's mindset, whether they have a fixed or a growth mindset - is one of the biggest ingredients to the formula of success," says Elmarie Coetzee, Human Capital executive at Momentum Corporate.

She explains that a fixed mindset means that the person's beliefs are fixed, cast in stone. They believe that they are smart - or not. They define themselves either as winners or losers.

A person with a growth mindset however, believes that they can learn, grow and develop. They are curious, open to learn new things and observing others to learn from. They believe that they can change and they approach challenges with passion and energy. People with a growth mindset are progressive optimists that put habits and plans in place that assist them in sustaining future success. They define those deliberate actions that they need to practice continuously for success to evolve systemically. They also believe that their true potential is not cast in stone, and are open to fresh perspectives, as they navigate the things that are in and outside their financial control.

"Every person has a choice about what their mindset should be. If you choose a growth mindset, your thinking then immediately shifts from limiting beliefs to growth with possibilities - so much more empowering!" Coetzee concludes.

# Right on target

How to use lead and lag indicators to achieve your business goals.



Do you often fail to follow through when it comes to setting and achieving your goals? You could be focusing on the wrong thing. You are focused on the lag measure rather than the lead measure.

So what are these measures? According to Claire Storm, a Co-Founder and Director at Airshot, they are performance metrics you can use to measure your goals and your success in achieving them. "These are not just the latest buzz in business speak. Lag and lead indicators are really useful tools that will help you to think more clearly and critically to assess, analyse and set business goals," Claire explains.

In a nutshell, a lead indicator is an input as it measures future outcomes and events. A lag measure is an output and looks back at whether the intended result was achieved. Claire believes that the principle of lead and lag measures is powerful as it ensures you are asking the right questions.

"Lag measures relate to your overall business goal such as revenue, profit, quality and customer satisfaction. They are called lags because by the time you see them, the performance that drove them has already passed. You can't do anything to fix them, they are history," says Claire.

"Lead measures focus on the process, the actions needed to achieve the goal. These actions can change on a regular basis and can be influenced directly by a person or a team." John Maxwell says, 'You will never change your life, unless you change something that you do daily.'
By providing lead goals, you are providing daily steps that your team can take to make real change.

Here is Claire's step-by-step guide to applying lag and lead indicators to achieve your company's goals:

#### First decide what you want to achieve.

Choose a goal such as increasing profit, sales growth or lead generation. Be wildly ambitious with this, as it will determine your organisation's success. This is your big number and your lag indicator.

#### Now you need to identify your lead measures, the actions that will lead you to your wild goal.

The lead indicator will be different for each business and could relate to total sales, variable cost, call conversions or fixed costs.

#### ■ Then you need to measure the performance of your lead indicators.

What actions can you take to ensure the goal will be met and how do you measure this? You can set smaller targets for incremental improvements for each indicator - the key is to start moving your business forward.

#### What gets measured gets managed, so make sure you have the right data and create a scoreboard to track the results.

Share these with your team so that you are all aligned on the deliverables - preferably on a centralised platform that is easy for remote workers to access. Seeing these measures on a daily and weekly basis will keep everyone motivated. And if things start going sideways, you can create just-in-time plans that enable your team to adapt quickly.

#### Turn data into smart insights.

Lead measures should be driving consistent improvement, so ask yourself what is the one thing you can do this week that will have the most impact? Knowing that you are doing something is not enough. You need to know what you are doing right and what you are doing wrong. If it's wrong, stop. If it's right, continue. Focus on the critical few activities that you can improve (lead indicators) to create the results you want.

#### Communication is key to achieving your lead measures.

Ladders and reports will give you firm-wide rankings on all your performance measures. You will be able to identify your top performers and what is contributing to their performance. You will understand their strengths. areas for improvement and holistic performance letting managers take a bottom-up approach.

John Maxwell says, "You will never change your life, unless you change something that you do daily," and by providing lead goals, you are providing daily steps that your team can take to make real change.

Claire Storm. Co-founder and Director for Airshot, an innovative digital toolkit that boosts communication and collaboration across business value chains.



#### MANUFACTURING BUSINESS OPPORTUNITY

#### A turnkey paint manufacturing factory



- ✓ Paint Manufacturing Equipment
- ✓ Paint Formulas
- ✓ Start-up Raw Materials
- √ Raw Material Contacts
- ✓ Training
- ✓ Site Selection Assistance
- √ Factory Commissioning
- ✓ No Franchise Restrictions

3 Packages Available: Starting from R138 000 • Contact Adriaan Potgieter: paintfactory@mweb.co.za

#### Paint Factory SOLUTIONS®

turnkey business development and activation specialists





paintfactorysolutions@gmail.com

in linkedin.com/company/paint-factory-solutions

# The 5 habits of highly resilient businesses

#### Common traits that allow companies to emerge successfully, whatever their industry.

As any successful boxer will tell you, resilience is NOT the ability to take punches. It's not about bouncing back from adversity; it's about being able to move quickly, adapt to a situation, have awareness, and take advantage of the growth opportunities that emerge from disruption.

Look at any major crisis, and you'll see that the most resilient organisations share several common traits that allow them to emerge successful, whatever their industry.

They think through the stages of recovery Many companies approach disruptive events - like the COVID-19 pandemic - with a crisis management mindset: they focus on immediate actions aimed at getting through the worst of it. For resilient companies, this is only the first step. They also make sure they can hit the ground running in the aftermath.

There are numerous recovery models out there highlighting the importance of planning in phases, but I'm especially fond of Google's: respond, rebuild and reframe. Importantly, you'll find that it's the rebuilding phase that's often more predictive of success than the initial response.

Take Germany's manufacturing sector during the 2008 financial crisis: they used the downtime caused by reduced demand to upskill workers and retool their ways of working. This helped the industry bounce back more quickly.

They cut the right costs and reinvest Resilient businesses are quick to make financial decisions to secure liquidity at the start of a crisis, but you'll rarely find them making mass layoffs. Instead,



they carefully review operations and make small, surgical cuts along the way. They re-allocate investments, pause unprofitable activities, and optimise front-end spending, focusing on efficiency and value creation rather than short-term savings. More importantly, they reinvest those savings with future growth in mind.

Case in point: clothing retailer Patagonia shut down its warehouse e-commerce operations at the start of the pandemic. It continued serving customers by digitising key warehousing and fulfilment capabilities. At the same time, it expanded its line of non-perishable food items to account for the demand for stockpile-friendly food.



#### They go where their customers are

Resilient businesses are always on the lookout for new sources of revenue. They analyse trends and changing consumer behaviour to see where the opportunities lie, redirecting investment to target the market segments that will generate the most ROI.

We're seeing this happen a lot in the hospitality and travel industries, which have been some of the hardest hit by the global pandemic, necessitating some major shifts in business models. By shifting its focus from passengers to cargo transport, Ethiopian Airlines has maintained a steady revenue at a time where 90% of its commercial fleet was grounded.

#### They reimagine their future

Want to know how to recognise a resilient company during a crisis? They're the ones starting a new business division when everyone else is shutting down theirs.

This is because resilient companies put purpose frontand-centre even in the most trying times. They look beyond the short-term to imagine where their industry will be in the years to come and what kind of world they'll be doing business in.

More importantly, they look to find ways to reskill their people to deal with the new future of work. The pandemic means that some jobs that have been lost will never come back, and those that do will require new ways of working and new skills. As leaders on a continent with staggering youth unemployment levels, how do we help people create futures in this new operating model? This must be front and centre of our 'great reset'.

#### They don't rely on guesswork

Resilient organisations seem to have the uncanny knack of making the right moves at the right time. However, this instinct doesn't come naturally: it is the result of the time and resources they invest in understanding their customers and their own organisational strengths. Not only do they gather information on larger trends, but they have the feedback loops in place to be able to adapt their tactics on the fly.

How is your company's ring awareness? Have you been able to resume normal, or improved, business operations since the pandemic struck? What moves have you taken to ensure your people stay engaged, and that your customers remain front and centre of your enterprise?

Remember: resilience can be learned. I'd love to hear some of your thoughts and approaches to being resilient in this time.

Lee Naik is the CEO of TransUnion Africa. Reach out to him on Twitter: @naikl



## STEPS to become a successful digital challenger

#### A GUIDE FOR SMEs

Our global economies' resilience has been tested this year. All companies, both large and small, have felt the weight of the past year's drastic changes.

Unfortunately, however, this surreal experience has been felt more by smaller companies. With technology now becoming a default setting in multiple economic sectors, it is only fit that small and medium enterprises (SMEs) adapt to our rapidly changing world. 86% of SMEs "strongly agree that technology is changing the

industry" - whether it be retail, media or law. SMEs don't have to be an expert in technology to transform their businesses, and can manage their requirements and actions with these 7 steps:



#### Develop a three-year digital technology roadmap

Transforming your business digitally is not always an easy or quick task. Therefore, it is important to create and set a digital transformation plan that can



evolve within the span of three years. Each action executed should be tested, evaluated and re-executed to maintain excellence of service from your business. It is through this process that an SMB will be able to analyse which tactics strengthen their business technologically. Furthermore, one's digital technology roadmap must be aligned to your business goals with expansion in mind.

#### Prioritise the critical business processes to automate

Similar to the first step, this step forces you to acknowledge which actions and/or systems that will need the most attention when digitally transforming your business. The difference between step one and two however, is the fact that step two focuses on the 'heart' of your business. Fundamentally, what sustains your business process. Examples like:

- Launching a new product(s) and/or service(s);
- Delivering better customer experience:
- Improving Financial forecasting and
- Improving operations and service delivery will demand a much more detailed digital strategy compared to that outlined within step one. This step will most likely take much longer to process, action and evaluate due to its core function for your SME.

#### Evaluate and right-size the technologies to invest in

Small and Medium Businesses need to invest in technologies like cloud, mobility, data analytics and cybersecurity to differentiate themselves and become more efficient. With many businesses now operating remotely, this action is, in fact, unavoidable. To begin this process one must start with a realistic budget and scale up accordingly as time progresses. This step, once more, can be easily aligned to step one and its butterfly effects.

#### Invest in digital talent and skills

A digitally equipped business will not survive without a strong operational team. Therefore, it is important to attract skilled individuals and focus on employee training to upgrade skills.

#### Identify the right service providers for your journey

As mentioned prior, no one needs to be a technology expert to transform your business. However, if you lack in-house IT expertise, it will be worthwhile to look for a service provider that offers consultancy and project management services. By finding a partner, you will not only balance the workload between two parties, but also provide yourself with the opportunity to understand other necessary technological skills. This will act as a 'give and take' opportunity where each partner will educate the other on their expertise; which allows the opposing parties to upskill one another whilst running a successful business.

#### Keep up with industry trends and best practices

With the world constantly changing around us, it is important to stay updated on the current (inter) national affairs and engaging in imperative events and conversations. Examples include:

- Attending technology events and webinars:
- Participating in digital forums and
- Using Product Assessment tools to guide your buying decisions within the business.

#### Simplify, start small, learn and scale

There is a common misconception that one needs to invest in complex and expensive equipment/ services so as to run a successful enterprise. This, of course, is not the case when wishing to invest in technological advancements. When wishing to advance your company, it is important to choose technology that is simple, secure and reliable, and that can grow with you as your business grows.

It is clear that our new reality will present itself with new, fun and most definitely complex challenges. However, by investing in a resilient and open-minded mindset, any business (or any person) has the potential to evolve.



Garsen Naidu is Country Manager for Cisco South Africa.

## The cost of non-compliance

#### Failure to produce paperwork and show compliance lost many SMEs crisis funding.

One of the most valuable lessons that small and medium enterprises (SMEs) will take away from the COVID-19 pandemic, is to keep their house in order on an on-going basis. This applies to everything from business structure and financial information, to employment contracts and tax compliance - SMEs must ensure that they have everything they're supposed to and stay up-to-date.

Non-compliance proved to be a major obstacle for many SMEs when applying for business relief or support. "As an administrator of the Sukuma Relief Programme (Sukuma Fund), a private initiative aimed at supporting SMEs that were financially impacted by COVID-19, we saw first-hand just how many SMEs could not access financing due to compliance issues. It was the same for many relief funds," says Kevan Govender, Manager at Business Partners Limited.

For the Sukuma Fund, 33.4% of applications were declined due to "Viability" (was not profitable preCOVID or was not Solvent Pre-COVID). But the other reasons for rejections included companies being unable to provide adequate Tax clearance statements in respect of CIT and PAYE; or unable to provide requested information such as AFS or management accounts, etc.

"We found that something as standard as an EMP201 - a monthly payment declaration in which an employer declares the total personnel payment together with the allocations for PAYE, SDL, UIF and ETI - was not always readily available," says Govender. "Proving tax compliance and viability prior to the arrival of the pandemic was also difficult for some SMEs, as they just didn't have a firm grip on their financials."

Govender has put together a concise compliance checklist, to help any current or aspiring business owners to ensure that their businesses are financing ready.



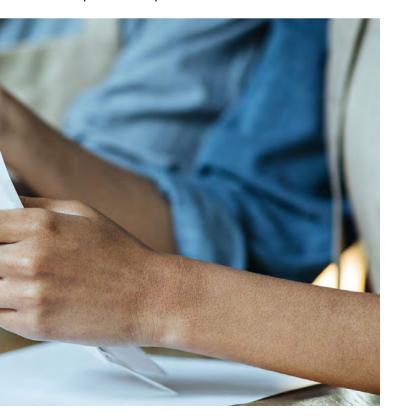
#### Is the business properly registered?

Over and above registering as a company, you need to ensure that your business is registered with all the necessary legislative bodies. If you employ people, for example, the business needs to be registered as an employer with both SARS and the Department of Labour. In cases where a business needs a license to trade, such as a liquor license, there may be an annual renewal required, so it's best to stay on top of these things.

#### Are your financial records in order?

To put it simply, your financial records reflect your company's income and expenses. At a minimum, you should maintain three sets of financial records, namely a balance sheet, income statement, and cash flow statement.

Importantly, you are required to keep your books and records for 15 years, as SARS can ask to examine them at any time, should something not add up or seem suspicious. Most importantly, the majority of financiers require tax compliance or adherence.



"We found that something as standard as an EMP201 was not always readily available. Proving tax compliance and viability prior to the arrival of the pandemic was also difficult for some SMEs, as they just didn't have a firm grip on their financials."

#### Do you have supporting documentation?

Together with these financial records, you must also keep all other documentation (such as receipts, invoices, cancelled cheques, deposit slips, etc.) that support the entries in your records and tax returns. These "supporting documents" are very important, so file them in a logical order and store them in a safe place. There are several apps available for filing your receipts, consider the best one for your business and pocket.

#### Are you on top of any regulatory changes?

Legislation changes all the time, so you need to keep up-to-date with not only all the changes that have taken place, but also the changes that are being proposed for the future. This is particularly important in terms of SARS, as any VAT and tax changes could have a financial implication on your company if they are not correctly and timeously implemented.

#### Have you considered consulting a professional?

If there's one area where you shouldn't skimp on professional help, it's with your finances and legal compliance. So, if your company's financial administration is in arrears, or even if it's just not your area of expertise, it's probably best to get a professional tax consultant involved. It's worth spending the extra money - after all, failing to pay your taxes is not only illegal; it can also lead to the closure of your business.

> Kevan Govender is manager at **Business Partners Limited** (BUSINESS/PARTNERS).



## Director's liability:

#### Circumstances under which a director can be held personally liable for the company's debts.



A director of a company holds a fiduciary position. This has always been the case in terms of our common law in that to stand in a position of director, you are expected to act in good faith and in the best interests of the company at all times. Breach of these fiduciary duties can result in the director incurring personal liability. This article will examine the circumstances under which personal liability of directors can arise, provisions for which have now been codified under sections 75, 76 and 77 of the Companies Act, 71 of 2008 ("the Companies Act").

#### Standards of a director's conduct:

In terms of section 76(3) of the Companies Act, a director of a company, when acting in that capacity, must exercise the powers and perform the functions of director:

- 1. in good faith and for a proper purpose;
- 2. in the best interests of the company; and
- 3. with the degree of care, skill and diligence that may be reasonably expected of a person:
- 3.1. carrying out the same functions in relation to the company as those carried out by the director; and
- 3.2. having the general knowledge, skill and experience of that director.

Following from the above, a director of a company may be held liable in terms of section 77(2) for any loss, damages or costs sustained by the company in accordance with the principles of the common law relating to the breach of a fiduciary duty or delict.

#### Reckless trading

Section 22(1) of the Companies Act states that a company must not carry on its business recklessly, with gross negligence, with the intent to defraud any person or for any fraudulent purpose. Section 77(3) of the Companies Act states that a director of a company is liable for any loss, damages or costs sustained by the company as a direct or indirect consequence of the director having, amongst other things:

1. acted in the name of the company, signed anything on behalf of the company, or purported to bind the company or authorise the taking of any action by or on behalf of the company, despite knowing that the director lacked the authority to do so;

- 2. acquiesced in the carrying on of the company's business despite knowing that it was being conducted in a manner prohibited by section 22(1) of the Companies Act (i.e. trading recklessly); or
- 3. being party to an act or omission by the company despite knowing that the act or omission was calculated to defraud a creditor, employee or shareholder of the company or had another fraudulent purpose.

Circumstances under which a company might be seen as carrying on its business "recklessly" or "with gross negligence" include a scenario where directors allow the company to continue to incur liabilities from various creditors knowing that there will be no way to pay them back.

The director concerned is under an obligation to either place the company under business rescue or to file for liquidation. If the director does not proceed in this manner, they may be held personally liable. The Companies and Intellectual Property Commission ("the CIPC") is also empowered by the Companies Act to issue a compliance notice to a company, where it has reasonable grounds to believe it is trading recklessly.

#### Application to declare director delinquent or under probation

In terms of section 162(2) of the Companies Act, a company, shareholder, director, company secretary or prescribed officer of a company, a registered trade union that represents employees of the company, or another representative of the employees of a company, may apply to a court for an order declaring a person delinquent or under probation if that person is a director of that company or was a director within the 24 months immediately preceding the application.

In terms of section 162(5)(c) a director may be declared delinquent if, while a director, they:

- 1. grossly abused the position of director;
- 2. took personal advantage of information or an opportunity;
- 3. intentionally, or by gross negligence, inflicted harm upon the company or a subsidiary of the company;

- 4. acted in a manner that amounted to gross negligence, wilful misconduct or breach of trust in relation to the performance of the director's functions within, and duties to, the company; or
- 5. acted in a manner contemplated in section 77(3)(a), (b) or (c) (i.e. director's liability for trading recklessly).

Furthermore, section 214 of the Companies Act provides for a number of situations where a director may incur criminal liability for various acts of fraud, including but not limited to, the falsification of accounting records or providing false information for a fraudulent purpose.

#### Conclusion

Following from the above, it can be seen that although a company is a separate juristic person able to incur debts in its own name, the Companies Act imposes personal liability on directors who knowingly take part in running the company in a reckless or fraudulent manner. In such circumstances, if a creditor believes that a director has failed in any of their statutory obligations, that creditor can initiate action for losses or damage caused in terms of the relevant provisions of the Companies Act. In practice, this often happens when a company is not in a position to pay debts due to insolvency proceedings having already commenced against the company, as this presents an additional avenue for creditors to pursue.

#### COVID-19 Update:

In light of the COVID-19 pandemic and the declaration of a national state of disaster under the Disaster Management Act, 57 of 2002, the CIPC has issued a practice note stating that it will not invoke its powers under section 22 of the Companies Act where a company is still trading or carrying on business, but is temporarily insolvent due to factors directly related to COVID 19. The practice note is said to be valid for 60 days after the state of national disaster is lifted.

By Ya-fan Wong, Associate - BSocSci LLB (UCT), Dommisse Attorneys www.dommisseattorneys.co.za.





### COVID-19: The 'aha' moment the workforce has been waiting for

We spend approximately 90 000 hours of our lifetime working, so it's no surprise that the disruption of COVID-19 would drastically shake things up in this prominent area of our lives.

In March this year, out of nowhere, workers found themselves having to adapt to new ways of connecting professionally and working remotely. Although a notion that existed pre-COVID-19, working remotely was still unfamiliar territory for many.

While steadily gaining in popularity over the years, futurists say that the pandemic merely accelerated what was already set to become the working world norm. Further to this, it has brought the concept of co-working office spaces to the fore as an alternative to purely homebound working, and a way for companies to re-evaluate their structures. In fact, A 2020 study on co-working trends found that co-working spaces worldwide are set to double by 2024, estimating that the number of people opting for co-working over the next four years will climb to five million - an increase of 158% compared to 2020.

Co-working can be defined as a ready-to-use working environment in which workers from different companies share an office space and enjoy a sense of community. This allows for cost-savings, flexibility, and convenience through the use of shared infrastructure, such as utilities, internet connection and equipment, and receptionist and custodial services.

The need to offer virtual support and flexibility during COVID-19 has seen increased interest in co-working spaces. Given that they're an ideal place to work remotely while continuing to social distance, many companies have now introduced remote working into their long-term business strategies.

"I believe a bigger awakening or 'aha' moment for businesses at this time, is that they are finally seeing just how outdated the traditional stuffy office model is. It does not align with our modern lifestyles, consider individual needs, or necessarily promote productivity," says Louis Fourie, Director of Venture Workspace.

"As we face an uncertain economy, it also makes sense to work smarter, and this means exploring more affordable working solutions such as opting for flexible leases over fixed long-term commitments. Why pay for expensive



overheads when you can pay for what you need, as you need? Renting meeting rooms and virtual offices by the hour that come fully equipped with all the tech frills, utilising casual hot desking or semi-permanent spaces makes it easy for businesses to scale up or down when necessary," he continues.

Interestingly, we are now seeing higher demand for coworking options from larger corporates and enterprises looking to decentralise their workforce and manage remote teams. More start-ups, freelancers and SMEs (which are critical to the growth and recovery of our economy) are also looking for collaborative environments that provide networking opportunities for them to grow their market share.

On the other side of the coin, our new 'normal' has similarly prompted workers themselves to re-evaluate how they wish to work in the future, favouring companies that have taken the 'leap' to offer flexibility and accessibility, promoting work-life balance.

Co-working is no longer the future of the working world - it is the present, and the potential for growth in the sector has never been higher.

Venture Workspace has branches in the Cape Town suburbs of Claremont and Constantia, with a third branch opening in Somerset West in January 2021, conveniently located at the Sanctuary Mall. For more info, visit www.ventureworkspace.co.za.



#### FLEXIBILITY. AFFORDABILITY. SCALABILITY



## THE FUTURE OF WORK IS HERE!

ADAPT TO THE CHANGING TIMES WITH FLEXIBLE, CONVENIENT, AND AFFORDABLE COWORKING SOLUTIONS TAILORMADE TO BUILD AND SUSTAIN YOUR BUSINESS.

WITH BRANCHES IN THE VIBRANT LIFESTYLE HUBS OF CLAREMONT, CONSTANTIA AND SOMERSET WEST, VENTURE WORKSPACE PROVIDES THE PERFECT ALL-INCLUSIVE EXPERIENCE FOR BOTH WORK AND PLAY.

WHY PAY FOR EXPENSIVE OFFICE OVERHEADS WHEN YOU CAN PAY FOR WHAT YOU NEED AS YOU NEED?

- HOTDESKING
- SHARED OFFICES
- VIRTUAL OFFICES
- PRIVATE OFFICES
- MEETING ROOMS

ALL UTILITIES, INTERNET
CONNECTION AND RECEPTION
SERVICES INCLUDED WITH THE
ADDED BONUS OF FREE PARKING.







## Tips to break into a competitive market

There is no shortage of exciting opportunities for aspiring entrepreneurs, but you will need to offer something compelling to break into an established and cash strapped market.

It's a jungle out there for small businesses and entrepreneurs in South Africa. Competition is fierce in most industries with companies and consumers tightening their belts.

Here are a few tips on how you can successfully break into a market and ensure your business has the best possible shot at success:

#### ■ Do the market research

Even if you're familiar with the market or industry you plan to target, you can never do too much research before you draw up a business plan and launch:

- Read trade publications and the business media to see what the latest news and developments are.
- Speak to customers to find out what they like about your industry and what frustrates them. If you have an opt-in database, you can ask customers to complete an online survey.
- Follow industry influencers and competitors on social media to find out what they're talking about.
- Attend webinars and virtual conferences to network and learn.
- Look at the latest international developments and what is happening in South Africa for a sense of what might be coming down the line.
- Make sure you understand any regulatory barriers you may face in the industry you are targeting.

#### Offer something new or unique

Once you've done some homework, you should have a better idea about customer expectations and competitor offerings in your targeted industry. Your next step should be to identify the potential space your business could occupy. You will need to be different to the competition to crack the market.

Ways to differentiate yourself:

- PRICING Though it's difficult to sustain a price advantage, especially if your competitors are big and well-funded, offering good value for money can help you break into a new market. Look for markets where competitors have high overheads or margins and where being smaller might allow you to gain a cost advantage. For instance, could your hair salon offer better value by avoiding franchising costs and locating itself in the suburbs rather than in a shopping mall?
- CUSTOMER EXPERIENCE If customers are dissatisfied with after-sales service, delivery times or the quality of pre-sales advice in your industry, you could



set yourself apart through a better client experience. For example, many small e-commerce companies and neighbourhood food stores did well during the lockdown because they were more responsive and agile than the larger retailers who struggled to meet demand for online shopping.

#### • NEW PRODUCTS, SERVICES OR EXPERIENCES -

Over the past few years, we have seen many markets shaken up by companies that have redefined the nature of the product or service, among them is Netflix in entertainment or Uber in transport. Closer to home, we have seen meal-kit delivery services as a healthier alternative to takeaways and a more convenient option than cooking from scratch.

• UNDERSERVED CUSTOMERS OR NICHES - If your competitors are large or well-established, it might not make sense to compete head-on with them - at least not yet. Your more viable market opportunities might lie in addressing the markets the competition has ignored. For example, your neighbourhood probably has many



With consumer behaviour in flux during the pandemic, this could be an ideal time to break into a market with an exciting offering.

takeaway burger and chicken options, but is there a place for affordable, healthy, vegan food?

#### Identify potential partners

If you can't beat them, why not join them? There are many effective ways to leverage the resources a larger partner can offer, while still running your own business. This approach does limit your freedom a little - you may need to follow your partner's branding guidelines and processes, for example.

On the upside, you will be able to tap into an established brand, gain access to their training and certification, and receive their help in setting up systems, marketing the business, and sourcing inventory and equipment. This can dramatically reduce risks and barriers to entry for vour new business.

One popular option is to get a franchise for a big brand. These opportunities exist in industries as diverse as retail, cleaning services, automotive after-market parts and services, personal care services and food. Another idea is to become a reseller or a distributor for an established brand, whether it's a vehicle manufacturer or a software company.

#### Scaling up for success

Entering a new market in the middle of a recession can be challenging, but with consumer behaviour in flux during the pandemic, this could be an ideal time to break into a market with an exciting offering. Remember though, the stiff competition you will face demands that you are on top of your game.

Viresh Harduth is Vice President: Small Business, Sage Africa

## **Q&A**: How we did it

We talk to FRANCES EDWARDS of House of Cinnamon, a high end fashion house, about launching and breaking into a competitive premium market.

Q House of Cinnamon launched in 2014. How did you fund your business, and what lessons did you learn in your first two years regarding launching a startup?

I was lucky enough to be able to use my savings from having worked overseas for a few years to fund my business. I managed all aspects of the business and production process, keeping my costs to a minimum in the beginning, so as to try not to overcapitalise.

Starting up is probably the most difficult period, as you are taking a leap of faith and there is no predictability regarding success. You are trying to locate the best suppliers, resources, sampling and testing your product, you are also trying to find your niche and your target market, trying to build up your database etc. Therefore, in the first two years, I attended a lot of markets and pop-ups and used every opportunity for exposure. This took a lot of time, effort and money, but it was a very necessary step in building up my client base and getting the brand out there.

#### Q It's an achievement to have a six-year-old business. How has the business, and your role, evolved during this time?

Thank you, it feels much longer than six years! The business started off as Cinnamon Shoes, producing individually designed, hand-crafted, high-quality flats and pumps, that initially I had not been able to find in the local market and, therefore, started to design and create.

Soon our clients started asking about expanding the range. So in keeping with



our brand ethos, the first other accessory that we took to market was a forest green double-breasted winter coat, made by two very talented tailors from Cape Town. This beautiful coat sold out within weeks. We then decided to ask the same sister-team to make a classic, single-breasted, navy blazer and another in a slightly more daring check. More recently we have collaborated with local brand Lunar to create the perfect white shirt and with a company based in Johannesburg to produce our latest bag collection. The aim was to offer distinct and stylish items that would take our clients through more than one season. So we changed the name of the business from Cinnamon Shoes to House of Cinnamon, a brand synonymous with high quality and enduring value, offering locally-made limited edition items with classic appeal.

In terms of leadership changes, I have had to learn that, although you would like to remain in control of every step of the business both operationally and administratively, you are not able to be fully involved to that degree. Instead, at some point one has to learn to let go.

Therefore, I concentrate on the big picture, the brand image and marketing, market research and product design, materials sourcing, collaborative partnerships, public relations and quality control. I work with and mentor others who manage the website, sales, orders, administration and new business etc.

Starting and growing a business takes resilience, patience, hard work and discipline, on top of imagination and courage. House of Cinnamon has take seven years to be where it is now. The path has not always been smooth and success does not come easily.

I have learnt to not be in a rush, to not give up, to admit if something isn't working and to change and to adapt where necessary. I've realised that it is important to remain open to new ideas and impulses, to be flexible in dealing with challenges, to be nimble in responding to opportunities.

#### Q As a premium product brand manufacturing handcrafted leather shoes and bags, how do you compete with cheap imports?

We cannot compete on price with mass-produced items. There is no level playing field when it comes to labour costs or production scale. However, we believe we do have a competitive edge, as our products are of more enduring worth, of higher quality and are suited to the client who values individual style and appreciates craftsmanship.

House of Cinnamon deliberately chooses to produce in South Africa, supporting local industries paying fair wages - and this means that our product is and will always be more expensive. We have been very lucky to have such a loyal customer base that understands this and clients who are willing to pay a premium for a product that has been made locally. We cannot match the lower price end of the market and we need to stick to what makes our brand uniquely different and desirable.

**46** We cannot compete on price with mass-produced items, but we need to stick to what makes our brand uniquely different and desirable.

#### Q How has Covid-19 affected your business? Have you noticed more support to 'shop local'?

We are very lucky, as we have operated as an online business pretty much from the beginning. Just before the start of the lockdown in March, we moved heaven and earth to get our AW20 collection online and so throughout the lockdown we had a new range to offer. We were able to carry on taking orders during level five, and thereafter, as soon as we were able to start delivering, we did! We saw a huge surge in sales and the support has been incredible.

We have definitely noticed a general increase in awareness regarding the impact on the environment of trend-driven fast fashion, the consequences of quick turnovers and throwaway garments. I think the enforced pandemic-related downtime seems to have encouraged people to consider their lifestyle choices and priorities, to question their consumer habits, be more mindful about the purchasing choices they make and more conscious of the need to protect South African businesses by "shopping local".

At the same time, with regard to high-end shopping, I think that, unfortunately, and understandably, we have lost some clients due to the economic consequences of the pandemic. Given the current uncertainties around

Continued on the next page

future Covid-related developments. I am a hesitant to make any predictions about the next few months/the coming year and expect that we have yet to experience the full impact and real casualties of this pandemic.

#### Q What cost-effective marketing tips do you have for brands in South Africa today?

Especially during these very fluid economic times, I would start with some key questions: Are your assumptions about your product and clientele still valid? Is your product going to remain marketable in the same way in the future? Will distribution methods change? Will your clientele? What changes might you need to make?

Review your website with a critical eye and refresh/ update the contents, presentation and accessibility where necessary.

Review your marketing strategy and methods. Are they suitable for a post- or ongoing-Covid future? Explore different options, consider new partners, suppliers, vendors, cooperative ventures.

Conduct some internet research: on your target client group, their lifestyle, their needs, wants, what makes them tick, and whether their purchasing habits will change. Send out a newsletter to keep in touch, include a short questionnaire around your product and their expectations and wishes. Consider which groups might be future clients and how best to reach them. Read up on your competitors, developments in your sector niche and wider industry-related prospects.

There is no doubt that social media is a very costeffective way of marketing, especially during this time when there has been this massive shift to e-commerce and online shopping. Promoting your brand and products effectively has become key for any start-up and it's a tough market-place out here. It can make or break a business. But don't be daunted.

As a start, before you pay up large amounts to the professionals, learn as much as you can about using the available tools and making use of all the free online help available for putting your product out there. The more you understand about the processes and platforms, the better you will be able to decide which specific inputs from key people for particular tasks you need. Don't be side-tracked by "vanity projects". Not every "influencer" has the kind of reach that will help your business. Make sure you obtain the required feedback between your social media expenditure and direct sales-related results/



impact and be guided by that data in your decisionmaking.

#### Q What advice would you give to other entrepreneurs trying to crack the SA fashion and apparel market?

By all means, think big and be bold, but have no false illusions. The fashion/clothing/apparel industry is highly competitive. It can be very rewarding and extremely tough at the same time. To produce locally is expensive and presents many challenges. The very specific technical skills required are scarce, good quality materials; supplies etc. are hard to come by.

You need to be on the ball, constantly exploring the market for alternative vendors, finding different marketing methods or new distribution avenues. This all takes much effort and time, much longer than one anticipates. You need to be patient and prepared to stay in for the long haul, until you finally capture your market and are able to turn a profit.

My advice would be that if you are serious about launching a successful business in the fashion industry, ideally, you would need to equip yourself with some basic business know-how in addition to your creative skills. Having a flair for fashion and an interest in design is not a sufficiently strong foundation on its own. I use my business and/or finance qualifications every day, as this knowledge and my previous corporate experiences have helped me think strategically, run the numbers, working out my margins etc. and stay on top of my expenses.



## This unique computer skills training franchise scores top marks

#### AND is on the expansion path...

Cyber-Minds Computer Training Institute first opened their doors 22 years ago, and today this established brand has 20 IT Training Centres across the country, with plans to open another six branches soon.

The group's success can be attributed to its world-class training material and unique training method of dealing with students in a practical, caring and confidence-building way. Training manuals are easy to follow and students enjoy working at their own pace knowing that encouragement and help is at their side. To date, more than 45 000 students have achieved their IT certification.

#### Invest in your future and become part of this success story

Prospective franchisees have an option of three licensing models. Your choice will depend on the size of the town or area in which your centre will be situated. Options offered include small rural towns, suburban areas and large towns. All models can be fully customised to suit your situation. Assistance is offered in selecting suitable premises and

acquiring the necessary computer and office equipment.

Franchisees are provided with all the tools, skills and support to run a successful business.

A minimum of 2–3 weeks training will be conducted at their Head Office in Cape Town. Franchisees will specialise in training computer novices as well as more advanced courses for school leavers, IT career students, office workers, managers, businessmen and almost anyone who needs to enhance their skills level.

#### The ideal franchisee

Cyber-Minds are looking for energetic individuals that are passionate about teaching excellence and possess people skills, patience and enthusiasm. "They must be 100% hands-on and dedicated to empowering their learners," says founder Marius Lubbe. "The key to our success is maintaining a close relationship with our franchisees and keeping an open line of communication".



# Mentoring: a leg-up for startups

As in sport, the right mentor can help you hone your entrepreneurial instincts and boost your confidence as you build your business...

Having a mentor when you start a business can be as important as the actual product or service you're selling. While the research on the positive impact of mentorship is clear, so many entrepreneurs still don't have a mentor. To have a good business idea is one thing, but taking that idea to market, and building a profitable and reputable brand is no easy feat. The journey is long and challenging. To have a mentor as a guide during these early and crucial stages is essential.

A 2019 study that surveyed 209 South African recipients found that the majority of the respondents, 73.7% (154), had one or two mentoring relationships. 8.10% (17) had more than five mentoring relationships, while 46.6% (97) had been in a mentoring relationship in the past. Looking at some of the world's most successful business leaders, for example Facebook's Mark Zuckerberg and Google's Larry Page and Sergey Brin, both had received mentoring by Steve Jobs and Eric Schmidt respectively at the early stages of their businesses, highlighting that mentoring is a crucial part of most business strategies.

#### What is a mentor?

A mentor is often seen as a role-model. Someone you aspire to be like. They have tons of experience and wisdom you can learn from. It is someone who offers their knowledge, time and advice to those with less experience.

#### Mentors are not meant to have all the answers

While a mentor comes with mountains of experience, it's not up to them to give advice to a mentee on how to overcome the day-to-day challenges of the business. They offer guidance, support and encouragement regarding long-term goals and challenges as well as career development. Ultimately it's the business owner's responsibility to take action. Mentors will be there to champion their efforts as they complete suggested objectives.

#### Think long-term

All new businesses should have the future in mind, but that is easier said than done when you are the only one making big decisions. Mentors offer an external perspective when it comes to making decisions that can cost you in the long run. They are more easily able to see your pain points as well as new opportunities and areas with room for improvement. You and your team might not always be able to spot the things that a mentor can.



#### How to find a mentor

Start by identifying what type of resource you need. Ask yourself: What is my vision? What does success look like to me? What is my objective? What can my mentor do for me? You may want someone who's well connected, for example, or someone with expertise in a specific area.

- Organisations that offer networking opportunities. Networking groups and organisations like the Entrepreneur's Organisation (EO), offer a wide range of networking opportunities where you get to meet other entrepreneurs who may be leaders in their field and who are a potential fit as a mentor. A big bonus is that you won't have to look far for referrals.
- Family and friends. Sometimes it is easier to confide in relatives or friends; people you know and trust. But remember, a mentor should be a role-model, somebody that you look up to, who's experience and business journey inspires and motivates you.

- Consider complete strangers. If none of the people in your network seem like a good fit, then perhaps identify leaders in your industry that you respect. Find out as much as you can about your potential mentor and try to reach out to them. Over time, if they seem receptive, you can bring up the idea of a more formal mentoring relationship with more specific parameters and goals.
- Consider someone in a similar line of business. Not your direct competition, but someone in a similar line of business can make a very effective mentor.
- Tap into your industry. Look to your suppliers, and even relevant trade publications for recommendations.

Alon Sachs is Mentorship Chair of the Entrepreneur's Organisation (EO) in Cape Town, and co-founder of Mobelli Furniture + Living. Visit: www.eonetwork.org





#### MENTOR VS BUSINESS COACH **VS ADVISOR**

A good MENTOR is someone who offers their knowledge, expertise and advice to those with less experience. Since they have faced the same challenges as their mentees, they are more empathetic towards their needs and challenges.

A BUSINESS COACH focuses on specific skills or development goals by breaking them into concrete tasks to be completed within a specified period of time. A good business coach focuses on identifying goals, prioritising them, or identifying challenges and choosing the right path to overcome them. In doing so, business coaches help businesses become more accountable, goal-driven and competitive. They follow a more formal, structured approach to resolve issues, which may include sales targets, marketing strategies, communication skills, team building, leadership, etc.

An ADVISOR OR CONSULTANT'S role is more formal, and they can be hired for either a long-term or short term project. They are usually experts in their field, called for their professional or technical advice or opinion. They can be used to understand your specific problem and provide a solution. Advisors offer value through giving feedback about specific questions.

## The realities of entrepreneurship

DIVYA VASANT and LISA MGCOTYELWA are determined to share the hard truths and the real stories with young women entering the journey of entrepreneurship.

"The pressure to present 'made it' stories are doing us a disservice", says Vasant and Mgcotyelwa, the founders of AMAZI, a social enterprise founded to progress the economic inclusion of women. "Existing for women entrepreneurs is a fight. There's nothing glamorous about it."

These ladies are determined to share the reality of what they've gone through to establish their organisation, and how for this founding team of young, black women, a lot of their experience has been traumatic.

Says Mgcotyelwa: "We're constantly fighting our internal self-doubt, insecurities, feelings of inadequacy. We're confronting the bias our society has about us not being credible, and we face this every day with banks, insurance companies, landlords, suppliers, service providers who either don't offer us any opportunity to work with them or make the way they price their offering so unaffordable we're excluded anyway".

"To us, entrepreneurship is a way of being. It's an energy, a relationship with your gut, a resilience from being a survivor, a respect for the cycles of creation, destruction and re-creation and most importantly, a spirit that has allowed us to not only survive the last few months, but birth our new Virtual Knowledge Hub, our new Incubation opportunity for women."

In spirit of this past Global Entrepreneurship month, Vasant and Mgcotyelwa shares some practical insights and tools they've learnt along their journey to help young women with the realities of entrepreneurship:

#### Passion does not mean viability

When we are asked why we want to start our business or create a product, we often start our answer with "I am passionate about...". Your passion is important, but it's not enough to make your idea viable.

A viable business solves a real problem faced by the market it wants to serve. Vasant and Mgcotyelwa suggests that when you phrase your business idea as the solution to the problem you are solving, you take an important first step in an ongoing conversation with your market to understand the problems they face. If you aren't clear on the problem you are solving, put together a survey that asks a few simple questions that you can circulate to your circle and use that feedback to articulate "the problem" and "your solution".

"We are led to believe 'Write a business plan, apply for financing, hire a team, rent some space and get going'.



"We're constantly fighting our internal self-doubt, insecurities, feelings of inadequacy. We're confronting the bias our society has about us not being credible."

- LISA MGCOTYELWA, COO, AMAZI.

AMAZI started with none of these things. We started with conversation, in particular, a conversation with the market of women we wanted to design solutions for. We asked questions to get a better sense of the problem's women faced so we could better design solutions that met these problems".

#### Pricing isn't about fancy finance

If you have an idea for a product or a service, thinking about how to price it is daunting. For many of us, the word "price" brings up long formulae and complex financial concepts that most of us feel out of our depth to figure out.

Vasant summarises that pricing "is the combination of a conversation with your customer market to understand how much they are willing to pay for what you want to offer, and with your suppliers to understand how much it would cost to put together the things you need to take that offering to your market. It's also a conversation that you can't just have once. You have to keep getting this feedback so that you know the range you need to consider pricing at".

#### Your earning needs to be incorporated into your costing

Divya reflects that "one of the biggest mistakes we have made, and we see so many women entering entrepreneurship making, is not including the cost of your personal survival in your costing exercise leading up to setting your price". Most of us know to research the costs from suppliers, service providers and landlords to get a sense of the total cost of creating the product or service we want to offer but, in this initial exercise, we often forget to include our own earnings.

When we don't include how much we need to earn to survive in this cost breakdown. We set a price that covers the operating costs of producing this product or delivering this service without taking into account that we are key to that operation. So from day 1, we struggle to earn from the thing we create. The AMAZI team urges us to "include in your original costing breakdown, what you need to earn to survive so that when you look at setting your pricing, you create the space for you to at least survive".



"The pressure to present stories of 'making it' does a disservice to the very real fight women, especially black women, take up when we set up businesses in a country and an economy that does not know how to include us." - DIVYA VASANT, CEO, AMAZI.

Scenario planning is your viability framework Scenario planning forces you to identify the "levers" that make your idea viable and then play around with them to see how it changes viability. Costs, capacity, price - if you start changing these for different scenarios, you start getting an idea of what is doable and what isn't.

The AMAZI team believes that "it's a great compass to measure progress. If you know what happens when your costs increase beyond a certain point and how that affects your viability, or what happens when your pricing drops too low, you can use these guidelines to navigate what you can and cannot afford to offer customers and to pay to suppliers". It becomes an important decision-making framework to keep drawing yourself back to, especially when you have so many things to think about and decision fatigue sets in. You need to take a moment, remember how everything connects, think bigger-picture and then look at how to decide your next steps.

# Snap-on to this great opportunity





Invest in a brand that has now been in existence for 100 years, and renowned for delivering personalised, professional service - right at the customer's place of work.

Snap-on Incorporated is a leading global innovator, manufacturer and marketer of tools, diagnostic and equipment solutions for professional tool users. Since 1920, when Snap-on first developed the interchangeable socket wrench, the name "Snap-on" has been recognised as the leader in providing the finest quality tools and equipment for the professional technician. Snap-on first entered the international arena in 1931 and today has a presence in over 130 countries around the globe.

During this time, Snap-on pioneered and perfected the idea of direct sales to technicians, right at their place of business, while providing credit programmes so they could purchase the tools that would build their business. The company still does that today, and as a leading marketer of tool and equipment solutions, Snap-on provides aspiring business owners with an opportunity to partner with a financially strong company with an outstanding reputation for quality, service and innovation.

If you are seriously considering an investment in a business, give yourself the benefit of starting with an established industry leader, and join the over 4500 dealers worldwide that represent the Snap-on brand of high-quality merchandise.



#### What's on offer

Snap-on dealers are offered the opportunity to purchase high-quality tools manufactured and distributed by Snap-on at a discount from suggested retail prices, and to re-sell those products at recommended prices. Dealers call on their customers each week within an allocated territory, which include a wide variety of businesses such as auto dealerships, independent repair shops, auto-electricians, body shops and others. Dealers need to have a suitable van (approved by Snap-on Africa) with the Snap-on designed tool display area to encourage impulse buying. This "Showroom on wheels" also allows you to take products right to your customer's place of business and deliver that personalised, professional service associated with the Snap-on brand. A successful Snap-on dealership requires hard work, planning and the development of personal relationships with customers. As a Snap-on dealer, you will enjoy a professional and respected position in the tool industry with good income potential.

#### Support to succeed

One of the most important steps in getting a new business off to a good start is training. After a rigorous week in the classroom learning the basics of the business, new dealers will be assigned a Sales Development Manager (SDM) and a Diagnostic Sales Developer (DSD). The SDM or DSD accompanies dealers on their route for an initial period of two to three weeks, to assist with training in the day-to-day aspects of the business. During this in-territory training period the SDM or DSD covers sales training, product knowledge, van display, credit programme management, policies and procedures and record keeping.

The good news is that the training doesn't stop there; the SDM &/or DSD continue with ongoing support, holding regular Field Group Meetings to discuss all

aspects of the business: including new initiatives. promotional programmes, and developing product knowledge.

#### Getting the word out

Snap-on spends thousands of Rands each year to promote Snap-on products and the Snap-on brand through sales and marketing campaigns. However, unlike many companies that charge their dealers an additional fee for advertising, Snap-on provides advertising and promotions as part of its service. Some of the promotional arenas that the Snap-on marketing department is involved in includes media and trade publications, sales contests and promotions, promotional products, weekly promotions backed up by electronic marketing material and printed summaries of items on promotion once a month. These are all designed to help dealers grow their business; with Head Office realising that their own success as a company depends on the success of its dealers.

A strategically planned DEMO VAN programme exists currently, and is available to participating Dealers to show case other Snap-on product to their customers that they wouldn't ordinarily have available in their own stock holding.

Dealers have the opportunity to invite their customers to regular seminars to learn from experts in the field of diagnostics and to expose their customers to the latest range of Snap-on diagnostic and similar equipment.

The investment cost of a Snap-on dealership depends on one's circumstances and there are a few options available. However, the minimum amount of cash available to invest must be no less than R150 000. Applicants must also have their own panel vans.

A Sales Development Manager (SDM) will explain costs, panel van preferences,

and options available at an initial meeting.

Buying a business is a serious undertaking and a decision that must not be rushed. That is why Snap-on makes no excuses for having a lengthy application programme that not only includes a number of meetings, but also a minimum of three days spent with existing dealers in their territories. With many unique features that sets it apart from other opportunities on the market (including being an established company with a comprehensive product line, on-going training and assistance, financing and credit assistance programmes), a Snap-on mobile dealership is well worth investigating.

#### What type of person is a Snap-on Dealership suited to?

Like all owner-operated businesses, it requires a highly motivated individual to make a success of this opportunity, and although a person who is technically savvy and has sales experience could be better suited to this business, this is by no means a pre-requisite. Support in the form of a family member to assist with the everyday running of the business, and perhaps the book-keeping and reporting side would also be an advantage.

#### What expansion opportunities are available?

The owner of a successfully run Snap-on dealership can apply for a second territory. This is quite common in other countries where the dealership is well established. It is not uncommon for the original business owner to have invested in a second territory for a family member or sibling. This option would need to be considered very carefully and in collaboration and with final approval by Snap-on management.

Contact the Business Manager on 031 569 7637





It's human nature to like social endorsements. Brands are no different and certainly, there is a degree of social capital which is derived from social endorsements. However, what many brands fail to understand is that measuring metrics that make them look good has little meaningful value. Ultimately, a metric that does not drive real and tangible value for the business is pointless.

#### It's not the size that counts

Despite the fact that many brand managers push for growth in their social media audiences, all too often audience size is a vanity metric which does not serve to grow the business. And even though many marketers obsess around the number of engagements or likes they receive for a social media post, the reality is that engagements and likes don't typically translate into sales.

On the other hand, metrics that have a business objective behind them are more likely to move the needle. The aim of any social media strategy should always be to move consumers through the sales funnel. As such, every piece of content posted on social media channels needs to drive a business objective which is measurable. While brand awareness is the first priority,

there is a fine balance required in order to engage with a well-qualified audience with relevant content as opposed to posting irrelevant content to an unqualified audience.

#### Speak to the right people, with the right message, at the right time

In our experience, using a 'spray and pray' strategy to target a niche product to a large audience, for example, is a waste of time and effort and a sign of lazy marketing. On the other hand, speaking to the right people, with the right message, at the right time, tends to be significantly more effective.

The popular narrative that social media is, well, social and that brands should use it as such, misses the point that savvy consumers see through content that adds no value. Brands that post 'Monday motivations', for example, fail to understand that every single piece of social media content needs to drive a particular message with an underlying associated business objective.

This value must work both ways serving both the business and the consumer, either to solve a problem or encourage relevant engagement. If a social media post does not have an objective, don't put it out.

In our experience, using a 'spray and pray' strategy to target a niche product to a large audience, for example, is a waste of time and effort and a sign of lazy marketing.

Consider, for example, a competition run on social media. While the competition may well succeed at generating excitement around the brand, as a strategy to build a quality audience it's likely to be less effective as most people will only be engaging in the hope of winning a prize. A poorly curated audience is, to all intents and purposes, an irrelevant audience.

A brand post on social media clearly states that the message is sponsored. It's therefore imperative that the post is brave and clearly communicates a useful and relevant message. A generic stock picture with no copy or call to action serves no purpose. It's important to remember that people don't hate advertising they just don't like irrelevant ads or those they find annoying.

From a data perspective brands need to use the available data to inform their social media strategy. Play around with creative, copy and targeted audiences to see what elicits the best outcome and which message results in the highest conversions.

Use the data to drive effective business decisions. When it comes to social media there is no need to put out generic content, to use a spray and pray approach or for wastage. In fact, there is a great deal you can do with a very small budget on social media.

There is no question that social media platforms deliver an array of rich data and that brands should be taking advantage of this data. Critically, however, it's important not to be led astray by vanity metrics and instead to focus on metrics that really matter and that drive the business forward.

Leandri Janse Van Vuuren is MD of Social Media 101

#### Smashing the stereotypes

This diverse population and a rapidly evolving digital media landscape where everything is laid bare for scrutiny, makes it important for brands to tread carefully. By using cultural intelligence, brands should connect with diverse, as well as marginalised and underrepresented groups, on a personal level.

Cheryl Reddy, Managing Partner and Africa Lead for Eclipse Communications, offers these steps to ensure inclusivity:

#### Know your audience

Diversity and inclusion won't apply to every brand. Look at available data to understand representation that can be documented such as gender, race, etc. Then, go one step further by involving team members and focus groups to better understand demographics and characteristics to ensure the brand speaks to the right people.

#### • Test your diversity messaging with consumers

Before spending millions of rands on a campaign, brands should test the waters to ensure their messaging resonates with the consumers they target. This can be done through focus groups or market research.

#### • Work with diverse agencies

A diverse creative team will most often put forward ideas that understand varied consumer audiences and how they are expected to react. If you use an agency, work with one that is diverse in its people as well as diverse in its thinking.

#### • Give back to community organisations

Brands should drive home their values by supporting organisations that enrich and support the communities that their customers live in or care about.

#### • Create an inclusive environment

While team diversity is key, so are the environments they operate in. People should feel respected and have the freedom to share ideas and know that their input will be considered.

# Trends to optimise your digital platforms



#### Brand reinvention in the age of digital disruption...

The shifting media landscape and greater amount of time consumers are spending online are forcing brands to take action on how to better use and optimise their digital platforms.

There are several ways for brands to increase visibility, attract and retain clients, and improve online ranking against competitors. This is especially important today as increasingly more websites and social media platforms are transformed into e-commerce sites.

#### Own your space

Owned media is a cost-effective way to build relationships with existing and potential clients. When supported by strong search engine optimisation (SEO) and paid media strategies, owned media can ensure higher visibility of content, broader reach, greater lead generation and enhanced competitor differentiation.

#### Looks to match

Websites are the window into brands' online presence, and according to WebFX, investing time and effort in either building a website or redeveloping one to meet business objectives is essential to success.

- 94% of first impressions relate to a brand's website design.
- 75% of website credibility comes from design.
- 89% of consumers shop with a competitor after a poor user experience.
- 74% of users are more likely to return to mobile-friendly websites.

Good websites improve conversation rates, primarily

through calls-to-action and landing pages. They also increase site traffic and decrease bounce rates. The key to successfully building or redesigning a website's homepage lies in simplicity.

In addition to using targeted keywords, today's SEO algorithms judge the quality and relevance of content as key drivers for "top of search" placement.

#### Top SEO trends for 2021

A strong SEO strategy is critical for driving and increasing website exposure and capitalising on emerging trends. While it is important to be aware of all search engines, to win big, brands need to play by the rules of the most used search engine, Google.

Here are some of the SEO trends that need to be on brands' radars in 2021:

#### ✓ Understanding BERT

Artificial Intelligence (AI), deep learning and machine learning have advanced search engine capabilities and Google's Bidirectional Encoder Representations from Transformers (BERT) is transforming how search engines work, compelling brands to focus more strongly on quality and relevance of content as opposed to merely keywords to get noticed.

#### Getting to grips with featured snippets

Using bite-sized summaries of articles that appear at the top of a search, Google provides quick answers or summaries with a content snippet from a relevant website. These featured snippets are most likely to show up when a user's search is in the form of a question.



Achieving a featured snippet involves directly answering users' questions within the first 55 to 70 words of an article. While there are no guarantees, getting this right can enable Google to use a direct quote to appear in the form of a snippet.

#### Speaking the right language

Voice search capabilities have enjoyed a surge in popularity as mobile device technologies evolve and users turn to their devices for information on-the-go. As such, SEOs need to optimise search results for how users speak and not only how they type. Keywords are no longer enough. SEOs need to include long-tail questions that users may ask.

#### Mobile SEO first

Earlier this year, Google announced its switch to mobilefirst indexing for all websites, commencing in September 2020. This means Google will now analyse a website's mobile content to determine its ranking across all device types, whereas in the past this was indexed according to how content rendered on desktop devices alone.



SEOs now need to consider how a website's mobile content reads, appears and renders on mobile platforms before focusing on desktop renderings.

#### The role of video

Forrester Research reports that video is 50 times more likely to show up on the first page of a search page as opposed to a site consisting of content solely made up of static text and images.

Although not always a guarantee of landing the top spot, creating embedded videos that support existing content can drive an increase in organic traffic from search engine results pages (SERPs).

#### Top SEM trends for 2021

Search Engine Marketing (SEM) is key to expanding website exposure and increasing visibility for brands. While trends such as voice search and video advertising are making headlines in SEM strategy, Digital Excellence outlines additional trends that digital marketers need to consider:

#### Al and automation driving PPC

Pay-per-click (PPC) automation using AI and machine learning will assist in automating labour-intensive tasks associated with ads on various search engine platforms.

#### ✓ SEO and SEM joint usage

In the competitive landscape, SEO and SEM are the perfect pair. The data collected from paid campaigns can inform SEO on the most effective keywords to help boost organic rankings, while organic SEO can identify keywords worth bidding for.

#### Responsive ads

Expected to be increasingly relevant as they develop and become even more intuitive, responsive ads will save both time and money that would otherwise be used to test ad copy on search engine ads.

#### CRO now a must rather than a maybe

Conversion rate optimisation (CRO) is a no-brainer in today's digital landscape. CRO should address and fix any leaks in the conversion funnel, thereby converting maximum traffic from search engines and promoting better ROI from search engine ads.



Shamesh Padayachy is Head of Design at Eclipse Communications.

Is it time to jack up your website?

A website redesign isn't always something that a business or organisation wants to do, but often is a matter of necessity.

Believe it or not, your customers decide whether they trust your company within 15 seconds of visiting your website.

If your company has an old and outdated website, the site is slow or not optimised for mobile, some people will question whether they want to do business with you.

#### Staying up to date with technology

So, how often should you redesign your website? This depends on a number of different factors. Ideally, you should do a full redesign of your website every two years to stay up-to-date.

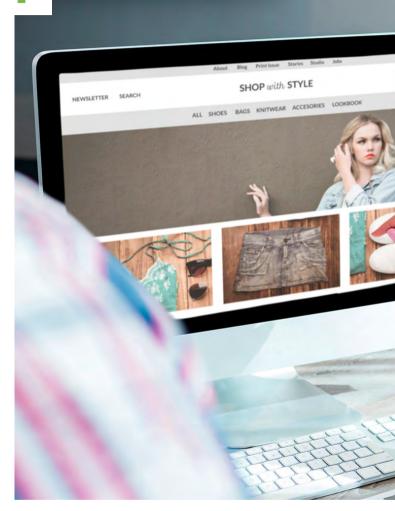
This comes from a perspective that waiting any longer could mean your competitors getting a leg up on web design features you don't have. With web technology changing on a constant basis and new web design techniques being implemented seemingly every month, you may have to redesign even sooner to keep your site looking fresh.

However, if your website is not performing in terms of traffic and conversions (sales, bookings, enquiries, etc.) it is time to re-evaluate and make some updates in order to capture your user's attention and turn them into customers.

#### Why do I need to redesign my website?

#### The need to solve a problem

For some organisations, that may be a decline in business or a drop in visibility in search results. For others, it may be a more dramatic event like a website being hacked or not working properly.



#### Poor user-experience

When your audience views your site, you want them to easily move about your pages to find what they are looking for. You don't want them to struggle to find the necessary information they need and have a hard time making a purchase or an enquiry.

Using tools such as Google Analytics or Hotjar, you can check to see how customers are reacting to the current design you have. Are they leaving in a hurry and creating tremendous bounce rates on your site? Do those visitors visit the important pages you want them to see?



This lack of conversion of visitors into paying customers is probably due to your layout not being compelling enough to entice anyone to stick around.

#### • Cosmetic - your site's look and feel

Investing in the look of your website is like renovating your home before putting it up for sale. If the bathroom or kitchen hasn't seen fresh paint or new fixtures in a few decades, they are likely to steer buyers away. In the same way, if a site looks super outdated, it's likely to steer prospective buyers away from it. It also gives a poor impression of your business.

#### • Your website is not optimised for mobile

In this day and age, mobile-friendliness is crucial. Users are constantly conducting searches on their smartphones and tablets. Statistics have shown that more than 60% of searches are done using mobile devices. If you want to attract users to your website and remain on it, we would highly recommend investing in responsive design and making sure your website is built to display quickly and correctly to mobile users.

#### • Your site is too slow

More than ever people want things instantly - this means users hate to wait for slow-loading pages. They want to access information quickly and easily. If your page takes too long to load, your leads may wind up on your competitor's site instead of yours.

From coding to the visual elements, there are different aspects of your site that can cause it to slow down. A website redesign can give you that fresh start your website needs to run faster, using the latest and coolest technologies that render lightning fast websites.

Keen to do a quick site speed test? Try out PageSpeed Insights and GT Metrix.

#### So, what's the verdict?

Your website is meant to bring you business, whether that be online sales, booking confirmations, enquiries, etc. It is also meant to create a sense of credibility and professionalism for your business. If your website is not doing this, it's time to determine why and make necessary changes. Many businesses (ours included) redesign their websites regularly, not only to stay upto-date by adding new features and content, but also to stay ahead of the competition.

The web is constantly evolving and adapting, and if you're not moving to adjust with it, you're bound to be left behind. Your website is a living story about your brand. It's essential to make sure it's telling the right one.

Angelo Zanetti is the Managing Director of Elemental Web Solutions, a web development and digital marketing agency. Visit www.elemental.co.za



in the 'new normal'



The coaching industry, like many other industries, is noticing shifting themes as part of their roles. MEL TOMLINSON shares some of these new trends her and other coaches are experiencing.

Few industries have gone untouched this year - some have received a step-up, whilst others have been less fortunate. Not least of these more fortunate ones is the coaching industry, which has been rapidly growing over the past 15 years in South Africa.

A large percentage of life and business coaches were already operating from home-based offices or using their client's premises. Using platforms such as Skype or Zoom has also been familiar, if not the modus operandi, for many professional coaches for many years. As with many other industries, this way of working was simply fast-tracked and has now become more entrenched, or as we now say, the 'new normal'.

Of more interest is observing the new trends and themes that have become part of the solution that coaches are expected to offer to clients.

#### Changing challenges

Karen McKenzie, a coach in the Midlands, has found that many young executives have moved into this farming community with their families, commuting to Johannesburg and Durban only when absolutely necessary. This offers a wonderful coaching opportunity, as the idyllic farm-style life combined with commuting can take its toll as families need to adjust and 'fine-tune' to develop a healthy balance.

In the major cities, working from home has now become a reality and no longer feels like playing schoolschool. The novelty of baking cookies as part of a math lesson has worn off, with the reality of this new level of multitasking and the associated conveniences and inconveniences becoming evident.

A coaching client working for a major bank has reported that people's personas have changed during this period - introverts are showing up as extroverts and vice versa, leaving team members confused and unsure of relationships within their teams.

Many companies, having shed employees, are facing a shortage of the right people in the right places, meaning that those who are fortunate enough to still have a job are expected to pick up the slack and put in the extra

hours. Burnout has become the next trending ailment and a direct result of the working hours now expected. The drive to work and back, albeit often a slow and frustrating one, gave people an opportunity to think about the day ahead, mentally prepare for meetings or catch up on the latest news, whilst the return trip was partially an opportunity to process and digest the day, debrief with close friends or wind down to some good music. No-more. Now it is ZOOM-ZOOM, on-all-thetime, a quick Whatsapp becomes a whole conversation and a special request to reply to an email may result in a late-night stint.

#### New roles and solutions

Coaches are now being called on to assist with fatigue, setting boundaries, dealing with separation anxiety and a new and very different level of addressing and dealing with in-house politics. They have also been required to step in and train teams to use virtual platforms productively. Hands-on leaders are having to adjust to being hands-off, and literally having to trust team members far more than before. Expectations have had to be re-contracted and clarified. Is it okay to attend a meeting in pyjamas, with no make-up and having a bad hair day? What if the dog won't stop barking or the baby starts screaming? How to we deal with embarrassing situations, where someone forgot to mute and then exposed everyone to a domestic moment of rather disturbing proportions?

"The biggest area of concern, currently highlighted by some of the coaches I approached, was the breakdown in communication in teams and the resulting demise of trust within organisations. The quick check-in with one's manager, the early morning cup of tea and catch up, or a quick brainstorming session is not easily replaceable online. Besides having to deal with the mere shift to online, a variety of new challenges, some we have not even identified yet, including new mental illnesses and anxiety disorders, have begun showing up," says Tomlinson.

The power in coaching is that it allows the coachee to feel seen, heard and accepted, as they understand that this is a confidential and safe space to vent, share and

"The biggest area of concern, currently highlighted by some of the coaches I approached, was the breakdown in communication in teams and the resulting demise of trust within organisations."

most importantly, seek solutions. Teams too can, with the guidance of a coach, work intimately through trust and communication challenges. Tomlinson is guided by the work of Brene Brown's trust acronym:

BRAVING: Boundaries - Reliability - Accountability -Vault - Integrity - Non-judgement - Generosity.

For Tomlinson, this means unpacking and rebuilding trust in a practical and effective way with a team of 15 line managers, via bi-monthly ZOOM sessions. This can all be made accessible and is far more affordable than pre-COVID methods. Using breakaway rooms can be an especially safe and effective way to create space for vulnerable and authentic engagement in small groups or pairs.

Leaders right now are seeking new ways to lead, and coaching may just offer them the opportunity to discover their own, best solutions. Coaches are available, affordable, flexible and are able to address niche areas, depending on their personal interest, expertise and own work experience. Some companies opt for a variety of coaches, from which employees can choose, or work intimately with one or two trusted coaches.

Coaching is about offering choices, providing a sound board and opening people up to the possibilities they may not be seeing.

Mel Tomlinson is a COMENSA registered business and consciousness coach, and CEO of Performance Booster a licenced, personal development programme run for businesses.



## How engaged are your people?

As entrepreneurs start to think about what comes next, higher productivity and profitability are very much on the agenda. One of the keys to achieving this goal is to boost employee engagement.

Employee engagement matters as much for smaller businesses as for large organisations. It's not to be confused with concepts such as 'employee satisfaction' or workplace happiness. Your people can be happy or satisfied - without being truly engaged.

Employee engagement goes further: it is about how emotionally invested your colleagues are in the business, its goals, and their role in it. An engaged employee will put their heart into helping the business, their colleagues and their customers succeed.

#### A competitive edge, and an increased bottom line

Gallup has a global database which analyses the engagement and performance of 35 million employees worldwide. The company's research shows that productivity amongst highly engaged teams is 14% higher than that of teams with the lowest engagement. Further studies find that companies with strong employee engagement scores generate revenue growth at a rate 2.5 times higher than those with lower scores.

These figures highlight just how much of a competitive advantage you could gain by outperforming when it comes to employee engagement.

So, how do you build engagement as a small business? Viresh Harduth (Vice President, Small Business, Sage Africa & Middle East) offers a few ideas:

#### Prioritise employees' wellbeing

Caring is a two-way street. Showing employees that you care about their growth and happiness will help boost their motivation and engagement. Whether it's offering them access to a psychologist in these difficult times, hosting company yoga sessions and fun runs, providing them with paid training (even if it's via a voucher from Udemy), or simply remembering their birthday, these gestures can energise your team.



#### Offer appropriate rewards and incentives

If you want your employees to go the extra mile, offering the right rewards and incentives is key. In a tough economy, where many small businesses are barely hanging on, the incentives can't always take the form of a big financial reward. However, you can reward people who go the extra mile in a range of other ways:

- A thank you note and a chocolate bar
- Public recognition
- A bonus day of leave
- Access to the prime parking space for a month
- A shopping voucher for R100 or R200
- The opportunity to work on a particularly interesting project

#### Give them a voice

Employees will feel more engaged when they feel like their voice is heard. They will feel more committed when they have a say in planning and goals. Colleagues like to be asked for feedback, whether in a formal process like their performance review or an informal chat. Of course, you can't ask your team for their opinions on every decision - but knowing that you're listening to their ideas, suggestions and concerns drives better engagement.

#### Provide them with the right tools

If people have access to easy-to-use software, technology and tools that makes their lives easier, they can focus on the enriching parts of their job rather than on fighting processes and technology.

#### Not just a gimmick

Employee engagement is not just a tool - it is the desired result. An engaged employee is a productive employee who impacts the bottom line. If they have a reason to care, they have a reason to contribute. When companies work together with their employees, they unlock the organisation's full potential.

#### Using incentives to drive sales

If sales are the engine of your business. sales incentives are the high-octane fuel needed to drive performance. This is an ever-popular, tried-and-true tool used to energise sales teams to sell more by qualifiving for and winning great prizes.

Incentive is a noun that describes an object or experience that can be earned by meeting certain criteria. "The mechanic is quite simply being rewarded for hitting specific targets," says Claire Storm, Co-founder and Director for Airshot, an innovative digital toolkit that boosts communication and collaboration across business value chains.

With years of experience in the incentives industry, Claire believes that a structured approach to incentives and plenty of internal buy-in is required to get the revenue results you want from your employees. She suggests considering these fundamental rules for your next incentive:

#### Transparency fuels internal competition

Don't hide the results in a secret vault! The announcement of the winners should never be a huge shock or surprise. Using regular leaderboards, the results will drive the desired behaviour change and ensure that your sales force keeps working towards the win! Transparency also opens you up for healthy internal competition where your sales teams will begin to rally each other - 'I don't need to win, as long as I beat Bob' - giving you an unstoppable team that is fully engaged with the goal.

#### Performance PLUS Participation

When you are drawing up the mechanics of the competition, include measurements based on performance as well as participation. Performance is the integer that defines success so be clear on your goals up front whether its growth percentage, number of sales or profit improvement. The more focused your revenue goal, the easier it is for your sales team to understand and achieve it.

Participation is just as important. Be sure the goal is clearly communicated and mention it over and over in a way that drives two-way engagement.



Make it compulsory to respond to surveys, submit photographs, re-arrange an office or store front. This is not about making unnecessary work, it will encourage buy-in and put your sales team into a positive headspace that says: "Game on!".

#### Target GROWTH across the board

Incentives must always create growth. Although the criteria and mechanics may well be constructed into more user-friendly objectives, the end result of everyone's efforts must always equal growth. Your end game is to shift the behaviour and performance of every single player - not just the top five performers who are likely to win anyway.

#### The size of the prize

Great prizes rock, but they can also be so polarising. Weirdly, even a big-ticket prize can be off putting if it doesn't hit the right note with your audience! There is huge merit in creating smaller, more frequent rewards. These can equal the playing field and ensure a higher level of active participation. Plus it gives you an to opportunity to create incentives within an incentive in order to push the 'bottom' players along.

"Incentives that work focus on clearly defined goals that change behaviour to drive sales growth. Starting with the end in mind will put your sales people in the driver seat and help you fuel record performance," Claire concludes.

## Unpacking payroll myths

#### Five misconceptions about payroll tax deductions.

Not everything you hear about tax is true. There are many myths and misconceptions about payroll tax in South Africa that simply won't go away. Yolandi Esterhuizen, registered tax practitioner & Compliance Manager at Sage Africa & Middle East, unpacks some of these 'myths' and what the tax and labour laws actually say.

#### **MYTH 1:**

#### Salary is taxed differently to overtime or commission

No matter whether your employer calls what it pays you a salary, overtime or commission, it is taxed at the same rate on the payroll according to the standard PAYE tax tables. There will be a different code on the tax certificate to let SARS know what the payment is for, but there are certainly not different tax rates for different types of remuneration.

Allowances such as your travel allowance are also taxed at the same rate. However, only a portion of the allowance may be included in the tax calculation, depending on what the allowance is for. For example, either 20% or 80% of a travel allowance is included in the tax calculation on the payroll, depending on how much business travel you do.

Some payments, such as a retrenchment package, might not be taxed on the payroll because there is a once-off R500 000 lifetime exemption for lumpsum payments in respect of retrenchment, retirement or death. The employer must apply for a directive from SARS to determine whether you have used the exemption before.

#### **MYTH 2:**

#### Bonuses do not get taxed

If you are one of the lucky few to get an end-of-year bonus this year, it is taxed at the same rate as other remuneration. To determine the rate at which you should be taxed on the payroll and calculate tax for the year, the bonus will be added to your annual salary.

This will determine the amount of tax you should pay for the full tax year.

From there, it can subtract your usual annual PAYE deductions, based on remuneration received on a monthly basis, from the total to determine how much tax you should pay on your bonus and your PAYE for the month.



Sometimes the bonus can nudge you into a higher tax bracket, and that portion of your income will be taxed at a higher rate. Bear in mind these calculations would usually be done automatically by your employer's payroll software.

#### **MYTH 3:**

#### The employer must pay out all leave due

According to section 40 of the Basic Conditions of Employment Act (BCEA), each employee working an eight-hour day and a five-day week is entitled to 21 consecutive days of paid annual leave. Leave which



accrued to the employee under this entitlement, but was not taken, must be paid out to the employee on termination. However, the BCEA does not regulate what should happen with annual leave that exceeds the minimum specified in the Act.

If you accrue more than 15 working days in a year, your employer does not have to pay the excess leave days when you leave the organisation. Your employer may, however, specify in your employment contract that the additional days will be paid out if you leave without using them. You may also not sell days of your minimum leave to your employer. In other words, work your leave days to get paid more money. You may only sell leave exceeding the 15 days of minimum leave as per the BCEA.

#### **MYTH 4:**

#### A travel allowance (company or private vehicle) is treated the same

A travel allowance is provided to the employee to cover business travel expenses. In practice, the allowance is generally provided to an employee making use of their own private vehicle, but there is no requirement that it must be owned by the employee. The employee will be allowed a tax deduction against the travel allowance for the costs of business travel.

However, if a travel allowance is provided for an employer-provided vehicle (company car), no deduction will be allowed on assessment. It should be reflected on the payroll as a taxable allowance rather than a travel allowance. A deduction for business travel will be allowed against the use of motor vehicle fringe benefit, on which the employee was taxed on a monthly basis.

#### **MYTH 5:**

#### An employee petrol card is taxed differently to a travel allowance

If the employee makes use of a company-owned petrol or garage card, in respect of a private vehicle, then the tax treatment on the payroll is exactly the same as when the employee would receive a travel allowance. The only difference is that the allowance and the taxable amount may vary by month.





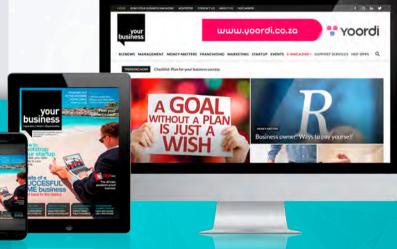
www.bizmag.co.za

Inspiration | Advice | Opportunities

NEED YOUR DAILY FIX OF SMALL BUSINESS NEWS?

#### Visit www.bizmag.co.za for:

- 1. Latest events and hot-off-the-press industry news
- 2. Latest business and franchise opportunities
- 3. Extra insight, advice, inspiration and tips for your biz!



Market your products, service or opportunity across our dynamic digital platforms.

PR PACKAGES • BANNER ADS • PREMIUM LISTINGS • NEWSLETTERS • E-MAGAZINE

#### WRITE IN, TWEET, OR EMAIL US

Got some great advice for your fellow 'treps? Want to share your start-up story? Get in touch...

Email: editorial@bizmag.co.za

#### **FIND US ON:**



@YourBusinessMag

yourbusinessmag

in Your Business Magazine