

# your business

Inspiration | Advice | Opportunities

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## MARKETING TIPS FROM THE PRO'S

+ SAFEGUARD  
YOUR ONLINE  
REPUTATION

## How to:

- Use service bots
- Engage with Gen Z
- Navigate uncertainty
- Avoid brand hijacking

## Mochachos

MEXICAN CHICKEN FIESTA



Ola Amigos! The Mexican Chicken Fiesta is rapidly expanding nationally!  
Franchisee applications are now accepted

Smart lead  
generation  
*Here's how!*

Gain the  
competitive  
advantage

TECH AND TOOLS  
UNLOCK OPPORTUNITIES  
+ RETAIN YOUR TOP TALENT

Craft your  
customer  
experience  
DNA

Invest in a  
food franchise  
- turn your passion  
into profit

THE CHANGING  
FACE OF RETAIL  
OMNICHANNEL  
TRENDS & SHIFTS

LEADERSHIP:  
HOW'S YOUR EQ?  
THE ESSENTIAL  
WORKPLACE SKILL

UNDERSTANDING  
THE METAVERSE  
BRANDS EXPLORE  
THE POSSIBILITIES

THE FRANCHISE  
RELATIONSHIP  
WHAT IT MEANS  
TO SAY "I DO"



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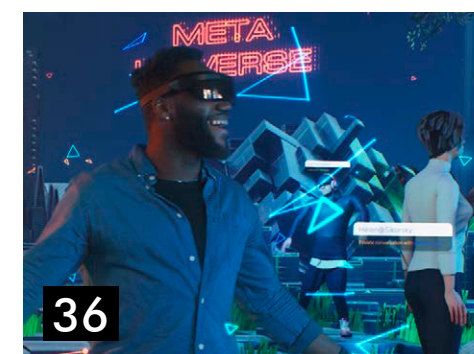
### BizNews & Insight

**6** South Africa's forthcoming Rapid Payments Programme  
Good news for merchants and consumers.

**8** Navigating contradictions  
Opposing shifts are happening simultaneously in an unprecedented and never-before-seen way.

**9** How to avoid brand hijacking  
With the news that Amazon online shopping will be available to South Africans in February 2023, local SMEs should not wait to take action.

**10** Rent or buy?  
This is a question that many business owners will face at some point with regards to their business premises.



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**12** On the cover: MOCHACHOS is rapidly expanding to meet the continuously growing consumer demand for the brand. Join the Mexican chicken fiesta!

### Franchising

**16** Tucking into the food sector  
According to the Franchise Association of South Africa, fast food and restaurant franchises make up 26% of all franchise systems in the country - by far the largest.

**18** What it means to say 'I do'  
Finding the 'happily ever after' means franchisor and franchisee working together towards a common goal.

**20** Going through the phases  
A look at the common franchisor response phases - findings from the franchisees' perspective...

### Management & Strategy

**24** Gain the competitive edge  
It takes strategy and a variety of business services, tools and products to keep up with an evolving market and unlock opportunities.

**30** What's your CX DNA?  
Most companies compete with others in terms of product price or features. But your Customer Experience DNA can truly set you apart.

**34** The future of omnichannel  
The face of retail is evolving, with many retailers realising that simply having an online and physical presence is not enough.

**35** Meet your new best friend  
The next generation of service bots.

**36** The metaverse emerges slowly  
South Africans are dipping their toes into the waters of the 'metaverse', the vast array of virtual worlds accessed by VR headsets.

**38** The bigger picture  
By using the 5C's, teams or individuals can help pave the way for clarity, delegation and strategic decision-making.





35

## Marketing

### 60 Successful lead generation

Strategies to boost your online visibility, gather qualified and interested prospects, and turn them into customers.

### 61 Safeguard your reputation

Brands today have more opportunities for direct engagement than ever before. But it also means that errors no longer go unnoticed.

### 62 Gen Z is your future customer

Here's how to engage with them, now.

### 64 Tips from the trenches

All businesses are in the game of marketing. It's what keeps sales going and money flowing. A marketing manager and an entrepreneur tell us how they do it.

## Legal

### 66 Takeover regulations

What are they, and when do they apply to your company?

### 68 Joint Ventures for SMEs

JVs offer great opportunities for small businesses and enterprises to grow by combining assets or intellectual capital with others to achieve specific goals. Here's how to enter a JV.

## Cybersecurity

### 70 The risk of permission creep

Employees can collect a range of access rights throughout their tenure. And it's one of the hidden cybersecurity risks for organisations today.



60

## People Management

### 40 How to retain your top talent

According to studies, a high-performing employee can deliver up to 400% more work than other employees.

### 43 The shift for working women

Even before the pandemic, women were on the backfoot - gender diversity was not yet nearly where it should be.

### 44 Package negotiations in tough times

As salary and incentive negotiation season nears in light of the prevailing climate, employers may be looking for alternative ways of investing in their people.

### 46 What's your EQ?

TalentSmart tested Emotional Intelligence alongside other workplace skills, and found that it is the strongest predictor of performance and a critical one for both teams and leaders.

## Inspiration

### 48 If they can, so can you!

We continue our series of ordinary entrepreneurs and business owners that are operating successfully in these extraordinary, anything-but-normal and stressful times.

### 52 Ladies doing it for themselves

Winners of the Firstwatch Entrepreneurs Challenge look back on their journey and share their advice.

## Entrepreneurship

### 56 Start-up basics

Common questions asked by young and first-time entrepreneurs...



24

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## South Africa's forthcoming Rapid Payments Programme (RPP) - good news for merchants and consumers



**The highly anticipated modernisation of the country's inter-banking payment system will not only boost financial inclusion, but will also make it much easier, and cheaper for consumers to pay both merchants and fellow consumers, whilst boosting e-commerce sales.**

This is an industry-wide collaboration intended to create a simpler, safer and cheaper instant payment environment for all South Africans. "In simple terms, it will give people the ability to make real-time payments using simple identifiers, like mobile numbers or e-mail addresses, to make transacting almost instantaneous," says Andrew Springate, CEO of tech and financial gateway service provider PAYM8.

The project is in the implementation stage and barring unforeseen circumstances should be launched into pilot later this year. It supports the South African Reserve Bank's (SARB) digital transformation journey and will enable users of the system to request payment from other users digitally in a simple and cost-effective way.

In South Africa, current estimates suggest that 53% of all point of sale purchases are still made in cash, while in the informal economy a staggering 89% of transactions are cash-based. Not only is RPP good news for underbanked consumers who still rely on cash as their primary payment method, it also modernises the

industry by creating new and exciting opportunities for merchants, SMEs, and e-commerce players alike. Similar systems have been piloted and launched elsewhere across the globe with massive success. The benefits are numerous and include stimulating economies by replacing cash usage, improving overall security all whilst providing a service as quick as cash.

Here at home, arguably the biggest advantage of RPP is that it will provide a truly low-cost digital payment system for consumers. It has the potential to free South Africans from high transaction fees, waiting in long bank queues at month-end, and waiting days to receive payments. RPP will also make paying debt easier with opportunities for instant instalment payments and payment arrangements via a mobile phone number. The more options consumers have at their disposal, the healthier the entire payments ecosystem becomes for all players.

RPP will hopefully bridge several major gaps among South Africa's diverse population, including the rural/urban divide. Ensuring unbanked or underbanked consumers are financially included will increase competition amongst financial services providers which is critical for consumers who will for the first time enjoy affordable access to convenient payment mechanisms.

## SMEs increasingly tapping into cross-border opportunities

Data from Mastercard's 2022 Borderless Payments Report has revealed two in five (42%) of small and medium-sized businesses (SMEs) in South Africa are earning more money than before the pandemic. Online business and international sales are key drivers, with three-quarters (77%) recording above-global-average growth in online sales, while 76% are planning to do more business internationally going forward.

The research, which covered over 3 000 small businesses from around the world, highlighted that 75% of SMEs had to make changes to their business model to survive the pandemic – 79% in South Africa – whilst 75% in the country believe it has changed how they will do business forever. The pandemic has accelerated digital transformation to tap into cross-border opportunities, with over half (51%) saying they now do more business internationally.

Almost seven in ten (68%) respondents credit cross-border payments with enabling their business to grow, making it clear that cross-border payments will be a key focus for business growth in South Africa, and therefore economic recovery, moving forward. 58% said they are now making and receiving more cross-border payments than they were prior to the pandemic.

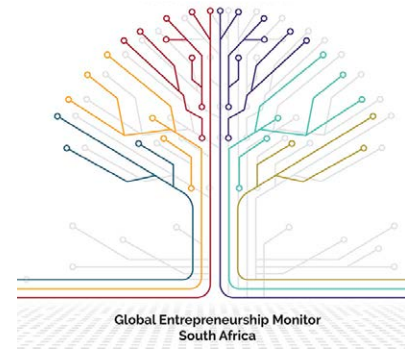
In fact, over two-thirds (69%) say the pandemic has allowed them to source more competitive quotes from suppliers across borders and 46% say using international suppliers reduces risk.

## SA's early-stage entrepreneurs are growing into established businesses, according to GEM SA.

South Africa is one of the toughest countries in the world to be an entrepreneur, but the latest Global Entrepreneurship Monitor South Africa (GEM SA) report found that while South Africa's supportive environment for entrepreneurship is rated lower than global averages, there are positive signals in increased early-stage entrepreneurial activity, rising to 17.5% in 2021, up from 10.8% in 2019. Those owning or managing an established business, in operation for at least 3.5 years, were at 5.2%, up from 3.5%.

Although South Africa ranked 45th out of 50 countries in the GEM National Entrepreneurial Context Index, a measure of the favourability of the environment for entrepreneurship and new business creation, GEM SA lead author Angus Bowmaker-Falconer, a research fellow at Stellenbosch Business School, said the uptick in the established business rate was particularly encouraging.

"Having survived the startup phase, these businesses would now have a real possibility of contributing to the country's economy. It means more early-stage entrepreneurs made it to the established business stage between 2019 and 2021 despite the constraints on business due to Covid-19, and if these rates can continue this upward path, it should lead to a greater depth of established businesses in South Africa."



"Given the generally high failure rate of startups, the overall positive entrepreneurial activity in 2021 is to be welcomed. South Africans' attitudes to entrepreneurship have continued on an upward trend since 2003, with more than 80% viewing entrepreneurship as a good career choice (up from 69.4% in 2017) and one with high status (up from 74.9%). These are higher than the GEM global averages and the rates in other developing economies."

However, the report also mentions mixed signals around the confidence of entrepreneurs, fear of failure, business exits, and adoption of digital technology. "This tells us that there is still much to be done to strengthen the enabling environment and ease of doing business so that we can truly unlock the potential of entrepreneurs to contribute to growth and job creation."

*The GEM SA 2021/2022 report was published by Stellenbosch Business School in partnership with the Global Entrepreneurship Monitor (GEM) and the Small Enterprise Development Agency (Seda). Download the full report [here](#).*



# Navigating uncertainty and contradictions

At the moment, the news seems to be full of contradictions. On the one hand, inflation is at a record-high after skyrocketing to 7.4% in June - the highest it has been since May 2009. This has been accompanied by higher prices bringing consumers to their knees. On the other, supply chain repair in many sectors is providing surpluses which are starting to cause sweeping discounts at retail level.



Both of these opposing shifts are happening simultaneously in an unprecedented and never-before-seen way. “Those industry segments that are being hit are being hit hard, whilst others are seeing unplanned growth,” says Zane van Rooyen, Product Marketing Manager Skynamo.

Referring to the Skynamo Industry Thermometer, which benchmarks industry sales activity across 27 sectors, van Rooyen says that for the most part, local small businesses are holding their own against the current pressures. “Those operating in apparel, beauty and cosmetics, as well as pharmaceuticals recorded sales growth in June this year, which may largely be due to seasonal consumer requirements and the fact that long-awaited items are available again.”

He points out that a slowdown has taken place in segments like accessories; automotive; beer, wine and spirits; homeware and services. “This is to be expected as the first things consumers cut when feeling under pressure are self-care and luxuries.”

However, van Rooyen shares that, as a whole, all industry segments monitored by the Thermometer seem to be making steady progress compared to their respective data over the past 30 months, but these results could have been better. “The first two months of 2022 started with huge promise as our data showed vast improvements to order volumes across the board.”

“That unfortunately, didn’t last long due to the ramifications of supply disruptions which resulted in cautious buying trends similar to those experienced during the pandemic,” he adds. “This uncertainty and risk of over capitalising in an unknown market showed up across all industries with order values dropping while order numbers increased; a sure sign of cautious buying behaviours.”

With this in mind, he shares four learnings these companies should consider during uncertainty:

► **Plan ahead:** Business owners should keep their fingers on the pulse regarding current affairs that can impact their businesses. This way, they can put contingency plans in place and ensure that the business is prepared for any unexpected hurdles.

► **Diversify supply chains:** Examine your own supplier base for potential vulnerabilities and identify similar companies with products you already rely on. A diversified supply base will help reduce the risk of disruptions to your own customers.

► **Save for a rainy day:** Do a basic financial analysis on your business to find out where costs can be saved and put what you can into an emergency savings fund. This will assist with any decreases in sales and price increases that may impact the business.

► **Implement tech:** This can help business owners to use the data at hand and the extra time afforded by automating sales processes to focus on making informed decisions that are clearly showing results.

“It is true that no-one said this year’s recovery after Covid would be easy,” he notes. “But with so many factors at play globally at the moment, there just is no telling how each week is going to present itself.”

“When it comes to uncertain times, it is important to tap into your entrepreneurial instincts, go back to basics and put the learnings of the last two years into action,” he concludes.

By Zane van Rooyen, Product Marketing Manager at field sales management CRM and mobile ordering app, Skynamo.



## How to avoid brand hijacking

Amazon listing hijacking happens when an unauthorised seller lists a counterfeit version of your product on the platform. These counterfeit products are usually cheap versions of the actual products your brand produces and sells.



With news out that Amazon online shopping will be available to South Africans in February 2023, local SMEs should not wait to take action. Doing so could risk their brands and their intellectual property, as opportunistic resellers look to take advantage.

“While this offers local brands a huge opportunity, many marketing leaders will be understandably nervous of unscrupulous resellers taking advantage of all their hard work,” explains Tim van der Bilt, founder and CEO of global marketplace specialist, *Incubeta Maze-One*.

Looking at what companies can do to mitigate the risk of bad actors selling counterfeit or similar versions of their products, van der Bilt shares practical actions to take as soon as the local service goes live – and before:

### 1. Stake your claim or risk losing brand control

The first and most urgent action is to *claim your brand*. If you haven’t claimed your brand, you can’t register to trade and you are not able to stop others from misusing your intellectual property. And, if you think that this is an unlikely scenario, Amazon shared that they had stopped 4 million bad actors from fraudulently using brands in 2021 alone. So, even if you don’t want to sell on Amazon, or simply want to bide your time before beginning, at least you know your brand and your IP is protected.

### 2. Get the legwork done upfront

There are a good few steps involved in setting up a seller account as well as a fair amount of documentation that needs to be completed. Once you have gone through the legwork, companies can control all elements of their

brand, including the titles, the descriptions, images and video etc, of their branded products. This means resellers are only able to compete for the prices at which they sell those products.

“Brands must understand that they can’t control who sells products on Amazon. What’s more, the platform is designed to drive prices down. While brands can get frustrated by that, they have to accept that this is a worldwide supply network and you can’t control that. However, you can control your brand and how it is experienced – just as you would across every other physical and digital channel. You either get in early and control your brand, or you could be in a world of pain a few months down the line,” van der Bilt says.

### 3. Check your pricing models to inform your strategy

Although not available just yet, local brands will soon be able to check how profitable it will be to use the global network by checking out the *FBA fee calculator*, although van der Bilt believes the logistics and last-mile delivery in South Africa may make it a little more expensive for local sellers than the more mature markets which have robust postal services.

### 4. Amazon’s not the only game in town

This is also an opportunity to explore a broader marketplace strategy. “The niched vertical marketplaces are very strong and should be included as part of your bigger marketplace strategy. No matter where your customers find themselves they should have the same brand experience, whether on Amazon, Zalando or ASOS. Brands must also control the prices on each platform. Just as a brand would have a branding and pricing strategy across all supermarkets, they need to take ownership of their global marketplace strategies as well,” he says.

### 5. It’s not nearly as painful as you might think

“If you want to sell your products and distribute globally, don’t feel overwhelmed and keep calm. Our work with enterprise clients around the world has shown us the efficacy of Amazon. With the right content strategy, including quality images, product descriptions and all the rich media associated with your product, you can easily take advantage of the biggest digital marketplace in the world,” he concludes.



## Rent or buy?

This is a question that many business owners will face at some point. The decision will depend on several factors including the life stage of your business, your plans, your financial stability and property cycle.

"It may be useful to ask the following questions first," advises Andiswa Bata, co-head of SME at FNB.

- Do you need a strategic location?
- What are you currently paying in rent? Would you be saving by buying the property (mindful that your current monthly rental cost may include certain items which you would have to pay for if you owned the building yourself – for example, municipal rates or even insurance to cater eventualities like a roof leak)?
- Renting means you are constrained in terms of renovations that could be done to make the premises more fit for your business purpose. If you owned the property, would you then have the opportunity to develop a space that delivers greater profitability?
- Do you need all that space initially? Could there be an opportunity for you to become a landlord to other entrepreneurs and rent out spare space that you don't need immediately?
- Do you need a tax cushion? Some property expenses including interest on loan repayments are tax deductible.

"Answering these basic questions gives you a great starting point before you begin evaluating the choice between renting and buying," says Malusi Mthuli, KZN Provincial Head at FNB Commercial Property Finance. He unpacks some of the major considerations to include:

### ► Upfront costs

While buying a business premise will carry higher upfront costs, the benefit is that your business will own a long-term asset. Remember that you will most likely need to finance the purchase, which will impact the profitability of your business and could impact on your ability to invest in new projects or equipment. If you choose to rent, on the other hand, the upfront costs are lower but you are ultimately paying someone else's bond. You may choose to rent if your business is just starting out, so that you can keep costs low while you build up your capital. However, if the difference between the rental cost and the potential loan repayment is minimal, you may consider buying and incurring the upfront costs. Capital growth of the property will likely exceed the upfront costs and strengthen your balance sheet over time.

### ► Ongoing costs

Remember that not all properties are equal. If you are buying a business premise, you need to evaluate the potential costs of maintenance and refurbishment. It may be worthwhile to view the property with an eye to suitability for generators and/or solar panels as a source of alternative energy.

### ► Is the property the right size?

If you are still establishing your business or have major growth plans, it may be premature to buy a property now. You don't want to invest in buying a business premises only to have your business outgrow it within a few years. "In such instances, it may be more prudent to rent so that you are able to relocate quickly if you need to," Bata says. On the other hand, you can find business premises with potential for further development. For the sake of business continuity, buying a property ensures that your business will not be disrupted by unnecessary relocations due to lease expiry or its profitability eroded by exorbitant rental increases.

### ► Location, location, location

If the property you are considering is on what you think is a winning business location, you may prefer to buy so that you can be assured that you are not going to lose it due to unaffordable rent escalation or because the landlord wants to use the property for something else.

Talk to qualified property valuers about property values in the area. If the commercial area is booming, purchasing the business premise may pay off in the long-term while also helping you avoid pricey rental escalations.

"Finally, you could compromise by asking the landlord to include a purchase option in your rental agreement. This means you will have first option to buy the property if the landlord ever chooses to sell. However, be sure to specify an option price or range and circumstances under which you could exercise your option to buy," Bata concludes.



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# Join the Mexican chicken franchise fiesta!

**MOCHACHOS** is rapidly expanding across South Africa to meet the continuously growing consumer demand for the brand.

## A growing appetite for the sought-after Mochachos experience

Since Mochachos initially opened its first store in 1994 and for over 27 years, the brand has enjoyed the patronage of South Africans nationally from all demographic and socio-economic sectors.

The consumer demand for the Mochachos dining experience is fast-growing and expanding exponentially. This in turn bodes well for the availability of widespread commercial opportunity for the opening of numerous Mochachos franchised businesses nationwide.

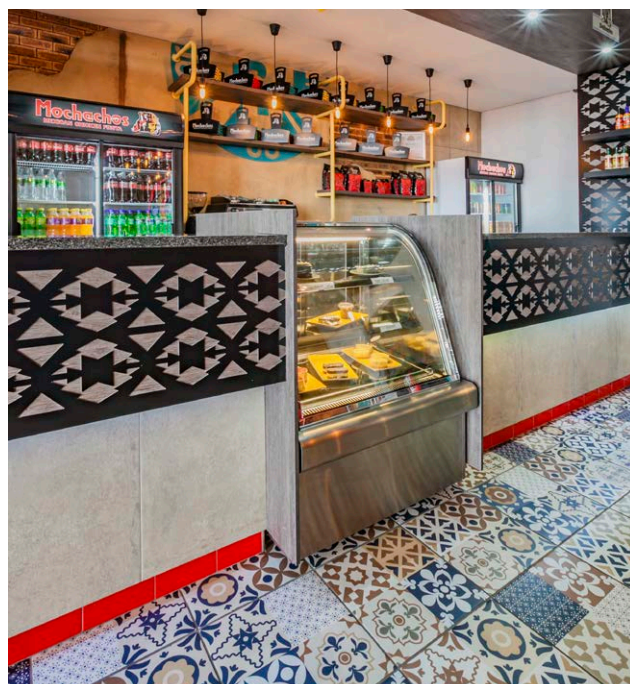
The constant and continuous landlord request for a Mochachos franchised store has equipped the franchisor with outstanding premium grade sites in first-rate shopping centres. These premises will be awarded to approved individuals that display a sense of ambition and are keen to “learn the Mochachos ropes”. The brand’s professional tutors and chefs are ready to train and ensure the success of each new store!

The expedient continued growth does indeed bring vast opportunity for further ambitious steps towards increasing the Mochachos “brand recognition”. By definition “brand recognition” is the extent to which the general public is able to identify a Brand by its attributes. The Mochachos logo is strongly associated with a brand having the attributes of healthy, freshly prepared, bigger portions and flavoursome meals. It is these commendable attributes that the franchisor intends to further exploit with a viewpoint to further increase its already substantial market share.

## A unique and flavourful dining experience

Mochachos’ unique meal offering is a major differential factor which has enabled it to stand out from its competitors – the Mexican flavour, spice and healthy grilled chicken and Mexican recipes offer a delectable feast for any discerning palate.

Mochachos is well-known for its beef and chicken



burgers with favourite embellishments together with a splash of its special tangy Mochachos whip. An alternate option is its spicy succulent Mexican style, flame-grilled chicken with the heat gauge ranging from lemon and herb, to mild, medium, hot or dynamite. All this is enjoyed with the famous Mochachos spicy chips.

Specialised chefs prepare mouth-watering Mexican meals such as fajitas, that consist of soft tortilla wrapping with a choice of filling, sautéed onion & green pepper, accompanied with grated cheddar cheese, sour cream, salsa and guacamole on order. The Mexican choice is extensive consisting of inter alia, burrito, chimichanga or the Nacho Crunch Gourmet burger.

The FAMILIA FIESTA caters for families, while the not-so-hungry eaters enjoy the hearty ensaladas (salads) and plato ligero (starters) – a taste selection for ALL occasions.

With over 27 years’ experience, the franchisor has come to understand that its customers do not *only* want a meal; but a dining experience.

Diners enter a world of vibrant colour, ambience and unique design. An energetic, lively and flamboyant atmosphere and experience welcome their patrons and their families at all its newly opened Mochachos stores. Guests are greeted and embraced by enthralling décor with the lighting, music and colours setting the tone and the mood for a superb dining experience. The mesmerising style combined with a welcoming convivial staff complement awaits every customer. Everyone is spellbound by the sumptuous, healthy, zesty, flavoursome and spicy Mochachos meals, freshly prepared on order. The most discerning diner will not be disappointed!

Mochachos’ unique meal offering is a major differential factor which has enabled it to stand out from its competitors – the Mexican flavour, spice and healthy grilled chicken and Mexican recipes offer a delectable feast for any discerning palate.

## What makes Mochachos so popular?

All meals are freshly prepared upon order with a choice of spices ranging from lemon and herb, mildly spiced to medium, hot, very hot and the ultimate dynamite (which speaks for itself).

The healthy Bambino meals appease the appetites of all the little folks while they frolic and leap in an atmosphere of welcoming warmth and fun.

A high level of brand recognition is not an easy feat in a competitive market such as South Africa. The franchisors’ 27 years in existence, its tenacity and devotion has presented it with a brand to be proud of.

Mochachos management, since inception, has been driven towards continuous improvement to ensure the sustainability and steady growth of the brand with a view to continually increase market share and repeatedly increase brand awareness. The franchisor is steadfast in maintaining its company’s competitive edge by incessantly adopting and engineering evolved strategies and practices that will continue to serve the changing consumer preferences and expectations.



### What are the main criteria to become a franchisee?

Each application will be evaluated individually, however the basic criteria are as follows:

- Previous food business experience is beneficial; but not compulsory.
- Owners must be available to operate the franchised business themselves.
- An understanding of how franchising works.
- Available capital to set up the business.
- A positive attitude and good peoples' skills.
- Systems and procedures orientated.
- Excellent communication skills.

### Strong associations and proud brands

Mochachos is a proud member of SANHA (South African Halal Association) and FASA (the Franchise Association of South Africa).

Other brand options that fall under the franchisor's umbrella:

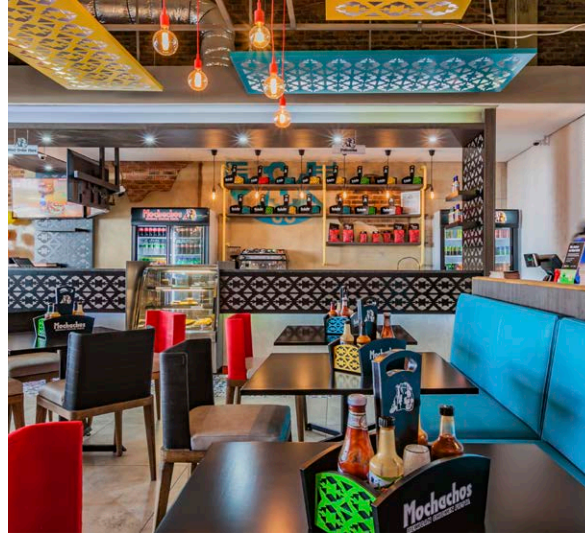
- **Skipper's Fish and Chips:** The Skippers brand tantalises the taste buds of the seafood lovers. It specialises in fish and chips prepared the traditional British way, together with "newsprint" packaging. Additional dishes include prawns and calamari.
- **Max Frango's:** South African Cuisine launching soon.
- **Café Bacini's:** This upmarket Italian coffee shop/bakery serves light meals, exotic coffees and ice creams, as well as pastas and village-style pizzas prepared in a wood-burning oven.

More than one brand may be accommodated in one franchised store thus creating a multi-brand store.

The franchisor's passion and love for the brand will always drive it to reach boundless heights!

For further information regarding the Mochachos commercial opportunity you may express your interest via:

- Information Request Form: [www.mochachos.com/franchise-information-request/](http://www.mochachos.com/franchise-information-request/)
- Website: [www.mochachos.com](http://www.mochachos.com)
- Email: [info@mochachos.com](mailto:info@mochachos.com)
- Or contact the franchisor at: 011 450 2145



### What do I get when I purchase a Mochachos Franchise?

Once you have been approved as a franchisee, signed the Franchise Agreement and have paid the franchise joining fee, Mochachos will provide you with the following:

- Assistance with the conclusion of a lease agreement with the landlord.
- Mandate the architectural design and the specification development of the new store.
- In the event that you require additional funding, Mochachos is approved by the major financial institutions and will assist you with your application.
- Before you open your restaurant, you are required to attend and complete the Mochachos training program. Practical, hands-on training is conducted in a company certified training store and theoretical training is done at Head office. The franchisor provides step-by-step assistance and ongoing support for the whole duration of your franchise experience.
- Complete assistance by Operations Staff with the opening of the franchised business.
- The Operations Staff will advise on and assist with the recruitment and selection of staff, and provide general assistance and guidance to you in the running of your store.
- The use of a Mochachos Operations Manual which contains recipes, operating procedures, equipment and maintenance guidelines, record keeping systems and general reference materials for guidance in the proper manner of operating a Mochachos store.
- The right to use the Mochachos trademarks.

Ola Amigos! It's fiesta time!

# Mochachos

MEXICAN CHICKEN FIESTA



## FRANCHISE OPPORTUNITIES AVAILABLE NATIONWIDE TO APPROVED APPLICANTS

Bring a flavour of Mexico to your community and enjoy being part of this leading restaurant brand that offers healthy, fresh and flavoursome flame-grilled Mexican-style food – a true dining experience for everyone to enjoy!

Set-up cost From  
R1,950 million ex Vat

Mochachos offers you:

- A proven business model for over 27 years
- Full turnkey operation with established infrastructure, systems and controls
- Theoretical, practical and hands-on training
- Step-by-step guidance to ensure the success of each new store
- Ongoing support for the whole duration of your franchise experience



Mochachos is accepting applications for self-motivated, ambitious and business savvy people who are passionate about the hospitality industry and would like to join the group as an owner-operator.

Contact Mochachos: 011 450 2145, email: [info@mochachos.com](mailto:info@mochachos.com) OR complete their franchise information request form: [www.mochachos.com/franchise-information-request/](http://www.mochachos.com/franchise-information-request/)





# Tucking into the food sector

According to the Franchise Association of South Africa, fast food and restaurant franchises make up 26% of all franchise systems in the country - by far the largest.



The food franchise concept that attracts you can depend entirely upon the initial investment you're willing to make, the area you'd like your location to be, if you're into fast food or fine dining, or the current food trends. Perhaps you are drawn to Mexican food, fish 'n chips, a pub-style concept, or a food truck. Health, sustainability and responsible consumption are important factors for many consumers today, and you may want to focus on 'greener' concepts.

Regardless though of whether you are looking for the most popular franchise or a more niche offering, what is most certainly required is a passion for delivering great food and customer-service. The food sector is highly competitive. Consumers are spoilt for choice, and are quick to share both positive and negative experiences.

You need to be a hands-on owner, roll up your sleeves and be the master of your own business. As David Higgs, one of South Africa's most awarded and internationally acclaimed chefs says: "Absent owners are one of the most common reasons for restaurant failure. You can't expect an operation like a restaurant to work if you are not involved. You can lose consistency and money way too quickly."

If you want to taste success in the food franchise sector, you need to follow these four steps:

## Implement operational procedures

Well-established franchise concepts are tried, tested and proven business models. You need to fully understand and implement the franchise operational standards and procedures. These daily routines could range from product preparation to the management of staff or opening and closing procedures. These procedures are designed to help you reach optimal operational levels and ultimately generate profit.

## Recognise fluctuations

Most restaurants experience some form of seasonality or fluctuation in their trading throughout the year, which will influence your turnover either negatively or positively. Some of these seasonal periods are easy to predict and plan for appropriately. The obvious time periods to consider include school holidays, winter vs summer months, festive seasons, religious holidays and large events taking place in your area. Unfortunately, some things can't be planned for, such as a worldwide pandemic! But where possible, do the research needed to make sure you take unexpected fluctuations into consideration when compiling your annual planning. Included in your annual planning should be your seasonality cash flow forecasting.

## Ensure customer satisfaction

Great customer service plays an important role in securing return business, and good reviews will draw in new customers. People like to rate and discuss the service they receive on various online and social media platforms. Employing the right staff will contribute to the consistent delivery of great customer service. Training staff on how to appropriately respond to complaints is an important part of this.

## Understand margins and inventory control

Good stock control influences gross profit margins and can be improved by using the right software, by regulating stock take processes and doing interval audits. Be sure to investigate any anomalies and irregular fluctuations to determine the cause of food wastage. The higher your food costs, the lower your gross profit margin.

A healthy dose of determination and discipline, a dollop of dedication and desire, mixed with a good franchisor/franchisee relationship, can make for a winning recipe!

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# What it means to say 'I do'

**Buying a franchise can be compared to choosing a life-partner, and finding the 'happily ever after' means working together towards a common goal.**

“Choosing to become a franchisee is certainly not like falling for a short-lived crush or even a one-night stand. Like any long-term relationship, it may have a rocky start as both partners try to find their place in the union,” says Ricardo Maio, CEO of *Infinity Brands*.

## Finding Mr (or Mrs) Right

Just like franchisees want to find the perfect franchise to match their own skills and passions, the franchisor needs to assess franchisees for their fitness to run a business before embarking on a life-long journey of give and take. “I am regularly approached by a variety of potential franchisees and must sift through them to find the candidates that will make a perfect match. This is a difficult phase, because we look for someone who is a leader, a good salesperson and has exceptional operational skills. The challenge is that good leaders are often entrepreneurial mavericks. They can't help but clash with the need for them to align with the franchised business' rules and boundaries,” says Maio.

## Respect the boundaries

There are many important aspects that contribute to a perfect partnership. One of those aspects is setting boundaries right up front and sticking to them. Successful franchises are built on consistency. Customers learn to trust that consistency.



It is so important for all the franchisees to know the boundaries and respect them. Just a small example, a chicken franchisee who decides to buy his chicken at a different supplier may still be producing delicious chicken, but it won't taste the same – from a customer's perspective – as the chicken sold at the other franchises. It breaks the brand consistency and affects customer loyalty.

## Respect the individual, as well as the whole

The franchise owner needs to be respected as an individual by the franchisor, while the franchisee also needs to see the whole brand as one big picture that he or she fits into. In relationships and in business, this is where most of the challenges start. It's a fine balance to find individuality within a partnership. It is important for franchise owners to be strong enough to succeed on their own, but within the processes and policies of the bigger brand. It truly affects the greater whole if one goes rogue. A few years back, there was a fast-food outlet that took a major dip in revenue because one rogue franchisee decided to clean chickens in the public eye instead of following the brand's procedures.

## No one likes an overly needy partner

Another relevant comparison, especially in the business of franchising. The franchisor's role is to support, guide and consult. They are not meant to 'take the wheel'. In this relationship, the franchise owner should be the driver and the franchisor the co-pilot, giving directions to get to the desired destination: success. This definitely works both ways. It is incredibly crippling when franchisees expect too much from franchisors. It is just as crippling if the franchisor wants more than a franchisee can give. Both parties need to focus on

their roles and responsibilities so they can complement each other. The franchisee is in charge of the individual business, the franchisor must take care of the brand – the collective.

## Respect each other's opinions

As the two partners go about their own business, there will come a time when opinions clash. It's old advice, but still stands today: have an open-door policy. Respectful communication is key. See it as an opportunity to grow both sides of the partnership. It is so important for franchisees to remember that franchises are not a democracy – they are a business with a core leadership team. It is equally for franchisors to listen to franchisees who have picked up ways to improve business operations. Franchisees can't dictate and franchisors can't be rigid.

## Treat each other like equals

The franchisee must respect the whole and understand his or her role in the bigger picture. Similarly, franchisors need to understand that each franchise owner will be unique and will have different needs and wants. This truly is a fine balancing act of people who are, at best, vastly different. Franchise owners can't go off on a tangent. They will be going against a winning formula that has been proven to work. They need to take an internal view and see themselves as one cog in a finely tuned machine. Bucking the system can cause untold damage to the bigger picture. If each entity sees the other as different but equally important, the formula will thrive.

## Happily 'ever after'

In a nutshell, the franchise owner's vision is to grow a franchise into a successful business. The franchisee's vision is to keep the customer happy and the product consistent. They can find their 'happily ever after' if they understand the difference in vision and keep working towards a common goal.

By Ricardo Maio, CEO of *Infinity Brands*.



# 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.

For franchise information, please contact our Head Office and speak to Karin van der Walt. Tel: 011 467 4224, email: [info@brazenhead.co.za](mailto:info@brazenhead.co.za), or visit: [www.brazenhead.co.za](http://www.brazenhead.co.za)





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Authentic Irish Restaurant & Pub

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**All interested parties can reply to us by forwarding your contact details to [info@brazenhead.co.za](mailto:info@brazenhead.co.za) and we will be get back to you promptly.**





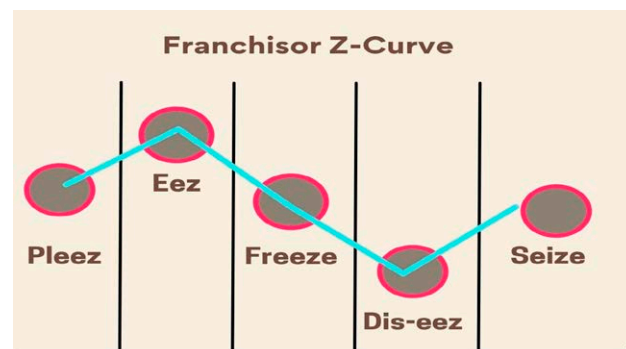


# Going through the phases

## A look at the common franchisor response phases - findings from the franchisees' perspective...

We often talk about the life cycle of a franchisee, starting from the franchisee being in the stage where they are initially euphoric, to becoming a rebellious teen, to finally maturing into an established and stable franchisee. As franchisors, we have been told how to optimally manage the franchisees through these changes, and that it all begins with managing the expectations of the fledgling incoming franchisee. However, the lifecycle of a franchisor has, for the most part, been ignored - leaving franchisors exposed to unanticipated challenges.

So, we decided to speak to franchisees about how they have experienced franchisors' behaviour through their own lifecycle, and we came up with some common findings. As can be expected (corresponding with Greg Nathan's Franchise Relationship Institute's: *The Franchise E-Factor*) most franchisors typically traverse an "Eez" curve, which looks something like this:



These phases are summarised below.

**PLEEEZ PHASE:** As a new franchisee signs up, the franchisor is ecstatic. This is similar to a parent with a newborn child. All the franchisor wants to do is please and shower them with attention. They respond immediately to everything the franchisee may need.

**EEZ PHASE:** The franchisee is now operating confidently and competently. The franchisor is relieved by the ease in which the franchisee has assimilated into the franchise system - a sense of relief that they are on their way. It allows the franchisor capacity to focus on other franchisees in the Pleeez or Dis-eez phase. The franchisor and franchisee are both in a similar space, feeling content with each other. They communicate informally, freely and connectedly.

**FREEZE PHASE:** As the franchisee becomes more entrenched in the operations and are familiar with the day-to-day running of the business, they can identify flaws in the prescribed format. These may be operational, procedural, financial, or less superficial value add, etc. These may not necessarily be a dig at the 'way things are done', but in some instances just stumbling on an easier or more efficient process. They naturally start questioning the franchisor on certain aspects of the business. The franchisor freezes as they feel vulnerable, threatened and defensive. The franchisor begins to withdraw from the franchisee on an emotional level and takes a far more formal approach in its interactions.

The franchisee starts feeling alienated and misunderstood.

**DIS-EEZ PHASE:** The franchisor has a growing feeling of anger with the franchisee (normally corresponding with the franchisee's stage of resistance). They wonder if this franchisee is good for the franchise system and are frustrated that when things go right for the franchisee, the franchisee feels it is thanks to their own efforts and when things go badly, they blame the franchisor for it. The franchisor will wonder if and how they can begin to rebuild things with these franchisees.

**SEIZE PHASE:** If the franchisor can rise above their own conflicting feelings and communicate effectively by applying skills such as conflict resolution, managing difficult conversations and acknowledging areas of opportunity, then both parties can start to develop a mutual purpose. They can begin to embrace each other's ideas and become more accepting and inclusive of each other. Here they feel a sense of mutual respect and seize the opportunity of being in this business together and commit to making this relationship work. Both parties operate interdependently, with a focus on a mature level of respect that allows for the recognition and appreciation of each other's flaws...for better or worse.

It is beneficial for both new franchisors and franchisees to be cognisant of these peaks and troughs, to normalise what to expect or validate what they may be currently experiencing. Seeing things from the other side gives another perspective. It also allows both parties to be aware of the cycles, allowing easier and more manageable transitions and ultimate mutual co-operation. Mutual co-operation provides the best momentum for the franchise business as a whole - it is the EEZiest route to success for all.



By Elana Koral, franchise consultant and coach with 25 years' experience. Visit: [www.franchisecoaches.co.za](http://www.franchisecoaches.co.za)

By Lindy Barbour, a franchise support consultant since 2001. Visit [www.franchisefirm.co.za](http://www.franchisefirm.co.za)



## The Ferrari of all pizza makers - Pizza Express "Delizia"

Pizza Maker At Home is offering entrepreneurs the opportunity to distribute their high speed pizza cooker that bakes perfect Italian style pizzas in just 5 minutes!



The stone base cooking surface reaches a temperature of over 400°C to ensure that the pizza base is baked in the authentic Italian style, while the top element ensures the pizza topping is crisp and ready to eat.

This economical, versatile and simple to operate pizza maker can bake all kinds of fresh or frozen pizzas and can also be used to bake and reheat pitta breads, naan bread, pastries and more. If you are looking to market a unique product that makes perfect pizzas for all to enjoy, contact Estelle today to find out more.

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# Start your new life

## Invest in an industry leader with a 3@1 Business Centre Franchise!

Since opening its' first store in Cape Town in 1999, the 3@1 Business Centre franchise group has grown into a leading Print, Courier and Photographic retail brand sporting 85 franchise stores across Southern Africa. With stores also operating in Namibia, Uganda, Zambia and Mauritius, expansion plans haven't stopped. 3@1 Business Centre franchise is now a member of the British Franchise Association as a UK Developer and is embarking on expanding into the UK and Ireland.

3@1 Business Centre Franchise Group offers a genuinely different proposition in a rapidly growing entrepreneurial market.

### What we offer our franchise partners

3@1 Business Centre franchise offers a full turnkey operation. Franchise partners enjoy the support of the Head Office team every step of the way; from support with site selection to securing the lease, then through the planning phase to store set-up, training and the eventual store opening. We provide excellent tools and know-how to develop our franchisees' businesses to deliver the highest profit possible. We equip our franchisees so that they can harness electronic media to the fullest extent and draw the right customer into their 3@1 shop.

### What you can offer your customers

Our 'user-friendly' service is very different from a simple print-to-go concern. We can genuinely copy, print and send 'anything, anywhere' and we promise professional and secure delivery of items to anywhere in the world.

As a franchise partner you can offer our myriad of 3@1 business communication services such as; DHL Express Easy Courier services, 3@1 counter to counter national courier services, Kodak Express services offering photo development, ID and Visa photos, collages, block mounting, photobooks and broad format print. Other services include laminating, binding, business registrations, tax submission services and image transfer solutions and more.

### Why choose a 3@1 Business Centre franchise?

Every day is different in a 3@1 Business Centre store and with the relentless growth in web commerce, we have never been busier!

By choosing a 3@1 Business Centre franchise, your business is almost certainly guaranteed continuity, because our business model incorporates our ever-evolving online platforms and communication technologies to assist and support our franchisees and customers in an easier, faster and economical way.

Besides serving customers through passing trade or nearby businesses, 3@1 Business Centres can promote their business services online to existing customers and reach out to new business prospects. Franchisees are regularly provided with marketing material to keep their online identity fresh and relevant in the marketplace.

### Are you ready to partner with us?

We are looking for motivated service-orientated people who understand the importance of effective on-site and external selling, and are good with people.

Business experience is not necessary. Our current franchisee partners come from a variety of backgrounds: former corporate managers, professionals, sales executives, graduates and even other franchises.

Attractive territory opportunities exist in all regions for enthusiastic entrepreneurs looking to move quickly to fully exploit our established business model.

Prospective franchise partners are encouraged to download an info pack at [www.3at1.co.za](http://www.3at1.co.za), email [enquiries@3at1.co.za](mailto:enquiries@3at1.co.za) or call 0861 359 834 for more information.



Belinda Dunn,  
3@1 Business  
Development Director

# SECURE YOUR FUTURE START YOUR OWN BUSINESS CENTRE

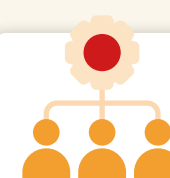
3@1 Business Centres are a one-stop retail franchise offering a range of business and communication services from digital print solutions, Kodak photographic printing, courier services, internet stations and other essential services for businesses and individuals.



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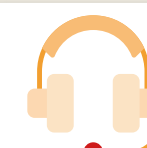
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negotiation  
assistance**



**In-store  
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**The Essential Retail Franchise**





# Gain the competitive edge

If it takes a village to raise a child, it certainly takes a variety of business services, tools and products to keep up with an evolving market, unlock opportunities and stay competitive.

## ■ Take advantage of tech solutions

SMEs that are adopting emerging technologies are seeing a noticeable transformation in productivity and efficiency, thanks to better access to new markets, slicker operations and reduced overall costs. While small businesses that are slow to digitally transform their operations are trying to keep capital expenditure low in the short term, those that are maturing into digitalisation are setting themselves up to be more resilient to ongoing changes in the marketplace, thereby future proofing their competitive advantage.

With the right technology vendors, technologies, and expertise, small businesses can accelerate their transformation efforts, to remain better prepared to navigate whatever lies ahead.

## ■ Enable employees with the right tools

Employee devices are more than just a means to an end. While SMEs should prioritise open discussions around device expectations with employees, employers ultimately also need to take into account other core functional features like mobility, security, reliability and connectivity. With hybrid working making its mark, a degree of freedom through end-user devices is vital. Employees are the face and voice behind the business and their productivity propels an organisation forward. In today's digital era, enabling employees to choose the technology they want to use is one of the most important ways of retaining talent. Indeed, a recent Gensler Workplace Study found that 76% of employees say that having a choice of technology would positively impact their performance, while 60% also said it would likely affect their job satisfaction. Attracting and retaining talent will ultimately give you the edge over your competition.

## ■ Increase agility and grab opportunities

Agility and adaptability indicate that a business is able to recognise and maximise on

opportunities. This is important. We all know that SMEs don't have the same resources as larger enterprises, so being flexible can often be the defining factor that ensures they keep pace with an ever-changing economic landscape and growing demand from consumers. Technologies like AI and fintech solutions can have the biggest and most positive impact on SME agility today. But it doesn't end there. Collaboration tools to enable remote working, automation, and analytics to help manage and make sense of customer and employee and data all have a place here.

## ■ Outsource where appropriate

The competitive advantages of outsourcing can be numerous, but this type of strategy has to be applied carefully. For example, in growth periods companies may find that they'd benefit from extra staff – but they can't afford the expense of hiring and supporting more full-time employees. This slows down momentum and limits growth. For SMEs in this scenario, outsourcing work could be more beneficial. It's more affordable than building an in-house team, and a great way to gain access to fresh talent and maintain growth while keeping the core of your team focused on internal tasks.

The key advantage of outsourcing is that it means SMEs can refocus and redirect themselves towards their top priority: being competitive. A business's core is its individuality – what it can offer over and above its rivals. In a competitive landscape, this can be easy to lose sight of, which is why it's important to remember that some things should not be outsourced. As a rule of thumb, anything which gives an SME its originality and values should remain in-house. Outsourcing should be assigned to back-office tasks that save time and allow businesses to focus on what makes them different.

Every business needs to maintain a competitive advantage to stay relevant and successful. A combination of accelerating technology transformation, using the right hardware, remaining flexible and open to change, and using the right partners to outsource, can make this a simple feat.

By Ronald Ravel, Director B2B at Dynabook South Africa.



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## Drive efficiency and save costs with digital signature solutions

During the Covid Pandemic, the world was forced to digitise at a rapid rate. Now, as some traditional work environments are being resurrected, it's far too late to put the digital genie back in the bottle. Small businesses have experienced the vast benefits of embracing a digital transformation strategy; especially enjoying cost savings, innovative solutions, and technology that drives efficiency.

With digital signatures, for example, businesses continue to reap the benefits – whether working from home or returning to the office. According to Carrie Peter, Managing Director of Impression Signatures, "Impression's digital signatures not only make the process of sending and signing documents convenient, legal, and safe – but offer immense convenience and efficiency benefits too."

With digital signatures, no paper needs to be printed, physical meetings are not required to secure contract signatures, travel time is eliminated, and productivity is heightened beyond measure. "The Covid lockdown taught the world the true

value of their time, and the efficiency benefits of working online. In the small business environment, the optimisation of time is one of the most important challenges to overcome for success," adds Peter.

Thanks to Impression's inclusive approach to digitisation, businesses of all sizes are empowered to innovate. "With predictable, affordable pricing models, Impression Signatures improve operation efficiency and reduce costs across industries," concludes Peter. "By picking technology solutions correctly, small businesses can leverage very technical solutions, leaning on advanced technical capabilities, that are usually reserved for large organisations."

Visit [www.impression-signatures.com](http://www.impression-signatures.com) or email: [info@impression.cloud](mailto:info@impression.cloud) for more information.



Carrie Peter



## Opportunity capital - the key to unlocking competitive advantage in retail

Savvy retail entrepreneurs look at working capital as a means to shift their business to the next level. It is this perspective that puts the 'opportunity' in opportunity capital, and that empowers retail merchants to remain competitive and relevant.

"We live in volatile times, with higher food and commodity prices, rising interest rates and changing consumer preferences, all challenging retailers to move fast," says Steven Heilbron, CEO of Capital Connect, part of the Connect Group. "Quick access to working capital is essential for retailers to respond to opportunities as they present themselves."

A well-known local example of responding to opportunity is Nando's, a global success story that started in 1987 when two young entrepreneurs ordered peri-peri chicken at a takeaway restaurant and instantly knew they had struck gold. Fernando Duarte and Robert Brozin bought the restaurant, renamed it and started building their empire. Today, there are 1 200 Nando's outlets in 30 different countries.

Fortunately for retailers, fintech disruptors, like Capital Connect, now make it easier than ever to turn an opportunity into a business or a new income stream with flexible, opportunity capital funding solutions that are quicker and easier to access than a traditional bank loan. These hassle-free business loans are tailored to the needs of an industry where even a one-day delay in the approval of a loan could spell the difference between seizing an opportunity or watching it slip through your fingers.

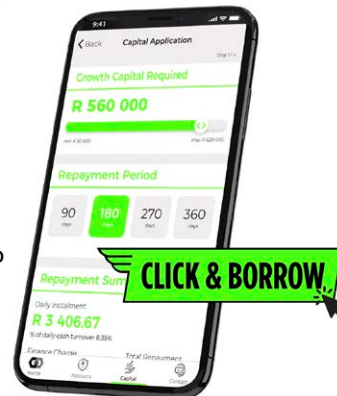
### ► Capitalise on opportunities:

Consider the example of a fuel station retailer, moving fast to secure a fuel consignment before an increase in the fuel price. Access to working capital to make the purchase could save the retailer tens of thousands of rands that could be redeployed into store renovations, promotions, or to cover overheads like salaries. For example, with the most recent fuel price hike in July, a loan of R700 000 to pay for a 95-petrol consignment pre-price hike, over a 90-day repayment period, but settled in the first 30 days, would deliver a profit of around R56 000 (after finance charges).



### ► Boost profits with bulk buys:

Another example might be a retailer that wants to prepare early for a major retail trading period like Easter, Black Friday or the festive season. Access to opportunity capital enables the retailer to negotiate bulk stock buys at discount rates, as well as to book premium advertising placements in advance.



### ► Diversify to leverage trends:

The Bureau of Market Research identified diversification as one of four retail growth strategies for 2022. Diversification entails branching out into new product ranges and service offerings based on customer research and feedback and requires continuous innovation. Retailers that remain stagnant in their offering are sure to lose market share when products become redundant and lose their appeal and relevance.

### ► Click & Borrow:

Opportunity capital differs from a traditional bank loan in that retailers can apply for a loan via an app without onerous requirements like forms filled out in triplicate or the submission of audited financial statements. They can get access to the capital they need in as little as 24 hours. Repayment terms are flexible. Some lenders even allow small daily instalments instead of the usual month-end deductions that can hurt the retailer's cash flow.

"Now is the time for retailers to innovate. And opportunity capital gives them the competitive advantage to out-think, outsmart and thrive. There is no need to miss out on a growth opportunity, thanks to fintech solutions that enable businesses to access the funds they need to expand their businesses," concludes Heilbron.



# Every retail HERO needs a Superpower

**Jaco Dos Santos** from Shell, Spar Express, Tops and Chippos Take-Aways

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Euphoria Telecom is a leading provider of an innovative, VoIP, cloud-based, cost-effective business telephone service that offers unprecedented control and automated operational efficiency.

Our business was formed to offer an affordable, efficient service to organisations of all sizes and types to enable them to be available to their customers, when and where they need them. This was our purpose when we launched in 2011, and it is our purpose today.

## ■ Reduce your monthly bill by 50%

Our solution boasts over 200 features, with more being added all the time. This combination of feature-set and a flexible, VoIP-based platform means we can save our customers up to 50% of their monthly bill.

## ■ Making your business phone solution simple and effective

Our PBX solutions for business and call centres offer a simple approach to managing communications across an increasingly decentralised and mobile workforce. Seamless integration and automation make it simple for businesses to gain insights into their telecommunications activity and get accurate, detailed reporting.

## ■ No contract, know rewards

We also believe that our service stands on its own merits - and we don't tie our customers into long-term contracts. Our first customer is still with us, on a month-to-month contract, 12 years later. We believe this is a testament to the strength of the platform, its usefulness and our service and support.

## ■ Manage your telephony effortlessly

Euphoria's groundbreaking Telephone Management System (TMS) was built in South Africa, for the South African marketplace and was designed to be resilient and reliable. Your teams can work onsite, remotely or on the road, whatever suits you best.



Euphoria's system is available on multiple devices, so you can make and receive landline calls on your mobile, your computer, or a VoIP handset. This makes the system ideal for use during load shedding because you can take your phone with you wherever you need to work. Interbranch calls are free, as are calls from Euphoria to Euphoria customers.

## ■ Seamless integration

Our solution integrates with Freshdesk, Zoho CRM, Zendesk or Microsoft Teams so you can access the full suite of telephone functionality plus the features that Freshdesk, Zoho, Zendesk or Teams offer, in one place.

## ■ The features and functionality you need, when you need them

We offer a range of functionality from basic extensions to call centre solutions. Our call centre seats give you unprecedented employee management features, which enable you to monitor time and attendance and productivity even for non-call centre staff.

And, we can arrange to bring your number with you if you need to move from another provider!

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# What's your CX DNA?

Ever wondered how certain brands manage to create a distinct and consistent experience about them, no matter where, when or how you interact with them?

Consider for example one of South Africa's large high-end retailers as a case in point. From the quality of their products, high levels of service delivery, consistent store layout and design, stock levels, the conduct and interaction with their employees – there is an absolute consistency in the customer experience. One that customers have come to expect as a trademark or 'signature' – whether they shop in Durban, Cape Town or Johannesburg, whether instore or online.

On the opposite side of the spectrum, we have retail brands that are poles apart in their offerings, despite being part of the same chain, and there is absolutely nothing consistent in what you experience from one store to the next.

So, what goes into creating this consistent customer experience? Is it investment in staff training, does it reflect a unique recruitment process? Is it the branding and packaging, the types of products or how customer service is delivered? Is it the selection of certain suppliers, on an exclusive basis and advanced supply chains and logistics? Is it a commitment to a certain sustainability ethos that permeates throughout the supply chain and product offering? Is it in their marketing messaging? The short answer is "yes" to all these things, but it's also more than that. It is what is referred to as Customer Experience (CX) DNA – an essence that is evident in every facet of the business.

When creating a unique customer experience, you need to understand and articulate exactly what it is that you want your customers to experience when they interact with your business. What do you want them to feel, think or even tell others?

Consumers are truly spoilt for choice, and most companies find themselves competing in terms of product price or features, so customer experience is key for truly differentiating your brand and making it more trusted and desired than others.

## Crafting your Customer Experience DNA

Customer experience essence is often used interchangeably with 'brand essence', but it's important to understand the distinction between them. Brand essence defines the spirit of the brand and is often encapsulated in the tagline or slogan. Examples of big brands' essence include:

Nike: "Innovation and Inspiration"

Apple: "Innovation, Difference and Simplicity"

Disney: Seeks to make the impossible, possible.

Brand essence therefore presents a definition of what it stands for – a consideration of the brand values and personality.

'Customer Experience Essence' defines a specific framework around the desired outcomes for customer engagement. It defines what customers should expect, the promises to customers that need to be delivered. It essentially directs **how** customers are thought about and how they are served. It is used as a framework for all employee behaviour for customer engagement.

## The benefits of developing your CX DNA

It's about weaving customer-centric thinking into all that you do. Just like DNA, it's about embedding the characteristics into the fabric of your company's existence. Think of a parent where every decision is made with your child at the heart of what you do – from what you eat, the school you choose, the furniture you buy, the vacation you choose, the car you drive, the restaurant you go to. In the same way, Customer-centric DNA means your customers are the context for every decision that you make about and for your business.

There are some significant benefits to investing in crafting your Customer Experience Essence:

- ▶ It defines the differentiated service delivery that sets you apart from competitors and is difficult to replicate.
- ▶ It unifies the approach to customer service across every facet of the business, from the front-end to the back-end. Everyone in the company understands the promises to customers, and buys into them.
- ▶ It directs customer service behaviour without having to describe what to do – employees are required to focus on achieving the desired customer experience.
- ▶ It becomes the yardstick for performance as it reflects on behaviour and customer experience.
- ▶ It is easy to build into your employee experience, including the recruitment and selection of talent.
- ▶ Onboarding new employees into the culture of the company, especially around how to interact and serve customers, is scalable.

The aim should be to build this CX Essence in the very fibre [DNA] of the culture of serving customers.

Most companies find themselves competing with others in terms of product price or features. But your Customer Experience DNA can truly set you apart from your competitors, as it is difficult to replicate.

## How to define it

The process to articulate your brand or company's CX essence can take many shapes, but it is recommended that cross-functional teams collaborate in the design process, preferably with smaller representative groups. The process normally starts with a few critical considerations:

- **COMPANY'S PURPOSE:** What is your company's vision or purpose? Why does your company choose its products or services, as opposed to any other? What is the greater reason for the company's existence?
- **CUSTOMERS' AMBITION:** What are your customers' ambitions? What problems do they want to solve, what are their pains and challenges, and why do they need you to solve them?
- **YOUR CUSTOMER AMBITION:** What is your ambition around your customers? What is it that you want to achieve for your customers, and for them to take away from their experience with you?
- **CUSTOMER PROMISES:** How do you wish to serve your customers? This talks to customer promises and the desired experience, encapsulating the way customers should feel and think when interacting with your company.

These elements form the framework, providing the design principles and foundation of how to think and behave towards customers. The customer promises become the way to serve customers to achieve the desired experience, **and** serve as the acid test for behaviour and performance.

Nicolas Ziesler refers to the brand promises in a similar way to customer promises, but cautions that a brand or company cannot be all things to everyone.

He suggests for example that your customer promises may be focused on **saving** your customers:



- money (you're a value or discount brand),
- hassle (you're an ease-of-use brand), or
- time (you're an on time, always ready brand), or
- You may be looking to provide superlative exquisite experiences (you're a luxury brand),
- Top-notch durability and reliability (you're a quality brand).

Customer promises can also be defined in the way customers should feel, such as reassured, impressed, proud, safe and so on. Emotions and emotive words are powerful ways to define the desired experience. In its simplicity, the customer promise is the vehicle to create the collective approach to serving customers and building a customer-centric culture. Benefits include:

- **It directs behaviour.** A CX Essence provides every employee with a clear context of what is expected. For example, if your company's customer promises include 'We will make it easy', it requires every employee, at every touchpoint, to make it simple and clear for the customer, and to ask him or herself: 'did I make it easy for the customer'? The CX Essence provides a powerful tool to onboard new employees about the way your company wishes everyone to interact with customers, and it defines your service culture.
- **It serves to measure behaviour and performance.** It also offers a way to measure the desired experience, for example by asking customers: 'how easy was it for you to resolve your query, or how easy was it for you to find what you were looking for, apply for a service, buy our products or use our service?'
- **It can save you money.** When employees are empowered to deliver service with the customer promises as the frame of reference, it can save money (less time required to fix problems or to micro-manage employees) and forms a cornerstone of the company culture. When employees embrace the customer promises, and own their role in the service delivery chain, the customer experience **can** be consistent and sustainable.

Once your CX Essence has been crafted, the next steps include:

## 1 Get leadership buy-in

Leadership must approve and sign off the CX Essence of your company and they must be comfortable with the articulated customer promises. The endorsement of the Customer Experience Essence, especially as reflected in the design principles, and representative of the company's DNA around its customers, serves as the framework for

customer-centricity. The customer promises should be used in the business performance metrics to ensure that customers always leave with the desired experience, or that gaps will be addressed, when required.

## 2 Share the CX Essence with all employees

As with any successful venture in any company, the employees' buy-in is essential to the success of introducing the CX Essence. Therefore, the CX Essence must be shared widely and continuously. Internal programmes should focus on ensuring that everyone knows what the customer promises are and how it will be measured. Training programmes should be developed around how to achieve the desired experience and platforms created to talk about 'what stands in the way' of delivering service for the desired experience.

## 3 Keep customer promises top-of-mind

Knowing what to do, does not mean it's done in the right way! In a classic case study shared world-wide about the culture of the Ritz-Carlton, the entire organisation focusses on one customer promise (Golden Rule) every day. They talk about their challenges, how they addressed it and how to prevent it from re-occurring, using real-life examples with customers. Every employee participates in the daily briefing session (at every hotel across the world) whether they clean, cook, carry bags or manage check-in. This investment has aligned everyone employed by this group when it comes to customer experience.

## 4 Appoint CX ambassadors

Identify, appoint and train CX ambassadors as watchdogs of employee behaviour towards customers (external and internal). The ambassadors should coach, direct and support employees to serve customers according to the CX DNA of the company. All initiatives for closing the gap between actual and desired CX should be led and driven by the CX ambassadors.

The investment in your CX DNA will ensure internal alignment on service delivery to ensure customers stay with you and choose you every time, buy more, and tell others about their experience. And even forgive you when things don't go 100% according to plan, but you make genuine and sincere efforts to fix it. When everyone is clear about what and **how** to serve, the business performance indicators will do the talking!



By Liezel Jonkheid, Director of the Consumer Psychology Lab.

# Flexibility, affordability, productivity and community

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At Venture Workspace, we assist large businesses in streamlining their operations through alternative working solutions. We also provide start-ups and entrepreneurs with a professional platform to springboard their ventures. This means no red tape or unnecessary costs, so you can focus on growing your operation.

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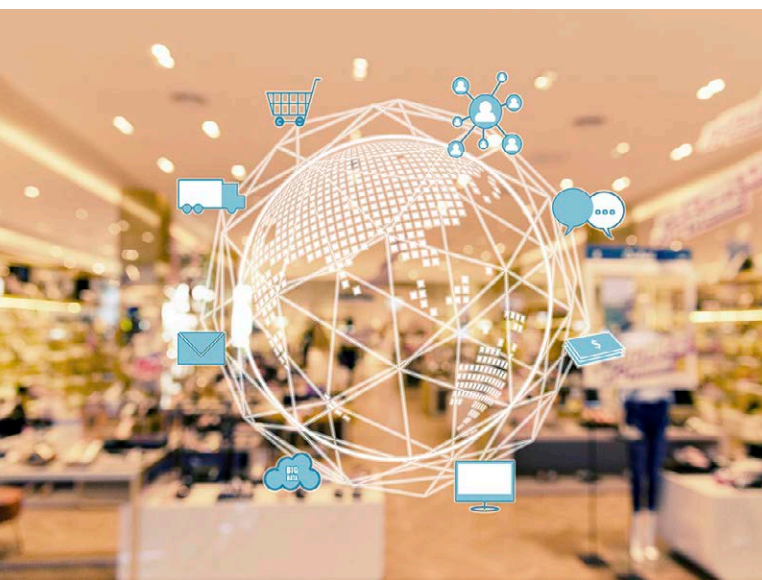


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# The future of omnichannel

The face of retail is evolving, with many retailers realising that in the post-pandemic climate, simply having an online and physical presence is not enough. This is backed by research which shows that multi-channel shoppers spend 82% more per transaction than shoppers who only spend in-store.



It's important to acknowledge this shift in customer behaviour, notes Michael Zahariev, co-founder of Luxity, SA's largest pre-owned and authenticated luxury reseller. Luxity was one of the first online retailers to open a brick-and-mortar store in 2016, before the likes of Yuppief Chef and Amazon followed suit.

"We have noticed that previously, customers used to do their research online to compare specs and read reviews, then bought the products they wanted in a store, perhaps because they were nervous about delivery times or online return policies," he comments. "Now, the environment has shifted completely: customers find that they're overwhelmed by the wealth of information online. They'd rather explore everything they want to know about a product in a store and then make their purchase online where they can easily compare prices once deciding on a product."

## Tech puts everyone on a level playing field

Retailers today have been forced to improve their offering across multiple channels as customers become more discerning about how they interact with brands, demanding a consistent experience.

"Increasingly, SA customers have a sense of technology entitlement," asserts Zahariev. "Just because they trust a brand, it doesn't mean that they're willing to put up with clunky technology on its website. Consumers expect the interaction with a brand to be seamless and consistent no matter how they choose to interact."

He explains that this is proving difficult for larger companies that often rely on a variety of systems that are typically not interlinked, nor available in the cloud. "This gives smaller, independent stores an advantage if they can make their online shopping experience easier, seamless and more automated than the big retailers."

Additionally, Zahariev says that it's proving easier to replicate in-store experiences or negotiate good lease terms for e-commerce companies than it is for larger corporations to bridge the digital divide, giving rise to a host of new omnichannel-focused platforms like EGG.

## Social commerce continues to grow

Another retail trend to watch is the growth in sales through social media platforms like Facebook, Instagram, TikTok and Twitter. There has been a noticeable shift to social commerce recently. In America, half of all purchases occur on social media. This is set to continue, with social commerce sales expected to grow three times faster than traditional e-commerce and reach \$1.2 trillion by 2025.

"Woolworths is a good example of a retailer that has integrated its social media with its digital and physical offerings," comments Zahariev. With 3.5 million followers across seven social media platforms, Woolworths boasts the largest social media following by any SA retailer. "At Luxity, WhatsApp sales account for more revenue than direct online sales. Customers prefer conducting the entire sales process through direct chat and only leave the chat app to make payment."

## Augmented Reality (AR) starts to play a role

Platforms like Snapchat are making it easier for brands to incorporate 3D assets and AR try-on shopping tools on

their websites and apps. Burberry is the latest luxury brand to take advantage of these fast-growing tools with the inclusion of a three-dimensional, true-to-scale model of its Lola bag on the website. This not only gives customers a 360-degree view of the bag (including the inside) but also allows them to see how it would look with their outfits – all from the comfort of their homes.

"AR became increasingly popular during pandemic-induced lockdowns when brands had minimal in-person interactions with consumers and needed innovative ways of engaging while their target audience was forced to stay at home. With data from Shopify showing that products with AR content had a 94% higher conversion rate than those without, the technology is quickly becoming the next frontier to a brand's e-commerce offering," shares Zahariev.

## Seeing stores as a stage

"Digital is the place to be for sales, but customers still want to experience the products in person and AR only goes so far," states Zahariev. "There's the touch-and-feel element, as well as the trust factor that legitimises the brand or product."

He believes that, with online purchases increasing as a percentage of overall sales, many retailers could opt to centralise and only have a few "experiential" stores in the near future. "Think of it like a stage: you'll be able to go to the store to see how the product looks and works," says Zahariev, "but most of the items on display won't be available for purchase. That will have to be done online, allowing the retailer to dedicate more real-estate to education and experience by minimising the space needed for stock."

By Michael Zahariev,  
co-founder of Luxity.



## Meet your new best friend

### THE SERVICE BOT

Service bots are the next generation of bots that can help businesses deliver an excellent customer experience by providing a full suite of services including seamlessly handling complex queries, issues and complaints. For example, instead of just being able to answer a question such as 'what loan products do you offer?', or process a request like 'top up my data bundle with another 30GB', a service bot will be able to handle sales and support queries like 'what is the best loan for me?' or 'why is my bill so high?'

Service bots act like customer service experts rather than assistants. They are able to help you make the right decisions, based on your specific situation, need, and/or problem. They also do this in line with relevant business rules. This means they are thinkers, not just doers. They know what questions to ask, and what advice to give based on each situation and the specific set of business and regulatory rules that need to be considered. Plus, they can use data that is available within back-office systems to shape every engagement, and to speed up every journey.

### Where should I start?

Start your service bots off doing simple customer service triage. In other words, whenever a customer has a service query, use the service bot to gather the

outstanding information required to correctly classify it, and analyse the underlying need or root cause. Once done, they can then hand over the query, with this information, to the appropriate agent to resolve.

Over time, your service bot will build up deep insights into the specific nature of your customers' queries, and the volumes associated. You can then use this data to target the high volume/high complexity queries for the service bot to start resolving unassisted. It can learn to handle more and more high impact queries, and pass on fewer and fewer to live agents. The queries that ultimately do get passed on are those where a human agent can add meaningful value. These are typically queries that cannot be classified, or those requiring special human empathy and care.

As it learns and gets better at resolving more queries unassisted, you can assign it to work across your digital channels - such as your website, mobile app, WhatsApp and email. And before you know it, your customers will be resolving most of their queries directly with your service bot, while your human agents will be engaging in the conversations that really matter.

By Ryan  
Falkenberg,  
co-CEO, CLEVVA.





# Metaverse (slowly) emerges in SA

**South Africans are dipping their toes into the waters of the 'metaverse', the vast array of virtual worlds accessed through immersive experiences in games and through VR headsets.**

This is one of the findings of the *SA Social Media Landscape 2022* study released in July 2022 by Ornico and World Wide Worx. The study found that, in 2021, 48.8% of adult South Africans accessed a social network, meaning half of all South Africans are active on the likes of Facebook, Twitter, Instagram and TikTok. But lurking beneath these numbers is the surprising emergence of a new kind of platform coming to the fore: the metaverse. While most of its users don't think of it as the "metaverse", 16.1% of adult South African say they have participated in a "virtual world" in the last year.

"This number is surprising for another reason," says World Wide Worx CEO Arthur Goldstuck. "It is very close to the proportion who say they used online dating sites: 16,4%. While this is seen as a mainstream use of the Internet, the metaverse is not, yet they are at a similar level of adoption."

Goldstuck points out that some respondents would equate various in-game environments, such as Fortnite and Mimecast, with virtual worlds.

"In other words, these are not necessarily people actively entering a virtual world, but the experience of participating in an interactive, immersive environment, gives them a greater propensity to enter metaverse

alternatives like Second Life, Decentraland and Ubutuland."

The data emerges from a vast data set compiled by Ask Afrika in its biannual Target Group Index (TGI) survey, which every year interviews around 30 000 South African adults age 15 or more, living in cities and towns.

Oresti Patricios, CEO of Ornico, says that a key question is whether South Africans are ready to hop on "the metaverse train".

"Are we technologically developed to build a viable commercial landscape in the metaverse, or should we take it one step back?" he asks. The answer, he says, is still not clear.

"In as much as consumers are catching on and have begun to explore this shared space with their virtual avatars, there is still no definitive understanding of what the metaverse is and what it should look like, today or in the future. Because of their decentralised nature, these virtual worlds are more user centric and will continue to grow and evolve based on user decisions and interactions. There will be a slow evolution."

Nevertheless, it represents a rare opportunity for marketers. "Because these are uncharted waters, marketers have the opportunity to take a leading role in influencing, developing, and iterating this area for the betterment of the consumers they serve, rather than being bystanders.

"Many questions still need to be answered but one thing is certain: The power shift is inevitable and understanding this space relating to brands, content, social media, and creative assets is critical," concludes Goldstuck.

## Understanding the metaverse...

### WHO REALLY DOES?

The first recorded use of the word metaverse is in Neal Stephenson's 1992 novel, *Snow Crash*. In the novel, the protagonist Hiro moves in and out of a place called the metaverse, which appears to be a small-scale urban landscape created via code where users can have lifelike experiences.

Many of the traits of Stephenson's metaverse are reflected in today's terminology:

- The metaverse is three-dimensional.
- The metaverse is a metaphor for the real-world.
- Users can access the metaverse using goggles, much like today's VR headsets.
- Users experience the metaverse from a first person perspective.
- The virtual avatars of users are partially customisable.

Sounds familiar right? Fortnite is perhaps the most well-known example – players have been going to concerts and buying branded merchandise in-game for some time now. 13% of South African internet consumers have told us they have played Fortnite in the last 12 months. That is a large number of users in South Africa alone who already have some type of idea of how the Metaverse will look with exposure to the game.

In the 9 markets where GWI conducted the *Zeitgeist* survey, knowledge of the metaverse is split almost equally into three groups: 33% who understand the concept, 37% who have heard of it but aren't sure what it means, and 30% who aren't sure at all.

What really matters is whether consumers are willing to take part. Over half of consumers say they are interested in participating in the metaverse, with

1 in 3 of those who haven't heard of it before still saying they wanted to be involved.

It may be difficult for brands to get an idea of how the metaverse will work, or more importantly how their brands will work in the metaverse. But it is vital that brands try to familiarise themselves with fellow early adopters.

I don't think anyone can say with utmost conviction what the metaverse will look like. But it is worth noting:

► **There are a number of opportunities.** Gaming already has tongues wagging. But clear topics like shopping, socialising, live events and socialising are clear opportunities in whatever the metaverse will look like.

► **Know your audience.** For any campaign, audience segmentation and targeting are key. Why should the metaverse be any different? Even if the information is limited right now, brands can use data to profile those with an interest in the metaverse and gain a better understanding of how they may use it.

► **Keep an eye on what creators are doing.** I think we can safely assume that content creation will feature prominently in the Metaverse space, and they will want to be ahead of the curve as it grows and develops. They can help brands evolve when the metaverse evolves rather than doing it alone.

► **Regulation will matter.** Whether consumers have heard about the metaverse or not, how it is regulated will be a key concern. Offering clarity about how users' data is stored and used will help ease these concerns.

By Ryan Brunyee, Marketing Insights Lead at YOUKNOW and extracted from the SA Social Media Landscape 2022 study. [Download the full report here.](#)



# The bigger picture

By using the 5C's, teams or individuals can help pave the way for clarity, delegation and strategic decision-making.

Have you ever found yourself in a team meeting or taking a brief from a client and you notice you're struggling to get to the core of the request? Perhaps an issue has arisen that requires further analysis, or an opportunity presents itself that demands deeper exploration to map out all the factors to be considered before a response or decision can be made.

The 5Cs serve as a tool to assist you, either individually or collectively, to gather crucial data so you can not only navigate this kind of situation with greater confidence and clarity, but also delegate more efficiently and make more effective, informed decisions.

## What are the 5C's?

### 1 Colour

By asking the client to 'paint the full picture', essentially you're asking the 'what' question: what is it that you want to do? Other questions here can include: what is the clear intention we're setting? What is the level of importance to be assigned? It would also involve answering the question: "when all is done, what does 'done' look like?"

### 2 Context

Since nobody has full optics on all areas of an organisation, it is essential to establish the broader context. This is the 'why' question which anchors and explores why this is so important, and what is happening in other areas that will impact or be impacted by this request, decision or deliverable. To understand the context in which it's happening, not just in the organisation, but also outside the organisation, is key. What's happening with the competitors, partners, country and maybe even as expansive as in the world? What circumstances and perspectives need to be considered? What is the appetite for change? What other stakeholders are involved or need to be consulted?

### 3 Connective Tissue

Like the connective tissue in our bodies which creates a network mesh between all other tissues of the nervous system, this metaphor speaks to

key dependencies and areas of impact. Are these dependencies strong or weak? What other initiatives must be considered? How does this plan, strategy, decision or deliverable solve, amplify or hinder what's already happened or happening currently? Or, how might it lay the groundwork for what hasn't yet occurred, but is part of the future vision?



### 4 Cost

While this might seem obvious, this delves into the range of total costs, not just financial. In other words, what will it cost us to do this in terms of budget, but also time, focus, priority shifts, resourcing, etc. Is this cost tolerable? Expected? Agreed upon? It is useful to also question if these costs are accurately forecast, or possibly even controversial. How will they be communicated?

### 5 Consequence

What are the consequences of not doing this? The most compelling question here is what's at stake? Of doing this and not doing this. What might

Often we are so stuck in the weeds of operational issues, that we struggle to lift up to a strategic level.

the consequences be of getting it wrong? Are there any unintended consequences that we, or other stakeholders, can anticipate or problem-solve for now?

## The benefits of this tool

The 5C's are easy to remember and while a basic tool, it can practically build a leader's conversational and managerial toolkit on critical tasks like decision-making and delegation.

So many struggle with being in the weeds of operational issues and are familiar with the tension and deliberate effort required to lift up to a strategic level. And sometimes the requests being made are at such a high level they feel vague and gauzy and so you need to drill down to a more concrete base level to gain clarity. To apply the 5C's effectively requires pausing long enough to unpack and explore each of the nuances.

You can also reimagine the 5C's as a staircase that safely transports you and helps you as a leader transport others - from the proverbial balcony overlooking the dance floor, to the dance floor itself, and back again. It's a helpful and fun visual reminder to be deliberate about knowing when you've zoomed in too close, and need to climb the stairs to see the full dance floor from the balcony, where you can view the big picture and maybe even right-size the ask.

To zoom in and out is a skill set. Without the 5C 'stairs', you could have a limited flat view, or feel like you're free falling from a height - you have to intentionally, and carefully, take one step at a time to unpack the data.

Lastly, consider how the 5Cs could support you in better delegation, strategic thinking and decision making. Marcus Aurelius, the Roman emperor, said "*what stands in the way becomes the way*" so be sure to name what might be getting in your way of asking for the 5C's when next there's a lack of detail or clarity.

By by Julia Kerr Henkel, MD  
of full service coaching  
consultancy, Lumminos.





HOW TO:

# Retain your top talent

Learning how to attract, engage and retain the top-performing talent is key to every company's current and future trajectory...

In 2021 alone, The Great Resignation saw 47 percent of high-performing employees leave companies to join another for better perks, greater resonance with their values, for more flexible, remote working, or to seek the fertile, fast-growing pastures of digital nomadism.

And in terms of those who stayed? According to Willis Towers Watson's 2022 Global Benefits Attitudes Survey, 44 percent of current employees are job seekers and a third of those are actively job hunting. Add to this the fact that Millennials, fast on the verge of becoming 75

percent of the workforce by 2025 (with Gen Z fast on their heels) and who are estimated to have 12.7 jobs in the course of their careers, with an average tenure of just under three years with any given employer, one can understand why "The Talent Gap" has been identified as a top-two critical issue facing global leaders.

## The true cost of losing top talent

According to studies, a high-performing employee can deliver up to 400 percent more work than other

employees and, apart from having a direct impact on business performance, has a pivotal knock-on effect of influencing and contributing to the all-important company culture, too. Apart from the gaping wound felt by losing key talent, there are also substantial, hard costs associated with hiring, training and building effective teams.

Employee turnover can cost an average of 33 percent of the employee's salary and for companies to break even on the expenses of onboarding a new manager, it takes just six months of the employee staying at the company. That is, if they stay! Since the latest statistics convey that nearly a third of employees leave their new job within the first six months, with almost 70 percent leaving within three months, it's becoming clear for most business leaders, that retaining talent is far more cost-effective than hiring new people.

**"According to studies, a high-performing employee can deliver up to 400% more work than other employees and has a pivotal knock-on effect of influencing and contributing to the all-important company culture."**

## How to keep them

According to Kerry Morris of The Tower Group, the key to success in today's competitive market is putting people front and centre of your business strategy. It starts with recruiting and continues with identifying top talent that will stay the course and who fit the bill in terms of your company's culture, values and future needs.

Morris shares four tips for leading a business that attracts the best talent and retains it:

### 1 Understand what your top performers want

The shifting dynamic of the workforce as well as the knock-on effects of the COVID-19 pandemic mean that, increasingly, perks often outweigh pay when it comes to giving employees what they want. These can include things such as feeling like a valued member of the team; access to resources that will allow you to learn, grow and do your job well; feeling supported and appreciated; having a leader or manager that you can trust; the autonomy to set your own schedule; to name a few.

#### Here's how:

- Conduct stay interviews (considered by some as the new exit interview) in-person, regular meetings with long-term, high-performing employees in which you attempt to uncover the parts of their job and your company that keep them coming back every day, so as to realise how to retain them before they even think of leaving.
- Take what you learn from the two-way conversation and apply it to inform a new, better way to work - for them as well as for new employees joining your teams.





## 2 Build the right culture

The hard truth is that employees who are less engaged (global employee engagement is estimated at 20 percent) are also more likely to leave. The best way to engage employees is through building a company culture where people feel seen, heard, valued and empowered.

According to MIT's *Sloan Management Review* in 2021, employees would rather be unemployed while they search for a job than stay stuck in a toxic workplace.

Your top performers are more aware of subtle sensitivities around the office based on experience in the workplace and a strong need to feel job satisfaction. The aim is therefore to cultivate a hub of safety and curiosity, to keep the flames of inspiration alive.

### Here's how:

- Question your culture. What does it feel like when one walks through the door? Do your values align with your employees? Is there a clear path for career growth and other opportunities? Have you carefully considered aspects such as work/life balance, and other aspects that are becoming increasingly important to Millennials and Gen Z employees?

- Focus on creating partnerships with your employees. To do this, open lines of communication, seek feedback on company decisions, create mentorship programs, have approachable and supportive leadership - and deal with toxic employees immediately.

## 3 Invest in growing leaders

Investing in developing your leadership teams is critical to ensure a healthy pipeline of next-gen leaders, across all levels of your business. It's also a key tactic for retaining talent as it provides a way for employees to grow within a company rather than move elsewhere to fulfil their career goals.

### Here's how:

- Define the roles that are critical to creating value for your company moving forward, and then assess the skills, attributes, knowledge, and experience of existing talent. Run leadership development programmes to develop employees with potential so they can take on senior leadership positions.

- At the same time, be a leader — and lead by example. Be the first to ensure that leadership structures in your business are flat, empowered, empowering; and that the focus, made possible through collaboration and engagement, is on hero teams and not on hero leaders.

## 4 Set rewards systems that work

For decades, employee rewards programmes or benefits have featured the usual suspects: medical, dental, childcare; maybe even a gym contract. But, how relevant are these today? In *Hired's 2019 Global Brand Health Report* (where tech talent ranks the top innovative companies to work for), Airbnb scored the highest Brand Positivity Index. Some of the benefits for Airbnb employees include: A \$2000 annual travel stipend which, paid out quarterly, allows employees to stay at any Airbnb listing in the world; a generous parental and family leave; ample paid-time-off; as well as incredibly innovative offices.

It's different for every business, and every performing employee - and every business's budget - but there are small wins that, if managed according to an employees' emotional needs, can make great impact too.

### Here's How:

- It's estimated that 80 percent of top performing employees want continued perks more than they do a pay raise. Strategised well, your rewards can be unique offerings that can set your company apart and show that you care about your workforce by being in tune with their needs. Examples of these could be: a free day out the office per month, a bed-day every quarter, a team lunch once a month; an incentive such as a night away for two as an employee target achievement; a spa treatment for a job well done. Get creative, and sensitive to this kind of people strategy - your employees will appreciate it.

- Don't get too comfortable. Always, sense check your reward strategy - do you have one in place? Is it working for your employees? If not, change it up.

"Business is about people. Put your people first by understanding their needs, by giving them what they need to thrive, and by creating not only a company and culture that they feel proud, excited and inspired to work for, but also ensure that there's ample scope for them to grow within the business, too. Seek to create the kind of environment where the business's potential mirrors their own; where they can see their future in the future of the company; and are engaged and rewarded to build it, effectively and with passion, with you, through real leadership," concludes Morris.

By Kerry Morris, CEO of recruitment and labour services agency, Tower Group.



# The shift for working women



## Even before the pandemic, women were on the backfoot - gender diversity was not yet nearly where it should be.

And according to a McKinsey study, through the pandemic it actually regressed, for a variety of reasons:

- **A shift in work-life arrangements:** As primary caregivers, women were the first port of call when schools were closing during lockdowns, which meant that their time was no longer as free as before. A *Deloitte* study found that nearly 7 out of 10 women experienced negative shifts in their routine and believe their career progression will slow down.

- **A cost in wellbeing:** Where 46% of the women who took the above mentioned survey felt a need to be "always online" for the sake of work, of those 45% felt overwhelmed and 48% their physical wellbeing has suffered.

- **Increased job vulnerability:** According to the McKinsey study, women's jobs were 1.8 times more vulnerable to the crisis than men's, due to the disproportionate reality of child and household care and other factors. The study also found that although 39% of global employment, women account for 54% of overall job losses. The participation of women in the labour force is as low as it was more than 30 years ago.

### The good news: there are practical solutions

It's not impossible to buffer some of the issues that women face in the workplace. How we, as business leaders, take on the new challenges will hold us in good stead when it comes to business growth and retaining talented female staff.

#### ► Address gender diversity

A recent Stats SA survey found that 43.4 percent of total employment in South Africa in the second quarter of 2021 were women. Within the percentage of managerial positions, 66.9 percent were men and 33.1 percent women. As one of the global Sustainable Development Goals, gender diversity in the workplace is certainly an important aspect to intentionally address. Employers looking for solutions can address diversity in some of these ways:

- Proactively source a diverse workforce.
- Implement returnship programmes to assist working women as they return to the workforce.

- Upskill your female employees. Some workers have years of experience and very little credentialled training.
- Publicly share gender diversity statistics and build awareness in your organisation.

Eliminating gender bias will allow businesses to delve into other sources of employees, such as skilled moms.

#### ► Offer work-life integration

The biggest challenge is that of work-life balance or a term we rather prefer, work-life integration. Integration lends itself to a more harmonious, inclusive and flexible lifestyle, which is essential when you have children, and is more attainable than the concept of work-life balance. When you allow employees the measure of flexibility they need you empower them to be more productive.

There are different types of flexibility. Where hybrid and remote models focus on flexibility in terms of workplace, you could also have an in-office situation with time flexibility. This kind of role would be either part-time, on demand, project-based or contractual.

#### ► Nurture a company culture of inclusion

Company culture isn't necessarily what and how you conduct team building through the year. Company culture is more about the way your teams work together to produce and grow the business as unique individuals coming together for a single purpose. There's a unique bond between colleagues, employees and bosses and often company culture begins through these dynamics and what brings those individuals together.

Here are some ways to prioritise women inclusion in the workplace:

- Support female-owned companies when you outsource services.
- Celebrate females in the workplace who achieve milestones and add value.
- Promote and upskill female staff members.
- Expose and address any forms of bullying and all racial, sexual, ethnic and social harassment - women need to feel safe and be treated with honour.

By Phillipa Geard, Founder and CEO of multi-award winning company **RecruitMyMom.co.za**, an innovative online recruitment agency.







# Package negotiations in tough times

## WIN-WIN solutions for companies and teams.

Like their global counterparts, South African companies and workers are grappling with a worsening economic outlook as we move into the second half of 2022.

And as salary and incentive negotiation season nears, both parties have to grapple with the question of what constitutes fair compensation in light of the prevailing climate.

As much as employers will want to keep pace with inflation, the pressures are many and varied, and margins remain compressed. Companies will likely want to play it safe and hold back on substantial increases and bonuses to keep the balance sheet stable during these uncertain times. But that does not mean employees have no negotiating power, and that companies can't introduce alternative ways of investing in their people to ensure continued attraction and retention of talent.

"There is no doubt that there isn't much extra cash on the table right now, and that companies will need to consider creative ways in which to reward employees, and adjust their compensation policies to ensure they keep their teams in healthy shape while also keeping the bottom line resilient," says Advaita Naidoo, MD executive search firm, Jack Hammer Global.

The key to making this seemingly impossible equation work, is to introduce (on the part of the employer) or request (on the part of the employee) investment into career development and day-to-day working conditions that will have the dual effect of:

- 1) easing financial pressures for both parties, and
- 2) ensuring improved future career prospects for employees and a stronger talent pipeline for companies.

"The two biggest bargaining chips right now are flexibility and career development. We would all like to earn more money, and most good companies would like to offer their loyal employees increased financial incentives. But if money is tight and the outlook less than ideal, companies have to consider how they can attract and retain talent, and employees should know that they have options available to them during negotiations that will benefit them financially and professionally," says Naidoo.

"Knowing what to ask and what to offer can be a win-win solution in these difficult times, positioning employees for a better professional future as well as an enhanced work-life experience that will be beneficial to everyone."

Naidoo says some of the alternative solutions on the table for both companies and employees, are as follows:

### ► Flexible work arrangements

Many employers earlier in the year called for an all-

hands on deck return to work of most employees. However given that the environment remains dynamic and volatile, and the fact that most infrastructure to allow for successful work-from-home arrangements remains in place, providing greater flexibility can be a powerful incentive.

On the one hand it will reduce costs for both the company and employees, which will lighten the financial burden on both. It will also reduce employee stress and contribute to employee loyalty.

### ► Mapped out career progression

Companies can actively facilitate the career progression of employees, with relatively low-cost investment in the moment, but with the promise of dividends for both company and employee down the line.

One key factor for career growth is exposure to and participation in areas that fall outside of one's current area of expertise or course of duties. So employees can, for instance, ask to attend industry conferences and events in the coming year, as well as be assigned to different projects or teams, which will allow them to gain experience in different parts of the business.

Another mutually beneficial carrot, is the plethora of incredible online programmes that were developed over the past two years which are accessible globally and will support career growth. Yale and Harvard, for instance, offer exceptional online leadership programmes at a fraction of the cost of traditional MBAs.

### ► Mentorship and coaching

Companies can provide dedicated mentorship to employees; having access to senior executives within an organisation can help emerging leaders navigate disparate issues like corporate politics, career progression, conflict and workplace culture, while also allowing for informal knowledge transfer, development of problem-solving skills in the unique corporate environment and exposure to diverse thoughts and ideas.

Coaching is also more affordable and productive than ever before, through organisations such as Virtual Coaching Partners. Not only does a great coach enhance performance by helping experienced and emerging leaders identify weaknesses or blind spots, but they can also show how to get the best out of individuals and teams, boosting confidence in the process.

"Companies will likely want to play it safe during these uncertain times. But that does not mean employees have no negotiating power, and that companies can't introduce alternative ways of investing in their people."

### ► Additional time off/sabbaticals

It should go without saying that a break from the stress of work would benefit the individual, especially if it is of sufficient duration to allow for personal pursuits that an employee may not otherwise have time for e.g. volunteer work, travel or completing a course. But the unspoken benefit to the company is that teams will return refreshed, possibly brimming with new ideas; the knock-on effect is enhanced productivity and reduced employee attrition.

### ► Mental health support

The offer of sustainable mental health benefits with the focus on easily accessible, anonymous and ongoing support by mental health professionals - rather than merely the occasional ad-hoc wellness intervention - is another win-win for everyone, with very positive impact for modest investment.

"With relatively low-cost career development solutions that will pay off later for both the company and employee, combined with flexible work solutions and mental health support, it is possible to ensure a continued supportive, collaborative and trusting work environment," says Naidoo.

"The world is gearing for a tumultuous road ahead, at least in the short-to-medium term, but ensuring employees can be confident that they are going somewhere, the focus on building relationships, staying the distance and using the time ahead wisely can ensure that companies and their teams emerge stronger on the other side once more."

By Advaita Naidoo, Africa MD of executive search firm, Jack Hammer Global.





# Emotional Intelligence?

## A critical skill for teams and leaders alike.

Culture is often referred to as the personality or character of a business, and what gives an organisation its competitive edge. So it leaves us with the question: "Where does emotional intelligence (EQ) fit in?"

When working with people in a workplace or any setting, people respond differently. The "how" they respond to a specific situation or matter is what sets the tone for what can be seen as acceptable behaviour. This will then drive the culture of the business – which are the unwritten rules driving behaviours.

The organisation, the culture and ultimately the bottom-line will suffer when executives and team members act and respond in a less-than-emotionally-mature manner.

The term emotional intelligence was coined in the 1990s and popularised by psychologist and author Daniel Goleman in his book *"Emotional intelligence: Why it can matter more than IQ"*.

EQ, in short, is the ability to recognise and manage emotions. It can provide insight into triggers and most importantly, it is the ability to not only recognise, name and understand the emotion, but also to manage the impact of emotions on the behaviour in your life. It is also the ability to use this awareness to manage your behaviour, relationships and interactions with others.

*TalentSmart* tested EQ alongside 33 other important workplace skills, and found that emotional intelligence is the strongest predictor of performance, explaining a full 58% of success in all types of jobs.

Therefore, emotional intelligence has an impact on all interactions among groups, friends and family. When these encounters are founded on emotionally mature behaviours, better outcomes, improved performance, or greater team traditions can emerge, all of which contribute to the development of a stronger culture.

### The 4 S's of EQ

Daniel Goleman divides EQ into:

- Self-awareness: The competency to understand the impact of your emotions.
- Self-regulation: The ability to manage your emotions in a healthy way.

- Social awareness: To have empathy and awareness of others.
- Social skills: To build strong relationships, inspire and motivate people.

In the technology-driven world that we live in, workplaces must have the following main ingredients:

- Having a (strong) sense of belonging,
- Vulnerability to build a psychologically safe workplace,
- Having a shared purpose.

Self-leadership is therefore essential for the workplace of the future. Through our interactions and the development of any company's culture, we all contribute to the development of these unwritten norms – and we should ensure it is positive.

### Leaders: How are you showing up?

Since you are the group's most powerful individual, your teams will pay close attention to everything you say and do. Leaders must always remember that the way they lead, affect how others feel on the inside.

EQ becomes crucial. What do you say when a co-worker has missed a deadline three times in a row in the past week? What should you do if the team feels unmotivated, because you decided to go back to the office full-time? Or when they are waiting for someone else to act rather than taking responsibility for improving a client's situation. On the other hand, do you acknowledge the team's modest gains and not just focus on the big stuff?

One of my favourite quotes is Viktor Frankl's words: *"Between stimulus and response there is a space. In that space is our power to choose our response. In our response lies our growth and our freedom."* This is sometimes easier said than done.

So, instead of reacting to a certain moment or heated argument, what should you do?

**1 Take a pause.** Never underestimate the impact of taking a few deep breaths to slow down your heartbeat and be able to evaluate what is happening, and what will be the best way to respond to this situation.

**2 Be aware of the 4 F's.** When you are triggered, you are in **fight, flight, freeze or fawn** state. A chemical reaction results in our neocortex (thriving, problem-solving part of the brain) to not functioning optimally. Instead of allowing an unconscious habit to drive your reaction, reactivate the neocortex and be mindful in choosing how you want to respond. To reactivate your neocortex, ask yourself a question (such as: What is the real issue for me? What might support a different explanation? What if this was someone else behaving in this way? What is my behaviour communicating?) to notice what is really going on in the moment?

**3 Name the emotion.** It is helpful to be able to name the emotion you are experiencing and consider what the emotion is trying to tell you. Instead of being angry, perhaps you are disappointed with how your idea wasn't implemented, despite you being verbally told that your idea was the best idea?

**4 Reframe your thinking.** We often jump to a conclusion and easily take things personally. Reframe your thinking by considering what other possible reasons may be for the person to act the way they are behaving. A level of self-awareness is also hugely beneficial. For example: 'What is my role in this scenario? How have my behaviour impacted the other person's view – without being aware of it?'

**5 Tactfully share what you are experiencing.** Remember, an experience is made up of four elements – what am I observing, thinking, feeling and wanting. When sharing your experience, a good start is to start with the "I". For example, when the project's team leader did not schedule sufficient time on the agenda: "I noticed that this is the third time that we

***TalentSmart* tested EQ alongside 33 other important workplace skills, and found that it is the strongest predictor of performance.**

didn't have sufficient time allocated to the brainstorming topic. I feel disappointed that my idea wasn't heard after the request to make the research a priority. How can we ensure we have sufficient time allocated to this agenda-point moving forward?"

**6 Remain curious.** Ask questions to truly understand the other person's perspective. Help me understand why do you want to achieve XYZ? What is the real issue for you? If you choose X, what are you saying no to?

### The sweet spot for raising EQ awareness in teams is when...

...Leaders understand that their behaviour and words impact the internal state of their team members.

...Employees take ownership of the emotions they experience in the workplace and at the same time feel safe to voice them.

...We all choose to respond in an emotionally intelligent way, and we care and connect with colleagues as humans, so that we can grow and contribute to the overall purpose of the business.

When the above is in place, we will create organisational cultures that make team members want to *willingly* help the business grow. Those are the businesses that reach the balance of profit and purpose.

Anja van Beek consults with leaders and HR teams on all people-related aspects with a specific focus on integrating agile principles and practices. [www.anjavanbeek.co.za](http://www.anjavanbeek.co.za)





## HOW WE DID IT

# If *they* can, so can *you*

Welcome to the 4th instalment in our series of ordinary entrepreneurs and business owners operating successfully in these extraordinary, anything-but-normal and stressful times.

Not because they are anything special. Not because they have resources, talent or drive above others or have found the “silver bullet”.

While all of those may play a role, the simple reality is that they are where they are because they have worked smarter, adapted more quickly, anticipated these times better and built reserves. They have followed the rules for best practice and have come out the other side successfully. When COVID hit, they were prepared. Why? Because storms that hit us as business owners come with the territory.

In our introduction to this series, Kathi Clarke, our industrial psychologist and business growth expert at Building Best Business, reminded us that since 1929 we’ve had at least 29 major market dislocations to contend with. And in every single one of these, some businesses died, some thrived and some survived.

“Seasons of growth and business ‘easiness’ follow hard times as surely as the seasons of spring, summer, autumn and winter do. As owners we have to build with this hard truth in mind. If we don’t, we will find that when the difficult times come, we will fall into that category of not surviving,” says Kathi. So, over our series we have been meeting entrepreneurs in some of the hardest hit industries or sectors, hearing their stories, what they were facing and importantly what they did to survive and thrive.

We started with our intrepid trio from *Learning the Harp* – sisters who have turned a hobby into teaching the harp globally and now have a six figure a month turnover. We next went to Struisbaai and learned how *Fish and More*, who operate in the hospitality industry,



Godfrey Needham

pivoted and adapted to come through profitably despite lockdown. Last issue was *AJM Financial Services*, an accountant who has built and continues to build a successful practice, even though he sells his time. They all had valuable learnings to share.

This time it’s Godfrey Needham and the *Offshore Maritime Services (OMS)* team. Global logistics has become nothing short of a nightmare in this latest seismic change in our marketplace, because of the various lockdowns and the impact this has had on supply chains and transportation flow. Shipping traffic, like ordinary traffic, works best when it flows. Unanticipated, unpredictable and sudden stops anywhere around the globe create backlogs which have a knock-on effect for most areas that depend on international shipping. As with an accident or pile-up on the highway that causes monumental tailbacks, international shipping cannot afford to stutter or stop without the consequences that we are all facing now – shortages, expensive price hikes, out-of-stock situations and snarl-ups at international harbours and ports that leave a legacy of chaos long after the initial shock has subsided.

And none more so than Cape Town which has historically been a port at the international confluence of east and west. It was a critical staging post when international trade routes first began and remains so today largely because of geography and operators offering world-class services. *Offshore Maritime Services (OMS)* is one such operator, and is in the business of transporting staff, teams, personnel, parts and supplies for and on behalf of local and international clients to and from ship to shore in the waters off Cape Town and Gqeberha (formally known as Port Elizabeth).



At work

Without these operators, services and ships can’t run, and international transportation worldwide grinds to a halt. They are essential. But like most essential services, they were hit by COVID. They had to work around business coming to a lengthy standstill and choke points building up massively as a result. They had to engage at the highest levels to unsnarl trading and get back to work after lockdown. They had to deal with stressed clients and their overdue deadlines. They have fierce competition. They also have unscrupulous competition that cuts corners and safety mandates and continues to threaten good, safe, effective sector operations. They have to compete both locally and internationally. As stakes have risen and challenges increased exponentially, business – as is the case for most of us – got beyond tough.

And yet Godfrey will be the first to tell you that over the last two years they have continued to grow profitably and in terms of both clients and their reputation in the marketplace. “We have been able to post some of our best months ever, grow the business and make additional and substantial capital investments at a time when breaking even is the worry of most business owners,” he says.

## So, what's their secret?

Qualifying as a Master Mariner, capable of taking command of any ocean-going vessel afloat at only 28 years old, Godfrey Needham elected to avoid the queue for the ‘dead-man’s shoes’, and rather take up a career in the Port Services in Cape Town. Cumbersome bureaucracy quickly took the shine off that goal to be replaced by the exciting prospect of creating his own business, and in April 1998 Godfrey launched his Marine

Services company, offering a wide range of services, all related to towing and salvage, purchase and sale of ships, marine surveying and brokerage, but specialising in transporting provisions, spare parts and ship’s crews to ships which pass Cape Town on their trading voyages around the world.

By 2013, Offshore Maritime Services owned 5 large Utility Service vessels and a work barge, some of which were employed in specific contract work far from Cape Town - dive support for a coastal operation between northern Angola and Congo and a year-long contract in Beira, Mozambique, supporting tanker operations off that coast.

Leading up to COVID, business was already starting to stagnate. Godfrey was convinced that growth was not possible, but through a fortuitous invitation to a presentation by coach Kathi, he realised that for all his experience he was wrong. There was a lot that could be done – but not without help. Signing up was a material action to re-plotting the course to his success. He answered Kathi’s initial question “what do you want to achieve?” with “double my turnover in a year”. And he achieved this goal!

## Revisiting the basics

“We can’t really market like most businesses,” was CEO Godfrey’s first words to Kathi when he started his business coaching journey. She raised her eyes and informed him that ALL businesses are in the game of marketing. “It’s the full contact sport of building visibility, relationship, a predictable cash flow, ultimate asset value and an ability to compellingly and consistently tell others what you do so that you can turn on a sale or



lure talent when you need to and not when either one happens. Simply put, it's what keeps sales going, money flowing and a robust capacity to deliver. All of them are underpinned by consistent messaging done well to all stakeholders – especially in hard times,” she maintains.

And so, Godfrey – as a seasoned business owner – had to go back to the drawing board and learn new competencies and new ways of doing what he had always done to not only “future-proof” his business, but to also ready them for probable “perfect storms” – because all businesses have them.

First up they tackled formalising business systems and processes; crafting succinct job descriptions to replace impossible function lists; capturing performed and useable SOPs; and making vital changes in and additions to staff and their functions to achieve and support operational goals. Godfrey was challenged to think differently, try new concepts, test proposals against critical review and find ways to successfully introduce highly valuable leads and contacts into his prospecting mix. Group workshops and training; lived experiences of other business owners and an inspired need to read more business material which came with joining Kathi produced in Godfrey a stronger will to succeed – which he says has been key.

Then came the crushing destruction of lockdown. Designated as an essential service provider, OMS was still permitted to proceed out to sea and supply passing shipping with provisions and spare parts, but no foreign ship's staff were allowed to leave their ship, no fresh crews could join anywhere in the world and business instantly dropped away by half, with no reduction in overheads possible.

But OMS and Godfrey had done the hard yards and so were able and ready to pivot, react and adapt – fast. The bittersweet blessing for him, his family, the sixty-five people OMS employs, their families, their clients, agents, supply chain and service providers was that OMS was prepared and therefore ahead of the curve. It meant that he and OMS were not only able to pull through, but do so profitably.

They had the systems that meant they could manage despite lockdown restrictions. They had a meetings rhythm going, clear lines of responsibility and go-to help crafted. They had prioritised marketing which meant more work incoming and strong client relationships.



Quayside

### Building your 'crew'

To cope, Godfrey actually needed additional team members. But additional staff costs money, and it's easy in tough times to justify not doing so. Kathi and Godfrey had already steadily been building up the management team by careful additions of people who not only had the essential skills, but also shared similar values, work ethic and “ways” of doing business. “Finding a like-minded team who are excited about what you are building, share your values and beliefs on how to do this, fit well and resonate with you as part of what Seth Godin calls your ‘tribe’ is half the battle to building well when it comes to people,” says Kathi. The other half is having the cash to pay for it!

So, counter-intuitively, while so many were cutting back and retrenching, OMS grew their team with Ingrid Coulter in Finance, Luke Mostert in Commercial Customer Relationships, Rod and Debz Oscroft in General Operational Management and Strategic Marketing respectively, and lastly, more hands both on-deck and at the quayside.

Each of these team additions went through a comprehensive recruitment process that started with getting to know each other. And once on board it was about setting crystal clear job expectations, access to proper standard operating procedures, slotting into a rhythm with routine and frequent opportunities to get help and ask questions, enrolment into the vision and psychometric profiling. And, as coach Kathi says: “Through it Godfrey held onto the truth that identifying, attracting and securing talent is fundamentally a marketing game. A-players want to work for a leader who is clear, committed, positive, passionate, resourced, communicative and organised. To quote Andy Stanley, ‘you have to be the kind of person that the kind of

people you are looking for, are looking for’, and in this Godfrey has excelled.”

### Marketing and nurturing relationships

The second thing that Godfrey has done to thrive in this current season is embraced all things marketing - to strategic alliances, other players in the sector, current customers and clients, agents who operate in the field, talent, allied government departments, prospects and of course the broader world of shipping which were also caught up in the global chaos.

Accepting that marketing in his industry is a long-game of relationship building, Godfrey and the team have created routines of connecting with, remaining visible to, calling on, communicating with and providing enjoyable and well-implemented social opportunities to everyone in their spheres of influence. And it has worked.

The first win was for the imprisoned international crews. Godfrey understood the hardships they faced stuck on board – some of them for two years. After lobbying all National Government Departments and engaging widespread radio support, in October 2020 the Department of Transport issued their statement that international seafarers may leave their ships at both Cape Town and Durban ports, and OMS was ready for it! At that point they effectively tripled their monthly turnover!

The next win was to be well-enough placed to fast-track identifying and the onboarding of new employees to cope with the round-the-clock workload when it came. Anyone who has had to do this will appreciate that it is an art and a science to get this right and at speed. That this also positively impacted the impoverished Eastern Cape by creating career path opportunities was doubly satisfying. A young school-leaver from Oceanview, first

employed as a support staff trainee, moved to the newly created role of Marketing Officer and over time into the role of Commercial Manager. A young shepherd from Motherwell outside Gqeberha, in two years, achieved a Master Coastal Certificate of Competence and today is responsible for training OMS's new candidate Skippers. A couple of the young ladies from rural Eastern Cape who entered the business as Trainee Seafarers have now risen to the level of Senior Operational Managers.

The third win was to have the cash reserves to enable them to recapitalise and extend their fleet to take advantage of market opportunities as they emerged. In preparation for even further growth, OMS now owns 6 custom-built, standard-setting, service craft; a fleet of crew buses and a dominant branch in Gqeberha. This has propelled them to a position of market leader in this service sector.

And the final win has been the customer loyalty that comes with having the resources and relationships to carry on communicating and marketing through tough times like COVID – even when it seems no one is listening. The simple efforts and discipline of staying in touch have paid off through the pandemic and are reaping rewards now. It has been much easier to tackle the post-COVID problems, challenges and difficulties with established, strong and positive relationships in place, and having go-to people already identified. It has been a boon for staff to receive this committed communication right through the pandemic. They have always known where they stand, and things are clear.

OMS has assisted too in the formation of an overdue and welcome Association of players in the game, working in collaboration with Colleen Jacka (Managing Editor of Maritime Review Africa). The aim is to ensure industry standards of safety and best practices, and to create a united front to re-attract international patronage and position both the Western Cape and South Africa back on the international map. OMS has been key in getting this initiative off the ground and is looking forward to what the future holds in this regard, as well as to continued profitable growth.

And all during and since COVID. Makes you think doesn't it?

By Kathi Clarke, registered Industrial Psychologist, internationally-certified Business Coach and an award-winning business growth expert. Contact her at +27 63 624 4492 or email: [hello@buildingbestbusiness.com](mailto:hello@buildingbestbusiness.com).





# Ladies doing it for themselves

Earlier this year, the Firstwatch Entrepreneurs Challenge emerged following a tight competition between South Africa's boldest and brightest young business people to win business support. Second-place winner Zethu Nyali, Founder of Zee Organics and third-place winner Phumzile Mthembu, Founder of Ingcweti Pty Ltd, look back on their journey and share advice for aspiring young entrepreneurs.

## Phumzile Mthembu, Founder of Ingcweti Pty Ltd.

Phumzile created her range of natural skin care products to deal with her baby son's skin irritation.

She began her career manufacturing perfumes but now works full-time on Ingcweti.



## Find creative solutions

Phumzile discusses some attributes she believes make a great entrepreneur: "Building a business is an ongoing creative process. I started my business by packaging my ointment in honey jars, and today, we are launching products with beautifully designed packaging."

"You must always think about creative ways to improve your business and product. You must think about strategies to create other income streams and new marketing ideas. When you start a business, one of the most important things is to just do it. We must use what we have and grab any opportunity with both hands."

## Nurture your business

"A business is like a child. When you decide to have a child, you may not be confident that you have the resources to support it, but you find that you do everything you can to make it work when the child arrives."

Phumzile is now launching a nationwide drive to get her products into stores and establish kiosks in various sites around the country. She plans to grow the business both locally and internationally.

## Zethu Nyali, Founder of Zee Organics

Zethu founded her business for personal reasons, hoping to help her sister and other people living with cancer in her community and address hair loss by formulating her own natural hair growth formula.

Zethu, who majored in microbiology and biochemistry, combined traditional remedies and sound scientific formulas to create her range of all-natural hair and skin care products. In 2020, during the lockdown, Zethu found herself unemployed. So, with R500 to her name, she ventured out to collect natural herbs and formulated her first organic remedy.



## Lack of funding should not discourage you

Zethu offers a few sage words of advice for young entrepreneurs looking to get into businesses of their own: "The best advice I could give aspiring business people is to start with what you've got. Funding is not always available, and we must make the best of what we have. I used the little I had at the time, and invested the profits I made back into the business. A good idea will always grow itself. The journey is never easy, but you need to stick to it."

## Believe in yourself

"Passion should drive everything you do. You have to know what you want and believe in yourself. Belief in yourself and your idea is the key to success."

Zethu has set her sights on growing Zee Organics beyond South Africa's borders and taking her brand of healthy hair and skin care products all over the world. Zethu encourages young entrepreneurs: "You can do anything you put your mind to. Effort leads to results, and giving up should never be an option."

# Start your own branding business



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Vinyl Cutter



## THE GARMENT MAKER

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Epson Printer  
& Vinyl Cutter



## THE 6-IN-1

Combo Heat Press  
Epson Printer  
& Vinyl Cutter



## THE PRO SYSTEM

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# Run your own 'showroom on wheels'

**SNAP-ON is an established industry leader for over 100 years, and is 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 includes 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.



## The 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.

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 or 082 4444 801, email: [biz@snapon.co.za](mailto:biz@snapon.co.za), or visit: [www.snapon.co.za](http://www.snapon.co.za) for more information.**



# Start-up basics

## Common questions asked by young and first-time entrepreneurs...

Building your own business can be financially and emotionally rewarding. But if you're starting, you may have questions about how you can get going and some concerns about how you take care of the admin, tax, operations and funding.

We take a look at some of the questions asked by young and first-time entrepreneurs:

### Q Do I need a business plan?

Drawing up a business plan is a great idea. A business plan is a document that explains what your company does, how you plan to grow it, and your product/service and target market. A business plan tracks your business's strategy, structure, and financials to secure its sustainability and support growth.

*A business plan helps you to:*

- Do a reality-check of whether your business will be financially viable. For example, how long it will take to be profitable, how much cash flow it will generate, and how much profit it will generate?
- Understand how much funding you need.
- Stay true to your vision and goals.
- Show lenders or investors why they can feel comfortable working with you.

Like any good strategy, your business plan should be flexible and performance-oriented. Think of it as a CV for your business – keep updating and adding to it as your experience and knowledge grow, and your business evolves to ensure your framework stays current. Start with a blank page. (You can download a [free business plan template here](#) to simplify the process.)

### Q How do I find my first customer?

It's best to find a customer or establish market demand for your product and services before committing too much



time and resource to a business you haven't validated yet. Establishing whether your idea solves a specific problem or if people are willing to pay for it is the first step in determining if it will be successful.

*Tips for getting your first customer:*

- Go online: Start building your online presence with a website, e-commerce functionality, and social media profiles to share your business information and discuss what you do and who you help. You can also advertise your services on social media, Google, or business directories to increase your business's visibility.
- Cold call: This method is not for everyone and takes time, but it's a great way to connect with potential clients and build relationships.
- Partner up: Approach businesses that offer products or services that complement yours and leverage cross-promotion to reach a bigger audience.

### Q What are my tax obligations?

Many people think they don't need to pay tax or declare additional income if the business is small or unregistered. Whether your business is registered or not, you're still considered a sole proprietor, which has tax implications. You must pay provisional tax if you don't have a registered Pty (Ltd) company. Be sure to budget for your tax payments.

Most of what you need to run your business – like your phone, computer, Wi-Fi connection, software, inventory, and printers – is tax-deductible. There is one rule: it must be an expense incurred to produce your business income. Capital investments like an expensive computer or delivery vehicle will be depreciated over several years.

Unfortunately, it's not that easy to claim home office expenses. Simply working from home at the kitchen counter or dining room table does not mean you can claim Wi-Fi costs. If you want to file home office expenses on your income tax return, get an expert assessment first to ensure you qualify.

It's only necessary to register as a VAT vendor once your business generates, or is expected to generate, revenue above R1 million over 12 months. Once you reach the threshold, you have 21 days to submit your VAT registration via eFiling or a VAT101 registration form, which you must submit at a SARS branch.

### Q How should I manage cash flow?

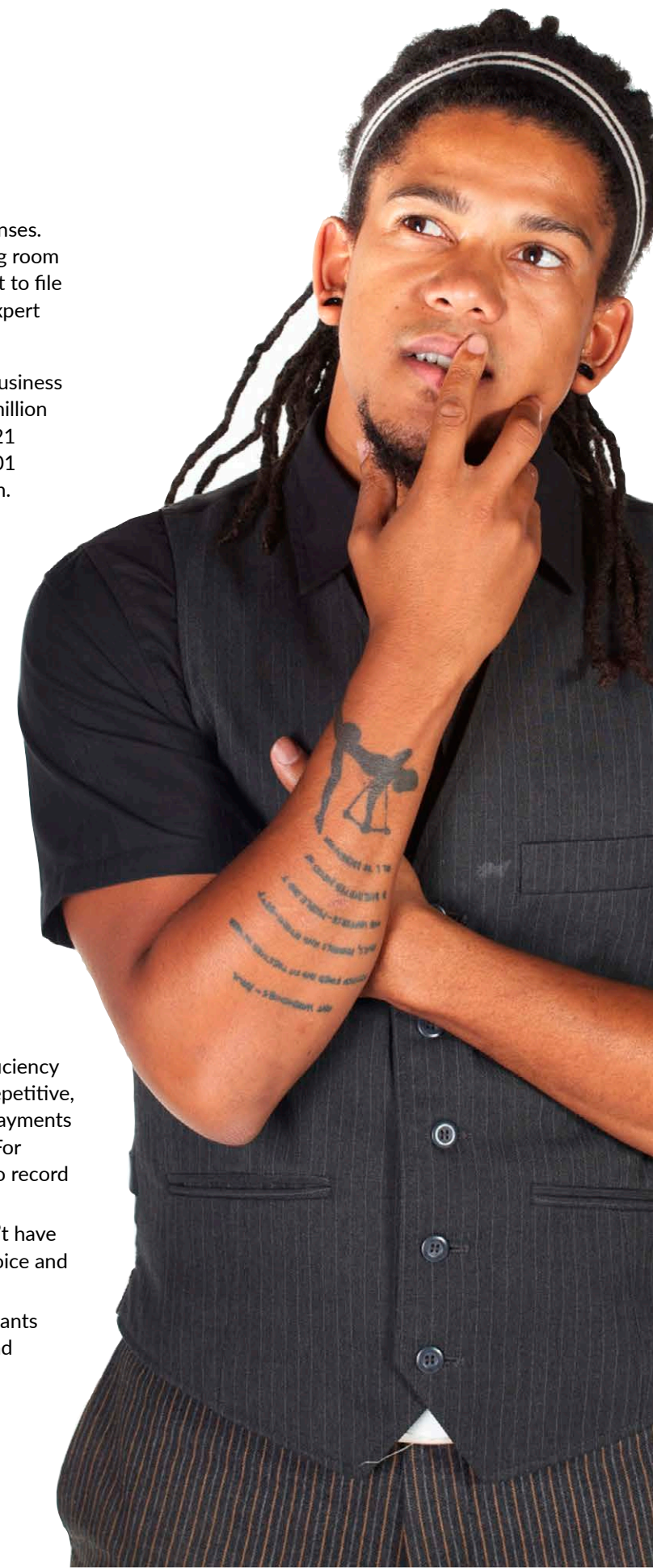
Good cash flow management is essential for SMB resilience. The fundamentals are simple: ensure that you have more money coming in than going out. Money must also arrive on time so that you can pay suppliers and staff and invest in new stock. Having access to cash also gives you more purchasing and negotiating power, which can save you money.

Anticipating funding shortfalls is also important because it allows you to make contingencies such as accessing credit. The most important step in ensuring you get paid on time is establishing strict payment policies from the outset. Making it quick and easy for customers to pay by invoicing them accurately and on time and offering a range of payment options can help.

*Any other admin tips and tricks I should know?*

- Automate: Today's digital technology provides even the smallest of businesses with the visibility, flexibility, and efficiency to manage finances, operations and people. Automating repetitive, low value activities such as invoicing clients and chasing payments can free up your time to focus on growing your business. For example, accounting and payroll solutions make it easier to record transactions and file tax submissions.
- Keep records: You can't deduct any expenses if you don't have documents to prove you paid for them. Keep both the invoice and receipt for your qualifying expense.
- Work with professionals: Many accountants, tax consultants and labour experts specialise in knocking down barriers and helping SMBs to thrive. Their advice can be invaluable regarding complex tax and regulatory matters.

By Viresh Harduth, Vice President,  
Small Business, Sage Africa  
& Middle East





# Fuelling your passion

**MADIMETJA TLOUBATLA** knows the fuel retail business inside out. From a corporate position with Engen Fuel, to a member of a group that owned three filling stations, and currently the independent owner of two filling stations in Diepkloof, Tloubatla can speak from experience about the complex and exciting fuel retail sector.

"I joined Engen in 2008 under the corporate brand, but over the years, as I learned about how filling stations operated and how profitable they can be, I got interested in running a site myself," Tloubatla recalls.

He left Engen in April 2017, having acquired shares in a group that went on to own and operate three filling stations. But that was not enough. Tloubatla's entrepreneurial spirit drove him to sell his shares in the group and strike out on his own.

## Be a master of your own business

"Running a site is like putting an MBA into practice," he says. "You need to be a master in finance, a master in operations, and a master in marketing and human resources." In addition, you have to be a master at your own business, in the sense of knowing it better than anyone else by being hands-on.

"If one of my cashiers is not well for example, I can operate the till. If a petrol attendant is not at work, I can help out at the pump filling customers' vehicles," explains Tloubatla. "I can answer any question about my business in my sleep."

He also regards discipline as a vital quality for a business owner and entrepreneur, especially as far as cash flow is concerned. Tloubatla's sites are in areas where a large portion of customers prefer to pay in cash, yet his suppliers require payment via bank transfer. Meticulous cash management is therefore essential. "If you are not focused in such a high cash-driven business, you can easily derail," he cautions.

## Give your customers what they want

Discipline goes hand in hand with understanding exactly what your customers want. Tloubatla affectionately describes his customers as always in a hurry: "They want convenience; give them what they want and they will come back," he says. His innate understanding of this building block of customer loyalty, has led him to develop a customer service offering that combines speed, convenience and customer preferences. "Whether a customer wants fuel, a pie and Coke, or pap and steak, we provide good quality, quickly. My sites are for people in a hurry."

Tloubatla's one-stop shop offering also includes value added services at till-point like prepaid data, airtime and electricity, and a money market kiosk where customers can pay more various service provider bills, making sure he can sell more to existing customers to maximise his earning potential yet at the same time offer convenience.

## Act decisively on opportunities

The better you understand your customers' needs, the more important it is for a business owner to be able to get off the mark quickly. "You have to be alert," says Tloubatla. "When there's an opportunity, you identify the gap and take it before anyone else can. In fact, you don't even wait for opportunity to come your way – you go and make it happen."

This was indeed Tloubatla's approach when he realised that customers want not only fuel, and decided to invest in an on-site bakery and food deli to produce fresh, quality traditional ready-made meals that people in his area love to eat.

He cites funding to expand the bakery as one of the instances where fintech solutions showed him

**"When there's an opportunity, you identify the gap and take it before anyone else can. In fact, you don't even wait for opportunity to come your way – you go and make it happen."**

the value of quick access to business funding. "I can confidently explore new deals, knowing that when I request opportunity capital, I can get it within 24 hours," he says. "One time I applied on Capital Connect's Connected App at about 16:00 and by the next morning the funds were in my account. You click, you get the funding, and it's as simple as that."

Tloubatla concedes that rapid-turnaround unsecured funding could be perceived as more expensive, but explains that the cost-benefit calculation makes sense and is a no-brainer. "A personal loan, which is really the only other quick option, can cost you around 24%, so paying a fintech funder far less interest over a short-term like three to nine months for access to capital within 24 hours is a good deal. And the option of an early settlement discount is also an advantage. I cannot wait weeks for a traditional bank loan to be processed, as my business moves too fast for that."

This need for speed is likely to only increase in the current business environment where fuel prices continue to rise. Fuel retailers like Tloubatla can turn this reality to their benefit by stocking up at current price levels and selling at the increased prices. For example, with the price hike in June 2022, a funding loan for R700 000 to pay for a 95-petrol consignment over a 90-day repayment period but settled in the first 30 days, would deliver a profit of around R47 000 (after finance charges). Quick access to funding is a sure-fire way to let your cash maximise your bottom line. "Funding is like having a superpower," Tloubatla says. "One of the most important things you as a business owner can do is to find a funding partner that moves as quickly as you do."

Tloubatla's story illustrates the role of entrepreneurs and SMEs in growing the economy, and how with discipline, drive, by staying customer-focussed and using funding wisely, they can propel themselves to success.



Madimetja Tloubatla



# Successful lead generation

If you, like many marketing professionals, need to sweat your budget and prove an ROI, then a smart, strategic lead generation campaign might be your best solution.

Not too long ago, email marketing was the favourite channel for reaching people in their mailboxes and keeping brands top-of-mind. While it can yield excellent results when strategically planned and implemented, and using a clean and relevant database, it can be turbo-charged when paired with an effective lead generation campaign that is measurable and can be optimised to enhance performance.

Here's the recipe for six lead generation strategies to boost your online visibility, gather qualified and interested prospects, and turn them into customers.

## • Inbound social media

When implemented correctly, social media lead generation marketing is one of the most potent channels for certain sectors. Social media marketing and social shopping can turn prospects into shoppers or enquiries in one click. And research shows that consumers are more receptive to marketing messages in the social space than on any other channel.

## • Search engine optimised content

Advertising online is fleeting, but online content lives forever and is a powerful tool for ensuring your digital properties appear on the first page and prime search engine results. As with social media, do not think blog posts are a waste of time. A cleverly crafted article with the right keywords will trigger higher rankings. If you're after leads, you must outrank your competitors, or they will outrank you.

## • Optimise landing pages

Your website must be at the centre of your lead generation efforts. But far too many home pages have significant drop-off rates from poorly designed elements and complicated navigation. "If you want to do business in 2022, you can't use the tools of 2002. A hard-working campaign landing page immediately tells visitors what you do, how you can help them, and how they can contact you," explains Desirée Gullan of G&G Digital. "Do not run a lead generation campaign without a

dedicated landing page specially developed for that particular campaign."

## • Public Relations makes news

Your lead generation campaign can be substantially enhanced with Public Relations and earned publicity. When your content and news feature on third-party sites and publications, it builds reputation and trust, which pushes your potential customers past the consideration phase into customers. Public Relations also enhances web rankings as Google prefers when traffic to your website and landing page comes from sources other than your own.

## • Cold calling doesn't have to freeze

Humans thrive on connections, but there's nothing worse than getting a phone call with an unsolicited pitch. Unfortunately, approaching businesses directly as a means of lead generation is tricky, but not impossible. Make sure you do your research and find connections and shared interests. "My suggestion is to use a social media person-to-person lead generation campaign that effectively replaces that freezing phone call or email," says Gullan.

## • Reviews do matter

What customers say about your brand can impact your success, whether by word-of-mouth or online review. "Bad news travels fast, but good reviews go further," suggests Gullan. Turn positive reviews and comments into digital billboards. "A complimentary review on Google or a social media shoutout means your satisfied customers have become your private sales team."

Don't let all these steps be daunting. Instead, think of it as a lead generation recipe that you don't have to follow precisely. You may need a generous helping of social, with dollops of email and a strong website landing page as a base. Mix it well with PR, top it off with customer reviews and then taste and test until you find what yields the best results.



# Reputation and rumour

The ubiquity of social networks has given brands and individuals more opportunities for direct engagement and word-of-mouth referrals than ever before. But they have also meant that errors no longer go unnoticed.

Now, if you make a mistake, or a customer thinks you've made a mistake, it's possible for the whole world to talk about it. Reputation has always mattered – and now, more than ever. Here are seven suggestions for safeguarding your societal standing:

## ► Act with integrity all the time

That way, if you make a mistake, you have a bank of goodwill, good actions and good intentions to lean on. And don't just act – talk about what you are doing. Any brand that only participates in the global conversation in order to defend itself is starting off on the back foot.

## ► Tell the truth

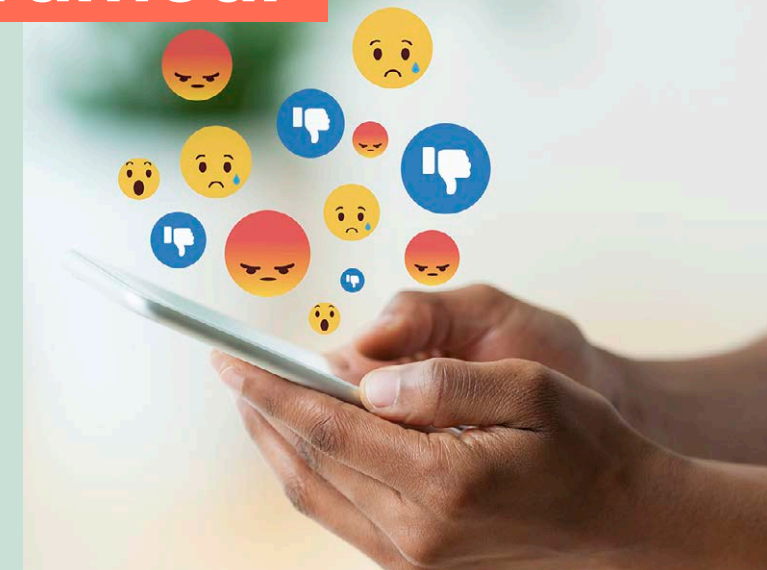
Don't try to fudge or spin an issue. The backlash from getting caught out in a lie or an evasion will be far more damaging than the original issue, because you've just proved yourself untrustworthy and that nothing you say can be believed. Acknowledge, apologise, make reparation and make sure it doesn't happen again.

## ► Tell it fast

The longer you don't respond, the more opportunity there is for rumour to run rife and for the issue to get even bigger. Even if your initial response is a simple acknowledgement, make that response – don't wait.

## ► Ideally, be first

If you find out something damaging first that is likely to become public – tell the world. Don't wait and hope it won't be discovered. If you are the first to acknowledge an error, you have taken control of the conversation immediately – and then you are much better equipped to guide it appropriately, because you are not being defensive. (On rare occasions, and for small mistakes, you might get away with keeping quiet. Never tell a journalist something negative they don't know.)



## ► Monitor

Don't let people talk about you without you. Where possible, automate monitoring for keywords – but have a human there too, because machines are far from perfect. This monitoring can be combined with engagement – even if people are saying nice or neutral things about you, letting them know you see them builds up a bank of goodwill.

## ► Make sure your operations match your communications

If you are consistently making operational errors, no matter how good your communication is, your reputation will be damaged.

## ► Don't be too quick

Remember, one tweet does not a Twitter storm make, and human beings are faster to criticise than to compliment. Encourage people to compliment you, and amplify it when they do, so as to make it obvious that negativity is isolated and not the norm. Build up a bank of goodwill and brand fans, who will help you keep negativity in check.

In a nutshell, or the TLDR version: if you behave with integrity all the time, you are far less likely to ever have to do reputation management in a negative environment.

By Caroline Smith, head of PR at Flow Communications.





# Gen Z is your future customer

## Here's how to engage with them, now.



Gen Z is the generation after Millennials, born between 1997 and 2010, making them between 12 and 25 years old now. They have grown up with social media and on-demand entertainment. And their influence over what's cool, trending, and important shouldn't be underestimated. "We're already seeing the impact Gen Zs have on Millennials and Gen Xs when it comes to brand selection, online behaviour and customer engagement," notes Desirée Gullan at G&G Digital.

Not only do Gen Zs have massive influence over the preceding generations to get what they want, but their parents are also being influenced by them and are becoming more discerning about where they spend their money. "Gen Zs are also strong drivers of corporate responsibility," adds Gullan. "Their purchasing decisions are determined by their values, and if a brand's mission and purpose align with theirs, that's where they'll spend their parent's money."

With nearly two billion Gen Zs who want relevant information and instant answers, brands should respond appropriately. "It's important to make your campaigns attractive for Gen Z from the get-go. Stay relevant, use their language to resonate and engage, and give them quality over quantity," says Gullan.

Here's how your brand can connect with Gen Z:

### ► Keep it short and simple

Gen Zs enjoy visual content and love creating short-

form videos themselves. Brands should do the same. "Include short-form, fun and entertaining videos into your marketing strategy and make sure they are not too polished and stuck up. Make them real and authentic, more like user-generated content without striving for perfection," suggests Gullan.

### ► Mobile only

Gen Z's digital-first lifestyle and proficiency with electronic devices make online messaging and texting their go-to. They appreciate an unfussy design that messaging platforms, like Facebook Messenger and WhatsApp, get right. Use real and simple language and fast responses, and your brand will have what it takes to communicate effectively with impatient Gen Z.

### ► Tell it like it is

Unlike previous generations, Gen Z is not brand loyal, and their purchasing decisions are cemented by their communities. When Gen Z doesn't like a service or product, they'll share their opinions on social media. Thankfully the same applies to positive brand experiences. Incentivise them to review their experiences, and you can increase your brand reach and influence substantially.

### ► They're socially responsible

Gen Z is more aware of their environment than previous generations. "Because they can access so much more information, they're more aware of social, political, and economic challenges, which influence their purchasing

decisions," says Gullan. "Create campaigns that have a positive impact – to the environment, society, economy, or to the individual via their personal development."

### ► Protect their privacy

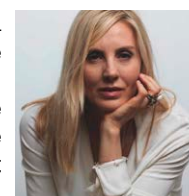
Make it easy to opt-in or opt-out of your marketing communications. Gen Z prefer to solicit brand engagement and not have it forced on them. "Nothing makes Gen Z unfollow a brand faster than TMI."

### ► Don't let regulations restrict creativity

Although regulations can restrict how you engage with Gen Z, there's still much opportunity to have fun. Be creative and think out of the chat box. Understand the regulations and focus on what you can do, and do that well. "Always aim to resonate rather than sell, and do so with flare, fun and creativity."

As the oldest Gen Zs are now entering the workforce, marketers should not ignore their importance and influence. They'll soon earn their own money and spend it on brands that resonate. "Brands that tap into Gen Zs' values and way of living, can reap the rewards and influence of this vast target market who are not afraid to tell it like it is."

By Desirée Gullan,  
Executive Creative  
Director at  
G&G Digital.



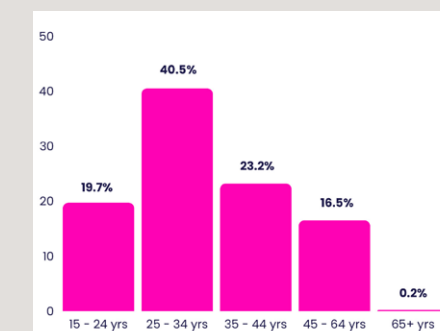
## Who's using what?

The Social Media Industry Survey conducted by Ornico and World Wide Worx during the first half of 2022, unpacks social platforms used by South Africans according to age group.

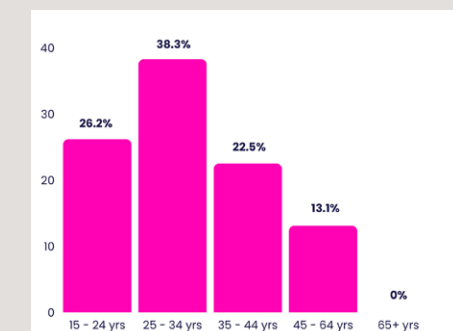
### INSTANT MESSAGING APPS

	15 – 24 yrs	25 – 34 yrs	35 – 44 yrs	45 – 64 yrs	65+ yrs
WhatsApp	25.9%	28.9%	24.5%	17.7%	2.94%
Facebook Messenger	30.4%	34.6%	21.8%	12.9%	0.33%
Telegram	21.4%	42.7%	24.6%	11.3%	0%
Signal	24%	46.1%	14.4%	15.4%	0%

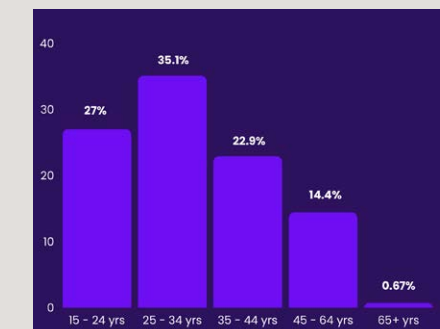
### TWITTER



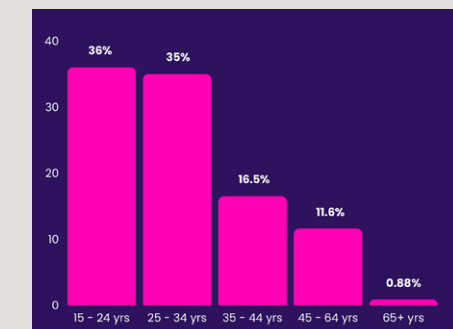
### INSTAGRAM



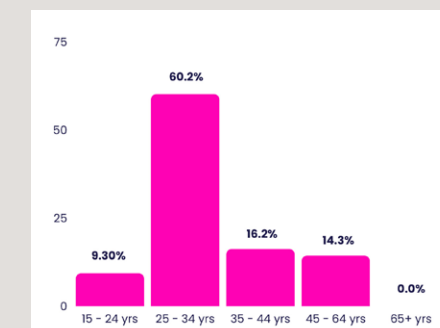
### FACEBOOK



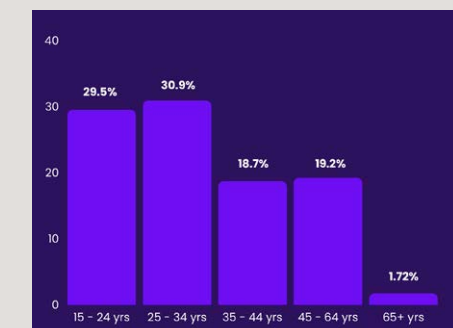
### TIKTOK



### LINKEDIN



### YOUTUBE



This survey is conducted by Ornico and World Wide Worx's partner, TGI/AskAfrika, based on interviews with 24 666 respondents, aged 15+ living in urban areas with 8000 or more inhabitants, using a stratified random probability sample. The data is weighted to the STATS SA population estimates, which allows for an accurate representation of 27.76 million South Africans. Download the full report here.



# Tips from the trenches

As coach Kathi reminds us on page 48, *all* businesses are in the game of marketing. It's what keeps sales going, money flowing and a robust capacity to deliver.

## Advice from a rising star

Jared Patel, head of marketing at *Sea Harvest Group*, received the Mondelēz 2022 Rising Star of the Year Award at the 2022 Marketing Achievement Awards (MAA) that took place in July 2022.

The criterion that determined Jared as the winner of the prestigious award was to clearly demonstrate that marketing can be used as a tool for business growth and should be purpose-led to drive positive change in society and towards the environment.

Patel shares six tips that is the recipe for his success:

**1 Try to understand the product or service deeply.** Understand how your business creates what you sell. I spent a week out at sea on a fishing vessel in the first month of my career at Sea Harvest! It is one of the best things I could have done to really understand what it takes to get our product onto shelves.

**2 Understand the market and consumer needs very well.** For me this meant spending time in stores and asking consumers questions about our products. Being on top of this gives you the backbone to be able to thrive as a marketer.

**3 Understand the business problem as best you can and work on various angles to try to solve it.**

We worked with the McCain team on our Friends in your Freezer campaign to grow the whole frozen category and create greater buy in from consumers.

**4 Don't be afraid to do things a bit differently.** The best marketers are fearless and have faith in their convictions. We created animated superhero characters that look like fish fingers, and it was completely whacky, but it worked.

**5 Get comfortable with big data.** Keep looking at the results, and test and revise your marketing strategies as often as possible. If something is not working, don't lose hope, don't give up when things don't go well, and treat it as important key lessons.

Marketing is a constant repetition of doing and testing and then redoing.

**6 Have faith in your team.**

Find their strengths, give them freedom to be bold and creative, and let them shine.

Talking about his sources of inspiration, "I look at the world around me through a branding and marketing lens. I place a big focus on improving my skills by reading books or listening to audio books by marketers and opinion leaders I respect," shares Patel. "The level of excellence of marketing in South Africa is very high and it is very easy to be inspired by the work being done in our country. Being exposed daily to our diversity, cultures and people helps me to form ideas and helps my creativity."

## Launching an eCommerce brand

Rudo Kemp, founder of South Africa's only comfort-adjustable mattress, *Sloom*, spent many years designing and developing his product to a point where he was confident with the quality and design. As he says: "Having a strong concept that you wholeheartedly believe in is the most important lesson for success! You are your very first customer, and the most critical one at that."

*Sloom* was established in 2016, and by 2017 the first prototype was ready for testing. Finally by 2018 they had the product that we know today, and were ready to hit the market as an online-exclusive brand. Innovative, but not without its challenges. Only, while establishing themselves, they had poured all their budget into



Jared Patel



Rudo Kemp

vicious circle for a new business owner," says Rudo.

"We learned (very quickly) that marketing is an essential sales tool. Without it, and especially for an e-commerce brand, it's like having an underground showroom that no one knows about. The only way to get visitors is to guide and make people aware of its location. It's the same with a website."

They proceeded to take out a loan in Rudo's wife and business partner, Susan Kemp's name in order to drive marketing and in turn, sales. "We spent the loan solely on marketing which was the catalyst to get the ball rolling and generate the much-needed sales," Susan adds.

Based on this valuable lesson learnt at the beginning, Rudo's top marketing tips include:

► **Invest in really good product photography and graphic design.** You want to showcase your brand in the most aesthetic way possible, especially with an online shop. Ensure you brief your photographer to include: product and lifestyle shots, as well as detail shots.

► **Invest in social media advertising,** but truly understand your target audience and key messaging.

developing the perfect mattress and unfortunately ran out of cash flow. "We were in a tricky predicament. We had stock to sell, but we did not have any money to spend on marketing. Without any sales, we could not generate funds for marketing, a

► **Paid media is an effective tool to expand your brand reach, drive traffic and ultimately sales.** Linking hands with the correct media partner that understands your market will help create awareness, reaching new audiences whilst driving your brand message with existing clientele.

► **A lot of new business comes from referrals;** ensure your customers love you enough that a referral comes naturally.

► **PR is a strong driver for authentic marketing and communications.** Ensure your messaging is coherent and stays consistent. In our case, we have a unique opportunity in that our product offering and brand story is one-of-a-kind and proudly South African!

## Listen to your customers

"We continually strive to better our products, so keeping a close ear to the ground for feedback is essential," says Rudo. Due to the nature of operating from a virtual showroom, customers were concerned that they were unable to test *Sloom's* mattresses, regardless of being able to change the layers to their desired firmness and comfort levels. "We made a bold move of offering the 100-night trial, which includes a full refund if customers aren't satisfied with the product. We were the first South African mattress brand to offer this service."

Customers also shared that they wanted faster delivery times - so we made it happen. "We added a warehouse in Johannesburg and the option of express delivery by investing in a few vans. This allowed us to schedule delivery with customers. Over the years, we have kept improving and fixing any shortcomings in our service offering," adds Susan.

"Entering uncharted territories is never a comfortable space to be in, however growth happens when you are uncomfortable. Being an entrepreneur is no small feat and it comes with a lot of hard work and bootstrapping. It's not glamorous, but when your end goal is so much larger than you, it makes every minute worth it," Rudo concludes.



# What are the takeover regulations?

## And when do they apply to your company?

If a company intends to conclude any transaction contemplated in Chapter 5 (fundamental transactions, takeovers and offers) of the Companies Act 71 of 2008 (“the Companies Act”), it is important to determine whether the takeover regulations under Chapter 5 of the Regulations to the Companies Act (“the Takeover Regulations”) apply to that transaction. If the Takeover Regulations apply to your transaction, then there will be various disclosures, approvals and reporting requirements that will need to be met or sought from the Takeover Regulation Panel (“the TRP”).

### Who is the TRP, and when do the takeover regulations apply?

The TRP is the regulatory body that was established under the Companies Act to regulate certain mergers and acquisitions defined in terms of Part B and Part C of Chapter 5 of the Companies Act and the Takeover Regulations as “affected transactions” involving certain public and private companies, referred to as “regulated companies”.

The takeover regulations apply to a **regulated company**, with respect to an **affected transaction** or an offer. In terms of section 118(1) of the Companies Act, a company will be regarded as a “regulated company” if the company is:

- a public company;
- a state-owned company except to the extent that any such company has been exempted in terms of section 9 of the Companies Act; and

- a private company, but only if:
  - the percentage of the issued securities of that company that have been transferred, other than by transfer between or among related or inter-related persons, within the period of 24 months immediately before the date of a particular affected transaction or offer exceeds 10% of its issued securities; or
  - the Memorandum of Incorporation of that company expressly provides that the company and its securities are subject to the Takeover Regulations (i.e. it expressly elects to be regarded as a regulated company).

An “affected transaction” is defined in section 117(1)(c) of the Companies Act as follows:

- a transaction or series of transactions amounting to the disposal of all or the greater part of the assets or undertaking of a regulated company, as contemplated in section 112, subject to section 118(3);
- an amalgamation or merger, as contemplated in section 113, if it involves at least one regulated company, subject to section 118(3);
- a scheme of arrangement between a regulated company and its shareholders, as contemplated in section 114, subject to section 118(3);
- the acquisition of, or announced intention to acquire, a beneficial interest in any voting securities of a regulated company to the extent and in the circumstances contemplated in section 122(1);
- the announced intention to acquire a beneficial interest in the remaining voting securities of a regulated company not already held by a person or persons acting in concert;
- a mandatory offer contemplated in section 123; or
- compulsory acquisition contemplated in section 124.

### When do the takeover regulations not apply?

The Takeover Regulations do not apply:

- to a fundamental transaction involving a regulated company if the transaction is pursuant to, or contemplated in, an approved business rescue plan in terms of Part B, Part C or the Takeover Regulations (section 118(3));
- if the offeror has been granted an exemption by the TRP (section 121(b)(ii));
- if (when determining if a company is a regulated company) the transfer of more than 10% of the issued securities is due to a company buy-back (Takeover Regulation 91(2)(b)); or
- where Takeover Regulation 83 is applicable (Effect of interests held by non-related persons).

### If I am dealing with a regulated company with respect to an affected transaction, then what next?

The general process to be followed is outlined below. Any person who:

- acquires a beneficial interest in sufficient securities of a class issued by a **regulated company** such that, as a result of the acquisition, the person holds a beneficial interest in securities amounting to 5%, 10%, 15% or any further multiple of 5% of the issued securities of that company; or
- who disposes of a beneficial interest in sufficient securities of a class issued by the company such that, as a result of the disposition, the person no longer holds a beneficial interest in securities amounting to a particular multiple of 5% of the issued securities of that class, must notify the **regulated company** within 3 business days after acquiring or disposing of such beneficial interest, in the form of Form TRP 121.1.

The **regulated company** must then file a disclosure notice, in the form of Form TRP 121.2 with the TRP and report the information to holders of the relevant class of securities, unless the notice concerned a disposition of less than 1% of the class of securities.

### Reporting/approval requirements in terms of the takeover regulations

Any person partaking in an **affected transaction** or making an offer must comply with all the reporting or approval requirements of the Takeover Regulations, except to the extent that the TRP has granted an exemption from any such requirements. Examples of actions required in terms of the Takeover Regulations

include “mandatory offers” (Section 123, read with Takeover Regulation 86), “compulsory acquisitions and squeeze out” (Section 124), and “comparable and partial offers” (Section 125, read with Takeover Regulations 87 and 88).

### How does one apply for exemption?

If a party wishes to apply for an exemption from the Takeover Regulations, an application may be made to the TRP which should include the following information:

- an explanation of the transactions involved;
- a justification for why the TRP has jurisdiction;
- an argument for why the applicant should be entitled to exemption in terms of section 119(6); and
- consent of all shareholders in the form of waivers of their rights pursuant to the Takeover Regulations.

The TRP may then grant an exemption if it is satisfied that:

- there's no reasonable potential of the affected transaction prejudicing the interests of any existing securities holder of a regulated company;
- the cost of compliance is disproportionate to the relative value of the affected transaction; or
- doing so is otherwise reasonable and justifiable in the circumstances.

### Consequences of non-compliance

If a regulated company becomes aware that a person has failed to make the above-mentioned disclosures, the regulated company must lodge a complaint with the TRP in terms of section 168 of the Companies Act.

Any interested person may also file a written complaint with the TRP. Following receipt of the complaint, an investigation will proceed and a compliance notice may be issued by the TRP. If the compliance notice is not complied with, a court may impose an administrative fine which may not exceed the greater of 10% of the infringer's turnover for the period of non-compliance and R1 000 000.

Should you have any concerns or queries in terms of the TRP process relating to a transaction, it is recommended to seek specialist legal advice.

By Ya-Fan Wong, Head of  
Cosec and an Associate at  
Domisse Attorneys.





# Joint Ventures for SMEs

## What, why, and how.

Joint Ventures offer great opportunities for small businesses and enterprises to grow by combining assets or intellectual capital with others to achieve specific goals.

In this article, we explore Joint Ventures to help you determine when you can benefit from it, and how to implement it.

### What is a Joint Venture?

A Joint Venture, or so-called JV, refers to a strategic partnership between two or more enterprises. It is usually implemented when these enterprises combine their skills, infrastructure, and/or knowledge to attain a specific objective when they cannot achieve it without each other.

The objective of a Joint Venture could be based on a specific project, tender, for a specific period of time, or a combination of these.

There are 2 types of Joint Ventures you can enter into: An Incorporated Joint Venture, and an Unincorporated Joint Venture. The difference between these two types of Joint Ventures is the legal framework regulating each – an Incorporated Joint Venture is regulated by the Companies Act of 2008 and Contract Law, while an Unincorporated Joint Venture is regulated only by Contract Law.

### Why will you opt for a JV?

There are a couple of reasons why business owners will consider entering into a Joint Venture:

#### ■ Growing your business

The ownership structure of a Joint Venture allows new entrants or small businesses to compete with larger, established competitors by pooling their resources. In this way, businesses can grow more rapidly by entering into Joint Ventures.

#### ■ Protecting your ownership

The parties of a Joint Venture can pool their resources (assets, knowledge, or operations) in respect of specific activities, without sharing ownership of their existing enterprises or businesses.

#### ■ You can enter into multiple Joint Ventures for different reasons

Another advantage of Joint Ventures is that participants may enter into as many Joint Ventures as they like, increasing their market share within a specific industry or even various industries.

### How do you establish it?

Once you have established that a JV is a good strategy for your particular needs or situation, you should consult with different experts to help you choose the right type of Joint Venture and then draft a Joint Venture Agreement.

The formation and operation of a Joint Venture may create various tax obligations for its participants, and it is highly advisable to obtain specialised tax advice in advance, as it will influence your choice in respect of which type of Joint Venture you will choose.

At this point, you will need the help of a legal practitioner to draw up the right agreement for the right type of Joint Venture you are entering into.

Your legal practitioner must understand the legal framework regulating your specific Joint Venture type. In order to make a Joint Venture official, a Joint Venture Agreement must be drawn up.

### What must be in the JV Agreement?

For any type of Joint Venture, the agreement drawn up by a legal practitioner must comply with the following basic framework:

- The purpose for the formation of the JV.
- Limitation to creating a partnership or agency.
- The name, address, and other identifying details of the Joint Venture.
- Whether the Joint Venture will exclude the participants from participating in other Joint Ventures with a similar purpose or not.
- The duration of the Joint Venture.
- The stakeholders and their participation ratios in terms of voting, profits, and losses.
- Contributions and obligations of the various participants.
- Composition of the Exco, Management Council, or Board of Directors.
- The duties of the Exco, Management Council, or Board of Directors.
- Meetings and procedures at meetings of the Exco,

Management Council, or Board of Directors.

- Powers of the Exco, Management Council, or Board of Directors.
- Alternative dispute resolution.
- Administration and Financial Management of the Joint Venture.
- Corporate Governance structures.
- Termination of the Joint Venture.
- Take note that a modified Shareholders' Agreement will be used for Incorporated Joint Ventures, regulated by the Companies Act of 2008 and Contract Law.

It is very important to remember that this framework will look different for each case. It will be prudent to refrain from using “templates” for this agreement. The provisions of each section mentioned above should be drafted with skilled consideration for aspects like taxation, sector-specific challenges, and compliance requirements.

### Additional requirements for Incorporated Joint Ventures

When an Incorporated Joint Venture is formed, a Memorandum of Incorporation of the company may need to be amended or specifically drafted to accommodate the provisions of the Shareholders' Agreement.

In addition, Incorporated Joint Ventures will typically contain express provisions dealing with the requirements of the Companies Act of 2008 such as issuing of shares and take-over regulations. Similarly, it will not contain provisions which the Companies Act has already provided for.

Generally, business owners must not try to draft these legal agreements themselves, in order to protect themselves as best they can against possible future litigation.

In summation, Joint Ventures are great “tools” to use that can both protect your business as well as enable you to expand your capacity to achieve your next big goal.

By Bèan du Plessis (B-Proc),  
founding partner of Baartman &  
Du Plessis Attorneys. Visit  
[www.bdpattorneys.co.za](http://www.bdpattorneys.co.za) or email  
[bean@bdpattorneys.co.za](mailto:bean@bdpattorneys.co.za).





# The hidden risk of permission creep

**Employees can collect a range of access rights to business systems throughout their tenure. It's a phenomenon called 'permission creep' - and it's one of the hidden cybersecurity risks for organisations today.**

Does the following scenario ring true? An employee starts at the bottom, working their way up through the organisation. As they are promoted, they require access to different applications and files. Within a couple of years, they have accrued an impressive number of permissions on their user account, even though they don't need many of those privileges.

Now, imagine someone gets their hands on that well-permissioned account - what could they do? If it's a criminal, they can unleash a very effective and widespread ransomware attack. If it's the employee, they might consider committing fraud, stealing competitive business information or causing damage in self-righteous rage. Whatever the scenario, user accounts are the preferred way to compromise business technologies.

"It's not even a claim that needs qualification anymore. Whether you look at reports from *Gartner*, *Microsoft* or other sources, compromised user accounts are almost always at the root of successful breaches. It's inspired a surge of identity-driven security, such as zero-trust and data-centric privilege management. But if we look at the source of the problem, it's usually because user accounts gain too many access rights," says Paul Green of cyber security company, Performanta.

## HOW DOES IT HAPPEN?

Permission creep, also called access creep and privilege creep, is when a user account has permissions it doesn't require. This creep can occur in two ways. Employees can attain permissions when their career evolves within the organisation, or they might gain temporary permissions for projects or events that are never withdrawn.

It's tempting to blame administrators for such oversights. But permission creep can often occur to meet business needs. For example, an entire team might gain specific permissions because a few members require those access levels. Whole departments could enjoy access to certain information to accommodate specific staff members.

Overlaps between different parts of the business also create elaborate permissions - legal and HR working on employment contracts might require both groups to access resources they'd typically not need. Then there is the matter of ego: people like the status of access privileges, and higher-ranking employees - especially executives - can expect or demand access just because they feel entitled to it.

"User permissions can look very simple, like a bouncer with a guest list - how complicated could it really be?"



says Green. "But when you deal with numerous business systems, file storage, collaboration environments and overlapping projects, it's very easy to assign permissions and lose track of who can do what."

Newer developments such as cloud services and remote working have made permission creep more common and complicated. Most organisations still have to catch up to the issue.

## FIXING IT

Companies normally pay close attention to user permissions, at least at the start. It's common practice to have rigid permission rules and policies when creating a new account. But such discipline grows lax as the employee's tenure grows. Overworked administrators are very likely to reflexively grant permissions when asked, because they have competing priorities and don't wish to prevent other people from doing their jobs.

It's important to have appropriate access policies that include provisions for permission creep, such as matching roles with appropriate permissions, conducting regular audits on accounts, and stipulating the shelf lives of temporary access. Companies should have formal

channels for permission requests, particularly to help protect the integrity of administrators - don't tolerate managers screaming on the phone at them, demanding access.

Likewise, policies must clarify that nobody is above the privilege line - even the CEO should justify why they need this or that access. Groups used to widespread access, such as IT super users or master administrators, must dampen their expectations - if they don't need the access, they can't have it.

"Look at access from the vantage of a criminal," says Green. "If they get their hands on an executive or senior IT administrator's account, how much damage can they do and how hard will it be to track them down in your systems? Those are the accounts they target."

Notably, phishing (a fake correspondence attack that tries to steal user credentials) and spear-phishing (the same as phishing, but targeting specific groups or individuals) have risen sharply in recent years.

Policy, audits and awareness aren't always sufficient. They take time and are prone to human error. Companies can link their user management and HR systems, using business rules to determine access. It's becoming best practice to integrate HR data with an access management system such as ActiveDirectory and a robust identity management platform where rules automate permission choices.

"The best way to manage user accounts is to automate them through HR data. If someone is promoted, they automatically gain and lose certain permissions. If someone leaves the company, their access is automatically revoked. Temporary rules can cover certain project or user groups, with built-in expirations. If you combine automated identity management, access policies and privilege audits, you'll reduce and contain permission creep," says Green.

There are many ways to break into business systems. But getting your hands on an account brimming with different access rights is the easiest and most common method. Criminals and insiders are much greater risks if your organisation doesn't address permission creep. Conversely, a robust access management environment will bolster security and productivity.

By Paul Green, Head of Microsoft Identity and Access at cyber security company, Performanta.

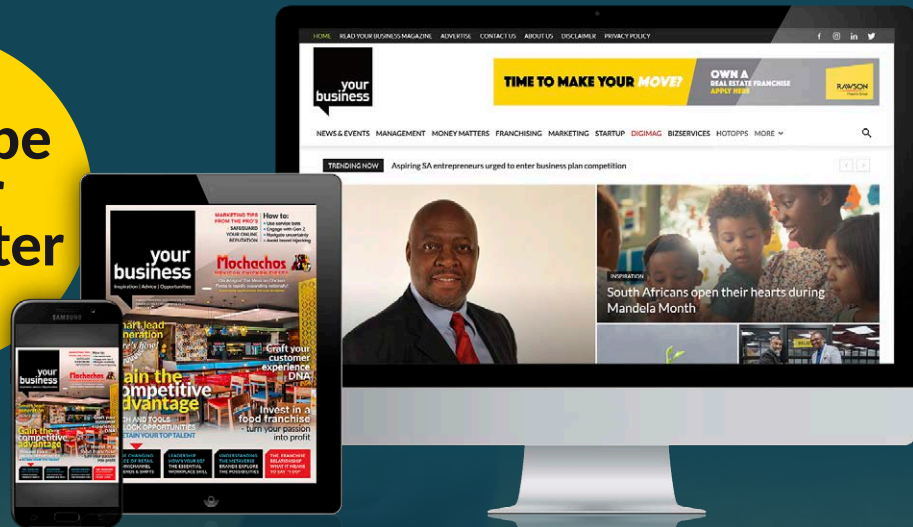




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