



Massmart works to support women entrepreneurs

Massmart looks for ways to support income-producing ventures for women. This includes bringing greater numbers of women into its retail and wholesale supply chain, financing rural women entrepreneurs and helping women who run stokvel collective savings schemes save on bulk purchases.

Whether in local communities or in its stores, Massmart’s goal remains the same: to expand the access that women have to entrepreneurial opportunities that can improve their lives. Because studies reveal that women will often invest in the wellbeing of their children and other family members, this support can positively impact the entire household.

Encouraging rural female entrepreneurs in Limpopo

Massmart’s focus on women includes its ongoing support of Women’s Development Businesses (WDB), an NGO that loans funds to women running their own small businesses in some of the poorest communities in South Africa.

Massmart’s work with WDB began in 2008 with an interest-free loan of R1 million. This was used to provide capital for small business loans to WDB’s customers and it was followed up with another interest-free loan of R1 million in 2009. In addition to this funding Massmart also covers the salaries of two WDB field workers, who help WDB’s customers in Limpopo develop the skills needed to manage their business ventures. This assistance includes processing loan applications and following up on repayments by clients, the majority of whom are illiterate and have never before been responsible for managing significant amounts of money. The fund uses the Grameen bank group

lending method, where collective responsibility means the women help pay back one another’s loans when required.

From 2009 to today Massmart’s funds have been dispensed in the form of micro-loans valued at between R5000 and R15 000 to 12 024 rural women. The benefits, however, don’t stop here. In many cases, these small businesses provide income for entire families and create employment for others. As of July 2012, CEO of WDB, Margaret Jiri, estimates the number of dependents benefiting indirectly from Massmart’s support at around 3 475; “Massmart’s assistance has helped many women-owned businesses,” says Jiri. “We have many success stories, but the two that stand out for me are Thabile Nkomo and Jabu Mbazima. Thabile started her business in 1997 selling fruit and vegetables. Today she has four outlets and employs people from her community. Jabu, meanwhile, runs a sewing and catering business. She joined WDB last year and today she has three employees. It’s thanks to the support of patrons like Massmart that these women are able to improve their lives and that of their family members. Usually their profits pay for school fees, help families achieve better nutrition and provide greater access to quality healthcare.”

Other successful woman-run businesses assisted by the Massmart/WDB Rural Women

Development Business Fund’s Malelane branch include Mayisa Promise’s spaza shop, Sambo Rose’s second-hand clothing business, Phumzile Zitha’s haircare products business and Zodwa Maluka’s tavern. Still others are Ntombifuthi Makamu, who sells floor polish and dish soap; Mashaba Elsie, whose truck is used for river sand delivery; Ndwalane Duduzile, a shoemaker; and Ngobeni Cecilia, a woman selling reading glasses and brooms.

Working with more women suppliers

While Massmart’s work with WDB is helping women establish their own businesses in rural areas, bringing more women into Massmart’s supply chain is also an important goal for the group.

Many women-owned companies are adding significantly to Massmart’s supply chain by producing competitive products that are unique and in high demand. Makro’s Liquor stores, for example, sell numerous brands of wine but Carolyn Barton, national wine buyer for Massmart chain Makro, says: “Women-owned suppliers are often battling to make their mark. By keeping their wines on our shelves, we hope to give them a window into the larger-scale retail world.” Barton explains that this is why Makro advocates the stocking of female vintners’ products in its stores and currently Makro’s range



includes Tanzanite and Trizanne Signature Wines in selected stores. It's through Massmart's R100m Supplier Development Programme, though, that the group is hoping to establish relationships with even more wines from woman-owned wine farms, such as Seven Sisters, Thembi, Women in Wine and Cape Dreams. By working with these entrepreneurs, Makro is hoping to offer producers insight into which wines the chain's customers prefer and how to build their brands in the wine market.

Makro carries many products other than wine that are produced by women. Matco, for example, is a family-run company that's half-owned by Nicole Herron. Matco imports and manufactures entrance floor matting and the company supplies not only Makro stores but Massmart's Game, Builders Warehouse, Builders Express and Builders Trade Depot as well. Herron says she enjoys her working relationship with Massmart, which has lasted 11 years so far. "It is fantastic to be associated with a leading retail brand," says Herron. "It means great visibility for my products and better sales." She says her company has grown over the years and she credits this to Massmart's merchandise buyers, who she believes have an exceptional understanding of the category in which she operates. They share this insight with her, making it easier for her company to produce the products Massmart shoppers want to buy.

Unlike Matco's range of flooring, which includes branded products, a retailer's private label products are what reinforce customer loyalty to its retail brand. These private label goods have the potential to turn retail brands into household names while at the same time offering customers a chance to save money. One of Game's private label brands, Simple Choice, includes a range of fashion home products sourced and imported by a woman-owned business. The company has worked with Game for the past nine years and together they have created products for Christmas and Valentine's Day, plus Simple Choice branded kitchenware, gift items, hard and soft home décor goods and laundry products. Home



Sharon Krohn, founder of Home Habitz

Habitz began when founder Sharon Krohn noticed that affordable home furnishings in the South African market were not widely attainable. At the time she worked at Game as a buyer, first in the category of fashion accessories and then later in luggage, children's outdoor, character merchandise and homeware. Krohn knew very well what merchandise was available, and spotted a need for fashionable, affordable homeware products. She left Game to set up her own company in 2003 and since then Home Habitz has grown into a business with administration, finance, logistic, design and quality assurance departments, all of which support a 10-member mobile sales team.

Krohn says her company's growth was only possible thanks to reliable clients, such as Massmart. "Massmart supported me when we first opened and they have been a major factor in our success. Today we can pass this on by creating opportunities for women in our company, including job training, management training and financial support for those who would like to further their studies."

Another private label Massmart product is also produced by a woman-owned company. Like Game, Builders Warehouse chains have private label brands, one called Plumb Pride. Builders Warehouse worked with Heat Tech Geysers to produce Plumb Pride geysers exclusively for Massbuild stores. In what is traditionally considered a male-dominated category, Builders Warehouse is selling a best-in-class private label product range in the geyser category with a woman-owned company. Suraiya Noormahamed, owner of Heat Tech

Geysers, produces SABS-approved water-heating units that offer both affordability and innovation to the Builders Warehouse store shoppers. Hers was the first company to produce and supply a Builders Warehouse-branded private label geyser and her units, she says, are superior to others in the category. "Because the geysers we make for Massbuild have a 2mm steel inner cylinder and are 25% thicker than those of our competitors, they have a longer life expectancy and they offer a more efficient heating cycle." Noormahamed first started in the geyser business in 1998, when she founded Supa Heat Geysers, which after six years was purchased by a competitor. Noormahamed spent some time in property development, then came back to manufacturing in 2010, when she founded Heat Tech Geysers (Pty) Ltd. At that time it was the only geyser manufacturer in South Africa that used eco-friendly polyurethane foam in its production process. Since then, she's continued to meet the highest specifications in producing one of the most efficient and reliable geysers available on the local market.



Suraiya Noormahamed, owner of Heat Tech

Another Builders Warehouse supplier is Exquisite Garden Art, a specialist manufacturer of fire-resistant cement products. Carene Snyman, owner of Exquisite Garden Art, says she started experimenting with fire-resistant cement when she worked as a landscaper. "I saw a high demand for fire-resistant braais and boma fireplaces from my clients, yet there were few suppliers of these items in the market." Snyman set out to fill this gap by starting a company that produces unique, handcrafted braais and fireplaces

out of various fire-resistant materials. Today her units are available at Builders Warehouse stores around the country. "The relationship we have with Builders Warehouse has been an enormous advantage to my business," says Snyman, who today owns the company with her daughter. "Before, I tried to market my products myself on the internet, but they weren't getting the exposure required. By working with Builders Warehouse I was able to secure great display areas in their stores and participate in broadsheet advertising, which draws customers. In the last 15 months our growth has been unbelievable."

Like Snyman, Christelle Ferreira, another Massmart supplier, believes product success is a shared responsibility between supplier and retailer. As part-owner of Technospa, the company she helped start in 2003, Ferreira's business is responsible for the design and manufacture of luxury spa baths and Jacuzzis sold in Builders Warehouse outlets across South Africa. "We are very in touch with the staff at Builders Warehouse," Ferreira says. "I have a dedicated representative visiting the stores almost every day to help with training staff and merchandising our products, as well as ensuring the filters and heaters on the demo units are always in working order." Ferreira says she believes it is this interaction that gives Builders Warehouse employees the confidence to sell her Technospa products.

Lesley Faber's experience with Builders Warehouse has also been one of working together with the retailer, but driving her own success. Her company, Liquichem, supplies specialised cable joints to Massmart's Massbuild division. "It seems like Massmart is keen to help small businesses who they believe have great potential to grow," says Faber, "When I started, my company was small so Massbuild recommended I partner with another manufacturer. Two years later I now supply a select basket of products to Express stores on my own. I work closely with their team

- in fact, we're working on a new product launch now," she says.

Helping women's group run savings schemes make their money go further

Moving from suppliers to customers, there is one more example of how Massmart and its chains recognise the need to help women. In this case chains provide support to savings schemes that are often set up by entrepreneurially-minded women, who aim to optimise their returns on savings. Known as stokvels, these savings schemes offer members collective savings and buying services.

A recent nationwide survey conducted by research company African Response found there are over 811 000 stokvels operating in South Africa with a combined membership of over 11.4-million people. There is a wide range of active stokvel models, but Massmart focuses on shared buying schemes in which a large group aggregates their money to buy in bulk and then divide up their purchases. Because the purchasing is done in bulk, there are significant savings to be had. Stokvels can vary in size from 12 to 150 members and in South African they are often run by women.



Stokvel members buy in bulk at a Makro store

Some Massmart stores, such as Makro, and wholesale stores, such as Jumbo, have created special shopping days to assist women's stokvel buying groups get the best possible deal for their money. The stores work closely with the stokvels and host regular meetings to gain

a thorough understanding of what members want and how stores can deliver the right value at the best possible price. Massmart's stores also use their buying and procurement expertise to negotiate great deals with suppliers. What's more, special opening hours and transport of goods is made available for those who need it. This is extremely important for stokvel members, who need to get as many high quality goods as possible from their end-of-year spend.

Betty Tseke is chairperson of the Rekakgona 'We can do it' stokvel. She attended Makro Woodmead's special stokvel day in November 2011 and says that her stokvel members love getting the best deal possible: "We save up all year to be able to buy these goods and take them home to our families." The Rekakgona stokvel's purchases included flour, sugar and rice and by buying these foods in bulk for the year ahead, she and the other stokvel members guarantee their families food on the table for the months ahead.

Like Makro, Massmart wholesaler Jumbo assists stokvel shoppers wherever possible. Jumbo hosts informative pre-stokvel events, where suppliers showcase goods and savings and banking procedures are discussed. These stokvel events also prompt the proactive collection of orders ahead of purchasing, the securing of bulk discounts, assistance in making payments through direct deposits rather than cash; ensuring stock availability on the collection day; working with suppliers to reduce prices and helping arrange affordable transport.

From supporting small businesses run by rural women to stocking shelves with products made by women to making life more convenient for savings schemes typically run by women Massmart's efforts reach much further than the stores themselves – they reach into each community in which Massmart operates. ■

* Please see *Empowering women in the workplace is a priority for Massmart* for more info on Massmart's bursaries, its graduate development, leadership development programmes and its drive to promote women into more positions of influence.