

Store: Springs Cash & Carry
Wholesale group CBW,
a division of Masscash
Location: Springs, Gauteng
Size: 3 500m²
Till points: 20
Staff members: 110
Transactions per day: 400 to 500



Springs Cash & Carry on the East Rand is an example of a well-run store thanks to strong management and sense of loyalty amongst the staff.

By LISA DEWBERRY

Communication and understanding within a loyal staff is one of the secrets to why Springs Cash & Carry has been experiencing good growth at the store since it opened in 2006. A key ingredient in the success of the store is its focus on empowering staff and placing the right people in the right positions, who share the same objectives as management in terms of profit, customer service and stock availability.

Springs Cash & Carry faces bright future

by engaging with staff and using effective communication

A new wholesaler for Springs

Masscash opened Springs Cash & Carry (part of CBW) in the East Rand on 3 March 2006 and it has since become one of the big players in the area. The store services

a wide variety of areas with deliveries to Ermelo, Bethel, Trichardt, Heidelberg, Springs and Delmas. Its main clientele is the traditional black trader (LSM 1–5), with a recent increase in Somalian and Chinese traders. The store has managed to maintain its margins in an aggressive trading environment and while the recession didn't hurt it that much, the xenophobia in the townships saw a larger decrease in sales due to customers from the townships disappearing, traders in the townships closing and people from the township generally being scared, only taking enough food home for one day at a time.

The right staff in the right roles

Stephen Francis, general manager at Springs Cash & Carry, who has been at the store since it opened, is a key part in the store going from strength to strength over the past five years. Colin Phala and Dean McKenzie, branch managers, have also played a major role in the success of the store. It opened with just 10 checkout points and 40 staff and has since grown to more than 100 staff and over 20 checkout points. Francis has known many of the



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Management at the store does all training of staff. "We are fortunate to have the staff we have. The right people have been given the right jobs. The secret behind our good growth is that there is communication and understanding between management and the staff and everyone has the same goals

in terms of sales, profit, shrinkage and stock availability," says Francis.

What's on offer

The store sells all basic food stuffs, non-edible products and basic commodities. This includes a wide variety of products from perishables, such as frozen chicken to basic food products like coffee and baked beans, non-edibles such as cleaning products and commodities, including oil, mielie meal and flour. An additional product it offers to customers is cell phone airtime. Springs Cash & Carry also has a well-run liquor department that boosts positive sales. The store does not have a particular department that dominates and all departments are showing good growth. Mondays to Thursdays serve as the busiest days of the week for trading with customers doing emergency shopping towards the end of the week.

On average, it does between 400 and 500 transactions per day and is not open on the weekend or public holidays. Their shrinkage and wastage is minimal with it being at 0.20% of the sales percentage. This is done through good communication with everyone involved, regular stock counts and shrinkage bonuses if the situation improves further.

Hurdles to overcome

One of the major challenges facing this store is the lack of space available for expansion. Springs Cash & Carry has outgrown its 3 500m² warehouse, and does not even have enough space for a proper parking facility. With a bridge on one side and a railway line on the other there is no room to develop further and no open areas close enough to expand the store. The planning of deliveries and getting customers

Prominent, colourful displays and promotions feature throughout the store to attract customers.





Communication about the in-stock situation between management and staff ensures the correct volumes of a particular product are available for the customer.



The store offers competitive pricing and bargains for the customer.



The store sells all basic food products including items like coffee and baked beans.

through the store efficiently plays a major role in keeping sales high.

The communication about the in-stock situation between management and staff is critical to ensuring the correct volumes of a particular product are available for the customer. In this way the store is able to cut down on unnecessary costs. "We have to make the most of what we have when it comes to space and plan things such as deliveries effectively in terms of the times of day the delivery trucks arrive and how many trucks deliver goods in a day. The volume of goods that goes through our store is actually incredible considering the space," says Francis. Another challenge facing the store are the nearby competitors, such as Trade Centre and Super Save, as well as Shoprite's U-Save and Pick n Pay's Boxer stores, which are now opening in the townships.

Attracting business

The store offers good customer service and communicates its fair prices through various means, including a broadsheet produced twice a month. Another way the store attracts customers is through its mini 'banner groups' with Super 11 and Big 11 who caters for the clientele in the townships and in town centres. On a monthly basis, Springs Cash & Carry decide on promotions to help these stores and passes out pamphlets in the townships and town centres which educate other businesses who do not have the expertise in running their business. If the Big 11s and Super 11s do well then Springs Cash & Carry also does well. The liquor department that opened in 2008 is also an attraction of the store, but its business in this department is limited to restaurants and businesses with liquor licenses only.

Giving back to the community

Springs Cash & Carry gets involved in various social enlistment initiatives, which are driven by Masscash. It has been involved for a number of years in programmes such as the Impilo Programme, which is an HIV/ Aids wellness programme to assist the staff working in the store with a healthy lifestyle. The store also makes food and drink



The liquor department with a separate entrance aids sales at the store.

donations to the Kwa Thema Disabled Sports Club and to selected local churches and children's homes on a monthly and annual basis.

A positive future

The store is currently doing exceptionally well but aims to find property close enough so that it can expand further. "We would love to include a bakery or fruit and vegetable section but just don't have the space. It would be great if customers could get everything all under one roof, however the store has grown too quickly," says Francis. About a year after the business opened the general merchandise aisle, which included items such as pots, pans, brooms, irons and kettles had to be removed due to there not being enough space and the store had to be re-merchandised. While this issue of space waits to be resolved, Francis plans to focus on using the current area as effectively as possible and aims to give great customer service and focus on empowering their staff. "We have experienced really good growth since we opened and are happy to have a staff whom we have known for more than a decade that share the same vision management do," he says. **WB**