

Big Save-ings in Hammanskraal



Hammanskraal is a very unique township because there is a huge mass of commuter traffic passing through daily and business is booming for Big Save Cash & Carry.

Family business thrives in commuter portal to the North

By LAURA DURHAM



Store: **Big Save Cash & Carry**

Buying group: **ICC**

Location: **Hammanskraal, Gauteng**

Trading floor: **4 000m²**

Staff complement: **110**

Opening hours: **7.30am – 5.30pm**

Transactions per day: **4 500 – 5 000 (month end)**

Everything about Big Save Cash & Carry is big: Big savings for its retail customers, big effort in service for its trader market and big value thanks to the distribution centre that services the Big Save stores in Pretoria and Hammanskraal. And this focus has led to the group's big success in Hammanskraal since opening in 2009 with 5 000 transactions per day at month end.

Family values

The family-owned retail operation started off as a Coca-Cola depot in Pretoria in 1989 – Waltloo Wholesalers. After including commodities in 1992, the Big Save brand was born in 1995. "Initially we weren't seen as a cash & carry because of our roots in Coke and liquor but as soon as customers realised we had the stock and the price savings, we grew from one extreme to the other," says one of the partners, Tony Ferreira.

After outgrowing the first premises, another Big Save opened up at the Fresh Produce Market in 1998, which serviced a higher LSM customer base. Both stores were already servicing small store owners in Hammanskraal 45km away so the obvious route to expansion was to open up a store there. The opening of Temba Big Save (2004), Hammanskraal Express (2005) and Hammanskraal Wholesalers (2006) was also an opportunity for long-standing staff, Tony and Nelson Jardim to join the management team.

In 2009, they decided to wind down the three separate operations and open up an enormous 4 000m² Big Save Cash & Carry to better cater for the wholesale and retail customer base with a one-stop shop offering in the Hammanskraal area.

The Big Save partnership now includes: Tony Ferreira, Johnny, John Senior and Louis Jardim, Tony and Nelson Jardim and Paulo Delgado.

Hammanskraal hub

Hammanskraal is a unique township as there is a huge mass of commuter traffic passing through daily. Many people who live in Polokwane work in Pretoria so they pass through Hammanskraal every week. The town is also a stopping point for travellers on their way to Botswana and Zimbabwe. In fact, the town is so busy that retail space has actually become a commodity, with three Spars, two Pick n Pays stores, Boxer, and Rhino all vying for feet, plus a Shoprite opening at the end of the year.

Big Save Cash & Carry services both the wholesale and retail markets in a 50/50 split. The wholesale side has a separate entrance so as to ease congestion, allow for one-on-one customer interaction with traders, as well as emphasise to wholesale customers that they are getting a different price to those in the retail section. The split used to be 70/30 to wholesale, says Ferreira, but that has changed in recent years. "Having everything under one roof is attracting everyone and we are very happy to see retail growth as this provides better margins," he explains.

The store receives great support from local traders, schools and even lodges (the Denokeng Game Reserve is nearby). "Our local hawkers are our biggest support – they see us as a window of opportunity for great value, a constant stock supply and competitive pricing," says Ferreira. Staff members guide these informal traders and keep them informed about new ranges,

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which is especially important for the ones with tuckshops at the schools. "We don't believe in making big margins. We'd rather make less so traders can also make a margin and be competitive," he says. They are also considering a fresh produce department in-store but rather than being directed at retail customers, Ferreira says they would service the fruit and vegetable hawkers that sell their wares around the taxi rank area.

Buying price power

Big Save's ability to keep prices down for its low-income base is two-fold: owning their own distribution centre (DC) and belonging to a buying group. Big Save joined ICC in 2001 and the family nature sits well with both businesses. There has also been talk recently about ICC members with their own DCs, like Big Save, to consider running their own small buying groups (ICC-B) to service smaller stores.

Big Save's 4 500m² DC opened in 2005 and all known value items (KVIs) pass through it and are distributed by their own fleet of 18 trucks. 80% of the DC's stock goes to the Big Save stores and 20% goes directly to local businesses. A monthly pamphlet and weekly sms announcing specials goes out to all these small retailers and traders and they are able to order stock by simply replying to that sms.

People not profit focused

Big Save has a staff compliment of 280 in the entire group and investing in their



The store had to increase the bakery capacity from one to three ovens to meet the demand of 5 – 6 000 loaves of bread each day.

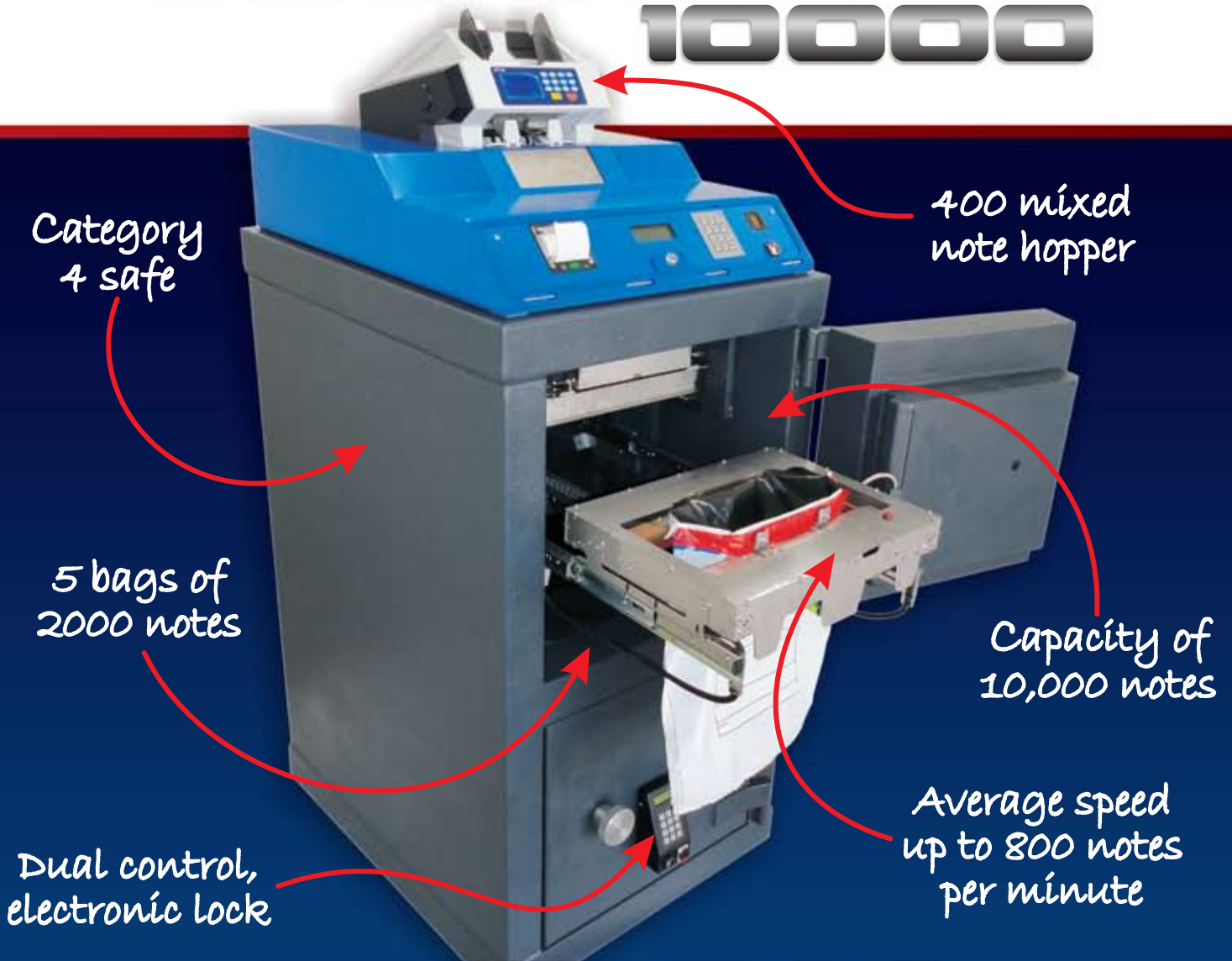
training is important for management. As part of a learnership programme with the Department of Labour and Sector Education and Training Authority (SETA), Big Save has taken on 80 learners for a year course. They are taught the basics of retail – merchandising, cashiering, customer relations, stock taking, order making – and at the end of the year they receive a certificate. Big Save can then choose to take on the learners as full-time employees or to let them carry on with the learnership elsewhere. "It is a great programme that Government is investing in and it doesn't cost the business much at all but for the learners, they are paid and learning new skills each day," says Ferreira. He also decided to outsource the human resources to an outside party and the result has been more motivated staff and improved productivity in-store.

Further to the investment in people at store level, Big Save also participates in community initiatives. Recently, they partnered with Ambassadors in Sport to put on a soccer clinic in Mamelodi, which was aired on Supersport. "It's all about taking people off the street, teaching them skills through the vehicle of soccer and, of course, identifying talent," says Ferreira. Big Save also donates gifts and stock to local orphanages and old age homes, particularly around Christmas.

Catering for the commuter

Big Save has launched a successful takeaway offering in their Hammanskraal store, which will soon be rolled out to the other stores.

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The offering is local and culturally relevant with dishes such as pap & stew, samp & beans, and mornings and lunch times are when that department gets busy. Cleverly, there is a counter in-store to service the retail customers on-the-go, as well a takeaway with a separate entrance to service passers-by and allow them to sit down and enjoy their meal.

Servicing success

Big Save launched, for the first time, bakery and butchery departments in the Hammanskraal store and they have both



Value-add lines, including cow heels, chicken feet, gizzards and soup packs are very popular amongst the customers.



A family environment and a focus on customer service is why Big Save is such a success. Tony Jardim (left) and Paulo Delgado (right) are part of the management team.



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been a great success. They had to increase the bakery capacity from one to three ovens and are producing 5 – 6 000 loaves of bread each day. For just R5 a loaf, their own bread does much better than factory loaves. Customers are also able to order customised cakes and Ferreira boasts that the confectioner is "very dedicated and very detailed".

The butchery is also doing well and last year they introduced an offal section, where everything is served fresh. Ferreira says the value-add lines, including chicken feet, gizzards and soup packs are very popular amongst the customers. Cold meats are also becoming popular and he attributes the rise in polony sales to customers looking for a reasonably priced protein that can be eaten on-the-go. For their traders, Big Save makes its own wors – Traders Wors – for them to braai and sell at their own stands. Catering equipment and bulk groceries are also starting to do well as society groups use Big Save to cater for funerals and weddings.

Big Save's liquor stores also play a big part of the business, "In these liquor outlets, we are an official Coca Cola depot and we sell at ABI prices direct to the public," explains Ferreira. There are three outlets situated in Hammanskraal (opened recently); Waltloo, which services the Mamelodi, Nelmapius and Eersterust area; and the Market store, which is situated in the Tshwane Fresh Produce Market. "The

liquor business does very well for us as it compensates our cash & carry businesses which are situated alongside the liquor stores. From 12 staff we now employ over 50 staff in this business," he adds.

A promising future despite challenging times

Rising operational costs – fuel, electricity and labour – are a serious problem for all retailers, emphasised by the recent spate of strikes across the country. Ferreira says petrol prices and the impending new toll fees are a huge issue for them, especially in terms of distribution. "If we don't re-negotiate trading terms with suppliers, we're going to have to close our DC because we can't cope with the rising operating costs – and that won't be good for suppliers either as they would have to deliver to each store," he says.

Despite this, "the opportunities are endless" for Big Save. Remaining a family business is important for Big Save but they would consider opening franchise stores in rural areas, including neighbouring African countries. "We've already had quite a few enquiries from foreigners since launching our website in November," says Ferreira.

"We've got it right at Big Save – maintaining a family environment, getting the basics of price and value right and focusing on the reason we are in retail in the first place: the customer."