



Using local knowledge to its advantage ...

Rural retailer reigns in KZN

Browns Cash & Carry, Nqutu, has used its location in rural northern KZN, and competitive pricing to grow its net profit fivefold since 2003.

Store selling manager, Stephan Naudé's proficiency in isiZulu and his participatory management style are two of the reasons why Browns Cash & Carry in Nqutu, KZN has grown its net profit five times since he joined in 2003. This, combined with the store's location in rural northern KZN, and competitive pricing has the Masscash store (a division of Massmart) looking up after the recession and looking toward a bright future.

Open for business

Masscash opened up Browns Cash & Carry in Nqutu in 1988 and has since blossomed into a retail and wholesale stronghold in the rural northern KZN town. Situated 45km from the nearest town, Dundee, Browns is one of a few stores in Nqutu that services its rural community. Browns is a hybrid store, where 40% is retail and wholesale makes up 60% of the turnover.

By LAURA DURHAM

Store: **Browns Cash & Carry**

Location: **Nqutu, rural KZN**

Trading area: **3 000 m²**

Tills: **13**

Transactions per week: **10 000**

Booming years

Stephan Naudé took over as one of the managers of Browns in 2003 and the store has seen a great improvement in quality, price and service since he took the helm. The trading area has expanded from 1 800m² to 3 000m², and turnover has trebled and net profit has grown fivefold since 2003.

Communication is key

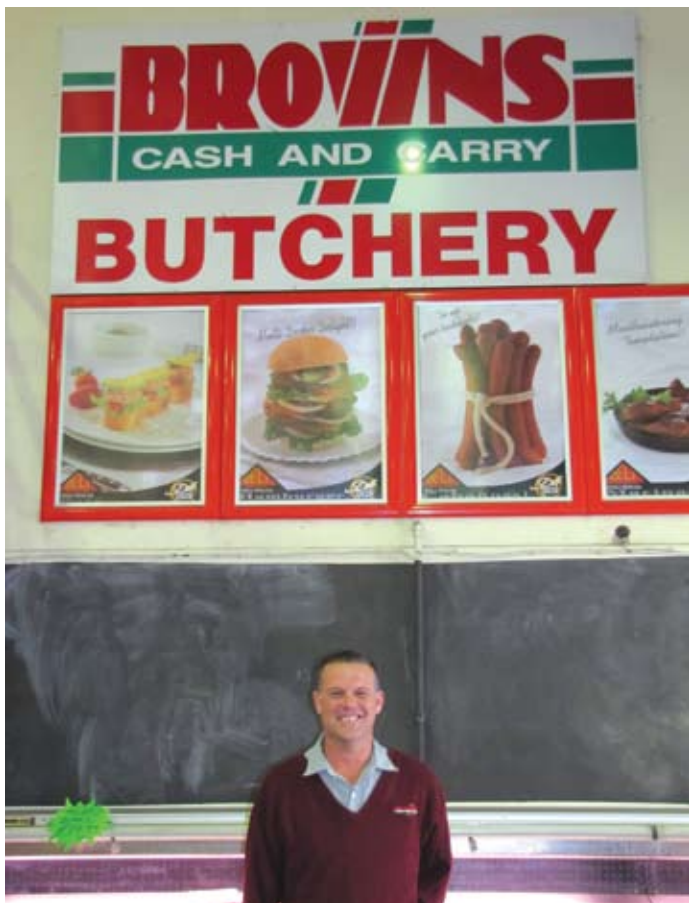
Naudé speaks isiZulu proficiently and this has been vital for general communication with reps, staff and customers – "we understand each other". Being able to speak

the language so well has meant that he is seen on an equal footing with his staff, as opposed to the old 'boss-worker' image.

Similarly, his management style is participatory as opposed to top-down. "It is a change of mindset because they are so used to being told what to do, but once it gets going, the staff really run with it," he says. Being able to make decisions themselves, and equipping themselves with further skills and training, the staff at Browns seem to work towards one goal. "The day you stop being passionate about your business and learning each day, is the day you need to shut your doors and walk out."

Geared for grants

The store has promotions once a month on basic commodities and regularly holds competitions for customers. Although the store does distribute about 2 000 leaflets per month, customers generally have a good indication of prices and specials – particularly at month end and for the first week of the new month, which is Browns' busiest time. Government grants and



Store selling manager, Stephan Naudé's proficiency in isiZulu has helped him implement a participatory management style where the staff is encouraged to make decisions themselves.

pension payouts are also very busy days at the store, which is open six days a week.

The best of butchery

Browns buys A-grade meat twice a week to service the butchery and they even manufacture their own boerewors, buying the animal carcasses from Eshowe and Empangeni abattoirs. The top-seller in the butchery is forequarter meat, which sells at R43/kg.

Fresh stop

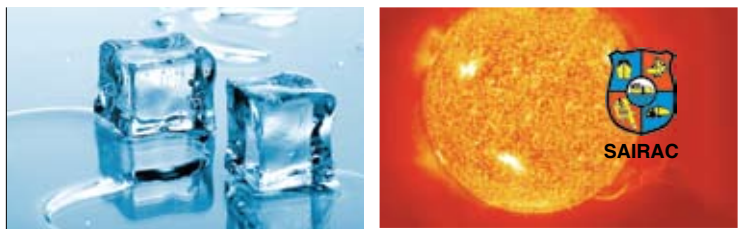
The store buys its fruit and vegetables from local farmers daily, and keeps up a big supply of potatoes (bought every three days) to keep up with customers' demands. Browns does not have a deli or bakery, for now. "We'd certainly consider it in the future," says Naudé.

Luck with liquor

Browns has established a small liquor outlet alongside the store and many local taverns buy their stock from Browns Liquor. They service both retail and wholesale customers, but have ensured that there are two separate entrances in accordance with liquor legislation. The top-selling item at the liquor outlet is, by far, quarts. Spirits are also quite popular and whisky is gaining popularity amongst its customers.

Train to gain

Training is a big part of the positive staff morale at Browns Cash & Carry. There is a training container outside, complete with computers, desks and a white board, and a trainer comes in once a week. Staff have the option of completing their adult basic education training (ABET), as well as NQF supervising courses. ►



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Many local taverns buy their stock from Browns Liquor Store, with quarts being the top selling item.

WHOLESALE STOREWATCH ▶

"These are for people we've eyed out as future managers," explains Naudé. Other available courses include: customer service, stacking and palletising procedures, finance, and stock control.

Safe and secure

Security is a major concern for every retailer and Browns is no different. The store keeps a high presence of security guards on site,



Browns caters for both retail (40%) and wholesale (60%) customers, but manager, Stephan Naudé hopes to make it a 50-50 split.



Government grants and pension payouts are busy days at the store, and specials on basic commodities are held every month.

and has vigorous security procedures for the opening and closing of the store. There are no cameras in-store because "it's a waste of time", explains Naudé, "unless there is someone to monitor them continuously." Since contracting Mbube Security in 2003, there have been no hassles with theft at Browns.

Sizing up

A large portion of its customer base is made up from mining migrant labour in the area and the recession directly impacted Browns.



Browns buys A-grade meat twice a week to service the butchery, where they also manufacture their own boerewors.

The many employee layoffs in the mining sector meant that the store saw quite a downturn in business. And how does a business combat this downturn? "We had to be a lot more inventive in the way we do promotions," says Naudé. For example, where usually the store would promote maize meal in 10kg or 25kg bags, they now took the 50kg size and marked it right down. "So at least we know that people are getting one of their main food groups at a lower price," he says.

Looking ahead

The future for Browns Cash & Carry looks good, with plans to upgrade the bakery and introduce a bakery and deli into the store. Naudé also wants to get the balance between retail and wholesale at 50-50. "I'd like to focus a lot more on retail but obviously don't want to lose wholesale, as it ensures good turnover.

Naudé recently received a citation from Massmart for being an outstanding role model at Browns Cash & Carry. "I believe the way forward is trust, belief and integrity in our dealings with each other in this country, regardless of cultures and backgrounds," he says.