

SUPERMARKET & RETAILER

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Business knowledge for smart retailers
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Supply chain

Grappling with omnichannel complexities

Grains & legumes

These staple categories
remain robust

Hygiene & pest control

Prevention is
better than cure



FEATURES



Omnichannel management of Supply Chain ...

In the era of e-commerce, Supply Chain management has become increasingly complex. Shifting consumer preferences, growing sustainability concerns and demand for seamless returns experiences have significantly impacted retailers' reverse logistics processes.

Supply Chain – SAPICS Conference 2023 ...

Artificial intelligence (AI) is improving Supply Chains, but human skills are still critical. Practical applications include demand forecasting, risk, inventory and quality management, and transport and distribution optimisation.

PEST CONTROL

Hygiene & pest control ...

The ins and outs of in-store behind the scenes prevention. How manageable is it to achieve an entirely pest-free

environment? Governed by legislation, we looked to industry experts for the answers.

Pest control image courtesy of <https://www.vecteezy.com/vector-art>

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Grains & legumes, the latest trends ...

Maize, wheat, rice, legumes and pulses provide the foundation for mealtimes for millions of South Africans. With constant innovation and product development, the categories are constantly energised and remain robust.



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Aki Kalliatakis observes that people are drawn towards the easiest and most trivial tasks and spend more time on them than important issues. So it is that your customers don't want to waste their time with tasks and messages that aren't applicable to their needs and desires.

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Supermarket resilience Navigating Supply Chains and consumer demands in South Africa



Helen Maister

As loadshedding, higher interest rates and a corrupt government hinder South Africa's progress, consumers have adapted their shopping habits to become more strategic. Shopping for convenience has largely taken a back seat for now, and consumers are now more targeted in their approach. They employ spreadsheets and have an understanding of selling cycles for products like

milk, grains, cleaning materials and toilet paper.

Among these savvy consumers is the Facebook group "1 Family 1 Stockpile," boasting 618k members. Recently, the Pick n Pay ASAP app offered a special promotion on Baby Soft toilet paper with a unique promo code. Remarkably, members of this group managed to purchase all available stock within a day.

Despite the challenges faced by the country, consumers are demonstrating resourcefulness and efficiency in navigating their shopping trips, making the most out of deals and discounts to ensure they are well-prepared in times of uncertainty.

Catherine Larkin's upcoming article delves into the impact of reverse logistics on the retail industry, especially considering the increasing influence of e-commerce and technological advancements.

The rise of e-commerce, driven in part by the Covid-19 pandemic, has transformed the retail landscape, prompting traditional brick-and-mortar stores to embrace online offerings. However, many online retailers still struggle to outperform their physical counterparts.

As the retail industry undergoes a profound transformation, companies must navigate the complexities of managing physical and virtual stores simultaneously, leading to the need for more comprehensive supply chain solutions.

To succeed in the digital world, retailers must integrate an omnichannel approach, addressing challenges related to costs, scalability and adaptability while offering efficient on-demand delivery services to a wider audience.

Anne Baker-Keulemans discusses the ins and outs of in-store pest control and hygiene. Consumers desire a clean, hygienic and pest-free environment when shopping, but achieving this requires behind-the-scenes efforts. Industry experts like PES Africa, Rentokil, and Sani-touch emphasise the importance of prevention in pest control. Integrated Pest Management (IPM) plays a vital role in this approach.

IPM is a science-based process that minimizes pest-related risks through a combination of pest biology, environmental information and technology. It aims to prevent unacceptable pest damage economically while posing minimal risks to people and pets. Understanding the pests' life cycles, behaviour and biology helps eliminate infestations at their root cause, with the use of targeted pesticides when necessary. In essence, IPM focuses on preventing pest problems rather than simply reacting to them.

Ann Baker-Keulemans writes about the enduring significance of grains and legumes in the human diet, spanning hundreds and thousands of years. Despite the challenges posed by climate fluctuations, electricity supply issues, fuel costs, geopolitical conflicts, and the Covid-19 pandemic's supply chain disruptions, these staple commodities remain resilient.

Maize, wheat, rice, legumes, and pulses continue to serve as the cornerstones of millions of South Africans' mealtimes. With constant innovation and product development, these categories stay energised. Affordability, nutritional value, and versatility make them essential options even amid price increases. To keep pace with evolving consumer demands and shopping patterns while considering budget constraints, suppliers, private label brands, retailers and manufacturers must remain proactive in their approach.

Helen Maister

Helen Maister



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How to use Bikeshedding to your advantage

This is the next article in a series on how behavioural economics and 'being human' affects your business.

Aki Kalliatakis

aki@leadershiplaunchpad.co.za

In 1957 historian and author Cyril N. Parkinson observed that people put more focus on the things that are easy, like putting a bike shed in front of a building, when compared to more difficult ones, like purposeful consideration about the atomic reactor inside the building. He wrote ...

“ The time spent on any item of the agenda will be in inverse proportion to the sum [of money] involved. ”

People like you and me are drawn towards the easiest and most trivial tasks and spend more time on them than the actual important issues. You probably have your own examples, but I know that instead of starting my day dealing with emails, I gravitate towards LinkedIn. It's more fun, it's easier, and I don't have to immediately respond to every issue. Of course, I know I pay the price later, because it's the least important part of my day.

The obvious first lesson from Parkinson is that your customers don't want you to waste their time with tasks and messages that aren't applicable to their needs and desires.



Image courtesy of pexels-аННН

You may be incredibly proud of your new app that took months to develop, but unless it's easy to work with, they don't care. My life is far too

complicated to have to wade through a bunch of non-value-adding trivia.

On the same day I first read about Parkinson's work, I also tried to do some online shopping because one of the retailers had been sending out a ton of promotional material with some seriously good discounts. I eventually found out how to order, picked my stuff, and proceeded to checkout. The app didn't recognise my suburb, even though it was established in the 1950s, and I filled in the street name praying that they'd find my place.

I thought I'd paid because I went through all of the instructions, although it turned out that something mysterious had happened between them and my bank, and it was only a week later when I went back to the app to check what had happened to my order that I discovered there



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was still an outstanding amount to pay. Not a peep from them in the meantime ... the order just waited in my trolley, with no communication.

When it was finally delivered, I discovered that two bottles of whiskey, which was on special, were missing and immediately got stressed that they had been stolen. I had to make a long call to the call centre to discover that they had run out of stock. In all, a really negative experience, and not one I wish to repeat.

You see, as a typical customer I don't really care how much effort goes into making it all possible behind the scenes. I don't need to know how capable the chef is, and how hard she worked on the little details to get my meal on a plate. All I care about is that it is delicious.

It's what I like to call the 'after state'.

Once I've used your business, or ordered from you, what are the benefits I'm getting from them? How do I feel afterwards?

At the back of my mind are the three important questions I consciously or unconsciously ask ...

- How is this going to save me time?
- How is it going to save me money or add value?
- How is it going to make my life easier?



Cyril Northcote Parkinson

Photo credit: Emmanuel College, University of Cambridge. Painting by Sam Morse-Brown



Image courtesy of <https://jrqsanta.com/2022/12/27/la-ley-de-parkinson/>

It's the same with getting in touch with your business. How hard is it to get to have a simple query answered without having to listen to a whole speech about how "this call is being recorded for quality control and training purposes" or how "we are experiencing high call volumes at present"? (Of course, I'm assuming that you have the facility of actually allowing customers to talk to a human being.)

But there is an even deeper level of innovation that you can include to fix the Bikeshedding Law.

Let me go back one step. I had a blocked shower at home and was looking at the choices on the shelf. There were two brands, both of which appeared to have the same stuff inside: some granules that one pours into the drain, followed

by 200 ml. of cold water. One was in a bright pink container, with red letters printed in a small font that made it close to impossible to read. The other was in a lighter container with a white label and dark blue letters, and much easier to read. I didn't even look at the price and bought the latter.

A confused mind will always say no, and I fantasised that I'd end up in the boardroom of the company with the hard-to-read label, stand up in front of the directors, and ask them to read their bottle.

The point is that, unless you can experience what it's like for your customers, actually call your call centre, park your car in your shopping centre, make your way through your store, and stand in the tills, you cannot hope to fix the chronic issues that plague your customers' lives.



To return to the example of the shopping apps, I know exactly which is my favourite (they deliver in an hour) and it's because it's easy to use. It doesn't offer me a hundred options. It's easy to read. Advertising and promotions are rare, and I have a feeling they are based on what I've previously purchased.

So, take advantage of the bike-shedding philosophy and make life as easy as possible for your customers. You can do it at a few distinct levels ...



- Make it physically easy so they don't have to expend energy.
- Make it intellectually or mentally easy so they don't have to think too much, and they can understand how things work.
- Make it emotionally easy by letting them retain their autonomy and independence.
- Give them status by making them feel special and appreciated.
- Reduce the time they need to spend shopping ... live, or online.
- Create certainty so that they don't have to wonder what's going to happen next.

I don't know how to make this more simple ... Just cut to the chase; cut out the fluff. Keep it simple, and don't keep adding more complexity to try and cover everyone. Focus on the nuclear reactor, not the bike shed. **SR**



Image courtesy of <https://www.retailtouchpoints.com>



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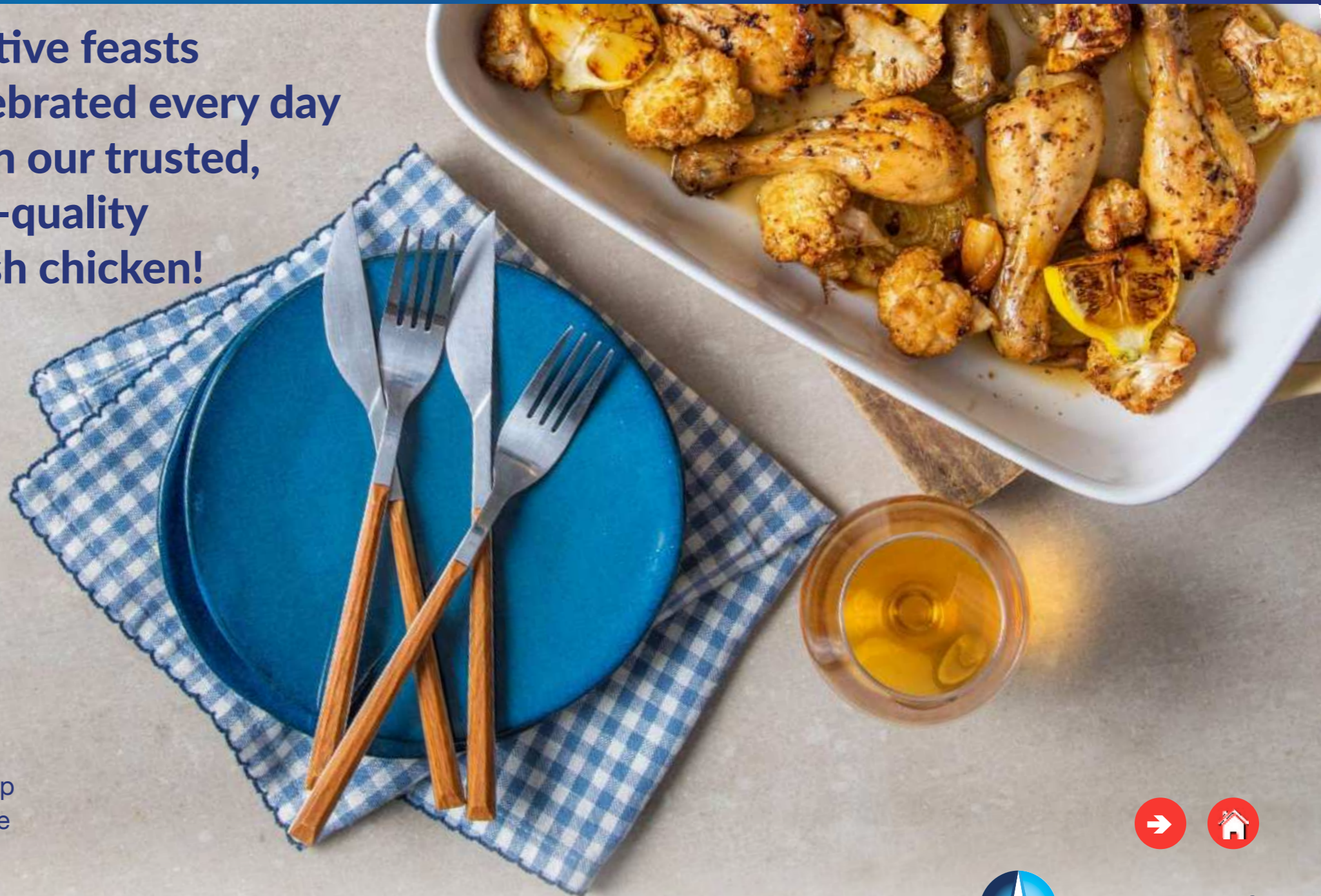


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Retailers grapple with complexities of omnichannel supply chain management

... in the era of e-commerce expansion and reverse logistics challenges

Supply chain management has become increasingly complex in today's fast-paced and ever-evolving business landscape. The rise of e-commerce, shifting consumer preferences, and growing sustainability concerns have significantly impacted retailers' reverse logistics processes. As companies strive to meet customers' demands for seamless returns experiences, the challenges in managing reverse logistics have multiplied.

The growth of e-commerce has revolutionised the international retail industry, with brick-and-mortar shops now adapting to the online realm.

Rand Merchant Bank (RMB) predicts the value of e-commerce transactions in South Africa to surge 150% to R225 billion by as soon as 2025. The outbreak of the Covid-19 pandemic has much to do with this. FNB saw average e-commerce spending grow 30% year-on-year during the first half of 2020 compared to 2019, whilst the average physical spend at a traditional vendor declined 12% year-on-year during the same comparison period.

According to Floris Visser, CEO of Relog, traditional brick-and-mortar retailers have especially been challenged to adapt and add e-commerce to their retail offerings. "Many have opted to service orders direct from their stores, with loads of challenges in terms of

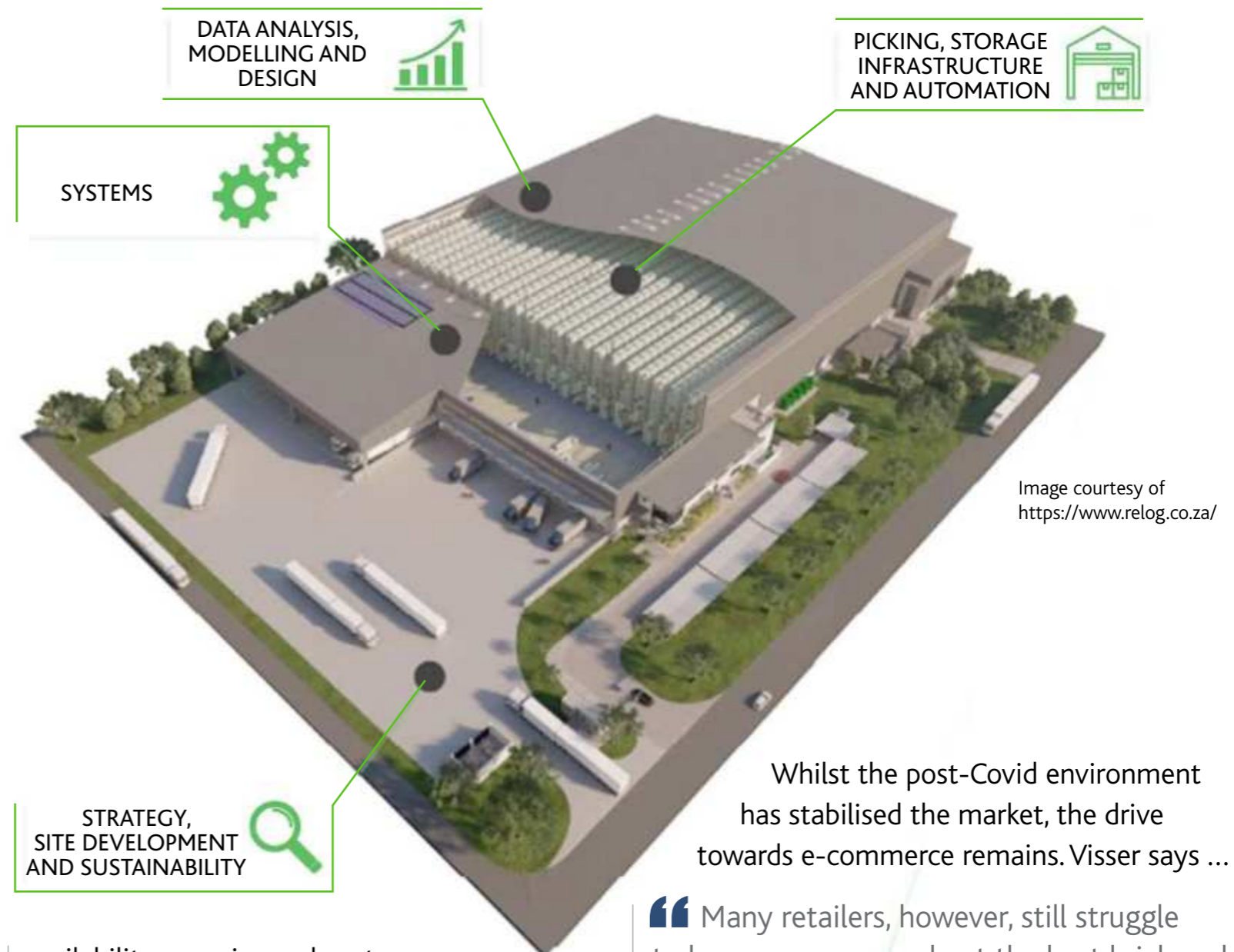


Image courtesy of <https://www.relog.co.za/>

availability, promise and cost recovery – whilst striving to meet ever more demanding customer requirements.”

Whilst the post-Covid environment has stabilised the market, the drive towards e-commerce remains. Visser says ...

“Many retailers, however, still struggle to have e-commerce beat the best brick and mortar stores, and we have seen a definite increase in foot traffic back to stores.”



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Brian Mudhokwani, COO of ISB Optimus, asserts that South Africa's retail industry is undeniably experiencing a profound transformation driven by the influence of e-commerce and technological advancements, redefining the supply chain landscape.

Retailers must now navigate the complexities of operating physical and virtual stores simultaneously. This omnichannel approach requires more comprehensive supply chain solutions, as companies deal with multiple sales channels, inventory management systems, and distribution networks. Reverse logistics, which involves the handling of returned goods, has become an integral part of this multi-dimensional supply chain.

Visser says in South Africa, digitalisation has not penetrated the supply chain as much as one would think. "I see so many processes still fully reliant on paper documentation – with possibly the exception of certain e-commerce vendors. I still get paper invoices with my delivery and sometimes must sign

a paper proof of delivery forms to confirm receipt."

On the positive side, ordering, payment, order confirmation, and shipping confirmations are paperless and delivered via email.

Retailers are, however, increasingly having to balance an online and physical presence while stopping costs from skyrocketing.

Craig Langton, business owner of Last.Mile.Fast Solution says the focus should currently be on gearing up for the future of digital business, as this will determine success. "The ability to offer a low-cost, on-demand service for a middle and reverse-mile solution will be crucial for success in the digital world.

"The biggest challenges faced are the costs of an online presence and being able to offer a reliable solution that is low cost, scalable and adaptable. By integrating an omnichannel strategy, retailers can reach a wider audience by offering e-commerce and mobile commerce (m-commerce) and delivering on-demand delivery."

Navigating the shifting tides of retail in the digital age

According to Mudhokwani, brick-and-mortar stores face their fair share of challenges, including maintaining inventory levels that match consumer demand, integrating with e-commerce channels and adopting sustainable practices. Additionally, physical stores must deal with higher operational costs than online-only retailers.

"Omnichannel strategies, which combine online and offline retail channels, have become critical for traditional retailers," he says. "Integrating these strategies, however, poses challenges in aspects such as inventory management, logistics and customer experience. Ensuring product availability across channels while minimising cost, is a delicate balance that retailers have to strike."

Stephan van der Merwe, marketing lead for Smartload, says that omnichannel strategies ultimately force traditional retailers to break down silos and foster greater collaboration between

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business functions such as e-commerce, retail, supply chain, marketing and IT. "This is necessary for effective coordination between functions to achieve omnichannel objectives," he says. "In terms of communication, systems must be implemented to facilitate efficient communication between sales channels and business functions. Tools such as POS (point of sale), OMS (order management system), and CRM (customer relationship management) systems aid in maintaining inventory visibility and management, order tracking and customer communication, as well as ensuring efficient order fulfilment."

Apart from this fundamental change in how business functions and various sales channels interact with one another, the supply chain operations of retailers certainly have become far more complex with the integration of omnichannel strategies.

Langton says when it comes to the online, it is critical to partner with delivery companies that understand the complexities of on-demand delivery in the last mile.

Anthony Goldberg, CEO of Antel Solutions, says amidst all of the changes seen across the retail sector in recent years, there has been a definite slowing down in the growth of brick-and-mortar stores. "Central distribution has fully evolved, and the specialisation in last mile deliveries has seen the need for large in-store inventories reduce, resulting in more effective use of retail space."

He believes most companies have embraced the option to use brick-and-mortar stores as

Choppies, distribution centre, Denver, Johannesburg <https://www.relog.co.za/>



return repositories to circumvent the cost of paying transport costs for returns. This allows for returns which are still saleable to be sold at the store of return.

Mudhokwani says that e-commerce has changed the game for retail supply chains. "Retailers have to rethink their supply chain strategies completely, as they have to cater to not only in-store shoppers, but also online consumers. In South Africa, as in many parts of the world, consumers increasingly shop online. The supply chains must be more responsive and efficient in handling direct-to-consumer deliveries. This necessitates a shift from traditional distribution models focusing primarily on delivering to stores to a more complex network that includes fulfilment centres and last-mile delivery solutions." He maintains that ...

“ For traditional retailers, strategies like diversifying suppliers, using predictive analytics to forecast demand and implementing real-time tracking of shipments can help in minimising supply chain disruptions. ”

Langton adds that the balance between an online and offline inventory is also constantly shifting based on consumer demand and the need of the retailer to drive footfall in their store.

"Our customer research, for example, presented interesting feedback from a shopper who was frustrated by being unable to buy a product in-store and being forced to wait three to five days for online delivery. Ideally, all qualifying inventory should be available online with the option of on-demand delivery."

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Mudhokwani says that in a country like South Africa, where factors such as labour strikes and energy shortages also have to be considered, having a resilient and flexible supply chain is crucial.

Visser explains that most traditional fast-moving consumer goods (FMCG) retailers set up supply chains to be lean and focused on doing repetitive tasks as efficiently as possible. In the new environment, this has to change. "Omnichannel distribution demands flexibility and requires last-minute decision-making to route packaging through alternative channels. Adding our general low available to promise (ATP) in certain sectors severely increases this complexity."

Image courtesy of <https://durhamcollege.ca/>



Image courtesy of <https://sloanreview.mit.edu/>

Unravelling the complexity of modern supply chains with technology

According to Visser, there is a lot of excitement and development internationally around various dark store and automated fulfilment centre technologies and operations, with certain Original Equipment Manufacturers (OEMs) achieving upwards of 600 small item picks in their robotic picking.

This, however, comes at a considerable cost, and South Africa needs more employment. "Sticking to the old engineering 'Keep It Simple Stupid' or KISS principle, we can achieve very competitive results (cost per case) and still meet our customers' expectations," he says.

"Deep analytics, applied correctly, can also add significant insight into operational challenges and the ability to forecast issues before they even occur, allowing management to be proactive and not reactive. It can also reduce the reliance on exceptional management, by taking some of the 'clever' decision-making and automating it. This then requires only process-driven managers to become as, or even more effective as, the system never gets sick, tired or resigns."

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Goldberg says technology plays an essential and crucial role in inventory management for the modern retailer. “The cost of retail space and the consumers’ need for variety and products meeting their needs have forced retailers to adjust supply chains to achieve this goal.

A company not embracing technology would face severe competition and become uncompetitive. It would lose its agility to serve customer needs,” he explains. The simple reality is that when supply chains are efficient, customers enjoy faster delivery times and better in-store availability. Inefficiency, on the other hand, leads to stockouts and delays.

Technology, says Van der Merwe, has enhanced the fluidity of supply chains greatly. “With the greater accessibility of tracking technologies such as the Internet of Things (IoT), supply chains have become more data-rich than ever before. More data means greater insight, which in turn enables more informed decision-making, resulting in seamless inventory management and greater fluidity throughout the supply chain.”

At the same time, says Goldberg, sustainability has become an imperative in doing business. “Companies that do not embrace this concept fully, will be left behind. Brick-and-mortar stores become the shop window for those who want to see the product before purchasing. Sustainability at this level means ensuring supply chains ensure sustainable practices at every level to meet and maintain customers’ needs.”

With margins under pressure, low-cost solutions to replenish, return and deliver on-demand products



Alex Nabaum/theispot.com
<https://sloanreview.mit.edu/>

have become an operational focus for many retailers. Still, traditionally, this has been an expensive undertaking using bakkies and trucks. The introduction of motorcycles in the supply chain has been a positive development.

“Brick-and-mortar stores have been under pressure to optimise stock levels in the current economy, by replenishing stock more regularly,” says Langton, highlighting the need for efficient operations – not only from a cost point of view, but also for sustainability reasons.

“Executing an on-demand collection for the reverse mile promotes a shorter turnaround time for transactions, resulting in a more efficient supply chain.”

From returns to recovery, mastering reverse logistics in the new era

Clothing retailers, says Visser, probably have the highest rates of returns compared to any other commodity group – due to the relatively low adherence to standard sizes across all brands and merchandise. This requires customers to order multiple sizes and return the ones that do not fit.

“This can be very costly if you offer home collections of returns and get two-thirds or more of the goods sold back and then having to inspect each item just to be sure it remains saleable,” he says.

“Offering in-store delivery with an immediate money back or store credit is a great way to





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get feet into the store with the option to either merchandise the stock or return on the next delivery vehicle to the store – avoiding courier costs and such.”

According to Visser, the frustration is the time in a store it takes to complete the returns transactions – simply requesting a home pick is far less time-consuming and, therefore, the option most used.

“Free delivery and returns equally keep customers away from stores, and the neat trick to add to your basket until the delivery is free and then just returning the unwanted goods, free of charge, is one-way customers are punishing retailers,” he explains. “With low margins ranging from 1% to 5%, retailers must be efficient to survive. With high volumes, the slightest inefficiency will quickly add significant costs, which is hard to reverse.”

Goldberg agrees that creating return hubs at brick-and-mortar stores makes significant savings in transport costs and ensures return inventory that can be resold or redeployed in the shortest possible time.

“Notable trends in reverse logistics are that suppliers and retailers are trying to find innovative ways to manage returns to embrace extended producer responsibility and avoid landfill fully,” he says. “Regarding improving sustainability, all parties are looking at all components of the circular economy to reduce costs and encompass sustainable and responsible practices. Innovations in the circular economy are in the direction of repair, refurbishment, recycling, and replacement



Modern supply chain mapping is the process of engaging across companies and suppliers to document the exact source of every material, every process and every shipment involved in bringing goods to market. Accurate supply chain mapping only became possible with the rise of online maps and the social web. The first online supply chain mapping platform was developed at the Massachusetts Institute of Technology in 2008. From the beginning it was clear that online supply chain mapping had a number of key advantages. Image and caption courtesy of <https://sourcemap.com/>

programmes to embrace sustainability and avoid landfill. The right-to-repair movement, for example, is gaining momentum globally.

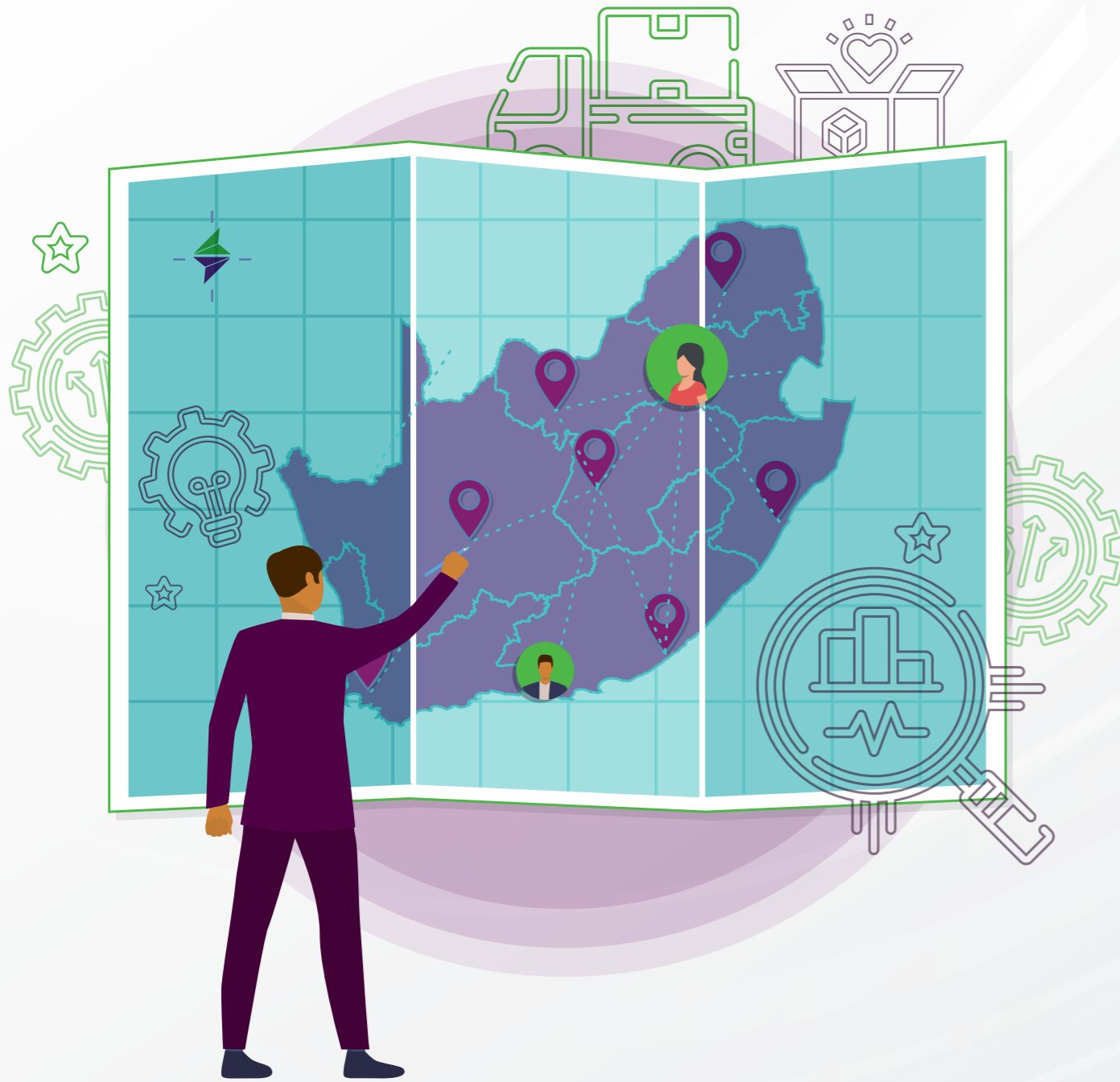
Visser maintains that it is essential to reduce waste in the supply chain.

“Almost everything is run and planned off of crude forecasting tools that use the basic inputs to plan and guess the future requirements. Suppliers plan production and raw material purchases based on retailers’ forecasts, with only occasional updates and no real historical trend analysis being done to refine the next forecast. Over or under-production results in more storage costs, lost sales, or stock in the wrong location, requiring additional transport and delays. So much of our supply chain is reactive that it is frightening.”

That is why supply chain visibility is so important, says Van der Merwe. “Greater visibility within supply chains means more real-time information, which allows management teams to make more informed decisions regarding hindrances such as bottlenecks, or even to anticipate disruptions and mitigate risks.”

Another important factor is strong relationships with suppliers. Open communication and collaborative relationships with suppliers allow for improved supply chain visibility, flexibility and responsiveness when dealing with disruptions, and faster problem-solving. All of these elements ultimately result in a more resilient supply chain.

According to Mudhokwani, the goal is to have efficient systems not only for reverse logistics,



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but also across the supply chain. "It is about leveraging one's logistics services so that goods can be recycled, refurbished or resold. The process needs to be about reducing waste as much as possible and recovering costs."

Langton says traceability has become imperative for understanding the origin of the goods or services sold.

"Transparency from retailers on this is critical to building trust with a consumer purchasing online or in-store. From cost and method of delivery to the store return policies, these all form part of the new norms for customers' information about the merchants they engage with. Research shows that consumers have more trust and spend more with a retailer that offers a transparent returns policy."



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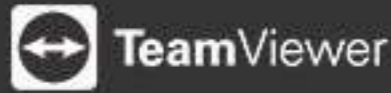
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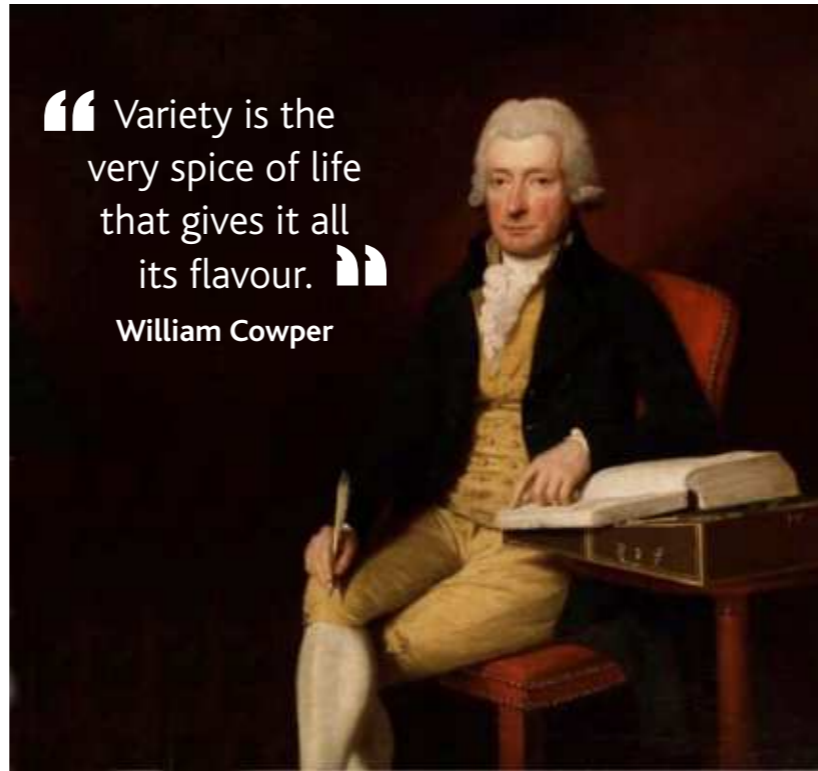
The balancing act of managing inventory growth

William Cowper first said that variety is the very spice of life that gives it all its flavour. While few can dispute this statement, the modern-day retailer's reality is one of excessive variety.

Increased diversity of products, explains Goldberg, requires retailers to maintain larger and more diverse inventories to remain competitive. Further complexity ensures that last-mile deliveries are also efficient and competitive. To ensure customer retention, the additional complexities force retailers to embrace technology at all levels to compete on stock availability and provide the necessary customer services and price competitiveness.

“ Variety is the very spice of life that gives it all its flavour. ”

William Cowper



William Cowper by Lemuel Francis Abbott, National Portrait Gallery, London.

Visser says consumers want choice. “For decades, this has been seen as the first rule in retail to achieve customer satisfaction. But the second rule of availability is where the differentiation lies. All the range in the world without consistent availability is more detrimental than a small range with more consistent availability.”

This is clear if one compares Woolworths to Checkers, for example. Despite Woolworths having a much smaller range, its high quality and good availability continue to see people flocking to its stores.

Langton adds that the growth of online platforms offering an increasing range of products has changed consumer behaviour to engage more

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frequently with merchants that provide a more comprehensive range of products.

This is what makes inventory optimisation and demand forecasting so important, says Van der Merwe. "Retailers have the opportunity to reduce the risk of stockouts or excess inventory by making use of demand forecasting. The accuracy of these forecasts can be significantly increased by improving the quality of the data captured by using automated inventory management systems."

Visser says retailers nowadays have to have deep analytics. "Supply chains and logistics on our large format distribution

operations are too complex for a human mind to comprehend at a micro level fully. That is why deep analytics is so important to understand the impact of disruptions when they occur and the frequency of occurrence, so you can start to pre-empt these and plan better. Deep analytics is also the best tool to identify weaknesses and inefficiencies by highlighting repeat work or processes needing to be followed. It must, however, be done near real-time and at a transaction level."

Goldberg adds that the comprehensive use of data is compelling in inventory management systems fully integrated into the point of sale. Ensuring scientifically calculated backup stocks are available is also essential.

"Of course, ongoing collaboration between all the parties in the supply chain to meet service level expectations is always necessary. This includes strict



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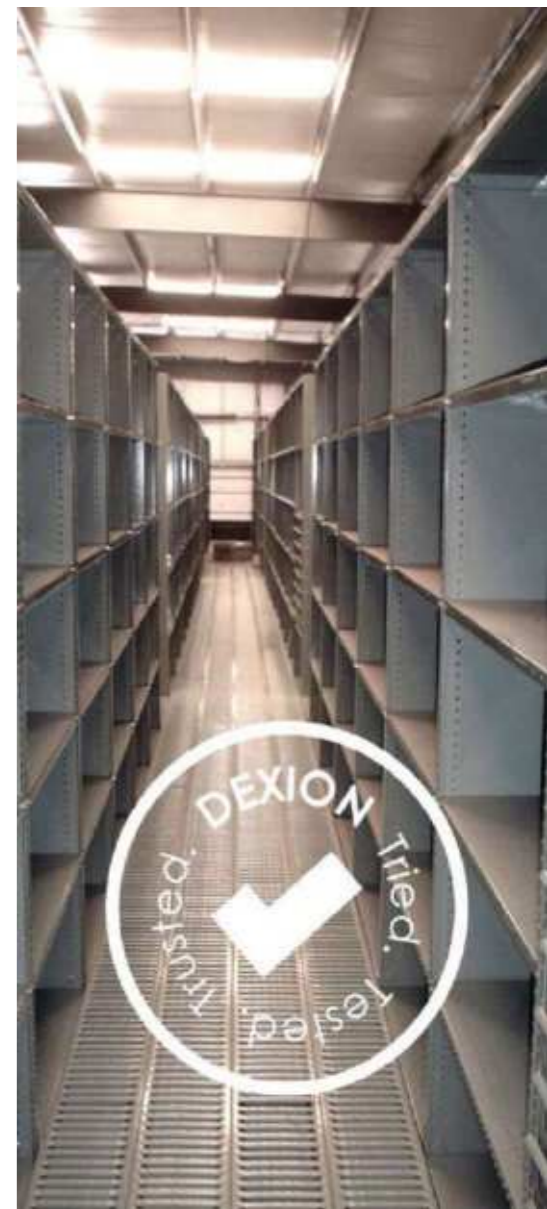
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“Abnormal buying trends, for example, might result in too high a stock position for a certain period, while disjoint from the actual customer could mean a lack of understanding. Not being able to track substitutions or abandoned baskets is another concern as it makes real-world adjustments extremely difficult.”

The experts, however, agree that no matter how complex the current retailer supply chains are, the business is in trouble if they are starting to impact customers. “Customers should not be bothered about your complex supply chain,” says Visser. “They simply need to enjoy their shopping experience and be oblivious as to what it took to get the product to them.”

service level agreements with suppliers, to avoid being out of stock.”

Managing product diversity, explains Mudhokwani, is about continuously analysing consumer behaviour and preferences to ensure that the right products are available at the right time. “Of course, this is quite challenging for retailers in South Africa, where market preferences can be very diverse.”

Both Goldberg and Mudhokwani say implementing automated inventory management systems can lead to more accurate stock levels and reduced labour costs. Still, Visser warns that this can only hold serious pitfalls if one can build in a significant amount of intelligence.

There are, of course, a few opportunities to enhance supply chain visibility in specific commerce sectors, where availability is sometimes challenging. Giving the customer and the staff on the floor the ability to look across and up the supply chain to understand where stock is (coming in tomorrow, just clearing the DC, available at another store, for example) can support sales, but only if that data is accurate and current.

Retailers must continuously collaborate with stakeholders to remain competitive and to offer solutions that drive retailer proficiency and higher profits. Supply chains that are agile, responsive and can swiftly adapt to ever-evolving customer

preferences, technological advancements, and market trends are non-negotiable. **SR**



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Catherine Larkin is a communication and marketing professional, specialising in Logistics, Transport and Supply Chain. Her company, CVLC Communication, is a corporate public relations, communication, marketing and events consultancy. Its services range from full secretariat support, project management and administration, strategy development, stakeholder engagement, through to event organisation, media, social media and publicity.

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Artificial intelligence is improving supply chains, but human skills are still critical

Artificial intelligence (AI) is being used successfully in a range of practical applications in the supply chain. These include demand forecasting, risk, inventory and quality management, and transport and distribution optimisation. It is making roads safer. In healthcare, it is enhancing the diagnosis and treatment of diseases, and helping to ensure that lifesaving medicines are available where and when they are needed. AI will not replace people, but some people will be replaced by people using AI.

These were some of the key messages delivered at the 2023 SAPICS Conference by experts who shared their insights in a compelling panel discussion on the practical use of AI in supply chains. Cobus Rossouw, head of Road Freight Systems globally and technology business partner for sub-Saharan Africa at DP World; Janet Sawari, founder of AI research and innovation lab, TAIR Labs; Retief Gerber, CEO and co-founder at Spatialedge; Farayi Kambarami, head of Central Planning and Data at Woolworths; and Kosta Kontos, founder and managing director of Kontos Databases, discussed AI's applications and the benefits that it is delivering in a range of sectors, from healthcare and retail to transport and logistics. This panel discussion was moderated by Dr Iain Barton, founder of Health 4 Development South Africa.



The annual SAPICS Conference is Africa's leading event for the supply chain profession. This year's 45th SAPICS Conference was co-hosted by the Professional Body for Supply Chain Management (SAPICS) and the South African Association of Freight Forwarders (SAAFF).

Some 750 supply chain practitioners from 32 countries across Africa and around the world gathered in Cape Town to share knowledge and network. The 2023 conference took place at a critical time for global supply chains, which have been stretched and strained in recent years by

the Covid-19 pandemic and a host of subsequent chaotic disruptions, from the blockage of the Suez Canal, the container shipping crisis, and the power crisis across Asia and Europe, to riots and unrest in parts of South Africa and issues at the Port of Durban.

AI is proving a very useful tool for supply chain practitioners, the SAPICS Conference panellists concurred. AI can focus demand based on many

inputs. It is enabling better informed decisions about pricing, and shaping how organisations respond to their competitors in the marketplace. Using AI to have near real-time decisions, supply chain managers can optimise supply chains, ensuring better product availability, lower costs and lower inventory.

The 'coolest' AI applications, according to the panellists, include tracking and improving driver behaviour in real time to make roads safer, and enhancing medical diagnoses and treatments by optimising medical coding.

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Panellist Farayi Kambarami cautioned, however, that large language models, like ChatGPT, have a problem with hallucination. The AI chatbot has fabricated information entirely, including fake court cases that are the subject of one high profile legal wrangle. He cautioned SAPICS delegates not to use ChatGPT for anything related to facts.

Panellist Janet Sawari said she was excited about computer vision models being used to improve driver behaviour in real time. "These tools give us the ability to track if someone has road rage, if they're speeding, if they're falling asleep, or if they are fatigued. The vehicle could be sent a signal or even stopped. That's something I think is really interesting and is highly scalable and practical for the supply chain and logistics space."

Kosta Kontos told SAPICS delegates how AI is being used to capture vast numbers of ICD-10 codes, along with the diagnoses and treatments used. This data is being shared by specialists around the world. "We are now seeing machine learning being used on data at scale to link ICD-10 codes with medicines and mortality to get a sense of what's actually working and what isn't. That is incredible."

"I think that one of the exciting applications of AI is the use of automated robots that are autonomous and intelligent for picking in warehouses. This is improving pick accuracy in the distribution centres," said Farayi Kambarami. He noted that there is a question around whether AI should be used in the same application in countries like South Africa, with its high unemployment rate.

Image courtesy of Pixabay, Pexels



Retief Gerber reported that in a project with the Western Cape Government, AI had reduced road traffic fatalities by 30%. The project was aimed at assisting the traffic department to deploy their resources, including ambulances. AI was used to predict where accidents were going to happen.

While the panellists agreed that AI has the potential to enhance supply chains and other business areas, they stressed that organisations should not get distracted by the hype around AI. Businesses need a clear plan of what they want to do with the technology, what problems they want to solve, what they should be automating and modelling, they stressed. Good quality data, not AI, is the differentiator that will give organisations a competitive advantage.

While AI models will propose decisions, humans will still make the call on these, and the skillset of

Image courtesy of James Wiseman, Unsplash



the organisation is critical. AI is a promising new technology, but it is not taking over all processes and all decision making, they said. "We are nowhere near the singularity or Terminator's Skynet," concluded Gerber. **SR**

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Impact of attacks on trucks on Van Reenen's Pass, KZN

By Gavin Kelly, CEO,
The Road Freight Association

The Road Freight Association (RFA) cannot accept the scenes that played out on the N3 in the early hours of 09 July 2023 as anything else but a coordinated attack on the road freight sector. Both the specific spot on the N3, as well as the timing, were chosen to cause the best outcome in terms of mayhem and disruption.

The road freight sector (trucks) carries 80% of the goods that are moved in and around South

Africa, as well as for those countries that trade with international markets and use South African ports for import and export.

Those who attack the road leg of logistics supply chains need to understand that the long-term effects will bring greater destruction to employment levels, and will result in further job losses, as businesses and supporting sectors shrink and trade moves away from South Africa.

However, with regard to freight and the economy of South Africa: Without trucks, South Africa stops.

As noted earlier, the scene that played out on the N3 at Van Reenen's Pass was a ruthless attack on the road freight supply chain – and the effects (economic, business confidence, security, law and order and corridor movement) are far reaching. Whilst the immediate short-term losses will run into millions of Rands (including cost of vehicles, cargo, personal effects, road damage, EMS response, delays in movement and shipping penalties), the long-term impact will be felt in terms of increased security costs into the cost of logistics, higher insurance premiums, higher SARIA cover premiums, higher toll fees, less freight movement through South Africa, closure of freight companies and loss of jobs. The list continues ...

- Depending on the category of vehicle, the type and value of cargo, the specialised equipment required for the cargo: this can be anywhere between R3 to R10-million. A simple calculation of capital losses (assets and cargoes) of the six trucks destroyed to date amounts to anything between R18 to R60 million.
- The cost of loss of income through businesses closing is far greater: If any of the trucks belonged to a small business – it will have lost its only truck, or trucks: This means loss of earnings / revenue for the business, loss of salaries paid to staff who would no longer have jobs (due to business shutdown), loss of revenue through the services and support the business uses (eg. fuel, storage, maintenance, tolls, staff requirements, licencing).

- Potential closure of businesses means less transporters available to perform work. Some companies might feel the industry is not a safe / secure environment and so their owners could decide to simply close their business.
- Freight travelling through South African ports (especially the Port of Durban and along the corridor that has been targeted): cargo owners / customers will choose to move cargo through neighbouring countries. This has already been happening as South African ports become inefficient and the surrounding ports develop, improve and drive efficiencies up. South Africa's 'Gateway to Africa' status has been lost and these attacks will further cement the move of transit freight from South Africa to neighbouring countries. Port revenues will drop, as will income through all support and related freight logistics users.
- 7 000 container deliveries are done through the South African ports per day (Port of Durban does roughly 4 000 containers a day). Any delay along the N3, where the majority of containerised freight is destined to the Port, will result in backlogs / delays for imports and exports.
- Depending on the configurations of the vehicles, delays in moving (for trucks) costs the transporter between R5 000 and R7 500 a day (rough estimate of loss of revenue to the 7 000 odd vehicles from various destinations which would be affected for one day delay at various points of entry, and along the N3 corridor) would be around R35 million – this is the broad road freight sector impact.

Image courtesy of Sergio Souza, Pexels



The cost to communities where jobs will be lost (those that provide various services to the trucks that travel the routes through South Africa and the rest of the Continent, are not factored in). That figure will increase as freight moves away from South African ports to neighbouring countries.

The N3 is probably the busiest corridor in South Africa, carrying far higher volumes of traffic (freight, passenger and light motor vehicles for commercial, tourism and private use) than any other corridor.

Once again, the cost to the South African economy, taking all the above into consideration, will run into billions of Rand lost, as business confidence from foreign investors plummets, and those who use South Africa as a transit hub, turn away from us and move to other countries that are SAFER and more efficient.

However, the more important questions to be answered are: Who is behind this attack, and why? There was no looting of vehicles (therefore cargo

theft was not the intent) and, thankfully, none of the drivers or staff on the vehicles were injured or killed.

The targeted precision of the attack is worrying. This was well planned and efficiently implemented. At this point, no group has acknowledged that they are responsible.

If this is the same grouping that has been behind such attacks across the country over the past six years, then action needs to be taken against those who promote, plan and implement such criminal actions. We have heard the Minister of Police refer to economic sabotage and many other forms of description, but it would seem that this behaviour continues unabated.

If this is the work of the All Truck Drivers Foundation (ATDF-SA) and its counterparts relating to the employment of illegal foreigners in the road freight (or any other) sector, then the responsible Department of Employment and Labour and its inspection structures, must ensure that their responsibility to protect employees and employers from non-compliant labour practices is strictly and swiftly applied.

Whilst the Road Freight Association (RFA) is currently unaware of which companies were targeted and attacked (and whether this was a random choice of trucks or an actual specific set of transporters), it is always those who are compliant and innocent of the complaints or issues raised by others, that get caught up in these activities, and ultimately pay the price of closed businesses and severe cost increases to operations. **SR**

Prevention is better than cure

The ins and outs of in-store pest control and hygiene

When it comes to hygiene and pest control, what happens behind the scenes should stay behind the scenes. The only thing consumers want to see (and smell) is a clean, hygienic, and pest-free space, but what exactly goes into that? And exactly how manageable is it to achieve an entirely pest-free environment? For the answers to these critical (and governed by legislation) issues, we looked to industry experts such as PES Africa, Rentokil, and Sani-touch.

The common thread? Prevention, prevention, prevention. In fact, Rentokil's Nathalie Leblond says ...

“We talk just as much about ‘pest prevention’ at Rentokil as we do ‘pest control’.”

And when it comes to prevention, PES Africa and Rentokil agree that Integrated Pest Management (IPM) is crucial for effective pest control.

What is IPM?

According to PES Africa, “Integrated Pest Management (IPM) is a long-standing, science-



Image courtesy of <https://www.vecteezy.com/vector-art>

based, decision-making process that identifies and reduces risks from pest management-related strategies. It coordinates the use of pest biology, environmental information, and available technology to prevent unacceptable levels of pest damage by the most economical means, while posing the least possible risk to people and pets, in all arenas

from developed residential and public areas to wild lands. IPM serves as an umbrella to provide an effective, all encompassing, low-risk approach to protect resources and people from pests.”

Rentokil says, “IPM is an environmentally sensitive approach to pest management that employs a combination of practices, including com-

prehensive information on the life cycles of pests, their behaviour, biology, and their interactions with their environment to eliminate the root cause of a pest infestation. This information, in combination with available pest control methods, is used to manage pest damage by the most economical means, and

with the least possible hazard to people, property, and the environment. IPM takes advantage of all appropriate pest management options including, but not limited to, the careful and targeted use of pesticides.” In a nutshell, IPM is about preventing pest infestations as much as it is about reacting to them.



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The advantages of Integrated Pest Management

There are several advantages to implementing an IPM approach, and also in all likelihood cost implications. The impact of IPM on your pest control costs will depend entirely on what solutions you currently employ. Certain preventative measures utilised in IPM can be quite costly, including any structural changes required to help prevent and deter pests. However, in the longer term, pesticide reduction may ultimately reduce your pest control costs, and cultural controls and structural modifications implemented for pest control purposes can often result in secondary benefits, such as an improved work environment, reduced energy costs, and reduced building maintenance.

IPM, when applied correctly, can be a more effective pest control solution than traditional reactive solutions. The key here is to effectively implement an IPM programme in partnership with an accredited service provider who understands the IPM solution and how best to make it work for your specific needs. This is not a good DIY option and is best left to the experts.

Pest prevention is a healthier option all round. Besides for stock loss due to infestation and damage, different pests carry different pathogens, some of which can be incredibly dangerous to humans. Additionally, pesticides are undeniably dangerous and pose risks for the environment,



possible secondary poisonings as well as accidental human exposure, this either through the air or via direct contact with treated surfaces. According to PES Africa, "IPM is being recognised by many experts as the best means to control pests effectively, while using the least amount of pesticide necessary. An increasing number of organisations, municipalities and schools are mandating that IPM programmes be implemented in their buildings. Since IPM results in fewer pests than traditional pest control, it usually results in less pesticide used. However, whether IPM will

reduce the amount of pesticide used in a building will in large be determined by what was being done for pest control before the IPM programme was implemented. Most facilities managers report substantial reduction in pesticide use with IPM."

Social media has had an undeniable impact on pest control. Just one photo of a pest in-store (such as rats in chicken and mice in the deli) can go viral and do untold damage to a store or group's reputation at a national level. And it doesn't even have to be true... or recent. Retailers know that when consumers lose their trust in you, it's a monumental feat to win that back. But in addition to posts going viral, social media has also put the pressure on retailers to do better, be more humane, and find more 'socially acceptable' ways of controlling pests of all sorts.

As a proactive pest control solution, IPM is an environmentally conscientious option that also takes into account the health of building occupants and customers.

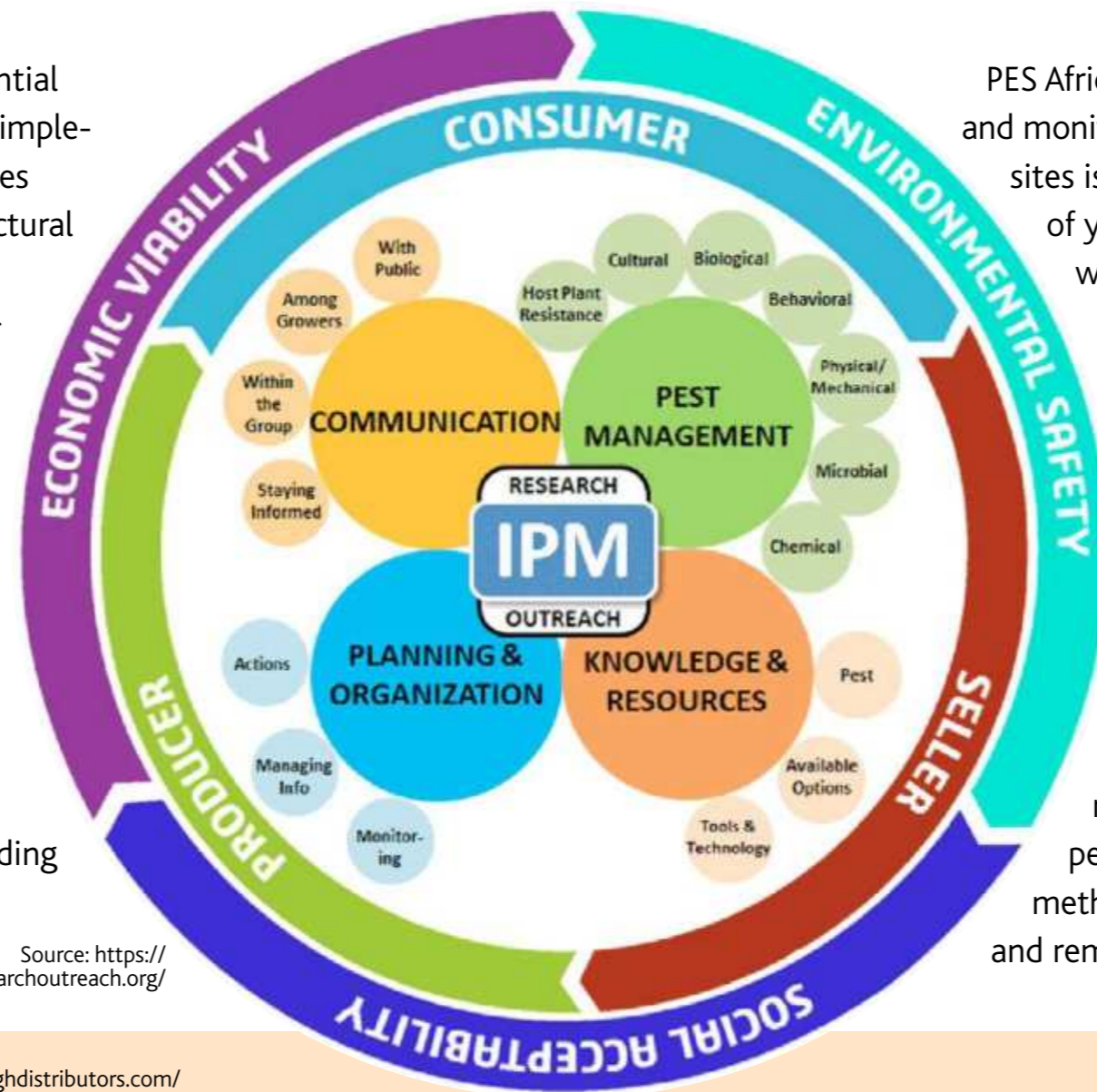
Trust the IPM process: an ongoing, multi-step action

IPM is based on four principles, namely ERDM – Exclusion, Restriction, Destruction, and Monitoring. When implemented correctly, these principles result in a proactive solution that relies on prevention as much as cure.

Accurately identifying existing and potential problems and concerns is the first step in implementing a successful IPM plan. This includes everything from an understanding of structural engineering and how this affects certain infestations, through to a thorough knowledge of pests, including correct identification as well as extensive knowledge of their habits and life cycles.

Rentokil says, "Exclusion means ensuring that pests can't gain access to your building. We believe there's no point simply eliminating the pests inside your building (reacting) without also tackling how they are getting in." An initial survey will assess entry points, and recommendations will be made regarding proofing, structural repairs, and general improvements to keep pests out.

Source: <https://researchoutreach.org/>



PES Africa emphasises that continuous inspection and monitoring of potential and existing infestation sites is necessary for an accurate understanding of your pest problems. "Most IPM programmes will require record books or logs placed in central areas or management units. These records include monitoring counts, sanitation, maintenance, and personnel practice problems, pesticide use, formulations, and quantities. These records should be accessible to pest management technicians and client supervisors."

Short-term corrective action can include restriction, preventative maintenance, and the possible use of short-term pesticides, poisons, or humane elimination methods where necessary. Restriction identifies and removes or prevents access to the food,



Image courtesy of <https://mghdistributors.com/>



FMCG retail and wholesale stores are little havens of paradise for pest-type creatures. Refrigeration provides moist, cool and dark hiding places, while dry goods such as flour, rice, cake mixes, seeds, nuts, teas, cereal, dog food and bird seed are firm favourites. It's essential to keep your store clean and free of dry as well as wet spillages.

Garbage cans and dumpsters are another area of congregation. Bins in canteens are just as enticing as the skips out at the back. Regular servicing, clearing and sanitising is essential. Trash cans

inside your store must be emptied and cleaned at regular intervals during the day, especially those in food prep or food storage areas, and in employee break rooms.

Back of house storage areas, warehouse and loading/offloading areas and other doorways provide entry points for pests in retail and wholesale stores. Lighting in the offload area and parking can also attract pests. Firewood and plants should also be regularly moved, inspected and treated for pest invasions.

<https://pestech.com/blog/pest-prone-areas-in-retail-stores/>

water, and harbourage (nesting space) sources that can attract pests. This requires an understanding of what is possible and practical on your site.

It is imperative to consider all practical measures for pest population suppression, including regular cleaning schedules, garbage elimination, and changes in worker procedures. Physical modifications and maintenance include screening, caulking (using silicone fillers and sealants), weatherstripping for doors and windows, and other proofing methods. Biological controls and pesticides should only be considered in conjunction with the impact on economics, efficacy, worker and public health and safety, and potential hazards to property and the environment.

According to PES Africa, urban IPM strategies are, ultimately, a combination of many common sense decisions based on sound understanding of the pest, the environment, and the social implications of one or more control tactics.

The importance of hygiene

Effective hygiene and sanitisation processes, as well as best-practice food preparation and storage solutions, are absolutely integral to pest control. The fact of the matter is that dirt, grime, and food particles will attract a range of pests. And a clean environment with incorrectly stored food products is equally attractive to unwanted invaders.

When it comes to well-thought out and efficient cleaning solutions, there are various service

providers with a wealth of experience in the retail and wholesale sector, and an extensive understanding of what it takes to meet health and safety standards. According to hygiene and sanitation experts Sani-touch, it is essential to implement effective and easy-to-follow processes that include food preparation areas in your HMR and deli operations, through to cleaning floors, counters, and high-touch surfaces.

Colour- and picture-coded cloths for food preparation provide an easy and effective way to reduce cross-contamination and cross-infection. For example, Sani-touch has a range of UV-treated antimicrobial cloths that are designed for use in food preparation areas. Each range is printed with a picture and a word, in colour, to maintain optimum hygiene standards. The cloths cover bakery, fish, vegetable, meat, deli, coffee, and high-risk prep areas.

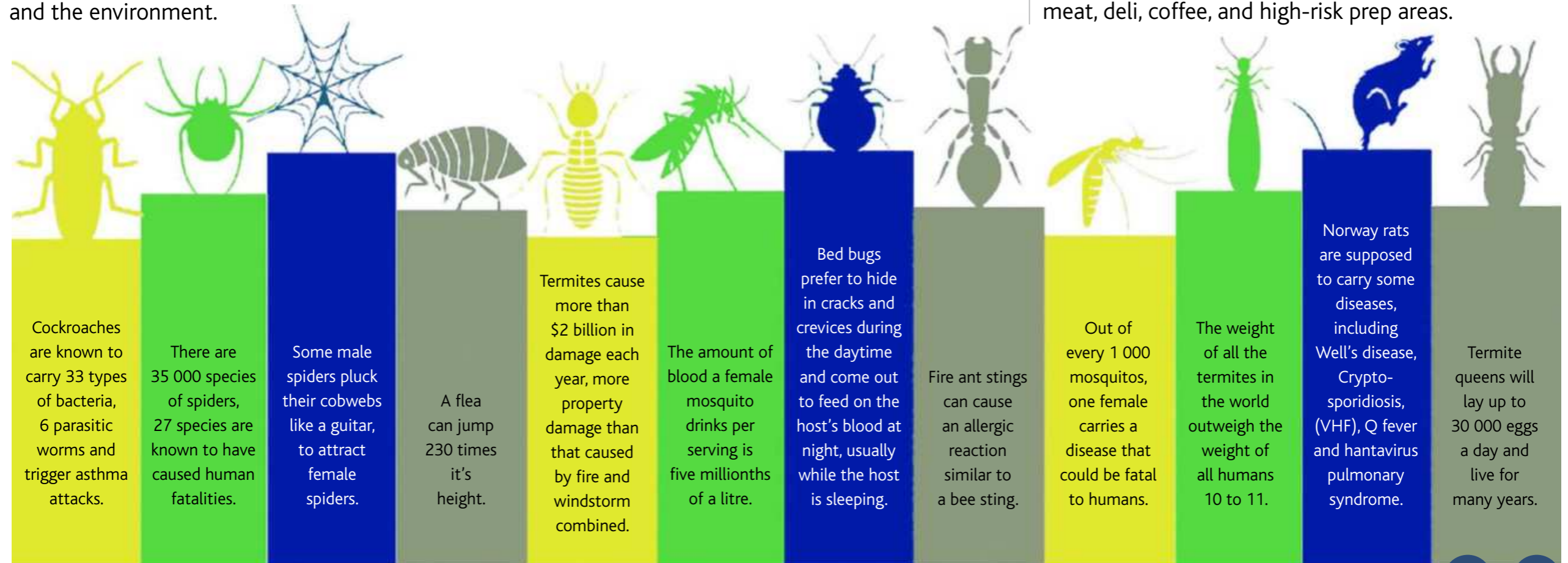




Image courtesy of Karolina Grabowska, Pexels

Another weapon in the sanitation armoury is all-purpose biodegradable eco wipes that can be dispensed from a wall-mounted dispenser. These sanitising paper-based wipes are biodegradable and flushable and are suitable for use on hands and surfaces. Your hygiene and sanitation programme should also include regular cleaning of electronic screens, scales and packaging equipment, and checkouts. A detergent-based disinfectant wipe is most effective for this. Ensuring all high-touch surfaces, including those found on trolleys and handbaskets, is also important as minimising bacteria and food smears can help deter certain pests.

Regular deep cleaning of kitchen and food preparation areas is an important part of your hygiene and sanitisation process. According to Initial Hygiene, local experts in hygiene services and solutions, "A chemical deep cleaning service will enable your team to maintain the highest possible standards in hygiene and extend the lifespan of your kitchen equipment." This specialised deep cleaning services reduces the risk of cross contamination by removing carbon deposits, grease, grime, and solidified oils. Grease traps are a major pest hazard and investing in a regular biological dosing service can help deter pests.

An integrated hygiene and pest control solution

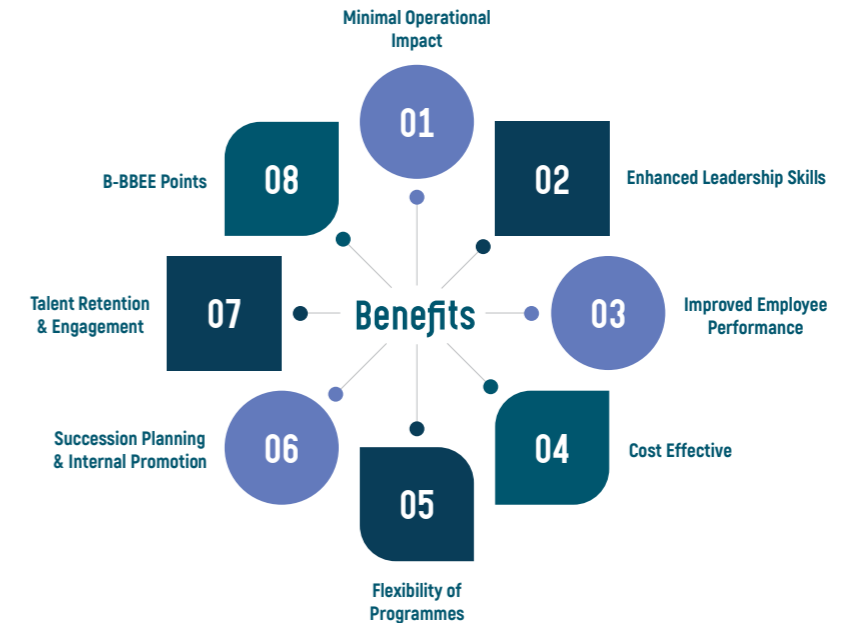
Pest control and hygiene remain inextricably linked, with both posing significant challenges for retailers and wholesalers. However, with expert partners offering effective and easy-to-use solutions, the successful implementation of IPM programmes, and a good understanding of what is needed and what is achievable, this needn't be a headache for store managers and owners.



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Pest management and the environment

Three eco-friendly options

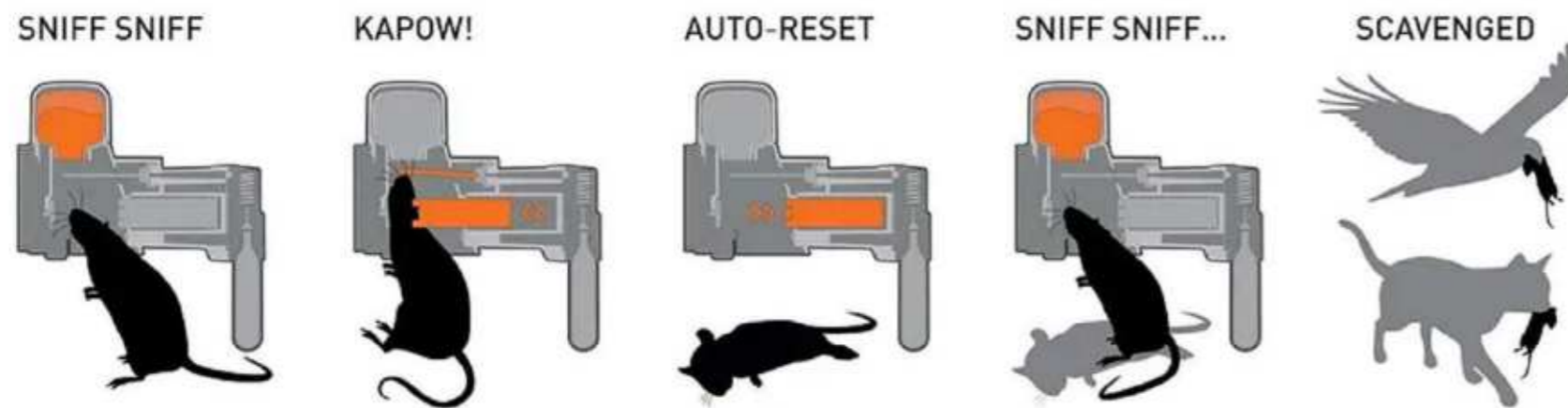


Image courtesy of <https://www.satraping.co.za/>

- South African Trapping Systems offers an effective and humane solution that does not use poisons or toxins, making it the safest option of rodent elimination for predators such as owl, other birds of prey, and small carnivores.

The Goodnature A24 automatic rat and mouse trap is a trap and app solution that keeps track of pest kills as well as environmental data, giving you a better understanding of your particular rodent problem. It automatically resets 24 times, using a compression trigger activated and set off by the rodent. Rodents are attracted by an automatic paste pump. Dispatched rodents are then safe to be scavenged or disposed of.

Goodnature's traps, trap stands, gas canisters, counters, and lures can be deployed indoors but are able to withstand outdoor conditions as well. The traps are also designed to target specific pests only. This solution is effective, humane, and easy

to use. Andre Botha, Programme Manager: Vultures for Africa, Endangered Wildlife Trust (EWT), says, "The EWT has tested and seen the Goodnature rodent trap in operation and believes that it provides a preferable method of controlling rodent infestations than the use of poisons and harmful rodenticides that pose a threat to humans, other animals and the environment. The Goodnature rodent trap is target specific and does not result in secondary mortality of wildlife or pets. We support the use of this trap if used as per the recommendations and instructions of the suppliers."

- When it comes to rat and mouse control, poison may not be your first choice. If you prefer not to use toxins that may have a negative knock-on effect on the ecology of your surroundings, there are several options to consider. Feral cat communities are incredibly beneficial when managed correctly. This includes undertaking a responsible trap, neuter,

and return (TNR) programme, as well as managing the overall health and wellbeing of the colony (ensuring vaccines are up to date and shelter, food and water are provided). Supplementary feeding, particularly in winter, is also recommended. Feral cat colonies serve as both a pest deterrent and pest control. They are also not dependent on the pest coming to them and will actively seek out your pest problem. Contact your local feral cat organisation for assistance.

- Owls are an exceptionally effective form of rodent control. Putting up owl boxes can attract these predators to your grounds, but this is not guaranteed. However, if you manage to attract an owl (or two), their presence also serves as rodent deterrent. Engaging an expert partner to install owl boxes at your properties ensures that you have the best possible chance of attracting one of South Africa's owl species. Groups such as the Owl Rescue Centre can also advise on alternative rat and mouse management protocols.

All of these options, however, will require that no poisons are used, as secondary poisoning is an unfortunate reality. **SR**

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Ann Baker-Keulemans writes on topics related to business, lifestyle, technology, and health, with extensive knowledge on the SA retail and wholesale landscape. Contact annbk@wilkinsross.co.za | www.wilkinsrossglobal.com



A Grain of Truth

Maize, rice, & wheat insights, Legumes & pulses

Plus vegan & vegetarian trends

Visuals courtesy of <https://www.pridemilling.co.za/>

Grains and legumes have been part of the human diet for hundreds, even thousands, of years. In present times, families across the world and in South Africa still rely – moderately, heavily, and at times almost exclusively – on these staple commodities. While years of drought followed by unseasonably wet harvests, the strain of local electricity supply problems, the soaring cost of fuel, the ongoing war in the Ukraine, and supply and demand chains still reeling from the Covid-19 pandemic have all taken their toll, the grains and legumes categories remain robust.

Maize, wheat, rice, legumes and pulses provide the foundation for mealtimes for millions of South Africans, and with constant innovation and product development, the categories are constantly energised. Despite price increases, these products are still an affordable, value-for-money option – and are filling, nutritious and highly versatile. It's essential that suppliers, private label brands, retailers and manufacturers stay abreast and ahead of changing consumer demands and interests, as well as taking into consideration budget constraints and changes in shopping patterns.



Visual courtesy of <https://www.pridemilling.co.za/>

The current landscape of the agricultural sector

Mordor Intelligence's South African Grain Market Size and Share Analysis states,

"The South Africa Grain Market size is expected to grow from USD 299 million (\pm R5 billion) in 2023 to USD 420 million (\pm R7.5 billion) by 2028, at a CAGR of 7% during the forecast period (2023–2028)."



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It's an affordable meal stretcher (Prices based on December 2018)

	Mince	Pride Red Speckled Beans	Pride Lentils	Pride Split Peas (Green)
R/kg	R100,05	R35,98	R33,98	R27,98
Portion size	150g	130g (3/4 cup)		
R/portion	R15,08	R4,68	R4,42	R3,64

Visual courtesy of <https://www.pridemilling.co.za/>

Grains are a significant contributor to the South African agricultural sector, with maize the most prominent grain field crop in the country. In 2020 the country produced 15 300 000 tons of maize. This increase in grain production has been attributed to changes in consumer behaviour – namely an increased demand for food security, the impact of the rising cost of basic foods, and a better understanding of the health benefits of grains.

According to Mordor Intelligence, “The growth in regional trade, technology, and mechanisation advancement in this sector are some of the factors driving the market’s growth in the country. Positive government policies along with trade policies

have impacted the grains market in South Africa.” Mordor also labels South Africa as the “most advanced, diverse, and productive in terms of agriculture in Africa.”

As one of the major exporters of corn in Africa (per Mordor Intelligence), South Africa remains at the forefront of technological advancements on the continent.

The Mordor report states, “According to the International Trade Centre Statistics, in 2020, the total exports of maize from the country were 2.5 million metric tons.” It adds, “Zimbabwe, the Republic of Korea, Botswana, and Taipei Chinese are some of the major importers of South African corn. While the country is a net exporter of maize, it heavily relies on other countries for its wheat consumption.”

South Africa depends on countries including Poland, the Russian Federation, Lithuania, and Germany for its wheat imports. The ongoing war, increasing political unrest, and strained political relations amongst participating countries have left trade agreements feeling the strain. Additionally, as Reuters reported on 20 July 2023, India “prohibited the export of non-basmati white rice with immediate effect.” This is mostly due to a feared shortfall after a late start to seasonal monsoon rains. At home, however, grain consumption is benefitting from innovative products and a dynamic market.



Visual courtesy of <https://www.farmersweekly.co.za/>



Visual courtesy of <https://supplant.me/>

Agricultural technology's impact on the local agricultural sector

Local farmers are investing in agricultural machinery and agrochemicals in order to improve productivity and increase efficiency. Mordor Intelligence reports, “Digitalisation in agriculture, like the use of data tools, remote sensing, sensors, and drones, has already begun in South Africa, which helps in reducing the production cost while increasing productivity. SupPlant, the leading precision agriculture hardware-software solution, uses artificial intelligence and cloud-based technology to assist South African farmers with two goals: increasing crop yield, and reducing water usage.” In 2021 the South African government stated its intention to reduce reliance on imports and has highlighted the need to speed up the implementation of AgriTech to increase efficiency and productivity.



Product launches and innovations drive the market

While socio- and geo-political factors are impacting the market, product development and diversification remain strong, having long been staples of businesses looking to futureproof themselves and to stay relevant to consumers. Innovative flavours and brand extensions are creating interest in the traditional rice, maize and wheat categories and helping to keep these staple commodities contemporary and fresh.



Tastic's new range of air-popped rice chips is a case in point. The Tiger Brands collaborative effort has seen flavours such as Mrs H.S. Balls Chutney making an appearance in these exciting new offerings, while celebrity endorsement has been used to good effect in the advertising and social media campaigns driving these launches. Maximising the opportunities in convenience foods, Tastic also offers a range of flavoured rice pouches that include microwave instructions. Other brands offer a 90-seconds till cooked range of grains, acknowledging that for many South Africans, convenience is worth the cost.






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Fortified and flavoured instant porridges have become another staple as an extension of traditional maize products, offering proven or promised health benefits and immune-boosting properties that are seeing increasing demand as consumers expect even more from their food.



New product launches in the past 12 months include RCL Foods' multi-grain instant porridge under the well-known Yum Yum brand, while Pioneer Foods, Tiger Brands and Premier FMCG are also playing heavily in this space, along with a host of smaller manufacturers.

Pepsico subsidiary Pioneer Foods' acquisition of the remaining half of Future Life in May 2023, eight years after buying its initial shareholding in the maker of nutrient-dense breakfast cereals and snacks (www.news24.com/fin24/) may well lead to other innovations in the already highly successful Future Life range.

Gluten-free grains including rice and sorghum are also making an appearance in everything from baby cereals to breakfast porridge, milled products for home baking, and even snacks, treats, and baked goods. Snacks, breakfast bars and biscuits are also benefitting from new flavours and brand extensions, as well as the addition of wholegrains, ancient grains, and naturally gluten-free grains.



Visual courtesy of <https://www.bakali.co.za/>

AGT Foods recognised the need to diversify their grain offering many years ago and today their 'online pantry' offers an impressive array of milled products for both home and commercial bakers. Their range of ingredient flours includes amaranth, barley, pea, chickpea, chia, brown teff, and quinoa. Ancient grains are becoming increasingly present in a wide range of products.



Visual courtesy of <https://www.bakali.co.za/>



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Lentils and legumes, beans and pulses

Lentils are a popular choice for ready-packed soup mixes, but recent product innovations have also seen the

introduction of lentil and legume-based snacks such as chips, crackers, and more. HMR, ready to eat, and deli offerings are also seeing more lentil, legume, and grain-based offerings. Consumers are gaining an increased understanding of the health benefits of these foods, and, most importantly, there is ample product and recipe development in this space for nutritious food that looks and tastes appealing, appetizing, and delicious.

Local manufacturers of grain-related products Pride Milling are a firm advocate of beans and pulses.



Visual courtesy of <https://www.pridemilling.co.za/>

In a blog for their website they write, "Beans and legumes have long been a forgotten pantry staple – ever-present but never eaten. Luckily, with a new focus on meatless meals and digestive health, they have made a triumphant return." Offering a wide variety of dried and milled products – both grains and pulses or legumes – Pride Milling highlights the many benefits of adding pulses and beans to any diet. They credit the rise in demand for these products to the consumer's desire to improve their eating habits, while providing a value-for-money alternative to meat products.

Promoting legume and pulses consumption, global food awareness organisation ProVeg International has joined forces with Google, the Bezos Earth Fund, the United Nations Foundation, the Kraft Heinz Company, and more than 40 other

organisations to campaign for a doubling of global bean, pea, pulse, lentil and legume consumption by 2028. This campaign, called Beans is How, aims to promote the value of incorporating beans into meals, as part of a strategy to remove greenhouse gas emissions from the food system.

ProVeg International states that beans release 90% less harmful greenhouse gases than some animal-based foods, while containing protein, carbohydrates, vitamins, and minerals. "Beans really do tick all the boxes when it comes to providing nutritious, affordable and climate-friendly meals for countries all over the world," says Jasmijn de Boo, CEO of ProVeg. De Boo adds, "We urgently need to scale up efforts to encourage greater consumption of beans over animal-based foods if we are to have a chance to slow climate change and prevent ecosystem collapse."



Visual courtesy of <https://beansishow.org/>

Beans is How is aimed at encouraging people to eat more beans by publishing tasty recipes that show consumers how to grow beans themselves. Through a 'menu challenge' the campaign encourages restaurants, caterers, cafes, schools, and other food providers to include #beansonthemenu. In-store and social media promotions are a great way to incorporate international campaigns such as this, while also helping to drive local consumption and educate consumers.

Vegetarian and vegan trends

As consumers strive to make healthier, more sustainable choices, so their dietary needs are changing. 'Alternative' plant-based or meatless meals are becoming more popular – even in notoriously carnivorous South Africa (why else would there be a legal battle over what to call a meat-alternative patty?) As the demand for plant-based dishes increases, so the call for pulses, legumes, and other non-meat staples grows. Flexitarian eating – with reduced but not entirely excluded meat consumption – is also a driving factor here. The impact on this category is beginning to show.

Visual courtesy of likemeat, Unsplash



Visual courtesy of <https://fryfamilyfood.com/>



A look at local retailer shelves shows the extent of the growth in the vegetarian and vegan market. Product launches are coming thick and fast, with everything from plant-based ready meals to burger patty, mince, and meatball replacements, scrambled tofu, and even plant-based paneer, tinned soups, and deli offerings. Soya, tempeh, and seitan-based products join an abundance of ancient grain and legumes that are now available for consumers looking to reduce their meat consumption or replace it entirely.

Convenience is a big factor in driving product innovation, as vegan and vegetarian meals traditionally suffer from implied constraints such as skill, time, and availability of ingredients. By providing these ingredients, making preparation easier, and offering plant-based and vegetarian

ready meals and heat and eat options, manufacturers and retailers are placing these alternatives firmly within the reach of consumers.

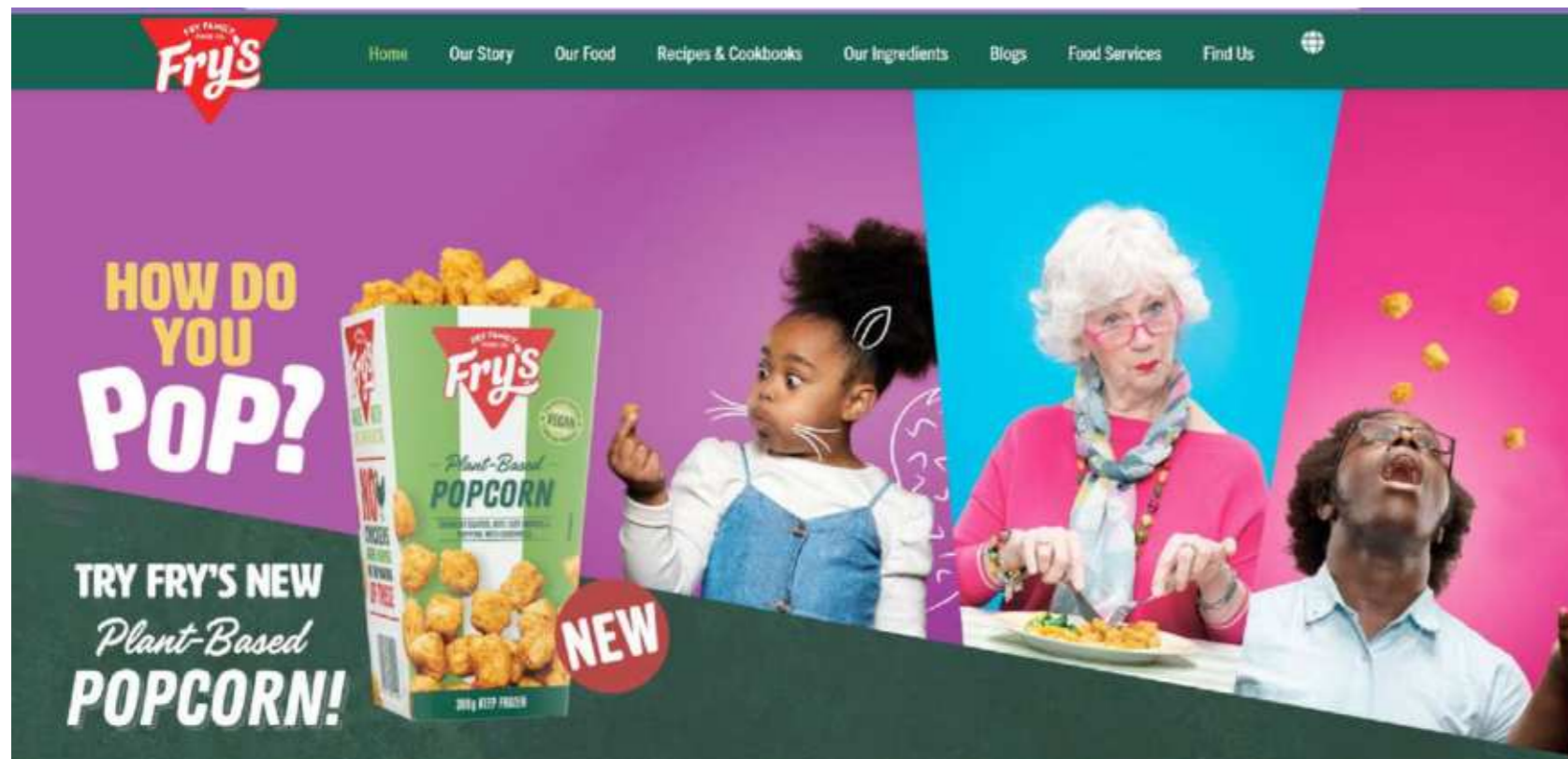


Visual courtesy of <https://fryfamilyfood.com/>

The label wars

In 2022 the Department of Agriculture, Land Reform and Rural Development (DALRRD) took a decision against meat-based descriptors being used on plant-based alternatives and threatened to seize all products bearing these labels. This move had a devastating effect on the market, with News24 reporting that "Beyond Meat cancelled shipments to South Africa out of fear that its plant-based meat substitute products may be seized". Local restaurant group Spur, which served Beyond Burger at its restaurants, was forced to find a soya alternative. Retailers were also quick to clear





their shelves, leaving many shoppers frustrated and confused, although many completed their rebranding in record time.

The South African High Court issued a temporary reprieve, yet internationally there seems to be a battle brewing between meat manufacturers and suppliers of plant-based alternatives. A lack of clarity regarding the regulations and terminology for labels on alternative protein products is causing confusion about food labels worldwide and has already led to several court cases. Interestingly, a Swiss court recently sided with plant-based producers, a blow to pro-meat entities arguing that the use of “meaty” terminology is confusing.

Online-based Plant Based News says, “Vegan meat substitutes have seen a staggering rise in popularity over the last few years. Globally, total

consumption grew from 133 million kilograms in 2013 to 470 million kilograms in 2020. Many meat producers maintain that labelling these products with ‘meat’ terms is confusing for consumers. But plant-based brands state the opposite. South African manufacturer of plant-based meat alternatives Fry’s marketing director Tammy Fry said earlier this year: ‘Our product descriptions play an important role in helping our consumers understand how to use our products.’”

In another development, The Veg Economist reports that On The Green Side, a South African plant-based meat producer focused on clean-label chicken alternatives, is ready to enter the local market. “The company describes itself as a ‘modern chicken farmer’, aiming to directly compete with conventional chicken. Its products are made from

a range of proteins, including soy, wheat gluten, faba bean, lentil, chickpea, and pea. Proprietary high moisture extrusion technology is used to give the plant-based chicken an authentically meat-like texture.”

The Veg Economist adds, “On The Green Side already manufacturers for several major South African retailers, through both its own brand and private labels. The products are also available for food service, and the company is in the process of closing deals with global food manufacturers. Sales forecasts for 2023 predict a 50/50 split between local and global markets, changing to 10/90 within two to three years.”

Their flagship product – Flame Grilled Tenders in Original, Smoky BBQ, and Moroccan flavours – are marketed as versatile and affordable.

It’s clear that vegan and vegetarian offerings are increasing and judging by the innovative and ever-increasing new product launches, consumers agree. Retailers and wholesalers would do well to look at increasing and improving their offerings in this category and investing in some serious research and development when it comes to Own Brand vegan and vegetarian products. **SR**

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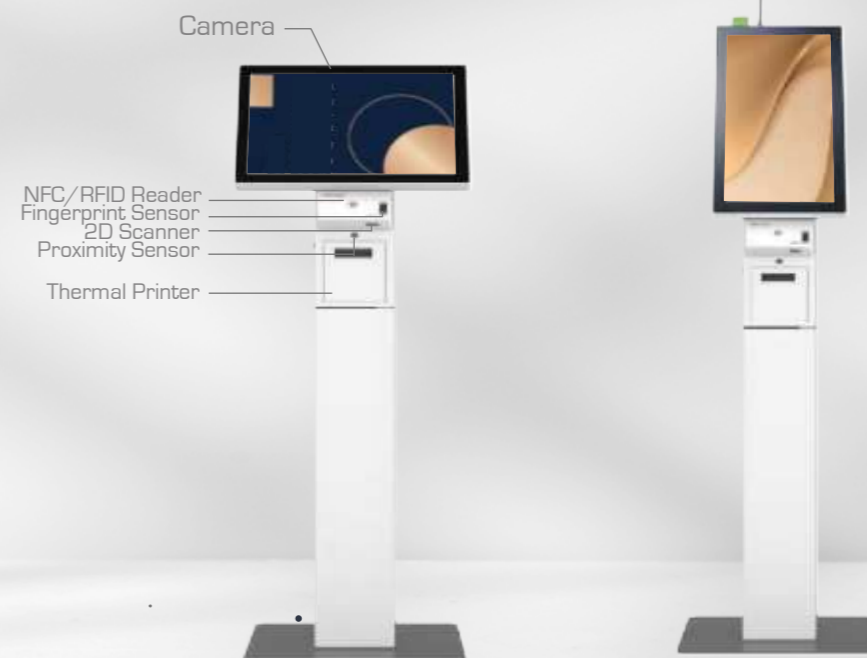
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The exit from the pandemic coincided with the entry into an equally turbulent epoch, characterised by new blows to the international balance. We will try to get out of it, as always, with resilience.

The new road has been taken: the energy supply systems are gradually readjusting, the increase in interest rates, decided by the European Central Bank, has the purpose of quelling the growth in the general level of prices by means of the contraction of the money supply in circulation (even at the risk of pulverising the understandable aspirations of those who would like to buy a house), large-scale trade is trying to filter (sometimes in a real way, often with the usual advertising) the inexorable rain of price increases on final consumers (not failing to call into question the responsibility of certain suppliers).

Internationally, heartfelt calls for peace and mediation between the parties to the conflict in Eastern Europe are being disseminated.

In the meantime, numbers, statistics, claims of 'fixed prices', solemn points of view and forecasts of all sorts are flocking to the distribution business community.

The English retailer demonstrates how the virtuous management of the food core business, the obsessive containment of prices, the courageous gratification of employees and the fight against all waste are the determining factors to emerge from a complex phase, steeped in inflation and uncertainty.

The exterior of the Sainsbury's Local store located in Sheffield. Sainsbury's Local stores are open to the public for 16 hours, every day (7.00am to 11.00pm).



Below and Below left: Supermarket giant Sainsbury's celebrated the opening of its first new store of the year in Harrogate ... offering fresh fruit and vegetables together with bread and cakes baked every day, a citrus squeezer and an enviable assortment of takeaway foods including sandwiches, salads and hot foods.

Centre: Simon Roberts, Chief Executive Officer of Sainsbury's.



The cost of money and debt are now higher, government bonds have better yields and electrify the propensity to save, consumption reacts by becoming alarmed: this is confirmed (at least in Europe) by the lower average sales per transaction, accompanied by higher purchase frequencies than at first.



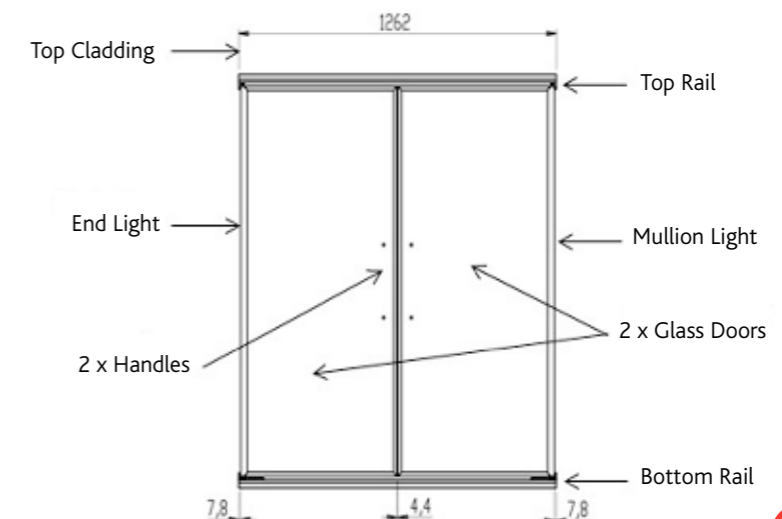
Close The Case

Designed as a retrofit solution for existing Supermarket display cases, the Glacier Air Shield Glass Doors offer up to a 40% energy saving in an ever-increasing energy cost environment as well as improved cabinet temperatures and product benefits.



Features and Benefits

- Reduced energy consumption.
- Extended product shelf life.
- Double glazed Argon Gas filled void for superior insulation.
- Optimal product temperatures.
- Spring loaded glass doors.
- Solutions for new cabinets or retrofitted on existing cabinets.
- Less cold air spillage – warmer aisles.
- Optional Mullion LED lights and door hold-open brackets.
- Heated option on our Standard Airshield Doors to suit coastal conditions.
- Integrated (full length) handle option.



Infinity / Infinity Integrate Glass Doors

The new Infinity Glass Door is designed with edge-to-edge glass and screen print border. This door offers increased visibility and a more modernised look and feel. Glacier has also launched their new Integrated Glass Door which incorporates a full length profiled handle.



Low Temp Eco Leaf (Energy Saving) Doors Aluminium Frames:

- Heated Door and Architrave
- Natural 15 micron anodized or black textured powder coating (Coating to SABS standards).

Glass

- Safety toughened 4mm glass inside and outside standard on all doors. (Toughened to SABS standards).
- All Glass Doors are Argon Gas filled for superior insulation.
- Low temperature doors are fitted with a heated front glass and a clear rear glass, both safety toughened.

Lights (LED)

Energy Saving LED 22W, 6000K, LED Light fitted on the inside of the architrave in a closed polycarbonate light diffuser.

Normal Temp Doors Aluminium Frames:

- Door and heated Architrave
- Natural 15 micron anodized or black textured powder coating (Coating to SABS standards)
- There is a thermal break on the inside of the door frame.
- All architraves are fitted with anti-sweat heaters.

Glass

- Safety toughened 4mm glass inside and outside standard on all doors. (Toughened to SABS standards)
- All Glass Doors are Argon Gas filled for superior insulation.
- Normal temperature doors are fitted with Low emission front glass and a clear rear glass, both safety toughened.

Lights (LED)

Energy Saving LED 22W, 6000K, LED Light fitted on the inside of the architrave in a closed polycarbonate light diffuser.

Consumers go to the supermarkets more often, but they spend less: prices are frightening and uncertainty flares up.

Inflation reawakened

The voracious monster of inflation has reawakened or, perhaps, we have taken the trouble to go and reawaken it.

Simon Roberts, CEO of the English supermarket chain Sainsbury's (founded in 1869), recently commented on the actions of the leading brand in this particular historical phase (second, by market share, in the United Kingdom with 15.2%, after Tesco which owns 27.3% and ahead of Asda which boasts 14.3%).

The top manager was keen to praise certain courageous corporate responses to stem the impact of these tumultuous times. His voice deserves attention, if only because, on balance, Sainsbury's, Tesco and Asda hold (together) well over half of the UK distribution market (almost 57%).

Roberts, in office since June 2020, was transparent in the statements released within the 'Preliminary Results for the 52 weeks ended 4 March 2023 – Delivering greater value for customers, colleagues, communities and shareholders'.

"We truly understand how tough life is for so many families right now which is why we are absolutely determined to fight inflation for our customers. Our focus on value has never been greater as we have spent over £560m to keep prices low for the past couple of years. As a result, we now represent better value than our competitors.



Perspective of the assisted fishmonger, butcher and deli counters in Sainsbury's.

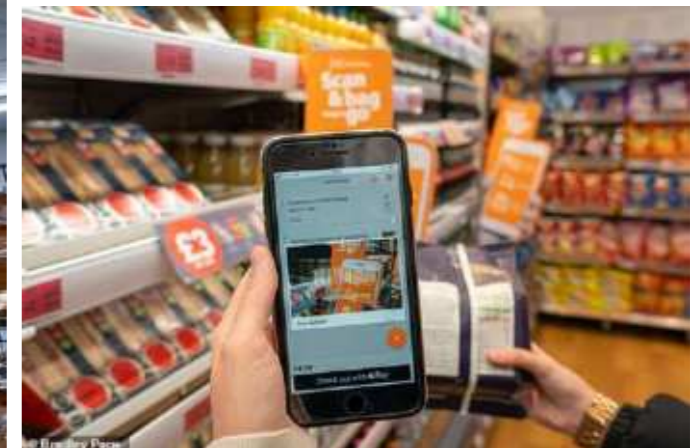


A 'Bakery area', with self-service bagged bread. The display is located near a small section of confectionery in the window.

"It's been two years since our plan to put food back at the heart of Sainsbury's – we've focused our efforts on cost reduction across the business, which has enabled us to make the right decisions for colleagues and customers. Colleagues are the ones who do a fantastic job serving customers,



Linear display of milk and fruit juices, displayed on 'Aerofil' equipment. Sainsbury's stores are now equipped with this pioneering technology, which allows a 15% reduction in energy from its refrigerators: a sophisticated technical device in fact prevents cold air from leaving the counter, directing it back into the refrigerator.



In modern distribution, the most compelling challenges are fought for efficiency, obtaining the right contribution from digital applications: even Sainsbury's relies on 'self scanning' operated via customers' smartphones.

they do it every day – we know they too are facing the impact of rising cost of living. That's why, over the past 12 months, we've made the decision to invest £225million to support them, including triple pay increases, become the first major supermarket to pay employees a living wage, provide free food in the workplace and greater discounts just for

them. The results we have achieved this year are testament to the outstanding contribution of our team: I want to thank them all, for their dedication and hard work!

“We will also continue to work closely with our suppliers and farmers, to whom I am grateful for their support after what has been a difficult year for all food supply chains, 2022. We know how vital the agricultural industry is not only for Sainsbury's, but also for the whole country: that's why we have chosen to provide £66 million of additional support to British farmers over the last year.

“We have opted for these decisions and investments to make our business stronger but above all because, after all, they are the right things to do right now. There is no doubt that the future will remain challenging, but I am confident that we will continue to deliver good results for our clients and colleagues, our community and our shareholders”.



Sequence of assisted counters of very fresh products, along the perimeter of a large and busy Sainsbury's store.



Wine lane, dramatised according to a purely British scheme, which evokes clarity, practicality and circulability in spite of the warm colours and materials otherwise found in the 'wine cellars' of Mediterranean supermarkets and superstores also present in Europe.



Hot Food and Pizza ... even in Sainsbury's, in the United Kingdom, the practicality and typicality of the best-known Italian food have the opportunity to reserve a characteristic sales space in the fresh food areas.



Effective solutions to reduce the cost of in-store refrigeration

Polyurethane Injected Panels

- Standard panels: Outer and inner skin of frost white Chromodek, also available in black finish.
- Polyurethane injected panels for superior insulation and adhesion.
- High-impact PVC interlock profiles on all edges provides totally sealed insulation and a perfect vapour barrier.
- Tongue and Groove panel options available.
- Easily erected.
- Optional skin finish in Stainless Steel – Grades AISI 304 AIS 403.

Cold & Freezer Rooms



Floors – Fabricated and Concrete

Fabricated Floors

- The inside floor finish is 1.5mm Aluminium tread plate glued and screwed to a marine ply base.
- Galvanised plate options available in lieu of the Aluminium Chequer Plate finish.

Concrete Floor

- Concrete floors are used for flush or step-up entry and in permanent structures. Usually a recess of 150–170mm is used to accommodate the foam slab insulation and the concrete screed.



Meat Rails

- Hot Dipped Galvanised system.
- Support structure integrated into insulated panels.
- Optional free-standing continuous galvanised system with bends and switch gear.

Aluminium Chequer Plate

- Installed as an option to protect panels from scratches and light impact damage.
- 1.5mm and 2.0mm thick options.
- Standard height 1 250mm AFFL.



Insulated Structures

Efficiency At Work



Up to 40%
Energy Saving



New or Retrofit
Existing cases



Environment
Respect

Benefits of Airshield Glass Doors

- Reduce Energy consumption.
- Extend Product shelf life.
- Double Glazed Argon filled void for better insulation.
- Optimal Product temperature.
- Glass doors have an option of Mullion lights. Quoted separate.
- Handles included.
- Up to 40% energy saving.
- Solution for new cabinets or retrofitted on existing cabinets.
- Doors are spring loaded.
- Less cold air spillage – warmer aisles.

Airshield Glass Doors



Ways to save

With energy cost rising and food retailers looking to improve the shopping experience environment for customers, Insulated Structures has developed an effective solution to reduce the cost of in-store refrigeration while enhancing the customer experience.

Insulated Structures doors are easy to retrofit on in-store cabinets to reduce the energy required to keep chilled foods at the correct temperature.

Meanwhile, customers are able to clearly see and access the products on offer. Reduced energy requirements means smaller refrigeration plant selection for new stores. These savings will off-set the initial cost of the doors. Up to 40% reduction in refrigeration requirement has been achieved.



Standard Airshield Glass Doors with a Black Frame.
Heated Hybrid also available in this design.
Heated Hybrid Glass Doors are fitted with a heater to reduce condensation on the doors in Coastal areas.
Heated Hybrid is fitted with soft closers.

Premium Airshield Glass Doors.
Frameless Door with Argon Gas filled for better insulation.



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Future themes

Now we are in the middle of 2023, the strategy that Sainsbury's will follow in the near future follows some themes that are as precise as they are salient. Here they are...

Food First: Customers want low prices, exciting new products and great service. This is where Sainsbury's time, energy and investment is being concentrated. £560m is a significant expense that has been made to keep prices down over the past two years and, in truth, represents a whopping £10m more than was initially anticipated and announced.

Nectar Prices (loyalty and digitisation hand in hand): the Nectar system offers discounts to loyal customers (both in supermarkets and online) based on the 'Your Nectar Prices' programme, which interacts with a digital application. The most active users save almost £200 a year on their purchases. We currently have 11 million digital customers and over 18 million loyal Nectar members. By now, effective loyalty programmes cannot do without fluid structures inspired by the most modern level of digitisation.

Sainsbury's Taste Difference (private label quality and completeness, for more sales and greater profitability): this brand, based on numerous products, with a telling name that invites to taste the difference with the items produced by the competitors, has received strong impetus and has

grown both in quantity and quality of the proposals. Even more generally, the profitability of all brands has been significantly improved, generating 145 million pounds and thus more 'fire-power' to be poured into the food 'core business'.



Chicken with red wine, tray of 'Sainsbury's Taste difference' branded product.



Sainsbury's just launched their 50th in-store sushi counter, serving customers freshly prepared, ready-to-eat sushi and teppanyaki with the help of highly trained sushi chefs.



The brand new Fishmonger's Choice range, 'landed' in-store this week. Fresh, seasonal, British fish species like Whiting, Dover Sole and Monkfish, all wild-caught off the South West coast.



Sainsbury's £2 "Taste Me, Don't Waste Me" food waste boxes. Sainsbury's introduced this so you can buy surplus fresh fruit and vegetables at a reduced price.



Sainsbury's Neighbourhood Hub store, created forty new jobs and provides customers in Desborough with a fantastic new place to do a weekly shop.



The strategic vision

The strategic vision will continue along these lines on the basis of the stimulus given by the good results achieved.

A painstaking job of saving on costs has been done to obtain the necessary resources to invest in reducing prices, efficiency has been implemented everywhere (in the company) to outline those productivity mechanisms capable of making the massive investments allocated in sustainable staff wages. Furthermore, the accounts have not been affected at all (on the contrary, according to Roberts, the ratio between sales and personnel costs has decreased).

Sensitivity to the environment was demonstrated through the reduction of absolute greenhouse gas emissions (-38.2% on an annual basis). No less important was the absolute reduction of plastic packaging for high-volume products, so much so that Sainsbury's can boast the merit of being among the first chains to vacuum-pack all ground beef. This operation has allowed a saving of over 450 tons of plastic per year. Finally, solidarity found visibility in the donation of over 10 million meals thanks to the partnership with the Neighbourly Foundation, which prevented the waste of over 4 500 tons of food.

The English formula for responding to the critical issues brought about by inflation and the consumer crisis implies courage and targeted investments, involves the generous desire to consolidate ties with employees (true forces in the field of every company and first customers) and with



Harrow-gate store opening



suppliers (indispensable partners to achieve goals of quality and convenience), expresses the need to cancel the dispersions that generate inefficiencies and slowdowns in the productivity indexes, imposes the redistribution of the savings obtained in costs on the actual cut in sales prices, suggests perfecting the food proposals for daily consumption giving impetus to the store brand, evokes the integration between digitisation and loyalty, finally recalls the importance of being able to transmit coherent ecological messages.

Sainsbury's Plant Pioneers burgers, coupled with vegan brioche buns.





Sainsbury's marked a key milestone as their three millionth tree was planted through their partnership with the Woodland Trust. The tree forms part of a 'Regiment of trees' within the Centenary Woods project to mark those fallen in WWI.



Sainsbury's is working with @woodlandtrust, funding free tree packs for schools and communities across the UK.



70 years ago the first self-service supermarket opened. It was a big change for customers – supposedly some were so angry at the new format they demanded the store manager come with them to place groceries in their baskets! They even had instruction sheets for how to shop in the new format stores. This image is from their first self-service store, which opened on 9 November, 1950 in Croydon.

Sainsbury's colleagues getting their mud on @themajorhq Woodland Warfare. All to raise cash for their partners at the Royal British Legion.



Hippo Zourides, serial entrepreneur and corporate leader, has been involved in the food trade for over four decades and consults to corporates, large, medium and small enterprises on a variety of management and restructuring skills, including the latest ESG requirements.



Paralympic Champion Jonnie Peacock and @youthsporttrust unveiling a new Active Kids playground. Phillimore Primary School in Sheffield won the £50 000 playground makeover after they took part in Sainsbury's Active Kids Paralympic Challenge – a programme that encourages young people to participate in inclusive sports.



Sainsbury's just set the wheels in motion on an exciting new trial – the UK's first grocery delivery service by electric cargo bikes! A fleet of five zero-emission bikes set off across South London from the Streatham Common store, delivering up to 100 orders a day.

SR



Antonello Vilardi, professional in managing points of sale at numerous commercial signs, editorial collaborator for specialised magazines, consultant and lecturer in university masters. He has written books on large-scale retail trade.

Can Africa lead autonomous retail and what are the social implications for retail workers?

According to Statista autonomous retail is growing at a compounded annual rate of 61,4% per annum. These statistics were calculated from 2018 and extrapolated to 2024 with an estimated 10 000 fully autonomous stores expected next year.

Africa has only one clothing brand with semi-autonomous retail stores, called UNIQ – recently launched by the Shoprite Group. It uses RFID tags to allow customers to pay for purchases and not to use a cashier. This trend will see other retailers adopt similar technologies. The adoption of RFID tags in grocery retail would be both prohibitively expensive and inefficient as retailers would need to add a tag to each item on their shelves at a cost of between R1 and R2 per tag.

Solutions like Scan, Pay and Go are better suited to grocery retailers. These solutions use data to drive increases in average basket size. We have seen that in the USA, UK, and Europe, that fully autonomous stores are popping up all over the place. So why has Africa not seen a fully autonomous retail store yet?

Social issues including job losses and trade unions are the main reason for the lack of adoption of such technologies. This is further exacerbated by retailers in Africa being too far behind the global retail technology curve.



The US and UK have seen self-checkout solutions for the past 20 years while Massmart recently introduced it at its Game Stores in 2022. In fact more than 55% of grocery retail transactions last year in the USA were self-checkout. This represents an opportunity for Africa to leapfrog the rest of the world and move directly to fully autonomous retail stores unlike their international counterparts who are heavily invested in self-checkout technologies. The impact on jobs is not to be underestimated but cashiers can be upskilled and redeployed for example as pickers for online retail channels like ASAP by Pick n Pay.

The other significant issue seems to be focused on risk of increased shrinkage. South Africa industry average shrinkage is between 5% and 7% while the USA reports shrinkage rates of in 2021 of 1.44%. The main contributor of shrinkage is actually internal (employees) as opposed to customers. This, therefore, means that more retailers should look at autonomous stores as it reduces the human factor in the loop, thereby reducing shrinkage risk.

Autonomous retail has a unique place alongside with existing retail operations. In places like hotels, offices, golf estates, gated communities, airports, and even private hospitals could be very well suited to fully autonomous retail convenience stores.

The key to unlock autonomous retail in Africa is finding the right technology partner. Technology companies like Amazon have entered brick and mortar stores through the acquisition of Whole Foods and establishing Amazon Fresh and Amazon Go stores. This strategy has not been very successful for Amazon who last year had a Q4 impairment

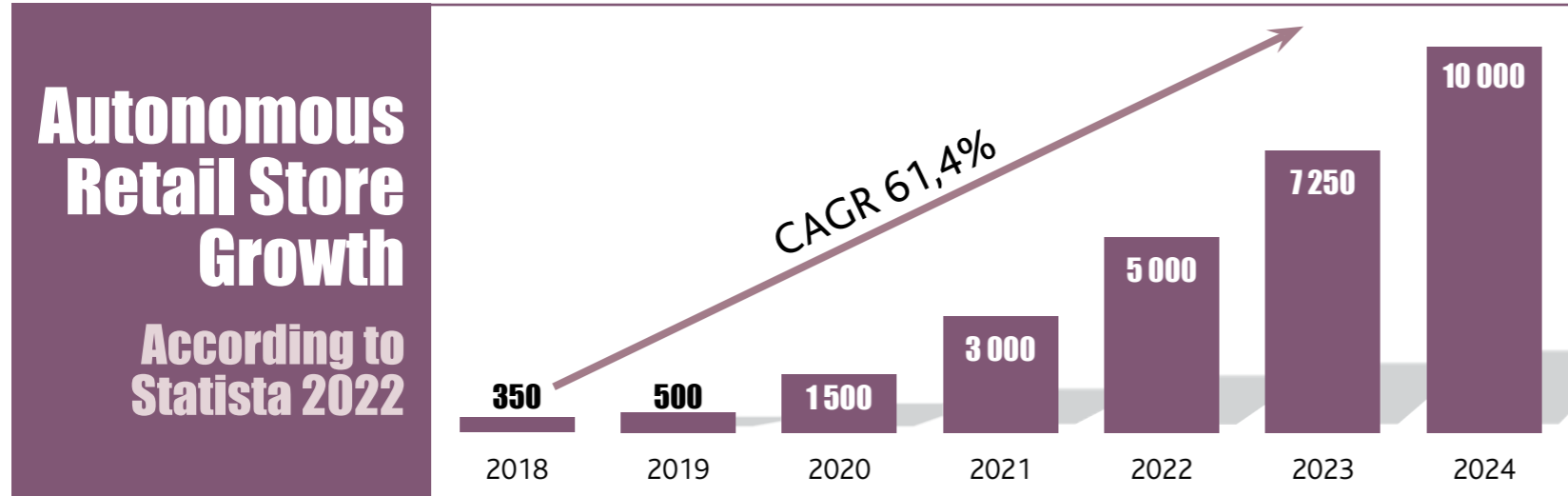


charge of a staggering \$720m on its Fresh stores. On the other hand, many brick and mortar retailers are trying to become technology companies and are also seeing significant losses from this approach. The real opportunity exists to create smart

ecosystems where retailers and technology companies co-operate to work together for the benefit of the consumer.

African retailers are immensely capable of leapfrogging their global counterparts and lead

the advancement to autonomous retail stores through smart ecosystems as they do not have investments in self-checkout solutions and market adoption will be easier like we have seen with mobile phone adoption. **SR**



Ajay Lalu, co-founder and director of Consumption Information Real Time (CIRT) and Q-HOP.



Ajay Lalu is a serial entrepreneur who has founded several successful companies including the Black Lite Group. He has showcased CIRT's innovative solutions at the world's largest IoT Conference, IoT Solutions World Congress – Barcelona, 2019. He is a guest lecturer at the Gordon School of Business (GIBS) on digital innovation and strategy. Ajay is greatly involved in initiatives aimed at developing SMMEs and tech start-ups.



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Adapting to thrive

Small-scale East African retailers



By Warren Brett
Cluster Executive
SEA Region,
Smollan Tanzania

Millions of small, independent shops in East Africa will need to look at diversifying, digitising, and even partnering for growth in response to a challenging and rapidly evolving landscape. These cornerstones of neighbourhoods undeniably form an integral part of a country's socioeconomic system.

Smollan representing some of the world's most loved FMCG and commerce brands, gives a glimpse into the dynamics of this growing sector and the challenges and opportunities that arise. Seen within the context of small-scale retail tied to history, traditions, and trading preferences of consumers in a particular region.

As defined by EuroMonitor International, spaces for trading can range from as little as 1sqm up to 30sqm and due to their small footprint, traders are located closer to consumers, along transport hubs and routes, or within local communities. Proximity also extends to knowing and stocking customer's preferred brands and products and offering credit to loyal customers.

While this sector can be difficult to quantify as data is generally thin across all the regions that

A glimpse into the dynamics of this growing sector and the challenges and opportunities that arise



make up the East African retail community, in a recent United Nations Economic Commission for Africa – we see that small and local retail transactions account for 70% in Kenya alone.



Images courtesy of <https://www.smefinanceforum.org/>

That said, these businesses face numerous challenges despite being relied on by the vast majority of the population. These include limited access to financial tools; the lack of ability to manage stock and inventory; adoption of technology; vulnerability to economic shock; competition from larger players, and as East Africa evolves, the unbundling of regulatory barriers.

Indeed, they may be the dominant players in the market, but disjointed structures can make it difficult for them to effectively run and scale their businesses.



SMALL INDEPENDENT SHOPS

Despite this the potential is there as greater innovation and investment becomes the catalyst for change. Warren Brett Cluster Executive, SEA Region, Smollan Tanzania said ...

“Empowering small-scale retailers through digital and financial inclusion is definitely the way forward.

In Kenya we've done this successfully with Unilever and Mastercard under the 'Jaza Duka Program' equipping small retailers to be able to accept electronic payments and access financial services.”

“So too in Tanzania we are looking at how we can create a tech solution to support secondary sales from the distribution footprint. It's all about putting the power in the hands of the 'duka' owner in this case and supporting consumer needs through consistent availability.”

According to business news outlet Quartz Africa, the roadmap for change for small-scale retailers to get much needed support is to formulate solutions that makes business easier and more efficient

Order for a wide range of products from the Wasoko App.

Image: <https://wasoko.com/>



for them, by addressing the need for inventory management, logistics, mobility, and access to credit to name but a few.

One example cited, seen as a significant game changer in the region is Wasoko, currently operating in Kenya, Tanzania, Uganda, Rwanda, Ivory Coast and Senegal. A start-up that supports and enables informal and small-scale retailers to conveniently stock their shops, eliminating the hassle of dealing with different suppliers and distributors. They also

offer customised lines of credit to provide retailers with working capital and, data-based insights for further analysis. So too, the East Africa Business Week recently reported that The East African Business Council (EABC) and the International Trade Centre (ITC) launched an online platform designed to boost the competitive edge of the region's

small businesses. Providing them with an avenue to support their recovery, build resilience and drive growth through digital technology.

Product visuals courtesy of <https://wasoko.com/>



Image courtesy of <https://theflip.africa/>

Likewise in the banking and financial services sector, Hilbret Bank launched a digital payments platform that allows Ethiopian small businesses and retailers to accept international card payments for online purchases.

“The opportunities are there – through collaborative networks, government support programs and the growing demand for locally made products. It's a matter of closing off the eco-system to make it easier for retail to be serviced by brand owners, and the technology to enable their businesses,” said Brett. **SR**



Image courtesy of <https://wasoko.com/>



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&
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2023 Wholesale and Retail Good Practice Awards Nominations are now open!



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Introduced in 2014, the GPA recognises stakeholders (W&RSETA companies, training providers, institutions of learning and beneficiaries of the SETA's programmes) for outstanding contribution to skills development in the Wholesale and Retail Sector.

Award Categories

Stakeholders are invited to submit nominations for the awards under the following categories:

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- Learners / Beneficiaries of W&RSETA programmes
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- Innovation



Nominations with supporting documentation must be submitted to gpasubmissions@wrseta.org.za by 25 August 2023. All nominations will be evaluated by an independent provider appointed by the W&RSETA.

Visit www.wrseta.org.za for more information on the nomination process, criteria and nomination forms.

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