



Small Suppliers' Toolkit

People n Planet

Supporting small businesses

www.pnp.co.za/doing-good

A message from our group executives

“ It is always such a huge pleasure to see new start-ups grow. At Pick n Pay, we are uniquely placed to provide an opportunity for entrepreneurs to put their products in front of the consumer. We remain dedicated to support, scale and sustain them. ”

Richard Brasher



“ Big business has a responsibility and major role to play in building and developing the economy across all levels. Transforming the supply chain, from soil to shelf, is a fundamental part of growing this country. By creating opportunities for small-scale farmers and entrepreneurs, we help them get into a position where they can service the formal retail sector – or even go out on their own. In the process, they create jobs and develop skills. ”

Suzanne Ackerman-Berman

“ We pick our partners with the greatest care. Business is more than just making a profit. We are proud of our local small businesses because they offer our customers the best products and great value. ”

Paula Disterry



OUR VALUES

Our core values continue to be our guiding light.

They remain the strong foundation that guides us in everything we do. It is what defines us as a sustainable and trusted retailer.

1. Customer sovereignty

Serve customers better than ever before – the customer is our queen.

2. Business efficiency

Simplicity is the soul of efficiency.

3. Doing good is good business

Do the right things for our customers and the communities in which we serve.



“ Building a business requires 90% guts and 10% capital. Our success rests on four guiding principles: strong administrative operations, high-quality merchandise, commitment to social responsibility and sustainability, and the inherent value and dignity of all people. Treat the customer like a queen and she will make you a king. ”

Raymond Ackerman



“ A core function in our ‘doing good is good business’ value is building capacity for small businesses. We are doing everything we can to play our part in building small businesses in this country. ”

Gareth Ackerman
PICK n PAY CHAIRMAN



CHECKLIST: DO YOU MEET THE FOLLOWING MINIMUM REQUIREMENTS?

Business plan checklist:

1 Copy of company registration certificate

1. You must have a registered company to do business with Pick n Pay.



2 Business proposal (your product or service)

1. Share a short introduction of the company and/or brand owners.
2. Explain your current distribution model and confirm whether you are able to deliver to stores nationally through our distribution centres.
3. Confirm your total production volume, i.e. production capacity amounts and volumes.
4. Provide your product catalogue with product images and pricing inclusive of VAT per unit.

4 Annual financial statements

1. Provide your management accounts (requested annually).

3 VAT registration number and copy of tax clearance certificate

1. VAT registration number
2. Copy of valid tax clearance certificate (renewed annually)
3. Copy of SARS import and export licence (if applicable)



ARE YOU READY?



1. Do you have a registered business?

You must be able to send a brief introduction of your company.

www.cipc.co.za/za

2. Develop your product quality

www.sabs.co.za

3. Corporate procurement

If you are supplying a service, you will be considered a business-to-business service provider and fall into the corporate procurement (CP) category.

4. Bookkeeping and cash-flow management

www.sage.com

www.xero.com/za

5. Packaging and labelling legislation

- Consumer Protection Act No 68 of 2008
- Foodstuffs, Cosmetics and Disinfectants Act No 54 of 1972
- Food-labelling regulations and regulations relating to foodstuffs for infants and young children
- Agricultural Product Standards Act, No 119 of 1990

6. Traceability

www.mygfsi.com

www.intertek.com

www.store.sabs.co.za

7. Food safety audit requirements

A formal, independent audit allows an unbiased inspection to ensure that our customers are assured of safe food. An audit includes the evaluation and risk assessment of your facility and whether or not the facility and processes conform to required legislation. The following audits are acceptable to Pick n Pay:

- Intertek Food Safety Audit
- Global Food Safety Initiative (GFSI) benchmark standard
- GLOBALG.A.P.
- SAMIC
- localg.a.p.

www.intertek.com

www.codexalimentarius.org

www.samic.co.za

8. Registering on the Pick n Pay portal

The technical team will be able to assist you in setting up your account.

www.pnpportal.co.za

9. Supply chain (delivery, logistics and distribution)

You will be required to deliver to our centralised distribution centres (DCs) located across the country.

www.chep.com

10. Delivery to Pick n Pay distribution centres

The supply chain team will be able to assist you in setting up your www.chep.com account to deliver to our DCs.

For more information, go to www.pnp.co.za/doing-good.

HOW DO I QUALIFY?

“ Compliance is a vital part of business. Understanding the laws and regulations relating to consumer products and services is required. ”

Debra Muller

PICK n PAY COMPANY SECRETARY,
LEGAL & COMPLIANCE

The Broad-Based Black Economic Empowerment Act (B-BBEE Act) prescribes what constitutes small and medium enterprises.

- ✓ An Exempted Micro Enterprise (EME) has a turnover of R0 – R10 million.
- ✓ A Qualifying Small Enterprise (QSE) has a turnover of between R10 million and R50 million.

How do I qualify for Pick n Pay's Enterprise and Supplier Development (ESD) programme?

Suppliers are chosen based on product demand as well as identified product gaps by the buyers. Before any listing, products must be assessed by the category buyer. You would also need to have the following documentation:

- ✓ Company registration certificate
- ✓ B-BBEE certificate or affidavit, available at:
www.thedti.gov.za/economic_empowerment/docs/Affidavit-EME-Gen.pdf
- ✓ Value-added tax clearance certificate (if applicable)
- ✓ Annual financial statements/Monthly management accounts (if applicable)

What do small suppliers qualify for?

Subject to Pick n Pay's preferential trading terms, qualifying small suppliers who meet Pick n Pay's small supplier criteria are placed in one of three categories:

Category 1: Early-stage supplier – a supplier with a turnover of R0 – R3m

Category 2: Growing supplier – a supplier with a turnover of R3m – R5m

Category 3: Seasoned, mature supplier – a supplier with a turnover of R5m – R8m

For a period of 12 months following a successful listing with Pick n Pay, a supplier may qualify to have preferential trading terms based on Pick n Pay's Small Business Rate Card. Pick n Pay small suppliers may qualify for:

- ✓ A favourable rebate and trading terms
- ✓ Allocation of a one-to-one mentor based on a supplier's needs
- ✓ Networking support through workshops (finance, marketing, cash flow)
- ✓ Access to corporate experts
- ✓ A letter of support
- ✓ Access to funders
 - ✓ The Department of Trade and Industry (DTI)
 - ✓ Industrial Development Corporation (IDC)
 - ✓ The Jobs Fund
 - ✓ The National Empowerment Fund (NEF)

A supplier's preferential trading terms will fall away once they are a Category 3 supplier, to whom Pick n Pay's standard supplier trading terms will apply.



FREQUENTLY ASKED QUESTIONS



What is a QSE (Qualifying Small Enterprise)?

A QSE has a legally prescribed annual turnover of between R10 million and R50 million. A QSE must obtain a B-BBEE certificate confirming the percentage of black ownership as well as confirmation of their annual turnover. The affidavit is valid for 12 months from the date of issue.

What is B-BBEE (Broad-Based Black Economic Empowerment)?

It is the economic empowerment of all black people, including women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies that include, but are not limited to:

- increasing the number of black people who manage, own and control enterprises and productive assets;
- facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises;
- human resource and skills development;
- achieving equitable representation in all occupational categories and levels in the workforce;
- preferential procurement, and
- investment in enterprises that are owned or managed by black people.

What is an EME (Exempted Micro Enterprise)?

An EME has a legally prescribed annual turnover of less than R10 million. To qualify, an EME must produce a sworn affidavit on an annual basis confirming the percentage of black ownership. The affidavit is valid for 12 months from the date of issue.

Please see www.thedti.gov.za/economic_empowerment/docs/Affidavit-EME-Gen.pdf.

What does the Pick n Pay ESD division do?

The ESD (Enterprise and Supplier Development) division provides mentorship, guidance and business development support to entrepreneurs and small and emerging businesses who would like to supply Pick n Pay with products or services. A big focus is on providing skills development. We are prepared to provide letters of support to suppliers already in our supply chain. We are able to confirm volume and capacity based on your ability to deliver goods or services to our stores. We do not issue any offtake agreements or letters of support to start-ups because we are not able to confirm future volumes or whether the start-up will be able to fulfil future delivery of order commitments.

For more information, go to www.pnp.co.za/doing-good.

RESOURCE DIRECTORY

Development agencies



Small Enterprise Development Agency (SEDA)

Tel: 0860 103 703
Email: info@seda.org.za
Website: www.seda.org.za

Small Enterprise Finance Agency (SEFA)

Tel: 0860 007 332
Email: helpline@sefa.org.za
Website: www.sefa.org.za

National Empowerment Fund (NEF)

Tel: 011 305 8000
Fax: 011 305 8001
Email: info@nefcorp.co.za
Website: www.nefcorp.co.za

Industrial Development Corporation (IDC)

Tel: 011 269 3000
Fax: 011 269 3116
Email: callcentre@idc.co.za
Website: www.idc.co.za

The Business Place (TBP)

Tel: 011 833 0340
Email: network@tbp.co.za
Website: www.thebusinessplace.co.za

National Youth Development Agency (NYDA)

Tel: 0800 525 252
Website: www.nyda.gov.za

Limpopo Economic Development Agency (LEDA)

Tel: 015 633 4700
Website: www.lieda.co.za

Mpumalanga Economic Growth Agency (MEGA)

Tel: 013 752 2440
Website: www.mega.gov.za

North West Development Corporation (NWDC)

Tel: 018 381 3663
Website: www.nwdc.co.za

Free State Development Corporation (FDC)

Tel: 051 400 0800
Website: www.fdc.co.za

Department of Economic Development and Tourism

Tel: 021 483 5065
Email: ecohead@westerncape.gov.za

Eastern Cape Department of Economic Development, Environmental Affairs and Tourism

Tel: 043 605 7000

Wesgro

Website: www.wesgro.co.za/home_wesgro

Training and development resources



Shanduka Black Umbrellas

Website: www.blackumbrellas.org

Private funding



Old Mutual Fund

Website: www.oldmutual.co.za

Business Partners Limited

Website: www.businesspartners.co.za

WDB Investment Holdings

Website: www.wdbinvestments.co.za

The banks



Absa Enterprise Development

Website: www.absa.co.za

African Bank

Website: www.africanbank.co.za

Bank Zero

Website: www.bankzero.co.za

Discovery Bank

Website: www.discovery.co.za

First National Bank

Website: www.fnb.co.za

Nedbank Small Business Services

Website: www.simplybiz.co.za

Investec

Website: www.investec.co.za

Standard Bank

Website: www.standardbank.co.za

Capitec Bank

Website: www.capitec.co.za

TymeBank

Chambers of commerce



South African Chamber of Commerce and Industry (SACCI)

Website: www.sacci.org.za

National Small Business Chamber (NSBC)

Email: info@nsbc.org.za

Website: www.nsbc.org.za

Cape Chamber of Commerce & Industry

Website: www.capechamber.co.za



START

No

Do I have a registered business?

Yes

Step 1

Have a registered business

The first step in joining the Pick n Pay ESD programme is to ensure that you have a registered business that is in operation.

You will need to:

- ✓ comply with all the relevant legal and industry-related regulations;
- ✓ obtain all required licences and permits, and
- ✓ register Companies and Intellectual Property Commission (CIPC) annual returns, health and safety, food safety, ethical employment (skills development levy) and labour practices (UIF and PAYE) annually.

If your turnover exceeds the legally prescribed threshold, currently R1 million, you will be obliged to register with SARS.

www.sars.gov.za

www.cipc.co.za

Step 2

Develop your product

The second step is to develop an understanding of the category that your product falls into, as well as Pick n Pay's merchandising strategy. Your product will probably fall into one of the following categories: groceries and general merchandise, bakery, butchery, fresh convenience (chilled or frozen ready-to-eat products), clothing, private brands, perishables, or fresh produce.

If you supply food products, you will need to:

- ✓ comply with Pick n Pay's mandatory minimum food safety requirements;
- ✓ understand how your product fits into Pick n Pay's merchandising strategy, and
- ✓ develop your product strategy based on Pick n Pay customers' needs.

www.sabs.co.za

Step 4

Bookkeeping and cash-flow management

Determine how much capital, cash flow, time and resources you will need to successfully manage and operate your business. Ensure that your business plan details these requirements and, if you are unsure, seek advice from a professional such as an accountant or bookkeeper.

Your business plan will need to include the following:

- ✓ CIPC registration number
- ✓ Turnover
- ✓ Cash-flow projections
- ✓ Projected income statement and balance sheet

www.sage.com

www.xero.com/za

Step 3

Corporate procurement

This comprises fixtures and fittings for stores, distribution centres and offices (such as shelving, refrigeration and furniture), consumables (products such as packaging and stationery), and service contracts (such as security, cleaners and trolley porters).

- If you are supplying a service, you will be considered a business-to-business service provider and will fall into the corporate procurement (CP) category.



Step 5

Packaging and labelling legislation

Before giving the green light for a supplier's product to be made available on Pick n Pay shelves, the supplier must adhere to strict product, legal and labelling requirements, which differ from one product category to another.

Your product will need to:

- ✓ comply with all specific product-related standards and regulations in terms of South African law.

- **Consumer Protection Act No 68 of 2008**

- **Foodstuffs, Cosmetics and Disinfectants Act**

No 54 of 1972

- **Food-labelling regulations and regulations relating to foodstuffs for infants and young children**

- **Agricultural Product Standards Act No 119 of 1990**

Step 6

Traceability

Ensure that all ingredients and raw materials used in manufacturing your products have full traceability with regard to source, quality and shelf life, and are included in the ingredients statement.

Also bear in mind that:

- ✓ a certificate of acceptability is required for all food manufacturing sites, and
- ✓ any ingredients claiming to be organic or free-range must have the appropriate certificates of declaration.

www.mygfsi.com

www.intertek.com

www.store.sabs.co.za

Step 9

Supply chain (delivery, logistics and distribution)

Decide how you will manage your logistics, warehousing distribution and supply chain. The relevant category buyer will be able to guide and advise you.

- You will be required to deliver directly to our centralised distribution centres (DCs).

www.chep.com

Step 7

Food safety audit requirements

If your product is selected for potential listing by the relevant Pick n Pay category buyer, your facility will be required to meet the minimum food safety standards and undergo a food safety audit.

This includes the following key requirements:

- ✓ Safe food production
- ✓ Quality management systems
- ✓ Factory capabilities
- ✓ Supply-chain management

In South Africa, various laws govern the food safety aspects of a product. All Pick n Pay-listed products must be produced in a facility that has been audited by an independent third-party auditing company.

- The auditing process is managed and conducted in line with the International Organization for Standardization's (ISO) ISO 17021 and ISO 19011 requirements.
- The audit standards are based on the standards required by the Consumer Goods Forum and are available from the Global Food Safety Initiative Guidance Document.

www.intertek.com

www.codexalimentarius.org

www.samic.co.za

Step 8

Registering on the Pick n Pay portal

The Pick n Pay portal is a free and efficient service for all Pick n Pay suppliers. The portal manages suppliers' trading documents, article information and cost prices. The Pick n Pay portal is a web-based interface between Pick n Pay and small suppliers (called "vendors").

You will need to have the following ready:

- ✓ Value-added tax (VAT) number
- ✓ Global location number (GLN)
- ✓ Global trade item number (GTIN) or product barcode

www.pnpportal.co.za

Step 10

FINISH

Delivery to Pick n Pay distribution centres

CONTACT US

Pick n Pay Small Business

Email: smallbusiness@pnp.co.za

Tel: 021 658 1000

Website: www.pnp.co.za/doing-good

Disclaimer: Pick n Pay Retailers (Pty) Ltd

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