

LEE GRANT ENTRY FORM - TUESDAY, MAY 12, 2015

18:01:36

Application Details

Name	: Lee	Surname	: Grant
Designation	: Group CEO	Email Address	: leegrant@leegra.co.za
Cellphone	: 0832945614	Telephone	: 0114767550
Birth Date	: Sunday, November 9, 1980	Application Date	: Tuesday, May 12, 2015 18:01:36
Business Name	: BrandServe	Registration No.	: 2010/014906/07
Tax No.	: 9999070155	BBEE Level	: 4
Type of Business	: Sales and merchandising, field marketing, promotio		
Industry	: Retail, Sales and Franchise	Years in Operation	: 15
Physical Address	: Unit 5 , Sunpark, 178 Smit street, Fairlands	Postal Address	: P O Box 2424, Randburg, 2125
Town / City	: Johannesburg, Gauteng , 2000	Business Number	: 0114767550
Business Twitter :		Business Website	: www.leegra.co.za

Company People

Added	Name	Surname	Birth Date	Designation
Tuesday, May 12, 2015 18:01:38	Karen	Slabbert	1975-10-31	Commercial Director
Tuesday, May 12, 2015 18:08:56	Lee	Grant	1980-11-09	Founder/ Group CEO

Company Financials

Year	Gross Revenue	Gross Profit	Briefly Explain The Drivers of Y/Y Gross Profit Growth or Reduction in each year
2011 R / 33.370.000,00	R 12.114.000,00	2012	The group only consisted out of Leegra Marketing and Marketing Warehouse. No major acquisitions had taken place. Lee was about to return from a year long sabbatical.
2012 R / 100.421.000,00	R 9.860.000,00	2013	Leeegra lost a major client at the start of the financial year worth R 12 mill in billing per annum. We managed to recover new billings, but not to restoration point. BrandServe acquired Combined Marketing Services (Pty) Ltd into the group.
2013 R / 128.249.000,00	R 31.602.000,00	2014	A focus on service excellence to retain clients and attract new business led to an increase in revenue across the group. A focus on acquiring new business with higher margins paid off. The consolidation of financial functions into a centralised offices focussed on cost savings and consolidation led to higher margin and profits.

Company Employees

Year	Total Number of Employees	Average Employee Remuneration	Briefly Explain The Drivers of Y/Y Total Employee Growth or Reduction in each year
2011 350 / 2012	R 7.500,00	2013	At this stage it was only Leegra and Marketing Warehouse in the group
2012 1300 / 2013	R 5.500,00	2014	We acquired Combined Marketing Service (Pty) Ltd during the year. They brought with them 1000 employees, most at minimum wages.
2013 1700	R 5.500,00		Due to an increase in new business acquisition across the group. We were

3 Select Categories

The Maverick Award for Employment Creation

Employment Creation We turned around CMS and saved 1000 jobs. We currently employ 1600 staff. We pay above industry average e.g. minimum wages is R 3500.00 for merchandisers. We pay on average R 4500.00 The quality of the job is important. We invested R 1.5 mill into staff training programs, with a further budget of R 3.6 million for the coming year. All staff are trained - from the merchandiser to directors - either via formal training or mentorships. We train staff to be promoted within 3 years or head-hunted to the industry! If a client steals a staff member, its a compliment to us!

The Maverick Award for Service Innovation Excellence

Service innovation excellence Service is consistent and measurable. We do not check-up on our staff in the trade. We call them daily, we visit them weekly. During a visit we also train them on-site and offer guidance on challenges faced in trade. By focusing on the development of our staff via formal and informal training they are always fresh-faced in the trade. Considering the over-all lack of good service, clients love interacting with our staff. A friendly smile, approachable demeanor and well-groomed profile is just the start. Product knowledge will then win over the client every time!

The Maverick Start-Up of The Year

N/A - ticked a 3rd category to enable submission

Questionair

Business Overview

Business Existence Validation

Describe the problem(s) or challenge(s) that your business solves.

Brands face challenges in the trade to sell-out their products. The following companies in BrandServe focus on sell-out solutions in the trade; Leegra Marketing - Promotions & activations; Leegra Marketing - Field marketing; Marketing Warehouse - POS and promotional goods Brands also face challenges in the trade to sell-in their products and get it on shelf. In this instance CMS assists. CMS - Long term projects; Sales & merchandising services Developing staff is key to success of the group and its clients. To that end BrandServe acquired Workwise Corporate training solutions in Jan 2015.

Describe the extent/ magnitude to which this problem or challenge was not being addressed prior to your business entering the market.

These products are driven by large infrastructure and require scale for efficiency and cost reduction. In addition, continued investment is required in respect of field force efficacy, technological tools and regional representation, which can only be achieved in mass volumes. Clients feel a sense of security when dealing with larger firms in this space with the means to deploy large projects timorously. So, over time, the amount of competitors in the trade reduced significantly There was a clear need for a smaller, more niche player in the market to address the challenges in retail.

Describe the size of the market that your business operates in.

Our market is a multi billion rand industry generating revenue from both FMCG and Wholesale retail as well as Banking institutions.

Products and Services Value Proposition

Describe the products or services that you offer through your business

Short-term tactical; Promotions & activations Long term projects; Field marketing Long term projects; Sales & merchandising services Retail Marketing Solutions; POS and promotional goods Training and development: FMCG, soft skill and leadership

Describe your products or services unique selling proposition and competitive advantage.

Our service is not unique - it is the consistency behind the delivery which is. There are other companies that do what we do, but due to our small, yet strong back office, supported by owned-technology in the trade - we can consistently deliver good service. Being smaller than our competitors makes us more agile and able to quickly respond to trends and market needs. If our competitors are the whales, we are the piranhas!

Marketing and Distribution

Describe your client / customer base including at least 3 names of current customers.

Our customers include brand owners like Lucky Star and LG Mobile. Banks and government also trend in certain divisions, with retailers listed amongst our clients in all companies. A few of our clients; Hoover (Home of living Brands) Xbox Nedbank Anglo American KayaFM Rhodes foods HP (the printers, not the sauce)

Describe your sales strategy and distribution model.

Our strategy is to pre-identify potential clients by reviewing the trade on the floor via e.g. store openings. From there we would make contact with the clients, explore and develop solutions and hopefully sign the deal!

Describe your marketing activity as well as customer attraction and retention strategies.

Our entire EXCO have to attend and work the floor of at least 1 store opening per annum. On the day we work as floor salesmen at the pleasure of the retailer. Going back to the floor has been a great client acquisition model for us. The only way to retain a client is to consistently deliver good, measurable results - one of our key selling points

Describe how you anticipate your market/industry and customer needs will evolve in the future and your businesses plan to adapt accordingly in order to maintain an edge?

Blended retail is already a reality; banks sell airtime, retailers dispense cash. The consumers are spoilt for choice and keeping a brand top-of-mind was and still is a BIG challenge. Well trained staff, representing your brand will become more and more important as more products and services enter the market. A face-to-face interaction, if well executed, will trump an advert every time. By continuing to invest in our staff and sticking to consistency in the trade, we will be well placed to respond the new opportunities as they arise.

Economics of the Business

Describe your business model

The group's objectives are; Consolidation; Merge existing business portfolios into a single group structure Acquisition; Acquire companies that expand on BrandServe's range and depth of services Invest: Invest in companies that provide long term strategic value to the core business

Describe your revenue model and the revenue drivers of your business.

Our revenue model is to supply syndicated and dedicated staff to retail and banking industry

Would you describe your business as a low, medium or high sales margin business? Briefly explain and include figures.

Medium margins. Our industry has been under tremendous pressures, but we have worked hard to sign clients that produce above industry average margins.

Would you describe your business as a low, medium or high sales volumes business? Briefly explain and include figures please.

High sales volumes. Per example, we have grown an account from a headcount of 10 to 80 staff over a period of 18 month. And from R 300k to R 1500k billing per month.

What is your projected revenue/turnover for the next 3 years?

2016 - R 329 185 564 2017 - R 654 400 512 2018 - R 883 440 691

What are the drivers/factors that support your projections?

Acquisitions of companies and revenue growth of 40% on existing business

What are the three main challenges that the business faces in the next three years? Include how you

intend on addressing these challenges.

Access to capital funding for acquisitions Changes in labour environment Macro economic factors beyond our control

Sustainability and Scale-Up

Is your business sustainable? If so, please describe your sustainability drivers.

Revenue generation - Yes, we have split our business risks to adjust for seasonality in trade as well as diversifying our client base to spread the risks Staff retention - Yes, we have performance based incentives, plus a fantastic learning and development programme (the stuff of golden handcuffs) Not just for management, but for the entry level staff as well. BB-BEE compliance - Yes, our group varies from Level 5 to Level 2 compliance

Briefly describe your scalability and business growth strategy.

BrandServe's immediate objective is develop a multi-disciplinary group that provides a range of supply-chain and marketing-orientated services to consumer-driven businesses to significantly enhance the daily running of their businesses. The group's objectives are; Consolidation; Merge existing business portfolios into a single group structure Acquisition; Acquire companies that expand on BrandServe's range and depth of services Invest: Invest in companies that provide long term strategic value to the core business

Business Achievements & Vision

What have your 3 main achievements been as a business over past three years?

To acquire CMS on the verge of liquidation, turn it around into our crown jewel and save 1000 jobs in the process. To survive tough economic times while many of our competitors liquidated (Douglas and Friends, 3D marketing) To continue to invest in our staff with more than R 1,5 million spent on training in the past year.

Briefly outline the vision for the business over the next 5 years?

Its simple; acquire, grow, perform. BrandServe's immediate objective is develop a multi-disciplinary group that provides a range of supply-chain and marketing-orientated services to consumer-driven businesses to significantly enhance the daily running of their businesses. We want to list on the JSE in 2018!

Impact

Corporate Social Responsibility

What is your corporate social responsibility focus area and why? (Education/HIV/Entrepreneurship/Early Childhood Development/Environment)

Our focus has been 2 pronged; 1. to assist other entrepreneurs, Lee firmly believes in developing people. Not just his own staff, but others as well. He allows management time off to contribute to other entrepreneurs. E.g the management team of Leegra assists an SMME everytime they submit a tender. From copywriting to creative is discussed and key learnings passed to the entrepreneurs. 2. to assist our staff and their children; our staff are the most critical component to our business success. We try and pay for as many of our minimim wage staff's children's school fees as we can afford.

Describe your social responsibility practices and programs you have run over the past three years.

Our CSI has been focused on; 1. Enterprise development; helping other entrepreneurs grow their companies through practical assistance like financing or access to senior staff for mentoring 2. Early childhood development; we assist our staff's children by paying for school fees 3. Funding of charitable organisations; we allocate spend each year for charities proposed by the staff. We aim to assist charities in the communities where our staff live and work.

Outline the outcomes and impact generated from your CSI program.

1. One example of entrepreneur development is a young female that has been selected to join us as non-executive director following a 12 month mentorship with Leegra 2. Staff retention is high as they can see we really care for them and their families. We do not aim for the lime-light by giving big cheques to big charities, but rather involve them in selecting the charities for their communities.

Innovation

Is your business based on an innovation?

Not technology - but rather pushing the boundaries and challenging the status quo. So we will not complete the rest of the sections as we do not believe we are innovative - just determined!

What type of innovation is it? (Product/Service/Process/Other)

N/A

Briefly Describe your innovation

n/a

Why do you believe that your product/service/ process is an innovation?

n/a

What Intellectual Property Rights do you possess over your innovation? (Patent Pending/ Patent Granted/ Trademark/Copy Right)

We do own our own technology, developed in-house, that manages our field staff. At its inception (2010) it was the first of its kind in South Africa.

