MAXIMISING OUTCOMES THROUGH COLLABORATIVE PARTNERS
POWER OF PURSUING COLLABORATIVE ADVANTAGE

Putting collaborative advantage into practice requires the following ingredients:

- Funding
- Identification of opportunities
- Taking products, services and programmes to market
- Achieving greater efficiency
- Driving organisational transformation
- Developing an engaged workforce
- Driving growth in revenues
- Enabling partners to create their own Collaborative Advantages
BACKGROUND

- UCT Foods Services (Pty) Ltd was developed around a new food provisioning model, created in response to a number of factors including the provision of an improved and healthier food offering.

- It is a UCT owned entity.

- The overriding principle was to create a new model that addressed the issues that had been experienced by students and staff with some of the third-party food vendors at UCT including health and safety problems; many of the food offerings were poor; and there were ongoing labour issues. In addition, there had been little investment in maintenance and upkeep due to lack of income from lease agreements.

- The decision was taken to create a stand-alone company that could leverage the advantages that UCT could offer, while still operating independently in order to provide for the needs of the UCT community.
**MARKET**
- 29 000 Students and 6 000 Staff
- Supply Chain Management service to 4 100 students in residence
- R25 average spend per student and R50 per staff member
- R35 per lunch voucher
- Estimated UCT market size of all Retail outlets on campus R50m to 80m + Catering R8 to 15m

**DRIVERS AND CHALLENGES**

**Drivers:**
- Healthier food offering
- Affordable food pricing
- Creating internal multipliers
- Cashless environment
- Environmentally friendly packaging

**Challenges:**
- Difficult labour environment
- High labour costs (60-70% of Retail Turnover)
- R35 meal voucher
- Other Retail vendors have high dependence on UCT

**TRENDS**
- Healthier food and snack based menu
- “Fast & Slow” concept
- High quality coffee

**COMPETITIVE LANDSCAPE**

<table>
<thead>
<tr>
<th>MAJOR PLAYERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing UCT vendors</td>
</tr>
<tr>
<td>High street brands</td>
</tr>
<tr>
<td>External suppliers</td>
</tr>
<tr>
<td>Purchasing Consortium SA</td>
</tr>
<tr>
<td>UCT Residence Catering</td>
</tr>
<tr>
<td>Other Universities</td>
</tr>
</tbody>
</table>
BEING RELEVANT

Food provisioning is a dynamic industry and continues to go through an unprecedented rate of change. Customers expect more exciting shopping experiences, higher value propositions, greater service and an ability to contribute positively to societal challenges.

In order to survive there needs an appreciation of what it requires to remain relevant:

“Understand emerging needs + Constantly innovate + Hire talented people who are passionate about what they do + Ensure offerings are in line with market trends and customer needs”

Food and Connect established four lenses: ‘our values’ to guide decision making and to remain relevant within our operating environment and to shape the our strategy.

Transformation + Sustainability and Innovation + Wellbeing + Scalability
**OUR PURPOSE**
Our purpose is to develop a variety of healthy, delicious, quick and easy, and affordable food offering for students and staff.

**OUR VISION**
To build a food business that has transformed the food offerings on campus, and which are the first choice for good food.

**OUR VALUES**

**TRANSFORMATION**
- Development and upskilling of people;
- Redesign and rebrand of old/existing offerings;
- Create new offerings for healthy, affordable and delicious food and drink on campus;
- Drive behavioural change of employees, staff and students;

**INNOVATION AND SUSTAINABILITY**
- Development of multiple income streams and micro-economies;
- Create eco-systems that are collaborative and self-organising;
- Create businesses that are sustainable;
- Ensure supply chains and operations have a focus on sustainable materials and recycling;

**WELLBEING**
- Creation of a wellbeing environment with happy people in happy workplaces;
- Development of food offerings that are healthy, green and which offer a variety of options for all tastes and preferences;
- Creation of inspiring places and services where people can meet, eat, play and connect.

**SCALABILITY**
- Creation of business that grow and change over time;
- Re-imagineering and reverse-engineering of spaces and commercial opportunities that bring them back to life;
- Constantly open to new, big picture ideas.
A project was launched to implement this vision.

External experts were appointed on a contract basis: 12 workstreams, of which 4 were accelerated.

Project governance
Finance
HR
Training and development of staff
Legal
Systems

Physical spaces
Food offerings
Supply chain
Marketing
Change management
Contingency approach
CREATING A BRAND

Emma King
Managing Director, The Friday Street Club
CONSIDERATIONS

✓ We needed to have naming convention/look and feel/identity that is simple enough to work across multiple sub-brands and executions;

✓ It also needed to be consistent and coherent across all of these executions;

✓ We needed to have something that has longevity and flexibility over time - that will be fresh and appealing years into the future;

✓ We need to have something that appeals to a young and cynical audience.

✓ We needed to have something that can be rolled out into a physical space that takes into consideration limits on budgets and resources (e.g. maintenance)
INITIAL BRAND HIERARCHY

UCT FOODS SERVICES (PTY) LTD

- RETAIL BUSINESS
  - NAME?
    - COFFEE SHOP
    - GRAB AND GO
    - HOT MEALS

- RESIDENCES BUSINESS
  - NAME?

- CATERING AND EVENTS BUSINESS
  - NAME?
WHY STOP THERE?
PAY & CONNECT

Terence Goldberg
Founder, Slide Financial
A DIGITAL PAYMENTS REVOLUTION

✓ Processes that were previously manual or paper-based are being digitised
✓ This is impacting all sectors
✓ Mobile phones facilitate digital payments and allow for seamless user experiences

✓ Not digitising can lead to some serious problems:
  ✓ Wasted administrative effort
  ✓ Theft, fraud and loss
  ✓ Lack of accountability and transparency
  ✓ Inflexible systems that are unable to adapt
  ✓ Maintaining older systems leads to a waste in time, effort and money
The Pay & Connect app was designed and launched by Slide, and was customised to meet UCT’s exact needs.
PAY & CONNECT AT UCT

✓ Mobile app
  ✓ Available on iOS and Android

✓ Lunch vouchers
  ✓ Spent at various vendors, paying with a QR code, just like Snapscan

✓ Meal entry scanning
  ✓ Scan in at dining halls, with integration to meal plan

✓ Easy withdrawals
  ✓ Merchants can cash out directly into bank accounts

✓ Analytics and management
  ✓ Via dashboard and daily reports

✓ Three types of vouchers available: digital lunch vouchers, emergency vouchers, food security programme vouchers
BEFORE

- High administrative costs
- Fraud and counterfeits
- No data, analytics or predicated behaviour

AFTER

- Low administrative costs
- Eradication of fraud and counterfeits
- Data, analytics and behaviour prediction
More than 4,500 students using it in every catered residence

Used daily, with over 100,000 entries in dining halls per month

Over 45,000 digital vouchers per month
### STUDENT ISSUED VOUCHER

**Balance**

<table>
<thead>
<tr>
<th>Voucher Issued</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 days ago Student issued lunch voucher</td>
<td>+R 30.05</td>
</tr>
<tr>
<td>14 days ago Student issued lunch voucher</td>
<td>+R 30.05</td>
</tr>
<tr>
<td>A month ago Student issued lunch voucher</td>
<td>+R 30.01</td>
</tr>
</tbody>
</table>

**Charge:** R 4.00
SCANNER ISSUED VOUCHER

Home

Balance
R96.01

- Voucher Issued
  7 days ago
  Student issued lunch voucher

- Voucher Issued
  14 days ago
  Student issued lunch voucher

- Voucher Issued
  a month ago
  Student issued lunch voucher

charge
R 4.00

QR Code

Your Personal QR Code

Present your QR code to a scanner to be scanned into a dining hall, be issued a voucher or to cancel a voucher. Present it to a merchant to easily purchase goods.

XXXXXX099
Residence Students

Entries
Vouchers
Scan
Show
Settings

PAY & CONNECT
PURCO
SCANNER MEAL ENTRY
MERCHANT PAYMENT

Balance: R79.01

- You paid fancy cakes a few seconds ago
- You paid fancy cakes a minute ago
- You paid fancy cakes 6 minutes ago

Home

QR Code

Your Personal QR Code
Present your QR code to a scanner to be scanned into a dining hall, be issued a voucher or to cancel a voucher. Present it to a merchant to easily purchase goods.

XXXXXXX099
Residence Students
System Balance: R 884,095.29
Account Balance: R 594,717.54 (Target Balance: R 2,000,000.00)
Users: 5,052

Transfers: R 1,272,662.69 (47,079 transactions)
Deposits: R 780,000.00 (2 transactions)
Withdrawals: R 1,166,028.36 (335 transactions)
Vouchers: R 1,368,992.00 (42,781 transactions)

Daily Active Users (Last 30 days)
“If I had to rate the app out of 10, I would give full points!”

“The app is easy to use. I love it!”

“Best decision UCT has made”

“It is a wonderful and amazing app”

“Well thought out application. Makes life very convenient”

“Very innovative and convenient”
SMALL ENTERPRISE DEVELOPMENT

Sa-at Abrahams
Business Development Specialist,
Kulea Consulting
BACKGROUND

- Changing university economy (insourcing)
- Change in management systems and processes
- Vendors slow to adjust to changes
- Vendors “lifestyle entrepreneur”
- Vendor “non-compliant” from a B-BBEE angle
SED TIMELINES

2018: Align Food & Connect pillars to B-BBEE Act

2019: Draft SED Policy framework
Link vendors to supply chain opportunities

2020: Vendors become “compliant”
SED Funding support
SED POLICY FRAMEWORK

✓ Support for third-party vendors:
  ✓ Mobile food truck offering, provide more food variety
  ✓ Supply within Food & Connect supply chain
  ✓ Product development improve their food offering

✓ “Grace period” for non-compliant vendors

✓ Mentorship and training support

✓ Grow business beyond UCT
SUCCESS STORIES

Food & Connect Job Readiness Programme

✓ Two third year commerce students
✓ Vacation work during mid-year break
✓ Exposure to SCM and Finance function
✓ Retail and production experience (outlets and main kitchen)
✓ Draft audit policies on Waste Management
SUCCESS STORIES

WhyNut Granola Bar: Product Development

- Sales supported through Food & Connect outlets since 2019
- Improved production: fund “jiggs” to improve quality of bars
- Product development: assist with expansion of product
- Improved branding: fund the cost of new design
- Assist with new listings
- Sales growth:
  - 2017: R15 003 (1 674 units)
  - 2018: R28 943 (2 938 units)
  - 2019 YTD: R46 080 (4 776 units)

R19 470 F&C = 42 % of sales
FUTURE PROJECTS

Mobile food trucks
✓ Offers to independent food vendors
✓ Food truck specialist’s assistance
✓ Product development support
✓ CAPEX support “rent to own” model
✓ Support to grow business beyond UCT market
✓ Exit after five years
FUTURE PROJECTS

Food truck course
✓ Food truck course
✓ General public
✓ Support corporates in their CSI and entrepreneurship initiatives
✓ Supported by business development specialists
✓ Supported by food truck specialists
✓ Practical experience at UCT food trucks
A SCALABLE BUSINESS
AN INNOVATIVE APPROACH TO SUSTAINABILITY
ANY QUESTIONS?