

# Innovative Franchise Concepts' lifeline to informal traders

 Bylssa Sikiti da Silva

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Informal traders have been offered a 'golden' opportunity to formalise their business and change the face of their trading processes through the Drink & Snack franchise. The project, an initiative of Innovative Franchise Concepts (IFC) and funded by National Brands Limited (NBL), will kick off today, Wednesday, 13 October 2010, in selected areas of Johannesburg.



At few branded Drink & Snack outlets are due to be rolled out today at Joburg Park Station, Joburg's Bree Street taxi rank and Baragwana taxi rank in Soweto in terms of a pilot programme, with the aim of reaching 2000 outlets by 2013, and creating about 8000 jobs, IFC announced yesterday.

The outlets will offer coffee, tea and assorted cakes and cookies, drawn from a range of NBL products including Five Roses, Bakers Biscuits, Trinco, Freshpak and Frisco.

## Small business creation combats poverty

"This business model is designed to fight poverty and formalise street trading, which is often plagued by various challenges," IFC CEO Shawn de Bruyn told journalists yesterday, Tuesday 12 October 2010, in Johannesburg city centre.

De Bruyn pointed out that Drink & Snack sets up informal traders currently trading in taxi ranks and train stations in their own franchised businesses where they sell hot and cold beverages and simple snacks to morning commuters.

"People grow out of poverty when they create small businesses that employ their neighbours. Nothing else lasts," de Bruyn added, quoting from *New York Times'* Thomas Friedman.

As De Bruyn spoke inside, outside a group of women waited anxiously to register for the new franchise, a clear sign that informal trading was taking its toll on these traders, who are battling to survive in one of the world's most unequal societies, where unemployment is rife and jobs are scarce.



## Helping small businesses succeed

This is IFC's second brand in the market, after the initial rollout of the Fast Forward Cafe franchise across Johannesburg, in collaboration with the Metropolitan Trading Company.

De Bruyn said informal traders face countless challenges such as lack of bulk-buying power and the means to transport their stock. This means they have to transport the stock themselves using public transport, forcing them to keep very low stock holdings.

This, he said, limits their growth potential substantially as do stock losses through theft.

"With the right funding and mentorship however, these businesses could get off the ground and into the profit zone."

IFC said the Drink & Snack, a franchise being funded by NBL through its enterprise development funding, is set up with a specially designed, branded trading unit, and will receive stock deliveries from a distribution centre, courtesy of a driver who in turn owns his or her own business.

For more information, call Shawn on +27 (0)11 781 4512, or email [shawn@franchiseconcepts.co.za](mailto:shawn@franchiseconcepts.co.za) or go to [www.franchiseconcepts.co.za](http://www.franchiseconcepts.co.za).

## ABOUT ISSA SIKITI DA SILVA

Issa Sikiti da Silva is a winner of the 2010 SADC Media Awards (print category). He freelances for various media outlets, local and foreign, and has travelled extensively across Africa. His work has been published both in French and English. He used to contribute to Bizcommunity.com as a senior news writer.

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