

INVESTOR NEEDED FOR RETAILER DOING BUSINESS WITH GOVERNMENT

Location of the investment: **Cape Town, South Africa**

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What is your idea / business and to whom is it addressed?

In this business plan we will detail our three fold plan, in one whereby we look at our pre COVID 19 Actual business , our current COVID 19 plan and post COVID 19 plan of sustainability and growth for the company. The company has been supplying various commodities to the Western Cape Government Departments. We have also supplied small businesses with communities around Cape Town and surrounds. Our Products that we supply to Western Cape Health, Western Cape Education, Western Cape Social Department are , patient care toiletries, groceries and perishables, medical equipment, school stationery, learner, teacher support materials, arts and crafts, sports equipment to name a few. Apart from the public sector, we have been supplying various spaza shops within communities with groceries and day to day necessities. The spaza shop market is a market that demands little volumes but with very quick turn around times. The advantage we have is that we will be able to deliver to their doorstep as many of these customers don't have means to get around to shop for bargains due to lack of transport and also that they need to buy bulk and pack quantity. With our bulk buying capabilities we will be able to supply a service to these shops with good prices for lesser quantities, and be able to deliver to their doorstep. We have been quite successful in supplying these products as we procure from local wholesalers and negotiate a good deal and supply to these departments at the lowest price possible, achieving a minimum of 28% gross profit. Our obstacle however, is the lack of funds to grow our business, supply more departments or increase our current supply of product variety. With the current situation in our country with the COVID 19 epidemic, we find ourselves in the right position within our customer base but in a very difficult position financially to supply our commodities or to offer them COVID 19 essentials. With the essential products in high demand, all of our suppliers are demanding cash upfront. To be competitive , we need to buy products in bulk to be able to supply high volumes that are now in demand. We will also take these essential products to the townships and spaza shops, where the current need for these products are now in very high demand. We will ensure that pricing is fair and affordable. With a strong, effective marketing plan, we take our products to the market, by carefully analysing need of our product in different sectors by our knowledgeable sales force, targeting each individual market with a defined product basket catering for all their needs as a ONE STOP PROCUREMENT SOLUTION. We shop around for our customers to ensure the best value and quality at the best price delivered on time. We are always on the lookout for great bargains that suite our customer needs and we market that to them ongoing. We strive to always keep our customers happy, doing weekly calls in person or telephonically to establish needs and to ensure that we are not forgotten in the market place or regarded as fly by nights. With a sales and target driven culture, not only will 3D Media Marketing achieve its financial goals to continue these projects successfully, the team that will be sent into their



Media Marketing SA (Pty) Ltd

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communities will promote a similar culture to create jobs, business opportunities, curb unemployment and promote a culture of sharing skills and paying it forward. With your financial assistance, 3D Media Marketing SA, together with our expertise, experience and strong marketing plan, be able to run a successful business, achieve brand awareness, sales targets, people empowerment and reasonable returns, which will include profit sharing options and skills transfer opportunities to women and thereafter paying it forward to their communities. We will supply our current market now with COVID 19 essentials and thereafter once we have return to post COVID 19 trading, we will go back to supplying all departments and customers with various products. We also intend on having field marketers geographically positioned to take orders and service local townships on a daily basis. Our intention is to grow our footprint throughout South Africa, within all provinces and grow our product offering by 2024. I trust that this business plan will provide all the in depth details of our company, its products, and the people we employ and empower as well as the socio-economic benefits we bring. We will have an in-house skills development program where we shadow individuals in all posts of our company. From director level down to driver level we will appoint junior staff under each staff member. Each individual will shadow a member of our team and gain knowledge and skills. Should the need for a vacant post arise, it will be offered to these individuals. This Program will continue every 6 months cycle going forward whereby 3D Media Marketing SA (Pty) Ltd is not only a sustainable business to carry out these projects, but more importantly a culture of PAYING IT FORWARD, to empowering at least 5 youth unemployed women, creating job opportunities and also alleviating poverty. They will be paid a basic wage as per government legislation on a contractual basis. This will give them experience to enter the job market for possible employment or stay with us should there be vacant posts. The most important objective is to empower these youth, teaching them business skills and ensure that they are ready to enter the job market. Many if not all companies want people with experience, this will give these individuals a little extra advantage. This programme will empower the unemployed women, create job opportunities, community upliftment, poverty alleviation and create a culture of uplifting one another. The number of Interns that this project will uplift every 6 months will be a minimum of 5 persons but should there be significant increase in sales and profit growth, this number could and will increase. The above is based on minimum funding obtained as well as minimum sales and profits achieved. In terms of our financial position, 3D Media Marketing traded from March 2019 to date, supplying goods to government via the ARIBA Western Cape Tender system, now known as the Western Cape Supplier Evidence Bank. This department sends out a minimum of 30 to 50 invites to us daily to supply quotes. We are in a position whereby we quote on small RFQs due to our financial position. We intend on changing this strategy with the assistance of a funder/ investor. We anticipate the following financial position from 2020 onward 3D Media Marketing SA (Pty) Ltd, is a registered company in South Africa within CIPC, registration number 2018/375395/07, Tax Cleared and Tax Reference Number 9714265171, trading since 2018/07/03. The company is currently in the process of registering as a VAT vendor. The company is owner managed, by Morgan Ariramen Arumugam, an Indian Male, with 20 years of retail general management experience. Born in rural Kwa Zulu Natal, I am a Level 1 Black Broad Based Economic Empowerment Business and will endeavour to uplift and empower women and particular Unemployed Women from disadvantaged communities within my business. As an experienced and accomplished Business Manager in the Retail sector with over 18

years of extensive, sound business knowledge, I also possess many strengths which I am certain, will benefit the requirements of the business immediately, and impact positively. My key areas of strengths include, but are not limited to the following; A solid background in retail branch and regional management; Having a strong track record of achieving and exceeding company budgets and targets in Sales, Debtors, Gross Profit and Nett Profit, whilst cutting expenses and shrinkage; Possessing strong interpersonal and people management skills and a reputation for integrity, commitment and living the brand I belong to; A focussed and target driven attitude whilst upholding the highest standards of company values, morals and standards to increase brand awareness, service levels and customer retention; I have a proven track record of being an approachable leader, a team player, and a self managed individual that believes in leading from the front but always open to ideas and suggestions that will improve business performance. I am able to analyse the heartbeat of a branch or region and take immediate corrective action or action to improve the current performance. My belief that 100% is never enough leads to me being a Hunter in all facets of business and I am certain with your company requirements and my managerial skills, we certainly make a match.

How should the idea/business earn money?

Our products list below will detail the customers we have sold to and continue to sell to whilst growing our product basket and customers we market to; COVID 19 Essential Product List Masks Hand Sanitizer Gloves Coveralls Aprons Overshoes Medical PPE Water Food Parcels (Dry Goods and Perishables) Diapers Toilet Paper Standard Product List Health Sector Medical Consumables Medical Equipment Medical Toiletries Personal Hygiene Products Diapers Beverages Dry Goods and Foods Printed Stationery and Folders Office Stationery and Consumables Cleaning Materials, Chemicals and Equipment Toilet Paper Education Learner Teacher Support Materials Scholar Stationery and Bags Office Stationery and Consumables Office Furniture Arts and Craft Materials Sport Equipment Classroom Furniture and Fittings Cleaning Materials, Chemicals and Equipment Certificates and Framing Uniforms Promotional Items and Gifting Toilet Paper Trophies and Medals Social Development Personal Hygiene Products Arts and Crafts Materials Sport Equipment Furniture and Facility Equipment Bedding and Linen Groceries Refreshments Uniforms and Garments Toilet Paper Local Government Printed Stationery Reproduction of Printed Media Storage Devices Promotional Materials and Goods Other General Products Flags and Banners Signage Safety Signs Leaflets and Business Cards Name Badges Gross Profit Per Category ? Min % Max % Medical Equipment 12 30 Medical Consumables 15 35 Toiletries 25 40 Personal Care Products 25 40 Personal Protective Equipment 15 30 Learner Teacher Support Materials 10 18 Stationery 10 18 Office Consumables 12 28 Furniture 22 40 Chemicals 22 40 Cleaning Products 25 35 Cleaning Equipment 25 35 Promotional Goods 30 45 Average Margin 19,08 33,38 Target Market Analysis Current Customer Base During the last financial year we have supplied goods to the departments below Our target base below , The Western Cape Overview The Western Cape is located on the southern tip of the African continent between the Indian and Atlantic Oceans. It is bordered by the Northern Cape and Eastern Cape Provinces. The Western Cape's natural beauty makes the province one of the world's greatest tourist attractions. The region is topographically and climatically diverse. It has a temperate southern coastline fringed with mountains. To the north it stretches deep into the Karoo plateau, while the west coast is extremely dry. It covers an area of

129 462km² and has a population of 6 279 730. It is the fourth-largest province in South Africa by surface area and also ranks fourth in population. The capital is Cape Town. Other major cities and towns include George, Knysna, Paarl, Swellendam, Oudtshoorn, Stellenbosch, Worcester, Mossel Bay and Strand. The Western Cape is rich in agriculture and fisheries. The climate of the peninsula and the mountainous region beyond it is ideal for grape cultivation, with a number of vineyards producing excellent wines. Other fruit and vegetables are also grown here, and wheat is an important crop to the north and east of Cape Town. Fishing is the most important industry along the west coast and sheep farming is the mainstay of the Karoo. The province has a well-established industrial and business base, and the lowest unemployment rate in the country. Sectors such as finance, real estate, ICT, retail and tourism have shown substantial growth, and are the main contributors to the regional economy. Many of South Africa's major insurance companies and banks are based in the Western Cape. The majority of the country's petroleum companies and the largest segment of the printing and publishing industry are located in Cape Town. The Western Cape is divided into one metropolitan municipality (City of Cape Town Metropolitan Municipality) and five district municipalities, which are further subdivided into 24 local municipalities. The Western Cape Provincial Government has a fair tender process managed by The Western Cape Supplier Evidence Bank (WCSEB) a department of The Western Cape Provincial Treasury. The WCSEB is responsible for the distribution of Tenders and Requests for Quotes to registered Central Supplier Database Suppliers listed on the WCSEB. The WCSEB sends out an average of 25 requests per day to 3D Media Marketing SA (Pty) LTD to submit bids and quotes. 3D Media is registered to supply 200 categories as per the commodity list. Currently 3D Media has been supplying the Western Cape Government in the following Departments. Only selected quotes were submitted due to very little cash flow and financial affordability. We intend to expand our operation with funding and be able to submit all RFQ's received and of minimum to maximum amount values. Funding or cash flow will ensure that no quote gets missed as an opportunity to quote and potential sales are higher. The Western Cape Provincial Departments that we submit quotes for currently are as follow; Working with a budget of R67 148 billion over the 2019/2020 financial year, these departments are responsible for implementing laws and providing services to the people of the Western Cape Provincial Parliament Department of the Premier Departments Agriculture Community Safety Cultural Affairs and Sport Economic Development and Tourism Education Environmental Affairs and Development Planning Health Human Settlements Local Government Provincial Treasury Social Development Transport and Public Works Public Entities Cape Town and Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro) CapeNature Casidra SOC Ltd Government Motor Transport Heritage Western Cape Saldanha Bay IDZ Licencing Company SOC Ltd Western Cape Cultural Commission Western Cape Gambling and Racing Board Western Cape Language Committee Western Cape Liquor Authority Western Cape Police Ombudsman (WCPO) With funding procured, We intend to expand our operations to the following Municipalities by June 2020. We will register with each Municipality for General Supply of Goods and Services. We will submit quotes to these municipalities on the commodities that we supply. Our sales teams will also be marketing and cold calling to various private businesses with these municipalities in various other sectors such as supermarkets, butcheries, farmers, car washes, restaurants, laundromats, panel beaters, mechanical workshops, factories etc Other Provinces Starting late 2020 we will venture into other provinces starting with Eastern Cape, Northern Cape, Kwa-Zulu Natal, Gauteng, Free State,

Mpumalanga, Limpopo and North West Province by end 2024. South Africa's 123 provincial government departments spent just over R17600 per second in the 2017/18 fiscal year. That represents a total of R557billion over a period of 365 days. The bulk of the money flowed into provincial governments' two main areas of responsibility: education and health. Education took up the lion's share. For every R100 of total spending, R41 (R230billion) was spent on education, according to the latest Financial statistics of provincial government report. That is not surprising, as provincial governments are responsible for keeping the wheels of public education turning, most notably the administration of just over 23700 public schools with 12,3 million learners (2016 figures).¹ Pre-primary and primary schooling contributed R101billion (44%) of the R230billion, followed by secondary education (click on the image to enlarge). It might be surprising at first to learn that tertiary education contributed a much smaller R388million (0,1%) to total education spending, finding itself in the 'other education' category in the chart above. It is important to note that other spheres of government (for example, national government) take on the bulk of tertiary education spending in South Africa, which is not reflected here. The latest Financial statistics of consolidated general government report, for 2016/17, provides a much more comprehensive picture. Total tertiary education spending, across all spheres of government, amounted to R77billion in 2016/17.² Stats SA will publish additional data on tertiary education in its Financial statistics of higher education institutions report, due for release on 24 October 2019. Shifting back to the chart above, health was the second biggest expenditure item for provincial government in 2017/18, taking up 32% (R177billion) of total spending. The primary focus of spending was on hospital services, taking up R108billion or 61% of total healthcare expenditure. The public-sector healthcare system consists of about 580 public hospitals and 37500 public clinics and health centres, according to data from the Health Systems Trust (March 2018 figures).³ Breaking it down by province, Limpopo spent almost half (48%) of its total budget on education in 2017/18. Together with Limpopo, the more rural provinces of Eastern Cape, Mpumalanga, KwaZulu-Natal and Free State allocated over 40% of total spending to public education. In terms of actual rand values, KwaZulu-Natal the second most populous province in the country after Gauteng was the biggest spender on education, totalling R49,3billion. Gauteng was the second biggest spender, followed by Eastern Cape. The predominantly urban provinces of Gauteng and Western Cape come to the fore with healthcare spending. Gauteng provincial government spent 37% of its budget on healthcare, and Western Cape 36%. Mpumalanga and North West had the lowest percentages. Gauteng also had the highest healthcare bill, spending R41,2billion on health-related activities. KwaZulu-Natal was the second biggest spender, followed by Eastern Cape. For more information, download the Financial statistics of provincial government 2017/2018 report here. Stats SA publishes detailed reports on the financial status of all spheres of government, including national government, provincial government, local government, extra-budgetary accounts and higher education institutions. A consolidated report, containing financial data for all spheres for the 2017/18 fiscal year, is scheduled to be published in November 2019. Government spending climbs to R1,71 trillion The South African government spent 7,3% more in 2017/18 than it did in 2016/17. The rise was largely driven by general public services, education and health. This pushed total government spending up to R1,71trillion¹ in 2017/18, R116billion more than the R1,59trillion spent in 2016/17. This is according to the latest Financial statistics of consolidated general government report that summarises a range of financial data for all 712

government institutions.² The 7,3% rise is higher than the increase recorded in 2016/17 (5,0%), but lower than the 10,1% recorded in 2015/16. General public services was the biggest driver behind the 7,3% rise in 2017/18, contributing R40?billion to the R116?billion increase.³ This was spurred on by rising interest payments on government debt, as well as increased spending in financial and fiscal affairs. Education was the second biggest driver, increasing expenditure by R22?billion. The National Student Financial Aid Scheme (NSFAS) was a major contributor here, increasing payments to students in need of financial support. The Gauteng and KwaZulu-Natal provincial governments were also major contributors, increasing spending on education services. Health was the third biggest driver. A jump in spending by the Gauteng and KwaZulu-Natal provincial governments on health services was a major contributor to the R16?billion rise in overall health expenditure. Where does your tax money go? If we break down the R1,71?trillion that was spent in 2017/18, government?s priorities become quite clear (click on the image to enlarge). The biggest expenditure items were general public services, education, social protection and health. A closer look reveals a couple of interesting facts. As mentioned earlier, debt payments on interest increased in 2017/18, pushing the total to R163?billion. This is more than what government spends on other functions such as housing (R71?billion) or hospitals (R114?billion). Another notable fact is that government spends more on the police than it does on primary education. Government?s contribution to the economy State spending drives economic activity either through the development of large-scale infrastructural projects or through the provision of resources to the poor in the form of social grants. Investments in education and health have long-term economic benefits. Government is a major economic player, responsible for 18% of total activity in the South African economy. This makes government the second biggest industry after finance and business services.⁴ The economic affairs bubble in the infographic above represents the most tangible way in which government spending affects the economy. Money is spent on infrastructure and on various industries with the aim of stimulating economic growth. Government allocated just under R180?billion (or 10% of total expenditure) to economic affairs in 2017/18. This was R9?billion more than what was spent in 2016/17. Transport spending took up R93?billion, more than half of the R180?billion. Over two-thirds of transport spending was focussed on the development and maintenance of road infrastructure. Private Sector Retail Stores Cash Washes Spaza Shops Informal Traders Butcheries Panel Beaters Mechanical Workshops Plumbers Building Industry

At what stage is the idea / business at the moment?

Currently the business has been trading for a year. We have supplied Government Departments within the Western Cape Government of South Africa. An important point to note is that we started in March 2019 with very little finance out of pocket. We have only been quoting on very low value tenders and events due to limited funding. We intend on expanding our business with funding required to give us a competitive edge as well the advantage of having stock on hand as well as cash flow in order to grow our rate of sale and value of quotes we are able to handle on supply

What do you need?

Funding is required to fulfil our customer needs and intended purchases. Apart from

the COVID 19 pandemic, 3D Media Marketing, has always had growth and sustainability as its vision and mission. We intend to grow the company from 2 members to a total of a minimum of 21 staff by 2024. With the required funding we will be able to achieve our goals, sales targets, job creation, brand footprint in all provinces and desired nett profits

Funding Required Furniture R 50 000,00
Equipment R 300 000,00 Inventory R 3 000 000,00 Working Capital R 650 000,00
Total R 4 000 000,00

The above funding will be used for the following; Furniture in the form of desks and storage for the office setup to accommodate staff ie desk, chairs, storage, kitchen furniture etc; Equipment needed will be for computers , delivery vehicle , printers and office consumables; Inventory will be purchased as follows to supply current orders and estimates as per letters of intents attached. We will carry a stockholding of a minimum of 3 months, as our debtors will be 30 days. Items to be purchased will be COVID 19 Essentials, ie masks, hand sanitizers, gloves, groceries, toiletries etc. As COVID subsidies, we will procure our normal product lines, ie toiletries, groceries, school supplies etc. Working Capital will cover all operational expenses for 3 months. The company will continue to sustain itself and grow thereafter on incomes received. As COVID 19 subsidies and businesses go back to normal, we will then use the above incomes gained from funding to continue our primary core business which is supplying Department of Health, Department of Social Development and Department of Education and grow our business to supply various other departments and provinces in the month and years to come.