




**NBF and SA Trust Forum -
Inclusive Business models**

essay GIFTS – April 2012






About essay GIFTS

Established in 2006 by Rial Visagie and Beatrice Delpierre

Primary goals –

- Showcase South Africa's Creativity, Design capability and Manufacturing skills
 - Provide a business model for poverty alleviation through job creation
 - Facilitate the trade of these products locally and internationally
- 




Current Clients

Local :

Auditor General of SA (AGSA), Alcatel Lucent, Independent Electoral Commission (IEC), Gautrain, TOURVEST, Event Dynamics, ABSA, Netcare, Northern Cape Tourism, Dept of Public Diplomacy, Dept of Health (WC), Digitising Africa, Draftfcb, Multichoice, FSB, Helloafrica, Johannesburg Stock Exchange (JSE), Liberty, NEDLAC, Waltons, UNISA, Transaction Capital, STRATE, South African National Council of the Blind (SANCB), Rose Foundation, OLD MUTUAL, Cell C, Aveng, Boschendal wine estates, Deneys Reitz, Dept of Arts and Culture, International Cricket Committee (ICC), City of Joburg, Maria Kloppers Orphanage, PetroSA, Pfizer, South African Reserve Bank (SARB) etc etc etc


International :

Coca Cola (Atlanta), Promontory (Singapore), Sue Mallon (Germany)





Barriers to direct trade for “Sellers”

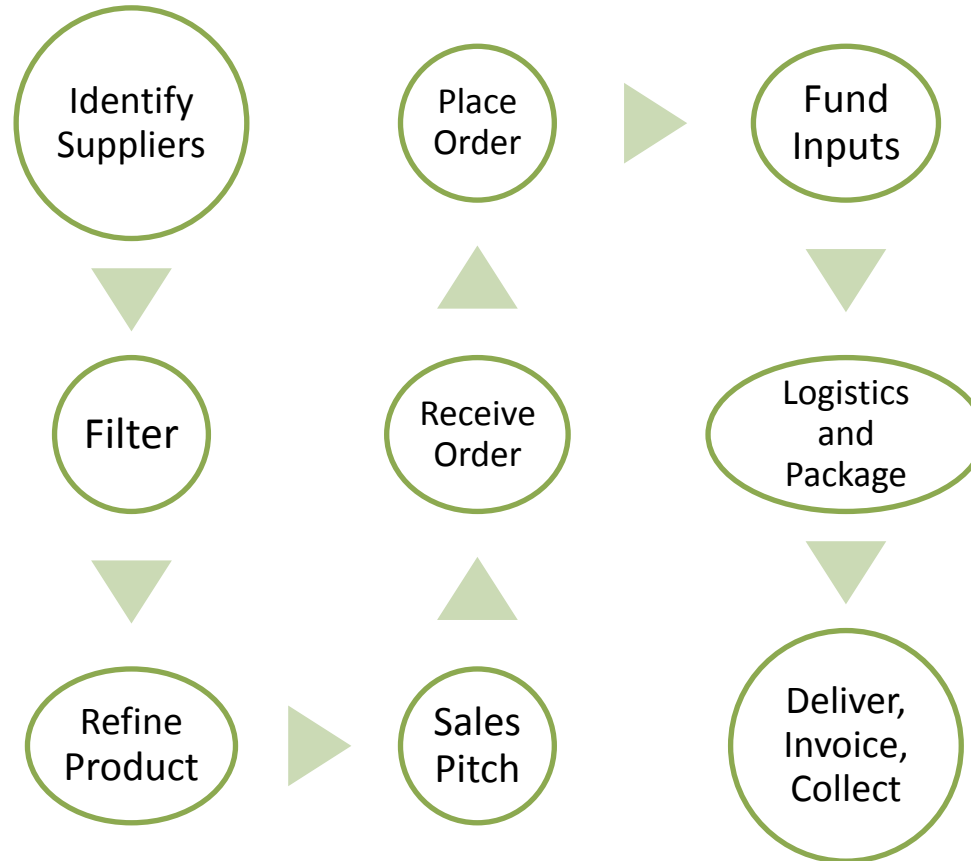
- Access to market
 - Non existent / Ineffective Sales Force
 - Vendor Finance
 - Can't afford terms (CASH FLOW CRUNCH)
 - Logistics Problems
- 



Barriers to direct trade for “Buyers”

- Sourcing reliable Suppliers
- Tracking quality and quantity of production to order
- Administrative inability to settle invoices quickly
- Due to nature of product – normally more expensive than imports
- Constantly need to find new reliable suppliers to keep range fresh

The essay GIFTS Business Model





“ Not just Arbitrage...”

Lots of Value Add in the Chain





Operational Risk

- Poor Quality , Short Delivery and Non – Delivery
Mitigate -> Supplier filtering, Follow up, contracts ? etc
- Logistics – Late delivery, package losses
Mitigate -> Multiple Couriers, contracts and insurance
- Supplier Hold Up – High price rises, Direct to Client
Mitigate -> Increased pool of suppliers



Financial Risk

- Late Payment / Non Payment
Mitigate – Deposit Request, Interest charges, follow up, etc
- Vat Challenge
- Cash Flow Challenge
- Competing with Importers
Mitigate – Huge Differentiation, Competitive Pricing model




Other risks

Reputational risk

- Protect the BRAND
- Keep all products Proudly South African
- Deliver on quality and quantity every time

Concentration Risk

- Continuously expand supplier base
 - Continue to diversify client base (across industry)
- 



The Rewards

We get to make a difference and help others to engage their full potential ...

