



SMME OPERATORS HOW TO GROW YOUR BUSINESS WORKSHOP JULY 2018

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UNIVERSAL PRINCIPLES

- WHATEVER YOU FOCUS ON GROWS
- IF YOU WANT DIFFERENT RESULTS YOU NEED TO DO THINGS DIFFERENTLY
- BE PROACTIVE – PREDICT YOUR FUTURE BY CREATING IT
- BE DISCIPLINED – THE STRENGTH TO DO WHAT HAS TO BE DONE
- BE CONSISTENT – THE POWER TO CONTINUE TO DO WHAT HAS TO BE DONE

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THE INDUSTRY

The bus and coach industry in South Africa plays a vital role in the economic and social development of the country. As a provider of transport services it has, and continues, to provide daily mobility to millions of people who are dependent on public transport. These commuters are made up of learners who require transport to and from school, workers who require transport to and from their jobs, individuals who are seeking employment or access to health and other services, long-distance services as well as local and international tourists who travel within and across the borders of South Africa.

THE CONTEXT

- Volatile and often hostile environment.
- Lack of empathy or proactive engagement from the government
- Intimidation by other competitors in the industry
- Aggressive competitive environment due to the taxi competitors
- Often lacking in general public support when there is social upheaval
- Public intimidation – during protests and strikes in respect of poor government service delivery, it affects the industry
- Highly regulated industry
- Costly business to run which is often an impediment especially in rural areas where public transport is essential and there is no infrastructure
- The government is a key stakeholder that is responsible for co-funding, contracting, legislation, and policy within the different spheres and this has created a significant key trust deficit. The result has become a severely flawed national business model (ecosystem).
- Facing overall political instability within the country leading up to the 2019 elections
- Precarious financial situation of the country will affect all spheres of Government
- There is a rapidly growing demand for public transport – the rate of urbanisation is accelerating and the demand for public transport will be enormous - people will be expecting acceptable, affordable public transport to be available.
- Public transport fortunately remains a priority for Government - Fortunately, some key players within Government remain willing to engage with the industry
- A new Minister of Transport

ESSENTIALS OF A SUSTAINABLE BUSINESS

- There must be demand for the service.
- Satisfy that demand to the satisfaction of the customers
- Demand must be such that sufficient margins ensure income exceeds expenditure, and profits are generated.
- Consistency in the demand pipeline

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DOES YOUR BUSINESS HAVE WHAT IT TAKES?

A. DOES YOUR BUSINESS MEET A NEED?

- The purpose of any business is to meet a specific need of customers.
- A successful business is able to provide customers with a service that is seen as good value and provides satisfaction.
- Good value is usually seen as a combination of quality, quick service/response and the right price.
- Each opportunity has to be evaluated to see if customer satisfaction and value for money can be provided.

b) IS THERE A POTENTIAL MARKET?

- Does the service have a market demand (people/businesses that will buy) and what price people are willing to pay.

C) WILL THE NEW OFFERING BE FINANCIALLY VIABLE?

- Unless there is sufficient margin, it will serve as a distraction and prevent better opportunities being pursued

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IDENTIFYING YOUR TARGET MARKET

1. REVISIT YOUR CURRENT CUSTOMER BASE.

Who are your current customers, and why do they buy from you? Look for common characteristics and interests. Which ones bring in the most business? It is very likely that other people like them could also benefit from your service.

2. Check out your competition.

Who are your competitors targeting? Who are their current customers? Don't go after the same market. You may find a niche market that they are overlooking.

3. Analyse your service.

Write out a list of each feature of your service. Next to each feature, list the benefits it provides

4. Choose specific demographics to target.

Figure out not only who has a need for your product or service, but also who is most likely to buy it.

5. Consider the psychographics of your target.

Work out what your target wants to hear.

6. Evaluate your decision.

Are there enough people who fit my criteria?

Will my target really benefit? Will they see a need for it?

Do I understand what drives my target to make decisions?

Can they afford my service?

Can I reach them with my message? Are they easily accessible?

ACTUAL AND POTENTIAL REVENUE STREAMS

SMME PARTICIPANT INPUTS

OPPORTUNITY (Intent)	TARGET MARKET (Decision Makers)	WHAT DO <u>THEY</u> WANT TO HEAR	BEST METHOD TO REACH THE TARGET
Learners to School and back	DoT or DoE Provincial HODs.	Provide an effective solution - cost	RFP or RFQ
Workers to Work and Back (private companies)	Employees/ Unions and HR Executive	Timeous/reliable and safe - cost	Face to face
Workers –scheduled bus services / subsidised	DoT	Time reliability and safety and cost	Face to face
Long distance Services	Passengers	Time reliability safety and cost	Advertising and social media
Tourist transportation	Touring agents	Time reliability safety and cost	Advertising and social media
Sporting Events	Sports clubs/ associations/ fan clubs	Cost time reliability and safety	Face to face
Retirement Villages	Village Board	Safety and cost and convenient	Face to face
Pension Days	Pensioners	Time reliability safety and cost	Advertising and face to face
Political Rallies	Political parties	Time reliability safety and cost	Face to face
School tours	Principals and SGBs	Safety reliability and cost	Face to face
Matric Dances	SGBs	Safety reliability and cost	Face to face
Bus advertising	Corporates and advertising agencies	Costs and exposure rates and profiles	E mails and face to face
Weddings	Brides and grooms to be	Cost and comfort	Advertising Face to face ad social media
Funerals	Undertakers and families	Cost and discounts	Advertising/Face to face and social media
Non commuting/ value chain services (eg secure permits to supply diesel and tyres from depots)	Synergistic players in the industry	Cost reliability, growth of business, quality, value for money	Face to face
Scheduled bus services	Transport authorities – province is important.	Time reliability safety and cost	Face to face

ADDITIONAL POINTS DISCUSSED

1. Forging and maintaining positive relationships with customers is vital. The world is moving back towards human to human engagement.
2. Personify your Brand and then live your Brand. It must evoke a positive emotion. No-one likes to do business with someone or an organisation they do not have a good feeling about.
3. Engage with your customers in a way that creates a good feeling about you and your business.
4. Ensure your staff host and communicate positively being mindful of the needs of customers – pay special attention to their comfort, safety and peace of mind.
5. Ensure your vehicles are always roadworthy and that safety issues are properly addressed.
6. The goal is that they have a good experience and want to use you again and encourage others to use you as well.
7. Ensure you have Branding material in the form of a pamphlet or brochure/ business cards that you are able to leave behind once your meetings are concluded.

CHARACTERISTICS OF AN ENTREPRENEUR

- Willing to take calculated risks (not a gambler).
- Prepared to move out of any comfort zones.
- Able to problem solve using logic, intuition and experience.
- In most cases will need to be a “people” person.
- Have plenty of self discipline – there is no boss to make you work.
- Be able to self motivate – there will be many tough times.
- Set your goals, create your blueprint and ‘rise’

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Goalcast

This is the most important

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THANK YOU

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