



Presentation Public Hearing Competition Commission

11 November 2021



COMPANY OVERVIEW

ZAR SISTERS ON THE MOVE (ZARSOM)

- 100% black female youth owned company
- Specialise in Culinary and Confectionary Services
- Three ESD Programmes, provision of Canteen Services
- Pandemic challenges led to close shop and look into specifically food delivery services
- Contracted with Uber Eats and SLA with Buzz Delivery





BUSINESS MODEL

Our business is a delivery service that performs on demand and scheduled delivery services for restaurants, retail outlets and the general public

1. We provide customers requiring delivery of hot food from restaurants to their home's/ offices.

- This is done via an online ordering platform where menus of all stores we deliver for are located
- A customer places an order to the restaurant via a tablet system connected to the restaurant/store
- Once the restaurant accepts the order, all drivers are alerted of the order via the driver's app.
- The nearest driver to get the order is thereafter directed to the restaurant for collection, then a driver picks up the order and delivers to the client.

2. We provide services on behalf of restaurants to their customers.

- We offer an outsourced model where we station drivers at restaurants outlets on a permanent basis and manage the deliveries on behalf of those outlets.





BUSINESS MODEL

3. Providing restaurants with their own online ordering page

- The restaurants market the link on our online platform, they also add the link to their web pages and in all their online marketing material.
- The customers click on the link to order and the order is then directed our system and the delivery requirements are thereafter completed.



4. Providing delivery services on behalf of retail stores

- We include retail stores in our delivery options and make use of our pool of drivers to deliver their products.

5. Provide delivery services to businesses and the general public

- We provide delivery services to individuals and businesses requiring deliveries within our catchment area.



BUSINESS MODEL

6. Technology

- We lease the software platform from Buzz e-Commerce Solutions.
- They are the preferred software provider, recommended by Buzz Delivery Network.
- Buzz e-Commerce maintains the backend and all technology related requirements and provides us with a white labeled platform that displays our brand's graphics, logo, look and feel.



7. Billing Model Profit is derived from the following revenue streams:

- A percentage profit generally is 15% of the cost of the product delivered. This is paid by the restaurant/store. A delivery fee for the delivery service is paid by the customer, coming in cheaper than that of the competition which is generally 20-30%.



FEE STRUCTURE FOR DRIVERS

Traditional Structure

R6000 pm – R6800pm (R230.76p/d)

plus R1200 fuel (R300p/w)

1 GB data

R5 per delivery

Free meal daily

4 days off per month

Weekly

R600 bike advance

plus R300 fuel + R39

data

Total R939 p/w

Monthly

R6000 less R2400 (bike advance)

Total R4600 plus (R5 per order eg: 100 X 5) R500

Total R5100



CHALLENGES FACED IN THE MARKET

- The delivery service industry is not regulated
- There are no unit standards for delivery drivers at the SETAs
- Access to Funding opportunities that are specific to online initiatives have been a struggle
- Finding South African qualifying candidates with code 02 drivers license and own motorbikes has been a challenge
- Uber Eats and Mr Delivery drivers get paid based on the number of food orders they deliver, the money they make is usually more than permanent drivers working for one restaurant



CHALLENGES FACED IN THE MARKET

- The drivers with experience get paid more and are not willing to let go of Uber Eats and Mr D for a permanent post
- Predominantly non-South Africans and are not interested in the stability we offer.
- Finding suitable candidates to represent our brand
- Having to hire out scooters on behalf of the drivers impacts on the increase of the cost of our business
- Funding for a new and innovative business (such as online delivery) lack recognition from government funding platforms
- Black woman have little and close to no recognition in the delivery service industry.
- Hygiene
- Syndicate/Cartel



RECOMMENDATIONS

- Sisters on the move have recognised that future jobs are made possible by innovative companies such as UBER, Mr delivery & Zulzi to name a few.
- These jobs are not difficult to perform and can serve to curb high levels of unemployment especially for the youth of South Africa.
- Sisters on the move is planning on creating a skills program working alongside local driving schools to assist unemployed youth from disadvantaged backgrounds get a code 02 scooter/bike license.





RECOMMENDATIONS

- With assistance from relevant funding institutions we can have a 4 week course that can create new skilled South African scooter drivers.
- At an average of 20 drivers a course can fulfil a basic demand for restaurants to have focused drivers,

Why focused drivers?

Accountability and quick delivery are mostly performed better by drivers working for a restaurant because it helps decrease the added VAT that restaurants have to pay to extended parties i.e. Uber eats, Mr delivery.

- Companies like Uber have a high beneficial rate even though they only contribute an APP. There is a need a need for skills training and scooters for new drivers.





CONCLUSION

- The delivery business in South Africa needs to be regulated to create opportunities for small restaurants and young scooter drivers.
- We are on the 4iR, Government institutions need to recognise that the online businesses are a contributor towards curbing the unemployment rate especially amongst the youth of our country.
- The service delivery industry is bigger than food delivery and will grow bigger with time as soon as young people are introduced to the delivery business
- The average payment as a driver is R5000 p/m. This money can help many young people save up for their education or even contribute in looking after their own families.

