



COMPETITION COMMISSION OF SOUTH AFRICA

In the matter of

ONLINE INTERMEDIATION PLATFORMS MARKET INQUIRY PUBLIC INQUIRY (OIPMI)

held at

***DTI Building
Sunnyside and virtually via MS TEAMS***

on

11 November 2021

PANEL: *James Hodge – Chairperson
And Doris Tshepe*

TECHNICAL TEAM

Itumeleng Lesofe

CCSA Internal Team

Tshegofatso Radinku

CCSA Internal Team

Siphosethu Tetani

CCSA Internal Team

COMPANY: SISTERS ON THE MOVE



Gauteng Transcribers
Recording & Transcriptions

PROCEEDINGS ON 11 NOVEMBER 2021

CHAIRPERSON: Welcome. I think you are watching us on YouTube which is giving the feedback. Welcome. I think if we could just get the camera corrected for our Sisters on the Move. Ja, that works. Is that Ms Bathuthukile Mchunu?

MS B MCHUNU: Yes, it is.

CHAIRPERSON: Welcome. We have you as our participant and maybe you can introduce your team and then I believe you have a presentation for the panel and so you can share that with the panel and
10 the public of course, because we are streaming on YouTube, and then take us through the presentation and we will then potentially ask some – well, we will be asking some questions following that. I do love the name, by the way, so that has already caught our attention. But I will hand over to you.

MS B MCHUNU: Thank you. Thank you very much to the panel. Good afternoon. Good day still. We appreciate the opportunity and the platform provided to us. Hopefully the session will yield positive going forward within this field. So I will just basically jump into who we are as Sisters on the Move.

20 My name is Bathuthukile Mchunu and I am the CEO of Sisters on the Move. With me I have Azande Mchunu who is the Director and founder of Sisters on the Move and we have Yezreel Shirinda who is our Creative Director.

CHAIRPERSON: Can I just ask the Creative Director just to mute just so that – I think we are getting feedback?

MR SHIRINDA: Okay.

CHAIRPERSON: Thank you.

MS B MCHUNU: Thank you. Okay, if we can just go to the main slide about Sisters on the Move. We are basically a 100% black owned female youth company and we had three enterprise development programmes in Gauteng afforded to us, which afforded us an opportunity to provide canteen services to various corporates.

So due to the pandemic we had to sort of close shop due to staff members having to work from home and we then ventured into the food
10 delivery space, which allowed us – we had contracts with people like Uber Eats and service level agreements with Buzz Delivery, so we were able to venture into the food delivery space. So for the purpose of this meeting because Sisters on the Move does have various elements that they offer, is the – us having specialised in confectionary and culinary services.

Looking at the business model, if you can take me to the second slide because I cannot control it myself from this side. Okay, the next one, please. Okay. Basically our business is a delivery service that performs on demand and scheduled delivery service for restaurants,
20 retail outlets and the general public. So one of the provisions that we offer is we provide customers requiring delivery of hot food from restaurants to their homes or offices.

So basically this is done via an online ordering platform where menus of all stores we deliver for are located and where there is a need, then the customer will then direct a submission to the restaurant who

then receives the order and accepts the order and then we will have it on our platform and we then contact the drivers. It is then directed to the drivers via the drivers' delivery app and then they collect from – the nearest driver or whoever receives the order first then directs – is directed to the restaurant to collect the food and then directed to the customer to deliver to the clients.

So the second provision is that we provide a service on behalf of restaurants to their customers. This is where we offer an outsourced model where we station drivers at restaurant outlets on a permanent basis and then we manage the deliveries on behalf of the outlets. The third one of our service provision is providing restaurants with their own online ordering page which is then the restaurant have a link on our online platform where they can use their internal marketing tools to market to their customers, also including our link to make use of the orders. So once we receive that, then the system – the delivery requirements are then fulfilled from that point.

We also provide delivery services on behalf of retail stores where we have a database of scooter drivers and from that pool we are able to deliver the service or offer the service accordingly. We also provide delivery services for businesses and general public, which we then also use probably the same system. We provide delivery service to individuals and businesses require deliveries – that require deliveries within our catchment areas.

So the technology that we use, we lease the software platform from Buzz eCommerce Solution. So they assist us a great deal in terms

of coaching. They run the backend and the technology related requirements and they basically provide us with a platform that displays our brands, our graphic, our look and feel. So we are able to like portray our business from in the public or to customers.

And finally in terms of the billing model where we source profit from, it is derived from the following revenue streams, which is a percentage profit, generally 15% of the cost of the product delivered which is paid by the restaurant or the outlet. And we normally come in like cheaper than of the competition which is generally between 20 to
10 30%. And to take us through the fee structure I will hand over to Azande who is going to just take us through the fee structure, as well as the challenges that we faced in the market.

MS A MCHUNU: Good day. Thank you so much for this opportunity once again. It is greatly appreciated. I am just going to swift through the fee structure. It is our IP, so ja. But our traditional fee structure, it gives our drivers stability and it also gives them time on their hands, especially during off peak hours to [indistinct 00:09:55] whether it is to read or study and it gives them basically a monthly basic salary. As soon as the system is regulated we are looking into having – looking
20 into things like the UIF and leave days, however currently they are getting four days off per month.

So this is how our fee structure is put in place. We give our drivers about 6000 up to 6800 per month depending on experience and we are aware that renting bikes on a weekly basis costs R600, so we do give them an advance on the R600 for the rental of the bikes together

with the fuel which assists them a great deal. We also give them R300 fuel per week and data to communicate with us. They also receive R5 per delivery. With every delivery that they do they get R5 per meal and we negotiate up to them receiving a free meal on a daily basis with our adverts. So we are roughly looking at about a total per week R939 and monthly is about – that is just the take home of 5100.

However we have had a few challenges, even getting this whole deal together. So can you please move to the next slide where I am going to explain all the challenges that we have received and the
10 challenges that we faced in the market. And we have discovered that the delivery service industry is not regulated and there are no unit standards for the delivery drivers at SETAs. Access to funding opportunities that are specific to online initiatives have been a struggle. Ourselves have applied to numerous institutions.

And finding South African qualifying candidates with a code 02 drivers licence or who own their own bikes has been also a huge challenge in that part. And Uber Eats and Mr Delivery drivers get paid based on the number of food orders that they delivery and the money that they make is usually just a little bit more than working on a
20 permanent – working permanently on a restaurant. Can we move to the – okay, thank you.

The drivers with experience usually get paid more and they are not wiling to let go of working with Uber Eats and Mr Delivery for a permanent post and predominantly non-South Africans are not interested in the stability we offer, because obviously they are in the

country to come and make money and basically Sisters on the Move is more focussed on making sure that people are stable and are able to feed their families, as well as also invest in themselves.

And finding suitable candidates to represent our brand, we have had challenges with that in terms of hygiene. Because Uber Eats and Mr Delivery they do not know the drivers. They do not work with them. So we interact with them like interact with them and we see them. So like finding proper people to actually represent our brand has also been a very huge struggle. And having to hire out scooters on behalf of the
10 drivers impacts on the increase of our costs in our business.

And funding for new innovative business such as online delivery lacks recognition from Government funding platforms. We have applied to institutions like NEF, the Department of Tourism, Transformation Fund, we also got – we did not yield any promising results there and that was because we stated that we are in the fourth industrial revolution, but still we are just not being recognised as SMMEs to be able to access funds to be able to move forward in our business.

Black women have little and close to no recognition at all in the delivery service. It is like there is – I say black women specifically
20 because I feel like there is a little bit of disrespect in that they would lie and say we are coming, we will be there on time and it just becomes a mess. Sometimes they do not even pitch to work and it is like sort of there is something behind everything, sort of a syndicate cartel situation and that, but we cannot really put our finger to it. It becomes a huge mess. However, we do have solutions and recommendations as to how

we can be able to solve the problem and I think I will hand over to Yezreel to be able to discuss the recommendations that we have put together. Thank you.

MR SHIRINDA: Hello. My name is Yezreel and thank you for giving us this opportunity to actually present ourselves so that we may be able to highlight situations that we are facing with in the industry. I hope you guys can hear me.

CHAIRPERSON: We can.

MR SHIRINDA: Okay, sure. Ja, so at this moment I want to describe
10 first like the way this industries work from how we have intercepted them. You first are dealing with the restaurant, then you are dealing with the platform and then you are dealing with the delivery person. So now in a normal setup you normally go into a restaurant and you are dealing with the chef, the waiter, you know, and that is how the thing unfolds.

So now what happens is that the delivery person is the person that actually does the waitering so to say, but most of these people who are doing, what you call, who are doing the delivery basically they are not educated about the brands that they are working for. They are
20 unable to, what you call, they lack communication skills. They are unable to have accountability for whatever they are delivering. Why is this so?

It is because Mr Uber – I mean, Uber Eats and Mr Delivery do not seem to have a training programme that allows these drivers to go through a training skills transfer programme that allows them to actually

be equipped with enough knowledge to be able to communicate with customers. When it comes to accountability, safety is also something that we need to think about, because to allow someone within your home, I feel that most of these drivers should be certified by SETA for example, because if they are certified, the customer who orders on these platforms is able to take that certification in terms of maybe there is a serial number attached to a specific driver, they are able to go into a database of SETA for example and they are able to see if this driver is certified.

10 Regulation can help because at the moment you have so many foreign nationals actually dominating the delivery business and the issue with that is that you have so many young South Africans that are without jobs and can take these simple jobs. These are simple jobs that anybody can do. The only thing that you need to be involved is obviously you need a scooter and the ability to be able to actually drive a scooter which will be attached to a licence, you know.

20 So what we have thought about is that would it be a bit more simple and a bit more better if there would be a regulation and a certified system that allows every driver that delivers, especially in the food industry, to be certified by a standard department by Government for example, maybe SETA can do that. And then like what would happen is that in that way young South Africans can be allowed an opportunity to actually engage within the system. Because what disallows young people from disadvantaged – I mean, disadvantaged backgrounds is that they are unable to access the education of being

able to actually acquire a licence due to funds obviously and they do not have these scooters, you know, that I think Azande mentioned in terms of some of them being hired out - some of them like being hired out.

So I think the problems that we are facing is that it hinders young people from within South Africa to be able to partake within these jobs. These jobs can serve as a way of young people actually getting their first jobs. And as Sisters on the Move what we have decided is that what if we create a skilling programme where young people are able to now go through our programme where we teach them first how to have
10 communication skills, how to have more accountability and how to actually deal with the hospitality business.

Because when it comes to people being happy and the complaints that are made by customers, I think most of them derive from the fact that maybe there is a pricing problem. But I think also the other problem is that some of these drivers do not have the necessary hygiene. Some of these drivers lack communication skills. Most of them are not South African, meaning that even to communicate with your driver in your home language, that also can be a problem, you know.

20 So what we think is that maybe if we have a database of all these drivers actually being recorded by the Government, in that way it allows the Government to also know who is actually involved within these like services, you know. In terms of involvement then – excuse me I am – excuse me a bit... [intervenes]

CHAIRPERSON: We can still hear you.

MR SHIRINDA: Ja, ja, okay. So now what we thought about is that if maybe all drivers could receive a certificate that they went to a programme, you know, just like how a waiter would go through a training programme through a restaurant to understand the brand and to be able to serve customers. I think the drivers serve as the waiter, but then the drivers are not something that moves businesses, especially these big businesses are not actually focussed on the drivers, they are focussed on their own platforms.

But now the issue is the drivers actually do the end job. They
10 are the end experience. That is where the final experience that the customer has is with the driver. So what we thought about is that perhaps maybe there needs to be a training programme that allows these drivers to be more informed and to actually have a formal way of actually being presentable.

And maybe if most of these drivers are not servicing a lot of restaurants at a time, because the problem with that is that there is a lack in convenience in terms of the time that it takes for a driver to deliver a product because some drivers would actually make detour deliveries where they would deliver three products from three different
20 restaurants at the same time, you know, and that can impact the experience for the customer, you know.

And what we have also realised is that there is no accountability in terms of when the complaints are made, who does the customer make the complaints to if something goes wrong with the order or if maybe they had a complication with the driver. Does the complaint go

to the person who owns the platform, the big companies that own the platform, or does the complaint go to the restaurant? And in my experience that I have had in laying a complaint, I have realised that there seems to be a detachment between the platform owners' consultancy service and the driver, you know. The drivers work as, what you call, they work as freelancers. They not actually are owned by Uber Eats or Mr Delivery. They work as freelancers, so accountability is quite less.

10 So we thought maybe if drivers belong to some sort of a department, like what you have with the taxi association for example. I know it is a bit complicated to go that direction. Or for example what you have with the security guards in South Africa where they are regulated and they are certified by a certain department, if maybe all drivers are certified then it allows, what you call this, it allows the industry to be more safe, not only for customers but also for the restaurants to be able to present their products in a proper way.

20 So if people are given the opportunity to actually, what you call this, to actually go through this programme, like especially young people, if we give young people an opportunity to enter the market by giving them these courses, obviously if we are backed up by relevant investors, we are thinking maybe if Government gets involved, then we can actually create spaces within townships.

Because the other problem that we have is that the reason why these delivery services do not give, what you call it, access to townships is because there is a lack of drivers. Most of the drivers that we have

are currently within urban areas and the reason why you find these drivers within urban areas is because they live in these urban areas and most of them are foreign, because foreign nationals most of them actually live in urban areas. So the people who live in townships are disadvantaged and are unable to enter the market. And I refer to also the small businesses, like people who have small restaurants within townships who actually can have access to these services if the drivers were actually living within those areas.

So what we thought about is that what if we can train as many
10 drivers as possible and allow them access to actually have drivers' licence, working with the Licence Department, and also have a way to actually purchase these scooters, then we can rent out to them. And then it will decentralise the whole idea of having Uber Eats or Mr Delivery controlling the whole market, because in this way what it would do is that it will help young businesses within the township areas to be able to also have platforms that allows them to actually have delivery services.

Because I think maybe when we speak about the market we are only focussed on the urban area and I think the spenditure right now
20 that we have, it is underpotential. Because if we have enough drivers that are able to be in townships, then what you do is that you are spreading the amount of market that is available, not only to Uber Eats or Mr Delivery but small players that want to get involved. Because there are young people who are actually developing some of these apps that deliver things. It does not only have to be food. It can be even

parcels. But then if – the only issue that they face I think, the same thing as Mr Delivery and Uber, the only reason why Uber and Mr Delivery are unable to be around townships is because there is a lack of driver. Accessibility is not there. It does not exist.

So now if you create accessibility by recruiting more drivers. Because most people are focussed on the platforms themselves, but then who delivers this food. Who actually is the end user and who actually gets the products to the end user, you know, the customer? So people are not thinking about the drivers and nobody seems to be
10 focussed on the fact that these drivers also need to have skills that maybe a waiter would have, you know. So to be able to communicate product and to be able to take in complaints if there is any complaints and to be able to communicate with the relevant business owners and, what you call this – and to be able to communicate with the relevant business owners and the customer to create a relationship.

Because right now there is not a relationship between the – what you call this, the customer and the platform. The platform is only virtually, you know. But then the relationship is created between the driver and the person who actually orders online. So these relationships
20 are not that strong because most of the drivers are random, they are not centralised within an area, meaning that it would be better if – if I go to a restaurant it would be better if I am served by someone that I like most or someone that I am often seeing, someone that I see often, you know, that I feel comfortable, they know what I want to order and stuff like that.

But I think if you take it on the virtual side of things, the person

who delivers my goods I would love to see a familiar face more often and with Uber Eats and Mr Delivery it is impossible to get that because these drivers are random, they work when they want to and sometimes access to products is so difficult because some drivers will decide not to work a specific day and that would actually – what you call this, that would actually change the frequency on how many orders can be made within that specific day. I do not know if that makes any sense.

If you go to the last slide. Ja and on conclusion I think there are so many opportunities, especially I think for young people who right now
10 currently are without jobs, you know. Because some of these – as much as we can focus on the platforms themselves, obviously they are complicated and there is many developers that get involved and many big companies and tech companies are getting involved, but the issue that I think should be raised is the fact that these companies should at least invest in the end product, which is basically the drivers themselves, you know. There needs to be some sort of attention given to drivers so drivers can also have access, as my colleague mentioned, like UIF and stuff like that.

But then at this moment it is such a random business where
20 even Mr Delivery and Uber are also struggling to actually get drivers within certain locations. But then if these drivers are developed and are – or maybe if we have a company like ourselves that are willing to take on young people and train them within the business and turn them into drivers, then we will be able to feed into the market, you know, and we are able to feed into the demand that is needed by people.

For example, if we create a programme that allows us to have maybe 20 drivers per cycle, let us say on a four week course, you know, we will be able then to have young people who are able to earn at least R5000 per month. That can bring a big difference, because it can help some of these young people be able to save up for their studies if they want to continue with their studies and it can help them also to have skills within the hospitality business that can help them deal with, what you call this, human resource, PR and all those kind of things.

So what we do is that we will bring in these young people and
10 we will educate them, not just on the fact of the delivery business, but on the business as a whole so that when they interact with customers they are able to be affluent and they are able to be on point at all times.
Thank you.

CHAIRPERSON: Thank you very much, Mr Shirinda as I understand.
Thank you for... [intervenes]

MR SHIRINDA: Yes.

CHAIRPERSON: ...the presentation and – ja and I think, you know, certainly as you put it I think you are going to make us think as well about the delivery side. Maybe we have also been focussed on the
20 platforms too much. So I think it is a very welcome presentation and a thought provoking one and an impressive pivot I suppose in the business following the pandemic and having to respond to the crisis. I am going to pass over to my fellow panel member, Ms Doris Tshepe, to just start the questioning and then there may be further questions from myself and also the Technical Team who I think you are familiar with.

MS TSHEPE: Thank you, James. Good morning, Mr Shirinda and the two Ms Mchunus. Welcome and thank you for your time. It was a very interesting presentation and, as James says, just the area in which you are concentrating. I just wanted to start on questions of funding. I mean, in your presentation you do say that you have struggled with funding and I wanted to find out from you, there was a lot of mention of public institutions, where did you go? Have you – to try and source funding, have you looked at some private funders like venture capitalists? Have they looked into your business?

10 Because it looks – it sounds like an interesting business. And so we are – I do not know if you would have seen last week in our session we actually did speak to a number of organisations who deal with funding, particularly venture capitalists, and we just want to know where are you looking. Are these people engaging with you and who have you spoken to and what their responses are? If I could start there. Thank you.

MS A MCHUNU: Okay. Can I just take over this one and then you guys can add on?

MS B MCHUNU: Sure.

20 MS A MCHUNU: All right. We have applied with NEF, the National Empowerment Fund. We actually created a business plan and a very I think impressive initiative that we wanted to do. So we have applied at Department of Small Business. We have even went to [indistinct 00:32:04]. Most responses that we got were mostly about they are not funding online businesses. Ja, that was the major one. There is no

funds for online businesses. They do not do online businesses.

MS B MCHUNU: And I think just to add onto what Azande is saying now, there has also been opportunities in the platform, the food business space, however they also look for take off agreement where we should have had already contracted with outlets or retails like in order for us to be able to get funding from them. But that has seemed or proven to be a problem as well because without the funds we obviously cannot launch what it is that we want to do. So having sort of a pre-agreement or a prearrangement with an outlet puts us in a
10 disadvantage as well to be able to approach and continue with the services without having the financial muscle for it.

So I think in terms of the venture capital, what we have also applied for and that we also sort of are getting sort of like a recognition is private companies from like things like your programmes where at the moment we are with one of the programmes, Themhani, who is willing to mentor us and assist us, but it is not really about like giving us what it is that we want in order to fulfil like our goals with the business, however it is just allowing us to venture into this business space with confidence and knowing exactly what we are doing. So maybe if there is ones, I mean
20 we always welcome more funding opportunities that we can make use of so that you might have to assist us with.

MS A MCHUNU: Ja and I think our business plan it is in all the institutions, the Government institutions. You name them, it is there.

MS TSHEPE: Thank you, Azande and Bathuthukile. Just I mean I just want – so just to understand the last bit, Bathuthukile, that you were

speaking about. So you are basically saying some of the private funders are willing to work with you more on programmes of mentoring and not on providing you with working capital. Is that – is my understanding correct?

MS B MCHUNU: I think so. We just got into a programme as such about a month ago. So then they just did a diagnostic on our business and we did sort of highlight the kind of business that we want to run and the eventuality is for them to be able to assist us with funding. But it is just that because we have already gotten into the industry, so it is a time
10 factor to say it is an 18 months programme. So we have to go with the process from the beginning and yet we are pressured of time in terms of what it is that we want to achieve within this industry going forward. So it is like something that is pressing for us. So those programmes are available and we are making use of them, however it is just the timeframes.

MS TSHEPE: Do you mind just explaining a bit what type of programmes there are just so we understand?

MS B MCHUNU: Okay. The ones that we have it is an international guaranteed fund at the moment where they have chosen specific
20 organisation within – it is an international fund, so they have chosen within various countries in the southern hemisphere and we are part of the companies that were chosen, I think the top 50 companies that were chosen.

So they have started the process with us and we are in like sort of negotiations with them. We also have a meeting with some of the

investors that will be looking into it. So it is a process that still needs to unfold. So I cannot really like specify much, if ever the funding would be like capital or in terms of monetary value that we need to get from them. So we are not 100% sure of the outcome as yet, but we are hopeful.

MS A MCHUNU: Ja, we are hopeful and one of – I think something that will be of – that will be off a little bit because our programme, this specific delivery one focusses mainly on South Africans. So if we are looking into international funding, that also could be sort of a little bit of a problem.

10 MS TSHEPE: Thank you. So I mean, it is interesting in our discussions with venture capitalist industry we were finding out that particularly for SMEs there was a lot of international funders willing to engage here in the country and so I think it is something we need to engage more. But just so I understand, so you are saying this programme you are in, that is the one where you have started with the diagnostic and what comes out at the end of the 18 months could be an investor coming in or not, but it depends on how they view your business. Am I correct?

MS B MCHUNU: Yes.

20 MS A MCHUNU: Yes, you are correct.

MS TSHEPE: Perfect and so your issue is you are already a business running currently with the need for working capital as we speak and therefore there should – you would like access to that working capital currently as opposed to an 18 month waiting period.

MS A MCHUNU: Yes, as in right now.

MS TSHEPE: Yes, yes, yes. No, I understand. Thank you. Sorry. I wanted to just – I mean, one of the people we spoke to just on this or reference was made to the SASME Fund and I think it would be very interesting for you guys to just engage with them. I do not know if you have heard our conversation with SAFKA and I think it is online on our YouTube channel. If you could just listen to that and just engage with some of those people, I just think it would be an interesting conversation for you guys to have as well.

But just moving on on the funding discussion, I wanted – one of
10 the things you spoke about is that you tried your own app and I wanted you to just talk to us about that journey. What was your experience? What were you trying to achieve with your own app? When did you start? What were your challenges and where are you at on that journey? Is it something you are still wanting to do or have you just moved on? Thanks.

MS B MCHUNU: Yezreel, do you want to take that one?

MS TSHEPE: You are on mute, Yezreel. Thanks.

MR SHIRINDA: Sorry about that. Ja, the one with the app is that we had a business plan that within it we did the quotation for an app and
20 when we did a quotation for an app we actually received a quotation of R10 million which we believed was a bit too much. I mean, in order for the app to be in comparison with Uber Eats and Mr Delivery, you know, the app developers then decided that it would need the kind of, what you call it, funding for it to actually be on that level.

Because what we did is that we had a business proposal which I

do not want to talk about here because it is an idea that can be easily done by someone else who has the funds, but we had a business proposal that actually wanted an app for it to work and it focussed on mobility in terms of where our restaurants are able to be anywhere at any time, you know.

And then the reason why we're focussing on the delivery part of this, and I want to emphasise this, is because I think there is a lot of people or there is a lot of players within the platforms of apps and development, because that is the future, that is where the virtual – like
10 the virtual world is going, everybody is going towards that direction, except the problem is that there is an infrastructure that needs to be built for that to actually have a service in the first place.

For example, you build the platforms but you need the drivers to do the work, you know. And I know in the future you will have automated vehicles that do the work, but for now there is human capital that can be used. But then the human capital is not, what you call it, it is not trained to actually access these jobs.

Because I think the big players what they do is that they focus on their side of things and they link themselves to this restaurant and
20 they take a percentage and all they offer is a platform and we understand that these platforms are important, but what about the people who are actually conducting the business like from the ground up, you know. Because without these delivery personnel you do not have a business at all, you know what I mean. There is no access to the market, there is nothing.

It is the same reason why you do not find Uber Eats and Mr Delivery in townships, where in townships there is your KFCs, there is your Nandos and all those kind of things, but then now you cannot have a delivery app that helps you sit home within your house in a township and actually order something. Why? Because there are no drivers within those like environments and locations. The reason why there are not any drivers is because no one is willing to invest in that department, you know.

10 So we thought maybe if we could take our efforts and invest within that department instead of working on an app, we can then maybe invest in that department of actually creating drivers for the industry. If we can create drivers, then all our drivers can be now certified and can be linked on a database where even customers can have access to who these people are rather than having someone random coming to your home and when you have to complain, you do not know who to complain to.

20 So if we create these drivers and we are the department that actually works with this, people can actually lay those complaints through us and we can take those complaints and actually deal with them through restaurants and stuff like that, the same way as how a person who is sitting in a restaurant can call for a manager. I think that part of the business has been lost. It is like the human entity within these platforms have been lost. Everything is just virtual. Everything is done over the phone, but then we feel that we still need to have that human interaction in order for the brands that are involved, and by

brands I am referring to restaurants that are involved, for their products to be presented properly, you know, rather than us going on a random journey where things are – where we build a platform but then we do not know who is going to service that platform, you know.

So in terms of the app we believe that maybe if we have – most restaurants develop their own apps, that way it will help open up the market. Because what you have right now is that Uber Eats and Mr Delivery dominate the market. They have more capital. Not only that, but they give a high percentage to drivers, which if I am giving a monthly stipend to a driver, let us say R5000 as pointed out, Uber Eats because they work on a consultancy basis with these drivers, these drivers can regulate how much they get. They can basically choose how much money they make, which I think it is okay, but in terms of actually the service itself, the service suffers because what if a driver decides that today they would not work, you know. It means that I would not be able to access my favourite restaurant because now this driver – there are 10 drivers who decided that today is going to be an off day for them, you know what I mean.

But now if you have drivers that have a roster, that work for a certain company that have a UIF, you know, they are taken care of. There are so many advantages in working for a certain company and then we can now look also into tax. The company will also be contributing like in that manner. So now what we have is that if these drivers are created, we are able to deploy them even in townships where imagine if these young people who live in these townships are

able to become drivers within these townships, so they are working around home and they are able to also service their community. And in the meantime it actually reduces the unemployment rate of these young people who just maybe came out of school and we all know that the situation in South Africa is quite tough.

But then these virtual platforms allow there to be new jobs like these. These are simple jobs. They do not need any kind of extended course, going to school for long extended times or anything of that manner. But then I think most of us at this point right now what we are
10 doing is that we are focussing too much on the platform and the competition on the platform, but then the problem is... [intervenes]

MS TSHEPE: Hi, Yezreel? I think he is frozen.

MS B MCHUNU: Well, I will just – sorry, I will just quickly add in terms of our experience with the app whilst – Yezreel, I am not sure what the problem is, is that our experience with the app, we actually went through like intensive development process because we had to get people who are willing to work with us on risk with the hope that we will be getting funding, we would be able to fund for them.

So it is a very intensive, highly specialised app that we
20 developed and that was – it is actually similar to how your Uber Eats would be. And we are aware that Uber Eats spends like a lot of money, over 250 million I think dollars on their app and our app, as the more features we add onto the app. So we started with having it at R5 million and the more we added the features that we needed to make the lives of the customer easier, is the more the price went up and up. We

eventually had our full business sitting at 58 million where all the requirements that we had on it. So our experience is there. It is just lying there and it is said that it is not being used or it is not working... [intervenes]

MS TSHEPE: And it is such a relevant idea.

MS B MCHUNU: We are still hopeful. Ja, one day is one day it will still be used and we would still want to actually own our own app, you know. Because the current software that we are using at the moment, it is of great help through Buzz Delivery and they are willing to be with us like
10 through until we are independent to running our own system and being able to fulfil the goal of our business within this industry.

MS A MCHUNU: Ja and they have been training us as well.

MS TSHEPE: That is where I was going to go to say that is probably the reason you then went with Buzz to use their software.

MS B MCHUNU: Yes.

MS TSHEPE: Thank you. Can I just go to – I mean, the main feature you are concentrating on which is drivers and just for clarity to just understand the nature of your relationship. I am not clear at the moment what is the nature of your relationship with the drivers, even in
20 any of the five models that you were speaking about. Do you want to just explain that a bit?

MS B MCHUNU: Okay. Our relationship with the drivers is – okay, just from the experiences we have had, we interact with them and then we have a service level agreement and a contract with them, Sisters on the Move and the drivers, that stipulates the conditions and the working – it

is basically a working contract, how we expect them to be, how we expect them to sort of their attitude and how they handle themselves and the hygiene perspective of it.

So we then from a contract based – it is a contract based relationship with the drivers and that is how far we interact. It is just based on that. And we also obviously we have them – the minute we have the drivers, we have them on WhatsApp and we communicate on a regular. Like we have to keep in contact. We have to keep track on what is happening on the ground and, ja, that is the kind of relationship we have with them.

10

MS TSHEPE: So is it essentially an employment relationship or is it an independent contractor but with clear service level terms?

MS B MCHUNU: We would say it is an employment contract, you know. It is an employment contract.

MS A MCHUNU: Ja.

MS TSHEPE: Earlier when you spoke about the four days was about providing them time out so they could do other function, either they could study. Would that mean they could also provide delivery service to other platforms for example or is it an exclusive employment contract?

20

MS B MCHUNU: Our employment contract does stipulate that they specifically would be focussed on the outlet that we have stationed them at. And the four days' leave is just for them to be with their families, because the delivery service, I mean restaurants work Sunday to Sunday, so they get worn off.

So we have like a structure where we have like maybe four drivers at a time and then if the fifth driver is not there, there is not going to be much like sort of discrepancies. And we also allow them to just take time off to go and rest so that they enjoy the work and they do not feel under pressure. And it is also good for them because whether they are off sick or whatever, they still get their salary at the end of the day. It is not about them having to work hard or like to constantly keep on going to find deliveries because they have to make money. So they still get their salary regardless and the four days is just for rest.

10 MS A MCHUNU: And for the studying and the reading, that was mainly just for the off peak hours, because obviously if you are working for one outlet you are not constantly working all the time. So there is a bit of time for off peak hours that you are not really doing much.

MS TSHEPE: Thank you. Could I just, just on the drivers, I mean I found your presentation on the sort of investment you envisage with drivers quite important and I just wanted you to take us through. What sort of training do you give to them prior to them being stationed either at an outlet or providing the delivery service from the on app orders? Just if you could just take us through that investment.

20 MS B MCHUNU: Okay, so basically with the drivers before they start for a day or two and just to take them through like the contract. The contract has things like how you approach a customer, how you talk to people, how you carry yourself, how you dress and so we take them through – whilst we are taking them through the contract, we are also making them understand our perspective of running this business. We

actually try and make them understand that we are business partners, so if you are not like pulling your weight from your side and then we also suffer, the restaurant suffers. So we are trying to instil like the efficiency and effective work ethic.

We talk to them like proper partners and if – well, in this instance it has not been easy because even launching the whole process that we had to run in KZN, it has not been easy. It has been a real struggle to find drivers and interact with them, because the ones with experience they already know everything, so they would likely tell you that no, that
10 does not work, this – you know, so you end up having to constantly deal with personalities. So with our training programme it is like specifically for people that we have identified or people that have shown their interest in this process and then we take them from that training process as well.

So and the training is just basically about that, because there is not really much and so we would want people with at least a matric, people who are able to read and write, people who are able to sort of interact and speak English or speak other vernacular languages like fluently so and although that is one thing that we have not really been
20 focussed since close to none delivery partners or drivers are South Africans.

MS A MCHUNU: Hence we want to do it futuristically in a way where we partner up with Driver Licencing Department or other SMMEs that own these companies and then they are able to take on our people that we have identified and assist them with getting code 2 licencing and so

that we are able to train our own people from scratch.

MS TSHEPE: I think this is an appropriate time to get – to speak to that programme. I mean, I think that is just a fascinating programme. As you would know, one of the – in the preamble of our Act, one of the issues we need to be looking at is how do we develop the economy so that we create more jobs in the country and in fact specifically for South Africans. And one of the things we are looking at in the terms of reference of the inquiry is precisely to look at historically disadvantaged persons in the country which would include the youth. So a programme
10 of this nature that seeks to attract young people and train them in order to get them back into the employment or participate in this market is quite helpful.

I just wanted to just to find out from you is how are you – have you identified partners that you will be engaging with? Have you started? Where are we at in this programme? Who are you planning on speaking to to engage to actually kickstart the programme? And how do you plan on getting these young people? How do you plan on interacting with them and attracting them?

MS B MCHUNU: I think, okay, just to go back to your previous
20 statement, I am sorry to do that. I wanted to say something. Like one of our main objectives at Sisters on the Move is to actually really contribute towards creating employment to assist Government towards creating employment, as well as just assisting towards enhancing the economy. And we have been looking at this particular platform as one, because we also run other businesses on the side, so this one we felt like it was

one project or process where we can actually contribute to the country the way that we would like to contribute.

And like we have been driving around looking at the Post Offices, seeing people who stand around waiting for 350 the whole day and we realised that even if you go and approach people there, you just identify people that you think can be actually really accept this R6000 a month, then obviously they come here for R350 every month anyways, so this could be – we thought it is one platform that we can actually just like start with, because it... [intervenes]

10 MS A MCHUNU: It is right there.

MS B MCHUNU: We have had a lot of interactions with people in townships and rural areas that we feel, oh my gosh, we can hire all these guys and they are really into it, but it is just the whole process which has been quite hectic. But in terms of the approach, that is the kind of approach that we are looking at using, also using social media platforms.

We have already a database of drivers from the social media that we posted, Facebook, I think Twitter and our social – WhatsApp social statuses and we have received like massive numbers of which is
20 like a pool that we can tap into when we are ready to start with the programme. And also what – I think, Yeze, if you can maybe just explain the partnership process that we would be using in order to implement this project.

MR SHIRINDA: Okay. Sorry about earlier. Loadshedding, so my network around this area just went down, so I had to switch to another,

what you call this, network to get this working. Okay, so ja, so what we have with this programme is that we are thinking that maybe if we partner up with the Licencing Department or maybe people who do drivers licences, like your driving schools and what not, but then if that creates too much backlog we can actually go straight and work with the licencing like department. Maybe if we were helped by one of the Government institutions [indistinct 01:00:54] where we have sort of like an academy of some sort where we actually breed these scooter drivers.

10 And I do not think it takes like a long time. It will probably take like – it is a four week course for example where within that four week course not only are they taught about the delivery skills, the ability to be able to communicate, you know, hygiene and all those kinds of things. Especially with Coronavirus some of these drivers their hygiene level is not on par, you know.

 Because as I said before, they work for themselves. They do not work for Uber or Mr Eats – I mean, ja for Mr Delivery or Uber. You know, they work for themselves because they work as consultations, you know. They work on a basis where they choose when they want to
20 do the work. But then if you have people who are dedicated to actually fulfilling the service, it makes the customer experience much more better.

 So maybe if we can work with a Licencing Department to get this done and maybe get some educators that are good in human resource to come in and actually inform and actually teach some of these young

people before they go into the industry. We are thinking perhaps maybe if we receive help from the Educational Department itself. If they have any resources that can actually conduct these, what you call this, skills transfer programmes, because I [indistinct 01:02:16] just about your ability to be able to drive a scooter.

I think if we are going to put you into this industry or market [indistinct 01:02:23] at least be given an opportunity to expand your horizon and how you think about it, maybe you can contribute something new that maybe someone else has not thought about. But for you to
10 have those kind of thoughts or maybe those kind of way of thinking, you need to be given I mean educational tools for you to be able to expand your thinking capacity.

So I am thinking maybe if that Licencing Department helps us with this in order to get the licencing, maybe the Educational Department is able to give us people who can transfer skills which are – which can help these drivers to be more informed [indistinct 01:03:05].

MS TSHEPE: We are struggling to hear you, Yezreel. I think... [intervenes]

MR SHIRINDA: [Indistinct 01:03:06] skills that allows them to not only
20 become drivers for now, but in the future.

MS TSHEPE: Okay, thank you. I think we – I think network is – the network is not great, but thank you. I think we got the gist of all what you had to say and thank you very much for that. I just wanted to ask, do you know if there are other organisations that are involved in this in trying to train drivers, particularly delivery drivers?

MS A MCHUNU: No.

MS B MCHUNU: No, not that we are aware of.

MS TSHEPE: Okay, thank you. I think the one area I wanted to discuss with you is you have spoken about your plans to expand into what I refer to as underserviced areas and I just wanted you to speak a little bit more on that, which areas and why do you want to go there and what would be the plans. Obviously this is a public platform, so I would not want you to speak about your confidential information, but if you could share with us.

10 MS B MCHUNU: Okay. What we have done is we have actually a list of restaurants that we - especially in townships and some semi-rural areas. What we have identified or realised is that in these townships and semi-rural areas there is buying power. People just do not have access to things easier than thereof of the people living in the suburbs.

So you find that there is a lot of people who are staying at home and getting paid well but they just choose to go and stay at home because maybe they need to take care of their parents or they need to like just be there because they do not want to pay rent somewhere else, you know, which is fine. But you find these people not having – being
20 able to manoeuvre easily or either they have the cars or they just want also to have the privilege of being able to open up an app and order just by the ‘*shisa nyama*’ down the road or *shisa nyama*’ that they cannot walk to but it is also far to get delivery – it is also far to get to without a taxi or without a car.

So we have identified those where we feel like, you know, there

is big establishments within the township areas but it is just that the bigger establishments do not go to those areas and where they are depriving them the convenience of the service itself. So from that note we actually felt like, you know, we can – we have asked a couple of restaurants if they would like such a service. Most of them are interested in having it because it also increases the number of orders that they get as well if there are delivery services around there. It is just that they cannot also have deliveries happening, because it is another business on its own.

10 So I think that has been the interest, although it is something that needs to be really tried out and that. You know, we cannot really say for sure that it is big business in that sense, but there is a gap, a huge gap.

MS A MCHUNU: And just to add onto what Thuthu is saying is that we have also identified on our business plan and the programme that we have put into place is that it also empowers them. So there is also an empowerment element for these township restaurants as well that would be of benefit to them as well, just like... [intervenes]

MS B MCHUNU: Just like how... [intervenes]

20 MS A MCHUNU: Just like how for example...[intervenes]

MS B MCHUNU: Ja, like how restaurant partners work with Uber Eats. So it is the same process. They become restaurant partners. And the idea was to also just make use of the chefs within those locations to also like get into their own businesses in the form of dark kitchens where they are going to be able... [intervenes]

MS TSHEPE: I think we have lost you there, Bathuthukile.

MR SHIRINDA: Ja, I think we lost them. It must be the network.

MS TSHEPE: Ja and it was getting very interesting because that was the area that... [intervenes]

MR SHIRINDA: Ja, that was. No, actually what she was saying is... [intervenes]

MS TSHEPE: Yes.

MR SHIRINDA: ...which was out – I do not know if you can hear me clearly.

10 MS TSHEPE: I can. Oh, they are back. They are back. Thank you. Thank you. We had lost you there, but so if you could just continue.

MR SHIRINDA: I think we lost them again.

MS TSHEPE: We lost them again.

MR SHIRINDA: Maybe I should continue.

MS TSHEPE: If you could and I will tell you where they were going that I was kind of interested in was the issue of the types of restaurants also that you are interested in in the township, because is it just your bigger chains or are you actually looking at businesses of the people within the townships. So if you could just add that. Thank you.

20 MR SHIRINDA: Ja, so basically what we thought about is that it will be better – basically what we thought about is that it will be better if maybe we give access to even someone that has a kitchen at home who is a chef and who can open up a business is able to enter the market. This just opens up the market completely, because not everybody has kind of like a setup, like a brick and mortar setup that is gorgeous, beautiful,

beautifully branded and big, you know. Some people have the skills to actually create these services, however they have minimal structures to actually be part of like the market.

So we thought maybe even if someone went to a culinary school and is a chef and he lives in a township but they have access to a kitchen and they can cook. What can happen with those kind of setup is that you can have maybe – you can maybe have Government inspectors check the environment if they are suitable for actually conducting a business. So maybe we see some sort of compliance
10 certificate and then when they have that they can then apply with us to be on our platform in order to, what you call this, in order to use their skills to actually sell food. So this is not just about your KFCs within the townships or your Chicken Lickens in the townships, but it also includes small businesses, small restaurants that are not identified as franchises so to say.

MS TSHEPE: Just I am very sorry, we are running out of time and there is just so much to explore with you guys and I think I have taken a bit of time. There were just two issues I wanted to discuss with you and the one you raised it in your presentation was the issue of gender and
20 how the market views you and I wanted to understand, is this from funders. Is this in your interaction with restaurants? Is this on your interaction with the platforms themselves and how does it play out?

MR SHIRINDA: I think with the gender thing basically I think what you are focussing on is the drivers... [intervenes]

MS TSHEPE: I am very sorry, Yezreel. I was expecting – yes, yes,

yes, yes, yes.

MR SHIRINDA: Okay.

MS B MCHUNU: So I think what we have experienced on the ground talking to drivers themselves is immediately they – I mean, they see black women talking about having them come and work for them, you know, which is like something that they do not really like are au fait to or maybe just the way that they take us, like it is they do not take us serious, you know. They do not take us serious. It is like oh okay, we are going to come, they will meet up with us or some they do not pitch
10 and we think mostly the reason why we are saying it is black women in the industry is because of our own experiences over and over and what we have encountered, not just with the platform itself.

We see that with our female white counterparts, like our partners that are white females they are actually taken more serious. They are able to listen to them more than they can listen to us and it is like we sort of need to be with her for them to listen to us, you know. So we know that it is that thing, you know, and it happens. It happens a lot. And then we find ourselves having to be firm all the time, having to actually just try and keep on proving ourselves that we are in serious
20 business, guys. Can you just, you know, listen to us?

So that has been – with a lot of other things, especially as entrepreneurs that we experience as black women specifically. So we feel that our country is not there yet in terms of how they have accepted women within the business spaces to actually just run things.

MS A MCHUNU: And it is so easy for them to refer to us as like sisters,

oh listen my sister, you know, something like that. It just becomes like such an easy thing, which I do not think they do that to... [intervenes]

MS B MCHUNU: And another it is also like quite – we mentioned earlier that it is sort of run like a syndicate or a cartel of some sort because they have a tendency to like sort of scare us out. Like you talk to certain ones and then these ones will come and say if you take those guys and then this is not how we work, the money is too little, you will hear from us, you know, things like that, like unnecessary things that just go on but that you realise that it is caused mainly because you are a
10 black woman.

MS TSHEPE: Thank you. I mean, we do not have time, but I would be interested. I mean, you seem to have with all those challenges managed to still continue on this journey and are even looking to try things out. It would be quite helpful and useful I think for us as a panel if you could just talk to us about some of the strategies you have employed in order to be taken seriously when that happens, but I do not think we have time right now and I think we would at some point, I think the Technical Team would be able to contact you and discuss that so that we can have that as part of our recommendations when we write
20 our report.

The last thing I wanted to ask you, you speak about partnering with Uber Eats as delivery partners and I was just interested in that, is you know, are we in a model where we are going to see platforms or delivery platform services almost being consumed or absorbed by the bigger platforms and what does that relationship look like? And I just

wanted to understand from you, is that you do not want to compete with them and therefore partner with them or do you see a different model of a relationship and what that model is?

MS B MCHUNU: I think because we were doing – running canteen services and specialising in culinary and confectionary we were contracted with Uber Eats as a restaurant partner. So what we were doing is we were offering food services to Uber Eats' clients via their Uber Eats delivery service, so we actually got to understand the business whilst we were doing that a lot. So it is not – no, we are not
10 looking into partnering. It is not – we are just – it is going to be our brand and then rather we compete. Rather we, ja, compete in the same space.

MS TSHEPE: Thank you from my side. I am just going to hand over to James and thank you very much. This was very interesting.

MS A MCHUNU: Thank you.

CHAIRPERSON: I have just got one question because of the time, just to respond, Bathuthukile, to that last comment. I mean, what is the risk once you have developed the drivers in those communities that the big platforms move in, take the drivers and this is a way to sort of I suppose
20 push you out as your own app?

MS B MCHUNU: I think our delivery programme is a programme – it is a one year programme so where we find that suitable people would be in the programme for that year where we then offer them the scooters to use for that specific year and experience the service and then after a year they move over to whatever thing that they want. So it is like sort

of a cycle that we are going to get in people into our programme so that there is no – and the contract is going to be specific to say they work for this specific organisation. So and then it would be in breach of contract for them to work with other organisations or other companies that are competing in the same space.

CHAIRPERSON: Thank you and I think, you know, you certainly brought a different perspective for the panel and I think what is interesting is that a small business such as your own is also thinking about the challenges of the country and your fellow citizens and a
10 potential win-win situation that obviously provides you with the business, but also provides those in your community with opportunities, both as restauranteurs or just kitchen owners who have talents in the chef area, but also those businesses probably on restaurants and also the drivers.

So I think, Bathuthukile, Azande and Yazreel, thank you very much for coming before the panel. We appreciate the time you have spent and I apologise on behalf of Eskom for the challenges that they have posed to you and us, but we will be in contact with follow ups as Ms Tshepe indicated.

MR SHIRINDA: Alright.

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