

**“It’s all about people”**

**Frans Van Der Colff**

# **Pick 'n Pay's Sustainable Competitive Advantage**

# Structure

- **The Pick 'n Pay facts**
- **What makes us tick**
- **What makes us different**
- **The bottom line effect**

# The Facts

- ✓ **Founded**
- ✓ **Stores 1967 - 3    2005 - 485**
- ✓ **Population 30,000**
- ✓ **Turnover ↑ R31 billion**
- ✓ **Market Share 33.7%**
- ✓ **Profit R934 million Trading  
R1,015 billion Operating**

# What makes us tick

- ✓ **Customer centrality**
- ✓ **Do basics well**
- ✓ **Retail people profile**
- ✓ **Mr Ackerman's endearing values**
  - **Care**
  - **Respect**
  - **Community**

# **What makes us different**

## **Corporate Culture**

- ✓ Family feel**
- ✓ The demand**
- ✓ Continuous innovation**

# **Corporate Culture**

- Competitive**
- Self-critical**
- Community involvement**
- We're winners**

# **Hearing Grasshoppers Jump**

- ✓ Radically decentralised**
- ✓ Very accessible**
- ✓ In touch with individuals**
- ✓ Time at the rock face**
- ✓ Management Training**
- ✓ Function as mentors**

# Recognition

# Promotion from within

- ✓ Val
- ✓ Nick
- ✓ Isaac

# **Deep Development**

- ✓ Graduation**
- ✓ Facts**
- ✓ Curricula**
- ✓ Other education**
- ✓ Disney programme**
- ✓ Institute**
- ✓ Franklins**
- ✓ CEO Programme**

# Vuselela

- ✓ **Company restructure**
- ✓ **People focus**
- ✓ **Focus areas**
- ✓ **Communication!!**

# Union Relations

- ✓ **The strike**
- ✓ **Criticism**
- ✓ **Current situation**
  - **Truly participative**
  - **Task Forces**
  - **All work for Pick 'n Pay**

# **How we manage change**

## **Kotter's 8 Steps**

- ✓ Create urgency**
- ✓ Guiding Coalitions**
- ✓ Compelling Future Picture**
- ✓ Communicate**
- ✓ Empower**
- ✓ Plan for Short Term Wins**
- ✓ Consolidate**
- ✓ Institutionalise**

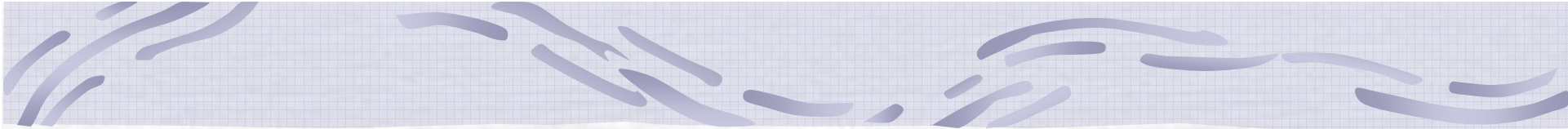
# **Bottom Line Effect**


## **The Facts**

- Inter- & intra- industry**
- Direct correlation - training + profit + growth**
- 1 SD improvement**
  - 16% improvement in productivity**
  - \$3 800 increase in profit**
  - \$18 500 increase value**

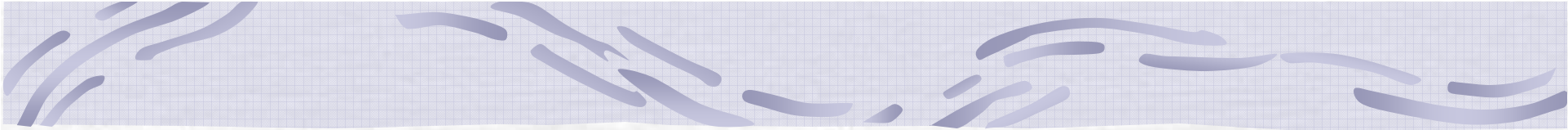
# Pick 'n Pay

- ✓ **30 000 employees**
- ✓ **\$ 114 000 000 profit**
- ✓ **\$ 555 000 000 share value**



|              |                   |   |
|--------------|-------------------|---|
| <b>high</b>  | ?                 |  |
| <b>Value</b> | Waste of time     | Insane  |
| <b>low</b>   |                   |   |
|              | <b>Difficulty</b> | <b>high</b>   |





**People**  
**Pick 'n Pay's Sustainable**  
**Competitive Advantage**