

Massmart's Supplier Development Programme helps local manufacturers grow business

Massmart's Supplier Development Programme (SDP) has supported 32 small local manufacturers to gain access to market and form part of the broader Massmart supply chain, procuring an estimated R290 million from such manufacturers. The suppliers produce a variety of products ranging from cooler boxes, window frames, paint and bathtubs to adhesives and furniture.



Massmart works closely with the Economic Development Department (EDD) to identify new suppliers and help existing suppliers grow their businesses. The programme was established following intervention from Minister of Economic Development, Ebrahim Patel, who has championed the development of local suppliers in the retail sector.

Patel says, "The SMME sector is key to creating jobs and growing our economy. Both government and the corporate sector have a role to play in developing industrialists and entrepreneurs and making our local manufacturing sector competitive again. Interventions such as these are a good way to achieve our goals as a country."

Private label examples

In particular, the group's private label brands have provided new routes to market for small suppliers to produce for mass markets, which they may otherwise have struggled to access, given the cost and risks involved in developing a brand. Eastern Cape-based company Ikusasa Green is an example; it manufactures a range of five roto-moulded cooler boxes under the private label brand Camp Master.



Ikusasa Green expands with new premises in Dimbaza Industrial Park

23 May 2017



Based in Wetton in the Western Cape, the Noodle Factory is a 100% black-owned noodle manufacturer, owned by Mohammed Shakiel Parker, who joined the SDP two years ago. Thanks to the partnership, The Noodle Factory now produces instant noodles for the Masscash private label brand, Econo, throughout the Western Cape.

In addition to accessing a broader market through the repeat business from Masscash stores, the SDP has also assisted the company in acquiring upgraded machinery, meeting ISO compliance and certification requirements and improving its packaging to meet labelling standards.

Parker says, "With big retail on board, we have taken our job numbers from 25 to 129. Flour processed has increased from 3.2 tons to 8 tons per day. We still have challenges but we now run the plant 24 hours a day. In the next 6 months, we will outgrow our current line and will have to add another. This should bring at least another 70 jobs online. Bear in mind that all our volume comes from import replacement I'd like to thank Massmart and the EDD for their assistance and installation of the new boiler. It comes at a time when its need is greatest."

A key focus of the Supplier Development Programme is to source and support small local manufacturers who provide opportunities for import substitution; of the 32 suppliers, six are import substitution projects.

For more, visit: <https://www.bizcommunity.com>