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Lessons on building a local brand from the ground up

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Before the onset of Covid-19, trend forecasters predicted that South Africa's pet care economy would soon outpace other emerging markets. No sooner had this trend taken root when the pandemic reached South African shores, catalysing a dramatic upsurge in pet ownership and giving the industry newfound impetus to the tune of <u>R7bn in annual revenue</u>.

A young, South African couple, positioned perfectly to take advantage of this industry boom used small and medium sized enterprises (SME) financing as a springboard for their dog food brand, which today is a glowing example of the ingenuity and grit of our local entrepreneurs.

"Global Entrepreneurship Week presents the ideal opportunity to showcase South African small businesses, whose stories hold several invaluable lessons for other aspiring entrepreneurs. For us, an excellent example of this is Primal Pets – a brand that has survived a gauntlet of challenges, to become the thriving business it is today, says Jeremy Lang, chief investment officer at Business Partners Limited.

Primal Pets was founded by married couple Raeesa and Shaad Jardine who met on their first day at Wits University. Their mutual love for dogs and shared experience of having lost two of their own "fur babies" to cancer, prompted a search for a different diet for dogs, that would feature as an alternative to commercial, mass-produced dog food.



Raeesa and Shaad Jardine, founders of Primal Pets

This was the beginning of Primal Pets – a business that the couple started after graduating from university with degrees in business science and finance. Six years after the launch of the brand, Primal Pets now has its own factory and produces a ton of top-quality raw dog food every day. The Jardines's entrepreneurial journey had its fair share of speed bumps, but years after the idea for the business was first conceptualised, the couple agree that "it was worth the adventure".

In a bid to encourage young entrepreneurs and provide them with insight into the process of starting an SME, the couple shared these three key lessons:

Being first to market does not equal automatic success

At the time of inception, Primal Pets was a market pioneer, with the Jardines having witnessed the uptake of raw dog food overseas and having found no local equivalent. Identifying this gap in the market was vital, but the couple did not take for granted that the same international trend would find its place within the local market quickly enough.

Therefore, as Raeesa explains: "My husband and I used the fact that we were pioneers in the raw dog food space to gain a competitive edge, but the real traction happened when we conducted thorough research into the South African pet market.

We spent time immersing ourselves in data on the values, spending behaviour and needs of local dog enthusiasts. It was important for us to be the 'first' but it was equally as important for us to be perfectly priced, strategically marketed and crystal clear on our long-term objectives."

Be laser-focused on customer service

Post-pandemic, consumer demand for product offerings that are tailored to their needs and lifestyle has prompted many small businesses to hone in on the basic principles of good customer service. For the Jardines, the best way to do this was to hire drivers for door-to-door deliveries and partner with independent distributors who play in the niche pet food space.

As Primal Pets expanded, the option of competing for market share in South Africa's major supermarkets become a real prospect. But, for Raeesa and Shaad, vying for attention in a saturated space was less attractive than leveraging the increased consumer demand for a personalised level of service.

Think outside of the traditional finance box

Access to finance has long been one of the biggest hurdles for local entrepreneurs, with traditional forms of credit being notoriously difficult to secure. This was a lesson that the Jardines learnt first-hand after being unsuccessful at securing a bank loan to fund their brand's expansion.

"While established and experienced entrepreneurs may very well find bank loans to be a viable funding option, first-time SME founders need to be aware that there are other options. In our experience, non-bank financiers are often more flexible on loan terms and can provide solutions that are tailored to where you are in your business journey," says Shaad.

After approaching Business Partners Limited, the Jardines secured 100% finance for their first commercial property. The funding helped them secure tenure for their business as well as ease of access for their employees, most of whom reside within the immediate vicinity of the property.

As Lang concludes: "Businesses like Primal Pets continue to demonstrate that our confidence in local entrepreneurs is well-placed and that our efforts in bridging the finance gap for local SMEs is bearing fruit and impacts societies. These entrepreneurs received an opportunity to build an asset base which they can leverage for future growth."

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