*When entrepreneur Theo Pillay decided to expand his interests in the food business, he opted for a franchised outlet. Carol Posthumus reports*

# 'S'gudi S'naysi' says it all

Franchises are often viewed as a good, sometimes expensive, starting point for the inexperienced or over-careful. However, the young but seasoned Theo Pillay (26) reckons that his purchase into the Chicken Licken chain was one of his best calculated gambles.

For one thing, his ownership of a Chicken Licken in Lenasia South has had good spin-off effects for his butchery. Pillay says, for example, that he has learnt how to control large amounts of central stock through being part of the Chicken Licken empire and has transferred some of this knowledge into expanding his butchery, The Mutton Connection. Soon he will open The Wholesale Connection – a central mass wholesale, manufacturing and storage division for the butchery. Furthermore, the Chicken Licken formula has worked so well for Pillay, that he is also in the process of acquiring another "S'gudi S'naysi" outlet in City Deep.

Pillay says compared to starting a business from scratch, a big-name food franchise like Chicken Licken has a number of obvious advantages.

"The fact that you are selling a tried-and-tested product is important. With the butchery, we had to experiment to find the right product mix. That can be expensive. With a franchise you don't have to worry about a direct competitor opening up next door. You have some market exclusivity.

"Also, through the franchisor you have access to the know-how of big business and you get mass exposure because they can afford to advertise on a large scale. I believe the royalty that I pay to Chicken Licken pays for itself."

Pillay says The Mutton Connection has taught him that "advertising is the key to better sales on any product". He reckons that The Mutton Connection's snowballing monthly turnover can be partly attributed to their monthly investments in advertising in various newspapers.



Theo Pillay ... calculated gambles

This young businessman acknowledges, however, that a franchise is a not a totally risk-free bed of roses for new entrepreneurs. Pillay says he was fortunate that Chicken Licken introduced him to small business funders and franchise specialists, NedEnterprise when he needed additional finance for the deal.

Pillay recalls: "I managed to come up with half of the amount and NedEnterprise assisted me with the rest of the finance. NedEnterprise were refreshing to deal with – they tend to look at business proposals like businessmen, not like bankers.

"In my opinion, many a small South African businessman has had his confidence squashed by the

... *Continued on page 111*

... *Continued from page 88*

You gave me an encouragement to speak in front of an audience and to be able to think right on my feet. As a result, I have decided to join Toastmasters Club with the aim of improving my public speaking.

I completed 10 assignments and was awarded a CTM (Competent Toastmaster) certificate by Toastmasters International. Today I am the president of Toastmasters Club.

From the mentor's point of view, I have achieved success through your encouragement and support.

From my own point of view, I achieved success through self-discipline, commitment, determination, creating a vision, faith and hope. Let us secretaries have faith and hope that one day we will be where we want to be.

In conclusion, you and I have a solid relationship because there is trust and honesty between us.

Talking about relationships, if other bosses and secretaries could say "please", "I'm sorry" and "thank you", they will get respect from other people.

To me, boss, you are my mentor, brother and friend. You are my facilitator and my adviser.

I sometimes teach you how to speak Zulu and you teach me how to speak Afrikaans. We both want to be bilingual.

If secretaries don't have mentors I would suggest they start looking for them from today.

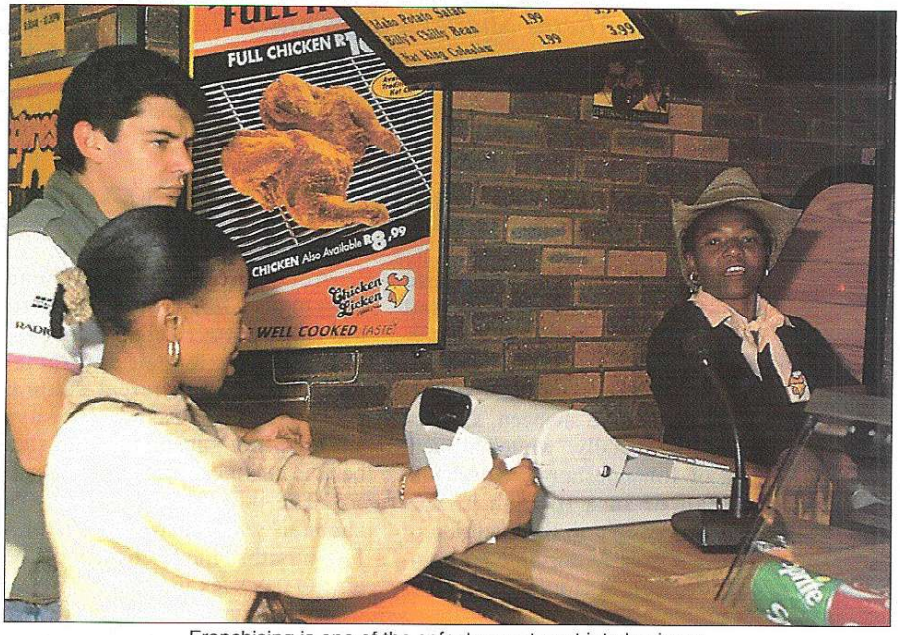
**Yours sincerely**
**Tshidi**

... Continued from page 108

banks' attitude. I believe that they should be a little more lenient to small businesspeople, and when they reject loan applications they must explain why they have done so. To get a flat 'no' makes you feel that you have failed before starting. Sometimes your proposition may be viable, for example, but your collateral might just be insufficient."

***"It is important to put time and dedication into your business if you want to achieve great things."***

NedEnterprise's Business Development Manager Sholly Sharma regards Pillay as one of the leading rising stars they have funded: "It is inspiring to see such a young businessman who started from small beginnings doing so well."




Franchising is one of the safest ways to get into business

Sharma says it is notable that Pillay has built up this branch of the chicken franchise in spite of difficulties in his trading environment.

The shopping centre which houses Pillay's chicken outlet has been under construction for two years, and the paving and roadwork around the area are not complete.

*Hard Work*

"It's a real tribute to him and his team's hard work that they have twice been awarded the Chicken Licken Trophy for the best operation in the country since opening," says Sharma.

He adds that Pillay displays the combination of hard work and guts which are the hallmarks of successful entrepreneurs.

Pillay, who got his first taste of catering as a scholar, when he worked as a waiter in a racecourse dining room, says his 17-18 hour working days and the "will to succeed" have spurred him on. He likes to build teams in his business, and says they are important

*Support*

"An investment cannot succeed solely on my strength and talent. Staff teams are important. It's also crucial to have the support of family and partners. Diversity in a business is crucial not only for monetary risk-spreading, but also for talent plus ideas input."

Pillay believes that an essential part of business is keeping up on financial trends: "It's important to put time and dedication into your business if you want to do achieve great things. I constantly update my business knowledge – if I don't read the financial pages of the newspapers I wake up in the middle of the night knowing that I have skipped an essential part of the day." ◆

## New clothing manufacturing partnership

Boksburg-based Phakamani, a new clothing manufacturing partnership specialising in original top-quality African designs, is to be launched during Small Business Week on September 10 at a fashion show in Pastor Jacob Mahamba's Tsakane Apostolic Gospel Church.

The business is a new partnership between Priscilla Msiza, Gladys Lekalakala, Hazel Makgalemele, Julia Dlomo, Martha Mavimbela, Judith Masuku and established fashion manufacturer Cora Simpson of Cora's Costumes.

Phakamani CC came about when Simpson and the employees in her shop decided to form a partnership, with Simpson putting up the capital.

Phakamani has eight lines – ranging in price from R120 to R250 – which will be sold through Cora's Costumes outlets.

* *Phakamani can be contacted on (011) 917-2009.* ◆