

Clothing banks money

BY NABELAH FREDERICKS

"WE started with no money, only ideas and a lot of passion," says Tracey Chambers, the co-founder of a social enterprise with a very innovative business model.

Chambers, together with Tracey Gilmore, runs The Clothing Bank, a non-profit organisation that receives rejects from the retail sector and then sells these as garments to underprivileged women who the organisation helps to run sustainable businesses.

Five years later, the passion is quite evident as Chambers talks to Small Business Connect about the impact that the organisation has had – 745 women enrolled in its two year informal trading programme whose businesses have made an accumulated R26.4 million in profit since the inception of the programme.

These figures lay the foundation of the success story which helps to sell the organisation's benefits to its customers, mainly underprivileged black women.

"Ours is a very interesting case since our beneficiaries are also our customers. We wanted to create a recipe for a successful business, so we needed to find the right candidate for this recipe.

We invest in these women and the more successful they are at selling the garments in their own businesses, the more stock



Tracey Chambers with a graduate of the programme Zoliswa Boo-Jaka and Tracey Gilmore.

they will eventually buy from us," says Chambers.

She adds that the success of these women is also seen in their respective communities and this then encourages other women in their communities to apply to the programme.

"This makes the organisation majorly attractive to beneficiaries

(who in turn become customers)," says Chambers, who adds that currently there's a waiting list for those women who apply.

Chambers says that the organisation invests about R30 000 in each woman and points out that the women effectively pay back the amount through the garments they buy from the

organisation.

"After two weeks in the programme, each woman is given R500 to buy stock from us. This needs to translate into a profit of R5 000 and some women make this in one month, others within three months." The idea for the organisation came to Chambers while she was working in the retail



Join the online discussion

SOCIAL entrepreneurs have a new platform to learn about successful social enterprises.

This follows the launch of Talking Social Enterprise, an online "talk network", hosted at 7.30pm on a Wednesday evening of each month.

It aims to stimulate debate amongst social enterprise entrepreneurs and is hosted on the Google Hangouts platform.

- To listen to the show, sign-up by registering via www.TalkingSocialEnterprise.net.

Sell the benefits to customers

BY MARCUS COETZEE

GREAT social enterprises are those that ensure that their customers get real value for the goods and services they purchase.

They invest lots of time and effort in trying to understand their customers' needs, they design products that genuinely benefit these customers and, when approaching new customers, they clearly describe to them the benefits of buying their products.

This is the eighth principle in our Think Like a Social Enterprise series. Hubspace Khayelitsha is a social enterprise that provides a shared workspace and business support services to entrepreneurs. Over the past two years, the organisation has worked closely with entrepreneurs to understand their needs and the type of services they require.

For example, the organisers regularly host a pitch session where entrepreneurs can pitch ideas to potential investors. When Hubspace Khayelitsha talks to potential customers, it is able to clearly describe how they will benefit from the Hubspace experience.

However, this principle is

more complex when applied to non-profit organisations (NPOs), which can have both beneficiaries and customers.

Beneficiaries are described as those that the organisation serves (such as the sick, vulnerable and elderly). Its customers are those that pay for its goods or services to be delivered.

For example, Vodacom Foundation has sponsored Siyavula to help learners at about 100 schools to improve their maths and science skills using the latter's Intelligent Practice product. In this case, the learners are the beneficiaries and Vodacom Foundation the customer.

Unfortunately, some NPOs are so focused on serving their beneficiaries that they forget all about the customers that fund their operations. As any business will tell you, this is a short-sighted thing to do.

Some NPOs even expect government, businesses and foundations to give them money, believing that they are entitled to it because they are doing good work. They neglect their customers, and as a consequence, they struggle.

So what can a NPO do to win

more customers?

The first step is to package the social outcomes they want to achieve into an attractive product.

This product should describe the social outcomes that the organisation plans to achieve and explain how this will be measured. It must come with a price tag that enables a profit margin while providing value for money. This subject has been explored in previous articles.

The second step is to understand the needs of your customer. Identify any additional benefits that you could provide to them and build them into this product. Saying that you will help them spend their corporate social investment funding is no longer good enough. You need to offer customers more benefit than just this.

Learn from a social enterprise like FoodBank that helps retailers such as Pick n Pay to redistribute food to the hungry – edible food that will shortly expire and get to waste. In serving the hungry, FoodBank helps these retailers become responsible citizens. This makes them willing customers.

The third step is to tell your potential customers how they can



Marcus Coetzee

benefit from these products.

Remember that when selling, you must focus on what your customers' needs are, rather than on your needs or on those of your beneficiaries.

When hunting for customers, it is no longer good enough to simply describe how you will fix a social or environmental problem. You also need to sell the benefits to them.

- Marcus Coetzee is a strategist specialising in social enterprises.

sector in 2010. She witnessed how retailers would give away about R1 billion worth of waste annually to charities, but that how this held little value for beneficiaries.

"Garments were being given to a children's charity that only contained one piece of children's clothing, for example," says Chambers, who started the organisation with her longtime friend Gilmore.

Determined to make a difference and passionate about uplifting unemployed mothers, the pair was able to secure handouts from Woolworths and then later garage premises from the City of Cape Town.

"Our beneficiaries are our customers" - Tracey Chambers

From here they built up the organisation – that boasts clothes from major retailers such as Woolworths, The Mr Price Group, Pick n Pay Clothing, Edcon and Truworths – to what it is today. Today the Clothing Bank has branches in Cape Town and Johannesburg and recruits 300 new women a year. Applications to join the programme can be made via the organisation's website. Should applicants be successful, they will undergo 38 workshops in the first year of training, as well as a learnership in an informal business in their second year.

In the second year of the programme they will be supported by a life coach, while receiving business mentorship.

- For more information visit www.theclothingbank.org.za.