

PRESS RELEASE
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**FASA'S CHAIRMAN AIMS TO PUT ENTREPRENEURSHIP AND EMPLOYMENT
FIRST**

The appointment of Tony Da Fonseca, Managing Director of the OBC Group as Chairman of the Franchise Association of South Africa for 2017/2018 comes at a crucial time in South Africa as it faces uncertainty on so many fronts - politically, socially and economically.

At FASA's Annual General Meeting, outgoing Chairman Naas Du Preez, MD of Oasis Water, in handing over the baton to Tony Da Fonseca had this to say of the current business environment; *"The past few years have not been easy to be in business – what with global political upheaval and an uncertain economic outlook. Having said that... I would rather be in business within a franchise system than be facing all these challenges on my own."*

Tony Da Fonseca, FASA's 2017/8 Chairman echoed those views, confirming the franchise sector's ability to take tough economic times in its stride. *"Joining a franchise does not guarantee success but common sense tells us that starting a business under the umbrella of a known brand, having access to tried and tested systems and procedures and enjoying the wide range of initial and ongoing support a bona fide franchise offers, enhances a newcomer's success chances tremendously. The well-known slogan, 'to be in business for yourself but not by yourself' sums it up nicely."*

But with rising unemployment and conditions for entrepreneurs to thrive and start new businesses under strain, Tony Da Fonseca believes everyone has to come together in a concerted effort to stimulate entrepreneurship and create much-needed jobs. Franchising in South Africa currently services around 17 business sectors – way behind countries such as Australia, Europe, Canada and the USA who boast between 25 and over 70 business categories. "The opportunities to expand into many more sectors and particularly in the social and services sectors of the economy are endless but we need to mobilise business and industry leaders, government and civil society to play a part in freeing up economic regulations and find creative solutions to allow entrepreneurship to flourish."

Government's goal of 5 million jobs by 2020 means that, for real economic growth to happen, 90% of South Africa's jobs will have to come from small business. Or rather, as futurist Clem Sunter puts it, "we need to create one million businesses and the rest will take care of itself."

Tony Da Fonseca believes that the franchise sector is perfectly poised to take the lead in transforming the business landscape. “As a group of progressive franchise entrepreneurs, historically and against the odds of sanctions, created a franchise sector that today boasts close to 90% home-grown concepts.”

Government has acknowledged that franchising can play a role in developing new businesses, in skills transfer and job creation and has partnered with the franchise sector in two projects:

- The *Micro Franchisor Development Project*, initiated by the Department of Small Business Development (DSBD) to develop micro businesses to become franchise ready.
- The *Jobs Fund* franchise initiative, a project initiated in 2013, which will see the creation of 3 000 jobs over the next four years.

According to Tony Da Fonseca, although a welcome start, that is barely scratching the surface and much more can be done in the public/private development space. “The opportunities to transform government services, such as health care, water delivery, education and in many other areas, through the social franchise format, are enormous. Both locally and internationally, pilot projects in social franchising that operate on commercial principles, making enough profit to sustain operations and re-investing surplus profits into the community they serve, have proved to be viable.”

FASA’s recent Franchise Survey confirms the continued growth of the franchise sector – contributing 11.6% to the country’s GDP, which translates to R493.19 billion rand through its 757 franchise systems, 35 111 franchise outlets and employing close to 400 000 people. “This puts the franchise sector”, says Da Fonseca, “with its sound business principles based on a proven duplication system of checks and balances, in the ideal position to fast track skills development and job creation by stimulating entrepreneurship, creating small businesses over a wide range of business sectors and more importantly contributing to skills transfer and ultimately job creation.”

BACKGROUND TO TONY DA FONSECA AND THE OBC GROUP

OBC Chicken & Meat was established as a family business thirty years ago by a progressive group of Portuguese traders who set up retail outlets in township areas, at taxi ranks and in the CBD areas of town and although it has changed and grown over the years, its core values remain the same, which is to supply its target markets with a solid brand offering, neatly held together by the promise of quality, affordability, convenience and service excellence.

Tony Da Fonseca joined OBC Chicken & Meat in 2008. Prior to that he held the position of Managing Director at DDB South Africa, the local subsidiary of the global communication giant DDB. OBC Chicken & Meat were one of their clients and Tony had an interest in holding a senior position in a business that served the lower to

middle categories of the mass market for consumer goods because that's where the biggest challenges and the real growth lay.

OBC offered Tony the post of CEO and he took up the challenge in 2008. Tony's 14 years of managing a globally aligned advertising agency exposed him to not only local clients but to the workings of a multiple number of international accounts and to best brand practices from around the world. But, being a trader at heart, he always wanted to develop a brand that would eventually evolve into a household name among members of its target market. Joining OBC offered Tony that opportunity and he hasn't looked back since.

Realising the true potential of the business, he introduced professional retail and management techniques, rejuvenated the Franchise Division and managed to develop the brand into what it is today, namely one of the fastest-growing businesses in the lower-end FMCG space.

The OBC Management Team, under the visionary leadership of Tony da Fonseca, is determined to build the OBC brand into the leading brand in its sector, to be respected throughout South and southern Africa, consolidate its position in the marketplace and create a platform for continued and sustainable growth.

As OBC Chicken & Meat, with over 50 franchised stores countrywide, enjoys a strong brand presence built up over 30 years as the 'chicken ekaya' of choice, it continues to prove that success in retailing lies in building up a sustainable brand over the long term and winning the customers' support with range, quality and value. Says Tony, "Unlike the bigger retailers, especially those that do not franchise and who can afford to carry weak stores, we, in the franchise space, have to make sure that every unit is self-sufficient - making the challenges of site selection and operator training so much more essential."

Tony has served on FASA's council, Exco and various committees since 2014.

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