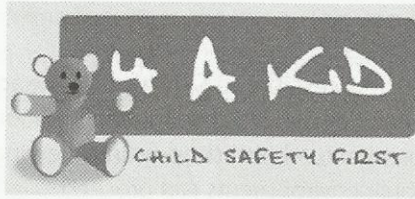


# 4 a Kid



## 1. Introduction: What is 4aKid?

For a Kid CC, trading as 4aKid, is a company based in Sandton. We are predominantly a child safety company and we are passionate about providing quality child safety products as we believe that all children have the right to live, learn and play in a safe environment. All our child safety products provide simple solutions to the everyday concerns parents may have about their children's safety. We aim to provide a quality selection of child safety products, baby accessories and pregnancy items so that parents or caregivers have one less thing to worry about. We are dedicated to bringing unique and purposeful products into the South African market. We have successfully introduced these products to the parents of South Africa, with amazing and positive results.

We are an online company, but we also have agents and resellers who purchase our products and sell them part time or in a shop, in order to make extra income.

During 2008, managing director Ally Cohen was nominated as one of the top five finalists in the *Living and Loving* Standard Bank MomEntrepreneur competition, a national business competition.

4aKid was also first runner up at the 2011 702 Small Business Awards for our service excellence, innovative marketing techniques and our contribution to the community regarding child safety awareness.

Our mission is to ensure that our safety products are affordable and available to parents across the country, and to create child safety awareness, whether at home, in the school environment or out in public.

## 2. How and why did the company start up?

Ally Cohen is the founder of 4aKid. She began this company shortly after her first child was diagnosed with lobar holoprosencephaly and severe brain damage. The implications were that it was extremely difficult to keep track of the child and, because he could not

talk, Ally decided to bring in internationally made products to help locate her child and keep him safe at all times.

With 15 years of experience in all areas of the retail and wholesale distribution business, Ally researched the international market for a variety of child safety products. Once the products were shipped in, Ally began to see a need for them not only for special needs children, but also for ordinary children. Too often children get lost in public areas, be it in a shopping centre, on holiday or even in the park. Ally started importing more child safety products, and started off selling to her friends with children. Then she decided that she should actually make a business out of it and help parents to protect their children at all times. Ally believes that child safety is the responsibility and obligation of every parent and guardian. After all, we all want the best for our children. Being a parent today is challenging enough, so she worked hard at finding the products, tools and resources to make life easier and simpler for parents and for children.

Ally has represented 4aKid on numerous television and radio shows and various websites that emphasise the need for safety products in South Africa. Highlights include, but are not limited to the following:

- In December 2008, Ally Cohen was invited onto the national television talk show *3Talk* to discuss child safety, and showcase 4aKid safety products in conjunction with Missing Children SA.
- In 2009, Ally joined the team of experts on the Arrive Alive website, advising the public on different aspects of child road safety, and at the start of 2010, she was appointed child safety advisor for Parent24.com.
- In April 2010, Ally Cohen appeared on the *Mamas and Papas* interactive parenting show on SABC3, where 4aKid Child Safety Products, including the 'Secure-A-Kid' and 'Easy Sleeper', were presented and viewers were given child safety advice about travelling with their children.
- Products such as the 'Mommy I'm Here Child Locator', '4aKid Child Safety Harness' and the 'Infoband' were also featured on *Good Morning Africa* on DSTV in April 2010, where viewers were given advice about child safety regarding abductions and human trafficking, and current safety issues were discussed in detail.
- In November 2010, Ally was interviewed on popular parenting show *Great Expectations* on e.tv by Sam Cowen, as a child safety expert on an episode called *The Safety Show*, and in December 2010, Ally appeared on the news on DSTV's eNews channel to give holiday safety tips for parents and children.
- In 2011, Ally was appointed as resident child safety advisor for Mommalicious Mamas, one of South Africa's leading parenting forums.
- In March 2012, Ally appeared on *Good Morning Africa* to share her views on child safety.

We believe in ensuring all parents know of the dangers in society and how to protect children from those dangers in an effortless way.



### 3. Target market

4aKid's target market is mostly females. The company caters to both married and single parents, as well as to both men and women, however women seem to make up the majority of our customers. We cater to people of all ages, but our products reach mostly people who are 25–34 years of age, so it appears that this is the younger parents group. Research has shown that we reach predominantly English-speaking people, followed by Afrikaans speakers. We cater for middle- to upper-class parents. Furthermore, the majority of our customers are local, but there are some international ones too.

### 4. Products

4aKid originally began selling only child safety products. These include safety products for being 'on the go' such as safety harnesses, child locators and safety wrist straps. Water safety products include shampoo rinse jugs, pool alarms and snug tubs. We also carry car safety products, including Secure-A-Kid car safety belts for children's seat belts, car seat strap clips and easy sleepers.

We decided that in order to bring in more revenue and build the company, we needed to start listening, following and creating trends, which led us to starting our '4akid Couture' brand. This brand includes children's clothing, unique gear and accessories, and imported products such as Huggalugs, Noo Wear, Elodie Details and Smitten. We began selling pacifiers, leg warmers, mosquito bands for children, hats, feeding accessories, blankets and much more.

All of our products comply with local and international safety standards, and plastic items are BPA free. Our electronic products come with CE certificates and relevant products are ICASA approved. Our products are of premium quality. The innovative designs combined with credible and helpful purposes and value-added features make parents' lives easier and simpler.

Our brand has grown extremely large with over 1 200 products. As soon as we see a trend, we source the products ourselves, whether locally or internationally, and we ensure we establish sole agencies and distribution agreements with international companies for various branded products from around the world. We are continuously searching the internet for new and necessary products for children, and we are always aware what is going on in the market. We are constantly looking for innovative products all over the world, and product improvement and development has become a daily task.

### 5. Staff

We are a small company that is constantly growing. We have been going since 2007 and are expanding every year. We currently have four staff members: the managing director, office manager and two packers, one of whom we are training into an administrative assistant role. We have an open door policy, which means that no staff member is afraid or wary to ask questions. We are very communicative and staff are always welcome to voice their opinions or concerns. We pride our company on our staff, because without them the company would not survive. We are constantly training our staff about new trends, products and developments within the company. We work together as a team and therefore staff members feel valued. We have been training our packers to use



computers in order to grow themselves in the company. We ensure that we always give our staff new tasks so they feel important in the company. If we have good growth in a month, we give performance bonuses, as well as annual bonuses. In this way staff members are incentivised to perform. In addition, we do performance reviews twice a year in which we ensure all voices and concerns are heard. We treat our staff very well and pride ourselves in our ability to create a happy, carefree working environment at all times.

## **6. Our competitors and our competitive advantage**

Competitors vary across the different ranges. With the child safety range we are competing against international brands, therefore it is important to be aware of which products are already in local chain stores. To gain a competitive advantage we offer personalised service at all times, as well as ensuring that our products have trendier and funkier designs to make them more appealing to both children and parents.

With regards to our clothing and accessories range, our competitors are mainly local, smaller companies that have manufactured similar products and designs on a smaller scale. We gain competitive advantage over them by always providing superior quality and consistency in our ranges, and still keeping up with international trends.

We have a network of agents who provide more than 50 per cent of our sales turnover. They give us a competitive advantage as the end user gets more personalised service and we are able to achieve more coverage and exposure in areas where there are no retailers. To ensure our agents are happy and satisfied we offer them incentives and discounts to push sales. We also offer marketing support, so that they can create part-time business for themselves, and this also encourages local entrepreneurship.

Our main competitive advantages are our quality products that fill a definite need, as well as our fantastic customer service. We ensure that the customer is always right and we do everything in our power to emphasise this. We keep clients informed about progress from the time they purchase our products, to the time they are sent off by couriers or in the post, including giving them waybill numbers, and we ask them to let us know if they have arrived safely. Our customers are involved in the whole process at all times.

We are linked to medical aid wellness programmes, which enables our clients to get discounts on our products as part of their healthy lifestyle plan. We have a birthday club, so our clients' children get birthday presents with their purchases. We commit to our clients in every aspect of the company and ensure they are happy and satisfied at all times. We have a customer services unit that clients can call for any kind of information, help or assistance. In these ways we ensure 4aKid has a competitive advantage over other companies.

## **7. Social responsibility**

At 4aKid, we are passionate about social responsibility. We care about the children of southern Africa and try to make a difference to our community. We have selected a few charities, which include Angels without Wings, Teens Haven and Tshwane Haven Place of Safety. We are also constantly purchasing gifts from the Avril Elizabeth home, in order



to support them. We hope that as we grow, we can incorporate more charities into our social responsibility activities.

## **8. Our challenges**

Competition is definitely a huge challenge, as well as manufacturers that remake our products in South Africa and sell them off as their own. Competing against chain stores has been an ongoing challenge, and as a result we prefer to use agents to sell our products.

Maintaining a small staff complement has been difficult, especially in terms of knowing when and if to overextend our overheads.

Finances and cash flow are always a great challenge, especially in a small start-up company. Furthermore, trying to maintain a good reputation and impeccable service levels at all times, as well as doing continuous marketing, are challenging, especially in tough economic times.

A major challenge has been identifying where and how to market the company in the right media channels. It has also been a big, time-consuming task to maintain a strong daily online internet presence, so that the customer can always find our products online.

Another huge challenge is the costing of products against the bad exchange rates for South African Rands (ZAR) and, due to this, we have had to turn away many fantastic international products as the retail pricing would be too expensive for the South African market.

Shipping to South Africa is expensive, both by air and ocean freight, and this also needs to be considered when sourcing products as it impacts the raw cost substantially.

## **9. How have the financial situations grown from start up to today?**

Initially the company started up as a part-time business, so the owner withdrew money from her own mortgage to fund the business and to purchase stocks. As the cash flow increases, the loan is slowly being paid back. However it has been vital to ensure there is enough cash flow in the company to maintain stock levels as well as keep up with trends. An overdraft has been applied for on the business account, and this is used primarily to purchase stock. The company also has a credit card for overseas transactions.

We run strict debtors' accounts, with the majority of purchases being cash on delivery (COD). However, we do have a few 30-day accounts with our larger retailers.

Cash flow is a constant problem with small businesses especially when dealing with imports. Most overseas factories and suppliers require full payment upfront prior to manufacturing or shipping the goods. This can leave a time period of up to eight weeks before the goods are received in South Africa to sell and recover the monies laid out. Timing is of the essence as the goods also need to be re-ordered in advance before the current stock holdings are sold out and this impacts the cash flow substantially.

## **10. Future plans**

Our main aim is to grow the company by increasing sales and profits by bringing in more products and becoming a market leader in our product categories. A very important step we need to take is to get most of our products patented, so other companies

cannot manufacture a similar product. We want to gain more market exposure by getting more agents on board, as well as further retailers. In addition, we want to be able to grow our staff complement and train our current staff into higher positions with more responsibilities. We want to increase BEE and women empowerment in our business, as well as commit to more social responsibility.

Written by: Ally Cohen and Kerri Goldberg

Website: [www.4akid.co.za](http://www.4akid.co.za)