CADENA
GROWTH PARTNERS

CADENA HR JOURNEY

Your Legacy + Our Expertise = Exceeding Your Potential in the Digital Economy

2016
SmartXS Go Live

May 2017
Absences Issue

Jun 2018
IRP 5 Issue

Oct 2018
Health Check

Feb 2019
Post Go live Review

Apr 2019
HCM2 review

May 2019
EXCO
Noted and Accepted Accenture RFI review
Decision: Approved further investigation

Jun 2019
Vendor Case Study

July 2019
CHRO & CIO Feedback
CIO and CHRO accepted outputs of vendor case study

Sept 2019
EXCO
Noted challenges in current solutions. Requested integrated program view including HCM Technology Upgrade, Workforce Management and Payroll.

Sept 2019
Deep Dives

Oct 2019
Value Case

Nov 2019
EXCO
Demo and Value Case approach walkthrough

Jan 2020
EXCO
Decision: Approved preferred Vendors. Procurement directed to initiate commercial negotiations

Aug 2020
EXCO and Board
Strategic Projects for FY21 approved. SAP and SACO Approved to proceed. HCM approved in principle for implementation 5 sept (depending on Company's financial performance)

Aug 2022
EXCO
HCM approved with Review

KEY GLOBAL USE CASES IN THE VALUE CHAIN TO FOCUS ON

At the functional level, global organisations commonly prioritise certain use cases which can deliver value. Cadena has started work in some of these use cases, with some potential new use-cases that need to incorporated in Cadena's digital portfolio

Procurement	Supply Chain			Consumer and Grains	Customer Mgt	HR	Marketing	Finance
Sourcing	**Manufacturing**	**Warehousing**	**Logistics**	**Customer Sales**	**Customer Service**	**HR**	**Marketing**	**Finance**
Strategic Sourcing Pricing monitors and trend analysis solutions	**Manufacturing Execution** Automate repetitive, IoT connected equipment and analytics processes	**Warehouse Planning** Machine Learning integrated warehouse management solutions and labour planning	**Logistics Strategy** Delivery Dashboards and Analytics integrated with ML and AI solutions	**Lead Generation** Chatbot and digital communication channels	**Customer Service Segmentation**	**HR Planning** Machine Learning integrated warehouse management solutions and labour planning	**Marketing Strategy** Machine Learning integrated warehouse management solutions and labour planning	**Planning and Management Accounting** Pricing monitors and trend analysis solutions
Catalogue Management Supplier management solutions	**Quality Management** Implementing quality assurance systems using Digitisation, Machine Learning, AI and Data Analytics	**Warehouse Operations Management** Implementing a warehouse management system	**Inbound Material Flow Management** Reconciliation and stock take tools	**Customer Account Management** Customer Relationship Management tool.	**Customer Service Request Management** Integrated Customer engagement and self service	**Recruitment** Implementing a warehouse management system	**Marketing Management** Implementing a warehouse management system	**Revenue Accounting** Supplier management solutions
Material Ordering Implement an e-procurement and procure to pay solution	**Plant Maintenance** IoT and Data Analytics solutions to track plant equipment statuses and conditions	**Warehouse Maintenance** Using acoustic monitoring, infrared thermography, and vibration analysis to perform preventative maintenance	**Outbound Transportation Operation** Automate data capture and truck selections	**Retail Execution** Automate Payments Receivables	**Customer Complaints Management** Automate complaint management system	**Employee Management** Using sensors like acoustic monitoring, infrared thermography, and vibration analysis to perform preventative maintenance	**Customer Sales Strategy** Using sensors like acoustic monitoring, infrared thermography, and vibration analysis to perform preventative maintenance	**General Accounting and Tax** Supplier management solutions
Procurement Initiatives			**Reverse Logistics Management**	**Sales Order Management** Using digital tools such as ecommerce or omnichannel to enable sales	**Customer Service Performance Management**	**Employee Learning** Using sensors like acoustic monitoring, infrared thermography, and vibration analysis to perform preventative maintenance	**Consumer Marketing** Using sensors like acoustic monitoring, infrared thermography, and vibration analysis to perform preventative maintenance	**Payroll** Implement an e-procurement and procure to pay solution
				Sales Force Management Insight driven sales enablement				**Internal Controls and Compliance**

THE EVOLUTION OF TELEMATICS

Telematics has evolved from very basic data collection and a focus on SVR, to a sophisticated ecosystem of solutions beyond just vehicle applications that include open platforms that enable a variety of new market solutions

1990

OBD
- On-board diagnostics capabilities allow basic telematics functionality

Fitted Devices
- Installed devices used in some fleet applications and for basic vehicle telematics

SVR
- Key driver is stolen vehicle recovery in many cases mandated by Insurers

2G Networks
- Basic capabilities and data

2000

Fleet Management
- Enterprises using web-based fleet management systems with real-time information updates

GPS
- Consumer market flooded with GPS-based vehicle navigation systems

Cloud
- Advancement in cloud and M2M technologies enable fast and precise tracking of GPS data

3G Networks
- Enhanced connectivity, speed, processing and analysis capabilities

2010+

IoT/M2M
- Innovation in Internet-of-Things and M2M based telematics data management capabilities

Smartphones
- Widespread use of smartphones enable innovation in telematics applications and data collection

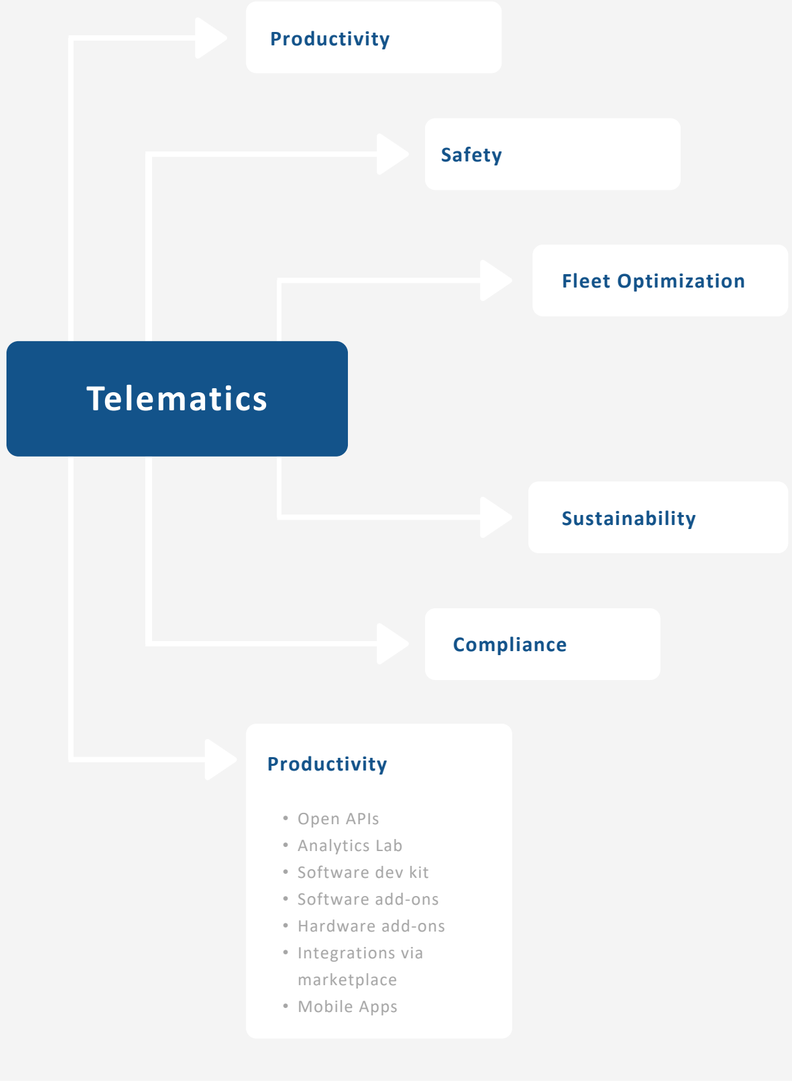
Big Data
- Huge quantities of data collected at high-speed and in real-time

Advanced Analytics
- Increased use of machine learning and data science create sophisticated telematics applications

4G and 5G Networks
- More enhanced speed, data collection and processing capability possible

Connected Vehicles
- More vehicles pre-fitted with telematics and other sensors enabling collection huge data sets

Open Telematics Platforms
- With data becoming ubiquitous, companies are open up platforms for more source of data and deriving value from analytics and packaging of solution



HIGH-LEVEL VALUE CHAIN

Cadena has initiatives in the value chain market that addresses specific needs but a larger opportunity exists to offer a more holistic end-to-end solution

Inbound logistics

- Sourcing
- Order placement
- Vendor supplier
- Transportation
- Receiving

Current services

Intralogistics

- Receiving
- Classified placement of goods
- Documentation and configuration
- Storage
- Picking and packing
- Dispatching processes

Current services

Warehouse Management Systems and Enterprise Resource Planning

Outbound logistics

- Customer order
- Order processing
- Replenishment
- Picking
- Packing, stacking & loading

Distribution

- Regional distribution
- Area distribution
- Last mile delivery

Dispatch IQ – tracks vehicles, optimises route

Fuel Dashboard

Asset and cargo tracking

Fleet Management Systems

Logistics Management Systems

SA M&A ACTIVITY IN ON-DEMAND DELIVERY

Despite attractive investment cases, these businesses' share prices have in many instances stagnated, trading at relatively large discounts to intrinsic value, enhancing their appeal to investors.

2011-2013

Takealot Acquires Mr Delivery

- 60% majority stake in 2013 to vertically expand Mr D's services from food delivery to other types of delivery like clothing, electronics, furniture, groceries and Alcohol)
- Grown to over 4500 delivery drivers and 1.6m monthly deliveries

2017

Makro Acquires WumDrop

- Helped to reduce delivery time (3-5 day delivery lead time reduced to just 2 days, for deliveries within 30km)
- Also focused on helping WumDrop continue growing its on-demand logistics network to other businesses like builders warehouse, Burger King, Game, CTM)

2020

Pick n Pay Acquires Bottles

- Majority stake to help Pick n Pay grow online grocery business less than 1 week into SA's COVID-19 lockdown
- Pick n Pay has since launched Bottles in 4 cities, doubling its online grocery sales and increasing online customer base by 200%

2021

Imperial Acquires ParcelNinja

- 60% stake to enhance warehouses, ordering systems, packaging, delivery and reporting
- Helps to improve Imperial's digital capabilities , while helping ParcelNinja grow its daily performance of approx. 1800 items packaged for 3000 orders

2021

Mr Price Acquires Yuppiechef

- Mr Price's recent R470 million acquisition of Yuppiechef was announced in 2021
- `Expand to an established, high-growth omnichannel brand gaining access to a higher LSM customer base, enabling growth of its share-of-wallet through aspirational value spending.

TRENDS

Merger and acquisition (M&A) activity

Uptick in foreign investment driven attractive valuations, the weak Rand and upside potential. This trend, coupled with the relaxation of pandemic-related restrictions, low interest rates, the strong balance sheets of South African corporates, a government and regulatory framework that is enabling in certain respects and the boost to commodity prices from Chinese economic stimulus, is continuing to bolster current deal activity (local and foreign).

© CADENA GROWTH PARTNERS 2022. ALL RIGHTS RESERVED.