

Redefine your business loss towards a trajectory of greater heights



Life, as we know it, is cyclical by nature. As such, so are the various facets that encapsulate it, of which any business is no exception.

Whether you are joining a new business, or are part of an existing one, it is critical to understand your business' life cycle phase as it can significantly shape your performance, regardless of the ambitious goals that may have been predefined.

While none of these phases can be avoided, it is vital for your business to establish strategies for each phase to help ensure a healthy sense of longevity for all stakeholders.

Tebogo Moraka, Founder of Home Of Nula™—a wellness e-commerce platform that brings together a variety of home-grown wellness brands to consumers who seek convenient shopping solutions in their wellness journey—shares how her entrepreneurial experience of working with businesses across all life cycle phases has prepared her for her current role of running the digital retail business. Moraka highlights that while profit is the goal for all businesses, it is evermore essential to have strategies in place for periods of loss, regardless of whether they are anticipated or not.

She states that having such strategies entails asking questions like what the core drivers of value are? How reliable or vulnerable are these drivers? How can both costs and revenue be optimised sustainably? Which contributing factors are fixed or variable?

Tebogo Moraka



How best can these elements be aligned into a business model that all relevant stakeholders can support?

Loss, when loosely defined, refers to the coming to an end. In your business, however, it can be an invitation to transform into a new direction. Such was the case for Moraka when she realised that the businesses that performed well within her portfolio of investments, were unintentionally centred around wellness in one way or another yet, as independent businesses, it was increasingly becoming a challenge from a marketing perspective to compete for the same consumer's limited attention on separate budgets. Her next task was then to strategically consolidate this common challenge experienced by many other local wellness brands in a

manner that made business sense due to the similar goal that these individual businesses had around solidifying their place in the market. That is how Home Of Nula™ then came about.

Having observed how saturated the consumer market is—with only a few large retailers at the helm, it was cleverly identified how local wellness brands needed to find new ways of penetrating the market that did not further spread the consumers' already limited attention span.

Moraka further emphasises that the environment within which your business operates ought to be continuously managed and accommodated for. This is to help minimize loss, given how one's environment contributes substantially to overall performance.

Some insights learnt from Moraka's experience and current journey with Home Of Nula™

1. The market's response is where the key to your success lies. Every business begins with an idea, driven by the perceived market dynamics. However, we all know of businesses that did not last long enough to enjoy enduring success, despite their promising intentions. Investing in reliable and ongoing market monitoring efforts, as well as responding timeously to new consumer insights is crucial in highly competitive markets. What this further highlights is the need for a healthy dose of flexibility to achieve this. Moraka's genesis skincare brand, Nula Skincare™, as well as her eco-friendly computer accessories brand, BamBoost® both taught her the importance of not being too attached to just one approach to growth and that employing a collaborative approach in your decision-making journey is a competitor-proof marketing strategy that is worth employing. After realising that both brands could be housed together given the similarities in their customer profiles, the benefits were that consumers gained more benefit from a search and shopping convenience, whilst internally, the distribution and marketing costs could be streamlined and better optimised.

2. Contingency planning is for all businesses, big and small. Due to the prominence of unpredictability in how business continues to be done, a contingency plan is no longer just useful for institutional financing. Instead, it is helpful to have it being regularly referred to and updated for the management of your business. The financial provision for such plans is also no longer just the responsibility of your business insurance provider as we can never be totally certain how long a period of loss may be. For Home Of Nula™, it has been highly useful to have independent eyes contributing to

such a plan to better prepare for potential blind spots—case in point being when one of the suppliers was behind with their supply of stock that had been ordered by a customer. This was curbed by establishing a minimum stock order level for every product category and ordering this minimum stock with cash and not consignment.

3. Governance practice is far more useful outside of the boardroom. Managing the operations of your business optimally at all times requires a holistic approach where all facets of your business are kept in alignment not just from a strategic perspective, but a tactical one too. This has proven to fast-track recovery periods at Home Of Nula™, most notably in the performance management of the marketing team where deviations from the shared strategy were promptly addressed and corrected before they could severely affect upcoming campaign launches and financial commitments that had already made.

4. Investing in reliable accountability partners for your entire value chain as a cost saving strategy. While it is essential to have financial reports and legal records for managing expectations with various bodies, it is in your business' best interest to have accountability partners for all your initiatives to avoid being deterred by potential blind spots. For Home Of Nula™, establishing an independent advisory board has made all the difference during periods of loss and vulnerabilities. Ultimately, with the right strategy, your initial loss may lead you to considerable gains. **BBQ**