

NRCS – Tevo Discussion

2 September 2015

Tevo Background

- We are a passionate South African business specialising in the sourcing, development, marketing and distribution of innovative, high-quality products
- Established early 2004 with 2 employees and 3 products
- July 2015 – 625 employees, increasing to over 1 000 in Dec 2015
- Passion for developing people
- Passion for “Speed-to-Market”
- Set a standard of “World Class”

Tevo Job Creation

- Tevo Headcount
 - July 2014 497
 - July 2015 625 (26% increase)

 - Dec 2013 535
 - Dec 2014 922 (72% increase)
- Future headcount dependant upon Sales
- Sales are dependant upon new Product listings

Tevo Revenue Creation

- PAYE
 - Year to Feb 2014 R4,3m
 - Year to Feb 2015 R5,7m
- Customs Duty and VAT
 - Year to Feb 2014 R26,0m
 - Year to Feb 2015 R32,7m
- Retailers' VAT (through their tills)
 - Year to Feb 2014 R42,3m
 - Year to Feb 2015 R52,9m

Tevo process for a new product

- Product is sourced and tested by Tevo for quality and suitability of sale in SA
- Product must have a test report according to IEC standards from a recognised international test house
- The full test report is attached as part of the LOA application to NRCS
- In 25 years of importing and submission for LOA to SABS / NRCS, we have never had a report to IEC standards questioned or rejected.

Period taken for granting of LOA's by NRCS



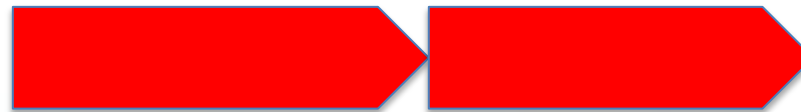
Time from date of order to arrival of shipped product in SA



Time for production of marketing material, staff recruitment and training



LOA approval process



Wasted time /
Wasted opportunity

NRCS Problem Areas

- Systems Unstable (IT)
 - Portal unstable so time wasted
 - Portal unable to upload large IEC documents

Product	SR #	Start Date	Delay	Notes
Go-Go Blender	1-16243242	31 March	Est. 30 days	Portal "lost" the SR #
Extraction Blender	1-18451201	8 May	11 days	Portal down
Foot Massager	1-18154534	8 May	6 days	Portal down
EasyVac	1-17965477	8 May	3 days	Portal down

NRCS Problem Areas

- “Status” Report Vague (Workflow)
 - Portal’s “Status” report vague forcing voice calls to NRCS which take up unnecessary time for both parties
- Issuing of LOA’s takes too long
 - Tevo’s timeline from order to launch in SA is 60 days
- NRCS clients completing application forms incorrectly
 - Involves much training by NRCS staff to rectify
- NRCS under-staffed ?

Proposed Solution

- Upgrade IT infrastructure
- Introduce a “Fast-Pass” system based on history of
 - Compliance adherence
 - Administrative effectiveness
- Enable Regional NRCS offices/inspectors, who have the unique training and experience, to process applications for applicants in their region

Questions