

NOWNOW - Your People, Your Fashion



20 Apr 2020

#LockdownLessons explores the impact of the Covid-19 pandemic on businesses, how they prepared for lockdown and its impacts on operations and employees, as well as lessons learned that we can take into the post-Covid-19 era.

With retail stores closed as a result of the coronavirus pandemic, more and more consumers, for the first time, are turning to online shopping and while the delivery of non-essential items has been halted until after lockdown, there are still ecommerce stores that are working around the clock to ensure customers continue to be satisfied.

Eohan Lakey, founder of <u>NOWNOW</u>, a marketplace for local fashion designers and brands, shares his experiences during this challenging time.



Eohan Lakey, founder of NOWNOW, in his 'home office'.

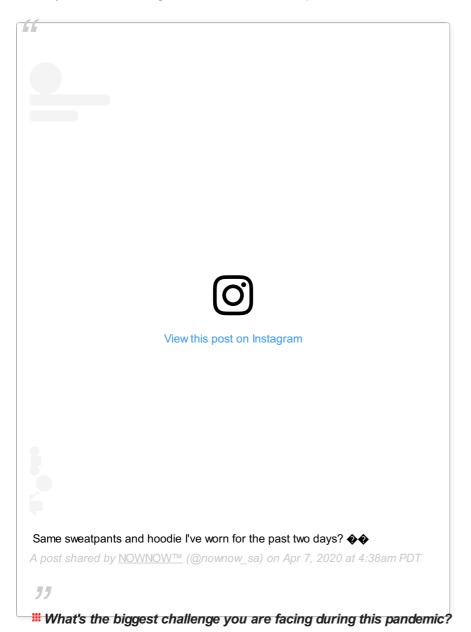
III How has Covid-19 impacted your business?

Covid-19, although still at its early stages, has had its positives and negatives. In the week preceding the lockdown, we experienced our highest sales volume over a week of 2020. Due to Covid-19 and the resulting lockdown, it restricts our activity as a non-essential service provider; we have experienced an immediate halt of income which will result in a much slower, than predicted in 2019, growth rate particularly in Q2 and Q3 of 2020 if the lockdown ends this month.

III How did you prepare for the lockdown?

Even before the announcement of the lockdown, we had to take drastic steps in order to ensure the continuous operation of NOWNOW during a lockdown period. After meeting with our stakeholders, we came to the decision to start minimising costs, for at least a two/three month period, as much as possible to ensure that our cash on hand was able to be extended as far as possible without seeking the help of credit facilities.

We employed much stricter hygiene and control measure, over and above the standards already in place. This provided security to both our designers, customers and respective stakeholders



Our biggest challenge takes various forms in each area of the business, but the biggest overall challenge is the uncertainty of any extra extensions of the lockdown period. This is where we appeal to everyone in South Africa to listen to the relative authorities and stay home as much as possible in order for us to flatten the curve and return back to our normal lives. Each new case will result in a possible extension; this proves detrimental to many businesses as it induces extra costs and an extra period of negative cash flow.

With the lockdown expected to increase unemployment in South Africa, we are expecting a lower sales growth for Q2 and Q3, on a very conservative outlook, while the economy starts to normalise.

On a more hopeful outlook, the belief in the industry is that the e-commerce sector will experience a possible quicker growth after the lockdown or regulations that restrict the activity of non-essential service providers have been lifted, than other sectors in South Africa, due to the fears of Covid-19 and the decrease in foot traffic in brick-and-mortar stores we will possibly see more business turn to e-commerce as an extension of their current business.

What sort of assistance will you need going forward?

In these uncertain times, the support of the South African public will be the biggest factor. In order to boost growth and improve the support we give our designers, we will also be in need of additional funding; although not extremely essential at the given moment, during these uncertain times business strategies have shifted to an increase in proactive measures rather than reactive.



#StartupStory: NOWNOW becomes reality for young entrepreneur

Evan-Lee Courie 18 Feb 2020



III If you are able to operate, what steps are you taking to continue operating?

During this time, we still operate, although with limited capabilities, but have ensured our customers that orders will only be processed once restrictions related to non-essential service providers are changed or lifted in favour of non-essential service providers.

In order to minimise the cost per order, a lot of our automated systems have been paused and we have resorted to our backup manual systems. Although this requires a lot more work, we've been able to reduce costs and ensure efficient and continuous operation during this uncertain time.

What measures have you put in place for your employees?

Due to our company structure, all operational personnel involved with the store are currently working from home during this lockdown period. Due to NOWNOW being mostly cloud-based, it hasn't impacted our operations as much.

- **III** Are you communicating with your customers? If so, how? Our main form of communication with our customers is through our email system, but as of the beginning of 2020 we integrated our Whatsapp line with our website as a trial run to update customers with the details of their order, as well as the tracking of their order. It has now become a permanent line of communication for our customers and is active 365 days a year. We are however looking at introducing automated self-service technology to further assist customers in the future.
- **III** How are you offering assistance to your customers who rely on your services?

This is a difficult time for our country, and to ensure the safety and security of all orders, we've put special measures in place to provide our customers with the highest possible hygiene standards to stop the spread of this virus, to comply with our laws, rules and regulations that were put in place and to do our part in flattening the curve to ensure the best possible experience for both designer and customer.

Our customers are the most important aspect of our business and we strive to provide the best service we possibly can give so that each customer leaves our store with a smile on their face. All orders will be fulfilled once lockdown and restrictions related to non-essential service providers are changed or lifted in favour of non-essential service providers.

At the current moment in time, we are in close contact with customers who have ordered products and constantly updating them on any changes that may happen.



"This situation impacts everyone, no matter your age, wealth status, race, religion and culture. There's a lot of fear, uncertainty and confusion about the future but it's in times like this where you realise how much family matters, how important it is to have positive and meaningful relationships in your life and that, to put it plainly, the world doesn't revolve around you thus consideration and appreciation of those around you is needed", says Eohan Lakey.

III What do you predict the next 6 months will be like?

The next six months will be tough, there's no sugar-coating it. Unfortunately, our economy wasn't extremely strong before the pandemic hit and it will certainly have a huge impact during and after. However, this period will show how well planned and executed all business recovery strategies are, thus it will require much stricter control with very small room for error.

to their methods of operation.

At the end of the day, I believe that we should try our best to support local businesses and industries as they will feel this harder than any other industry in South Africa.

III Now is the time to innovate and experiment. What is NOWNOW doing?

During this time, we have started planning a lot of exciting things for the future with our main project being the expansion of NOWNOW into new territories particularly in Q4 of 2020 and the rest of 2021.

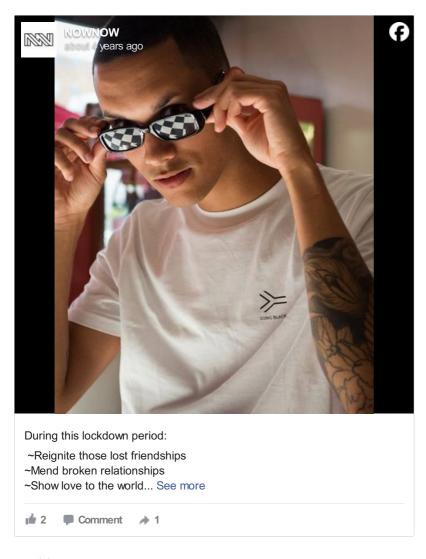
Our goal from the get-go has been to expand into neighbouring countries as well as the other main fashion hubs of Africa namely: Nigeria, Egypt and Kenya. The reason why we've chosen these specific regions is due to the fact that these are regarded as the main fashion hubs in Africa, including South Africa, thus allowing us to easily integrate into their existing industries.

We've identified other regions around the world where a platform like NOWNOW would be well-received such as Australasia. We have also started improving the UI and UX on our website and worked on all automated systems to iron out any bugs as well as improve the service and including additional features to allow for a more immersive experience when purchasing products from NOWONOW.

We've also dedicated a lot of time to improving our vendor portal and communication methods with our brands and designers.

**** What has been your biggest lesson from all this? My biggest lesson from this whole experience has been to roll with the punches. Quick and critical decision-making has been extremely vital during this time, assessing the problem at hand and providing the best recourse in order to mitigate any problems has been the name of the game.
Due to this situation being so unique, it's been quite difficult formulating plans as the environment is changing so quickly.
The main goal; on every business owners' mind, is to ensure that there is minimal damage, mitigation of any inefficiencies as quickly as possible and to return to positive cash flow immediately.

To do this will take a lot of effort and I wouldn't be in business if I didn't have enough confidence and perseverance to take the task head-on and to solve the problem.



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uncertainty and confusion about the future but it's in times like this where you realise howmuch family matters, how important it is to have positive and meaningful relationships in your life and that, to put it plainly, the world doesn't revolve around you thus consideration and appreciation of those around you is needed.

As a young entrepreneur and university student that still has a lot to learn: I am lucky enough to have a roof over my head, food on my table and running water in my taps during this time and I have started appreciating the things we take for granted every single day even more.

This pandemic goes far and beyond the impact it has on businesses; the impact on family life is what will be felt every day. We need to remain positive, help your neighbour, adhere to the laws and regulations put in place and most importantly work together and this will result in us getting through this pandemic as a nation.

ABOUT EVAN-LEE COURIE

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