

A tribute to Raymond Ackerman



...the passion of a family business

The strength, sustainability and benefits of family businesses are very underrated in South Africa. You can't beat the passion of a family business. Pick n Pay is the way the Ackerman family retains control of the long term vision and sustainability of Pick n Pay and we feel the structure is still very appropriate for the company's growth and success into the future.



BIG DECISIONS THAT HAVE CHANGED HISTORY

Pick n Pay's franchising strategy could prove to be a winning formula for the food retailer in its effort to penetrate mass markets, particularly the Soweto market where its competitors have operated for years. Traditionally one would only find a Pick n Pay store in

...franchising

the high income areas but today the Company boasts many supermarkets in the townships, largely due to the conversion of its under performing Score stores into Pick n Pay franchise stores .



Doyen of supermarket retailing in South Africa, Raymond Ackerman, has stood down as Chairman just short of his 80th birthday. But family control of the Group will remain. His position has been handed to his son, Gareth.

2010...



Raymond Ackerman

Under Raymond Ackerman's auspices, Pick n Pay grew from four small stores in Cape Town, to 794 stores today. The number of employees increased from 175 to 49 000. The Company has produced 20-year share price compound growth as at February 2010 of 14.8%, and grew at 14.2% annually compounded over the past decade. Pikwik, the holding company, grew at 14.3% compounded over the period and at 15.4% over the past decade.

The distinguishing feature of the Company was its family ownership and control, which Ackerman only partially conceded with the appointment of a separate CEO in 1999.

But it will be Gareth Ackerman who takes over from his father as Chairman of the Company.

And neither will Raymond be entirely absent. He will stay on as an advisor to the Company performing an ambassadorial role and will continue to be

43
years

based at the Company's head office in Cape Town.

"Being family-controlled has also ensured that the values introduced in 1967 have carried through over 43 years. Importantly, this will not change," he said.

A great man!

Raymond Ackerman is synonymous with Pick n Pay and has been with the Company for 43 years, introducing to South Africa the concept of a powerful consumer orientation as the overriding, first law of store management.

The focus was ruthless, and in the process Ackerman was forced into scraps with suppliers, staff and Government, yet his single-mindedness in providing value goods presented in an attractive way forced other players to up their game – massively.

The overall result was not only better supermarkets in SA, which compare easily with some of the best in the world, but also an impeccable record of long-term growth for the Pick n Pay Group. The Company noted that someone who invested R100 when Pick n Pay listed in 1968, that investment would be worth nearly R600 000 today.



Reflecting on his career, Ackerman said: "I have no regrets at all. It has been a lifetime experience."

Asked if he was at all tired, he said: "A little bit. We now have operations in nine African countries, and there is always some crisis. It's like being on duty 24/7."

"I'm looking forward to playing a bit more golf – I've always loved golf – and travelling with my wife. We're going to go away immediately for a couple of months when I retire, so these guys will have to find their feet immediately."

Asked about the recipe for his success, he said: "I was once told that the aim of any retailer is to 'maximise consumer sovereignty'."

"If you go out and say: 'I want to make money', then you won't."

"Instead, you have to have a passion to fight like mad for your consumer – in much the same way that a doctor would fight like mad for his patient."