

Flip-flops

Manufacturing flip-flops in the group's own production facility saves money and creates employment.

PEP initiated the flip-flop manufacturing project when it asked PepClo to extend its supplier agreement beyond school clothes and underwear to include the assembly of flip-flops.

The PepClo team visited China, met with the suppliers and researched the production process. They then bought the necessary equipment and set up shop in their raw material store. PepClo's engineer altered the machine to change it from a manual pedal process to a pneumatic plugging system, and achieved more efficient production output than in China.

The new production line employs more than 40 people and in the first year (a trial period) produced 1.3 million pairs of flip-flops.

At the end of the second year of production (September 2019), PepClo had produced 3.3 million pairs of flip-flops – almost 30% of PEP's total flip-flop sales.



Top: PepClo's flip-flop production line employs up to 40 people during peak periods.

Left and right: PEP was awarded the Disney award for best retailer of children's character flip-flops in Africa.



INPUTS → **OUTPUTS** →

- Investment in innovation and technology
- Intellectual property, skill and experience
- Customer needs and wants
- Synergies across brands and businesses
- Ability to provide a service across brands

- PEP maintained the selling price of flip-flops for two years
- PepClo increased their manufacturing capability and product offering and entered a new market
- The group gained new skills and employed more people

3.3 million
FLIP-FLOPS IN THE SECOND YEAR
OF PRODUCTION

40
ADDITIONAL JOBS CREATED