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# The Joekels journey: 25 years in tea

In 25 years, South African tea company Joekels has developed from a small business housed in a garage into a category leader with seven different tea brands.



Joekels Tea Packers was founded in 1994 by Joe Swart and Jonathan Kelsey. Back then, the company comprised just five staff members and one brand, Phendula Tips. Within three years they had moved into a bigger space, launched the brand Tea Time, and scooped the Sanlam Entrepreneur of the Year award.

The staff complement has since expanded to 195, and the space that Joekels occupies has grown from 264m<sup>2</sup> to 1,1500m<sup>2</sup>. Joekels also partnered with Tata Global Beverages, the second largest tea company on the planet. In addition, the company packs 95% of South Africa's private label teas.

The Joekels stable includes Tetley, a global tea brand that is enjoyed in over 40 countries, and children's' tea brand Tea4Kidz. While Laager Rooibos has become the second-largest Rooibos brand in the world.

#### **Startup hurdles**

"The company started at a time when South Africa was undergoing major changes," explains Kelsey. "Joe and I wanted to change things in the local tea market by offering all South Africans the best quality tea at a price that the regular person on the street could afford. It's about exceptional quality at exceptional prices."

As with every success story, there were a number of challenges to be overcome – from first listings and a lack of knowledge of the retail industry to repairing machines themselves without any training.

"We just had to make a plan if anything went wrong, sometimes working till 2am and then back at work at 6am – we couldn't have the factory standing still with orders outstanding. From drought and resultant tea shortages, to challenging market conditions with very limited funds, and an evolving retail landscape, we've seen it all!"

The biggest hurdle was entering the tea market and going up against established brands with a loyal following. "Our initial aim was to build a brand and get offered R1 million and move on, but once we started, we were invested in our people and that was the game-changer for us. Our ethos has always been to put our employees first, and we could not let them down. Of the five original employees, three are still working with us, with two others sadly passing away."

#### SA tea market

Commenting on the development of South Africa's tea tastes over the past 25 years, Swart comments that health awareness and more adventurous tastes have seen a variety of flavours emerging.

"South Africa has always been predominantly a black (regular) tea market, but now Rooibos – which was traditionally known as 'the poor man's tea' – has grown, fuelled by an increasing awareness around the natural health benefits. The speciality tea segment has also developed significantly in choice, flavours and ingredients on offer."

About a quarter of the tea consumed in South Africa is Rooibos, which is a herb grown only in the Cederberg mountains of the Western Cape. In recent years, Rooibos has faced some challenges because of the regional drought. The resultant Rooibos shortage in 2016 precipitated a significant price increase, paving the way for green tea, which Tetley launched in 2017. This became the number one pure green tea brand on the market within six months.

Joekels also founded the first-ever children's tea in South Africa in 2001 with its Tea4Kidz brand. This opened up the world of tea to young South Africans, offering all the benefits of Rooibos with added fun flavours, recipes and characters.

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Kelsey, the company's master tea blender, is also the only South African tea master with an insured tongue – valued at R5m.

"We source our teas from a variety of estates around the world, and the taste of these teas can vary based on weather conditions and a variety of other factors. I'm responsible for ensuring the consistency in taste and quality of all of our tea blends, meaning that my tongue and taste buds are a major asset to the business," Kelsey explains.

#### **Community upliftment**

The organisation says it's dedicated to improving the lives of South African citizens, having donated products to a wide variety of charities and organisations over the years. 2020 will see the establishment of The Joekels CommuniTea Foundation, a consolidation of Joekels upliftment initiatives that will focus on four key areas.

1. Heart health: Driving education around heart health through Laager Rooibos – the only Rooibos brand endorsed by the Heart & Stroke Foundation of South Africa.

2. Uplifting the youth: Free parent/teachers workshops sponsored by Tea4Kidz, supporting schools and creches with Tea4Kidz products and information, supporting organisations that care for vulnerable children, and uplifting young graduates by offering internship and training programmes with future employment opportunities.

3. Uplifting Durban: Supporting local NPOs and charities through donations and sponsorships.

4. Uplifting local business: Supporting local suppliers and their fundraising charity initiatives.

### 25-year highlights

- 1995 Launched Phendula Tips
- 1997 Launched Tea Time
- 1999 Won the Sanlam/Business partners (old SBDC) Entrepreneur of the Year award
- 2001 Launched Phendula Tea4Kidz
- 2003 Bought Laager Rooibos, the second oldest Rooibos brand in the world
- 2006 Tata Global Beverages bought 33.3% stake
- 2008 Bought Teeco and Southall's from Pioneer Foods
- 2012 Bought assets of the Blenders business from Libstar, and commenced packing most private label tea in SA
- 2015 Nominated for EY Entrepreneur of the Year 2015
- 2015 Won Shoprite Checkers Supplier of the Year Private Label
- 2019 Won Pick n Pay Supplier of the Year Private Label

Asked what the recipe to success is, Swart says, "We have always run Joekels as a family – with many staff having been with the business for more than 20 years. Staff, suppliers, customers and the community are all treated as friends. This personal approach is what makes Joekels unique."

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