

Ackerman still has ambitions to fulfil

At first glance, Raymond Ackerman doesn't look like the sort of chap who would follow you home. But he's bound to tell his driver to "follow that car" if it's full of Shoprite bags.

By [Nicola Mawson](#) 30 Mar 2009



The Pick n Pay founder is so passionate about his brand that he has followed housewives in a bid to change their minds about where they shop, and during our interview he served only house biscuits while sharing his ups and downs.

Despite having turned 78 this month, he is still chairman of a company that turns over more than R45bn a year. And while Ackerman says he is now on his fifth succession plan, he isn't sharing any details.

In the beginning

Being fired from Checkers' parent company Greentemans in 1966 — Ackerman thought he knew how to run a food retailer better than the Greentemans executives — was the best thing that could have happened to him, but it certainly didn't seem at the time. Ackerman, who comes across as a mild-mannered English gentleman and every inch the Bishops man, was certainly in no position to be without a job.

He shakes his head. At the time he was fired his wife Wendy was pregnant with their fourth child, Jonathan, and his father Gus had just died. It was a difficult period and Ackerman "didn't know what to do". His choices included emigrating, going back to study, starting his own business or seeking alternative employment.

He sat down and "marked" each option out of 10.

Starting his own company came in the clear winner at nine. The missing 10% was that he had no start up capital. But there Ackerman has always been known for saying "90% guts, 10% capital".

Even then the Pick n Pay founder may not have started the company that now has more than 800 stores and a third of the market had he not followed a whim. He had previously cancelled meetings in order to show retailer Jack Goldin around the Checkers stores, which had been influenced by Ackerman's visits to the US — a destination he has visited 92 times.

Courtesy pays off

Six months later, Ackerman was out of a job and Goldin wanted to sell his four Cape Town-based Pick n Pay stores.

But Goldin would only sell to Ackerman because of his earlier courtesy. It was a lesson Ackerman would keep for the rest of his life, and the reason why the "housewife's friend" always has time for people.

"It's about not always saying I'm too busy or too important to see you."

In 1967 he bought the stores and Pick n Pay was listed on the JSE a year later, an indication of the success it already was, he says.

Tales abound of Ackerman's activism — his attempts to discount petrol, his insistence that black managers should be promoted on merit during SA's dark days when you weren't allowed to promote blacks in "white areas", and Ackerman's golf club, the first open-to-all golf club, Clovelly.

Founded by Gus Ackerman and Michael Pevsner, the stated purpose was that the land only be used “for sporting and other activities of the Clovelly Country Club from the membership of which no person shall be debarred by reason of race, religious denomination or creed”.

But, despite his generosity and philanthropy, the family is not likely to give away Pick n Pay, of which they hold 50,8% through the family company Pick n Pay Holdings. This was a lesson learnt the hard way when his father lost control of Ackermans.

SA's first chain store

His father Gus — who had escaped almost certain death in the Battle of Delville Wood during the First World War after accidentally poisoning the camp with his bad cooking and ending up confined — had started Ackermans with two wartime comrades. It was SA's first chain store.

The clothing store is today a subsidiary of Pepkor, a South African-based investment holding company with retail interests in Africa, Australia and Poland. The group, established in 1965, manages a portfolio of retail chains focused on the value market and sells mostly clothing, footwear and textiles. Its main operating subsidiaries are Pep and Ackermans.

Ackermans — named after Gus as the other two partners had Jewish surnames, which in those days would have turned customers away — operated on the same concept as the dime stores in the US, except that everything was a penny less than two shillings.

However, Ackerman says his father was too resistant to the idea of debt and eventually had to sell out to Greetermans, where Ackerman learnt retailing, warehousing and embarrassment.

“I remember sorting out ladies panties into green and blue and yellow and white and black.” He tells of the time he was serving a young lady in the underwear section, showing her brassieres. Behind him stood the manager, waving around a defective three cup bra. He was 20.

Setting up Checkers

From there, Ackerman moved to Greetermans where it was his task to set up Checkers. But food retailing is different to clothing retailing, and the executives would not pay him heed as to the differences between them, which was why the store were failing. Using horse racing terminology, Ackerman says: “Eventually they gave me my head.”

But it was too late and Ackerman's gung-ho attitude cost him his job.

Ackerman says he has learnt an enormous amount — how to fight for his principles, how to build a business and to allow young people to have a say.

Ackerman is a fierce Pick n Pay proponent in many respects. He also promotes from within the company as much as possible. CEO Nick Badminton was an internal appointment who learnt retailing from the floor up.

This he learnt from Greetermans, who had always looked outside, often without success.

Ackerman insists that he is not original, but that he has paid attention to changing business practices. “I have done very little new in my life, I have just learnt from other people.”

The customer is royalty

His belief that the customer is king, or queen, was learnt at the University of Cape Town, where a professor taught that business was not just about maximising profit — hence Pick n Pay's net margin of 2c for every rand spent.

Ackerman follows a philosophy that the retail table has four legs, and the customer sits on top. The legs are: first,

administration; second, merchandise; third, sales promotion, advertising and social responsibility; fourth, people.

"I have spent half my life shaking hands," he says.

And the company believes in getting involved in the community, at store level, says Ackerman. "It's done so much for marrying people to us."

Petrol price fight

He is also fighting the petrol fight, and wants what he views as retail price maintenance done away with. Ackerman has been calling for deregulation of the petrol price for more than three decades. Two pilot stations that discount fuel are being tested in Cape Town, after a bid in Johannesburg failed in the 1970s. Ackerman is, however, not as positive now as he was a few months ago that the "holy cow on petrol" can be stopped.

Despite his successful life, and a large family — four children and 12 grandchildren — Ackerman has regrets. He "didn't spend as much time as I should have" with his children, even though Suzanne, Gareth, Kathy and Jonathan are all involved in some way or another in the company.

He also wanted to have a succession plan in place some time ago. But this hasn't worked out the way he wanted it to.

Despite working on the fifth succession plan that he hopes can be pulled off, Ackerman is adamant that he will "not retire until we win the petrol fight".

Ackerman insists he is not original, but has paid attention to changing business practices. "I have done very little new in my life, I have just learnt from other people."

Source: Business Day

Published courtesy of



For more, visit: <https://www.bizcommunity.com>