**Cape Town Drought Response Film Library**

**Feroz Koor interview | 10 October 2018 | Duration: 30:24**

**KEY POINTS**

* Drought and water crisis had multifaceted and varied impacts on Woolworths across value chain: operations, suppliers, store-level
* Upon closer consideration it became clear that initial planning by government had not fully taken account of the extent of societal disruption that would have occurred under a Day Zero scenario
* Inequality was highlighted: some people could buy themselves out of the crisis and others not, raising the question of who has access to basic necessities
* The crisis response was a demonstration of the power of collaboration – across industry, between competitors, with government, with civil society; you need to pull stakeholders together when facing this kind of large issues; this degree of shared focus and cooperation across society makes it possible to move an issue forward
* Forward planning is vital: it is better to be prepared in advance than being forced into crisis management
* Summary of main learnings: 1) the value of forward planning; 2) the power of collaboration; 3) a new appreciation for water

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00:00:05 The impact of the drought and the Cape Town water crisis on Woolworths’s business: multifaceted and varied impacts across the value chain; on supply chain, distribution centres, at store level, at head office

00:03:30 Huge demand for bottled water; a once-off, outlier type event you can’t plan for

00:04:46 Did not look at it from a financial perspective; “this was almost an existential crisis”; decision was made that there would be no price-gouging on water; it was not seen as a money-making opportunity; despite the huge demand for bottled water during the period it was not seen as an opportunity to take price from customers, on the contrary they dropped the price of water; “there was a lot of uncertainty, people were scared, there was almost panic setting in and we needed to be responsive to that”

00:06:09 Forum that was pulled together by the NBI together with the city and provincial government to engage business and government (first meeting Sep-Oct 2017); that focused the minds of everybody; initial Day Zero planning of government did not take into account potential wider impacts; unpacking of the potential impact and extent of disruption that would have been caused by Day Zero; unrealistic to have expected that society would have carried on as normal under Day Zero scenario: “literally we could have come to a standstill”; “potentially you could have a situation where parts of your economy could come to a standstill”; the engagement with government was good because business could share its insights regarding potential wider impacts of Day Zero

00:11:10 Crisis could exacerbate a situation of haves and have nots; the bigger perspective: “what does it say about society and who has access to these kind of basic necessities … either you can buy your way out of the problem, or you suffer”; it caused the inequality to be much more pronounced; potential impact from a social perspective; under these circumstances: what’s our responsibility as people, and also as a business?

00:13:40 Monthly forum meetings with city government continued; mutual understanding fostered between business and city government; risks highlighted such as national telecoms infrastructure based in certain parts of Western Cape, which if it went down due to water crisis could potentially impact banking system; “we were all in this together; it was a question of how do we jointly come together and make this”; “once you have such laser focus on something, you’re able to bring various stakeholders together and really move an issue forward”; encouraging to see the kind of commitment of everybody around the table to come up with a solution, to help each other

00:15:54 Disaster in slow motion: strange situation of planning months in advance for a disaster to happen; wanted to keep a semblance of normality in society, so what did we need to do to make that happen? A variety of things that needed to be taken into account to make sure that we could continue to operate if Day Zero happened; many formal and informal engagements going on inside the business and externally

00:20:42 Learnings that came out of it: first, you need to pull stakeholders together when this kind of large issues face you; second, look ahead and do planning in advance rather than being forced into having to do crisis management

00:21:57 “We’ve always had a focus on water … it’s always been part of who we are”; “It helps to be prepared”: Woolworths had the benefit of existing experience in dealing with water issues

00:23:56 Water is highly regulated; Woolworths could not just ship water in from other parts of the country: inter-basin transfers of water are the domain of the national government

00:24:14 Business and society got a new respect and appreciation of water; “people know what water is really worth”

00:24:24 Communications with customers; decision was made that everyone should be on-message: consistent messaging across various retailers, press, city government; “we knew that the messaging, if it was not consistent and everywhere people would start getting confused”; continuous reinforcement of messaging; “we felt it our responsibility as a business based in the city … to be a conduit for information”

00:27:34 Summary of main learnings: 1) forward planning is useful; 2) the power of collaboration: across industry, between competitors, with government, with civil society; 3) a new appreciation for water

00:28:27 There was a lot of uncertainty and a high degree of discomfort, but also an appreciation of water; “I’m hoping that a lasting impact of this would be that … this has been a mindset shift and the relationship with water has probably changed forever”

**BIO**

Feroz Koor is the Group Head of Sustainability for Woolworths Holdings, one of South Africa’s leading retailers of foods and clothing, headquartered in central Cape Town. Trained as a lawyer and with a BA LLB from the University of Witwatersrand, Feroz has been leading sustainability management since 2007, with Vodacom, then British American Tobacco and since 2017 with Woolworths. During the Cape Town water crisis Feroz played an active role in the task team set up by the National Business Initiative to engage with the City and Provincial governments around water demand reduction within the corporate sector.

Woolworths Good Business Journey website: <https://www.woolworths.co.za/cat/_/N-nmexhj>