

# **Fresh** **from Egypt**



**A new kind of bakery.  
A new kind of business.**

TBS in numbers

**1,000,000+**  
**croissants sold**  
**in 2012**

(up from 75,000 in 2009)

**260 employees**

(up from 60 employees in 2009)

**13 shops**

(up from 2 shops in 2009)

**The first high  
end bakery shop  
in Egypt**

**Who We Are**

**Four years ago a revolution began in the Egyptian food industry. A new kind of bakery was born. Our ambition was clear: establish the leading bakery business in Egypt by acquiring the latest technology and developing the skills of our employees.**

In challenging, disruptive but optimistic times, our model has a set of philosophical and intellectual beliefs at its core. We believe it sets a template for others in Egypt to follow.

We aim to scale up the business with a unique operating model. It focuses on mastering freshness through state-of-the-art technology, by hiring and retaining the best employees, and offering a diversified product range at uniquely located shops. This is delivered with a multi-stakeholder mentality, ensuring sustainable growth for the long term.

During the past four years, we've opened 13 stores in Egypt, offering two-tiered product ranges targeting high and middle-income brackets. Our focus is now to increase revenue streams from the middle-income bracket, and ensure our operating model has the right components for regional expansion.

**We believe the TBS story has only just begun.**





## Our Story

**Every business starts with an idea, but not every idea is original. And not every original idea stands up to scrutiny. As we know, it takes something else to become a successful entrepreneur.**

Our watchword is 'fresh' because our idea was brand new. It was newly baked, hot from the oven. It was the impulse of three childhood friends – Tarek, Basel and Sameh (or T, B & S) – to start a different kind of business.

The plan was the first high-end bakery shop in Egypt. Built on trust and shared values, the business had to sustain, have a clear target market and deliver employment, profit and growth.

### Thorough research

Within months, savings were pitched in, and planning was started. We researched the latest trends, machinery and ingredients through visits to local and international bakeries. We also rented a local bakery for a day in Tanta in the Nile Delta so that our chef could devise great quality products.

Sampling of bread, croissants, pâté and doughnuts followed, then sampling again and sampling some more. We would go to market only with the best ingredients, quality and taste.

Much strategic planning went into the location for our first store. It had to be close to our target high-end clientele, but at the same time affordable for us. Marketing and trials were also key. The North Coast was an obvious choice on all fronts. It is the holiday destination of choice for Egyptians, so word of mouth played a significant role, and it was the only bakery in that location. Branding, packaging, recruitment and back-kitchen operations all pieced together like a jigsaw puzzle.

In the summer of 2008, on the north coast of the Mediterranean, T, B & S became a brand: 'TBS' or The Bakery Shop. With our first branch at the Diplomats' beach resort, we aimed to play on all the senses – even hearing, through the crunchy sound made by the crust of fresh bread when it is handled.

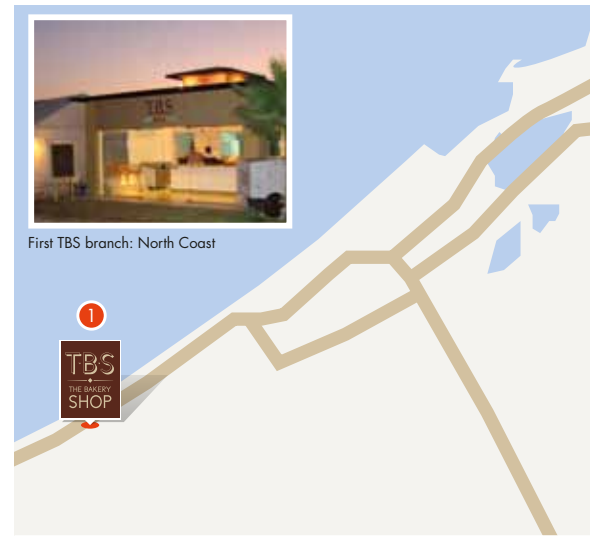
### A big success

The senses were satisfied; the launch was a complete triumph. In just three months, 50% of the capital was returned and reinvested in preparation for our first shop in Zamalek, Cairo.

Four years and 13 branches later, TBS ranks among the most successful 100% Egyptian business endeavours of recent times.

**"Our watchword is 'fresh' because our idea was brand new. It was newly baked, hot from the oven."**

**"In just three months, 50% of the capital was returned and reinvested in preparation for our first shop in Zamalek, Cairo."**



First TBS branch: North Coast

### TBS locations:

- 1 Diplomats Village (North Coast)
- 2 Zamalek
- 3 Korba
- 4 Maadi
- 5 City View (Compound)
- 6 American University in Cairo
- 7 Mohandeseen
- 8 Nile Towers
- 9 Arkan Mall – Opening soon

### Delicious Bakery locations:

- 1 Royal House (Heliopolis)
- 2 Seoudi (Sheraton)
- 3 Seoudi (Maadi)
- 4 Seoudi (Sheikh Zayed)
- 5 Seoudi (Katameya)



## Our Businesses

**Our ambition and growth strategy are clear. Our three business lines serve distinct markets, allowing for economies of scale, and giving us potential to grow from a local pioneer to a regional leader.**



### TBS

Although the food industry in Egypt is a rapidly growing and competitive sector, TBS has succeeded in increasing the number of stores from one seasonal outlet on the north coast to eight premium branches across Egypt.

We plan to double this number over the next three years. Maintaining the quality of our service and products is paramount. We reinvest profits to acquire state-of-the-art machinery and equipment to ensure our bread, pastries and sandwiches are always of the highest quality.

### Delicious Bakery

To scale our business, we launched Delicious Bakery, a second-tier brand targeting supermarkets and governorates.

It offers freshly baked value-for-money bread and pastries. Delicious Bakery is now available in five supermarkets in Cairo, with plans to roll out the operation to an additional 15 sites over the next three years.

### B2B

In 2010, we launched a third business line. B2B caters for a variety of market needs. We now serve hotels, cafes, restaurants and corporates. We recently created a 'corporate menu', a premium service that delivers TBS products to the workplace.

Currently accounting for 5% of total revenue, B2B is expected to grow its share significantly over the next three years.

In 2012, we also launched the Butler's Box, a wooden box containing 24 mini gourmet sandwiches, which is aimed at Egypt's corporate community, but is available to all our customers.

**"We reinvest profits to acquire state-of-the-art machinery and equipment to ensure our bread, pastries and sandwiches are always of the highest quality."**

## Our Partners

**We believe there is strength in numbers. That is why we have built partnerships with organisations that can help us improve our performance. These strategic partnerships are instrumental in achieving growth and a sustainable future for TBS.**



### Cilantro

After a successful start-up phase, we partnered with Cilantro, the Egypt-based café chain, to help us move to our next stage of growth. We were able to tap into Cilantro's expertise to help us build a larger operation, grow our customer base and improve our performance in areas such as standards of quality and governance. As part of the partnership, we are the bakery supplier to Cilantro's 70 stores.

Working closely with this established brand has given us invaluable support in running our company, enabling us to focus on business and product development.

### Endeavor

Endeavor is a not-for-profit organisation that works to encourage long-term economic growth by 'selecting, mentoring and accelerating the best high impact entrepreneurs around the world'.

In 2011, TBS's founders were appointed Endeavor Entrepreneurs and are now taking part in an intensive mentorship programme in business management.

We are confident that our membership of this prestigious international network will contribute to TBS's long-term growth and sustainability. This participation will give us exposure to many different markets and allow us to deliver the high impact that Endeavor seeks to nurture.

### Outreach Egypt

We believe TBS's sustainability is inextricably linked to the sustainability of our host communities.

In 2011, we turned to Outreach Egypt, a development consultancy, for guidance on how we could engage with those communities and set up socially responsible initiatives.

The partnership has resulted in Reduce, Reuse, Recycle – a campaign that encourages our customers to return the packaging from TBS products, which is then recycled into eco-friendly stationery (see Our Community).





## Our People

We had just nine employees when we founded in 2008. Four years later, the workforce is 260 people and is set to grow further. Many organisations find it difficult to retain their core values when they grow so quickly, but this is not the case at TBS.



**"As TBS continues to expand, we are determined to retain our reputation as a local bakery with a peaceful atmosphere."**

Working for us is about more than having a job – it is about being part of a family. The company's success lies in maintaining those family values and creating an environment where staff can learn and develop their skills and careers.

We provide employees with extensive training to help them excel at their jobs. Our chefs are sent to some of Europe's and the Middle East's best bakery suppliers – Puratos in Belgium and Lebanon – so that they can learn about the latest technology and bring that knowledge back to benefit our products and the Egyptian market.

### A culture of solidarity

As TBS continues to expand, we are determined to retain our reputation as a local bakery with a peaceful atmosphere, where employees feel solidarity. The initiatives run by TBS include annual gatherings, which give employees across the country the chance to get to know one other. These events also enable managing partners to discuss the company's future plans.

Staff organise events too: they share iftar during Ramadan and exchange vows when a baby is born or a wedding takes place – events that receive contributions from TBS. Staff also come together at sports events such as football tournaments. "I love these activities. We get to know each other much better, socialise, talk about different things and share stories," says Abdel Hamid, the Maadi branch manager.







## Our Community

**TBS believes even small, entrepreneurial businesses have a responsibility towards the environment and communities in which they serve. Making a positive contribution to the social and cultural wellbeing of society is at the forefront of our agenda.**

### Reduce, Reuse, Recycle

Our Reduce, Reuse, Recycle campaign was the first of its kind. Launched on the North Coast, it encouraged customers to bring product packaging back to the store to be recycled. Customers had told us how much they enjoyed our packaging, and how they felt guilty about throwing it away.



This was a chance to do something positive with old waste, so we turned the collected rubbish into a range of stationery, including notebooks, things-to-do lists and sketchbooks. The campaign has been a great success. During the first month of the campaign, more than 1,200 items of reused stationery were produced from collected waste.

### Got Ink? Campaign

The 2012 presidential election was a historic moment for Egypt. TBS wanted to mark the event by encouraging as many people as possible to vote on the future of their country.

**GOT INK?**  
OR  
**NOT,**  
EVERYONE GETS SOMETHING FOR FREE

Supported by a Facebook campaign and video, the Got Ink? Campaign was designed to give customers who turned up with a bright purple index finger – which showed they had cast their vote – a free baked good. We gave away approximately 16,500 free products to demonstrate our support for change.

### TBS Food Bank Partnership

Every day we donate all unsold fresh products to the Food Bank, an initiative that distributes surplus food goods to those who need it most.



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