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BUILDING A SUSTAINABLE BUSINESS IN THE WESTERN CAPE

When a strategic decision was taken by Scania South Africa to grow its construction offering, it set out to achieve two things. The first was to increase its market share and the second was to do this in a sustainable way. A case in point is the inroads the OEM has made in the Western Province. *Construction World* spoke to two Western Cape clients who are both impressed with not only the vehicles but the services attached to owning and operating a Scania.



Malcom Olivier is the Regional Sales Manager in the Western Cape.

Scania's core values make short term relationships impossible. The OEM focuses on long term relationships that are mutually beneficial and build a sustainable business. "Construction is short distance transport. The only way for us to build a sustainable business is to ensure that our back-up and reaction time is the best that it can be," says Malcom Olivier, Scania's Regional Sales Manager in the Western Cape. "The sales manager sells the first truck, but the workshop the second and third," he adds.

Cementing successes

Despite a significant national drop in sales of new construction vehicles in the previous quarter, Scania SA has maintained and cemented its market share. This is a clear indication that the programmes that Scania introduced about two years ago which enables a Solutions Based Offering, is paying off. With programmes that include segment support, having built-up vehicles in stock to accommodate the construction industry's fast turnaround

times, agreements with preferred bodybuilders that can assist with shortening of lead times, financing and maintenance options. In addition, it offers clients a Used Vehicle option.

The Western Cape market

For most of last year, the confidence levels in the general building and contracting sectors in the Western Cape outperformed other South African provinces. This is according to the quarterly cidb SME Smart Business report. "We achieved excellent marketshare in the Western Cape," says Olivier, "which is proof that this Solution Based Offering is working." Olivier sees his task as offering support to sales staff to help their customers achieve their business goals.

One client whom Scania assists with achieving such business goals is Gerhard Conradie, the MD and Founder Member of Conradie Transport, based in Kuils River. "Scania vehicles were first added to the fleet in 2016," he says. Conradie Transport & Plant Hire was started with a single truck, but now operates 64 delivery vehicles which are used for the delivery of construction materials. Its transport division consists of tipper trucks, crane trucks (brick carriers) that undertake the delivery of bricks and blocks as well as bin-trucks to promote waste management and environmental awareness.

"The 13 Scania on our fleet consist of two R310 brick carriers, a P360 bin lift, two P360 10,5 m³ tippers, two P410 15 m³ tippers

and six P31 10,5 m³ tippers," says Conradie. "We supply product to mainly civil companies which includes building sand, clay and cement bricks, the removal of rubble while we have a plant hire division that supply equipment to demolition projects. We also offer bins and skips."

For Conradie the main considerations when choosing a truck are simple: "The fuel consumption has to be optimal, the truck has to have the ability to do the job with minimum downtime and after sales service has to be good, so good that downtime is almost non-existent. Scania's range of construction vehicles are designed for the construction industry – and in our case industry building material."

Mindsets

Olivier adds and says that potential customers ask three questions when they consider a truck: "What is your workshop footprint? What is your price and carrying capacity? And what is your warranty?"

However, customers are brand loyal. When the industry is doing well, companies will stick to preferred brands. What Scania has aimed to do with its products, services and Solutions Based Offering is to change mindsets. This it does by getting to know the customer's business, where they operate and how they operate.

This determines the right specification that in turn optimises the vehicle for the specific application.

Olivier says that its 8x4 twinsteer, is an example of how to get better carrying capacity with the correct wheel base formula. For Conradie Scania's Solutions Based Offering is key. "We, for instance, have specific aftermarket requirements: we demand that services are speedy so as to minimise downtime, which for a fleet of our size and diversity, is key.

"Scania is a well-known truck brand that enjoys excellent back-up. The initial Scania trucks were added to the fleet because of this reputation and these have since proven their superior fuel consumption," says Conradie.

He anticipates adding more Scania to his fleet as he is a client of whom the mindset has been changed. "The OEM will be launching its new range of trucks and I am looking forward to that," he enthuses.



A happy customer. Gerhard Conradie, the MD and Founder Member of Conradie Transport

CONSTRUCTION SPECIFICATIONS

Currently the range of construction vehicles has 15 models which include tippers, mixers, hook lifts, skip-loaders, brick carriers, heavy hauliers and logistic vehicles for moving goods between sites.