



SMME BUSINESS NETWORKING PROPOSAL



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

PROPOSAL – DEPARTMENT OF TRANSPORT

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INTRODUCTION

We are grateful for this opportunity to introduce to you the ***Tramarco Group of Companies (TGC)***. Based in the Nelson Mandela Bay Metropole, with their head office situated in Uitenhage, this highly dynamic group continues to have a positive impact on local trade and commerce. Through steady growth and expansion over the last 10 years, TGC has been able to contribute significantly to sustainable job creation, with over 130 sustainable jobs created to date.

TGC has based much of its success on the diversification of services offered. The group is currently made up of four core businesses: property portfolio management, importing and distribution of household goods, maintenance and construction and most recently trucking transport.

OUR SERVICE

Tramarco Truck Division (TTD) was established in 2004 with the vision of providing a wide range of transport services and management skills to clients with various transport requirements. With established routes running to and from all major centres across the country, TTD is able to tailor make a unique package that is flexible enough to accommodate specific customer needs.

A registered *Level 3 BBBEE* contributor, TTD only employs highly experienced drivers and enforces strict compliance with road safety rules and speed limits ensuring that the load is in good hands at all times. Through our 24hour hands on management and strategic use of technology and best practices, we guarantee a fast, secure and cost effective transport solution.

Tramarco Truck Division specializes in break bulk loads, local, national and cross border long haul from 3 to 34 tons. A sub division called Tramarco Container Services was created for the specialised transport of containers. This unit focuses specifically on the transport of containers with a staff compliment that is well experienced and equipped in dealing with the pressures and demands that go with this high-paced sector of transportation.



THE CURRENT FLEET

Tramarco Truck Division has built up a dynamic fleet that is capable of handling a range of diverse transport requirements with configurations ranging from 6m to 9m, 12m and 15m up to 18m.

The current fleet consists of Superlink tautliners, flat decks and rigid trucks:

TRUCKS

- 5 x International 9800i Double Axle
- 3 x Isuzu FVM1200 Double Axle
- 1 x Iveco Eurotrakker Double Axle
- 1 x Nissan Ud460 Double Axle
- 1 x Isuzu GXR360 Single Axle
- 1 x Isuzu NQR500 5 ton
- 1 x Iveco Turbo 3 ton

TRAILERS

- 4 x Superlink Tautliner 6m & 12m
- 3 x Superlink Flatdeck 6m & 12m
- 3 x Tri Axle Skeleton 12m
- 3 x Double Axle 12m
- 3 x Interlink 6m & 9m
- 2 x Tri Axle Flatdeck 12m
- 1 x Tri Axle Box 12,5m
- 1 x Single Axle Lowbed 6m
- 1 x Tri Axle Tipper 6m
- 1 x Tri Axle Tautliner 15m
- 1 x Superlink Tri Axle Tautliner 6m & 12m



OBSTACLES FOR GROWTH

Given the current economic climate coupled with the ever rising price of fuel, it is absolutely necessary to have tangible two-way contracts in place in order to succeed. That is a fixed load outbound and another fixed load inbound, gaining revenue for each kilometre travelled. Our biggest obstacle is obtaining such contracts. To date we have only been awarded year-to-year contracts and have been servicing single load sales, steadily building on our client base.

The problem with this situation is that without guaranteed medium to long term contracts investing in potential growth becomes high risk. The cost of one vehicle is around R1,5 million and the financial institutions are not willing to award such loans based on year-to-year contracts.

Furthermore, it seems that emerging SMME's are not given fair and equal opportunity when applying and tendering for large contracts. Big Business and Corporates deal directly with the larger established transport companies and discard SMME's on the grounds that these may not have the capacity to effectively handle the workload. This method of operating is in direct contradiction to Government's drive to develop SMME's and remains one of the largest stumbling blocks that is preventing SMME's such as TTD from achieving sustainable growth.



OUR REQUEST

Critical to the success of any business is having a clear understanding of the business needs at different stages of growth and expansion, and then developing the appropriate solution to satisfy those needs. TTD is currently poised to enter into a massive growth phase, and is in need of a solution to provide adequate business. TTD has built up an excellent infrastructure in terms of workforce, vehicles and location. The highly experienced management and operations teams are tightly integrated and operational procedures have been refined and fine tuned over the years to achieve maximum efficiency and productivity. Our premises cover over 59 000 square meters with 28 000 square meters under cover storage space and 7 raised platform loading bays. With all this in place, it is clear that TTD has the infrastructure, competency and capacity to handle expansion and large high-volume contracts.



Aerial view of our premises.

Our request is simple: we want to be granted a fair chance to compete. Keeping in line with legislation and Governments drive to boost entrepreneurship and growth of SMMEs we would like to request assistance in terms of *business support services*. TTD is completely self funded and as such we are not requesting any form of financial assistance. At present, our primary need is for support in gaining access to new markets. We would like to make use of Government leverage in engaging corporates with a view to secure meaningful long term contracts. Having secured valuable five or even ten year contracts will enable TTD to approach financial institutions with confidence in gaining finance for acquiring new vehicles and expanding the fleet. Our aim is to target the parastatels such as Transnet and Portnet as well as large import and export groups, for example, MOL, MEARSK, etc.

We would also like to enter into a Private-Public partnership with the Department of Transport in looking at servicing various national contracts. This arrangement stands to be mutually beneficial as TTD will gain the extended market while DoP will receive a premier transport service at substantially competitive rates, coupled with the creation of another successful empowerment initiative.



BENEFITS

With new contracts and higher workloads, expansion and growth will bring with it the steady creation of vital sustainable jobs. This is in line with and will contribute towards Government's National Strategy for job creation. With high levels of unemployment in the Eastern Cape and NMMM area, this empowerment initiative will make a difference to the lives of many families living in poverty and have a vast positive impact on the local socio-economic climate within the region.

To illustrate this let's take an example. The current staff complement of TTD is a total of 34 running a fleet of 13 vehicles. If the fleet were to grow by 10 vehicles we would create an additional 25 permanent sustainable jobs. Should the fleet to grow by 20 vehicles will see the staff complement grow from 34 to 85. That is over 50 new jobs created with the further impact of providing 50 families with a steady source of income and a better quality of life. (See Figure 1)

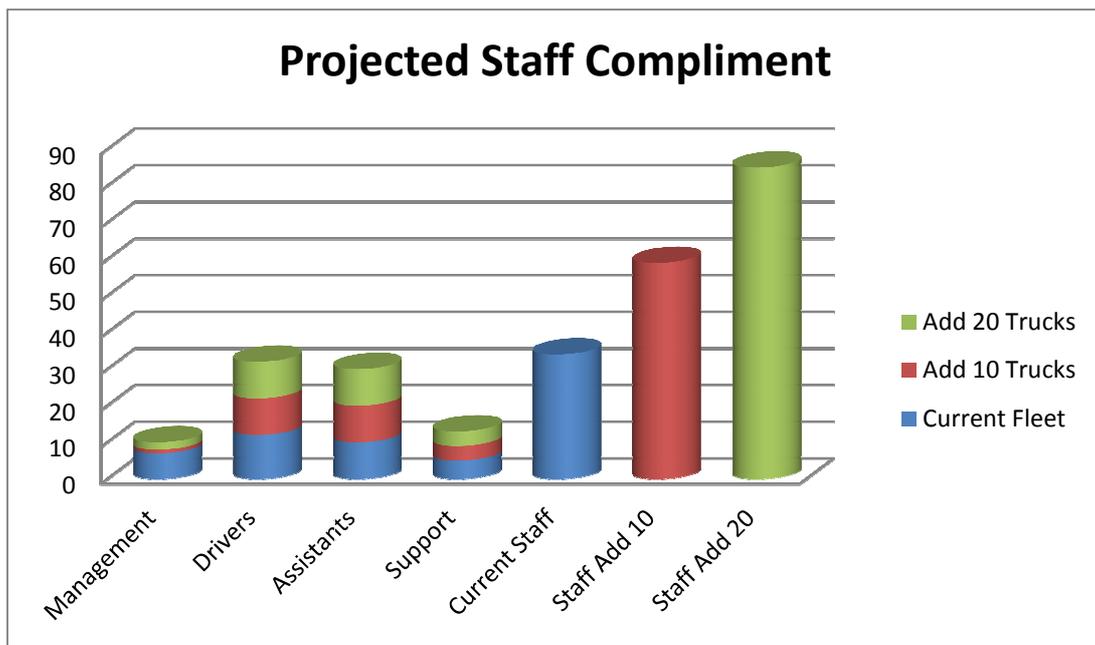


Figure 1



Tramarco Truck Division is actively involved in community development and upliftment, making frequent financial donations to organisations and individuals that are in need of assistance. In conjunction with the Uphuhliso Social Development Association, we are creating a positive impact on society. By serving disadvantaged communities within our service area, we aim to overcome critical socio-economic and educational challenges threatening the growth of the nation.

One of our proudest achievements was the building of the Nasruddin Islamic School at 63 vd Riet street, Uitenhage. Construction completed in 2008, and was handed over to the School Board. To date, the Nasruddin Islamic School has guided hundreds of learners to develop life skills, appreciate responsibilities and realise their full potential.

We believe that investing in the youth of today will reap endless rewards in the future. For this reason, we are focussing our efforts on the youth by assisting, empowering and nourishing the young minds of tomorrow's leaders. Some of our recent outreach programmes include donating grocery hampers to various community schools. Our goal here is to take this initiative further and grow it into a comprehensive feeding scheme targeting specific local schools.

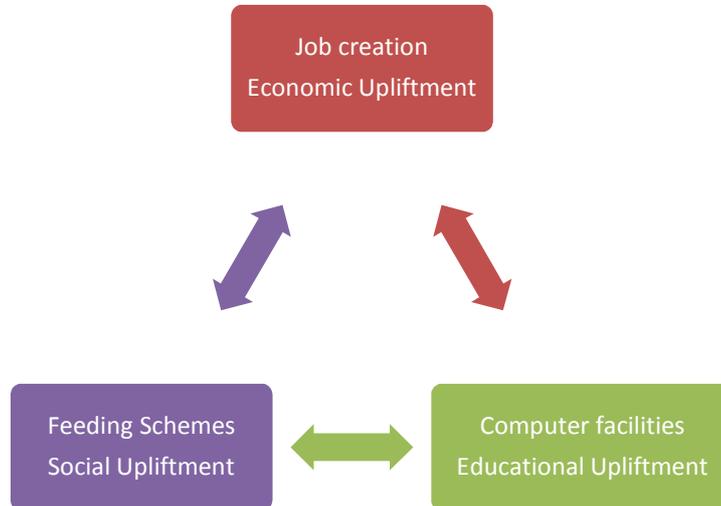
Another need that we have identified is the severe lack of technological resources available to the local community, specifically youth coming from previously disadvantaged backgrounds. We believe that we can address this challenge by providing opportunities through the linking of resources with corporate partners. Our proposal is to bring the world of computers, and the power of the internet to the community through developing computer facilities and providing technical support. This will go a long way in uplifting the standard of education in the area, providing a platform to catapult educational institutions into the 21st century and create an immense impact on society now and into the future.

Through our efforts, we have identified the following schools, which are earmarked to benefit from these developments:

- Qaphelani Secondary School
- Siphon Hashe Combined Schools
- Soqhayise Secondary School
- Ben Nyathi Lower
- Ebongweni Primary School
- Nasruddin Islamic School
- Madressa tu Shaheed
- Kleinskool Primary
- Donkin School



Securing substantial long term contracts will allow us to invest more capital into the local community. These additional funds will bring an opportunity to realize this dream and achieve our goals of uplifting the socio-economic status in the greater NMMM area.



It is therefore clear that this venture will bring about a profound difference in terms of economic, social and educational aspects positively touching thousands of lives.

TIMEFRAME FOR ACTION

Having considered our proposal and digested the relevant material, we would like to request a suitable projected timeframe for action. It is vitally important for us to have a clear and specific timeframe in place in order for us to carry out the necessary planning and preparations, allowing us to handle workloads with maximum efficiency.

