



▲ Technical Director Hennie Lubbe: "The key to running a successful transport business is to know exactly what your fixed and operational costs are. In that way you can spec a vehicle to ensure maximum profitability."

▼ A number of changes to suit Ni-Da's spec had to be made by Iveco on the Iveco S-Way before the order of 150 S-Way 430 and 10 S-Way 470s truck tractors was placed.

RELATIONSHIPS GET THE ORDERS



When you spot the four-man management team from Ni-Da Transport arriving at a new truck launch event, you know there's the potential of a big order hanging in the air. Patrick O'Leary heard from the folk at Iveco some of the background as to how one such order came about from Ni-Da Transport for the new Iveco S-Way models launched in March last year and saw this as an ideal opportunity to dispel the 'price only' myth that is often attached to truck buying. He thus visited the Ni-Da headquarters in Newcastle to get a handle on some of the behind-the-scenes systems and processes that lie behind the massive orders meted out by Ni-Da Transport.

You often read it on social media. It goes something like this: "I want to get into trucking. What truck should I buy - Scania, Iveco, Volvo, MAN or Mercedes-Benz?"

No, my friend. You're not buying a car where your lifestyle image takes precedence over technical specifications and total cost of ownership. There's a lot more to buying a truck than the badging on the front – a lot, lot more.

A truck is not a fashion statement although it must be said that the modern trucks of today are really good lookers and have well-appointed cabs for driver comfort.

However, a truck remains a business tool which exists to make you money - if selected correctly to suit a specific task taking into account a whole lot of operational and cost criteria. Ni-Da understands this well.

When one considers a company like Ni-Da Transport, one can't think small. Founded in 1988 by Nico Oosthuizen, who remains managing director of the Ni-Da Group to this day, Ni-Da Transport has grown over the years into one of the largest operators of side-tippers in the country with over 600 rigs running both locally and cross border.

The role this company plays in the economy is substantial and especially given the commodities boom which, over the past few years, has earned South Africa billions in foreign revenue at a time when the country really needs those bucks. If it were not for companies like Ni-Da Transport, South Africa would have lost out on the commodities boom for the simple reason that rail has failed on so many levels.

A recent article quoted Tharisa, one of South Africa's chrome producers, as saying that the company now uses trucks instead of trains to transport 80% of its chrome to port, a shift seen over the past two years due to Transnet's poor performance. "Historically, it was the other way

around. Two years ago, it was 80% rail and 20% road. Unfortunately, we're putting more trucks on the road, but it's a necessity to export and move product to end-users," chief executive Phoevos Pouroulis was quoted by Reuters as saying.

South Africa is the world's biggest producer of chrome which is essential in the manufacture of stainless steel. And of course, there are other commodities being hauled by Ni-Da to cater for increased demand from world markets. One is coal, which is now being urgently sought by countries in Europe. Germany, for example, is reopening its coal fired power stations given the cut-off of gas supplies from Russia as a result of Russia's war in Ukraine. South Africa is one of the countries benefitting from this new demand.

The size of this company and the role it plays in South Africa's economy is not really imparted when one arrives at the gate of its head-quarters in the historically rich town of Newcastle in Kwa-Zulu Natal. The entrance is flanked by a tall Ni-Da sign and when you pass through the gate, there's a small parking area for cars in front of the offices. What didn't impress was a large pothole on the road sitting smack-bang in front of the gate entrance. Not on the premises but on the road. I hate potholes. I'll

come back to that.

The size and status of this company only starts to hit when you walk inside and pass through an office section with numerous staff sitting behind computers monitoring, recording and doing a whole whack of other things people do on computers. I was met by my host for the day, Technical Director Hennie Lubbe, and I commented as we walked through part of the office section that the admin activities must be huge judging by the number of people with eyes on the screens. "Oh, that's just our fuel control and monitoring department," he replied casually. Gonas! Past that section were banks of more computers with busy staff live tracking vehicles on the road – among other functions.

It was when we walked out the office section into the yard that one got an inkling of just how many trucks this company operates. A herd of rigs were lined up in the yard in perfect order and that was just a fraction of the fleet. Hundreds of other trucks were out loading and offloading from multiple collection and drop off points around the country as well as cross-border. One merely has to head out on the open roads and you cannot but help notice the number of Ni-Da trucks running.

It is all these vehicles that Lubbe



▲ Having already done their homework on the new models, the management team from Ni-Da Transport arrive at the Iveco S-way truck launch event last year: From left: Managing Director Nico Oosthuizen; Technical Director, Hennie Lubbe; Financial Director Danie Wessels; and Operations Director Pieter Kwakernaak.



▲ An aerial view of Ni-Da's Newcastle depot yard. What you see is but a fraction of the fleet of over 600. The others are out on the road doing the job.

it was in 2006 that the new Iveco Stralis 430 gave me the ammunition I needed to get through the door," he recalls. It was in that year that he delivered 25 Iveco Stralis units to Ni-Da and in 2007, he got another 50 Stralis units into the company.

"The feedback we got on the performance of those models was great but there were some parts supply and technical back up issues that we had to attend to. This was perhaps understandable as the Stralis was one of the first of the new technology trucks to enter the market," Lubbe recalls.

At the end of 2007, he was appointed Customer Service Director of Iveco where he oversaw the total parts, warranty and after-sales operations of the company. This was an invaluable time for him as he had a lot of say into fleets and the issues that fleets were facing. It gave him a better understanding of the relationship that must exist between a truck OEM and its customers.

The experience he gained of smoothing the parts supply and back up services to clients

▲ Every rig returning to the depot is put over the post-trip inspection bays where they are checked for any faults.

and his team keep their eyes on for their roadworthiness, reliability and operational excellence. And he is well qualified to do so. Let's go back to the year 1979 – that's 43 years ago.

Many of the 'golden oldies' in the industry will remember a company called Truck Makers. Based in Rosslyn, this was a huge facility with its own stamping press plant which, among other activities, would bash out vehicle panels on massive presses.

Truck Makers was also responsible for manufacturing the legendary Samil and other military vehicles to world-class standards.

It was here that Lubbe entered the automotive world starting off as a technician and then qualifying as one of only three Quality Engineers in South Africa certified by the American Society of Quality Control. It was in this area that his non-compromising stance on quality was imbedded – a stance that he exhibits in Ni-Da to this day.

Working with Truck Makers brought him close to Iveco and in 2005, he became head of aftersales for Iveco for the Middle East and Africa from the DRC downwards. At that time Frans Cloete, another legend in the industry, was head of the sales department for Iveco.

It was during this time that Lubbe saw the Ni-Da Group as one he would like Iveco to get into. "I made it my mission to target Ni-Da and

gave him the foundation of knowledge and insight into the real problems truckers face when such services are not in place. He saw the negative impacts from a transporter's perspective and it is thus parts supply and back-up is a critical criterion to this day if any OEM wants to deal with Ni-Da Transport.

In 2010, Lubbe received a call from Nico Oosthuizen. He wanted to meet. The proposition presented to Lubbe was to head up a new transport company for the Ni-Da-Group hauling yellow equipment for Bell. Oosthuizen wanted Lubbe to run the operation and after being on the OEM side for so long, Lubbe decided to cross the line into the operations arena of fleets.

He thus joined the Ni-Da Group in 2010 and soon after, Ni-Da secured a contact for hauling 45 000 tons of coal a month from Middleburg to Maputo in Mozambique.

Lubbe was put in charge of this contract and did this for almost one year but then, missing his real passion as a technical rather than operations guy, he asked for a transfer to the workshops where he later became Director of the Technical Department.

At that stage, the fleet consisted of around 180 vehicles serving, among others, the Iscor contract with flat decks. Also in the fleet were 23 tautliners and some tankers.

All vehicles were registered for Dangerous Goods and all drivers had a DG certificate.

In this position, Lubbe now had under his wing not only the Stralis models he had sold into the company when he worked for Iveco but also a number of Scania and Volvo units.

An Iveco Trakker 420 tipper was in the yard when I visited standing almost as a tribute to the origins of this company which Oosthuizen started as a supplier of sand and stone to the building industry of Newcastle and surrounding areas. He soon realized the potential for growth when he identified the need for reputable transporters and



Tyre management

▲ With a fleet as large as Ni-Da's, tyres are a huge expense and sophisticated management systems are in place to manage each one of the thousands of tyres. Note the torque wrench. Good practice.



successfully entered the transport sector as Ni-Da Transport.

The launch of the MAN TGS range gave MAN an entry into the Ni-Da fleet when the company bought 40 TGS units in 2010. There were now three vehicle brands in the company - Iveco, Volvo and MAN - and that is how it remains to

The Stralis was one of the first of the new technology trucks to enter the market.

Hennie Lubbe
Technical Director, Ni-Da



this day. “I don’t believe in putting all your eggs into one basket and we’re happy now that we have the right mix,” says Lubbe.

All three OEMs know that although the individual relationships are strong, there is never room for complacency - and never must anything be taken for granted. It’s a win-win scenario that has been built up that, most importantly, is not based on an off-the shelf sale for any of the OEMs.

Take the Iveco S-Way as an example. Launched in March last year as a replacement for the Iveco Stralis, one would imagine that it would have been a natural entry into the Ni-Da group seeing as the Stralis had been running successfully in the company for many years. Not so. Bringing a new model onto the market does not present an automatic assumption of purchase based on any past success

Iveco therefore supplied Ni-Da with a few demo models which were put into operation in the fleet to assess their suitability – and it

▼ Out on the roads one cannot help but notice the large number of Ni-Da trucks and running and contributing positively to the South Africa economy as they do.

wasn’t just about fuel consumption as a number of inputs were given to Iveco to implement if they wanted to get their new range into the Ni-Da fleet. Without going into full details of the requirements, here are just a few examples.

The fuel tank capacity on the launch model was, for example, too small at 540 litres. Ni-Da specs a minimum of 600 litres fuel tank capacity on its truck tractors so an extra 200 litre tank had to be fitted. No easy or quick task but it was done.

Adjustments also had to be made to the 5th wheel taking off the ripple plate and supplying the normal 5th wheel pedestal instead. Emergency Brake Assist was deemed by Iveco as being an optional extra but Ni-Da wanted it as standard fitment. All models had to come standard with EBS – the higher version of ABS. So too with LED lights. Interesting is that Iveco assumed that with Ni-Da operating a lot in the off-road arena, they would prefer the rear lights to be standard and not LED. Not so.

“You bash one of those and you’re looking at between R8000 to R12000 per replacement unit – not to mention periodical bulb replacements when the filaments break. The rear LED lights thus give

a far longer life and are, overall, a cheaper and more reliable option,” says Lubbe.

This last issue on LED versus standard lights is a good example of spec’ing according to an operator’s realities and experiences. It also shows the attention to detail when taking into account total life-cycle costs. Interesting.

With fuel being such a major operating cost in any fleet, fuel consumption tests were also conducted where the S-Way models were compared with other makes using the same routes, the same payloads and the same schedules so as to give an apple-with-apple comparison. On this point, Ni-Da was happy with the results achieved.

What is interesting is that although some of the adjustments required by Ni-Da would place a higher price tag on the units, price was not the prime consideration. The correct spec for the job was what counted. “We look at lifetime costs and our road to success is not to cut costs that, on the surface, may seem high but in reality serve to lower your overall costs. The key to running a successful transport business is to know exactly what your fixed and operational costs are. In that way you can spec





a vehicle to ensure maximum profitability,” says Lubbe.

If bought, Iveco would also have to enter into a Full Maintenance Contract on all units sold. This was to tie in with Lubbe’s change to the maintenance and service parameters on the entire fleet when he took over as technical director.

“I introduced Full Maintenance Contracts with all three OEMs which includes top up oil, batteries and other consumables not normally included in such contracts.” he says.

The rationale behind this decision enabled the company not only to cut back on the number of bakkies it had for its service operations – thereby saving more cost - but also to shift the main workshop functions away from its area of responsibility to enable a more solid concentration on its core functions.

What was kept in place, however, were the post-trip inspection bays where every rig returning to the depot has to go over a pit for inspection. If any minor fault is picked up by the technician or reported by the driver, it will be fixed on site by Ni-Da mechanics. If anything major is picked up, it then

becomes the responsibility of the relevant OEMs. Regular scheduled services are also done by the OEMs under the respective FMC contracts.

Hennie Lubbe has his office towards the bottom of the depot where he can smell the diesel and grease from the nearby check-bays. However, when all his checks and balances are done, he moves up to the board room where he is joined by the other three members of the management team – Managing Director Nico Oosthuizen, Financial Director Danie Wessels, and Operations Director Pieter Kwakernaak.

Their specific criteria are then put into the pot to enable a fully qualified decision taking all the management disciplines and requirements into account. So no, it’s not all about up-front price or discount. Far from it.

FleetWatch has always stated that trucking is about relationships not transactions and when that relationship proves to be a win-win for both parties, the smiles are wide – and especially when the four-man management team from Ni-Da Transport arrives at a new truck launch such as they did at the Iveco S-Way launch with an order

▲ It’s a tough and rough world in which these trucks operate but pride shines with each rig visiting the depot going through the on-site wash-bay.

for 150 S-Way 430 and 10 S-Way 470s truck tractors.

And the beauty of this lies not only in the order itself but in the fact that the average age of the Ni-Da fleet is no more than three years with a vehicle replacement programme being firmly in place to ensure the fleet keeps up with the latest technology available in the market. So there will be more such orders in the future.

Now how good is that for a long-term, sustainable and profitable relationship between a transporter and his OEM suppliers? It’s the way to go.

Do you recall the pothole on the road directly in front of the entrance I referred to earlier. Well, I looked to avoid it when I exited and saw it had been filled in with a fresh patch of tar. I asked the gate guard if the municipality had come to fix it. “No,” he replied. “Our people from inside came out and fixed it.”

I smiled as I drove away. Ni-Da hates potholes as much as I do. □