

# **LUBRITENE (PTY) LTD**

## **GROWING ON GOODWILL**





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*Lubritene is a South African registered company, specialising in the manufacture of high performance greases, compounds and oils: a statement that barely describes a company that enjoys remarkable symbiosis with its clients*

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WRITTEN BY: **JOHN O'HANLON**  
RESEARCH BY: **ROBERT HODGSON**







**M**ining operations rely on their equipment, and there's no doubt that each site has a lot of moving parts in its conveyors, trucks, shovels, milling and grinding trains, not to mention its associated drilling programmes. All of this has to be nursed and protected with the right oils and greases. As any operations manager knows, lubricants can be a big budget item and one that pays back in proportion to its contribution to things like frequency of maintenance, equipment life and the avoidance of running problems that involve stopping the machine.

The market is crowded and to a large extent protectionist in nature. The big oil companies all sell their own brand specialist industrial

oils. Some equipment OEMs list approved suppliers; others provide a spec; some even sell their own branded lubricants, made for them by third parties, and try to compel the mines to use them by warranty sanctions.

But this very market has been Lubritene's opportunity. The privately owned company, which started life around 16 years ago as the spin-out of the lubrications division of a more diversified chemicals company, has made a point of staying the right size. It has also steadily grown its own range of products specifically designed for mining applications including earthmoving equipment like draglines, shovels & dump trucks, drilling rigs and a variety of equipment in open cast mining operations.

Typically the major oil companies approach the market from the outside in, providing a product that meets OEM specs. Lubritene has always approached it from the inside out – starting with the equipment's user. "Our model is that we supply a product specifically designed for the machine," says Dave Gons, Lubritene's Sales Director. "We try to keep in line with OEM specs and if we do have a spec we try to exceed it."

But more important is that the product works in the field. The big companies are not always hot on service: a customer may be pressured into using an OEM product for fear of nullifying his warranty but will think again when the warranty expires and he realises he has been paying a large premium for something that originates from an unknown third party, with indifferent support.

Other larger customers use their buying power to insist on keeping their long-standing relationship with Lubritene, which at a large site is likely to have its own personnel permanently on site, looking after all its lubrication requirements. "Backup service comes as part of our package, and when these customers procure new machines they are not about to be told they have to change the way they have operated for many years." There's always another supplier, he points out.

There may be two permanent Lubritene engineers at a large Anglo Coal mine, equipped with their own vehicles. The relationship is a close one – almost a family

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# 16

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**Years since Lubritene  
 was founded**

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relationship at the mine site, says Gons. "It doesn't matter what mineral they mine: our business is to look after the machines and we have a very strong relationship with the mining groups going back many years."

The lubricants, branded as Lubrene, are manufactured on the company's site at Edenvale near Johannesburg.

There are separate plants for each of the different products – open gear lubricants for example, non-melt grease or drilling core fluids as well as synthetic oils



for enclosed gearboxes.

In 2006 the management of the company discussed the next phase of its expansion, realising the domestic market was reaching saturation. It was decided that the next target should be Australia, where there was growing interest in Lubritene's product and service model. A subsidiary company was set up there, and to cope with

the increased demand a new six-ton capacity grease plant commissioned at the factory.

Seven years later the company is well

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products, has been one of our key service attributes, which we have passed onto our customers and in turn the end user.

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established in the Australian market, with offices in Perth and Brisbane. At one time it experimented with local toll manufacturing but unsatisfied with the quality and consistency it drew back to supplying direct from South Africa. Better a dependable product than saving a few dollars in transportation costs, he says.

Lubritene is used to requests from other parts of the world too, largely driven by the diaspora of mining engineers from South Africa. The latest new office was opened in Santiago, Chile, where it is servicing the booming South American market. And Dave

Gons has been able to advance his personal dream of capturing the wider African market. "We supply neighbouring Namibia, Mozambique, Botswana and all the way up into Mali, and Tanzania."

Service levels in these territories are no less than in South Africa. With 40 van-equipped engineers ready to fly out to a mine if it is not close enough to drive to, Lubritene

will not compromise on the service that differentiates it. Gons is undismayed by the competition that undoubtedly exists. "You need to know your position in the market or you know nothing at all!" he declares, "Our model is

**2006**

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**Year Lubritene Australia was founded**

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“WE TRY TO KEEP IN LINE WITH OEM SPECS AND IF WE DO HAVE A SPEC WE TRY TO EXCEED IT”

a bit different from theirs. They have tried to open service divisions but they provide a service for a period, then it breaks down or they outsource it to a generalist”

Service is not the only differentiator though. “Most of our products arose from problems at mines that we were approached to solve. If you are faced with a persistent problem and ask one of the big players

to make a grease with special properties to solve that – forget it. They have a list of products that they work from. We are completely different.”

In such a situation he will travel to the mine, accompanied by a chemist, and analyse the problem with the customer’s engineers, testing the product they have been using. Back in Gauteng, Lubritene’s R&D team will

work on a customised sample then return to the mine to test it. “If it works, well and good; if not we try something different till it does work! Unlike the large companies I can talk to my chemist any time, tell him what I want, and he can do it. No red tape.”

And once the right product has been formulated, that product is thenceforward available to that customer. In a recent case, a large mine near the Namibian coast had problems associated with the regular 20-degree daily temperature swing in that climate. No existing product could cope with that so Lubritene made one: “It is made specially for them and it is their grease. The quantity is not a problem.” Try getting one of the majors to develop a special product

then manufacture just four tons for a single customer, he says. It won’t happen.

There’s no pressure on Lubritene to grow exponentially – one of its strengths is that it is right-sized. Nevertheless the breaking news is that it is on the point of commissioning a new 16-ton grease plant. Joining the existing four-ton and eight-ton kettles, this one will keep a growing band of satisfied customers happy. Not just the customers. Lubritene, he says proudly, enjoys vanishingly small staff turnover rates. **BE**

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