

ONELOGIX

FLAIR WITH DETAIL



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OneLogix is poised for exponential growth. CEO Ian Lourens talks to Gay Sutton about the importance of balancing entrepreneurial spirit with meticulous attention to detail



It was in 2000 that OneLogix listed on the Johannesburg Stock Exchange and began the process of building a logistics company. Today it is a multifaceted organisation comprising seven companies, each occupying a specific niche in the logistics market. More than that, the company is poised for a step change in dynamics.

Last year, revenue grew by 41 per cent and operating profit increased by 43 per cent, and this follows a compound annual growth rate of around 30 per cent over the last seven years. “There are two very important components that we believe are responsible for the success of the business,” explained CEO Ian Lourens. “The first is that we have a very entrepreneurial business culture, and secondly, we are empowering by nature.”

The company has grown both organically and by acquisition. “We have always acquired entrepreneurial businesses,” he continued, “and the entrepreneurs who started those businesses still run them today. Most have shares in the parent company OneLogix, and they all have a very strong incentive to continue growing the business they originally started. Where we have seen opportunity in the market, we’ve started businesses within the group and structured these on a similar entrepreneurial basis “

This entrepreneurial spirit is not crushed by corporate big brother, but is nurtured and supported. The parent company has a very small head office housing its directors and the overarching administrative functions, finance, payroll, HR and IT. “The role of the head office is



VDS workshop
staff



Driver debriefing

to make sure we get the equilibrium right between the due diligence and caution required of a public listed company and the flair of the entrepreneur who by definition is somebody who can see things that other people can't," Lourens said, "then to translate that into concrete action."

New ideas go through a thorough feasibility assessment. "If it is well conceived, we will back the change." Monthly executive meetings not only create a companywide forum for sharing knowledge, ideas and experience, but also provide the structure for monitoring performance and accountability.

"We have a very explicit focus on getting the business basics right - all those extremely boring unsexy things. For example, we know exactly what every little thing costs," he explained. Not only does that mean underperforming elements of the business can be improved, but the company can deliver on its promises. "Many of the businesses source their revenue via tender and many companies cut their throats on bad tenders, thinking they're profitable but finding they're not six months down the road when it's too late. By having the basics right, we can make strong promises that we know we can keep and even surpass." It's a level of performance that has consistently

been verified by the highly demanding automotive sector, for whom OneLogix has been scoring close to 100 per cent for many years.

The company's continuing growth is a testament to this mixture of flair, support and structure. The seven OneLogix companies are drawn together into three divisions: automotive and abnormal; retail; and media. The largest automotive component is VDS,

which provides an end to end supply chain service for car manufacturers and importers, collecting new passenger vehicles either from the port of entry or from the OEM in South Africa. They're warehoused and delivered to dealerships throughout South Africa and southern Africa. Employing some 670 people, VDS owns, maintains and operates a fleet of 240 double decker trailers and has the capacity to warehouse some 14,000 vehicles for all major car manufacturers from Mercedes Benz, BMW, Toyota and VW to GM, Volvo and MG.

When VDS first became part of OneLogix

**14,000
VEHICLES**

.....
VDS warehouse capacity

in 2000, it was essentially a cross-border service. In 2004 its managing director proposed expanding into the local South African market where he perceived a huge opportunity. With full backing and significant investment from OneLogix he put his plan into action.

Today, VDS is market leader with over 30 per cent of the South African market and around 95 per cent of the cross-border market.

The backbone of the service is a network of offices, storage, maintenance, customs clearance and staff facilities, that extend up through the spine of Africa - from the ports of Durban, East London, Cape Town

**“WE HAVE ALWAYS ACQUIRED
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VDS security check

and Port Elisabeth, through the Kempton Park head office and the border post of Beit Bridge, to Harare in Zimbabwe, Lusaka in Zambia and beyond.

The second automotive company is CVDS, launched by OneLogix in 2008 to provide a vehicle delivery service for new commercial vehicles typically bigger than 3.5 tons. Based in East London close to the manufacturing plant of its initial customer Mercedes-Benz, CVDS has replicated and built upon the success of VDS. “The market for delivering trucks was comparatively unstructured,” Lourens said, “and we have simply introduced structure based on the experience we have built up with VDS. As a result we’re essentially defining and consolidating the market and winning significant market share.” Volvo, Renault Trucks, MAN, VW and Toyota have all become customers. “We currently have about 30 per cent of the market in South Africa, and we believe we can double that over the next couple of years.”

Also in the automotive and abnormal division are two companies - RFB and OneLogix Projex - both based in Durban, Africa’s largest harbour. RFB was acquired in 2009 and OneLogix Projex was launched in 2010. Both handle heavy road freight and specialise in abnormal loads, either as one-off projects, or on a regular basis for larger blue-chip companies in industries such as construction and mining. “Both are major players in the market, each with a very specific customer base of big companies such as Eskom, Sasol, Barlow World Logistics, and the mining companies.” Again, since



Key room

acquiring RFB OneLogix has applied the knowledge and experience of VDS, and expanded extensively into the rest of Africa.

The final element in the automotive and abnormal division is Atlas Panel Beaters. Acquired in 2010 it’s had a complete makeover with upgrades to its premises and a range of new equipment. With the right people in the right jobs, there is a nice potential for growth.

The other two divisions of the company, retail and media, may appear to be strange

bedfellows for the automotive and abnormal companies, but both are very strong in logistics. The retail company is PostNet. This is a franchise with 24 stores around South Africa and one in Namibia, providing a counter network for business services, anchored around the courier delivery of documents and parcels for the strongly growing SMME (small, medium and micro enterprises) business sector.

The service has two elements. Firstly it acts as a hub, consolidating parcels which

“WE WILL BE MAKING MUCH LARGER AND MORE MEANINGFUL ACQUISITIONS IN THE FUTURE, AND INVESTING MORE IN ORGANIC GROWTH”



Loaded truck

“WE’RE LOOKING FOR SUCCESSFUL, ENTREPRENEURIAL COMPANIES THAT FIT WITH OUR CURRENT PORTFOLIO”

are then delivered by DHL and other courier companies to destinations throughout South Africa and around the world. The second element is a printing service. Amongst other things, from the head office in Kempton Park, PostNet design, prints and delivers an enormous range of printed business material from letterheads and business cards to posters and large documents.

The final piece of OneLogix, Magscene is the media division and was acquired in 2007. It imports major magazine titles primarily from the UK, US and Australia, warehouses and distributes them to the upper end of the retail trade in South Africa.

OneLogix has built a solid organisational and cultural foundation for the business, and this is backed up by a highly customised

in-house IT system. All the usual business values such as integrity and respect are reinforced in such a way that jargon is avoided. “We try to translate them into something meaningful,” Lourens said. “For example we talk about being straight dealers and professional conduct.”

The cumulative effect of this focus on entrepreneurialism linked with sound internal processes is that the company is now poised to expand at a much faster rate. “Growth is set to become exponential,” Lourens explained. “We will be making much larger and more meaningful acquisitions in the future, and investing more in organic growth.”

Lourens is actively seeking acquisition

opportunities, based on the current operating principles. “We’re looking for successful, entrepreneurial companies that fit with our current portfolio,” he said. “Ones that have perhaps hit their ceiling and cannot grow any further alone. We can offer them a step up and take them to the next level.”

If all goes according to plan, then this is only the beginning of a huge growth curve that will put OneLogix on the map as a major African logistics player. **BE**

For more information about OneLogix visit:
www.onelogix.com



ONELOGIX

50 Harden Avenue,
Seaview, Durban, 4069

T 031 459 0090
[www.one\(logix\).com](http://www.one(logix).com)

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