

TROLLOPE MINING SERVICES

A WINNING TRANSFORMATION





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After being hurt by falling coal prices in 2008, Trollope Mining Services has grown dramatically by taking a more balanced approach



Caterpillar truck on-site

Headquartered in Johannesburg, Trollope Mining Services provides expertise in surface mining services. These include opencast mining, rehabilitation, bulk earthworks, plant hire and road construction. Much of the work involves excavating land and then drilling and blasting, stock-piling usable materials and removing any rubble.

Trollope Mining had served the domestic coal industry successfully since 1975, but the events of 2008 brought about a change in focus and the arrival two years ago of present managing director Guy Hopkins.

“It all started when brothers Peter and John Trollope bought a bulldozer from a military auction and began to use their equipment at local iron ore mines to help with bush clearing,” he explains. “The business grew and they started to acquire more equipment which was operated from the family farm, two-and-a-half hours north of Johannesburg.

“In 1999 the company was sold to a Black Economic Empowerment company which was rolled up into the Mvelaphanda Group,” he continues. “Today we are 30 per cent owned by a BEE company called Mntungwa Resources while John, Peter and Danie Le Roux own 70 per cent of the business. By 2000 the company had grown sufficiently that we relocated to Johannesburg, and moved into the current headquarters in

2008. At that time we were still very much focused on the coal mining industry, and in particular our contracts with Xstrata Coal.”

The business might have continued to operate serenely but for the dramatic fall in the price of coal in 2008, which had catastrophic consequences for Trollope. “Back then 98 per cent of company turnover was coal-based but the price of coal fell to just \$50 a ton, wiping out 90 per cent of company turnover in one month,” Hopkins explains.

Hopkins, with a civil engineering background in construction, entered the fray a couple of years later with a remit to help Trollope diversify. “It has been a gradual process but from an operating turnover of R278 million in 2010 we should achieve R700 million this year,” he predicts. “Today we have 14 different clients from as far away as Australia, Spain and Turkey, who are involved not only with coal

but also manganese, gold and platinum. We have focused on servicing the junior miners who may not have the equipment or the capital to buy the machinery needed to crush or move earth.”

The move into hard rock signalled a shift in strategy as it meant the company’s existing fleet of excavators, crushers and dump trucks needed to be replaced with larger machinery. “With the transition we spent in the region of R300 million to upgrade to dump trucks from 40 to 100

**R700
MILLION**

Trollope’s projected operating turnover this year

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tonnes, capable of shifting hard rock. We are constantly reinvesting to ensure that we have brand new equipment and excavators with an average age of 18 months."

Trollope has a core set of some 200 pieces of equipment with a further 200 available for ancillary equipment. The company operates sites around South Africa and while the main headquarters and workshops are in Johannesburg, there are bases in Thabazimbi and Ogies and workshops situated at each site where Trollope has a contract.

This is essential given the distances involved and the remoteness of some mining locations. The company currently has 12 live projects

and routine maintenance and minor repairs are carried out on-site at each location as necessary. More complex work takes place in the 1,500 square metre Johannesburg workshop, built three years ago to house 10 bays plus a paint shop, an engine and transmission rebuilding shop, a boilermaker shop, auto electrician division and hydraulic cylinder rebuilding shop.

Hopkins feels that a change in Trollope's culture has also had a significant bearing on the turnaround in fortunes. "Excluding sub-contractors we have just under 1,100 staff and they have been the key to our success," he affirms. "It is all about the quality of person rather than



the machines and it has been a question of nurturing and leading our people in the right direction through much clearer communication channels, whether that is through clear audits and finance reporting or direct decision-making. In the past perhaps with three people running the business the message was not always as clear.”

With clearer leadership and regular auditing, the business has thrived in stark

contrast to South Africa’s construction industry. Hopkins is mindful of the impact this is having on the commercial mining environment. “We are a specialist mid-tier open-cast mining contractor and we are much more astute now. Our biggest risk is the construction slump, with those guys entering our sector without the knowledge and expertise that Trollope Mining offers. Their equipment depreciates much slower

“THE PROSPECT OF WORKING OUTSIDE OF SOUTH AFRICA IS SOMETHING WE HAVE LOOKED AT FOR SOME TIME BUT WE WILL TREAD CONSERVATIVELY”



Equipment in use at mine site



Equipment has an average age of just 18 months

and that affects their rates, while they may not be able to react to customer demands as quickly as we can.

“We are also working towards ISO accreditation by the end of July which will give us greater opportunity to work with bigger companies from Canada, Germany and the United States who have mining operations beyond South Africa’s borders. The bulk of the operating procedures are in place and we are just finalising our documentation now.

“The prospect of working outside of South Africa is something we have looked at for some time but we will tread conservatively and work with companies that know the territories. Our reputation within the industry sets us apart and while we may not offer

the cheapest service, we are always willing to get clients out of any trouble and have traditionally delivered what the customer wants. There is also scope for us to enter the construction market when it improves: that is definitely also on the radar.”

Hopkins concludes: “Our turnaround has been phenomenal and we need to carry on growing but not at the same rate: we will look to consolidate now. Our debt ratios will play an important role when we come to replenish our fleet but our main focus is on the bottom line, not simply chasing turnover.” **BE**

For more information about Trollope Mining Services visit: www.tmsgroup.co.za

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