



VITAFOAM

FOAM AT FIFTY



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Africa's largest manufacturer of polyurethane foam products has been very busy extending its products, markets and technology—and supporting new businesses as part of its growth strategy

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Vitafoam is the largest supplier of flexible foam products to the Nigerian market

Vitafoam is 50 this year, but showing no sign of middle age as it drives forward the introduction of new technologies and manufacturing methods and brings to West African consumers the international levels of service they desire today. The company was founded in 1962, listed on the Nigerian Stock Exchange in 1978, and has become established as by far the largest supplier of flexible foam products to the Nigerian market—itsself the largest in Africa with a population of over 160 million people. But there’s hardly space here to talk in detail about Vitafoam’s dominance in the high quality flexible foam products manufactured from four factory locations at Ikeja, Lagos in the south-west; Aba in the south-east; Kano in the north-west; and Jos in the north-east of Nigeria. Suffice to say that the company is universally known for its mattresses, fibre pillows, upholstery sheetings, reconstituted foam for orthopaedic mattresses and lifestyle products.

Vitafoam’s vast array of quality products have been grouped under four segments: ‘Early Days’, which caters for nursing mothers, babies and children before the teenage years; ‘Lifestyle’, a trend-changing and innovative category with products that reflect modern tastes in the household; ‘Premium Health’, which focuses on the provision of products that cater for the upwardly mobile and ageing class who

are health conscious; and finally ‘Leisure’, designed to address the outdoor and leisure needs of the young at heart. Lately it introduced into the Nigerian market inner-core spring mattresses, packaged beds, duvets and bed spreads (fitted and plain sheets), thereby offering the consumer a total solution for a comfortable sleep.

The majority of Nigerians today sleep on Vitafoam mattresses, says Vitafoam’s CEO Bamidele Makanjuola, but demand is shifting towards the kind of internal coil spring mattresses that are almost universal in

**160
MILLION**
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Population of Nigeria

North America and Europe. In 2011 Vitafoam built an extension to its Ikeja plant and equipped it with state-of-the-art spring making machinery from Manchester in the UK and became the first manufacturer of spring mattresses in the West African region, marketing

them under the Vita Spring brand. Vita Spring Flex and Vita Spring Firm are often demanded by top brand hotels.

This has been a great success, he says. Until now spring mattresses had to be imported, but Vita Spring brings them within the reach of average income consumers for the first time. “We aim to lead the market to the standard enjoyed in the rest of the world. Our intention over the next three years is to expand production and marketing so that Nigerians will acquire the taste for them, and up to 80 per cent of the mattresses we sell will be spring mattresses.”

The new products still have foam elements

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'sandwiching' the foam and the inner-core spring, but the amount of foam used is vastly reduced, making the whole product much more sustainable. "The reduction of CFCs and other chemicals is one of our key drivers. It is an environmentally friendly process, and the cost of ownership is cheaper too because the spring mattress lasts much longer."



The Early Days range caters for children

was the facility set up in 2009 to process polyester fibre and manufacture downstream products from it. Also in Ikeja, this is a separate factory and since the process is quite different from foam production, it was set up under a separate company, Vitablom Nigeria Limited, 80 per cent owned by Vitafoam. "Almost all Vitablom's production of

The spring mattress facility is just the latest expansion to come on stream following a N2 billion (\$120 million) programme of investment over the last five years. One of the principal fruits of that investment

hollow siliconised fibre pillows, duvets and cushions is sold alongside our Vitafoam product range. We are selling fibre pillows all over Nigeria now, and into Ghana, which is one of our major export markets, and also

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High quality flexible foam products are manufactured in four factory locations

“WE AIM TO LEAD THE MARKET TO THE STANDARD ENJOYED IN THE REST OF THE WORLD”

to Sierra Leone.”

With a population of about 5.5 million Sierra Leone is a fast growing economy based on its mineral resources, and is now rebuilding its economy 10 years after the end of a civil war that destroyed most of the country’s infrastructure. Vitafoam’s plan to establish a flexible foam and fibre pillow processing plant there is at an advanced stage of preparation, says Makanjuola. “We

secured a \$2.8 million loan from the World Bank subsidiary International Finance Corporation (IFC)—its first investment in Sierra Leone’s manufacturing industry since the civil war ended—to set up this factory. We were able to convince the IFC that the project is viable and we are hoping the factory in Sierra Leone will upgrade industrial activity and add to the living standards of the average Sierra

Leonean.” Vitafoam will retain a 60 per cent controlling interest in the project with local investors picking up the remaining equity, he says. Construction at the site, 15 miles east of Freetown, started earlier this year, and first production there will be expected in March 2013, he says.

Back in Nigeria, Vitafoam is introducing big changes to the way Nigerians furnish their houses, not just through product innovation but also through the chain of Comfort Centres it is rolling out across the nation. “It is one of the ways we want to expand our market share in the country,” says Makanjuola. “We want to change the buying process of Nigerians—how they purchase foam and foam-related household items—so we aim to set up showrooms on

high streets all over the country.” Eventually every major city will have its Comfort Centre, but they are already present at six locations in the Lagos area: Warri, Ife, Abuja, Jos and Kano.

Generally, the form in Nigeria is that you go to the retailer, purchase your furniture, then make your own arrangements to get it home. Comfort Centres introduced the concept of a one-stop-shop, where the consumer can choose from a range of related products and have them delivered free. It is a big step for retail, and is being enhanced by the addition of online purchasing through its response (call/contact) centre via its website. In July 2011 Vitafoam entered a strategic alliance with the well-known bed manufacturer Vono that brought together

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two of the nation's leading players in the beddings and furniture industry. Vitafoam acquired a quarter of the equity in its former rival, and access to its powerful brand. The synergy was apparent, Makanjuola observes: Vono has superior capability in the area of furniture-making while Vitafoam has the largest foam manufacturing and distribution network, which will vastly help Vono to deliver its products in and outside the country—and in particular through the growing network of Comfort Centres.



Customers can choose from a range of products

the largest volumes for some time to come, rigid polyurethane foam, a closely allied technology, yields higher margins. Chiefly used for insulation, whether in buildings for heat and soundproofing or for pipework cladding in industrial applications, especially the oil and gas industry. All the rigid foam used in Nigeria was imported

While flexible foam will amount for

before Vitafoam set up Vitapur Nigeria Limited in 2009. The company specialises in polyurethane and polyisocyanate rigid foam products. "Rigid foam was a natural move for us, and we are investing heavily in

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it. There’s a large market for these products in general construction, insulation panels for portakabins and agricultural buildings like chicken houses as well as cold stores for the food and foodservice industries.”

He is expecting great things from Vitapur as its capacity as the only manufacturer in West Africa is recognised. Meanwhile he is advancing with deliberation into this very technical market, hiring expertise from abroad to train and support the local staff. In time Vitapur hopes to have the confidence to tackle large pipe insulation projects for Nigeria’s oil and gas industry: to this end it has signed partnership agreements with two specialist Italian gas and oil pipeline insulation companies.

These are all exciting projects, but undoubtedly the most visionary strategy from Vitafoam is the seed capital it is putting into feeder industries that complement its core foam offering. We have seen a taster in the setting up of Vitablom; however Makanjuola wants to see no fewer than 20 independent associate companies set up across Nigeria by 2015. “We could manufacture a more diverse range of products under our own umbrella of course, but we would prefer to finance a number of SMEs to manufacture products for our

Comfort Centres and distributor chain pan Nigeria.” Nigeria, he says, contains a pool of would-be entrepreneurs held back by lack of capital and the reluctance of banks to support them. Vitafoam is keen to make its resources available to suitable individuals or groups.

The success of Vitablom was encouraging. Another venture called Vitavisco was incorporated very recently to manufacture

moulded seats for office furniture, pillows, special neck supports and the like from viscoelastic foam. This is a specialised product marketed as ‘memory foam’—it is pressure sensitive and moulds itself to the body. A third company will be established in a different part of Nigeria by the middle of next year. Investors have already been identified, and the plan is to manufacture shoe soles. “There are so many opportunities for aspiring entrepreneurs and the difficulty they have in accessing funding. This means that our scheme is very attractive to them.”

While the scheme will be an undoubted

Reflecting modern tastes

80%

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Vitafoam’s stake in Vitablom Nigeria

boost to the private sector, Vitafoam will benefit if these ventures are successful. Its equity holding will secure a further revenue stream, and every additional product will add to the Comfort Centres’ range. For consumers, Nigeria-manufactured products will

be available without the delay and inflated price of imported goods: it’s a three-way win situation, according to Makanjuola. **BE**

“RIGID FOAM WAS A NATURAL MOVE FOR US, AND WE ARE INVESTING HEAVILY IN IT. THERE’S A LARGE MARKET FOR THESE PRODUCTS”

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