

Diversifying Equipment

Having a finger in a lot of pies isn't always a bad thing. Diversifying a heavy duty equipment company will not only prepare you for the future, but will help get you through the current economic situation.



“Bulk Handling Today” visits Johan Janse van Rensburg, CEO of the ALS Group of Companies, and speaks to him about the company and some of the projects they are working on.

Projects

Johan starts off by discussing a number of current projects. He says the biggest they are working on at present is an open cast gold mine. “It is the biggest in the country and at this stage it is 280m deep.

Specialises in topsoil and overburden stripping with volumes larger than 150 000 bulk cubic metres (BCMs) per month

“Some of the other large projects include coal mines where we also do a lot of the work on the mine itself. On the civil construction side, we have just completed a slimes dam project for the Swedish company Lanxess Cisa, and at the moment are building a road in Limpopo. In addition, we are involved with municipalities in rural areas. Some



Johan Janse van Rensburg, CEO, ALS Group

of our machines are also used on the Gautrain project as well as in some of the harbour expansion projects in the Eastern Cape," says Johan.

"Our mining company specialises in topsoil and overburden stripping with volumes larger than 150 000 bulk cubic metres (BCMs) per month, and can boast an earthmoving capacity of over a million BCMs per month. The key for us is to offer a comprehensive service, from the foreman to the end product," says Johan.

Construction

"The construction side of the business is the one that has shown the most growth over the past few months," he adds. "I think construction has already gone through the worst part of the recession at this point, as things already slowed down at the beginning of last year. Currently the cement industry is

starting to do better with a bigger demand than supply, which in turn means that there are some projects in the pipeline in that industry, not only for the construction side but also for mining."

Economy

We ask Johan how they have been affected by the current economic situation? "As far as we are concerned, the industry that was hit hardest by the economic downturn is diamond mining. There were also other projects that were put on hold and, as a result, we lost some contracts." In the same breath Johan adds that apart from these setbacks, there is a lot of work coming in at the moment and the situation is looking up for all of their businesses.

"What started it for us were the dramatic increases in the fuel price last year. We were forced to look at our in-house systems and put a system in place where the diesel consumption of every machine or vehicle in the company is checked and noted on a daily basis to make sure that there are no losses."

Training

He moves on to talk about training on the machines. "Training is not always easy, especially if you have such a diverse workforce. If we look at the heavy equipment side of the business we do a lot of in-house training but also use outside companies. We've just added a new training facility at our head office" he adds.

In these tough economic times the challenge is to get paid

"On-site training has certainly proved to be the best. Obviously you are not going to take a driver on site and then train him how to drive, but someone with the basic skills will be trained on how to best utilise the machine in the specific environment they will be using it in."

Background

Johan gives us a bit of background on the company and says they started off twenty years ago as a few farmers hiring out tractors in the off-season and later getting involved in building dams. Four years later, an opportunity in civil contracting was pursued and the business expanded into plant hire and the related mining and civil industries.

Today the group comprises 16 companies of which seven specialise in different fields in the earthmoving industry.

Challenges

Johan also talks about some of the challenges they face in the industry. "The challenges are endless. To get the work and to do the work is not the problem, but in these





ALS dozers on site at an open pit coal mine

tough economic times, the challenge is to get paid.

"There are a few obvious challenges like the skills shortage and holding onto staff. But at this stage, the most important aspect for us is to be in a position to offer our clients more than our competitors. Obviously we want to offer a good service, but in times like these it is crucial to add value to the operations of our clients. ALS must be the one supplier they cannot do without," he adds.

For the future

Johan concludes that for the next year they are looking at building the brand and riding out the recession. "I think it will be naive to say that things are not going to get a bit worse. However, with hard work and the backing of a good company, I do not think we will have a problem.

"There are some big projects in the pipeline that we are hoping for and these will once again enable us to show some growth."

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Naïve to say that things are not going to get a bit worse

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