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DIESEL & DUST

Newsletter from Sandown Commercial Vehicles

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An eye for a corner

Nico Louw, owner and MD of Renico Group of Companies, has always had a love for brick and mortar. In fact, he bought his first house at the ripe old age of 16!



Nico Louw is pictured with his wife, Renske, and daughter Kiara.

As a very industrious teenager, he also did house sitting for estate agents and wrote the Estate Agency Board exam. It therefore followed naturally that he would join the ranks of property agents after he completed his matric.

But, being the natural-born entrepreneur he is, Nico wasn't content only to be working at an estate agency. He soon started his own business, which grew into an enterprise with 120 agents spread over seven offices!

Always with an eye ready to spot new opportunities, Nico spotted a gap in the construction business and sold his share in the estate agency six years later. "I used to deal with new building developments all the time while I was an agent and decided to make a move," he says.

This enabled him to concentrate his efforts on the construction and plant hire business. He remembers the cost of the first complex they built clearly: R828 000 for 16 three-bedroomed units!

"My team members and friends often joke when they say that I want to open a shop on every corner, but I have an eye for a corner and it just so happens that corners are often the best location!"

Today, Renico has completed over 150 projects, ranging from single residential units to large, industrial and commercial complexes. It boasts an annual turnover in excess of R800 million and delivers on average 23 000m² of completed building works per month.

Nico agreed to share some of his business principles with *Diesel&Dust*.

Always have a plan

Goals and objectives are very important in any business. We plan well in advance and work on a 10 to 15-year plan. Some staff members are even now asking what our 20-year plan is! However, it is also important to revise and adjust your plan regularly in order to adapt to current circumstances. You have to be flexible.

Keep your finger on the pulse of the market

I like to stay current with the present market conditions. I do this by engaging with people wherever I can and also read a lot. I keep an eye on social media and we get great feedback from our friends and customers. Our monthly newsletter is distributed to almost 20 000 subscribers and we get a good response from that.

Don't follow the herd

The secret to successful estate development and investment is to be different. You have to be ahead

of the wave – if you're not, you are going to miss it. Better still, sometimes you should be the one to create that wave.

When current market analysis is released it is usually based on historical data and may stretch back as far as three years. By then you should have already boarded that train, disembarked at the station and be well on your way to the next!

Follow a proven recipe

To build a house or a building (or a business for that matter) is no different to baking a cake. You have a basket of ingredients and a number of steps to follow. As long as you use the right ingredients, in the right environment and your processes are in place, you must be successful.

Working smarter

Many of our flats, duplexes and houses we build are almost generic. We deliberately don't change them every time, but rather aim at finding ways to improve. You can't recapitalise or retool your business every time, but you can strive for improvement.





Do what you love

My first love is construction although I don't spend nearly as much time on site as I would like to. I have an eye for detail and can quickly spot something on site that is wrong or out of place. I also enjoy interacting with team members on site. I have full confidence in my project managers and they manage according to the Renico principles.

Prepare for the lean times

Save money for the adverse times in the good times. It is easy to believe that things won't ever get bad while you are enjoying the prosperous times. Things can change quickly and you have to be prepared for that. We own several properties (some may even call me an impulsive buyer) but the rental income makes a difference on the balance sheet.

Property is a good investment

Invest in property as much as you can. Affluent people in the UK and Europe own property, while the less affluent rent. This situation is fast becoming the norm at home as only a small percentage of South Africa's population can afford home ownership. Property ownership creates wealth.



We are confident about the future

The market may look entirely different in ten years' time, so we may spread our risks somewhat. I am acutely aware of the fact that one person cannot get to everything and am a proponent of shared responsibility. The extension of our property portfolio is our primary aim going forward, while the trucks and earth moving machinery are tools to do that. We are in good spot in the southernmost tip of the African continent and while there may be some negative sentiment we don't let it affect us too much.

We are excited and looking forward to the future.

Taking time off

I don't set enough time aside for doing other things. I enjoy the outdoors, and go fishing and hunting when I do get the chance. I am used to spending 12 or more hours at the office, but try to get to gym

more often now. I am, however, still at work at 6:00 and Saturdays are usually set aside for office admin.

About the Renico fleet

Renico's fleet numbers 434 and consists of trucks and large earthmoving machines. Mercedes-Benz and FUSO are their brands of choice and they deal exclusively with Sandown Commercial Vehicles Roodepoort. "Sales executive Carel Jabobsz has taken over from Nico Kriek and Carel is continuing the good work," says Nico. "His service is exemplary and we can't ask for anything more."

Why do we prefer Mercedes-Benz? It is a combination of the people, the product, finance options and after sales service. There aren't any bad products out in the market anymore but it is comforting to deal with a manufacturer that always improves on an already great product. We enjoy the German engineering and precision.

