



A RICH HERITAGE
.... forging a successful future



SOUTH Africa has a particularly cosmopolitan trucking sector, with fleet operators spoilt for choice in terms of offerings from American, European and Japanese manufacturers, predominantly, along with growing representation from newer entrants.

High end offerings vie for operators' attention with manufacturers who have opted for the basic, rugged route. Low purchase prices may have to be weighed against long term running costs. Low tech may mean that more servicing requirements can be met in-house, high tech may mean greater dependence on supplier.

Against this backdrop, International offers something unique. Its 9800 has proven itself as a well trusted, reliable product particularly suited to African operating conditions, within SA as well as across the country's borders. International trucks have garnered a well-earned reputation as being easy to maintain and the company is sufficiently well represented to ensure ready parts availability throughout southern Africa. Powered by Cummins engines, these too are backed by strong service support.

Today's trucking life cycle tends to be five years, abbreviated in some instances to as few as three. International, however, bucks this trend, with the brand's trademark longevity seeing some vehicles comfortably notching up a million kilometres and even reaching two million kilometres in some instances. In addition to long service in the hands of initial owners, International trucks retain strong retail value and are known to have reached the fifth hand market still going strong.

International heritage

The vehicles' longevity is matched by the company's hardiness: International has been represented in SA since 1921, but the brand's lineage stretches back in the USA to 1831 when Cyrus McCormick successfully wrestled with the task of perfecting a mechanical reaper his blacksmith father had devised but discarded as hopeless.

That fledgling enterprise expanded in 1848 to Chicago, where 123 workers in a newly-built factory manufactured 500 reapers, nearly all of which were snapped up. Output tripled the following year. McCormick embarked on partnerships, but these were short-lived. McCormick's future wife wrote of his, "self-confidence that brooks no denial – a resolute determination to overcome every obstacle – a hardness and blindness of purpose that will not quit." Instead, his brothers were brought on board in 1859 to form C.H. McCormick & Bros.

McCormick turned his ability to innovate from the mechanical sphere to that of business endeavour. By 1858 Cyrus McCormick had amassed personal assets of more than \$1 million. He dabbled in public relations before the concept existed. He kept his machines in the public eye by entering exhibitions and competitions. Winning top honours at the London Worlds' Fair and Paris Exhibition in 1855 made McCormick a household name. He pioneered the creation of dealerships, the establishment of instalment buying and the necessity for adaptability to shifting markets and consumer demands.

As it entered the 1900s, the company faced a stark choice: grow or die. On July 28 1902 the International Harvester Company was created, drawing together McCormick and the

STEEPED

American icons: Elvis and Marilyn, Levi's, the Statue of Liberty, Neil Armstrong, Babe Ruth, Clint Eastwood... the list is long and it's illustrious. International trucks' hardiness and reliability assure the brand a place in any compilation of American icons. The pairing of International and Caterpillar under the NC² banner ushers in another contender too

Deering Company (America's two largest farm implement manufacturers) and three smaller competitors and the International Harvester Corporation was born.

With assets of \$110 million, the conglomerate controlled 85% of US production of harvesting machines. This paved the way for a strategy of diversification, laying the groundwork for decades of leadership in new lines of business. Overseas factories were built in Sweden, France, Germany and Russia.

International Harvester entered the tractor market in 1906, launching the first tractors built entirely at its Akron works in 1908. Two years later, its Titan and Mogul tractors accounted for over a third of the USA's tractor production.

Although the railroad spawned the age of enterprise in the USA, the highway superseded rail to become the backbone of the twentieth century American economy. As roads improved and demand for motor trucks soared, International Harvester began construction of a truck factory at Fort Wayne, Indiana. Production kicked off in 1923, the same year that truck production started at the Chatham works in Ontario. Its Springfield works had been converted to truck manufacture in 1921.

During their first few decades, the most apt description of motor trucks was "boxes on wheels". That began to change in the 1930s as streamlining appeared, tractor-trailer combinations came into common use, and International offered a wide range of increasingly larger freight vehicles. Better roads and pneumatic tyres were factors underpinning the building of these larger trucks.

In 1931 the International Harvester Company celebrated its century in style. The enterprise that had started with an ingenious solution to an ancient agricultural problem had grown into an industrial powerhouse with a diverse array of farm equipment and trucks in production. The company was eager to show that the "can do" spirit of its founder continued to thrive.

In 1937 International launched its D-Series. Despite tough economic conditions, the D-Series – which included a wood-bodied station wagon – was enthusiastically received by the buying public.

By 1942, in the wake of Pearl Harbour, International Harvester (along with other American companies), ramped up its defence production. From 1939 to 1941, it produced almost 1 300 crawler tractors for the army and navy as well as for export; in 1942, production nearly doubled. In fact, International applied its production expertise to an array of war material: tanks, trucks, diesel engines, gun carriages, shells, aircraft cannons, anti aircraft gun loaders, torpedoes – more than a billion dollars worth. Its workforce swelled from 52 000 in the late 1930s to 70 000 by the end of the war.



IN HISTORY...

MAKING HISTORY

By the time the war began, International had developed a freight vehicle line ranging from K line variations to cab-over-engine (COE) tractors, to small delivery vans. Freight vehicles like these were the lifeblood of domestic goods transportation throughout and after WWII.

After the war, America struck out boldly into a seemingly bright future. Cab-over models, discontinued in the war, were reintroduced in 1950.

In the company's anniversary year in the truck business, 1957, International Harvester estimated that it had sold over 2.6 million trucks – nearly half of which were still on the road. By 1963, International Harvester commanded 35% of the heavy truck market.

In 1966, International Harvester announced three new V8 diesel engines: the DVT-462 for medium trucks like the LoadStars; the DVT-550 for medium-to-heavy trucks like the FleetStar; and the DVT-573 which became the standard engine in COE models.

By the 1970s, International's trucks put function over form and went angular rather than streamlined.

Also in the 1970s International turned its attention to the developing world, devising a prototype World Utility truck in 1973. It was a very basic truck with a little two-cylinder 35 hp engine, designed to carry about eight people. However, International quickly discovered that demand in its target countries was for larger, more powerful trucks. While there was a need for simple, cheap trucks, they had to be big enough to carry a lot of cargo, as well as a lot of people, often. By the mid-1970s International had responded to this demand, producing a much larger, inexpensive truck which was very well received. Even the camels liked them – the fibreglass fenders were edible, it transpired.

However, the 1970s also ushered in dramatic downsizing for the company, which found itself stretched too far by postwar diversification, high legacy costs (retiree benefits and pension) and unprecedented competition at home and abroad. A steady process of divestment was implemented, with

various businesses sold and production lines halted. Trucks earned their keep, as the company was the biggest hitter in the heavy truck sector, with some of the strongest models on the road.

After 80 years as International Harvester and nearly two as International Trucks, in 1986 the company was renamed Navistar (harnessing “navigate” and “star”), with International remaining on truck logos. International's new “Diamond Road” logo, with a highway running into the distance, kept International in tune with the emergence of a more dynamic economic enterprise – the American economy was reinventing itself with a vengeance!

Meteoric growth marked the 1990s. America had managed to break its inflationary cycle, the arbitrary power of labour unions in the States had been curbed, just-in-time supply kicked in, manufacturing was outsourced, and the PC provided a huge boost to this “new economy”.

Navistar in 1993 launched different versions of its “diamond” for various industries in the USA: Sun Diamond for Florida agriculture and construction; Dairy Diamond for Midwest milk-haulage; the Michigan Diamond specialising in “centipede” rigs found only in that state.

In 1995 Navistar announced the elaborate 9300 conventional Golden Eagle which came with a one-million-mile or six-year warranty.

The decade also saw Navistar embark on bus body manufacture with the acquisition of an interest in Arkansas' American Transportation Corporation. In addition to cornering 25% of this market, Navistar introduced key safety enhancements, including a four-channel ABS system.

In the USA, demand for the COE format had plummeted as more states extended length limits. In Navistar's 9000 Series tractors, the classic look returned. In 1995, after four years of customer survey and design work, Navistar introduced the Pro Sleeper integrated cab and sleeper for its 9000 tractors.

Dan Ustian, Navistar president and CEO since 2003, reflects on the company's legacy:

“We know defense and retreat are the path to shrinkage and even defeat, so we have committed ourselves to the gold standard... boldness and growth. We believe we possess the unique genetic code of 175 years of prosperity and survival, a culture of humility, integrity, forward focus and resolve.

“We are highly resolved that this enterprise leads to a renewed, bolder, more prosperous and more responsible future – one that will justly reflect the passage of the milestones of the past 175 years.”

International's SA lineage

In South Africa, too, International has a “rich history and tradition” of trucks, says John Barnett, dealer operations manager, southern Africa. The first International was imported to SA in 1921 and in the ensuing years International – particularly its 9800 – has established itself as an iconic brand on the African continent. There are probably more 9800s, as a single model, operating on SA's roads than any other, asserts Barnett. There are still Internationals from the 1980s plying their trade on the continent's roads.

In the past 15 years, more than 10 000 International trucks have been sold, mainly 9800s, while there are probably more than 12 000 Internationals operating throughout southern Africa. SA's neighbours strongly favour International and these countries provide a prime second-hand market.

International has always been a force to be reckoned with in the extra heavy sector, continues Barnett, topping the segment in 1996 and retaining a steady 8 to 9% share of the market.

International's presence in SA was formalised in 1927 with the establishment in Durban of International Harvester Corporation, focusing on trucks (although International Harvester's roots lay in farm equipment). In 1951 an International Harvester district office was created in Johannesburg.

In 1973 an assembly plant was set up in Pietermaritzburg, although this was



subsequently sold. For a short period, commencing in 1986, ProPower took on the International brand.

In 1988, partners Pieter Coetzee and Keith Tyson formed Tyco International as the importer, manufacturer and assembler for the International brand. Although the partnership didn't last, the brand certainly endured, with Coetzee doing "an excellent job". In 1990 the company's Apex, Benoni assembly plant was set up and remains the hub of International's SA activities.

The Imperial Group bought a stake in Tyco in 1994 and the following year International Truck & Engine Corporation (Itec) opened an office in Woodmead, headed by industry stalwart Tim Quinlan, as a support structure for Tyco. In 1997 Imperial acquired full ownership of Tyco.

One highlight of International's long history in SA came in 1996, when it outperformed the traditionally dominant Mercedes-Benz to take top spot in the extra heavy category.

Another milestone was Tyco's unveiling of the first of its pioneering mega centres in Wadeville in 1995. The mega centres were a ground-breaking concept in SA and still retain their prestige.

The Wadeville organisation featured "incredible" facilities, including a workshop equipped with state of the art equipment, 20 drive-through workshop bays, extensive parking facilities, a huge showroom. One of the key innovations was the provision of overnight facilities for drivers, with a full range of home comforts. The flagship Wadeville head office mega centre was followed later by slightly pared down versions in Durban (1998) and Cape Town (1999).

Coincidentally, 1999 also saw the arrival in SA of the first right hand drive 9800 kits from Springfield.

In 2002, the refurbished 9800i was launched at Auto Africa, featuring various exterior tweaks as well as a new grille.

Two years later, the bonneted 7600 series was introduced to service demand for a truck tractor to pull a tridem trailer. With its low tare weight and the appropriate trailer, the 7600s deliver similar payloads as interlinks without falling foul of legislation governing rig length. With retail sales kicking off in 2005, the 7600s proved highly successful. Exceptional fuel economy was another key advantage, says Barnett.

In 2004, International's 9800 became the leading extra heavy truck sold in SA as a single model.

In 2008, Imperial and Navistar mutually agreed to a shift in Imperial's role in the International story. With Imperial relinquishing its wholesaler role, Navistar opted to form its own company, resulting in the creation of Navistar International Trucks Southern Africa (NITSA) to import and manufacture the International range. NITSA created a 4 200m² PDC in Midrand, which imports and stocks all International parts for distribution through the dealer network. NITSA also actively strengthened its dealer network – retaining several Imperial dealerships in the process.

In 2008, NITSA used the Johannesburg International Motor Show as the platform to unveil an interior revamp for the 9800, providing drivers with a host of comfort and safety features.

International aims to increase its share in the extra heavy market, which has held steady at between 8 and 9%, and it has doubled the number of units sold in the past six months as markets revive. International is looking to its existing "very loyal customer base" as well as new converts to drive increased sales and market share. New models are under development, so product launches are in the pipeline.

"International is looking forward to the future," says Barnett. "The company will have a far more diversified range of vehicles within the heavy sector as well as in the severe service sector."

SA product portfolio

Its long history in SA has seen a range of models and variants, both conventional and COE, although the tried-and-tested driveline has remained consistent. At the top of the heap is the instantly-recognisable 9800 series model, a traditional COE model introduced in the 1980s but continuously improved and refined over the years to incorporate technological innovations and aesthetic enhancements.

A key element in the 9800's success is its well-proven North American driveline make-up: Cummins engines, Eaton Fuller transmissions and Meritor (Rockwell) axles provide reliability, durability and "repairability". Its cab-over format enables operators to take full advantage of legal overall length and payload requirements, while it offers excellent tare weight compared to its European rivals, says Barnett. A set back front axle also facilitates optimum payload.

The 9800i flagship 6x4 truck tractor uses the Cummins ISX engine with the Eaton Fuller Autoshift 18 speed manual automated

transmission or 13 speed manual version. The Autoshift has grown in popularity for its ease of use for the driver, as well as potentially better fuel consumption and is now the number one choice in the model.

There is also strong demand for the lower specification 9800e, using the Cummins ISX 400 hp engine. For specialised operators the 9800i 8x4 is fitted with a single bunk sleeper cab.

The 7600 WorkStar bonneted truck has made its mark in various industries here too, with its new bonnet line, improved suspension and uprated chassis. It offers payloads similar to those of interlink rigs because of low tare weight, and has the added advantage of fewer tyres on the road.

At JIMS later this year the manufacturer intends launching the TranStar, also featuring the Cummins ISM 400 engine. Similar in configuration to the 7600, a lower bonnet line bolsters both visibility and aerodynamics. With a long-established track record in the USA, the TranStar has recently become available in right hand drive configuration. A key benefit the TranStar promises is that it can deliver interlink-level payloads.

The primary application for the WorkStar series is the construction sector, while TranStar is suited to on-highway use.

The future

In 2010 Navistar and Caterpillar formed a 50:50 joint venture under the NC² banner to develop, manufacture and distribute trucks globally outside North America and India. Cab-over and conventional formats will remain, while both brands will also retain their identities.

While the CV industry has seen its share of ill-fated mergers sabotaged by mismatched cultures, NC² appears to provide an ideal fit – same roots, same culture, both iconic brands.

Leveraging the strength of parent companies Caterpillar and Navistar is a key strategy. Navistar brings to the mix its product development expertise, a world class product line plus strong engine capabilities, manufacturing strength, strong brand equity and distribution in select markets, selling and marketing expertise. Caterpillar is a heavyweight global brand with rock solid customer relationships. It offers unparalleled global distribution capabilities, along with logistics, finance and parts distribution expertise – and complementary engine capabilities.

As well as pooling these strengths, the alliance facilitates extracting maximum benefit from the corporation's Cat, International and NC²



Vision

To be the obvious choice for transport solutions in sub Saharan Africa

Mission

To manufacture and assemble world class quality trucks and to support our customers with the best after sales care, and in doing so maximise customer satisfaction and vehicle uptime

Values

- Integrity: we conduct ourselves and all our business dealings honestly, ethically and transparently
- Professionalism: we always behave in an exemplary manner
- People development: we are committed to training and developing all people within the scope of our business
- Efficiency: we execute with speed, simplicity, agility and accuracy
- Respect for people: we recognise diversity and treat all people equally
- Innovation: we continuously explore new ways of doing things better
- Customer focus: we always strive to exceed customer expectations

dealers. Cat and International both enjoy strong loyalty from their customer base – and the vast majority of Caterpillar owners would buy a Cat truck if presented with the option.

Taking the South African organisation into the NC² era is MD Paul Henning. An industry veteran, Henning's track record includes time at DaimlerChrysler Financial Services, Mercedes-Benz SA, MAN Truck & Bus SA, and Hino SA. International experience includes Automotive Holdings in Australia, as well as three years in the UAE establishing Hino for a franchise-holder there.

On the product front, says Henning, there is a facelift in the offing, addressing a number of areas including the seating position of the driver in the cab. Another key initiative is to reduce the vehicles' tare mass to offer greater payload ability.

In terms of complementary products, the company developed a maintenance and service contract offering. While various permutations will be available, coverage will span up to one million km. "Having a fixed agreement in place is intended to provide customers with peace of mind," says Henning. "They have the assurance that International, along with its dealers, is

looking after their trucks. A formal agreement also enables clients to budget accurately."

International is also finalising an agreement with a financial institution to support the funding of vehicles for clients, bringing the company in line with industry trends and providing an additional value offering to its clients.

The company's dealer structure is being aggressively overhauled too, with KwaZulu-Natal coming in for particular attention. CMH Commercial was appointed a full International dealer in November 2010 and an International dealership in Pinetown, under CMH's auspices, was unveiled in May. Plans are in place for a Pietermaritzburg dealership too, with the two centres geared to addressing two significantly different economic hubs.

Similarly, dealerships are on the cards for Middelburg in Mpumalanga and Kimberley which is en route to Cape Town.

International is also canvassing potential dealers north of SA's borders. In keeping with its policy of extending its dealer network through Africa, it appointed a dealer in Angola in February.

International has always favoured independent dealers and continues to stick with this strategy. "Our business is the manufacture and assembly of vehicles," asserts Henning. "The retail business is a different business."

From a customer perspective, says Henning, customers require the assurance that they're being dealt with even-handedly and that no independent dealer would be disadvantaged against an OEM dealer.

The idea of Caterpillar and Navistar joining forces was first mooted two years ago. It's an alliance that's going places, asserts Henning: "Both are industry leaders in the USA and the alliance lays the groundwork for even greater success.

"The rollout of NC² entails two very strong brands bringing together technology, expertise and dealer network infrastructure. Caterpillar has the technology to develop durable products that cope with the harshest conditions; International's technological heritage comes from 100 years of constructing on-highway trucks. The skills are different, but complementary."



Paul Henning

Wadeville International Trucks is a transport landmark on the East Rand



WADEVILLE INTERNATIONAL TRUCKS: FLAGSHIP DEALERSHIP

Twenty years ago the Gulf War was ranging, Bill Clinton entered the US presidential race and publishing tycoon Robert Maxwell was found dead in mysterious circumstances in the Atlantic Ocean.

It was also the year in which Tyco Trucks was established in SA. Tyco, the sole importer of International trucks, was later bought by Imperial Holdings (now the

Imperial Group). This led Tyco to include Renault and DAF trucks in its line-up.

However, in 2007, the Imperial Group, through its Imperial Commercials arm formed that year, decided to focus on the retailing of vehicles and opted to be associated with a single brand – International – now directly imported by the manufacturer, Navistar.

“Complementing this move, Wadeville International Trucks, an Imperial

Commercials subsidiary, established itself as a retailer, also with a focus on the International brand,” explains current dealer principal, Danie Hefer.

Hefer was appointed to his post in September 2009, and subsequently assembled a strong management team including Frikkie Maritz (new vehicle sales manager), Marius de Lange (service manager), Joubert Adam (finance manager)



and Lee Goorbhare (parts manager).

Together they devised a sales and marketing strategy which has proven to be successful, so much so that Wadeville International Trucks has posted a 100% increase in new vehicle sales over the past year.

"We've also achieved a 35% improvement in our parts business and boosted in our workshop activities significantly. We're proud of the team's achievements and, as an NC² franchise, look forward to cementing our success by ensuring we have the necessary resources on hand to deliver quality service to our customers," says Hefer.

Commenting on the recent establishment of NC², Hefer confirms his support for the new entity, endorsing its views on the future of the local market.

"As the flagship dealership, we would like to see a significant increase in market share of NC² products in South Africa and we are working with NC² to achieve this and other goals. Importantly, there is considerable backing for our collective endeavours from the NC² principals in the US.

"They are regular visitors to SA - and to our business - and they interact with us to develop effective marketing strategies. We share philosophies, plan for the future... and even learn from the occasional mistakes."

Looking to the future, Hefer sees the importance of service as central to the ongoing success of Wadeville International Trucks and NC². "Our salespeople might sell the first truck to a new customer, but our support personnel, including technicians in the workshop, are responsible for the second



Wadeville International Trucks dealer principal Danie Hefer sees the importance of service excellence as central to the company's on-going success. He has formed a strong customer support team

and third vehicle sales which will only be clinched if the customer is happy with our service and support."

Marius de Lange endorses this view. "We've been able to identify the specific needs of our customers in various sectors and develop support plans for them that address the challenges they face. These are often unique to their business, depending on the type of transport operation they run."

Wadeville International Trucks has also applied this philosophy to the financing of new and used vehicles, says finance manager, Joubert Adam. "We have taken the time to listen to our customers and then tailor specific plans designed to suit their needs

and requirements. We're moving away from the generic service model so common in our industry to a differentiated model designed around the customer."

It's a strategy that's all-pervasive. Lee Goorbhare emphasises that it's also central to the way the parts department is managed. "Our watchword is service. From the parts department perspective this means being able to supply regular service and other parts timeously and at competitive prices."

Against this backdrop, Hefer says there are huge opportunities for local fleet operators if their business strategies are sound. "For example, demand for commodities from the East is increasing day-by-day. This has established a platform for the strengthening of commodity prices and opened doors for more transport work – in all sectors.

"I believe that transporters who are able to manage their working capital and cash flow effectively will be profitable," he stresses.

According to Hefer, the month-on-month increases in new heavy commercial vehicle sales in SA underline this and are indicative of a trend that will be maintained at least for the medium term.

That said, he doesn't rule out the impact of higher fuel prices on the transport sector in the short term. However, Hefer is confident that the international oil price will fall again as the political situation in the Middle East and North Africa stabilises.

He is positive that the transport industry in South Africa will weather the storm and continue to grow in strength and viability.



Frikkie Maritz – new vehicle sales manager



Lee Goorbhare – parts manager



Marius de Lange – service manager



Joubert Adam – financial manager



GRW SERVICES/INTERNATIONAL TRUCKS CAPE TOWN ADDS EXPERT SERVICING TO ITS LEGACY OF EXCELLENCE

Transporters in Southern Africa know GRW as the most trusted manufacturer of road tankers for the fuel, chemical and liquefied gas transport industry. Now fleet operators are getting to know these proven engineering experts as a provider of equally excellent services in Johannesburg, Cape Town and Worcester.

GRW Services, also the Western Cape agent for International Trucks, was launched early in 2010 as a business unit focused on repairs, contract servicing and refurbishments. The highly regarded technical expertise of GRW Engineering's technical executives ensures that all work done in GRW Services' workshops is of the same quality for which GRW Engineering is known, while all the stops have been pulled out to keep down time to a minimum.

After the recent addition of calibration facilities, as well as an improved de-gassing station, spray booths and wash bay, GRW Services Johannesburg, conveniently located in Devland, is fully equipped to provide an all-inclusive and time saving maintenance and repair service to fleet operators.

A range of courtesy vehicles will allow clients to continue essential operations while their tankers are in the workshop.

GRW Services Cape Town, located next to the N1 in Kraaifontein Industria, is a combination International Trucks dealership and GRW Services branch, ensuring that fleet operators have access to tanker, truck and trailer repairs of the highest standards.

A dedicated dealer principal, 24-hour roadside and parts assistance and task-specific teams ensure that repairs are always finished efficiently.

GRW Services Worcester is the most recent addition and was specifically acquired to offer



Jan Coetzee – Managing Director

clients outside of Cape Town access to GRW's outstanding service.

Besides specialising in International Trucks, services are provided on any brand of truck engine, gearbox and trailer. Smaller services are completed within a few hours, while on-the-spot duration estimates are given for each major repair job. Emergency parts sales and roadside assistance are available 24 hours a day.

Says GRW CEO Gerhard van der Merwe, "We have decided to ensure that the products we manufacture and represent are supported by the same energy and passion used to manufacture them. This is just the beginning of new and better things to come".



**Derik Smit,
Financial Manager**



**André Erasmus,
Sales Manager**



**Mondré van Wyk,
Workshop Manager**



**Maryke Cloete,
Service Manager**



BLOEMFONTEIN INTERNATIONAL: BROAD MARKETPLACE ACCEPTANCE IN THE FREE STATE

Established in 2006, initially as a parts and service branch, Bloemfontein International became a fully-fledged dealership in 2009 and has since made a significant impact on the regional transport market.

According to dealer principal, Leon Muller, the company's growth has been steady and positive over the past two years. "The branch has increased its market share from three to 23% in the Free State. Our consistent CSI scores confirm that we perform well, not only on the sales side, but in terms of service and in our parts department too."

Muller says his company's success is also due to the broad marketplace acceptance of the International 9800i, a truck with a proven track record. "Because it is affordable and backed by an organisation committed to customer service we believe even more growth is on the horizon for Bloemfontein International," he says.

"NC² has plans for some exciting new products to supplement the current line-up

which should further strengthen our position and allow us to remain competitive in the short and long term."

Looking to the future, Muller says transport operators will face increasing pressure on profit margins, fuelled by hikes in the price of diesel and increasing labour costs. "For fleet owners, it is imperative to cut overheads without compromising service. With this in mind, we're confident that the 9800i is, without doubt, the most viable solution available."

Muller has a programme of regular customer visits designed to address transport issues 'on the spot'. "It's a successful technique," he says. "Customer interaction and relationships with operators are keys to success in our area, as most of our customers are not located in Bloemfontein itself, but in the surrounding countryside.

"Our objective is to make the experience of buying and operating a truck as seamless and hassle-free as possible."



Leon Muller,
General Manager



Lenus Ackerman,
Workshop Manager



Jean Du Plessis,
Sales Manager





INDUSTRY GROWTH A BOOST FOR POLOKWANE INTERNATIONAL

Formerly Pietersburg, Polokwane is capital of Limpopo province and the largest metropolitan complex in the north of South Africa. A key economic centre, its proximity to neighbouring Botswana, Zimbabwe, Mozambique and Swaziland has cemented its position as a major transport hub.

Providing an excellent service to transport operators in the region is Polokwane International, a full International truck dealer since 2008. The company has been associated with the International brand since 2001, while dealer principal, Japie Brits, has a 20-year history with the American truck which he describes as "the best product for South African conditions".

In common with many dealers in the commercial vehicle sector, Polokwane International faced many challenges during the recent economic

downturn, but while the recession was tough – particularly on transport operators and fleet owners – Brits says business is picking up rapidly again, thanks in part to major developments in the mining and related industries in the region.

Mining activities in and around Polokwane include diamonds, iron ore, coal, copper and phosphates. One of the world's largest reserves of platinum group metals is found in Limpopo province, including deposits of chrome, vanadium, nickel and titanium.

Service has played a significant role in Polokwane International's long term success and is the foundation of its current aggressive growth strategy which targets the mining and other industries in the province. "We're on track to becoming the biggest truck dealer in Polokwane," says Brits. "With the support of our loyal customer



Japie Brits, Dealer Principal

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NICO TOLMAY: 078 457 7152

KOBUS BOTHA: 083 645 5798



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base, we believe we can reach this goal within the next two years."

According to Brits, an emphasis on customer satisfaction will help the dealership reach its goals. "We have the right team on board. Each member is dedicated to achieving our objectives," he says.

In order to deliver the levels of service expected by his customers and even the casual transport operator who might need his attention, Brits has three service vehicles and one parts vehicle on standby around the clock, ready to meet all emergency call-outs or assist with on-

site servicing.

Polokwane International is also staffed by a full complement of accredited, certified technicians who are capable of repairing engines, gearboxes and differentials.

"From a technical point of view, we're highly qualified and work with other dealers whenever practical, particularly when it comes to cross-border repairs and recoveries," says Brits who confirms that Polokwane International addresses all makes in terms of servicing and repairs - but only sells International trucks.

"I believe you can't go wrong with an International. The cost-per-kilometre rates are better than the competitors' when all expenses are taken into account. Fuel efficiency is also a strong point, as is the proven drive train," he stresses. "Importantly, trade-in values are excellent."

Commenting on the formation of NC², Brits says the merger is a positive step that will be of benefit to International dealers in the future. "The back-up we have received from Navistar has been excellent. The addition of the Caterpillar range to the line up will be a bonus," he adds.

MACMAN VEHICLE SERVICES, NELSPRUIT: IDEALLY SITUATED IN MAPUTO-NELSPRUIT CORRIDOR

Along the eastern reaches of Mpumalanga lies the Lowveld and the Kruger National Park, a key tourist attraction for big game-loving visitors to South Africa. It's also home to the Maputo-Nelspruit Development Corridor.

The Corridor runs through one of the most highly industrialised and productive regions of southern Africa. Johannesburg and Pretoria form its western axis with their large concentrations of manufacturing, processing, mining and smelting industries.

Then, moving eastwards to Mozambique, the Corridor passes through vast industrial and primary production areas containing steel mills, petro-chemical plants, quarries, mines, smelters and plantations of forests, sugar cane, bananas and citrus.

A key to the success of this development project is the number of transport infrastructure projects it has spawned. Both the Mozambique and South African governments have given priority to these projects and are actively seeking to maximise private sector involvement.

Taking advantage of the vast numbers of trucks and heavy commercial vehicles travelling along the Corridor is Macman Vehicle Services based in Nelspruit.

Managing owner John Jelly says the company is ideally placed to carry out routine servicing for International trucks and is also geared to handle breakdowns, of which there are many, on this busy route which sees trucks from as far afield as Johannesburg, Bloemfontein and Cape Town pass through Nelspruit.

Macman's history goes back to 1999 when Jelly and partner Robert Lemmon started the business operating "from the back of a bakkie" undertaking mobile services and repairs. One bakkie became two and so the fleet - and the company - grew. In 2007 its success caught the eye of Navistar/International and it was appointed a Service & Repair dealership.

"Because we serviced mainly International trucks at the time, we had all the diagnostic equipment and - more importantly - the expertise and know-how to support the brand," says Jelly.

Today, Macman, with a staff of 10, covers a vast area - from Middleburg in the north to the Mozambique and Swaziland borders in the east and south.

The formation of NC² has already had a significant impact on Macman's



**John Jelly,
Managing Owner**



**Robert Lemmon,
Part Owner**

business, according to Jelly, who says he is working together with NC² to expand the company's footprint and boost its future sales successes.

"We're going ahead together," he says, emphatically. "NC² has helped us sell parts cheaper - particular Caterpillar parts which are now available to us through NC²."

Jelly is looking forward to receiving software and other technical support to allow him to service Caterpillar-engined trucks. "We're capable of supporting the drive train of many of them as they are the same as the Navistar/ International units," he says.

Looking to the future, Jelly maintains that the transport sector will continue to be impacted by increasing fuel prices. "The fuel costs to the bigger fleets are enormous, but there will not be any reduction in road transport volumes because there is no alternative," he says.

"High fuel prices place the emphasis on regular servicing. We're currently undertaking between six and eight services a week in which fuel efficiency is the most import consideration."

Jelly adds that increasing operating costs across the board - attributed to high fuel prices - will "sort the men from the boys" in the transport sector. Only those with the necessary business acumen will survive.



PE INTERNATIONAL TRUCKS: MAKING INTERNATIONAL THE OBVIOUS CHOICE

The imminent move by Port Elizabeth International Trucks to the new multi-billion rand Coega Industrial Development Zone in the Nelson Mandela Metropolitan Municipality near Port Elizabeth is expected to place added emphasis on future growth for the NC² Parts & Service Dealer.

This is the word from Gordon Alexander, managing owner (along with wife Lizette) of the workshop which he opened in 2003, initially as a general purpose workshop supporting fleet owners in the Eastern Cape.

"It was tough going initially," he says, "but our experience in the transport business, previously as operators, helped us understand the needs of the fleet owners. Our business grew as a result."

In 2009 the company was approached by International to join its fold and in the space of two-and-a-half years PE International Trucks has outgrown its current premises in the Markman Industrial complex. During this time, the staff complement grew to 15 and turnover increased by a significant 48%. Now the company is poised to move into new purpose-designed premises in Neptune Street at the entrance to PE's new deep water harbour at the Coega industrial development complex.

Coega is customised for heavy, medium and light industries. It will feature a modern tanker berth, state-of-the-art ore loading facilities and an aluminium smelter all geared to boost the Coega project's industrial and commercial base and its ultimate viability for the South African economy.

Looking further ahead, investments in Coega will include an oil refinery, a combined cycle gas turbine power station, a business process outsourcing park, automotive plants and various other developments in the logistics, chemicals and food processing sectors. This will surely be a boon for transport operators and underpin PE International Trucks' success in the years ahead.

Alexander has already secured the service and support business of a number of leading operators running International trucks including Fast-n-Fresh Transport, Imperial Cargo and Eastern Cape-based Wilco Transport. The dealership has just opened an account for Cargo Carriers, the operator that was awarded



Gordon Alexander Dealer principal and Master Certified Service Technician

the transport contract for Cape Concentrates, a tomato paste processing factory that has been set up in the Coega IDZ.

"We service the entire Eastern Cape and are proud to be associated with NC² and Imperial Wadeville with whom we are linked on the sales side," says Alexander. "We are excited about the new management changes and share NC²'s vision to make the International brand the obvious choice for transport operators."

"Among the benefits of the International brand, from our perspective, is its ability to address the specific transport needs of Eastern Cape operators and provide solutions designed



Johan Meyer, breakdown specialist and Master Certified Service Technician

to optimise their businesses."

Alexander adds that his company and staff enjoy excellent relationships with the NC² support team, notably Sakkie van Niekerk and Japie Kühn, both Cape Town-based, who assist with sales and technical back-up.

"They have been responsible for 10 trucks being sold into our area in the last couple of months," he notes.

To underline PE International Trucks' technical expertise, both Alexander and long-serving workshop manager Johan Meyer have undergone training and are now Certified Master Technicians for International Trucks.



Lizette Alexander with the technical assistants participating in the LMS training course



ELT INTERNATIONAL TRUCKS; TURFFONTEIN, LICHTENBURG: DEDICATED TO THE INTERNATIONAL BRAND

One of the more recent additions to the NC² fold is ELT International, a name that has become well known in transport circles.

ELT was formed in 2007 by partners Mark Langton, Mark Auby and Susan Potgieter. It was established to address and support the retail truck industry, repairing all makes of vehicles. In 2008 ELT refined its focus to become a Parts & Service dealership for Navistar trucks.

"Just one year later, based on our performance as a Parts & Service dealer, we secured a full dealership, covering sales in Gauteng province - out of our Turffontein operation - and sales in the North West province, out of Lichtenburg" says Langton.

The appointment has been successful for both NC² and ELT, with new vehicle sales growing exponentially, mirrored by ELT's burgeoning parts department and the increasingly busy workshop.

"Our success is based on the experience we've gained during our long-term involvement in transport and the retail truck industry - there are many years of know-how in trucking within our ELT team," he says.

Langton goes on to explain that ELT's customers deal with the owners of ELT on a daily basis and, from a business perspective, receive the high levels of personal attention the partners would themselves expect from a first-class



Mark Langton, Managing Director

supplier.

"We're in the field ourselves, dealing with customers on a one-on-one basis. Our sales, parts and technical teams are highly dedicated to the International brand and are continuously striving to improve service levels."

Sales successes have followed as a result of this strategy, with HFR Transport - a leading national and cross-border heavy transport operator - taking delivery of 25 trucks last November. There are also two major deals of 40 and 60 units in the pipeline. Overall sales continue to look promising, month-to-month.

Technical backup is important to ELT and the company is able to boast six

International Master Technicians in its staff complement. There is significant focus on training within ELT and training programmes are conducted on a daily basis. "Training is critical in being able to supply top quality service," adds Langton.

Commenting on the joint venture that brought about the birth of NC², Langton fully supports the philosophy behind the move. "The results of any joint venture are usually positive and lead to increased marketplace strength and presence. I believe this will be the case with the NC² deal, which we at ELT back wholeheartedly," he says.

Looking ahead, Langton sees a bright future not only for NC² but for the transport industry, particularly the long-haul sector with its unabated cross-border growth.

In line with this, ELT has branched out and established satellite workshops on key customers' premises, also handling the procurement processes for them. And there are advanced plans for growth of its own with a full dealership opening soon in Kimberly, in the northern Cape.

"We're looking to expand in order to provide an even better en-route service to our customers who regularly ply the major transport corridors, north and south from the Witwatersrand."

Langton believes the onus is on ELT to take care of its customers' servicing and support needs as a priority.



Anneke Clark, Sales Manager



Deon Pretorius, Parts Manager



George Ferreira, Workshop Manager



CMH COMMERCIAL, PINETOWN: REACHING BEYOND CUSTOMER EXPECTATIONS

Pinetown's CMH Commercial is a newcomer to the NC² stable. That's not to say the organisation is short on experience or skills. In fact CMH has been in operation as a commercial vehicle (as well as passenger vehicle) dealer for 36 years. For the past 18 years CMH has been based in Pinetown, in premises very close its new International dealership facility which was officially opened in May 2011.

The enormous growth of Pinetown as a business centre and the escalation in heavy transport traffic along the Durban/Johannesburg route – commercially, one of the busiest in the world – has contributed to CMH's success, says dealer principal Craig McHardy.

"At CMH we are driven by the desire to succeed and our team is imbued with a flexibility that helps us cater for our customers' needs as they ply this and other transport routes throughout southern Africa."

CMH Commercial was appointed a full International dealer in November 2010, some seven months ago, and has committed itself to providing top class aftermarket service and parts supply as well as new vehicle sales in support of the International brand.

"We aim to reach beyond our customers' expectations," stresses McHardy underlining CMH's ability to adapt to the changing needs of the transport operator in an evolving, more competitive marketplace characterised by higher fuel prices and tighter regulatory controls.

Today KwaZulu-Natal represents the



Craig McHardy, dealer principal at CMH Commercial

second largest market for extra-heavy commercial vehicles after Gauteng and CMH Commercial is gearing up to strengthen the position of NC² and the International brand in the province with its new purpose-built branch.

"We're already noteworthy contenders in the marketplace," says McHardy who has assembled a hand-picked squad of experienced professionals under the International banner. They include a sales team headed by Shameer Khan, with 15 years' experience, and Denver Nair, with 11 years' of industry know-how to draw on. Bennie van der Merwe is responsible for the service management and technical support. He boasts many years of working with the familiar Cummins/Detroit drive train.

"We've sold 34 International trucks in our brief period of existence as an International

dealer and there are many more deals in the pipeline," confirms McHardy, noting that the International brand is favoured by many KZN-based transport operators because of the trucks' proven reliability and fuel efficiency.

"The drivers are also happy behind the wheel of an International because it's comfortable and easy to drive on long-haul runs."

Turning to the drivers, McHardy says they are key to the efficiency of any transport operation. "Our message to fleet managers is 'we'll look after your drivers'. We're going the extra mile in this regard. There is a special surprise awaiting drivers when they bring their vehicles to CMH for servicing or maintenance. We have a recreational area with braai facilities and we provide free braai-packs. There is a relaxing lounge area – with showers and toilet facilities - where drivers can kick back and wait for their vehicles to be prepared."

To ensure that drivers are refreshed before they get behind the wheel again, particularly if a service is performed after hours – or even over night – McHardy is refurbishing nearby premises, turning them into comfortable 'flatlets' allowing the drivers to get some privacy and sleep before taking to the road.

"If drivers are well rested they'll be less liable to have accidents and this contributes to road safety," he adds. "Our philosophy is 'we're here to keep our customers' wheels rolling'. An efficient, operational truck with a competent driver is a profitable truck."



**Bennie van der Merwe,
Service Manager**



**Devonne Rogers,
Service Advisor**



**Shameer Khan,
New Truck Sales**



**Denver Nair,
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**Elvis Ziqubu,
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