

Trailored

Business Plan



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Registration number: 2017/529289/07

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1. Executive summary

Trailored was founded by Lucas Maluleke in 2004, and formally registered by his son, Hlanganiso Maleluke. The latter is also the private limited company's current Managing Director. Trailored is furthermore a 100% black, South African-owned entity – specialising in the manufacture of trailers in South Africa. Shareholding in the company is equally split between its founder and MD, who also play different management and operational roles on a daily basis.

Trailored is looking to incorporate the manufacture of truck trailers and mobile fridges to its existing food trailer lines. This will be a very logical extension of its current offerings, and an expansion of its market reach – something that is clearly reflected in the projected financials of Trailored. Below is a snapshot of the company's Comprehensive Statement of Income – as projected over the next five years.

Trailored					
FIVE YEAR FORECAST COMPREHENSIVE STATEMENTS OF INCOME					
	Year 1	Year 2	Year 3	Year 4	Year 5
Sales (ex VAT)	R42,717,076	R51,084,628	R56,193,091	R61,812,400	R67,993,640
Less Cost of Sales (ex VAT)	R25,039,170	R27,543,087	R30,297,396	R33,327,136	R36,659,849
Gross Profit	R17,677,905	R23,541,541	R25,895,695	R28,485,264	R31,333,791
GP%	41%	46%	46%	46%	46%
LESS OPEX	R5,566,739	R5,385,900	R5,704,505	R6,021,979	R5,907,623
Salaries	R4,253,729	R4,551,490	R4,870,094	R5,211,000	R5,575,770
Operational Overheads	R0	R0	R0	R0	R0
Depreciation of computer equipment	R23,958	R23,958	R23,958	R526	R0
Depreciation of furniture and fittings	R38,597	R38,597	R38,597	R38,597	R38,597
Depreciation of motor vehicles	R293,255	R293,255	R293,255	R293,255	R293,255
Depreciation of machinery & equipment	R957,200	R478,600	R478,600	R478,600	R0
Net Operating Profit Before Tax & Interest (PBTI)	R12,111,166	R18,155,641	R20,191,190	R22,463,285	R25,426,168
Less interest on loans	R542,416	R591,726	R591,726	R591,726	R591,726
Net Operating Profit Before Tax (PBT)	R11,568,750	R17,563,915	R19,599,464	R21,871,559	R24,834,442
Less Taxation @ 28%	R3,239,250	R4,917,896	R5,487,850	R6,124,037	R6,953,644
Net Operating Profit After Tax (NOPAT)	R8,329,500	R12,646,018	R14,111,614	R15,747,523	R17,880,798

At the projected Return on Equity (ROE) by Year 5 of operations, it is evident that the company is poised for growth.

*Kindly refer to the detailed financial model attached hereto.

2. The business context

2.1. Analysis of the problem

Gone are the days when businesses could get by on the idea that “if I build it, they will come.” With an increasingly mobile and online generation of consumers, even the benefit of a drive-thru may require too much effort or take the consumer too far off their preferred route from point A to point B. It is this gap that mobile food or catering trailers fill, capturing an on-the-go market with less and less time to spend in fast food queues or at busy malls and shopping centres.

Additionally, many blue-collar and temporary project/ on-site workers require the convenience of mobile food – and while there may be a demand created by a building project in a particular area, this demand may well quickly shift to a different area and diminish in the initial hot-spot once the project is complete. For a brick-and-mortar company, this means immediate loss of income and potential shutdown – while a mobile food trailer can just as easily pack up and follow the demand.

Finally, these mobile trailers are popular at events on school or University campuses or during functions at other organisations like churches – where there are not any immediate alternatives for hot food available.

Hence the case for mobile food or catering trailers in South Africa; and by logical deductive reasoning in as far as demand factors go, the case for the manufacture of food trailers in the country – an area that Trailored is already operational in. On the other hand, the high freight demand is responsible for pushing up the manufacture of truck trailers – an area that Trailored is looking into developing the capacity for.

2.2. SWOT analysis

This is an analytical tool to help Trailored determine our business strategy, such that strengths and opportunities are geared towards overcoming weaknesses and threats – all the while building the core business to its best possible level.

Strengths

- **Industry experience:** Our team is highly qualified, skilled and experienced, fostering an in-depth understanding of the industry and target market; notwithstanding the fact that we have been in the trailer manufacturing industry since 2004.
- **Diversified product offering.** In a world where customisation is key to consumer satisfaction, we are already offering 11 product lines within our existing food trailer offerings, and an additional 4 product lines within our new truck trailer offerings. Our Food trailers are fully customisable; increasing customer choice, and therewith customer satisfaction.
- **Existing manufacturing operations.** This essentially means we can side-step the massive capital outlay involved in starting up any manufacturing outfit from scratch, leveraging on our existing equipment and relationships with OEMs (original equipment manufacturers) in the space.

- **Export potential.** Trailored's export certificate puts it in a position to export all of its products, which will increase our market reach through meeting the demand for our products across South African borders into countries like Namibia, Botswana and Lesotho.

Weaknesses

- Lack of understanding of the specifics of the truck trailer industry in South Africa, given that this is our first time venturing into this space.
 - *We will leverage off our existing experience within the larger context of manufacturing trailers, as well as the relationships built within the manufacturing space in order to ensure that we receive the best business counsel and advice*
 - *Trailored will also utilise this business case as a thought starter and direction pointer in our strategic decision-making relating to aspects of recruitment and selection, marketing, and pricing for example.*

Opportunities

- **Increasing demand for road freight transport in SA.** This automatically feeds the need for truck trailer manufacturing to meet this demand, which is expected to grow by between 200% and 250% over the next 15 to 20 years¹.
- **Increasing demand for street food, globally.** Trailored's customised trailer manufacture is underscored by a greater demand driver around the need for on-demand street food – a trend following the fact that ~2.5 Billion people eat street food daily around the globe².
- **Sizeable market reach.** Trailored's current organic market reach is more than 2 388 in terms of likes to our Facebook page. This is an indication of interest in our products, interest that can be converted to revenue in the future .

¹ Accessed from <https://fdktransport.co.za/future-road-freight-transport/>

² Accessed from <https://mobeats.co.za/the-rise-and-rise-of-the-food-truck-industry/>

Threats

- Trailored faces the risk of rising salaries and minimum wages due to more restrictive labour laws, as well as untimely strike action that has become somewhat of a common occurrence within manufacturing
 - *We will maintain a safe and happy working environment in accordance with the Basic Conditions of Employment Equity Act (BCEA), 55, of 1998. We will ensure that our staff are paid and treated fairly, and have quality representation, something we believe will result in satisfied employees and better product output as well as positive customer interactions*

2.3. Company overview

Trailored is a private limited company founded in 2004 by Mr Lucas Maluleke, and officially registered in 2016 by his son, Hlanganiso Maluleke. Hlanganiso also manages the company in its present state – overseeing all operations of the trailer manufacturing and supply business. Trailored is currently in the business of designing and manufacturing fully customisable food trailers as per client specifications. This gives clients the freedom to design a trailer based on their business’ specific requirements, essentially only paying for what they need.

Trailored is now looking to extend their product mix by adding an additional manufacturing line for truck trailers. This product diversification will invariably extend the company’s market reach and penetration. All trailer orders are manufactured according to client specifications within seven working days of the order being placed. Trailored also caters to their clients’ needs through providing various payment options such as full upfront payment, 50% deposit before and after, as well as a two-month lay-by option.





The business operations consist primarily of

- Marketing and client solicitation
- Client consultation and order management
- Manufacture and delivery of trailers
- After sales services such as outsourcing, branding and other requests
- Rental of truck trailers

2.4. Values, vision and mission statement

Our core values are what support the vision of the company, and help build its culture. These are the essence of Trailored's identity.

Our values are ...

-  **Convenience:** Trailored is committed to providing clients with solutions that are relevant and support their need for convenience, not only in product utility but also in process design.
-  **Reliability:** Our trailers are produced to the highest quality ensuring reliability and longevity, all coming with a 12-month warranty.
-  **Innovation:** We strive to stay abreast of all new developments in our industry, allowing for innovative and modern designs as well as the incorporation of 4IR technology to assist in the efficiency of our processes.
-  **Collaboration:** We believe that collaboration fuels holistic growth, and view our staff, and upstream and downstream partners as part of one big team working towards the same goal .

Our vision is to...

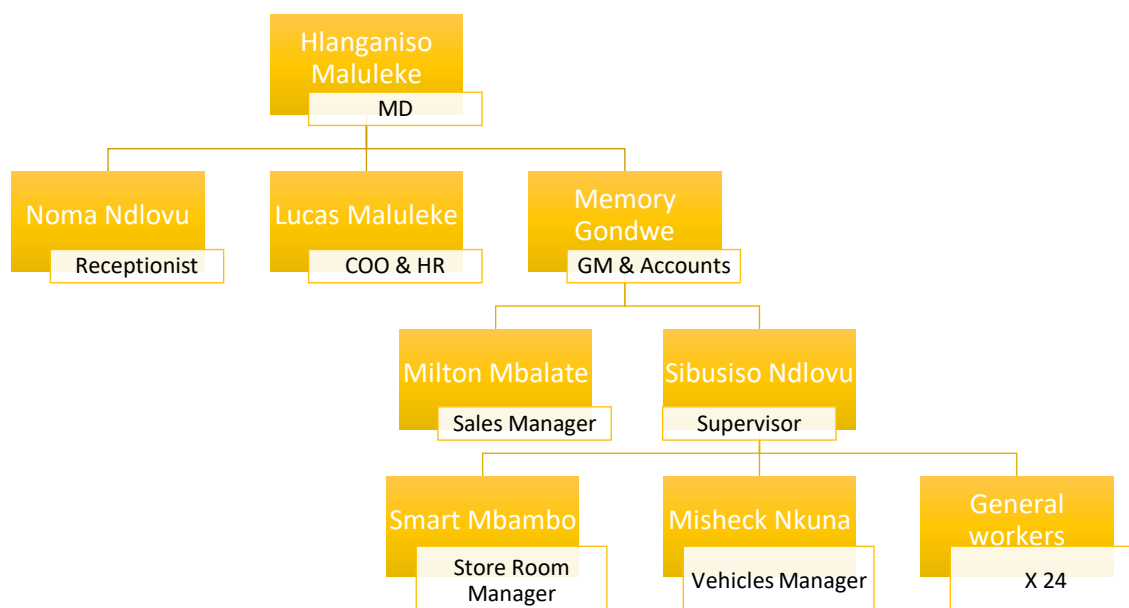
Be amongst the leading business innovators and employment creators of our day, not only within South Africa but also eventually on the sub-continent.

Our mission is to...

Gain and maintain a substantial market share within the food and truck trailer industry through remaining competitive, economically efficient and socially conscious. We intend to build long-lasting relationships with all our clients – driven by excellent customer service, exceptional quality and creative products, as well as a culture of transparency and honesty.

3. Human resources

3.1. Team overview



Position	Roles and responsibility	Salary
MD	<ul style="list-style-type: none"> • Ensure company is meeting objectives • Ensure compliance • Maintain supplier relations • Oversee marketing • Ensure sales team is well equipped • Manage company funds • Ensure that all operational requirements are met 	R 64 588
COO & HR	<ul style="list-style-type: none"> • Oversee HR operations • Pay salaries • Ensure stock availability • Ensure trailers meet quality requirements 	R 82 203
GM & Accounts	<ul style="list-style-type: none"> • Manage Office • Deal with employee complaints • Manage petty cash • Ensure orders match client specifications 	R 32 000
Sales Manager	<ul style="list-style-type: none"> • Manage sales agents • Manage sales targets • Communicate with clients after sales are initiated 	R 32 000
Supervisor	<ul style="list-style-type: none"> • Supervise operations • Conduct quality inspections 	R 12 200
Store Room Manger	<ul style="list-style-type: none"> • Manage store room • Manage Stock availability with regards to deadlines 	R 4 300
Vehicle Manager (x1)	<ul style="list-style-type: none"> • Manage maintenance and upkeep of vehicles • Manage delivery process • Dispatch drivers 	R 4 900
Receptionist (x1)	<ul style="list-style-type: none"> • Front of house operations 	R 6 200

Position	Roles and responsibility	Salary
	<ul style="list-style-type: none"> • Answer phones, book meetings, take minutes • Deal with enquiries, complaints • Follow ups and cancelations • Manage liaise between management 	
General workers (x11)	<ul style="list-style-type: none"> • Responsible for general factory work 	Varies, please refer to detailed economic model
Driver (x2)	<ul style="list-style-type: none"> • Responsible for deliveries and pick up • Maintain quality of vehicles • Refuel and wash vehicles 	R 4 400 each





4. Products and services


4.1. Product specification

Trailored is currently manufacturing the following food / catering trailers, all of which come with free roadworthy papers

▪ *The Chickicha: 1.8m by 1.225m*



-  2 X gas stoves
-  1 X interchangeable chip fryer
-  2 X serving hatches
-  1 X small sink

 1 X 20- litre water bottle holder

 1 X preparation table

▪ **The Pikila: 2.4m by 1.6m**



- ✚ 2 X gas stoves
- ✚ 1 X gas cage
- ✚ 1 X chip fryer
- ✚ 1 X griller plate or mesh

- ✚ 2 X serving hatches
- ✚ 1 X small sink
- ✚ 1 X 20- litre water bottle holder
- ✚ 1 X preparation table

▪ **The Chingali: 2.8m by 1.8m**



- ✚ 2 X gas stoves
- ✚ 1 X gas cage
- ✚ 2 X chip fryers
- ✚ 2 X griller plates or meshes

- ✚ 2 X food warmers
- ✚ 2 X serving hatches
- ✚ 1 X large sink
- ✚ 1 X 20- litre water bottle holder
- ✚ 1 X preparation table
- ✚ Shelves

▪ **The Kaluchi S: 2.8m by 1.8m**



- ✚ 2 X gas stoves
- ✚ 1 X gas cage
- ✚ 2 X chip fryers
- ✚ 2 X griller plates or meshes

- ✚ 2 X food warmers
- ✚ 2 X serving hatches
- ✚ 1 X large sink
- ✚ 1 X 20- litre water bottle holder
- ✚ 1 X preparation table
- ✚ Plug and light
- ✚ Shelves
- ✚ Aluminium flooring & sides

▪ **The Kangala: 3.4m by 1.8m**



- ✚ 2 X gas stoves
- ✚ 1 X gas cage
- ✚ 2 X chip fryers
- ✚ 2 X griller plates or meshes

- ✚ 3 X food warmers
- ✚ 2 X serving hatches
- ✚ 1 X large sink
- ✚ 1 X water bottle holders
- ✚ 1 X preparation table
- ✚ Space for a fridge

▪ **The Luci: 4.4m by 1.8m (double axle, 4 wheels)**



- ✚ 3 X gas stoves
- ✚ 1 X gas cage
- ✚ 2 X chip fryers
- ✚ 2 X griller plates or meshes

- ✚ 4 X food warmers
- ✚ 2 X serving hatches
- ✚ 1 X large sink
- ✚ 1 X water bottle holders
- ✚ 1 X preparation table
- ✚ Space for a fridge

▪ **The Long nose: 5.4m by 1.8m (double axle, 4 wheels)**



- ✚ 3 X gas stoves
- ✚ 1 X gas cage
- ✚ 2 X chip fryers
- ✚ 2 X griller plates or meshes

- ✚ 4 X food warmers
- ✚ 2 X serving hatches
- ✚ 1 X large sink
- ✚ 1 X water bottle holders
- ✚ 2 X preparation table
- ✚ Shelves
- ✚ Space for fridge
- ✚ Store room

 Toilet

- **The Mobile freezer: 1.6m by 1.4m**



 Rails included

**All products are available in new designs at an additional cost of R 2 000 – please refer to revenue breakdown section of the economic model*

Trailored is looking to add the additional manufacture of the following truck trailer units, all of which will also come with free roadworthy papers

- Flat deck trailer
- Sliding curtain trailer
- Dropside trailer
- Tri-axle trailer

4.2. Sources of revenue

All of Trailored's revenues are generated from:

- **Local sales:** South Africa (at standard price)
- **International sales:**
 - Namibia (at standard/ SA price + R 7 000)
 - Botswana (at standard/ SA price + R 3 200)

- Lesotho (at standard/ SA price + R 4 200)
- **Local rentals:** South Africa, at 4% selling price per month
- The price addition is to account for delivery costs, as all products will be manufactured in SA then by freight moved to the countries.

Selling prices (excluding VAT) for each trailer type is shown below:

- 1) Chickicha food trailer at ZAR 19,000 fully equipped
- 2) Pikila food trailer at ZAR 27,000 fully equipped
- 3) Pikila food trailer at ZAR 29,000 new design
- 4) Chingali food trailer at ZAR 33,500 fully equipped
- 5) Chingali food trailer at ZAR 35,500 new design
- 6) Kaluchi S food trailer at ZAR 35,000 fully equipped
- 7) Kaluchi S food trailer at ZAR 37,000 new design
- 8) Kalanga food trailer at ZAR 37,500 fully equipped
- 9) Kalanga food trailer at ZAR 39,500 new design
- 10) Luci food trailer at ZAR 45,500 fully equipped
- 11) Luci food trailer at ZAR 47,500 new design
- 12) Long nose trailer at ZAR 56,000 fully equipped
- 13) Mobile freezer ZAR 40 000
- 14) Flat deck trailer at ZAR 356 000
- 15) Sliding curtain trailer at ZAR 458 000
- 16) Dropside trailer at ZAR 446 000
- 17) Tri-axle trailer at ZAR 225 000

Rental prices for each truck trailer is shown below (at 4% of selling price):

- 1) Flat deck trailer at ZAR 14 240 per month
- 2) Sliding curtain trailer at ZAR 18 320 per month
- 3) Dropside trailer at ZAR 17 840 per month
- 4) Tri-axle trailer at ZAR 9 000 per month

*NOTE: Additional customisation available and billable on client request

5. Industry analysis

5.1. Summary of the industry

Manufacturing is the country's fourth largest GDP contributor, at 14%³. The South African manufacturing industry is dominated by *Food and beverages* (at 26%), *Petroleum and chemical products* (at 24%), *Basic iron and steel* (at 19%), *Wood products, paper and printing* (at 11%), and *Motor vehicles, parts and accessories* (at 7%) sub-sectors⁴. These five alone accounted for 87% of the manufacturing output (as at Dec, 2018)

Trailers are classified by SANRAL⁵ as "... a vehicle which is not self-propelled and which is designed or adapted to be drawn by a motor vehicle but does not include a side-car attached to a motorcycle."

The manufacture of trailers therefore falls within the *Motor vehicles, parts and accessories* sub-sector, which in 2018 was one of the biggest winners in manufacturing with a 4,9% growth – accounting for 0,4% of the overall industry growth from 2017 to 2018 of 1,2%⁶, as shown below

³ Accessed from <http://www.statssa.gov.za/?p=11890>

⁴ Accessed from <http://www.statssa.gov.za/wp-content/uploads/2019/02/pic2.png>

⁵ Accessed from https://www.nra.co.za/live/content.php?Item_ID=94

⁶ Accessed from <http://www.statssa.gov.za/wp-content/uploads/2019/02/pic3.png>



Figure 5.1.1: Manufacturing sub-sector contributions to growth, 2018 (Source: Stats SA)

This sub-sector effectively accounts for 6,8% to GDP (split as 4,3% through manufacturing, and 2,5% through retail sales)⁷

Furthermore, Gauteng as a province showed the greatest contribution to the country's manufacturing industry (as at 2016)⁸, at 40% as depicted in the below chart. Being based in Gauteng, this shows access to raw materials and a skilled workforce locally for Trailored, should this be a requirement for the business' expansion plans

⁷ Accessed from <https://www.export.gov/article?id=South-Africa-automotive>

⁸ Accessed from <https://www.southafricanmi.com/south-africas-manufacturing-industry.html>

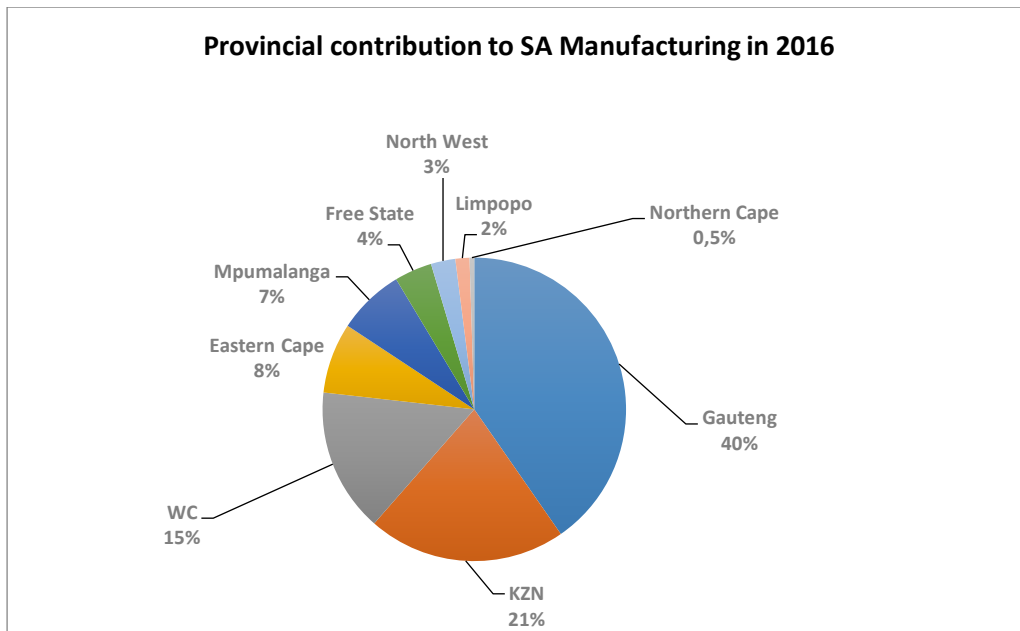


Figure 5.1.2: Provincial contribution to South African Manufacturing in 2016

The industry's year-on-year growth as at 2016 was +0,9% - with a look at the previous 10 years' growth rates (including 2016) of +1,4%⁹. Per Stats SAs 2018 report, the growth between 2010 and 2017 was also sitting at 7.2%, growing at the same ~1,5% per year¹⁰

Between 2008 and 2015, the Return on Net Assets for transport equipment averaged at around 6% per year, with after-tax profits of 26% to income, and employment costs at 63% of income¹¹. The Labour Market Dynamics Report for 2015 furthermore highlighted that there were a total of 2,500 formal enterprises engaged in the production of transport equipment, compared to ~60,000 engaged in manufacturing as a whole¹²

⁹ Calculated using information from <https://www.southafricanmi.com/south-africas-manufacturing-industry.html>

¹⁰ Accessed from www.statssa.gov

¹¹ Accessed from https://www.tips.org.za/images/Manufacturing_subsectors_-_Transport_equipment_2017.pdf

¹² Accessed from https://www.tips.org.za/images/Manufacturing_subsectors_-_Transport_equipment_2017.pdf

5.2. Trends in the industry

The following are some of the top global trends impacting directly on the demand for Trailored's trailers, both for mobile food units and truck trailer units

- ✚ **Convenience is still king in 2019.** With less time to spend on food preparation, the need for ready-to-eat hot meals is driving the mobile food truck/ trailer market significantly, with “more [money] spent on sourcing food away from home than on food prepared in the home”¹³
- ✚ **The love of street food is growing, outperforming fast food growth.** This trend is seeing more consumers literally hit the streets in search of exotic, yet authentic cuisines that aim to replicate the experience of a home-cooked meal¹⁴
- ✚ **Demand is exceeding supply for road freight logistics, per a 2018 Forbes report.** Driver shortage is one of the issues driving the heightened demand, however the fact there is such a high global demand for road freight services, highlights the clear opportunity for increased trailer production¹⁵

5.3. Challenges and mitigating strategies

The manufacturing industry at large does however come with a number of inherent risks and challenges, three of which are described below

¹³ Accessed from https://blog.ift.org/10-food-trend-predictions-for-2019?gclid=EAlaIqobChMI6t6_o0jB5QIVx8reCh174gl7EAAYAiAAEgJx8fD_BwE

¹⁴ Accessed from <https://www.thegrocer.co.uk/trend-reports/street-food-the-new-trends-shaping-foodie-culture/571368.article>

¹⁵ Accessed from <https://www.forbes.com/sites/theyec/2018/02/08/the-four-biggest-freight-transportation-trends-to-watch-for-in-2018/#39216a2df16a>

Challenge #1: Availability of skilled labour, which impacts on salary expectations as well as quality of factory output

- ✓ In mitigating this challenge, Trailored has a team of highly skilled, qualified executive and middle management individuals who have a level of personal commitment to the company's success. Additionally, the company ensures that all our general workers are well taken care of through fair compensation, good labour practice, regular and relevant skills training, and a healthy working environment.

Challenge #2: Consistent availability of raw materials at fair market value

- ✓ In mitigating this challenge, the company has already sourced a number of local raw materials suppliers – something that Trailored expects will not only boost the local economy, but will also ensure that raw materials are virtually always within good relative proximity, and available at a rate consistent with the forces playing out in the local marketplace (please refer to section 7 below for further details).

Challenge #3: Maintaining optimum inventory levels

- ✓ This challenge requires the availability of a systems-based response, as well as a skills-based response. In essence, Trailored will ensure that we use real-time tracking software throughout the entire production process – utilising serialised barcodes to always be in a position to see actual stock levels versus optimum stock levels in various production areas. For this system to be effective however, Trailored has ensured that a skilled General Manager is employed – who will also be in charge of monitoring and correcting the same .

6. Competition

6.1. Key competitor analysis

The main companies producing canopies, tankers, trailers, etc. as part of their production of transport equipment per a 2017 analysis, are listed in tabular form below¹⁶

COMPANY	# OF EMPLOYEES	MAIN ACTIVITIES
1. Route Holdings	3,000 (group)	Subsidiaries (SA Truck Bodies, Fruehauf, Road Tankers and others) manufacture and repair trailers, axles, suspensions and trailer parts. Group has three trailer manufacturing operations in Wadeville, Bloemfontein and Cape Town; also manufactures tanks and components, including trailers, axles and suspensions.
2. Welfit Oddy	1,040	Designs, manufactures and sells tank containers and bulk liquid shipping containers and transport containers for international chemical and food grade logistics market.
3. Afrit	920	Manufactures and repairs trailers, semi-trailers and trucks.
4. Top Trailers	800	Designs and manufactures specialised tippers, trailers and carriers for the SA market.
5. Jurgens CI	680	Manufactures caravans and motorhomes. Fabricates fibre tech parts for caravans in Rosslyn.
6. GRW Engineering	600	Manufactures and refurbishes road tankers on chassis; manufactures stainless steel tank containers for export.
7. Beekman Super Canopies	490	Manufactures fibreglass canopies for bakkies.
8. F & R Catai Transport Solutions	288	In addition to core business of fleet support, manufactures trailers and security vehicles for Fidelity and Armscor and rail road vehicles for Transnet.
9. TFM Industries	287	

¹⁶ Adapted from https://www.tips.org.za/images/Manufacturing_subsectors_-_Transport_equipment_2017.pdf

		Designs, manufactures, assembles, converts and imports specialist truck bodies as well as armoured vehicles and components for the automotive and engineering industries and trailers.
10. Serco Industries	150	Designs and manufactures insulated and dry freight fibreglass truck bodies and trailers.
11. Tank Industries	150	Manufactures and supplies new road tankers to the oil and chemical industry. Has two manufacturing facilities.
12. Cabworld	147	Builds passenger busses, mobile clinics and ambulances and undertakes custom-made vehicle body conversions. Also manufactures security, mortuary, people-transport and Telkom canopies. Provides tow bars, benches, medical and similar equipment.

Table 6.1: Market structure for major transport equipment products, focus on companies producing canopies, tankers, trailers (Source: Who Owns Whom. Report Generator. Electronic database. Downloaded from www.woweb.co.za in November 2017)

In addition to this, please find below a list of businesses that specialise in the production and sale of food trailers in South Africa

- Rico Trailers
- Kitchen Food trailers
- In tempo trailer manufacturers
- Diamond trailers

From this universe of potential competitors, Trailored has narrowed down the top two based on the company size and location relative to itself. Based on these two matrices, the two primary competitors to consider are discussed.

- **Afrit**

- Manufacturers of truck trailers
- Products include wide variety of truck trailers
- Services include after sales service, pre-owned trailers, finance solutions, dealer network
- Situated in 7 Phillips Street, Rosslyn, Pretoria, 0200, Gauteng
- Price range:
 - Flat deck trailer at ZAR 406 000
 - Sliding curtain trailer at ZAR 508 000
 - Dropside trailer at ZAR 496 000
 - Tri-axle trailer at ZAR 275 000

▪ **Rico Trailers**

- Manufacturer of modular and mobile solutions
- Mobile products include kitchen trailers, toilet trailers, office trailers, marketing and events trailers, and mobile cold room trailers
- Services include customised design and production of trailers processed in-house
- Situated in 199 Anvil Road, Robertville, Roodepoort, Johannesburg
- Price range¹⁷:
 - Standard model R 49 950
 - Elite model R 89 950
 - Double Deluxe model R 172 600

¹⁷ Accessed from <http://www.ricotrailers.co.za/wp-content/uploads/2013/08/Mobile-Kitchen-Trailer-Brochure-Pricing-Quote-Rico-Trailers-South-Africa-Trailer-Manufacturer.pdf>

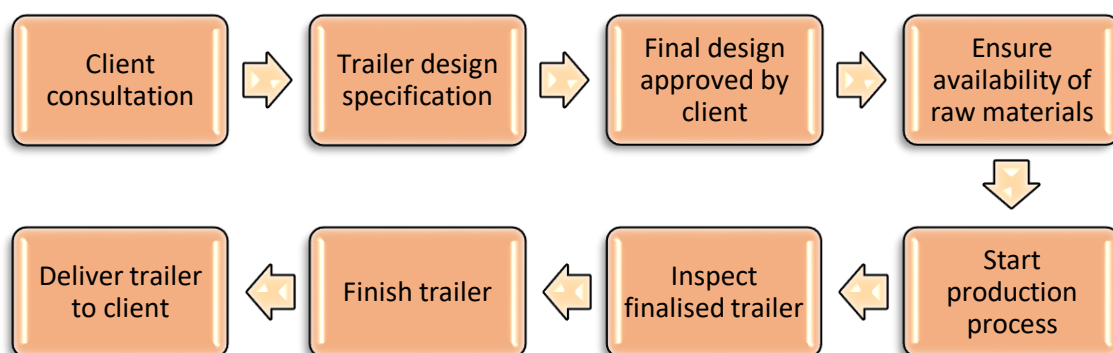
6.2. Unique value proposition

What makes Trailored unique relative to our major competitors is our ability to customise in order to ensure that we meet our clients' needs one hundred per cent of the time. This is something that is not very common in manufacturing, and certainly very difficult to achieve the bigger the business is. As such, it is an advantage that our relatively smaller size in the space lends itself towards neatly. In addition to this, Trailored will be entering a predominantly white industry, as a black-owned company, adding to our unique value as representative of economic inclusion and growth, and the communities we serve.

6.3. Tagline

Our tagline is *"Trailers. Tailored"* This is a play on the tailored production of our trailers that has led to the company name, Trailored

7. Operational and supplier analysis



- The process flow may vary depending on the client's specific needs, should they not require a customised/ designed trailer, they will choose from the selection of trailers available and the design specification and approval process will be skipped
- In this instance, the client will select the trailer they require, receive a quote, make payment, and the trailer will be delivered to them or collected by them

7.1. Production analysis

Based on our increase in capital equipment to the value of just under R28 Million, our production capacity will double by virtue of the improved speed and capacity of said machinery. This is reflected in our financial projections


7.2. Supplier analysis



Supplier	Raw materials
Maizey Plastics	Signage solutions Digital print media Aluminium and illumination
Roodepoort Metal Exchange	Steel products
Al-ko Trailco	High tech components for trailers Jockey Wheels / Supports / Couplings Towing Equipment Cast Overrun Devices Overrun devices
TSE BIG MAX	Suspension parts

	Trailer axels
A.G. Ally & Sons	Gas appliances and accessories Catering equipment Electrical and fridge spares Stoves and boiling tables
ATT Auto & Truck Tyres	Tyres

8. Target market analysis

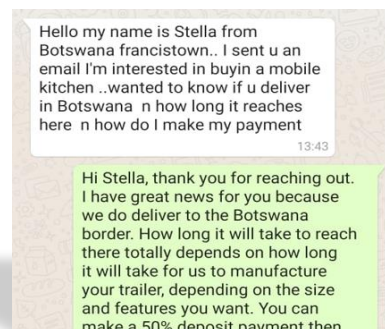
8.1. General market

Product	Food trailers	Truck trailers
Market description 	<p>Businesses operating in the food and beverage industry that are specifically focused around the mobility of food services.</p> <p>Businesses such as Mobile catering services, street food stands and mobile kitchens.</p> <p>These businesses are generally Food truck/ trailer businesses that are either just starting up, expanding, or have been running and require upgraded, modern trailers.</p>	<p>Businesses that operate in the transport industry. These business can include freight businesses, long-haul businesses, passenger transport services (that require luggage trailers), food transport services (that require refrigerated trailers), and other goods transport services (that require specialised trailers).</p>

Geography 	Businesses situated within Sub-Saharan Africa, and Southern Africa	Businesses situated within Sub-Saharan Africa, and Southern Africa
Affordability 	High affordability in target market, as products are capital investments	High affordability in target market, as products are capital investments

8.2. International market

Trailored intends to expand its market reach to the international market with specific emphasis on countries such as Namibia, Botswana, and Lesotho. We have an Import and Export license to ensure that we can easily trade within these countries. The demand for our products has been expressed through various social media platforms such as Facebook and WhatsApp. Below are some screen grabs of enquiries for our products from across the border:



9. Marketing Overview



The main marketing channels used in Trailored's marketing strategy will be digital/ online as these will be the most effective means of reaching our identified target market and by far the most affordable, consisting wholly of other businesses. In the business-to-business (B2B) world, reputation and customer service plays a central role in not only driving new clients towards the business, but in maintaining serviced clients. For this reason word of mouth and customer satisfaction is an effective marketing channel for Trailored.

10. Socio-economic benefits

Employment creation, both directly and indirectly. Trailored already employs 22 full-time individuals, with the potential to create 10 new jobs as we add-on truck trailer manufacturing and rentals gradually in the next 12 months. We would like to be considered for the grant portion of the funding as this will

increase the likelihood of us employing more workers. We are considering adding a night shift to accommodate more workers and to cut production time.

- ***Locally sourced raw materials***, the company sources 100% of our raw materials from local suppliers – strengthening the value chain for local manufacturing, and providing opportunities for symbiotic growth between the different links of the chain.
- ***Contribution to national economic growth***, Trailored contributes to the local economy not only through job creation and actively participating in the manufacturing value chain, but through direct financial contribution through annual taxes of ~R 373K in Year 1, increasing to ~R 3.3M by Year 5 of operations.