

# The time for construction industry expansion is now

Contractors have the opportunity to expand profits by providing their own supply needs, according to Pan Mixers South Africa.

The long-established Johannesburg-based company is encouraging building contractors to consider producing their own concrete products to supply the needs of their business and those of surrounding communities – a move that could increase business and profits.

Pan Mixers managing director, Walter Ebeling, says that an investment starting from R200 000 could set up a small brick, block and paving operation. Depending on local raw material and product selling prices, he believes that returns of between R14 000 and, in exceptional circumstances, up to R90 000 per month can be achieved.

"If a need exists and the right material can be sourced, it's sensible to start another business – provided you have the necessary management, quality control and technical skills to operate a plant. All that is required is a suitable site, access to the right materials and an investment in reliable and technically-advanced brick and block-making machinery. Most importantly, there needs to be a demand within the area, and the ability to pay at a price beneficial to both parties.



If that exists, then there is no reason why a well-managed manufacturing business should not be successful," Ebeling explains.

Pan Mixers can assist in undertaking a feasibility study with prospective clients to ensure that a business case does exist for the products that are being considered for manufacture.

"Competing manufacturers of concrete products may have competitive advantages in pricing raw materials and efficiencies of scale, so it is not enough to assume that, because someone else is doing well, a new business would do well too. Therefore, preparation, determining what size machinery is best suited to your requirements and a feasibility study are important," Ebeling continues.

However, he explains that the price of machinery is not the only consideration when purchasing new plant. To be profitable, the plant must be able to manufacture continually and make products of a high standard. A machine that fails to mix the materials properly will require more cement to make good quality products, forcing production costs to rise.

"If a machine breaks down and you can't get support or parts from the supplier, then downtime and loss of production costs could negate the difference between buying a cheap product, or one of better quality. It is tempting to consider a cheap machine first, but often these businesses fail or never reach the stage of upgrading to better, more reliable machinery. Pan Mixers SA understands the importance of customers producing quality products to stay profitable," Ebeling states.

"Once the plant is installed, it is essential to train operating staff and to actively manage and control the business. Poor control of the manufacturing process will lead to lower productivity, higher breakages and less profit.

"Pan Mixers SA provides market leading support to thousands of customers worldwide and the company's brickmaking machinery in the Johannesburg area alone produce over two million bricks per day." ■

