

### Confidentiality Agreement

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It is acknowledged by reader that information to be furnished in this Business Profile is in all respects confidential in nature, other than information in public domain through other means that any disclosure or use of same by reader, may cause serious harm or damage to D & L SYSTEMS

# COMPANY PROFILE



2011 Lasco 1502 Trailerised Machine

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## **1. EXECUTIVE SUMMARY**

### **1.1 About the Business**

The founding member is Ms Lindiwe Sithole, who through experience gained in the related businesses, decided to form Dumisani Systems. Dumisani is a shortened name for Dumisani her husband. She initially intended to form a family business with her husband and later on changed away from the idea of a family business, but the business continues to be Dumisani Systems, commonly known as D & L Systems. She and she alone is a registered owner with all signing and voting powers. After working in Gauteng Province, the owner, decided to come back to the home province to plough-back her skills and knowledge by re-establishing the business in KwaZulu-Natal, in Richards Bay, in Unit 5, 61 Ceramic Curve, Alton.

Dumisani - Lindiwe Systems, (to be referred to as, D & L Systems) was formed as a close corporation, specializing in Heavy Industrial Cleaning, and Air Conditioning services.

### **1.2 Shareholders / Owners**

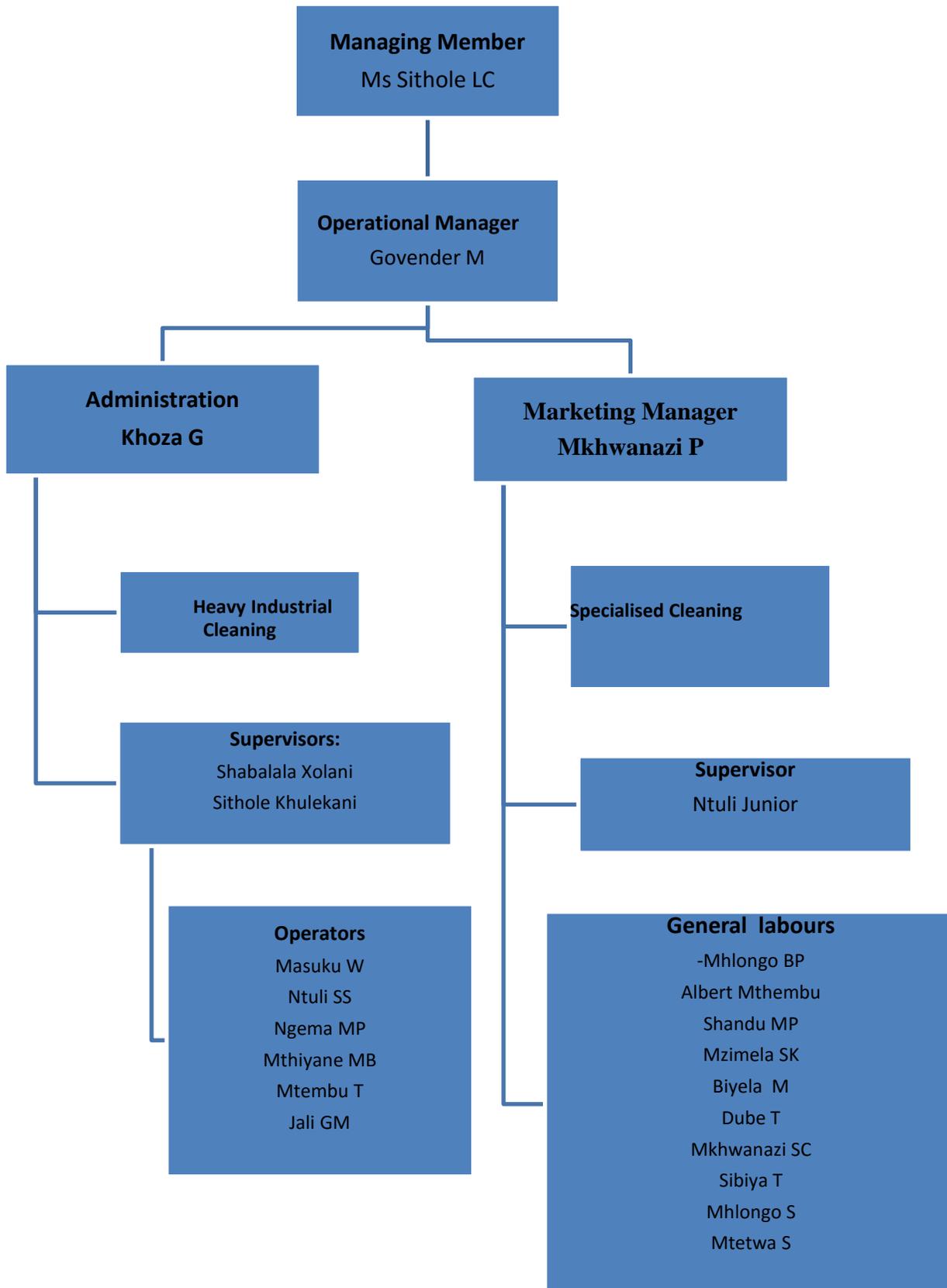
Since its inception, the business owned by Ms Lindiwe Sithole .Ms Sithole is a very diligent person with sharp business acumen is able to assemble a good business team.

### **1.3 The Business and Its Markets.**

The Business is currently focusing on two major areas, namely Heavy Industrial Cleaning, and Air conditioning and Refrigeration, air-conditioning, constitutes a small portion of revenue there currently. The Major business operation is Heavy Industrial Cleaning. D&L Systems holds a negligible market share which is not quantifiable.

# NATURE OF BUSINESS OPERATIONS

Figure 1: The Nature of Business & Key Personnel



## **OUR PRODUCTS & SERVICES**

The company is presently offers the following products and services:

High pressure cleaning

Super sucking

Tank cleaning

Removal of dust and oil spillage

Unblocking pipes, drain cleaning etc

De-scaling tanks

Dis-sludging dams, ponds and tanks

Water tankers

Bobcat

Road sweepers

## **Other Services**

Provision and fittings of high quality new air-conditioning

Regular servicing and repair of existing air-conditioning

Refrigeration

Water coolers

The industrial Cleaning is led by Govender Mervin.

His experience within corporate industry with, Pollution Control Services, MDI and his experience with Y2K Industrial cleaning make him very well suited person. He is a motivated decision maker able to communicate clearly and led by example. His hand-on experience gives Dumi Lindiwe Systems a competitive edge when it comes to high standards of service. He is therefore,eminently qualified to take up the reigns of the business and drive it forward and is well placed to understand client needs and to issue quotations for products and services in an efficient and timeous manner, to see them through to completion and, most importantly, to meet deadlines.

## Related Services

The other service offering, which is offered, is installing, supplying and maintenance repairing of existing air conditioning and building maintenance , which is led by Mr. T Mtembu who has been working with,

Breeze Easy and Bizathina Air-conditioning over 10 years of experience in that area of expertise.

## **KEY SUCCESS FACTORS**

We have discovered that in order for the business to achieve what it has set out to do and leave a lasting impact to the economy of our province and country, certain building blocks have to be established, these include the following:

Long term customer satisfaction is essential

Marketing strategy is important for the selling of our products, products display and publicity are two less expensive ways of maintaining and increasing the demand of our products.

A good and efficient mode of transport

Enough working capital during the earlier phases of clients' contractual agreement.

The right management team, with strong marketing management and finance

Product quality and availability at all times or in short notice when required by customers'

D & L SYSTEMS seeks to be, for stakeholders, a growth business which develops innovative and more cost efficient products and services.

D & L SYSTEMS seeks growth through commitment and action in response to changes.

The management believes in growth which is a pervasive system, not simply a series of steps, which a business blends into its vision, mission and business culture.

To stimulate growth D & L SYSTEMS will organize along the following sustainable rules:-

**Creating a valuable formula for growth.** It is the owner's and managements' view that , the path to growth begins with a distinctive value proposition for a product and service that clearly meets customers' needs better than the competition. Further it includes business system that carries the products and services to customers effectively and efficiently.

**Roll out the formula.** Having created this valuable growth formula, D & L SYSTEMS will seek to exploit it, by rolling the formula out domestically, regionally and nationally to give it maximum exposure and value. An effective formula is envisaged to expand geographic reach, add product lines, or identify better distribution channels, and could also entail looking for possible alliances and acquisitions.

**Manage transition.** No matter how good a formula is , or how effectively it is exploited, eventually competition intrudes , today's technology becomes obsolete; customers needs shift; or governmental regulations change, it is therefore a duty of all businesses (ours included) to manage the transition to their formula.

We are striving for a business culture that can be described as a cohesive, action and customer-oriented made of a highly supportive and accountable team, which makes D & L SYSTEMS a place where people are not afraid to take risks.

## **BUSINESS SUMMARY**

D & L Systems is a newly incorporated business, duly registered late in the year 2004, providing, on one hand Traditional Cleaning services and allied business; and high-tech convenient goods and services to corporate entities, individuals households and offices. The products offerings include, but not limited to, Heavy Industrial Cleaning, Water Coolers and Air-Conditioners, and related support services.

The business has incorporated two different offerings, Heavy Industrial Cleaning and Air-conditioning

### **Objectives**

To provide high quality and services at all times

To provide speed and efficiency within our processes

To cater to our customer individual needs

To make every effort to retain our customers through our business ethics.

### **Vision**

To be a proudly South African business with a strong presence in all provinces by the year 2020

### **Mission**

D & L SYSTEMS wants to a business enterprise that:

Offers its customers high quality and good value services and strives for excellence in all what it does; and manages business effectively and efficiently, attracting investment/new business and maintaining sufficient surplus funds within the business to ensure growth and continuous development of the business.

## **Business Values**

The responsibilities of business: beyond owners towards stakeholders.

The business behaviour: beyond the letter of the law towards a spirit of trust

Respect the rules

Avoidance of illicit operations

Respect for the environment

## ORGANIZATIONAL STRUCTURE & MANAGEMENT

The key personnel responsible for each of the major business area are Ms Lindiwe Sithole (responsible for managing and hygiene / health-care business) , Ms Gcinile Khoza is responsible for the day-to-day running of the business , Sabelo is the “coal-face” of the core business, responsible for the Air-conditioning and cooling systems , Mervin is responsible for industrial cleaning services. The management team has a combined experience of over 25 years in business and or related businesses.

## BUSINESS OWNERSHIP

The business is owned by Ms Lindiwe Sithole, who has all the signing powers and voting rights, who works closely with the senior managers of other key business offerings, as illustrated above.

## Operational & Business Issues

The following resources and activities are important in the running this business:

New and effective and efficient mode of transport.

In the rental part of the business, transport is essential in delivering the required service. And also in after-sales activities, like maintenance, repairs and day to day customer care service. In the trade business, that is, cooling section, the importance of transport cannot be underestimated.

## Working Capital Requirements.

It is estimated that the first six to eight months of a contract are very difficult, because things like raw material, labour, transport and office facilities requirements. It is generally advisable for small

businesses like D & L Systems to seek short term loan and or overdraft from banks and line of credit from suppliers.

Training Customer Relationship Management is a necessity

Customer orientation to all personnel is paramount to this business and to continuing relationships.

## **BUSINESS LOCATION AND FACILITIES**

Physical Address: Unit 5, 61 Ceramic Curve, Alton, Richards Bay

P.O. Box 454, Richards Bay, 3900

Telephone: 035 751 1512

Facsimile: 035 751 1919 or 086 732 7347

Mobile: 084 500 8083 / 083 685 7520 / 081 418 4225

Contact Persons : Lindiwe Sithole

: Govender Mervin 084 533 3405

: Mkhwanazi P 073 697 5227

Email Address [lsithole@webmail.co.za](mailto:lsithole@webmail.co.za)

The property is leased. The location is placed next to the potential market.

## **INDUSTRY AND MARKET ANALYSIS**

The traditional cleaning business is saturated with old and new entrants, in competition to each other and sometimes collaborating with each other. D & L Systems intends to be heavily involved in this sector of economy, while simultaneously pursuing businesses in allied sectors, like hygiene, sanitary services and cooling systems.

The industry of air-conditioning and cooling systems is a multi-million rand industry in the urban areas of the country with thousands of rand in untapped cosmopolitan areas like townships. The air-conditions has this ever growing demand as a results of ever-changing weather conditions and improving living standards of the population fuelled by economic friend environments of the country and low interest rates. Currently, (2015), the interest rate is the highest ever experienced in

30 years, at 12% and the inflation is well within the target range of 5% and 7%. The economic growth rate is estimated to be between 4, 8% and 6% in the next two three years. The increase in urbanization and continuing property boom mean an increasing market for both major products of D-L Systems.

#### PRODUCTS & SERVICES (core business plus Heavy Industrial Cleaning & Air-conditioning)

The products and services offered are done through outright sales. Cleaning is done through contractual arrangement whereby D & L Systems provides human and logistic support to clients for a competitive fee payment done one stipulated timeframe. Logistic and human support includes, but is not limited to staff training and cleaning materials. The staff requirement is dictated to by the clients and their needs.

The products and services offered are done through rentals and outright sales. Hygiene solutions are offered as services to suppliers, that is, on rental basis, under a specific contractual arrangements and or / service level agreement. The service level agreement will carry dates (time intervals); budgetary requirements; and quality requirements. D & L will be deploying staff to perform on agreed upon service level agreement. Products like air-conditions and water-coolers will not be sold outrightly with after sales service, ensure constant contact with customers and to reflect D & L Systems' confidence on the products. Telesales method will be used by D & L Systems as a form of Customer Relations Management (CRM)

The business' main products include, office air-fresheners, air-conditioners; hand dryers; water purifiers and water dispensers, fans, soap dispensers, and insect killers, to mention the few. The products can suit people in different economic status and are not very expensive.

#### MARKET ANALYSIS SUMMARY

Our most important group of customers are municipalities; medium to large corporate who with national focus who have a responsibility for property maintenance, hygiene and allied activities like cleaning and catering.

Target Market Segmentation (core business)

The business management recognizes an enormous unmet need in the market for the above products, especially the schools and peri-urban areas. The future source of revenue will be para-statal institutions these include municipal governments. While schools and Townships are potential market, they are not likely to be realized in the short to medium term due to backlog of other essential needs that they are currently struggling with. The para-statals are current potential customers and have a potential to quadruple the financial forecast depicted under Financial Plan. For that to happen, D & L has to actively enlist with various databases and respond to all relevant tenders, above all must deliver client satisfaction.

The second most important market includes individual in LSM 4 to LSM 10, also known as emerging market. The LSM 4 to 10 includes young professionals; graduates and new home owners. This market is good for our trading, that is, Sales business, as opposed to Rental Business.

#### SERVICE BUSINESS ANALYSIS (core business)

The cooling industry is pulverized and disorganized, often confused with cleaning businesses, The heavy industrial cleaning and air-conditioning is in the hands of few, with little and no Black owners, with the advent of charters we (as a Black Owned entity, we anticipate mushrooming of many black entities). There is currently no small business entity which is a truly industrial and cooling business. The existing businesses range from medium to large businesses. They all need black empowerment partners.

#### BUSINESS PARTICIPANTS (core business)

At the highest level there are the few well managed-established major names in air conditioning solutions, Most of these are organized as partnerships established in major in major markets around the country and in other parts of the world. These businesses charge very high rate for their services, and maintain relatively high overhead structures, fulfilment structures based on partners selling and junior staff associates fulfilling.

### Competition and Buying Patterns (core business)

The key purchasing decision which may need to be made by potential D & L Systems are price competitiveness; Broad Based Black Empowerment (BBBE). While D & L Systems is a black business and proudly so, it will continue to raise the level and quality of services it offers to all its clients. D & L SYSTEMS offers general cleaning function, air-conditioners and water-coolers.

**Strengths:** International locations managed by owner-partners with a high level of presentation and understanding of general business. Enviably reputations which make purchase of goods and services an easy decision for a manager, despite the very high prices.

**Weaknesses:** General business knowledge does not substitute for specific market, channel, and distribution expertise of D & L Systems. We intended focusing on emerging markets; government and quasi-government institution and being fully compliant to latest regulations. Are generally expensive and their work is generally by junior level personnel, even though sold by high-level partners.

### **MARKET SPECIFIC & FUNCTION SPECIFIC EXPERTISE**

**Strengths:** Expertise in market or functional, D & L Systems should not try to compete with those companies who are focused in those specific areas like sanitary, cleaning chemical, and/or cleaning services, others deal with cooling systems only.

**Weaknesses:** The inability to spread beyond the focus, or to rise above a specific focus, to provide actual Cooling care expertise, experience, and wisdom beyond the specifics.

Companies cleaning;

**Strengths:** No incremental cost except travel, also, the general work is done by the people who are entirely responsible, the planning is done by those who will implement it.

***Weaknesses:*** Most managers are terribly overburdened already, unable to find incremental resources in time and people to apply to incremental resources. Also, there is a lot of additional risk in market.

## CONCLUDING REMARKS

The Business Profile looks mainly on the Main and Core business, which is Heavy Industrial Cleaning and Cooling solutions. The words “Main” and “Core” do not suggest that D & L does not have necessary competence on the other products and services mentioned herein. They mainly refer to the business as found in the Founding Documents and practiced as initial business activity.

As stated above the businesses, like Heavy Industrial Cleaning and Air-conditioning Services are very important products offerings, it is envisaged that their contribution in total turnover will be well over 95%.

The document is one of the main business documents certain details and documents are currently not going to be made public, save on request from stakeholders, be they potential investors, customers, financiers and government or its agencies. These documents include detailed curriculum vitae of personnel, detailed financial projections management accounts, among others