

PRESS RELEASE

Expand, grow and succeed

Looking to take your business to the next level? Jurie Hanekom, successful entrepreneur, businessman and Chairman of leading window and door manufacturer, Swartland, offers some practical tips on how you can grow and expand your business.

26 January 2017, Johannesburg: Starting your own business requires a lot of effort – it demands a huge investment of time and money to get a business off the ground. If you are an entrepreneur who has survived the start-up period and managed to build a successful business, you may be wondering what's the best way to take your business to the next level...

To get the answers, we spoke to successful businessman and entrepreneur, Jurie Hanekom from leading local windows and doors manufacturer, Swartland, and asked him what his top tips were on how to grow your business beyond its current status. Says Jurie: "There are numerous ways of increasing the size of your business, and the trick lies in choosing the right one for your particular business. Your options will depend on the type of business, your available resources, how much money you have, and of course, how much sweat equity you are willing to invest. However, if you are ready to grow, there are some tried-and-tested options that can help you."

1. Another one just like the other one: Opening in another location is not necessarily always the best option for expansion, but it is usually the first thing that comes to mind when you think about growing a business. Jurie notes: "Opening in another location can often be a really costly, and risky exercise – it needs very careful planning and you need to really take an in-depth analysis of the current economic and consumer trends. If you are considering this route, then be sure that your current business is maintaining a consistent bottom-line profit, that you have a fantastic administrative and management team to help you, that you have drawn up an air-tight business plan, and that you choose your location on the basis on what's best for your business and not necessarily your pocket."

2. Have fun with franchising: Franchising can be an excellent vehicle for expansion, as it gives investors ownership, and when people have a vested interest in their work, they enjoy it more and bring a lot more to the table – ensuring a better chance of long-term success. Jurie explains: "Although Swartland has never applied this model to its business, franchising can be a great way to create multiple locations to increase the value and footprint of your business. It is also a tried-and-tested business model, making it an appealing acquisition prospect for investors. However, you need to understand that franchising doesn't create an increase in value overnight. It takes time to grow a network of franchisees. There is also the initial investment required to develop the systems, comply with law, as well as to recruit, train and support franchisees."

3. Pick good partners: Affiliating your business with a similar type of business can provide a good way to expand, Jurie points out: “A successful alliance with other brands can really help grow your business. For example, when Swartland made alliances to supply Build It, Steinbuild and Builders Warehouse for example, we immediately were able to expand our national footprints and grow our markets successfully due to each of these company’s excellent client acquisition, distribution and marketing channels.”

4. For the love of licensing: If you have a service or branded product, licensing can offer an effective and affordable growth medium for your business, explains Jurie: “Licensing is when you allow the use of your business name, products, or services for a fee. With licensing, you are paid some kind of fee, usually upfront, and could include ongoing royalty payments, such as a percentage of sales or a fee per product sold under the brand name for example. Swartland has never used this vehicle, but I think that the real beauty of licensing is that the initial and ongoing cost of running this business model is comparatively affordable, which minimises your risk. The main risk is to find the right licensing partner, and to employ the talents of a competent lawyer who specialises in intellectual property rights.”

6. Diversify: Diversifying is when you sell complementary products or services, or import or export other services. It can be an exceptional mechanism for growth as it multiplies your income streams, and can increase your profitability and overall sales. “Not too long ago, Swartland made the decision to diversify and manufacture aluminium, as well as its traditional wooden windows and doors. We researched this strategy intensely, and spent lots of money implementing; growing and marketing our new KENZO range of aluminium windows and doors alongside our timber ranges. Rolling out a new line allowed our customers to carry more of Swartland’s inventory, and it broadened our target audience. As such, we are really happy to announce that it has been a fantastic vehicle for expansion for Swartland,” says Jurie.

7. A major merger: During the start-up phase of most businesses, the focus is on survival, servicing clients as best you can, and searching for an opportunity to jump-start growth. Jurie notes that often, the “jump start” you are looking for can come in the form of one of your competitors: “You can grow your company quickly and effectively by either merging or acquiring another company with a complimentary offering. In 2008, Swartland acquired Col Timbers, a company that manufactured decorative mouldings and innovative DIY products, which was a great add-on for our existing business, as it was made from the same materials as our existing ranges, and it could be sold to most of our existing clients, which allowed them to stock more of our products. Today, Col Timbers is an incredibly successful range of products within the Swartland stable.”

8. Going global: Sustained growth can be achieved by successfully increasing your market share by expanding globally. Says Jurie: “You don’t need to necessarily acquire another business to expand globally. You just need to prime your product or service offering for an international market. For example in

1989, Swartland started exporting its timber wooden windows and doors to the United Kingdom, and a little later, to the USA. To achieve this successfully, we had to find a distributor in each country who could carry an inventory of our products and resell them in their particular domestic market. We also had to ensure that our products met and passed all the necessary international regulations. Since we started exporting, Swartland has managed to not only expand our markets, but also to hedge our bets against the fluctuating Rand.”

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