Market Leaders

Innovation is at the heart of most successful firms

BY MAXWELL WESSEL

It seems that every time you hop on a quarterly earnings call, the CEO mentions innovation. The mergers and acquisitions markets are alive and big corporations are investing in small and invisible enterprises in the hope that they will come up with disruptive solutions and products.

If innovation is the foundation on which we can build a better future, this focus should be reassuring. To overcome disruption and remain relevant far into the future, companies need to build the businesses that will replace their legacy offerings.

The only problem: Being excited about a new corporate commitment to innovation assumes corporate investments aren't the equivalent of cash flushed down the toilet.

And even with the best of intentions, most CEOs start off disadvantaged in building the next big thing. Many of the reasons for this are well documented: Executives have conflicting incentives, the wrong investment metrics and enormous margin pressure.

And yet sometimes they manage to overcome these structural challenges and support the right ideas regardless of the barriers. Companies like Apple, Amazon.com, General Electric and IBM demonstrate how firms can continually reinvent themselves in pursuit of the next big idea.

But it's more than a simple disregard for the quarterly pressures of the public markets that powers these industry behemoths. They also share another quality uncommon among their peers. All of their leaders have staying power. Regardless of market swings, Larry Page, Jeff Bezos, Jeffrey Immelt and Virginia Rometty expect to stay in their jobs for a long while.

Staying power is vital for innovation.

> **"In the year before Google's stock went public on Aug. 19, 2004, it made about $962 million in revenue. That same year, Microsoft made $32.1 billion. Had Microsoft owned Google's search engine at the time, it would have represented a tiny piece of Microsoft's larger revenue pie.**

Consider the industry I call home, enterprise software. The typical enterprise software startup that survives long enough to hold an initial public offering is at least 7 years old. Like most brand-new businesses, an enterprise software startup is nothing more than an idea. But it's an idea that demands attention, investment and a long view of the market. Only with patience and perseverance will it flourish. And after these startups hit the public markets, they're still generally too small for the average CEO of a Fortune 500 company to care about.

In the year before Google's stock went public on Aug. 19, 2004, it made about $962 million in revenue. That same year, Microsoft made $32.1 billion. Had Microsoft owned Google's search engine at the time, it would have represented a tiny piece of Microsoft's larger revenue pie.

Fast-forward 10 years and the revenue that Google derives from its online ads is now larger than the largest Microsoft business. How times change, right? And that's the point.

Tackling big audacious problems take time. That's why venture investors and entrepreneurs tend to be committed for the long haul. Big ideas start small. Everything requires a foundation of results before it can expand. Sure, the distribution and brand that big companies bring to the mix can be useful in accelerating the pace of change, but innovation still requires long timelines. And the vast majority of public company executives don't share those timelines.

The unfortunate truth is that most public company executives don't last too long in their roles. Based on an annual survey conducted by The Conference Board, the average CEO departs her role with fewer than nine years under her belt. If it takes a decade to build a big business, that's already not enough time for the CEO to become the "executive sponsor" of the project.

And nine years is just the average. Look at Hewlett-Packard for a horror story. Since 1999, HP has seen six CEOs and interim CEOs. Given the constant turnover, even the best of intentions can be made irrelevant. Corporations like HP simply can't be trusted to invest in innovation over the long haul it requires.

Consider what it has taken to push GE into the software business. For more than a decade, the firm has been adding sensors to its industrial devices and enabling central collection of the data they produce. Slowly, the company has built out proprietary software systems to allow its customers to get more out of its products. Today, GE is emerging as a leading solution provider for the "Internet of things." But if the firm hadn't executed against a decade-long plan, it would have all been for nothing.

People often like to reference Apple as an example of a company that figured out how to use innovation to drive growth. And certainly it did. But staying power was a key part of the recipe. Apple's executives spent years plotting their takeover of the mobile computing world and executing. They focused on a few enormous projects and did them incredibly well. And these executives lasted. From 1997 to 2014, nine of Apple's 17 most senior executives lasted more than a decade on the team (with five of them lasting more than 15 years).

With that kind of dedication, companies can achieve great things. But it's about more than enthusiasm - it's about staying power.

The fact that 2014 was the year of corporate innovation isn't surprising. We're in an up market and people are more excited about technology than ever before. But taking excitement and turning it into results requires more than investment. It requires staying power. Projects need to be funded, sponsored and protected for the long haul.

(Maxwell Wessel is a member of the Forum for Growth and Innovation, a vice president of innovation at SAP and an investor with NextGen Angels, based in Washington, D.C.)

Market Leaders

How disruptive Innovation helps market leaders

Knowledge@wharton

Talk to any CEO about what haunts them the most and disruptive innovation will be at the top of the list. It is a logical fear: A company whose existence depends on established technologies could face extinction or loss of market leadership if a revolutionary innovation comes along. Just ask smartphone maker BlackBerry after Apple launched the iPhone.

But a study soon to be published in Management Science discovered that disruptive innovations need not lead to an incumbent's fall, despite prevailing academic theory arguing otherwise.

The paper, "Dynamic Commercialization Strategies for Disruptive Technologies: Evidence from the Speech Recognition Industry," was authored by Wharton management professor David Hsu, Matthew Marx, a professor of technological innovation, entrepreneurship and strategic management at MIT, and Joshua Gans, a professor of strategic management at the University of Toronto.

Indeed, the authors discovered that start-ups introducing disruptive technologies with long-term potential are more likely to end up licensing to incumbents or agreeing to be acquired rather than turning into rivals. While these start-ups would initially compete with established firms, the motivation is to prove the worth of their innovation to a skeptical industry that has not seen it before.

"But once the technology is proven, among other factors, start-ups tend to form alliances or merge with market leaders — pursuing what is called a cooperative commercialization strategy — thus preserving the status quo.

But once the technology is proven, among other factors, start-ups tend to form alliances or merge with market leaders — pursuing what is called a cooperative commercialization strategy — thus preserving the status quo. "This result calls into question the notion that disruptive technologies necessarily result in the demise of incumbents," the researchers write.

The Siri Approach

Consider Vlingo, the authors say: Five years before Apple's Siri personal digital assistant service was released as an iPhone app, Vlingo was already demonstrating a similar "grammar-free" speech recognition technology for phones in which a person did not have to say certain groups of pre-arranged words to be understood.

Back then, Vlingo was di?erent in that its technology was software-based and embedded in a mobile app at a time when most speech recognition features were built into the phone hardware itself through a special chip, meaning functionality was limited to such things as dialing phone numbers by voice. Vlingo went to market as a competitor to prove its technology, and then later switched business strategies by licensing to device manufacturers.

The authors found out that many disruptive start-ups take the same path as Vlingo after examining data on hundreds of speech recognition companies worldwide spanning nearly six decades. They call a start-up's switch from competition to cooperation with incumbents a "dynamic technology commercialization strategy." Such a view stands in contrast to existing academic literature, which assumes that a start-up stays on one path.

"The static view of, 'We're just going to make one choice of strategy as a start-up and we'll stick to that,' is quite an unrealistic one as we compare it to practice," Hsu notes. Start-ups with new, unproven technologies tend to have issues with credibility and could have a tough time attracting investments from incumbents, at least initially. But once the fledgling firm's technology is

CONTINUED ON PAGE VI

Crown Paints bets on popular brands for rapid growth in East Africa

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

Crown Paints Kenya has been expanding its infrastructure to meet rising demand for its popular products. Quality yet competitively priced and attractively packaged paint products, excellent service and a large network of more than 1,500 distributors have contributed heavily to this success.

Courtesy of innovation, the paint maker keeps o?ering something new in the market so that consumers are spoilt for choice.

Its 70 categories of products o?ers variety as the stock keeping units run in excess of 1,000. Of these, seven are premium brands: Crown Vinyl & Silk, Teflon Matt, Permacoat with Teflon, Rough & Tough, Two-pack clear varnishes, Crown Variation and Crown Covermatt.

To deliver these products, Crown Paints has a strong sales and marketing team that promotes the o?ering, creating top-of-mind awareness of the brands. Customers are loyal to the brand.

Group chief executive Rakesh Rao, who boasts 20 years in the industry, this year marks a decade of driving the firm to unprecedented heights. When he took the reins of leadership, Crown Paints was hovering at the top of the market. He steadied the ship and ensured the paint maker clung to the number one position.

Mr Rao enhanced brand promotion. He worked closely with sales and marketing sta? as well as customers.

Investing $2.5 million in SAP ERP software to improve control and e?ciency six years ago ensured that the entire organisation was online. Service levels improved and the firm is able to quickly replace stock that has sold out. The supply chain boasts 99 per e?ciency, according to Mr Rao. Thus, if you order a product, you will get it and will not be informed that it is out of stock.

Crown Paints has been adding knowledge and value to people who want to use its products. For example, in 2014, as part of its corporate social responsibility it trained more than 7,000 painters at a cost of more than Sh.60 million.

"The painters become highly skilled," said Mr Rao. "We have put some of them on our payroll. They work for Crown Decorative Services to do expert painting for you."

Crown Paints Kenya Ltd was established in 1958 and has an impressive annual turnover. Its turnover for the year ended in 2013 was Sh5.2 billion. This is expected to rise to Sh5.8 billion for the year ended December 31, 2014. The company caters to all industry needs by providing their services to both premium and economy users; with free delivery of purchased goods for customers.

On June 22, 2012, the company changed its name from Crown Berger to formally become Crown Paints. The paint maker has a robust distribution network with close to 300 dispensing units in East Africa including depots in both Mombasa and Kisumu.

It is present within the Eastern African region; as Regal Paints Uganda, Crown Paints Tanzania and includes distributors in Rwanda, Burundi and South Sudan.

Rakesh Rao, Group Chief Executive

Market Leaders

Jubilee maintains lead with novel products and world-class service

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

Jubilee is East Africa's number one insurer with over 470,000 clients and several regional branches under the holding company, Jubilee Holdings Limited.

Incorporated in 1937 as a composite insurer, it has spread its sphere of influence throughout the region to become the largest multi-line insurer in East Africa, handling both long-term and short-term insurance.

Jubilee Holdings' pre-tax profit in 2013 was Sh3.15 billion from Sh2.69 billion for the same period in 2012. The Group's gross written premium, including deposit administration, stood at Sh23.42 billion. Overall assets under management grew by 29 per cent to Sh61.2 billion at the end of 2013, up from Sh47.3 billion at the end of 2012.

The insurer has four business lines: Medical, Life, Pensions and General. It is the leading medical insurer in East Africa with a network of offices spanning Kenya, Uganda, Tanzania, Burundi and Mauritius. It is the only ISO certified insurance group listed on the three East Africa stock exchanges.

Being the leading insurance group in Africa (excluding South Africa), Jubilee has a strong commitment to providing international standard service and product innovation in all the markets it operates in.

Jubilee's success story is firmly anchored on its visionary leadership which clearly articulates the company's strategic goals so that all employee efforts are geared towards achieving our vision and mission.

According to the insurance market report for Q3 2014 released by the Insurance Regulatory Authority (IRA), Jubilee Kenya has maintained the top position with an overall market share of 11.9 per cent.

The firm's mission is to "provide solutions to protect the future of our customers". This is by providing a comprehensive suite of insurance products and services which offer protection, choice and value to people and businesses while maintaining the benefit of its long-term value to its shareholders. To safeguard the interests of businesses, individuals and families, the insurer consistently provides its clients with innovative products such as Jubilee Msafiri, Tumaini Ya Jamii and Lady Jubilee among others. These products are accessible through social media, buy on-line platform for the insurer's Travel Insurance and Lady Jubilee motor insurance. Another Jubilee hallmark is service excellence to its customers and enhancing good relationships with our business partners and intermediaries.

To sustain customer service excellence, Jubilee attracts the right talent and develops its human resource capacity. These efforts have been recognised in the last two consecutive years by the Company of the Year Awards (COYA); the firm was awarded the Human Resource Management Award.

In 2014, Jubilee scooped several awards at the Annual Insurance Awards namely: COYA, Investment, CIO 100 and ICT Value Awards.

Jubilee also gives back to the communities that it operates in. Some of its corporate social responsibility (CSR) projects include the Jubilee Insurance Samaritan Award (JISA), Jubilee Children Fund (JCF) and sponsorship programmes with Standard Chartered Marathon and the Mater Heart Run among others.

Market Leaders

DARLING HAIR GIVES WOMEN OVER 10,000 STYLISH PRODUCTS TO CHOOSE FROM

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

Hair additions that have now turned into a darling of many beauty-conscious African women have made a local company a market leader in the beauty and style business.

In the African market for over 20 years, Darling Hair heads the list of popular hair additions brands because, according to CEO Mahmoud Saffideen who quotes one of his clients, "It is stylish, durable, tangle-free, cost-effective and offers value for money. Grateful women have told us: 'I will swear by Darling'. This tells you that people have tested the product and they trust and believe in it."

> **"Darling endeavours to go the extra mile in helping the African woman redefine her beauty, style and sense of uniqueness every day with the wide range of products.**

The durability of Darling hair makes it cost-effective.

Darling Hair is manufactured in Kenya by Style Industries Ltd. The company prides itself in manufacturing only the highest quality hair additions.

The raw material used is among the best in the world.

Darling Hair Additions are manufactured from the high quality Kanekalon Japanese synthetic fibres to give soft, strong and light braiding styles and the weaves and wigs are soft, smooth and tangle-free with long lasting curls and the colours are of natural Lustre resembling your natural hair.

Darling endeavours to go the extra mile in helping the African woman redefine her beauty, style and sense of uniqueness every day with the wide range of products. The brand's ultimate aim is to enhance confidence in a woman.

Darling Hair consists of an assortment of braids, weaves, extensions and wigs specially designed to satisfy the desire, taste and aspiration for beauty in every woman.

Darling Hair commands the trust of women in Kenya and regionally, making it a leading hair brand in East Africa.

The manufacturer carries out promotion through outdoor advertising and print media. Avenues used in outdoor advertising include billboards, signposts on shops, wall paintings and bridge boards: Print media via posters, calendars, newspapers adverts and magazines.

The Darling Hair stock-keeping units (SKUs) that comprise a variety of products in assorted colours are about 10,000. These products are available all over Kenya.

Mr. Saffideen would be happier to see every African woman – from executives to farmers – wearing Darling Hair. "We cater to all segments of the market. I believe a lady planting maize in rural Africa should be convinced to wear hair just like the VIPs in the city. They should all be free to choose the hair style that enhances their beauty."

The firm intends to launch a new, hip category of hair additions for young women aged 18 to 24.

A strong brand, based on quality and service, makes Darling Hair able to ward off competition from cheap imports. However, Mr. Saffideen feels the authorities can do more to protect local brands by ensuring there is a level playing field. Furthermore, he notes with concern, cheap imports evade paying taxes whereas firms like his are tax-compliant and employ Kenyans through its activities. "Millions of shillings are lost through duty evasion yet a company like ours which has put Kenya on the world map pays tax. In fact, we were honoured to be among the awardees of the Distinguished Taxpayers Certificate by His Excellency the President in 2014," said Mr. Saffiden.

Market Leaders

Isuzu drives General Motors' quest to remain regional market leader

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

The iconic Isuzu remains a market leader in the commercial vehicles segment. This brand of vehicles assembled and distributed by General Motors East Africa (GMEA) is widely known and appreciated for a variety of reasons in this region.

The Isuzu vehicles – which serve different market segments – are famous for their legendary proven performance, durability, rugged toughness, off road capability, and exceptional built-in quality.

GMEA managing director Rita Kavesha extols the Isuzu as a tried and proven brand that has been in Kenya for more than 50 years. So, customers are assured of parts and service.

The firm's aftersales support is well-established in the country as GMEA is represented in the major towns. Parts are available at these outlets while service is provided by well-trained mechanics and technicians. Bus owners are also assured of 24-hour technical field support whenever they need it.

GMEA has buses ranging from 26-seaters to 67-seaters to meet the needs of different institutions and individuals.

Given the size of the market – 17,000 vehicles sold last year - GMEA participated in every segment. However, the automaker's growth drivers have been light and medium trucks as well as mid-sized buses whose sales shot up by 90 per cent following the national drive to replace 14-seater vans with higher passenger occupancy buses.

In particular, the legendary Isuzu NQR 33-seater medium bus has entrenched itself in the public service vehicle (PSV) market. Also popular is the Isuzu FRR 51-seater large bus, largely preferred by institutions as a transport solution.

The most significant growth in sales has been witnessed in the cities of Nairobi and Mombasa. GMEA expects an increase in sales volumes in the other big towns of Kisumu and Nakuru.

The transition from 14-seaters to bigger buses in public transport made economic sense to operators, according to Ms. Kavashe. "Customers began to see the value in buying the bigger buses. This is a campaign that General Motors began more than five years ago. Now they have been able to prove that these buses generate more revenues than the 14-seater vehicles."

Flexible payment and deposit terms for key customers have also endeared bus buyers to General Motors. To new buyers, the motor firm gives them demonstration units. For example, last year it set aside 13 buses for bus operators to run and find out for themselves that it is cheaper to run bigger buses than smaller ones. "The uptake is good," Ms Kavashe reveals. "Within three months, a majority of the operators opt to buy the high passenger occupancy buses."

The quality of service has also contributed to GMEA's market leadership. For example, the firm has 13 workshops where customers can service their vehicles and where they have access to genuine spare parts and experienced mechanics.

Working with jua kali garages, GMEA trains their mechanics so that they are able to better serve the firm's customers who may take their vehicles there.

The firm has sold a number of units to high-end schools and tourist companies. "We encourage other operators, including those in the public transport sector, to take up this bus."

To remain a market leader is, according to Ms Kavashe, "challenging – because competition targeting traditional players like General Motors is increasing from new entrants from China and India."

GMEA has to keep on innovating, says the MD, citing the Sh100-million joint venture with Brazilian bus builder Marco Polo that last year brought into the region a high-end version of the popular 33-seater bus. The all-new Isuzu Cruiser NQR bus, she contends is "the future of commuter transport in Kenya. It is lighter, fuel-efficient adapted to the environment and safer because the body is made of fiberglass".

Universities, banks, county governments as well as bus operators in Nairobi and Mombasa were the first to buy this premium product.

Market Leaders

How disruptive Innovation helps market leaders

FROM PAGE III

proven to be viable, incumbents will be more willing to invest. At this stage, a start-up is more likely to change course and license its innovation or sell itself, the authors say.

According to the researchers, one reason why the switching strategy had not been considered by other academics was the lack of lengthy records tracking start-ups as they grew and evolved. To remedy that, Marx and his research assistants manually pored through 15,000 pages of trade journals and other sources to track all companies entering the automatic speech recognition, or ASR, industry from its birth in 1952 to the end of 2010. "The paper not only talks about this on a theoretical basis ... it actually, importantly, validates it in the data," Hsu says.

Switching Gears

The authors chose the automatic speech recognition industry as their test bed because it is a market where neither a cooperative nor competitive strategy dominates. Also, start-ups that choose to enter the ASR market alone will find it relatively feasible because the costs and complexity to do so are not as daunting as those for other industries, such as automotive or biotech.

Moreover, the level of innovation is high with companies having filed more than 3,000 ASR patents, but "considerable uncertainty" still surrounds the value of new technology, they write. In part, that is because these companies all claim to have 99 per cent accuracy, so it is hard to pick the true winners. These potentially disruptive innovations include software-only technologies; word-spotting, which locks onto keywords instead of capturing all of the words to decipher speech, and grammar-free recognition similar to what Vlingo uses.

Hsu, Marx and Gans tracked the progress of 579 privately held, innovative ASR-related start-ups over nearly six decades, focusing on their commercialization strategies. Did they go to market alone, or did they cooperate with their larger rivals by licensing their technology or agreeing to be acquired? Did they stick to their initial strategy or switch after a while? What are the implications for incumbents, which might by wary and fearful of new technologies?

In the study, 60 per cent of the firms started out competing in the market while 38 per cent cooperated with market leaders. The other 2 per cent adopted a hybrid strategy.

A fifth of the start-ups pioneered or became early adopters of software-only technologies, word-spotting or grammar-free recognition — the three innovations the authors focused on. All started out with one innovation, but some later incorporated more than one. For example, Voice Control Systems began with word-spotting and added a software-only approach several years later, the paper says.

The researchers find that early adopters of disruptive technology were much less likely to cooperate with incumbents, with only 21 per cent doing so, compared with 36 per cent of start-ups whose businesses were based on existing technologies. But early adopters or disruptors were more likely to switch from a co

mpetitive to a cooperative strategy: 12.7 per cent did so, versus 7.8 per cent for non-disruptors. (The switch from a cooperative to a competitive strategy was not meaningfully different between the two groups.)

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Good customer relations put Simba Corporation high in the car leasing market

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

Transport solutions provider Simba Corporation Limited, a pioneer in motor vehicle leasing, continues to ride high in the market. "We do not sell cars; we provide transport solutions," said Mr. Dinesh Kotecha, Simba Corporation's Executive Director.

Being pioneers in the business gave the firm a head start. However, it is through a combination of other factors that Simba Corporation continues to race ahead in a highly competitive market.

Mr.Kotecha attributes the firm's success to its flexibility in dealing with customers and the ability to provide everything under one roof.

"We sit with you, the customer, listen to your requirements and tailor-make solutions to fit your needs," said Mr. Kotecha. "We suggest an appropriate solution."

Simba Corporation distributes an expanding list of famous motor vehicle brands. These range from a 1500 cc car to a 50-tonne prime mover or tipper and include Mitsubishi, BMW, Mahindra, Renault and Geely.

For all these brands, the firm, through its various divisions, provides financing (leasing or hire purchase) at competitive rates, car hire (if your leased car is down or you just want to hire) and tracking.

Mr. Kotecha is proud of this capability and talks of the group's turnaround times being "faster than of any bank in Kenya. We have everything under one roof and so, we make decisions very fast."

Simba Corporation is looking to add new products to its stable to give customers an even wider range to choose from. "We will explore the gaps between second-hand and new vehicles and try to fix that," he said.

Having been in business for 46 years, the motor firm has acquired vital experience in how to satisfy the needs of its customers. "We have been here and are here to stay," he said. "Simba Corporation is fully Kenyan and the name stands for a strong work ethic."

Leasing, he explains, is beneficial to companies and organisations that want to concentrate on their core business. They do not have to buy assets and keep them in the books. They can use these funds to finance their core activities.

Firms that lease enjoy tax benefits as rentals are tax allowable.

Leasing also offers firms a cash flow benefit since they pay as they use an asset.

Additionally, they do not have to worry about the hassle of selling the vehicles once they want to get rid of it. If they leased, the lessor will do that. "This is the way to go," the Simba Corporation Executive Director argues. "Concentrate on your core business activities and leave asset management to the experts."

Ms. Gulnar Kurji, Simba Corporation Limited's Head of Leasing concurs, pointing out that, for organisations, whose core business is not the running of vehicle fleets, the benefits of leasing far outweigh those of purchasing, maintaining and servicing vehicles. She further states that when you buy, you pay for the entire cost of a vehicle including VAT regardless of its use. You typically make a down payment in cash and pay an interest rate based on your credit rating. When you lease, you pay only a portion of a vehicle's cost, which is the part that you "use up" during the time you are driving it.

She argues that organisations gain when they focus on their core businesses and let a leasing firm like Simba Corporation Limited, which deals in motor vehicles as its core business – provide flexible transport solutions that meet the lessee's requirements.

Market Leaders

Top leasing firm RentWorks thrives on its extensive suite of solutions

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

RentWorks East Africa is the leading independent leasing company in the country. It provides rental finance solutions directly to a global customer base comprising large and medium-size organisations and also through the development of vendor finance programmes for equipment suppliers.

The leasing firm has developed an extensive suite of flexible rental solutions and has grown to become a global leader in its chosen markets. Its rental solutions allow customers to redirect their capital towards investment in the assets that appreciate rather than assets that drop on value quickly, while at the same time spreading the cost of rental equipment over its useful life.

RentWorks East Africa was established in 2003. Since its inception, it has provided leasing solutions to a wide range of corporate clientele for equipment ranging from aircraft, supermarket infrastructure to motor vehicles and technology.

The product of RentWorks' unique expertise in finance, business and technology is asset agility. This encompasses every aspect of the asset management lifecycle – from tracking and upgrades, to refurbishing, re-marketing or recycling of obsolete equipment. All this is provided at highly competitive rates and with fixed payments you can accurately budget for.

RentWorks East Africa has built its reputation by developing a distinct value proposition and service culture coupled with the ability to tailor-make effective solutions that address a wide range of business sector and asset needs.

The firm's extensive client list bears testimony to its ability to provide organisations of all sizes with invaluable financing solutions that help them successfully compete and grow. Over the last decade, RentWorks has developed extensive experience across a wide range of industries and this is shared with clients through its dedicated business sector managers, finance experts with a keen appreciation of the unique challenges and opportunities in their respective fields.

The defining feature of the company's brand and its staying power is its proven ability to help businesses achieve their goals. RentWorks offers a proven combination of asset intelligence, adept leadership and a rare understanding of both equipment and finance.

Unlike traditional rental finance or leasing arrangements, your RentWorks solution enables you to continually update your equipment. The firm's extensive experience in managing customers across a diverse range of industries through continual changes in their needs provides us with the capability and knowledge required to serve customers.

The RentWorks solution will work for you because it is the smart way for the procurement of the right equipment without the burden of outlaying a large sum of money upfront. This limits the risks linked to technology obsolescence, avoids the cost of ownership as well as of equipment disposal. In addition, RentWorks rental payments are positioned as an off balance sheet operating expense, enabling organisations to minimise and predict cash outflow.

Consumers can access its products directly through its team of dedicated solution providers.

> **" RentWorks offers a proven combination of asset intelligence, adept leadership and a rare understanding of both equipment and finance.**

erc. Energy Regulatory Commission

ENERGY AUDIT FIRMS

Energy management regulations for sustainable use and growth

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

One of the ways of spurring economic growth in the industrial and commercial sectors is through the reduction of the cost of doing business and embracing sustainable production practices. Energy efficiency can help reduce the cost of doing business and ensure sustainable production.


ERC staff on a tour of a solar photovoltaic (Solar PV) installation used to generate electricity.

The Energy Management Regulations 2012 by The Energy Regulatory Commission (ERC) seeks to ensure that industrial and commercial sectors in the country utilize energy in a sustainable way.

The Regulations govern all facilities that consume more than 180 000 kilowatt hours (648 000 Mega joules) of energy per year. This consumption is inclusive of thermal and electrical power. Under these Regulations facilities' owners are required to carry out an energy audit at least once in three years. The audits should be done by an energy auditor licensed by The Energy Regulatory Commission. ERC has licensed 14 energy audit firms and 47 energy auditors. For one to be eligible for an energy auditor's license, he or she should possess a basic degree in Technology, Engineering, Architecture, Physics or any other related field. Besides having conducted at least five energy audits, one of which must be of an investment grade in nature, the applicant should be in possession of either a post graduate or Master's degree in Energy management or have energy management certification from a body recognized by the ERC. The licensing process usually takes place within 90 days.


An electrician raises a point during a workshop held by ERC for electricians and electrical contractors.

Once a qualified energy auditor licensed by the Energy Regulatory Commission carries out an audit, they will give a report which contains recommendations for savings. Facilities' owners are expected to implement 50 % of the saving recommendations made in the energy audit report, document and file with ERC. In order to create an energy efficiency culture at an organizational level, the regulation requires that the facilities' owner officially appoints an energy champion among their staff. This is in addition to developing an energy policy which will be submitted to ERC for approval and signing.

ERC carries out inspections and control audits in facilities to ensure compliance and verification of the quality of the energy audits carried out respectively.

ERC in conjunction with development partners is currently developing a curriculum for energy efficiency which will be adopted by accredited institutions that train energy auditors. This will also enhance the capacity of energy auditors in the sector.

> **"ERC carries out inspections and control audits in facilities to ensure compliance and verification of the quality of the energy audits carried out respectively.ERC carries out inspections and control audits in facilities to ensure compliance and verification of the quality of the energy audits carried out respectively.**

Energy regulations target 600MW savings

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

It is estimated that efficient energy use will save the country 600MW that can power economic projects and light up unlit parts of the nation. This is what the Energy (Energy Management) Regulations, 2012 aim to help achieve.

A GEF-KAM project supported by UNDP established that 35 per cent of energy goes to waste through inefficient use. Given that Kenya has about 1800MW installed capacity, this translates to over 600MW of wastage equivalent to billions of shillings going to waste. This can be saved through efficient use of energy.

The regulations gazetted on 28th September 2012 took effect immediately. Given the regulations require that facilities carry out audits every three years, the implication is that all facilities affected by these regulation (those consuming above 640,001 MJ (180,000kWh) of energy per year should have carried out an audit by 28th September 2015.

The regulations by the Energy Regulatory Commission (ERC) intend to help promote the culture of efficient energy use through increased understanding of supply, management, and conservation measures. In addition these regulations will govern operations

CONTINUED NEXT PAGE


Fenwicks Musonye of ERC assists a candidate sitting a written interview for the renewable energy licence.

erc. Energy Regulatory Commission

ENERGY AUDIT FIRMS

Energy audits, culture change key to ERC's high efficient use plans

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

Whereas the Energy Management Regulations 2012, clearly lay out the energy audit rules for industries and institutions, all can make huge savings without requiring audits. Measures that do not require an audit to identify normally call for a culture change in organizations or facilities. These include things such as switching off lights and machinery that is not in use, storing hot water in flasks to avoid heating water any time it is required, use of energy saving bulbs among other measures.

An energy audit is an analysis of the use of energy in a process, a building or a system with an aim of coming up with recommendations on energy saving measures. Regulations stipulate that facilities must carry out energy audits every three years and implement the findings. Once a qualified energy auditor licensed by the Energy Regulatory Commission carries out an audit, they will give a report which contains recommendations for savings. These recommendations are backed by financial calculations to enable the facility owners make informed decisions. Energy audits can also be conducted by energy audit firms licensed by ERC and must be registered in Kenya with at least one licensed energy auditor as an employee.

The qualifications for energy auditors are very clear in the regulations; they need to have a technical background, training or certification in Energy Management as well as requisite experience. Information on all licensed energy auditors and energy audit firms can be found on the ERC **website (www.erc.go.ke)**

Failure to comply with the regulations attracts a fine not exceeding Kshs 1,000,000 or a jail term not exceeding one year or both. Other offences under these regulations include carrying out an energy audit without a valid licence issued by the Energy Regulatory Commission under the Regulations, being the owner or occupier of a designated facility and failing to submit an audit report to the Commission as stipulated in these Regulations, or Denying the Commission or its agent access to the facility for purposes of conducting an energy audit.

Stakeholder representatives discuss the proposed curriculum for energy auditors during a workshop called by ERC in January 2015.

> **"The qualifications for energy auditors are very clear in the regulations; they need to have a technical background, training or certification in Energy Management as well as requisite experience.**

Energy regulations target 600MW savings

FROM PREVIOUS PAGE

and licensing of energy management and conservation including licensing of Energy Auditors and Audit firms.

These regulations target Industrial, Commercial and Institutional consumers of Energy, which offer the highest potential for energy efficiency and conservation. These are facilities consuming more than 640,001 MJ (180,000kWh) of energy per year and they are required to:

a) Have a designated energy manager who shall be responsible for the development and implementation of energy efficiency and conservation
b) Have an energy policy approved by ERC
c) Conduct energy audit after every three years and submit the report of the audit to the Commission within six months from the end of the financial year in which the audit is undertaken.
d) Prepare and submit to the Commission an energy investment plan for the next three years, setting out proposals for the conservation of energy during that period. This should be done within six months from the end of the financial year in which an energy audit is undertaken
e) Implement at least 50 per cent of the energy audit recommendations – that is, take measures to realize at least 50 per cent of the identified and recommended energy savings specified in the energy investment plan by the end of three years and thereafter at every audit reporting date.
f) Submit an annual implementation report to the Commission
g) Keep energy records such as monthly and annual electricity, fuel and water consumption, monthly production data or occupancy levels and up to date building plans, infrastructure plans and floor area drawings for a period of at least five years.

On its part, ERC is required to:

a) Carry out energy consumption rating of facilities for purposes of classifying them as low, medium or high consumers, and the classification shall be recorded in such manner and form as the Commission may consider appropriate. This designation has already been done
b) Approve energy policies
c) License energy auditors and energy audit firms
d) Issue a compliance certificate on request by facilities complying with these regulations.

> **"The regulations by the Energy Regulatory Commission (ERC) intend to help promote the culture of efficient energy use through increased understanding of supply, management, and conservation measures.**

Peter Watoro of ERC takes a reading from a power analyzer during an energy audit carried out at Eagle Africa centre, the building that hosts the commission's offices.

ENERGY
AUDIT FIRMS

Energy management regulations for sustainable use and growth

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

One of the ways of boosting economic growth in the industrial and commercial sectors is through the reduction of the cost of doing business and embracing sustainable production practices.

Energy efficiency can help to reduce the cost of doing business and ensure sustainable production. The Energy Regulatory Commission, through the Energy (Energy Management) Regulations 2012, has sought to ensure that the industrial and commercial sectors in the country use energy in a sustainable way.

The Regulations govern all the facilities that consume more than 180,000 kilowatt hours (648 000 mega joules) of energy per year. The consumption is inclusive of the thermal and electrical power. Under these regulations, there are certain provisions that investors should comply with.

One of the provisions requires that owners carry out an energy audit at least once in three years. An energy audit is an analysis of use in a process, a building or a system to come up with energy-saving measures. The regulations require that all energy audits carried out for compliance purposes should be done by auditors licensed by the Commission.

The owners should implement 50 per cent of the saving recommendations made in the energy audit report. The implementations of the recommendations have to be documented and filed with the Commission. As part of the inculcation of energy efficiency culture in an organisation, the regulations require that the facilities' owners officially appoint an energy champion among their staff. As well, they should develop an energy policy which should be submitted to the Commission for approval and signing. The Commission inspects facilities to ensure compliance. Control audits are also carried out to verify the quality of the energy audits.

The Commission licenses energy auditors and energy audit firms. The regulations have further specified licensing requirements for energy auditors. They should have a basic degree in technology, engineering, architecture, physics or any other related field. In addition to the Bachelor's degree, the applicant should have either a postgraduate or Master's degree in energy management or have energy management certification from a body recognised by the Commission. The regulations also require that the applicant for the licence should have conducted at least five energy audits, one of which must be of an investment grade.

The licensing takes place within 90 days of application. Since the gazettement of the regulations, a number of the designated facilities have began complying, of which 36 have carried out audits and filed the reports with the Commission and 11 have had their energy policies approved. The Commission has licensed 14 energy audit firms and 47 energy auditors.

As a way of capacity building for energy auditors' market, the Commission, together with development partners, is developing a curriculum for energy efficiency which will be adopted by institutes that will train energy auditors.

> **"The Regulations govern all the facilities that consume more than 180,000 kilowatt hours (648 000 mega joules) of energy per year.**

ENERGY AUDIT FIRMS

Why going green is no longer a luxury for companies

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

Economic analysts believe the clean technology-enabled transformation to a low-carbon, resource-efficient, green economy may be the next industrial revolution. The global transformation to a more resource-efficient and low-carbon economy brings opportunities for almost all industries.

Efficient energy use is achieved primarily by means of a more efficient technology or process as well as by changes in individual behaviour.

Energy efficient buildings, industrial processes and transportation could reduce the world's energy needs in 2050 by one third, and help control global emissions of greenhouse gases, according to the International Energy Agency.

As this transformation accelerates, companies are increasingly realising that they must understand the impact of clean technology on their industries and develop strategic plans to adapt to this change.

This explains the emergence of energy efficiency and conservation programmes designed to help companies identify energy wastage, determine saving potential and give recommendation on measures to be implemented.

Compressed Air System. One of the systems analyzed during audits in a factory that uses compressed air.

Energy is a major requirement in manufacturing enterprises as well as corporate organisations that provide services. Some companies spend as much as 70 per cent of their productions costs on energy bills. For this reason, keeping a keen eye on energy expenditure is vital.

Through energy efficiency, innovative enterprises kill two birds with one stone: improving energy use while reducing their corporate carbon footprint. Such enterprises are seeking to drive efficiency, cost savings and environmental responsibility into their operations.

Going green is no longer a luxury or an attempt at confirming to the public perception that the enterprise is socially responsible; it is vital to competitiveness. The ever rising energy costs pose an increasing challenge to enterprises as they endeavour to become more competitive in a liberalised and globalised environment.

Government also views clean technology as a national strategic platform for creating jobs, fostering innovation and establishing local industries.

Thus this deliberate move to a low-carbon, resource-efficient economy presents an opportunity to stake out and capture a strategic competitive position — not just for government, but also for innovators, investors and companies, too.

Companies can also deploy sophisticated energy efficiency options, measure consumption in better ways, sell energy back to the local utility and use their waste to produce energy, as well as measure their carbon footprint and report it.

As concerns about resource scarcity, including energy and water become more pressing, companies will face increasing pressure from their stakeholders to demonstrate that their businesses are sustainable. Companies will also have to disclose the social and environmental impact of their business activities.

SPECIAL ADVERTISING SECTION

Leading Container Freight stations in Kenya

Mombasa port reaps benefits of adopting container freight stations model

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

Maritime trade is integral to the growth of regional economies. Container imports are on an upward trend, necessitating efficiency at major ports to reduce congestion and costs.

For the last 10 years or so capacity constraints at Mombasa port have been a major hurdle in port operations as cargo imports, especially cars and containers, have surpassed yard holding capacity. This situation has led to cargo congestion which Kenya Ports Authority attributes to lack of space, among other reasons. The situation is not acceptable since the port is a critical nerve centre for commerce in the East African region.

Hence prudent management of container freight stations in relation to port operators can result in numerous economic benefits; direct movement of cargo from the port to freight stations means that such cargo is not subjected to customs procedures at the gate of the port, thus saving time.

One of the options to the twin challenges of port congestion and the attendant high cargo costs is the use of container freight stations. These are extensions of a port and generally operate under customs control and other governmental agencies. These stations must have the minimum cargo handling and storage facilities.

KPA enlisted container freight stations (CFS) to ease the congestion crisis at Mombasa port's container terminal.

Following a government directive and a recent technical committee recommendation to transfer the handling of export cargo at Mombasa port to CFSs, it is expected that there will be effective and efficient services in addition to competitive pricing.

A CFS operates like an inland container depot (ICD) only that the latter is in most cases located further inland. Their main functions include receipt and dispatch of cargo, loading and offloading of cargo from containers.

For the port community, a CFS represents any facility that can act as a secondary customs clearance point for cargo. Some are located within the port (BP sheds) while others are located some distance away from the port.

These facilities provide relief to port operations away from the ship/land interface area hence the logic that they should be some distance from the quay and temporary stacking areas. Currently, CFSs are located within a 10km radius of Mombasa port as per the requirement of their establishment.

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Globally, CFSs are not new and can result in numerous economic benefits. CFSs can cut cargo dwell time by half, thus saving on costs that accompany delays.

Also, by moving customs service away from the port, incidences of port congestion have been significantly reduced and clearance time improved.

There is also a reduced demurrage and pilferage as CFSs are well secured and have invested in advanced security to ensure the safety of cargo.

The CFS module has been used in many ports worldwide to address the problem of port congestion. India, South Africa and Nigeria are some of the countries that have used this model. The mode provides for all imported cargo to be transferred directly to privately operated CFSs upon discharge from vessels. CFSs are commonly referred to as extensions of the port as they are subject to operate under customs control and other governmental agencies.

Multiple ICD offers business community best container freight storage services

By DANIEL NYASSY >>> dnyassy@ke.nationmedia.com

Multiple ICD (K) Limited was conceived in 2007 with the objective of providing long-term solutions for container storage and warehousing of bulk material for the business community in the East African Community and the Great Lakes Region, including importers and exporters.

The firm runs a customised state-of-the-art Container Freight Station (CFS) which is unlike any other similar facility in Mombasa. It is among the best with a one-stop solution for all its clientele.

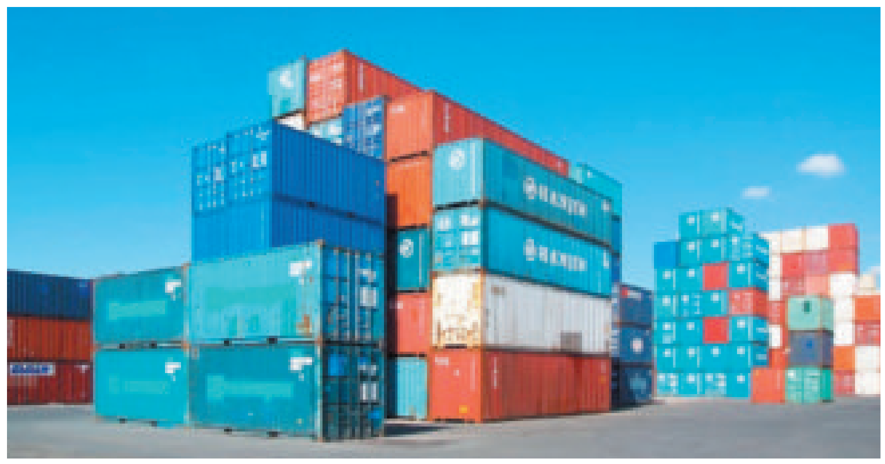
Preamble

Kenya, and indeed the whole of East Africa, is experiencing rapid economic growth. This has led to an increase in the volume of trading activities and corresponding infrastructure development which have put a strain on the already congested Mombasa port.

The introduction of numerous effective and efficient transport systems for haulage of both containerised and bulk cargo has greatly improved the movement of cargo globally. It allows for safer and more secure transportation, with ease of transfers from one mode of carrier to another. An efficiently run port is an essential part of this supply chain.

For centuries Mombasa port has been the gateway to the vast hinterland of East and Central Africa. The historical congestion at the port has negatively impacted on the performance of ship turn-around, general cargo handling, container turn-around and shipping lines' decisions to berth vessels in Mombasa. As a result surcharges and delay fees are being incurred which further aggravate the problems. The resultant costs eventually get passed on to the consumer.

> **"The introduction of numerous effective and efficient transport systems for haulage of both containerised and bulk cargo has greatly improved the movement of cargo globally. It allows for safer and more secure transportation, with ease of transfers from one mode of carrier to another.**



Container yard.

Customer service centre

Kenya Ports Authority has in the recent past taken measures to alleviate this situation. However, with the increase in cargo volumes at Mombasa port owing to numerous on-going national and regional infrastructure development projects there is still need for additional container handling and warehousing facilities within close proximity of the harbour.

Ideal location and features

The Multiple ICD (K) facility has been developed on 36 acres in close proximity (under two kilometres) to Mombasa port along Makupa Causeway, before Changamwe Roundabout, which joins the Mombasa-Nairobi Highway. It is adjacent to Kilindini Harbour, separated only by Makupa Creek. It is within a five-kilometre radius of Mombasa Island and Moi International Airport.

"With its close proximity to the mainline railway and the Trans-African Highway it makes our facility a premier cargo handling hub for the entire East African region," says Mr Shabbir Essaji, the Multiple ICD (K) general manager.

He adds that owing to its strategic location, MICD (K) also provides direct access to Mombasa port via a road and railway bridge over Makupa Creek, linking it directly to the port. This allows for swift transfer of cargo from the port to Multiple ICD (K)'s CFS by avoiding heavy traffic on the other main roads leading to the port.

"We have the largest terminal after Mombasa port, with the entire yard fully paved. It has parking space for over 100 trucks at any given time and total storage capacity of some 7,500 Twenty Foot Equivalent Units (TEUs)," says Mr Shabbir. The facility, including yards, is Wi-Fi enabled to allow for effective communication and transfer of data.

The Transit Container Yard has a capacity of 1,500 TEUs while the Local Container Yard has capacity for 6,000 TEUs on storage of four stacks. Two LCL Warehouses, measuring 16,000 square feet and 10,000 square feet, are also provided for in the two container storage yards. The warehouses have been equipped with a shelving system to accommodate palletised cargo to optimise available space.

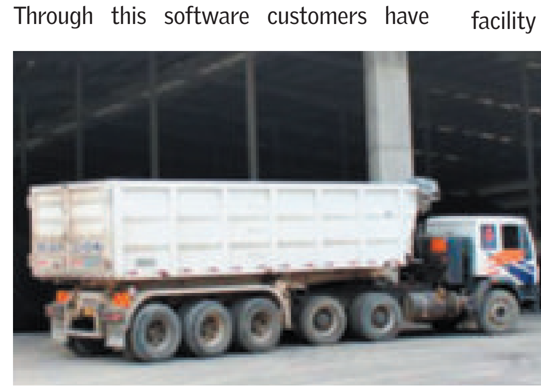
Bar coding for cargo tracking, along with adequate space for consolidation of LCL cargo, is also available. "Professional stuffing and stripping gangs can be availed on short notice as and when required with electronic forklifts for warehousing operations," says Mr Shabbir.

"RFID tracking systems have also been provided for tracking stored containers to discourage pedestrian traffic within the yards. We also have dedicated customs verification and scanning areas. A dedicated area for storage of 144 reefer TEUs has also been provided for within this facility."

Three Kenya National Highway Authority (KeNHA) approved weighbridges have also been installed at the facility. In addition, the company has invested in adequate container handling equipment which includes reach-stackers, empty container handlers, forklifts and mobile cranes.

Safety and security features include electronically enabled "In" and "Out" gates, electric fencing, a dire station with two fire tenders, a medical clinic with an ambulance fire hydrants in all open storage yards and water sprinkler systems installed in all LCL cargo warehouses.

The entire facility is managed through a state-of-the-art customised ERP system designed to get real-time information and management of all aspects of the business. Through this software customers have access to real-time information on their cargo. They can also pay all port and CFS charges by directly downloading invoices from the company's Website.



Bulk Warehousing.

Bulk storage warehousing

MICD (K) Ltd is the only CFS in the market that offers fully covered bulk storage warehousing for products like clinker, coal, pet-coke, gypsum, etc. This warehousing facility includes a total of five custom-built warehouses to accommodate between 200,000 and 250,000 metric tonnes of goods at any given time.

The company has invested heavily in the management of this storage facility by buying an adequate number of Tipper trucks to shunt the cargo from ships to warehouses, wheel loaders, telescopic materials stacking equipment which can stack goods up to 12 metres high, assortment of mobile cranes and other relevant equipment.

The office block

The main office complex is eight floors and provides adequate parking bays both underground and over ground, two banking halls, security offices, a cafeteria as well as conferencing and meeting hall facilities.

"A dedicated eight-storey office block to accommodate shipping lines, clearing and forwarding agents, revenue authorities and other principle clients has also been availed. In addition, the building also accommodates banking halls, ATM kiosks, a cafeteria, and conferencing and meeting rooms," says Mr Shabbir.

"A separate Customer Service Centre Building has been created within close proximity of the main office block, but away from the operations yard, to serve all our terminal users and to assist them with all documentation process."

Relevant regional revenue authorities under the EAC customs union have offices within this facility.

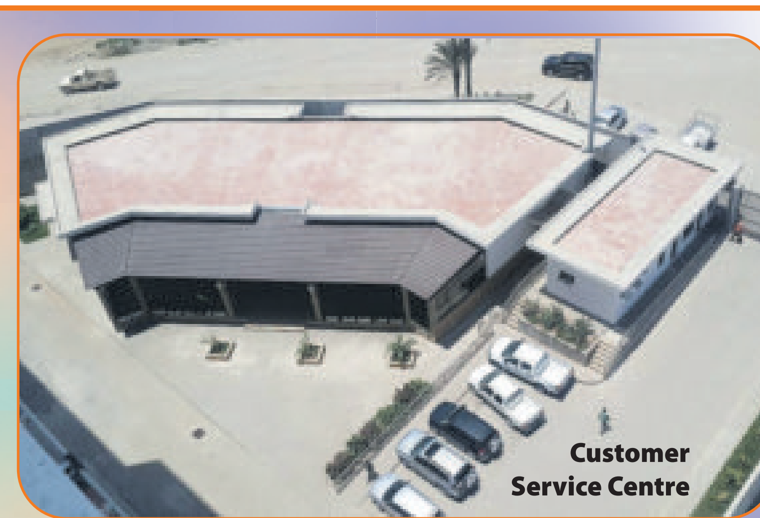
The office block has been designed to provide a one-stop service centre to all importers, exporters, and other customers. Services are available on a 24 hour basis, seven days a week.

Other facilities

Other facilities include a sewage treatment plant and a water storage facility for up to 250,000 litres.

Modern handling equipment

Modern handling equipment
The facility is equipped with the most modern handling equipment for efficient loading and offloading of containers. There is also allowance for the provision of RTG's (Rubber Tyre Gantries).



Customer Service Centre

Connection bridge to the port

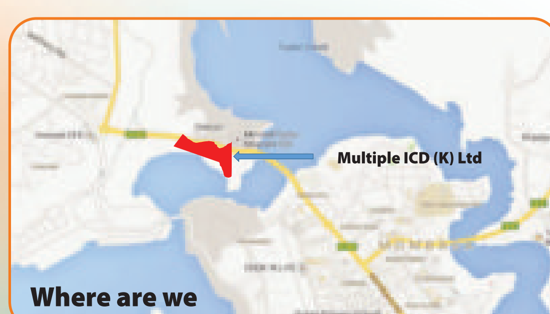
MICD

MULTIPLE ICD (K) LTD

Regional Logistics Solution

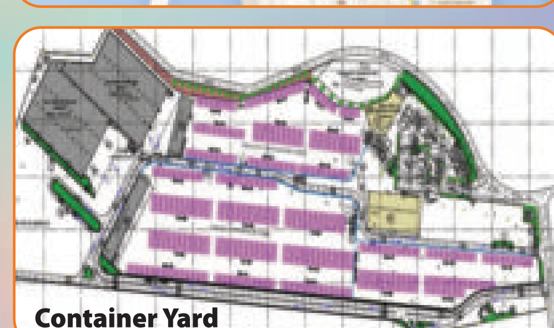
We offer a ONE STOP clearance facility, encompassing Shipping Lines, Clearing Agents, Customs Offices, Banking Halls and of course the Multiple ICD offices.

- Largest terminal after the port built on 36 acres;
- Entire yard is paved;
- Electronically managed gates;
- WIFI enabled yard for ERP implementation;
- Transit Container yard 1500 Teus;
- Local Container Yard 6000 Teus
- 4 high stacking;
- RFID Tracking in yard to make it Pedestrian Free ;
- Customs verification and Scanning area;
- Area for Reefer Yard 144Teus;
- 3 Weigh bridge 1 Dedicated for bulk cargo;
- KENHA approved axel based weigh bridge;
- ERP software to manage gate and warehouse;
- Empty container yard within the facility;
- Container repairs and cleaning available;
- Stuffing and stripping areas clearly marked;
- Fully equipped fire station inside the yard;
- 5 Fully covered Bulk Storage warehouses with a capacity to store 200-250,000 tons;
- 42,000 sq ft Commodity Warehouse;
- 25,000 sq ft Customs Bonded Warehouse;
- Rack pallet warehousing for enhanced storage;
- Barcode system for cargo tracking;
- Consolidation point for LCL cargo;
- Special stuffing and stripping gangs available on short notice;
- Electronic forklifts for warehouse operations;
- Sprinklers and other safety installed warehouse;
- Blast proof electronic light fittings also natural light enhanced.

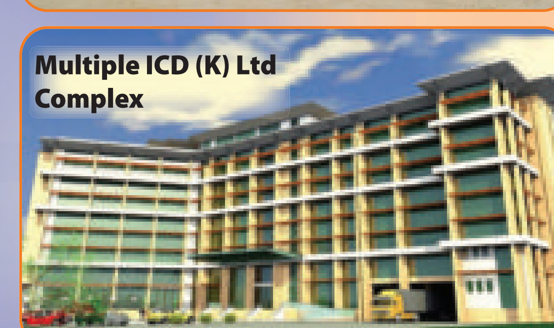


Where are we

Warehouse



Container Yard



Multiple ICD (K) Ltd Complex

Multiple ICD (K) Ltd is part of Multiple Group of Companies.

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SPECIAL ADVERTISING SECTION

Leading Container Freight stations in Kenya

Enjoy seamless services at East Africa's premier vehicles-only CFS

By MILLICENT MWOLOLO >>> mmwololo@ke.nationmedia.com

Boss Freight Terminal CFS (BFTL) is East Africa's premier vehicle handling terminal providing dedicated vehicle-only service. Customs clearance, Kebs inspection and registration of vehicles are done on site. Motor vehicle importers receive one-stop seamless services for the best in convenience and ease.

Location

Our 10-acre terminal on Mombasa Island fronts Mbaraki wharf with a tunnel link for future direct berth access. With a fully tarmacked and concrete terminal protected with CCTV, electric fencing, perimeter lighting and observation tower - all backed by 24-hour stand-by generator support and 24- hour guard service - your vehicles are in very safe hands.

The facility is only minutes from the central business district and100 metres from banking facilities. With broadband fibre connections at the premises, business can be done promptly and efficiently.

Terminal capacity exceeds 2,500 units for all types of vehicles – cars to trucks, trailers to tankers, heavy equipment and boats. Our terminal capacity allows full flexibility for greatly extended storage.

Security

Safety of your vehicle is assured by our physical protection systems, our dedicated staff, and strong handling process which ensure prompt transfers from vessels to our terminal, inspection and security at every stage of the transfer process.

Every vehicle is inspected at the ramp of the ship and at our terminal to ensure it is delivered as it was shipped. We go further than Kenya Ports Authority's inspection – we ensure that nothing is missed as we take custody of your vehicle and protect it until we hand over the keys to you.

Integrated System

Our networked computer system provides an integrated approach to clearing, billing, verification and security screening for all vehicles. This allows us to offer a fast, secure and efficient service to all our clients.

Customer Service

At BFTL our customer is king. Our customer is big business to us. That is why we give on-the-minute accurate information updates of your cargo.

Makupa CFS' link to Mombasa-Nairobi highway ensures efficiency

By EVANS ONGWAE >>> eongwae@ke.nationmedia.com

Makupa Transit Shade

Container Freight Station (CFS) took another step to improve service delivery when it recently completed construction of a private four-lane access road and overpass connecting Makupa CFS across Makupa Creek to Nairobi–Mombasa Highway. Since the new bridge began operating in November 2014, over 80 per cent of trucks collecting containers from Makupa CFS have been received and loaded in less than 45 minutes, with a large portion in less than 30 minutes.

Cargo handling is quick in and quick out

Makupa CFS strives to deliver high quality services and monitors its own performance at every step to drive continuous improvement in all handling processes. Makupa CFS excels in cargo transfer from Mombasa port, with cycle times under one hour and 97 per cent on-time transfers in 2014.

Handling of containers and vehicles at Makupa CFS yard is computerised to facilitate efficient and quick delivery. All cargo stacking is pre-planned before transfer from the port. Stock accuracy is measured daily. Four reach stackers in perfect condition also contribute to this success.

Location

Makupa is the closest CFS to Mombasa port. It is adjacent to the port, separated by a wall. Proximity and direct link to a dedicated port exit gate allows Makupa CFS to run the most efficient port to yard transfer operation. Cargo safety is guaranteed by a combination of traditional and state-of-the-art security systems. Kenya Revenue Authority, Kebs, Port Police and Port Health Officers are hosted on site to facilitate prompt verification of cargo and release.

Makupa's clients receive instant email notifications on container transfers through an in-house "A.S.C.A.R.I." software (Automatic System on Cargo Arrival Information).

More customers now prefer Makupa CFS' services to reap benefits of extended free storage at a reasonable fixed fee. This leads to predictable importation costs and financial savings through well-managed supply chain logistics.