

ANDA MAQANDA ENTRY FORM - TUESDAY, APRIL 28, 2015 19:15:23

Application Details

Name	: Anda	Surname	: Maqanda
Designation	: Managing Director (Founder)	Email Address	: anda.maqanda@gmail.com
Cellphone	: 0729859348	Telephone	: 0414098600
Birth Date	: Thursday, November 1, 1984	Application Date	: Tuesday, April 28, 2015 19:15:23
Business Name	: AM Group (Pty) Ltd	Registration No.	: 2008/022838/07
Tax No.	: 9811191155	BBEE Level	: 1
Type of Business	: Overhead Power Lines, High Voltage Substations and		
Industry	: Electrical and Mechanical Services	Years in Operation	: 5
Physical Address	: 51 Newton Street, Newton Park, Port Elizabeth, 6001	Postal Address	: 51 Newton Street, Newton Park, Port Elizabeth, 6001
Town / City	:	Business Number	: 0414098600
Business Twitter	: @amgroups	Business Website	: www.amgroups.co.za

Company People

Added	Name	Surname	Birth Date	Designation
Tuesday, April 28, 2015 19:15:24	Anda	Maqanda	1984-11-01	Managing Director (Founder)

Company Financials

Year	Gross Revenue	Gross Profit	Briefly Explain The Drivers of Y/Y Gross Profit Growth or Reduction in each year
2011 R / 2012	9.109.000,00	R 4.200.500,00	During these years the company operations were mainly focused in mainly Engineering Consulting services. The Drivers of the increase have been the result of operation expansion on the Southern African countries, this resulted in increase in consulting projects and the high profit margins.
2012 R / 2013	17.805.000,00	R 8.090.000,00	Additional services have been added and now the company offer turnkey solutions, from Procurement, Design and Construction through to completion. This had a direct increase into the company Turnover.
2013 R / 2014	34.005.000,00	R 12.500.000,00	The growth strategy implementation and diversified the company operations by restructuring the company into 5 divisions namely, AM Engineering Consulting (Pty) Ltd, AM Infrastructure Projects (Pty) Ltd, AM Plant Hire (Pty) Ltd, AM Mineral Resources (Pty) Ltd, AM Renewable Energy (Pty) Ltd, proved to be highly successful. Each division operates as a separate entity under the group umbrella.

Company Employees

Year	Total Number of Employees	Average Employee Remuneration	Briefly Explain The Drivers of Y/Y Total Employee Growth or Reduction in each year
2011 16 / 2012	16	R 12.500,00	During these years the company operations were mainly focused in mainly Engineering Consulting services. The Drivers of the increase have been the result of operation expansion on the Southern African countries, this resulted in increase in consulting projects and the high profit margins.

2012 32 /	R 14.000,00	Additional services have been added and now the company offer turnkey solutions, from Procurement, Design and Construction through to completion. This had a direct increase into the company Turnover.
2013		
2013 51 /	R 18.500,00	The growth strategy implementation and diversified the company operations by restructuring the company into 5 divisions namely, AM Engineering Consulting (Pty) Ltd, AM Infrastructure Projects (Pty) Ltd, AM Plant Hire (Pty) Ltd, AM Mineral Resources (Pty) Ltd, AM Renewable Energy (Pty) Ltd, proved to be highly successful. Each division operates as a separate entity under the group umbrella.
2014		

3 Select Categories

The Maverick Award for Employment Creation

AM Group (Pty) Ltd started operations in 2010, focusing mainly Engineering Consulting and had only 3 employees. In 2012, through my leadership the company expanded company operations to mainly Engineering Consulting, Automation, Protection and Renewable Energy and had 16. It was during this period that company saw immense growth in revenue turnover and employee turnover of 32 employees. In 2013/14 the MD diversified the company operations by restructuring the company to 5 divisions and that also resulted into employee increase, now the company currently employs 51 employees.

The Maverick Award for Service Innovation Excellence

A yaw control system is to be developed for a wind turbine in order to optimally generate energy and protect the system components. The system must yaw the turbine into the wind to collect energy and furl by turning out of the wind when appropriate. A bearing is to be designed in order to reliably support radial, axial and tilting moments, preventing the undesired loads from affecting the turbines components by redirecting these undesired forces to the tower structure. We plan to commercialize and sell to the wind turbine manufactures once the product has been fully developed.

The Maverick Without Borders Award for Export Excellence

Best combination of size and real Africa experience along with flexibility and agility to respond to the market, we have extensive African footprint in 6 countries. We our constant expansion, we also plan to open offices in Namibia and Lesotho. AM Group (Pty) Ltd is particularly proud of having developed, over the years, a profound understanding of how to operate in Africa. We have enabled electricity supply in 6 African countries including Lesotho, Namibia, Zimbabwe, Swaziland, Angola and Zambia.

Questionair

Business Overview

Business Existence Validation

Describe the problem(s) or challenge(s) that your business solves.

At a time when the country's Power infrastructure is sadly in need of revitalization, AM Group is focused equally on the opportunity this presents to future generations as it is on the opportunity for AM Group's own growth prospects. We provide New, Upgrades, Maintenance of the High-voltage Substations which are used to boost or scale down the electricity and Power Lines which are used to distribute electricity across the country to industrial and residential.

Describe the extent/ magnitude to which this problem or challenge was not being addressed prior to your business entering the market.

There are a quiet number of Electrical contractors, But none of them that does Conceptualization, Research and Development, Designing, Procurement and Construction. In this industry you either get a contractor that does Design or the construction, and in AM Group we offer a full house solution for our clients.

Describe the size of the market that your business operates in.

Our business operates on a large scale, with national clients across the country and with operations in 8 other African countries.

Products and Services Value Proposition

Describe the products or services that you offer through your business

AM Group specializes in the creation of turnkey solutions for the electricity supply industry, based on the design, procurement, construction, commissioning and project management of high voltage solutions including: - High Voltage Substations - Overhead Power Lines - Renewable Energy - Plant Hire - Protection and Automation.

Describe your products or services unique selling proposition and competitive advantage.

We offer a turnkey solution and that makes us partners to our clients not just to be a mere service provider.

Marketing and Distribution

Describe your client / customer base including at least 3 names of current customers.

We have a high range of client base that includes the following but not limited: - Eskom - Anglo American - Volkswagen - Transnet - MTN - BMW - Kumba Iron Ore To name a few.

Describe your sales strategy and distribution model.

The sales strategy for AM Group (Pty) Ltd is based on a simple and straightforward premise: customer satisfaction! Happy customers will be repeat customers, and they will provide referrals to new customers. With the kind of services that we provide, customer satisfaction is key and in AM Group (Pty) Ltd we genuinely strive for service excellence.

Describe your marketing activity as well as customer attraction and retention strategies.

At AM Group (Pty) Ltd we have significant success through partnering with local engineering consulting (Civil, Architects, Quantity surveyors) companies as well as local business organizations (such as the Chamber of Commerce), as well as large Manufacturing and Engineering businesses to develop strategic alliances. Such organizations, which may not be customers in themselves, have proven valuable in providing leads to new customers.

Describe how you anticipate your market/industry and customer needs will evolve in the future and your businesses plan to adapt accordingly in order to maintain an edge?

The sales figures shows a greater performance increase for year 2013/2014, and projections for 2015 are looking exceptionally good as well based on expected growth of retainer, renewable projects and consulting income, as well as increased revenues through the addition of power construction offering from the middle of 2015.

Economics of the Business

Describe your business model

Our Business Model: Client → Our people → Our value → Our strength (Capacity building, Highly skilled, motivated and committed). Inception → Planning → Execution → Reporting → Handover → Client Satisfaction → New Project – full project accountability, efficiency and effectiveness.

Describe your revenue model and the revenue drivers of your business.

Our revenue structure matches our cost structure and the salaries we pay to assure good service and loyalty are balanced by the revenue we charge. Our charges are in line with the services we offer, and are tailored to meet the needs of the specific client. Our pricing strategy is implemented using one or a combination of: • Hourly Rate Pricing • Retainer Pricing • Project Pricing

Would you describe your business as a low, medium or high sales margin business? Briefly explain and include figures.

Medium Margin Business. Our profit margins are competitive and mostly as per industry rates. Our profit margin varies between 15% - 35%.

Would you describe your business as a low, medium or high sales volumes business? Briefly explain and include figures please.

Low Our business mostly depends on projects, with limited number of projects that we can take and execute, due to being a small business.

What is your projected revenue/turnover for the next 3 years?

- FY2015 - R50, 000, 000 - FY2016 - R85, 000, 000 - FY2017 - R105, 000, 000

What are the drivers/factors that support your projections?

Increase and demand of the Power usage and need.

What are the three main challenges that the business faces in the next three years? Include how you intend on addressing these challenges.

- Uncertainty of Economy - Recession - Depleting Profit Margins - Industry Stability

Sustainability and Scale-Up

Is your business sustainable? If so, please describe your sustainability drivers.

Yes. - Expansion - Training (Employee Development) - Investing Value Every Employee

Briefly describe your scalability and business growth strategy.

Keep expanding and growing the Business as much as possible.

Business Achievements & Vision

What have your 3 main achievements been as a business over past three years?

Our most achievements were Being named as one of the, 2015 : Forbes: 30 Most Promising Young Entrepreneurs in Africa <http://www.forbes.com/sites/mfonobongnsehe/2015/02/05/30-most-promising-young-entrepreneurs-in-africa-2015/5/> Being named as one of the, 2014 : Mail & Guardian 200 Young South Africans award <http://ysa2014.mg.co.za/anda-maqanda/> Receiving an Honorary award from Eastern Cape Premier in 2014 : EC Premier Awards: Youth Entrepreneur Award

Briefly outline the vision for the business over the next 5 years?

Our vision is to consolidate AM Group (Pty) Ltd assets, which means purchasing and owning fixed assets such as Properties and Investing in other small companies. I also plan to develop and strengthen all divisions within the group so that they can all be highly profitable. In mid 2015 we are also planning to venture and start operations in Africa, we have consulted in few countries in Africa and the prospects of starting Infrastructure operations are looking good. We also plan to list AM Group (Pty) Ltd at JSE in the next 5-8years as we are hoping to have grown the company to a multi-million.

Impact

Corporate Social Responsibility

What is your corporate social responsibility focus area and why? (Education/HIV/Entrepreneurship/Early Childhood Development/Environment)

- Entrepreneur Mentorship - High School Career Guidance - Bursaries - In-service Training

Describe your social responsibility practices and programs you have run over the past three years.

- I mentor and develop young and small business owner, We offer advice and training of these entrepreneurs. We also do partner with them from time to time. - I offer career guidance to high school students in the Eastern Cape through annual career exhibition. - Through AM Group I offer Bursaries to disadvantaged students. - We offer In-service Training to University students.

Outline the outcomes and impact generated from your CSI program.

- After our mentorship and intervention most of our mentees are able to run their business successfully. - After career exhibition high school children are able to choose their preferred career options without making wrong decisions. - Our Bursaries helps disadvantaged families and that's making difference in the community. - After In-service Training the University students are able to graduate and obtain their Diplomas and Degrees.

Innovation

Innovation Culture

Is your business based on an innovation?

Yes, Our consulting division AM Engineering Consulting is busy developing \"Yaw Controller\" for the wind Turbines.

What type of innovation is it? (Product/Service/Process/Other)

Product - Yaw Controller (Renewable Energy)

Briefly Describe your innovation

Automated Yaw Controller and Structural Dynamic Load Reduction in Wind Turbines An automatic yaw controller is being developed, designed and implemented into an existing vertical axis wind turbine. The yaw controller will be used to align the turbines blades correctly for maximum power generation. A method to reduce structural dynamic loads experienced by the wind turbines support structure is also investigated, designed and implemented.

Why do you believe that your product/service/ process is an innovation?

Because its the first of its kind, None has been developed before.

What Intellectual Property Rights do you possess over your innovation? (Patent Pending/ Patent Granted/ Trademark/Copy Right)

None at the moment, we are in the process of Patenting the Product.

