



Betts Townsend

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Enabling transformation

Over the past fifteen years the word transformation has come to mean many things in South Africa. The transformation of the nation into a society offering equal opportunity has been matched by the economic transformation taking place, helping to put the country onto the global map. On another level, a drive along the nation's major roads takes one into neighbourhoods that have been transformed by new infrastructure and retail outlets.





The company is currently involved in the design and build of the new Hilton Hotel at Dube Tradeport

Around the time that this transformation began, in 1995, a project management consultancy business began to take its first fledgling steps in Johannesburg. That company, Betts Townsend (Pty) Ltd., has – and continues to have, a big bearing on these retail centres and much more besides.

The company, still headquartered in Johannesburg, has grown into a hugely successful business, project managing developments across the country. Betts Townsend provides a variety of services; from project initiation and briefing, to the concept stage and investigating feasibility, to design development, tender documentation and construction documentation and management. The company has built a series of long standing relationships based around trust and reputation, with several major funds.

As the African continent similarly undergoes transformation, the company is now seeking opportunities beyond its traditional retail base and outside of South Africa's borders, as Michael Taylor, Partner and New Business Director, explains:

"Our core focus as a business is as a project management consultancy; if you like we are the lead consultant on projects.

"Our focus traditionally was centred-around retail developments and we have been involved in many of the country's largest shopping mall developments over the past few years," he begins, "however in the last couple of years we have started to move into new markets, in particular the commercial sector. Five or six years ago as much as 70 per cent of our business was retail but now we are working on hotels, large corporate office projects and a number of commercial projects that came to fruition in the Sandton area."

The business undoubtedly managed to capitalise on the huge plethora of shopping malls that have appeared on the South African landscape in recent years and Taylor says that the company became synonymous with these projects as its expertise grew;

"We have a good experience of shopping malls and we work in coordination with the retailers and we understand clearly their point of sale and how they merchandise. Knowledge and our value add comes from understanding retail and how the customer moves through a mall. Our relationships of course have built up and we recently completed a big assignment to build distribution and warehousing centres for Pick N Pay.

"That said, we are comfortable that we are not just playing in one area and our strategy to diversify is aimed at covering all bases," he continues.



The Baywest Mall: Betts Townsend has become synonymous with shopping malls but has a much more diverse portfolio

The move into hotel work is a strategy very close to Taylor’s own heart; having joined Betts Townsend in 1998, he left to spend time in the United States and United Kingdom and eventually became involved as the Development Manager for a Boutique Hotel Group in Tanzania, before rejoining the company in 2003. Taylor has subsequently worked his way up the corporate ladder to become one of the owners of Betts Townsend and his success story is one that the company culture makes available to all employees:

“We are a private, staff-owned business (100 per cent) and our Chairman and founder Howard Betts has had a philosophy to promote within the organisation and we have all had the ability to buy into the business. We recently sold 30.1 per cent of the company to create a staff trust which helped to improve our black empowerment progress which has now attained level 3 status.

“The other important aspect of our culture has been accessibility and our company has a philosophy that you can phone us at any time of the day. When things go wrong on a project they can spiral quickly and as partners we are actively involved in each project and provide clients with a direct line to ourselves. One of our biggest strengths is that we are dynamic, approachable and sincere and we recruit people with those qualities, a good head for the financial side of the business and able to manage stress.”

Betts Townsend is currently in the midst of a recruitment drive – which sets a marker for how the company has performed during challenging times: Taylor says there will be additions likely in the next couple of months as a few large projects come to fruition.

One area of opportunity that is now firmly set in Taylor’s sights is public sector work. With its black

economic empowerment processes well established (both in terms of employees and vendors – and Betts Townsend supported socially and economically disadvantaged individuals long before legislation kicked in), the company is nicely positioned to tender for government contracts and has begun to do so.

“We have worked on a few public projects before but always in joint ventures,” affirms Taylor, “but as we grow we are looking more to these now as a standalone business and we hope that our excellent track record in a demanding private sector will prove enticing.”

Aside from public sector opportunities, the company has also entered a number of new markets including the mining sector. Indeed Betts Townsend has just completed a four year project in cohorts with BHP Billiton and Anglo American, to build infrastructure and housing for miners. Taylor sees further prospects within mining both in South Africa and further afield, while the African continent has plentiful opportunities in the more traditional retail sector:

“Betts Townsend is currently in the midst of a recruitment drive – which sets a marker for how the company has performed during challenging times.”

“Mining across the continent is a potentially lucrative market for us but in the meantime, we are witnessing development in many countries. We are currently spending a lot of time and effort to develop markets in Tanzania and Kenya where there is a plethora of retail opportunity.

“Since the company started out we have worked in tandem with the big funds like Liberty Life, Redefine and Growthpoint – all of whom have taken the retail sector to the people. In South Africa there were many townships and villages that were remote and residents had to travel two hours or more to the nearest retail centre. That has all changed and we are now seeing the same transformation taking place in other countries.”



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Those relationships with the big funds began with Betts Townsend's connection to Wolf Cesman, a pioneer in development in South Africa, who worked with Liberty Properties and then started Madison Properties Limited – which in turn evolved into Redefine Properties Limited, one of the country's largest listed funds with over R39 billion market cap.

"Relationships are more key in our business than any other," Taylor acknowledges, "if you want to spend a hundred million to a billion rand, risk management becomes heightened and risk

mitigation is aligned with trust. I would say that repeat business still accounts for around 70 per cent of our business today and with added competition from Europe and the north, those relationships are going to be important to maintain."

Reputation is an equally important word in such a competitive market place and Betts Townsend has fully enhanced its profile through successful projects like the 45,000-seater Polokwane Football (JV Consortium) Stadium, constructed for the 2010 FIFA World Cup™, which perfectly illustrated the breadth and depth of versatility within the company.



The Peter Mokaba Stadium in Polokwane hosted 70,000 soccer fans during 2010

The Fairmont Zimbali Resort is a good example of the company's diversity



Taylor says that other projects have been socially rewarding: “Education is always a big topic of discussion in South Africa and we were privileged to work directly with Oprah Winfrey on one of her Foundation investments: The Oprah Winfrey School for Girls in Henley on Klip. This project aims to educate previously disadvantaged school children and nurture them into the leaders of tomorrow.

“It is nice to work with famous people and the project did a lot to raise our profile, but the main reward is what happens to the children and the opportunities created for them.”

At present Betts Townsend is busy on a wide variety of jobs and Taylor says that the focus is to get projects to a stage where they are bankable. In Sandton, the 90 Grayston project is a 19 storey office block set to change the city’s skyline, with their ongoing relationship with Redefine Properties Limited.

“This project has been designed to attain a Green 4-star rating and we have fully embraced the green movement,” says Taylor. “It is almost a pre-requisite for any client now and we are proving on this project that just because a building is green, it can still be designed within the original budget parameters.”

Other current projects include the Bay West Shopping Mall, driven by his partners John Townsend and Toni Capuzzimati, which upon completion will form one of the seven largest shopping malls in the country, whilst Taylor is currently involved in the design and development phase of a large hotel

and commercial development at Dube Tradeport in Durban, KwaZulu Natal.

Looking to the future, Taylor says there are also exciting plans for development in Kenya and the whole East African region, while maintaining those close links to the funding companies:

“We were privileged to work directly with Oprah Winfrey on one of her Foundation investments: The Oprah Winfrey School for Girls in Henley on Klip.”

“Our ultimate goal will be growth and we may well take a look at acquisitions at some point. Alliances could be on the cards if the right opportunity presented itself and helped us to enter a new market. Africa is our focus and advantage though; we have shareholders who hail from across the continent and this gives us an advantage. There are exciting times ahead when we crack Africa,” he predicts.



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