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Media Release: Rectron relocates following R30-m revamp

Rectron invests more than R10-m on construction, R2-m on new offices, R15-m on a Toyota automated storage and robotics system, and R2-m on IP telephony

Rectron – one of South Africa's major ICT distributors – has completed the first phase of its move back to Rectron House, its original premises at 15th Road, Midrand, following an extensive six-month renovation project valued at more than R30-million.

The first phase has seen Rectron's sales, accounts and marketing division moving to the 15th Road premises at the beginning of this month, while the second phase, which is earmarked for completion by the middle of the year, will see its frontline operations, including the dispatch, credits, service, RMA, and technical divisions, being relocated to the same building.

"The Rectron team has worked very hard and has managed the transition very well," says Mark Lu, Rectron chairman and chief executive officer. "It shows that we have excellent operational skills at Rectron, with capable people that professionally respond to -- and cope with -- change."

While some industry observers have apparently speculated that the relocation from its previous premises at New Road, Midrand back to its "old" building represents a potential downsizing of the company, Rectron sales director Zandre Rudolph points out that with R1, 5 billion in revenues in 2007 and a stable staff contingent of more than 350 employees, the company continues to grow year-on-year.

The key issue, he says, is that the bulk of the products Rectron distributes from leading brand names such as Intel, Microsoft, Toshiba, Gigabyte, Logitech, Panasonic, Sony, Epson, Samsung, and LG have become more mobile, smaller and much lighter.

"Because so much of our product range is increasingly becoming smaller and lighter, we found we were using less than 40 percent of our massive New Road warehouse, a wastage that obviously didn't make much sense," he explained. "It was clear we needed not only far less space but also a more dynamic approach to storage".

This approach revolves around the concept of "vertical volumetrics", which forms the foundation of a strategy Rudolph believes will make the company more flexible and capable of adapting very rapidly to industry, product or business changes.

Further spurred on by other issues at the New Road premises – including astronomical levies and unstable power supply, resulting in huge diesel bills to fuel generators -- Rectron management decided it made strategic sense to move back into its original premises, but not before these could be upgraded.

Extensively over-hauled

To this end, the 15th Road building is being extensively overhauled, and innovative new technologies have been implemented. Rectron has invested R10-million on construction, R2-million on new offices, R15-million on a sophisticated new automated storage and robotics system from Toyota, and R2-million on a Cisco IP telephony system.

Of particular interest is the Toyota robotics-based storage system, which Rudolph describes as one of the fastest in the world. Seven cranes – each capable of moving at 160 metres per minute – are being installed, requiring only nine operators.

"The old building was upgraded from 6 000 square metres to 12 000 square metres," Rudolph said, adding that construction on the warehouse facilities should be completed by July 2008, in time for the second phase of the move. Until then, collections, technical support and service will still operate from the New Road premises.

Minimal impact

And according to Dean Prinsloo, Rectron managing director, the impact on Rectron's customers has been minimal. "Months of planning paid off," he added. "The first move went extremely successful, and we had the entire team jumping in to assist the move. Monday morning we were ready for business as usual. Operating now from within the warehouse, we give clients the chance to see our current infrastructure, Express Sales desk and the long-term storage facility. We have had some awesome response to the change, not of frustration, but rather of amazement, as our customers have never really seen Rectron's back-office in operation."

Prinsloo believes Rectron's R2-million investment in the Cisco is also noteworthy and holds long-term benefits for both staff and clients. "Upgrading from a normal PABX type phone system to VOIP is extremely important for us moving forward," he explained. "The options and add-ons to the new VOIP are limitless, and we can tailor-make the system to suit our needs."

- For Sales, Accounts & Marketing please contact 011 203 1000
- Fax number 011 203 1457
- For technical repair service, the Rectron National Technical Hot Line number is 0861 135 936



Prinsloo points out that while sales is now situated in the 15th Road premises, and operations in New Road until the middle of the year, the company's IT system – set up under the auspices of Rectron IT manager Alan Michas – has created an infrastructure that runs no differently than if the company had all its departments in the same building.

- **Rectron's 011 203 1000 number has been successfully moved to the new premises, and must be used for sales, marketing and accounts**
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For more information, contact Yolandi Venter, Rectron marketing manager at 011 203 1000