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procedures, with internal assessments conducted regularly to ensure competency, quality and proficiency. At the heart of our training culture is the mentorship program entitled “Training the Kal Tire Way.” Training the Kal Tire Way is about *how* we train and mentor our team members, it provides structure and guidance to our mentors and assessors and promotes consistency and professionalism in the way our training is delivered around the globe. To share knowledge and best practice between Kal Tire operations worldwide, we also utilise a web-based Learning Management System (LMS) that is available in multiple languages. Therefore, as standards and procedures evolve, the LMS gives us the ability to instantly communicate changes to our team members around the world.

**Q What has changed in a market approach sense?**

Tyre Corporation had been a very agile and entrepreneurially spirited company in terms of its approach to new market leads and opportunities, which Kal Tire looked to retain as a key behaviour in the new organisation. Kal Tire’s global presence and experience brings stability in supply agreements, access to resources and general reduction in the general risk that is occasionally adopted with new market opportunities. The synergies of bringing the two companies together have been well received, with little to no pushback coming from the market as a result of the merger. Focus had been placed on developing a strong, profitable service base, which is then complemented by carefully selected products, designed to perform at the best cost per hour/tonne for each specific customer application. This is a key part of the measurable value we strive to achieve with every customer.

**Q Can you go into any detail on the relative differences and strengths of each company and what each brought to the table?**

The biggest difference was the market footprint. Tyre Corp was very strong in the underground mining market, providing services and products to around 60 sites across a variety of commodities in Southern Africa. Globally, Kal Tire’s strength has always been to support surface mining operations in all the major mining geographies including the Americas, West Africa, Australia, and the southern Africa operations. The combined company essentially brings together both surface and underground mining competencies, creating a well-rounded, creative and capable mining tyre

# Mining inflation

**Paul Moore spoke to John Martin, Vice President, Southern Africa, Kal Tire's Mining Tyre Group, about the regional market and changes since the acquisition of Tyre Corp in 2017**

**Q You joined Kal Tire in South Africa a month before its acquisition of Tyre Corporation in May 2017. Can you provide some insight into the synergies between the two companies as well as the challenges in combining two groups in a relatively small market like mining tyres?**

Kal Tire at the time in South Africa had about 150 team members and Tyre Corp added more than 900 more – so effectively if looking at the southern African region only and not Kal Tire’s global scale, a bigger company was merged into a smaller company. Kal Tire already had acquisition experience, such as the expansion program in Zambia with the acquisition of Tredcor and of course the more recent acquisition of Klinge’s tyre services business in Australia. So to some extent we had learnings in place on the right procedures to follow. That said, every market is different and South Africa is a unique market. We were also combining two true competitors each with their own culture and way of working. However, the Tyre Corp acquisition and integration has gone very well, from both an inclusive and cultural perspective as well as customer acceptance of the strength and stability that the merged entity brings to the market. We have brought all the team members up to speed on global standards and expected performance levels of mining tyre management, through a series of training waves presented by Kal Tire’s global experts, covering all the major areas that are key to Kal Tire culture and



success – mining tyre strategy; Journey to Zero safety program; training; innovation and technology; and of course the seven Kal Tire Aims that define who we are and our value system.

**Q How does Kal Tire approach its training and safety programs, and what’s required for the Tyre Corp team members?**

Kal Tire considers the training and development of our personnel to be the foundation on which a sustainable business will be developed. We fully understand that our training and safety programs directly impact our culture of safety and the quality of service we provide to our clients. Delivering this message and immediately beginning to establish the Kal Tire standard of training was a critical element in our training wave and integration strategy. Every Kal Tire team member is trained to a consistent set of standards based on their role. Our service and repair technicians are certified to perform their duties using the latest safe work

services organisation. The new combined organisation brings additional synergies in logistics, service centre locations, global sourcing and other key activities making the operations more competitive and cost efficient. Tyre Corp have been well known for the world class capability of their technical experts to support customers in the underground environment often with unique solutions to positively affect the customer's performance. Kal Tire is a very well respected global brand and its scale means it has cooperative relationships with all the well-known Tier 1 mining tyre manufacturers. Tyre Corp also brings with it solid relationships with South African-based manufacturers, who are very important and substantial players in the underground mining market.

**Q What are you doing to ensure a sustainable BBBEE culture at Kal Tire?**

Kal Tire is fully committed to the South African market, which is evident in the investment in the Tyre Corp acquisition. Additionally, within 2018, Kal Tire will be a fully compliant company with regards to the company's investment in our BBBEE program. This will include participation in the development of local communities in a number of the South African areas that we operate in. Our commitment to developing a BBBEE culture is apparent in many areas of our business, from the ownership of the company, our LMS skills development platform, our employment procedures and processes, as well as our preferential procurement disciplines. The percentage of employment uptake of our trainees graduating from our learnership programs has been very encouraging, while our procurement disciplines and shift towards qualified suppliers, has significantly reduced our general administration and cost of purchasing.

**Q Are there unique aspects to handling tyre management in southern African mines?**

Surface and underground markets have different management plans, however, both have a similar purpose of maximising production time, at the lowest cost per hour/tonne. Purely from a tyre perspective, the underground operator places a lot of emphasis on keeping the machines operational, with minimal downtime as a result of tyre damage, punctures and component failures. Pneumatic tyres in an underground operation have historically been the cause of significant amounts of machine down time, due to punctures and general tyre damage as a result of the extremely harsh underground conditions. The introduction of polyurethane fill for underground tyres was a major development in increasing operational up time, as it removes any down time caused by

punctures, or any other form of tyre deflation. Kal Tire is the leading supplier of polyurethane fill in South African underground mining applications, which results in a vastly improved operational performance. On the surface side, customers obviously also want maximum hours they generate from their tyres, but there are different challenges compared to underground operations. Tyre management is more complex and that requires the use of technology such as Temperature & Pressure Monitoring Systems (TPMS), combined with regular haul road maintenance and preventative maintenance practices. The operational performance of every single tyre is monitored in real time, to maximise the return in the heavy investment in tyres, on every mining machine. Unlike a typical underground operation, worn out or damaged surface mining OTR tyres lend themselves to being repaired and re-treaded, as the casings are quite often in good condition at the end of the tread life. Kal Tire makes use of our exclusive Ultra Repair technology to repair large injuries that may even include a number of broken radial cores. In some instances, tyres can even be taken from the scrap pile and repaired, to generate a second or third life from the tyre casing. In South Africa, Kal Tire has a centralised repair facility in Middelburg for large and ultra-large repairs, as well as on-site repair facilities at our larger operations in Botswana, Mozambique and Zambia.

**Q What about repair and retread activity and investment?**

The current constraints in supply of large and ultra large diameter tyres offers a great opportunity for customers to consider the value in repairing and re-treading tyres. Kal Tire has a number of our own repair and retreading facilities worldwide including Canada, the UK, West Africa and Latin America. In southern Africa, capability and capacity is available to retread OTR tyres up to 35 inch in diameter, while retreading of ultra-large diameter tyres of up to 53 in has successfully been done in Latin America and West Africa. For tyre repairs to be economically viable, it is essential they be carried out as close to customers as possible, to offer a quick turnaround time of the repair and to avoid unnecessary transportation costs. On-site repair facilities are regularly provided as an important service component for large tyre maintenance, however centralised repair stations offer synergies for a host of smaller clients. Kal Tire's new branch facilities in the Northern Cape will have repair equipment and infrastructure installed, to better serve our iron ore and manganese mining



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customers in that geography. We are additionally very bullish on new opportunities in Botswana and Zimbabwe. In the latter with the recent political changes there is a lot of optimism and resultant investment being witnessed in greenfield and brownfield operations, which will all need support for their tyre management and tyre supply needs. Zimbabwe in particular has a lot of underground mines that will benefit from the experience of the former Tyre Corp team.

**Q Kal Tire is a major player in the tyre management market in southern Africa. What is your service approach to attracting and retaining mining customers?**

The retention of our current customer base is an extremely important part of our sustainable business model. As part of our mission, we continuously strive to provide measurable value to our clients, demonstrating in real terms, the value proposition that Kal Tire brings via our services and products. The technical team of Kal Tire South Africa plays a vital role in the ongoing measurement and management of tyre performance, at every site where Kal Tire is present. Monthly reporting to our customers details the positive impact that Kal Tire has on the mine performance, through our team members and the correct selection of products. The ongoing and continuous development of local resources, as well as the access to global resources, is an important part of Kal Tire's agility and ability to mobilise service teams within a short period of time, should we be successful in attracting new opportunities. However, our expansion and growth in the market will not go beyond our ability to support both existing and new operations, at a standard of quality that defines Kal Tire, and that differentiates us from the rest of the market. **IM**