

Falcon Focus



Issue 46 • November 2012

COMPETITION, COMPETITION, COMPETITION!

Every year there seems to be an increase in the number of tractor and implement suppliers, finance houses, etc., with everyone vying for a share of our country's relatively small, overcrowded market. You only have to visit NAMPO to see the new entries (both local and international), as well as prospectors looking for importers to distribute their products throughout South Africa. It seems as if the rest of the world has the misconception that South Africa is the gateway to the rest of Africa and that once you are in South Africa, you have this massive opportunity to supply the rest of Africa. If only it was that easy!

One of our core strategies is to go all out to be the best in a product category. We do not look to introduce additional implements to a range until we are in the top three in that product category. This means that we spend a lot of time researching the market, testing implements before we launch them, and then providing you with the relevant marketing and sales support. We want each implement to be a success.

We continually look for ways to maintain and improve our production methods and costs, and so we invest heavily in upgrading our manufacturing equipment. We recently acquired a state-of-the-art Hartford CNC machine, which has increased our capabilities in gearbox manufacturing as well as assisting us in the numerous new product developments we undertake. We have added 1 200 m² to our manufacturing and storage facilities, which allows us to house a greater volume of finished goods. This should reduce our delivery lead times to customers, even during the busy periods.

The upgrade also includes a new training area in which we will undertake both internal and dealer training to achieve the objective of delivering the best service to our customers.

Over the years the range of turf implements has grown steadily, and we believe it is now time for us all to focus on this specialised range of implements – so we are running our Spring

Turf Promotion. Our key objectives are to increase the sales at the start of the growing season, to research and gather information, and to give customers in this target market an opportunity to upgrade or replace their turf implements at great prices. We look forward to your feedback over the coming months.

The upcoming season is looking positive and we are anticipating good sales across the country. The Eastern and Western Cape have both had exceptionally good rains, and if the wheat areas can have some follow-up rain we can expect bumper crops. We pray that the rest of the country will receive good rains at the right time, as commodity prices are good, which bodes well for a great season for us all. Haymaking was definitely down last season, and so we see this as a focus area for everyone.

Lastly, one of our staff members at a strategic planning session said, "Let's not worry about the competition, let's focus on what we do and let's excel and do it well!" I replied that I agree, but that we should at least keep one eye on what the competition is up to as well! Thanks for the great support and may each of your businesses prosper.

Warm regards

Steve Thurtell
Managing Director



PS: Winners build on mistakes. Losers dwell on them.

And PPS: It's not the size of the man in the fight, it's the size of the fight in the man.



Falcon Rotagang™





IMPROVEMENTS AT FALCON IN HOWICK

Our Factory Expansion

As a result of the success that Falcon Agricultural Equipment (Pty) Ltd has achieved in terms of increasing volumes and a larger range of brands and implements, it became necessary for us to expand our factory and create a fourth wing. The total floor space was consequently increased by 1 200 m², which has allowed us to completely overhaul our working areas.



The training room from the outside

The training facility will be able to accommodate up to 50 people. We will host our sales meetings and dealer training in this venue.

These changes will help ensure that we provide only the best to our end users and that this expansion will assist us to deliver ever more efficiently, even in our busy times!

Our New Hartford CNC Machining Centre

To remain competitive and a leader in any field requires continual innovation, development and investment in people and equipment. One of the secrets of the success of the Falcon rotary cutters is that the F50 and F80 series are fitted with locally manufactured Falcon heavy-duty and extra-heavy-duty gearboxes. These gearboxes are constructed

in-house and have proved to have a long, trouble-free life in any operation. They are specifically designed to withstand the extraordinary working conditions encountered in Africa and also to absorb the higher power produced by the new-generation tractors coming on to the market.



The new Hartford CNC Machining Centre

As part of our factory development we acquired a state-of-the-art Hartford CNC Machining Centre. This machining centre is equipped with the latest technology, which will assist us both to increase the level of precision in our current gearboxes manufacture and to explore future gearbox designs. The new machining centre is integral to the refinement of our Falcon gearboxes as well as other transmission systems, e.g. the splitter/T-box on the Falcon F50/300 slasher.

OUR SPRING TURF PROMOTION

You should have received your dealer letter which communicates the details of our Spring Turf Promotion. We see this as a way to increase the focus of our dealers and the Falcon sales team on the entire range of turf implements that we offer. The key objectives are to increase sales and to gather additional information so that we can understand the current market dynamics which we believe will impact on long-term sales and opportunities for tractor-drawn mowers. We really need your help!

To help ensure that we ask the right questions during the research process we have compiled a simple questionnaire which will assist us all in understanding the market dynamics. The markets we would like to get a better understanding of include schools, higher education facilities, housing estates, golf courses, sports clubs, municipal parks and instant lawn farmers. We realise that each market is different and will need a different approach and are hoping the information will help us to assess the opportunities, develop appropriate products and market more effectively. Our Regional Sales Managers will liaise with you in this regard. We will share the outcome of this research once we have all the findings and have consolidated them into the trends that become evident.

The ranges of turf implements included in the promotion are:

Falcon

- Rollermower
- Grassmulcher™
- Blowermower™
- Rotagang™
- Finishing mower

Locust

- Rollermower

Amazone

- Groundkeeper

To increase the short-term sales of these implements we are offering an extra discount for the period 1 October to 30 November 2012.

We would like to encourage as many dealers as possible to build a display during this period, as we know that displays prompt end-user interest and so increase sales. Many dealers already have some promotional material, but adding new elements and updating the display will increase interest. We have developed a range of items to assist dealers with this, including posters, brochures and price flashes. We are also here to help you



The entrance to the new 1 200 m² added to the factory

We have been able to expand the size of our Research and Development department threefold! The new area integrates all aspects, offices and working bays, in 130 m², and so our team of mechanical technicians and draughtsman will be able to work more effectively.



The parts and bearing store

Our Stores and Assembly area has also been enlarged and dramatically upgraded. Floor space has been increased by an effective 40%. The parts and bearings store has been redesigned and equipped with new trolleys to make the transfer of parts more efficient.



The finished goods store

On the Finished Goods side we are now able to store more implements under cover and have a dedicated area where we will assemble imported implements. The number of containers and the size of some of these implements (e.g. Amazone Sprayers) has necessitated this change.

We have also invested in a dedicated training facility.



MARKETING DRIVE FOR 2013

In addition to the Spring Turf Promotion our broader marketing support includes an advertising campaign which is an extension of the one we put together last year. You will recall that the key messages are:

“NOW YOU’RE TALKING ...” for the Falcon brand. This message reminds the end user that Falcon is the leading brand and that when you buy a Falcon you don’t just buy an implement, you buy quality, service, commitment and a great reputation.

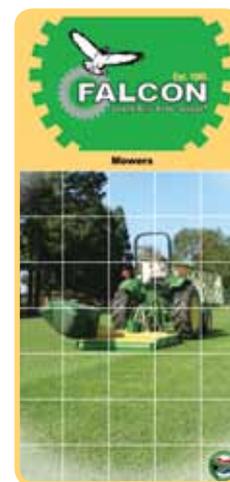
“Making Every Hectare Count” for the Amazone brand. This brand epitomises the advanced technology of precision farming and assists farmers to make the most of their land.

“JUST WHAT YOU NEED!” for the Locust brand. This brand is mainly for smallholders, emerging farmers or price-conscious buyers. This simple range offers great value for money and will do the job with no fuss.

and exposure through their website. Veeplaas is distributed throughout South Africa and Stockfarm is available at selected outlets and also distributed across our borders.

Locust adverts will continue to appear in the Gauteng Smallholder, with the campaign extended to July 2013. Your Regional Sales Manager will keep you informed on the details of the insertions.

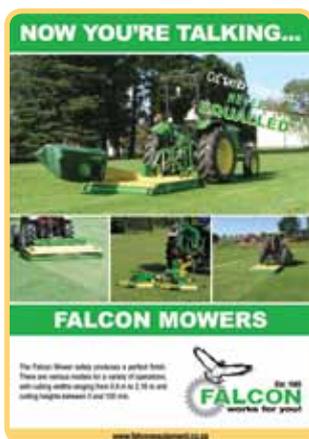
This media campaign will run from January to May 2013. We will advertise in the mainstream agricultural publications, Landbouweekblad and Farmer’s Weekly, as we get an excellent response when we do so, but have broadened our overall exposure by adding Veeplaas and Stockfarm to the media mix as these two publications also offer additional coverage, such as editorial in the publication



The new Falcon Mower brochure

with promotional articles or turf adverts, shows and demos, or any other needs you might have. Please don’t hesitate to speak to your Regional Sales Manager in this regard.

This promotion is featured in the NEWS section of www.falconequipment.co.za. As we have many visitors to the site each month, this will increase awareness for the special offer. If you have any queries, or would like to chat about your involvement in the promotion – and so that you can increase your mower sales – contact your Regional Sales Manager as soon as possible.



The Falcon Mower poster

THE NEW FALCON F80/200VH HAYMAKER®

We have received feedback that our existing Falcon F80/200V Haymaker® isn’t as effective as we would like, in cutting certain grasses, like blue buffalo grass, which tend to lie flat when they are long. So we have modified the implement by changing the blades to the H1460 Blowermower™ blades. And have renamed the implement F80/200VH Haymaker®. The Blowermower™ blade is a flighted blade that creates a vacuum under the deck and lifts the material before cutting it, resulting in a more effective and efficient cut. Since the launch of this new F80/200VH Haymaker® we have already sold five units, and hope to receive your order shortly!

The details of the F80/200VH Haymaker® have been communicated to you in Dealer Bulletin 4 of 2012. If you have not received it, please ask your



The Falcon F80/200V Haymaker® fitted with banana hay blades (H1809)



The Falcon F80/200VH Haymaker® fitted with Blowermower™ blades (H1460)

Regional Sales Manager to forward it to you. The part number for the Falcon F80/200VH Haymaker® is A0083 and the recommended retail price is R38 400 excluding VAT.



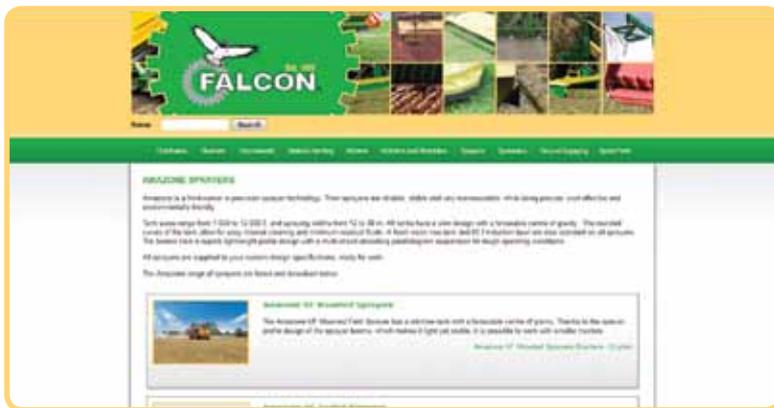
WEBSITE - INCLUDES AMAZONE SPRAYER INFO

We hope that you have now visited our **NEW website** and have experienced first-hand the user-friendly navigation to access the in-depth product information, technical specifications, brochures and operator's manuals. We really would appreciate your comments!

The Amazone Sprayer information is the latest addition to the website content. We hope you will be able to use this as an educational reference as

it includes technical specifications, and you will also be able to see what optional extras are available on the different models. If you require additional information on any on the sprayers you can also download the most recent brochures and operator's manuals.

Please visit the site regularly for the latest news and to familiarise yourself with the latest additions to the site.



The Amazone Sprayer content on our website

STAFF NEWS



Our Mechanical Draughtsman, Brendan Duncan

We would like to congratulate Brendan Duncan, our Mechanical Draughtsman, on completing his Advanced Diploma in Mechanical Engineering Technology at the Engineering Institute of Technology (EIT). The EIT is a global organisation providing internationally recognised qualifications. Brendan's study programme was conducted in accordance with Falcon's commitment to various assistance programmes in self-development. He studied late into the night and through his commitment and dedication he achieved this qualification. Congratulations Brendan, you are an inspiration to all your colleagues.

NEW FENCING FOR THE SCHOOL



New fencing in front of God's Little Lambs

The local preschool we support, God's Little Lambs, was in desperate need of suitable fencing, so we donated and installed galvanised fencing. Now



The fenced playground at the back

the kids can play safely on the playground and their parents can be assured that their little ones are well taken care of.

REGIONAL SALES MANAGERS ALWAYS ON CALL

In the unlikely event that you have a problem with your Falcon implement, don't forget that a Regional Sales Manager is on hand to help you. He will assist you in organising demonstrations and promotions at shows.



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