### CORPORATE SCENE

# Rhombus Ready Mix Concrete Company

By Marketing Africa Crew

Road, Nairobi, its core business is selling ready mix concrete. It was established to improve Kenyan construction credibility and trust by producing high-quality ready mix concrete using the latest technology and efficient delivery methods. For the last five years, Rhombus has constructed buildings, roads, bridges, and dams much more manageable, safer, and faster.

Being a wholly Kenyan-owned enterprise, Rhombus takes pride in playing a vital role in the country's rapid infrastructure development and is looking forward, in conjunction with other players, to doing even more for the beloved mother country. As such, the company is committed to investing more in innovation, delivery, and human resource capacity to develop the industry.

Marketing Africa crew had an engaging conversation with Mr. Solomon Wangai, Founder & Chief Executive Officer,

on the Rhombus Ready Mix Concrete journey. The discussion provided valuable nuggets into their product and insights into what it takes to be a successful entrepreneur, as evidenced through the journey of this courageous and unique man looking to disrupt long-held norms in the construction industry.

## Wangai's Exciting Journey to Entrepreneurship

My journey to entrepreneurship started while at the University of Nairobi, where I was studying Building Economics. Building Economics qualifies one to be a QS - Quantity Surveyor. However, it was clear in my mind that I did not want to work for a consulting QS firm. I wanted to work for a contractor, to be there in the trenches where the action is, and creation takes place. That, to me, was an exciting place to be.

I was fortunate to get a job immediately after graduating as a claims consultant for a contractor. My role was to keep the site

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diary and to update the program of works. In short, I was at the heart of the project tasked with minimizing delays, leading to lost time and cost overruns. My job took me to many parts of Kenya. I later moved to Cementers in Kampala and then came back to Kenya. But with time, I felt that I had contributed enough as an employee and learned all that I needed to. Earlier on, I registered a construction company as a side hassle and decided to dive right in with both feet. The construction company is what is today known as Rhombus.

Like a quadrilateral whose sides are equal in length, a diamond Rhombus denotes not just strength but perfection. In 5 years, we have become the market leaders despite encountering numerous challenges along the way.

#### What Does Rhombus Offer?

Rhombus offers pre-mixed or ready-mix concrete to the construction industry. Let me explain. Concrete is a mixture of cement, sand, rocks (in the form of gravel) using water and chemicals and is a critical ingredient in the construction industry. It has been in use since the Roman Empire. In most instances, concrete is manually mixed on-site as the construction is going on. Pre-mixed concrete is done off-site and delivered to construction sites, ready for use.

Ready-mix concrete has brought efficiency and reliability, translating to time and cost savings in the industry. How? You may ask; Manual mixing does not assure consistency of quality, takes time, requires more space, and is wasteful as one needs to buy all the ingredients in many cases from different suppliers then transport them to the site. The chances of pilferage are also high. Pre-mixed concrete overcomes all





## **Rhombus Ready Mix Concrete**

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these problems and is also environmentfriendly.

### The Future of Premixed Concrete Sector

The Concrete fortunes have annually been growing by about 6.4 percent and in tandem with those of the construction industry. The growth has been driven mainly by Government spending on infrastructure. Additionally, private developers in the commercial and housing sectors are also steadily growing. Considering these facts, ready-mix concrete future in Kenya is indeed bright.

Apart from this and more importantly, the growth of concrete will come from three inevitable factors. One is the change in the customer who is looking to build better, faster, and cheaper. There are also taste changes where customers are demanding a different end product such as colored concrete and joint-less slabs. These are better done elsewhere and delivered ready to the site. Our product, all other factors being constant, contributes to achieving

Additionally, shrinking construction space means that buildings are going higher, and Rhombus has the technology that enables us to deliver concrete to as high as 20 floors, increasing construction cost when done manually. Moreover, mixing on-site requires many workers to use a larger space which increases costs. The need for site efficiency and space utilization is essential to the contractor and the developer.

Construction is becoming more complex, and customers demand smaller but stronger columns which augur well for pre-mixed concrete. Pre-mixed concrete ensures quality consistency as the whole process is mechanized and computerized hence reducing guesswork and other human error. It avoids wastage and leads to safer buildings. Poor concrete mix is a crucial contributor to most collapsing facilities during construction.

Ready-mix concrete also reduces theft of materials as nothing gets diverted during transportation. Pre-mixed concrete is always cost-effective as Rhombus buys all ingredients in bulk, and all volume discount savings are passed on to customers.

Our unique selling proposition is that 'we care.' The customer is changing, becoming more discerning, always demanding quality at a fair price, and delivered on time. Guided by the fact that construction is driven by cost and time and that our product is perishable, we endeavor to build our capacity and have the right people to deliver solutions that the customer is seeking every day.

Lastly, concerns for environmentally friendly options in the construction industry will push developers to adapt premixed concrete. The advantages that this innovation offers will prove irresistible. Pre-mixed concrete is the future, and I do not doubt it.

### Who are your customers, and why do they come and stick with Rhombus?

Our customers are contractors and developers, be they commercial or those building their own homes. They come to us for two main reasons. Firstly, it's our consistent quality. To ensure quality, we have invested in the requisite technology across all processes, and we source and select our raw materials from the very best sources. We also have the necessary checks and balances, including independent labs, to test every batch that leaves our premises.

Secondly, it's our timely delivery. Over time we have come to appreciate that we are in the logistics business more than anything else. We have the most significant number of delivery trucks and two batching sites, one in Athi River and the other at Ridgeways, Nairobi. That enables us to deliver to sites located further than any of our competitors can.

We keenly listen to our customers and ensure we give them the solution at their pain points. We visit construction sites to understand various customer needs better and identify areas we can improve. Lastly, being a local indigenous company and medium size, we are nimble and agile, adapting our ways to changing customers' needs and the industry.

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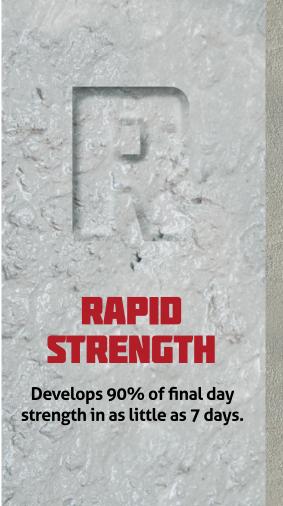
### The Effect of Covid-19

Initially, there was a slow down when the Government enforced the Covid-19 containment measures. The curfew lowered our capacity as we had to work fewer hours to give our workers time to reach their homes in time. The steps also affected our deliveries as we could not deliver at night. However, work didn't slow ultimately as the construction sector is an essential service.

Nevertheless, there was a silver lining for the construction industry. Government construction projects, especially roads, did not stop. Additionally, private developers, especially those putting up residential units, who may have put them on hold now found they had time on their hands, given the lockdowns and curfews, to start new projects, complete stalled works, or carry out some repairs.

The need for social distancing worked out in our favor as the fewer people onsite, the safer it got. Mixing cement onsite requires many people close together, while our product eliminates that need. We, therefore, witnessed an uptake of premixed cement for that reason too.

I must add that being a socially







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responsible firm; Rhombus ensures that all our workers, whether on our site or when delivering to a customer, follow all the set Covid-19 protocols.

### Challenges

The challenges we face can be divided into four varied categories. Firstly, those faced as a startup, secondly, people issues encountered by SME's in a new sector, thirdly, those of a pioneer investor selling a new idea or a concept, and fourthly, the perishability of our products. I must point out that these are intertwined. As a startup, we faced the challenge of raising the necessary finances. The pre-mix sector is capital intensive and requires investment in trucks and space (land) for the site and the equipment. We started by leasing the area and buying used mixer trucks from the UK. We then put up the batching plants and other necessary services such as water and electricity. Purchasing raw materials such as sand, cement, and ballast is expensive. When we began, suppliers required upfront payment as we had not developed the necessary relationships to get credit facilities. That called for a fair amount of cash flow, and we had to take loans which we struggled to pay as our customer base was still tiny.

The second challenge is that which faces firms offering a relatively new idea. Premixed concrete, though very popular in developed markets, is rather a new thing in this region. So getting the right people with the necessary skills is difficult. So, we had to hire staff for attitude and train them. That is expensive and slow in an industry where speed and accuracy are critical pillars of success. These two people-related issues have slowed building capacity and scaling.

Thirdly, as with any innovation, acceptance takes time. We, therefore, have to educate potential customers on what we offer and the advantages derived. Uptake depends mainly on the market being clear on the benefits they are getting. Most of our potential customers are sticking to the traditional ways of doing things. That slows the sector's growth and puts a cap on how first we can scale our business. But we are privy to the fact that we shall bear the more significant portion of educating the customer as market leaders and do not shy from it.

The fourth challenge is the common congestion on our roads, heavy daytime traffic as it were. Our product is perishable and should be delivered to the site within 3-4 hours to maintain its desired quality. We try to overcome this by transporting at night or public holidays when traffic is light, but most sites may not work in such periods.

### Marketing

Marketing our product to ensure customers understand what we offer and our unique proposition, as earlier discussed, is fundamental to our success. Some of the targeted ways we use to market our product are to attend construction exhibitions and partner with BURAX - Board of Registration of Contactors - where we train contractors on the advantages of ready-mix concrete and why Rhombus should be their preferred partner. We also give out marketing collateral to the relevant target audience at appropriate forums and venues.

### **Our Competitors**

Our main competitors are Bamburi Cement, Alliance Concrete, Warren, and Sidai. But our most significant competition is the on-site traditional concrete mixing. We must never lose sight that we are competing against a long but outdated concrete mixing tradition that is a hard nut to crack as change takes time. Though we are the market leader, due to having the highest capacity and market share, we must not rest on our laurels or be satisfied as championing this sector's growth falls squarely on us.

### Dealing With Impact on the Environment

As a matter of cause, the construction industry impacts the environment in two ways; dust and waste. By delivering ready-made concrete, we reduce the number of sites that mix individually, thereby reducing the environmental

emissions that each site contributes. Secondly, we have a state-of-the-art plant that recycles most of the waste for re-use. Our products and processes go through rigorous testing, with approvals from KEBs and other relevant industry regulatory bodies to ensure minimum impact on the environment.

### Corporate Social Responsibility

We are conscious that though we are a young company, we must give back to society in whatever measure we can. To this end, we have a Children's Home we support in Githurai, Kiambu County. We are working on a more strategic CSR program to benefit more people, especially those left behind by the vagaries in society.

### Lessons to Those Looking To Be Entrepreneurs

If I were to advise those looking to embark on this arduous, challenging, but exciting, and rewarding journey, I would tell them two things based on my experience. Firstly, business is not for everyone, and it's ok to be employed as long as one contributes in the best way they can. The desire or

itch to be an entrepreneur also starts early in one's life. It was the need to be independent, control, and not depend on anyone to determine my personal growth and destiny, which drove me to business. I recognized this way back when I was at the University. I found myself being motivated and drawn to those running their businesses. My curiosities led me to read articles on entrepreneurship which I printed and filed.

Secondly, I would tell them that knowledge is critical. Before diving in, one should search for as much information as possible, not just about the industry of interest but also about running a business generally. How are the most successful companies run? What are the critical pillars that determine their success? What pitfalls should one avoid? For example, if one wants to start an accounting firm, find out through reading or talking to those in the industry how the best accounting firms are running. Better still, work for one before launching yours.

### My Legacy

I want to be remembered as someone who played a critical contribution to improving the construction industry through premixed concrete. I want people to look at what we have done and believe that a local indigenous Kenyan can do it. I want to break the perception that we cannot make it on our own. I want to give people the confidence and grit that, armed with courage, tenacity, desire, and relevant knowledge, you can build a homegrown business from scratch. I want the next generation to know that business is not only about the things I have talked about, but one must also embrace discipline, consistency, and the ability to make the right decisions most of the time. Above all, they must be guided by integrity and doing the right thing. Our dreams are indeed valid.

These are excerpts as recorded by Marketing Africa Crew from the conversation with Mr. Solomon Wangai, Founder & Chief Executive Officer, Rhombus Ready Mix Concrete. For more information or comments drop us a line on: Info@marketingafrica. co.ke.

