Connecting the dots...

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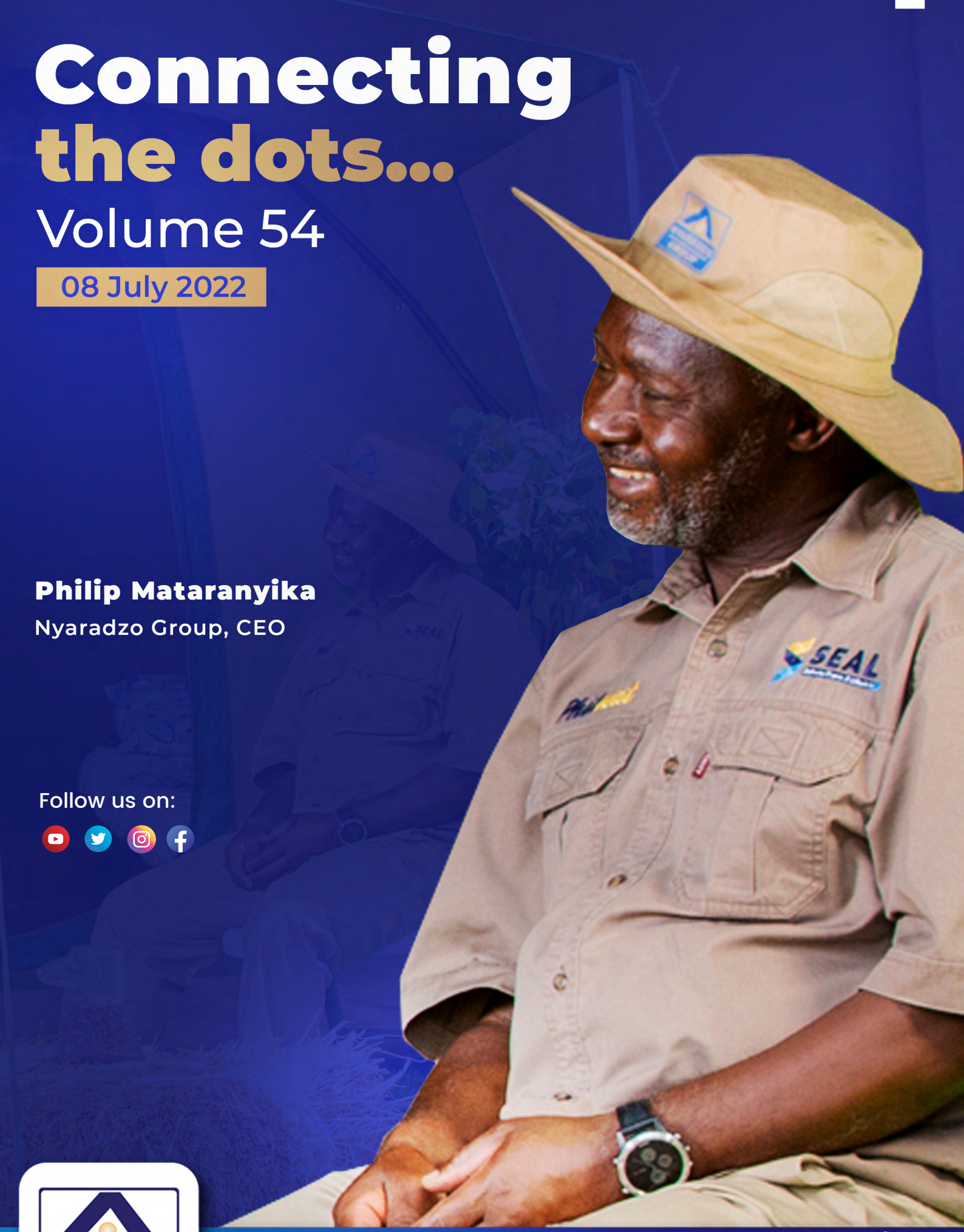

Philip Mataranyika
Nyaradzo Group, CEO

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Service • Strength • Solutions

Strategic positioning and business development....

After opening our doors to the public in March 2001, the three years that followed exceeded our expectations, all-round. Our Agents and Sales Representatives were kept on their toes as the market responded overwhelmingly to our products and services.

I felt vindicated for having invested in robust operating systems to support our finance, administration, sales and marketing efforts. Regardless, we still needed to do more! At inception, we did not have a funeral parlour of our own and had to rely on competitors for service provision. We did not think it was sustainable to outsource such an essential service in the long run, especially when our business model and unexpected growth threatened the established order. Relying on competitors would also not go down well with our increasing client base who would naturally expect from us, service standards consistent with our promise. Otherwise, what was the point of signing up with us if the services we promised were to be farmed out to and provided by our competitors who already had both the products and infrastructure? We did not have control over the standards in service provision once the remains of a deceased were in their custody, so we had to move fast to stem the tide and control the service value chain.

We had to take the business beyond pre-need services that we were offering in the form of funeral plans and move with haste towards the creation of end-to-end services, beginning with at-need services, which is when clients require funeral services.

In those early days, we were already planning on offering other unique and bespoke services that others considered impossible once our financial position got better. The wish list included such services as camping tents, beds, lighting towers and generators. We were talking even during those early days about offering such services as Counselling for bereaved families. Because the burden of loss can be so overwhelming, we imagined supporting families with grief management services.

We also talked about investing in parks and cemeteries. While most of what we planned to do back then has since come to pass, we still have a few more things to do as the business continues on its journey towards meeting customer needs.

Convinced that our business was now in a strong position to support an investment in a funeral parlour through debt financing, which was to be supported by our positive cashflows, we put out word in the market that we were on the lookout for premises suitable to establish a funeral parlor to buy. Margot Kenee, a friend whom I had met in 2000 when she was a Real Estate Agent with Fox and Carney Real Estate, did not waste time putting out feelers for us, and in no time, she had found a client who was selling Number 116 Herbert Chitepo Avenue.

This was during the period when there was a mass exodus of particularly former white commercial farmers to the diaspora triggered by the land redistribution programme, spearheaded by former liberation war fighters to redress the land imbalances created during our colonial past. The land reforms which started in 1999 and heightened in 2000, were often violent, forcing a significant number of the former white farmers to relocate into the diaspora, in fear for their lives. As a result, the real estate market was flooded with properties for sale, and we saw it as an opportunity for us to drive a hard bargain to capacitate our funeral services unit, which was desperately in need of a funeral parlour. Because Margot understood the property market like the back of her hand, and also due to her exceptional selling skills, not many property deals escaped her.

I had met Margot through Stuart Robertson who worked for Nyaradzo back then as an Agent. It therefore was Stuart who reached out to Margot when we were in the market looking out for a property to buy. The two of them would start negotiations leading to the acquisition of Number 116 Herbert Chitepo Avenue. By the time I came in to conclude the deal most of the terms of purchase were pretty much set, resulting in the purchase of our first business premises. We celebrated the acquisition as we thought that it was the break we needed to establish our first services centre. Our reasoning was buying the property 116 Herbert Chitepo, a block away from the Doves services centre at 120 Herbert Chitepo, would not present us with challenges to convert the premises to a funeral parlor. We kept our fingers crossed throughout the negotiation and acquisition process thinking the change of use process would be smooth, little did we know that the City Fathers had other ideas; they would flatly refuse to grant us a Change of Use Permit, which would have allowed us to convert the use of the building from an office to a funeral parlour.

One of the reasons they gave was that there were too many funeral homes along Herbert Chitepo Avenue, which I considered not to make sense.

Back then, Doves had four funeral parlours within a kilometre radius in Harare, which Newton Madzika who by now owned Doves thought was an overkill on the part of his predecessors, the Hammer-Nel family. Mashfords was also within that orbit. Despite the setback, we were happy to keep the asset. Our relationship with Margot would grow stronger as she pointed us to more property owning opportunities.

Born Margot Patricia Watt in Harare on the 16th of September 1958 at the then Lady Chancellor Maternity home, which became Mbuya Nehanda Maternity Hospital at independence, Margot had attended Eastridge Junior School from nursery school (then known as KG1) to Standard Five between 1964 and 1970. She then attended Roosevelt Girls High School from 1971 to 1975 where she attained eight "0" Levels and three "M" Levels, all written through Cambridge.

In 1976, Margot attended the Executive Secretarial Course at Speciss College where she attained various Secretarial qualifications. From there she went into a career in the insurance industry, starting out as an Insurance Underwriter before joining one of Harare's insurance brokerage companies. This was from 1977 through to 1984. Margot would change careers after 1984, becoming a commission-only Sales Representative with Directory Publishers for whom she worked for ten years until 1994.

In the intervening period, she married Phillip Stephen Kenee on the 13th of June 1987. The couple were blessed with three children, Roxair Margot, Shawn Stephen, and Ty Jason, before going their separate ways in January 1999. From 1997, Margot switched to the Estate Agency industry, becoming a registered Estate Agent in 2002. She started her own Estate Agency in October 2004, naming it Property Link Estate Agents, which she is still running, along with her fellow Director. Sixteen years after establishing Property Link, Margot got remarried to Rory Kenneth White on the 27th of November 2020.

Together with her friend, Ruth Dewhurst, they regularly played golf with Stuart and my brother, Donald. Margot and Ruth would become familiar faces at Nyaradzo's early social events, cheering us to press on in our humble beginnings.

We have kept Number 116 Herbert Chitepo Avenue as one of our properties to this day even if we didn't use it for the intended purposes at the time of purchase. I am forever grateful to Margot for alerting us to this and other property opportunities.

As we were licking our wounds after our application to convert 116 Herbert Chitepo Avenue into a parlour was turned down by council officials, my good friend Newton Madzika would come to our rescue when he offered to sell Number 120 Herbert Chitepo, which was one of their parlours in Harare to us. I had known Newton from way back when he was one of my clients when I worked for Old Mutual. Back then, I would share with him my dream of investing in the funeral assurance and services industry, of which he had expressed willingness to form a partnership, with him being an investor while yours truly was to run the business.

When the opportunity to buy Doves was presented to him by the Hammer-Nel family, Newton had grabbed it with both hands. Soon after, he would call me to a meeting with an offer for us to be partners in his new venture, as we had discussed before. By that time, I had already set up Nyaradzo, which I was running. In negotiations, Newton would advance the argument that it would be better for me in the long run if I became partners with him since we would benefit from taking over an established business and brand. We disagreed on the terms and structure of the partnership resulting in us not consummating the deal.

Even though we had not agreed on a deal making us joint owners of Doves, Newton never regarded us as a rival which needed to be stopped in its tracks. If anything, he believed that the market needed more players to cater to the varying tastes and needs of customers.

Once in the driving seat running Doves - which at the time operated over twenty-five parlours countrywide - Newton called me to meet with him at his offices, wherein he offered to sell us 120 Herbert Chitepo; one of Doves' funeral parlours in Harare. As part of his streamlining of the business, he had already sold off their Crocker Brothers brand in Bulawayo to concentrate on their other parlours in the second city. We quickly grabbed the opportunity with both hands, arranging a credit facility with our bankers to acquire the property. In no time after completing the acquisition transaction, we had title deeds to 120 Herbert Chitepo making it our first funeral parlour.

I kept contact with Newton who, for the longest time was my sounding board on issues relating to the funeral assurance and services industry, until he sold the business in 2009. Before entertaining other suitors when he decided to divest, Newton had first offered Doves to Nyaradzo for a purchase price of ZW$6 million. After we had done our due diligence, we decided against pursuing the transaction, preferring to grow the Nyaradzo brand organically.

When we did the 120 Herbert Chitepo property acquisition transaction, interest rates were affordable making it possible for us to do the transaction through debt financing. Soon after there would be a new sheriff in town in the form of new Central Bank Governor, who would allow the cost of borrowings to go through the roof. Doctor Gideon Gono, who had been appointed Governor of the Reserve Bank of Zimbabwe (RBZ), would come up with what he called extraordinary measures in his desperate attempt to tame inflation and stabilise the exchange rate both of which were raging like a bull. Among the measures he implemented was the increase in interest rates by a very wide margin in a bid to discourage speculative borrowing, resulting in our initial debt of ZW$800 million escalating to ZW$8 billion within months if not weeks!

By the stroke of a pen, Nyaradzo was insolvent as we could not service interest payments, let alone make meaningful repayments towards the capital amount. In an attempt to save the business from collapsing under the weight of the suddenly huge debt, I immediately sought refuge from Old Mutual! By now Nyaradzo had grown its fleet of buses to ten, some of which were already contracted to transport Old Mutual staff from town to their offices in Emerald Hill.

In my wisdom or lack thereof, I saw it as an opportunity for us to negotiate a bailout package leveraging our buses. We, therefore, pushed for a deal whereby Nyaradzo would sign an annual bus provision contract with Old Mutual so they could pay us a discounted annual fee upfront in the hope that the deal would help us settle our ballooning debt.

For several months, Old Mutual had appeared interested, stringing me along, requesting for this and that security, including title deeds to properties we had acquired. Caught between a rock and a hard place, I obliged, thinking we would get a breakthrough. But right at the dearth, they would tell me that it was not possible. I was distraught.

Despite going down on my knees in tears begging for relief, Old Mutual would have none of it, which was probably the lowest point in my life. I had to dust myself up and look for alternative sources of funding, which was not easy given the uncertain operating environment at the time.

A few months later, the heavens would smile on us when I structured a deal with a related party that got us out of the woods and gave Nyaradzo the much-needed relief. From then on, we never looked back.

Months before the interest rate debacle that almost brought us to our knees, we had done another deal with Margot Kenee, buying 18 Park Street, in a transaction that made headlines, with the Financial Gazette's Givemore Nyanhi breaking the story in their issue of the 19th of December 2003.

The year was 2003, when we purchased the four-storey Sabi House in Harare's central business district (CBD), which resulted in our relocation from Livingstone House. While there are no records to explain why the building, which sits on nearly nine hundred square metres was given that name, my thinking is that it could have been named after the largest inland river in the country, Save River, which flows through Mozambique into the Indian Ocean. The river, which is more than four hundred kilometres long and is a water and food source for many families, was originally called Save but the colonists corrupted it to Sabi, before it regained its original name after independence.

While several myths have tried to explain how the Save River came to be, my favourite is the story I grew up hearing about how a princess was greatly saddened by a drought that ravaged her land after her brother and his people settled in the Save Valley. It is said that the princess sacrificed her life and from her grave emerged Mutsave or perpetual moisture and, with it, the great Save River. It is thus said that Save is a shortened version of Mutsave, the original name of the river.

Another theory is that the name Sabi was corrupted by the colonists from shave or shavi, meaning "an alien spirit" or the fruit of the Rhodesian fig tree. As per their tradition and culture, colonialists used to name land, houses, roads and other infrastructure after natural geographic places, great people or places from their countries of origin.

Otherwise known as Number 1432 Park Street, Sabi House was first registered with the City Fathers in 1897, although it eventually came into existence in the early 1930s. The building was constructed by Park Street Investments (Private) Limited, a company owned by a Jewish realtor, H. Cohen, who was probably a descendant of the first Jewish settlers who came from England and Lithuania, via South Africa, to settle on this part of the African continent from as far back as when the first whites came into the country in the 1890s. Later, the Jews would pour into the country from the Aegean Island and from the then Belgian Congo. By 1900, Bulawayo had three hundred people of Jewish descent while Salisbury had about seventy.

The Jewish population would from then on grow, primarily due to the immigration caused by the anti-Semitic movements that were rocking Europe during that period. And when Thomas Ross helped with designing Salisbury's original layout of over two thousand four hundred stands after the settlers moved in, late in the nineteenth century, the Cohens were amongst those who seized the opportunity to invest in real estate. The settlement, named in honour of the then Prime Minister of Britain, Lord Salisbury, grew into a town, and in 1935 it was granted city status. Two years before Salisbury gained this status, Sabi House was constructed by W. Law and H. Law between February 1933 and March 1936 at a cost of £1,350, which was a lot of money back then.

Back then, Sabi House was meant for residential purposes only, catering for mostly bachelors and spinsters who worked in the CBD. In 1973, H. Cohen would apply to the city fathers for a change of use to offices, with NYK Construction being given the mandate to do the conversion. A year later, Gyron Construction would be asked to add shops to the structure, with Neon Sign Craft doing the signage. The change of use was perhaps in response to the growing demand for retail space within central Salisbury and the geo-political dynamics that were at play at the time.

This was the period when Southern Rhodesia officially joined World War Two in 1939 on the side of the allies, in what changed the face of the city. At the time, Southern Rhodesia's financial and military policies saw major changes to accommodate this war. Most importantly, the industrialisation process was fast-tracked to cater for markets that could no longer produce certain goods due to the disturbances caused by the war.

The country, especially its capital city, saw major economic and infrastructural developments, which continued post-war as there was a lot of immigration. The city's location and climate in the 1940s attracted the Rhodesian Air Training Group programme, which trained 10,000 airmen from the Commonwealth and allies. The programme also brought in a lot of manufacturing and services that had been lacking in the 1920s and '30s, as well as a wave of immigrants. Due to the weather and economic prospects, Southern Rhodesia was the place to be. The CBD became more structured as the town was further demarcated for commercial and residential use with most of the whites venturing further into the northern suburbs like Alexandra Park, Emerald Hill and Highlands. The city centre was left mainly for business premises.

With the end of the war, Southern Rhodesia did not stop in its expansion. The CBD was by now clearly defined with a number of prominent structures, which still stand to this day. This was probably because Park Street was proving to be one of the sought out streets in Southern Rhodesia. In 1958, one of the oldest and very significant buildings in Zimbabwean history would grace the street as the famous Jameson Hotel, famed for its hospitality extended even to the non-European population at the time. Park Street is one of the oldest and central streets in the capital.

The street name, Park Street, was probably another reminder of the settlers' home country, Britain. It was the norm at the time to name most places and roads after famous places in the United Kingdom. A Park Street exists in most British former colonies including India and Australia. This explains why places such as Belgravia, and roads like Cambridge are found in present-day Harare. Our head office has since moved next door to Park House, which we acquired not so long ago in a dilapidated state and had to do extensive renovations before moving in.

The five-storey Park House now rises majestically into the sky after we turned it into a 21st-century property befitting of our head office. The 2500m² building, which is next to our Sabi House has been spoiled with an aluminium flash glazing façade on the front elevation with the other three sides completed with matching diamantine wall finishes, giving the old building a complete makeover. The interior has been superbly designed, combining natural and mechanically designed ventilation. The boardroom on the fifth floor is arguably one of the best in the country and matches international standards.

Records show that Park House was first registered in the Salisbury council books on the 11th of September 1927, under a company called Forest View Investments (Private) Limited, owned by one Joseph Cohen, who must have been related to H. Cohen. Joseph Cohen would contract Wilson and Soroley to build the first Park House for domestic or residential use in 1927 at an estimated cost of £1145. Significantly, with the city's changing face, Joseph Cohen also successfully applied for change-of-use to meet the growing business demands in the city.

The histories of Sabi House and Park House have always been entwined; hence it was with great pleasure and satisfaction that we became owners of both properties. In between those purchases, we have made significant investments in land on which we have developed some of the most amazing infrastructure that have positively transformed the real estate profile of towns and cities in Zimbabwe, while also demonstrating high regard for our customers.

Driven by the desire to bring Nyaradzo's products and services under one roof and closer to the customer's doorstep, we have rolled out composite purpose-built service centres across Zimbabwe. The feedback from our clients has been positive and inspiring. For customer convenience, we have constructed new service centres in Harare, Bulawayo, Mutare, Masvingo, Chitungwiza, Redcliff, Chiredzi, Mhondoro-Ngezi, Beitbridge, Marondera and Rusape. We also have fully resourced service centres in Zvishavane, Chinhoyi, Gokwe, Kadoma, Mutoko, Mt Darwin, as well as administrative offices in most major economic centres in the country.

In Harare, our Willowvale Service Centre, located in the southern district of Harare, brings added convenience to our clients who live in the southern suburbs. Still in the capital, we have also built our model Sahwira Events and Lifestyle centre along Simon Mazorodze Road, an archiving unit along Mbuya Nehanda Street, and a mobile equipment marshalling yard on Strachan Road in Ardbennie, Waterfalls district. In Chitungwiza, we constructed a magnificent service centre incorporating offices, a funeral parlour, and a storage warehouse, as well as banking facilities. The centre deserves special mention because of the engineering ingenuity that went into its design to ensure minimum environmental disruption. As the area had been previously impassable, a lot of design thoughts were put into consideration to drain away ground and surface water and co-exist with the ecosystem.

The project is a double-storey structure that provides floor space of approximately 2647m², office space and storage facilities. The design goal focused on creating a structure that is environmentally and user-friendly, warm, welcoming and approachable for families while at the same time making it efficient. The building has two floors with an open floor plan which is key in today's modern design technologies. A multipurpose open floor plan makes the space within the building both comforting for bereaved families and efficient for users. When at the facility, mourners can easily forget that their primary purpose of being there is to mourn a dear departed, so comforting starts right here.

Natural light was an important part of the design concept to facilitate openness between the building and the environment it is set within. The design engineers kept energy costs and the need for artificial lighting at reduced levels by implementing an effective combination of natural light, the inclusion of plants and solar shield glass to filter solar heat. The rooms have expanses of glazing that open up to the outdoors, enabling sufficient entry of day-light, while carefully placed indoor plants ensure fresh and cool air for the indoor climate. The homely colours selected were also key in creating a sense of warmth, calm and a serene environment.

The rolling out of service centres is not focused on Zimbabwe alone. We have also made investments beyond our borders, where we have set up state-of-the-art infrastructure in South Africa and the United Kingdom (UK). In South Africa, we are located in Randburg, with the structure housing a chapel that has a seating capacity of 150 people, consulting rooms and a mortuary. Similarly, in the UK, we have put up a structure housing a chapel seating up to 125 people, consulting rooms, a mortuary and a refreshment hall in Letchworth Garden City.