

#weDream #weChase #weLocomute

 By Cari Van Wyk

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In June 2015, Ntando Kubheka, CFO and Tumi Marope, CEO, launched [Locomute](#), Africa's first car sharing network. The co-founders met in an MBA class at the Nelson Mandela Metropolitan University Business School. After receiving positive feedback from lecturers, fellow classmates and industry players, what started as an MBA project they needed to complete to develop a disruptive business plan for their final year module in 2014, soon turned into a legitimate business.



Ntando Kubheka

They invited their two partners, Sibusiso Xaba, executive chairman and Vuyisile Majola, COO, to join the venture. "They bring with them skills that complement ours and add value to Locomute's operations and strategy as we move forward," says Kubheka.

We asked Kubheka to tell us about the Locomute journey, the challenges and the process that makes an innovative transport solution.

Why are companies like Locomute important? How are you changing the industry?

Ntando Kubheka: Car sharing helps reduce congestion and pollution. Replacing private vehicles with shared ones directly reduces demand for parking spaces. The fact that only a certain number of cars can be in use at any one time may reduce traffic congestion at peak times. Even more important for congestion, the strong metering of costs provides a cost incentive to drive less. With owned vehicles many expenses are sunk costs and thus

independent of how much the car is driven (such as original purchase, insurance, registration, annual licensing and some maintenance.)

Car sharing options like Locomute in SA, Zipcar in the US and UK and Car2Go in Germany and the UK, reduce driving in the same way as cabs and ride-hailing services like Uber: by enabling people to get around easily even if they don't own a car. For every vehicle that is used in a car sharing fleet, automakers will lose 32 vehicle sales. And if you don't own your own car, you won't take so many car trips. When you have to drop R300 on an Uber or a Locomute rental, you will stop to ask yourself whether this trip is really worth it - and often you'll say no.

Providing these alternatives is essential to expanding car-free living in areas that are a little less dense and centrally located than, say, Sandton. A lot of people occasionally need to use a car, but with the advent of Locomute, they no longer need to own one.

▣ *What has been the biggest challenge so far?*

Kubheka: There have been several challenges, however, launching a multi-million operation on a shoe-string budget has by far been the biggest hurdle we had to overcome. We have had to continuously find ways to make things work in order to keep the lights on. It has been very tough but life has thoroughly trained us to be resilient and keep going despite fierce challenges.

We never really grasped how expensive running a business could be. This brings us to the issue of cash flow in a business. There is a saying that goes; "Revenue is vanity, cash flow is sanity, but cash is king." This means that whilst it is good to meet sales targets in growing revenue, the most critical thing in a business is cash flow. There is a continuous need in a business to fund immediate needs like rent, salaries, suppliers, etc. which a business cannot function without. We have had to deal with these challenges on a daily basis and keep afloat whilst we persistently create new ways to acquire new customers.

▣ *What has been the biggest highlight for Locomute?*

Kubheka: Locomute's biggest highlight has to be the kind of growth we have enjoyed over the last seven months since our launch. We launched with six vehicles and today boast of running a fleet of over 250 vehicles. We have also enjoyed support from our media partners and corporate clients alike because of the well-sculptured set of mobility solutions we provide, crafted and tailored for each of our customers' individual needs.



▣ *How successful has the project been to date?*

Kubheka: The project has been successful and many of the pessimists who believed that car sharing would not work in an African context and setting have been proven wrong. The belief that security would be a major issue for our assets which literally live on the street night and day and are exposed to abuse and criminality has diminished. We, like the late Steve Jobs, believe that, "As individuals, people are inherently good. I have a somewhat more pessimistic view of people in groups and I remain extremely concerned when I see what's happening in our country, which is in many ways the luckiest place in the world. We don't seem to be excited about making our country a better place for our kids."

▣ *What role does design and creativity play in the company?*

Kubheka: Design and creativity coupled with a good dose of risk management play a major role in our business. Our regular design and creativity sessions create the ability for us to come up with new and different viewpoints on a subject.

We use these sessions to break down and restructure our knowledge about the subject in order to gain new insights into its nature. We spend hours in this process and which normally results in a decision to go ahead and design new products on top of our base product on an ongoing basis.

We have recently designed a new product we call Varsity Rides which is purposed to make available mobility for the youth segment of our society. We move from a premise that access to mobility is a basic human right and should be made affordable and accessible without much capital outlay. This product, for example, has been priced at R899 which buys the student 30 hours of driving on a maximum of two hours per day which include all maintenance costs, insurance, licencing costs and fuel.

■ ***How do you keep the creative juices flowing and innovation going?***

Kubheka: At Locomute imagination is everything. We have a hashtag that goes with all our social media posts #weDream #weChase #weLocomute. This is the exact spirit with which we tackle every day at Locomute.

■ ***What do you see for Locomutes' future?***

Kubheka: Locomute is likely to grow into a sizeable player in the mobility space in South Africa and beyond. We are ready to move the envelope through the introduction of person-2-person sharing and driving our rest of Africa strategy using that approach.

ABOUT CARI VAN WYK

Cari Coetzee is a contributor to Bizcommunity Tourism, Agriculture and Lifestyle.

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