

# Mineral Transport Services – VFA Finance story

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**“It’s easy, because they know the product. They’ve got skin in the game.”**

*Nick Giannini’s business has grown at the rate of about one truck per year. And he reckons that paying them off fast saves him hassle and gives him plenty of options.*

It’s been nearly five years since Nick Giannini established Mineral Transport Services in February 2013. Since then the Sydney-based company, which has its depot for its growing fleet of five trucks at Port Kembla, has achieved a steadily growing base of customers.

The company transports for a number of well-known names across Sydney and the Illawarra.

“We carry coal out of Westcliff Colliery, we do shredded steel from Blue Scope and we transport gravel around the South Coast. We are doing the West Connx at the moment,” says owner Nick Giannini.

The fleet consists of four Volvos and a Mack, two of them with a quin dog trailer and three with a quad dog combination.

With a background in transporting building supplies, Nick spends most of his time these days looking after the administration and customer care side of the business, while a manager looks after the driver and maintenance needs of the trucks.

Getting a handle on the businesses finances is one of the keys to his growth. Nick’s conservative financial approach has meant that he is able to call the shots at the end of a finance period.

“We’ve always paid the trucks off as quickly as possible. We’ve always had the trucks at four years-zero and the trailers at five years-zero. I’ve never had a balloon on any of the finance. You don’t want to be stuck with fifty or sixty grand to pay when you want to try and move the truck on,” he said.

After all, Mineral Transport Services work its fleet of trucks hard. Each truck clocks up a high number of kilometres during the financing period, and it’s around the three-year mark that Nick starts looking at his options.

“That’s why I took the higher payment for the shorter term. Within three years, we put big kilometres on them. Those Super-Liners? We put about 850,000 kilometres on them in that time,” Nick says. “When I come close to that three-year mark, I’ve got a lot of options. I don’t owe much on the truck. I can either sell it to someone a bit cheaper or trade it in. I’m not too worried about getting maximum trade dollars.”

In fact, convenience is very important to Nick.

“I just don’t like having a truck for sale for two months with 30 phone calls from 30 tyre-kickers. I just don’t have time for it. A truck is a truck. How much can you tell people?” he says.

Nick says that his choice of using Volvo Finance, which deals exclusively in trucks and trailers, was partly driven by the fact that they know the industry and have some “skin in the game.”

“It is easy dealing with Volvo Finance, because they know the product. When it comes to refinancing and trade-ins, they’ve got skin in the game. They’ll be financing the new ones, so trading it in becomes more of an option with them. They have finance in the old vehicle and finance in the new vehicle.”