

From wheelbarrow deliveries to SABS-accredited workshop

16 April 2019: An entrepreneurial journey is often not an easy one. This is reflected in the 2018 Global Entrepreneurship Index, which reveals that only 15 percent of South African start-ups are successful, despite the country ranking second in Africa for the quality and dynamics of its entrepreneurship ecosystem.

In light of this, Arnold February, regional investment manager at Business Partners Limited (BUSINESS/PARTNERS), a risk financier that has provided loan finance in over 71,000 transactions since 1981, says that it is important to celebrate the humble beginnings of local successful business owners in order to inspire budding entrepreneurs and show them that growing their business is possible. “For example, our client, OJ Matonsi, made his first delivery of his home-made welded steel window frames in a wheelbarrow in the Tsakane Township in Brakpan. Today, he owns several vehicles and a thriving South African Bureau of Standards (SABS)-accredited window and door frame factory, fitted with the latest automated metal presses and a workforce of 22 people.”

Recalling how his journey started, OJ says that he arrived in Johannesburg in the eighties and was barely literate, having grown up tending his father’s cattle. “I started working as a general worker at a window-manufacturing business and was trained to operate each of the machines, which shaped an intimate knowledge of the entire production process. I then became a qualified welder and was appointed as a production supervisor, but shortly after this, the company unfortunately shut down suddenly.”

Subsequently, in the early nineties, township dwellers began to expand their houses with the promise of gaining property rights and permanence. As such, OJ saw a gap in the market and decided to apply his knowledge of making windows to service the people in his community who were upgrading their properties.

With only a small welding machine and an angle grinder, OJ set to work, and employed local youths to distribute promotional pamphlets and deliver the finished windows by wheelbarrow to his clients. “Due to high demand, I soon found myself supplying a hardware shop with larger orders, but the expansion of my business was severely limited by the lack of three-phase power in my backyard operation.”

With sheer determination and by reinvesting every penny he made back into his business, OJ made the leap from his backyard into formal business premises. “I found a small workshop in a nearby industrial area and hired a business consultant to help me compile a business plan so that I could convince a financier to lend me the money to buy the workshop.”

A state development agency agreed, and gave him six month’s grace to occupy the workshop before he had to start repaying the loan. “The availability of three-phase electricity now allowed me to start looking for proper machinery, and I started acquiring brake presses and metal bending machines to boost my output.”

In order to grow his businesses further, OJ planned to supply the huge government low-cost housing projects, but needed accreditation from the SABS. “After two attempts and having spent thousands in consultants’ fees,

the agency was happy with my production process and product. This opened the floodgates and I had to start turning down orders because I simply did not have enough machinery to carry the capacity.”

Getting finance for machinery proved to be more difficult than OJ imagined, as machinery is movable and therefore riskier for the financier. “I struggled to convince the traditional bankers to give me asset finance to buy more machines, but fortunately, a business adviser pointed me in the direction of Business Partners Limited, which provides finance based on the character of the business owner and the business’ potential, rather than just the assets being financed.

“Once my application was approved, I was able to buy two brand new brake presses, which have contributed to considerable growth of my business. As such, I am now planning on buying new premises,” he says.

OJ’s journey is truly an inspirational one, and although entrepreneurship can be a rocky road, it is possible to grow a successful business in the face of adversity, says February.

“OJ has identified the ideal premises for his business as property which currently belongs to the local municipality and is going to be sold on auction. Although currently out of his financial reach, given his track record, OJ will not let something like that stand in his way,” concludes February.