# How we made it in Africa

JACO MARITZ, 7 OCTOBER 2024

### Three South African factory bosses to watch



Kgomotso Lekola is the CEO of industrial pipe manufacturer BT Industrial Group

These three South African entrepreneurs have navigated the complexities of manufacturing to build thriving ventures, with their products ranging from high-end coolers and industrial piping to innovative pet treats.

#### 1. From idea to reality: The rise of Fieldbar's luxury coolers

With its sleek design and advanced insulation technology, South African company Fieldbar has transformed the traditional cooler box. Its highend coolers are even stocked at Harrods, the luxury department store in London. Serial entrepreneur Lee Hartman first envisioned Fieldbar nearly 20 years ago during a gathering on Cape Town's Clifton Beach. He noticed the poor quality of the cooler boxes being used, which lacked adequate compartments for organisation and were visually unappealing.

To bring Fieldbar to life, Hartman set out to find an industrial designer and discovered Corban Warrington through a Google search. They began meeting weekly at Hartman's house to brainstorm ideas. Eventually, they ran a Facebook survey where participants could vote on their favourite design. "Around 800 people participated in the survey and many were asking, 'Where can we get it?' Once we received that feedback, we knew we had to move forward with production."

Next, Hartman had to find companies capable of producing the specialised equipment needed to manufacture Fieldbar's cooler boxes. These boxes are made by injecting plastic into large steel moulds under high pressure. However, due to their particularly complex design – with straight sides and precise parts – finding companies able to produce the equipment was difficult. Cheaper cooler boxes, by contrast, are easier to manufacture and more forgiving of production imperfections.

Hartman reached out to several equipment manufacturers in China, but most were unable to meet the technical requirements. It took about two years for the company to secure its first samples and transport the custom-made steel moulds to South Africa.

However, when the equipment arrived, the company faced challenges replicating the cooler boxes exactly as they had been produced in China. The plastic available locally differed, complicating the manufacturing process. This setback caused pressure as many customers had already paid deposits for the cooler boxes, but the company was unable to produce them as promised. "That was a very stressful situation," remembers Hartman, "but fortunately, we were able to overcome those problems."

Hartman acknowledges the risk involved in investing millions in custom-made machinery before knowing the exact demand for the product. However, he points out that the initial customer survey provided significant confidence. He also sees the substantial upfront investment as a competitive advantage, creating a barrier to entry for potential competitors.

*Read our full interview with Lee Hartman: From South Africa to Harrods* – *The story of cooler box brand Fieldbar* 

#### 2. The entrepreneur who built a business on plastic pipes

South African entrepreneur Kgomotso Lekola founded BT Industrial Group initially as an engineering consultancy serving the mining sector. Early on, the company became involved in water management projects, a crucial aspect of mining operations, as water must be pumped out of mines and is also required for various processing activities.

However, Lekola faced challenges with suppliers of high-density polyethylene (HDPE) plastic pipes, essential for water conveyance in mining. At the time, both the quality of these pipes and the professionalism of suppliers posed significant issues

Some members of Lekola's team suggested that BT Industrial manufacture its own HDPE pipes. "I was like, 'No, you're mad,'" he recalls. "But then they persuaded me." He and the head of engineering then flew to China to visit several pipe manufacturing machine suppliers. After securing the right partners, the company purchased the equipment and established a small factory on the outskirts of Johannesburg, partly financed through bank loans.

Early on, the company struggled to obtain certification for its pipes. "We were told that it was going to take three months to get the certification that we needed. We believed it. It ended up taking almost a year," Lekola explains. "We had anticipated buying the machine, setting up, then waiting three months before being certified so that we could go into the general market and grow the business. That's not what happened. We had an almost 12-month delay, meaning that we were burning money every month with no ability to sell. Those were proper nightmare times."

BT Industrial managed to win over clients from its competitors by advising them on more cost-effective system designs, which ultimately saved the clients money. Lekola points out that many systems in mines are over-specified. "So when our customers understood that dynamic, it made it easier to sell. It didn't always work. Some people are obsessed only with price, and unfortunately those people I choose not to sell to them because otherwise you end up in the gutter and being a price player."

Today, BT Industrial supplies pipes to a range of industries, including agriculture, bulk water infrastructure, and construction.

Read our full interview with Kgomotso Lekola: The South African entrepreneur who found opportunity in plastic pipes

## 3. How a South African entrepreneur bet big on unique pet treats

The global pet food industry is valued at over \$125 billion, and South African-born Nhlanhla Dlamini, founder and CEO of Maneli Pets, is tapping into this vast market. From its factory in Johannesburg, Maneli Pets produces an innovative range of pet treats featuring unique protein sources like ostrich, venison, crocodile, and fish for both domestic and international markets.

While many entrepreneurs begin their ventures on a modest scale, crafting products in kitchens or backyards, Dlamini took a bold approach. Once he saw a viable market for his products, he decided to go big from the outset by setting up a factory.

"Some advice that I got from a more experienced entrepreneur back when I was starting was: The problems [for] a small business are very much like the problems for a big business ... I'm kind of glad that I've gone big early, even though it has come with a lot of stress," he says.

Raising funds to build the factory was anything but easy, with Dlamini facing numerous rejections. "My hit rate for getting funding is about 2% to 5%." he recalls. Investors hesitated for various reasons. The most common concern was that the venture was in its early stages and carried significant risks. Additionally, Dlamini's lack of experience in operating a factory raised doubts. At the time, exporting pet treats from South Africa was also unprecedented, making it challenging for investors to justify backing the venture. "I think South African investors are pretty risk averse in comparison to what I've seen in Europe and in the US. They'd rather keep their money where there's a safer and shorter time horizon to them getting a return, versus what I've seen in the US – investors are willing to take big bets on really risky projects because they know that the pay off could be really handsome," he explains.

Maneli Pets eventually secured funding from South Africa's Industrial Development Corporation and the Department of Trade, Industry, and Competition's Black Industrialist Scheme, allowing the factory to be commissioned in 2017.

Watch our full interview with Nhlanhla Dlamini: South African entrepreneur competing in multi-billion dollar pet food industry TAGS: BT INDUSTRIAL GROUP, FIELDBAR, KGOMOTSO LEKOLA, LEE HARTMAN, MANELI PETS, NHLANHLA DLAMINI