

# Taking a leap of faith into the world of entrepreneurship

John Magubane had moved from his home in Umzinto, a medium-sized township in the South Coast of Durban, KwaZulu-Natal for work, and tired of the daily grind of a truck driver, he dared to believe that there had to be more waiting for him. So he took a step many dream about but fear and left it all to open his own business.



John Magubane

“It was about trying. I thought that maybe if I started my own business I could make a better living,” he says.

Magubane tried many things that didn’t work out, including opening up a truck shop. It was only when he was delivering goods for hardware and furniture shops, which he still does, that the idea to manufacture building blocks in his backyard struck him. In 2003 he took his savings and Magubane’s Block Yard was born.

Being your own boss takes things to a new level. Operating from 7am, seven days a week means Magubane is never off the clock. After four years of sweat, dedication and struggling with the constraints his small backyard put on his business’ growth Magubane moved to his current location in Pinetown, KwaZulu-Natal.

Things were going well for him and his nine employees but the increased demand resulting from the increased visibility of

the new location was more than his single block making machine could handle.

Operating as a micro informal enterprise is challenging as the sector does not receive sufficient attention, access to funds and effective business development services.

This gap is what the Jobs Fund and Project Preparation Trust of KwaZulu-Natal's (PPT KZN) Informal Economy Support Programme (IESP) is working to address. The programme offers customised business development services and funding to this marginalised sector.

It was in January 2019 that Magubane's Block Yard joined the IESP and since then things have significantly improved. To capitalise on the increase in demand Magubane was encouraged to purchase a second block making machine from his savings. He was also awarded a micro-grant of nearly R22,000 to purchase another three machines, significantly increasing his production capacity.

"With the new machines, I can say that the quality and quantity of the blocks has improved. The workload grew which led to me employing more staff," says Magubane.

The enterprise created an additional 18 jobs ranging from sand sifters to an administrator. Staff are hired from the neighbourhood and working their way up the ranks is based solely on the interest to learn that they show.

The enterprise was formally registered in March and with that came the call to build an office on the premises equipped with two desktop computers. It also boasts offtake agreements with three large hardware stores which provide it with additional and regular income.

To enable him to cope with the business expansion and improve management efficiency and controls, Magubane and his wife have received training and support to strengthen business systems and record keeping.

"What I like about PPT is that if I listen and implement the advice I get, I can see the difference it makes to my business," he says.

With business doing so well due to more private customers ordering large quantities from as far as 70km away, Magubane needs additional block making machines and another truck. This will also help him unlock larger orders from the current hardware customers as well as secure a contract with hardware chain Build It.

It wasn't that long ago that Magubane was struggling to make deliveries with a small van. He managed to save R40,000 to purchase a second-hand truck he used this as deposit, with an agreement to pay the balance in R5,000 monthly instalments. Debt adverse Magubane had paid an additional R30,000 within three weeks and he is now enjoying being debt free after settling the R5,000 balance.

The increased demand from private clients is growing due to word of mouth but limited capacity is resulting in the loss of potential income.

"Losing one customer is like losing 10 because that one customer I get will bring me more," he says in despair.

This is the reason why he built a new house on the premises, ensuring that he is always available for new business, even if it's a quick chat at 10pm through an open window.

Appreciative of the assistance he has received from the Jobs Fund-supported programme, Magubane warns against easing your foot off the pedal and being too comfortable simply because you are getting help.

"Relying on someone else is not the same as relying on yourself because there is a big danger of slacking," he says.

Another grave concern for him is succession planning.

“It worries me that business is growing and there will come a time when I must retire or the Lord takes me but there isn’t a single one of my children that is showing an interest in the business,” laments Magubane, his mood suddenly growing as grey as the sky outside.

He and his wife have five children between them, one of whom is a carpenter, and he jokes that she must now give him a successor.

For a man who left a secure job to start a business with no previous background in the product he is manufacturing and motivated only by the hope of making a better living, Magubane is proud of the fact that his staff is happy and earns a decent wage.

Looking to the future, the IESP has facilitated training to improve the strength and quality of Magubane’s blocks so he can stand a fighting chance to supply more hardware. Most importantly Magubane and his wife are hoping to grow their family so this dream and sense of independence do not end with them.

The Economic Reconstruction and Recovery Plan, presented by President Ramaphosa in Parliament on 15 October 2020, highlights that, amongst other interventions, a focused manufacturing programme will be implemented to improve the participation of SMMEs in the manufacturing value chain. One of the main objectives of this programme is to significantly increase the involvement of township and rural enterprises in these markets. Intermediaries such as the Project Preparation Trust are critical in providing support to township enterprises; they bridge the gap between exclusion and meaningful participation in the economy.

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