

STAINLESS steel

Second Quarter, 2014



the history of **3CR12**

The first utility ferritic stainless steel



company
profile
Specialists in stainless steel gutters



Sello's Gutters™
manufacturing



Sello's stainless steel fascia and downpipe and pictured right a seamless stainless steel gutter

The man at the helm of **SELLO'S GUTTERS** proves that determination is key to success as his stainless steel rainwater and guttering company grows from strength to strength

One man's improbable idea launched an empire

Sello Senyatsi is a man with vision. He owns a fabrication business that produces a unique stainless steel product, with a growing network of accredited installers that is currently 160 strong. And all of this was built on the back of an idea he was repeatedly told would not work.

Humble beginnings

Senyatsi's path to success began in 1996 when his brother helped him land a job as a metalworker for a steel fabricator run by one Gerhard van Schalkwyk. Much of their work was fabricating bain maries and industrial cookware for the catering industry.

Senyatsi had never bent steel before, but he had aptitude, and soon discovered that he had passion both for the craft and the material.

It helped that he also had a work ethic. "I didn't have many friends at that job," he recalls. "They used to call me baasboy because I was there to work. If something needed doing, I would do it, even if I was supposed to be on my lunch break." Within a month, Van Schalkwyk made him foreman.

It was at around this time that a chance conversation with his sister gave birth to an idea that would change his life.

A wide open market

Katlehong is not an affluent community. At that time, if you wanted guttering installed on your house, but couldn't afford hardware store prices, your only option was to hire the single craftsman in the area who knew how to make them. He would fabricate you some bespoke gutters by hand, laboriously bending the steel by hammering it around a section of railway track. The man was painfully slow, but incredibly affordable, so he was swamped with work.

Senyatsi's sister had been told that the waiting list for guttering would be at least six months to build, and another six months until they could be installed. She complained bitterly about it.

To Senyatsi's mind, making a gutter was simply a matter of folding a piece of steel, and he was good at that. He offered to try and fabricate the pieces for her himself. He bought some fascia, and with Van Schalkwyk's permission began using the factory's bending machines over the weekend to prototype and build gutters, gradually developing a unique design that he subsequently patented.

The Business of Sello's Gutters

Sello's Gutters is a well known company in Gauteng townships and surrounding areas for stainless steel, galvanized, seamless rainwater goods. The company offers a unique fascia board design, which they hold the patent for, known as the Sello Fascia Board. It is their best selling product. Sello's reputation is well known in the townships for their experienced staff and guaranteed quality products.

The company manufactures; gutters, fascia boards, end caps, cleats, splash back, gutter brackets, fascia brackets, hangers, corner mitres, fascia corner, gable ties, holder bats and stop ends. All the products are produced from coiled material, which is slit into size and produced accordingly.

Although gutters can prevent damage to your house many homeowners are unhappy with the way gutters look. Galvanized and plastic gutters can be ugly and do not weather well over time.

Sello Senyatsi, the owner of Sello's Gutters, realised that if a covering was created to cover the gutter this would be far more attractive. Sello designed the Sello Fascia Board, which comes in galvanized, stainless steel or colour. This fascia board has become a hit and homeowners and so have the company's gutters, which protect homes from rainwater damage.

Sello's currently employs 25 previously disadvantaged employees and more than 50% of the staff are women.



Sello's stainless steel fascia with its new unique pattern design

If you build it, they will come

It was slow going. At first he was only able to fabricate about 5 sections of guttering a day, but he persevered, and after completing his sister's project, he began making gutters for her neighbours. Word spread. Before long, labouring alone in the workshop, he was turning out 50 sections over the weekend.

Senyatsi's moonlight gutter installation business became so successful that his boss encouraged him to pursue it full time, and gifted him a manual folding machine.

His business was exploding, but he had a very specific vision for the product he wanted to sell. He wanted it to have a particular cosmetic impact with less visible joins. Ultimately, he decided that the solution was to outsource manufacturing to a Germiston-based company capable of bending extremely long sections.

Skulduggery

For a while, the relationship worked well, and Senyatsi began bringing them increasingly large amounts of work. What began as small batches soon swelled to the point where he was bringing them nearly R400 000 of manufacturing work a month.

But behind his back, the factory had cloned his product, and was sending its own agents out to sell to his customers in the surrounding townships. When Senyatsi found out, he decided he wasn't about to take it lying

down. His product was technically protected by his patent, but he reasoned that a prolonged legal battle would not benefit him. He decided on a different strategy.

"I couldn't sit down and cry about it," he says. "I had to think outside the box. I had a lot of money saved, so I invested in my own large bending machine."

Able to mass produce most of his system himself, Senyatsi slashed his orders at the factory to just the parts he couldn't make yet. The general manager laughed, and told Senyatsi he wouldn't be able to compete, and that they expected to crush him within a three months.

The prospect of going up against a well organised fabricator with more than 140 employees and limitless access to raw material might have seemed daunting to someone else, but Senyatsi decided he liked those odds. He rose to the challenge.

Innovation with stainless steel

One of the key factors in Senyatsi's strategy was that he understood his target market better than his opponent. Most of his consumers were township dwellers, who placed high status value in adding "bling" touches to their homes' exteriors.

New gutters look good, but they tarnish over time, and Senyatsi began to get requests from old customers for paints that would restore the original sheen to the steel.

It occurred to him that if he could supply a product in a glossy material that would remain shiny over time, it would be a massive hit. He chose stainless steel.

It'll never work

Stainless steel is not an obvious choice for a product like guttering, because it resists folding - typically it doesn't take sharp bends well. But Senyatsi was convinced that if he could just find the right kind of stainless steel, it would work. He visited countless suppliers; almost all of them told him it was a bad idea and turned him down.

But then he had the good fortune to be introduced to Jason Naudé at Rimex. Like the other suppliers, Naudé told him it was the wrong material for the product and that he should give up on it, but Senyatsi persisted. Where Rimex was different was that they agreed to undertake research aimed at finding an easily bendable stainless steel.

Somehow, Naudé and Senyatsi had connected with each other. Senyatsi describes the relationship as "like family."

"We tried to help him develop something unique," says Naudé. "Rain water products aren't unique. But the use of stainless steel to replace other steels ... well, that's never been done before."

Rimex tested material after material. It took time, and a lot of hard work, but they finally managed to source one that did the job.



Sello's stainless steel seamless gutter

You can't sell it

They now had a stainless steel that they could fold and make guttering products with, but Rimex were still not convinced that Senyatsi would find a market.

He ordered a single ton of the material, and for a while it seemed like all the naysayers had been right. Sales of his regular galvanised gutters far outstripped the stainless steel product, and it took more than a year for Senyatsi to move that first ton.

But move it did. And once people realised how good the product looked, and how it kept its sheen, demand for stainless steel guttering exploded.

Currently Sello's Gutters is shifting up to 40 tons of stainless a month. In retrospect, it's fair to say that he called this one correctly.

A new approach

Stainless steel is perceived as an expensive product, and it can be. But because Senyatsi sells primarily to a community that values home appearance, he's able to leverage that perception to his advantage.

And because the majority of his guttering systems are sold directly to the public, the customer feels that they're getting a great deal. Within the rainwater product sector, Sello's Gutters is the only business of its scale that does sell direct.

Attached to Senyatsi's factory is a thriving gutter installation business, which he

has now spun off into an independent enterprise. He trains workmen to assemble and install his patented system so that, once accredited, they can head into their communities to both sell and install the product.

Building Communities

Sello Senyatsi is a self-made man in a very real sense. By anyone's estimate, he's wealthy and successful, and for some people that might be enough. But Senyatsi has built his business in such a way that it enriches other members of his community as well.

At one time or another, almost every person who currently installs his product for a living worked in Senyatsi's factory. He cares deeply about empowerment and second chances, so it is not unusual for him to take on an unskilled replacement and teach them how to work with metal - after all, that's how he got his start.

From the factory floor, many choose the higher financial rewards of the installation business, which he encourages them to pursue. Each installer is effectively launching their own small business, something he believes in strongly. "I'm teaching them how to make money," says Senyatsi. "They're writing their own cheques."

For him, watching these small businesses grow is extremely satisfying. "Many of our installers have become wealthy. I've got one guy who used to live in a single

room shack with five others. He now lives in a double storey that he doesn't owe a cent on. His kids are in private schools. I'm proud to say I made my own millionaire. I enjoy making a difference in people's lives."

Building relationships

Senyatsi says that a large part of his approach to business is building relationships with people. It's a strategy that has endeared him to almost everyone he works with.

"Sello is very loyal, hard working guy," says Ryan Kohne, general manager at Sello's Gutters. "What sets him apart is that he never stops looking for ways to improve, whether that's making the product better, or whether that's serving his customers better."

It's an opinion that's shared by Senyatsi's suppliers, too. "We've been working with Sello for about ten years now," says Jason Naude of Rimex. "We've seen him grow from a modest operation to a big enterprise. His business ethic is unique."

"You come across very few people in any industry that you are truly proud to be associated with. In business, there are four men that I've learned from: my father, my previous boss, my current boss, and Sello Senyatsi."

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