

EMVAfrica – harnessing the power of three

EMVAfrica has recently been awarded Level 2 B-BBEE status by harnessing the power of three – joining three companies together to implement a game-changing brand strategy that focuses on availability of stock, service excellence and fit-for-purpose solutions. Director Graham Whitty talks to *MechChem Africa*.

A simpler, more focused and streamlined brand strategy has propelled EMVAfrica to Level 2 B-BBEE status by focusing on the company's strengths as a supplier of valves, stainless steel and specialised alloys.

Consolidating Energy Engineered Products, E-Metals Cape, and Multi Alloys, under a single identity was the first step to EMVAfrica's success by leveraging each of the company's strengths expertise and experience.

According to Whitty, EMVAfrica's progression from its 2018 Level 3 to Level 2 B-BBEE status can be credited to improvements in three main areas, namely management control, training and procurement.

With respect to management control, ongoing meaningful training, mentoring and career development programmes have resulted in advancements in the group's management control area, which has seen new managers moving into leadership positions.

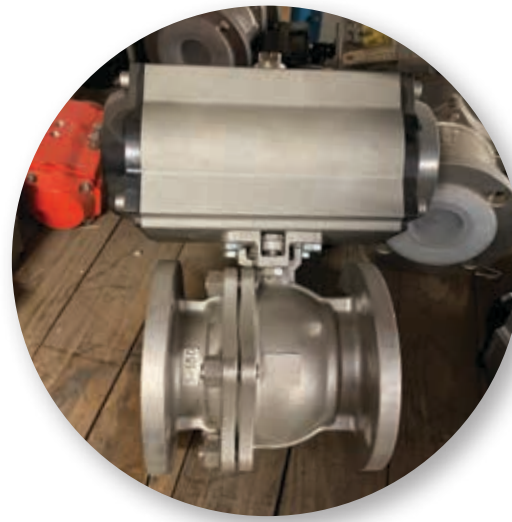
Aligning to these objectives, 2017 saw the company sign a BEE ownership agreement with Edwin Bogopa of Metsana Engineering who has been working with EMVAfrica for several years and joined the fold as a shareholder and non-executive director. In the same year, long time employees Anesh

Prithilall and Rowena Suneerchand, both senior managers, were awarded a shareholding in the company in recognition of exceptional talent within the group.

"We believe in creating a work environment that encourages learning, mentorship and growth. Given the ages of Prithilall and Suneerchand, and their experience and commitment to the company, they both represent the next generation of leaders in the business. Our view as EMVAfrica is that B-BBEE transactions need to be around people whom we know and trust," explains Whitty.

"We recently employed a new branch manager in our Cape Town branch, Justin Orwin, whose appointment also speaks highly of our commitment to employing the best people to add value to the business."

Whitty points out that as a relatively small business, EMVAfrica has always been highly successful in supporting unemployed people through learnerships. "In most cases people who do learnerships with us get absorbed into the business and become full time employees. We run some bursary programmes and an extensive training programme where at least 30% of our staff is involved with some sort of external formal training," he says. "Allied to that, we assist our staff



A pneumatically actuated ball valve used for automated process control.

with the education of their children."

By aligning to transformation initiatives, the company is able to position itself as a diversely representative and fair place to work. "The development of our employees, our BEE partners as well as our shareholders has been a key part of the industrial group's success and will remain a core focus in line with our B-BBEE growth goals," Whitty says.

"With its newly acquired B-BBEE status, EMVAfrica's continued efforts in backing other transformed businesses have resulted in a boosted procurement score, which also adds value for customers who are now able to score 125% of their procurement spend with us towards their own rating.

"Our significant investment in transformation is leading the way for a progressive and sustainable future. By endeavouring to constantly do more and be better in all aspects of our business, we are reaping the rewards of ongoing efforts and are able to share these achievements with our customers," says Whitty.

He explains that the rating is significant on two levels. One is greater responsibilities in terms of transformation and second, the new rating positively affects the commercial success of EMVAfrica as the higher the status, the greater the company's competitive edge.

EMVAfrica believes that the more effort that goes into transformation and the sooner it happens, the better it is for the economy. "We have endeavoured to emphasise transformation in the workplace because, in the long term, transformation is about the economy and our business survival. While the value of our new Level 2 B-BBEE rating is difficult to quantify, given the current economic climate, we believe that it is, without doubt, considerable," affirms Whitty.

The 3S approach

Whilst the B-BBEE rating itself marginally changes EMVAfrica's operations, it also spurs



Stainless steel pipe for corrosive process applications.

the company to continue to implement its game-changing 3S approach: stock, service and solutions.

Availability of stock

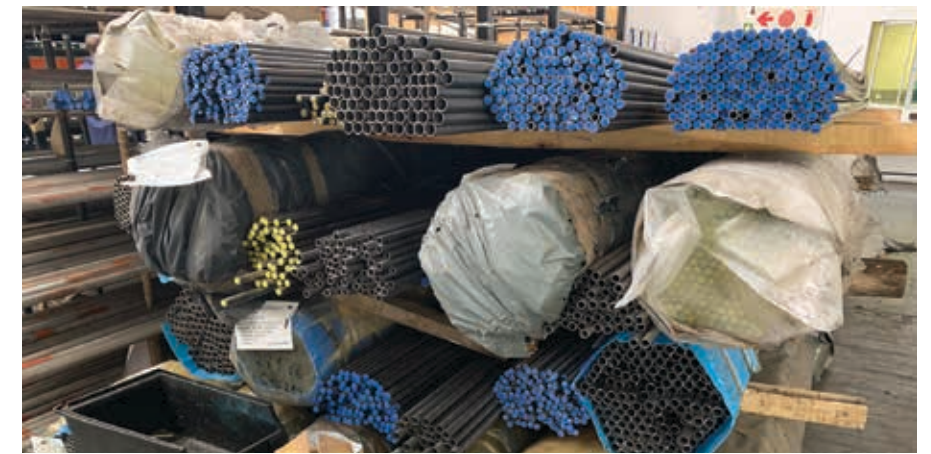
With respect to stock, Whitty notes that making product available is key to the EMVAfrica offering, especially with regard to specialised products. "We are a stock and distribution business and as 'simple' as that model may seem, EMVAfrica has had to understand what our clients' needs are and make sure we can meet them.

"We deal with a range of niche and specialised materials that sometimes require supply from overseas stockists. It takes a lot of research and years in the industry to know what the industry uses, what is worth stocking, what is going to add value to customers and what is going to be considered a good investment in terms of product offering.

"With the more specialised alloys – highly corrosion resistant alloys and high heat resisting alloys – there is not always much stock available from competitors, and over the years we have become known through our subsidiary business, Multi Alloys, as a reliable stockist of these materials," Whitty explains.

The business started building itself around holding stock, and that began to translate to the more common products such as regular stainless steels. Because these materials come from big overseas mills with long lead times, EMVAfrica works hard and puts effort, thought and technology into planning its stock, getting reliable suppliers and offering reliable lead times.

The company has also digitalised the warehouse by using a software product that helps analyse and accurately forecast stock movement. "The software goes back in time to look at historic trends and averages. It uses clever algorithms to help predict future forecasts



Heat exchanger tubes used in oil refineries, chemical plants, pulp and paper mills.

and future use. It also helps us identify poor performing stock so we can get rid of it and put our resources into the stock that people need. This allows us to be more efficient," Whitty tells *MechChem Africa*.

Service excellence

In order to meet the service demands for industries such as mining, petrochemical production, water treatment, power generation and original equipment manufacture, EMVAfrica has had to focus its portfolio to make it more appealing to consumers and to potential investors.

Whitty says EMVAfrica cannot justify having a mill or holding vast amounts of stock of less common items because there is not enough local demand for specialised products owing to the size of the South African industrial economy. The vast majority of EMVAfrica's output – if it were to start manufacturing – would have to be exported, leaving the company to compete in a market that already relies on the bigger economies like Europe and Asia, and their established mills.

"This is why we stick to what our economy and industry needs, while aligning ourselves with trusted overseas suppliers. This translates into good investments and good service," he says.

South Africa does have one stainless steel mill, owned by a big international conglomerate, and majority of its production is exported. Whitty points out, however, this is only in one form of product, unlike EMVAfrica, which offers product in diverse forms.

"Over the years, we have made our product offering more focused and streamlined, stocking what industry needs. If we don't have a specific product, we have the option to offer it from a trusted overseas supplier. Our turnaround time is usually 24 hrs for local delivery of products."

Fit-for-purpose solutions

EMVAfrica has built an experienced team of people who know the company's product and its supply chain. "If we don't have it on

the floor and it's not locally available, we can offer it from around the world. This may sound like a simple thing to do, but in reality, sourcing and moving our products around the world is not always simple.

Logistically, sourcing our kind of products can be very difficult. A lot of them are very heavy, very long, and very bulky. We have built a strong relationship with SCT Supply Chain Solutions, who do our freight forwarding, air and sea freight from around the world. SCT is a key partner. The company understands our products, our customers and the logistical difficulties presented when trying to move metals around the world," explains Whitty. "So, it is our supply chain coupled with the vast experience of our employees that translates into great solutions."

This holistic outlook on being a stock, service and solutions orientated business has put EMVAfrica at an advantage, according to Whitty. "We are not a volume business, we are about value, while most players in our industry are about volume. They like to focus on what's on their own floor or what they might be able to buy and trade.

"If one looks at the overall stainless-steel industry, EMVAfrica is small because the vast majority of the market's tonnage is flat product such as sheet and plate, which comes from the local mill. EMVAfrica's approach to value rather than volume is highlighted by its subsidiary Multi Alloys which competes in sheet and plate, but only in the very specialised grades sold in lower volumes, but for higher value. In addition EMVAfrica is a sizable stockist of other engineering stainless steel products such as round bar, and process materials such as pipe, fittings, and valves. In these products the company is able to focus its efforts towards niches where we can become leaders in our offering and deliver value to our customers through the 3S approach to stock, service and solutions.

"A good example of this is our ENERGY-Valves division which has become a leader in the supply of stainless-steel valves and actuation services" Whitty concludes. □



The EMVAfrica team.