

A Leap of Faith

Faith, family and grit are the keys to Power Heat Heating Elements's success, which went from humble beginnings to become a multi-million-rand company. Nicola Jewrey speaks to founder Mike Manikam. Photos by Terry Haywood.

BUILDING a business from the ground upwards requires dedication, long hours and a commitment to ensuring the pencil is sharper than the one wielded by the competition. When those parameters also play out during a political and economic system not weighted in your favour, the creation of a successful company supplying customers nationally and across southern Africa makes the victory even more bitter-sweet. Mike Manikam founded Power Heat Heating Elements in 1991 with colleague Terence O'Connor and just one staff member, designing and manufacturing the company's original products – heater band elements, nozzle heaters and flux elements.

On leaving school, Mike had earned R120 a month working in the local Spar supermarket before securing a two-year electrical's apprenticeship with iron company Icor (today Metal Steel South Africa). Changes in his family's financial position forced his return to Durban, but he gained practical experience via a range of jobs and helped support his five siblings. However, it was a leap of faith – and faith in God plays a governing role in Mike's life – that saw him establish the company.

"It was challenging as I was penetrating a market closed to Indian businesses and lacked the privilege that opened those doors. The solution was continuously reinvesting the profits into the company and maximising the limited resources available," he says. Concentrated dedication to building the brand saw Power Heat tenaciously grow, expanding to service clients in Cape Town and Johannesburg. Now employing three staff members, Mike brought his elder son Shawn into the business after he had completed school in 2003.

Shawn was a dynamic, energetic young man who took the business to the next level, introducing Power Heat to customers in Malawi, Zimbabwe, Mozambique and Botswana – and had the potential to have dramatically added to the company," Mike says.

Yet, Shawn's life was cut short in the motorcycle accident only two years after joining the family business. The tragedy forced Mike to slow down, and after his younger son Deryll had finished studying engineering through a training college, brought him into the business.

"It was an opportunity to pass on my experience and allow Deryll to take Power Heat to the third

level – introduce new product ranges, upgrade machinery and make a R1.8 million capital expenditure investment that underpinned those expansions," he says.

Boosting customer base

Deryll says Power Heat is currently the only heating element company in KwaZulu-Natal producing tubular elements and cartridge heaters and his vision incorporates boosting the customer base beyond the platform his brother had begun building. Power Heat, with only Mike and Deryll at the helm, now has a staff complement of nine employees and its growth in the technical arena means the company can design and manufacture new customer-specific products using advanced drawing programmes.

Driven by the belief to give people without hope the dignity of earning a living, Mike and Deryll typically employ people of the street.

In introducing welding, fitting and turning and



Heating Elements is one of the three awarded businesses who shared their work experience to assist staff to get off to a better start in employment.

training skills into the growing initiative, the company has given skills to numerous staff members. It currently has three women technicians who had started their work experience as cleaning staff. Power Heat has partnered with an international company as the platform from which to export, while a client partner in name, the company will represent Power Heat at international technical and business fairs specifically within Asia.

Deryll says the next growth phase is the R4.7 million capital investment into new equipment and plant expansion. This will provide Power Heat with the arena from which to tailor-make elements according to customers' requirements.

It will also enable the Manikams to welcome in 2018 with the ability to manufacture every type of heating elements and design and manufacture heat exchange elements.

Mike acknowledges the journey to becoming a multi-million-rand company has not been easy as he broke into an industry then exclusively controlled by white businesses. He was viewed with scepticism and was unable to manufacture quality products. Consequently, he had to work hard on building trust and forging a client base.

"As a firm believer in Christ and His faith in taking me forward, I know it has been God's work that has brought me this far. This company was started from a small, but sound foundation – our concept was conceived by listening to our customers and a continual search to solve their problems and satisfy their needs," he says. Complementing his father, Deryll says Power Heat takes pride in distributing quality

products at competitive prices and the company's future is as vast and dynamic as the industry in which it participates. Looking ahead, Mike believes the time has come to allow Deryll greater control and freedom while he and his wife Mary-Jane focus on travelling and missionary work. Last year saw the company achieve its silver anniversary, a milestone Mike recognises as the accumulation of his commitment.

"Apartheid brought great hardship for Indian businesses, but on achieving that milestone I realised there is always a silver lining to every challenge," he says.

Today Power Heat produces 4500 units per month, but the new capital expenditure will allow the company to boost that threefold with Deryll reflecting that their competitive advantage comes in being small enough to accommodate customers' needs, but large enough to meet those requirements. Power Heat will also employ another six people on the factory floor and two more sales representatives with the possibility of taking production to 24 hours.

"This company started in a 40m² facility and today operates from 2040m². We are opening a manufacturing branch in Gauteng and another sales branch in Port Elizabeth to service the motor industry and have given unstarred people with limited opportunities an education that effectively demonstrates that everyone has the potential to learn. That is a powerful legacy," Mike concludes.



Top of Manikam, left, has passed over the leadership of Power Heat Heating Elements from his father and company founder, Mike Manikam.