

# How 20-year-old Sakhile Maseko built a 'try before you buy' watch retail business

Twenty-year-old Sakhile Maseko is the founder of Aumax, a small business that sells luxury products such as watches directly to South African consumers using Facebook. The startup also offers a 'try before you buy' experience of cash on delivery. Delivery itself happens a maximum of 24 hours after an order is placed.



Sakhile Maseko

Built with starting capital of just R3,700, today Aumax employs 15 staff and enjoys the support of Silvertree Internet Holdings, the investment growth partner behind South African startups like Pricecheck, Petheaven and Faithful to Nature.

"The biggest challenge in this industry is finding the right entrepreneurial talent," notes Paul Cook, co-founder and managing director of Silvertree Internet Holdings. "But Sakhile is clearly just that – highly pragmatic and focused on finding solutions. That was very exciting for us."

## Following a calling

"Most young South Africans aren't encouraged to be entrepreneurs," says Maseko. "After school, my plan was to go to university as I got a bursary from the municipality. However, three months later, the cash

hadn't reflected and the university and residence fees had to be paid. So, I couldn't continue. But instead of feeling sad, I felt excited. I thought: right now, I can do whatever I choose to do. I can follow my calling."

With no accommodation and little more than the R3,500 he had managed to liquidate from personal belongings, 18-year-old Maseko began to contact overseas watch suppliers.

"Suppliers won't look at you if you're only buying very small quantities," Maseko notes. "Still, I convinced one supplier to send over a few samples of his product and I started selling those. We began to develop a relationship after he began to see my determination to grow the business. After selling the first R3,700-worth of watches, I reinvested the profits and continued growing and setting goals, determined that I would do whatever it took to make the business a success."

## Dealing with setbacks

However, it wasn't all plain sailing. Unexpected import fines from SARS, a consignment that couldn't be sold due to a market glut and financial overextension meant that Maseko had to, at one point, start over. "I was employing five people at the time and letting them go was incredibly hard. It was the first time that I wondered if I should have just gotten a normal job."

Undeterred, Maseko redoubled his efforts. "During that difficult period, I got closer to my clients than ever before. I asked them what they wanted, and how Aumax could really add value. It soon became clear that what many people wanted was the retail experience – being able to try something on before they purchased it. So I looked to create that.

"Today, I know how important quality is. As are relationships with customers. Most online retailers insist that you ship a defective good back to them at your own cost. At Aumax, we come to your home and replace any item, or give you your money back. Long-term thinking is crucial. Getting – and keeping – customers is key. It's about solving problems and keeping your customers happy."



## Accelerating growth with Silvertree

"Sakhile had a very promising business from an economic point of view, as well as an incredible entrepreneurial drive," says Silvertree's Cook. "What he lacked, in addition to working capital, was experience with matters such as hiring and managing a growing team, processes, compliance and so on – exactly the things we know about."

Any consumer-facing business must master three domains, Cook notes: "First is the product. Second is the customer service and experience. And third is the marketing. Essentially, what Sakhile has done is work out how to source really good products and how to deliver quickly. But he's also found a way of effectively marketing his business on social media – something that very few e-commerce retailers in South Africa, and even very few globally, have got right."



### 7 ways to motivate yourself to achieve entrepreneurial success

Smith Willas 13 Aug 2018



## Preparing to scale

"Right now," Cook emphasises, "the priority is getting all the processes in place to be able to grow and scale the business. One of the big challenges is that many South Africans lack an entrepreneurial mindset. As a society, few people go the route of their own business, at any scale, big or small. That's one of the things that's so interesting about Sakhile. In a situation of huge personal risk, he decided to start a company, rather than fall back on the traditional route of getting a job. For us, both now and long term, it's about sharing best practices."

By the time of Silvertree's investment, Maseko's R3,700 starting capital had already turned into a business with over R100,000 in monthly revenue. Silvertree's support has since seen Aumax's growth further accelerate, with effective hiring an increasing focus.

"There are huge opportunities in South Africa, particularly in the consumer space," Cook notes. "It's about being willing to take the leap."

For more, visit: <https://www.bizcommunity.com>