

*The
Jewellers'
Story*

REAL STORIES

MC

METAL CONCENTRATORS

In Conversation with *David Forman*

Words by
Michael Pryke
on behalf of
Metal Concentrators

I had the privilege of meeting David Forman at his intimate jewellery boutique, the House of Sid Forman in Sandton City, late on a Sunday afternoon. When I arrived, he was huddled in consultation with a couple designing a wedding ring and I was greeted by his attractive niece Carli. Elegantly attired in chic black with a gold nameplate, she smiled radiantly as she offered me a beverage. I chose water which she served on a white saucer in a branded bottle.

David looked up and winked, mouthing silently that he would not be long. Carli gesticulated for me to sit in one of the comfortable chairs across the counter and she sat opposite. Her infectious enthusiasm radiated like the array of stunning jewellery that was tastefully displayed behind the recessed wood and glass cabinets around the shop's interior

“I noticed from my research that this business was founded by David's father Sid and for over 60 years, has manufactured jewellery and sculptures for a number of prominent personalities around the world.”

“Absolutely – my Grandfather, Sid and my uncles David and Mark are regarded as some of the best creators of fine jewellery in the world. David is so humble he will never tell you ... but we are the only family in history to have won three De Beers Diamond International Awards – 1990, 1992 and 1996. Sid is regarded a master of creative artistry. Just look at this beautiful sculpture here in the window. Sid made it from thousands of tiny solid gold pieces meticulously fused into this figurine ... secretly, I hope we never sell it – it's so exquisite! David is as good a designer as his father.”

At that moment David came across. *“Sorry to keep you waiting!”*

He extended his hand – his genial manner and twinkling blue eyes belying the passionate resolve with which he promotes his business and supports the industry. *“How can I help you?”*

“Following in the footsteps of the hugely talented Sid Forman must be daunting ... you not only continue the family legacy but continue to raise the bar as a leader in the South African jewellery industry. In addition to designing, you run the manufacturing side of the business, manage this retail outlet and also handle the supply to the trade. How do you do it?”

“*Sure, it’s hard work and dedication ... and it’s not easy,*” he replied self-effacingly.

“Tell me about some of the challenges,” I probed.

“*Well, in South Africa the jewellery manufacturing trade is so over regulated and layered with red tape that it makes it very hard to do business. In fact, it has not only crippled smaller businesses but it has also chased a massive segment of the diamond polishing industry across the border to Botswana.*”

I asked David for details of the constraints facing the industry. He shared that the requirements imposed by the Regulator were unrealistically harsh. Apart from the difficulties of obtaining a jeweller’s permit to handle unworked gold and a second hand gold license, the BEE requirements are quite onerous. Jewellers are required to have a minimum of 26% black ownership, which for smaller businesses in this sector, is not just unachievable but makes any form of profitability impossible. It has crushed the trade, resulting in loss of jobs.

“*However,*” said David with suppressed pride, *“we have come up with a solution that seems to be working.”*

“Tell me more,” I urged eagerly.

“*You see, I inherited the factory from my father when he retired in 2013. But really, that’s not what I wanted to focus on. We were considering closing the factory. But over the years, our manufacturing business had created a clientele of over 50 customers that needed to be serviced. We had two particularly talented jewellers, Jonas Makabele and Floyd Miles, who since 2002 had demonstrated their artistry in working with precious metals. The Forman family has always been devoted to young entrepreneurs and the training of disadvantaged youth. So my brother Mark and I saw an opportunity to help them*

start their own company on Forman's premises. We allowed them the complete usufruct of all the machinery to manufacture items on our behalf in terms of a performance agreement stipulating what they must produce. We were not being altruistic or anything like that ... it just made good business sense for the business to have a 100% partnership with a dedicated manufacturing team rather than 74% of an imposed shareholding.

I have been mentoring Jonas and Floyd to be good businessmen. MF Creations, as they are known, is now delivering over five times in excess of the stipulated agreement to the House of Sid Forman, in addition to supplying to all our former clientele."

At that moment David asked politely if I could excuse him for a few minutes. He had been watching a couple being served by one of the other assistants and realised that they needed some additional advice that required his input. Carli had been close by, listening to our conversation.

"My uncle is so modest; he has never shared this with anyone. What he has not mentioned is that MF Creations have now employed three additional black people – a qualified jeweller; plus a young man with twelve years' experience in the jewellery and diamond business and more recently, a fellow who is a marketing genius. This venture, sponsored and encouraged by David has turned into a remarkable success story!"

David returned and I said, "This model must represent an example of how partnerships in the trade can really work!"

"Oh yes," he agreed. "I am sure that the project is being closely observed as a pilot for similar initiatives in the future. The constraint is that it is not possible for smaller businesses to participate – they simply do not have the resources."

"What were you saying earlier about the diamond industry?" I asked.

"That's a sensitive issue because the Regulator imposed punitive regulations without consultation which were dictated by politics. This made it incredibly difficult for local diamond polishing operators. However, Botswana saw an opportunity and did the opposite – they made it really easy for them to do business there. And the result is that the once thriving industry in South Africa has dwindled from 4500 businesses down to 300."

"So, if you could offer any advice about ways in which the jewellery industry could be changed, what would you be saying?"

“Well, apart from easing up on the red tape, South Africa needs to devise ways to boost manufacturing. We have a skills shortage generally, and even more so in the specialized field of stone setting. Although we are turning out better local jewellery artisans as a result of the two-year technical course that is now offered, there is no emphasis on setting. The introduction of CAD (computer aided design) in the trade is starting to make it easier and we need to expose local talent to this technology.

We also need to focus on marketing our products to export markets. South Africa used to set the international standard for diamond cutting. Now we need to encourage entrepreneurs to become beneficiaries – taking our abundance of raw materials and creating added value so we can again be regarded as meaningful international players. Currently, we import considerably more jewellery than we export.”

David’s quiet intensity was palpable. “And what else?” I prompted.

“It’s all about creating skills and opportunities. The government has designated a national site near the airport as an industrial export development zone that offers affordable rentals and exemption from VAT and duties, co-ordinated by Grant Thornton. More jewellery businesses must be encouraged to participate and support this initiative. Our standards are world class and we have to find ways into international markets by developing opportunities. It is sad to think that we have such an abundance of raw materials in this country ... diamonds and precious metals and human resources willing to learn. Now is the time for our government to promote ‘Brand South Africa’ to the world – and for us as an industry to push for it to become a reality!”

David was silent for a while and then he looked up with a wry smile. Carly stared at him with admiration. I felt like I had witnessed a reluctant actor who had emerge onto the stage and delivered a star performance.

Inside the boutique’s plush interior, it was quiet. Outside in the busy thoroughfares of Sandton City, throngs of eager spenders and casual strollers crowded the sanctum of materialistic pursuit, unaware of the dream that had unfolded within the House of Sid Forman.

The Jewellers' Story.

An initiative from Metal Concentrators.

Neville Crosse, his wife Charlotte and son Grant purchased Metal Concentrators (Pty) Ltd (MetCon) in late 2015 and rapidly became aware of the issues and difficulties faced by retail jewellers and manufacturing jewellers on a day to day basis. This led to a lot of thought and discussions as to whether MetCon could play a role in improving the sustainability of the industry.

To that end, MetCon created The Jewellers' Story. An initiative intended to provide a platform for dialogue and debate within the industry.

The first phase was a series of published caricatures presenting the compelling case to the public that purchasing South African manufactured goods has a number of benefits for the jewellery purchaser as well as developing the industry to be more inclusive of all the talented people in the country.

The second phase seeks not only to highlight the most apparent issues, but as a space to share knowledge and wisdom from the most senior and innovative participants, and to nurture emerging talented jewellery makers, as well as to help established businesses struggling to compete at the global industry level. To tell important stories. To share lessons learned. To establish a sense of community within the industry.

There are many challenges ahead for the industry, from both direct and indirect forces. Only by working together to confront them as a community can we triumph over them and provide a new hope for all South African jewellery retailers and manufacturers.

This hope we place in The Jewellers' Story.

 Visit facebook.com/TheJewellersStory