

Sotius Ssegawa, the owner of Segken Services Limited found his niche in providing power line construction services and supplying and installing generators, among others. He tells **Eronie Kamukama** how he has grown this enterprise.

Meet electrician with solar power dreams

In the years leading to Sotius Ssegawa's college days, he admired the late Mr Magezi, a family friend he saw working as a manager in Uganda Electricity Board (UEB) for years. Mr Ssegawa believed Mr Magezi was successful because his electrical job enabled him to take care of his family and dependents then.

It is against this background coupled with his childhood escapades that he decided vocational school was the way to go.

"I loved repairing things. When our lights got a problem, I would find a way of fixing the wires," Mr Ssegawa tells me.

He declined his father's request to do carpentry because of his passion and instead pursued a diploma in electrical engineering after Senior Six.

Mr Ssegawa found a job as a supervisor in MM Construction Company in Masaka. Little did he know that this experience would give birth to Segken Services Limited. This enterprise majorly provides power line construction services, supply and installation of generators as well as internal and external installation of solar power.

Starting business

There are several reasons to set up a business and more than 10 years ago, Mr Ssegawa first toyed with the idea of opening his business in the early 2000s.

"Private companies were very few and I noticed there was a gap in the sector. People would apply for power privately and would spend months before the existing few companies could work on them," Mr Ssegawa says.

He then discussed the idea with his colleagues but was turned down because they were unwilling to invest. They thought it was very risky and resigning from their jobs was a no-no.

"I have to start even though I have no money," Mr Ssegawa thought after years in formal employment.

With Shs1m from his work's savings, he started out as a sole proprietor in 2004. Segken Services began with internal power installations for people's houses in Masaka. Given his interaction with clients on ground, a few small subcontracts from existing companies in the sector followed as he lacked capital to be a main contractor.

This came with its challenges unfortunately. Getting contracts was hard and when he did, he was not paid at times. However, gaining experience, paying workers and minimising losses was all that mattered to Mr Ssegawa at the time. The returns on investment, he says, would matter later.

Growth

Eventually, an opportunity showed up. Uganda Electricity Distribution Company Limited (UEDCL) started prequalifying service providers and this seemed like the perfect turning point. His first big job estimated at around Shs13m, came along just after he had registered the business as a limited company but taught



Segken Services Limited founder Mr Sotius Segawa explains the business operations at a control room for a transformer at Airtel House in Kampala. PHOTO BY GODFREY LUGAJU

clients such as Tramico, SBI International Holdings, Reynolds Construction Company, Dott Services Limited and Roofings Limited. Communication companies such as Airtel and American Tower Company use Segken to extend electricity to their masts. In a good year, Segken constructs power lines to 50 masts for a single client.

Giving advice that supports clients to manage costs has helped the company grow.

"When clients approach you most times they are green. What has kept us in the sector is advising clients on how to go about the power options. Someone may want to start a maize mill but want a big transformer. When you calculate their load, they need a smaller one. Referrals work for us because of this," he says.

2015 was a bad year for business as contracts were few. Contracts showed up in 2016 but were followed by delayed payments.

Segken was able to sail through thanks to diversification of investments and savings made over the years. Mr Ssegawa also found money to pay off suppliers and for the loans, dfcu restructured the loan payment to reduce pressure on the business.

SUCCESS TIPS

Know what you want and do research on the sector.

Love what you do and engage in it instead of relying on workers a lot.

Have discipline with money. Human resource capital is key even if you do not have liquid cash as long as workers are committed.

Segken has invested in solar power because institutions are shifting priority there.

"You use the same personnel in both solar and power line installation, there is less training so the cost is less. There is demand as municipalities are moving away from using electricity in street lighting because it is expensive," he explains.

Despite the challenges, Mr Ssegawa knows the taste of success.

"We are in top 100, it is an achievement, and we have graduated from small tax payers to medium tax payers."

He says the company enjoys a turnover between Shs6b and Shs7b. It employs about 150 workers for a project and retains 15 permanent ones.

He has found a South Korean company with which he has signed a partnership to share technology within the power sector.

He expects to keep his business afloat through joint ventures and retaining the company's big clients including UEMEME, UEDCL, Airtel, Dott Services Limited and American Tower Company among others.

He attributes his success to well-trained and committed workers. He admits it is difficult to avoid loans because he has to expand the business and banks such as dfcu are now willing to give him loans.

Mr Ssegawa says he operates in a growing sector but government has to help the industry.

He employs many people but fails to give them permanent contracts because of the uncertainty that surrounds contracts jobs. He advocates for implementation of local content because he believes Ugandans have capacity to do contracts handed over to foreign companies.

Shs6.5 billion

AVERAGE TURNOVER OF SEGKEN SERVICES LIMITED

Source: Mr Sotius Segawa

him business the hard way.

"I did not have experience. So I got it through another company. I did the implementation but when the company got paid, the man disappeared leaving behind Shs7m yet with Shs13m, my profit should have been Shs3m. I was getting things on credit so paying back was a problem," he says.

He then diverted funds from smaller contracts to pay off his debts. It was then that he decided to find contracts himself.

Starting out became difficult because clients were uncertain of his ability and he lacked reference to former contracts. Capital became

another hurdle. He says, "You get a job, you are given a deadline but you do not have working capital, the banks could not help because we did not have security."

Temporary manual labourers became a key ingredient for the company's growth because the company was uncertain of continuous jobs.

"I looked for qualified personnel in the power sector. We agreed that when I get a job, you get a commission, I did not have cash but needed their expertise and labour," he says.

When Uganda's main electricity distribution company UEMEME came on board, it adopted UEDCL's prequalified service providers, a move that saw Segken build more clientele.

"With UEDCL, we were small but they trusted us. Whenever we got a job, we used professionalism. We used their materials efficiently and delivered projects on time," he says.

His breakthrough came when he won contracts from UEDCL and Airtel. He remembers working for three months nonstop, with about 10 sites every month.

Nearly 11 years in, the company has several

Why Top 100 SME competition?

An assessment by the organisers of the Top 100 SME competition revealed that Segken Services Limited was eligible. Mr Ssegawa

failed to find a reason not to participate. "They do evaluation so you get to know your position in the market. They tell you the weaknesses,

they give training key for financial management," Mr Ssegawa says having emerged 29th.