



e - Quality Edge

bringing quality information to South Africans since 1996

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Welcome to the July edition of our e Quality Edge



Paul Harding

In this month's edition we continue our focus on Quality and sustainable development.

Our lead article is by Michael Judin et al that help us to navigate a disruptive force. One of my Belgium colleagues from the International Academy of Quality, Willy Vandenbrande then explains what Quality means for a Sustainable future.

We then give feedback from our SAQI Food and Cosmetics forum held early this month in our drive to improve quality in this sector. We also share feedback from one of our training workshops that focuses on basic statistical techniques and data collection.

Paul Aucamp and Jene' Palmer highlights important strategic questions for recessionary times. Richard Hayward then asks which teacher taught you best.

Apology

We inadvertently published in last month's newsletter that National Quality week was to take place from the 4th to the 8th November. We need to correct this as World Quality Day is always on the second Thursday in November which will fall on the 14th November. National Quality week will therefore take place from the 11th to the 15th November. We apologise for this but we are all human after all. We remind you of our theme for the week, *"Creating Value through Quality Performance"*.

If any of you would like to contribute to future newsletters please contact us.

Please feel free to pass on our newsletter to your network and we look forward to input from you for our next edition.

Paul Harding

SAQI MD



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Quality:

helping South Africans live, learn and work better

Navigating a disruptive force

Like it or not, digitalisation is intrinsically linked to pretty much everything.

by Lionel Moyal, Michael Judin and Robbi Laurenson



Which is worse — the top two business risks (business interruption and cyber incidents), or the fact that 65% of consumers surveyed said they cut ties with a brand over a single poor customer service experience.

Picture: Shutterstock

“The 21st century has been characterised by fundamental changes in both business and society. These fundamental changes provided the context within which the King Committee set out to draft King IV and have influenced both its content and approach.”

- Mervyn E King SC, chair emeritus of the King Committee -

Business and society have both faced unprecedented change in the 21st century, intensified and magnified by the rapid evolution of the digital age. These fundamental changes are so intensely disruptive that organisations need an effective and integrated strategy, enabled by digital, to be sustainable. By extension, the formulation of a digital-enabled strategy has become a critical prerequisite of an organisation's implementation of the principles of King IV.

The changes happened fast. Less than 12 years ago, in 2007, Apple released its first-generation iPhone, the culmination of only a few decades of evolution of the information age. At that moment, mobile and cloud technologies converged, and the digital age suddenly became much more real for businesses and consumers.

Today, disruption continues to accelerate, with developments in cloud computing, artificial intelligence (AI), robotics, blockchain and the internet of things (IoT). The rapid pace of change makes it difficult for most organisations to stay ahead. Consider that in this era, a company remains on the American Standard & Poor's 500 index for an average of just 20 years, compared to its peak of 100 years around 1937. In 2018, seven of the top 10 publicly traded companies were software platform companies, compared to only one in 2008.

So how do organisations think about this?

King IV is a significant evolution from King III in that it links governance more tightly to value creation and the achievement of desired outcomes defined as Good Performance, Ethical Culture, Effective Control as well as Trust, Reputation and Legitimacy. No longer can this responsibility merely be delegated to a single CEO or IT department. Digitalisation is intrinsically linked to all aspects of an organisation and should be the accountability of the entire governing body. As such, company directors and committee members have a fiduciary duty in terms of the Companies Act to seek clarity on the impact of digitalisation on their organisation, and to manage it accordingly.

Aligning the digital strategy with the outcomes and principles of King IV

Organisations today face common challenges – including becoming more customer-led, improving speed to market, creating a culture that attracts talent and uncompromising focus on governance, compliance, cybersecurity and privacy.

Each of these challenges can be effectively addressed through digital transformation in specific areas of an organisation.

Modernise the workplace

At the core of an organisation's ability to transform is the engagement and empowerment of its employees. Gallup reports the average engagement among employees across organisations worldwide at only 15%. Visionary leaders are significantly improving their levels of employee engagement and enhancing productivity and organisational performance. Workplace modernisation is a logical place to start the digital journey, as improving employee engagement ultimately leads to improved customer experience. For this reason, it is a foundational pillar for good performance. It also directly supports each of the outcomes of King IV.

As a start, each employee should be given a digital identity forming the basis for digital engagement with the company. Information workers are generally the forerunners in this process. For information workers, workplace performance has shifted from personal to team productivity, enhanced by platforms for communication and collaboration. But while some of this transformation is taking place naturally, it is often not prioritised. Many leaders still see employee engagement as a nice-to-have rather than a critical business function.

The priority placed on digitalisation to enhance employee engagement is starting to shift with the appearance of new

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generations of leaders. Generation Xers (born mid 1960s to 1980) and millennials are equally digitally savvy (54% for GenX versus 56% for millennials, as reported by the DDI Global Leadership Forecast 2018) and are more likely to embrace digitalisation as a key way to ensure performance and sustainability.



Customer Experience

In a study on the state of customer service by Parature in 2014, 65% of 1 000 consumers they have cut ties with a brand over a single poor customer service experience.

Today's consumers and business users alike expect their service providers to value their time and have become accustomed to enhanced customer experiences.

With the increasing prevalence of platforms for digital engagement, customers have come to expect more responsive and personalised services across multiple channels. Putting the customer at the centre is just the start. Being able to develop deep insights on each of its customers allows an organisation to anticipate its customers' needs and challenges. Data analytics and omni-channel customer engagement platforms enable a competitive advantage by pairing digital experiences with human advice.

The demand for more personalised self-service is being met with the use of intelligent conversational interfaces such as chat bots. According to Gartner, by 2020, the average person will have more conversations with bots than with their spouse". The creation of chat bots has become so simple that even non-technical users can create their own and make them available on any of the most commonly used social platforms in existence (such as [QnA Maker](#) from Microsoft).

Operational efficiencies

Driving growth in existing customers and in new markets is only one part of ensuring a profitable and sustainable business. The other critical factor is reducing costs and realising operational efficiencies. Technology plays a significant role in streamlining business processes. Take automation through robotics, IoT technology and AI for example.

Wikipedia defines the IoT as the network of, physical devices, vehicles, home appliances, and other items embedded with electronics, software, sensors, actuators, enabled to connect and exchange data. This creates opportunities for more direct integration of the physical world into computer-based systems, resulting in efficiency improvements, economic benefits, and reduced human exertion. By 2020, the IoT market is expected to reach \$457 billion, with 73% of companies surveyed in 2016 actively investing in IoT (Keystone Strategy, 2016).

Even more impactful is the prevalence of AI, which exists across applications from smart phones to self-driving cars and is now appearing in everyday business software. The advances in AI are possible because of the exponential growth in data available from digital sensors and devices, combined with the use of machine-learning algorithms that can learn and make predictions from data through pattern recognition, feedback loops and outcome prediction.

AI in the workplace has significant benefits to operational efficiencies but could have a significant human impact. Repetitive and routine task-based work is likely to be replaced by AI-driven processes and robots, hence the urgency attached to accelerating skills development in the workforce. The World Economic Forum Future of Jobs Report 2018 estimates that 54% of employees will require significant reskilling and upskilling by 2022 and predicts that up to 75 million jobs could be displaced globally, made up of, large-scale declines in some roles offset by the potential creation of up to 133 million new roles.

Privacy

An organisation is the custodian of personal information about its employees, customers and suppliers and must ensure that this information is securely stored and managed and a respect for privacy cultivated across all systems, processes and interactions.

In 2018, the General Data Protection Regulation (GDPR) came into effect in the European Union (EU). It imposes rules on companies that offer goods and services to people in the EU, or which collect and analyse data tied to EU residents. Many countries are following suit. In South Africa, the Protection of Personal Information (PoPI) Act is due to come into effect around 2020.

In terms of GDPR and PoPI, organisations must adopt transparent policies and implement controls, systems and training. This includes data collection and retention policies as well as timeous notifications to authorities on data breaches and security to deal with the increasing risks of cyber threats.

From an information technology perspective, this implies that an organisation must ensure that appropriate policies for data classification are enforced across its own and third-party systems. Fortunately, tools are available to automate data discovery and classification based on machine learning rules and detection of personally identifiable information. Modern email and cloud-based communication, collaboration and information management platforms implement native support for data classification and controls for managing private information. At

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the same time, obsolete systems and processes that were not designed with privacy and security in mind must be assessed and modernised or replaced to mitigate any inherent risks.

Cyber security

According to the Allianz Risk Barometer, the top two business risks for 2018 were business interruption and cyber incidents (42% and 40% respectively). South Africa is reported to have the third highest number of cyber crime victims worldwide, losing billions a year to cyber attacks.



Only a few years ago, protecting an organisation from cyber threats simply required securing the perimeter by establishing a firewall controlling all data connections to and from the internet, supplemented by anti-virus software. Today, data is spread across internal systems, cloud-based platforms and mobile devices, and shared with employees, suppliers and customers. In addition, devices that can be compromised include not only computers and servers but also mobile devices from different manufacturers running a myriad of operating systems, network appliances, printers, scanners, vehicles and virtually any device containing a programmable microchip.

In the words of Cisco CEO John Chambers: *"There are two types of companies: those that have been hacked, and those that don't yet know they have been hacked."*

A study by FireEye in its M-Trends report of 2018 showed that the median number of days an organisation is compromised before discovering a breach is 101 days.

Guidance for governing bodies is therefore to ensure that data is adequately classified and protected where it rests, and that tools are used to monitor unusual patterns of data flow and user behaviour, identify threats quickly, and mitigate their impact.

Security can no longer operate as a siloed IT function, but rather as a fundamental business process.

This extends also into the human element. Many breaches are the result of simple mistakes by employees opening malicious links or attachments, or not following security policies. Executives and members of boards are often targeted, raising the importance of user training to ensure appropriate levels of awareness and responsibility.

Thus, applying effective control as per King IV necessitates an approach that recognises the shift in an organisation's risk profile as it progresses through its digital transformation.

Trust, transparency and ethical culture

In 2016, the Facebook platform enabled Cambridge Analytica to illicitly harvest personally identifiable data from up to 87 million people. Cambridge Analytica used this information to target political messaging to users during Donald Trump's presidential campaign. Trust, reputation and legitimacy are fundamentally impacted by an organisation's ability to maintain a clear stance on privacy and ensure transparency in how digital assets are managed. This implies establishing, adhering to and reporting on a policy on the collection, usage, protection and disposal of data.

Beyond the risks related to privacy and cyber security, an organisation's legitimacy is impacted by its conscientious approach to transformation, commitment towards employment retention and skills development, and contribution to social investments. This is important not only for an organisation's own employees but also for the wellbeing of the economy.

The core tenets of King IV are to lead ethically and effectively, govern in a way as to create an ethical culture, and govern so as to be a responsible corporate citizen. Equally important is to ensure digital responsibility and transparency by embedding ethical principles in data privacy, compliance, automation, and AI policies.

Conclusion

Today almost every business is a digital business and a competitor is likely to emerge from an entirely different domain.

With this blurring of the lines between industries, organisations have an inherent responsibility to understand the opportunities and risks that come with digital transformation. Perhaps the most compelling outcome for an organisation is the formulation of a bold business strategy that is enabled by digital and aligned with the principles of King IV.

About the authors

Lionel Moyal is office business group lead at Microsoft SA and Michael Judin a senior partner at Judie Combrinck Attorneys; with input from Robbi Laurenson, digital transformation advisor at Microsoft SA.

Acknowledgements also go to Moneyweb who first published this article.



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Quality for a Sustainable Future

This text is based on an article published in *Total Quality Management and Business Excellence* of March 2019 (link to original article: <https://doi.org/10.1080/14783363.2019.1588724>) and the work of the *Quality in Planet Earth Concerns Think Tank (QiPECTT)* of the *International Academy for Quality (IAQ)*.

by Willy Vandenbrande, willy@qsconsult.be

Introduction

There is no lack of events organized or papers published on sustainability, but most activities are related to high level environmental policies and directed at political leaders. In business, the target group consists of large and globally active organizations. Small and medium sized enterprises (SMEs) generally are not involved, although they form the vast majority of companies.

Quality management has the methods and the tools to bring sustainability to the SME level and we present here a general framework that allows any SME to take steps in sustainability by using quality management methods. An implementation path is given, related to the current maturity level of the company.

SME's: the missing link in sustainability

In many SMEs even basic concepts of sustainability are unknown. It is seen as a purely environmental issue and at best, the objective is to not violate environmental laws in order to avoid added cost. The reason for this is threefold:

- Sustainability is talked about in terms that are not understood within SMEs and tend to focus on systems and methods that are beyond the capabilities of the average SME.
- An SME does not have the means nor the time to follow, let alone read, all the publications on sustainability.
- Most of the activities are focussing on a macro level at a planetary scale. Individual, small contributions look almost meaningless so why would we bother?

The consequence is that a large potential for sustainable development is not tapped into. This is a missed opportunity as small contributions by a large number of companies do make a difference.

Sustainability is more than environmental management

According to the United Nations (UN) Brundtland commission (1987) sustainable development is defined as: 'Sustainable development is development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs'.

In addition it is stated that sustainable development consists of three building blocks: financial, environmental and social sustainability. This is crucial because it is highly likely that many organizations are not even aware of the fact that there is a financial component to sustainability. This is the perfect link to quality management as a driver for sustainability. Over the years quality has made a major contribution to customer satisfaction and process efficiency, two aspects that have added to the profitability and financial sustainability of organizations.

The Sustainability – Quality matrix

In **table 1** the overall matrix is presented. We see three steps in the development of sustainability within an organization and these are indicated in a triple A format: Awareness, Adoption and Achievement. Each step represents a different type of sustainability and is at the same time an indication of the maturity level of the organization. Each level is related to the three building

Table 1: Overview of sustainability status and quality tools

Sustainability Status	Financial Sustainability	Environmental Sustainability	Social Sustainability	Quality Methods and Tools
AWARENESS Operational Sustainability Remove false contradiction between sustainability and profitability.	Focal point and driving force	Start to reduce harm	Fulfil Local Legal Requirements	Add environmental goals Savings from improvements 7 tools PDCA Basic lean principles DMAIC problem solving
ADOPTION Strategic sustainability Sustainability incorporated in missions, vision and objectives.	Added benefit	Driving force Focus on reducing harm	Expand on Legal Requirements using SDGs	Integrate system fully Expand companywide Add DFSS Add TRIZ Expand Lean and TPM
ACHIEVEMENT Holistic Sustainability Integrated sustainability as the driver and primary company value.	Logical consequence	Focus on improving the global ecosystem	SDGs as basis for full social responsibility	SDGs as basis for targets Ecosystem improvement Empowerment through values

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blocks of sustainable development and to quality tools and methods. In this article we give a short overview of each step. If more details are needed, do not hesitate to contact the author.

Awareness – Operational Sustainability

Many quality improvement projects have added not only to the financial sustainability, but also to the environmental sustainability of an organization. But this often passes unnoticed. Quality professionals can point out how their improvement projects have a positive effect on the sustainable development of the organization through reduced material usage, energy savings, lower water consumption, and so on. Or, turning it the other way around: how being more environmentally sustainable in our operations brings financial benefits. Quality can support this very action directed, operational sustainability in many ways and can start building it into the management system of the company. Actions that can be taken are:

- o **Management system level**
 - Develop an integrated set of objectives that include environmental objectives in addition to existing quality and operational objectives.
 - Built environmental aspects into existing quality procedures and instructions.
 - If a quality cost system exist, create a separate entry for savings through environmental improvements.
- o **Process improvement**
 - Evaluate the sustainability factor in each running improvement project.
 - Look at starting improvement projects specifically directed at environmental improvements.
 - Apply the 7 basic tools in a Plan-Do-Check-Act approach
 - Implement Lean principles that can give a boost to the sustainability efforts, as we are trying to eliminate all kinds of waste.

Adoption – Strategic Sustainability

In a next maturity level the organization is ready to take up sustainability as an important factor of the overall strategy. There is no doubt within the company that sustainability is a factor adding to the long term success of the organization and that sustainability strengthens its financial situation. This means that it will become part of the mission and vision statements of the organization and included in decisions on investments. We expand our sustainability thinking and acting to the entire organization.

- o **Management system level**
 - Include sustainability in mission and vision statements and make an integrated set of environmental objectives the central point of company targets.
 - Develop a fully integrated management system containing quality, environment, safety and social responsibility.
 - Make sure that all departments, functions, divisions, ... are involved in the sustainability action. Give specific attention to design and development of new products and processes.
 - Develop a Life Cycle Cost system, so you are not only looking at reducing current cost problems (corrective) but you also evaluate future total cost (preventive).
- o **Process improvement**
 - Expand improvement actions beyond the operations.

Take a Total Quality Management approach to sustainability.

- Use methods that are preventive like Design For Six Sigma.
- Use tools that are preventive like Quality Function Deployment and Failure Mode and Effects Analysis.
- In new product development apply tools like TRIZ (Theory of Inventive Problem Solving), forcing you to think beyond the current product solution for a customer expectation. Ideally you develop a new business that does not require a product at all but that still satisfies the functional needs of the customer.
- Implement Lean principles beyond the operations.

Achievement – Holistic Quality

Most organizations and especially SMEs will see the Adoption phase implemented to the full, as their maximum attainable contribution to sustainability. With the Achievement phase, we want to take this one step further. The most important aspect of the achievement phase is that “reducing harm” is no longer seen as good enough. As a challenging example: let’s develop a city transport system that cleans the outside air while transporting passengers!

This phase is the least defined at this point in time and constitutes a clear shift where our main objective now becomes to improve the overall ecosystem. This does still include economic growth and financial sustainability but expands much wider on environment and social sustainability. It requires a fully integrated sustainability thinking. This is a status where we are looking at a different set of methods and tools. We go beyond the technical / operational issues and even beyond strategic elements to a much more value driven organization.

- o **Management system**
 - Holistic sustainability is the fundamental company value and the starting point for mission and vision statements and for company targets.
 - In setting targets, the 2030 UN Sustainable Development Goals are used as a basis and targets must aim at ecosystem improvement and fit in a total Corporate Social Responsibility system.
- o **Process Improvement**
 - Every employee has the power and obligation to signal activities or situations that go against sustainability. This is very much like every employee has the power and obligation to signal out-of-control conditions leading to quality problems in a real TQM company.
 - Improvement projects aim at creating a better environment and a better society.

Conclusion

To achieve the SDGs by 2030 or to reach the climate targets set at the Paris agreement the contribution of large parts of society will be needed. Until now most efforts are directed at governments and large corporations. But engaging SMEs will require a much more practical approach. Using sound and proven quality management systems and tools can be the driving force for this engagement.

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Delegates attended SAQI's Food and Cosmetic Industry Workshop

by Jacques Snyders

SAQI hosted a food and cosmetic industry workshop on the 28th June as part of its initiative to develop a new level 2 and level 3 Quality training program for the industry.



Review of SAQI's proposed Food & Cosmetic Quality Program.

SAQI hosted various Food & Cosmetic Industry role-players, in a review workshop to evaluate the latest proposed Food & Cosmetic Quality Program as part of SAQI's career path development program across various industries.

As part of the UNIDO Global Quality and Standards Programme, SAQI is developing a Growth Development program for Quality Professional specifically for the Food & Cosmetic Industry. After some first round consultations with the food and cosmetic industries a proposed program has now been drafted.

The purpose of the workshop on the 28th June, was to present the draft programme and obtain feedback and inputs from key stakeholders in order to finalize and roll this program out to the industry in the last quarter of 2019.

Jacques Snyders (Senior Member of SAQI) & Anya Knoetze (SAQI Food & Cosmetic Workgroup Leader) presented the draft programs for both the Level 2 Quality Control Program and the Level 3 Quality Assurance Program.

Very constructive inputs were received from the industry delegates that comprised both emerging Small Medium and Micro enterprises as well as some global brands in the food and cosmetic industry. The workshop ended with an agreement on the topics that should be included in both the levels. These topics include:

Level 2 (Quality Control)

Introduction of Quality Control
Introduction in Statistical Techniques
Statistical Process Control
Problems Solving

Level 3 (Quality Assurance)

Quality Assurance Features
Safety Features (Food & Cosmetic)
Risk Management
Auditing Techniques
Regulatory Requirements

The SAQI team has committed to review and define the various course layouts, and to report back to the workgroup members as soon as possible.

Should you like to participate in any further workgroup discussions you are welcome to contact the SAQI office, and register for upcoming workgroup meetings in the future.

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Theme for SAQI's 2019 National Quality Week

We are pleased to announce our theme for National Quality Week that takes place from the 11th to the 15th November 2019. World Quality Day will be held on Thursday the 14th November 2019.

“Creating Value through Quality Performance” ©SAQI 2019

This year we want to encourage our member organisations and our associates to view Quality improvement as the vehicle to create value for all their stakeholders.

Very often Quality Management is seen as an on-cost to the organisation and something that should be left to the Quality department.

We need to see Quality Performance elevated to the Boardroom and inculcated into organisation strategy to be used as the driver to create value and long term sustainability to the organisation.

Quality Performance cannot be seen in isolation. We need to link our Performance with our Organisational Purpose, our Processes and our People.

SAQI senior personnel will be available on a first come first serve basis to assist our member organisations during National Quality Week.

For more information email vanessa@saqi.co.za



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SAQI Level 2 training course

by SAQI Staff

SAQI Certificate in Quality Control

SAQI is now in its fourth year of presenting its Quality Career Path Development program. We believe that before an organisation can introduce an effective Quality Management System (QMS) a good understanding of basic Quality Principles need to be grasped. This not only applies to the Quality inspectors and supervisors but also to existing and potential Quality Managers. To accommodate this need SAQI introduced a set of modules covering the following:

- Introduction to Quality Control
- Introduction to statistical techniques
- Introduction to Statistical Process Control
- A3 problem solving

Introduction to statistical techniques

Delegates are seen collecting and analysing data at SAQI's latest training course that introduces them to basic statistical methods. Game simulation is used to determine various distances that a coin can be shoved along a measured distance on a table. The game simulates variability in a process based the skill of the operator.



Each delegate is asked to “shove” a coin a number of times over a measured distance aiming at a set target. The distance the coin travels after each “shove” is then measured relative to the target and the data are collected and recorded. The data are then used to work out:

- 1) Mean
- 2) Median,
- 3) Mode
- 4) Range
- 5) Standard Deviation
- 6) Histograms

Once this module is completed the delegates are then tasked to go back to their respective organisations and analyse their processes by data collection and submit their findings to SAQI. This may sound like basic practice to the seasoned quality professional but we are amazed at how little exposure most of our delegates have had to these methods before attending our course.

Conclusion

Capability building is the art of converting theory into knowledge, and that means the ability of learners to understand what they have learned, and how to apply this is in their real life work situations. We pride ourselves on teaching delegates not only how to use these concepts but why they are necessary as a foundation for an effective Quality Management System. In many cases, we find that delegates have received training on some of these concepts and statistical tools on previous occasions, but never understood how to apply them.

After our practical teaching methods, we regularly receive comments from delegates that they now finally understand why they have learned this and how actually to apply this activity in their own organizations.

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SAQI MEMBERSHIP

The current economic climate in South Africa has been tough on the pockets of companies and individuals, and SAQI would like to lighten the financial load by keeping the current annual membership fees in place. Our annual increase normally becomes effective in August every year so this announcement means the current membership structure will run until July 2020.

SAQI would also like to take this opportunity to welcome the 22 companies and 55 individuals who have become members over the past twelve month period.

Welcome

Company members

AFRO-TUTOR TUTORIALS
AFRICA INVEST DEVELOPMENTS (PTY) LTD
ALUZA FIN (PTY) LTD T/A ASC CONSULTANTS
ASTRO HOLDINGS
BANAFRICA1 FOREIGN LANGUAGES
BEYOND QUALITY CONSULTING
BOPHELONG CONSTRUCTION (PTY) LTD
GLOBAL FOODS S.A. (PTY) LTD
IADLS AND ASSOCIATES (PTY) LTD
IMS CONSULTING
ISHEQ TRADING ENTERPRISES T/A ISHEQ SOLUTIONS
KHEBANI SKILLS ACADEMY
MVEMVANE ENGINEERING
ONSITE QUALITY AND RISK (PTY) LTD
QOBO-QOBO ESSENTIAL OILS
QUALITY PERFORMANCE INSTITUTE
SEGERE AIR (PTY) LTD
VANCE BUSINESS VENTURES (PTY) LTD
VOKES FILTRATION (PTY) LTD
WAIRTEC (PTY) LTD
WAREHOUSING HANDLING SPECIALISTS 24 (PTY) LTD
WIDNEY TRANSPORT COMPONENTS

Individual Members

ALLY I
BHEBHE I
CASSISAN
CHOCHOT M G
FOURIEN
GARETAS
GOUWST
GOVENDER P
GRIESEL M M
HICKMANK
HLAKAS

JACOBS L N M
JAGESSUR L
JOUBERT P J V
KAEKA C M
KHAUOE P P
LOUW J J
MABUNDAR
MAFURUTU K C
MAHLASELAN H
MAKATU M J
MANDLAK M

MANGWALE N S
MATAMBO M
MEKUTE M I
MOKIBE C
MOLEFI M N
MOODLEY P
MOYO N
MTSHALIC B
MUDZIMU P T V
MUNETSIAA
NAMANER J

NASSIEP R
NDLOVU L
NGUBANE N P
NKOAGATSE G K
NKOKOBOCHO I
NKOANAY K
PELLELS
RANTSHABENG G K
RASETHER K S
ROETS J J
SAMKANGET

SCATES T S
SEBIDITA
SELOME O A
SHABANGU N P
SNYDERS A M
SWANZYP
TAKAIDZAD
TONI M
TSOENYANE P C
UHRENHOLDT H A
VOSD

We wish you all a long and fruitful relationship with SAQI in our quest to improve the Quality of Life of all South Africans and promote Quality improvement across our continent.

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Important Strategic Questions For Recessionary Times

by Paul Aucamp and Jene' Palmer



Is your business equipped to survive the pressures of a rapidly changing business world, which is being exacerbated by the growing uncertainty presented by South Africa's re-entry into another recession? To ensure the sustainability of the organisation, this critical question needs to be asked of South African boards of directors and senior executives alike.

In today's difficult economic times, the focus of shareholders has sharpened, raising a key question for the board: *how can the organisation satisfy its shareholder's financial expectations if it does not fundamentally rethink its business?* Recessionary times typically prompt a renewed focus on cost reductions which often meets with varying degrees of success. The reality, however, is that shareholders (and indeed all stakeholders) are increasingly realising that "more of the same" strategies is just not going to result in sustainable positive change.

Essentially, new strategic thinking starts with the "fundamental truths" of the business. Surely, a different outcome cannot be expected if the underlying premises on which the business is based are not clinically scrutinised? Instead of only focusing on what costs can be reduced, important strategic questions should be asked when organisations don't perform financially. These include:

- What business are we in? Are we still in the right business?
- Is our business model still appropriate? Do we have an integrated value proposition or a portfolio of disparate businesses?
- How can we more effectively compete in a market that is contracting? Do we need to reposition the organisation to attract higher margin business?
- Who will be our new competitors?

- How have we differentiated ourselves as a business in order to compete nationally/internationally?
- Do we have the right skills and experience to drive the organisation forward?

Extracting more value from business operations is at the heart of all these questions, and it is imperative to recognise that business improvement and cost reduction initiatives can only take a company so far. Indeed, experience has demonstrated that performance improvement initiatives are often limited by structural constraints, which are the result of antiquated business models.

The creation of a global, connected, 'always-on' world, driven by the rapid and constant evolution of technology, has created a business environment in which consumers are far more enlightened than in previous times. The swift progression of the Fourth Industrial Revolution is being characterised by a fusion of technologies resulting in a convergence of the physical, digital and biological spheres. The possibilities for and impact on business processes, the labour market, distribution channels, supply chains and legislation have not yet even begun to be fathomed. Not only do scientific advancements in artificial intelligence, nanotechnology, biometrics, the Internet of Things -- to name but a few examples -- present opportunities for improving efficiencies and productivity, they are also presenting fundamentally different ways of doing business. Consumer expectations are changing and product development and delivery mechanisms will need to keep pace. A strong emphasis on innovation and collaboration is required and organisational structures will no doubt need to adapt to this new business environment.



In a world where consumers have unlimited choices of tailored and enhanced products and services on unlimited virtual shelf spaces, differentiating a business has become increasingly difficult. The same approach that proved successful in the world of standardised products and limited choices is no longer viable, and

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clinging to these outmoded strategies leads to a downward spiral in profitability and ultimately sustainability. If you cannot adequately satisfy the needs of the consumer, it is highly likely that they will take their business elsewhere.

Companies should not measure their success or sustainability by the number of years they have existed, but instead by their ability to adapt to market dynamics and continuously create stakeholder value.

"As early as 1848, the revolutionary socialists Karl Marx and Friedrich Engels wrote in the Communist Manifesto that the "constant revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation" distinguished the current time from earlier periods (Marx/Engels, 1969). Underestimating this uncertainty can be hazardous. At worst, it leads to strategies that are unable to protect the company against threats. At best, it leads to strategies that ignore the potential opportunities inherent in uncertainty."

Source: The challenges of strategic management in the twenty-first century

A turbulent economy, fluctuating exchange rates, political, social and legislative pressures can cripple cash flow, making corrective action difficult when things go wrong. In addition, legacy business structures, systems and management strategies often result in poor information gathering and a reactive approach to change. To remain relevant in the era of the Fourth Industrial Revolution, information represents power. Some organisations are already gaining a distinct competitive advantage by sharing, tracking and using consumer consumption and personal information to inform product development and marketing initiatives amongst other opportunities.

The speed of innovation is also impacting on workforce requirements. Not only is automation and digitisation displacing jobs, but there is an increasing requirement for highly skilled labour to work on converged technology platforms.



An amalgamation of the demand and supply side of the value chain is forcing business to question who their new competitors

will be in this disruptive technological world. Whereas historically, collaboration may have been perceived to be a sign of weakness, the new order dictates that boards and investors seek opportunities to work together in order to unlock value.

Given the multiple challenges facing organisations today, and considering the fact that business variables change rapidly and constantly, a robust strategy alone is not sufficient to ensure success. Every member of the organisation needs to be motivated, persuaded and managed into sharing the same vision - this requires strong and consistent strategic leadership. As such, board composition and the skills and experience of the senior management team must also be re-evaluated to ensure that the right leaders are in place to lead the organisation to sustainable growth.

Whether an organisation is gearing itself for growth, or battling for survival; strategic leadership is essential in developing the agility and sound decision-making capability which is required to build and maintain a competitive edge.



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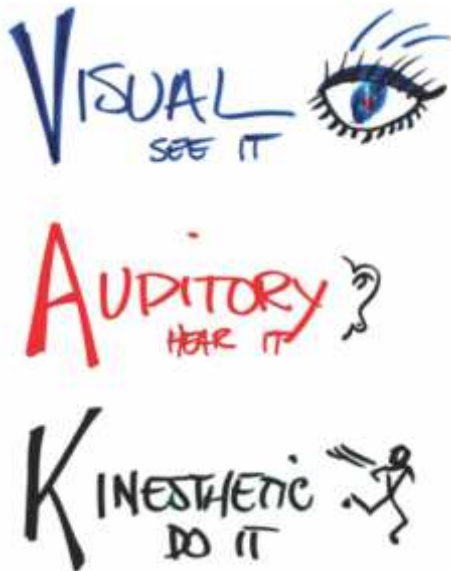
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Quality in Schools

Many of our readers are parents themselves or interact often with children. We have asked our education editor, a retired headmaster, to share thoughts on how to get Quality principles and practices instilled in young people.

By Dr Richard Hayward

Which teacher taught you best?



Maybe you've had this experience when you were at school. The one year you had excellent marks in a particular subject but the next year, the marks went into free-fall. What went wrong?

Assume that both the teachers who taught you were competent. Assume also that there weren't personal issues in the second year (example, being absent from school for a long period because of ill health) that would explain the drop in marks.

There could be a simple explanation. In the one year, the teacher's teaching style and your preferred way of learning were in sync. You clearly understand what was being taught. In the other year, the way that the teacher taught and your preferred way of learning, were far apart.

We all have one or two preferred ways to learn something new. We fit broadly into one or two of these learning styles:

1 Auditory learning style

This person learns best by listening to what others have to say and by talking about what's being taught. In the classroom, a child would prefer having things explained orally but has difficulty in following written instructions. The child enjoys being part of a discussion group rather than working alone. The ability to remember what was said is usually very high.

2 Kinaesthetic /tactile learning style

Here the person learns best by doing hands-on activities and movement. How often such a learner 'talks' by using their hands! They like touching things in order to understand better. In the classroom such a child enjoys building sets, doing displays and even tearing things apart just to see how they work! Having to sit quietly at a desk for a period of time can be an ordeal.

3 Visual learning style

The visual learner likes to see what's to be learnt. Put it down in writing on the blackboard or touch screen. Give me a textbook to read. Have diagrams and graphs on the classroom walls. The learner soaks up what it sees on videos and television shows. It remembers how to do things once someone else has done the task first.

Such a child needs to have pen and paper to hand; it enjoys doodling while listening to the teacher. When a teacher gives an instruction, there's a preference to write the details down.

4 Analytical/ logical learning style

In recent years, a fourth learning style has been identified. It's described as the analytical or logical approach. Here the person learns 'through exploring patterns and understanding how things relate to each other' (Baker, F 2017). The analytical, logical child displays a high level of logical thinking at a young age. It's inclined to keep teachers on their toes by asking many questions. The child often shows strength at solving mathematical problems at a young age.

Thomas Edison – the inventor of the life bulb among many other inventions – used to be beaten at school with a heavy leather strap. What made the teacher angry? His teacher considered him cheeky and not very bright because he asked too many questions in class. She didn't understand that his analytical mind needed logical explanations for whatever was being taught.

Traditional schools cater mainly to the visual learner – the learner who learns through his eyes. The child looks at what's on the board; it reads and learns what's printed in the textbook. Not too many questions are directed at the teacher. 'Listen quietly and uncritically; then diligently learn it all,' seems to be the way to go for a successful school career in such a school.

What's to be done for those children who learn best in analytical or auditory or kinaesthetic ways? Fortunately, an increasing number of our 21st century schools are getting it right. They are becoming aware and responding to the needs of such children.

When a child finds school work too difficult, there's the temptation to think that the child's at fault. If not the child, it must be the teacher's fault. The reason could simply be that the child isn't being taught according to its preferred learning style.

So, sometimes there's a need to change the way that one teaches the child in both the home and at school. Teach according to the way that the child learns best. The best-for-the-child learning style results in the best results.

Reference

Baker, F 2017. *Learning styles in children* in <https://www.kidspot.com.au/school/primary/learning-and-behaviour/learning-styles-in-children>

Davis, S E 2019. *What's your child's learning style?* in <https://www.parenting.com/article/whats-your-childs-learning-style>

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UPCOMING EVENTS 2019

MENTOR SESSION

Aug 16

These mentor sessions were designed to support all L2 & L3 level delegates who has completed the SAQI L2&L3 programs. The delegates can join their mentors at the SAQI offices for a ½ day session to discuss their progress or challenges of implementing the knowledge gained at SAQI.

SAQI PLANT TOUR

SAQI invites its members to attend this year's plant tour hosted by one of our manufacturing members.

Sept 20

SAQI KNOWLEDGE FORUM

Oct 11

Hosted by Assupol Insurance, this years forum will focus on the various Continuous improvement methodologies (Lean, Six Sigma & 20 Keys). We have invited 5 industry speakers to share their views with us on these topics

NATIONAL QUALITY WEEK

SAQI Invite all business members to celebrate "National Quality Week". The theme for this year is "*Creating Value through Quality Performance*" ©SAQI2019

Nov 11 - 15



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SAQI Training Programme for 2019

All courses offered by the South African Quality Institute are presented in association with other course providers and are available to all organisations and individuals. SAQI can assist with the training of a company's workforce and all training packages can be run in-house at cheaper rates. A special discount applies to SAQI members. For more information or to register contact Vanessa du Toit at (012) 349 5006 or vanessa@saqi.co.za

1. SAQI reserves the right to change details of the programme without prior notice. [click here](#) for all course synopsis.
2. The courses listed below form part of a specific Certificate and all modules should be successfully completed to qualify for the Certificate.
3. Training is presented on the CSIR campus in the east of Pretoria.
4. All courses completed previously will receive credit when proof of successful completion is received.
5. All prices **include VAT @ 15%**.

Code	Course	Days	Cost	Jun	Jul	Aug	Sep	Oct	Nov
L2	Certificate in Quality Control for Manufacturing	10	22,790-00	Jun	Jul	Aug	Sep	Oct	Nov
B41	Introduction to Quality Control	2	5165-00					28-29	
B90	Introduction to Statistical Techniques	3	6230-00					30-1	
B91	Introduction to Statistical Process Control (SPC)	3	6230-00						18-19
B79	A3 Problem Solving	2	5165-00						20-22
L2	Certificate in Quality Control for Services	10	21,725-00	Jun	Jul	Aug	Sep	Oct	Nov
B30	Introduction to Quality Control	2	5165-00			26-27			
B31	Introduction to Statistical Techniques	3	6230-00			28-30			
B33	Introduction to Quality Circles	2	5165-00				16-17		
B34	A3 Problem Solving	2	5165-00				18-19		
L3	SAQI Certificate in Quality Assurance*	13	29,020-00	Jun	Jul	Aug	Sep	Oct	Nov
B48	ISO Requirements 9001:2015	3	6230-00				11-13		
B24	Knowledge Management	2	5165-00					7-8	
B16	Internal Quality Auditing	3	6230-00					9-11	
B92	Advanced Quality Techniques	3	6230-00					21-23	
B77	Advanced Product Quality Planning (APQP)	2	5165-00					24-25	
L4	SAQI Certificate in Quality Management*	3	31,610-00	Jun	Jul	Aug	Sep	Oct	Nov
B38	Development of a QMS	3	6230-00						
B01	Organisational Excellence	2	5165-00						
B58	Policy Deployment (Hoshin Kanri)	2	5165-00						
B74/B76	Lean for Manufacturing/Service Industries	4	9885-00						
B93	Cost of Quality	2	5165-00			1-2			

Inhouse Training: vanessa@saqi.co.za • **Public Training:** info@saqi.co.za



For a list of other courses provided, please visit www.saqi.co.za
Inhouse courses provided to 10 or more delegates. Enquire from vanessa@saqi.co.za

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