



# e - Quality Edge

bringing quality information to South Africans since 1996

# SAQI

The South African Quality Institute



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No 150 • July 2011

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## Focus on Tourism

Tourism is one of the largest industries in the world. However, it was hard bit by the global financial crisis with the travel and tourism Gross Domestic Product (GDP) contracting by 4.8% in 2009.

Thus it is evident that the travel and tourism sector is crisis-sensitive, but also responds well to signs of recovery. However, the United Nations World Trade Organization (UNWTO) expects that the economic crisis will soften demand in the short term, but that the tourism industry will bounce back and continue its growth forecast of 4% per annum. According to the World Trade Tourism Council (WTTTC) tourism's contribution to GDP was expected to rise by 2% in 2010, creating an extra 964,000 jobs worldwide. The WTTTC further reported that the true value of the tourism industry accounted for 9.2% of Global GDP. The council also forecast that the global travel and tourism economy will grow by 4.3% per year over the next ten years.

What South Africa now needs is a focus to deliver a world-class visitor experience. SAQI is currently supporting this focus on service delivery by working with government and the South African Bureau of Standards (SABS) to create a standard for delivery of a better and more consistent quality service.

We showed the world that we could deliver a successful FIFA World Cup. We must now build on that success.



*Quality is the password to success*

## Social networking for Quality

SAQI is encouraging its members to refer a friend and for each friend referred and signed up, SAQI will give a 10% discount on your renewal fees.

Make sure your referral indicates your name and SAQI membership number on your friend's application form to qualify for this special offer.



[WWW.SAQI.CO.ZA](http://WWW.SAQI.CO.ZA)



**Quality:**  
helping South Africans live, learn and work better

# Swift Micro Laboratories Wins SA Quality Award



Swift Micro Laboratories has been presented with a South African Quality Award at a glittering ceremony at the Velmore Hotel in Centurion. Dr Rob Davies, the Minister of Trade and Industry, handed over a certificate and trophy in recognition of excellent service to Swift Micro Laboratories' Anza Bester (Business Development Manager pictured alongside) and Ian Scholtz (Midrand Branch Manager) at the event last month.

The South African Quality Awards are held annually and were established by the government through the Department of Trade and Industry (dti) with the aim of promoting quality and effective quality management methodologies in South African business. It is adjudicated by the dti, Business, Labour, the National Metrology Institute of South Africa, the South African Bureau of Standards and the South African National Accreditation System.

"We are absolutely thrilled to receive this award in the category Quality Service for Large Enterprises, especially as 2011 is our twenty-year anniversary. It is wonderful to be acknowledged for the hard work over the past two decades to maintain our ISO17025 accreditation," says Anza Bester.

With many South African companies now competing globally, the dti saw the importance of recognising the efforts involved in achieving quality. This event raises awareness around quality assurance, quality management and the different ways in which excellence can be achieved.

"These accolades recognise companies that have improved the quality of local goods and services and encourages individuals to contribute towards quality advancement in all sectors by having measurement and quality systems, procedures and processes in place to support national as well as regional economic development and growth," says Dr Rob Davies.

Companies are encouraged to adhere to proper quality business norms and to comply with local, regional and international quality standards.

Awards are made in five categories, with Swift receiving recognition for service that best reflects commitment to local production and quality.

The win means Swift Micro Laboratories automatically qualifies for entry into the SADC Annual Quality Awards which will take place in 2012.



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# ATC WINS BEST ENTERPRISE QUALITY AWARD (SME) - 2011

the South African  
**Quality Awards 2011**



## Africa Technical Centre



*From Left to right Mr. Ron Josias (CEO SANAS), Prelene Lutchman (ATC Quality Compliance Officer), Mr. Ian Isaacs (ATC Laboratory Director) and Mr. Rob Davies (Minister of Trade and Industry S.A).*

The Africa Technical Centre (ATC) is a fairly new, state of the art laboratory which opened in March 2008. The ATC, based in Midrand, is housed over an area of 2700m<sup>2</sup> and essentially supports the Coca Cola Company across the African continent. The laboratory employs 27 full time associates, 3 contractors and provides training for 5 interns. ATC was designed and strategically positioned to provide analytical testing capability for routine analyses and special investigations to more than 160 bottlers in more than 50 countries across the African continent. The Centre consists of different disciplines of testing including GC, LC, IC, FIA, ICPMS, Wet Chemistry and Microbiology. For ATC Quality is defined as our ability and continuous pursuit to provide leading analytical intelligence on the quality and safety of our ingredients and finished products in order to mitigate risks and support and sustain long term strategic growth objectives. When considering such a large customer base the accuracy, defensibility and credibility of results produced at ATC becomes integral and is based on sound quality and analytical processes as these are used by our customers to make informed, fact based decisions during their production processes.

The ATC developed and implemented an extensive ISO 17025:2005 management system as a framework to achieve the above objectives and was initially accredited in 2009. The implementation of the system allowed us to achieve our goals and objectives and to achieve a structured and harmonized approach across the different testing types. Over the last 3 years ATC continued to expand its capability and accreditation scope which currently consists of at least 45 methods containing more

than 185 analytes and 16 technical signatories. The management system is rigorously audited by trained auditors during the regular internal audits as well as by external auditors. Our Carbon dioxide laboratory recently passed an external audit by an international company.

Quality is embraced by all associates beginning from their first few hours at work. Associates and senior management are actively involved in weekly quality time training sessions where interactive discussions or brainstorming is held and best practices for all arise hence staff are empowered. Top management is actively involved in ensuring the success of the management system and hence the implementation of quality practices in our daily activities. There is a continuous pursuit for 100% quality.

Data integrity is ensured through rigorous internal and external control processes. ATC staff is highly skilled and trained both internally and externally in both quality and technical aspects. Some assurance processes include the use of internationally traceable reference standards and materials, routine equipment maintenance and calibration, participation in local and international proficiency testing schemes amounting to a minimum of 110 analytes since January 2010. Methods are validated as according to international standards (eg. ISO, USP, WHO). We are honored to have won the S.A Quality award for Best Enterprise (Small Medium Enterprise category) as it validates that we are on the right track in our pursuit for the highest quality standards, fast turn-around times and ultimately meeting and exceeding our customer expectations.

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# IMP Group are the Winners of the “Best Quality Service Award 2011”



The IMP group of companies was founded in 1987. The core philosophy of applying innovation to meet the needs of customers has resulted in steady growth of the company. Today the IMP group of companies employs more than 100 people with its head office in Boksburg (Gauteng) and branches in Western Cape, KZN, Northwest Province, Free State, Northern Province and Eastern Cape. IMP has an associate company in Perth Australia.

The Directors and Management of IMP thank all the stakeholders of their business for their loyal support and valued contributions.



From left to right: Pieter Naude - Service Manager,  
Debbie Pretorius – Service Co-ordinator  
and Martin Matthysen - Managing Director IMP South Africa

IMP Calibration Services (Pty) Ltd provides service and back-up for products supplied by the automation and scientific divisions. Service is one of the most vital points in business operations for IMP Calibration Services. Not only to our sister companies but also to our customers.

Our well equipped equipment team of 43 employees in this department is capable of servicing, repairing, calibrating and supplying back-up support to various types of laboratory equipment that the IMP Group of companies hold agencies for in South Africa. The qualifications of the technicians range from Instrumentation, Millwrights, Electricians, Fitters as well as Software Engineers. Regular scheduled training visits with overseas manufacturers, as well as local applicable training, ensure that we are kept up to date with the latest developments in the markets.

A dedicated spares department guarantees a wide range of spare parts availability at all times. With regular stock control, we endeavor to have spare parts available to reduce downtime and improve productivity.

A signed copy of our Company Quality Policy statement can be found in our laboratory. This is each individual's commitment to the policy. It is furthermore signed by top management.

We form part of the IMP Group of Companies. The other main operating divisions are IMP Scientific & Precision and IMP Automation.

IMP Scientific supplies instruments, equipment and consumables for use in

- Biological laboratories
- Industrial laboratories
- Analytical laboratories
- General laboratories

IMP Automation is a world leading automation integrator for sampling systems, laboratory sample preparation systems and automated laboratories in the mining, minerals and metal industries. Solutions are provided for sampling to analysis.

Without the acknowledgement from the Department of Trade and Industry, IMP Calibration Services (Pty) Ltd would not have received recognition for the hard work and dedication we have been putting into the service industry in South Africa!

What an honour to be recognized for such a prestigious award! Winning the Best Service Quality Award is truly a wonderful privilege for IMP Calibration Services (Pty) Ltd.

Without each individual team member's dedication and support, winning this award would not have been possible.

IMP Calibration Services have been working in the service industry for more than 12 years and to finally receive recognition for the initiative, dedication and customer service that we value highly, makes us strive to exceed our customer's expectations.

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# green greetings!

It's two months since Green Office Week™ took place in South Africa, and we wish to thank all organisations and offices throughout the country for the role - big or small - that they played in making workplace behaviours greener.

You will recall the theme as Care 2B Green and the important pointers were for all of us to spring-clean our thinking and implement the three important Rs: **Reduce, Reuse and Recycle**.

From the feedback we have received and the various activities that took place, it has become relevant to add a new R: **Replenish**.

Putting back and giving back to the planet is clearly an important thing to do and it is no coincidence that this year is the **Year of the Forests** so that we learn to not only take more care of our tree plantations but plant more trees!

We use the products of trees every day, and many times a day - and overall we are using far more of the earth's resources than the earth can cope with.

## Did you know

1. **Forests cover 30 percent of the planet's total land area.** The total forested area in 2005 was just under 4 billion hectares, at least one third less than before the dawn of agriculture, some 10,000 years ago.

The ten most forest-rich countries, which account for two-thirds of the total forested area, are the Russian Federation, Brazil, Canada, the United States, China, Australia, Democratic Republic of Congo, Indonesia, Peru and India.

2. **Six million hectares of primary forest are lost every year.**

This is due to deforestation and modification through selective logging and other human interventions. More than one-third of all forests are primary forests, defined as forests where there are no clearly visible indications of human activity and where ecological processes are not significantly disturbed.

3. Primary forests shelter diverse animal and plant species, and culturally diverse indigenous people, with deep connections to their habitat.
4. **Only 20 per cent of the world's forests remain in large intact areas.**

These forests consist of tropical rain forests, mangrove, coastal and swamp forests. Monsoon and deciduous forests flourish in the drier and more mountainous regions.

5. Trees quite literally form the foundations of many natural systems. They help to conserve soil and water, control avalanches, prevent desertification, protect coastal areas and stabilize sand dunes.
6. Forests are the most important repositories of terrestrial biological biodiversity, housing up to **90 per cent of known terrestrial species**.
7. Forest animals have a vital role in forest ecology such as pollination, seed dispersal and germination.
8. Trees absorb carbon dioxide and are vital carbon sinks.

It is estimated that the world's forests store **283 Gigatonnes of carbon in their biomass alone**, and that carbon stored in forest biomass, deadwood, litter and soil together is roughly **50 per cent more than the carbon in the atmosphere**.

Carbon in forest biomass decreased in Africa, Asia and South America in the period 1990-2005. For the world as a whole, carbon stocks in forest biomass decreased annually by **1.1 Gigatonne of carbon** (equivalent to 4 billion 25kg sacks of charcoal).

9. The loss of natural forests around the world contributes **more to global emissions each year than the transport sector**.
10. World population currently stands at **6.5 billion people**. It is projected to grow to **9 billion by 2042**. The expansion of agricultural and industrial needs, population growth, poverty, landlessness and consumer demand are the major driving forces behind deforestation.
11. Most deforestation is due to conversion of forests to agricultural land. **Global removals of wood for timber and fuel amounted to 3.1 billion cubic metres in 2005**.
12. Worldwide, deforestation continues at an alarming rate, about **13 million hectares per year**, an area the size of Greece or Nicaragua.

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13. **Africa and South America have the largest net loss of forests.** In Africa it is estimated that nearly half of the forest loss was due to removal of wood fuel.
14. Forests in Europe are expanding. Asia, which had a net loss in the 1990s, reported a net gain of forests in the past five years, primarily due to large-scale forestation in China.
15. **Eighty per cent of the world's forests are publicly owned**, but private ownership is on the rise, especially in North and Central America and in Oceania.
16. About **11 per cent of the world's forests are designated for the conservation of biological diversity.** These areas are mainly, but not exclusively, in protected areas.
17. Around **10 million people are employed in conventional forest management and conservation.** Formal employment in forestry declined by about 10 per cent from 1990 to 2000. *Environmental facts on forests reprinted from [SealTheDeal2009.org](http://SealTheDeal2009.org)*

## greenWORKPLACES

### 10 ways - at the office - to give back to the Earth

- 1 **Aim for a zero-waste office**
- 2 **Have zero-waste events and parties**
- 3 **Entertain close to the office**
- 4 **Use caterers that use locally grown food**
- 5 **Organise an annual tree-planting event (at HQ or branch offices or a local charity!)**
- 6 **Reduce pesticide use in office green areas (lawns)**
- 7 **Refuse over-packaging**
- 8 **Volunteer for a cleanup or restoration project in your area**
- 9 **Add the principle of Reciprocity to your staff Ops Manual**

*If each of us truly gave as much as we took, the world would change.*

**10 Work for the circle of life in your industry**  
*If an industry like auto making can stop sending materials to landfills, other industries can too!*

*How did the Earth survive for billions of years, perfecting the ability to sustain life?*

*By a system of exchange in which every part of the whole*

*gives off something others need. One species' waste is another species' fuel. What the organisms of Earth have been doing for billions of years, we will have to learn to do in every industry. Waste to fuel, around the circle. That means finding ways to break down plastics, mop up oil spills, and treat sewage by contributing something that someone else in the ecosystem needs. Interdependence is the name of the survival game. (Source: [Click here](#))*

## greenIDEAS & NEWS



We make choices every day and some have far ranging affects that we don't even think about. Buying wood products is one such choice that is responsible for a lot of clear cutting. Of course when we see images or videos of forest being clear cut, we wince in agony, but then while we are shopping we don't think twice about buying a set of wooden cooking spoons, says Adam Beazley of [neutraexistence.com](http://neutraexistence.com)

*Considering that bamboo is a rapidly renewable resource (bamboo can yield 20 times more timber than trees an acre and it can be harvested after every seven years whereas trees take about 30 to 60 years), and is less energy costly to manufacture, doesn't it make sense to use it instead of wood in most everyday applications, he asks.*

### **Sustainable Building: Use bamboo for:**

- Garden cottages
- Landscaping bridges and water fountains
- Privacy barriers/fencing in gardens

### **Where possible buy bamboo:**

- Flagpoles
- Tea trays and cutting boards
- Vegetable Steamers
- Chopsticks
- Corporate gifts

### **Sustainable Decor: Buy bamboo**

- Flooring
- Furniture
- Garden furniture
- Blinds

*Sustainable opportunities for communities: Take few minutes to watch the Bamboo for Africa video clip and share it with your friends by [Clicking here](#)*

## greenCHAMPIONS

A special salute to all office people who are going green!  
 Results of Europcar's Greenest Office search: The winners were -

- 1st prize - WESSA reduced electricity consumption using solar panels to run printing & book collator machines & use parabolic cookers to prepare meals.

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# SAATCA 14th Annual International Conference

29-31 August 2011 CSIR Convention Centre Pretoria

**"Auditing in a Regulatory Environment" will be covered by technical experts both local and international, who bring attendees the most up-to-date, relevant information regarding a variety of important topics**

The conference will run with two streams giving our delegates the option to choose from different disciplines, Quality, Environmental, Food Safety, Health and Safety, Road transport, IT systems and many more. Some of the topics that will be covered are:

- ◆ ISO Guide 83 (MS common elements) ◆ Performance based auditing ◆ Clean energy vs dirty energy ◆ Impact of indemnity clauses, the law and ISO 14001 ◆ Changes in waste regulations ◆ ISO 8000 and DATA Quality Management ◆ ISO 9001 Legal requirements ◆ ISO 19011
- ◆ Dangerous goods and packaging ◆ The new updated SANS 16001:HIV/Aids Management ◆ A background to the audit environment at abattoirs
- ◆ OHS Act ◆ Regulations and legal framework for SME's ◆ Food product testing requirements ◆ Auditing FSMS: what auditors often don't do

## Hear from some of the most respected names in industry

- ◆ Dr Gerhard Neefling - Read Meat Abattoir Association
- ◆ Prof Chris Griffith - University of Wales Institute
- ◆ Hope Kiwekete - Transnet
- ◆ Hendrik Visser - EQCISA
- ◆ Peter Benson - Pilog USA
- ◆ Errol Goetsch - Centre for Social Impact SA
- ◆ Dr Alastair Walker - SPI Laboratory
- ◆ Rose Fekkin - Pick & Pay
- ◆ Adam Simcock - Carbon Check
- ◆ Gerswynn Mckuur - CSIR
- ◆ John Hempel - Compliance South Africa

## Who should attend:

- ◆ Management system/SHEQ managers
- ◆ Practitioners
- ◆ Management system auditors and auditors in training
- ◆ Consultants
- ◆ Trainers



For more information visit [www.saatca.co.za](http://www.saatca.co.za) or contact us on 012 349 2763 /[conference@saatca.co.za](mailto:conference@saatca.co.za)

	Non-SAATCA Clients	SAATCA Clients
Conference ONLY	R 2600	R 2300
Workshops x 4	R 600 per Workshop	R 500 per Workshop
Tour	R 1500	R 1500
Total	R 6500	R 5800
Discounted Price Full Package	R 5200	R 4500

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They also use interesting ways to keep themselves warm in winter as well as sharing their ideas with others within their immediate community

- 2nd place - African Chapter Tours who used technology and working from home to reduce their carbon emissions.
- CTICC wins 3rd place with interesting office furniture recycling projects.

Special mention goes to larger corporate entries. Nedbank's Save Trees Initiative, FNB's Growing Green Project and Avis' efforts in waste management & water conservation should be commended.

To increase GOW's footprint we would like to have a list of all Sustainability directors or managers in South African organisations.

We would be most grateful if you could fill this form in and send it back to us by [Clicking here](#)

## greenQUOTE

*"Nature provides a free lunch, but only if we control our appetites". ~William Ruckelshaus*

## greenHUMOUR

*"I think God's going to come down and pull civilization over for speeding." Steven Wright*

## greenJARGON

**So what exactly do these new green words mean?**

### Carbon Footprint

A measure of the amount of carbon dioxide emitted through the combustion of fossil fuels. A carbon footprint is often expressed as tons of carbon dioxide or tons of carbon emitted, usually on an annual basis.

### Biodegradable

The ability of a material to decompose through natural processes and eventually be reabsorbed by the natural environment. Biodegradable products include all plant and animal material, paper, food waste and fibers. Plastic, glass and metals are not biodegradable. However, even biodegradable materials will not break down once they are buried in a landfill because they are deprived of oxygen, which is necessary for decomposition.

### Rainwater Harvesting

The collection, storage, and reuse of rainwater.

### Renewable Energy Sources

Energy sources that replenish themselves naturally within a short period of time. Sources of renewable energy include solar energy, hydroelectric

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# ISO LEAN PROCESS

## THE INCORPORATION OF LEAN, THE QUEST FOR REDUCTION AND ELIMINATION OF WASTE

We have found that companies document too much or too little, yet that is not the major downfall. The major downfall is that processes are documented without really analyzing what is being done and what can be performed better. The standard's requirements are somehow patched into the organization's processes.

It is typical that processes to meet the standard are added to the company's current practice, creating a burden on the people using the QMS. The burden is not the standard's requirements but the already redundant system's.

What techniques or tools from the lean manufacturing and six sigma toolbox can we incorporate?

- 5Ss
- value stream process mapping and SIPOC (supply, input, process, output, customer diagram).
- Kaizen

It is very practical to begin with 5S. Why? Because a clean and orderly plant leads to quality. In most companies, the process by which they manufacture a product is the best it can be; after all, they are the experts at what they make. Unfortunately, the lack of cleanliness and order in a plant can severely affect their efficiency and productivity. Think about it: A company seeking a QMS certification might invest approximately R100,000 to R120,000 in certification and surveillance audits alone. How can it not invest in new paint for an old, beat-up production floor, lines that designate walking, storing and production areas, and adequate lighting?

We are not saying that you must paint your plant in pursuing ISO certification, but take a good look at your plant, and ask yourself what message you are sending to the employees. If you do not care about the state of your company, should they?

Value stream process mapping is key in documenting the QMS' processes. It is here that we are able to document the true sequence and interrelationship of processes within a system. But most importantly, we can identify what activities add value and question those activities that do not add value to the process.

SIPOC is an excellent tool to incorporate in certain processes since it prompts us to consider the (S) suppliers of the process, the (I) inputs to the process, the (P) process to review and improve, the (O) outputs of the process, and the (C) customers that receive the process outputs.

Once a process is capable (whether it is a manufacturing or administrative one), now is the time to seek continuous improvement. Kaizen provides us with the platform we need.

Small, manageable, continuous improvement projects give the impression ISO is not a six- to 12-month project that ends with a certification audit and a certificate, but they create a solid structure from which improvement can be built upon in your organization.

## WASTE IN THE QMS DOCUMENTATION PROCESS

- It's too bureaucratic with too many procedures, some of which overwhelm an already lean (in terms of workforce) organization.
- It's not representative of current business practices.
- It's not understood by personnel. In many instances, the procedures are lengthy pages filled with text that seem user-unfriendly. The major downfall of this is that users will not use these procedures, thus avoiding the opportunity to improve the processes.
- It requires special efforts to satisfy auditors.
- It creates unnecessary cost and is a burden to maintain.

## IDENTIFYING WASTE IN THE ORGANIZATION'S ACTUAL PROCESSES

The following methodology is performed for all processes included in the QMS. An example of the customer order process follows can be seen in **Figure 1**.

Start by mapping out the customer order process—not with the sales manager or the ISO coordinator, but with the people who actually processed the orders.

In a recent exercise, a company had five rows of activities from left to right on the whiteboard and still had customer service representatives adding various scenarios that they faced on a day-to-day basis. The final process map had a total of 28 steps, and it still did not account for the process of amendments to orders, which is a requirement of the Standard.

This was the process of documentation to meet the ISO 9000 standard, right?

Waste needed to be identified and eliminated prior to documenting the process.

- Orders were reviewed twice and sometimes even by three individuals if the amount exceeded a fixed amount prior to being entered into the system.

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- Prices were affected by discounts that were always fluctuating, depending on the season, the customer, or the regional sales person. This required that the customer service representative had to review the pricing and make adjustments to the system manually.
- A complete contingency plan was in effect to make up for consistent inventory inaccuracies and shortages.
- Bills of materials were reviewed by production control in order to adjust materials if there was a shortage or, most commonly, to make the necessary adjustments if the bill of materials did not suit the reality of the process.
- Redundancy in sales documentation, a package from sales, and a package from shipping would make its way to accounting for the same order. This was done just in case one or the other forgot to send in the documentation, and the customer was not billed.

## Customer Order Processing

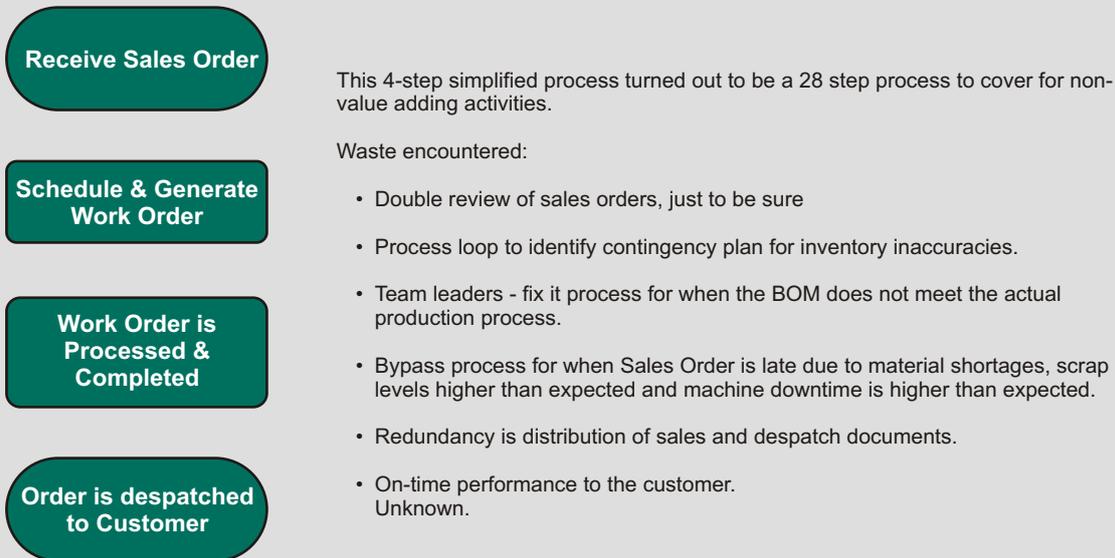


Figure 1.

The above was the process of a 300-plus-employee plant with a complete enterprise resources planning (ERP) system in place. A typical case was where people worked hard and yet only obtained a poor 70 to 80 percent in sales on-time performance.

Each and every one of the wastes identified was eliminated from the process, and a plan was put in place to eliminate the source of these wasteful activities.

## THE RESULTS

The resulting flowchart for the customer order process was reduced by 40 percent.

By mapping out the process, we are able to clearly identify the current practices, and by utilizing SIPOC, we stayed focused. By keeping lean in mind, we also were able to reduce or eliminate waste.

The resulting documented system is a comprehensive flowchart that details each process, making sure that waste is identified and eliminated. SIPOC proved most useful in the design control process, since it clearly allowed us to identify the suppliers, inputs, process, outputs, and the customers highly interrelated and affected by the design process.

Non-value added activities are many times the result of well-intentioned employees trying to fix a system that is lacking. These patches are continuously put on one after the other so that it is very difficult to identify and eliminate the layers on a day-to-day basis. Implementing ISO without using methodologies and techniques that are readily available to improve our processes results in a limited change to the organization.

The employees of this organization were amazed at the benefits that they had encountered by implementing ISO—within the same timeframe and cost that other companies, including suppliers, had experienced. The difference was that this organization had not only achieved certification, but had actually put an ISO lean QMS in place, as well.

An ISO lean process is a mindset for truly implementing a QMS that adds value to your organization.

Keep this mindset and assess the state of your current QMS or your implementation effort. In most cases, up to 40 percent of non-value added activities can be identified and, eventually, eliminated. Paving the road for the best part of a QMS is improvement.

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# DIRECTORS BEWARE: THERE'S A NEW MEANING TO BUSINESS RESCUE

All too often, the dream of setting up a company and establishing a business is rushed into by zealous individuals, eager to make a quick profit. Many self appointed, unqualified directors fail to ensure the business is grounded upon sound governance principals, and are often oblivious to the lurking legal requirements that protect the company as an entity, as well as the stakeholders who become involved in the company's business.

Directors who establish businesses in this haphazard manner ought to be reminded of the fact that there are a number of legal mechanisms that protect the rights of the company (the juristic entity), but there is little, if any, protection afforded to those who set up the company, and run its daily operations. The juristic entity is afforded the right -- through common law, legislation and the company's constitutional documents -- to be protected by the people charged with this duty, and who are now referred to as *prescribed officers* in the new Companies Act 2008 (the Act).

Rather ironically, many of the prescribed officers, who consist of the company's directors and its senior management, are not able to articulate what is expected of them in terms of their common law duties, which include the duty to act honestly, diligently and in the best interests of the company at all times. Moreover, their duties also extend to complying with all applicable law, acting with independence, but also notifying the company's stakeholders should there be any concern that the company may be in financial distress. For these errant directors, one would hope that they will rapidly rethink and change the nature of their reckless behaviour, which so often causes devastating financial losses to the company's shareholders, employees and creditors.

Fortunately, the legislation appears to be tightening its grips to control the actions of those company's directors whose imprudent actions and blasé attitudes result in financial distress to the company and all concerned.

Directors on the boards of South African companies are now legally bound to follow specific guidelines, as well as deliver a written notice to each of its affected stakeholders informing them that the company is in financial distress, as a result of Chapter Six and Section 129 of the Act -- which became effective on 01 May 2011 -- including those recommendations of the King III Report on Governance 2009 (King III). Business rescue proceedings may be initiated either by an ordinary company resolution or failing this, a court order may be issued for the proceedings to begin. More reassuring is the fact that if directors vote for a resolution for a business rescue, and it becomes evident that this was indeed not necessary, the directors of the company will be penalised.

Increasingly, directors of the board will need to ensure that they have the mental agility when conducting the affairs of the business. Never has this been more true as some directors -- particularly in tough economic times -- continue to chase the deals irrespective of the costs or implications. Whilst there are now better safeguards for the protection of the company's

assets, cashflow and the stakeholder's interests; directors will most certainly need to raise their game, and broaden their knowledge of prudent risk management, or they will face the wrath of the law, the scorn of the investors and even delinquency.

As a result of these new provisions, it is most likely that the company's board will consider more carefully the manner and extent to which they engage future business, to ensure that they do not trade their companies whilst in an insolvent position where they cannot pay their creditors.

One wonders whether this gloomy message, which is intended specifically for those directors who have financially plundered so many companies and destroyed the lives of countless individuals, will take these new provisions to heart. Failure to do so could mean that these individuals will be subject to repaying the debt to the affected people, or even receive a declaration of delinquency, which carries criminal implications and could mean that the director is banned from serving on a board for life. This certainly should cause even the most reckless of boardroom junkies to rethink their next moves.

Never before in the history of South African law, has there been more of a need for directors to understand their fiduciary responsibilities, particularly when it comes to ensuring they are conducting business in the best interests of the company, and not their own.

Directors will need to understand how the new provisions of Business Rescue will affect them, both at a personal and at a business level, not least the fact that there is also a claw-back provision of three years which creditors can exercise should this be necessary.



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## Quality in Schools

a regular column by Dr Richard Hayward

As most of our readers are parents themselves, we have asked SAQI's education editor Richard Hayward (rpdhayward@yahoo.com), a retired headmaster and published author to give us some words of wisdom on how to get quality principles instilled in young people.



## Down but definitely not out

Eina! To be knocked out of the ICC World Cricket Cup because of a defeat at the hands of ...yes, New Zealand! The Proteas had been doing so well up until that fateful match. South Africa had even beaten India, the eventual winners.

The big question asked after the loss against the Black Caps was: Where did South Africa go wrong? The players had prepared so well and hard; there was excellent team spirit. Then the dreaded word that haunts South African cricket resurfaced. What's that word? Chokers. The team didn't have BMT (Big Match Temperament). They were unable to remain calm, cool and collected.

Children who take part in school sport learn Quality principles of lifelong value. Very few sports teams have an unbeaten season. The best teams are given the occasional knock-out blow by lightweight opponents. Outstanding players can't go the full distance in odd games. Don't throw in the towel. It's how you pick yourself off the canvas that counts. In tough times, team spirit can become much stronger. The players realise that they need and have to help each other.

Quality Kids, schools and organisations accept that disappointments happen. They treat them as growth opportunities. Morale-building questions are asked such as, 'What are we still doing right?' or 'Whose skills are improving?' Then there's the honest assessment

of what needs to improve and how it's to be done. Defeat teaches values: keep emotions under control, be humble but persevere relentlessly.

Sadly, children are allowed to 'cop out' too soon when they're not on a winning streak. They give up a sport or they stop working hard in a school subject because the effort required is deemed too much. When children want to give up, emphasise what's already been achieved. They've already learnt so much. Remind them that hardly anything worthwhile is achieved without a great deal of grit and the 'hang in there' factor.

In 2015 the next ICC World Cup will be played in Australia and New Zealand. Now that's something to motivate the Proteas! Imagine beating intense rivals in their own backyard?! Whatever one's age and level of sport nor how eina the defeat, the rallying cry is always, "Down but definitely not out!"

*Richard Hayward, a former principal of two schools, does leadership and management programmes under the aegis of SAQI.*

SAQI has school leadership and management programmes based on Quality practices. For more details, please contact either Vanessa du Toit (012-349-5006; [vanessa@saqi.co.za](mailto:vanessa@saqi.co.za)) or Richard Hayward (011-888-3262; [rpdhayward@yahoo.com](mailto:rpdhayward@yahoo.com))

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# SAQI Training Programme for 2011

All courses offered by the South African Quality Institute are presented in association with other course providers and are available to all organisations including SMMEs and corporates. 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 10% discount applies to SAQI members. All prices include VAT. For more information or to register contact Vanessa du Toit at (012) 349 5006 or [vanessa@saqi.co.za](mailto:vanessa@saqi.co.za)

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SAQI reserves the right to change details of the programme without prior notice. Click on the course code for a synopsis or [click here](#) for all course synopsis in alphabetical order.

Code	Course	Days	Cost	Jun	Jul	Aug	Sept	Oct	Nov	Dec
B1	Cost of Quality	2	R4,000.00			15-16		10-11		
B11	Setting and achieving measurable objectives	1	R2,150.00	7			2			5
B12	ISO 14000 overview	1	R2,150.00			31			25	
B14	Integrated Management Requirements	3	R4,250.00						2-4	
B16	Internal Quality Auditing	3	R4,250.00	8-10		24-26		5-7		7-9
B20	Organisational QMS Lead Auditor	5	R9,980.00					10-14		
B24	How to write procedures	3	R4,250.00	1-2	4-5			3-4		
B34	Statistical Process Control	5	R9,980.00			1-5			7-11	
B38	Development of QMS	5	R9,980.00	20-24	25-29				14-18	
B41	Introduction to Quality Control	1	R2,150.00	6		19				6
B48	ISO 9001 Requirements Workshop	3	R4,250.00		18-20			17-19		
B49	SHEQ Internal Auditing	3	R4,250.00						21-23	
B50	EMS Lead Auditor	5	R9,980.00				5-9			
B51	Development of SHEQ System	5	R9,980.00					24-28		
B52	OHSMS Lead Auditor	5	R9,980.00	27-1				31-4		
B58	Customer Satisfaction and Excellence	2	R3,740.00			22-23			28-29	
B64	Introduction to Quality Techniques	3	R4,250.00		6-8		12-14			
B65	SAQI Certificate in Quality	10	R18,320.00				19-23	24-28		
B66	Problem Solving and Decision Making	3	R5,200.00	13-15		15-17				12-14

SAQI also offer the following courses on an inhouse basis for 10 or more delegates. Please contact [vanessa@saqi.co.za](mailto:vanessa@saqi.co.za) for a quote.

- ◆ Continuous Improvement Program Facilitation (B30)
  - ◆ Control Chart And process Capabilities (B31)
  - ◆ Cost of Quality (B1)
  - ◆ Customer Care (B39)
  - ◆ Customer Satisfaction and Excellence (B58)
  - ◆ Development of Quality Management System (B38)
  - ◆ EMS Lead Auditor (B50)
  - ◆ Executive Report Writing (B57)
  - ◆ Exceptional Service (B32)
  - ◆ HACCP (B47)
  - ◆ Health And Safety Lead Auditor (B52)
- ◆ How To Write Procedures, Work Instructions and ISO 9000 Overview (B24)
  - ◆ ISO 14000 Overview (B12)
  - ◆ ISO 14001 Development Workshop (B13)
  - ◆ ISO 9001:2008 Requirements Workshop (B48)
  - ◆ Integration Of ISO 9001 14001 And OHSAS 18001 (B14)
  - ◆ Internal Environmental Auditor (B44)
  - ◆ Internal Quality Auditing (B16)
  - ◆ Introduction To Quality Control (B41)
  - ◆ Introduction To Quality Techniques (B64)
  - ◆ Key Aspects of Six Sigma (A11)
  - ◆ Lead Auditor - Organisational Quality Auditor (Preparation Course) (B20)
- ◆ Lean Manufacturing Course (B59)
  - ◆ OHSAS 18001 Auditing (B19)
  - ◆ OHSAS 18001 Requirements Workshop (B18)
  - ◆ OHSAS System Development Program (Based on OHSAS 18001) (B46)
  - ◆ Policy Deployment And Continual Improvement
  - ◆ Project Management Demystified (TD1)
  - ◆ Quality Control (B41)
  - ◆ SHEQ Internal Auditing (B49)
  - ◆ SHEQ System Development Programme (B51)
  - ◆ SHEQ Trainer (B53)
  - ◆ Statistical Process Control (Basic Quality Control) (B34)



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