



**CONTENTS**

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Joint March / April edition 1

Executive responsibility according to ISO 9001:2015 Part 1  
By Paul Harding 2

Treating Customers Fairly, or Not?  
By Terrance Mark Booysen and reviewed by Deon Francis (Partner: Hogan Lovells) 4

The role of the FSB  
The Financial Services Board (FSB) is a SAQI Corporate member 6

SANBS  
South African National Blood Service National Quality Week 2015 8

Lepro Corporation scoops top spot globally 9

Achievers are readers  
By Dr Richard Hayward 10

**ASK PAUL** 11

SAQI Quality Training 2016 12

**Joint March / April edition**



Due to a period of holidays and subsequent work overload we have combined two editions for this month's e Quality edge.

In this month's edition I am publishing the first part of a paper on leadership that I presented at the WQC in Budapest last year. We then focus on quality in the financial services field and we have two articles on this subject. The first is by our regular contributor Terry

Booyesen who talks about treating customers fairly. The second is from one of our long term SAQI members, the Financial Services Board of South Africa. We also have feedback from the SANBS on their NQW celebrations.

Another one of our member organizations have achieved ISO 9001:2015 certification and we join them in celebrating this achievement. Our schools specialist Richard Hayward also continues with his important contribution to quality and tells us that "achievers are readers" in his Quality in Schools article.

*Paul Harding*  
SAQI MD



# Executive responsibility according to ISO 9001:2015

## Part 1



By Paul Harding

This is an extract of an article submitted to the IAQ World Quality Conference in Budapest October 2015

### Introduction

#### Leadership and commitment

This article will look at how the requirements for top management have changed with the publication of the new ISO 9001:2015 Quality management systems - Requirements standard. The new standard specifies that top management shall demonstrate leadership and commitment with respect to the quality management system. This statement is different from the previous requirement in the ISO 9001:2008 Quality management system version where the standard required of top management to provide evidence of its commitment to the development and implementation of the quality management system and continually improving its effectiveness. What is the difference between the new and the previous requirement relating to management responsibility? The main difference identified in the revised standard is the substitution of just management responsibility, which could be delegated to a management representative, for expanded traits of leadership that includes engaging, directing and supporting persons to contribute to the effectiveness of the quality management system. The standard now also calls on top management to ensure that the quality management system achieves its intended results and not just establishing quality objectives as was found in the previous standard.

management representative. This was shown in the model as a two way information flow between management and the potential customer. Once this interaction had taken place, which could be regarded as a pre-planning phase in the Plan, Do, Check, Act (PDCA) cycle, then management could start the planning process through establishing the objectives, resources and finally processes necessary to deliver results in accordance with customer requirements and the organization's policies. The model also showed that customers played a significant role in feeding data back into the system showing their levels of satisfaction or dissatisfaction with the product or service offered.

The new ISO 9001:2015 Quality management system requirements standard requires that top management shall demonstrate leadership and commitment with respect to customer focus. Amongst these new requirements top management need to ensure that risks and opportunities that can affect conformity of products and services and the ability to enhance customer satisfaction are determined and addressed. The new requirement also calls on top management to ensure the focus on enhancing customer satisfaction is maintained.

#### Change from management responsibility to leadership

There have now been significant changes in the new ISO 9001:2015 Quality management systems – Requirements standard where the requirement for management responsibility has been replaced for a requirement for leadership. How is this change going to affect the application of the requirements to satisfy conformance to the new ISO 9001:2015 standard?

If we follow the definition of leadership found in ISO 9000:2015 Quality management systems – Fundamentals and vocabulary we see that; "Leaders at all levels establish unity of purpose and direction and create conditions in which people are engaged in achieving the organization's quality objectives." This very much follows some of the Deming principles found in his work *Out of Crisis* (Deming WE 1986). ISO 9000:2015 goes on to give a rationale for this statement. "Creation of unity of purpose and direction and engagement of people enable an organization to align its strategies, policies, processes and resources to achieve its objectives." So what are the possible actions that top management of an organization could take to comply with the leadership requirement found in ISO 9001:2015?

According to ISO 9000:2015 these actions could include:

- Communicate the organization's mission, vision, strategy, policies and processes throughout the organization;
- Create and sustain shared values, fairness and ethical models for behavior at all levels in the organization;
- Establish a culture of trust and integrity;
- Encourage an organization-wide commitment to quality;
- Ensure that leaders at all levels are positive examples to people in the organization;



#### Customer focus

In the 2008 standard under the heading of Customer focus there was a requirement that top management shall ensure that customer requirements are determined and are met with the aim of enhancing customer satisfaction. This requirement was illustrated through a model of a process-based quality management system found in the standard. This model showed that customers play a significant role in defining requirements as inputs into the system. The model also illustrated that management had a responsibility to interact with customers although this responsibility could be delegated to a

...continue on page 3

- Provide people with the required resources, training and authority to act with accountability;
- Inspire, encourage and recognize the contribution of people.

ISO 9000:2015 is not a “requirements” standard; it is only a support document so although the above actions “could” take place these are not mandatory “shall” requirements. If we now revert back to ISO 9001:2015 under the heading of Leadership and commitment we will find that there are ten “shall” requirements that top management have to demonstrate in order to prove their leadership and commitment to the quality management system. One of the ten requirements that stand out is the need to take “accountability” for the effectiveness of the quality management system.

In the 2008 standard responsibility not accountability was required to be delegated to a “Management representative” but often the management representative did not have complete authority for satisfying customer requirements. According to the ISO document N1287 relating to Frequently Asked Questions issued by TC 176, the technical committee that develops the standard, this position of a management representative although no longer mandatory may still be retained. However, in the 2008 standard the management representative was required to have the responsibility and authority to perform tasks in support of the quality management system whereas in the revised standard the leadership now has to take **accountability** for the effectiveness of the quality management system. This word change could be very significant on how the requirement is interpreted.

According to the revised ISO 9001:2015 standard, top management must also now ensure the quality policy and related quality objectives are established for the quality management system and are also compatible with the context and strategic direction of the organization. So for the first time in the development of the ISO 9001 quality management system requirements ISO are now specifying that the quality management system is linked to the strategic direction of the organization. The new standard also requires the integration of the quality management system requirements into the organization's business processes. The ISO 9000:2015 Quality management systems - fundamentals and vocabulary standard does not give a definition of a “business process” only that of a “process”. However, there is a note under leadership in ISO 9001:2015 that says “business” can be interpreted broadly to mean those activities that are core to the purpose of the organization's existence. How have these changed requirements been illustrated in the new standard?

## New Model

The replacement model found in the revised standard shows that a number of inputs are coming into the Quality Management System. These include the organization and its context, customer requirements, needs and expectations of interested parties and results of the QMS with respect to customer satisfaction levels relating to products and services. This new model, in my opinion, is not as explicit as its predecessor in the 2008 version of the ISO 9001 standard and maybe needs further clarification by the ISO Technical Committee.

The revised model does, however, indicate the various clause numbers 4 - 10 found in the standard and how they are grouped in relation to the PDCA cycle. Although it doesn't explicitly say so in the standard, the PDCA cycle is a fractal that can be applied to all processes found in the system. It appears from the model that leadership is now playing a central role to all the other requirements that are to be found in the revised standard illustrated by two-directional arrows. What is not clear is where the external influences fit into the quality management system. For example there is a requirement for the organization to communicate with customers including information relating to

products and services and also a requirement relating to feedback including customer complaints. Unlike the model found in the 2008 version there is no direct link between management responsibility and customer requirements. However, there is a requirement in the body of the standard under the heading of customer focus that requires top management to demonstrate leadership and commitment to ensure that customer, as well as statutory and regulatory requirements are determined, understood and consistently met. Another interesting change found in the new standard is the definition of the Act part of the PDCA cycle that now only requires organizations to improve performance as necessary. The previous definition stated that actions needed to be taken to continually improve process performance. This new definition goes against the established understanding of PDCA that it is a continually rotating cycle.

## Linking strategy and operations through Hoshin Kanri

Do executives now need to take a revised approach to their understanding and commitment towards daily management activities as found in the ISO 9001:2015 requirements standard as well as middle management's implementation and execution of strategic and other cross-functional improvement activities? There is a leadership activity practiced in many Japanese organizations referred to as *top shindan* (Witcher, Chau & Harding 2007). The literal translation of this term from the Japanese is Top Executive Diagnosis and this term will be used in this article. This approach not only supports the Japanese methodology known as *hoshin kanri*, the literal translation of which is policy management or deployment but can also be used as an enabler for showing the leadership traits now expected in ISO 9001:2015. *Hoshin kanri* takes overall strategic goals and objectives and then breaks them down into individual targets that are cascaded down to various levels in the organization. These goals invariably have a focus on improved customer satisfaction leading to increased market share and financial sustainability. Another feature of the new ISO 9001:2015 standard is how to accommodate the changed main heading relating to improvement from “continual improvement” to just “improvement”. The rationale behind this move was that improvement can be associated with small improvement, breakthrough improvements, innovation or just corrective actions. However, there is a sub clause under 10.3 that says the organization shall continually improve the suitability, adequacy and effectiveness of the quality management system. The *hoshin kanri* activity is more related to break through activity than small gradual improvements or *kaizen* (Imai M 1986). The clause in 6.2 Quality objectives and planning to achieve them found in ISO 9001:2015 opens up the opportunity to use the Top Executive Diagnosis methodology.

In the second part of this two part article we will look at how strategy, objective setting and results fit into the general operations of an organization that may be applying the new leadership requirements found in the revised ISO 9001:2015 standard.

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[back to contents page](#)

# Treating Customers Fairly, or Not?

By Terrance Mark Booyen and reviewed by Deon Francis (Partner: Hogan Lovells)

In today's times, customers are very much aware of their rights. Whether or not a frustrated customer is standing in a long bank or retail outlet queue -- be this in South Africa or even in the bustle of Paris -- one is bound to hear someone shouting "customer service please!"

More than ever before, successful businesses insist that their front line employees attend various customer training courses in order to improve their customer interaction. Indeed, their drive to improve customer services and their relations with customers is extended to the products and services intended for their customers. Increasingly, customer-centric organisations allocate enormous annual budgets to protect their markets, and these organisations deploy costly activities to measure their customer satisfaction indexes and retention strategies. The question behind these actions, supported by teams of internal and external marketing and product specialists, is not difficult to answer. Without a customer, there's simply no reason for the organisation to exist.

Compounding matters, the manner in which the internet has changed customer behaviour and their spending patterns has led to most businesses fighting to retain (or grow) their customer and market share. And as can be expected, this is where various governance and ethical practices have become highly questionable. There's no doubt that a number of boards of directors who have their backs against the wall have issued instructions to their subordinates along the lines; "do whatever it takes to retain and grow the customer base". With these instructions in mind, and knowing that many jobs may be on the line if the board's wishes are not met, it's little wonder that the board -- who originally issued these instructions -- don't actually want to know what or how their employees responded to meet their demands. Needless to say, many employees will be forced to act *ultra vires*, breaking legislation and various forms of internal and external regulations in order to retain and or grow their customer base.

Interestingly, the financial services sector in the United Kingdom ('UK') was the first industry sector in the world to adopt a more rational approach to understanding the legal rights and needs of customers. In a highly regulated industry -- and being driven to demonstrate its practices of substance over form -- the financial services sector across most parts of the world are now following a policy known as Treating Customers Fairly ('TCF') which started in the UK. TCF was first introduced by the UK's Financial Services Association (FSA), now known as the Financial Conduct

Authority (FCA). In the wake of the 2008 global market financial crash, the FCA was tasked to regulate the financial services industry in order to protect and improve the UK's economy.

*"Treating Customers Fairly (TCF) is the new mantra in financial services, and will be at the heart of future supervision and regulation in South Africa. Those in the industry are actively readying themselves for TCF and embarking on implementation plans across their multiple business models and product lines."*

**Author: Judy Gilmour**  
16 January 2014

The actions taken by the UK to insure -- amongst other matters -- that the rights of customers as well as the integrity of the market is protected, has been replicated in many countries, including South Africa. Because many customers were exploited by unscrupulous operators in the financial, insurance and credit markets, the gist of TCF focusses upon ensuring that customers are treated fairly. This includes insuring that all customer interactions are done on a transparent basis, and that the all too familiar complex sales and marketing pitches are completely abolished.

Of course many lessons can be extracted from these invigorating activities now found in the financial services sector, who are intent on treating customers fairly. Expectedly, the same customer in the financial services sector may also be found in the retail, manufacturing and tourism sectors, to name just a few. One would hope that the captains of these sectors will adopt the same TCF ethos as their counterparts in the financial sector. But having said this, it does not require much stretching of the imagination to suggest that 'stakeholders' are broadly speaking 'customers' of any and all types of organisations. So when the organisation produces its annual integrated report, one may challenge many of these organisations to ask if they have truly treated their customers fairly when the information they have presented in these reports is not as accurate as it should have been. One must not forget that many potential investors, in other words customers, rely heavily on the information they are presented with in these reports prior to making their investment choices.

...continue on page 5

"In a terrifying glimpse this week into the dark heart of unsecured lending in South Africa, a former top executive of African Bank, Tami Sokutu, scorned the poor who were sucked into debt by easy loans from his now failed company.

Sokutu, who made more than R50-million in share options and earned another R35- million in salary and bonuses from his time as Abil's chief risk officer, was asked about those who had obtained loans but were now unable to repay them. The lives of thousands of borrowers have been ruined because they have been listed as bad credit risks."

**Source: South Africa: 'F\*\*\* the poor!' is the message from a top executive at African Bank**  
18 August 2014

As with the FCA in the United Kingdom, our own financial services regulator in South Africa, namely the Financial Services Board ('FSB'), expects organisations to abide with the TCF policy and its associated legislation. The FSB furthermore requires organisations to diligently monitor and audit their compliance in this respect. Treating customers fairly should be the priority of all organisations and, as such, value may be extracted by applying the TCF principles as a matter of good governance, not least also for sustainable business practices.

Organisations will increasingly be expected to foster a culture of doing business in a way that will ensure customers get treated fairly, and that all the organisation's actions, products and services are grounded upon ethical values. In order to embed a TCF culture within an organisation, it will need a 'top down' and 'bottom up' approach which must be entrenched throughout the organisation. Expectedly, the board must unequivocally support TCF which will flow through the organisation's leadership structures, its strategy and decision making, its governance and controls, as well as its performance management programmes.

As customers become more informed of their rights, allied with their increased powers and activism, boards of directors should be a lot more cautious when they instruct their employees upon matters which may have bearing upon their customers. So often is the case where employees are instructed to undertake certain tasks which amount to nothing less than greed and "making the numbers irrespective of the cost." To retain and grow the organisation's customers, organisations will need to become more customer-friendly, particularly as customers have become more demanding of qualitative treatment. Organisations that 'claim to be customer-centric' will need to refocus the manner in which they place their customers first, and this will have huge implications upon the organisation's strategy which has traditionally been geared toward maximising shareholder value as a first priority, and the customer somewhere behind. Undoubtedly, TCF will force organisations to change their

strategy by placing customers first; in other words, moving away from a product-centric approach to a customer-centric one. This will require a complete mind shift from the board, and even possibly replacing board members who have out-dated or greedy thinking.

As more legislation and standards are written in favour of protecting the rights of customers, the last thing an organisation wants to do is ignore TCF. Customers are the heart and reason for business; ignoring TCF is a sure recipe for all kinds of disaster.

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**About CGF Research Institute (Pty) Ltd: Services**

CGF is a Proudly South African, Level 4 B-BBEE complaint company that specialises in conducting desktop research on Governance, Risk and Compliance (GRC) related topics, amongst other related company secretariat, regulatory and compliance services.

The company has developed numerous products that cover GRC reports designed to create a high-level awareness and understanding of issues impacting a CEO through to all employees of the organisation.

Through CGF's Lead Independent Consultants, our capabilities include the aggregation of local and international best of breed governance reporting services and extend to;

- strategic management consulting, business re-structuring, executive placements, executive coaching, board assessments and evaluation, out-sourced company secretarial functions, facilitation of Corporate Governance Awareness workshops, IT governance through to Enterprise Risk Management (ERM) consulting and Corporate Reputation services.

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[back to contents page](#)

# THE ROLE OF THE FSB

The Financial Services Board (FSB) is a SAQI Corporate member

The FSB is the statutory regulator of the following financial industries in South Africa and carries out its functions in terms of the Financial Services Board Act No. 97 of 1990, in the public interest:

- insurance;
- retirement funds;
- financial markets;
- collective investments; and
- financial advisory and intermediary services.

The FSB also has some jurisdiction in the banking sector with respect to market conduct issues. The mandate of the FSB is to:

- supervise and enforce compliance with laws regulating financial institutions and the provision of financial services;
- advise the Minister on matters concerning financial institutions and financial services; either of its own accord or at the request of the Minister; and
- promote programmes and initiatives by financial institutions and bodies representing the financial services industry to inform and educate users and potential users of financial products and services.

The FSB is a public entity and is subject to the Public Finance Management Act No. 1 of 1999.

## INSURANCE

Insurance is an agreement between a policyholder and the insurance company. Insurance is divided into long-term and short-term insurance. Under a short-term insurance policy, the insured is entitled to be compensated by the insurer for the loss of or damage to assets caused by the event against which he or she is insured. The aim of short-term insurance is to put the insured in the same position he or she occupied immediately before the loss depending on the terms and conditions of the policy contract. Examples of short-term insurance include motor vehicle, household, theft and fire insurance. Long-term insurance includes life and assistance policies that pay a benefit to dependants on the death of the insured person/s, endowment (Savings) policies payable at a predetermined date, disability policies, pensions and retirement policies, or even a combination of these policies.

In terms of the Long-term and Short-term Insurance Acts, all insurance companies must be registered with the FSB and must comply with the provisions of those Acts. It is important that policyholders establish the name of the insurer (which is a different entity from a broker) who will underwrite the risk and issue the policy and that the insurer is registered to do so before entering into an agreement. The insurance industry has appointed

an Ombudsman for Short-term insurance as well as an Ombudsman for Long-term insurance to play a mediation role in dispute resolution between insurers and policyholders.

## COLLECTIVE INVESTMENT SCHEMES

Collective Investment Schemes are investment structures whereby individual investor monies are pooled with those of other investors. Qualified asset managers regulated under the Collective Investment Schemes Control Act (CISCA) invest these funds on behalf of the investor. Each investor owns units (participatory interest) in the total fund. Fund or asset managers invest the funds in a variety of assets such as equities (shares), property, participation bonds and other financial instruments. The price of each unit depends on the market value of the investment in which the units have been invested. The value of the units rise and fall in line with changes in the value of their underlying investments. Collective Investment Schemes in Securities are generally considered as medium to long-term investment. Past performance is not necessarily a guide to the future performance.

## FINANCIAL ADVISORY AND INTERMEDIARY SERVICES (FAIS)

The FSB through the FAIS Division is responsible for the regulation of the rendering of financial advisory and intermediary services to clients by Financial Services Providers (FSPs) in respect of a wide range of financial products. The provisions of the FAIS Act became effective on 30 September 2004. In terms of this Act, consumers should make sure that the FSP they are dealing with has obtained a licence from the FSB before conducting any transaction. Information on the authorised FSP can be obtained from the FSB website or contact centre toll-free numbers. The Office of the Ombud for Financial Services Providers started receiving FAIS-related consumer complaints dealing with transactions or advice rendered from 30 September 2004.

## CAPITAL MARKETS

In terms of the Securities Services Act, 2004 (SSA), the FSB licences and supervises exchanges namely the JSE Limited, Central Securities Depositories (Strate Limited) and Clearing houses (Strate Limited and SAFCOM) to ensure sound and efficient markets and related services for the exchange of relevant securities together with mechanisms for investor protection. Exchanges and central securities depositories are self-regulatory organisations (SROs) responsible for ensuring their authorised users and participants, respectively comply with the provisions of the SSA and their rules, as approved by the FSB. The FSB renews the licences of the SROs annually. The SSA applies to regulated

...continue on page 7

persons namely SROs and any other person who provides securities services, i.e. the buying and selling of securities, the custody and administration of securities, the management of securities by an authorised user, and the cleaning and settlement of transactions in listed securities. In cases where a dispute arises between a client and an authorised user and it cannot be resolved by the authorised user, it should be raised with the SRO concerned, before the complaint is lodged with the FSB.

## RETIREMENT FUNDS

Retirement funds comprise pension funds, provident funds, retirement annuity funds and preservation funds.

### On retirement:

- under a pension fund at least two thirds of the benefit must be paid as a pension for the rest of the pensioner's life. A maximum of one third of the retirement fund benefit may be taken as a lump sum;
- under a provident fund the full amount of the benefit may be taken as a lump sum.

Both pension and provident funds can be either defined contribution funds or defined benefit funds. With a defined contribution fund, the rules will specify the contributions of the employer and the member, but not the amount or guarantee of the benefit payable on the member's retirement. With a defined benefit fund, the rules will specify the contribution of the member as well as a retirement benefit defined according to a formula. In this case the employer usually pays the balance of costs. A retirement annuity fund operates on the same basis as a pension fund, except that the employer/employee relationship does not exist in such a fund. People who are self-employed and people who want to supplement their pension benefit should consider membership of a retirement annuity fund. A preservation fund is meant to preserve a member's retirement benefits. If, for example, a member is retrenched, it is advisable for that member to invest his/her benefit in a preservation fund. The benefit can be accessed only from age 55, but the member is allowed one cash withdrawal before then. In terms of the Pension Funds Act No. 24 of 1956 (as amended), all retirement funds, other than retirement funds to which the State contributes and official funds, must be registered by the Registrar of Pension Funds and must comply with the provisions of the Act. The Act makes provision for a Pension Funds Adjudicator to whom complaints relating to retirement funds may be lodged. However, the complaint should first be lodged with the fund or the employer and if the fund or employer fails to respond within 30 days of receipt of the complaint, or if the complainant is not happy with the response received during that period, the complaint may be lodged with the Pension Funds Adjudicator.

## MARKET ABUSE

The Directorate of Market Abuse (DMA) is a committee of the FSB and is responsible for combating market abuse in the financial markets in South Africa. Market abuse refers to insider trading, prohibited trading practices (market manipulation) and false, misleading or deceptive statements made in respect of listed securities. These contraventions are investigated by a forensic team at the DMA who may refer such contraventions to the Enforcement Committee of the FSB. If the Enforcement Committee is of the opinion that the law was contravened, it may

impose unlimited penalties on wrongdoers. In addition, all forms of market abuse are also criminal offences and an offender may be prosecuted by the Director of Public Prosecutions.

## CONSUMER EDUCATION

The FSB Act, mandates the FSB to promote programmes and initiatives by financial institutions and bodies representing the financial services industry to inform and educate users and potential users of financial products and services. The FSB has developed and is implementing a strategic plan, in cooperation with other role players, with the objective of promoting appropriate programmes and initiatives by the financial services industry to inform and educate users and potential users of financial products and services. It is our aim to see all South Africans manage their personal and family financial affairs soundly, while irresponsible financial services providers are reported.

## DISPUTE RESOLUTION MECHANISM

The best way a consumer of financial services or products can avoid a dispute, is to make sure that he/she deals with a duly registered financial services provider and that he/she knows what the terms and conditions of his/her contract are. Consumers are advised to always keep copies of correspondence with the relevant FSP or institution and submit these with their complaints, where applicable. In case a dispute arises between a consumer and an FSP, it is always best to first raise the issue with the FSP or institution concerned. If the dispute is not resolved satisfactorily within a reasonable time, the issue should be brought to the attention of the proper dispute resolution institution, in writing, as given below. If it is not clear which institution to contact in case of a dispute, please contact the FSB Contact Centre.

### For more information contact the FSB as follows:

**Physical address:** Block B, Riverwalk Office Park,  
41 Matroosberg Road, Ashlea Gardens, Extension 6, Pretoria,  
0102

**Call Centre numbers:** 0800 2020 87 / 0800 1104 03

**Website:** www.fsb.co.za

**Switchboard:** 012 428 8000/1/2

*SAQI welcomes input to our newsletter from other SAQI Corporate members who are making a difference to South Africa.*



[back to contents page](#)



A competition was held throughout the year (2015) and Questions was set-up via Survey Monkey and this link was sent out to the staff.

The Questions were all linked to Quality and the aim was to evaluate the knowledge that staff had of the Quality staff and Quality issues and the Quality system.

Below is a table: Zone and the month in which the Quality Questions were sent out.

- The amount of staff who entered in each zone.
- The amount of Correct answers.
- And the Winner in each zone.

For Quality Week we also set-up questions to test staff knowledge on Quality. This email was sent out and we held a competition.

The Prize was a holiday in Cape-Town. (All expense paid Trip, including a chauffeur)



**The winner of Quality Week was Beverley King who took her son to enjoy the holiday.**

Zone	Amount of Staff Entered	Correct Answers	Winner
National Launch (May)	387	44	Tsholofelo Molati
KZN (July)	75	22	Chantel van der Merwe
ECape (July)	50	12	Charlene Campbell
MPU (Aug)	29	3	Walter Mbatha
Northern Zone (Aug)	22	3	Mankwana Mokoto
FS/NC (Sept)	42	5	Lichelle Coetzee
Vaal (Sept)	29	4	Vuyi Gina
Egoli (oct)	61	4	Johan Fourie
Nov Quality Week (Nov)	354	N/A	Beverley King

[back to contents page](#)

# Lepro Corporation scoops top spot globally



Lepro Corporation has joined an elite list of companies in the world to be certified on the international quality management requirements standard ISO 9001:2015 – Lepro Corporation became the first company in their sector on the African continent and one of the top 10 companies globally to achieve the prestigious ISO 9001:2015 certification in less than four months after the release of the standard. Lepro was recommended for certification by German certification body DQS on 2 February 2016, and their certificate handed over on the 19th February at the head Office in Johannesburg.

This is a great achievement not only for Lepro but business in South Africa, giving the assurance that our businesses measure up to the international benchmarks and standards. When asked about how difficult it has been for the organization to achieve the milestone; the company's Management Representative – Mrs. Violet Donjeany mentioned “The biggest challenge was in understanding the requirements as the standard had been released only four months ago. In an economy that is battling; it is critical for companies to increase their global positioning plus competitiveness and ISO standards are able to provide a much needed assurance for such. “From the beginning we knew it was going to be a mammoth task, considering that Lepro is an SME and corporates are still trying to understand the standard but “Lepro spared no money in ensuring it was done. Implementing an electronic management system to help meet the requirements” these were the words of Dr Lucas Moloi who is the recently retired chairman of the South African Quality Institute. As a result of the new standard Lepro has had to adopt better quality practices, and “risk based thinking”.

Asking the very proud MD of Lepro Mr Lizwe Ndlovu what this meant for the organization he said “we are now a global player, giving sustainable jobs to over 2600 breadwinners and the responsibility of keeping them safe within jobs is never easy when one doesn't have systems”. As many scramble to understand the ISO standards, this proudly South African company will be working to break new international boundaries.



Violet Donjeany – Human Resources Manager



Lizwe Ndlovu & DQS staff



[back to contents page](#)

# 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.



## Achievers are readers Richard Hayward

*Reading is to the mind what exercise is to the body.*

Richard Steele

Sometimes academic research states what we think is obvious. A huge amount of research has been done on the long-term achievements of children who love readers. Research has proved a very important fact. Children who enjoy reading and read a great deal, are very likely to be achievers.

British research has shown that there's a very strong link between children who read often and their scholastic success. These children usually have better vocabularies and are able to express themselves more effectively than their peers whether it be in writing or in speaking. In fact, the avid readers are often likely to do better in Maths too. Such children are better able to understand those Maths questions which are set in a problem scenario. (For example: If Daniel has half the number of books that Mpho and Jabu have, how many books ...?)

One interesting research result comes from PISA (Programme for International Student Assessment). The PISA assessment results in areas such as English and Maths are highly regarded worldwide. Their research indicates that, "... reading for pleasure is more important for children's educational success than their family's socio-economic status." That is a significant and relevant finding for a country such as South Africa. Millions of our children are hugely disadvantaged due to destitute home backgrounds. There's a way to improve scholastic results. Instil a passion for reading!

It's up to family members, parents and teachers to instil children with a love of reading. As Emile Buchwald commented so wisely, "Children are made readers on the laps of their parents."

Which books should we encourage children to pick up and read? *The Times Educational Supplement (TES)* posed that question to British teachers. They were asked to recommend a list of 100 fiction books that children should have read before leaving primary school. Here is part of that list with the books in rank order > *see list on right.*

Ann Mroz, editor of *TES*, made an observation about the listed books. Not all of the books are funny, cheerful and exciting. In fact, some of them deal with dark and depressing topics. Yet those books serve an important purpose because they're,

"... giving children a safe place where they can take control of troubling subjects, where evil can be glimpsed and then shut within their pages. Reading fiction teaches children how to navigate the journey of life."

Richard Hayward does SACE (South African Council for Educators)-endorsed courses under the aegis of SAQI. For more details, please contact him at [rpdhayward@yahoo.com](mailto:rpdhayward@yahoo.com) or on 011 888 3262.

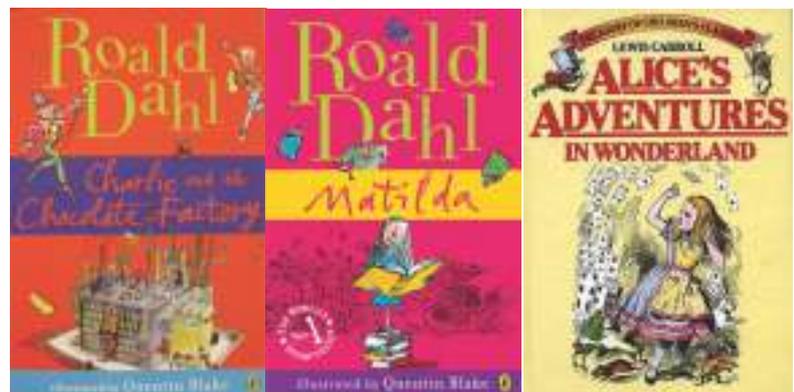
Quality leaders are readers. It was former American President Harry S Truman who made the one-liner observation that not all readers are leaders but all leaders are readers. *FORTUNE* magazine is considered a 'must read' read for aspiring and achieving leaders in America. Some years ago the magazine made a statement to its adult readers which applies equally to today's children who want to be ahead tomorrow. The statement isn't the whole reality on how to achieve but it points to a critical essential on the road to results:

"Some people will lie, cheat, steal and back-stab to get ahead ... and to think all they have to do is READ!"

Mroz, A 2015. Take a leaf out of Roald Dahl's book this summer. *Times Educational Supplement*. 24 July, page 4.

### Top 'must-read' fiction books for primary school children

- |                                   |                                   |                        |
|-----------------------------------|-----------------------------------|------------------------|
| 1                                 | Charlie and the Chocolate Factory | Roald Dahl             |
| 2                                 | Goodnight Mister Tom              | Michelle Magorian      |
| 3                                 | Alice's Adventures in Wonderland  | Lewis Carroll          |
| 4                                 | Matilda                           | Roald Dahl             |
| 5                                 | The Gruffalo                      | Julia Donaldson        |
| 6                                 | The Chronicles of Narnia          | CS Lewis               |
| 7                                 | The Very Hungry Caterpillar       | Eric Carle             |
| 8                                 | We're Going on a Bear Hunt        | Michael Rosen          |
| 9                                 | Dogger                            | Shirley Hughes         |
| 10                                | Where the Wild Things Are         | Maurice Sendak         |
| ... and five more 'must reads'... |                                   |                        |
| 12                                | Black Beauty                      | Anna Sewell            |
| 17                                | The Hobbit                        | JRR Tolkien            |
| 20                                | War Horse                         | Michael Morpugo        |
| 37                                | The Magic Faraway Tree            | Enid Blyton            |
| 53                                | Treasure Island                   | Robert Louis Stevenson |



[back to contents page](#)

**Our first “ASK PAUL” question for the year, was investigated by one of our SAQI Senior Members, Jacques Snyders.**

■ **Question to SAQI:** “Good day Paul, please advise which of your training levels is appropriate to start at. I am currently employed as a Quality Control Inspector, and have completed a NQF Level 6 certificate in Total Quality Management, I was thinking of enrolling for your SAQI Level 3 certificate in Quality Assurance.”

SAQI have been inundated, by many of our SAQI and non-SAQI members with regards to this other question, “Will SAQI will give individuals credits on our Level 2, 3 and 4 certificate programs, for delegates who have completed a NQF Level 6 TQM Certificate, currently provided by some tertiary institutions in South Africa.”

■ **SAQI's response:**

We do not particularly like to comment on any other institutions programs, but we would like to provide an answer to this question for our readers.

**Choosing the right program:**

We are well aware of the current education challenges in South Africa, but we cannot dictate where people should obtain appropriate knowledge for all situations. However, there are some guidelines which are very important to consider, when selecting a quality education program, specifically a certificate program rather than a qualification program.

**Selecting the appropriate program**

Similar requests, to the one listed above, are coming from the Quality inspector, and team leader levels. We feel that this level of quality practitioner should not select Certificate Programs aimed at the higher TQM levels. The TQM philosophy is more aimed at Engineering & Quality Management levels, and not appropriate for the Inspector levels.

This is why SAQI have developed our unique career certification program for:

- Level 2 Quality Control
- Level 3 Quality Assurance and
- Level 4 Quality Management

Our experience tells us it takes time to develop a good Quality Manager and that this process is not merely a quest for

knowledge, but an accumulation of skills obtained through knowledge coupled with experience. We do find in the current South African situation, that young professionals are promoted very quickly through the organisations, without them totally obtaining the necessary skills and experience at the Quality Control or Quality Assurance levels, before moving into a strategic management level. It is also not necessarily true that someone who has only been exposed to ISO 9001 requirements has acquired the correct skillset to become a Quality Manager.

This, situation became evident during delivery of our Quality Control program when we learned that some of the delegates, who had completed the NQF level 6 TQM certificate, had very little understanding of some quality activities including the basics of Quality Control. The realization for these individuals is that their understanding of quality is far divorced from the Purpose of QC, which is founded on the P-D-C-A cycle, or I-A-I-A as shown below:

**Inspecting:** To acquire the necessary data on types of variations, followed by

**Analysing:** The root causes of these variations, and ultimately using a structured problem solving methodology through a quality circles methodology, to

**Improve:** By implementing corrective measures and improve the level of quality in their organisations, which is followed by

**Act:** This is in most cases the forgotten element of the P-D-C-A cycle, where the improvements made, should be verified for its effectiveness, and these learning's need to be shared throughout the organisation, as to ultimately improve the level of quality of the organisation.

**Conclusion to the question**

We do acknowledge that delegates who have completed a NQF Level 6 TQM certificate, have acquired a broad knowledge of TQM, and we are investigating a shorter program of our Level2 and Level3 programs to accommodate these delegates. We will however not give credit to any subjects, but rather reduce the training time to not cover some of the concepts already acquired in their TQM certificate. SAQI will shortly announce this program in our next newsletter.

**Questions relating to quality activities can be sent with the title “Ask Paul” to [exec@saqi.co.za](mailto:exec@saqi.co.za)**

[back to contents page](#)



# SAQI Training Programme for 2016

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](mailto:vanessa@saqi.co.za)

1. Each course listed on the training schedule can be completed individually or form part of the overall three levels of certification.
2. 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.
3. The courses listed below form part of a specific Certificate and all modules should be successfully completed to qualify for the Certificate.
4. Delegates are advised to start on Level 2 before moving on to Level 3.
5. All courses completed previously will receive credit when proof of successful completion is received.

**ALL PRICES  
EXCLUDE VAT**

Code	Course	Days	Cost	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>L2</b>	<b>SAQI Certificate in Quality Control*</b>	<b>10</b>	<b>R 18,874</b>										
B41	Introduction to Quality Control	2	R 4,277			23-24			1-2		10-11		
B90	Introduction to Statistical Techniques	3	R 5,160			25-27			3-5		12-14		
B91	Introduction to Statistical Process Control (SPC)	3	R 5,160	7-9			27-29		22-24		31-2		
B79	A3 Problem Solving	2	R 4,277	10-11			30-1		25-26			3-4	
<b>L3</b>	<b>SAQI Certificate in Quality Assurance*</b>	<b>13</b>	<b>R 24,034</b>										
B48	ISO Requirements 9001:2015	3	R 5,160	14-16						5-7			
B24	Procedure writing	2	R 4,277	17-18						8-9			
B16	Internal Quality Auditing	3	R 5,160		18-20							14-16	
B92	Advanced Statistical Techniques	3	R 5,160		4-6						3-5		
B77	Advanced Product Quality Planning (APQP)	2	R 4,277		7-8						6-7		
<b>L4</b>	<b>SAQI Certificate in Quality Management*</b>	<b>15</b>	<b>R 31,706</b>										
B38	Development of a QMS	5	R 10,693							26-30			
B01	Cost of Quality	2	R 4,277								17-18		
B58	New SA Quality Excellence Model	2	R 4,277								19-21		
B74/B76	Lean for Manufacturing/Service Industries	4	R 8,182									21-24	
B93	Policy Deployment (Hoshin Kanri)	2	R 4,277									28-29	

**INHOUSE**

Above and beyond the courses listed on the left, we can also provide your company with inhouse training on the following topics.

- Incident and Accident Investigation (B82)
- Introduction to ISO14001:2015
- Introduction to OHSAS 18001
- Inventory and Warehouse Management (B86)
- Lean Six Sigma Yellow Belt (YB)
- Lean Six Sigma Black Belt (BB)
- Production Planning and Scheduling (B85)
- SHEQ Internal Auditing (B49)
- Supply Chain Management (B84)
- IT Process Improvement courses



[WWW.SAQI.CO.ZA](http://www.saqi.co.za)

[back to contents page](#)

**For a list of other courses provided, please visit [www.saqi.co.za](http://www.saqi.co.za)  
Inhouse courses provided to 10 or more delegates**

