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Supply chain risk mitigation through visibility and collaboration for SMEs in the South African manufacturing enviroment

Cipolat, Alberto C

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2014.11.21_11.34_01 Iron Casting Company

Peter: And eventually it goes into this thing and this thing over here takes the metal and raises the temperature, okay, (Bernadette: Mmhmm.) because it's got an exotherm in it. Exotherm, you can light the exotherm (Bernadette: Mmm.) and it can go up to 5000 degrees Celsius, hotter than the sun. So you can, the bit of metal that you've got in here, it can get hotter and allow your casting underneath to get solidified (Bernadette: Mmm.) and if it needs more metal it sucks from here. (Bernadette: Mmm.) So you've got what you call modulus zinc castings, so every junction you've got to work it out from a mathematical point of view. On this board over here, all my s, my graduates come on Saturdays, they now doing exams, I've got a guy in that's professional (Bernadette: Mmm.) at this game as far as this is concerned, and he's been teaching them, and they now doing special,, because you've got different (Bernadette: Mmm.) types of way of thinking, (Bernadette: Mmm, mmm.) and, uh, that's another thing, gees, the way you think in a foundry (Bernadette: Mmm.) it's not just, it's not a machine shop where you push buttons like that, (Bernadette: Mmm.) okay, it [Word not clear.] and it cuts (Bernadette: Mmm, mmm.) and it does whatever, (Bernadette: Mmm.) (Alberto: Ja.) this is not like this. You've got to think this way, you know? (Bernadette: Mmm.) And, um, iron works different to steel. On iron you don't feed (Bernadette: Mmm.) the cornel centre, (Bernadette: Mmm.) you feed on the thin section, (Bernadette: Ja.) it will feed to the thick section. (Bernadette: Mmm.) With steel you feed the few thermal sections so you put it on the steel. (Bernadette: Mmm.) So this over here, you can picture the mine filling up going in there, (Bernadette: Mmm.) and that goes liquid, (Bernadette: Mmm.) and then it shrinks in here (Bernadette: Mmm!) and then you cut this off, so there's other parts that, that, um, (Bernadette: Mmm.) go smaller on this (Bernadette: Ja.) [A few words are not clear.] but it's a mic, and you cut off the mic (
Bernadette: Mmm.) and you carry on. So that's that. Then you get other parts like this 1 over here, um, that 1 there, now if you've got to feed on the side [A few words are not clear.] (Bernadette: Mmm, mmm.) okay, if you put 2 pieces plus the neck it goes through on the side (Bernadette: Mmm, mmm.) and there are many, many, many faults that happen. What happens, we've got 2 things, we've got sand on the 1 side and metal on the other. We make the mould in sand and we make the metal from a furnace. Put the 2 together and the operation of putting the 2 together is forming into a ladle, treating [A few words are not clear.] the ladle, and somewhere between there and there horrible things can go wrong (Bernadette: Mmm.) because you don't get the right temperature, (Bernadette: Mmm?) the ladle is 1 ton and he's making 30 kg jobs, by the time he gets through to the last 1, that temperature is different to that temperature (Bernadette: Mmm, mmm.) you started, so you get different, you've got different problems, (Bernadette: Mmm.) you know? You get things like fade happen where you put inoculants in iron, as it's coming out of the furnace you add inoculant to the stream, it changes the graphite into a easiest machineable product, (Bernadette: Mmm.) but leave it out there for 10 minutes pouring and it retracts, so now the customer phones, listen, I've got this shiny bit on the casting, the castings are fine but what's going on? And you think, oh no, (Bernadette laughs.) the guys have taken too long to cast it (Bernadette: Mmm.)

now you've got a problem. (Bernadette: Mmm.) So we have something like 2 to 300 variables that can go wrong in our foundry. (Bernadette: Ja.) These are major, major problems for us. All of them are risks. (Bernadette: Mmm.) 1 of, obviously you've got your high risk stuff (Bernadette: Mmm.) down to your minor risks. (Bernadette: Mmm.) So, I forget the number but somebody calculated 260 something possible areas that you can go wrong.

Bernadette: And that's just in the process.

Peter: Just in the process, ja. So it makes it difficult for each person to think of everything, (Bernadette: Mmm, mmm.) (Alberto: Ja.) you can't do it so you vulnerable. (Bernadette: Mmm.) So now they've got what they call simulation (Bernadette: Mmhmm.) the dealers, they've got nice things coming through, Seralick Sand is starting to come through, (Bernadette: Mmm.) um, 3D printing's helping. I'm, I'm, I'm enjoying the changes that I see, (Bernadette: Mmm.) in fact, I'm about to put dust extraction in and I'm thinking, if I'm going to change to Ceramic, do I need the dust extraction?

(Everyone laughs.)

Bernadette: How do they all interplay and affect each other, ja.

Peter: Because I don't know if [A few words are not clear.]. (Bernadette: Ja.) Um, these factors come in, as you say, to play. (Bernadette: Mmm.) Now you've got another thing too is we, we coat our sand with a resin so each little grain of sand ...

Bernadette: Is that, what is s, is that the smell?

Peter: It's the smell, okay. (Bernadette: Ja, because ...) So the resin gets coated and it's carbon in the resin, (Bernadette: Mmm.) carbon builds up (Bernadette: Mmm.) and it starts to affect your sand. (Bernadette: Mmm.) So you recycle your sand and you think, okay, that's once, I won't get away with it a second time so take some out and put some new 1 in, that's twice, take some out and put some new 1 in. The result is you spending a lot of money on new sand and then, whoops, you didn't make it. So what happens on whoops is the gas kicks back on you in the metal and, well, it takes it out of the sand (Bernadette: Mmhmm.) and before it can get back out the metal, a skim has come between because the metal's cold now on that face. So the bubble lies just under the skin. You look, this is a lovely casting. You give it to the

customer and he says, this is a crap casting you've just given me now (Bernadette and Peter laugh.) because it's got a hole in it, you know, and that's what's called a blow hole, okay, (Bernadette: Mmm, mmm.) and it's a nice smooth hole but it's gas and when it's a rough hole it's shrink. (Bernadette: Mmm.) So there's different ways you look at it (Bernadette: Mmm.) and you say, okay, hang on, often we look at sand as being the major problem here. So now you start looking at the Ceramic sands and the Ceramic sands are very expensive, 10 kilos in our country costs us, uh, 1 kilo costs us R10 and I'm buying sand, at the moment, at c60 a kilo, Ceramic sand is R10 a kilo, okay, so now you think, (Peter laughs.) I can't use sand like that, you know? But there's some guys already thinking (Bernadette: Mmm.) of going down that road. (Bernadette: Mmm.) So we, this young chap that works here has recently joined us from a company that the guy just gave the business up because he's too old, you know, he was making exothermic beams, um, for sleeps (Bernadette: Mmm.) and he tried to market it and this is a very fussy game. Everybody, no, I can't, I'm happy with what I've got and, and new technology, I'm not sure about the new technology, I'll stick with the old, you know? And his technology is new stuff and he makes Ceramic beams with a hollow, (Bernadette: Mmm.) so it's got a ball and it's got a hole with an air pocket in it so it's very [Word not clear.]. Then he put exotherm in it which is like a red powder sort of stuff and he can make it exothermic. And he went through a large company but the sales reps buggered it up and the, the, they buggered up the market, so his equipment stood there, nobody, and tried to sell it, nobody wanted it, and he's a friend of the family, (Bernadette: Mmhmm.) and eventually he said to me, just take it from me, you can pay me when you like but take it. But will you take Petrus with? And I said, ja. And in the talking of that, you know, talk about these beads and that, and he, um, unfortunately we were looking at it this morning, I don't know where he's left it, but, um, we now thinking of making our own Ceramic sands, so we, we've got to find the material that is like [Word not clear. or Zircon, that is high in its refactory ability (Bernadette: Mmm.) to, to take the heat. (Bernadette: Mmm.) (Alberto: Mmm.) Silica can only take, (Bernadette: Mmm.) it starts to cinter at 800 degrees and we putting metal in there at 1650, (Bernadette: Mmm.) so there's a whole lot of problems with Silica, (Bernadette: Mmm.) you get burn on and all that sort of thing. When you start going Ceramic you don't put mould coats on it, it's clean, you use half the resin, it [A few words are not clear.] creates that perfect balls, okay, where sand is, is contoured like this, (Bernadette: Mmm.) when you look at it under a microscope (Bernadette: It's very irregular.) it looks like a rock, (Bernadette: Mmm, mmm.) whereas Ceramic beads that are made are made perfectly round so when you coat it with resin (Bernadette: It is beautiful.) there's a lot more, uh, a lot less resin you need, (Bernadette: Mmm.) (Alberto: Mmm.) okay? So that now is starting to come in in the whole world, you can see it on the Net, you can see it in China, India, (Bernadette: Mmm.) America, they all doing it. They still going to have a talk here in, uh, 1 of our suppliers of chemicals, he's brought guys in from Japan (Bernadette: Mmhmm.) and we no longer talk about change so hopefully my mould, my problems might soon come to an end. Well, some of the problems (Bernadette: Mmm.) not all. (Bernadette laughs.) (Alberto: Mmm.) Sorry, I talk too much.

Bernadette: (Bernadette laughs.) That's fine.

Alberto: That was a nice interaction.

Bernadette: Yes, exactly, it, (Alberto laughs.) it explained a little bit about the business. (Peter: Ja.) Um, Peter, what we just need to do first is cover the ethics.

(Bernadette then explains to Peter about the ethics. Bernadette then gives Peter a letter of introduction and she explains to Peter what information appears on the letter.)

Bernadette: My belief is that I can learn quite a lot from you guys who have been at it for years and years and years and years, (Peter: Mmhmm.) um, and the way in which you've survived through the years and that type of thing. Um, ...

Peter: How the hell I've got through I don't know (Bernadette laughs.) because foundries, foundries have dropped from about 560 (Bernadette: Mmm!) down to about 160.

Bernadette: Ja. Other people we've been to have been complaining about finding good foundries.

Peter: Is it, hey?

Bernadette: Ja.

(Bernadette then speaks about another company who is struggling to find a foundry. Bernadette then explains further about the letter. Bernadette also explains the information on the consent form.)

Bernadette: So, um, 1 of the things that we, I've got here your responses to the survey ...

(There is then a discussion about where Bernadette's family is from.)

Bernadette: 1 of the things, um, I think is just taking you through some questions that we have and sort of just looking at some of the, the responses you, you gave to the survey. (Peter: Mmhmm.) And also what I'd like to do is map your supply chain as we go along and seeing on the supply side, the customer side (Peter: Mmhmm.) and also you've spoken a lot about technical issues that you, you seem to be very concerned about.

Peter: I'm more involved on the technical side. (Bernadette: Ja.) As far as the financial side that's old Bev next door here, she's my sister, (Bernadette: Mmm.) this is a family business, (Bernadette: Ja.) so the girl that came with you now (Bernadette: Ja.) is my youngest, I'm the baby, (Bernadette laughs.) she's the youngest sister and she does, uh, interaction with customers (Bernadette: Okay, we'll ...) and I do the quoting (Bernadette: Ja.) and sort out problems.

Bernadette: Well, perhaps we could come back later and have a chat to her.

Peter: Ja, we can see what happens. (Bernadette: Ja, if she's available later.) Let's go as far as we can.

Bernadette: Ja. [Peter says something that is not clear.] Um, just to sort of confirm it, you've confirmed it's a family business. (Peter: Mmhmm.) It's, some of the history of the business, I think some of it is on your website but what, (Peter: Okay.) how do you see the history (Peter: My father ...) of the business?

Peter: My father went to, uh, Standard Branch as a young apprentice. Then, as soon as the war broke out he joined up. (Bernadette: Mmm.) And as a moulder you weren't allowed to go to the army but he joined up and he went ...

Bernadette: But why weren't you allowed to go?

Peter: Because you a key moulder and you making ammunition and [The rest is not clear.].

Bernadette: Oh, so it was skills, because of the skills.

Peter: So, and tank parts and all this jazz, so he landed up getting into Cairo at 1 stage and they found out he was a moulder and it was at that point that they had to run furnaces in Cairo to, to fix tanks and that sort of thing. So he went in and ran the furnaces for them, something which was new to him, he'd done the moulding side. And with that sort of knowledge he came back and as a young man he said to my mom, I can do both and let's start, my mom had started a business which (Slight pause.) didn't come to anything in the end ...

Bernadette: What in, in ...

Peter: In dress making and ...

Bernadette: Oh, okay, so totally different. (Bernadette laughs.)

Peter: Totally different. And then when that collapsed my dad said, he opened up but it was tough. This game is very, very hard game.

Bernadette: What is it that makes it so tough?

Peter: Well, in working with mother earth, soil, (Bernadette: Ja, ja.) and there's no machines he had, so he literally had to work on the tram line (Bernadette: Mmm.) between Malvern and Joburg, that was his transport, so he went for metal, he carried the metal on the tram and he'd bring it back. And then he dug a hole in the ground and he, he put a vacuum cleaner and reverse it as a blower, and in our game there's, there's blistered coal, your lipstick and all that comes from ISCOR and ISCOR makes it from coke, they take the coal or they put it in a battery (Bernadette: Mmm.) and they blister it (Bernadette: Mmm.) so it's under pressure and heat and it blows up like this and it gets [Word not clear.] but it's carbon, you understand? (Bernadette: Mmm, mmm.) It's a lot of carbon, then they quench it, (Bernadette: Mmm.) and they sell that off to the furnace operators, (Bernadette: Mmm.) okay, and you'd get a big piece of coal, a coke like that, and you call it coke. (Bernadette: Mmm.) And the type of furnace we have was a tubular furnace, okay, it had round doors at the bottom so you could close it, you build a sand bed inside and you've got bricks inside, (Bernadette: Mmm.) the bricks go up and you've got to lawn a hole through the middle that comes out so the metal can come out that hole, (Bernadette: Mmm.) then at a certain distance, about 1 metre high, um, you've got a pipeline on the outside that brings air through the bricks (Bernadette: Mmm.) into that, okay,

then above that it goes higher and right at the top you've got charging cables, (Bernadette: Mmm.) so you skip, it goes up and charges and you put all your products in there. Now how it starts is you build a bed (Bernadette: Mmhmm.) so it slopes down to the little hole, you've got a clay plug and you plug it and it comes out of the launder. Now you, on the back side you've got a little door (Bernadette: Mmhmm.) that opens and the door's called a feckling door, they make the coal up, my dad used to use wood, I eventually got gas and I started putting gas lines in it, (Bernadette: Mmm.) so you get the fire going. Then you close that door, we called that a fetching door, we close it, and just above by the tweers, where the tweers would come in, you'd have, um, a small hole coming out called a slag. (Bernadette: Mmm.) So when your metal, when you start to melt your metal on top of the coke, you put metal, limestone, coke, metal, limestone, coke. (Bernadette: Mmm.) The limestone acts as a flux, so it takes all of the rubbish out of the metal, (Bernadette: Mmm.) so you putting scrap in. (Bernadette: Mmm.) Because it's iron, you know, you can't use steel scrap, you can only use about 10 or 15 percent steel, the rest has got to be iron scrap, (Bernadette: Mmm.) we use broken ends of mops and big iron and things like that. (Bernadette: Mmm.) So we charge charging. (Bernadette: Mmm.) So it then gets to the top (Bernadette: Mmm.) and the switch the, the, the fan on (Bernadette: Mmm.) with this cherry red, you look through the tweers (Bernadette: Mmm.) you can see a cherry red, and you actually start to see the dripping (Bernadette: Ja.) as it starts to go. That thing fills up. When it starts to come out the slag hole, (Bernadette: Mmm.) you see the slag start running, it's liquid, and as it's getting hotter it's running faster (Bernadette: Mmm.) and it's now building, pushing the metal (Bernadette: Mmm.) so the slag's coming off the top (Bernadette: Mmm.) because it's lighter, (Bernadette: Mmm, mmm.) and as soon as you see the sparks go, shooh, then you know, the metal's there so you plug, you, you pull the plug at the bottom and off you go again. So you need that slag there to, (Bernadette: Mmm.) it cleans the metal too, (Bernadette: Mmm.) you know? So this is the sort of, now once you going this continues the whole day (Bernadette: Mmm.) so you've got to keep it going, okay, and boy, they could work.

(Slight pause as someone comes into the office.)

Peter: And, uh, so, you know, you melt and then from there you put it into pots and in the old days they used to run with metal, okay, so when my dad did it he put the coke in and he did aluminium, so low temperature metal, (Bernadette: Mmm.) aluminium was about 600, 680.

Bernadette: Ja, we were at Prevail in Meyerton (Peter: Yes.) on Tuesday (Peter: All right.) with, um, what's his name? (Alberto: Danie.) Danie Lutzkie, (Peter: Ja.) he said he knows of you guys (Peter: Yes.) just, ja.

Peter: Yes, he copied the 1 revocation of ours, (Bernadette: Ja, ja.) so. (Bernadette laughs.) And then, then from there we cast aluminium, we did aluminium, (Bernadette: Mmm.) and then we changed to bronze and then he got his brother involved and his, his, his apprentice (Bernadette: Mmm.) came into the business (Bernadette: Mmm.) and from 1951, I think in 1953 they bought this piece of ground and this, they only had up to that wall. (Bernadette: Mmhmm.) Then, um, I bought, my father died in 73 and I had just turned 20, I was still an apprentice pattern maker at Score Metals but I'm ...

Bernadette: So that's your trade, you're a pattern maker.

Peter: Ja. When I came out of there I didn't have a clue what the foundry was and I worked as a pattern maker not as a foundry sort of thing. (Bernadette: Mmm.) Ja, and I wanted to kick myself because I had so many opportunities to get into the foundry at that stage because of course Score is very closed up shop now, you know? (Bernadette: Mmm.) Anyway, um, I managed to work myself into what they call the methods department which is the techniques (Bernadette: Mmm.) which is where I wanted to be, (Bernadette: Mmm.) you understand, of how to run the metal in, (Bernadette: Mmm.) which wasn't a bad idea for what I needed. (Bernadette: Mmm, mmm.) But when I came here and my father dead, I couldn't do patterns, I had to go straight into the foundry, shooh, school fees, I paid school fees, I learnt the hard way. And then also I had white mobs in those days, lots of white mobs and now I've got to give them a job. I better do moulding so that they understand I know about moulding and I know about pattern making, so I did another apprenticeship, I finished that apprenticeship. Then the game started to change and, uh, ...

Bernadette: What changed in ...

Peter: Well, the guys left, the old guys left, I had rubbish coming in, alcoholics coming in, so eventually those wishy-washians, I just, my last white guy left out of moulding about 3 years ago, (Bernadette: Mmm.) 4 years ago and look, it's gone to the blacks now and that, um, not to say that, you know, they've done quite well and what's happened here is about 3 years ago [A few words are not clear.] okay, (Bernadette: Mmm.) and we had a white guy in the position and I had a call from Cape Town [A few words are not clear.] (Bernadette: Mmm.) and she started working with him on the SGIs and steel to be in alliance with Cape, the Cape. (Bernadette: Mmm.) Then Willie started complaining, after awhile, that his back, back is sore, back is sore. Within 6 weeks he died of, his colon had burst (Bernadette: Shoh!) on the Monday and he had gone, and he dropped and 6 weeks later he was dead. And then I made a decision to get more students because students were coming out of varsity talented, talented and they couldn't place them, (Bernadette: Mmm.) everybody, because, I mean, our foundries have reduced, our work is low, (Bernadette: Mmm.) so what we going to do with students?

(Bernadette: Mmm.) So I said, bring students and I took on another 4 and I put them in the quality. And I had another white guy, he was a Britain, who did the methoding (Bernadette: Mmm.) and he was very good, he was considered to be 1 of the best and, but he was a horrible natured guy to, (Bernadette and Alberto laugh.) not an easy oke to deal with. Anyway old Chris he taught, started teaching the girls and, and [Name not clear.] how to do it, and I had an Indian foreman here that was starting to, gees, fighting with these guys, all the time fighting, okay? And he took, somebody took a punch at him and he picked up a steel bar and he hit the guy (Bernadette: Mmm.) and it was on the camera of him chasing the guy in the factory, he had to go, Willie had died, Ivan I had just got rid of 6 months later, later (Bernadette: Mmm!) Chris goes and dies on me 2 months after that. So now all my real skills gone, (Bernadette: Gone, Oo!) (Peter laughs.) and I'm left with these students, hey? And I said, Boet, we going to make it work. And my sister said, get another white guy. And I said no, what happens with whites is we start to sit around talking and then everyone's protecting his own castle, (Alberto: Ja.) (Bernadette: Mmm.) and I wasn't happy with that so I said, no, if I've got these youngsters, teach the way I want to do it. So we built a room downstairs which we call slotting room. We built it before they came and the men in the shop called the court because Ivan used to be (Slight pause.) hard on them, you see? (Bernadette laughs.) And then I said, no, we've got an open door policy to come and talk to me if you have got a problem, and we have our meetings in there, we doing the mould, we bringing the melters in or we bring the fecklers in or whatever, and that, that also has a job card, (Bernadette: Mmm.) you can see the job cards for [Word not clear.] from area to area, (Bernadette: Mmm.) so the guys come in and that now, and it's working quite well. Just the other day my sister said, it's taken a long time.

Bernadette: So when did you start this? You said about 3 years ago or no, it was longer.

Peter: Ja, that has been about, that has been about 18 months.

Bernadette: 18 months, okay.

Peter: And, um, and slowly now this is starting to, they understand it and you've got to control the temperature of steel, and you have to, if it's too hot or too cold (Bernadette: Mmm.) you have problems. So I have been having problems with roller job, um, cracking, and I've got it now going through, uh, simulation (Bernadette: Okay.) and we will see now, on Monday I will see how it goes. (Bernadette: Mmm.) And, um, but on the whole, uh, I had to now finish Plantdorf and that was an issue because I took this job on and I hadn't finished off the areas, (Slight pause.) finish it, and that's been the hold up too. And then we had sand clog problems yesterday but I'm not going to [Word not clear.] myself, (Bernadette: No, again!) I will be finishing the order, we just worked it out this morning, we will finish the

order, I think, before the end of the month, uh, by the end of the month (Bernadette: Mmm.) on the last day we will finish it but it's been tough, okay? (Bernadette: Mmm.) When this plant runs then it's going to be easier (Alberto: Mmm.) and then I will keep up. And then I would like to upgrade, I've got my game and Ceramic sand (Bernadette: Mmm.) and all that jazz, so we will see how it goes.

Bernadette: Look at technological changes. So it was really your dad who started on this premises and then, and then ...

Peter: You must see how hard he worked. (Bernadette: Ja.) (Slight pause.) He made, and we always had a holiday, we always had food, there was always clothing on my back, (Bernadette: Mmm.) we went to good schools, he worked damn hard and when I see him, I thought, gees! All right, those days there was a little hole, I used to weld it up or sand it, nowadays we don't take pimples, (Alberto: Mmm.) take it back. (Slight pause.) You know, that's different so.

Bernadette: Ja, it's a different, um, customer, (Peter: Ja.) requirements have changed.

Peter: Ja. The supply chain has changed big time, you know?

Bernadette: The supply chain has changed in ...

Peter: And right from the top to the bottom they one up, what's going on there? WHEAR's, WHEAR's strict on you, (Bernadette: Mmm.) they really strict. (Bernadette: The WHEAR.) So the WHEAR group has (Bernadette: The WHEAR price.) but the WHEAR group has helped me a lot

Bernadette: In what way?

Peter: In our quality.

Bernadette: Because I see you ISO9001 (Peter: Yes.) certified.

Peter: We have to, we now changing these, uh, there's been a fallout between the agent and the QUA which is the overseas, uh, so we now changing to South African SANAS. So it's going to be, we having our audit on the 15th (Bernadette: Mmm.) or 16th of, (Slight pause.) 17th of (Bernadette: Mmm.) December, the guys are going to come back (Bernadette: Mmm.) and deal with it in the new year. (Bernadette: Mmm.) I don't see a problem with it.

Bernadette: Mmm. Okay. And then the rest of your family, your sisters, your brother, ...

Peter: Ja, no brother, (Bernadette: You don't?) no, I wouldn't [The rest is not clear.]. (Peter laughs.)

Bernadette: You the only.

Peter: For my sins.

(Everyone laughs.)

Bernadette: You've got sisters, lovely!

Peter: Ja, I have sisters, ja and I thank God I've got sisters.

Bernadette: But they also involved in the business.

Peter: Mmm, and they work hard too, hey, (Bernadette: Excellent!) they leave here at 7:00 sometimes, (Bernadette: Mmm.) most times, 7:00 at night.

Bernadette: Ja, so you work long hours, (Peter: Mmm.) ja. Um, so that's a little bit about the history. Um, if you had to look back over your history, what have been sort of, you've mentioned some key transitions like when your dad died and you had to take over, what sort of other economic issues may have, you know, the 2008, uh, crash, did that affect you? What have sort of been, the strikes (Peter: Mmm.) have those affected you, how have those affected you?

Peter: Well that's, the strike that's happened this year affected us very badly.

Bernadette: And how, could you explain it?

Peter: Um, we lost a serious amount of money, (Bernadette: Really?) (Alberto: Mmm.) um, and we were up to, up to then we were doing okay (Bernadette: Mmm.) and then that thing just unbuckled everything and then, from that, uh, half my stuff, half these guys joined NUMSA because NUMSA held out a carrot, (Bernadette: Mmm.) we can give you a funeral policy, you know, it's the old trips so, (Bernadette: Mmm.) there was an attraction for them to go.

Bernadette: Were they not unionised before that?

Peter: Very, I had a very, very, I've got MAWUSA (Bernadette: but I only had 25 guys and nobody used to worry (Bernadette: Mmm.) about it, I never used to have a problem with the union, I never hear about them, you know? (Bernadette: Mmm.) Well I, I've got a, like I said, I had negotiations with NUMSA on Tuesday this week and, organisational rights and things like that, and, um, you know, I'm, I'm not totally against, uh, unions (Bernadette: Mmm.) because I think there's some rogue employers (Bernadette: Mmm.) and you have to protect, some of the people have got to be protected (Bernadette: Mmm.) and, uh, so I, I can't say that I'm against unions at all. (Bernadette: Mmm.) I think just that when a union gets militant (Bernadette: Mmm.) then I have a problem with that and, (Alberto: Mmm.) I mean, we couldn't, we couldn't as much as, that door and that door they had s, they had their spies on both sides so we couldn't work, and, uh, ...

Bernadette: So you shut down (Peter: We shut down.) for those 4 weeks.

Peter: And I had, in my wisdom, I thought it was that I would get away with it,, but the last 4 days of the month but we don't work those days then I would be, um, (Slight pause.) I will be able to, um, save on my power because you, you pay on maximum demand (Bernadette: Mmm.) so the minute you switch your furnaces on (Bernadette: Mmm.) you pay your R250000, and then, you know, that's it for 1 minute you going to pay that, (Bernadette: Mmm.) so I thought, okay, if I don't switch that on, I'll just have my normal power then I've got a reduced maximum demand and that will be good, (Bernadette: Mmm.) so I stopped

them from working for those 4 days, excepting we did the feckling and we did whatever we could (Bernadette: Mmm.) but then I heard then later on that the council don't work like that. You still pay it. So, ...

Bernadette: It's a flat rate (Peter: Mmm.) kind of thing.

Peter: But anyway, (Bernadette: Ja.) so, ja, that, that hurt us quite badly (Bernadette: Mmm.) and, um, 2008 hurt me severely, I had to retrench, um, 50 percent of the staff, um, ...

Bernadette: Was that just because you didn't have business coming in.

Peter: No, um, unfortunately I dealt with the WHEAR group, (Bernadette: Mmm.) okay, and the WHEAR group had changed their policy in around about, long before the strike had happened they'd made this decision and it happened to be sort of at the time straight after the strike, and they said, listen, we not going to be placing orders on you, we now going to place it on the machine shop. 1 of the biggest failures of my business is that I haven't augmented the fact that I can do my own machining, (Bernadette: Mmm.) so they, they come to the foundry and they've got to find my machine shop. So then somebody else does the machining, I do the foundry work and the orders used to come to me (Bernadette: Mmm.) and then go to the machine shop. (Bernadette: Mmm.) When they made the decision that the order will now go to the machine shop, now (Bernadette: Mmm.) I had 1 million Rand stock at the machine shop, I have to maintain a quality standard that WHEAR says (Bernadette: Mmm.) I have to maintain, so it wasn't service, it wasn't delivery, and prices are pegged by WHEAR. (Alberto: Mmm.) So it wasn't service, it wasn't price and it wasn't, um, delivery because I had it in his, in his premises, (Bernadette: Mmm.) but I think what it was is that we're an English family and my sister is dogmatic about if you lose my castings through robbery on your premises, you replace. (Bernadette: Mmm, mmm.) So there were 11 castings stolen through the fence he was casting and she was on about these guys replacing. (Slight pause.) I think the guy got upset with her and said, bring me the patterns, now this happened in the February 2009m (Alberto: Oh, okay.)so you must know at that stage we've had all the orders from September were still going, they had to pay us for them, (Bernadette: Mmm.) because we had the orders going and that kept us going right through for a year but this interaction had happened right at the end of the year, come the January he said, I want the papers back. Well, that hurt and it hurt badly because they were big castings (Bernadette: Mmm.) and we had got into a rhythm on these things and really doing well on the things (Bernadette: Mmm.) and he went to, he actually paid a higher price for them, he went to another foundry that did iron casting but I can't understand, to this day, why he did it. Um, he's sons still greet me and still, the 1 guy said to me, will you still do work for us? And I said, ja, I will do work for you if you want to. But at that time I said, no, I will see you in

heaven, I won't see you before, you know? (Everyone laughs.) And that's how cross I was with the guy (Bernadette: and, um, but anyway, that's water under a bridge, 5, 6 years ago, (Bernadette: Mmm.) how long is that, hey, it's a long time, hey?

Bernadette: Ja, ja. So it wasn't actually the economic crash of 2008 that affected you, (Peter: Mmm.) it was really this (Peter: Yes!) incident.

Peter: Yes. And look then we, we still felt it because, you know, the order book did drop, (Bernadette: Mmm.) the mines weren't ordering anymore and (Bernadette: Mmm.) commodities had, you know, gone through (Bernadette: Mmm.) the bottom of the floor, so we, we felt it, we scraped through that and, um, then WHEAR started, I think, with new policies of quality and, and that sort of thing (Bernadette: Mmm.) so we also had to up our game and I'm sure all the foundries did the same, (Bernadette: Mmm.) and I think it's going to happen again, so that's why we all looking at (Bernadette: Mmm.) the same thing, (Bernadette: Mmm.) I'm sure everybody's looking at Ceramic sand [A few words are not clear.].

Bernadette: Ja, the new technologies (Peter: New technologies.) that are going to make (Peter: And of course ...) the quality that a ...

Peter: Ja. Now on top of it the foundries are going under severe pressure from the Department of Environment (Bernadette: Mmm, disposal of waste and ...) which has, which has literally closed ISCOR down, I think it's got something to do with it, not only the commodity price dropping and ISCOR's battling because the commodity price and things like that but she has arc furnaces there and it's very, very costly for ISCOR too, (Bernadette: Mmm.) to close it, so (Bernadette: Mmm.) I think they made a decision to close it down (Bernadette: Ja.) and that is going to affect Van der Byl really badly, (Bernadette: Mmm.) (Alberto: Mmm.) so the, all those, you know, you mentioned Prevail, and they all out there those guys (Bernadette: Mmm.) and, anyway, um, (Slight pause.) uh, we will, we will survive. So that's why, the reason why I changed direction (Bernadette: Mmm.) and tried to get into the railways (Bernadette: Mmm.) and look, there's some big orders coming through (Bernadette: Ja.) and slowly I've been doing things here to try and gear myself into a direction. (Bernadette: Mmm.) And then we have a piece of property at the back where we were going to build, but when that, when we started investigating, there is a servitude on it but we've had rights to the servitude for 23 years, (Bernadette: Mmm, mmm.) and we said, right, I want to go to council and the powers that be and have it changed so that I can own the whole piece and build on the whole piece (Bernadette: Mmm.) because council didn't want that piece anymore, they indicated that to me in a letter that they didn't want it. (Bernadette: Mmm.) So I thought great, nobody else wants it, I'll, I'll put it through. Then what they do at the Registrar is they say, no,

it's got to go through all the neighbours. And the neighbour at the back is, um, a property guy, okay, and he has got to develop from here to Gezerni [A few words are not clear.] okay, he owns the end of the highway right on the highway, that section at the back. (Bernadette: Mmm.) (Alberto: Mmm.) He came running in and said, we need the servitude. And I said, [A few words are not clear.] See my lawyer. (Bernadette and Alberto laugh.) So we off to the lawyer. And the lawyer turned around and said, we've got prospective rights, (Bernadette: Mmm.) they didn't, (Bernadette: Mmm.) they didn't take their rights to that piece of ground, (Bernadette: Mmm.) they had 23 years to do it, (Bernadette: Mmm.) you normally have got 2 or 3 years and you must (Bernadette: Mmm.) exercise your right. So we were prepared to sort of go. (Bernadette: Mmm.) Then I started to sniffle and wonder how this [A few words are not clear.] the whole of, if they going to come out here how are they going to get to my foundry? How they going to turn left? There's no real access for trucks and that. And I said, there's a nigger in the wood pile somewhere here, you know, (Bernadette laughs.) so I said, I reckon they going to come through ours, okay. So then it came out that, that, that SANRAL might be looking at now an off ramp next to Haggy, uh, the Haggy PPC Cement, come off, over the highway railway line, through that parking, down this road, all the way. Because if you come here, at any time, there's a scene of trucks lined up (Bernadette: Mmm.) trying to get on, off this highway (Bernadette: Mmm, mmm.) (Alberto: Mmm.) and now if this thing is not developed, can you imagine the trucks then? (Bernadette: Mmm, mmm!) (Slight pause.) So they going to have to another way in. (Bernadette: Mmm.) Thank you very much, you've got to move me. It's going to cost you. They said in about 4, 5 years time (Slight pause.) it's going to happen. (Slight pause.) So in 4, 5 years time my sister said, we will hang on, (Slight pause.) get paid better money to move us then we will pull out the foundry again. But now there's a lot of guys who have expressed interest in buying-in because of the railway root coming. And since, uh, along comes a chap to a machine shop, I get a phone call from this machine shop, now I've never seen this machine shop. Okay, here's a drawing on the Net, um, okay, can you make the pattern for us, you know? I quoted, can I make the pattern? So I quote him. So I make the pattern. Just the master pattern, don't make the whole thing. Can you make us 1 casting? So we make 1 casting. Another casting. We make another 1. And he's now machining this lot and I see it's railway work. (Alberto: Mmm.) And I thought, hmmm, this guy's got railway work. Now everybody's after railway work, okay? And then the next 1 that comes is a coloured chap knocking on my door. Uh, about 2 years ago they called all the foundries in and the guys that were interested in the tenders on the foundry to come to a meeting at Koedoespoort. At that, that [Word not clear.] I took note of people's shoes because they were quite outstanding, you had the patent leather shoes and then you had the boots, (Bernadette laughs.) foundry boots and, you know, you could see who worked in a foundry.

(Everyone laughs.)

Alberto: Safety shoes.

Peter: Who were the tender, who were the tenderpreneurs and who were not, okay? (Everyone laughs.) And I just, when they said, okay, you can go into the foundry and all the okes without the boots couldn't go in the foundry (Bernadette and Peter laugh.) so they had to stand outside and all the foundry men went into the foundry. (Alberto: Mmm.) (Bernadette: Ja.) And then I knew that there's a tenderpreneur coming here, you know? And it was a coloured guy, hell of a nice guy, um, didn't have patent leather shoes but, um, knows nothing about a foundry, absolutely nothing about a foundry, has interests in mining, has interests in building, and I think he's got backing and I think he didn't want to tell me who his partners are but he says, you will know them, so Cyril, Tsitswala, (Alberto laughs.) 1 of those boys somewhere out there that's got serious money, okay? And, so he expressed interest, he'd like to buy-in. I said, ja, well, my sisters are getting older, they also tired, if the price is right we can talk and that. And then I warned him, I said, there's going to be a road through here. My sister said she's not sure if that's going to happen and I said, yes, it's going to happen I'm telling you, what the hell are they going to do to get into king man fort, they've got to get in somehow and get out somewhere, you know? (Bernadette: Mmm.) So, um, anyway, um, (Slight pause.) since then, of course, he managed to, he overpriced that job, that's why I didn't get it and it was a nice job, hey, it was a much better job than this job. But, you know, these guys think it's easy money, hey, (Alberto: Mmm.) and it's not easy money, we keen here, everybody kills each other for the work, in our country anyway. So I went in with a keen price thinking others were quoting, you know, that this job is out. (Bernadette: Mmm.) Meantime I was, there was nobody else and I should have jammed it a bit higher (Alberto laughs.) but too late, I'd pegged my price and then he took that price and he s, he put 3000 on a R5000 job as a mark-up. Well, that just killed the job. So they said, no, no, we not even selling it for that? What are you doing coming here. (Bernadette: Mmm!) Out the gate. They were very volatile with the guy. But since then I think he's calmed down a bit (Bernadette: Mmm.) and, uh, then he got this other job. Now he's, I think he's got friends in high places that can get, I didn't get the job, you know? So everybody there don't like him sort of but they now calming down towards him, (Bernadette: Mmm.) hey. When I went there with him, the guy said to me, why didn't you come straight to us? I said, I'm white, I'm white! (Alberto laughs.) I can't come straight to you, they not going to take me. (Bernadette: Mmm.) So he said, ja, I understand. And, uh, so he said, well, okay, we've got this order and you can do it now, of course I thought this hasn't been done and I have got to try and get this order out now and I'm trying to pull some rabbit out of a hat to try and get, (Bernadette and Peter laugh.) so we still not finished, we haven't got this side ready and that side ready but we've been trying to finish this all off. So they've been here, they've seen I've got capability of doing it, (Alberto: Mmm.) they've seen the machine and they interested to get me going and that. So we will finish this all off and then, I think I can quote, I'm sure I will be able to quote next year on the 5000 units which is, you know, like 400, I shouldn't be saying this because it's going to go on there, (Alberto laughs.) but they on, they, they're a fair bit of money, (Bernadette: Mmm.) and, um, (Slight pause.) that would give me a nice weight in my order book. Uh, and that's why I've, I've started to gear now (Bernadette: Mmm, you gearing up for that.) to get that thing so I can see, but, of course, I'm, I've also got the pollution guys on my

back so I've got to gear for that, so there's [A few words are not clear.], you know, (Bernadette: There's only so much you can do.) and she says, you spend too much! And I've got Christmas coming up and, (Bernadette laughs.) eh, we had a bad July and so on.

Bernadette: Pressure (Peter: Ja.) from all angles.

Peter: I spent too much, way too much.

Bernadette: (Bernadette laughs.) Sometimes you've got to spend to be able to (Peter: Mmm.) earn.

Peter: Mmm.

Alberto: Ja.

(Slight pause.)

Peter: Ja, you right. (Bernadette: Mmm.) Sorry, I talk too much.

Bernadette: No, it's fine! It's good. Um, number of employees, permanent employees?

Peter: 72.

Bernadette: 72.

Peter: And then I've taken on labour brokers, (Bernadette: Mmhmm.) I've taken on 12 now after this job.

Bernadette: Okay. Plus sort of 12 labour brokers. Okay, um, your products are stable, I'm just going through this, um, you, there 3 main shareholders, you 1 of them (Peter: Mmhmm.) and you've got less than 50 percent, but you do, you do the management, (Peter: Yes.) you manage this business.

Peter: Well, I think my folks decided that because I'm the bread winner and they've got husbands they will have bread winners, my share ...

Bernadette: And the other 2 are your sisters.

Peter: My sisters, (Bernadette: Ja.) they should have the smaller share, not much but it's a couple of, (Alberto: Percent, ja.) a couple of percent down, (Bernadette: Mmm.) I have the controlling sort of (Bernadette: Mmm.) thing, not 51 (Bernadette: Ja.) (Alberto: Mmm.) but it's less than ...

Bernadette: Ja, but they have less. (Peter: Mmm.) (Bernadette laughs.) Okay, you've basically been in this business your whole life.

Peter: My life.

Bernadette: Ja, it has been your life.

Peter: I'm 61 on 20 something, 41 years now, shoh!

(There is then a brief discussion about age.)

Bernadette: Okay, um, I'll go through those a little bit later and I think, what I'd like to do now is just look at your supply chain because as you can see I've already started based on what you've been saying, (Peter: Okay.) talking to me about, (Peter: Okay.) and perhaps we could look at you, your customers on this side. (Peter: Mmm.) So you've still got WHEAR.

Peter: And we got ATVAL.

Bernadette: WHEAR and?

Peter: A company called ATVAL. (Peter spells the name of the company.) It's a valve company, (Bernadette: Okay.) this is a pump company, they also do ...

Bernadette: This is pumps.

Peter: Valves, which we don't do, (Bernadette: Mmm, valves.) Atval, um, then we've got Marshal [Word not clear.] which is really elements for boilers and things like that. (Bernadette: Mmhmm.) Um, (Slight pause.) then we've got a company called MMD which is mining products wear parts, wearing plants. (Bernadette: Mmhmm.) Um, (Slight pause.) then you've got David Brown, Gravel Crafts gear boxes and things like that, um, ...

Alberto: You've got a very nice customer base.

Peter: Ja, a nice customer base.

Bernadette: Mmm.

Alberto: Renald Crafts.

Peter: Renald Crafts.

Alberto: Raynard Crafts.

Peter: Renald Crafts. Um, and, uh, I think these are the big, the big ...

Bernadette: And Transnet.

Peter: And Transnet now, (Bernadette: Obviously.) ja. And, and these are the big customers that I have.

Bernadette: And you seem to have some walk-in business as well where people just sort of come to you.

Peter: Oh, ja, off the street.

Bernadette: Walk in (Peter: Ja.) so you also have ...

Peter: I mean, a guy came in here with a braai grip the other day and he said he's machined this thing, it's got a South African flag on it, so when you put your meat on it, it gives you so, and he says you can put this on a stove plate in, in your house and in Britain there's a lot of expats and he's going to market it, it for the Britains, (Bernadette laughs.) so that they can have their meat ...

Bernadette: Braai in their kitchen. (Bernadette laughs.)

Alberto: Oh, wow!

Peter: [Peter says something that is not clear.]

Bernadette: Oh, lovely. Um, percentage business that comes from, where, who are your 3 largest customers?

Peter: Okay, they give us, together with this there's a machine shop here, okay, (Bernadette: Okay.) called Simmer but they supply to the same guy, okay. Simmer is perhaps the biggest.

Bernadette: Simmer?

Peter: (Peter spells Simmer.) okay, and he is, he's also supply, he's solely supplying WHEAR. So I get, I get ...

Bernadette: So you actually deal with the machine shop.

Peter: Yes, but WHEAR also have their own machine shop so WHEAR also deals with me, okay.

Bernadette: Okay, so their internal machine shop.

Peter: Ja, and then they've got a satellite little machine shop that I get a few from as well (Bernadette: Okay, ja.) but the smaller ones, okay, and your ...

Bernadette: But this per, this is your biggest then (Peter: Yes.) percentage business. (Peter: Yes.) Plus minus?

(Slight pause.)

Peter: 50 percent.

Bernadette: 50 percent comes from here. (Peter: Ja.) So that little, um, (Peter: Transnet now is going to ...) trip, that little blip at the end of 2009 was (Peter: It hurt then.) was a significant blip. (Peter: It ...) How did you resolve that?

(Slight pause.)

Peter: (Peter sighs.) Grin and bear it, we had to grin and bear it so we had work still from them with other things, (Bernadette: Mmm.) Simmer was not the problem, (Bernadette:

Mmm.) it was another machine shop called Wonderers, remember I told you saddle up the ... (Bernadette: Yes.) (Alberto: Mmm.) Wonderers and Simmer were the biggest and Wonderers went out the picture but Simmer kept me going (Bernadette: Okay.) but Simmer has been loyal to me.

Bernadette: So they still, (Alberto: Ja.) so Wonderers is no longer a part, you don't ...

Peter: Wonderers has now formed their own foundry.

Bernadette: Okay, so you don't work with them anymore. So now you've generated more business through the other (Peter: Yes.) machine shops, (Peter: Ja.) ja.

Peter: Then Atval itself has just changed hands, the old man sold out, he made a unique product and somebody tried to import it and it failed, and this has got down quite well, it's a rubberised valve, (Bernadette: Mmm.) and they have now been bought out by the Avenge group, (Bernadette: Okay.) (Alberto: Oh, okay.) so there's probably changes coming (Bernadette: Ja.) from that lot there, (Bernadette: Ja.) I can see some changes. There ...

Bernadette: Ja, because we've, they've also got the, the preferential, um, uh, valve manufacturers will have to be given preference local valve manufacturers, (Peter: Yes.) you know, I don't know what they call it, through the ...

Peter: That's why they were bought out [The rest is not clear.].

Bernadette: Ja, through Avenge, (Alberto: Oh.) ja. So that, that percentage business ...

(Slight pause.)

Peter: Ja. Then, of course you know about Transnet, (Bernadette: Ja.) okay, and I expect a bit more work from Transnet so ...

Bernadette: So that you expect to sort of be ...

Peter: Ja. I should, I should be in the [A few words are not clear.], you see, there's very few, most, what's easy is iron, so there's a lot of okes doing iron, (Bernadette: Mmm.) okay? And then steel becomes another issue and there's few guys doing steel and they only use steel (Bernadette: Mmm.) but, um, uh, but they've kept it small, (Bernadette: Mmm.) now when you go to Transnet and you've got a 1 ton furnace and your capabilities are a bit restricted from what you can do with that, so I'm, uh, the size of me is another thing, (Bernadette: Mmm.) because the small guys have small pieces of ground, (Bernadette: Mmm.) (Alberto laughs.) so I'm not sure what will come out of there, whether they can keep the volumes running, (Bernadette: Mmm.) I don't know, but certainly, um, there will be a limitation as to how many guys can help Transnet (Bernadette: Mmm.) (Alberto: Mmm.) and I'm hoping to be in that pool (Bernadette: Mmm.) and that I can help them, (Bernadette: Mmm.) you know?

Bernadette: How did you originally get that Transnet ...

Peter: Like I was saying, this guy just came off the street and ...

Bernadette: Just walked in.

Peter: And I said, ja, I will quote. (Bernadette: Okay.) And I quoted and that's how it is.

Bernadette: I suppose they'd been looking around because there aren't that many foundries.

Peter: Well, he, you know, no, there's not many foundries.

Bernadette: Ja, and it would, they do special (Peter: Ja.) steel stuff.

Peter: And he just happened to walk in here and, (Bernadette: Mmm.) so we will see.

Bernadette: Been doing his homework.

Peter: Maybe that's how they do it, ja. (Bernadette: Ja.) Okay, Marshal Powler, um, that's a, as I said, elements for the hospital, (Bernadette: Mmm.) you not allowed a boiler anymore with coal and that dirty stuff, (Bernadette: Mmm.) so they making cast iron elements, it looks like a kettle, (Bernadette: Mmm.) basically it boils the water and makes a turbine (Bernadette: Mmm.) and that's sort of how they get the steam and that sort of thing. (Bernadette: Mmm.) MMD as I said, wearing parts for the mines, (Bernadette: Mmhmm.) this very product here, it (Slight pause.) goes around the shaft, (Bernadette: Oh, ja?) there's a whole lot of them and a lot, lot go like this and it claws the rock into the thing and crushes it, (Bernadette: Wow!) so that's, it's a violent thing.

(Bernadette laughs.)

Alberto: Is it high chrome?

Peter: Uh, no.

Alberto: No.

Peter: It's manganese steel. (Alberto: Okay.) No, it's, it's, they got their own type steel (Alberto: Oh, okay.) it's a special steel that I make for them (Alberto: Okay.) but it's not a manganese steel it's, it works similar to manganese steel.

Bernadette: Okay.

(Pause as Peter answers the phone.)

Bernadette: MMD we said with the mining.

Peter: Mining, (Bernadette: Ja.) then Brown's gear boxes, mainly for mining, big, big industrial mining (Bernadette: Mmm.) that sort of type thing. (Alberto: Mmhmm.) And

Renald Cross pretty similar, that was Renald Cross on the phone now (Bernadette: Okay!) sending me another drawing. And then the last 1 was?

Alberto: Walk-in business.

Bernadette: No, that's walk-in business. (Peter: Okay. That's it.) Ja, that we'd spoken about.

Peter: The rest are smaller, you know, I do stuff like kitchen stuff, stove grades and ...

Bernadette: So it's a once off type things you've ...

Peter: Ja, it's on a, some of it is 50 off and 10 off whatever it is. (Bernadette: Ja.) We've got those customers, (Bernadette: Mmm.) a lot of them are here, they've been here, (Bernadette: Mmm.) but they don't come up all the time (Bernadette: Mmm.) (Alberto: Mmm.) so you will see in 2 months time, I need another 3 of those (Bernadette: Ja.) and another 7 of those and ...

Bernadette: So how do that, how does that ...

Peter: Also off the street in this case.

Bernadette: Just off the street business (Peter: Ja.) that you just do.

Peter: You know, we never marketed here, we never really marketed. (Bernadette: Mmm.) I took on 1 guy that managed to bring me MMD as a rep he was, and then he left (Bernadette: Mmm.) and I had MMD since then, (Bernadette: Mmm.) and that was a good, (Bernadette: Ja.) a good time, you know?

Bernadette: Ja. But everything has sort of been just off the street business.

Peter: Ja, MMD came after this collapse.

Bernadette: Okay, so that was a God send. (Peter: Mmm.) (Bernadette laughs.) (Peter: Mmm.) So once these guys disappeared MMD came in.

Peter: Ja, that's why we had to up our game. (Bernadette: Ja.) We said, right, we need this customer, we need to do steel, and I forced myself into steel in 2001 (Bernadette: Mmm.) and I said, I'm going to do steel, and so I made sure I can do the steel.

Bernadette: Mmm. But would you use similar processes to the iron then to do some steel?

Peter: Pretty much similar, maybe mould coats are different, I will change my sand mix to, from a, a nitrogen mix to a non-nitrogen mix (Bernadette: Mmm.) so alkaline [A few words are not clear.], and, and so I can do both, (Bernadette: Mmm.) iron and steel, (Bernadette: Ja.) it's just that I put a coating, it's different iron to that, (Bernadette: Mmm.) and then the patterns are different slot, (Bernadette: Ja, ja.) so make a few changes to the roller systems and that.

Bernadette: Mmm. Um, who's, the, so WHEAR's been 1 of your longest standing customers. For how ...

Peter: Ja, 1988.

Bernadette: So 1988 that started. And then who else (Peter: Um, ...) has been a long standing customer?

(Slight pause.)

Peter: Uh, it's amazing [A few words are not clear.] days of changed, hey? In my dad's days he had, Envirotech was WHEAR from those days, (Bernadette: Mmm.) (Alberto: Mmm.) okay, um, there's a whole lot of customers that I can think that don't come back, they've gone and in actual fact they've closed down. Um, ...

Bernadette: Oh really?

Peter: Ja, Ja, a lot of guys have gone out of business. Things have changed and (Bernadette: Ja, so these have been sort of what, in the last ...) these have been, that's about the longest so far, ja.

Bernadette: Ja, and these have been sort of in the last what, how many years?

Peter: 5 or 6 years.

Bernadette: 5 to 6 years.

Alberto: Okay, so post the 2009 ...

Peter: You see, this guy, I used to get from 1 guy (Bernadette: Mmm.) all this work.

(Pause as someone comes into the office.)

Peter: And he died, and when he died I, (Bernadette: The David Brown.) I, I got that business so, because he was a middle man. They were happy to deal with me (Bernadette: Mmm.) and I used to go there with him and they were happy to deal with him, and then he got a virus and the virus attacked his heart and he died.

Alberto: Hmmm.

Bernadette: Shoh! (Peter: Ja.) What are your key, what would you say your key risks are here?

Peter: On this level and ...

Bernadette: On this side. On your customers with their ...

Peter: Quality.

Bernadette: Mmm? Quality.

Peter: Quality. You've got to have quality ...

Bernadette: The demand for quality.

Peter: Ja.

Bernadette: And how, and how have you, you've mentioned some of the things that you looking at (Peter: Yes.) to deal with quality.

Peter: No, we still, we've still got to look at it, I mean, that slotting room downstairs, like I said to you, that came about because of quality. (Bernadette: Mmm.) We had to bring guys in there to teach them, (Bernadette: Mmm.) this is what we end up doing, every day we have a scrap week in there or we'll have, those, that's where our meetings used, happen now, (Bernadette: Mmm.) something which never happened before, (Bernadette: Mmm.) you know? They have taught us a lot.

Bernadette: WHEAR?

Peter: Ja, WHEAR group is international, (Alberto: Mmm.) it's massive.

Bernadette: Mmm. So have, did they demand the ISO9001 certification?

Peter: I knew it was coming (Bernadette: So you just pre-empted it.) so I went ahead on my own, (Bernadette: Ja.) okay, I knew that was coming a long, long time and then we started going on it (Bernadette: Mmm, mmm.) and, um, uh, so ...

Bernadette: Has that helped you get any of the other business?

Peter: Oh, for sure, for sure! I think without you can't get it from Transnet, (Bernadette: Mmm.) and, uh, I think, once they see you've got some control (Bernadette: Mmm.) and in this business you need control. (Bernadette: Ja.) (Alberto: Mmm.) So I was saying, okay, well, we have to do it. Um, and I think we've still got a long way to go (Bernadette: Mmm.) with ISO with improvements, (Bernadette: Mmm.) but I would like to see iPads all over the show, information coming in (Bernadette: Mmm.) all the time (Bernadette: Mmm.) and my information going out, you've got to tell me, just weight, that gross weight (Bernadette: Mmm.) all the time, what casting speed, (Bernadette: Mmm.) what temperature you did that job at and so that I'm getting ...

Bernadette: So you getting feedback on a regular ...

Peter: Ja, and that's the type (Bernadette: Mmm.) of thing we going to look at now. My job card system, I can show you a job card. (Bernadette: Mmm.) it, it does have temperatures on it, uh, what, if you need a micro, if you need a mechanical, (Bernadette: Mmm.) or whatever the customer is, (Bernadette: Mmm, mmm.) and then it's got funnies, (Bernadette: Mmm.) this thing you must give it that, you must watch this, (Bernadette: Mmm.) a little bit of chrome in that corner, (Bernadette: Mmm.) and that. We've got a method's card, it's, normally our method's card now we just take a picture (Bernadette: Mmm.) and then we populate it with a sleeve and the runner system, that bar runnable, (Bernadette: Mmm.) so on the picture you will say, that's how we going to do it, (Bernadette: Mmm.) and then from there, you know, okay, that's your master card, (Bernadette: Mmm.) (Alberto: Mmm.) so, whoops, it's wrong, okay, change it, revision 1, revision 2, (Bernadette: Mmm.) and, uh, I'd hoped, I heard somebody say revision 15 and I said, I would have chucked the job out long ago.

(Bernadette and Peter laugh.)

Bernadette: Too much work going into that. Ja. So quality and the requirements for quality (Peter: It's the biggest risk.) and you being able to, (Peter: Yes.) to meet their quality (Peter: Yes.) standards.

Peter: Yes. (Bernadette: Ja.) The other risks are power, major problem for us now. We all stand in the same boat with power.

Bernadette: Is that Eskom?

Peter: If that furnace goes down, I get caught with liquid metal in it, (Alberto: Mmm.) (Bernadette: Mmm.) okay, and that liquid metal is that far from a water, water pipe (Bernadette: Mmm.) because you've got water going on the outside (Bernadette: Mmm.) because it keeps the outside just at the right temperature, not too cold, and it goes, goes out to Acodo, comes back, so this thing circles and you need power to do that sort of thing, and now the metal switches, the power switches off and that heat goes right through, (Bernadette: Mmm!) it's now starting to get warm, the, the backing is wood, (Bernadette: Mmm!) so the wood starts to get carbon, now you get tracking between this coil and that coil, so now it's going to cost you 120000 to take the whole coil out, fix the whole lot up, fix it up, you've lost downtime, and you lose R120000 to R160000 just on that little change, and that doesn't happen once. I spoke to Thomas Foundry yesterday, and I said, oh man, the bloody power might go down tomorrow, because, you know, you heard them say that, (Bernadette: Mmm.) and we were casting last night, (Bernadette: Mmm.) so he said, ah, Peter, that's nothing, we've had it 22 times this year. 22! He marks it, 22. Not always Eskom's fault but maybe the furnace had a fault, so 22 times, so he couldn't cast a thing.

Bernadette: But how do you guys survive this kind of stuff?

Alberto: Do you have a geni?

Peter: Hey?

Bernadette: Mmm?

Alberto: Some sort of a generator?

Peter: No, we don't have generators. (Peter laughs.)

Alberto: Ja, no, that will be ...

Bernadette: It's not big enough to support the ...

Peter: We use a torch.

(Everyone laughs.)

Peter: Ja, so.

Bernadette: Ja. But then, you know, so you 120000 every time ...

Peter: No, you can't, you won't start your furnace, it's finished. (Alberto: No, no, of course not, ja.) (Bernadette: Mmm.) The only thing you can have are lights and things like that (Bernadette: Mmm.) (Alberto: Mmm.) but, you know, I said, I don't know if I want to buy that now. I'll just, I'll, so we have torches.

Alberto: What about your water circulation?

Peter: Water circulation, I'm dealing with Joburg Water now, (Alberto: Okay.) we've changed all our water to this, we use 2 pieces of ground, (Alberto: Okay.) so we've got 2 suppliers of water, (Alberto: Ja.) so we get all our water for the showers and everything else comes from this piece of ground, on that piece of ground we reserved all the water for that. We found the pipes were too small. I've now got plans in there, (Bernadette: Mmm.) and you know it's got to go through a whole scene there, (Alberto: Mmm.) to up the [A few words are not clear.], the whole thing, the water sieve. So when the power goes down for that 3 hours, I just pump water (Bernadette: Water, okay.) through this system and it's going to protect me. (Alberto: Ja.) I should have gone today to see how they going on that.

Bernadette: Mmm. And that's something you've learnt from the school of hard knocks, (Peter: Ja.) ja.

Peter: [Peter says something that is not clear.]

(Pause as someone comes into the office.)

Bernadette: So the other thing is, is your power supply going down and costing you a lot of money, can affect your equipment quite badly, um, ...

Peter: Ja, that's quite a big risk.

Bernadette: Ja. Um, but you, you looking at mitigating it (Peter: Ja.) through your, through your water supply (Peter: Yes.) and cooling (Peter: Yes.) and that type of thing.

Peter: As far as quality is concerned, the big problem too, in our country, is, is sand. The quality of the sand is not a (Bernadette: Mmm.) good quality sand. That's a big risk in most foundries. That's why [A few words are not clear.] (Bernadette: Mmm.) will just chuck the sand out and, (Bernadette: Mmm.) but you've got to think differently [Word not clear.], it's not the same, you can't have this relaxed atmosphere, don't worry Boss, he's paying for it, and the guy buying it must carry on. They just throw the sand away afterwards. (Bernadette: Mmm.) (Alberto: Mmm.) It's not that, now you've really got to watch out what you doing with the sand.

Bernadette: Mmm. So this is City Power that you've got here, um, this is Joburg Water, (Peter: Mmm.) and the sand, do you have 1 supplier of sand or do you have many?

Peter: There are others, um, we tended to stick with Delth, the railways stick with Delth, (Bernadette: Mmm.) I think WHEAR stick with Delth, (Bernadette: Mmm.) but Delth had a problem because they had to change quarries and the, they now on a different quarry, but the problem is the sand on the top, later on they will get to the good sand, and, you know, these, these, these streams are millions of years old, (Alberto: Oh.) so they not down at that section yet (Bernadette: Mmm.) so we not getting the sand we like and a lot of foundries are actually changing. And there is another 1 called Sandies which is about the next better but it's about R100 a ton more and, you know, when you talk R600 to R700, (Bernadette: Mmm.) it's a lot of money so 1 tends to refrain (Bernadette: Ja.) and go back to sand. But, you know, this little

furnace, it's not here now, but we now got to do our own checking locally, we've got to do our own ...

Bernadette: So you do a quality check when the sand comes in.

Peter: No, unfortunately not, I haven't got a sand [Word not clear.] and I need to put the sand [Word not clear.]. (Bernadette: Mmm.) So I am buying, that's why I had the guy come out today, he took the furnace in because you, what you do is you burn your sand (Bernadette: Mmm.) up to 800 probably for an hour, and you burn out all the gases and then you way that sand, okay? (Bernadette: Mmm.) (Alberto: Mmm.) And the sand before and the sand after tells you what you burnt off, (Bernadette: The impurities.) and that's what you call loss on ignition, (Bernadette: Mmm.) okay, and you can't be within certain percentages, you mustn't be over that to, then you've got to add new sand. So (Bernadette: Mmm.) that we got to start doing now in the new year so that every batch that we doing, almost daily, we checking our loss ignition. (Bernadette: Mmm.) AFS is their fines, how much dust, (Bernadette: Mmm.) how much grain, (Bernadette: Mmm.) because that's another problem Delth tends to send you rocks, big stones, um, we want the right grain (Bernadette: Mmm.) and we want the right way and ...

Alberto: You've got a filtration system here, ja, I saw it.

Peter: The foundry industry takes the quality sand, (Alberto: Mmm.) they pay the highest price, I think the golfing industry takes the next 1 down (Alberto: Oh!) and then everybody comes afterwards (Bernadette: Mmm.) but we demand quality and they've had to put their game right and because they've got that in the foundries tend to go there. I'm not sure what's happening with ...

Bernadette: So they then, so Delth is implementing quality (Peter: Yes.) to, to improve their supply and ...

Peter: Ja, their washing and all that, (Bernadette: Well, they doing a lot of that type of stuff.) the drying and all that jazz, ja. They should be doing it (Bernadette: Mmm.) because the guys at Score Metals chuck it back. (Bernadette: Ja.) Don't bring it, send it to **Iron Casting Company**.

(Everyone laughs.)

Bernadette: No! Ja. So how, without all these quality checks, how, how have you managed? So have you basically just had the sand in and if there's been impurities you've sort of scrapped stuff or what is, how do you sort of manage that?

Peter: Well, you, you've got to put more resin in so (Bernadette: Okay.) it's costing more money, (Bernadette: Mmm.) and that sort of thing, (Bernadette: Mmm.) so, um, (Slight pause.) I think the students are, are the, I keep calling them students, they graduates, they've got it kicking, (Bernadette: The youngsters.) ja, they kicking and they will control that for me and, uh, (Bernadette: Ja, so.) so I think the sand lab coming up sometime in the next 3 months into the new year and that (Bernadette: Ja.) (Alberto: Okay.) do all that.

Bernadette: Okay. So we've had quality sort of from this side that you, (Peter: Mmm.) you now managing, um, power issues with risk there, (Peter: Mmm.) you managing it through the water. Anything else?

Peter: Uh, skills.

Bernadette: Skills. (Slight pause.) Tell me a little bit about, (Peter: Okay.) because you've mentioned with, (Peter: Yes.) with all the changes in your workforce over the years.

Peter: The industry is, is ridden down, if you know, there's no more Olifantsfontein, there hasn't been training for a while now, (Bernadette: Mmm.) but recently they've started a new school but it's not for anybody from the foundry industry, it's from a, a, a township area (Bernadette: Mmm.) and they taking youngsters out of school and they say, well, (Bernadette: Mmm.) we going to test where you are good and if you good in that, you go there, if you good in there you go there and that's really ... (Bernadette: Mmm.) So they pick the tool and dye makers and they will pick the (Bernadette: Mmm.) [Word not clear.] makers and they will say, no, but you only a moulder (Bernadette: Mmm.) so that's where you'll go. So from there they will give him the ground working of that (Bernadette: Mmhmm.) and you can, I think the bigger companies like the Mittals and the Scores and that, they going to start training (Bernadette: Mmm.) but they don't want your guys to come and have a look at what they're doing. They very cagy these guys, (Bernadette: Mmm.) I don't know why, they only moulding, the youngster is not going to steel anything, you know? But anyway, to me, send the guy there (Bernadette: Mmm.) and do his training for apprenticeship and get a decent sort

of moulder (Bernadette: Mmm.) you know? They, they relying on companies like myself to try and help and get these skills up. Now what I did, because we ran out of qualified moulders, I'll show you, come, and that's how we do it. So not these guys ...

Bernadette: So you did in-house training, ja.

Peter: We did our own in-house training (Alberto: Ja, on the job training.) and they picked it up, (Bernadette: Mmm.) and it's, and they going on it now. (Bernadette: Mmm.) Um, (Slight pause.) we still lack that expertise with the guy, the sand is not dry, you know, ...

Bernadette: Ja, the experience, it comes with experience, ja.

Peter: But, uh, I've got hope, uh, literally my entire staff is black. And I've got this young guy Petrus, um, he's just joined now but he's a white guy, he's going to run the core shop side (Bernadette: Mmm.) and I've got a pattern maker that's (Bernadette: Mmm.) a white guy as well but, um, the rest of the guys are black. Rhodesian, there's a lot of Zim guys here and you will find most of the foundries take in Zim okes (Bernadette: Mmm.) because ...

Bernadette: Why is that?

Peter: Because they have a better education level (Bernadette: Mmm.) than ours, they've got the O Levels and things like that (Bernadette: Okay.) [A few words are not clear.] and, uh, they are definitely better with what they do and, um, I'm finding with my foreman, he's a foundry man, you know, he's a proper foundry man,, so, um, ...

(Pause.)

(There is then a discussion about the workers leaving work early.)

Peter: So ja, that's the risk is skills. So, um, we had this university, as you might know, NFTN has funded, uh, a metal casting station, (Bernadette: Mmm.) I think that's at, uh, or Joburg

University's got it going, (Bernadette: Okay.) I thought you guys came through that. You didn't come through that?

Bernadette: No, we from WITS, so ...

Peter: Okay. There's a very big, um, thing at Joburg University for melting (Bernadette: Okay.) and it's literally the whole industry (Bernadette: Mmm.) is now starting to send chaps from here (Bernadette: Mmm.) for education on Saturday mornings, (Bernadette: Okay.) so that happens for like 8 weeks, it stretches, (Bernadette: Mmm.) they will do moulding and it's quite involved, (Bernadette: Mmm.) Western Cape course and it's really directed at maybe, um, um, (Slight pause.) what we call green sand moulding. Green sand is a clay mould sanding. (Bernadette: Mmm.) We've got 2 different types of clay, you've got chemical mould sand and you've got clay mould with sand. (Bernadette: Mmm.) Well, there's many different types but I would say those are the 2 main ones, okay. (Bernadette: Mmm.) Clay moulded sands are more for high production, mass production, motor industry [A few words are not clear.] (Bernadette: Mmm.) pump it out, (Bernadette: Mmm.) big controls and big machinery involved, (Bernadette: Mmm.) lots of money spent but cheap sand, (Bernadette: Mmm.) much cheaper then adding chemicals (Bernadette: Mmm.) and having all the problems that go with chemicals, (Bernadette: Mmm.) okay. It's less costly for me to buy a machine here, put chemicals in, (Alberto: Mmm.) and get the sand mould (Bernadette: Mmm.) (Alberto: Mmm.) than it is for them, (Bernadette: Mmm.) it's a hell of a lot more casting but they've got to have, for motor trade they demand (Bernadette: Mmm.) that sort of thing, so, and, um, ja, uh, the training it's courses, there's a lot of green sand involved (Bernadette: Mmm.) but I think now they've also developed things for resin sand (Bernadette: Mmm.) and now that's kicking in, so. A lot of the students, I tried, 11 students, they can only take 11 students and they had like 50 that went for the thing and so none of my guys got into that, and he's gone for a core making thing, that's intense, (Bernadette: Mmm.) the core making side. So I've noticed that these courses are very, very, very good and I've been doing it for 2 years now, (Bernadette: Mmm.) sending the guys on courses and that, (Bernadette: Mmm.) and, um, you've just got to keep on going (Bernadette: Mmm.) because you've got to keep up skilling people as much as you can. (Bernadette: Mmm.) The problem is, is that when you took the guy on, he couldn't speak English and he couldn't write his own name just about, you know, just put your thumb there it will be okay. Now you saying, do you understand? (Bernadette and Peter laugh.) They don't understand you. You know, before we said, don't think, we'll think for you. (Bernadette: Ja.) Now we're saying, think! (Bernadette: Ja. (Bernadette laughs.)) (Alberto: Mmm.) And that's a problem, (Bernadette: Ja, can they think correctly.) and those, and a bunch of guys and we say, well, why don't you train them. I did send 1 and you kicked him out, you know?

Bernadette: (Bernadette laughs.) He wasn't good enough.

Peter: Ja.

Bernadette: Oh, my gosh! So ...

Peter: A skills problem.

Alberto: Ja, just thinking, the risk is from these 2 sides here? (Bernadette: Ja.) [A few words are not clear.], sorry.

Bernadette: So, so skills is definitely an issue (Peter: Ja.) and you ...

Peter: You got scrap over here, okay, (Bernadette: Ja.) and I'll tell you a little bit about scrap.

Bernadette: Ja. Anything else, let, can we just quickly see what you've, if you remember what you said here. Um, you said external risks are high risk and ... Perhaps just show you this here, your answers to the survey. Um, external risks which may affect you, your organisation such as changes in the environment which you operate, you mentioned that's high risk. (Peter: Ja.) Um, what would ...

Peter: Um, I'm talking about, um, I think there I was talking about, um, (Slight pause.) environmental changes that are coming in soon, (Bernadette: Okay, the ...) the law.

Bernadette: The laws and that type of thing.

Peter: Ja. It's, it's what's closing ISCORs down and (Bernadette: Ja.) it's going to close small foundries that don't pull their weight too much. (Bernadette: Okay. Then ...) Setting organisational objectives and ensuring we set the right ones and then meet them.

Bernadette: You said that's a high risk.

Peter: Um, because like I said there's 20, 200 odd risk factors here (Bernadette: Mmm.) and to try and have the whole lot and you haven't pulled off (Bernadette: Mmm.) [A few words are not clear.] and somebody drops the ball, (Slight pause.) too late, you dropped the ball, start again, R80000 scrap, 1 casting, that's what happens. (Bernadette: Ja.) Or you will get a casting come in, (Slight pause.) it's, it's dog legged, and the section over here is clamped on this piece and the metal goes in and snaps the core off this because the guy hasn't thought foundry (Bernadette: Mmm.) and that's going to happen. (Bernadette: Mmm.) So who bares the risk? It's us, (Bernadette: Ja.) even though it's a design feature (Alberto: Mmm, mmm.) (Bernadette: And now it's going to cost you.) and then you tell the customer, sorry, you've got to put a hole through the casting (Bernadette: Mmm.) and you going to have to clamp it if you want that and then you have to plug the casting up, after you plug a Welsh plug on an engine valve (Bernadette: Mmm.) it's there to support the core, you need a support on the core. And this happened to us and then Julian says, well, try it again, you know? Again it goes. So, I'm not doing that job now! (Bernadette and Peter laugh.) And then the guy says, okay, we will put a hole through it. I've lost R160000 on the job, you know, (Bernadette: Mmm.) so that's the type of crap you've got to think (Bernadette: Mmm.) and you've got to think all the time (Bernadette: Mmm.) something else is going to happen (Bernadette: Mmm.) that affects you. (Bernadette: Mmm.) Those are risks, big risks.

Bernadette: Mmm! Ja, cost you money.

Peter: Scrap, when you said scrap over here, (Bernadette: Mmm.) um, sometimes you can't get the right scrap, like if you've got a low carbon (Alberto: Mmm.) and you need that, that, um, type of scrap that they use for making carbolics (Slight pause.) and that thin little scrap that ISCOR makes but it's very low carbon, okay, (Bernadette: Mmm.) that could be a problem for us in the future with ISCORs closing down where are we going to get the scrap? (Slight pause.) Are we going to import it? (Bernadette: Mmm.) Or close, they close the motor trade down? (Bernadette: Mmm, mmm.) So we could have (Bernadette: Supply issues on that ...) foreseeable problems on the supply side, and then you can't get those carbons where, because Transnet want them. (Slight pause.) (Bernadette: Mmm.) You can get it right with a arc furnace (Bernadette: Mmm.) because a arc furnace blasts out everything and just leaves you with pure iron (Bernadette: Mmm.) and then you add back and you get back into speck, (Bernadette: Mmm.) but they closing the arc furnaces down because of the pollution.

Bernadette: And they don't have alternatives to that.

Peter: No alternatives. (Slight pause.) And that's the government! (Bernadette: Mmm.) That's our guys!

Bernadette: Ja. So if you look at your supply side, um, for steel and iron, is it largely scrap that you are getting in, (Peter: Yes.) that you work with?

Peter: Yes.

Bernadette: And do you get that from scrap dealers?

Peter: Scrap dealers, (Bernadette: Ja.) all of it, (Bernadette: Ja.) it all comes from scrap dealers. I used a little bit of pig iron (Bernadette: Mmhmm.) which was sourced from the mineral guys (Bernadette: Mmhmm.) and I use it specifically for a metal called ductaline, history line, (Bernadette: Mmm.) and it's to keep my quality where I want it, (Bernadette: Mmm.) okay, and the rest we use pure steels and (Bernadette: Mmm.) [A few words are not clear.].

Bernadette: Mmm. So is this a good reflection then of your inputs (Peter: Yes.) to your process, (Peter: Pretty much so.) the pig iron and the iron scrap.

Peter: You've got these things here, sleeves, (Bernadette: Sleeves.) exothermic sleeves and you ...

Bernadette: And where do you get those from?

Peter: If you haven't got control on this you can have failure and many times they actually say, well, you did that, you did that wrong, (Bernadette: Mmm.) you blaming us [A few words are not clear.], (Bernadette: Mmm.) there is this sort of little thing but most, but mostly, 9 times out of 10 these things, they do batch testing (Bernadette: Mmm.) to see that they right before they send it out, (Bernadette: Mmm.) so they test that, (Bernadette: Mmm.) the foundries insist on it like Score and the big boys (Bernadette: Mmm.) will say, sorry, we want to see that before we buy from you, (Bernadette: Mmm.) (Alberto: Mmm.) so they've got to do it.

Bernadette: So do you have 1 supplier for this?

Peter: No, there's, there's a couple of suppliers (Bernadette: Ja.) and like I said, I'm going to start making my own next year (Bernadette: Mmm.) with the ceramic beads and then exothermal it.

Bernadette: Mmm. Okay, so then that is a fairly good representation ...

Peter: Pretty much.

Bernadette: Ja. Okay. Um, if we can just go through your operational risks, you, I think you've spoken quite a bit about those, you said are high.

Peter: Ja, operational risks, I don't know what I was thinking at the time.

(Alberto laughs.)

Bernadette: From your day to day ...

Peter: "Which relies on the services you deliver or the activities you carry out." (Pause.) Again, I think the activities you carry out, um, it's your (Bernadette: Production.) production, if they [A few words are not clear.] or if they [A few words are not clear.], (Bernadette: It's all those 200 odd variables.) don't close the proof, (Bernadette: Ja.) if the pattern's not right and it's got a gap, (Bernadette: Mmm.) it's a flash [Word not clear.], that sort of risk.

Bernadette: Do you think that, that a lot of those issues come from the lack of experience and skills of the workers?

Peter: And also the quality of, the type of equipment we working with and (Bernadette: Mmm.) and the, you know, you take a, a board, you buy a all new plywood board and you mount a pattern on it, but have you seen the plywood boards we buying now? They rubbish! (Bernadette: Mmm.) And the board's going like this and you've got to get a flat joint. (Bernadette: Mmm.) So when your sand mould comes on that side and makes a mould off that side, (Bernadette: Mmm.) you've got this thing (Bernadette: Ja.) balanced over. (Alberto: Mmm.) And now the pattern side is perfect but on the outside of the pattern where the mould joins the joint it doesn't, so now you get this little gap. Boy, that metal finds that gap, hey, and it forces it out. So now you don't get a thin blade, you get a thicker blade. So equip ...

Bernadette: Quality issues on ...

Peter: The quality issues on, on, on (Bernadette: On the plywood now.) plywood.

Bernadette: So you get, [Peter says something that is not clear.] so another thing is your supply of plywood. (Bernadette laughs.)

Peter: Yes, ja.

Bernadette: So, (Peter: Ja.) ja.

(Pause as someone comes into the office.)

Bernadette: Okay so, so that's now we've got, we've got a ...

Peter: Hot sand, hot sand.

Bernadette: Hot sand.

Peter: And that's from Delth. They ...

Bernadette: Now what do you do with that sand? Do you have to send it back? What do you ...

Peter: I've got to hope like hell we can, we can ...

Bernadette: Use it.

Peter: We use it, ja. I can't take it out the mould now because it's all lined to go into the mixer, (Bernadette: Ja.) so you've got to up the resin or up your reclaim sand on it, (Bernadette: Ja.) [A few words are not clear.], that's the problem.

Bernadette: But they continuously monitoring this and ...

Peter: Ja, because of that issue, I've now got, I bought 4 hoppers, which are not here, (Bernadette: Mmm.) I've got them in another place that a foundry closed down, (Bernadette: Mmm.) and I left the, because they could allow me to leave them on their premises, (Bernadette: Mmm.) I'm going to put in another hopper that the sand's got to go there. (Bernadette: Mmm.) We've got a fluidised bed, 2 fluidised beds over here and the fluidised bed has got water pipes going through it (Bernadette: Mmm.) so you can take the dust out, (Bernadette: Mmm.) cool it down. I put 1 here and 1 there. (Bernadette: Mmm.) So I get new sand coming in will be there. I've got a brand new fluidiser there, not brand new but a massive fluidise bed (Bernadette: Mmm.) for the foundry going in over December (Bernadette: Mmm.) for my main sand, so when I purchase sand, if it's hot and it's got the rubbish in it, I can do something about it, (Bernadette: Mmm.) I can do it myself. And I can pump it back into this, (Alberto: Mmm.) it's dust, and it's that kind of thing, (Bernadette: Mmm.) I can do dust extraction (Bernadette: Mmm.) and the whole thing goes back into there, right along the ceramic beads.

Bernadette: Shoh! Anyway, ja. Okay, medium risks, your financial risks.

Peter: Ja, you've got to make money first, (Bernadette: Ja.) that's 1 of the financial risks.

Bernadette: Ja.

(Bernadette and Peter laugh.)

Peter: Money in the bank is the main thing.

Bernadette: But the thing is you've obviously, you've been through really tough times through the years but you've s, why have you survived? What is it that ...

Peter: Because I've got a very disciplined sister.

Bernadette: Is she like ...

Peter: She says to me, you can't spend money, (Slight pause.) you've got to hold back. [The rest is not clear.]

Bernadette: But if you need it for the business then you just make a plan or what do you ...

Peter: Well now, like now, (Bernadette: Mmm.) I went and spent because she was off sick so I had a party going on.

(Everyone laughs.)

Bernadette: The cat's away.

Peter: So she's back, she's only been back here this week, (Bernadette: Mmm.) she's been very sick. My sister never gets sick but she's been sick for the last 2 weeks. (Bernadette: Mmm.) And when the Transnet order came in I said, I've got to spend. (Bernadette: Mmm.) So I started club, clubbing the thing and I've overspent, severely overspent, (Bernadette:

Mmm.) I don't know how she's going to do it this month but that's, I don't want to [A few words are not clear.] ... (Everyone laughs.) Ask for forgiveness.

Bernadette: Ja, you always ask for forgiveness afterwards. (Bernadette laughs.)

Peter: We haven't got any, we haven't got any debt, okay, we haven't got any debt and we own our own property, we will make a plan.

Alberto: Ja.

Bernadette: Ja. There's, you've got leverage then, (Peter: Mmm.) financial leverage. Okay, um, ...

Peter: You were asking about ...

Bernadette: How have you survived?

Peter: Ja, survived. It's been tough, hey. Dividence, don't see much of dividence, (Bernadette: Mmm.) it's business. This ...

Bernadette: So do you cut back then on a personal basis on your spending?

Peter: You have to cut back. (Bernadette: Mmm.) So, and you, (Slight pause.) (Peter sighs.) if I want something I've got to wait for it and do it slowly (Bernadette: Mmm.) like my moulds moving, (Bernadette: Mmm.) (Alberto: Mmm.) I made my own mould, (Bernadette: Mmm.) I made my own wheels (Bernadette: Mmm.) and the machine bit by bit and I built up, now I've got 60, 70 trolleys, we still haven't used them properly (Bernadette: Mmm.) but that's when Transnet came in (Bernadette: Mmm.) I said, now we've got to finish it off, (Bernadette: Mmm.) put the switches in (Bernadette: Mmm.) and get the thing moving, (Bernadette: Mmm.) so that's why I know when I get this order (Bernadette: Ja.) I'm going to do it properly, (Bernadette: Mmm.) (Alberto: Mmm.) but I'm not there yet. (Bernadette: Mmm.) Still not there and ...

Bernadette: But if you had to define what is the, the single thing that has allowed you to survive from the, this business to survive through the years?

(Pause.)

Peter: Luck.

(Slight pause.)

Bernadette: You can't just survive, (Peter: No.) I don't believe it's luck. (Bernadette laughs.)

Alberto: Name in the market maybe. You've got a very good name.

Peter: Ja, um, ...

Bernadette: Your reputation.

Peter: We've been out here a long time and, um, (Bernadette: People know you.) uh, I'd like to think that we have a good name. (Bernadette: Mmm.) I know there's been 1 or 2 problems (Bernadette: Mmm.) with certain customers (Bernadette: Mmm.) but certain customers that I don't want I got rid of them very quickly (Bernadette: Mmm.) because of payments and things like that. (Bernadette: Mmm.) And my decisions to perhaps up my game to bigger stuff, (Bernadette: Mmm.) be able to have the cranes, I've got a lot of cranes in here. When my dad came, when my dad was here there were no cranes. (Bernadette: Mmm.) When I first came here there wasn't any cranes, (Bernadette: Mmm.) there was a hoist (Bernadette: Mmm.) for taking the scrap to the top, it was an air hoist, it's like a hell of a [Word not clear.], (Bernadette: Mmm.) and there was no, everybody ran with metal and things were tough, tough. (Bernadette: Mmm.) I've now got 10, 11 cranes now (Alberto: Mmm.) (Bernadette: Mmm.) and I've got hoists and you've just got to have it, (Bernadette: Mmm.) it's just not, you can't do it without it so, (Bernadette: Mmm.) and so we built, a lot of it we built ourselves, (Bernadette: Mmm.) most of the stuff here is second hand, (Bernadette: Mmm.) we've built it ourselves, (Bernadette: Mmm.) no money, (Bernadette: Mmm.) so that's why

I've had to do it. So, ja, I think those little things add to the fact that (Bernadette: Mmm.) I'm still around, (Bernadette: Ja.) that I've kept in the loop.

Bernadette: Ja, why you haven't been out of business where, you know, ...

Peter: Jimmy's got his nice BMW, (Bernadette: Ja.) and he's lived a good life and, but now he's got a problem.

Alberto: Mmm.

Bernadette: Mmm, whereas you haven't gone and (Peter: Ja.) overspent.

Peter: I say that, I'm, I'm not all, (Bernadette: Ja.) I think I'm sometimes perhaps I'm too soft on people sometimes I think I shouldn't. (Slight pause.) If we got somebody else to run this business instead of me, (Bernadette: Mmm.) um, maybe we would have a higher turnover, [The rest is not clear.].

Alberto: Danie said the same thing, hey?

Bernadette: Hmmm?

Alberto: Danie said the same thing.

Bernadette: Mmm.

Peter: Is it?

(There is then a discussion of Danie from Prevail Eng.)

Bernadette: But I think, as you said, you get tired.

Peter: Ja, yes you do. And you know, I've got a passion for the business (Bernadette: Mmm.) so I enjoy this game, okay, (Bernadette: Mmm.) if I didn't I think the business would have failed, (Alberto: Mmm.) (Bernadette: Mmm.) that's, that's possibly 1 of the key factors (Alberto: Mmm.) (Bernadette: Is ...) what's kept us alive is that you've got to get up, you must fight that challenge. If you going to ignore it like I do know 1 foundry member that ignored it, he's business was exactly the same size as ours when I came in, he's a little bit older than me, he's about 4, 5 years older. But he hit the bottle, okay, he didn't give a hoot about it, the business, the business shrunk, he's son came and said, I want to do the business. He's son's busy trying to build the business. And we've gone up there and he's got this, he's battling (Bernadette: Mmm.) and we go to see the guy, gees, thank God I'm not down there anymore. (Peter laughs.)

Alberto: Ja.

Bernadette: Ja, ja. So it's, it's really ongoing (Peter: It's the person.) commitment and perseverance.

Peter: Perseverance. And that's got to do with, those 2 girls there have got everything to do with it too. (Bernadette: Mmm. Ja, your sisters.) So initially with all 3 but without them (Bernadette: Mmm.) I wouldn't have got it. (Alberto: Mmm.) (Bernadette: So it's ...) And that's the only reason why they still here because they both want out, granddaughter, grandkids, I want to see Gran, she wasn't here yesterday, you know? Gees, when she's not here who's going to load this order because there's a funny way of doing that, (Bernadette: Mmm.) (Alberto and Peter laugh.) and, you know, (Bernadette: Mmm.) that's, that's the business (Bernadette: Mmm.) but they prepared to stay and sort it out. (Bernadette: Support you.) We'll sell it and move on. (Bernadette: Mmm.) Maybe I'll stay on, I'd like to stay until I'm 70 (Bernadette: Mmm.) because I enjoy the game (Bernadette: Mmm.) and, uh, (Bernadette: So they ...) my wife says, you should have married the business.

Bernadette: (Bernadette laughs.) Stay at work.

(Bernadette and Alberto then have a discussion about staying at work.)

Bernadette: So your future plans for the business or ...

Peter: As I said, the, the, the coloured guy expressed interest. Since I've spoken to him and I happened to then, this, this other woman that's been involved with NFTN because they heard that I'm with railway works so NFTN said, right, (Bernadette: Mmm.) we want to help you. So they, they put people in. Now it's funded by CSIR through the DTI, okay, so they came in and said, they will send you Delmarié. Delmarié, you don't mind Del, I said, send her, any help, I don't care. (Bernadette: Mmm.) And she goes and she liaises with Transnet and said, (Bernadette: Mmm.) right, you haven't given him any standards but you say, here's the order, (Bernadette: Mmm.) run for it. He's got no standards, where's his standards and where, you know, (Bernadette: Mmm.) where's the drawings (Bernadette: Mmm.) and where's this and, you just give him patterns (Bernadette: Mmm.) and you say, to! (Bernadette: Ja.) And then you say to him, that's the method (Bernadette: Mmm.) and it's not the method (Bernadette: Mmm.) because I've said, this thing is not going to work (Bernadette: Ja.) because I know (Bernadette: Mmm.) from experience (Bernadette: Yes, yes!) but they doing it like that (Bernadette: Mmm.) and they can't see their nonsense, (Bernadette: Mmm.) but if you have to cut that casting you will see the nonsense, (Bernadette: Mmm.) (Alberto: Mmm.) you know? So I, NFTN said they will help me and so they've come in, Delmarié's taken a casting, put that camera on it, (Bernadette: Mmm.) you know that, (Bernadette: Mmm.) they did a simulation, (Alberto: Mmm.) I'll get the simulation on Monday so then they will see where the crack is coming from, I'm welding the crack at the moment (Bernadette: Mmm.) which is something that I don't want to do, I want to get the casting right first time. (Bernadette: Mmm.) (Alberto: Mmm.) And then also the patterns, I complained about the patterns because I'm having to flash, I'm getting, you know that [Word not clear.] is not right, [Bernadette: Mmm.] so they said, give us a price and, you know, I don't want to kill the job but I tend, I think I've gone to [A few words are not clear.] cheaper price, I should have gone for a resin (Bernadette: Mmm.) and you can use super work first to give you that flat, (Bernadette: Mmm.) flat, flat finish, then pull the resin off it, so then pull of the resin, pull out of your mould (Bernadette: Mmm.) and then those 2 come nice and flat together (Bernadette: Mmm.) and then you clamp it and then you get a nice joint. (Bernadette: Mmm, mmm.) Anyway, I'm going to do that, I'm going to have to just do that because I want them (Bernadette: Mmm.) for the future. So ja, um, I'm fortunate.

Bernadette: So you anticipating selling the business.

Peter: Yes, (Bernadette: Yes.) and as she said, did I hear you right that you, this coloured guy might be interested in buying, are you selling the business? I said, well, I said, the girls are tired, they want out (Bernadette: Mmm.) and there's going to come a time we've got to move, so, you know, there's 1 or 2 years, I need to finish the plant (Bernadette: Mmm.) and we need to enjoy some money now. (Bernadette: Mmm!) Enjoy some of that money then we can get out. (Bernadette: Ja.) And, because there's a lot of people interested in getting it but you know

what the problem is, you can't get the people. It's easy to switch a button, I'll start a foundry but if you can't get the people (Bernadette: The experience.) you have to be very careful what you doing, especially in our game, (Bernadette: Mmm.) so it's very knowledge based (Bernadette: Mmm.) and experience based, (Alberto: Mmm.) (Bernadette: Mmm.) you can't read out a book, (Bernadette: Mmm.) you don't know that, that the launder better be clean and you going to pick up dirt (Bernadette: Mmm.) if you don't clean that (Bernadette: Mmm.) and do this to it (Bernadette: Mmm.) so when you casting and that sort of thing, so, um, it takes a bit of time to get to that sort of, (Bernadette: Mmm.) and people will learn the hard way and that, (Bernadette: Mmm.) so, I think, um, they want to buy a foundry that knows all that already (Alberto: Ja.) and now we put money in, that's why they said, we will buy the property. This guy [Word not clear.], we will buy this property. Look for a piece of ground. So I said, don't go under 30000 squares because you know I've only got 6000 here, (Bernadette: Mmm.) I said, don't go under 30000 squares, because they want a machine shop and the foundry all together (Bernadette: Okay.) and finished products (Bernadette: Mmm.) and sell it. So he's wanting me to also look around and see but I see this ground here, on the other side of the highway [A few words are not clear.], it must have power, that's another thing, because that's another thing power. (Bernadette: Mmm, mmm.) If he can buy a piece of ground there 30000, secured in the ground, (Bernadette: Mmm.) then when we move from here he wants to build a new foundry. So build a foundry then we'll stock steel ...

Bernadette: But he'd use your experience for that.

Peter: No, without skill, (Bernadette: Mmm.) I will start moving slowly (Bernadette: Mmm.) people over and I will use people so we use both foundries, (Bernadette: Mmm.) wait for these guys to come and pay us out, move that foundry into this foundry and have 2 foundries running. (Bernadette: Mmm.) So you have your iron set to the steel and run that section and I won't mix the 2. (Alberto: Mmm.) So that's ...

Bernadette: And then you'd stay on (Peter: And I'd stay on.) and work (Peter: Stay on.) until you've had enough.

Peter: I, I'd like to keep my shares in here and see my, my market value go up (Bernadette: Mmm.) and then I will take my money.

Alberto: [Alberto says something that is not clear.]

Bernadette: (Bernadette laughs.) Ja.

Peter: Unfortunately I've got a son at home that (Peter sighs.) still doesn't work. 34. (Bernadette: No.) Doesn't want the foundry, doesn't want to know anything, doesn't want to do this. Lives at home. He's gay, on top of it. And I said, gees, you only making life difficult for you.

(Everyone laughs.)

(Peter then talks about his kids and his family.)

Peter: I'd rather sell the business and say, (Bernadette: Mmm.) this is what my dad gave me, (Alberto: Mmm.) you got it, I got it as a business, you got it as cash, (Alberto: Mmm.) don't mess it up.

Bernadette: Mmm, mmm. And enjoy some of the money.

Peter: But they old, they old enough not to mess it up.

Alberto: Ja.

Bernadette: They responsible.

Peter: Just my oldest 1, I've got to watch him because he will [Word not clear.] the wall. (Bernadette and Alberto laugh.) So I've got to build in my will that you'll only get so much (Bernadette: Ja, that's it. (Bernadette laughs.)) and it will be controlled by your (Bernadette: Ja.) other brother.

(Bernadette and Alberto laugh.)

Bernadette: Ja.

(There is then a discussion about time still available for the interview.)

Bernadette: Okay. Um, just, high risk you said risks associated with legislatory framework which the organisation, sorry, this is over here, you said that's a high risk.

(Pause.)

Peter: Um, (Slight pause.) I think I was trying to get maybe the legislative is the environmental side (Bernadette: Mmhmm.) is what I was thinking of, I'm thinking that way.

Bernadette: And BEE? You haven't mentioned anything (Peter: Ja.) to do with BEE.

Peter: Um, well, BEE ...

Bernadette: Because I know Transnet have requirements of their suppliers, don't they?

Peter: Ja. Um, BEE side, I've got a level now current level 3 (Bernadette: Mmm.) because I've taken on blacks, (Alberto: Mmm.) (Bernadette: Mmm.) you see, and I knew that at the time (Bernadette: Mmm.) and I thought this would just help me, if I can take these students (Bernadette: Mmm.) and, you know, 1 of the problems with most of the foundries out there is they a bit reluctant to take the students on. I was forced into it somehow, you know, (Bernadette: Mmm.) and, um, I've just had to grin and bear it (Bernadette: Mmm.) and take the school fees and pay for it and, but like I say now, it's starting to pay off. (Bernadette: Mmm.) So I'm not sorry I've got it, and they realise too their, because they speak amongst each other, and they say, that guy he's gone, he's got a degree and he's pushing a wheelbarrow, you know, or something demenial (Bernadette: Mmm.) sort of thing, like I put him in the back of [A few words are not clear.] because I have to, (Bernadette: Mmm.) shut up and stand in a corner, (Bernadette: Mmm.) um, and not put the guy to good use and that's bad because (Bernadette: Mmm.) there's no white guys coming into this game, (Bernadette: Mmm.) so you better start taking these guys and training them. (Alberto: Mmm.) (Bernadette: Mmm.) So that's why I th, I made the decision, I'll take it on. (Bernadette: Mmm.) So that's good, my BEE I'm not worried about. (Bernadette: Okay.) We've also done our, (Slight

pause.) take that file they gave me here, (Slight pause.) uh, [A few words are not clear.] and that's just been finished off now, (Bernadette: Okay.) and, um, ...

Bernadette: So that's not a big concern, it's more the environmental issue.

Peter: We doing the training, I'm doing, (Bernadette: Ja.) uh, people, equal opportunity, I can't give equal opportunity if you haven't got education, (Bernadette: Mmm.) but I can only train (Bernadette: The business requires that, ja.) who wants to be trained, you know? And, uh, so I try and be equal to everybody(Bernadette: Mmm.) as much as I can. (Bernadette: Okay.) It's an open door policy so (Alberto: Mmm.) you must try.

Bernadette: Mmm. Okay. And then just, um, here there's a few where we looked at certain risks on this side where you, raw material volatility, (Peter: Ja.) price volatility was high, (Peter: Ja.) where, where are you experiencing that, more on the steel and the iron (Peter: Iron, um, ...) or ...

(Slight pause.)

Alberto: It must be power as well.

Bernadette: Power.

Peter: Power, power has been a big drag for us. (Alberto: Mmm.) (Bernadette: Mmm.) Um, (Slight pause.) you know, if you compare overseas prices to ours, (Bernadette: Mmm.) we do quite bad, ja.

Bernadette: Do you import any of your raw material? (Peter: No.) No, (Peter: No, not since ...) you do it local.

Peter: I think you might find a few alloys (Bernadette: Mmm.) like the [Word not clear.], and the nickels, (Bernadette: Mmm.) those things are imported (Bernadette: Mmm.) (Alberto: Mmm.) but they minuscule in volumes, (Bernadette: Mmm.) most of it's located, (Bernadette:

Mmm.) acquired here, (Bernadette: Mmm.) um, and the price, I think our labour content is so bad that, you know, the costs are too high. (Bernadette: Mmm.) (Alberto: Mmm.) And until this country can pull itself up, (Bernadette: Mmm.) whether we ever will I don't know, (Bernadette: Mmm.) because it's got this like Friday is a better day, you know? (Bernadette: Mmm.) If I look at the output that the white guys were doing, (Bernadette: Mmm.) um, in my dad's day, (Bernadette: Mmm.) when I came here soon after that, (Bernadette: Mmm.) they were pumping far more with far less people but far more, okay, (Bernadette: Mmm.) like I said, at that stage the mines didn't mind having a pimple, (Bernadette: Mmm.) but the productivity was extremely high. (Bernadette: Mmm.) (Alberto: Mmm.) Now we not getting half of that. (Bernadette: Mmm.) Even half on a good, not all people here.

Bernadette: That's a work ethic thing.

Peter: Ja, you see what I mean, (Bernadette: Mmm.) and that type of thing is a problem, okay? (Bernadette: Mmm.) So we fighting that.

Bernadette: And that adds to prices on this side (Peter: And everybody's had the same.) from the productivity, ja.

Peter: Everybody's had the same and, uh, you know, I tried to get green sand in here when I first came thinking, that's the way to go, and I didn't realise that the big dragon from China was busy (Bernadette: Mmm.) taking our work away. (Bernadette: Mmm.) And everybody was doing the same, they've done green sand [A few words are not clear.], (Bernadette: Mmm.) and then China came and took all that work away, so we'd set up a plant that we can't use now.

Bernadette: So how's Ch, the Chinese affected your business? Have they?

Peter: Big time. You know they've got 30000 foundries in China. (Alberto: Shoh!) We've got 160. (Bernadette: They've taken ...) America's got, had, has got 3005, climbing (Bernadette: Mmm.) from 2000 odd to 3500, it was 6000, (Bernadette: Mmm.) they lost the work, the Americans have decided to bring it back, (Bernadette: Mmm.) so it's climbing, okay, but the Chinese today, they've got 30, they say that 30000, remember they also got the little backyard stuff, (Alberto: Mmm.) they going to consolidate and they going to bring it down to 15000 (Bernadette: Mmm.) so eventually there will be between 12 and 15000 foundries, (Bernadette: Mmm.) but sizable foundries. (Alberto: Ja, proper foundries.) And their

difference is, is that they can come into a place and they will tell you, 3 days you'll have the pattern sorted, 3 days. We can't do that here.

(Slight pause.)

Bernadette: But why, because they have the skills and the, the number of people.

Peter: Skills, they've got the equipment, they've got the money, (Bernadette: Mmm.) uh, ...

Alberto: Pattern makers are also difficult to come by here, aren't they?

Peter: Pattern makers, there they 2 a penny, (Alberto: By the dozen, ja.) by the dozen, they've got an engineer on the shake out, (Bernadette: Ja.) an engineer working the shake out. (Bernadette: Ja.) (Slight pause.) Here we've got a gwala, boom, go and sort this out else ...

(Everyone laughs.)

Bernadette: Sort your TV out.

(Peter then talks about a video on his phone showing productivity in France compared to South Africa.)

Bernadette: Okay. Then also you mentioned high was, um, accounts not being settled. (Peter: Accounts not being settled, yes.) So are you ...

Peter: That is a, um, you know, I have been, my sister's she's the 1 that says, now she uses somebody else to check the account out so she screams at me if I, we don't have fighting matches but she says to me, what are you doing? Don't take this bloody customer on without their credentials sorted out. And I've got a problem right now, I dealt with a guy from Zim and he hasn't paid and I've got the castings ready and they not coming for them and (Bernadette: Mmm! So ...) it's a problem, R50000 (Bernadette: Ja.) and it's lying in the yard.

Bernadette: But these guys, WHEAR, are they, (Peter: They pay.) they good, (Peter: All pay.) Trans, all of these, (Peter: All of these pay.) it's the smaller ...

Peter: This lot over here, (Bernadette: Mmm?) the coloured guy that came in we were worried, (Bernadette: Mmm.) entrepreneur, you know, and my sister voiced her opinion and he said, don't worry, I will give you your money in 15 days. I don't know when that 15 days come and gone long ago but I think the account hasn't matured yet (Bernadette: Mmm.) so on from, from the end of the month 15 days we should see the money (Alberto: Mmm.) which is middle of December.

Bernadette: Mmm. But the rest of these guys are, are pretty much on time?

Peter: Pretty much so.

Bernadette: Ja. So cash flow ...

Peter: It comes and goes (Bernadette: Mmm.) and, and, of course, if you have a bad month it can go, you know? I say, we, we keep on pumping money back (Bernadette: Mmm.) but I'm not really getting it back, okay, (Bernadette: Mmm.) it's about to come back and I see it's going to come back nicely, I believe, (Bernadette: Mmm.) double [A few words are not clear.] and I can see you've got it moving in the right direction, (Bernadette: Mmm.) so when that does happen then hopefully we will see some big money come in.

Bernadette: Okay. And just last, what else was high here? Oh sorry, there's 2 here, inventory control or is that ...

Peter: Inventory control. Ja, we started, we've started now of keeping strict control with that, okay, uh, ...

Bernadette: In what way was it, (Peter: Well, ...) is it being problematic?

Peter: We watch the stock, we don't want too much stock. We will have a can ban for certain customers like WHEAR, (Bernadette: Mmhmm.) we used to have for ATVAL we used to have can bans, (Bernadette: Mmm.) and we try and control it that we don't have too much carrying through in, into the next month, (Bernadette: Mmm.) so it's an area that, uh, my nephew's a MBA, he's a mechanical engineer and he's a youngster, um, but he's a very sharp engineer, holds an extremely good position in another business that my cousin runs, okay, and he comes in and [A few words are not clear.], done! (Bernadette and Peter laugh.) And, uh, um, (Bernadette: Sorts it out.) and that sort of thing and he's the 1 that's pushing our procurement to be done a certain way, (Bernadette: Mmm.) he wants to put our whole system onto, um, PASTEL (Bernadette: Yes.) and the whole buying, the whole, everything is run by PASTEL (Bernadette: Mmm.) so he can pull out these little (Bernadette: Mmm.) funnies that are happening (Alberto: Mmm.) and stop it and, (Bernadette: Okay.) but you know, the programme, he needs the programme, our job card system to be able to function (Alberto: With it.) with PASTEL. (Alberto: Ja.) PASTEL have got their own way of doing things (Bernadette: Mmm.) and it doesn't feel comfortable with what we're doing (Alberto: Ja.) and now we at that point, we saying, are we going to go this, shall we run a second system? (Bernadette: Mmm.) We don't really want to run a second system but you want to run a system that you can get the information that you want not what PASTEL tells you (Bernadette: Mmm.) (Alberto: Ja.) you can get out of it, so that's the problem we have now.

Bernadette: Mmm. All right. So inventory, and then lastly what's the, oh ...

Peter: "Other natural resources, floods, heavy rain, [A few words are not clear.].

Bernadette: No, it's here, ja.

Peter: "Poor supply in service."

Bernadette: Poor supplier service.

Peter: Obviously no, too many, (Bernadette: Ja.) you saw it now with the sand.

Bernadette: Ja, we've, ja, so we've seen that so that's ...

Peter: [Peter reads something but it is not clear.]

Bernadette: Those low, not a risk, ja. (Peter: Ja.)Okay, before we, I think that's sort of covers your responses to the survey, (Peter: Mmhmm.) uh, that's my page as well, (Peter: Mmhmm.) um, if we had to look at how would you describe your relationships with customers?

Peter: Okay, I'll, 1 of my bad points was I stayed too long in the factory, I don't get out and see enough of them, okay? I'm very much a hands on type (Bernadette: Mmm.) manager. I, sometimes they don't want to see you too, you know, (Alberto: Mmm.) as long as you keep giving the quality, (Bernadette: Mmm.) on time delivery, we'll keep on staying with Peter. (Bernadette: Mmm.) I mean, I've got a customer here, Joost, I make a gear box, their size gear box, it's, they came, they went to another foundry and they messed up badly. They landed up going to, um, um, a lab in Pretoria and the guy said, you going to the wrong foundry. Take it to a foundry and we will try and sort it out. When the guy came in here with the lab guy but I could see that it was his job.

(Pause as someone comes into the office.)

Peter: And anyway, this company has, they do gear boxes and they unique gear boxes for [Word not clear.] equipment, and they under severe strain, (Alberto: Mmm.) they could pick 100 tons up 1000 times in a minute, so you must know the vibration, okay? (Bernadette: Mmm.) And when they chose that foundry the thing failed, they were like, woh, we've got big problems here. So they went to this guy and he's, he was a lecturer at the university (Bernadette: Mmm.) but he came. And when I saw the way he approached this whole thing, he said, QCP, you must do a QCP on this thing, you must get personally involved with this sort of thing. So I laid out a QCP and showed it to them, what I was going to do and I went ahead and did it. And they even put that QCP every time on their order, (Bernadette: Mmm.) okay. And it went to this mining show, now I've done over 1000 of these boxes, they haven't had a failure yet, okay, uh, it's in [Word not clear.] and we watch how we do it, okay? (Bernadette: Mmm.) Went to the show, and they have this thing on show and that, I went to the show too, I met the old man for the first time, he's the father, and 1 of the big foundries said, we can do that much cheaper than that crowd can do. Give us the order. And he said to me, even if Peter put his price up I will not move it. (Slight pause.) And that's the type of customer I want. (Bernadette: Ja.) (Peter laughs.) And that's where you win through, (Bernadette: Mmm.) you know, you've got to, so I don't go and sit on his doorstep, (Bernadette: Mmm.) he never sees me, (Alberto: Mmm.) I just give him what he wants, (Alberto: Mmm.) (Bernadette: Mmm.) and that's, that's how I try and do it. (Bernadette: Mmm.) I mean, I don't, you don't give Christmas presents out, there's no, nothing.

(Bernadette: Mmm.) Now and then we will give calendars out or whatever (Bernadette: Mmm.) but hardly anything goes out [The rest is not clear.].

Bernadette: Ja. So it's very much, I deliver, make sure I deliver what you want and that ...

Peter: Give the customer what he wants. (Bernadette: What he wants.) (Alberto: Mmm.) Don't give him something he doesn't want, (Bernadette: Mmm.) if he wants that extra twig, go the extra mile.

Bernadette: Mmm. Would, would you look at cola, do you sort of discuss the, the sort of pattern designs and that type of thing with them. How do you ...

Peter: Ja, ja, they, many of these customers say they will give you, sometimes they make the pattern and they send it to you. (Bernadette: Mmm.) And then I say, I can't do it this way, I want it that way. The guy makes a pump and he makes it this way. (Bernadette: Mmm.) And I say, do you know how many feeders I've got to put on this thing this way? If you do it that way, I put 1 feeder on, it does the whole bloody lot. (Alberto: Mmm.) (Bernadette: Mmm.) I've got to cut this thing once (Bernadette: Mmm.) not 7 times. (Bernadette: Mmm.) And then you've got to risk and it's like this, (Bernadette: Mmm.) and I said, you putting the pump the wrong way round. (Bernadette: Mmm.) And my side, my, my way works, and still down there in PE they still make it like that the wrong way, {Bernadette: Mmm.) let them make it their own way.

Bernadette: Ja. So you will, will, so you will sort of collaborate on the design (Peter: Oh yes!) side to improve, to sort of improve the design (Peter: Ja.) and also to make it easier for you to produce.

Peter: Yes, (Bernadette: Ja.) I mean, we take Transnet now, this job for Transnet because they've got their feeder system and I, I knew it was failing, (Bernadette: Mmm.) I went and did something which was, uh, in an old technology book (Bernadette: Mmm.) not really used so much now, and I decided, no, I can't work like this, I don't want to take this risk (Bernadette: Mmm.) every time and I changed technique of that cast (Bernadette: Mmm.) to that system and that defect went. So I don't want to tell everybody, (Alberto laughs.) I actually want to wait for the simulation to come and then I'm going to tell them, put that in it and see, now see if it works, and then we see if it works. My sister said, don't tell anybody. And I said, well, the guys here know about it because they doing it, I want them to do it.

(Bernadette: Mmm.) But anyway, that's the sort of little thing that I do and not everybody, everybody's got their own way, the other foundry men (Bernadette: Mmm.) have got their own way that they do certain things.

Bernadette: But it's based on your experience (Peter: Yes.) and knowledge of, (Peter: Ja.) of years of years and years (Peter: Yes.) of working in the (Peter: Ja.) business that you are (Peter: Ja.) able to do that, (Peter: That's right.) ja, ja. So, so your relationships are very much give the customer what they want and you will assist them in developing (Peter: Yes.) a product that is (Peter: Yes.) of a good quality.

Peter: Ja. 1 more little risk is space. (Bernadette: Mmm.) That's perhaps a risk that every foundry has. When you start a foundry you've got to buy big ground, (Bernadette: Mmm.) (Alberto: Mmm.) preferably a farm or something like that, (Bernadette: Mmm.) you know, because that's what you need, (Bernadette: Mmm.) and, um, (Alberto: For keeping storage and everything.) ja, I mean, I was fortunate, I bought, I mentioned to you I bought, um, on the Gautrain line (Bernadette: Mmm.) and I bought a plot, (Bernadette: Mmm.) and the plot was agricultural and then in 97 they said, we going to make it retail. I said, lovely. When's it going to happen? It's going to happen now, retailed rent. 97 Shilowa said, put a train through this place and I have to move. And from R100000 house, they gave me 6.25 million, (Bernadette: Shoh!) not a bad, I couldn't make that from the bank.

(Peter and Alberto laugh.)

Bernadette: Not a bad investment, was it? (Bernadette laughs.)

Peter: So now they going to do another 1, put another 1 through here.

Bernadette: Lot's of space, ja.

(Everyone laughs.)

Bernadette: Ja.

Alberto: You will be there best customer. (Alberto laughs.)

Bernadette: Ja. And then with your suppliers, relationships, how, (Peter: Um, ...) how would you characterise those?

Peter: Well, I don't see the Delth guys. (Bernadette: Is that ...) My, my scrap dealer is up the road, um, ...

Bernadette: So you ...

(Slight pause.)

Peter: He tends to come in here now and then. (Bernadette: Mmhmm.) Um, those are the 2 main (Bernadette: Mmm.) things. The chemical boys all the time. (Bernadette: Chemicals.) 1 thing I didn't say, (Alberto: Oh.) you, you know, your chemicals, (Bernadette: Ja.) I didn't put that on, the chemicals. The chemical guys will help us no end. They are the boys that say, we want to help you because the more you make, the more we sell. (Bernadette: Mmm.) (Alberto: Mmm.) So they come in and they test your sand, you know? (Bernadette: Mmm.) Have you tried this new product? Here's better paint for you, (Bernadette: Mmm.) and that sort of thing. (Bernadette: Mmm.) So, um, I like these guys, I tend to be loyal to these guys (Bernadette: Mmm.) and not just chop and change.

Bernadette: Is it just 1 company that ...

Peter: No, no, there's 3 or 4 but I have, I have certain [Word not clear.], when I stick I stick (Bernadette: Mmm.) and I like to stick (Bernadette: Mmm.) there and, um, the other guys are saying to me, you're invited, it's only a small group of people invited, (Bernadette: Mmm.) we going to do ceramic beads and we want to see how this is going to go. (Bernadette: Mmm.) So we will see how it's going to go! (Bernadette: Mmm.) So my relationship with the chemical guys, great.

Bernadette: Ja. Delth you said you don't see, they just supply you.

Peter: I think they've got so many customers, a little foundry like this ...

Bernadette: Ja, they, you just 1 of them, (Peter: Ja.) ja.

Peter: Power, don't want to see those guys.

(Everyone laughs.)

Bernadette: And water? Well, you ...

Peter: Uh. (Peter laughs.)

Alberto: You've got no choice.

Peter: Ja.

Bernadette: Ja. And then these guys are down the road so they pop in. (Peter: Ja.) Plywood and pig iron ...

Peter: Ja, just small amounts [The rest is not clear.].

Bernadette: Those are just small amounts, so. Do you feel there any risks with these customers on this side?

(Slight pause.)

Peter: Sometimes the scrap guy tends to be, (Slight pause.) wants too much, pushes the boundary, (Bernadette: On price.) and I've got to keep on telling him, listen, we found

another supplier (Bernadette: Mmm.) so we can keep him on his toes (Bernadette: Mmm.) and keep his price where it should be in the market [A few words are not clear.] (Bernadette: Mmm.) (Alberto: Mmm.) otherwise he pushes me out the gate too, you know?

Bernadette: Mmm. So you would characterise maybe this relationship as 1 that's built on trust, you've built some trust (Peter: Yes.) in this relationship. The rest of these are pretty much on a business basis.

Peter: I could chop and change tomorrow.

Bernadette: Chop and change should, (Peter: Any day, ja.) ja. Okay.

Peter: And my scrap dealers come and go. (Alberto: Mmm.) (Bernadette: Ja.) And, uh, you just got to get, sometimes you can't get the right scrap dealers because you've got to get the right scrap, (Alberto: Mmm.) so you've got to be careful who you choose, (Bernadette: Mmm.) but, ja. (Bernadette: Okay.) That's it.

Bernadette: Time, you need to go to the dentist. I'm worried, have you ...

(There is then a discussion about the time.)

Bernadette: Okay.

Peter: What else do you want to ask?

Bernadette: Well, I think Alberto's got quite a few questions still. Um, ...

Alberto: But I was going to say maybe I must just, um, put it in an e-mail (Peter: Ja.) and if I can send it to you rather.

Peter: And then I can answer them in the mail.

Alberto: Please.

Bernadette: Ja, that would be, because ...

(There is then a discussion about what Alberto is doing.)

Peter: It's a very good company to go and see and that's the WHEAR group. (Bernadette: Mmm.) But risk management, to me, risk management is extremely important and I think it's going to go into ISO next year, (Bernadette: Mmhmm.) there's a big thing coming up (Bernadette: Mmhmm.) with risk in, in management in ISO, (Bernadette: Mmm.) so that's why I also felt (Bernadette: Mmm.) I needed to answer your questionnaire. (Bernadette: Oh!) I needed to actually say to you, that at some stage or other we might have to get together again (Bernadette: Mmm.) and look at, I don't know where you going to go with your degree, (Bernadette: Ja.) but, um, ...

Bernadette: I'm still going to be at WITS because I'm a lecturer there, (Peter: Are you a lecturer.) so I'm not going anywhere, (Peter: Okay.) so you just come and talk to WITS.

Peter: But I, I want to expose myself, uh, you know, financially I think, when you like now, you've got to buy, you've got to start a new foundry. (Bernadette: Mmm.) (Alberto: Mmm.) What are the risks to starting that foundry? (Bernadette: Mmm.) What competitive risks have I got? Is it worth starting that foundry? (Bernadette: Mmm, so doing, ...) And what's going to be there, you know? You really got [The rest is not clear.].

Alberto: Sounds like a 4th year project.

Bernadette: Well, we've got students, if you want a 4th year student to do that research for you, a Honours student, we can give you that as a 4th year project. You can have that student for 8 weeks.

Peter: Is that so?

(Bernadette then explains to Peter how that would work.)

Bernadette: Um, just 1 or 2 quick questions, (Peter: Mmm?) um, I think you've answered a lot of these. Um, uh, info, if you, you think about, I've just sort of, I probably can do it by inference getting information because you've got a lot of information about your industry, (Peter: Mmhmm.) how do you think your key sources of that information are?

Peter: I tell you that, when my dad died, I told you, and I was on my own. My dad was a member of the institute for foundry men and I met most of the guys when my mother said to me, you have to go on the world tour. And the world tour opened my eyes to what's going on out there, okay, because I would like, (Bernadette: Mmm.) I was a young guy of 27 and I didn't know nothing about the game, (Bernadette: Mmm.) and when I saw what's going on then I realised, woh, I've got to jack myself up much better than what I've been doing, you know? And I'd lined myself already with the chairman of the institute of foundry men at that stage, (Bernadette: Mmm.) a young Scots guy, uh, an old Scotsman, and I joined the institute myself and, um, I then went to the meetings, and this chap called John Davis, that has done really extremely well (Bernadette: Mmm.) in promoting good meetings (Bernadette: Mmm.) that, where you are talking about ceramic sand, (Bernadette: Mmm.) about pollution, Tuesday night was all about pollution, we had She Gowl there showing us what you've got to have, (Bernadette: Mmm.) this is why you've got to do it, (Bernadette: Mmm.) and these things is networking, network, network, network, (Bernadette: Mmm.) and boy, you pick up, it's a little bit (Alberto: Mmm.) but it goes in the end, (Alberto: Mmm.) (Bernadette: Mmm.) it goes in there (Bernadette: Mmm.) and eventually and that's, so I've relied on that and that's where I've got a lot of my, (Bernadette: Mmm.) my, let's say, um, confidence (Bernadette: Mmm.) has come through the institute, and I've got to thank them for that, you know?

Bernadette: Mmm. Excellent. [Peter says something that is not clear.] Um, and then your value, personal values and ethics, do you think that does play a role within (Peter: Well, I ...) how you manage your business?

Peter: I would like to think that it did, yes, um, you know, you cannot use somebody else's pattern for somebody else's company (Bernadette: Mmm.) and if you start that you, you in trouble. (Bernadette: Mmm.) There are pirates that do that (Bernadette: Mmm.) and some guys have lost all their foundry work. (Bernadette: Mmm.) 1 foundry in the East Rand was doing it for WHEAR (Bernadette: Mmm.) and he was doing it for somebody else.

(Bernadette: Mmm.) And they found out about it, (Bernadette: Mmm.) took all the patterns out of there, (Bernadette: Ja.) and you can't do that. (Bernadette: Ja.) And so those are the ethics that WHEAR look for (Bernadette: Ja.) and you must keep to that, so.

Bernadette: Ja, ja. Okay. I think that's all.

Peter: Pleasure.

Bernadette: Thank you so much for your time.

Peter: Pleasure.