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Relevance or Extinction?

'An economist is an expert who will know tomorrow why the things he predicted yesterday didn't happen today.'

This quote has been attributed to several sources, including Evan Esar in 1968, Kirk Kirkpatrick in 1973, Laurence J. Peter in 1977, and James R. Faulkner in 1983. Irrespective of the source, the key question is 'what does it have to do with the SAIMM and more specifically, with the President's Corner?' It is my view that the President's Corner is a succinct opportunity for the SAIMM membership to obtain a bird's-eye view of its leadership's vision, while the leadership is able to engage and challenge its membership and readership on strategic and operational perspectives over a quick cup of coffee. What would make you invite the President over and over again for the next 11 months for a discussion over a quick cup of coffee in the President's Corner? I think the attraction lies in building an interface that pops out engaging and probing questions.

I have been doing some crystal-ball gazing into the future of our Institute. Are we strategically positioned to continue being relevant, or is there a risk of us becoming extinct because we may cease to be relevant? Before we can answer this question, I would like us to turn to the stories and theories that have been put forward on the extinction of the dominant group of species during the Jurassic and Cretaceous periods – the dinosaurs.

Some palaeontologists believe that the extinction of dinosaurs was caused by changes in climatic and geological conditions. Another storyline is that starvation was a possibility that led to dinosaurs becoming extinct because, due to their sheer size, dinosaurs required vast amounts of food and stripped bare all the vegetation in their habitat. An alternative theory is that dinosaurs overfed themselves and their bodies became too big to be operated by their small brains, leading to terminal physiological malfunctioning. Others believe that small mammals ate dinosaur eggs as these were very delicious, causing the dinosaur population to decline to unsustainable levels and extinction. Another theory is that about 65.5 million years ago, there was a Cretaceous-Tertiary (K-T) extinction event when a comet struck the earth at a speed of about 70 000 km/h, releasing 2 million times more energy than the most powerful nuclear bomb ever detonated. The comet impact caused wildfires and tsunamis that destroyed many forms of life. The dust from the impact clouded the atmosphere, plunging the Earth into darkness and causing temperatures to drop drastically to levels unbearable for animal and plant life. In the 1980s, father-and-son scientists Luis and Walter Alvarez discovered a distinct layer of iridium – an element found in abundance only in space – that has been dated to a time that corresponds to that when the dinosaurs died, thus corroborating the K-T extinction event. In the 1990s, scientists located a massive 10 km diameter crater in Mexico, which also dates to the same period, further corroborating this theory of dinosaur extinction. These stories and theories suggest that external and internal factors can be causes of extinction. External factors are beyond our control, so we need strategies robust enough to cope with internal factors and prepare for unforeseen external events.

Relevance or Extinction? *(continued)*

The parallel of the K-T extinction event for our minerals industry is the 2008 Global Financial Crisis (GFC). The GFC is considered to be one of the worst economic crises since the Great Depression of the 1930s. It threatened to cause the collapse of large financial institutions, which was largely prevented by the bailout of banks by national governments, but stock markets dropped worldwide. The GFC forced our minerals industry into contraction and we are still reeling from its effects, as mineral commodity prices struggle to recover. Professional associations such as the SAIMM, whose financial health is greatly influenced by the performance of our minerals industry, have not been spared either. No one can predict Black Swan events such as the GFC, but good strategies ensure that we can ride out the tide. Unlike the dinosaurs that overfed, we have over time developed the capability to carefully manage our growth by stowing away for lean times. By continuing to enhance closer collaboration with sister institutes or associations, most of them much smaller than us, we can preserve our pedigree eggs for future growth of the Institute.

At more than 120 years old, having been founded in 1894 and with a current membership close to 5000, the SAIMM is like a dinosaur of professional organizations in our local minerals industry, but a smart one with a very efficient machinery to deliver on its mandate to our membership. We are well-known for being one of the oldest professional associations in the local minerals industry, hosting the highest number of excellent conferences annually, publishing an internationally accredited technical journal every month, and having functional branches locally and in neighbouring countries. Our Office Bearers and committee Chairpersons meet once a year to review our strategy. Can we grow in the coming years to possibly reach a 10 000 membership base, but without outgrowing our capacity to deliver on our mandate? Will we be able to de-risk our income through significant diversification? Will we still be well positioned to ride out any rough tide? Instead of stripping bare our habitat, how can we grow the cake so that there is enough for everyone? I can now share with you a helicopter view of your leadership's vision arising out of our strategy session this year.

Back to the quote. My ethics as a minerals engineering professional preclude me from practising prediction like the 'expert economist' as indicated in the quote, as I cannot claim competence in that space, but I am convinced that our current long-term strategy centred on regional development, enhancing collaboration with sister institutes, diversifying our income stream, and the Young Professionals Council (YPC) will ensure that the SAIMM remains relevant into the future and we can continue to be the great institute that we are – not a dinosaur facing down the barrel of extinction. But, is this sufficient? Only history will be our judge as I cannot risk acting the 'expert economist'. By way of this message I therefore invite you for the next quick cup of coffee in the next issue of the journal.

C. Musingwini
President, SAIMM