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

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2014.11.04_13.55_01 (2) **Electroplating Company**

(The interview begins with Bernadette giving the information about the interview. There is also a discussion about the previous interview.)

Bernadette: Well just explain a little bit about, um, what we are trying to achieve. I'm looking at risk management, particularly supply chain risk management in small and medium enterprises. There's been very little research done on it worldwide and even in South Africa. Um, what has been done is sort of been quite sketchy and they've kind of looked through a lens of risk management in a formal sense whereas I'm taking a lens of informal practice based risk management that is part of your business as usual, your business continuity. So that's where I am, that's the premise that mine is based on, my PhD. Alberto is my Masters student. He is looking at collaboration and visibility within supply chains as potential mitigators of risk within the supply chain. So he's got a list of questions. Some of them, some of my questions are probably going to be quite similar to his and he'll just tick off where, where he's, where he's covered and then chip in where he needs to ask something as well. So that's for his Masters degree. Um, what I'm going to ...

Peter: [A few words are not clear.] which are really good.

Bernadette: Yes

(Alberto laughs.)

(Bernadette then gives Peter some background about Alberto's studies.)

Peter: But, can, may I interrupt [The rest is not clear.].

Bernadette: Yes, certainly.

Peter: At the risk of appearing inordinately uninformed, what is a supply chain? I want, I just want to understand exactly what we're talking about.

Bernadette: Okay. So if you've got your company here, you've got suppliers that provide you with your raw materials, your, um, whatever you need in order to do ...

Peter: Are we talking about the totality of our inputs.

Bernadette: Yes, so it would be raw material, you, we could look at electricity as an input, you know, all of, um, water, that type of thing, (Peter: Okay.) your, if you, if you buying consumables, you know, whatever that might be. I will guide you through this (Peter: Okay.) because we going to map your supply chain as we chat, so I'm going to take you through that and then obviously on the demand side you'll have your customer base, (Peter: Yes.) and, you know, you might do some outsourcing as well, so you might get somebody else to do like (Peter: Rewinds and electrical motors.) laser cutting or rewinding and that type of thing. (Peter: Okay.) Yes?

Peter: So it is effectively any input. (Alberto: Yes.) It could include the doctor that we send our staff to when they've got a cold.

Bernadette: It could be but that would, we would classify more as your internal operations. This is really about your transformation of raw materials, going through your transformation process, whatever value you add to those raw materials, in order to be able to sell what your product is to a customer.

(Slight pause.)

Peter: All right.

Bernadette: So with, you know, you will have a (Peter: Okay, so let's ...) series of internal processes that you go through, the electroplating, whatever that is, you'll have, I guess, certain steel inputs, um, that you then would transform into a usable product that your customer buys from you.

Peter: Okay, okay. Just as a quick correction, (Bernadette: Mmm.) we manufacture nothing. (Bernadette: Okay.) We apply coating to customer products.

Bernadette: Okay?

Peter: So, the only steel we'll purchase, just as a matter (Bernadette: Ja.) of interest, (Bernadette: Okay.) just to broaden your view, (Bernadette: Mmm. All right.) um, the, the steel we'll purchase will be for fabricating our internal fixtures and equipment and so on. (Bernadette: Okay?) Customer supplied goods are coated by us, that's the basic model. (Bernadette: So, so ...) So we manufacture nothing for resale.

Bernadette: Okay. So ...

Peter: It's, that's not in relation to your question I understand, I ...

Bernadette: No, that's fine. We need to understand ...

Peter: It's primarily, (Alberto: It's primarily material, it's not in the very broadest sense.

Bernadette: Ja. So you'll do your electroplating, your customer here would be, they would actually be, you'd be an outsourcing for them.

Peter: Exactly.

Bernadette: So they outsource it to you, you electroplate and you return it then to your customer who then sells it on.

Peter: Exactly.

Bernadette: Okay.

So your, your supply chain is actually probably a fairly closed loop supply chain where you've got product coming in from, from a customer, you, you do a value add in terms of the electroplating and you return it then to these people and they would then take it (Peter: Yes.) further on. (Peter: Yes, yes.) Okay, so, so what we'd probably call this is a closed loop supply chain.

Peter: Okay, but our, but the other aspect (Bernadette: Okay.) in our supply chain of course is our, our people and our raw materials of which there are ...

Bernadette: Yes, so you going to have raw materials ...

Peter: So it's raw materials, the electricity, water, gas.

Bernadette: So your, your supplier, okay, and then your inputs are your raw materials, (Peter: Yes.) you going to have electricity, (Peter: Water.) water, ...

Peter: Gas.

Bernadette: Gas.

(Slight pause.)

Peter: Metals.

Bernadette: You going to have metals.

Peter: Chemicals.

Bernadette: Chemicals. (Slight pause.) Okay, would those constitute your raw materials, (Peter: Mmm.) the metals, the chemicals, (Peter: Mmhmm.) the gas, ...

Peter: The gas, the gas is simply for heating water is an essential part of the process not, it, it's an essential (Bernadette: Mmm.) part of the process and the electricity's an essential part of the process, (Bernadette: Mmhmm.) apart from all the things it powers it, it actually is the primary mover (Bernadette: Mmhmm.) in the (Bernadette: Mmm.) electroplating process, so ...

Bernadette: Okay, and then the chemic, where then do your, your gas is that, would you get sort of LPGs (Peter: A, a ...) or how ...

Peter: Small amounts of LPG, primarily Maim's Gas.

Bernadette: Maim's Gas. Okay, with, all right, so that's Joburg, what ...

Peter: Egoli Gas.

Bernadette: Egoli Gas. (Peter spells Egoli.) Egoli Gas. So this is essential to us mapping the supply chain, (Peter: Mmm.) and then some LPG. (Peter: LPG.) Um, in what circumstances would you use that?

Peter: Uh, primarily for melting anodes at the moment, because we need to change the shape of the zinc slabs that we get.

Bernadette: Okay. (Slight pause.) And then water, that's just Joburg?

Peter: Rinsing, (Bernadette: Mmm?) yes, Joburg Municipality, yes and borehole.

Bernadette: Joburg (Peter: And borehole.) and borehole.

Peter: Muted, legitimate borehole.

(Bernadette laughs.)

Bernadette: [A few words are not clear.] Have you got a borehole at home? Joburg Water, Rand Water.

Peter: It's people like you.

(Bernadette and Alberto laugh.)

Bernadette: And then electricity obviously that's Eskom, is it?

Peter: Ja, sure.

Bernadette: And you ...

Peter: No, no, not Eskom! Not Eskom.

Alberto: City Power.

Peter: Not Eskom. (Bernadette: City Power.) City Power.

Bernadette: City Power. Okay. Now you did mention in your additional risks, power outages are huly, "hugely destructive items in process frequently becoming expensive reworks and critical delivery commitments can't be met. Power outages frequently are the result of local equipment failures rather than load shedding." What do you mean?

Peter: Yes, someone, someone in the next street (Bernadette: Mmhmm.) will pinch a (Alberto: Oh!) length of copper, (Alberto: Okay.) that big, and it blows out our block (Bernadette: Mmhmm.) and it happens on a Sunday, we happen to be working 24/7, nobody knows about it, so it will be 5, 6 hours (Bernadette: Mmm.) before somebody comes and isolates the fault area and switches on the power [Word not clear.], during which time I have paid a staff of 15 people, uh, (Bernadette: Mmm.) in full to do nothing(Alberto: [Alberto says something that is not clear.]) because they don't know when the power's coming back.

Alberto: No stand by generators of sorts?

Peter: Well, stand by generators do not make economic sense (Alberto: Ja.) but yesterday I reached, ...

(Peter then asks about using Afrikaans slang.)

Peter: Yesterday I reached the, the gatvol tipping point and I said, bugger if it's economical or not but I've collect, I've started collecting our formalised data and it's all [The rest is not clear.].

(Bernadette and Alberto laugh.)

Peter: And ...

Bernadette: He shows us a piece of paper with lots of scribbles on it.

(Bernadette and Alberto laugh.)

Peter: Lots of scribbles. My maintenance manager is not employed for his mathematical or, um, what's it when you can write beautifully? (Slight pause.) What's the word for writing beautifully? Come on!

Bernadette: Scribing, no. (Bernadette laughs.)

Peter: No, come on! No, no, no!

Alberto: Calligraphy.

Bernadette: Calligraphy, ja.

Peter: Calli, calligraphic skills.

Alberto: Ja.

Bernadette: Ah-ha. (Bernadette laughs.)

Alberto: Okay.

Peter: Okay, right. Okay.

Bernadette: Well done.

Peter: So yes, I've, I've now decided that I'm going to take on enough power to run two divisions (Bernadette: Mmhmm.) and, and be able to unload tanks and do a whole lot of things and I will start investigating when we are finished or tomorrow morning. (Bernadette: Okay, so that's, that should ...) Ja, I've just, I've had it now. (Bernadette: Mmm.) It's not about, it's not about the economics of it, (Bernadette: Mmm.) it's, it's just about being at the, (Alberto: Mercy.) ja, the mercy of, find me a way of saying that but that's, it's about being stuffed around (Bernadette: Mmm, mmm.) (Alberto: Mmm.) and f**ed over (Bernadette: Mmm, mmm.) and that's what it's (Bernadette: Mmm.) about. Just try ...

Bernadette: You've had enough of that, ja.

Peter: Had enough.

Bernadette: Ja. And for business continuity, obviously.

Peter: Obviously service considerations (Bernadette: Ja.) are important.

Bernadette: Mmm.

(Pause as Peter offers Bernadette and Alberto something to drink.)

Peter: Okay, we were on the ...

Bernadette: Yes, the power ...

Peter: With City Power, (Bernadette: Ja.) we went off on a tangent, ja.

Bernadette: All right. (Peter: Okay.) So that, that has been one of your biggest sort of business continuity risks.

Peter: Yes.

Bernadette: Um ...

Peter: Yes.

Bernadette: Ja. (Peter: Mmm.) So if you don't have power, you can't (Peter: Work.) operate and you kind of just (Peter: Ja.) [Word not clear.]. And how long have you, what have been some of the incidents, for how long have you sort of not been able to operate?

Peter: Well, the longest has been about a 12 hour period but it was on a weekend (Bernadette: Mmm.) when a piece of wire was stolen (Bernadette: Mmm.) and, (Bernadette: Mmm.) and, and it's these, I don't know if the local failures was due to a piece of switch gear which was faulty (Bernadette: Mmm.) and nobody (Bernadette: Mmm.) thought to try and find out (Bernadette: Mmm, mmm.) why it kept switching off (Bernadette: Mmm, mmm.) but, um, (Slight pause.) it's, it's more over weekends (Bernadette: Mmm, mmm.) that it becomes a real problem and we need ...

Bernadette: Do you work upon, over weekends?

Peter: Ja, we do! We need the weekends to catch up.

Bernadette: Okay, catch up from?

Peter: From various short-term overloads of work. You, (Bernadette: Okay.) you've got to try and size your plant (Bernadette: Mmm.) so that you okay on service (Bernadette: Mmm.) and you not sitting with something (Bernadette: Mmm.) doing nothing (Bernadette: Mmm.) half the time. (Bernadette: Mmm, mmm.) And we're, we're under capacity in some divisions and over capacity in others (Bernadette: Mmm.) and it's always the problem. (Bernadette: Okay.) And, of course, you have got [Word not clear.] I read somebody recently called, called "sore tooth demand", you know?

Bernadette: Yes. (Bernadette laughs.) Ja, it's a smoothing of demand, you end up ...

Peter: And you can't, (Bernadette: Mmm.) I mean, we can't make stock, (Bernadette: You can't, ja.) we can't produce product for stock.

Bernadette: Mmm, mmm. Okay. Well, we'll come back to sort of what your internal business looks like and we just look at what your s, your supply side. Chemicals, what sort of chemicals and where do you get them from?

Peter: Um, we use proprietary chemicals and, and, and standard chemicals. So proprietary chemicals will be specially formulated chemicals by specialist suppliers (Bernadette: Mmm.) for the electroplating or polishing process. (Bernadette: Mmm.) We've also got metal polishing. And then the other ones are standard chemicals, (Bernadette: Mmhmm.) um, sodium hydroxide, acids, alkalis, things like that. Um, so, we have one primary supplier who has, I would say, 99 percent of our specialised chemicals (Bernadette: Mmhmm.) and then we use two or three, um, general chemical suppliers for the, for the standard chemicals.

Bernadette: So two to three general.

Peter: Ja, and every, every month we'll, we'll have a shopping list and we'll go out and we'll get quotes from the three of them.

Bernadette: Okay, so this is based on, on who offers you the best pricing ...

Peter: Yes, pri, uh, and taking into account that we've had know hassles with this one's quality (Bernadette: Mmm.) and this one three times did this to us and this one can't deliver (Bernadette: Okay.) and just an overview, it's not, prices is, is perhaps even a second order (Bernadette: Mmm.) consideration. You need reliability of product and service and those are more important than the price.

Bernadette: Okay. Reliability of product, quality, that type of thing.

Peter: Ja.

(Pause as Peter answers his phone.)

Alberto: And the company that supplies the specialised is that because it's (Peter: We ...) difficult to come by and they are set up ...

Peter: No, the chemicals are easily available from a number of suppliers. (Alberto: Okay.) What they have is the expertise, the technical expertise, (Alberto: Okay.) so they have got a technical representative and a lady Chemist, who comes from an awful part of the world, (Bernadette laughs.) I think she is from the Ukraine, (Bernadette laughs.) anyway, be that as it may, um, it's because of those people's expertise, (Alberto: Okay.) so we are probably buying chemicals very well priced and of a totally acceptable quality but the primary basis is the 2 ladies who are technically involved.

Alberto: And have you ever had a problem with their supply, interruption of supply from them in particular?

Peter: Not that I can recollect in 25, 30 odd years.

Alberto: Wow! Okay.

Bernadette: So you've been working with them for that period of time.

Peter: We've been working with them. The, the, uh, the technical representative, uh, through 2 or 3 companies. She, as she's moved we've moved (Bernadette: Mmm.) with her and it's purely because of, it's, it', it's an industry somebody will walk in and say, oh, this is the reason for your problem, do this, that and the other (Bernadette: Mmm, mmm.) and it patently makes no sense (Bernadette: Mmm, mmm.) what so ever, (Bernadette: Mmm.) it's absolute nonsense (Bernadette: Mmm.) and, and these people either don't know or they do know (Bernadette: Mmm.) and if somebody doesn't know, I'm totally comfortable with 'don't know'. (Bernadette: Mmm.) Don't know' is perfect. (Bernadette: Mmm, mmm.) Don't bull shit. (Alberto: Mmm.) (Bernadette: Mmm.) Okay, so ja, they've just been superior in every sense. So we will spend, with this company, R300 to R350000 a month. Um, the metals, sorry, I'm jumping around, you do this.

Bernadette: Ja, so you've had a long-term relationship (Peter: Very long-term.) with the technical expert in (Peter: Yes.) particular. (Peter: Yes, yes.) Is it, has it, and it hasn't been the same company, if, you've moved with her.

Peter: She's moved to 2 or 3 companies, yes.

Bernadette: And you've moved with her.

Peter: Yes. (Bernadette: Okay.) Yes, with the technical representative. The company where she is currently, she has the best backup she's ever had, (Bernadette: Mmm.) in fact, the backup knows more than she does (Bernadette: Okay.) and the MD I also have a long-term relationship with.

Bernadette: Okay, of the current company supplier.

Peter: Yes, and they, and they've been with us, we've bought from them in that form for perhaps (Bernadette: Mmm.) 20, 25 years.

Alberto: Hmmm!

Bernadette: Okay, so how would you characterise your relationship with them? Is it ...

Peter: It's partnership, (Bernadette: Partnership.) it's absolutely partnership. There's, I mean, it sounds corny but that's exactly what it is. It's ...

Bernadette: And what constitutes that partnership?

Peter: The, the, the degree to which one is comfortable with their solutions, the degree of trust (Bernadette: Mmm.) and the degree to which one gets the right answers and, (Bernadette: Mmm.) and also I, we're probably their biggest customer, (Bernadette: Okay.) although they not a small company. (Bernadette: Mmm.) If I pick up the phone and I've got a problem, the, there's very quick response. (Bernadette: Mmm, mmm, mmm.) (Slight pause.) You know, it's funny to be driven to analyse it. What is it? It's about trust. (Bernadette: Mmm.) It's about trust and, and trust that is not, uh, it's very infrequently put into question. (Bernadette: Mmm, mmm, mmm.) Um, ...

Bernadette: Have you ever had an incident?

Peter: Ja, there must have been, we can't, (Bernadette: Ja.) I can't say that we never ...

Bernadette: You can't remember.

Peter: But I can't remember, (Bernadette: Ja.) there's mutters (Bernadette: Ja, ja.) every now and then.

Bernadette: Ja, ja, ja. (Alberto: Hmmm.) So ... And with these companies is, it's very much ...

Peter: The general chemical companies?

Bernadette: Ja, the general chem ...

Peter: Now there I don't have the relationships, (Bernadette: Mmm.) my buyer, Joey, who you've been dealing with, (Bernadette: Mmm.) she has the relationships.

Bernadette: Okay. Right, so she will know who to go to there and, ja.

Peter: She's, she's extremely good for us.

(Slight pause.)

Bernadette: Okay, and then the, the, the percentage of, of chemicals that are specialised versus general that you use in your processes?

Peter: I would say it's about (Slight pause.) one sixth. So if that, (Bernadette: Specialised?) if they are 300, they will be 50000.

Bernadette: Okay, so it's one sixth (Alberto: Oh, okay.) here (Peter: Ja.) and this would be the, the balance.

Peter: And six sixes. No, no, not the balance. These are one sixth of one.

Bernadette: Of?

Peter: The, (Slight pause.) (Bernadette: Five sixes.) these people have one sixth of these people.

/Alberto: Ja.

Bernadette: Oh, one sixth of them.

Peter: Ja. So put that, what have you put that down, 35000?

Bernadette: Ja?

Peter: So these would be about 5000, 60000 (Bernadette: Okay.) [The rest is not clear.]. (Slight pause.) Sorry I'm being obtuse.

Bernadette: No! You're an engineer, [Word not clear.] precision.

Peter: Ja, ja, we're supposed to simplify things, not make them complicated.

Bernadette: (Bernadette laughs.)

And metals then, what sort of metals?

Peter: Metal, zinc, copper. (Pause.) Um, that's 3 to 400000 a month. (Pause.) That's about 150000 and that about 60000, 70000.

(Slight pause.)

Bernadette: And that's per month.

Peter: Yes.

(Slight pause.)

Bernadette: Okay.

And do you have different suppliers or sp, or general suppliers?

Peter: We, we'll, we will deal, in this instance we deal with the primary producer, in this instance we deal with the middle man.

Bernadette: Primary ...

Alberto: Is that purely a [Word not clear.] thing?

Peter: Sorry, sorry, it isn't, it is not, it's, it, it's the m, it's the agent for the mine sort of thing, okay.

Bernadette: Agent (Peter: Ja.) for mine.

Peter: And this one is a trader.

Bernadette: Okay.

(Slight pause.)

Peter: And that one is a, (Slight pause.) they get it from, from wherever and the melt it and, and transform it into a particular shape for our needs. It's funny, I'm answering you all the time, when it gets a little bit technical then I (Bernadette: Mmm, mmm.) sort of edge over there.

(Everyone laughs.)

Peter: Prejudice, subliminal prejudice.

Bernadette: Prejudice.

(Everyone laughs.)

Bernadette: Ja. Okay. I ...

(There is then a discussion about Bernadette and Alberto's study backgrounds.)

Bernadette: Anyway. (Peter: Okay.) So, um, these are all from single suppliers?

Peter: Yes.

Bernadette: Okay.

Peter: Yes, we do, okay, I hear what you saying, ja, we don't, ja, yes, they from single suppliers.

Bernadette: So you would, you know these, and the relationships you have with your particular ...

Peter: Again, I have a relationship with the owner of this business not the one who runs it. (Bernadette: Of the zinc supplier.) The owner of the zinc, zinc supplier round the corner, (Bernadette: Mmm.) holds huge stocks for us, he's my landlord on these premises (Bernadette: Okay.) over the last ... He, he doesn't run the business, he's got a young man running it but, um, the owner of that business is my landlord who I have had a good relationship with for the last, 1981, that's 33 years.

Bernadette: Wow! Ja. (Peter: Okay.) Okay, so that's a personal relationship. Then this one ...

Peter: Well no, it's, it's, you know, it's, it's, there are no personal relationships (Bernadette: Mmm.) that cannot be, (Bernadette: In business, ja.) no, no, we are people, (Bernadette: Ja.) that business is business (Bernadette: Ja, mmm.) is the biggest crap, (Bernadette: Ja.) it's absolute rubbish, (Bernadette: Okay.) of course it's about people. (Bernadette: Yes.) Um, but he gets the business because he deserves the business, (Bernadette: Mmm.) he's prices are not the best, he's service is outstanding, he's metal has never been contaminated, he's not ...

Bernadette: So once again reliability and, (Peter: Reliability.) and product quality, ja.

Peter: Absolutely. Absolutely. (Bernadette: Service.) I pick up the phone at 18:00 in the evening and I say, I'm sorry if you're at home, I need a ton of metal now, (Bernadette: Mmm.) it will appear. I try not to do that, (Bernadette: I try not to abuse it (Bernadette: Mmm, mmm.) but that's, ja.

Bernadette: So that's, that's quite, (Peter: Product quality and reliability.) that's a special trust relationship (Peter: Ja.) that you have with him.

Peter: But then this one, because I don't have this relationship (Bernadette: With the ...) but Joey's got this relationship. (Bernadette: Ja.) She'll order through the month, we won't know what we're paying, and then the lady will say, okay, on the 13th, the price was at its lowest point so I'm charging out everything we've supplied you this month at the price that applied on the 13th [A few words are not clear.] (Bernadette: Mmm.) on the day, today, (Bernadette: Mmm, mmm.) [A few words are not clear.]. So again, Joey has those relationships.

Bernadette: And why do they, they give you that preferential pricing?

Peter: Because we're, I think because of loyalty and volume (Bernadette: Mmm.) and also, I think, because we try to do business in, in an ethical way (Bernadette: Mmm.) we, we don't, (Bernadette: Mmm.) if we say we don't need nickel, we don't need nickel, it doesn't mean we bought half a ton round the corner (Bernadette: Mmm, mmm.) that somebody's stolen from (Bernadette: Mmm.) from somebody, (Bernadette: Mmm.) you know, I'm, um, I'm no paragon of ethics but (Bernadette: Mmm.) we don't do what we wouldn't like done to us. (Bernadette: Mmm, mmm.) So if we don't want people stealing our metals, we don't buy stolen metals.

Bernadette: Mmm, mmm.

Peter: Ja.

Bernadette: Okay.

Alberto: Is that a massive risk met, metal theft?

Peter: Huge!

Alberto: Huge.

Peter: Huge, ja. We, we were using 3, 400 kilos of nickel a month. (Slight pause.) No, we were buying more than we were using and it was only when we put in additional security that

we had this magic drop. We, we did, we did it by a number of means. First of all, nickel normally comes in 1 inch squares, that's 1 inch, (Bernadette: Mmm.) (Alberto: Mmm.) since you quite young both of you, um, and ...

(Bernadette and Alberto laugh.)

(Alberto then explains how things work in the dairy industry in terms of measurements and that he also needs to explain to people about inches.)

Peter: Okay. We used to buy it in little squares which you could easily pocket, (Alberto: Yes.) so you could take home half a kilo a day, half a kilo is R100, (Bernadette: Mmm.) and you could take away a lot of nickel. We now buy it in strips of 2 feet 6 10, about 4 inches, 100 millimetres, uh ...

(Slight pause.)

(Everyone laughs.)

Bernadette: Okay, we talking about the, the theft because that, that was obviously has been a risk.

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

Peter: Okay, so, so by getting it in bigger pieces (Bernadette: Yes.) (Alberto: Ja.) it's not so easy to pocket (Bernadette: Mmm.) and also additional methods of locking down the, the locations and (Bernadette: Mmm, mmm.) having burglar alarms (Bernadette: Mmm.) and various things like that. (Bernadette: So how long ago ...) So metal theft ...

Bernadette: Ja, metal theft, ja.

Peter: I'd say we've, we've klapped it for the last 5, 6 years (Bernadette: Okay.) it's been pretty, (Bernadette: Mmm.) and recently it seems, there seems to be a resurgence but, um, by putting somebody else in the store we discovered that there was R75000 worth of nickel, in the store, unaccounted for. So we had the nickel, we just didn't know we had it so scrub that R75000 worth of theft, but my suspicions are aroused and I'm watching it. I get, for a, for a small dirty little business like this, we have some fairly good controls. (Bernadette: Mmm.) So our stock control is good, our goods movement is well documented, um, I get accurate reports of quite a number of factors on a daily basis.

Bernadette: Mmm. Okay, is this, do you have a production manager or is this ...

Peter: We've got, we've got, uh, 4 production managers, so each little division, (Bernadette: Mmm.) no, 5, has somebody (Bernadette: Mmm.) in charge of that.

Bernadette: And would they be responsible for those things?

Peter: They will produce, well, their operators will produce the figures and the figures are then [A few words are not clear.] and brought to me.

Bernadette: Okay. Do you run any sort of, um, computer system that tracks ... No. Okay, so it's very much a manual tracking.

Peter: It's very manual, (Bernadette: Ja.) ja.

Bernadette: Okay. And that ...

Peter: We can, I mean, this is sophisticated, the potential for sophistication sticks out a mile (Bernadette: Mmm.) but the economics of it doesn't, (Bernadette: Ja, ja.) um, so we ...

Bernadette: And the man, it works manually your ...

Peter: Yes, it works, yes.

Bernadette: It works. (Peter: Ja.) Ja.

Peter: You know, we have, there, there are a lot of problems because our people are, are hugely skilled, uh, but not hugely educated. So intuitively they superb but every now and then they haven't quite got it because, you know, you played with fire so the fire's the electricity and we'll make a change which requires you to double the current but keep the bulbs the same and then it's really difficult to find the right analogy to let the guy understand (Bernadette: Mmm, mmm.) because my, my experience over here, in the main, is that one, all one has to do is smooth the way and people will go. (Bernadette: Mmm.) You don't have to drive them. (Bernadette: Mmm.) Our South African industrial problems are far more management problems then workforce problems.

Bernadette: Okay.

(Slight pause.)

Peter: Okay, I'm talking away.

Bernadette: No! This is all interesting stuff. (Alberto: [Alberto says something that is not clear.]) So we've spoken about the metals, we've spoken about the chemicals and then obviously these are add, additions that facilitate the process. Anything else that is on your supply side in terms of (Peter: [Peter says something that is not clear.]) raw materials?

(Pause.)

Peter: It then becomes third order stuff like motor car parts or truck parts (Bernadette: So the ...) to keep our, (Bernadette: Ja.) our vehicles going. (Bernadette: Ja, so ...) Okay, maintenance, (Bernadette: Maintenance.) maintenance, maintenance and spares, (Bernadette: We going to have ...) maintenance and spares. Trans ...

Bernadette: So do you have a, a, a fleet of vehicles?

Peter: Yes.

Bernadette: And, and they, you, that's what you sort of do your deliveries, do you do deliveries and pickups?

Peter: Collection and [Word not clear.], ja.

Bernadette: And how many vehicles do you have?

Peter: I think, seven or eight.

Bernadette: Seven, and those are what, sort of bakkies or what?

Peter: Um, there are 2 or 3 bakkies, I don't count those, no, they trucks, they're, they're (Alberto: Okay.) 8 and 10 ton trucks.

Bernadette: Okay. So obviously then you have got, then you've got a maintenance input to that, (Peter: Yes.) maintenance and parts.

Peter: Yes.

Bernadette: Do, so you do your own maintenance.

Peter: Yes.

Bernadette: Do you have a, a small, um, group of people that do it?

Peter: Yes.

Bernadette: Okay, so you have a department almost of maintenance.

Peter: I've got a mechanic and a workshop and all of that.

Bernadette: Oh, workshop ...

Peter: And then we've got our plant maintenance workshop.

Bernadette: Okay, ja. (Peter: Which ...) So then, then there's an input here into this is your plant or your factory, that is maintenance as well.

Peter: Yes.

Bernadette: And that also the same workshop that does your vehicles?

Peter: No, next door.

Bernadette: It's, okay, so these are different workshops.

Peter: Yes.

Bernadette: All right, that does ...

Peter: Ja, I mean, there's, there's, they always wondering in, (Bernadette: There's crosspollination.) ja, (Bernadette: Ja.) they wondering in and saying, why don't you do that

and, (Bernadette: Ja.) and so on and, and, and swearing at one another because, obviously, it's the appropriate [The rest is not clear.].

(Everyone laughs.)

Bernadette: This one knows better than that one and he's always got a ... (Bernadette laughs.) And what type of machinery then are you looking at, um ...

Peter: Okay, we maintaining pumps, (Bernadette: Mmhmm.) we're maintaining hoists, (Slight pause.) (Bernadette: Mmhmm.) we're maintaining plating rectifiers ...

(Slight pause.)

Bernadette: And we'll have a, um, look at the facility later on.

Peter: Absolutely! (Bernadette: Ja.) Sure, sure. Plating rectifiers and (Slight pause.) [A few words are not clear.] (Slight pause.) and lights. (Pause.) But I'm wittering, there was something important I've left out. (Bernadette: Hmmm.) (Peter and Bernadette laugh.) Oh yes, tanks, tanks get holes.

Bernadette: Yes.

Alberto: Oh.

Peter: Ja.

Bernadette: Ja, they corrode and ...

Peter: They corrode,

Bernadette: Ja.

(Slight pause.)

Peter: And we also fabricate some plant. So we, I need a few small tanks, I'll give the guy, the guy the measurements and then he will make me some tanks.

Bernadette: Okay, so you buying in then parts, (Peter: Parts.) how, where, for the trucks where, do you have a specific supplier or is ...

Peter: There's a range of suppliers. (Bernadette: A range, mmm.) We, we'll use generalists, we'll use, um, agents where alternative suppliers aren't available or where we think their product is superior or quicker.

Bernadette: Or just what's, what, on a, on a needs basis. (Peter: Ja.) Ja. And similarly for the, for this side?

Peter: Yes, we'll have, we'll have a, a couple of electrical wholesalers, (Bernadette: Mmm.) we'll have a couple of steel wholesalers, um, you know, if we're building a big tank then (Bernadette: Mmm.) we'll get quotes from a couple of people, (Bernadette: Mmm.) um, ...

Bernadette: So do you do your own fabric, um, building of equipment?

Peter: Quite a lot of it, yes.

Bernadette: Okay. Is it specialised stuff that you ...

Peter: It's stuff that we can do and I just, I prefer to do it myself (Bernadette: Mmm.) where we can but obviously often it's not sensible and then we don't do it.

Bernadette: Mmm. Okay. So you do it when required and when you've got some capacity (Peter: Where ...) to do a thing.

Peter: Ja, ja. (Bernadette: Ja.) Or where it would be vastly more expensive for somebody else to do it, (Bernadette: Ja.) that obviously is a major [The rest is not clear.].

Bernadette: Ja, when it's a cost issue, (Alberto: Shew!) okay. Um, and then what we would probably term your customers in the closed group where you're bringing, um, product in to electroplate and then sending it back to, to your customers, uh, do you have regular, regular, um ...

Peter: Mostly it's repeat business.

Bernadette: Repeat business.

Peter: Mostly its long-term repeat business.

Bernadette: Okay, and ...

Peter: I mean, the supermarket trolley chap, we've been his primary coater 20, 25 years.

Alberto: Hmmmm!

Bernadette: Okay.

Peter: And we have ups and downs.

Bernadette: Okay. So you've got, so there's supermarket trolleys that you do. Um, how many, I suppose customers, clients, long-term clients do you have and that you've been working with?

Peter: We've probably got a core of in excess of 100 customers (Alberto: Hmmm!) that are long-term.

Bernadette: Okay, and what percentage of your business, (Slight pause.) of your business is that?

(Slight pause.)

Peter: It's probably 70, 75 percent of the business.

Bernadette: So 70 to 75 percent are, it's fairly stable.

Peter: Well, it's not stable. (Bernadette: Okay.) There been, there, the, the list of customers is stable, (Bernadette: Mmm.) the work they send in (Bernadette: Is not.) is totally unpredictable. We've got, one of our major customers is the office furniture division of Bidvest.

Alberto: Cecil Murse.

Peter: Sorry?

Alberto: Cecil Murse?

Peter: No, that's one of their small, (Alberto: Oh, okay.) smaller companies. Um, but it's a group comprising Seating and Dofan and, and Cecil Murse and some others, which won't come to mind. Now they will vary between 100000 and 400000 a month and ...

Bernadette: And that's based on their demand.

Peter: On their demand and frankly that's a, a wipe out month or a smiling month, (Bernadette: Mmm.) you know, that's a huge difference, (Bernadette: Mmm.) so you get a two or three coming out, they not many of that size, the trolley, the supermarket customer, trolley customer will reach in November he will go over the 800000 mark. So he becomes our single biggest customer. Now, talking about that, we used to, when talking about risk mitigation, we took, we used Credit Guarantee ...

Bernadette: Mmhmm. For all your ...

Peter: For everything. (Slight pause.) So we are never, we can never be wiped out except if, if the supermarket trolley guy blows in November because we go way outside our cover, we inform Credit Guarantee that we are now trading uncovered, (Bernadette: Mmhmm.) it's all open and above board, uh, and that is the only time we step outside our limit. (Bernadette: Mmm.) So that's, that is form of risk management.

Bernadette: So this sort of guarantees your cash flow into the business.

Peter: No, (Bernadette: Doesn't it.) nothing to do with the cash flow. What it guarantees is that should a customer default, Credit Guarantee (Bernadette: Mmm.) will pay 80 percent (Bernadette: Okay.) of what they owe us if the circumstances (Bernadette: Mmm.) are [Word not clear.].

Bernadette: And then payment terms for your customers, do you do 30 days, 60 days ...

Peter: 30 days.

Bernadette: 30 days.

Peter: Mostly 30 days and there must be no [The rest is not clear.].

Bernadette: Okay.

And do any of them take longer than that?

Peter: When they take longer, the person who usually sits in this chair, is the ugly side of **Electroplating Company**. (Bernadette: Mmm.) (Alberto laughs.) Okay, she's learnt in the last 25 years not to treat me as if I owe her money.

(Everyone laughs.)

Peter: And she has now retired to Knysna but keeps a firm hand on me on the telephone. (Bernadette: So she's ...) The lady next door, formally collects but Patty keeps a very close eye.

Bernadette: Mmm, okay. All right. (Peter: So ...) So ...

Peter: We are, we are insured as to 80 percent of our [The rest is not clear.].

Bernadette: So this is the 80 percent in, it's kind of an insurance. And then your payment terms are usually 30 days. (Slight pause.) Do your, do these clients ever ask for longer payment terms?

Peter: Occasionally, occasionally. And if somebody picks up the phone and it's a reasonable story, (Bernadette: Mmm.) absolutely no problem, I mean, we'd like our money but if you, if you behave decently, it's fine, (Bernadette: Mmm.) if you go quiet and, and unavailable then it's irritating (Bernadette: Mmm.) and then it's not fun (Bernadette: Mm-mmm.) and then you will be punished (Bernadette: Yes.) because my wife is a vengeful god.

(Everyone laughs.)

Bernadette: Is she the debt collector?

(Bernadette and Alberto laugh.)

Peter: She's the debt collector.

Bernadette: Bounty hunter.

Peter: What do you need a generator for? Because I'm gatvol. But isn't it nice having the money instead? No, I'm gatvol.

(Everyone laughs.)

Bernadette: Okay.

Peter: She's, she's going back to Knysna in a few days.

(Everyone laughs.)

Bernadette: Anyway. And then, do you have sort of more informal walk in business that's not ...

Peter: We have a division (Bernadette: Mmhmm.) which is, we term it our specials division, (Bernadette: Mmm.) it deals primarily with restoration of vintage car and bike components.

Bernadette: Oh wow!

Alberto: Hmmm.

(Slight pause.)

Peter: Because I'm a vintage car and bike freak.

(Bernadette laughs.)

(There is then a discussion about vintage cars.)

Peter: So we have a vintage car [A few words are not clear.] that you would bring your, your ornaments in or, we don't do silver, we don't do gold, but that is very much walk in business but again there's long-term, we have professional installers (Bernadette: Mmm.) that bring us components and it is, it's probably 5 percent of our business, (Bernadette: Mmm?) [A few words are not clear.] Ja, that's about 10 percent of our business.

Bernadette: Mmhmm. (Slight pause.) So that takes us up to 85 percent.

Peter: Okay. There is then walk in stuff (Bernadette: Mmm.) on the other divisions.

Alberto: Mmm.

(Slight pause.)

Bernadette: Okay, and that's, what type of things do people do for ...

Peter: People come in with braai grids, they'll come in with, um, ...

(Slight pause.)

Bernadette: And these are once off type things?

Peter: These are once off. It's old chairs and it's, it's, it's once off stuff, it's airlumes, (Bernadette: Mmm.) it's, it's kitchen ware that somebody (Bernadette: Mmm.) wants copper plated, (Bernadette: Mmm.) I mean, there's a woman here with some jugs which she wanted plated the other day, (Bernadette: Mmm, mmm.) um, (Bernadette: Ja.) and, uh, (Slight pause.) we'll, we'll see it when we go down [The rest is not clear.].

Bernadette: Mmm. It will be interesting, so. And then you've, you mentioned departments. What departments do you have? (Peter: Okay.) Internal departments.

Peter: There is big zinc.

Bernadette: Big zinc?

Peter: Ja, big pieces for zinc plating.

(Slight pause.)

Bernadette: Okay, is that a department?

Peter: That's one division.

Bernadette: One division.

Peter: There is small zinc which, don't write yet, divides into two divisions ...

(Everyone laughs.)

Peter: There's, there's small zinc (Bernadette: Mmhmm.) which has very small things and slightly bigger things. So ...

Bernadette: So very small zinc ...

Peter: Nuts and bolts, bulk floating of nuts and bolts.

Bernadette: And ...

Peter: And medium zinc.

Bernadette: Medium zinc.

Peter: So they are one division but 2 managers.

Bernadette: It's one division, (Peter: 2 managers.) div 2 and then 2 managers.

Peter: Yes.

Bernadette: This has one manager.

Peter: Okay. Then there is polishing shop.

Bernadette: Div 3, polishing.

Peter: It is closely associated with the 4th division which is the decorative plating.

(Pause as Bernadette writes.)

Bernadette: Would you like us to send this to you once we've mapped it?

(There is then a discussion about Bernadette's writing.)

Peter: Because if you want high quality chrome you have to, all the plating we do is very thin, um, so the decorative plating can't really smooth out lots of imperfections (Bernadette: Mmm, mmm.) on the surface, so you polish the surface to a reasonable (Bernadette: Mmm, mmm.) standard.

Bernadette: And these each have, these are your 5 managers. (Pause as Bernadette writes.) Then we will have a look at that when we go through. (Slight pause.) Competition in the market, do you have competition?

Peter: Lots of.

Bernadette: Okay. And how is that ... (Slight pause.) Who are your main competitors?

Peter: There's a, there's a company which may be bigger than we are (Bernadette: Mmm?) in Pretoria.

(There is then a discussion about East European things and about what still needs to be asked. There is also a discussion about engineers.)

Peter: There's a company in Pretoria, extremely good platers but more industrial then decorative. (Bernadette: Mmm.) Industrial is the zinc finishes. We ...

Bernadette: Is this, would you say this part is then your, and industrial, the industrial side?

Peter: The zinc's our industrial (Bernadette: Ja.) and the decorative is less industrial per sae (Bernadette: Okay, and that's us ...) and we'll, we'll, (Bernadette: Ja.) we'll, we'll get a real feel (Bernadette: Mmm.) when we go down. (Bernadette: Okay.) So it was started by a German chap, superb, eventually went off his head and sold the whole thing to an Afrikaans accountant, um, who's made a great success of it, of a successful business and he's kept it going. He may be bigger than me, he may now be a little bit smaller, I'm not sure, (Bernadette: Mmm, mmm.) we, we talk from time to time, we have coffee together, we commiserate and then we go our separate ways and try and put one another out of business, no we don't. But we don't collaborate. There is, it is not an industry in which, in, in which there's sufficient work for anybody to risk collaboration. If I could get work from him, I'll take it and if he can get it back, he'll take it. We've just done it, we had Bozle who's a major (Bernadette: Mmm.) industrial, uh, manufacturer and we had a big slice of Bozle's work from him for about 6 months and then I got too ambitious and I pushed the price too high and then he came in and got it back, (Bernadette: Undercut you. (Bernadette laughs.)) but of course, they next door to him in Pretoria, okay. (Bernadette: Okay.) So he's, he is stronger industrially than I am (Bernadette: Mmm.) and I'm stronger decoratively and I'm fortunate the decorative market's a new [A few words are not clear.]. Um, so he's about our size but fortunately he's in, in Pretoria and not here. Um, locally, the chaps are much smaller. There's, we will, in a reasonable month, go quite near or over 4000000 a month. I don't think there's anybody doing much more than a million (Bernadette: Mmm.) in, in the (Bernadette: Mmm, mmm.) Johannesburg area other than the other chap who, I'm sure, is doing the same (Bernadette: Mmm.) kind of turnovers, maybe more, (Bernadette: Mmm.) maybe less.

Bernadette: So it's quite a small, um, ...

Peter: There are actually lots of people (Bernadette: Mmm.) but they much smaller than we are.

Bernadette: Mmm. So the big guys is really the two of you here (Peter: There's just two big guys, ja.) in, in G, in Gauteng region.

Peter: Yes. (Bernadette: Ja.) Yes. And there's quite a big one in Durban (Bernadette: Mmhmm.) and In Cape Town there's nothing very big.

Bernadette: And how have you got to know about the, the other people?

Peter: One meets them through prof, um, through professional associations and you talk to people. We find out about them from customers, we find out about them from suppliers. (Bernadette: Mmhmm.) Um, and the, the one in, a couple of the others in Joburg I'm quite friendly with, one very small chap, in the middle of town, I'm very friendly with, there's another chap in the East Rand I'm very friendly with, um, there's a chappy ...

Bernadette: Is it friendly from a business perspective or from ...

Peter: It, just we get on very well (Bernadette: Okay.) when we're together. We don't seek one another's company, I mean, the, the chap (Bernadette: Mmm.) in Durban, I needed some information, I went down, I spent a day with him, we had a brilliant lunch together and I came back, and if he needs anything, I pick up the phone and ...

Bernadette: So sharing of, of expertise and ...

Peter: Expertise or he'll phone me and say, I'm in absolute shit, I need some chemicals and nobody's got, have you got? I'll say, I've got with pleasure, tell me where to deliver (Bernadette: Mmm.) them to and, and we'll help one another with the greatest of pleasure. And in fact, if the guy in Pretoria were to phone me and say he needs a particular chemical, (Bernadette: Mmm, mmm.) so give it to him, what's the difference?

Bernadette: But not business. Not sharing your business. (Bernadette laughs.)

Peter: No, (Peter laughs.) not customers, not customers. [The rest is not clear.]

Bernadette: Sharing of expertise.

(Pause.)

(There is then a discussion about telephone bills.)

Bernadette: Okay.

Peter: Sorry, (Bernadette: No.) I'm not pretty good at sticking to the facts.

(Alberto laughs.)

Bernadette: It's fine. That's what makes these interviews interesting.

(Everyone laughs.)

(There is then a discussion about Friday's interview.)

Peter: (Peter then gives a request for finding a successor for himself in his business and the requirements that such a person must meet.]

Bernadette: Okay, so we've spoken about competitors, um, we've spoken about the relationship that you have with that it's not about sharing of business but sharing of potentially expertise and helping out ...

Peter: With some. (Bernadette: With some.) Certainly not with the guy in Pretoria, (Bernadette: Ja.) he will not phone me and say, listen, my plating's peeling off, how do I sort it out? (Bernadette: Ja.) And I wouldn't phone him for that either.

Bernadette: No, because he's your main competitor.

Peter: He's, he's my main competitor (Bernadette: Mmm.) but we are, we have a good relationship (Bernadette: Mmm.) once every year or two we see one another.

Bernadette: Mmm, ja, and it's amicable, ja.

Peter: It's amicable, yes, (Bernadette: Yes.) and it's, and it's, and, I think, we have a high regard for one another.

Bernadette: Mmm, mmm. That's excellent, ja. Um, the other thing is outsourcing. Do you send things out that you don't do internally maybe to somebody ...

Peter: Very, very, very little on the plating side (Bernadette: Mmm.) and to some extent on the maintenance side.

Bernadette: So you'll outsource something ...

Peter: Well, for instance, on the motor vehicle maintenance we'd outsource the engineering. On the main maintenance side we'll outsource some of the plate, the plating [Word not clear.] linings. (Bernadette: Mmm, mmm.) Um, some of the more sophisticated electronic repairs. So yes, we do (Bernadette: Mmm.) outsource (Bernadette: Mmm.) and by enlarge we have regular, um, I want to say contributors but that's not the word, suppliers, (Bernadette: Mmm.) okay.

Bernadette: So outsourcers would be, ja, that you would have, use regularly (Peter: Yes.) and the same people ...

Peter: Yes, we, we burn out motors (Bernadette: Ja, mmm.) regularly (Bernadette: Okay.) and we have them rewound around the corner.

Bernadette: Okay. And nothing on really this side with the ...

Peter: On the plating side, occasional bits of specialist plating we will outsource to a customer. We've got a customer who does preparation of aluminium and preparation of, (Bernadette: Mmm, mmm.) he works for Harley Davidson and so on, (Bernadette: Mmm.) and he, ...

(Bernadette laughs.)

(Bernadette then tells Peter about a case study she did with some students on customising Harley Davidson's.)

Peter: Um, (Slight pause.) and occasionally we'll have something a bit tricky and we'll give it to this chap, (Bernadette: Ja.) who's probably wondering around here (Bernadette: Mmm.) because he takes plating to a certain stage and then he brings it here and we run it for him. (Bernadette: Okay.) And again, it's, it's a, (Slight pause.) we take money from him and he has the use of our facilities (Bernadette: Mmm.) and he just goes in and makes he's own arrangements, it's, again, there's a lot of trust and it, and a lot of informal stuff (Bernadette: Mmm.) and it works.

Bernadette: Mmhmm. Okay, do you have anything more about the supply chain, Alberto, that you want to talk about? Who knew your supply chain, you could talk so much about a supply chain?

Peter: Ja, and there was something else, (Bernadette: Yes.) just don't fold the seat over because I thought of it when I was looking down there.

Bernadette: Ja.

(Slight pause.)

Peter: There's a, there's a crucial input.

(Pause.)

Peter: Okay, all right.

Bernadette: Well, it will come to you ...

Peter: You know, it may be our computer person, it may be our doctor, who you've already dismissed, it may be ...

Bernadette: Doctor?

Peter: You know, when people get ill, we send them round the corner to a doctor and we pay the bill and they owe us half of it and we try and (Alberto: Mmm.) have a facility (Bernadette: Okay.) [A few words are not clear.], the same applies to their children and their close families (Bernadette: Okay! Mmm.) husband will bring their wife and it's ...

Bernadette: Mmm. That's very caring.

Peter: Ja! Ja, we try to be caring. (Bernadette: Mmm, ja.) We, we had a lot to fix up in the beginning.

Bernadette: Uh, so tell, give, that's what I'd like to have is a little bit of the history of the company. (Peter: Okay.) Tell us a little bit about the company?

Peter: In 1978, uh, I thought it might be a good idea to black chrome guns as a business. And then it transpired that black chrome rubs off the guns, so it's no good black chroming guns. So that was that. (Bernadette: Mmhmm?) But prior to my last job, I'd been interviewed for a job I didn't get (Slight pause.) and the person who interviewed me took the job, it's all fairly high level stuff (Bernadette: Mmm.) and, I mean, it was managing directors of public companies, and, um, and he said to me, we need a chrome plater. So I said, okay! I'll do chrome plating, because he was now MD of the company (Bernadette: Mmm.) and I'd, I'd been constructively fired from my last company where I was (Bernadette: Mmm.) a director of a public company. Constructively fired is when you go for the third time to your chairman and you say, listen, this isn't working. Let's admit it, shouldn't I leave? And the third time he says, ja, it's better if you go. (Bernadette laughs.) So that's constructively fired.

Um, and, (Slight pause.) um, (Slight pause.) so with, with my, without a clue in the world, I'd had a slight exposure to chrome plating, I'd run a plant at another business, (Bernadette:

Mmhmm.) um, I started a chrome plating business and just lost money and lost money and lost money. So most important supply chain management was money (Bernadette: Mmm.) and I had (A) a reasonably wealthy father-in-law who encouraged me to go into business and he lent me R10000 and secured an overdraft with R10000 in 78, and then later on, when the shit hit the fan really big time, I had a really wealthy friend overseas (Bernadette: Mmm.) who lent me when I was in the biggest trouble R200000, which (Bernadette: Mmm.) was a huge amount of money. (Bernadette: Mmm, mmm.) And, uh, those were the crucial bits. (Bernadette: Mmm.) And after that it was, there were times when banks were prepared to take chances on people and not (Bernadette: Mmm.) just look at numbers, (Bernadette: Mmm.) not anymore, (Bernadette: No.) um, and it grew. It grew and, uh, ...

Bernadette: Is this always been the premises that you ...

Peter: No, these have been here since 1981. (Bernadette: Okay.) The first 3 years I was around the corner, in smaller premises and then I moved in here. The main building was custom built for our requirement. Um, there were 2 potential sell-outs which didn't happen, um, and it just grew. (Bernadette: Mmm.) Oh, you know what we've forgotten to talk about? We've forgotten to talk about technology (Bernadette: Yes!) and responding to technology. (Bernadette: Mmhmm.) That's what I wanted to say, and we're not very good at that, we like to be followers. (Bernadette: Mmhmm.) We want to be followers. We don't like sticking our necks out. Um, we've been toiling with a process called zinc-nickel, which is an [Word not clear.] preposition, and the motor industry wants us to have the kind of place where you can bring your Damla Benz people into and we haven't got that kind of place (Bernadette: Mmm.) and we tried starting it up and then we've given up and it's lapsed into the most hideous state (Bernadette: Mmm, mmm.) at the moment, um, I'm talking about housekeeping wise but it functions fine.

So we respond very slowly to technology but we do respond and we don't want to be innovators. uh, we want, we ...

Bernadette: You'd rather follow (Peter: We will follow when there's ...) with the tried and tested (Peter: Ja.) technology.

Peter: Ja.

Alberto: Is that because of the risk involved with trying new ...

Peter: It's, it's, it's, you know, the risk is not even a great deal of money in general, uh, but we put, you know, we've got to have black chrome, so we put in a black chrome plant, it was 15 years ago, we now putting in a black chrome tank, half the size of this desk, to do a few little pieces so we can still say we do black chrome but no, no reasonable commercial [Word not clear.] ever transpired. (Bernadette: Okay.) Um, likewise with stainless steel electro polishing, which we do, these are smaller processes, it works 1 day a week or so but it's, it's not really worth it. So all the stuff that people said, oo, you've got to do this, we can't give you our business unless you do this, so we run off and get this and mostly it doesn't turn into anything.

There was, there was at one stage serious consideration given to hot dip galvanising where you have huge vats of zinc which you have to dip into, and also into anodising, and again, it seemed to me that it, it wasn't going to be a, a, a roaring success and it would, um, dilute our focus and things like that. Also, at one stage, I was going to start a business in the States and again I looked at it and we, we walked so far and called it a day (Bernadette: Mmm.) so it's, it's locality bound.

Bernadette: Mmm, mmm. Okay. (Peter: Ja.) So technology, any new technology is based on ...

Peter: We are slow adopters.

Bernadette: Slow adopters, um, and it's based on if there's a large number of customers who actually going (Peter: If you have ...) to need that.

Peter: Yes, yes, yes.

Bernadette: If there's a small customer that the volumes are not there, it's not really worth it.

Peter: We'll, we'll, we'll ja, I mean, there's ...

Bernadette: It's an economic decision.

Peter: Yes, ja, exactly. There's a process called satining metal. (Bernadette: Mmm.) So your chrome plating is actually a nickel basis which makes your surface shiny (Bernadette: Mmm.) and hard (Bernadette: Mmm.) and then the chrome is a very thin layer, a fraction of a micron, (Bernadette: Mmm.) which stops it tarnishing and it gives it a slightly different colour. And the process is satin metal which gives you a very fine satin effect and it only gets chrome on and it's beautiful, it's like those cameras, modern cameras, (Bernadette: Mmm.) and that's as near as [Word not clear.] satin, that's satin metal (Bernadette: Beautiful!) that I'm talking about, okay. (Bernadette: Beautiful!) That may or may not be your satin metal (Bernadette: Ja.) it may look [A few words are not clear.] (Bernadette: Ja, but that's what it looks like.) that's what it looks like and it's beautiful. (Bernadette: Mmm.) And again it, it cost quite a lot of money to switch the tank on, um, and we don't have a steady demand, so we creating a smaller tank on the side (Bernadette: Mmm.) that a bit of the solution will go into (Bernadette: Mmm.) but if somebody comes with a few small jobs we don't want them to wait 2 weeks until we switch on the big tank. (Bernadette: Mmm.) So it's, South Africa doesn't have big demand, stuff is ...

(Slight pause.)

Peter: South Africa doesn't have big demands, (Bernadette: Mmm, no.) it's, our volumes are, are really difficult to get, I mean, I, I studied manufacturing of hot water geysers for my previous company but one in, in the States, and every day they made the monthly requirement of the factory I was bringing the product on to. So in a day they made [A few words are not clear.] (Bernadette: Mmm!) and you can't transfer their (Bernadette: No, no.) manufacturing technology, [A few words are not clear.]. (Bernadette: No, we don't have the volumes.) Okay, that was the thing, it was technology.

Bernadette: Technology. Did you have a question?

Alberto: Mmm-mmm. (Bernadette: Okay.) No, just listening.

Bernadette: Um, we were going through the history of the company. How have you grown in terms of size over the years to your current size? (Slight pause.) Because how many employees are you currently permanent employ ...

Peter: 150 permanent employees.

Bernadette: So that would classify you as a medium size business, ja, in terms of the act.

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

Bernadette: Yes. And you are the owner, (Peter: Yes.) sole owner? Which also then, independently owned, it's not got a holding company that owns it? No. So that's, that also classifies it because I phoned somebody else up the other day and they were held by a British company, so I said, sorry, you don't qualify for my study. (Bernadette laughs.)

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

(Bernadette laughs.)

Bernadette: So you moved to this premises in 1981 and the, the facility was custom built for you.

Peter: Yes.

Bernadette: Yes. Do you own the property? You've got a, (Peter: No.) you've got a, oh, that's your landlord.

Peter: Ja, who I keep trying to buy the property from and he keeps shifting the goal posts. (Bernadette: Oh, doesn't he want to ...) And now, and now I get to the stage but he's got to find somewhere else, he's got to find something to do with the money he gets for the premises, which gives him the same sort of income (Bernadette: Mmm.) and, and he, he keeps shifting the goal posts and he's become quite uninclusive (Bernadette: Okay.) in the last 5 years. (Bernadette: Ja.) He's not the nice guy he used to be. (Bernadette: Oh, okay.) And I've stopped pushing for it because I need to build myself a house and I haven't got enough money to build 2 houses and I don't want [A few words are not clear.] because I live in a

ridiculous house on my own (Bernadette: Mmm, mmm.) with more carers then, then, then inwoners.

(Bernadette and Alberto laugh.)

Bernadette: Okay. And then, in terms of staff, you've, how have you grown over the years?

Peter: I can't, you know, I can't map (Bernadette: You can't ...) the trajectory for you, (Bernadette: You can't.) it's unlikely to have been linear. (Bernadette: Ja, ja.) I mean, in 2008 we were probably this kind of size. (Bernadette: Ja.) uh, we are, we are now, only now beginning to pass the peaks of 6 years ago (Alberto: Hmmm.) (Bernadette: Okay.) and it's, it's very choppy waters.

Bernadette: Did the recession have a, have a big influence in the business?

Peter: Plenty of it, ja.

Bernadette: How did you make it through that? How ...

Peter: S, sold a house and put a ...

Bernadette: So it was personal, personal finance (Peter: Oh ja!) that floated the business.

Peter: Ja, ja, and, and we had a, we had a house in, we had 2 houses in Knysna (Bernadette: Mmm.) and the one was a buy-to-rent property (Bernadette: Mmm, mmm.) and we sold it! (Bernadette: Mmm, so ...) Put money in the business.

Bernadette: Did you have to lay off people or not?

Peter: Ja, ja. (Bernadette: Which is unfortunate.) I had to lay off 10, 15 people and we've been that route 3, 4 times (Bernadette: Mmm, mmm.) over the years.

Bernadette: Mmm. Have you ever rehired the same people back?

Peter: Of course!

Bernadette: Ja, you'll always go and look for them first, ja.

Peter: Ja, except for the few that were really rotten eggs that you managed to get rid of.

Bernadette: (Bernadette laughs.) Okay. Um, what else, stay, I just want ...

Peter: How did the strike affect us [The rest is not clear.].

Bernadette: Yes, no, please! That, ja, that's what I forgot to ask (Alberto: Ja.) on Friday. How did the strike affect you?

Peter: You know, we controlled it. Because we weren't paying wages, which is, you know, wages is around a quarter of a million rand a week at the moment, and because we didn't by chemicals and because we weren't consuming much electricity, water or gas, we paid salaries and rent and, and a few purchases, so our expenses were three quarters of a million rand for that month, I obviously didn't list a salary, and that's the loss we made and we covered that comfortably. So, we, we had sufficient fat (Bernadette: Mmm.) to cover that.

Bernadette: So did you shut down during that period?

Peter: What happened is, all right, let me give you the whole story. A month before the strike, I called in representatives of our union members and non-union members and I said, this is what's going to happen. We're going to give you an increase of 8 percent, which is what we consider to be a reasonable and proper increase. That is going to be paid regardless. And then

I ask one big favour in return. I'm going to ask that the unionised members go out and strike and do not intimidate the other (Bernadette: Mmm.) people. And permit me to be dramatic. The chief union person is a lady whose father was my clark number 6 many years ago, and she's a very aggressive lady and she rose from that chair and poked her finger in my face and said, you! You! And I thought, oh shit, what now. And she said, you have done a good thing. (Bernadette and Alberto laugh.) And I said, well, you know, we try and be fair and reasonable. And she said, what we're going to do is we going to go and tell the union that we've accepted your offer and we're not going on strike. And all I'd asked them was (Bernadette: Mmm.) not to intimidate. (Bernadette: Mmm.) And 2 days later they came back, faces dragging and says, yes, the union says we can do what we like but they can't guarantee our safety. So with banging on the doors and all sorts of things, we had a couple of people working here for a day or two and it was just terrifying for them. (Bernadette: Mmm, mmm.) And then eventually what I did, and here I'm blowing my own trumpet again, I went and found the marchers and I said, who are the guys in charge? Met them, spoke to them, I said, listen, all you interested is that there's nobody working. There are only maintenance people here, you don't need to try and break the gate down, give me a ring, this is my number, when you coming we'll select 2 or 3 guys, we'll take them right through the premises and inspect. (Bernadette: Mmm.) And that's what we did. (Bernadette: Mmm.) They, eventually one of them said to me, if we were negotiating with people like you we wouldn't need to strike . And I thought, okay. (Bernadette laughs.) Got it! Got it! Thanks!

Bernadette: Become CEO of SEFSA.

Peter: And then I had another guy who said he's bringing me he's, he's, uh, CV. So I said, I don't want to employ a militant unionist. He put his hand on my shoulder, he was a big chap, he said, Sir, I'm an absolute gentleman at work. (Bernadette and Alberto laugh.) And I tell you what, I bet he was. (Bernadette: Ja.) I bet he was. (Bernadette: Ja.) So it was, you know, in the end you can get all aggro, you can get all bitter, (Bernadette: Mmm.) you can see the tragedy of it all (Bernadette: Mmm, mmm.) or you can just kind of just go with it and understand (Bernadette: Mmm, mmm.) and have a bit of insight (Bernadette: Mmm.) and think they only trying to feed their kids and earn a decent living (Bernadette: Ja, exactly.) and being mislead because they not educated. Anyway, (Bernadette: Ja.) so, strike, (Bernadette: So the strike ...) we weathered it. (Bernadette: So you weathered it. And then, the following months were some of the best months we've ever had (Bernadette: Mmm.) because it was 2 months in 1, August was super.

Bernadette: Ja. So you did a lot of overtime.

Peter: September disappeared on its own backside [A few words are not clear.] again. (Bernadette: Mmm.) Okay.

Bernadette: But you've recovered?

Peter: We're fine.

Bernadette: You fine, you back on track.

Peter: And I've got the money for the house back in the bank.

Alberto: Mmm.

Bernadette: Oh goodness! (Bernadette laughs.) Pleased to hear that. Okay, um, I just want to go through some of, you didn't mention anything as high risk. Um, medium risk you said "Risks associated with legislative framework." (Slight pause.) This was from your survey that you completed for me.

Peter: Ja no, no, I'm with you, (Bernadette: Ja.) I'm with you, I'm just trying to slot things into it. Um, you know, you know, there, there are stuff like, there is stuff like, um, employment equity requirements, (Bernadette: Mmm.) there's, eventually it's going to be slanted towards shareholder, we're BEE level 3 at the moment because we have a large percentage of black supervision, (Bernadette: Mmm.) um, including one black woman, (Bernadette: Mmm.) and all of whom are in those positions (Bernadette: Ja.) entirely on merit, (Bernadette: Mmm.) there's nothing but merit (Bernadette: Mmm, mmm.) which determines who's in what job. Um, but, but trade union stuff and legislative, legislative stupidity, I mean, s, stuff like, um, carbon tax, (Bernadette: Mmm.) what crap! There's, there's no ethic behind it, it's just another way (Bernadette: Mmm.) to grab more money (Bernadette: Mmm, mmm.) and, and, and, and tolling, I mean, (Bernadette: Ja.) you know, and we pay it, we pay it religiously, I will not put on a tag but I've paid every bill, (Bernadette: Mmm.) um, because the roads have got to be paid for, it's just the collection mechanism (Bernadette: Mmm.) one objects to, (Bernadette: Mmm, mmm.) um, so ja, I, I think what I'm getting at mostly is the, the impoverished condition of the state, you know, (Bernadette: Mmm, mmm.) and all the stuff that, that no amount of tearful Charlie's are going to convince me I'm wrong about. (Peter laughs.)

Bernadette: No, absolutely. And ...

Peter: But it's not their fault.

Bernadette: Yes, ja.

Peter: They don't know any better, (Bernadette: Yes, ja.) [The rest is not clear.].

Bernadette: It's the people that do know (Peter: Ja.) that are exploiting it. And then you said "Setting of organisational objectives is a medium risk" (Peter: Ja, because I'm ...) So ...

Peter: Because I'm, I'm not being funny here, (Bernadette: Mmm.) I'm thinking about my cars too often and about the direction of the business not enough. (Bernadette: Mmm, mmm, mmm.) One just gets tired and one gets, (Bernadette: Mmm.) or board or something (Bernadette: Ja, ja.) and one needs some, one needs a fresh mind to take it (Bernadette: Mmm.) and run with it (Bernadette: Mmm.) with a, with a strategic vision (Bernadette: Ja.) and with ideas and enthusiasm.

Bernadette: Mmm, mmm. Okay. Um ...

Peter: And the other risk is that I'm 70.

Bernadette: Still going strong.

(Bernadette and Peter laugh.)

Bernadette: Um, I just want to see on this side. (Slight pause.) High risk, unable to forecast. That's because you are almost a secondary ...

Peter: We're at the, we're the tail of the dog. We get wagged by the dog, (Bernadette: Mmm.) ja. We ...

Bernadette: It depends on the demand for the products (Peter: Ja.) further up.

Peter: You know, the, the Rand weakens, bingo! Everybody's producing goods (Bernadette: Mmm.) that they need plated (Bernadette: Mmhmm.) that they going to export, the Rand strengthens the business goes away. (Bernadette: Ja.) That's, we're, we're, we're, we are little able to influence things, (Bernadette: Mmm.) we are, as you say, at the end of a chain.

Bernadette: Mmm, mmm, ja. And then you say raw material vol, price volatility as a medium risk.

Peter: Ja, zinc, zinc or ...

Bernadette: It's a very much commodity, ja.

Peter: Ja, they commodity (Bernadette: Mmm.) and they, you know, and there's something intrinsically improper in the prices being related to and LME determined price and there's something intrinsically improper in expecting anybody to sell their metals any cheaper (Bernadette: Mmm.) then they can get, you know, why sell cheaper to me when they can get somewhere else.

Bernadette: Ja. And then you say variability in finished goods is a medium risk.

(Pause.)

Peter: Ja, we have, you know, it's, it's a funny sort of business, you put something into a tank and you've set the conditions more or less right but there always little variables which will mean you have a reject, (Bernadette: Mmm.) so the product consistency in this kind of mixed semi, in this kind of mix not very sophisticated environment (Bernadette: Mmm.) there is variability (Bernadette: Mmm.) to a certain extent.

Bernadette: Mmm. So, and then quality control in the business, do you do forms of quality control?

Peter: Yes we do and again they're informal. For instance, in the polishing shop, each individual is responsible for his own work and it's traceable back to him (Bernadette: Mmm, mmm.) in an informal way. In the plating shop, the inspection is done by the packers and wrappers. (Bernadette: Mmm.) And then the, the decorative division, where rejects are expensive, (Bernadette: Mmm.) they are put to one side and inspected by myself and the plating manager. (Bernadette: Okay.) And the other divisions we keep some sort of (Bernadette: Mmm.) record of it for our quality, (Bernadette: Mmm.) uh, programme because we are ISO registered, (Bernadette: Okay.) we ISO9001. (Bernadette: Okay.) Um, (Slight pause.) 1, I think it's 1 (Bernadette: Ja.) [A few words are not clear.] function. Um, and again it's just walking around and, and looking at things (Bernadette: Mmm, mmm.) you get a sense of what's going on (Bernadette: Mmm.) but you can't see everyone.

Bernadette: Ja, because you say, just expensive reworks ...

Peter: In the decorative division, yes.

Bernadette: Is that decorative? Ja. (Slight pause.) Do you have any idea of what your, your, um, reject rates are?

Peter: Mmm.

Bernadette: Not ...

Peter: Give, I mean, they formally, (Bernadette: Mmm.) uh, recorded but, (Bernadette: Ja.) um, I think we're about 1 and a half percent over all.

Bernadette: That's not bad.

(Slight pause.) And is that on the, the sort of the general plating, (Peter: That's general, right across.) ja, over, over everything, ja. Um, otherwise, other things are low. We've spoken about the power outages. Local equipment ...

Peter: That's the biggest disaster at the moment, that's, that's, you know?

Bernadette: And you are now looking at how, (Peter: We are now looking at it.) at how to mitigate that ...

Peter: Because I saw that I can switch off the chrome division, which is the over capacity one, (Bernadette: Mmm, mmm.) and come down to around half my electricity draw. Just accidentally discovered there were some metres, ammeters showing me what was drawn (Bernadette: Mmm.) by each division (Bernadette: Mmm.) and the chrome division was drawing double what anybody else was or much more. (Bernadette: Mmm.) And suddenly, it becomes more feasible to buy a far smaller generator, switch off the chrome division (Bernadette: Mmm, mmm.) and, and work fully, not just be able to offload the tanks (Bernadette: Mmm, mmm.) and have some lights on, (Bernadette: Mmm, mmm.) so that does make it interesting.

Bernadette: Ja. (Alberto: Hmmm.) Mmm. Do you have any questions from your ...

Alberto: I have a number of questions, if you are finished?

Bernadette: Okay, um, I just want to check here because this is where I kind of, um, you spoke, you said to me, over the phone, that you've got no formal risk management but I think you do it. Um, (Slight pause.) enough information, experience and judgment, you've spoken about that. (Slight pause.) Um, the future plans for the company, we've spoken about you ...

Peter: Ja, there, I mean, there are plans. (Bernadette: Mmm.) We need to build some, we need to put up some new buildings, create space because we have expanded the (Bernadette: Mmm.) big zinc plant (Bernadette: Mmm.) by 50 percent more plating capacity over the last few months, (Bernadette: Mmm.) um ...

Bernadette: Is that because of demand?

Peter: Because of demand yes. (Bernadette: Mmm, mmm.) And, um, we, we need to put up a new building, clear some stuff out and possibly put a automotive level plant on the top floor (Bernadette: Okay.) which would then be separately run (Bernadette: Mmm.) and would comply with (Bernadette: Mmm.) automotive people with finance.

Bernadette: Okay. Ja, because they quite stringent about what they, (Peter: Mmm.) they want.

(Slight pause.)

Peter: So they want it for free which is one of the reasons I'm not running after them. (Bernadette: Mmm, mmm. [The rest is not clear.]) [A few words are not clear.] control as possible.

Bernadette: They do, they do, absolutely. Um, do you believe your education, training and experiences played an important role in how you manage your company?

Peter: Ja, I think it's crucial. I think, (Bernadette: Crucial.) I think, I think being an engineer, I have never in my life, as I get older, I get more and more pleased that I'm an engineer. I just think it's, it's, it's the most brilliant background, (Bernadette: Mmm.) [A few words are not clear.] the converted here, (Alberto laughs.) um, I, I think it's an absolutely superb basis (Bernadette: Mmm.) I think in so many instances it forces one to approach things a little bit more rationally, you don't always get it right (Bernadette: Mmm.) and you don't always have the right skills and strengths. I also, um, spent a year at the University of Bradford studying, uh, production management, (Bernadette: Okay!) which is on my card, (Bernadette: Mmhmm.) post graduate diploma.

(Peter then shows Bernadette and Alberto his card.)

Peter: Okay, and that was crucial. I came back and I went into a factory, got dropped into the deep end of a geyser factory round the corner, (Bernadette: Mmm.) as, as a factory monitor, straight out of school, (Bernadette: um, on Christmas School, (Bernadette: Mmm.) and, and I apply all these techniques and, and, and, you know, (Bernadette: Mmm.) stock control (Bernadette: Mmm.) and production management (Bernadette: Mmm.) and all this stuff, and

they call me in after 6 months and they said, well, the group has suffered horrendous losses. Oh my god, there was a factory here and a factory there. I landed up general manager of the group, so that was good stuff. (Bernadette: kudos.) But, uh, but we have to say, you've made a profit every month. (Bernadette laughs.) I'd applied some or other theory to stock control and, (Bernadette: Mmm.) the main stock was copper sheets, (Bernadette: Okay.) and I'd managed to run through a rising economy (Bernadette: Mmm.) never having enough stock. So I had 0 stockholding costs, everything was immediately converted to product and sold (Bernadette: Mmm.) and the business just did wonderful. So that, that was my little beginning in the industry, (Bernadette: Mmm.) so yes, I think being an engineer (Bernadette: Mmm.) and the production management course in Yorkshire, (Bernadette: Mmm.) it wasn't a business school education. (Bernadette: Mmm, mmm.) It, it was with chaps who came off the shop floor (Bernadette: Mmm.) where, where, where there were chaps with MSC degrees running production lines (Bernadette: Mmm.) at Ford and so on, (Bernadette: Okay.) and I think that was brilliant stuff, (Bernadette: Mmm.) it really was. (Bernadette: Mmm.) There was enough economics and, and, and, you know, (Bernadette: Mmm.) peripheral stuff and there was enough real [A few words are not clear.] stuff on stock control and logistics (Bernadette: Mmm.) [The rest is not clear.].

Bernadette: It's what we call Industrial Engineering, that's what we do. (Peter: Okay.) Ja.

Peter: And it was a lot there, it was really packed.

Bernadette: Are you applying a lot of that here in your company?

Peter: You know, some of it, the, the stock control always (Bernadette: Mmm.) which was one of my great favourites (Bernadette: Mmm.) and there's, there's, there's a degree of production control (Bernadette: Mmm.) but it's informal and it's, and it is tailored to our requirements. (Bernadette: Mmm, mmm.) But, you know, I had somebody in here about 5 or 6 years ago and he spent a week or two and he came and he sat down and he said, well, it's a lot more sophisticated than I thought it was. But it isn't, (Bernadette: Mmm.) it's, it's informal stuff. (Bernadette: Mmm, mmm, mmm.) But I, I, for instance, I have, I have lots of output records, so every day (Slight pause.) I get a list of who's absent and why, (Bernadette: Okay.) so there's my personnel record. (Bernadette: Okay.) Who's absent and why. I'll get a list at the out ...

Bernadette: Manually written. Just ...

Peter: Manually written. My, my brother picks it up off the figures. I get the output of the chrome plating part (Bernadette: Mmhmm.) and that's Wednesday [A few words are not clear.]. (Bernadette: Mmm.) I get the outputs of the large zinc, (Bernadette: Mmm.) tiny zinc and medium zinc (Bernadette: Mmm.) and reasons or delays (Bernadette: Ja.) and I get rates of ... So there is, you know, I've got a finger on it.

Bernadette: There, you are tracking but it doesn't have to be automated.

Peter: It's, it's not automated. It's, you know, (Bernadette: Ja.) we've, we've done that, okay, so there's a counter on one of the hoist plants. Every time a hoist comes past it counts it because that's supposed to be the output line. But then there's a back track for something or other and you get the wrong figures so, (Bernadette: Mmm.) and those figures are not entirely accurate because the, the chaps drawing them will cheat a bit and so on, (Bernadette: Mmm.) but we'll pick it up at 2 points to cross check items.

Bernadette: Mmm, mmm. Okay.

Now there was something, like you, something occurred to me and I meant to ask about it and now it's totally gone out of my head.

Peter: I'll sit quietly.

(Bernadette and Alberto laugh.)

Bernadette: I don't know, Alberto, you go ahead and ask your questions (Alberto: Okay.) and ...

Alberto: I'm just going to go through the whole list, there's some of the stuff that you have already mentioned while talking but I'll ask anyway for the sake of having all the information transcribed together.

Peter: Yes.

Alberto: All right. Um, when was your company started?

Peter: 78.

(Slight pause.)

Alberto: Which industry specifically do you consider yourself a part of?

(Slight pause.)

Peter: Metal finishing.

Alberto: Metal finishing.

Peter: Metal finishing.

Alberto: Okay. And how long has your company traded its current product range? Since it started.

Peter: Effectively since it started. Most of the products were instituted within the first 5 years.

Alberto: Okay. How many people are employed here?

Peter: Currently 150.

Alberto: Um, ...

Bernadette: Is that permanent?

Peter: Permanent.

Bernadette: Ja.

Alberto: We were ...

Peter: But there, there may be two or three who are a bit iffy. (Bernadette: Mmm.) Can, can I just digress for a moment? (Bernadette: Ja, sure.) There's a chap who comes and cleans the cars. When somebody's missing then we pull him in and he works a shift. (Bernadette: Mmm.) (Alberto: Mmm.) And he's, he's sort of on standby and he will land up as a permanent member of staff, (Bernadette: Mmm.) somebody will disappear somewhere or somebody, somebody will expand (Bernadette: Mmm, mmm.) and he will be included (Bernadette: Mmm.) because he's a super kid (Bernadette: Ja, mmm.) and, uh, so there's, there's that sort of informal (Bernadette: Mmm.) in and out. So he's temporary (Bernadette: Right.) and there's two other people who are temporary, (Bernadette: Ja.) but that's about it.

Bernadette: Mmm.

Alberto: Okay. We've already determined that you're a medium size business. And into which sector do you fall? It's pretty much the same as the previous one. Manufacturing and metal finishing.

Peter: Yes.

Alberto: Um, do you want your company to grow further?

Peter: Yes.

Bernadette: Ja, I think we've spoken about that.

Alberto: Are your constraints for growth in-house or outside factors, market related?

Peter: Both.

(Slight pause.)

Alberto: Would you ...

Peter: Oh, you want longer answers.

(Bernadette and Alberto laugh.)

Alberto: If possible.

Peter: Okay, okay. We, we recently investigated funding from DTI. There all sorts of grants and interesting things and there's quite a lot of stuff we want to do. And what it worked out in the end was that it was 25 percent of 25 percent was a grant and you were basically on your own for funding although you could go to the DTI for low interest funding. Uh, it's a bit of a mess to do that kind of thing for an informal small company like ourselves, so we'd have to employ a consultant and in the end it didn't look, to me, as if it was worth it. So the constraints are financial and the constraints are market related. We not, we not certain that whatever we put in is going to have a ready market.

Alberto: Okay. Further to the above, would you prefer to increase net profit over the market share and turnover? So would you like to keep the company the same size but increase its returns?

Peter: Ja.

Alberto: Okay. Um, also we've already determined that there's lots of competition. (Slight pause.) Your competitors, do they compete on pricing, quality or service or anything else that comes to mind?

Peter: Mostly pricing.

Alberto: Mostly pricing. All right. And what are the main risks that your company experiences or could possibly experience? We said strike action and financial competition, service expertise or information?

Peter: No, not so much that. It's, it's, it is, it's electricity and, and labour. (Bernadette: Mmm.) And, and labour, we've done everything in our power to, to make it not be a problem.

Alberto: Okay.

Bernadette: So, ha, you spoke about skills of your workers. Do you, are you able to find the right skills or do you generally train and up skill them?

Peter: We train, we train. (Bernadette: Ja.) Most, I would say 80, 90 percent are trained in-house.

Bernadette: Okay. And you, your staff turnover? (Slight pause.) Quite low.

Peter: Very, very low.

Bernadette: Low (Peter: Very low.) because you said you've got really family, families that ...

Peter: Ja, we've got third generation (Bernadette: Third generation.) and fourth generation, ja, (Bernadette: Ja.) and we've got, uh, Joey's got 2 daughters and a son-in-law working here.

(Bernadette: Mmm, mmm.) Um, and, uh, and, and another division, there, there are fathers and children (Bernadette: Mmm.) and daughters (Bernadette: Mmm.) and [The rest is not clear.].

Bernadette: So, in terms ...

Peter: Ja, we, I, I don't think our labour turnover is 5 percent per annum.

Bernadette: Mmm, mmm. It's very good.

Peter: Ja.

Bernadette: So in terms of labour, it's more the strike action that's the ...

Peter: It's external influences, (Bernadette: Ja.) it's not our people, (Bernadette: Ja.) it's external influences. It's, it's, ja, and probably the biggest risk is this is the, the way a country's being run, (Bernadette: Mmm, mmm.) whatever the formal term is (Bernadette: Mmm, mmm.) for that, (Bernadette: Mmm, mmm.) that's our biggest risk.

Bernadette: Ja. (Peter: Sorry.) Um, and then, do you have specialised skills that, because you know, um,, trades that you use in the business?

Peter: We hardly use trades, (Bernadette: Mmm.) I mean, we've got one chap who is a qualified electroplater, he's our technical manager because the last one went away, uh, and he knows a lot about plating, but really not. Uh, our maintenance manager is, is skilled in lots (Bernadette: Mmm.) of areas (Bernadette: Mmm.) but he's a welder by trade. (Bernadette: Mmm, mmm, mmm.) Uh, the chap who runs the motor workshop is my brother-in-law, he's a motor mechanic. (Bernadette: Mmm.) Um, we have lots of different (Bernadette: Mmm.) people in families, and ...

Bernadette: Mmm. Yes!

(Everyone laughs.)

Peter: And um, (Slight pause.) he, he's a qualified motor mechanic (Bernadette: Mmm, mmm.) but then we've taken on a son-in-law who's not a motor mechanic (Bernadette: Mmm.) and has a lot of other attributes (Bernadette: Mmm.) which are required at the moment (Bernadette: Mmm, mmm.) also in motor vehicle [Word not clear.]. (Bernadette: Mmm.) Sorry, I digressed. I've forgotten your question.

Alberto: No, no.

Bernadette: No, it was my question. No, I digressed.

Peter: I've forgotten what I was answering.

Bernadette: Ja, okay. Back to you Alberto.

(Bernadette and Alberto laugh.)

Alberto: Okay, thank you.

Peter: Okay.

Alberto: How long have you been working with your 3 biggest customers?

(Pause.)

Peter: I would say in excess of 20 years.

Alberto: Okay.

Bernadette: And that's, one of those is the trolley ...

Peter: The trolley manufacturer, the office furniture chap and, um, the nuts and bolts guys.

Bernadette: Okay.

Alberto: So you'd say you have a good working relationship with them.

Peter: Yes.

Alberto: And do they convey to you who their customers are for their jobs?

Peter: No.

Alberto: Not. Are you aware of other products and services that are offered by your customers?

(Slight pause.)

Peter: No!

Alberto: As in their in tow tow what they would do for their customers?

Peter: Often, often you have a rough idea, you know, I know that, that I've been into our customer showrooms, I've seen their product lines, um, I've got a rough idea what their industries are, I mean, we do a huge amount of wall spike plating, so I know that every wall that goes up might have spikes on top, I'm not being facetious. (Alberto laughs.) [A few words are not clear.] We do cable trays, I know they going into Madupi eventually,

eventually. So we've, we've got an idea but we not really clued up as, you've got to have an understanding of our customers' products so that (Alberto: Mmm.) we can plate them correctly (Bernadette: Mmm, mmm.) but, uh, otherwise their, the knowledge of their products is, is fairly undetailed.

Bernadette: Ja. So who their customers is not really very visible to you.

Peter: You know, in reality it is because, uh, the buyer from Bid Office will phone and say, we've got a huge contract for Standard Bank, (Bernadette: Mmm.) and somebody else will phone and say, we refurbishing a casino here, (Bernadette: Mmm.) and, and that kind of stuff in the decorative, (Bernadette: Mmm.) so we have some insights (Bernadette: Mmm.) but they not, they partial insights.

Bernadette: Mmm. Okay.

Alberto: Do you think that this information will be of use to you knowing what other types of work your customers do?

(Pause.)

Peter: I've never thought it might be. That doesn't mean it wouldn't be.

(Slight pause.)

Alberto: Okay.

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

(Alberto and Peter laugh.)

Alberto: If large contracts for reputable companies were available, would a company such as yourself be open to creating a fully transparent working relationship in order to better satisfy the needs of your customer's customer?

Peter: Absolutely! Absolutely! No question. We're up for that kind of stuff. (Alberto: All right.) If somebody comes and says, we need to do this, we need somebody to do this, can you look at it? We like that. (Bernadette: Mmhmm.) Interesting, it's challenging.

Bernadette: Mmm, mmm.

Alberto: And you would, perhaps, make a special arrangement on a once off contract?

Peter: Yes.

Alberto: And if there were no large contracts, as in it was just run-of-the-mill every day stuff, would you still think that it would be beneficial for transparent level of communication?

(Slight pause.)

Peter: I'm, I'm not entirely sure I'm understanding your question (Alberto: So ...) but transparency is always valuable to, to my mind.

Alberto: Okay, so on a ...

Peter: It's always beneficial.

Alberto: On a daily basis, transparency you think, from, I'm saying from you through to the customer's customer, (Peter: Yes.) would that be beneficial to you?

Peter: Normally the, the, our customer doesn't involve us with their customer. (Alberto: Ja.) When problems arise they will (Alberto: Okay.) and I'm always more than happy to get involved with the end user and understand their problems (Bernadette: Mmm.) and, and modify our process if we have to.

Alberto: Okay. So that's, that's after the fact not prior to the job being ...

Peter: We, it's seldom brought to us in advance, (Alberto: Mmm.) people don't quite understand the implications of what they're asking us to do. So they bring a [Word not clear.] (Alberto: Okay.) and say plate it. And I say, but hang on a sec, where can I hold it? What are holders? (Bernadette: Mmm.) It's not going to float free (Bernadette: Mmm.) and, and solutions' got to run in and out of it, I can't cart solution from tank to tank to tank, and all those kind of things. So we're not getting enough request for input at the design stage very often. And then, on the other hand, our bulk of our furniture manufacturers and big regular customers have an inherent understanding of our requirements (Alberto: Okay.) for drainage and a place to hold and (Alberto: Okay.) (Slight pause.) shading of plates, you know, you can't have 2 pieces close to one another, you not going to get plating in-between (Alberto: Mmm.) sort of thing. But ja, more transparency would be more effective.

Bernadette: Have you ever been involved in sort of the design of a component that you going to electroplate (Peter: Ja.) or that ... (Peter: Ja.) So you have been involved with that?

Peter: Yes, sure. Occasionally we get lucky, somebody comes in and says, here's my prototype, I want you to plate it. And I say, fine, I can do that, it's going to be R300 but if you do X, Y and Z, we can do it for R75.

Bernadette: Okay.

Alberto: Okay.

Bernadette: So you have assisted in working together.

Peter: Where we can, ja. (Bernadette: Ja. And you, ja.) Ja, and product design. (Bernadette: Mmm.) Mmm.

(Slight pause.)

Alberto: If one of your cu ...

Peter: I was in the furniture industry, (Bernadette: Okay, so you have a ...) I have manufactured things, (Bernadette: Ja.) I've got a foot in both camps.

Bernadette: Ja.

Alberto: I think we've answered this one already, if one of your customers had a crisis of some sort, would you try and help them in anyway possible be it payment terms or discounts or anything of that nature?

Peter: Absolutely!

Alberto: Okay, and if it was proven that such an act being better payment terms or discounts, um, would help sustain the supply chain and actually benefit the market as a whole, would you change your mind? As in make it a permanent arrangement?

Peter: Just, just define what, what you're talking about? Are you talking about arrangement with a customer or with the supplier? Are we talking about a supplier?

Alberto: With, with your customer. (Peter: Okay.) Your direct customer now.

Peter: Okay, so if, if I was to give him 60 days and that improved his chance, 60 days instead of 30 days and that improved his chance? Ja, I would talk about [The rest is not clear.].

Alberto: Okay. All right, I have got a, a list of stuff here you can answer yes or no to. Currently, which of the information below is passed between yourself and your customers? Scrap levels?

Peter: No.

Alberto: Rework levels?

Peter: No.

Alberto: Process repeatability.

(Slight pause.)

Peter: No.

Alberto: S ...

Peter: It's, it's assumed. (Alberto: Okay.) It's assumed by the customer that they're getting a degree of consistency and, and within the limits of their requirements they are.

Bernadette: And is that based on, sorry? (Alberto: No, no, it's fine.) Is that based on trust relationships that you have?

Peter: No, it's based on the fact that we keep our chemistry fairly consistent, (Bernadette: Ja.) our operating conditions fairly consistent (Bernadette: Mmm, mmm.) and our plating times and conditions. (Bernadette: Okay.) So it's, it's based on technical factors, (Bernadette: On process.) yes.

Bernadette: Technical factors, ja. And the ISO9001 does that, (Peter: [Peter says something that is not clear.]) it's just window dressing.

Peter: It's window dressing, (Bernadette: Ja, okay.) it really is window dressing.

Alberto: Um, okay, so yes or no, uh, supplier quality issues? If you have a supplier's quality issue, your supplier's supplied you something substandard, would you convey that to, to your customer or not really?

Peter: If necessary but by enlarge, one try's to avoid things which sound like making excuses or blaming other people.

Alberto: That's exactly the same answer Tyron gave us.

(Bernadette laughs.)

Alberto: Okay.

Peter: Ja, ja, it's your, it's my problem (Alberto: Yes.) (Bernadette: Mmm, mmm.) I don't want to involve you in my problem, I'll fix it [The rest is not clear.].

Alberto: Continuous improvement?

Peter: Where possible, yes.

Alberto: Okay. (Peter: Ja.) Do you convey the cost of the material?

Peter: Yes.

Alberto: And your overheads?

Peter: Ja. Petrol, rental, stuff like that, ja, we try because it's always a, you know, where it will assist us in increasing prices, yes. Where it won't, no.

(Everyone laughs.)

Bernadette: No point.

Alberto: Valid point, ja. Um, your subcontract costs?

Peter: No.

Alberto: Factory cost rates?

Peter: Yes. Always happy to share how we cost with our customers.

Alberto: Okay.

Bernadette: Transparency.

Peter: Yes.

Alberto: Ja. Transportation costs?

Peter: Ja.

Alberto: Cost of non-quality or an item that's rejected?

Peter: No. No, (Alberto: It's ...) you know, when a customer will get that is let's say he's got an old component which he wants to be plated or he's got something which he sent to another plater which he needs replating, (Alberto: Mmm.) he will then understand the cost of removing the existing plate prior to embarking on replating as a new process. (Alberto: Okay.) So he will get that cost from there but otherwise not.

Alberto: Okay. Um, the order receipt process? Do they know the sequence (Peter: Yes!) that it follows?

Peter: Yes.

Alberto: Okay. Capacity planning?

Peter: Well, we try and involve our customers with that as much as possible so they know what we can and can't do for them.

Bernadette: And do you do capacity planning internally? How do you do, go about that?

Peter: The, the, it's, it's a visual situation. We are able to punch out the amount of work on backlog and know whether we should be working or not but it's visual. You look at the yard and think, oh my god, we've got to work longer hours. (Bernadette: Mmm.) Um, and the individual production managers will by enlarge determine their working hours. (Bernadette: Okay.) And, and when things are getting overloaded, as they do from time to time but strangely not in October and November, then we will talk to customers about scheduling stuff and say, listen, we're not going to be able to give it back to you in the next 3 days and what do you need first and that sort of stuff. B, by enlarge, it's very important to accommodate urgency requirements. (Alberto: Mmm, mmm.) Crucial because we're the last step, when they get it back (Bernadette: Mmm.) they can put it together and turn it into money.

Bernadette: Would you, if a, if a customer came to you and said, listen, we really, really, really need this job done like now, would you reschedule your capacity?

Peter: Absolutely! We get people to, we grab people and say, would you mind not going home tonight? (Bernadette: Mmhmm.) Um, where, where it's not a continuous process and we'll make any plans we need to (Bernadette: Okay.) and obviously reward the people and, and (Bernadette: Mmm.) make sure it's worth their while (Bernadette: Mmm.) to, to do us a favour, (Bernadette: Mmm.) and by enlarge I think the staff buy into (Bernadette: Mmm.) the customer's urgency (Bernadette: Mmm.) requirements and that, that's what we do.

Bernadette: Mmm, mmm. Okay.

Alberto: Okay. Um, shipment process? Do your customers know how the shipments go?

Peter: Ja.

Alberto: Uh, do they know anything about lean manufacturing processes? Do you have any lean manufacturing processes? (Slight pause.) Or do they know about your inventory management?

(Slight pause.)

Peter: But just, just to digress again, (Alberto: Mmm.) we will try and land up with 1 week's raw material in hand at the end of the month, that's my safety stock. (Bernadette: Mmm.) And during that 1 week, I get a complete schedule of what's in stock, what we've used this month, and I will put in what we need to buy, (Bernadette: Mmm.) in many instances my buyer will just put, we need it, and she's keeping an eye on it, the more expensive stuff, I'll determine what we're going to buy for the next month. So in that sense there is a level of management of, (Bernadette: Mmm.) of inventory that's appropriate to our [A few words are not clear.] and I, you know, I'll buy a little bit more now because it might get a bit busier and on the other hand it might mean we don't need to buy anything in December which, (Bernadette: Mmm.) which just smoothes the cash flow a bit. (Bernadette: Mmm.) (Alberto: Yes, ja.) So rather pay for it now.

Bernadette: Ja. (Bernadette laughs.) Take the knock.

(Slight pause.)

Alberto: Um, do your customers know anything about other suppliers? Anyone who might supply you for ...

Peter: Ja. Who might supply me?

Alberto: Yes.

Peter: In some instances yes. In some instances our customers' business gets big enough that they need to do their own plating (Alberto: Okay.) and, uh, we're most pleased when they consult us on it, we can help them and we're equally pleased when they come to us afterwards and say, oh, we've put in a plating plant and we've got a problem. And I'll say, well, I'll come and help you. You know, because hopefully he's going to keep growing and his work's going to be too much for his own plating plant and we're going to get the overflow (Bernadette: Mmm.) (Alberto: Mmm.) and that's, that's great.

Alberto: Do they know anything about potential contracts?

Peter: Mmm, their own contracts or our other contracts?

Alberto: Other contracts (Peter: Okay.) which might impact on their work coming out the door.

Peter: They will occasionally, (Alberto: Okay.) occasionally when, you know, Neil Cloud will know Ila Galloway of, of, of Bidvest got a, got the Standard Bank order and he'll, he'll pick up the phone and say, [The rest is not clear.].

(Bernadette laughs.)

Alberto: And then, do they know anything about your stock levels?

Peter: No, No. Occasionally a customer will walk in here and see a lot of an opposition product and be upset. We, it, we have to be transparent, we have to, no, that's not what I want to say. We have to plate for everybody. (Alberto: Ja.) We can't say, we only plate for Bid Office and not the other office furniture manufacturer. So we have to, we have to be very careful, I mean, some people, in the past, walked in here and picked up a competitor's component and put it in their pocket and, and it's got back to my customer and I've had to assure them, at the highest level, that I had no knowledge (Bernadette: Mmm.) of this going on. (Bernadette: Mmm.) Yea, we're one piece short. Because we control the customers [Word not clear.] in and out.

Alberto: Yes. (Peter: Ja.) All right. Would you like to know who your customer's customer is? (Slight pause.) Would it make a difference to you?

Peter: Firstly, I think you've asked me that already (Alberto: Ja.) and secondly, I, I, not particularly.

Alberto: Okay. Um, and if amounts were specified, do you think it would possibly free up cash flow if you were to know the size of the contracts coming? So knowing who the customer's customer is because of an order that might come as a result of.

(Slight pause.)

Peter: No.

Alberto: No. (Pause.) All right, I think this is the last one.

Peter: I must say, MSCs were much smaller in my day.

(Bernadette and Alberto laugh.)

Alberto: Um, do your 3 biggest customers receive beneficial pricing and credit terms?

Peter: Pricing yes, credit terms no. (Alberto: Okay.) It's like when you give somebody a very good price and they say, if we give you more can we make it cheaper. And we say no, if you give us more we going to make it more expensive because you can't use that much. (Alberto laughs.) So being so big, they'll get very good prices. (Alberto: Ja.) We need to be paid quickly.

Alberto: Okay. (Slight pause.) Would you see, would you foresee the visibility, as discussed, as a possibility to earn a return in the forms of a higher turnover or decreasing stock levels? So, I suppose, that's a, that's now a repetition of the other one.

Peter: So no.

Alberto: No. Okay. (Slight pause.) All right, in terms of collaboration, if one of your 3 biggest customers finds itself needing urgent attention or in the form of a faster delivery, um, would provisions be made?

Peter: Absolutely.

Alberto: Okay. Does this ...

Peter: Very, very often I will get a phone call (Alberto: Ja.) to my own happiness, it makes, it makes, it doesn't make me happy, from somebody fairly low in the pecking order of my customer, it's absolutely fine, I'm, I'm available. If the tea girl needs to press, push production she's got access to. (Alberto laughs.) It's, it's [A few words are not clear.] because she works for my biggest customer (Alberto: Yes, ja.) [The rest is not clear.].

Alberto: And does this kind of thing, well, I mean, you've already outlined this, um, happen with all of your other customers.

Peter: No, there a few customers who are disorganised and routinely needy.

Alberto: And you don't make prevision for that?

Peter: We'll make prevision for anybody but I'm saying (Alberto: Ja.) we, we, it's the, it's the usual suspects (Bernadette: The same old suspects.) (Alberto: Yes, ja.) ja, (Alberto: Okay.) who have always got dramas.

Alberto: Are those SMEs? The customers who give you difficult times.

Peter: Uh, Pretty big, I think, (Alberto: Oh.) you know, the trolley guy is a bad guy. (Alberto laughs.) The other one is Bid Office which is a division of Bidvest, (Alberto: Yea.) and there's no way they're an SME (Alberto: Ja, no, no.) they're a public company, (Bernadette: Mmm.) um and the trolley guy, he's not a small business, he's, you know, if we're doing 4 million he must be doing 20 million a month.

(Slight pause.)

Alberto: Okay. Um, does this put any sort of strain on your organisation through loss of gross margin?

Peter: No, no. The faster stuff goes through here the less it costs. That's an absolute maxim of mine. If it goes through faster it costs us less.

Bernadette: What is, how does that work then?

Peter: I don't know, it's just a gut feel. (Bernadette: Really!) We just got it out. It didn't cost anything.

(Everyone laughs.)

Alberto: I thought you were being scientific but it was a gut feel. Okay. (Alberto laughs.)

Peter: No, I'm not being scientific, it's a gut feel that ... (Slight pause.) I'd be prepared to flesh it out if, under duress. But ja, I just think it gets done quicker, just, you know, everything is based on a timeline, don't tell me about the surface area of a component, don't tell me about the waste, it's how many I can do an hour (Bernadette: Mmm, it's a volume.) because my cost of production is the cost of a polisher, the cost of a plating tank, and it's how many per hour. And rushed jobs often seem to go through (Bernadette: Mmm.) quicker.

Alberto: That and also the quicker it gets out the door, the faster you can be paid, so.

Peter: That too but remember it's the end of the month.

Alberto: Oh yes, okay, 30 days, (Peter: Okay, so it's 30 days.) yes. Ja, so that doesn't make a difference.

Peter: No.

Alberto: Okay. Um, as far as collaborative information, is there a formalised system with dedicated resources for collecting information from customers and compiling it? Nothing. Would, would you describe your relationship with your 3 biggest customers as opaque, translucent or transparent?

Peter: Translucent. (Slight pause.) I like that distinction, it's clever.

Alberto: What's that?

Peter: I like that distinction, it's quite something.

Alberto: In your view, is there a level of collaboration between you and your 3 biggest customers?

Peter: Ja.

Alberto: All right.

Bernadette: At what, what, would it be on ...

Peter: Buyer level and sometimes MD or chief executive.

Bernadette: And you collaborate on design or like ...

Peter: Occasionally on design but more on production (Bernadette: Okay.) requirements. So I get a phone call from the buyer at the Bid Office division (Bernadette: Mmm, mmm.) and they'll say, we've got huge orders for chairs and we need them all out this month. We going to send you this, this and this and what can you do? And we respond to it and make appropriate arrangements, so by enlarge, we get our orders out on time.

(Slight pause.)

Alberto: Okay. All right, uh, last section is visibility and the bull whip effect. Do you have fluctuations in demand on your production? Obviously yes. You don't have, you don't have a minimum ...

Peter: My mother would say, can a duck swim?

(Alberto laughs.)

Alberto: I'm asking it so all the information is in the same conversation.

(Bernadette and Alberto laugh.)

(There is then a brief discussion about the red light on the recorder.)

Alberto: Similar to previous questions but slightly different, do you feel that knowing your customer's customer would help in smoothing demand?

(Slight pause.)

Peter: Ja, it would. It, you know, in that sense, um, it, it's often important to get through the barrier of your immediate customer and get to the end customer and it's sometimes very valuable. Now I don't think I've, I don't think I've, I've conveyed that earlier. (Bernadette: Mmm.) But yes, there are instances where that happens and it's a light bulb moment.

Bernadette: Mmm.

(Slight pause.)

Alberto: Um, are you transparent with your customer or with your clients in terms of your supplier's ability to supply you?

Peter: It seldom arises. (Alberto: Okay.) It's electricity with which we're naked without (Alberto: Ja.) and, and it's strikes which we are obviously perfectly exposed to. So that sometimes [A few words are not clear.], other than those factors we suffer, I mean, we don't, we don't normally get caught out short of chemicals [The rest is not clear.].

Alberto: Okay. Have you heard of the concept visibility of the supply chain?

Peter: No.

Alberto: Okay. Um, it's the ability to see up and down the supply chain, sharing information about your supply chain strategy and operation of your supply chain with partners. Supply chain being what we discussed earlier. All right? So, do you think that a transparent and collaborative working relationship would be beneficial, if managed correctly (Peter: Yes.) or do you think that the risks involved are too large?

Peter: What are the risks? (Alberto: Information.) What are my, what are, ja, okay. No, I ...

Alberto: That your competitor will go to another, to your friend in Pretoria?

Peter: My customer will go to my friend in Pretoria (Alberto: Yes!) and get the plating done there.

Alberto: Yes. Do you think it's worth, it's like putting effort into a relationship where there's lots of information and/or sensitive information for the benefit of both parties but with the risk of ...

Peter: Look, there are times when one doesn't want to share too much (Alberto: Yes.) but by enlarge, I'm, I'm a great believer in transparency as, as, the value of transparency. It, it really makes life easier. By enlarge you get trusted and you get a s, it works better if it's all open.

Alberto: Okay. All right, and then the very last question, do you think that, given the above, you have some sort of visibility in your supply chain?

(Slight pause.)

Peter: Not a great deal. Not a great deal. You know many years ago, um, I invited all my competitors to come to an open day over here and more than one of them phoned me and said, I'm quite sure you don't mean this. And they said no. They said, we'll just have a few drinks in your office? And I said no, you'll go through my factory and I'll share it with you. And this was met with utter disbelief because it was an industry rife with distrust and mistrust (Bernadette: Mmm.) and, uh, the heavens didn't fall in and nobody stole the customers. And the guy from Pretoria phoned me and said, gees, you put me in a position now because I

know who's work that is and I want that work and now I can't phone him and get it. (Bernadette laughs.) So people are honourable (Bernadette: Mmm.) but I'm interesting.

Alberto: So would you say you only, in terms of visibility, you only see basically your customer and then that's it.

(Slight pause.)

Peter: No, we do see other people's customers and we do approach them from time to time, I mean, we certainly got to look for business (Alberto: Yes.) if we haven't got any. Um, but in answer to your primary question, I think that visibility is almost always valued. Almost always.

(Slight pause.)

Alberto: That's me done.

(There is then a discussion about a business that is next door.)

Peter: What we have to do now, quite quickly, (Alberto: Yes.) is go and see it.

Bernadette: Is run through the facility.

Peter: Okay, and I'm going to first of all, take you on to the place where you can bless the crowds and so on.

Bernadette: Ja.

Peter: Just come and have a look at the land. And then we can come back, and obviously if you need to phone me [A few words are not clear.] for (Bernadette: Yes!) 10 minutes, you're more than welcome.

Bernadette: Wonderful! Thank you so much. Are these some of your, the things that ... (Slight pause.) Right. Oh, this is like the Vatican.

Peter: I said you can bless the flocks.

Bernadette: Ja. (Bernadette laughs.)

Peter: Okay, so that sore tooth over there is the store (Bernadette: Ja.) [The rest is not clear.].

Bernadette: Sorry, next to it is ...

Peter: Substation.

Bernadette: Okay.

Peter: Over here is the motor vehicle workshop. (Bernadette: Ja.) We doing, uh, repairs and restorations, restoration division component. (Slight pause.) That is maintenance workshop where the maintenance manager cut himself with an unprotected [The rest is not clear.].

(Everyone laughs.)

Bernadette: Because I see their health and safety signs.

Peter: Ja, ja, ja, ja. If I had a decent voice I'd shout to him.

(Bernadette laughs.)

Peter: Next to [A few words are not clear.] is the polishing division. The polishing before chroming. The shattered roof building afterwards is big zinc. That [Word not clear.] at the bottom, you can't see it, is [A few words are not clear.] and at the left is small zinc. Goods for big zinc mainly in the yard, and goods in, goods out and a few processes [A few words are not clear.]. (Bernadette: Okay.) Let's go down and we going to walk into the polishing ...

Bernadette: These are all the trolleys coming back from ...

Peter: Coming in from our customer.

Bernadette: Have they just, are these manufactured?

Peter: Ja, ja. The difference, the very silvery ones down there are the ones that have been plated.

Bernadette: Okay.

Peter: Okay.

Bernadette: Yes, oh yes, they shining in the sun. (Bernadette laughs.) Okay. Right.

(Pause.)

(There is then a discussion about how often Peter goes to Knysna and what work Alberto does.)

Peter: See, look at that! The poor people don't have to walk up the stairs. So if they've got anything for me, they put it in the file called Peter (Bernadette laughs.) and then I take the

paperwork out and turn it over (Bernadette: And with ....) and then I know I don't need to look there. (Bernadette: So all ...) So they put something in and they turn it over. You see, it's a system!

Bernadette: Visual manual management. There is a system, it's a very clear system.

(Pause.)

Peter: Okay, we're run very lean. I mean, Leoni does, between Leoni and Fatima, (Bernadette: Mmhmm.) they cover the total, uh, financial and wages admin.

Bernadette: Wow!

(Pause.)

Peter: I will not make any obvious comments.

(Everyone laughs.)

(Pause.)

Peter: Okay, the stores, [A few words are not clear.]. Let me, let me show you one thing which is quite small.

Bernadette: Ja.

(Pause.)

Peter: At the moment, some old cars being repaired. (Bernadette: Oh yes!) So they've been panel beating and they'll have holes filled and all sorts of things.

Bernadette: Okay!

Peter: And that's a (Bernadette: Oh.) Austin-Healey Sprite, a 51 Sprite.

Bernadette: Oh, wow!

Peter: I'll show you what that car looks like.

Bernadette: Ah!

(Bernadette and Alberto laugh.)

Peter: I'll show you exactly what that car ...

Bernadette: This is the exciting, interesting work.

Peter: Come! Come!

(Pause.)

(There is then a discussion about the Austin-Healey.)

Peter: Okay, we going to go and look at the polishing plant first.

Bernadette: Okay.

(Pause.)

Bernadette: So this is receiving. (Peter: This is receiving.) This is your receiving bay, ja.

Peter: And, you know, we'd like to cover this all (Bernadette: Yes.) because the stock gets rusty in the rain.

Bernadette: Yes, yes.

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

(Pause.)

Peter: Okay, the polishing shop, the operations vary from coarse grinding to [A few words are not clear.]. I can't talk above the noise here but what's interesting is that the products that are here, uh, this is mostly office furniture.

(Slight pause.)

Bernadette: What, those?

Peter: Those components ...

Bernadette: Sorry, sorry.

Peter: Those components are Franco Solution [Word not clear.] for Comings engines. So we do that here. It's quite a process and they will export to America. So we do do a bit of [Word not clear.[stuff [The rest is not clear.].

Bernadette: Okay.

Peter: Stainless steel is also polished here.

Bernadette: Okay.

(Pause.)

Peter: I have no idea where these are going. Those are supermarket shelf supports. (Bernadette: Okay.) A lot of schak metal's down here. Expansions for crowd control barriers, more chairs, bar railings, more chairs, (Bernadette: Okay.) we love chairs. Chairs are good value.

Bernadette: Chairs, ja, lots.

(Slight pause.)

Peter: Barb and steel gates. (Bernadette: Yes.) Somebody's crazy idea that it would look nice at their house.

Bernadette: Okay. (Bernadette laughs.)

(Pause.)

Bernadette: So everything's polished before it goes into plating.

Peter: Some stuff, no, or chromed, [A few words are not clear.]. (Bernadette: Chrome.) Some stuff is not polished where the quality requirement's not so high. Look at the skill level required.

Bernadette: Ja.

Peter: This man will generally earn R50 a day on production bonus.

Bernadette: Are these all South Africans that you've employed here?

Peter: No, uh, Swazi, mostly South Africans but not all. Now this man, for instance, needed R40000 to buy his motor car on top of the R80000 he had, we just lent it to him, no question.

Bernadette: The one ...

Peter: No, not the galanzo one.

Bernadette: Ja, so you need to keep him.

Peter: Ja. (Bernadette: Ja.) All paid back within 2 years.

Bernadette: Wow! Impressive. (Slight pause.) How long has he been with you?

Peter: About 10, 15 years.

Bernadette: 10, 15, wow!

Peter: When the, when the other company in Pretoria, when the company in Pretoria was sold by its German partner, the accountant who came in was, took a business man's point of view of a lot of stuff (Bernadette: Ja.) and lost a couple of extremely valuable people and I just ran.

Bernadette: You just, ja.

(Slight pause.)

Peter: This, this is the general area, (Bernadette: Okay.) [A few words are not clear.] everything in and out. So big zinc is there, [A few words are not clear.] are beyond that wall, and the small zinc is beyond that wall.

Bernadette: Okay. Look ...

Peter: Let's have a look at big zinc. Little big ...

Bernadette: Look at what the trolleys look like when they new.

Peter: And the mop squeegees on the walls ...

Bernadette: Oh yes!

Peter: And the flag poles ...

Bernadette: They beautiful.

(Slight pause.)

Peter: This is where we're currently using LPG just to melt the zinc from slabs into this form (Bernadette: Okay.) which is what we need to plate from. So just, if it's poured into this mould (Bernadette: Okay. Ja.) and it's melted with an LPG burner but we are converting that to town gas.

Alberto: Is there, is there an extra process that has to be gone through when, ja well, when the items are rusted and they need to be plated?

Peter: In the cleaning line you've got something first of all to remove oil spats or greases, then you've got something which removes scale and rust, then you get a final clean of anything left behind and then [A few words are not clear.] send for plating. If you'd like to walk up here we can. It's messy, it's dirty, it's horrible (Bernadette: Then let's ...) and it's not to our credit [The rest is not clear.].

(Pause.)

Alberto: In terms of, so once the items have been plated, them getting scratched and that sort of thing?

(Pause.)

Peter: It's not serious with this kind of stuff where it's an industrial [Word not clear.] finish but if it's chrome it's treated with [The rest is not clear.).

(Pause.)

Bernadette: Overhead gantry.

(Pause.)

Peter: The process starts here, (Bernadette: Okay.) the cleaning stages and the [Word not clear.] is what ...

Bernadette: What is this, is this a solvent?

Peter: Okay, this is an, this is an alkali, so it's about R100 per litre plastic, and then it's got [Word not clear.] and, and wetting agents and (Bernadette: Mmhmm.) various things (Bernadette: Mmm.) which will dissolve and hold in suspension greases and oils and fats.

Bernadette: Okay.

Peter: And then a rinse tank which is empty and I'm not sure why it's empty.

Alberto: So is this the rinse tank?

Peter: No, this, that's a rinse tank from the outer journey. So it goes cleaning from here to plating, then jump over and post plating we'll put into something called a passavation which will put a chromate conversion coating on, uh, either clear or yellow.

Bernadette: Do you own all of this (Peter: Yes.) equipment, (Peter: Yes.) that's yours. (Peter: Yes.) Ja.

(Pause.)

Peter: These are the acids, another rinse, electro cleaner, another rinse on the way out and then into the plating plant.

(Pause.)

Peter: But those slabs of zinc are hung along the side, (Bernadette: Mmhmm.) current passed from here, through the zinc slab, through the solution [A few words are not clear.]. (Bernadette: Ja.) Ja, it's, it's a very high chloride solution (Bernadette: Mmm.) and so this is sea air. (Bernadette: Right.) It's, it's not dangerous, we've recently had a very full, uh, industrial health, (Bernadette: Mmm.) um, (Bernadette: Audit.) inspection.

Bernadette: Inspection. Okay.

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

(Pause.)

Bernadette: Okay, we going back the way ...

Peter: Okay, we going back, ja. It's, it's a single load and unload ...

Bernadette: Okay.

Peter: Some plants are straight through and some are single load.

(Pause.)

Alberto: What is the throughput of trolleys per day?

Peter: We can go up to 700 but maybe a bit more now with the extra capacity.

Bernadette: Green?

Peter: Oh, it's green. This is a, a chrolyte solution (Bernadette: Mmm.) and the, the bubbling it's just got air underneath (Bernadette: Okay.) so as to keep the solution, you always want fresh solution in contact with your work surface (Bernadette: Okay.) and that's why we'll bubble air in.

Bernadette: Okay.

Alberto: So it's a proper agitation.

Peter: It is agi, exactly, agitation. The other options are to move the work in the tank but air is much easier.

Bernadette: Ja. Okay.

(Pause.)

Peter: Ja, it's not very electronic. That's a black, that's a mill scale. That's a black mill scale, (Alberto: Okay.) so as they shoot each roll, it's got an [Word not clear.] scale on it. (Alberto: Okay.) So that rolls sheets (Alberto: Okay.) and that will come off and [The rest is not clear.].

Bernadette: And this is ...

Peter: And he's, he's recording what, that's a clock and it's, it's used as a clock (Bernadette: Ja.) and it's recording every bar that comes out because I've got a record, (Bernadette: Oh.) I've got a record of the plater (Bernadette: Mmhmm.) which is not entirely reliable but the reliable record is here, so they recording from today and they giving me a record of what the day, this is a night shift working on day shift.

Bernadette: Okay, so they recording when it comes out?

Peter: Yes, the time it's out.

Bernadette: The, okay.

Peter: And then I'll ...

Bernadette: They just seeing what your production rate is.

Peter: I just want to know how many bars per hour.

Bernadette: Okay, come out.

Peter: The real measure of production rate is your daily turnover but (Bernadette: Ja.) we pretty much send stuff out the day it comes.

Bernadette: Ja, ja.

(Pause.)

Peter: And this is not approved [A few words are not clear.] the mess and the filth is not approved of in this company. I just, I need a permanent body in here to really make this ...

Bernadette: Ja, just managing, ja.

(Pause.)

Peter: This is, this is the hand sanding part, hand sanding part of the restoration division. (Bernadette: Okay.) A lot of the parts are copper plated and then hand sanded, (Bernadette: Okay.) if we put them on a bumping machine you going to get [Word not clear.] (Bernadette: Ja.) and there the sand [The rest is not clear.].

Bernadette: Manually.

Peter: MG radiator, car.

Bernadette: Oh look.

(There is then a list of different car parts.)

(Slight pause.)

Peter: This plant is electro polishing of stainless steel. So the electro polishing principle is that you plate off the surface and you, you moving the highest plate, so the smoother it gets the (Bernadette: Mmm.) shinier it gets. (Bernadette: Mmm.) It's not a chrome like finish but it's, a lot of people send goods to us, this is a hospital, these are hospital trolleys, (Bernadette: Ja.) this is an exhaust for something or other. (Bernadette: Okay.) I have no idea what those components are. (Bernadette: Mmm. And ...) And this is ...

Bernadette: Oh yes, that's, now I see, packaging materials. (Peter: Yes.) That's another input to your process.

Peter: Yes! Yes, our raw materials which we buy from ourselves.

Bernadette: You buy from yourselves! (Bernadette laughs.) From next door.

Peter: Next door, we get our clothes, protective clothing, we told them where we buy our protective clothing (Bernadette: Ja.) so they buy it and put a small mark up and (Bernadette: Oh ...) and sell it to us. (Bernadette: Okay!) We had to get them going in the beginning, (Bernadette: Ja.) so we saw ...

Bernadette: You see, there was method in bringing them. And the plastic and that type (Peter: Okay.) of thing, that's ...

Peter: All through the (Bernadette: Through the ...) [Word not clear.], ja.

Bernadette: Okay.

Peter: Um, and this, this is, um, decorative division wrapping and packing, we'll see it on the other one.

Bernadette: And the microwave?

Peter: The microwave is a bone of contention because I asked for a rag to clean it but they tell me the microwave's been kept in the lacker room and it's covered with lacker and fluid and I won't be able to get the fluid off, so I pulled all kinds of faces. This gentleman with the black overall, (Bernadette: Mmm.) he is the chrome division production manager. (Bernadette: Right.)

He, uh, 15 years ago when the last senior white production manager left he said, let me try the job. And after 2 weeks I gave him the previous [Word not clear.] salary, a year or two later he got a company BMW, not a new one, (Bernadette: Aha.) and you will not see who are senior managers are because they work.

Bernadette: (Bernadette laughs.) Okay.

(Pause.)

Peter: This is called barrel plating of, of copper and nickel. So barrel is where you tunnel lots of tiny components, the copper and nickel. We've just turned it all offline now. (Bernadette: Okay.) Over here the bar [A few words are not clear.] ...

(Pause.)

Alberto: So the stainless steel, they don't plate it with anything, they just polish it. That place is just polishing.

Bernadette: Mmm, sounds like it. The more you, the more roughness you take off (Alberto: Mmm.) the higher the shine. Ja.

(Pause.)

Alberto: Those hand sanded copper plated parts, are those then chrome plated after that?

Peter: No, they going to go back for more copper and then the copper is sanded to perfection. So let's say you have an imperfection, so you get what's called a geometric levelling, um, where the, you'll have the same thickness over everything. So you'll sand off the high spots and it will fill the grooves and it will go back 2 or 3 times if necessary and then it will be beautifully shining and then we'll do the nickel. You can put copper on copper effectively and reliably [A few words are not clear.] and it's fine. You can't put nickel on nickel easily.

(Slight pause.)

Bernadette: So this is the chrome plant.

Peter: This is the, the chrome plant which is a far more sophisticated plant. Let's jump up here and I'll show you what it does.

Bernadette: Mmhmm.

(Pause.)

Bernadette: Can I touch this? Woops, it's quite warm!

Peter: So the cleaning process starts here. It's got far more stages, for instance, this is the first hot soap comparable to the hot soap there but it is gra, it's, um, it's circulated through a skimmer and it's kept agitated. So our cleaning requirements are far more stringent here. There are 2 electro cleaner stages, there are multiple acid stages, it goes across, comes round and comes up there. The gap is either for cleaner production or for other processes, we haven't decided yet. And then, the nickel plating stage is over here. Do you want to cross over through that little walk way?

(Pause.)

Peter: Okay, so there your rectifiers, great big battery charges, 1000 amp battery charges and 3000 amp battery charges but that's all they are. The water's kept flowing past its filters.

Bernadette: Okay.

(Pause.)

Peter: Nickel, nickel hanging, ...

(There is then a brief discussion about the area where they are standing.)

Peter: Nickel hanging from the sides, locked up so you can't pinch it, um, they're agitated, 2 stages of filtration, your voltage obviously it crossed from your anode to your cathode and, um, and filtered and metered and all things before that.

Bernadette: So you s, you set all of this up, you decided what you were going to buy, equipment, all of that type of stuff.

Peter: [A few words are not clear.] nickel?

Bernadette: Ja.

(Everyone laughs.)

Bernadette: Your creation. (Slight pause.) Right, what are you monitoring here?

Peter: Every bar that goes in, he's writing the time in, the time out, the current, the voltage and the bar identifier.

Bernadette: What causes the, this variation?

Peter: The load on the t, on the bar.

Bernadette: Okay.

Peter: Stan, Stanley will decide whether he needs more or less power depending on the shape, depending on the customer requirement, (Bernadette: Mmhmm.) and depending on the number of pieces on the bar. So ...

Bernadette: So it's very much a feel for what you're doing in the process?

Peter: It's, it's a massive amount of knowledge. How long have you been plating here, Stanley?

Stanley: About 18 years.

Peter: 18 years. (Bernadette: 18.) So you are new.

(Everyone laughs.)

Bernadette: Still learning the trade.

Peter: And how long, Pap, Paps has been here, the, the chap I was talking, Paps is 34 years.

Stanley: Uh, 34 years.

Peter: 34 years.

Bernadette: Wow! Very long.

(Pause.)

Peter: We not supposed to be seeing empty tanks but we're running out of ...

(Peter then speaks to Paps.)

Peter: Okay, it's the same thing 5 times because it's the longest part of the cycle.

Bernadette: Okay.

(Slight pause.)

Peter: You get, you get a double rinsing effect by first of all rinsing and then, as it comes out, you spray it clean. (Bernadette: Okay.) It doesn't, doesn't clean the insides of tubes but it all helps to keep the (Bernadette: Ja.) stuff [The rest is not clear.]. Okay, so this is rinses and

chrome and more rinses. On the other side, there's various types of copper, there's brass and there's various types of nickel. There's a nickel stripe which is an etch primer for plating process and there's a, um, and there's [Word not clear.] nickel, those are wind screen wipers from another British car. (Bernadette: Oh!) And his mother is the lady in charge of the specials division and his sister is one of the jiggers in the specials division, (Bernadette: Ah, the whole family thing.) and he, believe it or not, the most wonderful guy, has spent time in prison for armed robbery. He's, he's as good as you'll get.

Bernadette: Was he just in the wrong place at the wrong time?

Peter: He was just at the wrong place at the wrong time. And he spray paints for me and so on.

Bernadette: Okay!

(Pause.)

Bernadette: Now you said you were expanding or building ...

Peter: I'll show you where.

Bernadette: On that side, okay.

Peter: Okay. So all [Word not clear.], all rinse waters are divided into 3 streams. Normal acids and alkalis go into a pump and straight through into, into the various (Bernadette: Mmm.) treatment stages. Um, chrome bearing solutions have got the chrome converted to a less toxic form and then mixed into the general stream. cyanide is destroyed in the cyanide form and then mixed into the general stream. Then ...

Bernadette: So you do that all here?

Peter: This is the plant. (Bernadette: Okay.) So it's an automatically controlled plant. I have a brother, who's as mad as a hatter, (Alberto laughs.) but he's quite smart and he likes chemicals, so he runs this plant and he's the messenger (Bernadette: Okay.) because that's with our biggest ant. (Bernadette laughs.) You can do this, (Bernadette: Ja.) he does it. Okay, um, and about 60 percent of the water's recycled and the rest goes down the drain and is regularly monitored and all sorts of things.

Bernadette: Okay.

Peter: And the other thing is the fourth stream, uh, concentrates, so we'll dump a cleaner of some sort or other and now they get stored in the green or the blue being acid or alkali, and then dripped into the main stream and, and, (Bernadette: Okay.) and [The rest is not clear.].

Bernadette: All right.

Peter: And that's, it's a disaster.

Bernadette: It's just storage.

Peter: It's just horrible. For that storage to be, that is supposed to have machinery not in use. It's going to happen. Somebody is going to come here and be able to do that for me.

Bernadette: Sort it out. (Bernadette laughs.)

Peter: Ja. At the moment we've got an acting factory manager (Bernadette: Okay.) who's doing her best. (Bernadette: Ja.) Onwards!

Bernadette: All right!

Alberto: Is this, is this the chrome plant that you say you can switch off if there's a power, if you have a generator?

Peter: Yes because we've got more than enough [A few words are not clear.], (Alberto: Okay.) always catch up. Other plants work much more hours.

(Pause.)

Bernadette: Now this is an automated or you ...

Peter: This isn't automated, this is the medium, the smaller pieces for zinc. (Bernadette: Okay.) They, (Bernadette: Okay.) they don't have to go on to the big zinc plant. They're all run over here. This gentleman on the right's father runs, is the former manager of the barrel division. And it's all [The rest is not clear.].

Bernadette: Yes! And once again you've got (Peter: Yes.) the manual packing.

Peter: We schedule it all, ja.

Bernadette: You scheduling, this is your schedule. (Peter: And these ...) And that your, your manager does?

Peter: That's the, ja. No, the, the operator on the ...

Bernadette: The operator.

Peter: The, the, the chaps are uneducated but they're smart. (Bernadette: Mmm.) They, there's, it's not a problem with their intellectual levels. Um, and that's his production schedule. He's got 11 bars, (Bernadette: Mmm.) these, that's on his bars, and when one of them runs out of work that's his first replacement.

Bernadette: Okay.

Peter: And again, it's decor, it's not a protective finish [A few words are not clear.]. (Bernadette: Mmm.) (Slight pause.) I have no idea what these are, I don't know what these are, these are hooks for shops.

Bernadette: Something suspension.

(Pause.)

Peter: No, that's a customer name.

Bernadette: Oh, is it?

Peter: Vision.

Bernadette: Shocks.

(Pause.)

(Peter speaks to one of his employees.)

Bernadette: Look at those bright shiny rings or ...

Alberto: Oh, wow!

Peter: Ja.

Bernadette: Those look stunning.

Peter: Okay, those are brass plates.

Bernadette: Brass plated. Ja.

Peter: They are fittings for a casino. Now Norton used to run the big division across the road, resigned for [A few words are not clear.] reasons, chose and trained his successor and then he c, and the he phoned me after 3 months and he said, it's all okay, I need a job. So there wasn't a separate manager here, I put him in and he's doubled the turnover. (Bernadette: Oh wow!) And I put him back with the salary he got on the other side (Bernadette: Mmm, mmm.) because, I mean, ...

Bernadette: Ja. I'm just looking here, this is what, the lay, water line layer.

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

Bernadette: So that would have been one of the managers that's been ...

Peter: Ja, it's just, uh, Carmen, (Bernadette: Carmen.) so it's Joey's daughter.

Bernadette: Okay.

Peter: So you turn it this way, (Bernadette: Mmm.) there's the plant running up there (Bernadette: Okay.) and this area we're standing down here. (Bernadette: Okay.) And this is for cleaning, ja, there's a shower round here.

Bernadette: Okay. So do, do they shower then and ...

Alberto: Safety shower.

Peter: No, no, no! That's a safety shower.

Bernadette: Oh, safety for, oh, phew. Get dumped into one of them.

(Bernadette and Peter laugh.)

Peter: Um, rings, rings to go around the cheap stove plates.

Bernadette: Oh yes!

Peter: Okay. Window fittings, cheap window fittings (Alberto: Yes.) (Bernadette: Yes, yes!) for low cost houses.

Bernadette: Ja.

Alberto: Ja, ja.

Peter: Aluminium, very difficult to plate on aluminium, special skill with that.

Bernadette: And this would be zinc plating.

Peter: No.

Bernadette: Nickel. No, what?

Peter: Brass plating.

Bernadette: Brass plating.

Alberto: Oh, of course, [A few words are not clear.] like we have them at home.

Bernadette: Ja.

Peter: Ja, but we have solid brass in.

Bernadette: Okay.

(There is then a discussion about being covered with grease.)

Peter: Okay, now this is the stoving when they plated, (Bernadette: Mmm. Ah, beautiful!) that's somebody's table or a divan [Word not clear.] or something.

Bernadette: So that's what, that's just a once off s, single ...

Peter: Low, low volumes.

Bernadette: Low volume, ja.

Peter: Uh, shelves in their thousands. That's nickel, that's the actual nickel metal, (Bernadette: Okay, ja.) those are the [Word not clear.].

Alberto: In, In terms of making things like this, you'll have absolutely no fabrication capabilities here, the customer must supply you [A few words are not clear.]? Okay.

Peter: You know, we have, we can weld, we can bend, (Alberto: Yes, ja.) we can drill, we've got lathe, (Alberto: But you don't ...) we've got these [A few words are not clear.]. (Alberto: Ja.) Occasionally we do something to help out. (Alberto: Okay.) You know, if something breaks and, and the guy's factory is in Vereeniging [The rest is not clear.].

Bernadette: Ja, it's easier to just do it in-house.

Peter: The brass plating stuff here ...

Bernadette: Oh, those are beautiful!

(Slight pause.)

Peter: Metal plated and then brass plated and then [Word not clear.]. (Bernadette: Ja.) And each piece is individually [Word not clear.] so ...

Bernadette: What is this for? Where, what are these for? (Slight pause.) Mmm? You know.

Speaker 1: No.

Bernadette: You dont!

Peter: You have no bloody clue!

(Bernadette and Peter laugh.)

Peter: It's a foot ring. It's from Carro, hey?

Speaker 1: Ja, it's a foot ring.

Peter: It's a foot ring for a casino.

Speaker 1: Oh, it's a casino.

Peter: So when you gambling on the, on the machines, you resting your feet on here.

Speaker 1: Okay.

Bernadette: Oh, okay!

Alberto: Oh.

Bernadette: You see, I didn't even know that.

(Bernadette and Speaker 1 laugh.)

Peter: And that's a support for the chair.

Bernadette: Okay!

Speaker 1: That one I know it but this one I didn't know it.

Bernadette: Oh!

(Bernadette and Speaker 1 laugh.)

Alberto: In my fourth year at varsity, we did a visit to a furni, they also, at the time, they were also busy with casino chairs but they do more the, the fabric side of it. Uh, they in Moderfontein. Do you do any work with them? I could not tell you what their name is.

Peter: No, no, not as far as I know.

Alberto: Okay. Because they were, they were also ...

Peter: So what they do over there, they'll have a ring roller (Alberto: Mmm.) and they'll roll a continuous spiral (Alberto: Mmm.) and cut it along and then ...

Alberto: And then just join it.

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

(Peter then tells Speaker 1's story.)

Peter: Okay, so this is (Bernadette: Ja.) chrome plate, uh, finished chrome plated goods for inspection.

Bernadette: Mmm.

Peter: These are stainless steel goods.

Bernadette: So what do they actually inspect on ...

Peter: They checking the chroming. (Bernadette: Okay.) So he puts it up here ...

(Slight pause.)

Bernadette: And ...

Peter: He wipes it, he checks, he's then marked a problem, it is a problem, (Bernadette: Mmm.) it's actually, I think it's the weld seam. (Bernadette: Ja, mmm.) No, it's not the weld seam. (Bernadette: Mmm.) It hasn't got a weld seem that I can find. But ...

Alberto: There's something on this side.

Peter: Ja, it hasn't been properly polished but, but we'll take a chance because it's not the highest quality stuff. (Bernadette: Mmm, mmm.) If it was the Bid Office stuff it's got to be (Bernadette: Ja.) impeccable and he will know that. And this is, you know, we can do computers which are programmable (Bernadette: Mmm.) as to the process that each bar has to go through, (Bernadette: Mmm.) so we can, we can change the cleaning time, (Bernadette: Mmm.) we can change the plating time, (Bernadette: Mmm.) do all kinds of things but the skills reside in the operators and it's far more economically effective. It wouldn't work in Germany but it works here (Bernadette: Mmm.) and we're fine and we've got a reputation in the chroming world for being the best.

Bernadette: Your reputation, is that quite an important part of ...

Peter: It's crucial. (Bernadette: Crucial.) Lots of business. Our reputation is our business.

Bernadette: You work on reputation.

Peter: Absolutely.

Bernadette: Ja. Up.

(Slight pause.)

Peter: Let's have a look at the top end of the small zinc. We do have a laboratory, we can do thickness tests, corrosion tests, all sorts of things.

Bernadette: Okay.

(Pause.)

Peter: These are meat hooks (Alberto: Yes.) (Bernadette: Ja.) for the non-vegetarians.

(Bernadette and Alberto laugh.)

Peter: This is a, this is a hinge or something or other, I think it's a stove hinge. It's the same customer who makes the stove rings. (Bernadette: Oh ja?) I think this is a stove, component for a stove hinge.

Bernadette: Mmm.

Alberto: Is that not a handle to open the oven with or something of the like?

Peter: It might be. I'm not, I really don't know.

Bernadette: Mmm.

Peter: This is the yellow finish, so after zinc loading you can do a clear passavate or a yellow passavate. This, your corrosion process is first of all to get through the passavate (Bernadette: Mmm.) and start rusting the zinc which is a [A few words are not clear.] oxide and then when you through the zinc you get to the steel and you get red rust. Now that passavate takes much longer to penetrate (Bernadette: Okay, then this.) than that but people want the silver chrome.

Bernadette: They like the pretty look.

Peter: Ja.

Bernadette: Ja.

Alberto: What is the difference between cadmium plating and the zinc plating with the yellow passavate?

(Pause.)

Peter: Cadmium is far more corrosion resistant and it's particularly good in acid atmospheres and marine atmospheres. It also happens to be one of the most poisonous metals around. So many people, because cadmium has usually been yellow passavated, will call yellow passavate, they say, okay, this is cadmium. It's not cadmium, this is zinc that's been yellow passavated. So cadmium is more corrosion resistant, more expensive and very poisonous. It's done in those 2 tanks there.

Bernadette: Okay.

(Pause.)

Peter: When items are plated, any kind of plating the cathode, you'll remember for your basic electro chemistry, it's got an H in it, so hydrogen is involved at the work phase. (Bernadette: Mmm.) The hydrogen permeates the metallic structure and causes hydrogen and brittle. So it [Word not clear.] our steel with little hydrogen molecules in-between the crystalline, in the crystalline structure and will break or snap. Terribly important not to have [A few words are not clear.] safety buckles which we are doing [Word not clear.] and things like that. Put it in an oven, within an hour of plating at 200 degrees for 6 hours and all the hydrogen's out and you're fine.

Bernadette: And so this is ...

Peter: If you don't believe it, you take glycerine, you heat it to 200 degrees C, you take something off the line and you put it in there and it fizzes. It absolutely fizzes. It's crazy!

Bernadette: Wow! So this is 1 of the ovens.

Peter: These are the deimbrittlement ovens. (Bernadette: Okay.) And there's more down there.

Bernadette: Okay.

Peter: So it's, it's as ugly as shit, it's as crude as hell ...

Bernadette: But it gets the job done.

Peter: But it gets a job done and there's quite a lot of refinement (Bernadette: Mmm.) under the surface. (Bernadette: Ja.) That's the way we buy our zinc. So that's ...

Bernadette: They are, it's like zinc nuggets.

Peter: Ingots.

Bernadette: Ingots! That's it.

Peter: Ingots.

Bernadette: Ja, look at these. How heavy are they?

Peter: I have no idea where they come from but I know who supplies them.

Bernadette: Okay, that's, that you wouldn't be able to walk out with.

Alberto: Oh!

Peter: No, even when that's [Word not clear.]. Now that is, that is zinc ...

Alberto: The, the turnstile, the turnstile cogs when people [A few words are not clear.].

Peter: Is that what they are?

Alberto: Ja, at the top, (Peter: Okay!) that's what allows you to go 1 person at a time.

Peter: Okay. And that presumably is the, something to do with the latching mechanism. (Alberto: That's exactly what it is.) Turn, there you are, turnstile. (Alberto: Ja.) ja.

Alberto: You absolutely right.

Peter: Oh, okay.

Alberto: I know because I had to install these, uh, on the other side there's an actuator that sits [A few words are not clear.] (Peter: Okay.) and when this, (Peter: Oh! It's almost ...) this engages like that (Peter: Okay!) and then when you put, you present your clock card, this opens and that turns and there's an indexing when it's, when it knows that it's indexed (Peter: Okay.) then it closes again. (Bernadette laughs.) But anyway, ja. (Alberto laughs.)

Peter: No, wonderful. Thank you! Thank you! (Bernadette: Now you know.) I never knew that.

(Bernadette and Alberto laugh.)

Peter: Uh, what did I want to tell you?

Bernadette: Are these all the bolts and ...

Peter: Yes, those are in the raw form. Plated ones? No, we sent them all out.

Bernadette: Okay, that's also, once again they make ...

Peter: Oh, what I was telling you, this finish has got that yellowish appearance, this has got a very fancy passavation. So, um, the passavation here will take, the, the standard test of corrosion on zinc (Bernadette: Mmm.) is a salt spray test, so you put it in a, a cabinet controlled condition to get a salt atmosphere. And standard pretty stuff, like that, will start to get white rust within 24 hours, the yellow within 72 hours. That will take 1000 hours to white rust.

Bernadette: Wow! Shoh!

Peter: And that is very, very high class corrosion which you get there.

Bernadette: Okay.

Peter: And if you put the zinc on thick enough, you get 2000 hours. We've got another process, which is a, a zinc flake, (Bernadette: Mmm.) so you get a finely dispersed zinc flake with a little bit of aluminium in it in a very fancy resin and you immerse your components in a [Word not clear.] spot, (Bernadette: Mmm.) bask it, pull it out, spin it, stove it, a couple of coats of that and you also get 1000 hours. And it's used in roofing.

Alberto: Do you control the thickness by the amount of time that's spent in the bath only?

Peter: No, you test afterwards. If you've got a, if you've got to spec, (Alberto: Yes.) you'll play to that and you'll check that it's, that you're getting it right. You modify your conditions till you get it right and then you do routine test [A few words are not clear.] which we do [The rest is not clear.].

Alberto: Is that the only factor that will contribute to a thicker, um, zinc ...

Peter: No, it's not just time.

Let's assume if, if you've got fewer components and the same current, you going to deposit more metal in a shorter time (Alberto: Oh, okay, okay.) because each (Bernadette: Mmm.) blob of current is carrying a blob of metal.

Alberto: Which is why the cost is based on the amount of kgs of stuff that you have to have plated.

Peter: Well, it shouldn't be. It's, there's no relationship what so ever. The method of charging by kg is an indicator of the brainlessness of platers. (Bernadette laughs.) All that matters is how much, I've got to get R150 a barrel. Whatever I get in that barrel, I charge R150 for and if it's 10 of these or 2000 of those, that's where the pricing comes from and in some cases you get 10 kg in a barrel and the other case you get 50 kg in a barrel and I want R150. So 150 for 50 kg is R3 a kg and a 10 kg is R15 a kg. (Bernadette: Okay.) And other people do by weight and they say, oh, we've got good jobs. You haven't got good jobs and bad jobs, you've got good costing and bad costing. (Bernadette laughs.) Let me show you one other thing.

Bernadette: Okay.

Peter: Last, last [The rest is not clear.].

Bernadette: Ja.

(Pause.)

Peter: Orders are, ignore us.

(Peter then speaks to someone in the office.)

Peter: So what, what happens is as goods come in here, entered by customer. Each customer has a data base of finishes and prices associated with the components.

Bernadette: And data base you mean what? A Excel spread sheet or ...

Peter: No, it's done on Access.

Bernadette: Access. Okay?

Peter: Okay, which is very old but it runs inside (Bernadette: Mmm.) much later Windows now. (Bernadette: Okay.) And we, then when we going to, when we've done some plating for that customer, we print out a list of all his outstanding goods, we count what's on the floor, we see what's missing and we go looking for it and we write the quantities over there (Bernadette: Okay.) and then they hand it back and an invoice is generated and the companies' outstanding are updated. So for instance, we got in 164, we've got 2 left. (Bernadette: Okay.) It came in in October, it's pretty much sure it's lost. (Bernadette: Mmm.) Um, no, it's for chrome, it won't be lost. And we got 684, we've got 10 outstanding. (Bernadette: Okay.) So we have that control. As for where the goods are ...

Bernadette: You've got to go and look.

Peter: It's [Word not clear.], she's got to know where it is.

Bernadette: (Bernadette laughs.) Ja. It's ...

Peter: So there is again, it works, it works well.

Bernadette: Mmm, mmm. Absolutely.

And why fix something that is working (Peter: Mmm.) and spend money on it. (Peter: Mmm, mmm.) Ja. Exactly. And you've got a big, it's 150 people here and it's working.

Peter: And they all [The rest is not clear.]. (Bernadette: Yes!)

(There is a discussion about cars.)

Peter: Right, that's all I can tell you guys.

Bernadette: Okay! Well, let's ...

Peter: The new building (Bernadette: Yes!) is supposed to come, uh, from this structure and fill up most of this area here.

Bernadette: Okay. And you going to put what, what were you expanding?

Peter: We going to put this jig making (Bernadette: Mmhmm.) and the special's division downstairs because it's quite a big area, (Bernadette: Yes.) and upstairs we'll have a special purpose plating plant (Bernadette: Okay.) and we'll have a room waiting for a special purpose.

Bernadette: Okay. When are you anticipating doing the construction? You don't know yet.

Peter: Next year some time. (Bernadette: Okay.) Haven't got there. Decided to take a break this year. (Bernadette: Good!) These are, some made in aluminium for zinc and, and, you know, more expensive decorative plating, (Bernadette: Mmhmm.) and some made in steel for cheap zinc plating. (Bernadette: Ja.) So these are going to be zinc plated.

Bernadette: Cool.

Peter: This is the department of the inferior, (Bernadette: Yes.) rejects and things like that.

Bernadette: So what do you do with your rejects.

Peter: You bring them here, you strip them in a solution that's made twice a month at the cost of R12000 (Alberto: Ja.) and it's not very big, (Bernadette: Mmhmm.) and you repolish and replate.

Bernadette; Okay. So it's a rework really.

Peter: It's a rework. (Bernadette: Ja.) For zinc you just put it back in the cleaning [The rest is not clear.].

(Peter then gives some information about a few of the workers.)

Alberto: Sorry, just about the rejects, (Peter: Yes.) so this stuff here would get rejected and then will it go out with the original order? (Peter: No, no, it's reworked.) Would it be done any time ...

Peter: No, it won't go out with the original order and that's what increases the cost of rejects because you can find you get an order for 100 chairs, 97 are fine, they go out over 2 days, then you've got 3 left which are going to take a week to (Bernadette: Mmm.) come back round. Now you've got to make a special trip for 3 (Bernadette: Mmm.) and it's management

time and it's invoicing and it's transport. Reject costs (Bernadette: Mmm, mmm.) are horrendous.

Bernadette: Mmm, mmm. Absolutely. That's why we ...

Peter: I'm sure you reached boredom and saturation levels.

Bernadette: Oh no!

Alberto: This is still very interesting.

Bernadette: Ja.

Peter: Okay, this, over here, is a locking bar for Centurion Systems.

Alberto: Ah, yes!

Bernadette: Those are the gate motors.

Bernadette: You recognize it, ja.

(Bernadette and Alberto laugh.)

Alberto: That was another visit we did in my fourth year.

Bernadette: So this, this is incoming stuff.

(There is then a discussion about a few companies that are customers and a few of the employees.)

(Pause.)

Bernadette: Do you have an organogram?

Peter: I must have 1 somewhere.

Bernadette: Ja, as ISO9000 you (Peter: Mmm.) usually have to ...

Peter: Do you want one?

Bernadette: Uh, I can e-mail you and somebody can ...

Peter: Ja, send me an e-mail request, I will forward it to somebody who's job it will be to find one.

Bernadette; Yes, I don't want to bother you with that. Anyway Peter, thank you so ...

Peter: Thanks for a fun afternoon.

Bernadette: Thank you!