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

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Aluminium Casting Company

(The interview begins with Bernadette introducing the company and the person being interviewed.)

Bernadette: Um, as I've, as I've explained, um, you did complete our survey for us and I just want to check sort of some of the information. You've been in operation for more than 20 years. (Danie: That's correct, yes.) Can you give us a little bit of background to the company and how it started and where it's come from?

Danie: Okay, the company started, um, as a pattern shop. My brother actually started the company, way back, on his own (Bernadette: Mmm.) as a pattern maker.

Bernadette: Do you know a specific, round about what time, dates?

Danie: Um, that's about 40 years ago.

Bernadette: Really!

Danie: Ja.

Bernadette: Shoh! (Danie: Ja.) Okay.

(Alberto laughs.)

Danie: And I'm a pattern maker by trade. (Bernadette: Mmhmm.) Uh, I've got my highest qualification is a standard 8 certificate. (Bernadette: Mmhmm. But ...) And then I, I did my apprenticeship as a pattern maker. (Bernadette: Okay!) I started working for my brother (Bernadette: Mmhmm.) and then after awhile I decided I'm not going to work for somebody else, I want my own business. (Bernadette: Mmhmm.) And then I started working for him as a subcontractor. (Bernadette: Okay.) And after about ...

Bernadette: As a pattern maker?

Danie: As a pattern maker, (Bernadette: Okay.) yes. (Bernadette: Okay.) And after about 2 years we've decided (Bernadette: Mmm.) to, to merge (Bernadette: Mmhmm.) and become 1 company. (Bernadette: Mmhmm.) And, uh, we started the 2 of us and about, I think we had about 3 or 4 people working for us, and that's how we started the business.

Bernadette: And just built it up from there.

Danie: We just built it up from there and, um, then we started doing general engineering, (Bernadette: Mmhmm.) gear cutting and, uh, then we started doing brass, brass and aluminium casting (Bernadette: Mmm.) in a sand foundry. And then, in 1993, uh, we had a fire in our factory, the pattern shop was totally, uh, was totally burnt down, ja.

Bernadette: What started the fire? What, how did it start?

Danie: Uh, a sparky roder machine, (Slight pause.) we left it on, and I was still in the workshop (Bernadette: Mmm!) in the office, and on my way home, when I went out of the factory, I smell some smoke and (Bernadette: Mmm.) I realised the factory was on fire. (Slight pause.) And at that time we had a problem with, uh, with some of our customers paying us, (Bernadette: Mmm.) we nearly went bankrupt. (Slight pause.) And then we ...

Bernadette: How did you pull through that then (Slight pause.) because you had a fire, (Bernadette laughs.) financial, cash flow?

Danie: Well, I, I think it was, in my terms, it was God's grace (Bernadette: Mmm.) that we really managed to, to pull through.

Bernadette: What, did some people maybe start paying you or, or was it just hard work?

Danie: Ja, Ja, it was just hard work and ...

Bernadette: You just put your head down and ...

Danie: Ja, ja, ja. (Bernadette: Ja.) And then in 93 we went to Taiwan, I, we, we actually, uh, started doing, uh, dyes for a company up the street, Corrie Pyper, the old rugby player, he, they were doing, um, dye casting and they approached us to make a dye for them. And then we made the first dye and we went to, to, um, test it at their factory (Bernadette: Mmhmm.) and we were walking around there and we saw, saw a lot of other aluminium castings and we thought, (Bernadette: Mmm.) here's money to make. So I did some research and we found a company in Taiwan that, that make, actually manufacture high pressure dye casting machines. (Bernadette: Mmhmm.) So we arranged for a holiday in Taiwan and we went there for 2 weeks, we stayed there, in the factory, (Bernadette: Okay.) uh, (Bernadette: You learnt.) and then we bought our first high pressure dye casting machines.

Bernadette: And that was round about 90 ...

Danie: 93.

Bernadette: 93, (Danie: Ja.) okay.

Danie: And, uh, we were, at the time we were actually 4 partners, and we bought 2 of them out, they took some of the equipment, started their own businesses.

Bernadette: In the same [Word not clear.] casting?

Danie: Uh, in general engineering, (Bernadette: General.) the other guy was in, uh, sand foundry, (Bernadette: Okay.) sand casting. Um, (Slight pause.) we bought them out, they went their own way and we stayed behind, (Bernadette: Mmm.) and we started with the high pressure dye casting. So although our name is still **Aluminium Casting Company**, (Bernadette: Mmhmm.) we, we don't want to change that because we've got a good name in the industry, (Bernadette: Mmhm.) a lot of people know about us, (Bernadette: Mmhmm, mmhmm.) uh, but we not really doing engineering, (Bernadette: Mmm.) we doing high pressure dye castings in aluminium (Bernadette: Mmm, wow!) and gravity dye castings. (Bernadette: Mmm.) Um, so we bought our first machine, we imported it and then we learnt

about dye casting. (Bernadette: Mmm.) Today we've got 11 high pressure dye casting machines. We melt around 110000 kilos of aluminium a month, (Bernadette: Wow!) ja. We've got 137 people working here and, ja, that's where we are at the m ...

Bernadette: So you a real medium sized enterprise.

Danie: Ja, ja.

Bernadette: And it's just the 2, you and your brother that are, are owners.

Danie: Yes, yes.

Bernadette: You don't have any sort of holding companies that ...

Danie: No, no, n..

Bernadette: It's just the 2 of you and it's a 50 50 partnership.

Danie: That's correct, ja.

Bernadette: Ja, so I see that and there. And competition in the market, are, and sort of are you supplying more locally within the Meyerton area (Danie: No, no!) or does it go ...

Danie: No. We've got no customers in Meyerton.

Bernadette: Really?

Danie: Ja, no. (Bernadette: Okay.) We supply to, uh, a lot of, uh, lighting industries, (Bernadette: Mmhmm.) the mining industry, ...

(Pause.)

Bernadette: Okay, so you've got lighting, what sort of lighting you ...

Danie: Like street light fittings, (Bernadette: Okay.) that aluminium casting (Bernadette: Okay.) on the street lights, (Bernadette: Mmm.) the, um, when you get to the toll gates you will find there's a big light fitting, a lot of them on the side, we manufacture those casings, those aluminium casings ...

Bernadette: And is that, is that SANRAL or who's it that does that?

Danie: No, that's different lighting companies like (Bernadette: Okay.) Beca, Genlux, Magnitech, all those, uh, kind of, uh, (Bernadette: Okay.) lighting people, ja.

Bernadette: And then the, uh, who else do you supply into?

Danie: Uh, electrical industries (Bernadette: Ja.) like WACO, uh, for the, um, 3 face plugs, the welding plugs (Bernadette: Mmhmm.) and, ja, and the mining industry.

Bernadette: What do you do for mining?

Danie: We supply also a light fitting, they call it the two way lighting box, (Bernadette: Mmhmm.) they use it underground, (Bernadette: Okay.) put it on a cable as they go along. Um, automotive industry, that's our biggest customer at the moment. We s ...

Bernadette: Okay, is there a specific automotive customer?

Danie: Yes, we supply BMW.

Bernadette: BMW, okay! So is it all the car [Word not clear.] ...

Danie: Ja.

Bernadette: Oh, wow!

(Bernadette and Alberto laugh.)

Danie: Ja, we supply the, the, the rear dif cover (Bernadette: Okay.) of the 3 series (Bernadette: Mmm.) that they build in Rosslyn, (Bernadette: Okay!) ja, we supply.

Bernadette: So it's all the way to Pretoria, (Danie: Ja.) ja.

Danie: So our, we've got a 4 ton truck going to, uh, Rosslyn, Brits, every day to the, (Alberto: Mmm.) to do deliveries.

Bernadette: Okay. (Danie: So that ...) And the mining industry, is that the Brits or is, is that both automotive?

Danie: Uh, it's ...

Bernadette: Sorry, you got, Rosslyn, is, is BMW also in Brits? No.

Danie: No, BMW is in Rosslyn (Bernadette: Ja. Ja.) and then Robert Bosch South Africa, (Bernadette: Ah-ha.) they build wiper systems, (Bernadette: Mmhmm.) starter motors, uh, alternators, for motor, different (Bernadette: Mmm.) OEMs, we not a, we are what they call a tier 2 supplier (Bernadette: Okay.) not a tier 1, Robert Bosch and BMW, uh, we, we actually not supplying direct to BMW.

Bernadette: So you supplying to ...

(Slight pause as Danie's phone rings.)

Danie: So we supply to ZF Lem Forder.

Bernadette: So you've got a, a, sorry, that's Z?

(Danie then spells the name of the company.)

(Pause as Danie answers his phone.)

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

Danie: Ja, that's the, just to show you, that's a, the BMW cover.

Bernadette: Okay.

(Slight pause.)

Danie: This is a, what we call a, a cluster. (Bernadette: Mmhmm.) So what we supply to BMW is only this part. That' we cut off.

(Slight pause.)

Bernadette: Okay, then, okay, so this is ...

Danie: This is what we call the runner system (Bernadette: Okay.) to get the material into the ...

Bernadette: Ja, I can see there's a different fin, almost a different finish on this, (Danie: Ja.) ja. And there's **Aluminium Casting Company**. (Danie: Ja.) Ja. And the T2 is that tier 2?

Danie: No, that's a second tool.

Bernadette: Second tool.

Danie: Ja.

Bernadette: Okay. (Slight pause.) Okay, excellent! We'd like to see some of the machines if it's possible, you know, that would be lovely.

Danie: Ja. Ja, no, you will be able to see some.

Bernadette: Ja, magic. So, so you're a tier 2 supplier within the automotive industry (Danie: Yes.) and you supplying to ZF Lem Fords and they then ...

Danie: They assemble and they supply direct to BMW.

Bernadette: Okay. So they do assemblies. Do you have any interaction with BMW?

Danie: Yes, yes!

Bernadette: Okay, so you, you actually have quite good visibility into the, (Danie: Yes, yes, ja.) ja. So do you work quite closely then with, with these guys? (Danie: Yes, ja.) The design and that type of thing.

Danie: Not really on the design. They, they design the part, (Bernadette: Mmm.) they give us the drawings (Bernadette: Mmm.) and the CAD models and then we design the dye from that (Bernadette: Okay.) and we build the dye and then we start running (Bernadette: Mmm.) the dye.

Bernadette: And then what sort of interaction do you have with BMW?

Danie: Mainly on supply, (Bernadette: Mmhmm.) supply and demand.

Bernadette: Just the, the quantity.

Danie: Ja. (Bernadette: Okay.) Ja, they will come and inspect, uh, what they call a BZS, I don't know what it stands for (Bernadette: Mmm.) but I understand what it's about.

Bernadette: Part of their quality or what?

Danie: Ja, it's to, to, to come and inspect whether we can meet the, the volumes, (Bernadette: Mmhmm.) daily deliveries, on, on the casting side (Bernadette: Mmm.) as well as on the machining side.

Bernadette: Mmm, mmm. And what sort of percentage of your business is in this, in the automotive side?

Danie: Uh, at the moment it's around 57 percent.

Bernadette: So, so it's, so as you said, it's the, the, the prime ...

Danie: It's our major, ja.

Bernadette: Ja. And Robert Bosch, they are ...

Danie: They, they supply to Ford Motor Company, (Bernadette: Mmhmm.) they supply to Mercedes Benz, (Bernadette: Mmhmm.) Toyota, VW (Slight pause.) and General Motors.

Alberto: When, when you say it's 57 percent, at the moment, does it vary greatly depending on what the demands are?

Danie: No, no, that's not based on demands, (Alberto: Okay.) that's, that's based on turnover per year, that's what, (Alberto: Oh, okay.) (Bernadette: Okay.) ja.

Bernadette: So turnover per annum.

Danie: Ja.

Bernadette: And then Robert Bosch what are you, are you working, they the tier 1 supplier into these guys.

Danie: Yes, yes.

Bernadette: Okay. And, um, what do they do? Is it the same sort ...

Danie: They do the, uh, wiper systems, (Bernadette: Mmhmm.) uh, starter motors (Bernadette: Okay.) and alternators.

Bernadette: Okay. And ...

Danie: And they also export.

Bernadette: Okay. To these people, these comp, (Danie: Yes.) these automotive companies.

Danie: Especially on, um, Daimler Chrysler Mercedes (Bernadette: Mmm.) they export to Germany.

Bernadette: Okay.

Danie: But the complete wiper systems.

Bernadette: Okay. And you, what, you doing sort of the aluminium parts of these.

Danie: We doing the aluminium cast, ja.

Bernadette: Casting. And does that, the 57 percent include these guys?

(Slight pause.)

Danie: Yes, yes.

Bernadette: So this is the total automotive?

Danie: That's the total automotive, ja.

Bernadette: Okay. All right. And then mining, um, are these obviously this is the other 43 percent.

Danie: Yes.

Bernadette: Okay. And then sort of what is, what is sort of key here in, would you say ...

Danie: The, the lighting and the electrical industry, ja, (Bernadette: Are they ...) Mining is, is quite small.

Bernadette: Okay.

Danie: Ja.

Bernadette: And, okay, and you do also light fittings and that type of thing (Danie: Yes.) with all of this. Okay. Any questions on the supply side?

Alberto: Ja, I just want to say this is all then also second tier ...

Bernadette: Do you work through people here or you a first tier to ...

Danie: No, we supply direct to the company that, that actually (Bernadette: Direct s ...) manufacture (Alberto: Okay.) and assemble the light fitting, (Alberto: Okay.) ja.

Bernadette: Okay. And the electrical industries and mining (Danie: Yes.) you, you the tier 1 (Alberto: Okay.) supplier (Danie Yes.) then for them (Danie: Yes.) and a tier 2 within, I can see the, the speak because the automotive industry's very pedantic about where you fit into their (Danie: Ja.) supply chain (Danie: Ja.) and everything, (Danie: Ja.) ja, so. (Danie: Ja.) Okay. Um, and then, uh, on this side, um, how would you define your relationships with, with these various companies? With, with ZF, how would you sort of define your working relationship with them?

(Slight pause.)

Danie: Um, (Slight pause.) I can only say, um, there's, you know, coming from a family business, we are more, um, how can I put it in English, um, ...

Bernadette: Sê dit maar in Afrikaans.

Danie: Ons is meer, um, (Slight pause.) um, geoorenteerd teenoor 'n verhouding, (Bernadette: Mmm.) um, met die kliënt.

Alberto: Relationship orientated.

Bernadette: Mmm.

Danie: Ja, um, ...

Bernadette: Menslik, sort of ...

Danie: Ja, but (Bernadette: People.) on the automotive side it's plain business, (Alberto: Ja.) (Bernadette: Mmm.) you can lose a job for C50, (Bernadette: Mmm.) you can lose a order (Bernadette: Mmm.) for a difference of C50 (Bernadette: Mmm.) on a part, (Bernadette: Mmm.) and, uh, that's a bit difficult, ja.

Bernadette: Mmm. So it's very much price orientated ...

Danie: Price, price, ja.

Bernadette: Price is what, (Danie: That's that, ja.) and then quality, I would guess, would be the other ...

Danie: Ja, of course ja, quality we would ...

Bernadette: Because I see you've got some certifications (Danie: Ja.) up there, (Danie: Ja.) quality.

Danie: You cannot work for them without that. (Bernadette: Mmm.) You've got to have a, a, ISOTS16949 (Bernadette: Mmm.) certification, (Bernadette: Mmm.) ja.

Bernadette: So you would say this is more sort of a business type of re ...

Danie: It's plainly business, ja.

Bernadette: Plain business, (Danie: Ja.) this is what we need from you, (Danie: Ja.) can you do it? If you can't do it (Danie: Sorry.) then we will find somebody else (Danie: Ja, ja.) kind of thing.

Danie: Whereas with these people, we've got relationship for the last 20 years so (Bernadette: Mmm, ja.) so, you see, it's a different, uh, scenario, (Bernadette: Trust.) ja, ja.

Bernadette: You have trust, you, (Danie: Ja.) you on a, you know, 1 on 1 human basis, (Danie: Yes, ja.) it's persoonlik.

Danie: Ja, dis persoonlik. (Bernadette: Ja.) It's personal, ja, (Bernadette: Ja.) ja.

Bernadette: So that's, whereas this is besigheid.

Danie: Ja.

(Bernadette and Alberto laugh.)

Bernadette: Okay. And then, um, any, anything you want to ask from ...

Alberto: No, I'll go through, I'll go through all my questions later.

Bernadette: Okay. And then sort of risks on this side, um, here you've got to obviously monitor your pricing for the automotive side, be very, very price ...

Danie: Quality, (Bernadette: Quality, so ja, ...) delivery.

Bernadette: Deliveries so that ...

Danie: You see, you can't afford to, to miss a delivery (Bernadette: Mmm.) because then you stop the line, (Alberto: Mmm.) (Bernadette: Mmm. Are they ...) their manufacturing line (Bernadette: Ah, okay.) and if that happens, I mean, we will not be able to survive.

Bernadette: Mmm, mmm. (Danie: Ja.) So the strike, how did that affect you?

Danie: In a big way.

Bernadette: And how did you manage it?

Danie: But luckily, um, most of their people were also on strike. (Bernadette: Okay.) So that was a bit of a relief (Bernadette: Mmm.) but although on the 1 part the, uh, the Mercedes Benz part, they actually wanted to move the tool to Germany. (Slight pause.) So we had to smuggle people in and try and work during night shift and weekends to, to be able to supply their demand. (Bernadette: Mmm.) We managed to do that (Bernadette: Mmm.) but that was very risky, (Alberto: Mmm.) you know.

Bernadette: Mmm, mmm, and, ja, so, and, okay, so from, and then any other risks? So you survived the strike, it was 4 weeks, um, you managed to sort of do evening shifts, get guys in (Danie: Ja.) that were willing to kind of do, (Danie: Ja.) do the work. (Danie: Ja.) Was it non-unionised guys that came in or ...

Danie: It was unionised guys, (Bernadette: Is it? Mmm.) uh, but they took a chance to, (Bernadette: Ja.) ja.

Bernadette: And why do you think they did that?

Danie: I think it's a, they understand what, what business is all about (Bernadette: Really?) and I explained to them, I couldn't force them to come, (Bernadette: Mmm.) I would never do that, (Bernadette: Mmm.) uh, but just explained to them what will, what's going to happen if we don't supply (Bernadette: Mmm.) we will lose the business (Bernadette: Mmm.) and then coming back from the strike a lot of people will lose their jobs, (Bernadette: Mmm, mmm.) and they decided to put, to take the risk. (Bernadette: Mmm!) So we, we fetched them in the, uh, where they stay (Bernadette: Mmm.) and we trans, took them back again (Bernadette: Mmm.) in the morning and at night time.

Bernadette: Okay. And that was when the strike, the, what's it NUMSA were not monitoring (Danie: Ja.) you really, because I know there were other companies that they also, okay, NUMSA, okay, they monitoring in the morning and the afternoon (Danie: Ja.) and they not monitoring during these [The rest is not clear.].

Danie: Oh, they did here as well but we, we watched them very closely (Bernadette: Mmm.) with the CPF, uh, and they normally warned us that, okay, they on their way now. Then we shut everything, (Bernadette: Mmm.) and switch everything off and (Bernadette: Ja.) and be quiet and, (Bernadette: Ja, ja.) ja, it, it was the difficult times.

Bernadette: Hair raising stuff, (Danie: Ja, ja.) ja. So ...

Danie: They even came here, they break down the gate at the back.

Bernadette: Really!

Danie: Ja. Ja.

Bernadette: Shoh! So that, how did you, were you, was there anybody here on the premises?

Danie: Yes, yes, we were here, ja.

Bernadette: So that, but they didn't harm you.

Danie: No, the police were standing there, (Bernadette: Oh, okay!) watching them (Bernadette: Ja.) but they didn't do anything, they allowed them to break down the gate but they didn't enter the premises, (Bernadette: Okay.) they just stopped outside.

Bernadette: If they had entered the police would have had to intervene.

Danie: I think so. (Bernadette: Ja.) I think so.

Bernadette: Ja, so they understood that, (Danie: Ja.) ja. But still, it's scary.

Danie: You, it's ...

(Slight pause.)

Bernadette: Shoh! (Bernadette laughs.)

Danie: With 200 people walking in here with sticks and knopkieries (Bernadette: Ah, no!) and all that, (Bernadette: It's very scary stuff.) it's difficult, ja.

Bernadette: Ja. But you survived (Danie: Ja.) through doing and, and basically supplying the automotive. um, these guys with what they needed when they needed it (Danie: Ja, ja.) because obviously if they were s, were, their people were on strike they were still, still also doing minimum production (Danie: Yes, yes.) and that type of thing, (Danie: Ja, ja.) ja.

Danie: We also, of course, with the automotive industry, you've also, you've always got to carry safety stock, (Bernadette: Mmm.) so they, we used all the safety stock (Bernadette: Mmm.) and then we had to start manufacturing.

Bernadette: How many weeks of safety stock do you ...

Danie: 3 weeks.

Bernadette: 3 weeks (Danie: Ja.) so that, ja, (Danie: Ja.) so it was really towards the end of the strike (Danie: Ja.) that you ...

Danie: On some parts.

Bernadette: On some parts.

Danie: We make, uh, for Robert Bosch alone we make about 123 different parts, (Bernadette: Mmm.) (Alberto: Mmm.) ja.

Bernadette: Okay. Shoh! So, and you don't keep safety stock for all of those.

Danie: No, we can't. No, we haven't got the space.

Bernadette: No, you don't have the warehousing facilities.

(Bernadette and Danie laugh.)

Danie: Or the money to, (Bernadette: Ja, no, exactly.) to carry all that stock, ja.

Bernadette: Because that's, that's capital (Danie: Ja.) tied up, (Danie: Ja.) ja. Um, so both of these you, you do keep key components (Danie: Yes.) in safety stock and they specify what you need to, (Danie: Yes.) to keep in terms of ...

Danie: And they come and inspect (Bernadette: And they come and inspect.) every now and again, ja.

Bernadette: Ja, to make sure you doing that, okay. And then these guys you say you've got a close relationship and, and, so how would you s, would you say it differs? Are, if you can't s, if you've got problems with supply can you then renegotiate with these guys when ...

Danie: You see, here you've got a relationship with the MD of the, the owner of the company.

Bernadette: Okay, so the MD here, ja.

Danie: Ja. (Bernadette: Mmm.) So we on speaking terms with (Bernadette: Mmm.) and that, that's different, (Bernadette: Ja.) so I can just pick up the phone and tell him that we have a problem and ...

Bernadette: Mmm. Ja, (Danie: Ja.) and he will say, okay, (Danie: Ja.) we will make a plan (Danie: We will make a plan with you.) and we will work with you on this (Danie: Ja.) and that type of thing. And the electrical ...

Danie: Same.

Bernadette: The same. And, and this, the, the mining company the same, (Danie: Ja, also.) so you also relationship with the MD, you, ...

Danie: No, not on the mining so, so much but for them to, to move to another supplier is not that easy. (Bernadette: Okay.) To get onto their supplier's list (Bernadette: Okay.) is not very easy.

Bernadette: Okay. So they'd prefer to stick with somebody that they know.

Danie: Ja. And also the product that we manufacture for them, we are the only company in South Africa that manufacture that.

Bernadette: So you've got niche. Okay.

Danie: Uh, for the, well, we actually bought those tools and the machines. Let me rephrase, we were doing the mining, uh, stuff for a different company, they were buying from us, (Bernadette: Okay.) and at the time they had some financial problems and I had the choice to either close them down, lose the money, lose the business, or talk to them, take over the cheque book and start working in a close relationship with them and try and save them. (Bernadette: Mmm.) And that's what I did and so, so we still got the business.

Bernadette: Okay, so you, that company, have you, have you brought it into your company or, or is it still ...

Danie: Ja, the company is actually operating from our premises, (Bernadette: Okay.) we do the deliveries, I sign the cheques, (Bernadette: Okay.) the owner of this company he's got no, he hasn't got the authority to sign cheques or anything, (Bernadette: Okay.) at this stage.

Bernadette: So you've almost integrated them into, (Danie: Yes!) as a, as a, as a, as a sort of division of your company (Danie: Yes, yes.) and, ja, (Danie: Ja.) so. S, and do they still, do they trade under your name or their name?

Danie: No, we've got a different name for them, (Bernadette: Okay, so ...) Break Even. Break Even. We call it Break Even, ja, (Bernadette laughs.) that's the company's name.

Bernadette: Okay. But, (Danie laughs.) so you've maintained that business?

Danie: Ja.

Bernadette: Ja. (Danie: Mmm.) Oh, that's, that's a wonderful story, you, (Danie: Ja.) so, (Danie: Ja.) and, okay. And then competition, it, because your product, I would guess, would be quite specialised.

Danie: Not really.

Bernadette: Not really?

Danie: No, (Bernadette: No.) no.

Bernadette: So how do you, what sort of competition and how do you deal with competition? Do you have ...

Danie: On the automotive side it's price, (Bernadette: Mmhmm.) that's the only, price and quality. (Bernadette: Mmhmm.) (Slight pause.) Um, at the moment, what's starting to, to become, to become a big problem is the imports from China (Bernadette: Mmhmm.) and, um, India (Bernadette: Mmhmm.) (Slight pause.) um, and Brazil.

Bernadette: How are you seeing that impacting you, how's it impacting you?

Danie: Well, we lose business.

Bernadette: Is it?

Danie: Ja.

Bernadette: Because then these guys are simply just shopping for price (Danie: That's correct.) on products.

Danie: That's correct. (Slight pause.) (Bernadette: Okay.) They've even got a clause in their, in their RFQ, (Bernadette: Mmm.) that's the request for quotation, (Bernadette: Ja.) where

they want, they, um, a 2 percent, at least, (Bernadette: Mmm.) price reduction (Bernadette: Mmm.) per year (Bernadette: Mmm.) for the first 3 years (Bernadette: Mmm.) and then the price stabilises. (Slight pause.) Because what they saying is when you start, you see, it's normally a 7 year (Bernadette: Mmm.) period that, (Bernadette: Mmm.) a new car normally runs for 7 years, (Bernadette: Mmm.) then you get a new model. (Bernadette: Mmhmm.) So what they do is they say, okay, you get the business, so after start of production then your, you must increase your productivity, you must ...

Bernadette: So they've got all these stipulations that you have to ...

Danie: Ja, and then, then they want a reduction in price. (Bernadette: Mmm.) (Slight pause.) So that's, uh, that's really difficult. But ...

Bernadette: So how do, ja, sorry, carry on.

Danie: But what they do is say, you see, on the aluminium, if we pay, we work on a, on a, let's call it a flat rate (Bernadette: Mmhmm.) of R12 a kilo, (Bernadette: Mmhmm.) then we've got a Surcharge rate, (Bernadette: Mmhmm.) so aluminium, the price of aluminium is always doing this, (Bernadette: Mmm, ja, so you obviously bringing ...) normally it goes up, ja. So they would pay the difference between the quoted price and the Surcharge price. (Slight pause.) So at the moment, uh, we paying R28.20 a kilo.

Bernadette: To your aluminium supplier?

Danie: For aluminium (Bernadette: Mmhmm.) and the casting is done on R12 a kilo. So they would pay the difference on the material price.

Bernadette: And they'd pay that directly to the supplier.

Danie: No, to us.

Bernadette: Oh, to you, okay.

Danie: To, to us, (Bernadette: Okay.) but on, on increase in, uh, wages, electricity, gas ...

Bernadette: So overheads they don't ...

Danie: They not interested. That's your problem. You've got to streamline your processes and lean manufacture ...

Bernadette: So how have you done, how have you managed that lean, I hear a word "Lean".

Danie: Ja, ja.

Bernadette: (Bernadette laughs.) You seem to know the buzz words.

Danie: Ja.

(Bernadette and Danie laugh.)

Danie: No, you have to work through it, that's uh, ...

Bernadette: Ja. (Danie: Ja.) So do you have, so is it you that sort of initiates the, the efficiency and continuous improvement type of stuff?

Danie: At the moment yes, ja.

Bernadette: Ja, so you the continuous improvement (Danie: Ja.) manager as well as ...

Danie: I, I'm everything, so.

Bernadette: You everything.

(Everyone laughs.)

Danie: Ja.

Bernadette: So how, how, what sort of things would you have done to reduce and to manage your pricing? What type of thing, if, an example?

Danie: Ag, you look at, uh, like for instance we've installed new burners, (Bernadette: Mmhmm.) we, we on SASOL pipeline gas, (Bernadette: Okay.) we use a lot of gas, (Bernadette: Mmm, ja.) we 1 of their good customers (Bernadette laughs.) because if you don't pay they just cut it off, (Bernadette: Ja.) that's it. Um, so you install new burners, more efficient burners, (Bernadette: Mmm.) uh, ...

Bernadette: But that's an initial outlay cost.

Danie: Yes, but that's an ongoing thing so, (Bernadette: Ja.) uh, if you can save on gas, save on labour, so that's what we try to do. We bring it in ...

Bernadette: How do you save on labour? Have you laid people off?

Danie: Like for instance, no, (Bernadette: Mmm-mmm.) no, the union won't allow that.

Bernadette: Ja. Have you got quite a stable workforce then or, in terms of the people (Danie: Yes.) that you have? Ja.

Danie: Yes. (Slight pause.) So, um, uh, by introducing what we call trimming tools, (Bernadette: Mmhmm.) so what's happening on the floor, when you making a casting, like

I've shown you there, (Bernadette: Ja.) once you cut off that runners, (Bernadette: Ja.) you've got to get rid of the sharp edges. (Bernadette: Mmm.) So what you can do is you can build a trimming tool where you put the casting in the trimming tool and you just, with the hydraulic press, (Bernadette: Mmm.) you just trim it. Or you can go the long root by grinding each casting, (Bernadette: Mmm.) which we still do. So when the volumes are high enough then we build, uh, trimming tools and that save you on time.

Bernadette: And is that your design of trimming tool?

Danie: That's, that's our own ...

Bernadette: Your own design (Danie: Ja.) that you've, (Danie: Ja.) and it, it sort of almost automates the process.

Danie: Yes, (Bernadette: Ja.) yes, (Bernadette: Ja.) ja.

Bernadette: So, (Danie: Ja.) okay. (Danie: Ja.) So those are some of the, the clever things that (Danie: That, ja.) you've managed to put in place (Danie: Ja.) and, so that you, you can manage price, you can manage on time delivery (Danie: Ja, ja.) and, and quality as well.

Danie: Ja. And then, of course, you try for the best possible price, (Bernadette: Mmm.) (Alberto: Mmm.) um, ...

Bernadette: Ja, there's a negotiation, (Danie: Ja! Ja.) you know, you, (Danie: Ja.) ja, which is, (Danie: Ja.) which is fair in business. Absolutely!

Danie: Ja.

Bernadette: Ja. And then these guys on pricing are you, and, and that type of thing, are they ...

Danie: They not so tight on pricing, (Bernadette: Mmm, mmm.) ja, we get good prices on some of the parts, (Bernadette: Okay.) ja.

Bernadette: Mmm, mmm. And, um, criky, now I've forgotten what question I was going to ask. Um, in terms of payment, you know, because often cash flow can be an issue, do you have problems with, with payments because you m ...

Danie: No.

Bernadette: Ja. (Danie: No.) Does everybody ...

Danie: No, we've got very good customers.

Bernadette: So these guys will pay, (Danie: They, ja.) the automotive industry are very good with that.

Danie: They pay on time.

Bernadette: Ja. (Danie: Ja.) And then, then with your, your other customers, (Danie: Also.) I guess the long-term relationship (Danie: Ja.) has that helped with (Danie: Ja.) with ... (Danie: And if they having problems, would you then renegotiate terms with them (Danie: Yes!) we you need to, (Danie: Yes.) ja, (Danie: Ja.) so that's the kind of relationship, ja.

Danie: Ja, we do that from time to time, ja.

Bernadette: The kind of relationship (Danie: Ja.) that you have. And you say when volumes get quite high, do you ever sort of outsource or do you have somebody else that you can sort of, you know, a co-competitor or somebody that you ... No, you make, you make it work, you hang on to it.

Danie: You won't try that, (Bernadette: No.((Alberto laughs.) you hang on to it, ja.

Bernadette: So you, you know, you make a plan (Danie: Ja.) if the volume, (Danie: Ja.) do you do overtime (Danie: Ja.) and that sort of thing, (Danie: Ja.) ja. And then do you do any outsourcing, um, ...

Danie: Yes, we do a lot of outsourcing (Bernadette: So what sorts of things ...) on the, on the tooling side.

Bernadette: The tooling side. (Danie: Ja.) So, so this is outsourced. Because one of the things I'm doing is mapping your supply chain now.

Danie: Oh, okay.

(Everyone laughs.)

Bernadette: We going to put it into Visio (Danie: Ja.) and everything (Danie: Ja.) and then we will give you all of this (Danie: Ja.) information. (Danie: Ja.) So, so you, on the tooling side, and what sort of things are you outsourcing on the tooling?

Danie: It's mainly the dyes (Bernadette: Okay, the making of the ...) because you need a dye (Bernadette: Mmm.) to make the, the casting (Bernadette: Okay.) and that's very expensive stuff (Bernadette: Mmhmm.) so we, I've got a supplier, 2 or 3, 2 suppliers in China, (Bernadette: Mmhmm.) I've got some suppliers in Taiwan and then I've got some local suppliers. (Bernadette: Okay.) 2 local suppliers.

Bernadette: Okay. So, and do you work with them quite closely (Danie: Yes.) in terms of the design.

Danie: Yes, yes. I approve the design.

Bernadette: Because as a pattern maker you will know exactly (Danie: Ja.) what you want, (Slight pause.) would you? (Bernadette laughs.)

Danie: I wouldn't go that far on the ...

(Bernadette and Alberto laugh.)

Bernadette: But do you then s ...

Danie: I've got a very good idea of what, (Bernadette: Ja.) what we need, ja.

Bernadette: So how do you, how do you work with these guys especially the, the, the international?

Danie: I, I, I go to China very often, (Bernadette: Okay.) ja.

Bernadette: Where in China? My brother goes quite often.

Danie: Uh, ...

(There is then a discussion about the Chinese place names and the place Bernadette's brother goes to in China.)

Danie: Ja. Ja, I also, um, uh, I forgot about, there's 1 specific casting, uh, I don't want to mention the name of the company, (Bernadette: That's fine. Mmhmm.) that, that I import, I import the casting for them because we haven't got a machine big enough to make it. (Bernadette: Mmhmm.) So I got the order on the basis that the, on the, on the, on the basis that we were going to make it here (Bernadette: Mmm.) but in the end, after the design was finished, (Bernadette: Mmm.) I realised we couldn't do it here. (Bernadette: Mmm.) So I got a supplier in, uh, in China that make the casting and I import it.

Bernadette: How did you find that supplier? Through your other ones or have you got contacts?

Danie: You know what, the, the guy that we, uh, we bought our first machine from ...

Alberto: Mmm.

Bernadette: Mmm. You've still got a relationship with him.

Danie: Yes! (Bernadette: Ja.) The day that we left the company in Taiwan, he, he was seeing us, uh, he was saying goodbye to us at the airport and he started crying, the Taiwanese guy. (Bernadette: Oh my word!) Ja, so I still, up to today from 93, we've got a very good relationship, (Bernadette: Mmm.) and when I go there I visit him often (Bernadette: Ja.) and he's been here quite a couple of times, then he come and stay at my house, so, (Bernadette: Shoh!) ja, so that kind of relationship ...

Bernadette: You must have made such an impression (Danie: Ja.) when you went over (Danie: Ja.) there, oh! (Danie: Ja.) That's wonderful.

Danie: Ja. So that's the 1 casting we import, (Bernadette: Mmm.) the rest is there. So through him (Bernadette: Mmm.) I, I met some other suppliers as well, ja.

Bernadette: The other suppliers, ja. (Danie: Ja.) So it's about networking.

Danie: Ja.

Bernadette: Networking.

(Pause as Danie answers his phone.)

Bernadette: And then, um, so you do, you, you will say to them there's a new casting ...

Danie: No, what we do is we get the, the CAD model or the PDF drawing from the customer ...

Bernadette: And that's the automotive either BMW or ...

Danie: Ja, or whoever, (Bernadette: Mmm.) then I send that over via e-mail ...

Bernadette: Okay, to the guys in China, (Danie: To the guys.) Taiwan or wherever you get this ...

Danie: They give me a quotation (Bernadette: Ja.) and then, uh, if I accept their price, then I send them the CAD model.

Bernadette: Okay. And who's d, has the BMW, whatever the automotive, they've done ...

Danie: They must supply us the CAD model, (Bernadette: Cad model.) ja. (Bernadette: Okay.) Ja.

Bernadette: Ja.

Alberto: So is that their intellectual property?

Danie: Yes.

Alberto: Okay.

Danie: Ja, ja.

Bernadette: Ja. So you obviously have those types of agreements, (Danie: Yes.) intellectual (Danie: Yes.) property agreement (Danie: Ja.) and protection of, (Danie: Yes, yes.) all of that type of thing, (Danie: Ja.) ja. And then would you work fairly closely with these guys if there's problems with ...

Danie: Well, what they will then do is they take the CAD model, they, they design the dye, (Bernadette: Mmhmm.) and then they send the CAD model back, the dye, (Bernadette: Mmm.) the CAD model of the dye, and then I've got to approve that.

Bernadette: Okay, so you will go through it with your ...

Danie: I will go through it. Sometimes I go over there and just make sure, (Bernadette: Mmm.) ja.

Bernadette: Mmm. Okay. Um, and in terms of the products that you supplying to the non-automotive, are these fairly standard products or you going to be, or do you do, are there changes quite often?

Danie: There are some changes, sometimes we have to make new dyes, (Bernadette: Mmhmm.) we, we do some ourselves, we can make dyes (Bernadette: Mmm.) uh, but we don't, uh, we haven't got enough people to do that (Bernadette: Mmm.) so (Bernadette: Mmm.) we don't like to do it.

Bernadette: So that's why it's outsourced (Danie: Ja, ja, ja.) to specialists (Danie: Ja.) and that sort of thing, ja.

Danie: And the reason for, uh, the problems that we have in South Africa with tool makers is their deliveries. It's not the price (Bernadette: Mmm.) because China is not cheap anymore, (Bernadette: Mmm, mmm.) it's based on the, on the, on the lead time.

Bernadette: So you actually getting it quicker from im ...

Danie: Much quicker! Much ...

Bernadette: But how do they get it, is it because they do the, the design and everything quickly, more, more quickly?

Danie: No, it's because ... The one company in Taiwan, they manufacture around 350 dyes (Bernadette: Mmm.) per year.

Bernadette: Okay, volumes.

Danie: Volumes. In South Africa if, if, if you go to a tool room, you would be lucky to get 1 tool in 6 months.

Alberto: Hmmm.

Bernadette: So these would be the local. (Danie: Ja.) And, and skills in South Africa versus overseas?

Danie: No, we've got some good skills, (Bernadette: Oh, have we!) uh, on the, on the, not on the dye design so much (Bernadette: Mmm.) but once you give them the, the design we've got the tool makers (Bernadette: Mmm.) but we haven't got the experience and the knowledge (Bernadette: Mmm.) to design a runner system, because that's very critical.

Bernadette: Mmm. Yet the Chinese and Taiwanese ...

Danie: They, they do it, ja.

Bernadette: But then they've designed the machines, you bought the machines, so they will understand ...

Danie: They understand more about (Bernadette: Ja.) dye casting (Bernadette: Ja.) then we do, (Bernadette: Ja.) ja, (Bernadette: Ja.) ja.

Bernadette: Okay, (Danie: Ja.) ja.

Danie: Nowadays you get a programme where you can do a simulation. (Bernadette: Okay!) Uh, we've tried that now (Bernadette: Mmm.) with, with our last tool that we made in South Africa, (Bernadette: Mmm.) they do a material flow analysis (Bernadette: Mmhmm.) and then we design the, the runner system (Bernadette: Mmm.) on that, uh, that CAD model, (Bernadette: Mmm.) and you can test it actually on the computer (Bernadette: Mmm.) to see what's going to happen.

Bernadette: Mmm. So are you using AUTOCAD or what ...

Danie: Um, Solid Works.

Alberto: Oh, okay.

Bernadette: Solid Works. (Danie: Ja.) Okay, that's what we use at varsity. (Alberto: Ja.) Ja, (Danie: Ja.) we use the Solid Works.

Alberto: And the simulation is that Mag Flow?

Danie: Magma Flow.

Alberto: Magma Flow.

Bernadette: Magma Flow.

Danie: Magma Flow, ja. (Bernadette: Ja.) We use Amatex, (Alberto: Okay.) that's the name of the company, ja.

Alberto: Okay.

Bernadette: Mmm, mmm. So you run those packages, you bought those packages.

Danie: No, no, no, they do it for us.

Bernadette: They do it. Oh, okay.

Danie: Because that's also, that's also specialised, (Bernadette: Mmm, mmm.) um, ja. (Bernadette: Ja, ja.) [Alberto says something that is not clear.] So I, I don't want to do that as well.

Alberto: Mmm.

Bernadette: (Bernadette laughs.) So if you had to just look at your supply side, what would you, if you had to say, what were the major risks on this side? What would be your top major risks on this side?

(Pause.)

Danie: I would say competition, price, price, mainly price ...

Bernadette: Pricing competition particularly on the automotive components.

Danie: Ja and, and, and, um, you see, the equipment that you get today, (Bernadette: Mmm, mmm.) if you have money and you can invest in the, in better equipment then, then we've got, (Bernadette: Mmm.) then, uh, we will not be able to compete. (Bernadette: Mmm.) But luckily, in South Africa, most of the equipment is very old, (Slight pause.) not only ours. (Bernadette: Mmm, mmm.) But if a, if a company from Taiwan, from China, uh, would come and put up a factory, and that's the rumours that we are hearing, (Bernadette: Mmm.) uh, would come and put up a factory and put new machines in, they will take us out of business (Slight pause.) for sure.

Bernadette: Shoh! So you monitoring that quite closely.

Danie: Well, we listening to that, we haven't really got a way of monitoring that.

Bernadette: Where are you getting that information from? (Bernadette laughs.)

Danie: From the different customers.

Bernadette: Really! (Danie: Ja, ja.) Ja, they ...

Danie: Ja.

Bernadette: And if they, then, then, do you have contingency plans if something like that would happen?

Danie: Not really, no.

Bernadette: Not really. (Danie: No.) You just see what happens. (Danie: Ja.) The wait and see (Danie: Ja.) policy. (Danie: Ja.) Ja, okay. Um, and then, any risks on this side where you outsourcing to you, your tooling?

(Slight pause.)

Danie: I can't really see a risk on that side.

Bernadette: Mmm. You feel quite confident (Danie: I feel confident.) that the way in which ...

Danie: Except I'm a bit concerned about the, the guys in China at the moment (Bernadette: Mmm.) because, uh, they've got a, they haven't got much work (Bernadette: Okay.) so some of that, those companies might go out of business, (Bernadette: Mmm.) that's, that's the risk there.

Bernadette: And then what would you do? You'd probably look for other people or ...

Danie: Yes.

Bernadette: Ja, (Danie: Ja.) and hopefully they've, (Danie: Ja.) the Chinese guys know other people (Bernadette laughs.) (Danie: Ja, ja.) other people who would be able to do it. (Danie: Ja.) Ja, because their economy is sort of (Danie: Yes.) receding (Danie: Ja.) and pulling back a bit, ja. Then on your supply side, you've got your aluminium that you buying, you've got gas, what else is coming in?

Danie: Electricity.

Bernadette: Ja, and how have you managed Eskom and it's consistency with the supply? (Bernadette laughs.) That's specific.

Danie: I, I must say, we, we had no big problems like that.

Bernadette: Really! Haven't you?

Danie: No. (Bernadette: Mmm.) No.

Bernadette: Do you have a generator?

Danie: Yes.

Bernadette: So you just switch to ...

Danie: But we can't run the hole plant. (Bernadette: Ja.) We can just run the (Bernadette: Essential.) essential, (Bernadette: Mmm.) ja, ja.

Bernadette: Okay. So that hasn't really been a major, (Danie: No.) major problem the electricity.

Danie: Only their pricing, that's all.

Bernadette: Ja. Pricing, okay. (Danie: Ja.) Yes, because that's just ...

Danie: That's a big risk, ja.

Bernadette: Ja. But then do you, then do you pull that through into, obviously, how does that filter through into the r, into your, this side, or is it just some, absorb it.

Danie: I've just got to live with it (Bernadette: Mmm.) and absorb it, ja.

Bernadette: Ja, ja.

Danie: And try lean manufacturing and all those improvements.

Bernadette: So this is where you would focus your efficiency (Danie: Ja.) and your cost management (Danie: Ja.) would be on (Danie: Ja.) efficiency in, in the plant, ja. And then you've got gas.

Danie: Yes.

Bernadette: And is that fairly, if you pay you get it. (Bernadette laughs.)

Danie: Ja, ja, no, (Bernadette: So you good to go.) it's consistent. (Bernadette: Ja.) We have, we, we never had (Bernadette: Ja.) a problem with gas.

Bernadette: And that, is that Egoli or which ...

Alberto: No, SASOL.

Bernadette: SASOL?

Danie: SASOL, yes, ja.

Bernadette: Okay, SASOL gas. Okay.

Danie: Pipeline gas, ja.

Bernadette: Pipeline, okay. Um, and then aluminium?

Danie: Ja, there's, there's a couple of suppliers (Bernadette: Mmm.) in South Africa so, um, there the challenge is, uh, the exporting of scrap.

(Slight pause.)

Bernadette: In what way?

Danie: Scrap metal dealers (Bernadette: Ja.) that's exporting aluminium scrap (Bernadette: Mmm.) then, then the price would go up in South Africa.

(Slight pause.)

Bernadette: So, ja, so where they, because would, would, would, what usually happens with the scrap, your, your s ...

Danie: The, the supplier, the aluminium supplier, (Bernadette: Mmm.) the, the people that supply to us, (Bernadette: Mmm.) they buy scrap (Bernadette: Oh, okay!) and they remelt it and bring it back into spare (Bernadette: Mmm.) and that's what they supply to us.

Bernadette: Okay! (Danie: Ja.) So they don't have the raw, raw aluminium (Danie: No.) that they processing?

Danie: No, not, not for the material, we, we use what they call a secondary aluminium (Bernadette: Okay.) and not a primary aluminium. (Bernadette: Mmm.) Primary aluminium is the ones in Richards Bay, (Bernadette: Ja.) ja. (Bernadette: Mmhmm.) That's a primary aluminium (Bernadette: Mmm.) and they use that normally for the, for the wheels. (Bernadette: Okay, ja.) We don't use that. We use the, um, ...

Bernadette: So you, they would be buying the scrap from the primary producers (Danie: All over.) and all over South Africa (Danie: Ja, all over South Africa.) and then (Danie: Ja.) supplying it into you and so if there are the rogue aluminium scrap collectors and they exporting it then they haven't got supply (Danie: Ja.) from, (Danie: Ja.) ja. Okay, so that's going, that's, that's quite a risk (Danie: Ja.) for you. Um, and if they don't have, have you ever not been able to (Danie: No.) get

Danie: No.

Bernadette: They've always managed (Danie: Yes.) to get (Danie: Ja.) to you. (Danie: Ja.) So you don't see that as a risk, they'll make sure you get (Danie: Ja.) what you need.

Danie: Well, their, their business depends on us (Bernadette: Ja, ja.) so they, they've got to do that.

Bernadette: Are you quite a big customer of these guys?

Danie: Yes.

Bernadette: Ja, (Danie: Ja.) so you, so they don't want to (Danie: No.) mess with you.

Danie: No.

Bernadette: No, okay. Anything else that are inputs to your, your business (Danie: Um, ...) from a raw material perspective?

(Slight pause.)

Danie: It's just the, the dye coat.

Bernadette: Dye coat?

Danie: Dye spray, that's normally imported, it's imported stuff.

(Slight pause.)

Bernadette: Is that fairly, um, available?

Danie: Yes, yes.

Bernadette: Ja, so you just phone up a, a rep (Danie: Ja.) and say, (Danie: Ja.) is that how it works?

Danie: Ja, ja.

Bernadette: And so the, they, they, the rep would then go to whoever they need to supply to you, need to get a ...

Danie: No, we've got an account with the suppliers, (Bernadette: Okay.) we've got 2 different suppliers (Bernadette: Okay, 2 times.) because the ISOTS system (Bernadette: Okay, they specify.) force us to have a contingency plan (Bernadette: Mmm.) on those, (Bernadette: Okay.) ja.

Bernadette: So that's why the 2 suppliers (Danie: Ja.) are in place.

Danie: Ja.

Bernadette: Um, and you use it also for these ...

Danie: For everything.

Bernadette: For everything, (Danie: Ja.) so ...

Danie: It's like the Spray and Cook (Bernadette: Ja, okay. (Bernadette laughs.)) and you spray it on the dye and then you make the casting and then ...

Bernadette: Ja, okay, and then it falls out of (Danie: Ja.) nicely.

(Bernadette and Alberto laugh.)

Bernadette: Okay. Spray and Cook.

(Bernadette and Alberto laugh.)

Alberto: Can you imagine.

Bernadette: But you don't get from Pick & Pay.

Alberto: Ja.

(Bernadette laughs.)

Bernadette: Anything else on this side?

Danie: No.

(Pause.)

Bernadette: And you, from what I can infer, you don't have major risks then on this side or do you?

Danie: No, no.

Bernadette: You feel fairly (Danie: Ja.) comfortable with your supply (Danie: Ja.) side. (Danie: Ja.) So for you it's your demand side that you need to manage very closely.

Danie: Ja.

Bernadette: Um, this you don't seem to have too much apart from (Danie: No.) the changes, ja. So it's, I'm, what I see is your automotive (Danie: Ja.) side is what you need to manage really, (Danie: Ja.) really closely (Danie: Ja.) and that's, that's the headache (Danie: Ja.) on a daily basis.

Danie: Ja, (Bernadette: Ja.) ja.

(Bernadette laughs.)

Bernadette: Okay. And then, um, can, if we can just work through, you probably don't remember what your answers were to this.

Danie: No, I don't.

(Everyone laughs.)

Bernadette: But I'm just going to work through them.

Danie: Okay.

Bernadette: Um, you, you've got entrepreneur, what is, well, you've explained the background to the company, how you've, you've really been an entrepreneur (Danie: Mmm.) in working

on your own for most of your life, (Danie: Ja, ja, ja.) ja, and you don't like (Danie: Ja.) working for other people.

Danie: Ja.

(Bernadette laughs.)

Bernadette: Um, and then, in terms of how, you know, how are you, do you do a lot of monitoring of what's happening on the, in the market in the external environment because you say that the external environment's quite a high risk. Because you said, external risks which may affect your organisation such as changes in the environment in which you operate. You said that's quite a high risk.

Danie: Just let me see that?

Bernadette: Ja, it was just sort of ...

(Pause.)

Danie: Um, (Pause.) how did I understand the question?

Bernadette: Mmm, that's also [A few words are not clear.] (Danie: Mmm, mmm.) how do you? (Slight pause.) Anyway, don't worry about it, it's ...

Danie: No, I think that might be with the environmental thing, um, (Bernadette: Uh, ...) as far as, uh, um, pollution and all that, (Alberto: Mmm.) (Bernadette: Mmm.) um, that might become a problem.

Bernadette: So in what way is that ...

Danie: Because we melting, we generating heat, (Bernadette: Mmm.) we generating gases, (Bernadette: Mmm.) uh, so we have to monitor that (Bernadette: Mmm.) on a yearly basis, also for the people on the floor (Bernadette: Mmm.) for their health. (Bernadette: Mmm.) So that, if we don't, um, (Slight pause.) ja, ...

Bernadette: Do you think there's legislation that might come in (Danie: Ja.) that is going to (Danie: Ja, ja.) sort of impact (Danie: That ...) what you do (Danie: That could impact, ja.) and, and these guys usually then become quite, um, (Danie: Ja.) (Alberto: Sticky.) sticky about it (Danie: Ja, ja.) as well (Danie: Ja.) and they ... And then also, um, your BEE and that type of thing, how, how's that affected you, the whole requirements and, and ...

Danie: Up to now not much (Bernadette: Mmm.) but I think, I think we going to experience problems (Bernadette: Mmm.) from now on going forward.

Bernadette: And the automotive industry, do, do they have BEE requirements from their ...

Danie: Yes, they do.

Bernadette: Ja. (Danie: Ja.) But I, I'm guessing they would be more pedantic about their 1st tier as opposed to (Danie: Yes.) the 2nd tier (Danie: Yes, ja.) at this stage. (Danie: Ja, I think so, ja.) But with the BEE levels changing (Danie: Ja.) and requirements, (Danie: Ja.) do you see that as being a potential ...

Danie: No, it is a risk, we, we will have to, um, (Slight pause.) to do something (Bernadette: Mmm.) about that. Um, ...

Bernadette: Do you have any thoughts about how you going to manage that or is, you don't need to share them, you just say, yes, no, if you don't want to.

Danie: No, I've got some thoughts. (Bernadette: Ja.) We've got some good guys here (Bernadette: Mmm.) that can, uh, well, I've got 1, our logistics manager (Bernadette: Mmm, mmm.) which I will, if necessary, I'll just, uh, sell him some shares (Bernadette: Mmm.) or give him some shares (Bernadette: Mmm.) and bring him in, ja.

Bernadette: Ja, so you, you, that's, (Danie: Ja.) you've got contingency (Danie: Ja.) planning (Danie: Ja.) with regards (Danie: Ja.) to that, ja. Okay, because I know quite a few people that we've spoken to have been ...

Danie: Ja, you see, I'm also, I'm 62 (Bernadette: Don't look it.) (Alberto laughs.) so I haven't, I, I'm not going to work for another 40 years.

Bernadette: What!

(Everyone laughs.)

Danie: I've got to, um, my brother he's 78, (Alberto: Shoh!) (Slight pause.) ja.

Bernadette: But he's still working?

Danie: He's still working, he's here every day.

Bernadette: It's amazing.

Danie: Ja. (Slight pause.) So he's not going to retire but we will have to plan our exit, that's for sure.

Bernadette: Mmm. And you don't have any family that are going to be interested in taking ...

Danie: You know what, I've got a son, he's 26, (Bernadette: Mmm.) I don't want him here. (Bernadette: Why is that?) I don't want him in this business.

Bernadette: Why?

Danie: It's taking up your whole life. (Slight pause.) Running a business like this, (Alberto: Mmm.) it's taking up your whole life, (Bernadette: Mmm.) really. (Bernadette: Mmm.) You've got to be very careful otherwise you spend 24/7 at, (Bernadette: Ja.) at the company.

Bernadette: Mmm. (Slight pause.) Okay, so has he, um, got a trade in ...

Danie: He's in IT, ja.

Bernadette: Is he in IT? (Danie: IT, ja, ja.) Okay, so he's, I think, pretty okay there then (Danie: Ja.) in that.

Danie: And I've got 2 daughters, they will not be interested.

(Bernadette and Alberto laugh.)

Bernadette: No, they haven't studied engineering.

Danie: No.

(Bernadette laughs.)

(There is then a discussion about 1 of the other companies Bernadette and Alberto visited.)

Bernadette: So you going to need to look at, at succession planning (Danie: Yes.) within the business (Danie: Ja.) and that type of thing. (Danie: Ja.) Okay, and that's, well, I don't know if you thinking of retiring soon or not. (Bernadette laughs.) When you find the right ...

Danie: Ja, (Bernadette: Mmm.) ja, ja. (Bernadette: Mmm, ja.) We actually, at the moment, advertising for a production manager, (Bernadette: Okay.) we haven't got 1.

Bernadette: Okay. So have you s, you and your brother ...

Danie: So I'm doing production, I'm doing ...

Bernadette: You the production, design, (Danie: Ja.) sales, everything. (Bernadette laughs.)

Danie: Ja.

Bernadette: Jack of all trades.

Danie: I've got a good maintenance manager (Bernadette: Ah-ha.) and a good logistics manager, (Bernadette: Okay.) so that helps me a lot, (Bernadette: Mmm.) ja.

Bernadette: But you'd still keep an eye on the business then if you've got a production manager or would you look at selling the business?

Danie: Yes, no, for sure, ja, ja.

Bernadette: You not looking at selling the business?

Danie: No, we tried, we, we almost sold the business, (Bernadette: Mmm.) uh, about 2 months ago, (Bernadette: Mmm, mmm.) but the deal didn't go through, because the people that wanted to invest, they had no money so they wanted everything from the government, from the DTI (Bernadette: Oh!) and that didn't work, so, (Bernadette: Okay.) ja.

Bernadette: So was that disappointing? You ...

Danie: That was disappointing, ja.

Bernadette: Ja, you were looking forward to (Danie: Ja.) retiring, (Danie: Ja.) ja, so.

Danie: Not retiring, uh, (Bernadette: But just ...) I'm a cyclist (Bernadette: Oh, okay!) I did the 94 ...

Bernadette: Did you do the 94 ...

(Alberto laughs.)

Danie: Yes! Ja.

Bernadette: Ah! Well done.

Danie: Ja.

(There is then a discussion about cycling.)

Bernadette: Um, what else, another thing that you mentioned as high risk here is operational risks which arise from the services you deliver or activities you carry out. So you mentioned that as a high risk.

(Pause.)

Danie: I think what I meant by that is that, um, if, if they should find a, a, a BMW for instance leaking oil at the diff cover, (Bernadette: Mmm.) they could recall a lot of cars and that will revert back to me. (Bernadette: Mmm, mmm.) So that will ...

Bernadette: And that's your op, that could be a cost ...

Danie: Ja, that will kill us.

Bernadette: Kill us, ja. (Danie: Okay, so very much within the automotive (Danie: Ja.) industry (Danie: Ja.) because of how stringent they are (Danie: Ja.) with how they manage their suppliers, ja. I heard that 1 before. Um, all right. High risk, (Pause.) you agree that you've got some control of the business environment. Can control and manage the business environment to your advantage. Yet it's stressful and hostile (Danie: Mmm.) and hard to survive in. (Danie: Mmm.) In what way do you feel you can control the business environment in which you work in?

Danie: Mainly by pricing and quality and flexibility.

Bernadette: Okay. Flexibility in what way?

Danie: Um, for these, you know, when you supply to them, (Bernadette: Mmm.) it's flexibility on all of them because they normally give you a, um, a forecast (Bernadette: Mmm.) or what we call a release (Bernadette: Mmm.) for the next 3 months. (Bernadette: Mmm.) Then you start producing on that basis. But then, like Robert Bosch for instance, they import a lot of parts. (Bernadette: Mmm, mmm.) They might pick up a problem where they can't get the parts in. (Bernadette: Mmm.) Then they have to change their lines, their, uh, assembly line to another product. (Bernadette: Mmhmm.) Then we can quickly change over, adapt in our plant to another product.

Bernadette: Okay, so ...

Danie: Ja, and supply. And not all, all foundries are willing to do that.

Bernadette: And why, is that costly or ...

Danie: It's costly! It's costly (Bernadette: The setup costs.) and it takes a lot of effort, ja, ja.

Bernadette: And so would you put in overtime and that type of thing to make ...

Danie: Yes, I will do that in order to maintain, (Bernadette: To secure the business.) ja, ja.

Bernadette: So (Danie: Ja.) you prepared to do, that's (Danie: Ja.) the flexibility (Danie: Ja.) you talking about. (Danie: Ja.) You prepared to put in the extra time. (Danie: Ja.) Ja, and your workers are, are, are flexible as well.

Danie: Yes, ja.

Bernadette: So they prepared (Danie: Ja.) to do that as well. Okay.

Danie: Ja.

Bernadette: Okay, um, then, you say, (Slight pause.) you do have a formal risk management plan and you say through the quality, (Danie: Quality.) are you ISO9000 (Danie: Yes.) so you feel that, um, that provides you with the risk management (Danie: Ja.) that you ...

Danie: In a way, ja.

Bernadette: In a way. (Danie: Ja.) In what way does it not work or doesn't cover everything?

Danie: I th, I don't think we can control the outside, (Bernadette: Mmm.) we can't control our competition (Bernadette: Mmm.) but we can control what's happening inside (Bernadette: Mmm.) (Alberto: Mmm.) and ...

Bernadette: And, and ISO helps (Danie: Ja.) with that.

Danie: Ja.

Bernadette: Okay. Um, do you believe that risk in the business is well managed? You not sure about that (Bernadette laughs.) because it's quite sort of variable (Danie: Ja.) what you dealing with (Danie: Ja.) on a, because you said, okay, you define risk as a loss of profit, sales, income, ja. Okay. Then, do you believe that you have the resources, (Slight pause.) this is interesting, do you believe you have the resources for example, information, knowledge, technology, you need to make good business decisions regarding risk. And you said, no, there's resistance to change. (Slight pause.) That was just interesting.

(Pause.)

Danie: You see the, um, (Slight pause.) what was I thinking at this stage?

Bernadette: (Bernadette laughs.) It was at least 5 months ago so, ja.

Danie: Do you believe that you have the resources, information, knowledge, technology, ... (Pause.) I think this was, uh, regarding, uh, from a management point of view. (Bernadette: Mmhmm.) We, um, like for instance, uh, we haven't got a, a financial manager (Bernadette: Mmhmm.) that can give me proper figures, (Bernadette: Mmhmm.) (Alberto: Mmm.) so it's, it's sometimes difficult to make a decision on a, to purchase something or not to purchase it. Where ...

Bernadette: So then how do you, how do you then make that decision?

(Slight pause.)

Danie: Gut feeling.

Bernadette: And where do you think that gut feeling comes from?

Danie: I think that's experience, ja, ja.

Bernadette: Ja. (Danie: Ja.) You've bumped your head a few times (Danie: Ja.) along the way.

Danie: Ja, ja, ja.

Bernadette: Ja, (Danie: Ja.) it's the school of hard knocks. (Bernadette laughs.)

Danie: Ja. And then also the, the people that we've got here like the maintenance manager, uh, they've actually grown with the business, (Bernadette: Mmhmm.) so to try and implement something new is, (Bernadette: Mmm.) is sometimes very difficult (Bernadette: Mmm.) for them to, (Bernadette: Mmm.) to change their minds to ...

Bernadette: Ja, this is the way we've always done it, (Danie: Ja.) why do we want to change.

Danie: It's been working like that, (Bernadette: Ja.) why, why now? (Bernadette: Ja.) Why do we have to change? Ja, (Bernadette: Ja.) that's, that's, that's the challenge, especially in the, um, the, um, the new South Africa that we live in. (Bernadette: Mmhmm?) (Slight pause.) Uh, some people, and I'm really careful when I say this, are, are a bit racist (Bernadette: Mmm, mmm.) and that's a challenge when you have, uh, we've got 125, I think, black people working here (Bernadette: Mmm.) and only a couple of white guys (Bernadette: Mmm.) coming from like my brother is 78, (Bernadette: Mmm, mmm.) you can imagine, (Bernadette: Mmm, mmhmm.) uh, allowing the union to tell us what to do, (Slight pause.) to tell us how to operate and what they want to do and what they don't want to do. So that's a, that's really a, that's sometimes a challenge.

Bernadette: A challenge, (Danie: Ja.) ja. And how do you sort of work through that? (Bernadette laughs.)

(Danie: (Danie sighs.) (Pause.) Just negotiate and talk and, (Bernadette: Ja.) ja.

Bernadette: How would, do you feel you have quite good relationships with your workforce?

Danie: Yes! Yes, I do, ja.

Bernadette: Ja. How would you sort of, has that been built up over years (Danie: Yes.) with them working here (Danie: Ja.) and you know them very well. (Danie: Ja.) So ...

Danie: I know them well and I allow them to come into my office.

Bernadette: Mmm. So it's open door policy.

Danie: It's open door policy, (Bernadette: Mmm.) ja. If they really have a problem with the supervisor (Bernadette: Mmm.) or the HR manager, they will go to reception (Bernadette: Mmm.) and then they come and see me (Bernadette: Mmm.) and then I, I try and solve the problem.

Bernadette: Mmm, mmm. So you prepared to work with them (Danie: Ja.) and listen to them, ja.

Danie: Ja, even so, because, um, we running 24 hours ...

Bernadette: Oh, so you a 24/7 business?

Danie: Ja, not 7 (Bernadette: You work, not ...) ja, but 24 hours, (Bernadette: Shoh!) so at night, I will arrive here sometimes at 22:00 at night, sometimes 02:00 in the morning and they can see where I'm coming from, they know I, ja.

Bernadette: They can see your commitment (Danie: Ja.) to the business, (Danie: Ja.) ja, and if they going to be here in the middle of the night, you prepared (Danie: Ja.) to be there (Danie: Ja.) in the middle of the night as well, ja.

Danie: So it, it happens from time to time that something happened at their home (Bernadette: Mmm.) and they have to go home (Bernadette: Mmm.) during night time, (Bernadette: Mmm.) then the supervisor will phone me and I will take him home, I will do that. And I think that's sort of, (Bernadette: Mmm.) uh, helping a lot in the business.

Bernadette: Mmm. When you've got that kind of (Danie: Ja.) dedication to (Danie: Ja.) your workforce, ja. Um, and how many shifts do you run?

Danie: At the moment 2 shifts, ja.

Bernadette: Okay, 2 shifts and ...

Danie: 2 12 hour shifts.

Bernadette: 2 12 hour shifts, okay. Um, what else ...

Danie: I hope that answered that a little bit.

Bernadette: I think so, (Danie: Ja.) that's, it's not, it's ...

Danie: And technology, of course, (Bernadette: Ja.) is always a problem.

Bernadette: Just explain a little bit?

Danie: Uh, it's an advantage if you have the latest technology (Bernadette: Mmm. Ja, as you've said, ja.) but it's also very expensive (Bernadette: Mmhmm.) and, uh, ja.

Bernadette: Ja. And then, um, your knowledge that you've built up and your experience, do you feel that is key to how you manage the business and to manage the challenges within the business?

Danie: I think so but I, but I, I really believe that to get somebody in with a degree, with a management degree will benefit the company.

Bernadette: In what way?

Danie: I think it's a more professional way of, (Bernadette: Mmm.) of, uh, managing the business, (Bernadette: Mmm.) (Slight pause.) um, more, um, automotive type of (Bernadette: Okay.) approach. (Bernadette: Mmm.) Not ...

Bernadette: The corporate approach.

Danie: Ja, not the personal approach, (Bernadette: Mmm.) um, because some, sometimes management will blame you for being too soft on the people (Bernadette: Mmm.) and, um, I feel by getting some, uh, somebody like that (Bernadette: Mmm.) will benefit the company.

Bernadette: Mmm, mmm. How has the company grown in terms of size, um, number of employees over the years. So 1993 seems to be your watershed year where you really established yourselves. (Danie: Ja.) And you said there was only a core.

Danie: We didn't grew a lot until 2003.

Bernadette: And why is that?

Danie: At that time we were doing the new building (Bernadette: Mmhmm.) because the old building is where you parked, (Bernadette: Yes, yes.) that's where we've, well, (Bernadette: You ...) that's not where we started but that was, that's our first own building [A few words are not clear.] ...

Bernadette: Okay, so you own the property, (Danie: We own the property, ja, ja.) you own the building, (Danie: Ja.) ja.

Danie: But from 2003 that's when we started working for Robert Bosch. (Bernadette: Okay.) I think at that time, if I remember correctly, the turnover was around 13 million per year, (Bernadette: Mmhmm.) we now at 60, 65 million a year, which is good for us.

Alberto: Mmm.

Bernadette: Significant, (Danie: Ja.) Excellent, ja. And have you just sort of brought on new staff as your contractor, your, (Danie: Yes.) your orders (Danie: Yes.) have grown (Danie: Ja.) and that type of thing, (Danie: Ja, ja.) ja. Have you got any of your original staff still working here?

Danie: Yes, yes! (Bernadette: Ja.) Ja. (Bernadette: That's amazing.) A lot of them (Bernadette: Ja.) and their children and their children.

Bernadette: So it's a family business (Danie: Ja.) not only you and your brother (Bernadette and Danie laugh.) it's also the workforce (Danie: Ja, ja.) that it becomes (Danie: Ja.) a family business.

Danie: Ja.

Bernadette: Ja, that's what amazes me is like it's a real small businesses are family, (Danie: family business. Um, but your, um, information about what's happening, okay, you said you get, you know, looking at what your suppliers, (Danie: Ja.) you chat to them (Danie: Ja.) a lot about what's going on, (Danie: Mmhmm.) the potential for if the Taiwanese come in with there, you know, plug and play (Danie: Ja.) kind of stuff. Um, and what other sort of information do you feel, do you sort of work on to run the business that you might get from the outside, from networking, those types of things.

Danie: No, not really.

Bernadette: Not really.

Danie: No.

Bernadette: Ja, so it's very much working closely (Danie: Ja.) with your suppliers (Danie: Ja.) and that type of thing (Danie: Ja.) that you getting a lot (Danie: Ja.) of that information. Okay. And then obviously, um, what other risks, business, unrest and strikes and we've spoken about that (Danie: Ja.) so,)Danie: Ja.) ja. Um, there's just 1 or 2 other questions. Um, you've spoken about how old, number of customers, permanent, classify manufacturing sector? You've specified that. We, we've spoken about the products. How you've evolved, ISO9000, we've done the history of your company, future plans, we've spoken a little bit about you not, are you still looking at potentially selling the company then if you'd sort of ...

Danie: Yes, ja,

Bernadette: Ja, (Danie: Ja.) if you can sell it (Danie: Ja.) you would, (Danie: Ja.) you would, (Danie: Ja.) ja, otherwise if you can't sell it you'd get s ...

Danie: Then I'll just have to carry on, ja, and bring, uh, BEE in, ja.

Bernadette: Ja, bring other people (Danie: Ja.) in. So you've got different plans for that. Um, do you have an official reporting organogram, I know for ISO9000 you probably ...

Danie: No, we have. We have.

Bernadette: I don't know, would you be prepared to share that with us?

Danie: Yes.

Bernadette: Ja, thank you. Um, your day to day management activities what, what, what occupies most of your time (Bernadette laughs.) on a day to day basis?

Danie: The productivity on the floor.

Bernadette: So are you walking the floor and seeing what's happening.

Danie: Yes, I'm walking the, ja, ja.

Bernadette: Seeing what's going on.

Danie: Ja. (Bernadette: Mmm.) And, uh, I've got somebody that's doing the planning for me (Bernadette: Mmhmm.) but then to make sure that that happens on the floor and then also liaising with the customers, (Bernadette: Okay.) uh, I'm doing all the quotations myself, (Bernadette: Okay.) um, ja.

Bernadette: Ja. Okay, so, and then, of course, coming in in the middle of the night (Danie: Ja, ja.) to make sure that everything is (Danie: Ja.) working. (Bernadette laughs.) Um, do you believe that your education, training and experience has played an important role in how you've built the company and managed the company.

Danie: Yes, definitely.

Bernadette: Ja. In what way do you think? What is the key thing that's, to the success and survival of your company, what has been the main thing that you've brought to that?

Danie: I think, um, one's attitude towards life, (Bernadette: Mmhmm.) nobody owe you nothing, (Bernadette: Mmm.) you've got to do it, (Bernadette: Mmm.) nobody's going to do it for you.

Bernadette: Mmm. So it's about commitment, (Danie: Ja.) resilience, (Danie: Ja.) um, proof ...

Danie: You see, I grew, I grew up without a father, (Bernadette: Okay.) my father passed away when I, when I was 6 years old. (Bernadette: Wow!) I was the last born, everybody was out of the house, my mother had no education, (Bernadette: Mmm.) she actually work in a, in a factory kitchen, she cooked meals for the factory workers (Bernadette: Mmm.) and, uh, we had to survive. (Bernadette: Mmm.) (Slight pause.) And ...

Bernadette: So you had to go out early.

Danie: Ja, ja. (Bernadette: Ja.) Ja, so commitment, attitude, ja.

Bernadette: Perseverance, (Danie: Ja.) perseverance is putting your head down (Danie: Ja.) and saying, not feeling sorry for yourself.

Danie: Ja, ja, (Bernadette: Ja.) ja.

Bernadette: Absolutely. Um, would you say that you a risk taker?

Danie: I am.

Bernadette: In what way? How do you ...

(Slight pause.)

Danie: If I see an opportunity (Bernadette: Mmm.) and there's a 20 percent chance of the success, I will go for it.

Bernadette: Really?

Danie: Ja.

Bernadette: And has it paid off?

Danie: Yes! Like the 1 I explained about the, um, the mining company.

Bernadette: Oh yes, with that ...

Danie: Ja. That was a big, they owed us a lot of money. (Bernadette: Mmm, mmm.) (Slight pause.) So everybody was, my brother he didn't agree with me, (Bernadette: Hmm.) he said, no, cclose them down and get rid of them. (Bernadette: Mmm.) And I said, no.

Bernadette: And what was it that made you persist with that? What, what, what's, you must (Danie: I think ...) have had a sense about something.

Danie: I think, looking at, at that business (Bernadette: Mmm.) and the potential and the demand (Bernadette: Mmm.) and the time that the business was operating before that happened, (Bernadette: Mmm.) I knew, in my heart, that, there were some mistakes made (Bernadette: Mmm, mmm.) and people just spend too much money on themselves and, (Bernadette: Mmm, mmm.) and that made me take the risk.

Bernadette: Ja. And your knowledge of that business (Danie: Yes.) because you'd worked (Danie: Ja.) so closely with them, (Danie: Ja.) ja, (Danie: Ja.) ja. Okay, um, (Slight pause.) okay, I'm just running through this, (Danie: Mmhmm.) um, (Slight pause.) do you believe that your personal values play an important role in how you conduct your business?

Danie: Yes, yes.

Bernadette: Mmm, I've, I sense that.

Danie: Integrity, ja, (Bernadette: Ja.) and, uh, to be honest, (Bernadette: Mmhmm.) straight forward, people must know where they stand, (Bernadette: Mmm.) ja.

Bernadette: Transparent.

Danie: Ja.

Bernadette: Excellent! Um, and do you think your values influence your decisions about what risks you take in the business?

(Slight pause.)

Danie: I think so. Looking at, at the risk itself, (Bernadette: Mmm.) what is involved, who is involved, (Bernadette: Mmm.) ja.

Bernadette: Mmm, mmm. (Slight pause.) Ja. (Slight pause.) And then would you say that you are proactive or reactive in dealing with risks?

(Slight pause.)

Danie: Sometimes proactive, sometimes reactive, ja.

Bernadette: And that depends on?

(Slight pause.)

Danie: Um, (Slight pause.) if I ask somebody to load something on the bakkie, (Bernadette: Mmm.) (Slight pause.) I will be proactive and go and look at it before I go, (Bernadette: Mmm.) not assuming that (Bernadette: Okay.) the right stuff was loaded, (Bernadette: Mmm.) and sometimes I will just accept that it was the right stuff.

(Slight pause.)

Bernadette: And that's just gut feel.

Danie: Ja, I think so.

Bernadette: (Bernadette laughs.) Okay. I think that's me and all of my questions. So we've, we've mapped the supply chain, we've spoken about risks in the supply chain, sort of general risks within the business I think we've touched on those, (Danie: Mmm.) um, and then I think I've got a sense of how you manage your risks (Danie: Mmm.) and how you, um, and then we've been through this, so that's everything from my part. Um, Alberto, do you have a few questions? I think he wants, he has a few questions for his research (Danie: Okay.) if you don't mind?

Danie: That's okay.

(Pause as there's a discussion about available time.)

Bernadette: Okay.

Alberto: Um, most of the stuff we've already discussed. (Danie: Okay.) So, but for the sake of having all of them, you know, being together for when it's transcribed, I'm just going to re-ask the questions (Danie: Okay.) even if they have been asked. Okay, um, how long has your company been in existence for?

(Slight pause.)

Danie: 40 years.

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

Danie: Uh, automotive industry, lighting industry.

Alberto: Okay. Uh, how long has your company been trading its current product range?

(Pause.)

Danie: That's, uh, that's from 94, that's 20 years.

Alberto: Okay. (Danie: Ja.) Uh, people employed? 1 ...

Danie: 137.

Alberto: 137. Um, all right, we've already said that you're a medium, medium size. Uh, into which sector do you fall? Manufacturing.

Danie: Manufacturing, yes.

Alberto: Okay. (Bernadette: Mmm.) (Danie: Ja.) Are you looking to growing your company further?

(Slight pause.)

Danie: Um, I would like to, (Slight pause.) um, yes.

Bernadette: Uh, to what, uh, what sort of size? (Danie laughs.) Or what, or what would stop you growing, wanting to grow further, once you've grown what would be the kind of ...

Danie: If there's no challenge anymore.

Bernadette: Okay. You find the, at a day to day (Danie: Yes.) challenge (Danie: Yes.) and you enjoy that.

Danie: Yes, ja.

Bernadette: Ja. Because I know, just some people say they don't want their business to grow into something that's corporate. You like, you know, is that something that you feel you would, would like to n ...

Danie: You know what, I would like to, to, to, to get it to a stage where it can be taken over by previously disadvantaged people (Bernadette: Mmhmm.) and make a contribution to the country.

(Slight pause.)

Bernadette: So that it's almost running as a, as sort of, not that it's ever going to be plug and play but that it has processes and procedures in place that somebody can come in (Danie: Yes.) and simply run (Danie: Yes.) it then, (Danie: Ja.) ja. (Danie: Ja.) So, so that it's not got so much of your personal day to day, (Danie: Ja.) ja, (Danie: Ja, ja, ja.) okay.

Alberto: Okay. Um, the constraints for growth are they in-house or outside factors?

Danie: I think it's both. It's, uh, it's from a management side, from equipment side, from demand side, (Bernadette: Mmm.) um, ja.

Alberto: Okay.

Bernadette: If you were going to grow, where would the growth, because obviously you going to need to, here would be where growth happens and ...

Danie: It will be on the automotive side.

Bernadette: So the automotive (Danie: Ja.) you'd see that, (Danie: Ja.) would it be on different products (Danie: Yes.) or simply volume of ...

Danie: Different products and volumes.

Alberto: Mmm.

Bernadette: Ja.

Danie: Ja.

Bernadette: And you have the capability, because then they, these companies would need to then potentially switch some of their business to you then. Would that be (Danie: No,, you see, ...) with, with the components and ...

Danie: The OEMs are, are, some of them are on a localisation drive, (Bernadette: Ja.) um, so if you've got the equipment and you've got the management team and the quality system, um, (Slight pause.) then you can supply. (Bernadette: Mmm.) (Slight pause.) The demand is there (Bernadette: Mmm.) because they importing, the OEMs are importing a lot of, uh, (Bernadette: Mmm, mmm.) aluminium goods. (Bernadette: Mmm.) I know that because of the, uh, investigation that was done when we tried to s, uh, to sell the business. (Bernadette: Mmm.) (Slight pause.) Um, we had Mercedes here, we had a lot of people here (Bernadette: Mmm.) with the, um, DTI, no, the IDC, Industrial Development group, (Bernadette: Yes.) (Alberto: Mmm.) ja, they did the investigation (Bernadette: Mmm.) and the ... So the market is there (Bernadette: Mmm.) (Slight pause.) but we need the, to, to expand the buildings, we need new equipment, we need people, ja.

Bernadette: And that's a lot of (Danie: Ja.) effort that would need to go to that (Danie: Ja.) and you wondering whether it's worth it (Danie: Ja.) at this point in time, (Danie: Ja.) ja.

Alberto: In terms of growth, do you want to keep your company the same size and increase its returns or do you actually want to physically grow the company?

Danie: No, I would like to physically grow the company.

(Slight pause.)

Alberto: All right. Um, already answered but is there a lot of competition in the products you supply?

Danie: Yes, there are.

Alberto: Okay. Are your competitors competing on price, quality or service or anything else that comes with it?

Danie: All 3 of them, (Bernadette: Mmm.) (Alberto laughs.) mainly price. (Danie laughs.)

Alberto: Especially on the automotive ...

Bernadette: The quickest delivery service.

Danie: Ja.

(Slight pause.)

Alberto: Especially on the automotive side.

Bernadette: Ja, the automotive side.

Danie: You see, what, what, what people are also driving for at the moment is, uh, like for instance in the lighting industry, you've got to supply a casting that's powder coated, (Bernadette: Mmm.) and, and if you have a in-house plant that you can do the powder coating, that's an advantage to the customer.

Bernadette: Do you have powder coating?

Danie: No, we haven't got.

Bernadette: So that's another thing you outsource (Danie: Ja.) is your powder coating.

Danie: Ja. Ja, I forgot about that, ja.

Bernadette: Okay.

(Pause.)

Danie: Ja.

Bernadette: Okay. And who do you, do you have 1 or 2 or ...

Danie: At the moment we've got 1 supplier.

Bernadette: 1 supplier. Is he fairly local?

Danie: Yes, (Bernadette: Ja.) yes, ja.

Bernadette: Okay. And you know that person quite well.

Danie: Ja, ja.

Bernadette: Ja, so. (Danie: Ja.) Okay, so that's an outsource. (Bernadette laughs.)

Alberto: And is it worth, for the volumes is it worth putting powder coating facilities in?

Danie: I haven't got the energy for that.

Alberto: Okay.

(Bernadette and Alberto laugh.)

Bernadette: But if you had the energy, do you think it would be something you would want to (Danie: Yes!) move towards?

Danie: Yes!

Bernadette: Ja, it would be viable.

(Slight pause.)

Danie: Ja, ja, because you don't want to go to the shop, buy a bread and buy a plastic bag elsewhere. (Alberto: Ja.) (Bernadette: Mmm.) You want the bread in the ...

Bernadette: Ja, you'd like to have it in-house. (Danie: Ja.) Um, and would you use, do you use powder coating for any of the other components?

Danie: No, only on the, uh, (Bernadette: On the lighting.) lighting and electrical.

Bernadette: Lighting and electrical. So the, (Danie: Ja.) it goes across both.

(Slight pause.)

Alberto: Um, your main risks are strike actions, financial, competition, services, experience, information, anything else? Or any, or any 1 of those that are, that's a, the major factors, obviously strike action (Slight pause.) if the guys decide to down tools?

Danie: Ja, I think the strike action and then, of course, the, uh, (Slight pause.) the increase in wages, that's a ...

Bernadette: Ja, so did you go with what CEFSA had negotiated?

Danie: Ja, we've got to go with that, ja.

Bernadette: Ja, and that's just something that you have to [Word not clear.] for (Danie: Ja.) daily operation and try and look for efficiencies in the production line.

Danie: Ja. Mmm.

(Slight pause.)

Alberto: Okay. Um, the next section is, how long have you been working with your 3 biggest customers? (Slight pause.) So it would be the automotive side.

Danie: Those 3 from, um, (Slight pause.) Robert Bosch from 2003 and BMW from 2008.

Bernadette: And BMW is through ZF, then ...

Danie: Yes, ja, ja.

Bernadette: And then these guys you've been working with also for over 20 years.

Danie: From 94, ja.

Bernadette: Ja, from 1994.

Danie: Ja.

(Slight pause.)

Alberto: With your 3 biggest customers you have a good working relationship with them (Danie: Yes.) not, not personal [The rest is not clear.]?

Danie: No, working relationship. (Bernadette: Ja.) And what counts for them is delivery on time, (Bernadette: Mmm.) that's it.

Bernadette: Ja, ja. Because they, do they work on a JIT, just in time sort of production or ...

Danie: Not, not really (Bernadette: Ja.) because they too far away. (Bernadette: Okay.) They are, uh, Robert Bosch is in Brits.

Bernadette: Ja, but ...

Danie: But from Lem Forder to BMW, (Bernadette: Mmm.) they work in a JIT system.

Bernadette: Okay. Is, is Lem Forder quite close to, to the plant?

Danie: Yes, they are in the, ja.

Bernadette: Okay, (Danie: About ...) so these guys say if, we don't have the product, it's big, big, big problems. (Bernadette laughs.)

Danie: Ja.

Bernadette: Okay.

Alberto: In the case of Robert Bosch, um, do you know who the customers are for specific jobs as in (Danie: Yes, yes.) you do know exactly which ...

Danie: I know who the OEMs are, ja.

Bernadette: Ja.

Alberto: Okay.

Bernadette: And you know which orders are coming in from each of those OEMs?

Danie: Uh, no, I don't know that!

Bernadette: They just give, Robert Bosch just gives you a sort of blanket order.

Danie: They give us a, a release.

Bernadette: A release.

Alberto: Yes.

Danie: Ja, for the, for the next 3 months.

Bernadette: Okay. Is it the same type of product, I think I might have, ...

Danie: Yes, (Bernadette: Ja. so it's a ...) same type.

Bernadette: So whatever Robert Bosch is making, it goes into the same, the same thing goes into all of these.

Danie: No, um, (Bernadette: Or not?) it's, it's, it's a, it's a wiper system for the, for the Volkswagen (Bernadette: Mmhmm.) but you can't use the same 1 for that. (Bernadette: Okay.) So it's also a wiper system but it's a different part, (Bernadette: Ja.) ja.

Alberto: Oh, okay.

Bernadette: But, so you would be able to tell, in terms of the release, if they've got 10 wiper systems, (Danie: Yes.) this type and, and 10 of that (Danie: Ja.) and 12 of that type, and you can say, well, 12 come from GM and that's for VW. (Danie: Ja.) You can actually (Danie: Ja, I know exactly, ja.) discern what that is (Danie: Ja.) through the order, ja.

Alberto: Okay. Um, are you aware of the other products and services that are offered by your customers? So ZF and, uh, (Bernadette: Robert Bosch.) Robert Bosch, do you know about all of their other product ranges that they will supply [The rest is not clear.].

Danie: I won't say all of them but I know of some of them.

Alberto: And ...

Bernadette: Do you, do you think that's an advantage, do you think by knowing what other, what else they supply you can perhaps think of supplying similar stuff at a better price?

Danie: No.

Bernadette: No. (Danie: No.) Ja, (Danie: No.) so knowledge of that isn't really ...

Danie: No, it's not really, no.

Bernadette: An advantage (Danie: No.) to you, (Danie: No.) okay.

Alberto: That was exactly the next question.

(Everyone laughs.)

Bernadette: You see, it's logical.

Alberto: Ja. Um, if large contracts to 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 the customer's customer. So if ...

Danie: Yes.

Bernadette: Ja.

Alberto: To the, [The rest is not clear.].

Danie: Ja.

Bernadette: Ja.

Alberto: Okay. And if there were no large contracts, would you still take that kind of approach? Would you think it would still be beneficial (Danie: Yes.) to work together to ...

Bernadette: Because here you use, you've got very transparent relationships.

Danie: Yes.

Bernadette: Ja, (Danie: Ja.) with your long standing non-automotive customers.

Danie: Ja. You know what would happen sometimes is they would get an order from the mines, ...

Bernadette: Lighting?

Danie: Ja, and then they would ask me, all right, for this order, can we reduce the price by 5 percent (Bernadette: Mmm.) in order to get the order? (Bernadette: Mmm.) Then I will say, I will look at it and say, okay, for this order (Bernadette: Mmm.) (Slight pause.) for 2000 castings we reduce the price 5 percent, that sort of ...

Bernadette: Mmm. But is that, would that, would you still, because of the volume, make money on it?

Danie: Yes, ja.

Bernadette: Ja, so you would, you would ascertain, (Danie: Ja.) ja, I'm still getting a profit (Danie: Ja, ja.) and I prefer to get the order (Danie: Ja.) and help them get the order, (Danie: Ja.) ja.

Alberto: But when it comes to the, the next order do they not ask you, can we make it the same price?

Danie: No, they, they normally don't do that.

Alberto: Okay.

Danie: Ja.

Bernadette: They don't violate the trust (Danie: Ja.) (Alberto: Ja.) and the relationship, (Danie: Ja.) ja.

Alberto: Okay. Um, if 1 of your customers had a crisis of some sort, you would try and help them (Danie: Ja.) in whatever way possible. (Danie: Ja.) And if, so in terms of payment terms and discounts, would you offer that, I mean, you just said that you ...

Bernadette: Well, we just said a discount, ja.

Danie: Yes.

Alberto: Ja. So if that was proven to help, okay, let me stick to the question, if it was proven that such an act would help sustain a supply chain and actually benefit the market as a whole, would you change your mind? So if, if that benefit was to grow market share massively, do you think you would remain at those terms?

Danie: I will. Ja.

Bernadette: Mmm.

(Slight pause.)

Alberto: All right.

Danie: Anything to get more business that's, (Bernadette: Mmm.) That's ethical.) that's what, ja, (Bernadette laughs.) that's what it's all about.

Alberto: So then ...

Danie: Ja, ethical, ja.

Bernadette: Ja.

Alberto: In terms of running capacity then you running under capacity if you looking for more business.

Danie: Yes, we not running at full capacity at the moment, no.

Alberto: Do you know more or less what percentage you running at?

Danie: About 70 percent.

Alberto: Okay.

Danie: Mmm.

Bernadette: So you got, so if some ...

Danie: We've got some space, ja.

Bernadette: Ja, you can (Danie: Ja.) wham it up.

Danie: You see, we've just lost, uh, in September we lost, uh, 1 customer due to that problem, not a problem but, um, ...

Bernadette: What, wasn't the quality ...

Danie: No, they were bought out by, uh, by another group ...

Bernadette: So the cus, who was bought out?

Danie: 1 of the lighting companies.

Bernadette: Okay, so 1 of the lighting companies was bought out, and then?

Danie: By an international company (Bernadette: Okay.) and then, uh, they decided, because of, um, uh, another company close to them that, that can do the casting and the powder coating in-house, (Alberto: Oh!) they moved the business.

Bernadette: So was that a, a significant, um, amount, significant ...

Danie: Not, not that big, it's not bad.

Bernadette: Not that big, so you could absorb it. (Danie: Ja.) Have you found ...

Danie: That's why we not running at full capacity. (Bernadette: Okay.) And looking at the figures and looking at everything at the moment, that was even, that was better for us. (Alberto: Oh, okay.) (Slight pause.) (Bernadette: So it became ...) It was in a way good because, you know, sometimes, uh, you can run around like a blue arse fly, not achieving much. So if you too busy (Alberto: Ja.) that can also happen.

Bernadette: Mmm, because then you not paying enough attention (Danie: Ja, ja.) to other things, (Danie: Ja.) ja.

Danie: So that was actually a good thing.

Bernadette: A blessing in disguise.

Danie: Ja.

Bernadette: Ja, okay.

Danie: Although I don't like that. I don't like, I hate it to lose a customer, (Alberto: Mmm.) (Bernadette: Okay.) ja.

Bernadette: But it wasn't because of you (Danie: No, no.) that's, that's the key thing, (Danie: Ja.) it was just, ja, circumstances.

Danie: Ja, a strategic move, ja.

Bernadette: A strategic move on their part, (Danie: Ja.) ja.

Alberto: In terms of transparency, I'm going to list a couple of things, you can just say, yes or no. Um, this is which information below is passed between yourself and your customers. Uh, scrap levels?

Danie: Yes.

Alberto: Rework levels?

Danie: Yes.

Bernadette: [A few words are not clear.] automotive, ja.

Alberto: Process repeatability?

Danie: Yes.

Alberto: Supplier quality issues? So your suppliers, your (Danie: Um, ...) aluminium or gas or ...

(Pause.)

Danie: Yes, we, we have to because we monitor our, our suppliers according to the ISO quality system.

Alberto: Okay.

Bernadette: So with your aluminium incoming, there's, is there fluctuation in quality of that aluminium that comes in?

Danie: We will pick it up if there is.

Bernadette: Do you do an in-house quality check (Danie: Yes.) on that (Danie: Yes.) according to ISO?

Danie: Yes.

Bernadette: And then what happens to the, the low quality aluminium?

Danie: It will be sent back.

Bernadette: Sent back, (Danie: Ja.) so, so they need to, can they increase the quality of that?

Danie: Yes.

Bernadette: They can.

Danie: Ja, it happened once in, in the last 4 years (Bernadette: Okay, so it's not a big ...) that we received a, a, a bad, uh,, a bad, uh, (Bernadette: Batch.) batch, (Bernadette: Mmm.) ja, and we had to send it back.

Bernadette: And ISO's, is, is managing that, (Danie: Ja.) that, (Danie: that risk [The rest is not clear.] ...

Danie: Ja, ISOTS.

(Slight pause.)

Bernadette: Where's TS come in?

Danie: It's, it's like that.

Bernadette: (Bernadette laughs.) Just write it for me.

Danie: It's a, it's, um, um, automotive standard.

Bernadette: Oh, okay, it's an auto, okay.

Alberto: Oh!

Danie: It's ISOTS1694.

Bernadette: Okay, so it's the automotive ...

Danie: Ja.

(Slight pause.)

Bernadette: And that then filters through to the rest of what you do.

Danie: Yes, ja.

Alberto: Okay, um, yes or no for information being passed on. Continuous improvements?

Danie: Yes.

Alberto: Cost of material?

Danie: Yes.

Alberto: Overheads?

Danie: Overheads?

Alberto: As in your cost of your overheads? Do any of your customers know what the cost of your overhead ...

Danie: No.

Alberto: Not. Uh, subcontractor costs?

Danie: No!

Alberto: Factory ...

Danie: We don't tell them everything.

(Bernadette and Alberto laugh.)

Alberto: Factory cost rates?

(Slight pause.)

Danie: No.

Alberto: Transportation costs?

Danie: Yes.

Alberto: Cost of non-quality, so if (Danie: Yes.) there's scrap? Um, order receipt process?

Danie: Yes.

Alberto: Capacity planning?

Danie: No.

Alberto: Shipment process?

Danie: Yes.

Alberto: Lean manufacturing?

(Pause.)

Danie: We don't really do, ... I don't know what you mean by remanufacturing.

Alberto: It's, no, no, lean.

Danie: Lean manufacturing.

Alberto: Lean manufacturing, ja.

Danie: Oh, yes. No, Robert Bosch would from time to time they would come out and, and assist us (Alberto: Okay.) to improve our processes. (Bernadette: Okay.) That's part of their (Alberto: Okay.) supplier development programme. (Alberto: Okay.) But then they want, uh, the pay back (Everyone laughs.) which we don't like to do.

Alberto: Ja.

Bernadette: Ja, there's always something, (Danie: Ja.) nothing's for nothing.

Alberto: Do your customers know about your inventory management systems?

Danie: Yes.

Bernadette: Ja, because you have safety stock.

Danie: Ja, ja.

Alberto: Do they know about other suppliers, your other suppliers?

Danie: Yes.

Alberto: And other potential contracts?

(Slight pause.)

Danie: No.

Alberto: And your stock levels? Yes.

Danie: Yes.

(Slight pause.)

Alberto: Okay. (Slight pause.) Would you like to know who your customer's customer is in, not talking about the automotive side, the other side.

Danie: No, I don't re, I really don't ...

Alberto: It doesn't make any difference to you.

Danie: Yes, no, it won't make any difference.

Alberto: All right. (Slight pause.) Um, do, if, if the size of an order was conveyed to you, do you think that would assist in freeing up your cash flow? So you would be able to basically hold enough stock or decrease your stock and increase lead time, would that be beneficial to you?

Danie: No.

Alberto: Okay. 1 more page. It should be quick. (Slight pause.) Do your biggest customers receive beneficial pricing or credit terms? They would do, I presume, (Danie: Mmm.) ja, automotive. Would you foresee the visibility, as discussed, as a possibility to earn a return in the form of a higher turnover?

Danie: Say again?

Alberto: Do you foresee the visibility, as discussed, as a possibility to earn a return in the higher, in the form of a higher turnover? So knowing who your customer's customer is, um, and knowing what orders are coming through, do you think you will be able to better manage, better plan?

Danie: No, I don't think so.

Alberto: Not. (Danie: No.) (Slight pause.) Um, ...

Bernadette: But you think you getting enough information, at this point in time, to do adequate (Danie: Yes.) planning?

Danie: Yes, ja, ja.

Bernadette: So nothing more is really going to (Danie: Ja.) assist you with that.

Danie: You see, with the, um, that's pretty stable. (Bernadette: Ja.) You get the release, it might differ ...

Bernadette: You know exactly (Danie: Ja.) when it's coming in, ja.

Danie: But these people, they've got, uh, reps on the road. So if he happens to get a urgent order, that will be passed onto us and we will just have to make, that's where the flexibility also comes in. (Bernadette: Mmm.) We will just have to make a plan to, to deliver.

Bernadette: Mmm, mmm. (Alberto: Okay, so ...) Okay, so that's on the non-automotive side, (Alberto: Ja.) you prepared to make a plan, (Danie: Ja.) at short notice, (Danie: Ja.) ja.

Alberto: Okay, that's also the next question that you've answered already.

(Everyone laughs.)

Alberto: Um, ...

Danie: Did you tell me what it is?

(Everyone laughs.)

Alberto: Um, the, these customers that you supply with, are they SMEs, the, sorry, not the automotive guys, the other side, are they also small and medium enterprises?

Danie: I think some of them are large enterprises.

Bernadette: Mmm. So it's a mixture of small (Danie: Ja.) and large.

Danie: Ja.

Bernadette: Okay.

Alberto: And obviously you willing to help out anyone (Danie: Ja.) no matter what the size of the company is.

Danie: Ja.

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

Danie: Say again?

Alberto: Does that put any sort of strain (Danie: Yes!) trying to always push production (Danie: Yes!) and ...

Danie: It puts strain on you, (Alberto: Ja.) ja.

Alberto: Especially because you ...

Bernadette: And what sort of strain, (Alberto: Ja.) personal or ...

Danie: Ja, personal because you've got to change dyes, you've got to sometimes change the material in the whole infernos, (Bernadette: Mmm.) so it's, ja.

Alberto: Does it put strain on the business in terms of gross margins or ...

Danie: No, I don't think that (Alberto: Overheads.) but, uh, it also puts strain on those customers because now you've got to replan, you've got to reshuffle, (Alberto: Ja.) (Bernadette: Balance.) and, ja.

Alberto: Um, is there a formalised system with a dedicated resource for collecting information from customers? So if the information that comes, the releases that you get, for example, is there someone, besides yourself or maybe it is yourself, that actually deals with all of that, to do all the production planning and everything?

Danie: Ja, we, when we get the order it's captured on the system, (Alberto: Okay.) ja.

Bernadette: What system do you use?

Danie: Pastel.

Bernadette: Pastel, okay.

Danie: Pastel, ja, ja.

Bernadette: And who does the capturing?

Danie: Uh, the logistics manager and he's got an assistant.

Bernadette: Okay. So those would come in to the, it is captured, (Danie: Yes.) you've got visibility of that.

Danie: Yes, ja.

Bernadette: You would go in and look to see, ja.

Danie: On a daily basis we print what we call a back orders report and we go through that, ja.

Bernadette: Okay.

Alberto: Would you describe your relationship with your 3 biggest customers as opaque, translucent or transparent? So a piece of wood versus a piece of glass.

Danie: No, it's transparent.

Alberto: Transparent, okay. Even with the automotive guys?

Danie: Yes.

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

Danie: Yes.

Bernadette: How would you define your collaboration?

Alberto: Ja.

Danie: Well, um, like for instance, I went to, um, they've got a new project on the Toyota alternator, (Bernadette: Mmhmm.) and they wanted to save money on the tooling, (Bernadette: Mmhmm.) because they know I add a margin when, when I get the tooling made, so I went with them to China (Bernadette: Mmhmm.) to 1 of their suppliers and help, uh, help them with the design of the dye (Bernadette: Mmhmm.) but I'm going to make the castings. (Bernadette: Mmm.) So they saved on the tooling and, ja, by that way we've, ja.

Bernadette: Collaborated (Danie: Ja.) and reduced price. (Danie: Mmm.) Next.

Alberto: Okay, last section is visibility. Um, do you have fluctuations in demand or do you do standard production runs?

Danie: No, we have fluctuations.

Alberto: Okay. And again going back to what we said just now, do you feel that knowing your customer's customer would help in smoothing demand?

Danie: No.

Bernadette: You do know already (Alberto: Ja, well.) that it doesn't. (Bernadette laughs.)

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

Danie: Yes, we have to, ja, ja.

Alberto: And even on the non-automotive side?

Danie: Yes.

Alberto: Okay. Um, do you understand the concept of visibility in the supply chain. (Pause.) Okay, um, the ability to see up and down the supply chain, sharing information about the supply chain strategy and operations of all supply chain partners. (Slight pause.) You don't do that?

Danie: No.

Alberto: Okay. (Alberto laughs.) Do you think that doing something like that would be beneficial or do you think that there's too much risk involved with it? With sharing all your information with other partners.

Danie: I don't think there's a risk. I, I think it might be a good thing.

Bernadette: Because if you, if you getting a particular order in from this guy, these guys, as you mentioned, and you having to shuffle around your setups and, and that type of thing, do you let the automotive guys know that you needing to do ...

Danie: No.

Bernadette: You don't.

Danie: No.

Bernadette: Because it's too risky to allow, to let them know (Danie: Ja.) because they don't want to know, (Danie: No.) they don't want to know your problems.

Danie: No.

Bernadette: But if you have a, a big, a, because, just, in terms of understanding, the, the orders that come in from this side, are they fairly predictable, the automotive orders?

Danie: Yes.

Bernadette: So there's predictability on this side and then less predictability (Danie: Yes.) on this side. (Danie: Yes.) So this is more of your stable production and then if something comes in here, you would then do the shuffling (Danie: Ja.) and these guys would know that, would you let them know that you going to have to shuffle things around a bit?

Danie: Yes, ja.

Bernadette: So, (Danie: Ja.) ja. So, so the automotive guys (Alberto: Mmm.) not necessarily but these guys ...

Danie: We don't tell them unless we not going to ...

Bernadette: To meet (Danie: Ja.) their expectations, (Danie: Ja.) okay.

Alberto: And that's the last question but we've answered it, about the automotive, you do have a level of visibility down the chain as to when things are coming up (Danie: Ja.) because you get forecasts (Danie: Yes.) and all the rest, so it's, (Bernadette: Ja, from them.) ja. Okay.

Bernadette: But the rep could just phone and say ...

(Bernadette and Alberto laugh.)

Danie: Ja, ja no, that's what's happening, ja,

Bernadette: Ja. Excellent. Well, I think that's all the questions, our quizzing of you, our interview (Danie: Good.) and, um, would you be able, would you be prepared to show us around?

Danie: Yes.

Bernadette: We'd love to see it.

(Pause as everyone gets ready to go to the workshop.)

Danie: Okay, we will start here.

(Pause.)

Bernadette: This is wow!

(Slight pause.)

Danie: Okay, this is what we call a CMM. (Bernadette: Mmhmm.) Can you explain what are you doing here, [Name not clear.] ?

Speaker 1: On the CMM we, we verify the drawing according to the way they make the dye, they send us their drawing and then we check exactly if the requirements on the drawing it's exactly what the dye is being (Bernadette: Mmhmm.) casted (Slight pause.) for all their dimensions.

(Slight pause.)

Bernadette: Shoh, so this is really part of quality checking.

Danie: Ja, so he's measuring all those sizes that's highlighted to make sure that the part is according to the drawing.

Bernadette: and do you do, do you do this for the 1st part that comes off or do you do it as sort of sampling along the way?

Speaker 1: Well, we check every dye before it comes, before we sign it and start running it, it must come and be verified. If everything is according to the drawing and the customer is happy with it, they sign the dye then they send it to us. As we run the dye on our monthly basis and everything, we still verify, everything is still inspect, then (Bernadette: Okay.) if they are happy, every year re ISIR every year then we let them know if there's any changes or something has to be fixed.

Bernadette: Okay.

Alberto: Cool.

Bernadette: All right.

Danie: That's a wiper bracket for Mercedes Benz, this, this part.

Bernadette: Okay, ja, I can see, (Alberto: Oh, okay.) ja. Thank you.

Speaker 1: Thanks very much.

(Slight pause.)

Danie: Uh, this is also, uh, this is, uh, the sparky roller, um, ...

(Slight pause.)

Speaker 2: Spectrometer.

Danie: Spectrometer where we spark the aluminium and that gives us the results, the material analysis.

Bernadette: Okay.

Alberto: Oh.

Bernadette: All right, and that's (Slight pause.) ja. (Danie: Ja, we just ...) And then how do you, how, does the machine do the reading then if it's not ...

Danie: Yes, the machine do the reading and then we get the, like for instance, silicon (Bernadette: Okay.) at the moment is 12.83, the maximum is 10, (Bernadette: Okay, so it's the composition.) the maximum is 13, ja.

Bernadette: The chemical composition.

Danie: Ja, ja.

Bernadette: Okay. And you obviously then will have what are, what are our, oh, here's the maximum, so there's your quality ranges ...

Danie: That's the minimum and the maximum (Bernadette: Maximum and it should be sitting in-between.) and we've got to be in-between (Bernadette: Ja.) here.

Bernadette: Okay. It's your statistical process control (Danie: Ja, ja.) that we got, (Danie: Ja.) ja. Okay. And these, the, this is all the, the information you supply through to the automotive guys (Danie: Ja.) as part of your (Danie: Ja.) s, keeping up with what they, (Danie: Ja.) their requirements, ja.

Bernadette: This is lots of fun with fancy machines. (Pause.) Those are expensive machines.

Danie: Very expensive.

Bernadette: Ja. Have you, are the machines all paid off and (Danie: Yes.) everything. (Danie: Yes.) So ...

Danie: All those machines, yes.

Bernadette: Ja.

(Bernadette and Alberto laugh.)

Bernadette: Which means there are others that are still ...

Alberto: Ja.

(Pause.)

Bernadette: I've never been in a foundry.

Danie: Never?

Bernadette: Never. This is the ...

Danie: I think let's go upstairs and then we will go downstairs.

Bernadette: Ja, look, okay.

(Pause.)

Bernadette: Is this the full production facility?

Danie: Yes.

Bernadette: Okay.

Danie: On the casting side.

Bernadette: On the casting.

Danie: Ja.

Bernadette: And what else, what's the other side?

Danie: Machining.

Bernadette: Machining.

Danie: Ja.

Bernadette: Where is that? In a different building?

Danie: Different building, ja.

Bernadette: Shoh, it's quite warm.

Danie: Ja.

Bernadette: Ja. So is there a particular process (Danie: Yes.) that is being followed on the floor?

Danie: The material will start from that door, you see those 2 ...

Bernadette: Okay, so that's receiving.

Danie: 2 furnaces there at the back (Bernadette: Ja.) against the wall, that round, (Slight pause.) can you see it?

Bernadette: Ja.

Danie: That silver, silver round thing (Bernadette: Ja.) (Alberto: To the left.) there! Where that guy is walking now, (Bernadette: Okay, ja?) okay, I'll show you, (Bernadette: Ja.) but the material is being melted there. Then we transport it in the crane to each machine and there's a holding furnace [The rest is not clear.].

Bernadette: Okay.

Danie: Ja.

Alberto: So do you guys only melt once a week or ...

Danie: No, no, we ...

Alberto: Continuously.

Danie: Continuously, ja.

Bernadette: Okay.

Alberto: And your holding furnaces run on the gas or ...

Danie: Yes, gas.

Alberto: Ja, and the main furnace runs on electricity.

Danie: Also gas.

Alberto: Also gas.

Danie: Ja.

Bernadette: Okay. And then health and safety requirements, are you quite stringent about those?

Danie: Yes.

Bernadette: Ja. Because I see ...

Danie: That's why you wearing that.

Bernadette: Ja, I see.

(Bernadette and Alberto laugh.)

(Pause.)

Danie: Okay, we will start from the start.

Bernadette: Okay.

(Pause.)

Danie: That's a, the lighting box for the mines.

Bernadette: Okay.

Danie: We, this is being fitted onto a box, I will show you the box later on, then they put the cable through (Bernadette: Okay.) and they use it in the mine.

Bernadette: So do you get this, this assembly like this?

Danie: No, we make, we cast that, that we also [A few words are not clear.], we assemble it, ja.

Bernadette: Okay.

(Pause.)

Bernadette: And this is all your property?

Danie: Yes, ja.

Bernadette: And, okay.

Danie: Not that part. (Bernadette: Not that.) This is our property and we've got a stand next door, a empty stand.

Bernadette: So that if you needing to expand (Danie: Ja.) you can expand (Danie: Ja.) into that. Okay.

Alberto: Are these propellers?

Danie: It's, uh, it, (Bernadette: Oh, wow!) the shorter, I don't know for which company this is, but it's normally for the mines (Alberto: Okay.) and it's for the cooling fans.

Alberto: Okay.

Bernadette: Oh, wow!

Danie: That, that short 1, that's for Majuba power station.

Alberto: Is theft of aluminium a problem? Do you have guys jump over the wall and ...

Danie: No, not, (Alberto: Not really.) I don't think that so much but maybe from inside taking it out. (Alberto: Oh, okay.) That's very difficult to control.

Bernadette: Ja, but do you, do you notice any shrinkage though?

Danie: No.

Bernadette: No, you don't.

Danie: No.

Bernadette: So it's not significant.

Danie: No.

Bernadette: Ja. So who would be s, you would be making these for Majuba ...

Danie: No, for Howden Power, (Bernadette: For Howden Power.) Howden, they make the fans, (Bernadette: Mmm.) and they supply to Majuba, ja.

Bernadette: Okay. All right, and then this is just left out over night, you don't put this into (Danie: No.) a storage or anything?

Danie: This is only because the building is too small, (Bernadette: Ja.) ja.

Bernadette: Shoh! (Bernadette laughs.)

Danie: We've termed it the building without a roof.

(Bernadette and Alberto laugh.)

(Pause.)

Bernadette: So this is all needs to be going, going in for (Danie: Ja.) trimming and everything.

Danie: Uh, be very careful. Never touch aluminium in a foundry.

Bernadette: Okay. Why?

Danie: Because you can't see if it's hot or not.

Bernadette: (Bernadette laughs.) Ja, because I'm, ja, I'm terrible, I touch everything.

Danie: Ja, ja.

Bernadette: Okay.

(Pause.)

Danie: This is where we store our aluminium. (Bernadette: Is this the ...) Different grades of aluminium. (Bernadette: Okay.) Ja.

Bernadette: And then where is your actual, um, storage for your safety stock? Is that on that side?

Danie: That's some on that side and we delivered about everything this morning, (Bernadette: Oh, okay.) that side, ja.

Bernadette: That's what I didn't ask you is do you, (Slight pause.) do you have your own truck?

Danie: Yes, ja.

Bernadette: Or trucks. How many 1 or ...

Danie: 1 4 ton truck and 1, uh, 1 ton.

Bernadette: And you do deliveries then to Brits and Rosslyn and that type of thing, okay. And these, um, visual displays here?

Danie: That's for quality purposes, um, (Slight pause.) that's the different colouring codes for the different material, yellow and pink, yellow and blue, (Bernadette: Okay.) and that's colour coded onto the aluminium.

Bernadette: Okay. So it's the different quality. And then you've got flow charts here.

Danie: Yes.

Bernadette: Okay. But that's all part of ISO (Danie: Yes.) or your authority, (Danie: Yes.) okay.

Danie: [Danie says something that is not clear.] It's hanging upside down because we keeping it warm from the inside, then we, uh, [A few words are not clear.] then we transport it with the crane.

(Pause.)

Danie: That's the, the dye, um, he's now putting on the spray, the cook the Spray & Cook.

Bernadette: And where's the actual dye?

Danie: That's the dye.

Bernadette: In there, (Danie: Ja.) okay.

(Slight pause.)

Danie: He's putting the aluminium inside there.

(Pause.)

Bernadette: Oh wow!

(Pause.)

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

(Bernadette laughs.)

(Pause.)

Danie: The BMW casting.

Bernadette: Okay.

(Pause.)

Danie: You see, that's the actual dye.

(Slight pause.)

Bernadette: Oh, okay, I see, (Danie: Ja.) ja. That's the expensive, (Danie: Ja.) expensive thing.

Danie: Ja, that's about R1 million.

Bernadette: Wow! And these machines?

Danie: 4, 5 million.

(Slight pause.)

Bernadette: But they've been in operation for a long time.

Danie: Ja. This machine [A few words are not clear.] it's about 40 years old.

Bernadette: Wow! And it's still going.

Danie: It's still going.

(Pause.)

Bernadette: It's quite a manual process, each ...

Danie: It's a manual process, ja. (Bernadette: Ja.) The new equipment, they've got a, they also make it ladle, automatic sprayer, (Bernadette: Ja.) and all that.

Bernadette: Ja.

(Pause.)

Danie: And that's a trimming tool.

Bernadette: Okay. Just let's watch. (Pause.) All right, so ...

Danie: So what's happening there, it's taking out all those (Bernadette: Ja.) plastics.

Bernadette: Okay. Ja, I see it there, ja.

Danie: This is for ...

Bernadette: [A few words are not clear.] instructions there (Danie: Yes.) for them, ja.

Danie: This is for the Ford, uh, T6 bakkie. (Bernadette: Okay.) It's a alternator [The rest is not clear.].

Bernadette: Look at that. Wow!

(Pause.)

Danie: They, they going to put that dye in so they busy warming it, warming it up.

Bernadette: And this is the push over.

(Pause.)

Danie: This is the final inspection area.

Bernadette: Okay. And what sort of things are they inspecting?

Danie: Visual.

Bernadette: Visual inspection.

Danie: And some, uh, dimensional.

Bernadette: Okay. So what do they look for? Any burns on it, ...

Danie: Yes, burns, [Word not clear.], ferocity, (Bernadette: Okay.) drag marks.

Bernadette: I see they, ja.

(Pause.)

Bernadette: Wow, look at this. That's after it's been trimmed.

Danie: Yes. I just want to see what is the problem with this 1. (Pause.) I don't know.

Bernadette: Oh, there.

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

(Pause.)

Bernadette: So is this the building you started in (Danie: Yes.) and that's the new 1, relatively.

Danie: This is the gravity side where we do gravity castings.

Bernadette: So how does ... So here the blades ...

(Pause.)

Bernadette: So now he's going to pour. (Pause.) And then how long does it take to set?

Danie: About a few minutes.

Bernadette: And then what is he doing? These ...

Danie: He's doing that 1.

Bernadette: Okay, oh sorry, ja. I can't see, ja. What dictates the different methods for the castings?

Danie: Say again?

Bernadette: What dictates or what ...

Danie: The volumes.

Bernadette: Okay. So this is small volumes (Danie: Ja.) that you doing here.

(Pause.)

Bernadette: And you've got the different grades of aluminium there that you would use for different products, ja.

(Pause.)

Bernadette: Ja, what is, is that a production board or it's just a clock.

Danie: No, it's just a clock.

Bernadette: Okay. (Danie: Ja.) That looks very fancy. Oh, here's your machining. (Slight pause.) Ah! So you've got ...

Danie: We do the machining of the, uh, ...

Bernadette: So you've got how many CNC machines?

Danie: 3.

Bernadette: And what, they are?

Danie: [Name not clear.]

Bernadette: [Name not clear.]

Danie; And a Fernook.

Bernadette: And a Fernook.

Danie: Ja.

Bernadette: Okay. I've just seen, ja. And these guys, how long have they been working on these machines?

Danie: Oh, for a long time.

Bernadette: Long time, so they all very experienced, (Danie: Ja.) they, they know their trade (Danie: Ja.) very well. Okay. And this is to trim and trim ...

Danie: This is to actually machine the part.

Bernadette: Oh, okay. There's ...

(Pause.)

Danie: Machine that face. (Bernadette: Okay.) Machine there.

Bernadette: Okay, okay, the threading, (Danie: Ja.) ja. So it's the finer, finer points or the finer details.

Danie: Ja, that's where they put the oil for the diffs.

Alberto: I'ts a very impressive cast.

Danie: And that's just a breather hole.

Bernadette: It's beautiful.

(Bernadette and Alberto laugh.)

(Pause.)

Bernadette: Um, the cleanliness of the, the floor and that type of thing, do the, the automotive guys come and inspect that and ...

Danie: Ja, they come from time to time to do a full audit.

Bernadette: And is that 1 of the things that they look at and sort of ...

Danie: Ja, everything.

Bernadette: Everything. Because it's actually, for a foundry it's actually very nice and neat and clean.

Danie: It's very clean, ja.

Bernadette: Ja. No, absolutely. Do you know Forbes Brothers?

Danie: Yes.

Bernadette: Because we seeing them on Friday.

Danie: Is it!

Bernadette: Ja. (Danie: Ja.) Do you know them personally?

Danie: Ja, I know him, um,

Bernadette: Peter, Peter Forbes and ...

Danie: Peter Forbes, ja, ja.

Bernadette: Yes, so we meeting with them.

Danie: Ja, you can ask him about me.

Bernadette: Ja.

(Bernadette and Alberto laugh.)

(Slight pause.)

Danie: Ja, that's a real foundry. (Bernadette: Is, and, ja.) Ja, that's a real sand foundry.

Bernadette: Ja, (Danie: Ja.) because I believe they've got a, ja. I haven't, I've been looking on their website. You must, you haven't got a website?

Danie: No.

Bernadette: Ja. You should get some student to do a website for you (Danie: Ja.) or something.

(Slight pause.)

Danie: So this is all customer's property, (Bernadette: Okay.) all the dyes, (Bernadette: Ja.) we've got over 500 different dyes.

Bernadette: And then what happens when the dye's obsolete? When you ...

Danie: The customer must take it.

Bernadette: So he recycles it or what, what ...

Danie: Sell it as scrap, they melt it.

Bernadette: Okay. What are they made out of, the dyes? What is the material?

Danie: It's um, (Slight pause.) there are 2 parts.

Bernadette: Okay.

(Pause.)

Danie: Let's look at this 1. Here's, you see, there's a, a split line here? (Bernadette: Ja, ja.) That's what we call the insert. (Bernadette: Okay.) The bolster is normal steel, (Bernadette: Okay.) that is tool steel.

Alberto: Oh, okay.

Bernadette: Okay. (Danie: Ja.) So this, this gets mounted onto the, the casting machine (Danie: Yes.) and this is the, the, (Danie: Ja.) that comes in and out and that you put the Spray & Cook (Danie: Ja.) part in.

Danie: Ja, ja.

(Bernadette and Danie laugh.)

Bernadette: Ja. Now is this, (Alberto: How many ...) is this, are these dyes that will be going back onto the line (Danie: Yes.) and you just do maintenance and clean them.

Danie: Once we've had a run then it comes back here and we service it.

Bernadette: Okay. All right. So this is part of your maintenance ...

Danie: Ja, ja.

Bernadette: Ja.

Alberto: How many pressings do you normally get out of 1 dye?

Danie: We, we guarant, if, if I make the tool, if I get it made, I guarantee it for 100000 shots.

Bernadette: And if it's given to you it's usually your best quality and durability.

Danie: Ja.

Bernadette: Okay. (Slight pause.) What, what, what contributes to the, the, the durability of the, the dye that it, that it lasts so long? Is it just the way in which it's made? The design.

Danie: Ja, that's got an effect but also its, the material will only allow a certain number of shots, then it starts showing heat cracks (Bernadette: Okay.) and then it starts cracking, no matter what you do.

Bernadette: Okay. So it's, it's sort of bath tub curve, you don't have something where you can increase the life (Danie: No.) of it. Excellent! This is fascinating. (Bernadette laughs.) I love this.

(Pause.)

Danie: I Just want to show you, I think the dyes are [The rest is not clear.].

Bernadette: So safety, I see, and then the, do you display audits, you've got safety reps here, (Danie: Ja.) first aid reps, okay.

(Pause.)

Danie: We used to make lawn mowers as well.

Bernadette: Uh! Lawn mowers! (Bernadette laughs.) Oh, look at that. (Alberto: Ja.) For who did you do this?

Danie: That was for, um, (Slight pause.) they down in Durban? (Slight pause.) Tandem, Tandem Lawn Mowers? (Bernadette: Okay! Wow, so the ...) We, we made the chassis, what they call the chassis.

Bernadette: Ja, I can see the shape of it, (Danie: Ja.) ja. And that's no longer?

Danie: No, (Bernadette: Okay.) no, they using steel pressings nowadays.

Bernadette: Okay!

(Pause.)

Danie: I don't know if you've ever seen a Sparky Roller?

Bernadette: Uh, Uh, uh-uh. He probably has, me no. (Bernadette laughs.)

Alberto: Ja.

Danie: You know a Sparky Roller?

Bernadette: Ja.

(Pause.)

Danie: That's the size of the tool to make this casting.

Alberto: Wow, shoh!

Bernadette: So a million bucks and I hope you making a whole lot more off the volumes of that.

Danie: No, the customer paid for that, so.

Bernadette: Okay, that's fine. (Danie: Ja.) (Bernadette laughs.) Incredible.

Alberto: It makes 2 at a time, (Bernadette: 2, ja.) ja.

Danie: So it makes 2. There's 2 different ones, (Alberto: It's 2 different, oh, okay.) this 1, that 1's got another, a different hole. (Alberto: Okay.) It's a left hand and a right hand. This was made in Taiwan, this dye.

Alberto: This is what you were talking about that run ...

Danie: The runner system.

Bernadette: Ja, (Alberto: Ja.) ja.

Danie: Not that, only that.

Bernadette: Okay. Is that so you can actually manoeuvre the, the casting in and out? The runner.

Danie: Ja, you take it here by the runners, ja.

Bernadette: Ja. So that's, that's for manoeuvrability. (Danie: Ja.) Okay. Wow!

Danie: So this will, (Bernadette: Ja.) when, when the 2 halves close, (Bernadette: Ja.) that will go in to form that.

Bernadette: Okay.

Alberto: Oh, wow!

Bernadette: It's quite a, it's, it's quite an intricate process. (Danie: Ja.) The design is ...

Danie: Ja.

Bernadette: Wow!

Danie: And there's water cooling all over inside.

Bernadette: It's incredible! You don't think about it, hey?

Alberto: It's amazing.

Bernadette: Ja. (Slight pause.) This is an old (Danie: Ja.) bore ...

Danie: Ja, a horizontal boring hole.

Bernadette: And how old is this? Okay, (Bernadette laughs.) it looks ...

Danie: 60 years.

Bernadette: Wow!

(Pause.)

Danie: We use that filter to filter the aluminium (Bernadette: Okay.) and we bring it from the [A few words are not clear.\] and we pour it (Bernadette: Ja.) into the holding furnace (Bernadette: So there's act ...) to clean the material.

Bernadette: So there's actually quite a lot of, um, debris, impurities in it.

Danie: Ja, ja.

Bernadette: What is this.

Danie: It's ceramic.

Bernadette: Ceramic. Okay.

(Pause.)

Danie: That is [The rest is not clear.].

Bernadette: Okay. So what is it ...

Danie: So it will go inside, then you've got steel balls (Bernadette: Okay.) and you hit the entire thing with the steel balls. (Slight pause.) There's that [Word not clear.].

Bernadette: Oh, okay. Wow! How big are the balls?

Danie: [Word not clear.]

Bernadette: Are they like (Slight pause.) ball baring [The rest is not clear.].

Danie: 8 tons of steel.

Bernadette: Okay. (Slight pause.) Oh wow, look at that! (Pause.) To be straight.

Danie: That's the difference.

Bernadette: Oh, wow, that's a beautiful finish. Lasered? (Pause.) It should be straightened.

Danie: Ja. Ja, you will get it that sometime, sometimes that area will be bent, (Bernadette: Okay.) [The rest is not clear.].

Bernadette: Okay.

Danie: If that's not right, the wiper will not stay, stop at the right place on the window.

Bernadette: Oh, okay, that's amazing. (Bernadette laughs.)

(Pause.)

Danie: We do the machining here, (Bernadette: Okay.) those 4 holes and they thread, uh, [A few words are not clear.]. That's a go and a no go zone (Slight pause.) because they put the pipe on here and then that area is to trim the pipe.

Bernadette: Okay.

(Pause.)

Danie: We even tie the thread.

Bernadette: Oh, wow! That is intricate. That is quite tough.

Danie: [A few words are not clear.] General Motors for the wiper bracket.

Bernadette: Shoh! (Pause.) Wonderful.

(Bernadette then speaks to Danie's daughter about taking over the business.)

Bernadette: That was incredibly interesting. (Alberto: Ja, it was.) I am like surprised that you can actually cast those threads. (Danie: Ja, ja.) It's so intricate. It's unbelievable. Thank you.

Danie: No, it's a pleasure. I hope you enjoyed it.

Alberto: Ja, it's ...

Bernadette: Oh, I had a lovely day. (Danie: Mmm.) Thank you so much for sharing with us.

(Bernadette then explains to Danie what is going to be happening.)

Bernadette: Anyway, Danie, thank you so much, (Danie: Okay, no, it's a pleasure.) and thank you for your time and, ja, it's been nearly 2 and a half hours that you've given to us and we really appreciate it.

(Bernadette and Alberto laugh.)

Danie: It's fine.