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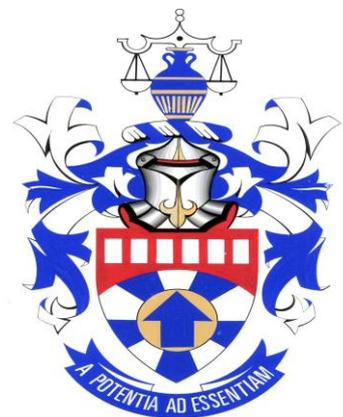
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SAIIE Annual Report 2012 - 2013

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with Inputs from the President and respective Portfolio Leads*

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A vibrant, learned society, representing and promoting Industrial Engineering in Southern Africa

Introduction

Our **Vision** is to be a *vibrant, learned society, representing and promoting Industrial Engineering in Southern Africa.*

Our **Mission** is to *represent, promote and advance the professional interests of our Members and of the Industrial Engineering discipline in Southern Africa, and in so doing to improve the supply and demand for Industrial Engineering in terms of both quantity and quality.*

Towards the end of 2011, the SAIIE Council defined three Key Focus Areas, which determined its strategy for 2012-2013 :

- Relevance of our Institute to the Members it serves, and the standing of the Industrial Engineering Profession
- Growth in Membership, Revenue and Discretionary Income
- Effective Functioning of the Council

These focus areas are underpinned by a number of specific Initiatives, as was discussed by Henk van Tonder, our President, at the 2012 SAIIE Annual General Meeting; as well as the Portfolio Strategies, which determines the operational focus of the Council.

This report provides feedback on what we have achieved during the past 18 months in the context of our Key Focus Areas, our specific Initiatives, and in each of the respective Council Portfolio's.

Relevance to our Members and to our Profession

We are a Voluntary Association, and as such, our primary focus will be to remain relevant in the way that we represent, promote and advance the interests of our Members and of our Profession.

Strategic Initiative : Community Outreach

We have three Special Interest Groups (SIG) that are serving our Members with specific Industrial Engineering interests. The chair persons of these Interest Groups are Co-opted Council Members, representing our Members' interests in these specific areas of our discipline.

The Services Sector Interest Group, chaired and lead by the dynamic Lucky Masilela, represents the interests of all Industrial Engineers in the Services, Financial and Public Sectors. Three events were held during the past 18 months, supporting the following themes :

- The effective Management of Municipalities to Ensure that South Africa is Globally Competitive (21 July 2011)
- Improving the Public Health Care Sector (29 March 2012)
- Modernisation of Government Entities (26 July 2012)

At the core of all Service Sector events is an awareness that we can improve and contribute to a better life for all. This year, Lucky is planning the following events around the following focus areas :

- Technology to enable efficiencies in the Health Sector – 30 May 2013
- Industrial Engineer the Entrepreneur (LEAN) – 27 June 2013
- Rail Engineering through the IE magnifying glass – 25 July 2013
- The Commercial Engineer (Banks, Insurance and Services) – 29 August 2013
- Innovation in Government Entities – 26 September 2013

- ISO & QMS – 31 October 2013

The **Highveld Interest Group** has grown from a forum of Industrial Engineers in Sasol, Secunda, to a broader forum, which represents the interests of Industrial Engineers in the mining, and other primary and secondary industries based on the Highveld. This Special Interest Group is led by Tiaan Ackerman, and represented at Council by Gerrit Kotze.

Goals and achievement:

- Leadership : slow progress
- Networking : email database was setup with 140 IE's
- Value and development : two events were organized
- Communication : 2 quarterly brochures were sent out

Four events are planned for 2013 around visits to :

- BECSA (BHP Billiton Energy Coal) – 14 February 2013
- Sasol – 11 April 2013
- Exxaro – 18 July 2013
- Anglo American – October 2013

Elias Willemsse, Chair of the **Operations Research Interest Group**, has been instrumental in our partnership with the Operations Research Society of South Africa (ORSSA), of which he has been the Chair as well. Given the success of the 2 events co-hosted with ORSSA in 2012, we are planning three co-host events for 2013, in the following regions :

- Johannesburg / Pretoria
- Western Cape
- Johannesburg / Pretoria

SAIIE actively endorses and supports its **Student Chapters**. Amongst the 8 Academic Universities, and Universities of Technology, we have three active Student Branches affiliated with SAIIE :

- The Tukkies Student Chapter, (184 Members) chaired by Jacques Fauré.
- The Maties Student Chapter, (116 Members) chaired by Luguen Gass during 2012 and Lauren Stewart in 2013.
- The TUT Student Chapter, (20 Members)

We have set ourselves the goal in 2012 to grow our Student Membership by at least 15%, through the following Initiatives :

- The establishment of a SAIIE Student Chapter at CPUT.
- The establishment of a core team supporting the needs of Student Branches.

Under the enthusiastic leadership of Grace Kanakana, a number of initiatives are planned to support established, and potentially new student branches in 2013 :

We have set ourselves the target to host two talks at each of the Universities this year, covering topics of specific interest to Industrial Engineering Students.

We have also substantially increased our sponsorship of prizes in acknowledgement of academic achievement. We intend to extend this sponsorship to Universities not previously supported in this regard.

Subject to arrangements with co-Sponsors, this year may also see the launch of a web-based supply chain simulation game, with entries and participation sought from third and fourth year students across all South African universities.

We also plan to establish an **Academic Interest Group** in 2013, with the intention to support our Academic Institutions in ensuring that the Industrial Engineering Curricula remains relevant to the needs of Industry, and in alignment with Engineering Program Accreditation Standards, as stipulated under the Washington and Dublin Accords.

Strategic Initiative : Enhancing our Community

The **Annual SAIE Conference**, where we show-case the Industrial Engineering fraternity to the world, has been transformed from an inward looking SAIE get-together to a truly international gathering, as witnessed by the CIE42 Conference that took place in Cape Town in July 2012, where delegates from 13 countries participated.

We look forward to our 2013 Conference, taking place at the Spier Conference Centre in Stellenbosch, 9 – 11 July.

Having set the benchmark for future conferences, Corne Schutte, our Immediate Past President, handed this portfolio over to the capable hands of Dieter Hartmann and Teresa Hattingh.

The **South African Journal of Industrial Engineering (SAJIE)** celebrated its 25th anniversary with a third, and Special Edition in July 2012. Under the dedicated editorship of Prof Susan Adendorff, the Journal has grown to a truly international publication, with 50% of contributions coming from foreign authors, and an Impact Factor of 0.215.

With the assistance of Prof Corné Schutte and the Stellenbosch University Library, an on-line Open Access platform was created for SAJIE, and launched in the second half of 2012. All archives of SAJIE since 1987 have been uploaded onto the website, creating visibility of the work published by SAJIE since its inception.

Since its inception to the end of March 2013, the Online Journal website has attracted 8 580 visitors from 122 countries, with more than 36% of visitors having returned to the site.

The online publication of the Journal has allowed us to radically change its financial model. Where income had been generated in the past by means of selective advertisements and page fees, SAJIE now has the stature and platform to charge submission fees and subsequent publication fees. This, coupled with the decision to dramatically reduce the number of volumes sent by courier, has enabled the Journal to move towards break-even and financial sustainability.

The **Professional Registration** of Industrial Engineers and Technologists; **Mentorship** during the Candidacy Phase towards Professional Registration; and the **Continued Professional Development** of our Engineers and Technologists have been, and will continue to be key priorities of the SAIE Council.

With only 25.5% of our active, non-student Membership base Professionally Registered, and 19% listed as Candidates that are working towards Registration, we are one of the Voluntary Associations (VA's) with the lowest number of Registered Professionals.

In order for continued recognition as a VA by the Engineering Council of South Africa (ECSA), we need more than 100 active Registered Members, and a Registered and Candidate Member population of at least 25% of our total Membership. Growth in the number of Registered Engineers and Technologists is a key focus of the **Membership Portfolio**. The strategy is three-fold :

1. To support Candidate Engineers through Mentorship
2. To encourage non-active Members who are IE Professionals to renew their SAIE Membership
3. To encourage IE Professionals who not Members of SAIE to join the Institute

The **Professional Registration** Portfolio, led by Carien Botha, SAIE Vice President, has achieved the following objectives in 2012 :

The re-drafting of the Discipline Specific Training Guidelines for Industrial Engineers, to align with ECSA's New Registration Policy for Engineers, which will be introduced in the next two years.

Significant progress in the re-drafting of the Commitment and Undertaking (C&U), and associated guidelines for companies that commit and undertake to offer structured Candidacy Programmes in supporting of their young Engineers in their development towards Professionals.

The drafting of the Mentorship Guidelines, complementing the new C&U, and its introduction of the new C&U, will be one of the key focus areas in this Portfolio, and also of the ECSA Strategic Working Group on the New Registration Policy, to which this Portfolio remains closely aligned.

Ranil Singh leads the Portfolio concerned with the **Professional Registration of Technologists and Technicians**. He will continue to participate in ECSA's awareness campaigns amongst Universities of Technology, aimed at increasing the number of Technologist and Technician Candidates.

Nandie Coetzee leads the **Mentorship Portfolio**. Her key goals for 2013 are :

- To encourage Registered Engineers and Technologists capable and willing to serve as Mentors to make themselves available for such purposes
- To subsequently establish and publish a database of Mentors
- To implement those processes required to facilitate the partnering of Candidates with Mentors, using the SAIE Website as platform

In support of the Continued Professional Development (CPD) of our Registered Members, **the CPD Portfolio**, until recently under the leadership of Carien Botha, has introduced a more streamlined process of administering the collection of CPD points. CPD credits, or fractions thereof, will in future be automatically logged against member's details in the Membership database if earned through the following activities:

- Membership of SAIE
- Attendance of SAIE Special Interest Group Events
- Mentoring of Candidate Practitioners
- Attendance of, and papers presented at SAIE Conferences
- Attendance of Lectures, Seminars and Courses endorsed by SAIE
- Publication of research or technical papers in SAIE
- Peer reviews of papers presented to SAIE for publication

In 2013, we intend aligning the registry of CPD points earned by our Members with the ECSA CPD database and supporting workflow, which would reduce the administrative burden in logging CPD points even further.

Strategic Initiative – Transformation of ECSA Committees

In 2011, ECSA embarked on a journey of transformation in order to ensure maximum efficiency in the delivery of its core mandate, and consequently improve its service to the Engineering Profession and the public at large. Amongst other, the transformation includes a drive from the new ECSA Council to transform the Registration Bodies to be representative of the national demographics. The interim recommendation is to have 50% of the Members of these bodies to be persons of Colour.

Historically there were relatively few registered practitioners of Colour in any of the categories of Engineering that were eligible for selection. In the case of SAIE there are also only a hand-full of professionally registered Industrial Engineering practitioners.

The President will, in his current term of office continue to recruit Registered Professionals to serve on the Professional Advisory Committee (PAC) for Industrial Engineering, as the first step in this process.

As a Voluntary Association of the Engineering Council of South Africa, SAIIE is tasked with the practical execution of ECSA's legal obligations in terms of the Registration of Professional Practitioners. Traditionally, this has included the activities of the **Professional Advisory Committee (PAC)**, responsible for the evaluation of applications for Professional Registration, and upholding the Professional Standards for our Discipline. We acknowledge the contribution of our PAC Members, for the dedication they have volunteered to this important task. Our PAC Members are :

- Schalk Claasen - Chairperson
- Henk van Tonder – Vise Chairperson
- John Burdes
- Michelle Cilliers
- Pieter Conradie
- CJ Fourie
- Hans Kuilman
- Roland Röhrs

Members of both the PAC and the Registration Committee have furthermore been actively involved in various aspects of the ECSA Transformation Journey.

We have made, and will continue to make a significant contribution to the renewed **Identification of Engineering Work**, driven by a Steering Committee tasked with submitting recommendations to the Council for the Built Environment (CBE) regarding the work identified in terms of section 18.1 of the Engineering Profession Act, 2000 for its consideration and identification in terms of section 20 of the Council for the Built Environment Act, 2000 (Act 43/2000).

SAIIE has also played a significant role in the work done towards introducing a new Registration Process

We have furthermore co-opted Members of our Institute to act on the following committees :

- TW Malinga – Identification of Engineering Work Steering Committee
- Dr K Mpofu – Technology Programme Accreditation Committee
- Mr AK Naicker – Fees Committee

Growth in Membership, Revenue and Discretionary Income

Strategic Initiative – Growth in Membership

The imperative to enhance the relevance of our Institute to the Members it serves becomes apparent when one analyses our current and historic Membership Profile.

The following distribution applies to our Membership base of 994 Active Members,:

Professionally Registered Members :	15%	(153)
Candidate Members :	12%	(121)
Non-Registered Members :	34%	(335)
Students :	39%	(385)

Being one of the younger Voluntary Associations (VA), SAIIE has historically struggled to maintain its Membership stable and high enough to qualify for ECSA recognition. With the number of qualified IE practitioners in South Africa estimated to be in the order of 3000 to 3500, the current SAIIE Membership base represents about a third of the IE Practitioner Population of South Africa.

28% of our Total Membership Database of 1386 individuals consists however of Dormant Members.

Considering our historic Membership Profile, based on the Total Membership Database (active as well as dormant Members), some interesting trends emerge :

- A relative decrease in the number of IE Practitioners who pursue Membership of SAIIE
- A relative decrease in the number of IE Practitioners who pursue Professional Registration
- A seemingly increasing trend in the number of Candidates who do not complete their Professional Registration

With the introduction of initiatives like the Corporate Partner program, high profile Conferences, active canvassing of Student Members and the introduction of Special Interest Groups, Membership numbers started reflecting an upward trend.

Our Corporate Partnership Programme was initiated by Corne Schutte, Immediate Past President, and Cobus Rossouw from The Imperial Group. The objective of Corporate Partnerships are threefold :

1. To address the vulnerable financial situation in SAIIE
2. To foster better relationships between SAIIE and major employers of Industrial Engineers
3. To increase the number of Associate Members of SAIIE.

Our present Corporate Partners are :

- The Imperial Group Main Corporate Partner
- LTS Consulting Premium Corporate Partner
- SASOL Premium Corporate Partner
- Transnet Premium Corporate Partner
- Indutech Standard Corporate Partner
- Tshwane Univ of Technology Standard Corporate Partner
- British American Tobacco Standard Corporate Partner

Of our 601 active Non-Student Members, 27% are affiliated with and/or employed by Corporate Partners. This Membership category has been responsible for approximately 20% of growth over the past 5 years.

The **Corporate Partnership Portfolio** is now lead by Henk van Tonder, our President. The interests of our Corporate Partners are represented by an Advisory Committee that meets twice a year. The outputs of this Committee have, and will continue to be one of the determinants of our Strategy, and in particular our Initiatives aimed at Relevance to our Members, and the advancement of the Profession.

A key objective of this Portfolio has, and continues to be to actively maintain and grow our Corporate Membership base, and subsequently our overall active Membership base, in order to grow and maintain a sound financial position.

Our strategy to grow Ordinary Members has been one of pursuing growth indirectly through Relevance, and in particular through the initiatives pursued to enhance our Community and to reach out to them. We have subsequently reinstated a **Membership Portfolio** under the leadership of Charles Harebottle who joined the Council in early 2013.

The Membership Portfolio will focus on achieving the following objectives in 2013 :

- Converting dormant Members into active Members to the extent possible
- Being more pro-active in reaching out to Members, amongst others in order to improve our understanding of their expectations of the SAIIE Value Proposition
- Creating broader awareness of the current Value Proposition offered
- Influencing the SAIIE Strategy insofar as its future Value Proposition to Members is concerned

Strategic Initiative – Create a Sound Financial Base

The growth in Membership over the past 5 years, and a legacy of conservative spending has contributed significantly to our sound financial position.

We are confident however that we can grow our financial base further through leveraging potential other miscellaneous income streams, in particular :

- Revenue earned through advertisement on the SAIIE and SAJIE websites
- Revenue earned through Journal Submission and Publication Fees

We will in the course of the year also consider potential other revenue streams to bolster the Council's financial position, in a manner that reflects our Professional ethos.

Effective Functioning of the Council

Strategic Initiative – Corporate Governance aligned to the Companies Act of 2008

Under the portfolio leadership of Henk van Tonder, our President, and with the support of Waldo Viljoen, a number of objectives have been set to ensure effective **Corporate Governance**.

SAIIE was re-registered in May 2012 as a *Non-Profit Company ("NPC") with Members*, to align with stipulations under the New Companies Act.

A new Memorandum of Incorporation ("MOI") has replaced the obsolete Memorandum of Association and the Articles of Association of the old Section 21 Company. This new MOI aligns the duties and the responsibilities of the Office Bearers and the Members of Council with the requirements of the new Act and in accordance with guidelines under King III. This document will be submitted for approval at a special AGM, earmarked to take place in the second quarter of 2013. Following from the MOI, efforts are also underway to redefine procedures on Procurement, Expense Approvals and Revenue Recognition.

Waldo Viljoen, elected to Council at the September 2012 AGM, has been appointed to the position of **Treasurer**. After this position has been vacant for a year, the objectives for 2013 are :

- To develop a forward looking budget, aligned with the Council Strategy
- Improvement of the quality and frequency of financial reporting
- To migrate our Membership Administration, and Revenue Management, to an integrated Online Platform

Relevance and Delivery

A decision was made in 2011 to establish a portfolio focused on Council Strategy. The purpose of the **Strategy Portfolio** has been to ensure closer alignment between the overall Council Strategy and the focus and activities of the respective Council Portfolio's.

2013 will be the second cycle in which a structured strategic planning and review process has been adopted. The focus of the Strategy Portfolio in 2013 will be :

- To create a more balanced distribution of work load across portfolios, and amongst leaders and Members of the respective portfolio's
- To assure higher levels of accountability for the achievement of objectives we have committed to
- To ensure regular and transparent feedback to our Members on progress towards objectives

Effective Communication

In 2012, we introduced a **Communications Portfolio**, under the leadership of Sean Engelbrecht, our second Vice President, who has been responsible for all communication posted on our Website, and the management of this portal. Given that this is our face to the world, and that it has become increasingly cost effective to enhance this platform with automation, we intend to migrate to the Online Platform to reduce the administrative burden on our Administrator, Lynette Pieterse.

To improve workload balance, we have split the Communication Portfolio into two distinct Portfolio's, namely Content Management and Platform Management. Waldo Viljoen will be accountable for the implementation of the Online Platform. This will allow Sean to focus on value added content, posted in a format and frequency designed to attract more traffic to our Website.

Platform automation will not only allow us to leverage our online platform to earn revenue, it will also enable Lynette Pieterse, who has been responsible for the **Administration Portfolio** since February 2012 to focus on more value adding activities. Lynette has been the voice on the other side of the line, the presence in our office, and the person who distributes and channels information. She has also played an instrumental role in the administration of our Members, and the effort that was required to get our Membership base up to date.

In Conclusion

We have set ourselves some bold targets to achieve in this forthcoming financial period, building on our success in our recent efforts towards the Vision of our Institute. I wish to extend my sincere gratitude towards our Members of Council, and the many Industrial Engineers, Technicians and Technologists that are contributing to our Profession and our Institute. Your voluntary efforts have, and will continue to make the difference.

To all current and prospective Members of SAIIE, we look forward to have your thoughts on the 2012 - 2013 Annual Report!