

KZN CTC BULLETIN August 2016

Welcome to the SECOND bulletin of the KZN CTC for 2016. Click on any link below to be redirected to the full online version of the bulletin.

Please forward this email onto interested parties or signup if you do not receive the newsletter already.

Articles in the bulletin are

- [Recent Events: Innovation Session, Imbizo](#)
- [Feature Article: Management Control Systems](#)
- [Industry News](#)
- [Upcoming Events](#)

1. RECENT EVENTS

1.1 DYEFIN TEXTILES: MANAGEMENT CONTROL SYSTEMS

During 2015, Dyefin Textiles implemented a Management Control System (MCS). It is used to track the performance of all divisions against capacity on a daily basis, with divisional supervisors meeting regularly to discuss variances and major improvement requirements.

The KZN CTC and Dyefin hosted an innovation session to inform cluster members about the design and implementation of the MCS, including a tour of the Dyefin factory to observe the MSC in practice.

1.2 NATIONAL RETAIL, CLOTHING AND TEXTILES IMBIZO 2016

The Retail, Clothing and Textiles Imbizo was held on 26 - 27 May 2016 at Devonvale Golf and Wine Estate in Stellenbosch. The purpose of the Imbizo was two-fold. Firstly, to provide an opportunity to review progress made by the Cape and KZN Clothing and Textile Clusters since the last Imbizo held in 2013. Secondly, to bring into focus key opportunities and challenges facing the clothing, textile, footwear and leather (CTFL) value chain in South Africa and build consensus around the strategic direction of the clusters going forward.

To access the full Imbizo briefing note, please [click here](#).

1.3 EXCEL CLOTHING: TAKT FLOW LINE LAYOUT



The KZN CTC hosted an innovation session focused on TAKT Time at Excel Clothing. TAKT time is a methodology used to optimise the flow of production lines in keeping with customer demand. Presented by Jan Visagie, a lean

expert, the session was intended to assist firms in reviewing their own line layout.

Other recent events organised by the KZN CTC are as follows:

2016 Date	Event
	Executive
26 – 27 May	6th Retailer, Clothing and Textiles Imbizo
20 July	Exco Meeting
	World Class Manufacturing
19 April	Innovation Session: Continuous Improvement – implementing a company-wide performance management control system (Dyefin Textiles)
13 June	Innovation Session: Optimising Line Layout using TAKT Time (Excel Clothing)
17 August	Innovation Session: Optimising Line Layout using TAKT Time (Sentinel Workwear)
	Small and Medium Enterprises
April	SME Firms Priority Setting and Direct Intervention
	Skills Development Programme
30 August	Commencement of Marburg (Port Shepstone) TRACE

2. CASE STUDY: MANAGEMENT CONTROL SYSTEMS

2.1 THE BACKGROUND

Dyefin Textiles, South Africa’s leading commission dyehouse, specialises in dyeing and printing services to the textile industry. The firm was struggling to maintain discipline and quality management in their finishing department – specifically during the nightshift. Higher quality fabrics were therefore being allocated to other (seemingly more responsible) foremen, creating major trust issues between the foremen in question and management.

During September 2015, B&M Analysts conducted a two day analysis to understand the problem and to determine a way forward.

The KZN CTC is funded by:



the dti
 Department:
 Trade and Industry
 REPUBLIC OF SOUTH AFRICA



KZN CTC
 member firms

2.2 THE ANALYSIS

The analysis focused on Dyefin’s current management systems. Discussions were held with the managing director, technical director, relevant department managers and foremen, as well as the training officer.

The primary “hard” issues (or opportunities) were identified as:

- Shift/daily targets were calculated on output capacity only.
- The KPI’s tracked on a daily management tool were not uniformly relevant to all departments.
- No formal communication was being held between management, foremen and teams.

The primary “soft” issues (or opportunities) were identified as:

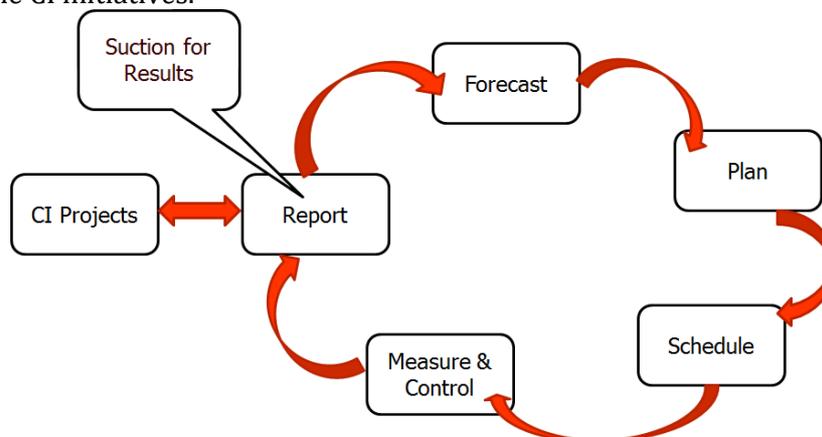
- There was a seeming lack of teamwork (within certain departments).
- Nightshift discipline was lacking with operators not following instructions and taking extended breaks. Supervisor and operator engagement of roles and responsibilities was inadequate.

A 10-day consulting project was proposed, and accepted, by Dyefin. The main focus of the project would be to address the ‘hard’ issues as it was felt that by doing this, most of the ‘soft’ issues would be impacted. It was further proposed that a methodology be used that would allow Dyefin to address operational issues on an ongoing basis, once the initial project had been completed.

In summary, the two components of the project were:

1. A Continuous Improvement (CI) framework and methodology.
2. The Management Control System (MCS).

The following is a model outlining the elements of an MCS and how it should provide focus and direction for the CI initiatives.



The KZN CTC is funded by:

2.3 THE PROJECT

The two pronged project methodology provided a structured, disciplined and team-based approach to business improvement. Under the facilitation of an external consultant and an internal project manager, an internal, cross-functional CI project team was set up. A CI 'champion' was tasked with the leadership of the team – including appointing team members to emergent CI projects. Being cross-functional, the team included not only the various departmental managers, but also personnel from production planning, accounts, workshops and training.

2.4 PROJECT METHODOLOGY

The project followed a three-phased approach, namely, definition, development and implementation:

1. Definition

The existing MCS was defined and mapped and constraints and issues were identified.

2. Development

Solutions were developed and a 'to-be' system designed ensuring that all the required components of a MCS were included.

3. Implementation

The 'to-be' system was implemented.

2.5 THE MANAGEMENT CONTROL SYSTEM (MCS)

The MCS needed to be designed that it not only provided a meaningful management framework for day to day operations, but that it would also identify constraint trends (statistically), thereby highlighting management action focus areas as well as possible future improvement projects.

2.6 MAJOR ISSUES

The major issues of the existing MCS as found in the Definition Phase were as follows:

1. Scheduling was centred on dyehouse capacity and didn't take other processes into account, resulting in fabric being pushed into the finishing department, which often caused bottlenecks there.
2. Communication of the dyehouse schedule and changes thereto were often not communicated to the other departments.
3. Scheduling of the other processes, (namely, preparation, finishing and packing) was done daily depending on what was being received on the day but often not communicated to the foremen.

The KZN CTC is funded by:



the dti
Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



KZN CTC
member firms

4. Output targets per area were standard targets that were being calculated on output (machine) capacity only. The type and quantity of fabric in process was not taken into consideration when determining targets.
5. Work was being scheduled around delivery dates to the customer although these were not translated into daily/shift targets for the foremen and teams to achieve.
6. Certain processes, namely, preparation and packing did not have any targets.
7. Daily actual performance against the previous day's targets was seldom discussed at shift level.
8. The information presented at production meetings lacked impact and relevance, due to the lack of appropriate planned versus actual figures.
9. The production dashboard (visible) was seldom reviewed and lacked certain KPI's necessary for daily management purposes.

2.7 MAJOR DEVELOPMENTS

The major improvements to the MCS that were Developed and Implemented were as follows:

1. Scheduling was still centred on the dyehouse but now included the other processes through a two-day rolling plan which was discussed and reviewed at the daily operations meeting.
2. The daily/shift schedules were made visible in each area for foremen and operators to view which clearly outlined the output requirement for the shift/day.
3. Performance was now measured against the schedule rather than output capacity of the machines and reasons for non-achievement were recorded. E.g. no labour, incomplete works order, mechanical breakdown.
4. These were both reported on a daily, weekly and month-to-date Operating and Pareto report. The Operating report summarises actual daily performance against scheduled output targets and highlights the areas where this has not been achieved. The Pareto report is used for the ongoing CI initiatives as it should highlight the constraints that were preventing the operations from achieving targets.
5. This report was now the primary management tool discussed at the weekly production meetings.

The KZN CTC is funded by:

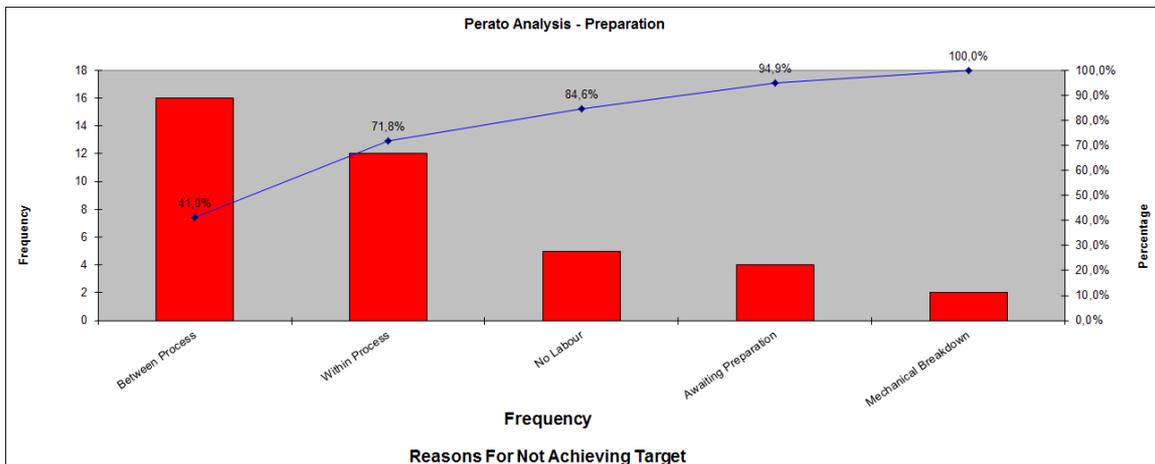


the dti
Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



KZN CTC
member firms

DAILY WEEKLY MANAGEMENT OPERATING REPORT - DYEFIN TEXTILES (PT)																
THIS WEEK	Sunday 01-Nov		Monday 02-Nov		Tuesday 03-Nov		Wednesday 04-Nov		Thursday 05-Nov		Friday 06-Nov		Saturday 07-Nov			
	PLAN	ACT	PLAN	ACT	PLAN	ACT	PLAN	ACT	PLAN	ACT	PLAN	ACT	PLAN	ACT		
PREPARATION																
KG'S	Total	17400	13510	18610	12555	18885	12806	19341	14155	17461	14288	15468	15468	12359	12359	
	Variance		-3890		-6055		-6079		-5186		-3173		0		0	
	Machine Availability		48		60		60		60		60		60		60	
	Planned Downtime Hrs		4		6		5		7		6		6		4	
	Machine Availability %		92%	92,5%	92%	89,3%	92%	91,4%	92%	88,7%	92%	89,5%	92%	90,1%	92%	93,0%
	Unplanned Downtime Hrs		9		26		12		22		25		18		13	
Machine Utilisation %		95%	79,7%	95%	51,5%	95%	78,1%	95%	60,5%	95%	54,1%	95%	65,9%	95%	76,1%	
DYEHOUSE																
KG'S	Total	13866	13866	13826	13826	13736	15875	13858	10219	12525	11148	12309	13052	12478	13105	
	Variance		0		0		2139		-3639		-1377		743		628	
	Machine Availability		180		180		180		180		180		180		180	
	Planned Downtime Hrs		11		11		10		10		25		19		17	
	Machine Availability %		92%	93,9%	92%	93,9%	92%	94,4%	92%	94,4%	92%	86,0%	92%	89,4%	92%	90,3%
	Unplanned Downtime Hrs		22		11		17		24		0		28		9	
Machine Utilisation %		95%	87,1%	95%	93,3%	95%	90,0%	95%	85,9%	95%	100,0%	95%	82,6%	95%	94,6%	
TUBULAR FINISHING																
KG'S	Total	24000	20941	18000	11386	20000	15273	22000	16579	22000	17360	22000	19202	24000	17233	
	Variance		-3060		-6614		-4727		-5421		-4640		-2798		-6768	
	Machine Availability		132		144		144		144		144		144		144	
	Planned Downtime Hrs		13		17		10		13		12		14		15	
	Machine Availability %		92%	90,5%	92%	88,1%	92%	93,2%	92%	91,3%	92%	91,4%	92%	90,2%	92%	89,8%
	Unplanned Downtime Hrs		3		33		38		32		26		23		36	
Machine Utilisation %		95%	97,4%	95%	74,2%	95%	71,9%	95%	75,4%	95%	79,9%	95%	82,0%	95%	72,3%	



2.8 THE RESULTS

Through the implementation of improved, comprehensive scheduling throughout the operations, changing the way the operations are measured and reported and the communication thereof, Dyefin have managed to improve operational performance significantly.

During the 1st quarter after the implementation of the MCS, Dyefin maintained their overall year-on-year throughput, however labour was reduced by 1135 man-hours, through a major decrease in overtime. The Finishing department decreased their overtime by 45% with a total decrease of 21% throughout their operations for the period. The bottleneck shifted away from the finishing department to the dyehouse and has created an improved continuous flow process.

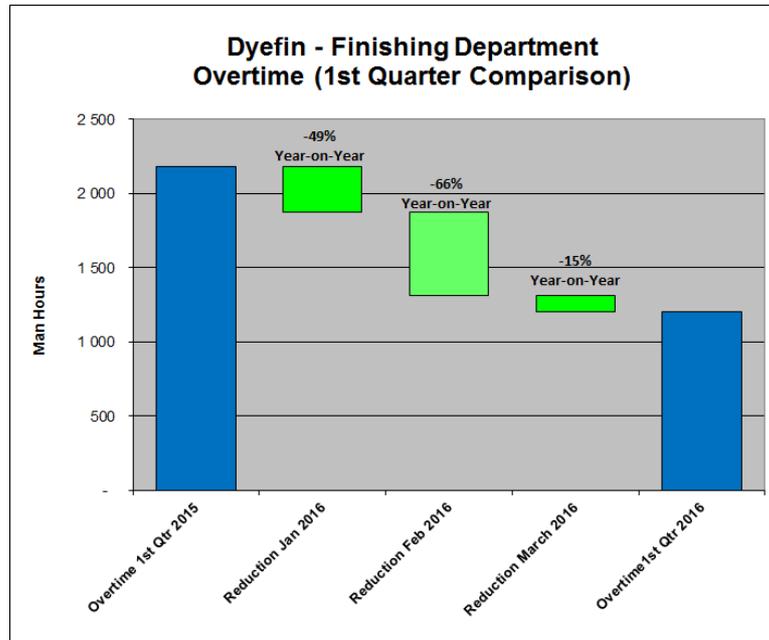
Besides the bottom-line improvements, managers and supervisors are now more focussed and accountable. They feel that the feedback they now give is of value which has also resulted in an

The KZN CTC is funded by:



KZN CTC
member firms

improved awareness of the operations. Having worked through this process together, they are now functioning as a team with a positive attitude towards and engagement in Continuous Improvement.



3. INDUSTRY NEWS

“CTRL click” the headline to view the full story on line.

3.1 SUPPLY CHAIN NEWS

[SACTWU promises 'aggressive approach' in expanding export industry](#)

By: Monique Mortlock, 08 June 2016

SACTWU hosted a Clothing, Textile & Leather Imbizo where role players discussed ways to rejuvenate the sector.

[Africa - the 'next Asia' for fashion, report finds](#)

By: Bizcommunity , 21 Jun 2016

Euromonitor International has published a new report entitled Apparel and Footwear in 2016: Trends, Developments and Prospects. It has found that the global apparel and footwear industry remains strong, posting over 5% value growth in 2015 - slightly up from the previous year.

The KZN CTC is funded by:



**KZN CTC
member firms**

[SA's cotton crop halves as farmers switch to maize](#)

By Tshepiso Mokhema, 05 May 2016

SA will produce almost 50% less cotton this year than in the previous season after farmers switched to more profitable crops such as maize, according to Cotton SA.

[Source Africa event to boost apparel, footwear industry](#)

CNBC Africa (video), 09 June 2016

Over 1,600 international and regional apparel and footwear buyers have gathered at the Source Africa event in Cape Town at the Cape Town International Convention Centre. The event aims to connect buyers and suppliers from 15 African countries interested in growing their exports. CNBC Africa is joined by Finn Holm-Olsen, Director, Trade Promotion & AGOA USAID Contractor, East Africa Trade & Investment Hub.

3.2 RETAILER NEWS

[SA gets largest Cotton On store in the world](#)

By Adele Shevel, 26 April 2016

The 3,200m² Cotton On store will have the widest range of merchandise for the group in the world. It now has 163 stores in SA and Namibia. The group aims to double its business in SA over the next three years, taking its store footprint across its brands to 350 stores, a company spokesperson says.

[Fabulous growth in Foschini turnover](#)

By: Fifi Peters , 27 May 2016

THE Foschini Group (TFG) has grown its turnover by double digits as cash-rich shoppers help the diversified retailer overcome tough conditions at home.

[Mr Price raises sales amid weak economy](#)

By: Sandile Mchunu, 01 Jun 2016

Mr Price said yesterday that its sales exceeded R20 billion and earnings exceeded R10 a share for the first time since the group's inception. Chief executive Stuart Bird said the figure represented an important milestone for the company.

The KZN CTC is funded by:



the dti
Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



KZN CTC
member firms

4. UPCOMING EVENTS (AUG – SEPT 2016)

Date	Event
	World Class Manufacturing
September	Innovation Session: Total Quality Assurance – Implementing effective total quality management procedures.
	Small and Medium Enterprises
Ongoing	SME Firms Priority Setting and Direct Intervention
	Skills Development Programme
30 August	Marburgh TRACE
September	Textile Preproduction Module

5. YOUR IDEAS

If you have any ideas for improvement or would just like to get in touch, please contact Zama Ngcobo:

The KZN CTC
 031 764 6100 (office)
kznctc@bmanalysts.com

The KZN CTC is funded by:



the dti
 Department:
 Trade and Industry
 REPUBLIC OF SOUTH AFRICA



KZN CTC
 member firms