

The Tubular Bell

September 2022

The latest news, views, and announcements



Editorial - Joe Pretorius



Our newsletter was introduced so that management and employees both can share noteworthy news, views, events and happenings in the company with each other; it is about engaging with employees so as to encourage communication which would not ordinarily take place between people in the company on a daily basis.

It is as much about learning who we are outside of the confines of the company as it is about being updated about what is happening in our company, industry, nationally or even internationally. Managers share information of how their departments are doing and employees are encouraged to share about what is happening in their work, family or social life.

If anyone in the company wants to share something, write an article or contribute a topical idea, forward your contribution to joep@cta.co.za , sibusiso@cta.co.za or delight@cta.co.za

We will store your contribution for the next publication. Contributions must avoid topics on politics, sex or religion and employees are welcome to write in their own language.

Chairman's share -

Robert Spoon



Looking back on the last 6 months has been very interesting. After a stunning performance in the last financial year which ended in February things look quite different. Thank goodness CTA is a **resilient** company as the most recent events have tested us. There is just one word that describes the situation in the world and in South Africa right now, **uncertainty**.



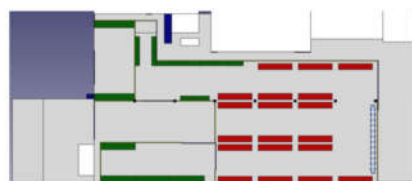
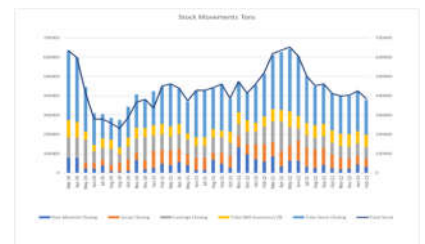
A war is still in progress in Ukraine and global developed economies are seeing a significant decline in GDP with rising inflation. Recession in some sectors of the world is being predicted. Global logistics costs remain significantly higher than normal, shortages of gas and oil in Europe is fueling sentiment and industrial metals have entered a bear market.

There has been significant damage to infrastructure in KZN from flooding, rising fuel prices, significant level of Eskom load shedding and a decline in DIY consumer spending. We have a new UCC machine and also a new IT system.



Copper pricing in global markets has entered into a bear trend with short sellers exceeding long. Warehouse stocks have not significantly declined. At time of writing Copper was trading at \$7500 / ton. The graph below reflects the trendline.

Where the copper price will bottom out is not certain. With this in mind a very aggressive stock reduction plan is underway while at the same time holding prices as long as possible.



The complete redesign and arrangement of the receiving, storage and dispatch areas has been planned. Capital expenditure will be only the side lifting forklift. The new layout will however mitigate the weakness that have been identified in the stock management process.

Overall the CTA business has worked hard at many initiatives and the team has performed well. Some vacancies now need to be filled to take the stress out of the resources available. Cash management and margin retention in a softer market environment is a significant headwind which the team will manage in their full hearted commitment to the business.

There are many things we have no control over. There are also many things that do not matter. **Focus on what you can change and what matters.** Then we will all win. I believe that we can do anything with the help of you, our staff, our suppliers, our shareholders and partners. Be conscious Covid is not over so be aware, vigilant and keep up the good work.



Above: Louis Van Zyl - Maintenance Foreman



Meet Mr. Marco Cleaves, Driver, Cape Town, by Werner Gerbach, Manager

20 years ago, Marco would occasionally come to the gates of CTA and many other businesses in the area, to collect scrap cardboard which he exchanged for cash at a local scrap yard to provide for his family. Marco would also ask to wash the vehicles, which the branch manager at the time allowed. Marco was so happy when he made his day's money from one place instead of walking all over in the industrial area to collect cardboard.

One day, Marco happened to be at the gate when a container arrived to be offloaded. He was asked to help and got paid almost three times more than what he'd get from collecting cardboard on a day. As the branch employees got use to Marco, he was asked to come work on the days the container arrivals were scheduled for. Later Marco was asked to assist one of the drivers with loading and offloading deliveries at customers on a casual basis and help pack Cashbuild orders. This all went very well as Marco showed great commitment and took pride in his work. Marco went as far as building a relationship with the employees at customers they were delivering orders to, and management grew fond of him and offered him a permanent position 4 years later.

Marco worked as a van assistant for 5 years when he was sadly retrenched. He was very sad when this happened - He loved CTA.

Three years later, things started picking up at CTA and Marco was asked to return. He immediately resigned from the company he worked at and was very happy to be back at CTA. Marco proved his loyalty, honesty and love for CTA, very well over the years. The company sent him for driving lessons which he passed in 2016 and now obtained a Code 10 driver's license. Today Marco is the top driver at CTA Cape Town.

Innovation - Lewis Herbst, Maintenance Manager

After having endless issues with dust on the Upcaster Machine we installed an Extractor Fan 1mX 1m. While this was somewhat effective it did not quite give us the result we wanted and filters on the electrical panel still had to be changed every week.

We then decided to peruse another avenue. Inquiries were made about restaurant type extractors but the pricing was determined to be somewhat beyond our means.

We searched for a better solution and Louis came up with an innovative and cost-effective solution.

His suggestion was to use two 10l drums, split them to make 90 deg and join them together getting the cost of this item to drop quite significantly.

Good one Louis! Well done.

This extractor was built and installed by Louis and placed above the opening of the existing loading section; when it is opened to load charcoal or copper all the ash from the charcoal, which is lighter than other elements around there, is then lifted by this new locally designed, built and implemented innovation.



EVERYTHING BEGINS
WITH AN IDEA

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Leading Change - Steven Levy

Leadership Coach

Change is not new to any of us, as everyone will tell you, the one thing that is a constant is "CHANGE". We all experience change regularly in our lives, how we embrace it is dependent on the benefits we believe the change will have for us.

In today's fast paced, highly competitive world organizational change is not an option but a necessity, that must be strategic and intentionally aligned to a compelling Vision in order to create the highest probability of achieving that which we set out to achieve.

Leading Change is never easy and requires Leaders who are willing to take risk, and are bold and courageous in decision making, are innovative and able to adapt/respond with speed to market demands, whilst always keeping the end goal in mind for the greater good of company

"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change". - Charles Darwin

How successfully the organization is able to journey through change, is dependent on leadership, of which one of their key responsibilities is to continuously reflect and review *"how things are being done around here"* with an understanding that what got us here will not necessarily get us there.

Whilst change might require systems, processes or new organization structures to support it. Organizations will only truly reap the benefits of change when the people within the organization have made their own personal transitions, through the change journey.

It is therefore of paramount importance that CLEARLY COMUNICATING the need for change is critical in getting buy in from those it directly impacts. When these key people recognize the benefits, the change will have on the organisation, a Change Team will be established that will lead and support the rest of the organisation through the journey of change.

There will always be those who resist change as they don't necessarily see the benefit of the Change and it is natural for people to experience different stages as they transition through the change journey and understanding where people are on this journey, will enable the Change Team to successfully Lead them through the curve as per diagram below on the following page.

When everyone, not only Leadership, in the organisation starts accepting the change, its benefits and are prepared to hold each other accountable to the successful implementation of change strategies in order to remain competitive and grow, then the organisation and those in it will not only survive, but create sustainability in a world that is currently not stable.

The CTA Leadership team, in conjunction with our leadership coach, recently brainstormed vision, mission and values statements which are shared below:

A vision statement is a short sentence that describes the goals and ambitions of a company.

VISION

CTA strives to be a world class manufacturer and supplier of copper tube and ancillary products for Africa and specialized world markets.

VALUES

CTA has adopted these shared values as a behavioural yardstick in all we do:

Integrity and Mutual Respect

We act with integrity and engage with mutual respect

Performance and quality of work

We prioritize quality and encourage high level performance

People

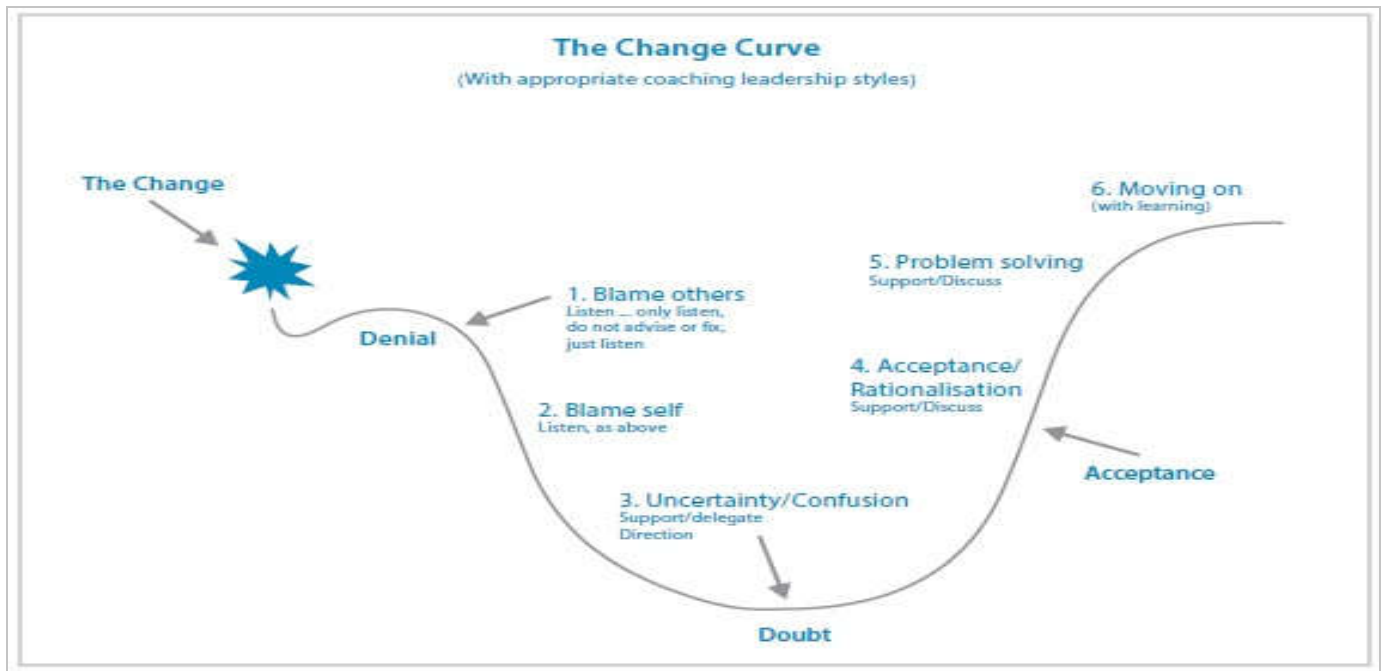
We promote teamwork, embrace diversity and are passionate about co-creating a positive workplace

Sustainable Development

We promote wellness, work safely with passion, commitment and attention to detail, driving change to meet and exceed customer requirements

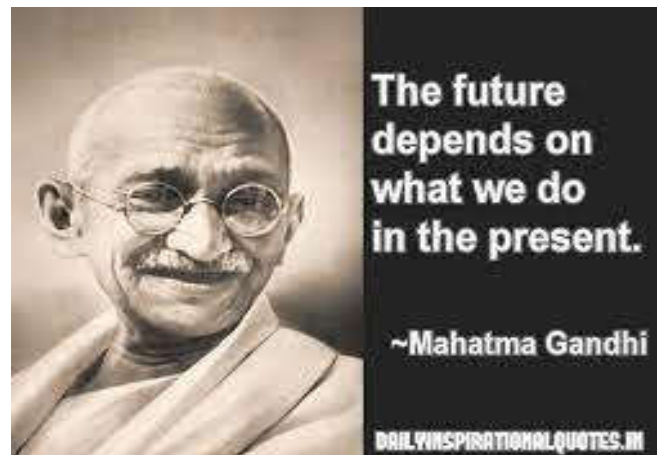
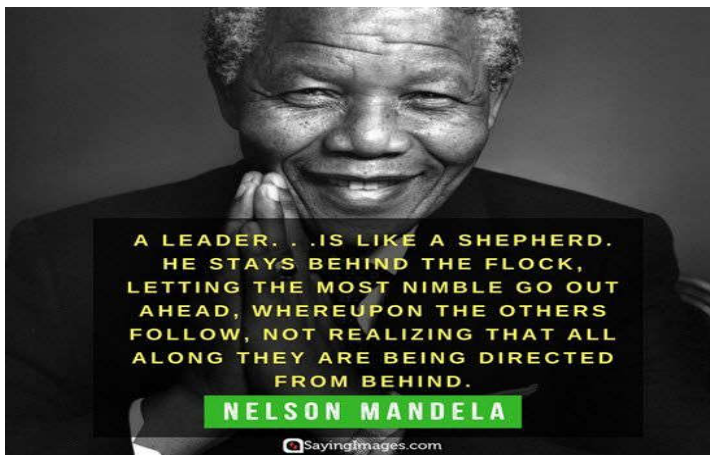
CTA has also defined its **mission**; this is a description of our culture and how we choose to operate:

- Promote a clean, safe & healthy environment
- Make people our greatest asset by harnessing their skills and dedication
- Focussing our efforts towards profitable growth
- Continuously improving skills development, operational efficiencies & business processes
- Succeeding in local and regional markets to secure our future
- Ensuring that our work is rewarding and enjoyable



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"I know of no single formula for success. But over the years I have observed that some attributes of leadership are universal and are often about finding ways of encouraging people to combine their efforts, their talents, their insights, their enthusiasm, and their inspiration to work together." Queen Elizabeth



Leadership is the capacity to translate vision into reality

The South African Plumbing Market: a dynamic and exciting industry making a real difference - by Mark Wynn, MD

CTA has been a key supplier into the plumbing market in the 1980s.

The changes in the structure of the South African market over the past 3 years has opened up many opportunities. The demise of the DAWN group has meant that hardware groups like MICA and Essential have welcomed CTA as a supplier. The rapid growth of independent hardware stores is another opportunity that CTA is capitalizing on.

CTA has taken advantage of these opportunities and has over the past 15 months opened 120 new customer accounts. The challenge we now have is to look after these customers and to offer them a high level of service.

Each one of these stores is an opportunity to supply a full basket of products: every geyser needs tube, valves, insulation and fittings.

When you consider that 45% of all geysers installed in South Africa is with CTA tube, then you realise the significant impact we have people's daily lives. Every person should be able to enjoy a hot shower or bath every day and we believe that CTA is making a real contribution to make this possible.

The cost of copper- based plumbing has risen and is not affordable to many South African families. The Unitwist and Monogold product range is the ideal alternative hot water system at a reasonable price. No tools and very little expertise are required to install the Unitwist system. CTA has successfully partnered with Unitwist over the past 5 years to market their range of products to our customers.

CTA also developed the concept of a Polycop range of Fittings and this currently being promoted to the Cashbuild stores.

The Advanced Valves range of products was brought on board by CTA to provide customers with an alternate product range to the traditional brass geyser valve. This range of products provides customers with a high- quality range of valves at a lower cost.

The CTA branded Coplon insulation range of products is an initiative to provide the market with a high- quality lagging at an affordable price. The tests that CTA conducted showed that the ' pool noodle' insulation sold into the market is ineffective. Coplon has proved to be a very effective product in protecting copper tube and preventing heat loss. An essential product for every geyser installation.

CTA spent many years developing its flat plate collector for water heating and we gained experience from doing so.

The difficulties our country is facing with electricity supply has meant that we need to use solar systems for water heating. To this end we are working closely with our business partners in the solar industry to determine the best systems to promote to our customers. The real opportunity here is that we will be able to sell our tube, fittings, valves and insulation with solar systems.

The team at CTA can be proud of our contribution to making clean and heated water more affordable to South African homes.



Learners and interns

CTA has a proud record of training apprentices over the years, many of whom have qualified and been employed by the company:

Zama Mlangeni qualified in 2019 and is employed as an electrician

William Harris, current Manufacturing Manager, qualified as a Tool, Die and Jigmaker and is currently studying Mechanical Engineering.

Lewis Herbst, current Technical Services Manager in charge of the yard, Toolroom and Maintenance, did his apprenticeship here and qualified as a Tool and Diemaker in 1984.

Currently we have three apprentices (called learnerships these days) at various stages in their development programmes, and one recently qualified apprentice - see photos on the following pages.

In 2020 CTA had an opportunity to get involved in an internship programme; we interviewed and selected 4 interns from Technical Colleges and assigned each one to a department:

Phumzile Mngomezulu (Dispatch); Delight Moyane (HR); Lindo Ngomane (Warehouse); Busisiwe Dlamini (Finance).

They were all employed this year - see photos on the following pages.



Anathi Mgozoza (Fitter & Turner) 1st year



Reginald Shilabje (Electrician) 1st year



Sabelo Kunene (Tool & Die Maker) 4th year



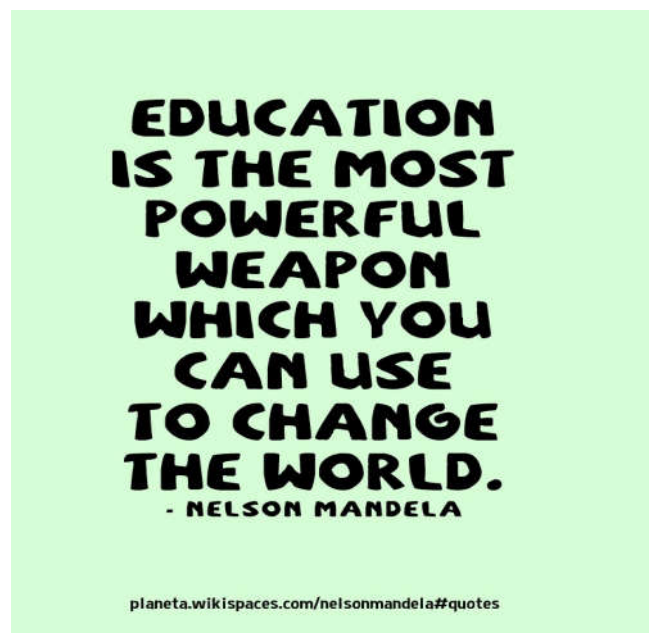
Tshepang Dikolomela - Tool & Die Maker, qualified



From left to right:

Lindokuhle Mtetwa (Sales Expediter Intern, commenced 2022), Phumzile Mngomezulu (Dispatch administrator)
Delight Moyane (HR Administrator), Lindo Ngomane (Receiving Clerk), Busisiwe Dlamini (Administration Assistant)

Well done ladies and gentlemen, making the most of opportunities; we are proud of you all!



At the age of 87, Michaelangelo was quoted as saying, "I am still learning".

The latest Security Update – Andrew Avis, MD Snapvest

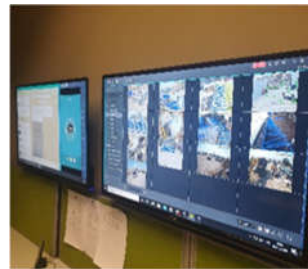
CTA have recently appointed us as the new security service provider, with specific regard to the access control at both the main gate and turnstile. We pride ourselves in integrating security personnel with state-of-the-art technology solutions.

So, while they are looking after our interests while physically on site, they are also keeping an eye over things through the camera system. Snapvest have been in the industry for over 30 years and have chosen to remain niche, rather than chase all the bigger security companies out there....as you will have noticed, bigger isn't always better.

The threat to your livelihood is greater today than it has ever been in the past. Regardless of if you run a retail establishment or office, the potential for loss and theft is real.

Modern businesses face an ever-growing assortment of security and safety concerns. It can be nerve-wracking to get a call, that your alarm system has started to go off at 3:00 AM on a misty, cold night. Every minute of every day, SMC provides you with superior security monitoring solutions that are ready to serve and protect, regardless of what time it is.

At SMC, we provide an array of customized commercial security solutions to ensure employee safety, to protect against vandalism and enhance loss prevention. Our goal is to help keep your business protected 24 hours a day at CTA for your own personal safety and security.



"A **successful security company** balances its needs with the needs of its people, offering support, recognizing, and attracting talent and offering development and opportunity. A **successful security company** recognizes that people are more than a 'means to an end' or a billable product" Andrew Avis – MD



Security **cultivates situational awareness and maintains balance**. Without security, individuals often become complacent and miss unusual behavior of colleagues and others around them. Awareness is an ongoing activity, and people should want to do the right thing; security guides a positive and proactive culture to drive loss control

The Upcasting Machine lining is completed and the furnace is Fired Up - WJ Harris, Manufacturing Manager

The Upcasting Furnace was turned on for the first time on the 3rd of May 2022. The activities leading up to this point were mostly concerned with installation of the furnace refractory lining as well as tying up the last few installation odds and ends.

The technical requirements for the lining installation are exact and external contractors were appointed to carry out this process. The lining consists of 4 layers of insulation:

- Chrome fibre blanket.
- Brick type insulation blocks.
- Refractory sand.
- Refractory Brick with anti-wettability type additives. This is the lining that contacts the molten copper.

This lining was built up 45 mm at a time and mechanically compacted successively after each layer.

Once this process was completed, the lining was initially baked using a wooden fire for 48 hours and then the induction elements were switched on. This melted the copper sacrifice rings and copper rod was fed into the furnace manually to raise the level of the melt. Once the depth had reached 150mm the first strand was started and fully size cathode plates were then used as an infeed material.

The process of sintering was procedural in nature and the entire process took 4 weeks, after which the UCC machine could be brought into full production.

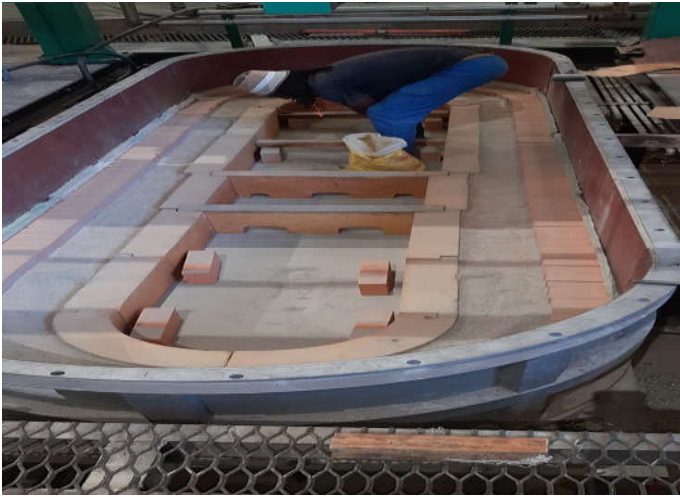
Additional Modifications made the UCC machine

- Additional stainless steel tube guides to prevent castings jamming on the UCC saw system.
- Shielding around the UCC saws to prevent injuries from swarf.
- Additional guide rollers.
- Additional clamps to prevent roll back during cycle changes.

I would like to send a special thank you to the Lewis, JP and the Tool Room and Maintenance teams for their outstanding work and dedication in getting this stunning project completed, especially without any assistance from the Chinese Engineers.

Follow the photographic journey:





Finding Hidden Gems, Gary Laing, Operations Manager

We have previously spoken about the upgrades to our warehouse and the new computer system we have implemented. We have not spoken about the most important resource which is our people.

Our customer base has grown considerably, and we have had to keep up with the demand for our products along with the service we offer.

We have not spoken about the office staff that are needed so that we are able to deal with this new demand and customer base. Up until now we have been reliant on a few good people to handle this.

About two months ago I was approached by one of the ladies who works as a packer in the stores. She wanted to find out if there was another job that she could do that would help her get ahead in the company.

Let me first give you a little background on this particular lady, **Sibusisiwe (Senior) Zulu** started at SW Products as a temporary employee on 1st November 2017, working under Francisco Da Sousa, she was a very diligent and committed worker who was always willing to help.

Sibusisiwe was made a permanent employee in April 2019, and was transferred to CTA, she was employed in the warehouse as a packer. She worked as a packer until COVID descended upon us. When the restrictions on COVID were lifted Sibusisiwe helped out in the production area with cut lengths.



Going back to my original conversation with Sibusisiwe, she told me that she has limited computer skills, but was willing to learn. I spoke to Phuti Mashachidi as she would be doing the training and I wanted to know if she was comfortable with this. Phuti does all the invoicing for Cashbuild along with numerous other tasks, just for interest's sake Phuti also comes out of the packaging store.

We are now two months into the training and I'm really pleased to say that Sibusisiwe is really doing very well and has taken to SYSPRO like a duck to water. This is due to her wanting to learn and willing to listen to what she is being taught, the saying goes that "the student is only as good as the teacher". I believe that both these individuals have given of themselves and this is what we are looking for going forward.

My story has two parts to it, having seen how well Sibusisiwe has done and what people are capable of I started looking for a person who could learn to do the invoicing for all our other customers, currently Jonathan Lyons performs this function as well as numerous other functions, this seems to be the trend with our admin staff.

I spoke to Joel Lebese who is in charge of the fittings store, Joel had collected CV's from numerous people in his department, I went through the CV's and asked who he thought would be the best person for this role, he had no hesitation in suggesting **Nolubabalo "Nolu" Fose**.



Nolubabalo started as a temporary employee at CTA on the 12th February 2019 as a packer in the fittings warehouse, she was made a permanent employee on the 3rd February 2020.

Nolubabalo is a quite person who gets on with the job, she does not require permanent supervision. I believe she is a person who takes her job seriously, and is willing to help with whatever tasks she is given. She has picked up SYSPRO quickly and is doing very well under Jonathan's tutorship.

I would like to thank Phuti and Jonathan for the effort that they are putting in to ensure that these that Sibusisiwe and Nolubabalo move to the next level at CTA.

A big thank you must go out to Joel Lebese, you have a really great team and we are seeing some really special people come out of your department, let's hope we can find a few more hidden gems.

Heritage Day Celebrations at Cleveland



Back row, from left to right: Rose, Lindo, April, Jostina, Nolwazi, Miriam, Phuti
Front row, from left to right: Zee, Mathuto, Lindo, Phumzile, Sibusisiwe



Jostina, Zamani, Phumzile, Xolani



Mathuto, Xolani, Zamani



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**OUR LAND, OUR
HERITAGE**

Life's like that!

