

THE TUBULAR BELL

EASTER EDITION

The editor appeals to all employees to submit articles for consideration in our next edition scheduled for June 2023.

Articles can be anything of likely interest to our readers but should not contain controversial topics such as religion, sex or politics, neither should it contain any vulgarity.

Other than that anything goes. Perhaps there are family scholastic or sporting achievements you wish to share, community activism, hobbies that are worth sharing.

Suggestions on how to improve our newsletter are also welcomed.



Did you know that:

- There are 4 billion email users daily world wide
- There is an estimated 213 million companies in the world
- 90% of global companies are small businesses
- There are about 582 million entrepreneurs in the world

MESSAGE FROM THE EXECUTIVE

The team wishes employees, customers, suppliers, and their families, a happy Easter.

If you are traveling, take it is easy and be safe, reach your destinations alive.

The roads are notoriously busy

at this time of the year, so care and vigilance are needed.

Enjoy the mini break!



COPPER TUBING AFRICA (PTY) LTD

HISTORY

In the 1940's, Woolfe Matchet opened a structural steel fabrication and erection company, Matchet Engineering. In the 1950's Matchet acquired Aerys & Heuberger, a manufacturer of washers and earth clips, and subsequently changed the company name to SW Products.

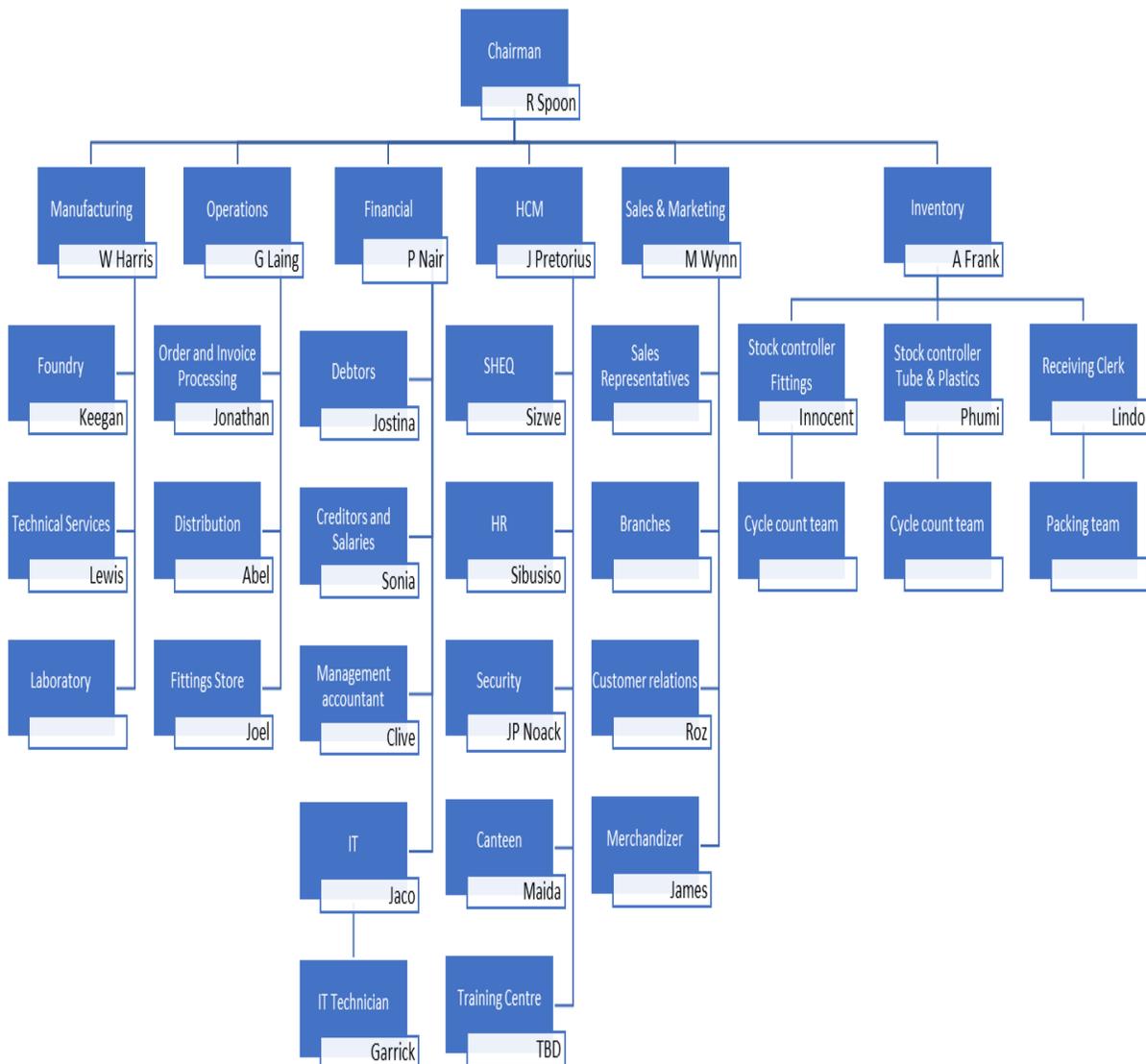
CTA as we know it, was founded in 1988 and is a registered ISO 9001 company holding the SABS approval on our domestic plumbing tubing and medical grade range.

From humble beginnings on the site situated at 36 Hospital Road, Cleveland the company expanded piecemeal as demand for our product increased and the business grew; extensions to the factory were largely self-built, including the modern brick office administration block. This portion was added in 2002.

In 2008 the business attracted investors and MEDU Capital became owners of both CTA and SW Products. In 2020 the company restructured, sold all non-core business to concentrate on manufacturing tube and ancillary products.

In 2019 the company was incorporated into the SA Industrial Group and remains as such to this day.

COMPANY STRUCTURE FUNCTIONAL REPRESENTATION



FROM THE CHAIR—ROBERT SPOON, EXECUTIVE CHAIRMAN

Experiencing the last 12 months in CTA and in the world in general has been a roller coaster of a ride. After a stunning performance in the previous financial year the last year which ended in February 2023, looked quite different. Thank goodness CTA for the resilience of the CTA team to have made plans and adapted to the uncertainty that the environment is subjecting CTA to.

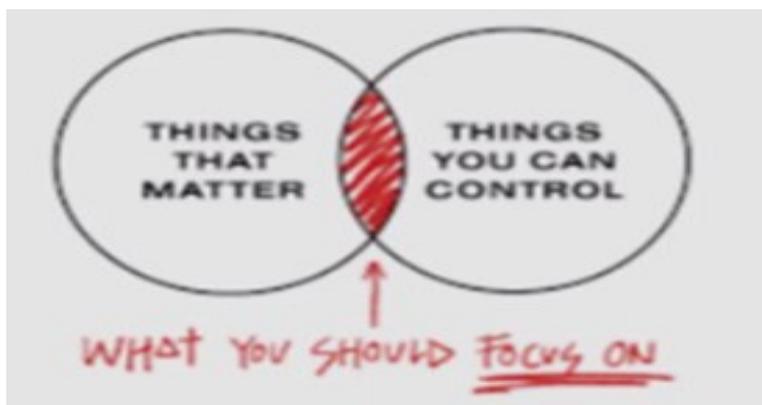
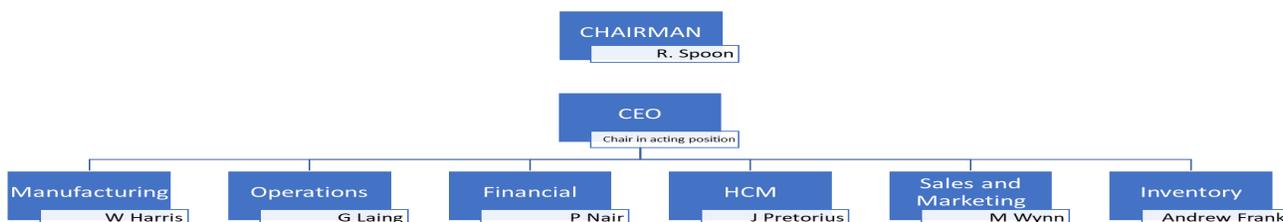
A war is still in progress in Ukraine, global developed economies are seeing a significant decline in GDP with rising inflation. Recession in some sectors of the world is happening. Global logistics costs remain significantly higher than normal, shortages of gas and oil in Europe is fueling sentiment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

In our own country our economy is not doing well. We have rising food and fuel prices, significant level of Eskom load shedding and the City of Johannesburg water supply has been intermittent. There has been a 20% decline in DIY consumer spending in our markets. We built a new UCC machine and implemented a new IT system, both of which have had issues. Significant work has been put into effect to mitigate power and water shortages.

The complete redesign and arrangement of the receiving, storage and dispatch areas is being implemented. Capital expenditure on new generator, vehicles and a side lifting forklift has been agreed.

Overall the CTA business has worked hard at many initiatives and the team has performed well. Most of the senior vacancies have been filled now and we welcome Peggie (Financial), Andrew (Inventory), Abel (distribution) and Keegan (Casting) to the team. I would also like to thank Mark for his service to CTA over the years and wish him success in his new role in Sales. Cash management, stock control 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. The executive structure is as below.

A very important part of our strategy is medical exports and the process of obtaining global accreditation establishing our office in St Antonio Texas has got underway. Another part of our strategy is selling full basket products and the concentration will also be on Non-SABS. To achieve the growth planned in the next years a lot of effort is going to be put into forecasting and managing the right stock. Actions are already underway in this regard. In terms of learning from our mistakes, the structure surrounding inventory management is going to be reviewed and stocktakes are going to become a regular part of all our lives.



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.

QUALITY IN CTA by Joe Pretorius



ISO 9001 is defined as the international standard that specifies requirements for a quality management system (QMS). Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.

QMP1 – Customer Focus

Since the whole goal of a company is to provide products or services to customers, it makes sense that there is a focus on customers as a main element. This starts with knowing our customer and their requirements, ensuring there is communication with customers throughout the process, and measuring the satisfaction of our customers as a way of measuring if the requirements, spoken or unspoken, have been met.

QMP2 – Leadership Importance of Top Management

For this system to be successful it must be supported by senior and top management; the more involved the top levels of management are in the QMS, the better the chance of success, and the better implemented the end result. If top management – who is responsible for controlling the cash flow of the organization – can see the benefit of the system, it is much more likely to be used to its fullest advantage.

QMP3 – Engagement of People

It is important that people throughout the organization create value, especially in our ever-growing competitive world. To ensure this, the QMS must focus on the competence of people to help them become engaged in the processes to build value in them. By having empowered and engaged people in the organization, this can become a driving force behind meeting the objectives of the organization.

QMP4 – The Process Approach

Trying to understand, control and improve an overall system can often be complicated, which can make any efforts doomed to failure. However, by looking at the overall system as smaller interrelated processes we can focus our efforts toward more consistent and predictable results on the individual processes of the system. Controlling and improving the individual processes can be a much easier and more effective way to control and improve the entire system.

QMP5 – Improvement

Companies that stay stagnant in an ever-more-competitive market will quickly be overtaken by their competition, and in order to counteract this pressure the company must improve in order to drive down cost and maintain market share. This allows the company to react to changes in internal or external conditions to create new opportunities. The whole idea of having a quality policy, with objectives that are consistent with this policy, works toward improvement. Objectives need to be planned and SMART (Specific, Measurable, Attainable, Realistic, Time-based), and will not work without commitment to change. CTA sets targets for each employee and rewards through incentives and commissions are in place for performers across all employment categories and roles. Continuous Improvement is a criteria for all managerial roles; employees can forward suggestions to their departmental managers for consideration. Innovation is key in our business.

QMP6 – Evidence-based decision making

Desired results are obtained by basing decisions on analysis and evaluation of data rather than a gut instinct of the situation. This is why there is a focus on monitoring & measurement in the ISO 9001 requirements. In order to know that a process is functioning properly we need adequate data, and in order to plan and assess improvements this data is even more important. Because of this, maintaining good records becomes crucial to facilitate many of the other Quality Management Principles.

QMP7 – Relationship Management

Because the interaction with interested parties such as customers, employees and suppliers can influence the performance of an organization, it is critical to manage these relationships. The focus is often on managing the relationships with the supplier network, but maintaining the relationships of all parties is important to optimize their impact on the organization and make sustained success more likely. CTA sees these relationships as partnerships rather than strictly customer/supplier interactions.

CTA was first certified in 1993.

VALUES

We place high priority on upholding our values, which include:

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

Delighting the customer - Mark Wynn, Sales and Marketing Executive

“If everyone is moving forward together, then success takes care of itself” Henry Ford

Growing a business that is reliant on growth in the building sector is challenging given the contraction in this sector. None the less we must believe that through our initiatives we can increase our market share in this market (69 new accounts were opened in the past 12 months).

To increase market share we will need to differentiate ourselves from the competition. The question is how can we distinguish ourselves from the competition?

Price is not really an option as pricing is similar and low margins means less possibility of selling at lower prices. Our product is consistently good but so is that of our competition.

Customer service and customer experience is really the only way we can differentiate ourselves. That means from the first interaction with the Sales Representative, to when the account is opened, to placing an order and receiving the delivery on time in full we need to distinguish ourselves from our competitors.

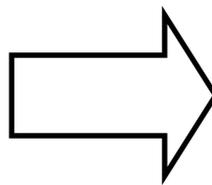
This can only happen if all employees work towards giving the customer that superior service and customer experience.

“Decide to make a difference and success will find you” Keanu Reeves

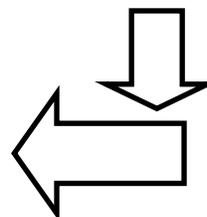
Any employee that comes into contact with the customer has an influence on their decisions. Product and service are directly linked; poor service can give the impression that the product is of poor quality.

Each team and each individual employee in the company needs to work in harmony to delight the customer. In that way we will get repeat business and attract more business to CTA.

Reputation is built by people.



*REPUTABLE QUALITY, PRODUCT,
SERVICE, & COMPANY*



Never give up, we keep pushing on...!!! By Preggie Nair

Just as a way of introduction, I am Preggie Nair, a Chartered Management Accountant by profession with 28 years' experience within the manufacturing industries most of which has been in the packaging and industrial space with about 4 years within the mining industry.

I have joined CTA on 01 March 2023 as the new Chief Financial Officer and I am confident that we can take CTA to greater heights for the future. I consider myself to be a team player and hold trust and respect and honesty very dearly. I am formerly from KZN where I spent most of my youthful years and now reside Gauteng since March 2003. I am married and have three beautiful children, two boys aged 23 and 17 and a daughter aged 15.



If we can dream it, we can achieve it. I look forward to actively interacting with everyone from the CTA team and we can only hope for the best.

From the Financial front:

The financial year presented the finance department with a number of challenges mainly around the commissioning of new ERP and BI systems, inventory valuation but with excellent team efforts these have been overcome albeit a challenging year.

Maintaining good cash flow is key and this has to be managed very carefully so we expect to spend our cash wisely and aim to reduce dependency on our overdraft facility.

Our debtors and creditors have been very well managed by our finance and sales teams and we start off the year on a sound footing in terms of having a clean book going forward. I am confident we can maintain this clean sheet during the course of this financial year.

The year end audit is planned to start 11 April 2023 for a period of three weeks. Several planning sessions have been had with our auditors. The auditors attended the January and February year stock counts. Your continued support will be appreciated in ensuring that we have a clean audit report for the year end.

Future Planning: Budget 2024

This was presented to the CTA Board and was well received. The targets set for the new year are quite challenging but we believe that with great teams we already have in place we have a great chance to achieve the budgeted goal for the year. We have also had a capital expenditure plan which will go a long way to assist teams meet the targets.

Farewell:

We wish to thank Greg Kietzman, who has held the fort since Reitz left in October 2022. It has indeed been a tough journey for Greg and he did very well in his role as interim CFO. We wish him and his family well for the future.

Closing:

In closing, we all are facing difficult times with serious cost pressures, rising food and fuel prices, rising interest rates where payments for your house, car and personal loans and various other household expenses are rapidly increasing, especially with talks of a possible recession on the horizon and no end to the war in Ukraine in sight, I urge each and everyone of you to tighten your belts and to spend only on critical items so that we are all in a position to rise up from these difficult times.

I wish you all everything of the best for the year ahead.

Take care and thank you all for your efforts.

Employee Engagement— By Andrew Frank, Inventory Manager

Employee engagement is a crucial aspect of any successful Organisation, and it is no different for a manufacturing company such as us at CTA. Various initiatives are under consideration to build better relationships with all employees across the board. Employees will be consulted through various structures to contribute towards improving relationships.



Employees who are engaged are more committed to their work, more productive, and generally happier in their jobs. This improvement can lead to enhanced quality, safety and high customer satisfaction. Understanding how to achieve high employee engagement can significantly impact our success. This is true for all of our departments.

Gallup's theories of employee engagement propose that employees become engaged when their work possesses three essential elements - purpose, connection and growth; when employees understand the purpose of their work, feel connected to their colleagues and supervisors, and have opportunities for learning and development, they will be more engaged in their work.

We at CTA can include these elements in a variety of ways.

First and foremost, it is essential to communicate to employees how their work impacts the company's success. Employees need to feel that their contributions are meaningful and can make a difference. For example, we have an open-door culture where employees are encouraged to share their ideas and thoughts on how to improve the company's operations; employees are encouraged to come forward with their thoughts / ideas so that they can be part of their programme to feel valued and connected to their work.

Employees need to know that they are working for an Organisation that values their well-being. This will give them a sense of belonging and contribute to their overall satisfaction. Organisations can create a sense of connection by actively engaging with employees in conversation or events and programs that promotes diversity and inclusion. The company is investigating with a view to implementing an employee assistance programme (EAP) which essentially involves appointing a wellness company. Typically these experts provide counselling services to employees and their direct family members in terms of psychological matters (mental health), financial planning and wellbeing, doctors on call, trauma debriefings and the like.

As we make progress in this regard we will communicate with employees.

Modern employees desire opportunities for growth in their careers. To keep you engaged, the company has several upskilling programmes in place – skills maintenance and enhancements, supervisory and leadership to name but a few to enable them to acquire new skills and knowledge, through in-house training, mentoring programs, partnering with outside educational institutions such as Siyaya. As employees acquire new skills, They can take on more responsibility and feel more engaged in their work.

Engaged employees are highly motivated to contribute to a company's success. Their contributions often lead to higher customer satisfaction, which can ultimately lead to increased revenue.

Maslow's Hierarchy of Needs also highlights the importance of providing a conducive working environment for employees to feel engaged in their work. According to this hierarchy, employees need basic needs such as job security and good working conditions to have psychological needs like feeling respected and having a sense of accomplishment. CTA strives to achieve this by making sure the working environment is safe, clean and as pleasant as possible given that this primarily a factory. The company does have an Occupational Health Nurse who visits bi-weekly to assist employees with health / mental issues.



In conclusion, employee engagement is essential to the success. The table below also illustrates engagement levels.

<i>Engaged</i>	<i>Not Engaged</i>	<i>Actively Disengaged</i>
		
High performer Innovative Efficient Committed Understands role High energy	Minimal effort Little passion Lack of creativity Increased absence Little motivation Checked out	Disruptive Very miserable Bad attitude Often late or absent Wastes time Undermines coworkers

Source: <https://www.madmaxadventures.com/employee-engagement-infographic/>

Who is responsible for employee engagement?

Answer: We all are, each staff member is responsible for promoting and maintaining employee engagement. The idea and the plans for employee engagement may be set in motion by management however, it is up to each individual to play their role in achieving a better working environment for all.

How do I play my role in this?

Answer: In contributing to the success of yourself and the company, part of what is needed, is that you **Be Yourself, Be Honest, Be Trustworthy** and **Be Kind** to the people around you.

By doing this you will be able to follow the policies and procedures of the company, you will be able to carry out your daily duties and tasks which means you will get the job done. And by being kind to each other we all will improve the working environment around us. Look at the below picture and the write up that follows underneath; the graphic explains clearly where employees can choose to be:



If you are in “D” – you are **Engaged** and you will be going places.

If you are in “N” – you are **Not Engaged** and you are not going anywhere.

If you are in “R” – you are **Actively Disengaged** and you are going backwards.

So... what do you choose to be?

Engaged

Or Not engaged

Or Actively disengaged

The choice is yours!



“See? What did I tell you? The sky’s the limit!”

BEYOND THE BOTTOM LINE by Greg Kietzmann Interim CFO

IGNITING SMART ENERGY

In my previous newsletter column I referred to how the culture and structure of CTA ultimately leads to its success. Another pillar of success, which I will be dealing with here is happy employees and one of our values of embracing diversity.

It has been said as a business leader you should hire people who are smarter than you are. This may sound like a risky strategy when jobs are scarce and you could be even jeopardising your own position.

It is a wise move however, since a leader does not need to know all the intricacies of the tasks the team is responsible for – he/she is there to guide employees and create an environment in which smart people can flourish. A leader encourages staff to be innovative and gives open and honest feedback on their outputs. As mutual trust is built he/she can step back and watch the results of this approach. At the same time a leader must have the emotional intelligence to be firm, fair, calm and rational when employees fail in the process of innovation. Errors will be made when we innovate. A leader should help the team to learn from them and ignite smart energy when this slumps.

It is also important that a leader identifies thinkers and doers in our organisation. Thinkers constantly reflect on better ways of doing things or improving the business. They also tend to be conservative and are good starters but not finishers.

By contrast, doers like to get things done and complete tasks to be performed in the same way with resistance to change. However, if our company consisted only of doers we will soon run out of new offerings for employees and customers.

Welcoming diverse people within the CTA team and allowing them to harness their individuality will make for happy employees.

A good leader has the strength and maturity to allow the smart people in the business – both thinkers and doers – to thrive.



Company News

The company has purchased the property it is currently situated on. This is important news as it is indicative our intention to be around for the foreseeable future.

The UCC is undergoing refurbishment and will be fully operational again in April.

A municipal back up water system has been installed to assist with

the erratic water supply.

The Distribution Area is undergoing structural changes to physically separate storage, receiving and dispatch areas. This is to improve workflow and add to security measures.

The grass embankment area has been cleaned out and the company will be developing it as a

eating area for employees during their tea and lunch breaks.

Thatch umbrella covered tables and benches will be placed there.

The new budget for the financial period 2023/ 2024 has kicked in. It is going to require supreme efforts of everyone to have a successful outcome, but we are sure we have the capacity and capability to do so.

“To improve the profitability and quality of the CTA business by balancing volumes versus margin, reduce costs and increase fitting and accessories sales, delivering on time in full while at the same time ensuring a safe and sustainable based working environment.”



TOGETHER WE
CAN DO
ANYTHING— SO
LET’S DO IT
TEAM!

TEAM

Together
Everyone
Achieves
More

Across
1. Makes impossible possible

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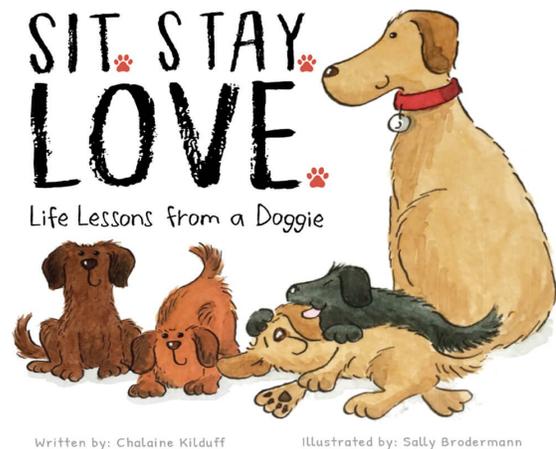
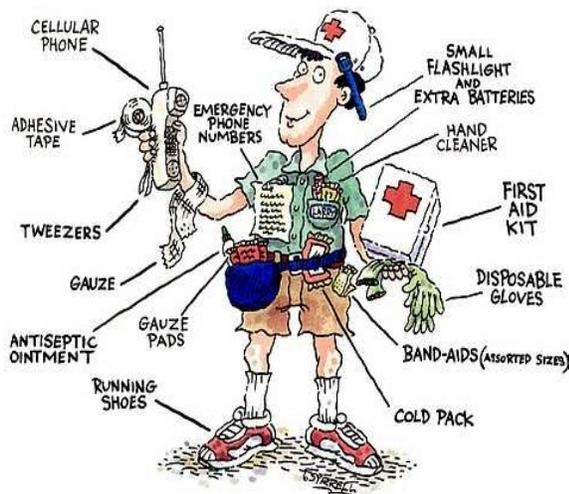
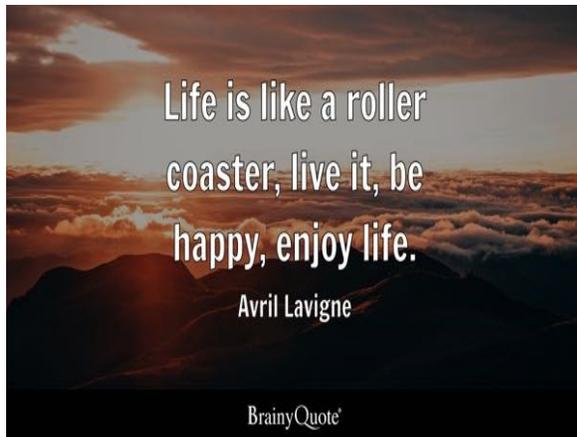
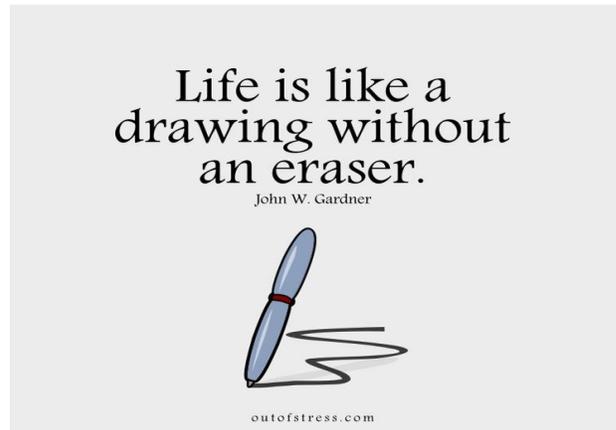
SAFETY IS EVERYBODY'S RESPONSIBILITY!



**THINK
SAFETY**
it couldn't hurt



LIFE'S LIKE THAT!

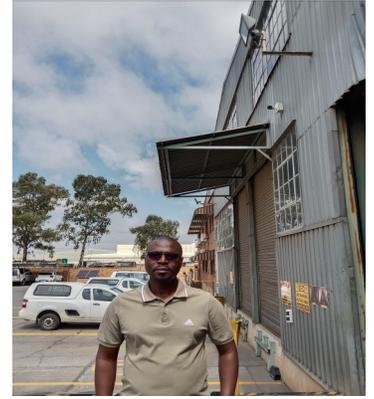


“Life has no meaning. Each of us has meaning and we bring it to life. It is a waste to be asking the question when you are the answer.” Joseph Campbell

OUR PEOPLE

New Additions to the CTA family.

Abel Chauke has joined us this month as Distribution Controller . Abel is married with one (boy) child; his wife, Nomfundo, works at Clientelle. Abel has a degree in Logistics Management from Tshwane University of Technology. He gained his experience at Mondi, Woolworths, Sika (Chemicals), ETC (electronic toll collection), all in all that amounts to 12 years experience. Abel is an active footballer (striker) and hiker.



Andrew Frank also joined in March as Inventory Manager. This is a new position providing much more operational flexibility and tighter managerial control in this vital function. The organization has grown to the extent that logistical functions are being separated out of Operations as stand alones in the whole value chain. Andrew graduated with a national diploma in operations management from UJ. He also has Financial Management and Leadership qualification from GIBS, Andrew is a single parent with a high school son. Andrew gained his extensive experience (15) in manufacturing and mining working for companies such as ISCA, TAPS, Elephant Lifting Equipment and Mato Products.

News from within the ranks

Keegan Mentoor, qualified tool & die maker, is being trained to take over the Casting (Foundry) Department from JP Noack who is also pursuing different options. Keegan did his apprenticeship here at the company, liked it so much after qualifying, stayed, gained experience and showed an aptitude for innovation and all things mechanical. He also has an Electrical N2 diploma from Ekurhuleni West College.



Meeting our Branch colleagues Port Elizabeth



Bongani Hendrieks started with us in the PE Branch way back in 2017 as a casual packer; as circumstances warranted, we would call him in when the orders were too much for our team to handle, or when we had a container delivery. He eventually got a permanent job in security with another company so we didn't see him for a few years. Then, in January 2022, he joined us as a temp, worked hard and was promoted after being trained as the Cashbuild administrator! Well done, Bongani you are a living testament that effort gets rewarded.

The Executive and management teams wish you **all** the very best for long rewarding careers at CTA.