Africa Update

Notes from the MD’s desk - André Coetzee (CIPS AFRICA)

Dear colleagues,

I trust you all had a wonderful and blessed festive season. 2013 promises to be an eventful year for CIPS and in particular for CIPS Africa.

With the first month of 2013 already behind us and the year in full swing, I would like to bring your attention to some of the key events planned for Africa:

The CIPS Pan Africa Conference in Ghana will be held on 21st – 22nd May
The Pan Africa Procurement Awards Ceremony in South Africa will take place on 7th June
The CIPS Africa Graduation Ceremony is also scheduled to take place in June 2013 in South Africa

In preparation for the Pan Africa Procurement Awards Ceremony, we will be publishing the procurement award categories and criteria very soon. Africa has much to offer in innovation and business improvement; this event gives Africa the opportunity to showcase our procurement expertise and excellence across the different categories. I am certain that you and your team require no further encouragement to enter this prestigious event!

As we prepare to celebrate our excellence, I would like to take this opportunity to thank our branch committees for their commitment and hard work. I have attended some of the events hosted by the various CIPS branches across Africa, and continue to be impressed by the quality of these events. I invite you to engage with, and support your local branches by attending these networking events and to assist them in building your respective countries. In order to improve the status and recognition of procurement we need to raise our profile, not only as individuals, but also as a strong community of professionals.

David Noble the CIPS, CEO said that “The coming months will show that supply and procurement professionals mean business at the highest levels of industry.” We at CIPS Africa are working tirelessly to create an enabling environment for the profession to grow, and invite you, our valued members to work together with us, to ensure that the procurement profession reaches its full potential and impact.

Hope to meet you soon...

André Coetzee

Branches continuing to make impact even in 2013..

The year 2013 has begun with a bang! This is normally a very busy and exciting time as the CIPS Africa concludes the first quarter of the new financial year and inundated with enrolments of new members and examinations for the upcoming May exams. CIPS Africa Branches are gearing towards the Pan African Conference taking place in Ghana in May, with the submission of the potential speakers and hosting events that build up momentum towards this impactful event in the CIPS membership community.

During the course of this New Year you will see that we will be breaking the mould yet again. We are increasing our African footprint through the opening of more branches namely Tanzania which is currently in operation as a member group and Mauritius.

Thank you for your patience, hard work and commitment to the CIPS Africa. We would like to wish all our stakeholders a fruitful 2013, and we look forward to forming a stronger partnership with our members through branches.

Auma Nnane, Membership Manager - auma.nnane@cips.org.za
“Time”, an important factor of production

It is important to discuss time as a very important factor of production. I am highly motivated to write about it. Many people keep wondering how a lecturer like me finds time to manage many subjects in a university.

In the world today, businesses and people apply time to meet demands and create more wealth. Some after leaving office at 5: pm go straight into managing their own businesses, for examples rearing chickens, private accounting firms, Secretariat business, and other consultancy services. In procurement practice, “time is of essence”. Many organizations have lost contracts due to inability to honor time as a very important factor when it comes to managing business. Everybody, not only in procurement practice, needs to value his/her own time when managing business.

The world economies have now opened up in such aggressive way that only those who are determined to manage time correctly are able to survive and make more money. At the same time these are the people or organizations that will take up and meet the challenge of business growth. This is when one is to be determined, identify opportunities and work hard to properly manage time and survive the competition.

Time is near when productivity is no longer expected to be measured by the 8-10 hours one spends in office. Payments for factors of production are soon to be calculated on hourly basis, and because of this, many people will not work for only one company, and an organization will not only do one thing. Time will have to be shared in the production of different goods and services, leading to people being referred to as consultants instead of workers. This, I think is the reality we should expect in reference to time management when conducting businesses.

To me, time is a very important factor of production. Time must be managed the way money is managed. One of the procurement principles is ‘value for money’, therefore there must also be ‘time for money’. My experience has added very strong feelings for time as a very important factor of production. If you are a lecturer like me, everything you do is about time. The more challenge you give yourself about the importance of money, the more you will value time. Therefore, every time I spend on my work is priced, but sometimes not realized.

Time is scarce and a valuable factor of production and any tiny bit of it lost will never be regained. To a procurement practitioner, time efficiently used is more value for money created and the one lost is a step towards loss of value for money. My valuable prediction is that the next fifteen years, a good number of business houses in Africa will be able to manage time profitably and value it. I noticed from the number of economic activities increasing in many African countries and being taken up by a large population. Time will soon be when productivity is totally about speed. This is the reason for my addition of time to be a valuable factor of production. A business must invest in how to acquire resources that will improve on the lead time. This to me is productivity.

Opportunity Cost
Imagine you are invited for a party and you calculate to spend three hours there, but the party started three hours late. You will have lost three hours waiting. In this case, time can be measured in terms of opportunity cost. The three hours you spent waiting is the opportunity lost that you should have done with something valuable.

Opportunity cost simply means that at every moment in time, an individual or a business has a number of opportunities to engage in but one choice is to be made. The preference of any one activity over another is measured by value. But if a chosen alternative is of a lower value than what is forgone, then the choice will cost a fortune. Business is about value for money. Value for money is not about the quality of service or product on which we spend money; it is also about lost opportunities, which to me is time. As African economies grow and develop, the opportunity cost facing many businesses will be higher. The reason being, that, time will come when each business will be exposed to several opportunities.

There are cases when one wishes to do many things. This is the time you begin to value time. You seek to be efficient and effective and also on time. The more you manage your time, the lower the opportunity cost becomes. Africans from all over the world must invest in time management. The more this is done and becomes a culture, the more money we shall make, and the more wealth we shall create, leading achievement of higher growth rates.

Time is therefore a very important factor of production.

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Be a key player in building the profession of the future by booking to join the CIPS Annual Conference today!

Ghana

CIPS Pan African Conference

National Theatre, Ghana, 21-22 May 2013

“Opportunity cost”

“The strategic role of professional procurement in the development of Africa

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