



*The Office Of The Principal and Vice - Chancellor*

**PROF MANDLA MAKHANYA, PRINCIPAL AND VICE-CHANCELLOR**

**UNIVERSITY OF SOUTH AFRICA**

**OPENING ADDRESS: SUPPLY CHAIN MANAGEMENT VIRTUAL**

**SUMMMIT**

***Supply Chain Management in a Time of Covid-19: Challenges and  
lessons learnt***

**TEAMS**

**13 October 2020**

Thank you Programme Directors: Prof Jan Meyer, Deputy Director:  
NWU Business School and Ms Winnie Dlamini, Unisa Lecturer.

- Prof Thomas Mogale, Executive Dean of Unisa College of Economic Management and Sciences and other members of Unisa Executive and Extended Management present
- Honourable Mr Lechesa Tsenoli, MP, Deputy Speaker of the South African National Assembly

## **Members of the Association of Public Accounts Committee of Office Bearers**

- Honourable Mr Jim James Skosana, PAC Chairperson of PAC of Mpumalanga Legislature
- Honourable Mr Vusimuzi Tshabalala, EXCO and Chairperson of PAC Free State Legislature
- Honourable Ms Maggie Govender, EXCO and Chairperson of PAC KwaZulu Natal Legislature
- Honourable Mr Gift van Staden, EXCO and Chairperson of PAC Northern Cape Legislature
- Honourable Ms Lulama Mvimbi, EXCO and Chairperson of PAC Western Cape Legislature

## **Fellow Programme Participants:**

- Prof Benon Basheka, Deputy ViceChancellor, Academic Affairs, Kabale University, Uganda
- Prof Douglas Boateng, Chairman of Ghana Public Procurement Authority & Chief Executive Officer, PanAvest International & Partners
- Prof Claver Kayumba, Chairman of Rwanda Medical Ltd
- Mr John Karani, Chairman of Kenya Institute of Supply Chain Management

- Ms Khomotso Letsatsi, Chief Officer: Municipal Finance, Fiscal Policy & Economic Growth (representing Mr Xolile George, CEO of South African Local Government Association)
- Prof Marcus Ambe, Unisa Professor and President of AISCR
- Mr Vule Nematikule, Group Chief Procurement Officer, Transnet & AISCR Board member
- Prof Werner Webb, Acting Director, School of Public and Operations Management, of Unisa College of Economic and Management Sciences
- Members of the audience
- Distinguished Guests, Ladies and Gentlemen

Allow me to join Professor Mogale in bidding you all a very warm Unisa welcome to this important conference. I am especially delighted to notice in our distinguished speaking line up, friends and colleagues from across the Continent. Let me just say: “It is as it should be.” You are *all* most welcome. I am confident that we have much to learn from one another in this most unusual and challenging of times.

Supply chains have in fact been around since the dawn of time. Think of the famed “Silk Road” trading route, or the camel caravans that crossed our continent carrying goods for barter or sale, or the

multitudes of sea faring vessels that ferried goods across the world. Think of the entrepreneurs within countries and continents who manufactured goods such food and clothing, especially materials, for sale to their citizens, and later, to neighbours and strangers across the world. All of these - and there are many more example - were in effect, supply chains in that they involved a connected network of individuals, organizations, resources, activities, and technologies involved in the manufacture and sale of a product or services. And the aim of each and every part of this process was, and is, profit – irrespective of the political or ideological form of government of the countries involved. I would suggest then, that while profit is the motive that drives the supply chain engine, it is also the lure of easy money through corruption that demands ongoing vigilance from supply chain managers.

Part of the problem is that although we acknowledge that supply chains have existed for a long time, we have mostly paid attention to the specific “link” for which we are responsible, and this has sometimes resulted in ineffective supply chains. And this not only impacts on efficiencies, but it also – and this is more alarming colleagues – renders us vulnerable to unscrupulous operators who will, and do, capitalise on our inefficiencies. We see this, for example, in flawed procurement processes and in the deliberate and

well planned hijacking or diversion of goods on their delivery routes - all for easy tax free profit.

Most people would argue that this is nothing new, and that even since the days of the Silk Road trade, the camel caravans and sea trading there have been profiteers and buccaneers just waiting for the opportunity to capitalise on perceived weaknesses in the supply chain process. Many would say that this reality has in fact been accommodated in the supply chain process. For example, many department stores inflate prices to cover the cost of theft and the security measures that have to be implemented to mitigate it – what in the industry, is called *shrinkage*. So yes, that reality is understood and mitigated to some degree. But quality, effective Supply Chain Management nevertheless demands consistent governance, proactive improvement and ongoing vigilance.

But what happens when the governance measures that all governments have in place to limit corruption and graft and ensure quality supply chain management, are compromised? What happens when we have a global pandemic that compels governments to implement states of disaster or emergency that come with the power to circumvent or take “short cuts” in procurement processes; close borders to trade; forbid the movement and travel of people for

any reason within and to and from countries; and severely curtail the sale of specific goods or services? (to name but a few of the measures that have been imposed globally). Put simply, what happens when the supply chain is disrupted in a very fundamental way, and where we do not necessarily have the power or the authority to manage it as we would do under normal circumstances?

In a very real sense colleagues, the states of disaster or emergency, have opened the floodgates for rampant corruption, and as we have travelled the lockdown path, the past few months have been a revelation to us all. We have seen the good, the bad and the ugly, or to be more honest, the catastrophic. Economies are collapsing or under immediate threat, businesses are going under, people are being retrenched by the millions, assets are being surrendered and many have been left homeless and hungry. Fake news abounds and anarchy hovers ever present, on the fringes. In lesser endowed countries in particular, health systems have revealed what we have all known – that they are largely dysfunctional, and our health professionals are not appreciated or supported in the crucial role that they play in ensuring the wellbeing of our citizens. People are frustrated, depressed and angry, and many are now plunged into a second wave of misery, whose end is unknown.

But perhaps worst of all has been the absolute deluge of profiteers - corrupt individuals or syndicates - who have taken advantage of the gaps offered in, for example, tender and procurement processes, to siphon off hundreds of millions - billions - dedicated to relieving the already onerous burdens of citizens; or seizing the opportunity to sell banned goods on the black market at massively inflated prices; or selling or not delivering at all, substandard products such as PPI. This is as destructive as it is demoralizing, and it has been an extremely painful lesson to learn. We have a long way to go ladies and gentlemen, in inculcating a level of citizenship that goes beyond the individual to consider the collective.

Of course there have been positives, such as the revelation of just how caring some of our citizens really are, how dedicated so many of our care professions are, and how resilient we are in dealing with really difficult living circumstances such as working, teaching and learning from home. Of course, as a university we are delighted at the upsurge in interest in the sciences for example, and we look forward to a resurgence of interest and participation in scientific research and the collaborations that will surely accompany that.

That said though colleagues, what has been proven beyond all doubt on our COVID-19 journey thus far, is that effective supply chain

management is fundamental to national and global sustainability and so we have to look at ways and means of accommodating these kinds of disruptions in our Supply Chain models - right now, but also with an eye to the future.

I trust that this summit will make a signal contribution to that process. I wish you well and I look forward to the outcomes of the engagements today.

I thank you.