



# Taking the Theory out of TOC in the SA Bank Note Company

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## Deon van Zyl

16 Years in the defense industry as Systems Engineer, Programme Manager and Executive.

Certified as TOCAE and SFS Expert by Goldratt Schools in 2005

7 Years as Business Management Consultant specialising in TOC. Part of the South African Viable Vision Team.

Appointed at as Supply Chain Director at the SABN in Sept 2012 where I'm responsible for logistics, production, maintenance and project management.



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## Background

- The SABN is responsible for printing the bank notes for SA and other central banks
- Embarked on a factory modernisation project in 2011 to renew the technology and introduce the new Mandela Series
  - Replaced about 80% of the factory with state of the art equipment
  - Developed the new Mandela note series
  - Commenced with production in Aug 2012
  - Successfully launched the new series in Nov 2012
- New technology, but old processes and people
- Challenge: Living up to the SABN's vision
  - The SABN is a globally respected banknote and high security printer reputed for quality and reliability



## Getting Started

- First 3 of the 5 focussing steps:
  - ID the Constraint – Finishing Department
  - Decide how to exploit
    - 4 days shift system 12 hours/day 6 days a week
    - Implement improved workflow
    - Train more operators
    - Improve inspection settings
    - Eliminate non-value adding work
  - Subordinate everything else
    - Dedicated maintenance team
    - Replenishment of production consumables
    - Spares on hand
    - Buffer of work in front of the constraint
    - Remove upstream flow obstacles



Giesecke & Devrient

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*W. Schlebusch*  
Dr. W. Schlebusch

Member of the Management Board  
Group Executive Banknote

*A. Schmidt*  
A. Schmidt

Director  
Product Manager BPS



## YES ..... BUT.....

- Even though great outcomes was achieved, it does not imply that it is repeatable or sustainable.
- So what are the some of the UDEs
  - Equipment availability too low – insufficient protective capacity
  - Waste rates too high – not exploiting the constraint
  - SHE not up to standard
  - TVC is too high
  - Morale is low
- So what is missing??
  - Many task generators without a clear focusing tool
  - Lack of Organizational Change Management



## Warning #1

- When embarking on a TOC initiative to not forget that:
  - The constraint of the company is almost always top management's time
  - When rebuilding a company, there are many demands on top management's time that cannot simply be eliminated
    - Governance
    - Audits
    - Risk Management
    - SHE
    - Reporting to stakeholders
    - Financial processes development
    - People Processes development
- Must put a system in place to exploit management time



# THE SABN



Our Workforce





## Warning #2

- Organisational Change Management is not a trivial matter.
- Its very easy to make or propose sweeping changes, but you need to take the people with you, else you **will fail**.
- The messages of Why change, What to Change, What to Change to, and How to cause the Change need to be translated into the language of the various stakeholders.
- Do not fall into the trap of assuming that what may be logical for me and you is also logical for all other stakeholders in and of the organisation.
- Ensure all stakeholders are identified and that all change impacts are identified. Then develop and implement a robust change process (training, workforce transition, communication).

[www.tocpractice.com](http://www.tocpractice.com)



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# Thank You

## Q & A