

# Umbonowethu

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# The First Word

by Adey Wynne  
(Chief Executive  
Officer)

The 2012/13 crushing season is almost over. It's been a tough season for all of us; the facts speak for themselves.

Our forecasted annual crush target in November

was 1'060'000 tons compared

to an original budget of 1'180'000 tons. Our Lost Time Available (LTA) of forecast of 6.29% has been eroded significantly to 13.31%. This inability to crush the available cane has severely reduced our profitability. The main reasons for this include, amongst others, the three week national transport strike in September / October and the diffuser chain challenges. The positive lesson learned from the industrial action is that both parties should be fair and reasonable and come to a settlement as quickly as possible. When production capacity is lost, everybody loses including unintended parties, USM in this instance of the national transport strike. In terms of the diffuser chain, USM installed a new chain before the start of the 2010/11 season with an expected life of 5 – 7 years. It failed in 2012, after 2.5 years! A thorough investigation is still being conducted, which includes input from Francois de Speville from De Smet in Belgium, Europe. The results to-date has resulted in the USM Board having already approved the required expenditure to purchase a new chain and to undertake any necessary repairs to the diffuser in the offcrop. As we better understand the problem, the intention is to 'fix' the diffuser 'properly'.

On another positive note, it was a watershed moment in USM's history when we started exporting electricity onto the national grid for the first time on 9 November 2011 at 11h00. USM has invested in 'state of the art' technology and since commissioning there have been no problems with this system; the USM power generation team is busy 'optimising' and we look forward to benefiting from this additional revenue stream into the future. What makes this initiative an extra special accomplishment is that the entire process was not without its challenges. The teams involved have much to be proud of, well done!

In recent months I have received a number of anonymous messages through the USM anti-corruption hotline. Some of these messages (anonymous answering machine messages, letters and emails) have contained objective, detailed and constructive information that has led to positive changes at USM. On behalf of the entire USM Team, I would like to extend our sincere gratitude to those people who have taken the best interests of USM to heart by reporting such matters. Thank you for helping make USM a better place for all of us. Some of these messages, however have contained subjective, vague and emotional information, which makes it difficult to interpret and act upon because of the anonymity of the messages. Three such messages relate to theft of company assets. Can I urge everyone within the USM Team to utilise the hotline and report such behaviour in as detailed and objective manner as possible. In this regard, can I also encourage everyone to again reflect on the USM values:

USM VALUES	What do the USM Values Mean
<b>Integrity</b>	I will be open, honest and consistent in all that I do and will conduct business in an ethical way.
<b>Commitment</b>	I am committed to achieving the USM vision by providing a class service.
<b>Cooperative</b>	I will do what it takes for my team to succeed whilst supporting the success of the greater team.
<b>Initiative</b>	I will be proactive and keep my colleagues and USM stakeholders informed at all times.
<b>Open minded</b>	I will listen attentively and treat others as I would like to be treated.
<b>Proud</b>	I will take pride in all I do and not tolerate sub-standard work.
<b>Creative/innovative</b>	I will keep up to date with developments and strive to improve and create value for the business.

Thank you to everyone in the USM Team who has lead by example and encouraged

their fellow 'team players' during this challenging season. The fast approaching 'festive season' will be a welcome break, albeit relatively short for some of us. Cherish this time with close family and friends and let us all reflect on what is important in our lives so that we are better prepared for the challenges that lie ahead in 2013.

As always, work smarter, work together, have fun and be safe!

Adey



## Frontline Service

In the book, *From Good to Great*, Jim Collins said, "People are not your most important asset, the RIGHT people are."

Two "RIGHT" people for USM are Wendy Stander and Winnie Khumalo and together they sensationalise the service experience for USM's staff and customers. Winnie manages the switchboard and is the voice of the mill while Wendy is the first person in sight when entering the mill's reception area.

A recent \*Gallup Poll, showed that a customer who is "emotionally connected" to a business is likely to spend 46% more time and money than a customer who is merely "satisfied" but not emotionally bonded to the business.

Then there is the everyday hero's; those USM employees who treat their colleagues as their most important customers. Good customer service is practiced within the company among colleagues first and if that culture is healthy the results will spill over onto the external customers.

(The **Gallup Poll** is the division of Gallup that regularly conducts public opinion polls in more than 140 countries around the world. Gallup Polls are often referenced in the mass media as a reliable and objective audience measurement public opinion.)



**On the cover:** Stan Ferns, maintenance foreman back-end with the vibrant red hyster that delivers much needed oil to the company's back-end operations. Stan's patience in waiting for the hyster was richly rewarded by our stores; not only did he get the colour he specified, the hyster was also branded with the emblem of his soccer favourites, Liverpool. The hyster's name, You'll never Walk Alone is a popular Liverpool soccer song and the title rings true of the service from our stores division - well done USM Team!

# Focussed efforts needed to boost production

by Samkelo Matsebula (Process Manager)

2012 was a tough production year for the mill, characterised by a very dry summer, autumn and winter and very heavy rains during September and October. The odd break down here and there also did not contribute to an already stressed season. "Crushing cane and making sugar is what Umfolozi Sugar Mill is good at and it is the skill and dedication of the staff that will stand the test of these challenging times," Samkelo Matsebula, process manager.

## Improved extraction is key to improving the overall recovery

The mill is currently 150,398 tons cane behind budget and the tons sugar made & estimated to date is 101,661 tons versus a budget of 110,533. The factory throughput to date is also down at 231 tons cane per hour against a budget of 250 tons cane per hour. The recovery figures took a beating during this bad run and the overall recovery is at 83.72 to date versus a budget of 85.67. Lost time % available to date is at 13.38% versus a budget of 6.17%.

## Weekly Factory Performance Report - Ending: 18 November 2012

DESCRIPTION	WEEK	WK BUDGET	VAR	TODATE	TD BUDGET	VAR
<b>CANE &amp; EXTRACTION</b>						
TONS CANE	29439	29450	-11	920812	956910	-36098
TCH	231	250	-19	231	250	-19
SUCROSE % CANE	12.64	13.71	-1.07	13.10	13.40	-0.30
FIBRE % CANE	16.79	14.26	2.53	14.27	13.69	-0.58
MIXED JUICE PURITY (SUC)	86.30			85.72		
FIBRE/HR	38.85	32.18	6.67	33.00	32.39	0.61
BRIX/HR	32.23	35.28	-3.05	34.03	36.11	-2.08
EXTRACTION (SUC)	95.41	97.04	-1.63	96.55	97.09	-0.54
IMB. % FIBRE	345.59	350	-4	333	350	-17
BAGASSE MOIST.	52.19	50.00	-2.19	51.25	50.00	-1.25
<b>EFFICIENCIES</b>						
ENG EFFICIENCY	88.67	95.15	-6.48	90.41	95.82	-5.41
OPS EFFICIENCY	99.07	98.09	0.98	97.58	98.05	-0.47
O.T.E.	75.73	70.12	5.61	75.58	82.75	-7.17
LOST TIME % AVAILABLE	10.82	7.10	-3.72	13.38	6.17	-7.21
HOURS NO CANE STOPS	21.45			354.32		
<b>ENERGY</b>						
STEAM % CANE	67.18	57.00	-10.18	61.57	57.00	-4.57
TONS COAL BURNT	847	0	-847	9008	3664	-5344
POWER EXPORTED						
BOILER EFFICIENCY						
<b>SUGAR RECOVERIES</b>						
TONS SUGAR M&E	2951	3505	-554	101661	110533	
TONS SUGAR MADE	2217			99335		
TONS MOLASSES M&E	1354	1087	-267	38019	37326	
TONS MOLASSES MADE	1158			37072		
B.H.R.	82.67	88.92	-6.25	86.71	88.24	
O.R.	78.87	86.29	-7.42	83.72	85.67	
UNDETERMINED LOSS	4.66	1.50	-3.16	2.66	1.50	
MOLASSES LOSS	12.27	8.35	-3.92	10.32	9.02	
FILTER CAKE LOSS	0.41			0.30		
MOLASSES PURITY (POL)	36.18			35.11		
LATEST MOLASSES TPD	6.70			5.70		
<b>ENVIRONMENTAL</b>						
RAW WATER CONSUMPTION	1303			44105		
EFFLUENT C.O.D.	135	75	-60	54	75	-21
EFFLUENT PH	8.1	7.0	-1.1	7.8	7.0	-0.8
TONS EFFLUENT	796			41894		
<b>FOOD SAFETY</b>						
MOULDS	0	100	100	52	100	48
YEAST	20	100	80	87	100	13

According to Matsebula, focus and attention to detail is vital when trying to catch up on production figures and minimizing sucrose losses to the effluent plant so that the Bagging House Recovery is improved.



## TOP SEPTEMBER AND OCTOBER STOPS AND SLOW CRUSHES

### STOPS

- Rains stops accounted for 233 hours down time.
- The diffuser chain led to 230 hours stoppage in those two months.
- Failure of the south carrier chain resulted in 23 hours down time.

### SLOW CRUSH

- Industrial action by the truck industry brought 88 hours of slow crush.
- Problems with ICW pumps led to 45 hours.
- Low syrup brix and sugar quality issues led to 30 hours.

We need to apply our minds on how to minimize the stops and slow crushes in the coming season.

## PACKING STATION

The packing station production as at end of week 38 is below budget due to the amount of cane crushed to date.

	BUDGET	ACTUAL	VARIANCE
1 Ton	37,000	27,333	-9,667
25 kg	18,200	4,564	-13,636
Total	55,200	31,897	-23,303

The rain stops and breakdowns negatively affected sugar quality and stops the plant's packing operations. The production teams are very focussed to meet shift targets when the quality is right is very important because the mill can bag as much sugar as it can make. The recent change of the 2 nozzle sprays in the A centrifugal to a 4 nozzle type has vastly improved the quality of the sugar.

Matsebula said that the staff are all still very elated over the factory achieving the ISO 22000 food safety certification and the challenge is now on to maintain the standard and improve going forward.

# Hooray for great fun, wild action, new friendships and a USM victory

The results of the sports day against TSB Pongola were as follows:

	USM	TSB
Rugby	0	45
Soccer B	1	0
Soccer A	2 (penalty win 5-4)	2
Volleyball	2	1
Darts	1	2
Netball	14	5
Tug of War	2	0

## Fun Run

### Men

1. Bandile (TSB)
2. Bongane Timamu (USM)
3. July (TSB)

### Ladies

1. Mariaane (TSB)
2. Ntombi Ntshangase (USM)
3. Duduzile Ndabandaba (USM)

## Fun Walk

### Men

1. Sihle Myeni (USM)
2. Sabelo (TSB)
3. Trevor (TSB)

### Ladies

1. Londiwe (TSB)
2. Sinethemba (TSB)
3. Penny (TSB)

## Fishing

Team USM



Sports day 2012 was a great success with warm weather and beautiful skies. The team spirit on both sides was fantastic and it was just a general pleasure seeing people from all departments coming together for their respective teams. The day was thoroughly enjoyed by all including friends and family.



# TEAM USM IS NOW ISO 22000 COMPLIANT



We've received the thumbs up for ISO 22000, the international food safety accreditation. This according to Adey Wynne, CEO is a watershed moment in USM's history for the following reasons:

- It clearly demonstrates that we have made the transition away from 'bulk' into a customer orientated business model.
- This international food safety accreditation opens up new high value markets among blue chip companies.
- This accreditation is a new listing requirement from blue chip companies and provides USM with some competitive advantage.

Our operations team have done an excellent job in getting the company this accreditation. It really has been a big team effort, and there will be internal celebrations in this regard shortly.

## WHAT IS ISO 22000?

The ISO 22000 standard specifies requirements for a food safety management system where an organisation in the food chain needs to demonstrate its ability to control food safety hazards in order to ensure that the food is safe at the time of human consumption.

It is applicable to all organizations, regardless of size, which are involved in any aspect of the food chain and want to implement systems that consistently provide safe products. The means of meeting any requirements of ISO 22000 can be accomplished through the use of internal and/or external resources.

*Our Food Safety Management System Certificate from SABS Commercial enables us to demonstrate strong commitment to food safety when bidding for national and international business.*



# Exciting project for Small Scale Growers

*By Nhlakanipho Dlodlo (Assistant Cane Supply Manager)*

## SSG PROJECTS

At the beginning of 2012 the cane supply team was working on different small scale grower expansion proposals from various Umfolozi cane catchment areas. These projects funds are accessed through the Department of Land Reform and through South African Sugar Association structures by means of loan funding from Mafisa.

Through Mfisa, USM managed to access loan funding for Umhlana Community Co Operative which is situated in KwaMbonambi area. This co op was formed and registered through Department of Economic Development and Tourism (Mkuze Office) beginning of this year with the intention of developing 400ha which will produce 24000tons. There are 70 growers involved each owning an average of 2.6ha.

This season we managed to secure funding to develop 200ha but due to shortage of seedcane we will be able to develop 100ha and the balance will follow in the next season. Contractors to provide the service have been appointed and the project is in the implementation phase.

## PROJECT SUMMARY

Phases	Season	Area	Development Costs
Phase 1	2012/13	100ha	R 1 895 200
Phase 2	2013/14	100ha	R 1 895 200
Total		200ha	R 3 790 400

NB: An amount of R3.7m will be invested in this community therefore its in the Cane Supply team best interest to ensure that this project is sustainable.

On the 13th November 2012 the project was officially launched at Zonza community hall where all growers, tribal authorities and all stakeholders involved were invited, below are the pictures of the launch.



From left: Mr. A. Mthethwa (Grower), Mr. M. Mthethwa (Chief), Mr. N. Dlodlo (Assistant Cane Supply Manager – USM), Mr. S. Makhanya (Local Councillor) and Mr. J. Mthethwa (Grower).

## COMMEETEE MEMBERS



From left: Mr. R. Shobede (Additional member), Mr. S. Mngomezulu (Chairman), Mr. N. Dlodlo (Assistant Cane Supply Manager – USM), Mrs. E. Gumede (Treasury), Mr. M. Mbokazi (Vice Secretary), Mr. M. Gumede (Vice Chairman) and Ms. T. Nyawo (Secretary).

## LAND REFORM PROJECTS

The Department of Rural Development and Land Reform acquired ten farms in the Umfolozi Cane Supply catchment area in 2009 through Pro-active Land Acquisition Strategy known as PLAS. Out of ten farms eight are situated in the Umfolozi flats, one in the hills just behind the Mill and the other one south of the flats.

Umfolozi Sugar Mill was appointed as Strategic Partner or Implementing agent to assist the Government in rolling out the grant funding. Each farm received 25% grant funding based on the purchase price of the farm. The allocated funds are spent in different farm activities such as ratoon management, replanting, fixed improvements, purchasing farm equipments and maintaining roads and drains. The total amount to be invested in Umfolozi area is 35 million which is going to be implemented into 3 phases. Below is the total amount received and spent to date.

GC	Surname	Name	Registered Name	Budget	Actual	Balance	% Budget Spent
229024 A	Ntuli	Mkhafula	ISIDILILI	1,372,296.00	418,950.00	953,346.00	30.5
229651 A	Mephumulo	Petros	MAPHUMULO	4,033,288.00	3,946,815.35	86,472.65	97.9
229709 A	Nyawose	Gift	M T E FARMING	3,565,729.94	3,007,863.26	557,866.68	84.4
229712 A	Khumalo	John	NKOSIYETHU	2,595,266.80	2,541,431.11	53,835.69	97.9
229719A	Mbuyazi	Joseph	BIG CEDAR	2,722,989.00	2,700,212.83	22,776.17	99.2
229722 A	Masango	Sifundza	QALAKAHLE	3,170,146.97	2,837,944.54	332,202.43	89.5
229725 A	Zulu	Sipho	STHULLY	1,880,578.62	868,125.07	992,453.55	46.7
229740 A	Nxumalo	Khanya	JOZIKAMAGIYA	2,839,117.60	442,095.28	2,497,022.31	15.0
229752 A	Manlengu	Mdimiseni	NSOMBOSI	2,122,503.60	2,066,312.94	56,190.66	97.4
229784 A	Ngongong	Sipho	FINI	2,061,843.47	2,055,150.67	6,692.80	99.7
			TOTAL	26,443,760.00	20,884,901.06	5,558,858.94	79.0

The main objective of the cane Supply Team is to ensure that these farms are sustainable and that the beneficiaries adhere to industry Good Management Practices.



Land Preparation in progress.



A live sheep was given to the Local Chief for allowing this project to take place on his land.

# Employee Self Service (ESS)

By Gerhard Maritz (Financial Manager)

The company's online leave capture and approval system VIP Premier ESS was introduced in June 2012 but systems already in place such as access control had to link into the new system to report access accurately. The employee's leave application page is also linked to the USM page.



## HOW IT WORKS

Staff members log onto the ESS webpage for secure access to ESS. They use their own unique username and password. The login screen is customised with our logo and a well as other information available online.

After successful login, employees have a summary of the screen with the requests in progress as well as leave taken and what leave is available at the time. An employee will then apply for various types of leave as defined in the Payroll Leave Module. Employees complete details of the leave request such as:

- Leave type
- From Date
- To Date
- Leave reason (list from the Leave Module)
- Additional comments are necessary

Approvers are notified of pending leave application by e-mail. Once the request is approved or declined the employee is notified accordingly by email. All leave can be viewed by either the employee or the approver and departmental managers will receive a notification by email. The system then seamlessly updates the payroll leave records.



### Payroll then and payroll now

Gerhard Maritz, financial manager and Musa Mbuyazi human resources assistant wheeling the first USM payroll safe (now a stately "old school" ornament) around during a recent office move. "Imagine we still had to the payroll using this!" exclaimed Maritz.

# Making it Happen for USM

During the recent USM Strategic planning session held on Thursday, 18 October 2012 the management team nominated and voted for non-management and management individuals who best represent the USM Team values and who have been instrumental in achieving excellent results by MAKING THINGS HAPPEN!.



Velaphi Bukhosini

Three managers were nominated who best represent USM team values and who have been instrumental in achieving excellent results by MAKING THINGS HAPPEN.

The top three non-management individuals and one management staff member each won a two nights stay at any Holiday-Inn Express Hotel in South Africa.



Isiah Mngomezulu

## MAKE IT HAPPEN AWARDS:

### Non-management Awards:

- Velaphi Bukhosini – Supervisor
- Isiah Mngomezulu – Certified Maintenance Worker
- Martin Jansen – Pre-Pack Supervisor

### Non-management Nominations:

- Bhekani Dlamini – Maintenance Worker
- Lindani Khumalo – Shift Supervisor
- Rina McIntosh – Financial Clerk
- Bonginkosi Vilakazi – Certified Maintenance Worker
- Sihle Myeni – Trainee Junior Extension Officer
- Godfrey Mbulwana – Certified Maintenance Worker



Martin Jansen

### Management Awards:

- Gabriel Myeni – Process Foreman

### Management Nominations:

- Stan Ferns – Maintenance Foreman
- Alan Williamson – Operations Director
- Rose Woolmore – Accountant Assistant
- Johan Bester – Operations Foreman (Engineering)
- Johan Visagie – Maintenance Foreman
- Julie Gengan – Quality Assurance Officer



Gabriel Myeni

## Best in South Africa!

## Send us your contributions



Opening and launch of USM's new cane knife and hammer renovation workshop 23 November 2012; independent contractors believe this is now the best cane knife and hammer refurbishment workshop in the entire South African sugar industry!



We'd like to hear from you, contact us via e-mail or send your articles, photos or comments to [info@usm.co.za](mailto:info@usm.co.za)

# How To Stop Making Excuses

By Vusi Tembe (Human Resources Manager)

"I don't know how."

"It probably wouldn't have worked anyways."

"I'm too busy."

How often do you catch yourself making excuses? Instead of doing something, you come up with ways to explain your inaction. Excuse-makers are usually seen as weak, lazy or cowardly. I believe this is an unfair generalization.

We all make excuses once in a while. Sometimes we make excuses and other times we stop rationalizing and take action. I'm sure most of us can remember times when we procrastinated and wasted days before starting a project. I'm also sure most of us can remember times we started immediately, and finished ahead of schedule. The differences between these two cases could be described as a difference of willpower. When you procrastinated, you lacked willpower. But that isn't helpful. If willpower is outside your direct control, then claiming willpower as a solution isn't going to work. Instead, I believe that the answer to stop making excuses has two steps:

1. Organising your priorities.
2. Breaking large, uncomfortable steps into manageable pieces.

### ORGANIZING YOUR PRIORITIES

What's more important to you right now? Expanding your finances? Succeeding academically? Improving the quality of your relationships? Excuse making is the result of conflicting priorities. When you don't have a system for making decisions, the tendency is to just go with whatever feels best in the moment.



You can clear this up by defining what your priorities are. The purpose is to aid when one event conflicts with another. If you have to decide between working on a work school project or going on a date, you need to look at your priorities. Which ranks higher, relationships or your academic success?

Priorities clear up the need for excuse making, since it simplifies decisions with conflicting values. With priorities it's important to define your major focus and minor focuses. A major focus should get the benefit of any extra attention you have to devote to it. Minor focuses shouldn't be abandoned, but your goal is to put them on autopilot so most of your mental energies are devoted to your major focus.

To give an example, my major focus right now is this business. My minor focuses are my health, relationships, social life and academics. These minor focuses continue to

be worked on while I improve my career. But most of my mental attention is going into ways I can develop my career and offer more value to the company.

Splitting your priorities into a single major focus and several minor focuses makes it far harder to put out excuses. Whenever a conflict arises where I would normally offer an excuse, I can simply think of my priorities. When priorities are clear, it is difficult to justify departing from them.

### BREAKING DOWN DISCOMFORT

Mixed-up priorities are only a part of excuse-making. Unwillingness to step into uncomfortable situations is another. Success in almost any effort requires taking risks and facing failure. Becoming a great public speaker requires you to get up in front of a big audience and possibly deliver a terrible speech.

What are the results of excuse-making? You find easier tasks to do and justify your procrastination.

The fix here is to break down uncomfortable steps so if you can't take the next step, break it into smaller parts you can handle. If you can't get up on stage to speak, try delivering your speech in front of a few friends.

Sometimes, however, a step can't be broken down. You either need to face it entirely or not at all. In these situations you need to get leverage on yourself.

The next time you catch yourself making an excuse, ask yourself: Does this fit within my priorities? If it doesn't and you still find yourself making excuses ask yourself if there is any way you could push yourself through the next step.