



**EXPLORING AVENUES FOR EFFECTIVE
GROWTH STRATEGIES**

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Abstract

This research project explores avenues for growth and sustainability of the National Electrical Test Facility (NETFA), a division of South African Bureau of Standards (SABS). This project was prompted by the need to realise the shareholders value and sustain SABS for the country. SABS is tasked by the parliament of the South African government to promote safety issues and develop industrial capacity of the country by promoting design capacity of manufacturers, promote high standards of safety and quality of life of the citizens. However, SABS has had challenges of keeping the facilities that are maintained and staying relevant to the industry and the country despite the funding it receives annually from the government. To ameliorate this challenge, a turn around plan was developed in 2011 to drive the revenue upward for funding new capital expenditure projects and keeping the SABS up to date and relevant to the industry. Concommittantly, a five-year strategy to increase revenue by 15% per annum was put in place to address the SABS sustainability challenges. It is agiant this backlog that this research project sought to explore avenues for effective growth strategies.

A conceptual framework that is based on Igor Ansoff Growth Matrix, Timmons Model, and Spiral Knowledge Creation Process was developed to guide the action research procedures of the study. A mixed method approach was adopted to arrive at both representativity and in-depth knowledge on the growth avenue strategies and, subsequently, to design potential solutions to the problem. Only the business unit of the NETFA, the Short-Circuit Laboratory, was used as a site for the projected action research activities. Four challenges identified for the project are Value Chain Improvement Project, Management Control System Development, Community of Practice Proposal, and Safety Aspects Project.

First, the value chain improvement project was split into two projects, with one focusing on improving turn around time to produce the end product of SABS, and another on improving enquiries handling at NETFA. The first sub-project was implemented through a series of business improvement projects that culminated into a business structure geared to improving the turn around time. Quantitative data was collected and analysed to confirm the

effectiveness of the new structure. The second sub-project was conducted by using a focus group that consisted of representatives from the NETFA. Based on the experience and brainstorming session of the participants, proposals were subsequently developed. The new structure was then proposed to management to address the identified challenges. The quantitative data that was collected in the 2012 financial year provided a basis for decisions that were taken.

Second, the management control system development project proposed task control system that was implemented in the Short-circuit Laboratory of NETFA. The main finding here is that the users confirmed the effectiveness of the system in helping them achieve their work goals.

With regard to the community of practice proposal, the project addressed the issues experienced by the SABS clients, test engineers and other stakeholders in interpreting test standards. Stakeholders' inability to interpret the test standards had a negative impact on how SABS was perceived by industry and ultimately on the growth of SABS. As a result, the community of practice was proposed to address this challenge after the SABS had discussions with ESKOM engineers and two SABS clients who were embroiled in the challenge of interpreting the test outcomes.

Lastly, the safety aspects project addressed the challenge of unsafe products that were not tested due to high cost of testing. Based on data collected from meetings, interviews, and observations of the equipment manufacturers in the low-voltage environment, a practical solution was proposed. This included a scheme that would encourage equipment manufacturers to test their products and improve safety standards in the industry while at the same time improving the growth of SABS.