

INDUSTRY INSIGHT CC

Construction Business Intelligence

Consulting Engineers South Africa (CESA)

Quality Survey: December 2010

QUALITY OF SERVICE SURVEY: DECEMBER 2009

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Background and Methodology

As part of the Association's bi-annual state of the industry survey, member firms were asked to comment on the services offered by the association.

Questions included in the survey pertain to:

- Level of service from the Association as a whole
- Level of service from the Directorate and personnel
- Relevance and quality of services offered pertinent to the firms' sector(s)
- Suggestions for improvement

Information was aggregated from the *sample* of surveys and weighted according to the total number of full and part time staff employed by the firm. It is important to monitor the responses from a consistent base of firms to accurately identify existing and possible changes to perceptions regarding the services offered by the Association.

Results are based on a reflective sample totalling 7900 employees over the 6 months between July and December 2010. Majority of the firms employ between 20 and 100 people and earn between R1,5 million and R11,5 million per annum.

Profile of respondents

Table 1: Profile of respondents

Employment	% of total number of firms in June 2010 sample	% of total number of firms in December 2010 sample
>100	35.3%	38.2%
Between 20 and 100	41.2%	47.1%
Less than 20	23.5%	14.7%
Total	100.0%	100.0%

Overall service of the Association and it's Directorate

Question 1

Do you consider the overall service you receive from CESA as a body to be:

- Unsatisfactory
- Satisfactory
- Good
- Exceptional

At face value all participating firms included in the survey were satisfied with CESA services including the directorate, which is the best rating since the inception of this survey (December 2006) – in other words hardly anybody rated services as unsatisfactory. Looking closer, majority of firms found services to be of a good standard, with an increasing number of firms finding services to be at satisfactory level only .

Table 2: Question 1 and 2

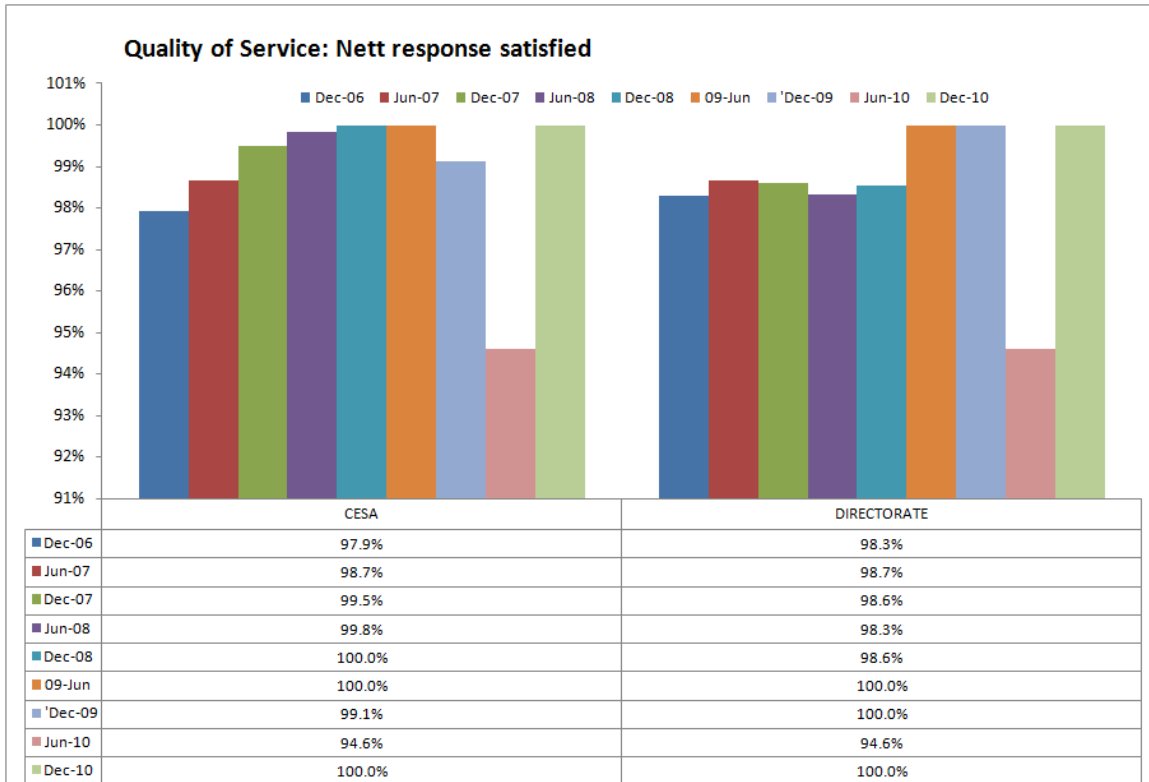
	Unsatisfactory	Satisfactory	Good	Exceptional
December 2006 Survey				
CESA	1.0%	21.3%	73.12	4.4%
Directorate	0.8%	21.1%	72.8%	5.2%
June 2007 Survey				
CESA	0.7%	22.8%	71.3%	5.1%
Directorate	0.7%	29.0%	65.2%	5.1%
December 2007 Survey				
CESA	0.3%	26.0%	73.4%	0.3%
Directorate	0.7%	33.9%	64.1%	1.3%
June 2008 Survey				
CESA	0.09%	31.6%	65.9%	2.4%
Directorate	0.8%	30.1%	55.5%	13.6%
December 2008 Survey				
CESA	0.00%	16.28%	83.53%	0.19%
Directorate	0.72%	14.68%	76.25%	8.35%
June 2009 Survey				
CESA	0.0%	45.2%	54.6%	0.2%
Directorate	0.0%	49.8%	50.0%	0.2%
December 2009 Survey				
CESA	0.4%	14.0%	85.6%	0.0%
Directorate	0.0%	7.4%	92.6%	0.0%
June 2010 survey				
CESA	2.7%	35.1%	59.5%	2.7%
Directorate	2.7%	35.1%	59.5%	2.7%
December 2010 survey				
CESA	0.0%	42.1%	57.9%	0.0%
Directorate	0.0%	39.5%	57.9%	2.6%

Question 2

Do you consider the service you receive from the Directorate and personnel to be:

- *Unsatisfactory*
- *Satisfactory*
- *Good*
- *Exceptional*

There was a 100% nett response rate from firms satisfied with general and directorate services. However, there was an increase in the number of firms that reported the service as satisfactory only.



Relevance to industry needs

Question 3a

Does the Association focus on addressing the needs and issues pertinent to your **sector** of the industry:

- Yes
- No

Table 3: Question 3a

	Jun07	Dec07	Jun08	Dec08	Jun09	Dec-09	Jun-10	Dec-10
Weighted	88.0%	85.3%	87.1%	98.9%	94.8%	96.9%	89.2%	89.5%

Members are confident that CESA is addressing their industry needs,

although the rate has dropped to 89,5% and 89,2% in the last two surveys, from 96,9% satisfied in the December 2009 survey.

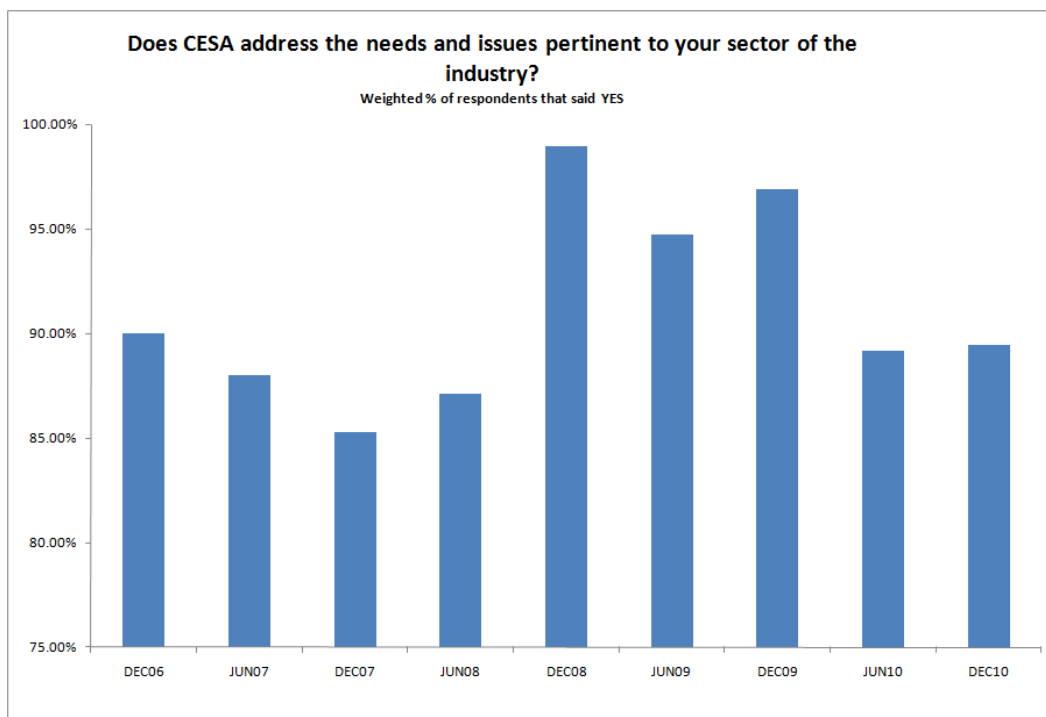


Figure 1

Question 3b

...and in a manner which is

- Unsatisfactory
- Satisfactory
- Good
- Exceptional

Table 4: Question 3b

Weighted responses	Unsatisfactory	Satisfactory	Good	Exceptional
December 2006	12.1%	22.5%	63.1%	2.3%
June 2007	10.2%	22.2%	66.8%	0.9%
December 2007	3.1%	57.6%	38.2%	1.1%
June 2008	2.7%	23.9%	72.2%	1.1%
December 2008	1.8%	28.4%	69.6%	0.2%
June 2009	4.9%	40.3%	54.8%	0.1%
December 2009	2.9%	74.5%	22.2%	0.4%
June 2010	2.9%	40.0%	57.1%	0.0%
December 2010	5.4%	51.4%	43.2%	0.0%

Although most members continue to be satisfied with the manner in which CESA is addressing their specific sectoral needs, the above satisfactory rate has improved from the 22% reported in the December 2009 survey to 57% (Jun-10) and 43% (Dec-10), in the last two surveys. Approximately 5,4% of the firms were unsatisfied with the manner in which CESA was addressing specific needs, up from 2,9% in the June 2010 survey. With 20 different disciplines in the engineering industry, it is extremely difficult to cater to all the industry needs, especially for the smaller to micro firms. However, CESA has managed to maintain a good nett satisfaction rate (those respondents that reported a satisfactory, good or exceptional level, less those that reported unsatisfactory levels), of 89,2% in the December 2010 survey, albeit lower than the 94,3% reported in the June 2010 survey.



Figure 2

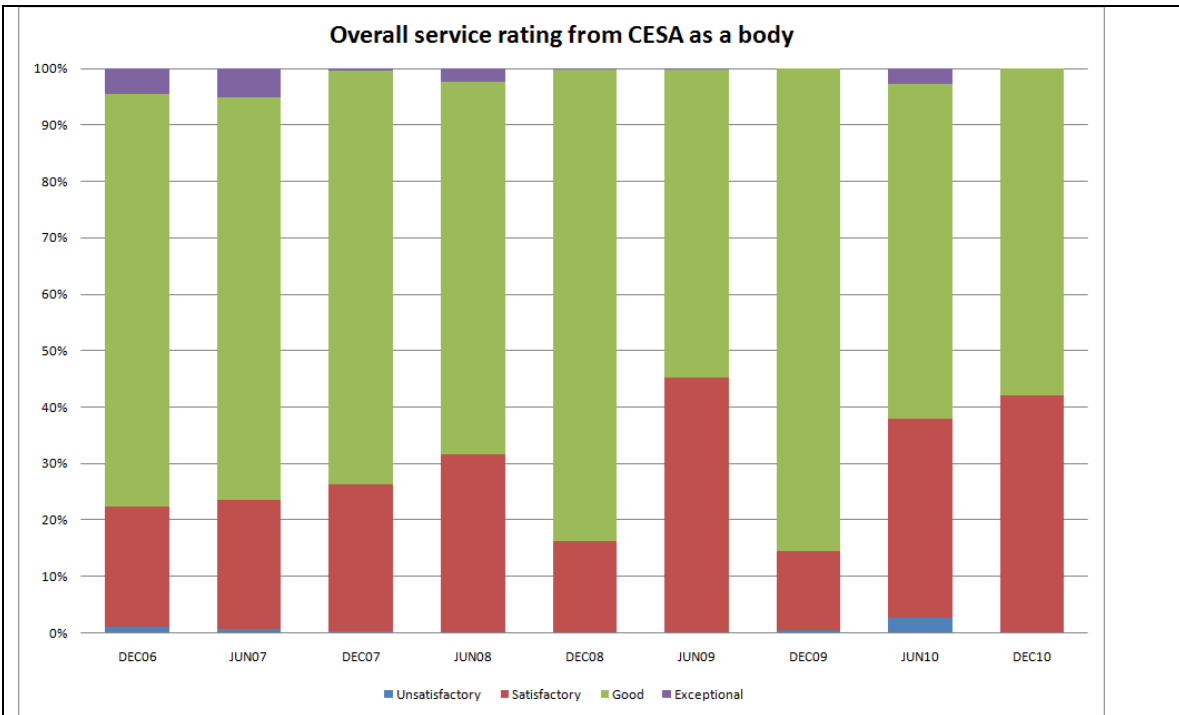


Figure 3

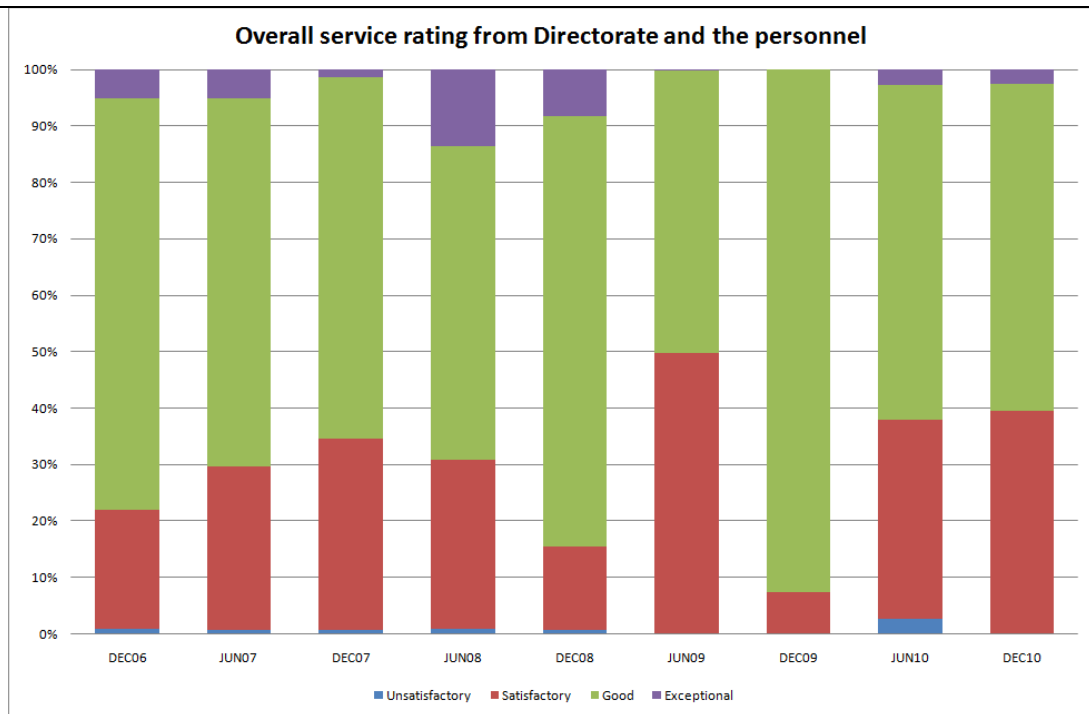


Figure 4

Suggestions

Question 4

Any comments or suggestions for improvement? General comments received from respondents are also included here. Unfortunately some comments were truncated by the system.

- *The cost for training offered by CESA is way above the cost for similar training in the industry offered by alternative service providers, for example, the cost for Advanced Excel offered by CESA is R5,000 per delegate where as it is offered also for R1,500.*
- *Protect the smaller firms. More focus is needed on the needs of small firms. It is emphasized tender requirements with respect to BEE does not provide recognition for BBEE ratings. There is way to much emphasis only on shareholding by black people.*
- *More focus on electrical and mechanical consulting engineering sector is required with relation to fees for building projects and discounting of ECSA scales.*
- *CESA should petition government to help firms that are discounting in tendering in order to obtain work and occupy staff.*
- *“There is a perception that ECSA wish to charge members for “Help & support” such as training – some of which should be provided as part of the service”*
- *“We are asked to complete numerous forms and questionnaires – some of which involve racial profiling”. Response from member employing between 20 and 100 people.*
- *“We would be able to provide a better service and create more jobs if we could just get on with our work rather than being tied up with constant admin”. Response from member employing between 20 and 100 people.*
- *“Many clients are blatantly awarding jobs to friends and companies that they favour on racial lines, often ignoring the specified points given in TOR – lodging a complaint simply creates more problems and achieves nothing”. Response from member employing between 20 and 100 people.*
- *“CESA does not stand out as it should be seen”. Too many clients are oblivious of the importance of consulting engineering firms being registered with the CESA.*
- *BEPEC, under Roelof van Tonder, is playing an increasingly proactive role in exposing Built Environment Professionals to appointments in Africa and globally.*
- *“Question A1.9 poorly categorized. We do Municipal Infrastructure services which include Roads, Stormwater, Sewers, Water & other ancillary services”*
- *Tenders for projects we participate in, seldom have a pre-qualification for CESA membership of the M&E consultant. We end up tendering against consultants with low level of QA who can offer large discounts and turn out being unsuccessful. Can CESA apply.... (Truncated)*
- *Late and non-payment of professional fees by the public sector clients remains a crippling problem.*
- *The unrealistically low turnover threshold for BBBEE score rating of BEP compared to contractors coupled with the rating inconsistency by BBBEE rating a.... (Truncated)*
- *More CPD courses in Durban please.*

Conclusion

The profile of firms responding to the survey has shifted strongly towards medium to larger firms, which is disappointing, considering the role that smaller firms have played in shaping the survey and identifying critical focus points that have perhaps been overlooked by CESA.

Majority of firms rate the services offered by CESA as above satisfactory, with a similar rating reported for the level of service offered by the directorate and personnel. It is important however to note that there has been an increase in the number of firms that report the level of service as satisfactory only.

Tougher working conditions are expected to continue, which means pressure on CESA will escalate to enhance the profile amongst clients of a “CESA registered firm”, alongside firms’ expectations that CESA will play a more prominent role to discourage unsustainable tendering practices.