INDUSTRY INSIGHT CC

Construction Business Intelligence

Consulting Engineers South Africa (CESA)

Quality Survey: June 2015

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2021

Table of Contents

CONSULTING ENGINEERS SOUTH AFRICA (CESA)	**0**
BACKGROUND AND METHODOLOGY	**2**
OVERALL SERVICE OF THE ASSOCIATION AND IT'S DIRECTORATE	**3**
RELEVANCE TO INDUSTRY NEEDS	**6**
BENEFITS	**10**
SUGGESTIONS	**11**
RESPONSE RATE BY FIRM SIZE	**12**
CONCLUSION	**13**

Chapter

1

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 surveys and weighted according to the total number of full and part time staff employed by the firm. Results are based on 125 returns, by firms collectively employing 9176 people, during the survey period January to June 2015. Majority of the firms employ less than 20 people (57 percent), followed by 34 percent employing between 10 and 20 and 9 percent employing more than 100 people.

Profile of respondents

Table 1: Profile of respondents

Employment	% of total number of firms in June 2012 sample	% of total number of firms in December 2012 sample	% of total number of firms in June 2013 sample	% of total number of firms in December 2013 sample	% of total number of firms in June 2014 sample	% of total number of firms in December 2014 sample	% of total number of firms in June 2015 sample
>100	20.0%	19.7%	14.9%	10.5%	14.0%	20.4%	9.6%
Between 20 and 100	29.5%	36.8%	41.8%	40.4%	36.8%	32.7%	33.6%
Less than 20	50.5%	43.4%	43.3%	49.1%	49.1%	46.9%	56.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chapter 2

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*

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%
June 2011 surveys				
CESA	7.6%	33.0%	59.3%	0.0%
Directorate	7.3%	22.9%	69.7%	0.0%
December 2011 Surveys				
CESA	0.7%	16.7%	72.8%	9.8%
Directorate	0.4%	47.0%	52.1%	0.6%
June 2012 Surveys				
CESA	1.1%	24.9%	66.2%	7.9%

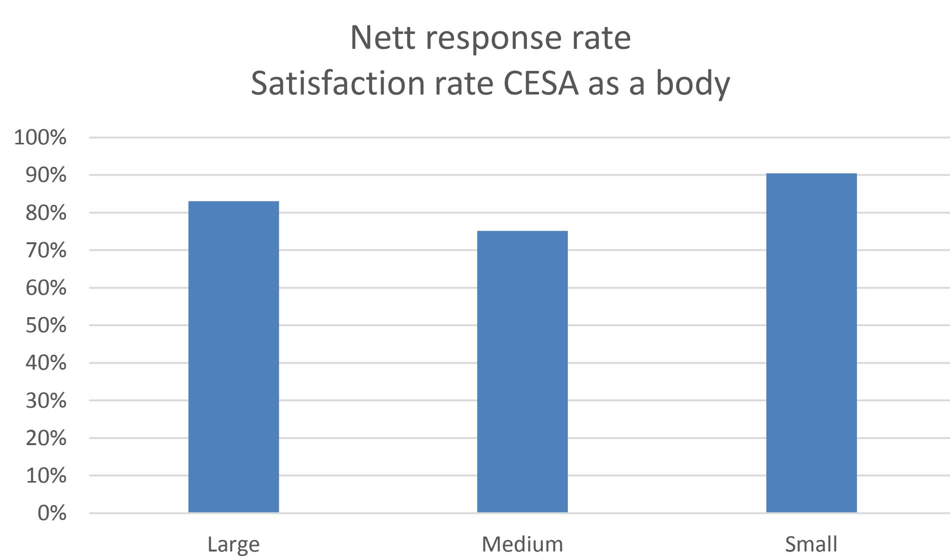
Directorate	0.9%	22.2%	76.6%	0.2%
December 2012 Surveys				
CESA	2.3%	27.3%	68.9%	1.5%
Directorate	0.7%	17.2%	79.1%	2.9%
June 2013 Surveys				
CESA	1.9%	46.4%	50.8%	1.0%
Directorate	0.9%	47.7%	50.4%	1.0%
December 2013 Surveys				
CESA	0.1%	28.7%	70.1%	1.0%
Directorate	0.0%	29.7%	69.3%	1.0%
June 2014 Surveys				
CESA	1.7%	13.4%	84.7%	0.3%
Directorate	1.5%	22.6%	75.9%	0.0%
December 2014 Surveys				
CESA	**1.2%**	**37.7%**	**60.8%**	**0.3%**
Directorate	**2.6%**	**41.1%**	**56.1%**	**0.2%**
June 2015 Surveys				
CESA	**8.9%**	**31.2%**	**59.0%**	**0.9%**
Directorate	**1.8%**	**36.5%**	**61.3%**	**0.4%**

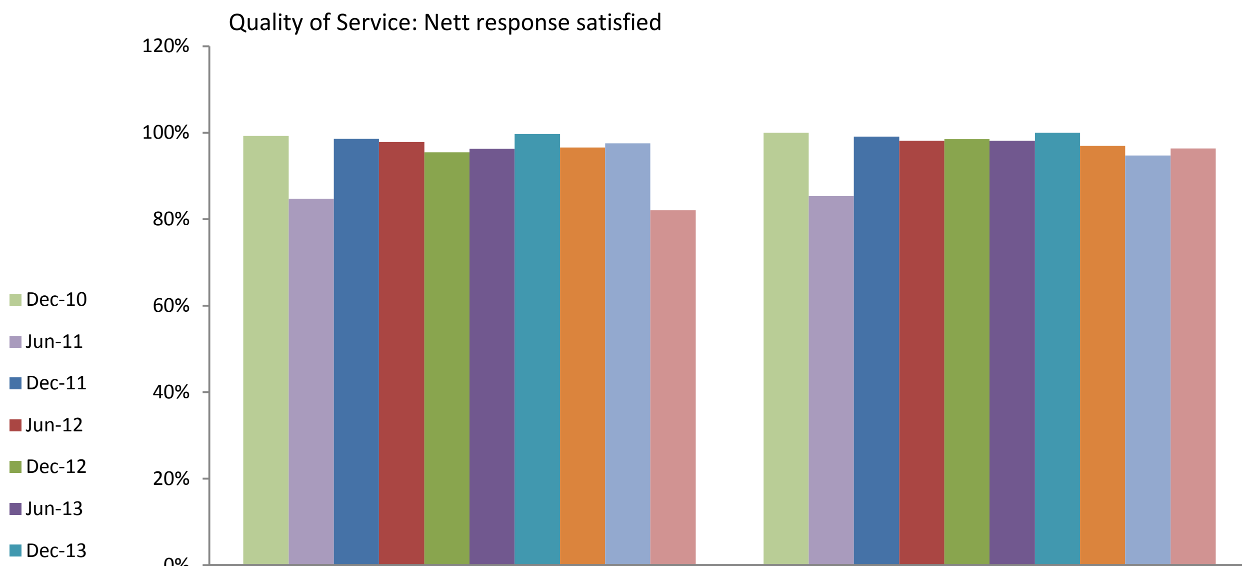
Question 2

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

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

There was a 96,4 percent positive nett response rate from firms satisfied with general and directorate services, and a 82,1 percent positive nett response with regards to CESA as a body. Overall the ratings improved slightly with regards to the directorate, but deteriorated rather significantly in terms of CESA as a body.





	CESA	DIRECTORATE
Dec-10	99.3%	100.0%
Jun-11	84.7%	85.3%
Dec-11	98.6%	99.2%
Jun-12	97.9%	98.2%
Dec-12	95.5%	98.5%
Jun-13	96.3%	98.2%
Dec-13	99.7%	100.0%
Jun-14	96.6%	97.0%
Dec-14	97.6%	94.7%
Jun-15	82.1%	96.4%

Figure 1: Nett response rate CESA and Directorate service

Chapter

3

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

	Dec08	Jun09	Dec-09	Jun-10	Dec-10	Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14	Dec-14	Jun15
Weighted	98.9%	94.8%	96.9%	89.2%	96.9%	95.9%	95.1%	95.1%	91.8%	96.1%	97.8%	95.0%	98.0%	89.0%

Members may be largely confident that CESA is addressing their industry needs, but the average satisfaction rate slowed to below 90,0 percent (89,0 percent) from 98,0 percent in the previous survey. This can be ascribed to a weakening in responses received from larger firms, where 89 percent were satisfied that CESA was addressing pertinent needs. Medium firms were more optimistic, at 92,4 percent, while smaller firms were the most negative with only 81 percent of the opinion that their concerns were being met.

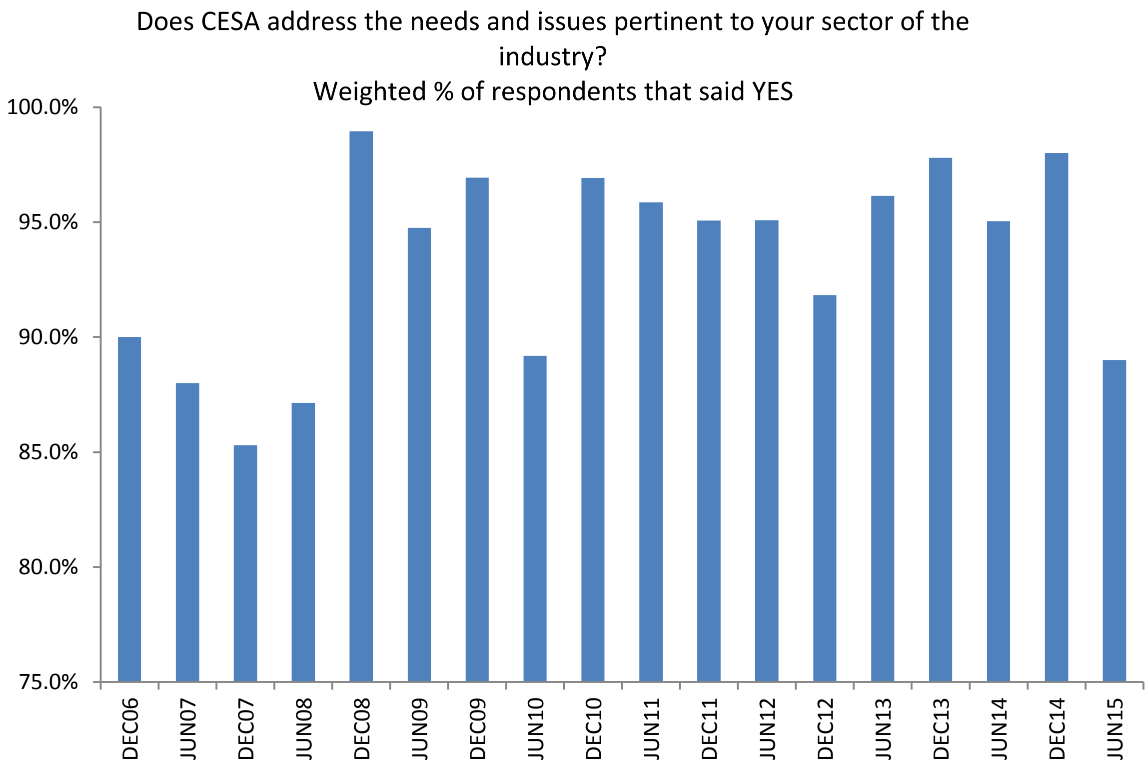


Figure 2

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	0.8%	81.1%	18.1%	0.0%
June 2011	8.6%	59.4%	22.4%	9.7%
December 2011	2.8%	46.0%	50.9%	0.3%
June 2012	1.6%	21.8%	76.1%	0.5%
December 2012	2.5%	26.7%	70.5%	0.3%
June 2013	2.0%	88.1%	9.3%	0.7%
December 2013	0.4%	78.3%	20.3%	1.0%
June 2014	4.0%	65.1%	30.9%	0.0%
December 2014	0.0%	37.2%	62.8%	0.0%
June 2015	9.4%	32.4%	56.1%	2.1%

The nett satisfaction rate fell to 81,3 percent from 100,0 percent in the previous survey, mainly due to an increase of firms that reported their dissatisfaction, which increased to 9,4 percent in the current survey. The bulk of respondents reported a satisfactory to Good level. The nett satisfaction rate amongst larger firms was the strongest at 83 percent, medium firms averaged 79,1 percent and smaller firms were the most negative with a nett satisfaction rate of only 70,0 percent.

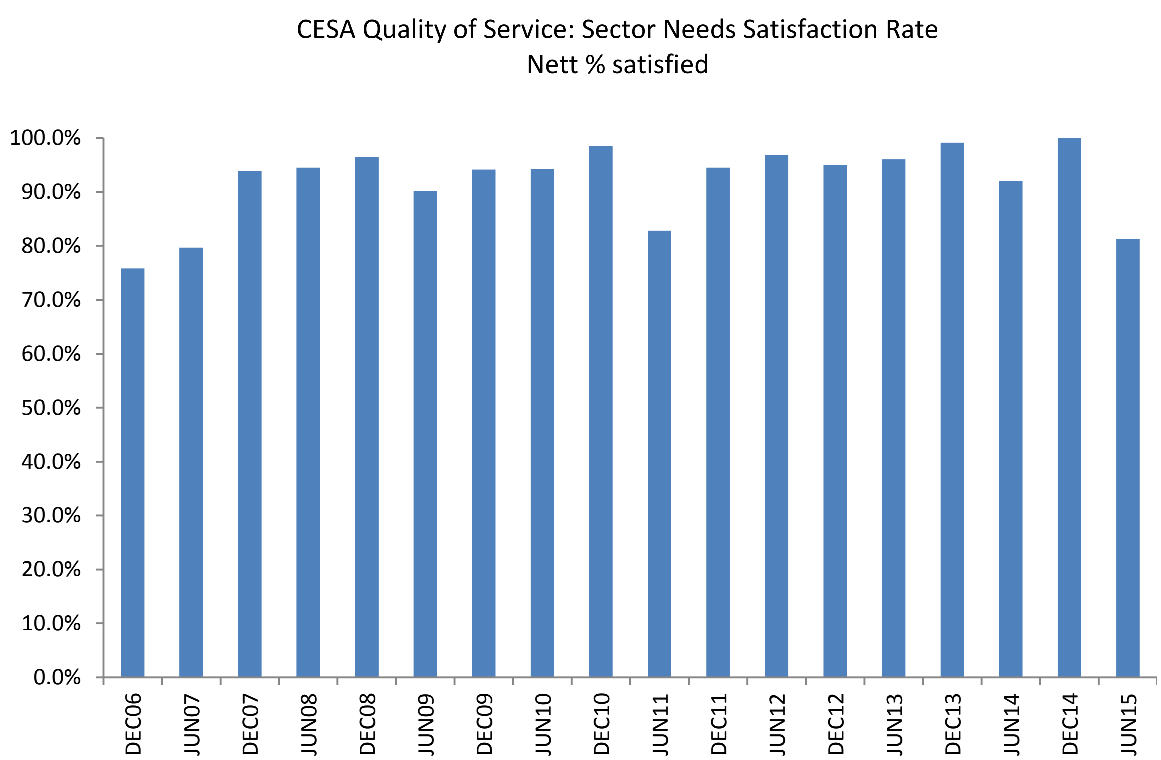


Figure 3

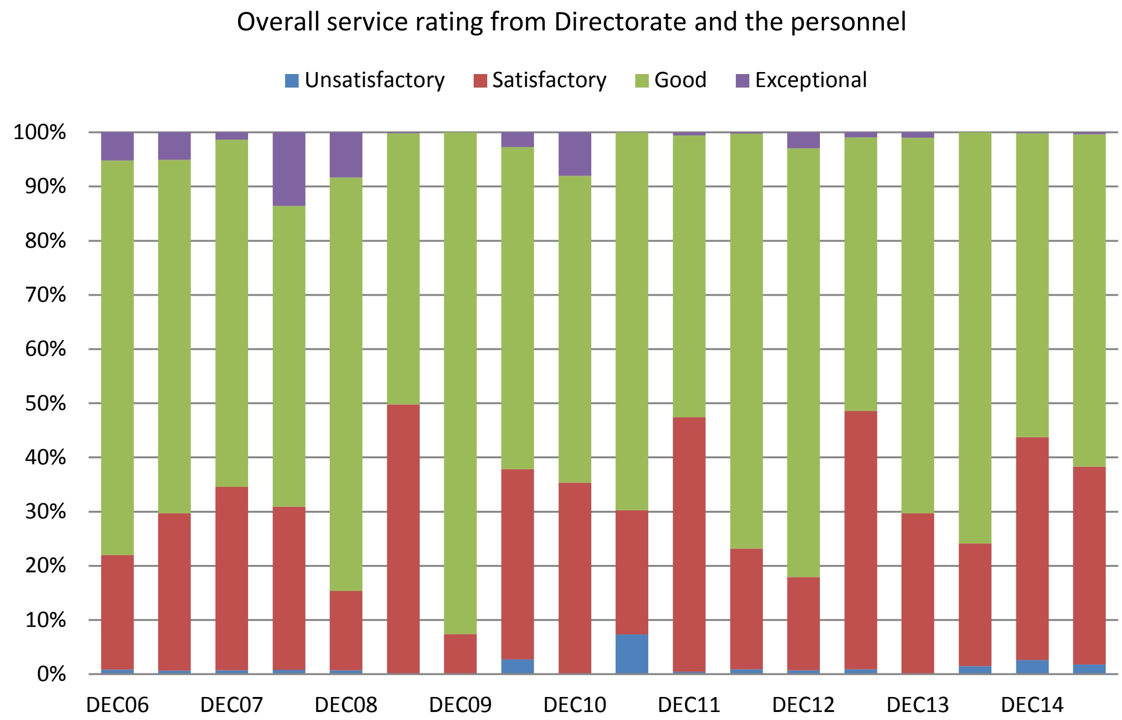


Figure 4

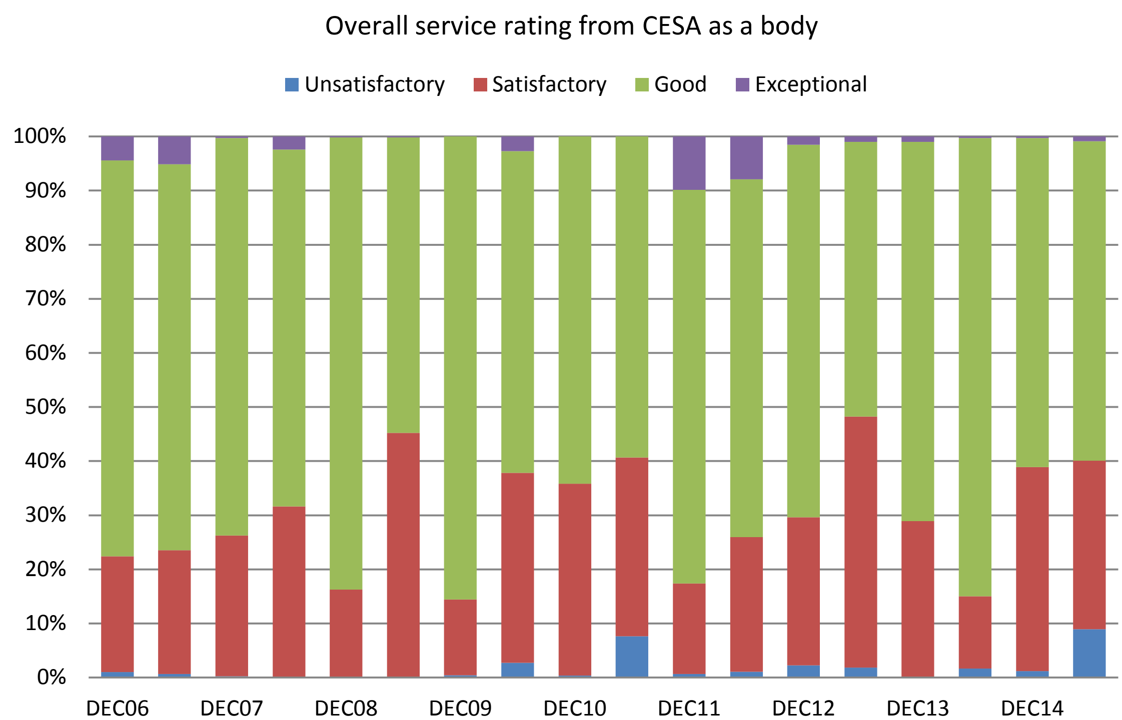


Figure 5

Chapter

5

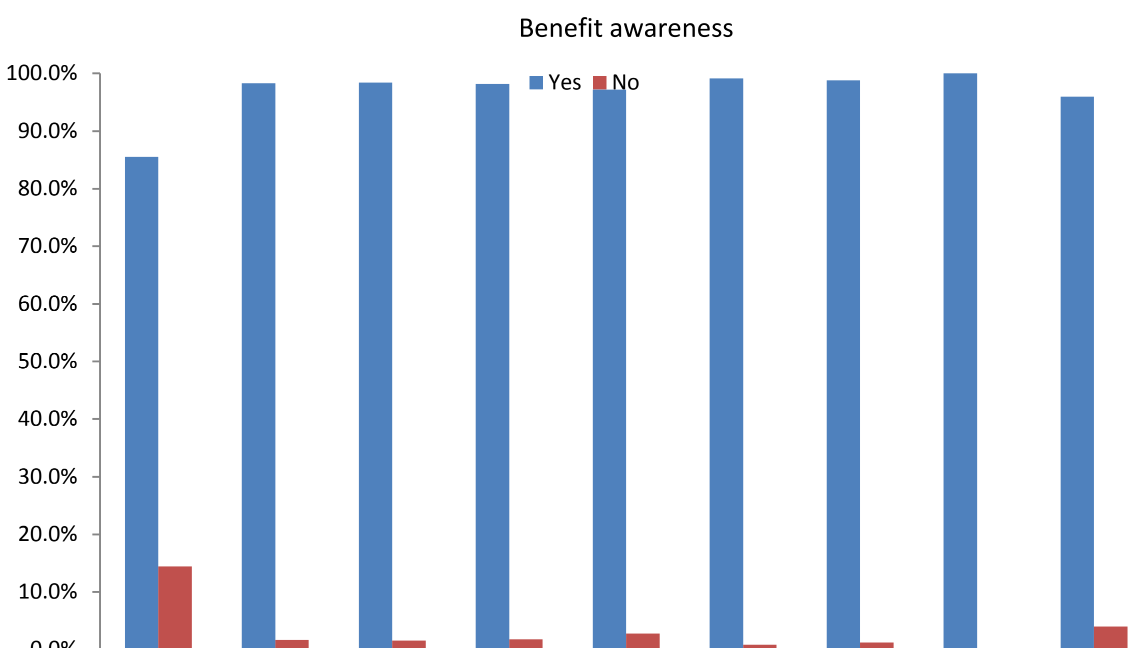
Benefits

Question F4

Are you aware of the benefits of being a CESA member?

- *Yes*
- *No*

Most of the responding firms were aware of the benefits of being a CESA member, but this ratio did deteriorate since the last survey, to 96,0 percent. This is the lowest rate since the June 2011 survey. It would seem that close to 11 percent of the medium size firms and around 7 percent of smaller firms are not aware of the benefits.



	JUN11	DEC11	JUN12	DEC12	JUN13	DEC13	JUN14	DEC14	JUN15
Yes	85.6%	98.32%	98.42%	98.2%	97.2%	99.2%	98.8%	100.0%	96.0%
No	14.4%	1.68%	1.58%	1.8%	2.8%	0.8%	1.2%	0.0%	4.0%

Figure 6

Chapter

6

Suggestions

Question 4

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

Larger firms > 100 people

- Improve communication with members
- Need to address the lack of transparent procurement process

Medium size : 20 – 100 people

- Prevent fragmentation in the industry
- Professionals should not need to tender for work
- "We were surprised that so little time was given to comment on the new BBEE Code negotiation. Something as important as that should have provided sufficient time to consider and respond."
-

Small size: < 20 people

- CESA must interact more frequently with all role players in the sector
- Tendering for professional services is not favourable for our long term sustainability. The gazetted fees/or a roster system as previously used is preferred.
- Electrical companies are a small sector/component within the industry and find it difficult to stand up against Eskom/Parastatals commercial requirements to qualify for appointments.
- Quality control of training courses could be improved
- CESA is run by the big firms for the big firms and big firm issues.
- More should be done to growing/supporting new entrants/smaller firms to bring them onto mainstream. This can be done by reservation of work and special grant to assist with ISO certification
- As a voice for the Consulting Industry, it is our opinion that CESA should engage more with Government to drive policies that can support/sustain the consulting industry.
- Stop with lengthy questionnaires

Chapter

7

Response rate by firm size

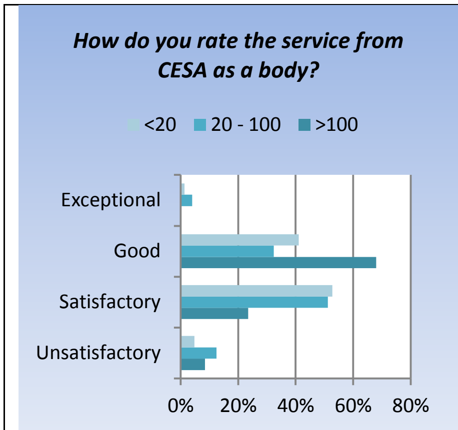


Figure 7

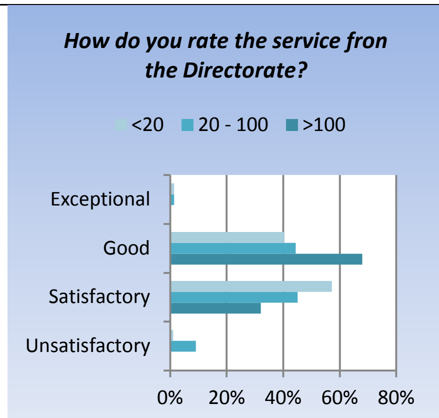


Figure 8

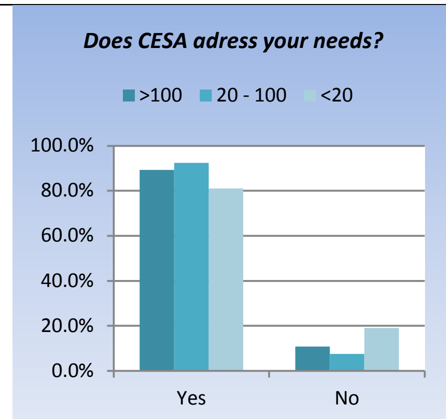


Figure 9

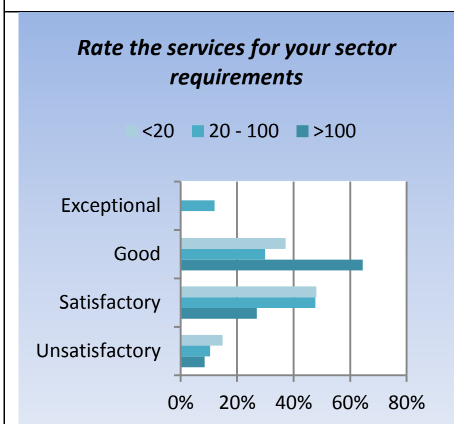


Figure 10

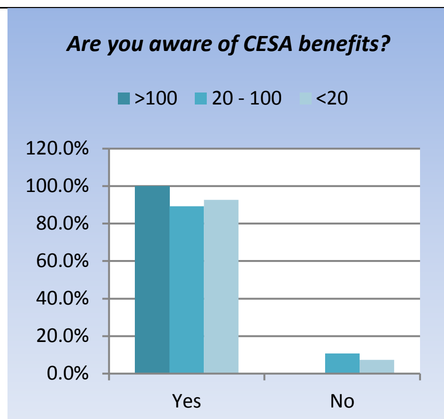


Figure 11

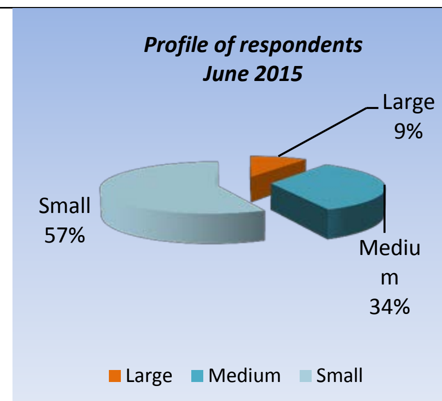


Figure 12

Chapter

8

Conclusion

Medium to smaller firms continued to play a more prominent role following on trends reported in previous surveys, and this could impact on results as medium and smaller firms seem to be more vocal on issues that are, according to them, not being addressed. The level of frustration are clearly higher amongst these firms.

Comments were limited in this survey, but related mostly (again) to the level of CESA's communication with members and difficulties experienced by firms to comply with BBBEE regulation, where members are perhaps seeking more proactive support from CESA. It is also felt that CESA should play a more active role in ensuring a transparent procurement process for its members, while addressing fragmentation issues to prevent the unnecessary duplication of representative organisations.