

**Strategic Supply-Chain Management by Matatiele Municipality**

**by**

**Daniël Christiaan van Zyl**

**Thesis**

**presented in partial fulfilment of the requirements**

**for the degree of**

**Master of Public Administration**

**at the University of Stellenbosch.**



**Supervisor: Prof. A.P.J. Burger  
April 2006**

**Declaration**

I, Daniël Christiaan van Zyl, do hereby declare that this thesis is my own original work and that all sources have been accurately reported and acknowledged, and that this document has not previously, either in its entirety or in part, been submitted at any university in order to obtain an academic qualification.

**D.C. van Zyl**

**April 2006**



## Abstract

The National Treasury of South Africa has recognised supply-chain management (SCM) as forming one of the key financial management reform focus areas. The SCM Regulations issued by the National Treasury are so new to local government that their particular relevance to the different municipalities is, as yet, unknown. The implications of the Regulations are being phased in over a 12-month period, giving municipalities the opportunity to draft, adopt, and implement their SCM policies. No guide or model therefore yet exists that can be adapted to suit Matatiele Municipality in its quest to implement all the components of SCM in order to improve service delivery.

A literature review is presented that describes SCM in relation to strategic management. Both strategic management and SCM are defined and their relative importance is discussed. Both the strategic management and SCM processes are explained in terms of certain models, and the aim of converting a strategic vision into specific objectives and strategies in order to achieve these objectives is described. The importance of balanced score-cards (BSC) and strategy maps is highlighted, and different types of integration (cross-functional, cross-organisational and supply community integration) are also discussed, as they could lead to the creation of customer value by means of SCM. SCM-enabling legislation in South Africa is discussed, and the functioning of a municipality in a developing European country (Poland) is compared with that of the VUNA Award-nominated municipalities of KwaZulu-Natal. The status quo of SCM in Matatiele Municipality is described in terms of the principles embodied by a strategy-focused organisation.

The concept and constructs of SCM are, as yet, incompletely understood, and strategic SCM has still to be implemented by both Polish and South African municipalities. SCM is still currently being confused with logistics management when SCM policies are drafted. A model for the implementation of strategic SCM by Matatiele Municipality, therefore, has had to be developed and is presented as a recommendation in this study.

## Opsomming

Die Nasionale Tesourie van Suid-Afrika het die belangrikheid van voorsieningskettingbestuur (VKB) as 'n strategiese fokusarea in finansiële hervorming erken. Die VKB-regulasies wat deur hulle uitgereik is, is so nuut vir plaaslike bestuur dat die besondere toepaslikheid daarvan nog nie bekend is nie. Die VKB-regulasies word oor 'n tydperk van twaalf maande ingefaseer, wat aan munisipaliteite die geleentheid bied om VKB-beleidsdokumente op te stel, aan te neem en te implementeer. Geen gids of model bestaan egter wat deur Matatiele Munisipaliteit aangepas kan word in sy strewe om al die elemente van VKB te implementeer ten einde dienslewering te verbeter nie.

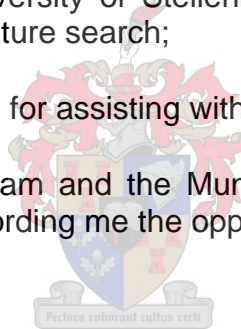
'n Literatuurstudie wat strategiese bestuur en VKB beskryf, word in hierdie studie aangebied. Strategiese bestuur en VKB word gedefinieer en die belangrikheid daarvan word bespreek. Die strategiese bestuurs- en VKB-prosesse word verduidelik ingevolge sekere modelle, en die doel van die omskakeling van 'n strategiese visie in spesifieke doelwitte en strategieë om daardie doelwitte te bereik, word beskryf. Die belangrikheid van Gebalanseerde Telkaarte en strategiekaarte word uitgewys en verskillende soorte integrasie (kruisfunksioneel, kruisorganisasories en voorsieningsgemeenskapsintegrasie), wat kan lei tot die toevoeging van waarde vir kliënte deur middel van VKB, word bespreek. VKB-magtigingswetgewing in Suid-Afrika word opgesom en 'n vergelykende studie word gedoen tussen 'n munisipaliteit van 'n ontwikkelende Europese land (Pole) en munisipaliteite van KwaZuluNatal wat vir 'n VUNA-toekenning genomineer is. Die status quo van Matatiele Munisipaliteit betreffende VKB word aan die hand van die beginsels van 'n strategie-gefokusde organisasie beskryf.

Die konsep en hoekstene van voorsieningskettingbestuur word nie ten volle deur Poolse en Suid-Afrikaanse munisipaliteite verstaan nie. Logistieke bestuur word met VKB verwar wanneer VKB-beleidsdokumente opgestel word. 'n Model vir die implementering van strategiese VKB deur die Matatiele Munisipaliteit moes daarom ontwikkel word en word as 'n aanbeveling in hierdie studie aangebied

## Acknowledgement

I would like to express my grateful and sincere thanks to the following:

- God the Father, God the Son, and God the Holy Spirit through whose mercy, wisdom and grace I was able to complete this project;
- my study leader, Prof. Johan Burger, for his kind and much appreciated assistance;
- my wife, Lydia, daughter Lelani and son Boetie for their understanding, support and patience;
- my parents, Willem and Sylvia Van Zyl, for their loving inspiration, motivation and valuable contributions;
- my brother, Chris, for all the advice that he has given me;
- all the personnel of the University of Stellenbosch Information Centre, USBI, for their assistance with the literature search;
- my secretary, Karen Blignaut, for assisting with typing; and
- the Mayor, Cllr Cedric Canham and the Municipal Manager, Mr Errol Putzier, of Matatiele Municipality, for affording me the opportunity to conduct this study.



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