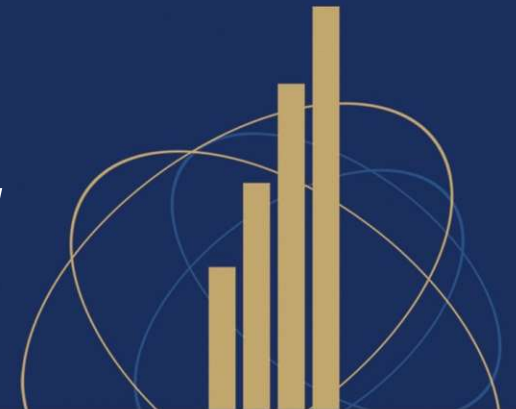




Navigating the Supply Chain Crisis : Reviewing the Fundamentals of Public SCM in a VUCA World



CIGFARO 96th Annual Conference

www.cigfaro.co.za

Lawson Naidoo (Dr)
Tshwane University of Technology (TUT)

SAQA Recognised Professional Body

PUBLIC PROCUREMENT EXPENDITURE IN SOUTH AFRICA

**15% OF
GDP**

APPROXIMATELY

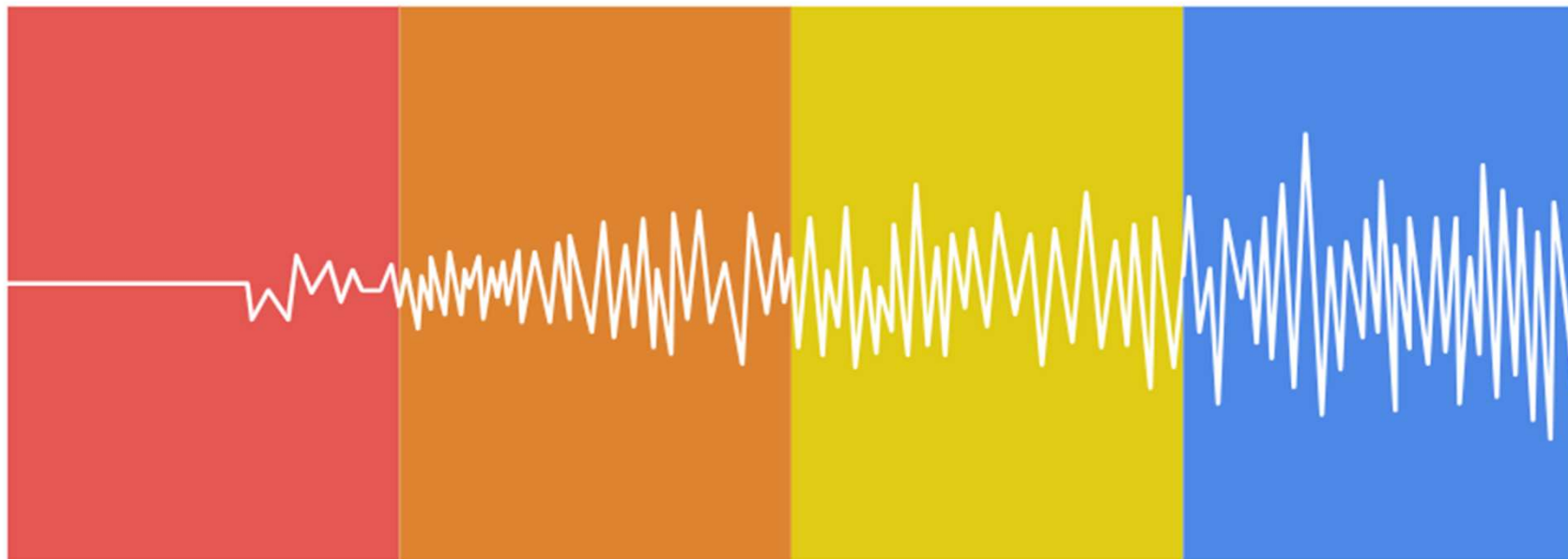
**ZAR 931,5
billion**

2021-2022 FINANCIAL YEAR



The VUCA Context: Navigating Volatility, Uncertainty, Complexity, and Ambiguity

Predictable ←————→ Unpredictable



Volatility

Rapid, unpredictable
shifts

Uncertainty

Difficult to forecast
future events

Complexity

Many
interconnected
factors, hard to
identify cause

Ambiguity

Lack of clarity,
contradictory
information

Four Dimensions of Disruption

Volatility

Rapid policy shifts in SCM regulations, particularly PPPFA amendments and legal challenges. Unstable infrastructure—power failures and erratic utilities—forces unplanned resource allocation and disrupts contract execution.

Uncertainty

National Treasury loosened funding availability rules, creating "significant risk" that expensive tendering won't result in contracts. Lack of budget certainty reduces market participation and undermines competitiveness principles.

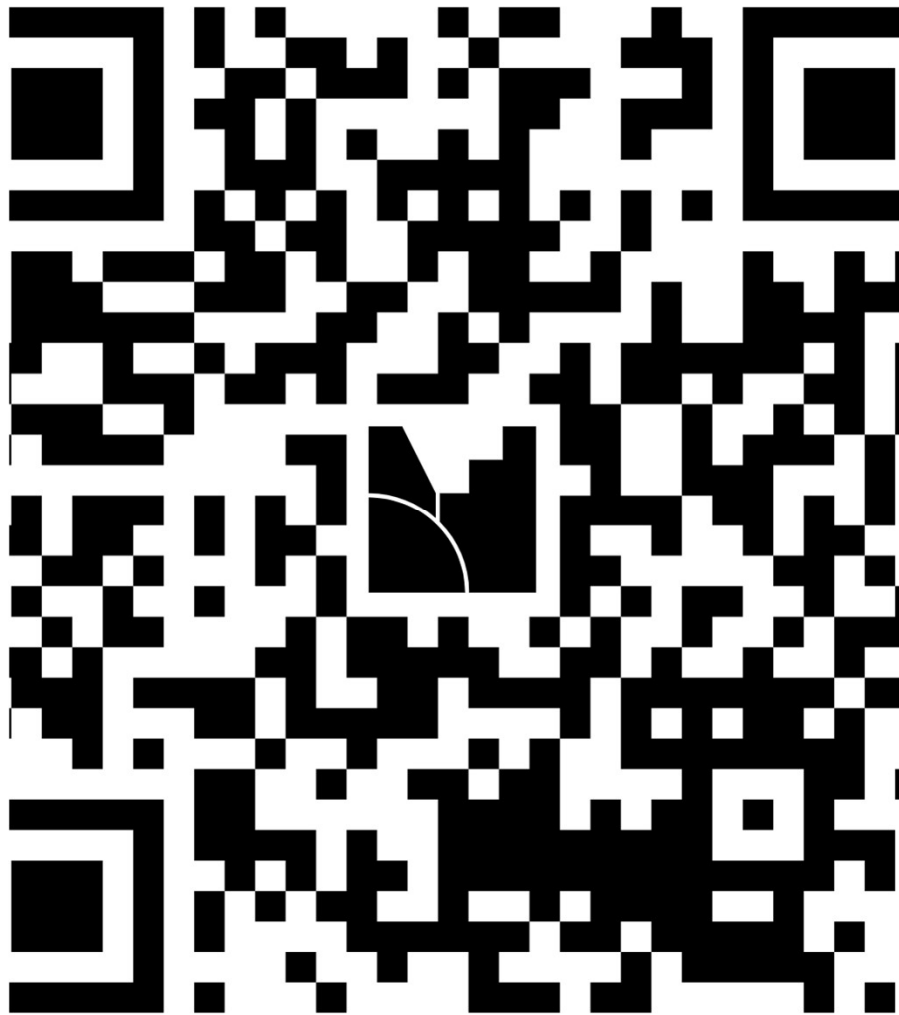
Complexity

"Extensive, complex, overly fragmented" legal framework layers PFMA, MFMA, PPPFA, and specialized regimes. Longstanding failure to implement integrated financial systems leaves processes fragmented and bureaucratic.

Ambiguity

High discretion for Accounting Officers to approve "procurement by other means" creates contradictory interpretations. Low transparency and reporting compliance enable non-competitive sourcing that masks corruption as flexibility.

VUCA Challenge



In managing Public SCM today, which aspect of the VUCA framework

(Volatility, Uncertainty, Complexity, Ambiguity)

presents the greatest operational challenge to your institution?

<https://www.menti.com/alrvq8o8y62>

Join at [menti.com](https://www.menti.com) | use code **1292 5862**

Why MAPS Alignment matters?



MAPS: Methodology for Assessing Procurement Systems (Aug 2024)

- Globally accepted standard for procurement excellence
- Provides structured benchmarking against international best practices
- Ensures transparency, efficiency, and accountability
- South Africa's 2024 MAPS assessment findings form the foundation for *the* ***“call to action”***

The 4 dimensions of MAPS

Legal & Policy Framework

Laws and regulations governing procurement processes and decisions



Institutional Framework

Organizational structures, management capacity, and resourcing



Accountability & Transparency

Controls, oversight mechanisms, and integrity measures



Procurement Operations

Efficiency of procurement transactions and market practices



These four pillars are interconnected – like a table with four legs, remove one and stability is lost

MAPS 2024 Key Findings (NATIONAL)



The Origin and Nature of “Wicked Problems”

(Rittel & Webber, 1973)

Technical Problems

A typical AGSA finding (e.g., "Non-compliance with SCM Regulation 16A") is a symptom of a technical problem (e.g., a faulty internal control mechanism).

FROM compliance failures TO wicked problems

Wicked Problems

A Wicked Problem is fundamentally different, characterized by systemic, interconnected challenges lacking objective solutions.

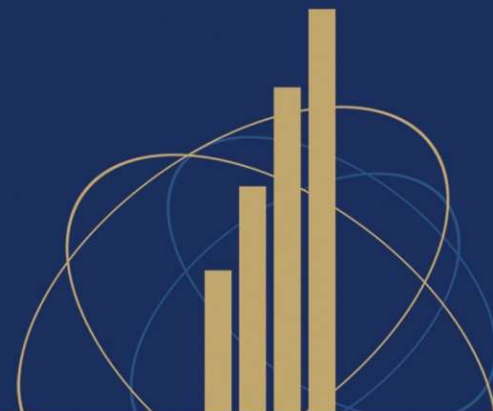




SCM as the Catalyst for Public Finance Integrity



Thank You!



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