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cesses. You need to rather look at strategy. What's the first process that we should be spending our time on? It needs to be something measurable, not something fuzzy like 'we want to be the good guys'. It needs to be something that can feed back into operations. The first set of cuts – application rationalisation, negotiating SLAs and cutting costs – were the easy ones. But there's a double dip coming and the business is going to ask for more. I think that enterprise architecture can help here, by identifying that first process that will have an impact so that the organisation can see the benefits."

For Bruno Bertrand, CRM and online director at Estee Lauder, it's not really about cuts at all.

"Our company is a small enterprise; we don't have rooms full of servers. We're there to make money, so

every time I hear about business process optimisation, I don't think about cutting but rather investing to drive more revenue. I appreciate that in a large organisation, there is a lot of capital invested in silos. But every day you should be optimising, every day you should be thinking about business processes."

The human factor

The other problem with BPO is the effect it has on employees. Pieter Neveling, senior SOA architect at Software AG SA, says that people tend to think BPO is a cost-cutting exercise in which you save IT costs by cutting people and resources.

"But it's both a top-down and a bottom-up approach," he notes. "Instead of going into the exercise with the attitude that we need to save costs and cut, which makes people nervous and negative, what we need to start

doing is map the business as a process where it makes sense. By identifying which processes make revenue and identifying the systems that don't add to the bottom line, you will save. But if you go into it as a cutting exercise, you'll have departments and business units that will hide systems so they can maintain their own little domain."

Ron Stuart, director for business performance services at KPMG, says the human factor is critical.

"In a lot of businesses, the optimisation realisation is academic at best. When a project breaks down is after the processes have been re-engineered and everyone has gone to training and it's back to business as usual. Then the project stops. The human element is one with which a lot of our clients struggle. What we don't measure is the end-user behaviour. In an

analysis phase, we identify that 1 000 man hours can be saved in a specific process, but we don't ever see that quantity going to the bottom line."

Bertrand says it's both missed communication and the human factor.

"If you talk to an IT professional, it's always going to be within the walls of his world. And the only things IT guys know to do is buy stuff and cut stuff. That's what we do. We're not typically good at managing people but we are good at managing stuff. When a business person says he would like you to optimise, what he means is that he'd like you to work smarter, and find better process flows so that the company can be reinvented from the bottom up. But the IT guys think, 'Oh, I need to buy more servers and spend more on this system'. We just don't get each other." **B**

