

In this issue:

- Welcome note
- A big idea for successful implementation of strategy
- Time is money
- Ongoing learning & development
- Procurement in SA
- The Spirit of BEE at work



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Welcome Note

As we consider this quarter's Rethink client newsletter, inspired by signs of spring, it is sobering to recognise the parallels between many of South Africa's challenges and those of major Global nations. One cannot help but imagine 'Heinrich' in Stuttgart, working slavishly to support a fictional 'Stavros' on a Greek Island somewhere who is eating souvlaki, playing the bouzouki and drinking ouzo, unfazed by his depleting coffers. Stavros hopes that Heinrich will continue to support his idyllic lifestyle as he continues to enjoy his island paradise. We may recognise the Malema-type personality in this fictional Stavros as well as business and tax-paying South Africa in Heinrich. As we South Africans say "Eish!"

What a year we have had so far - fragile blossoms of economic hope crushed by one 'plague' after another. The debate of economists at this time is "Double Dip Recession" versus "Sustained but Slow Growth". Commentators are being cautious by alerting us to a pessimistic scenario for our economy. While we cannot be exempt from the woes of our major trading partners, a more optimistic outlook is not improbable. At Rethink we honestly don't know but we sense the latter situation is most likely. As Rethinkers, knowing that our locus of influence does not extend to being able to transform the global or South African social and economic landscape, we prefer to focus on what we can influence in businesses and organisations.

The Rethink Operational Excellence Maturity Index (OEMI) assessment is currently underway and initial indications are insightful. We look forward to sharing these insights with you, our clients and survey participants in the months ahead.

If you haven't received an invitation to participate in the OEMI survey and would like to, please email James (james@rethink.co.za) and a survey link will be sent to you.

This newsletter addresses some of the aspects of business that we can influence, as individuals in business. We will focus on developing our people, draw attention to business efficiency, providing a few improvement ideas and sharing observations on how to increase the probability of successfully implementing strategy.



A Big Idea for Successful Implementation of Strategy

Imagine, in your business, the strategy for 2012 is created and agreed upon?

Of course the committed campaigners and the doubters will be there. One hopes the commitment to the team compels collective commitment to the agreed strategy but we know from experience that this is unusual.

In this article we acknowledge the need for senior executive buy-in, for collaborative strategy development and agreement to strategic choices. We acknowledge the value of an inclusive strategic proc-

ess to assure common understanding of the strategy and dramatically improve the probability of implementation.

However; collaboration and positive intent alone will not deliver the strategy. This requires activity which in turn requires time - lots of it! This is where the best laid plans begin to fade as time for dedicated effort to new initiatives is simply not a luxury most executives have. Most executives are fully absorbed by the activities of "business as usual". Very often, the

capability and resources to implement new initiatives can be employed but the initiative never gets to the point where their engagement can be productive. This is because the driving executive remains too busy to do the requisite business cases and planning let alone the monitoring of implementation.

Our observations at Rethink have highlighted a very successful and relatively simple initiative that substantially enhances the efficiency of strategy implementation. Certainly, large and complex busi-



In this article, view a practical checklist of the work done by the Strategic Project Driver



Collaboration and positive intent alone will not deliver strategy



"Time is like money - the less we have it to spare, the further we make it go."

Josh Billings
Comedian

nesses where this is not present are not maximising the fruits of their well-conceived strategic choices. The simple idea we refer to is the interposition of a Strategic Project Driver or Project Office in the case of larger businesses. We are currently working with a listed retailer that has successfully transformed its business over the last 18 months and the unsung hero in this initiative is the Strategic Project Office. The role of this function is to translate the strategy into an implementable plan and to drive the implementation of initiatives to the point of hand-over to the business as a functioning strategic initiative.

Consider a major retailer offering credit to their customers! The retailer can only provide this credit as a registered credit provider, the provisions of which are onerous and costly to administer. Most retailers choose to operate under the licence of a partner credit provider and to simply brand the offering. The retailer in question is a high volume, lower margin business and has made a seemingly simple decision to change its partner credit provider. This simple decision requires many months of complex work to implement. From commu-

nication with the licence holders, staff and clients, to highly technical IT and legal work which all needs to be co-ordinated to deliver a seamless hand-over, while constantly noting that any breakdown could negatively affect their all-important reputation.

The role of the Strategic Project Driver or Project Office is to translate strategy into implementable initiatives and to drive implementation until they can be handed to the business operations as fully functioning initiatives.

The following framework provides a practical checklist of the good work of the Strategic Project Driver or Office:

CHECKLIST

1. Review strategy and understand the context and interdependencies of the initiatives identified.
2. Define the desired outcomes which include the financial and behavioural outcomes.
3. Define the current scenarios and the gap between these and the desired outcomes.
4. Identify and understand alternate solutions.
5. Select the proposed solution.

6. Define strategic boundaries and mitigation tactics to keep the initiatives within the strategic boundaries.
 7. Define technology requirements through collaboration with users and vendors.
 8. Develop implementation plans.
 9. Allocate resources (Human, Financial and other capital resources).
 10. Define manageable time-lines for implementation.
 11. Attain agreement to proceed by following due process within defined governance structures.
 12. Proceed with implementation.
 13. Monitor implementation and constantly refine the plan to remain within the agreed strategic boundaries.
 14. Support the selection, set-up and commissioning of agreed technology solutions.
 15. Hand over of the initiative to business together with documented end-to-end processes or instruction manuals which deal with the operating and ongoing monitoring of the initiative.
- The duration of this process will depend on the nature of the project.



Time is money

The primary value of a strategic project office that has suitable governance structures is project delivery where the likelihood of cost overruns, delays and cancellations is significantly less than those of organisations that fail to do so.

Underpinning this primary benefit is that the Project Office facilitates solutions that give consideration to enterprise-wide and interdependent issues within organisations allowing

better co-ordinated and more effective project related communications as well as a repository for the lessons that emanate from each project.

"The Gartner Group proposes, as a "Strategic Planning Assumption" for companies, that through 2004, IS organizations that establish enterprise standards for project management, including a Project Office with suitable governances, will

experience half as many major project cost overruns, delays and cancellations as those that fail to do so."

(Reference: *The Strategic Project Office, PM Solutions White Paper*, 2001).

To read the full article by J Kent Crawford, CEO of PM Solutions, go to [THIS LINK](#).





The First Grader

A heart warming movie based on a true story of an 80 year old who enrolls in primary school to get an education in Kenya



Gerald Boess



Kem, Ishmail, James

Ongoing Learning and Development

One of life's realities is that learning and prosperity are inextricably linked. The "good life" is easier to attain if you are appropriately schooled. We know for example, that the countries with the highest GDP per capita also have the highest employment rates and the highest education rates. It's that simple and our own economy bears testament to this.

Moving from the macro perspective to the disarming skills gap in business South Africa, a large part of the poor quality of delivery on the part of municipalities and private busi-

nesses can be ascribed to this lack of skills. To some degree, the consulting community fills this skills gap. Our role as consultants also includes the provision of resources for delivery of short-term initiatives where either a Subject Matter Expert (SME) is required or a number of human resources are required for only a short period of time. This said, every consulting intervention offers an opportunity for the transfer of skills and we encourage clients to take advantage of this by working alongside their consultants to develop and imple-

ment solutions rather than assume a role as guru delivering a magic solution. Hopefully this short article serves to encourage clients to insist on on-the-job skills transfer in all interventions with consultants. Further skill improvement can be gained by the client's staff if the consultants provide training in their methodologies. The benefits of this include skills transfer, improved delivery and internally motivated continuous improvement. Where consultants provide "magic box" solutions, these benefits are lost.



Procurement in South Africa

In the recent Procurement and Supply Chain focus group held in Johannesburg, participants discussed the challenges facing South African procurement professionals at this time. Attendance at the conference by Rethink's specialist international supply chain, sourcing and procurement partner, Kerkhoff provided an international flavour and contextual comparison for participants.

Gerald Boess of Kerkhoff delivered a brief overview of International trends in procurement and a few examples of work they have done to resolve the challenges of their clients round the globe. Participants found comfort knowing that the challenges for South African professionals mirror those of the international community.



CHALLENGES IDENTIFIED

- ❖ Professionalising & uplifting the profile of the procurement function.
- ❖ A need to move from thinking strategically & behaving tactically to behaving strategically.
- ❖ Transparency.
- ❖ Procurement skills shortage.
- ❖ Balancing quality, price and delivery time.
- ❖ Macro analysis of purchase spend - tools & analysis skills.

The Spirit of BEE at Work

Gauteng Express is an owner-managed express delivery business in the Northern suburbs of Johannesburg. The owner, Ishmail, has spent his entire 30-year career in the courier industry. After 10 years of being an employee learning the ropes, his entrepreneurial spirit could not be held back any longer and in 1994, he launched his own business. Ishmail ascribes his success to being consistently reliable and recognising that relationships with his clients are his most valuable

asset. "Your relationships assure that your business remains in business for both short and long term", says Ishmail. After more than 15 years in business, Gauteng Express has an opportunity to grow and extend its services but like so many small businesses, does not have access to the required capital. Rethink has worked with Gauteng Express over the last 3 years and recognised the opportunity of supporting Ishmail by providing the funds

to purchase a scooter to enable an increase in both volume of delivery and dependability of service. The result has been most pleasing for us at Rethink. We have had the privilege of assisting a good business to grow and have received recognition for "Enterprise Development" towards Rethink's BBBEE scorecard. This we believe, is the spirit of legislation and we encourage our business colleagues to support this type of initiative in their own businesses.

