



IDCS

BEYOND OUTSOURCING™

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IDCS is an outsourcing company providing operational execution that relieves clients of the day-to-day operational responsibility for results and productivity. It takes over the operational objectives designed by a client's strategist, implementing and managing these through to its total end-to-end solution.

- *** Salaries and benefits
- **** Internal promotional mobility
- **** Education, training and development
- *** Working atmosphere and environs
- * Black economic empowerment and social responsibility



7% staff turnover during last financial year



2% absenteeism and sick-leave taken during the last financial year



195 staff employed (full-time)



Figure not available for turnover in 2002 (South Africa only)

OUTLINE

IDCS' business model is one which has no direct competition. It has experienced steady growth despite leaving its marketing to word-of-mouth. Its considerable investment in systems and infrastructure means that it is well-positioned for accelerated growth through acquisitions and international franchising of its product.

CRF PUBLISHING

2004

TOP COMPANIES SERIES

Best

COMPANIES TO WORK FOR

**THE BEST COMPANIES
TO WORK FOR IN SOUTH AFRICA**

FINANCE
WEEK

Corporate Research Foundation



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supported by shared services including information technology, programme management, contract management, finance, procurement quality assurance, and process management.

These focus areas can be implemented individually as stand-alone services, or as an end-to-end solution.

The focus of IDCS' field services is to help clients achieve service targets and to drive the sale of products through market support functions within the sales channels of the client.

IDCS provides end-to-end outsourced training services, including training of staff, writing product development manuals, and achieving South African Qualifications Authority approval in terms of the National Qualifications Framework.

Through their human resources operations, clients can outsource all day-to-day aspects associated with staff management. IDCS manages the explosion in government reporting requirements, as well as all labour-related and industrial relations issues.

Back-office administration services are a necessary adjunct in expediting value delivery, as repetitive and time-consuming administrative processes are non-critical necessities in any business. IDCS' back-office administration provides services to other IDCS divisions as well as directly to clients, ensuring that customers are serviced, staff are organised, suppliers are paid, and problems are resolved.

The latest business established by IDCS deals with information technology and project management. Originally this was one of the shared services supporting the operations execution service, but it has grown to become a stand-alone company with international shareholders, selling its services to other divisions within IDCS as well as to external clients.

Pressure is steadily mounting on companies to implement new ideas to remain at the cutting edge of their core business. Companies used to go to business consultants for this, but Ravenall believes that companies have changed. Clients no longer want to hear what is wrong with their business because they generally already know – what they are really looking for is implementation.

'The company hands a desired outcome to us and we implement it. But we go a step further and run the activity as an outsource facility. In each of our five areas we have developed an operation's toolkit which we simply unpack in each company, because the functions are similar from company to company, and industry to industry,' says Ravenall.

One of the factors separating IDCS from others is its employment of TQM processes underpinned by a strong information technology infrastructure (IDCS is a certified Microsoft Solution Provider and has been awarded the BSI ISO 9002 accreditation for quality), to ensure the



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BIGGEST PLUS

As long as individuals achieve results, IDCS is an environment in which they can accomplish whatever they set their minds to. Development and empowerment are accentuated, and individuals are stimulated by the dynamic, energetic environment.

BIGGEST MINUS

Because IDCS is at the mercy of its clients, out of necessity it is highly regimented. Individuals are closely measured against client service-level agreements, and they are held accountable for their actions. Many people prefer more freedom.

THE PEOPLE

Chief executive Suzanne Ravenall created IDCS based on several years experience in operations implementation and 13 years in outsourcing, many of which were spent in Europe where trends tend to be more advanced than in South Africa.

Ravenall combined these two into a business model which remains unique. Her strengths lie in entrepreneurship and operations execution, and she is supported by a strong management team whose strengths complement her own.

Ravenall is a hands-on executive and she conducts weekly operations meetings with each respective direct report, discussing both work and personal issues. In addition, she personally meets 90% of new recruits – not because she does not trust the decisions of her management team but as a demonstration that each recruit is important to the business.

*IDCS seeks out energetic,
high-powered and motivated people*

'Each chief executive officer should give five minutes of their time to chat to a new person – they walk out inspired,' says Ravenall.

Shared services director Kobus Pienaar has also been with the company since its inception, except for a brief sabbatical when he ran his own consultancy.

'People who thrive at IDCS are those who take ownership of their jobs,' says Pienaar. 'IDCS seeks out energetic, high-powered and motivated people.'

THE BUSINESS

The IDCS team are implementers. IDCS' business is based on operational execution in five core areas: field services, training services, human resources, labour broking, and back-office administration. These areas are



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what is expected of the individual or to the promotion to which he or she aspires. Based on this, for each employee we design a series of interventions, either employee-specific or generic such as life-skill improvements or job specific training,' explains recruitment and performance specialist Stefan Diedericks.

IDCS management focus on empowering staff through training and development. 'You cannot operate at the level of efficiency required to retain performance-related contracts unless staff are highly competent. You are taking an existing function away from a company and promising you can do it better,' says Diedericks.

Training at IDCS is somewhat more complex than the average company, because IDCS staff effectively become the face of the client. In the case of field services, IDCS' field-based staff are the management layer between the client and its outlets. Each individual has to be trained on the client's products and services, as he or she is responsible for transferring this knowledge to the client's outlets.

In addition, all staff at IDCS undergo up to a six-week intensive induction programme before they gain access to clients and their own job functions.

BENEFITS AND WORK ENVIRONMENT

A major change in the pipeline is a share incentive scheme, initially enabling executives and senior management (and later all staff) to acquire shares in the company, though it is not listed on the JSE. This is a 12 to 24 month programme.

IDCS has participated in a salary survey and has established that its basic salary is 8% above the market-related average for companies similar in size.

Upward mobility within the organisation is strongly encouraged. After all, the entire underpin of the outsourcing concept is that staff in non-core corporate functions with no career path can become empowered with career planning and pathing in an outsource environment.

'Our recruitment philosophy is to first look internally. We seldom have to look externally, or even advertise, because our performance appraisal process has the facility to identify skills for future promotion possibilities. So we know what skills are available and who is eligible for promotion,' says Pienaar.

Promotion opportunities exist both laterally and vertically – an individual's skill-set can be expanded for management positions, or by learning new skills ahead of vertical promotion.

Each business unit is run as a self-standing business, so each manager needs to be multi-skilled with all the administrative and financial skills necessary to run a business.



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client's strategic management objectives are met by constantly initiating, implementing and managing these initiatives.

IDCS' clients include blue-chip companies such as Vodacom, eBucks and Namibian Breweries.

COMPANY CULTURE AND STYLE

IDCS is staffed by people with a strong will to succeed. 'When making recruitment decisions, I look for hunger and survival skills. This is one of the factors that differentiates successful people from the average – too many people have ability, but lack the will,' Ravenall says.

'In this organisation we have many people who came here with nothing. They've had to learn to stand on their own two feet and carve out a career for themselves.'

Ravenall recognises that all successful businesses are those where people have fun at work. Consequently, the toughness of the working environment is softened by inculcating a culture in which staff can take calculated risks without fear of failure.

'Whenever something goes wrong in the organisation, our first response is to look at what we as an organisation are doing wrong, rather than to blame any individual. We then recognise which people need assistance, and in this way people are better motivated.'

Ravenall puts her stamp on the company's values and corporate personality. 'In our line of work, honesty and integrity are non-negotiable. These are things we can prove to clients at any time. For instance, we charge a fixed amount for implementing a contract and also charge a management fee for our services. If we deliver the service for less than the contract cost, we reimburse the client with the difference.'

IDCS has a relatively flat structure with only three management layers. As is typical for such organisations, upward mobility is limited to the number of layers, but opportunity is not.

'We encourage people to prepare for opportunity by making themselves highly employable. Our philosophy is, "never wait for opportunity; prepare yourself for it".'

HUMAN RESOURCES PRIORITIES

In the general work environment, employees often feel that their efforts are not recognised and they are not adequately rewarded. To counter this problem, at IDCS performance management is employee-specific and focused around the company's values and strategic objectives. Each employee has his or her personalised programme and a quarterly assessment at which a range of competencies are reviewed.

'We identify the gaps in a person's performance compared either to



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'A person has to master all the necessary skills before he or she will be considered for management promotion,' says Pienaar.

In her personal capacity Ravenall contributes time and effort to various charitable trusts, while IDCS funds a number of projects. Total contributions are in the region of R180 000.

Ravenall is also currently conducting discussions with various black economic empowerment companies with a view to finding the most appropriate one to take a substantial stake within the various IDCS companies.

THE FUTURE

IDCS experienced over 100% growth last year and the company still projects strong growth going forward around people and profits.

A year ago the company forecast a substantial increase in staff numbers. This has not happened to date, though Ravenall says it is merely delayed due to a re-engineering of the company strategy and the careful selection of potential acquisitions to bring into the IDCS group.

IDCS now plans to sign up international franchisees instead of opening offshore offices. Much of 2003 was spent in perfecting the franchise model, which IDCS will start rolling out towards the end of the year. Before any marketing was done, interest had already come from the United States, Switzerland, Spain and Vietnam.

IDCS aims to attain critical mass through both organic growth and by making strategic acquisitions in each of the five areas where it is active. 'It is essential that we select acquisitions that are well-run companies where we can add exceptional value utilising our methodologies, whilst realising our strategy to own the outsourcing space in terms of quality not quantity. Acquisitions not fitting this mould will not be undertaken,' explains Ravenall.

IDCS experienced over 100% growth last year

'We do not have any direct competitors that we could buy, but in each of the five markets where we are active, there are potentially attractive companies which currently do not have the infrastructure that we have. These companies could benefit from access to our intellectual expertise and from being part of a greater organisation which has processes, systems and infrastructure that many companies can only dream about,' says Ravenall.