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Corporate Research Foundation



IDCS

BEYOND OUTSOURCING™

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BEYOND OUTSOURCING™

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IDCS is an operational implementation outsourcing company that uses unique generic and scalable management and operational methodologies, along with real-time technology solutions, to assist clients in achieving increased productivity, improved performance and predictable and consistent results.

★★★★

Salaries and benefits

★★★★

Internal promotional mobility

★★★

Education, training and development

★★★★

Working atmosphere and environs

★★★

Black economic empowerment, social responsibility



5,8% staff turnover during the last financial year



1% absenteeism and sick-leave during last financial year

195 staff employed in South Africa

IDCS is not a listed company and, therefore, does not publish its results

OUTLINE

In 1997, the founder of IDCS, Suzanne Ravenall, saw a gap in the market to assist companies by engaging in improving processes, raising the skill and effectiveness of the workforce, introducing cutting-edge management systems and technology, and enforcing measurement and delivery of the complete operational process.

**BIGGEST PLUS**

IDCS has a unique philosophy and specialist management systems and methodologies (process toolkits) that have been internally designed and developed.

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 are held accountable for their actions. Some people prefer more freedom.

THE PEOPLE

The main drivers of IDCS are the chief executive officer and founder, Suzanne Ravenall, the managing director, Kobus Pienaar, and the human resources director, Chantal Ross.

An entrepreneur and an excellent business leader, Ravenall gained extensive marketing and outsourcing experience in the United Kingdom and concentrates primarily on the company's strategic direction. Nevertheless, she is involved in the operational side of the company as well, and is currently the sole owner.

Ravenall set up the business in 1997 and it has catapulted to success since then, dealing mainly with blue-chip clients.

Ravenall's colleagues recognise her excellent communication skills, her ability to provide clear guidance and her attention to detail, and they see her as motivational and accessible.

Pienaar, who is also well respected, previously held senior positions at Nampak and Vodacom and was a founder member of the company with Ravenall. He focuses primarily on the operational side of the business, but also has responsibility for strategy formulation, strategy implementation and performance evaluation.

Ross, who joined in 2003, previously ran her own human resources company and is responsible for IDCS' human resources function. She is known for the strong human dimension that she adds to the company.

'The three of us work closely, even though we have defined roles. Apart from informal day-to-day interaction, we meet regularly to set direction, evaluate performance and apply whatever corrective actions may be required,' says Pienaar.

THE BUSINESS

The idea of the business goes back fifteen years, Ravenall says. 'I noticed that many organisations were employing MBA graduates, and although I don't have a university degree myself, I was required to train them due to the lack of practical experience. "There's got to be a problem somewhere along the line," I thought. Companies were bringing in talent with managerial and technical capability, but they were overlooking the "doing" people. Besides,



surveys have shown that up to as little as 2% of staff deployed in organisations actually have operational implementation skill or capacity.'

Ravenall believed that 'if we could build a delivery engine/factory, comprising generic and scalable process methodologies that we could replicate in organisations, then we could roll them out around the world, regardless of culture or industry, we would have a powerful offering. And that's what we have developed. Our programmes have been designed so that ordinary people can be used to execute them.'

Ravenall emphasises, 'We have a delivery engine/factory that works; that sells business transformation that is sustainable. When you consult, you can promise an enormous amount and then walk away from it, leaving a set of processes that may or may not work. By contrast, we are implementers – we don't merely advise, we implement solutions and, more importantly, run and manage sustainability on an outsourcing basis.'

*We are implementers – we don't
merely advise, we implement solutions*

The first seven years of IDCS' existence focused on the development of the toolkit, but the emphasis now is on the growth strategy.

IDCS' five service areas are field services; back-office administration; product and skills training; human resources; and labour-broking. Classic examples in the field services area are customer service; stock point-of-sale; branding; merchandising; on-site training; data collection; and research and problem-solving on behalf of clients.

'We take over the operational pains that a company experiences, provide the solution and then run and manage it from an outsource perspective,' says Pienaar. 'The business is based on speed; fast turnaround times and rapid delivery. We are technology-driven and everything we do every day is measured. Our main office is in Johannesburg, but we have staff all round South Africa. They work out of mobile home offices in the main: they log onto the system every day and are measured in that way.'

IDCS' management methodology is geared to the implementation of what it refers to as 'outcomes-based processes' and 'best practices'. By clearly identifying the inputs, resource requirements, measurable outputs and management review points, an operation is managed against a precise set of performance criteria.

IDCS' January 2004 in-house publication pointed out, for example, that turnaround times for payroll queries had been reduced to 0,43 days, well below the required practice of 24 hours; the error rate of 0,00150% was at its lowest ever; and the recruitment turnaround time was 14,98 days compared with the industry acceptable norm of 25,7 days.

COMPANY CULTURE AND STYLE

The culture of IDCS is dynamic and intensely process driven. 'We believe emphatically in empowerment. If you don't perform, we'll look to see where and how we can help you, and if you still don't perform, we might suggest that you move on,' says Pienaar.

Ravenall confirms this point. 'The great danger is that you could end up with a bunch of under-performers, resulting in a put-off to your top performers. It's not a question of pushing people out – you do them no favours by keeping them. It is far more sensible to sit down with them and say, "this is not working, is it? There is nothing wrong with you as an individual, but you'd probably be better placed in another company doing something else where actually you may prove to be brilliant."'

She says the company has a philosophy that says, 'great people are your most important asset; good people are a bit of a liability'. The right mindset, accountability and responsibility are seen as the most important qualities in staff members.

Pienaar says, 'This may seem tough, but the bottom line of this business is that it has to be successful; we believe that people must grow, though we also want them to enjoy themselves. We thrive on a combination of great people, hard drivers and excellent results. We believe in innovation, self-motivation and self-discipline. Nor do we allow ourselves to become complacent – we always evaluate what we do and look to how we can improve strategies, processes and management.'

Political games are taboo. IDCS stands for a business environment that is fundamentally non-racial, non-sexist and non-discriminatory

The management structure is flat and operates on an open-door basis. The average age of management is 35 and that of employees is 27.

IDCS is built on integrity, with emphasis on fairness, honesty and credibility. 'Honesty is not just about saying, "be honest with your neighbour" – it's about asking brutally honest questions and not covering your back every five seconds,' says Ravenall. 'We like people to say it as it is, yet we all get on extremely well, with mutual respect for one another. We really work hard at getting people to be honest about themselves, about what's happening in the business and whether we're doing it the right way.'

Political games are taboo. IDCS stands for a business environment that is fundamentally non-racial, non-sexist and non-discriminatory. The company believes that South Africa's challenge is the positive integration of diversity and the fullest utilisation of the country's many talents and abilities.



IDCS

Ravenall says that the company naturally meets all its statutory employment equity obligations, 'but in effect we are an organisation that doesn't see colour. There is not a single person in our business that can say, "I did or didn't get this job because of my colour"'. We appoint people for the right reasons – there are no token placements.'

Black employees currently make up 54% of the staff at IDCS.

HUMAN RESOURCES PRIORITIES

The major priorities are staff retention; to remain an employer of choice; training and development of management; nurturing of hardcore management skills; employment equity; and an HIV and Aids programme coupled with social responsibility.

'Our challenge is finding people who boast operations execution ability; have the desire to be responsible and accountable; don't like to be managed; and wish to grow. They must also be able to ride all the organisation's highs and lows,' says Ravenall.

'All applicants are rigorously tested, with attitude and culture fit being priorities. We believe attitude drives skills, not the other way round. People with the right attitude can be taught a lot. If they are on the right bus for the right reasons and with the right abilities, they are usually highly successful.'

IDCS takes extra care of its high performers.

BENEFITS AND WORK ENVIRONMENT

The working environment is highly structured and deadline driven and can be stressful at times. 'By nature, that's what outsourcing is all about,' Pienaar argues.

'It's a no-no for people who are not deadline and process-driven,' says Ross. 'They become stressed, demotivated; it escalates and negatively affects the team and managers.'

Everyone has a personal development plan that is reviewed regularly.

Ross believes that the great attraction of working for IDCS is that the potential for personal career growth is enormous. 'What you learn here in three months usually takes about three years in any other company. It's our rapid pace of execution.'

IDCS offers all the traditional employee benefits; remuneration is performance-driven, market-related and indeed higher than industry average; the head office comprises a fully equipped gymnasium; and tertiary education and outside training are funded if relevant to an employee's position.

Considerable attention is being given to make the company's incentivisation strategy more attractive. All vacancies within the company are internally advertised.

'We want the best of the best,' says Ravenall.

Opportunities are created for considerable social interaction, including weekly get-togethers in the company's pub and three-day bush camps with a work objective.



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THE FUTURE

IDCS is on the verge of embarking on an expansion strategy into both Europe and Africa and expects to be a leader in implementation by the turn of the decade. It also expects to be aligned with key international partners, to be a high-tech organisation and to be highly skilled.

'Outsourcing will change more in the next 10 to 15 years than it has done in the past decade,' Pienaar believes.

Plans are also in place to make IDCS a black empowerment company.