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FEATURING SOUTH AFRICA'S TOP ENTREPRENEURS



IDCS

BEYOND OUTSOURCING™

IDCS HOLDINGS BEYOND OUTSOURCING (PTY) LTD

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IDCS is a medium-sized company that offers a range of outsourced, co-sourced services aimed at enhancing the performance of its clients. IDCS is a managed services operations implementation 'factory' which enters into agreements with its clients in order to effect the desired organisational goals, results and changes.

SCORECARD

Flexibility and innovation	★★★★
Growth markets	★★★★
Quality of management	★★★★
International orientation	★★
Human resource priorities	★★★★

OUTLINE

IDCS has been operating since 1997 and has built up a strong base of clients. It is in its fourth growth phase as it moves from being an entrepreneurial mid-sized company to a large corporate business with a solid track record.

BIGGEST PLUS

IDCS has developed its own toolkits that are scalable which ensures the constant enhancement of client performance. The technology is proprietary and it keeps the company a step ahead of any possible competitors to enter the market.

BIGGEST MINUS

The outsourcing or co-sourcing business can be dependent on the whims of the market. Although IDCS has lived through a boom and a bust the challenge will be to keep the bigger business on track, focused and relevant to business needs.

THE NUMBERS

Increase in turnover (1999–2004)	142%
Increase in profit	262%
BEE procurement	24%
BEE spend	49%
BEE staff	54%

THE PEOPLE

Suzanne Ravenall is the chief executive of the company and she holds 100% of the equity currently. Ravenall started IDCS in 1997 at the age of 28 and has grown it to 200+ people with a healthy turnover and profit margin. She has been recognised as one of South Africa's leading managers and was a finalist in the 2004 Business Woman of the Year awards.

Kobus Pienaar is the managing director of IDCS Group Operations and is responsible for the delivery, management and execution of all aspects of the business, including finance, IT, quality assurance, facilities management, contract management, procurement, human resources and client services. He worked at Vodacom before joining Ravenall in 1997 to start IDCS.

Chantal Ross is the director in charge of human resources, training and labour broking. She worked for the likes of AECI, Infiniti Technologies and The People Business before joining IDCS in 2003.

Andrew Hollick is the managing director of beyond markets and is responsible for sales across IDCS. He is tasked with forming and maintaining strategic partners, alliance partners, client partner and dealmaker networks focusing on small to medium businesses and corporate clients in the African market. Gerrit Bus is the managing director of subsidiary SevenS Technologies. His focus is on building and maintaining the SevenS business. He has been in the IT industry for 25 years and his main task has always been the provision of complex business solutions.



IDCS

THE BUSINESS

IDCS started out in 1997 as a company that wanted to be a 'doer' – wanting to help other companies to implement solutions in areas where the challenges were generic. It built a toolkit that is generic and scalable across five disciplines, which include field services, back-office administration, training services, human resources and labour broking.

Knowledge
management is
another area
where IDCS
follows its own
advice

The company started out as a product developer and slowly rolled out its plans.

There is a holding company and three subsidiaries, which include an information technology arm, a corporate finance and consulting unit, and a managed services factory. The company is flexible in what it can offer – it can do a straight outsourcing deal or it can work on a full performance enhancement programme for a client. IDCS says that it is about three years ahead of

the market and will be looking to expand into other regions soon. Customers include all Tier 1 companies. The business does not want more than about 50 clients so that it can continue to monitor service levels closely.

STRATEGY AND MANAGEMENT

The company culture is all about execution and process. People who join IDCS are highly accountable, responsible and empowered. They are encouraged to feel like they are running their own business within the business. Attention to detail is another key trait. Ravenall says that the culture is not for the faint-hearted and people push each other with robust debates. Although work is hard and the hours are long, a recent audit shows that staff enjoy their work, are challenged by it and feel that they can make a difference.

This is borne out by the company saying: 'Never doubt that a group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has'.

Customers are monitored on a daily basis and the toolkit IDCS has developed measures IDCS' performance when it comes to delivering client expectations. Ravenall describes it as a joint balanced scorecard where the client and IDCS are very aware of what they need to do for each other. There is also what is described as a rotational policy where the client is met at all levels, meaning that all staff, from the chief executive to the financial director to the project manager, are engaged by their peers from IDCS.

Now that IDCS has established itself, the company has set massive growth targets for the future – wanting to grow internationally and into Africa while

improving earnings ratios. By the fourth quarter of 2004 it should have a black empowerment partner in place who will hold 25,1%. Ravenall believes that diversity always builds a better company and says that she does not mind sharing the equity. She comments that you can't get too attached to a company and that repeating the same success is not what it's all about. It is about building different successes, she says.

IDCS' corporate social responsibility programmes are well developed and mostly focus on children and education. Some of the beneficiaries include CIDA City Campus, Nkosi's Haven, The House and The Blessed Place of Safety. Once a quarter

there is an allocation of funds given to additional charities of choice, and a plan is currently being implemented where a few times a year staff take off time to assist with community work.

IDCS' vision and mission statement is constantly reviewed to ensure that it is in line with a growing business. The goal is to be a global leader in the delivery of world-class operational implementation while delivering predictable outcomes through its total quality management processes.

The company's mission is to provide dynamic and innovative professional outsourcing services that enable clients to excel in delivery, under a variety of conditions, while touching the lives of each and every individual associated with the process.

Stated company values include communication, a culture of openness, quality service, competent people, meritocracy, integrity, innovation and empowerment.

OPERATIONS AND MARKETING

IDCS has built a brand without advertising and without soliciting press attention. However, now that its toolkits are in place and there are new growth targets to shoot for, the company is ready to market itself aggressively. Although there will be a certain amount of targeted advertising and brand building, the company is not aiming for mass market attention – it would rather be known by the right people.

Although IDCS is not yet operating in other African countries it hopes to follow clients into the rest of Africa. Expansion is also planned into the United States, the United Kingdom, Europe and Australasia.

In this growth phase the company will rely on its risk management expertise. There is already a department in place to manage compliance when it comes to risk.

Ravenall, the chief executive, was a finalist in the 2004 Business Woman of the Year awards



IDCS

Knowledge management is another area where IDCS follows its own advice and its toolkit has a knowledge management component built into it, which keeps intellectual property within the business.

To gain more business the company also partners with a number of well-known service providers.

One way for IDCS to show its dedication to quality has been in achieving an ISO 9000 certificate, which involves a transparent audit on IDCS.

Ravenall says that the company goes one step further and is transparent about its pricing so that clients can always see the costs involved in a project and the margins that IDCS is making.

HUMAN RESOURCES

All new staff go through an intensive induction process at IDCS which Ravenall likens to a boot camp. This is designed to show new staff exactly how they are going to function in their new jobs and within the company so that when they get to their desk for the first time they hit the ground running. On-the-job learning is a feature of IDCS where it is the responsibility of each employee to learn all the time. Training, says Ravenall, should change behaviours. If you can't change your behaviours after training then you shouldn't bother with it in the first place, she says.

There is a performance management system in place where people are assessed every three months. With the appraisal comes a personal development plan and all managers are tasked with developing their staff to their full potential. As the managers learn how to manage better, training is accelerated. All career paths and goals are linked to company goals as well as to salaries and bonuses.

Ravenall says that managers have a good support structure around them, which allows them to go out and manage rather than to look after administration issues.

The company is looking at a mentoring programme but Ravenall believes that a good manager should also be a good mentor.

All staff have stretch targets and can earn an extra 8% of their overall salary as a thirteenth cheque or bonus. But 8% is not the ceiling – staff could earn more depending on their performance and the way that their managers distribute the bonus budget that each is given to share among his or her staff. Salary increases have been about 8% each year with good performers being rewarded substantially more. While pay levels are in line with the industry, Ravenall says that the company rarely makes interim adjustments after hiring someone – IDCS believes in taking people on at the right salary level in the first instance and they then work towards rewards based on performance, whether salary increase or bonus.



IDCS

THE FUTURE

IDCS' long-term goals will be commensurate with targets set by the ICT charter. Outside of South Africa the company is aiming to open up in other countries while moving into the rest of Africa with clients that need services. It wants to have 30 to 50 quality customers so that it can continue to focus on quality and it will hire the staff it needs as the business grows. Soon IDCS will have a black empowerment partner in place who will be highly involved in the business.