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Business process re-engineering in a digital world-consultancy project

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Business Process Re-engineering in an ICT Organisation in South Africa

Consultancy Project submitted by

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Introduction

The purpose of this consultancy project is to evaluate the business to business (B2B) customer management process at a company (anonymous) to identify opportunities for business process re-engineering (BPR). Introducing BPR should ultimately lead to improved efficiency, whilst reducing costs and is intended to positively contribute towards the company's trading profit being a strategic objective of the organisation. In the face of a rapidly changing environment where local and global competition is intensifying, organisations need to sustain competitive advantage. This can be achieved through implementation of new processes which drive efficient operations management and it can therefore continue to deliver high-quality services, with excellent performance levels, at a low cost.



My approach to this consultancy project will entail the following approach:

- an understanding of the business problem
- researching literature to gain further insight and knowledge on the subject
- collection and analysing data related to the business problem
- assessing the current process to understand the challenges
- noting down the shortcomings of each process
- redesigning the process
- performing a cost benefit analysis of the solution
- discussing an implementation plan

- deployment of the new process, monitoring and benefits realisation follows, but are out of scope for this exercise

1.1 Company Background

The company is an entertainment provider that offers a wide selection of audio-visual entertainment to subscribers across South Africa. The audio-visual entertainment industry is experiencing intense competition due to an increase in available audio-visual entertainment that is easily accessible both locally and globally. New players entering this space are also disrupting traditional ways of audio-visual consumption. Customers with changing desires are increasingly spoilt for choice as they enjoy a selection of 'on demand' audio-visual entertainment and this is altering the patterns of audio visual content acquisition, viewing patterns and viewing experience. Customers are smarter, disloyal to any company or entertainment provider as they have a greater selection of providers which results in their being more demanding and less forgiving over time.

1.2 Problem Statement

The existing B2B customer management processes will be assessed to identify opportunities that can be re-engineered in order to potentially increase efficiency and reduce costs.

1.3 Significance of the Study

The recommendations from this research are intended to provide the executive team with the consideration to potentially reduce operational costs in the B2B customer management process.

2. Application of Theory



2.1 Introduction

The intention of this literature review is to obtain an understanding of the various constructs of business process redesign for application of the underlying principles, in the assessment and possible re-engineering of the B2B customer management process at the selected company.

Process may be defined as the arrangement of resources in the production of goods or the provision of services, which encompasses the end to end business process activities employed in fulfilling the customer need (Pyecraft, Singh, & Phihlela, 1997). In comparison, Harrington (1991) has claimed that without a process, a product or service cannot exist. He has further described a business process as those activities which support the transformation processes of an organisation. It includes a range of activities which are logically related and consume the resources of an organisation to deliver the product or service according to the purpose and objective of the organisation (Harrington, 1991).

Termed by Hammer and Champy (2009), Business Process Re-engineering is a complete redesign of processes and is a necessity for companies to engage in the rapidly changing competitive environment as old methods become obsolete. Concepts such as “just in time”, “process flow charting”, “critical examination in method study”, “operations network management” and “customer focussed operations” form part of business process engineering (Pyecraft et al., 1997).

2.2 Definition of Business Process Re-engineering (BPR)

Hammer and Champy (2009) have noted that dramatic improvement of results will not be achieved by simply working harder and applying greater efficiency with existing processes, therefore the need to re-engineer processes. Zairi and Sinclair (1995), Hung (2006) and Grover and Malhotra (1997) describe BPR as radical and

revolutionary in nature whilst Hung (2006) have extended the description to highlight it as a once off activity. Zairi and Sinclair (1995) further note that the outcomes of superior performance must be achieved.

Carpinetti, Buosi, and Gerolamo (2003) explain that BPR involves radical changes in pursuit of customer expectations, satisfaction, quality, delivery, service or cost in order to serve customers efficiently. Crainer (1994) maintains that any resource, process or idea that conflicts with customer satisfaction will be eradicated through re-engineering. Kano (1993) argues that an accumulation of incremental steps in process improvements can eventually lead to breakthrough performance improvements.

Evaluating the existing B2B customer management processes will indicate whether an opportunity exists for radical improvement and this will be achieved through identification of manually processed activities and inefficient approaches during the execution of tasks. We may, therefore, potentially streamline activities through automation or digitization of processes thereby reducing operational costs. Any activity which results in customer dissatisfaction will potentially be revised through the process redesign.

Zairi and Sinclair (1995) classify the process of re-engineering as intra-departmental, inter-departmental, core business processes and inter-organisational. They also report that expected benefits from re-engineering, the degree of improvement that can be anticipated from re-engineering and the anticipated duration of the BPR exercise are important factors for consideration.

Hammer and Champy (2009) suggest that re-engineering consists of four elements:

- Focussing on fundamentals to establish the exact objectives of the organisation and determining how it should best be delivered as opposed to how it is currently delivered
- Radical redesign where it is not just a case of applying incremental enhancements to existing processes but rather reinventing the way processes are executed

- Significant performance improvement should be achieved rather than marginal improvement to performance
- Business process orientation concentrates on processes where the emphasis is on the value of the output to the customer

During the assessment of the current B2B customer management process, it will be established if the service is optimally delivered, by evaluating the reasons for customers contacting the B2B division and to establish whether the best tools and techniques are being applied efficiently to service the customer. This will entail steps to potentially reinvent the manner in which the process is executed in order to provide breakthrough results in performance. Opportunity will be sought to revolutionise the manner in which the process is executed whilst providing superior performance, significantly reducing cost and efficiently serving customers.

Grover and Malhotra (1997) concur in defining re-engineering as radical with emphasis on the business process and not business departments, the objective being a massive performance improvement using information technology. Tenner and DeToro (1997) indicate that due to the levels of dissatisfaction many organisations had with their current process improvement initiatives, the BPR 'clean sheet' or using a 'blank canvas' approach, appeals to many. Hammer and Champy (2009) state that re-engineering is not an enhancement of the existing process but rather a redesign which replaces the old process with a new one. They argue that BPR involves challenging the status quo by questioning what the organisation is doing and why they are doing so which commonly highlights obsolete, erroneous or incongruous activities.

Through assessing the current processes from the process mapping exercise, the B2B customer management process may highlight redundant, inappropriate or obsolete activities. This step may also highlight customer frustration points and activities which are generating customer calls and queries highlighting a need for re-engineering the process. If opportunities exist for the current process to be re-engineered, a white board approach to redesign will be taken without being constrained by the thoughts of

the existing process and focussing on how the output can best be delivered at a low cost.

2.3 Process Design and Quality

Ishikawa (1993) highlights that people perceive quality as an increased cost since they are blinded by the short-term profit motive (Ishikawa, 1993; Karatsu, 1988; Marilyn K Hart, 1989) and agree that increased quality yields fewer defects, resulting in increased profits, improved customer confidence and satisfaction which promotes long term sales and growth, eventually yielding significantly higher profits.

Grover and Malhotra (1997) argue that the inclusion of information technology into the design, techniques for simultaneous processing of tasks coupled with enhanced communication between tasks will deliver enormous performance benefits. Hammer and Champy (2009) encourage the use of information technology for creativity which enables processes to be designed in radically new ways.

For those B2B customer management processes which qualify for re-engineering, the redesigned process will be evaluated to ascertain whether it will yield consistent quality. In order to leverage the creativity and performance advantages information technology may provide, the inclusion of information technology for digitization will be explored for potential processing of tasks which are currently manual.

For the process to meet current and future needs, designing requires a level of creativity that allows for radical change whilst having some level of prediction and forecasting. With this in mind, and to unleash their creativity, the design team needs to erase its current beliefs around the rules, processes and values which it has long been accustomed to (Hammer & Champy, 2009). The use of a ‘clean sheet’ approach will permit free thought and creativity if the customer management process is re-engineered whilst considering anticipated changes of designing a configurable solution.

There is no standard design or clearly defined technique which is best suited to process re-engineering. At most, the authors could only describe the characteristics

of what an already engineered process should look like by noting common themes which emerge across similar industries.

2.4 Implementation of BPR

BPR implementation is executed through a logical, sequential set of activities which form the framework from beginning to end. Activities must flow and be congruent right from the decision to re-engineer to implementation of the redesigned process.

Tenner and DeToro (1997) suggest a three phase (plan, design and deploy), six step approach to BPR, which entails the following:

1. Organizing the project for re-engineering through assessment of existing processes and selecting those for re-engineering based on importance, opportunity and feasibility
2. Initiating the project and including key people who have knowledge of BPR as well as the process that is being re-engineered
3. Inventing the new process by starting with a clean slate and designing the ideal process through breaking all existing rules, identifying the best practices through benchmarking and then shaping the solution to get to the best possible outcome
4. Integrating communication of the new process to all stakeholders to obtain their buy-in and to highlight the impact it will have on the goals of the organization
5. Actioning the redesigned process by testing, assigning responsibilities to accountable parties and working on a change management plan for roll out
6. Evaluating the post implementation step by monitoring and providing corrective action whilst identifying opportunities for further continuous improvements

Similarly, Brian Harrison and Pratt (1993) have noted a seven step approach to BPR implementation, whilst (Furey, 1993; Omrani, 1992; Talwar, 1993) described a six step approach; and Davenport and Short (1990) have highlighted a five step approach to BPR. Although the steps between the various authors are not exactly the same, they share common themes around articulating a clear vision and expected outcome of the BPR exercise which relates to assessing the current process, identifying shortcomings

in the process, redesigning the process taking into account best practices and other industry successes, implementing the process and finally, monitoring the new process.

Zairi and Sinclair (1995) maintain there are no specific tools and techniques which apply to BPR, however, their research has observed that authors use various combinations of tools and techniques in BPR such as process visualization, operational research or method study, information technology, change management, benchmarking and customer focus.

Carpinetti et al. (2003) affirm that mapping of business processes is key to understanding the flow of resources and information along the internal value chain. Process mapping also helps identify the areas of weak performance in a process. Collection of information through the use of the fishbone methodology or cause and effect diagrams helps with an assessment of the current process to establish the root cause of issues.

These techniques will aid in obtaining the necessary insight into the current B2B customer management process. It will be easier to map out the current process and establish opportunities for redesign, should the process qualify for re-engineering.

Carpinetti et al. (2003) believe that business process modelling must display the following:

- process activities along with their inter-relationships
- organisational units responsible for performing the activities
- the associated resources and flow of information along the internal value chain (Carpinetti et al., 2003)

The potential redesign of the B2B customer management process will entail the usage of one of the BPR models noted above. This will involve an assessment of the current process by mapping the current process. This will enable visualising, identifying possible inefficiencies in the existing B2B customer management process, redesigning the process based on best practices and evaluating successful methods.

It will also explore the use of technology applied in other industries to achieve the desired outcome, implementation and monitoring of the new process.

2.5 Success Criteria & Evaluation of BPR

Hammer and Champy (2009) indicate that BPR success can be measured in terms of cost, quality, speed and service, as these are generally the objectives from a BPR exercise. Grover and Malhotra (1997) highlight examples of BPR success at companies, which note a reduction of headcount, improve process efficiency through reduction in cycle time or financial savings through improved inventory management.

Should the B2B customer management process be re-engineered, the primary success criteria will be based on operational cost reduction. However, additional benefits such as reduction in cycle time through the speed of processing may be derived. This can be achieved through potentially automating or digitizing steps which are currently manual. These will be noted as evaluation criteria during the redesign stage.

Bashein, Markus, and Riley (1994) suggest that success of BPR projects depend on the following criteria:

- the scope of the project being pragmatic
- management of forces opposing the change
- continued leadership commitment
- empowerment of employees who are key resources for radical change to form part of cross-functional teams for redesign, thereby increasing the chances of success

During the B2B customer management process re-engineering, a cross-functional team will be established which will help enrich the design of the new process and outline the scope of work to be carried out. Involving people that directly perform the daily activities, as well as process and system engineers will result in a team with complementary skills and this will enable them to potentially design a robust solution which fulfils the current and future business need of the B2B division.

This theory has highlighted success stories from organisations that have enjoyed great benefits from re-engineering, however, it has not discussed failed re-engineering

cases omitting the lessons learnt from those projects and how these could have been better managed for success.

2.6 Application of Theory Conclusion

It is evident from the literature that BPR has no standard approach for execution. The authors provide a set of tools and techniques which are available to the executor for selection and use in any combination whilst performing a BPR project. The degree of change, although classified as radical, has no precise measure for the magnitude of change to clearly differentiate BPR from other process improvement techniques.

Hammer and Champy (2009) have described re-engineering exercises to be unique to each business and this requires innovative ideas, input from knowledgeable individuals in the business and objective decision making for success. Despite the exercise being unique, the methods and approaches applied in successful BPR exercises can be adopted and applied within and across industries (Hammer & Champy, 2009).

3. Analysis and Design Approach

3.1 Overview

The research approach will be exploratory in nature to assess the current B2B customer management process. The various processes will be listed and ranked using measurement criteria such as high-volume customer transactions, customer significance or impact, high call duration, high customer contact, potential repeat call generator or cost. The high impact processes will be selected for further investigation and potential redesign.

The focus will be on specific tasks that include new customer activations, invoice requests, billing queries, technical enquiries or product change requests. The current process map will indicate the sequence of activities and roles within the B2B customer management process and opportunities for revision may be identified. The obvious challenges with each process would then form part of the key focus areas for redesign.

3.2 Data Collection

A quantitative study will be undertaken using primary data which will be collected through observation of agents whilst they attend to customer requests. Observational research will assist to better understand any challenges within the current process. Non-participant observation in the field setting will be applied for data gathering. This means that key activities will be observed and noted from a distance without disturbing the individuals performing the activity or disturbing the activity itself (Creswell, 2012). It will be an unconcealed observation study and the individuals observed will be informed that the process, and not the individual, is being observed. This will enable mapping of the current process, detail the triggers and the exact sequence of events and also apply time motion studies to establish the duration of processing such requests. It will be possible to identify tasks manually processed or potentially redundant activities being performed which may be revised.

Attention will be specifically focussed on factors such as the number of people involved in executing a specific task, the duration of each step, the necessary tools available for the user to perform the task, the number of different applications which are used in the process and body language or discomfort which may be experienced during the execution of the tasks. Additionally, this will allow for an evaluation of the complexity of the existing process, office ergonomics to observe the layout and the various touch points a user has to go through in order to complete the task.

For operational monitoring and reporting of processes, secondary data will be sourced from existing management information reports available within the company's data warehouse. Data extracted for project purposes, customer surveys, customer escalations, audit findings, performance reviews or any benchmarking reports will also be accessed for further factual information. The secondary data selected for analysis should not be older than 18 months and this will ensure it is relevant, reliable and valid to provide a true reflection on performance.

This data may potentially highlight customer discomfort along with other details such as call records or system activities which indicate repeat trends for specific activities.

Typical examples include repeat calls from a single customer relating to the same issue, for example, an activation request. Tools and techniques such as fish bone diagrams or mind maps may be employed to ascertain the root cause of issues and assist with potential redesign ideas whilst brain storming around the new process.

3.3 Design Approach

Should the current B2B customer management process qualify for redesign, it will be modelled using Microsoft Visio which will display the dependencies between activities, the various roles involved as well as the start and end of each process. Should inefficiencies be identified, these will be explored for revision in the new process design.

Process selected for redesign will be modelled using a white board approach based on the desired output and will not be constrained by existing challenges or thought processes. The subject matter experts, business architects and managers will be invited to form part of a cross functional design team.

The redesign process will involve brainstorming sessions while making use of one or more tools such as cause and effect charts, fish bone diagrams, block diagrams, mind maps and market research. Other tools for identification of issues or recommendations (Harrington, 1991) for potential elimination of waste and optimal processing of tasks may also be utilised.

4. Limitations of the study

People tend to behave differently when they are being observed. This may distort the actual time generally taken to perform a task as an employee may perform a task differently under observation. As a result, the average times noted to perform a particular activity may not be an accurate reflection of the time generally taken to perform the same task when unobserved.

Furthermore, the redesigned processes will be limited to the creativity of the cross functional team, their knowledge and capabilities as well as the architect's technology appetite, when redesigning the solution.

5. Validity

Samples of primary and secondary data may be selected and re-performed by a third-party for verification purposes by applying the same method which should yield similar results. The mapped-out current processes have been reviewed with the B2B managers and subject matter experts to ensure accuracy.

6. Reliability

The reliability of the data may be verified through review of the secondary data collected. This is, however, not in the public domain, since the scope is limited to the specific company selected. The data, however, may be made available on request to confirm the trends and volumes.

Primary data can be gathered through observation by an independent party which should yield the same results. This will meet the test-retest reliability description process as described by Sekaran and Bougie (2013). The volume of specific activities performed at different times of the year correlates to the product seasonality where the volumes have increased over the holiday periods and reduced during the quieter times of the year. This can also be observed through the volumes of calls and system activity over the same periods where a correlation between the data can be observed.

7. Data Collected Pertaining to the Problem Statement



The data collected includes:

- Telephony volumes comprising the average handle time, number of calls taken and abandoned, as well as the associated cost of the calls. This data was extracted from 1 June 2016 to 30 June 2017 which was aggregated on a month to month basis for analysis.
- The volume of written correspondences received resides in a document management and workflow application. The data includes the various types of queries on each queue and the duration it takes to fulfil the customer request from the point the case has been picked up by an agent. Each request has a dedicated queue. This data was extracted from 1 June 2016 to 30 June 2017 which was aggregated for analysis on a monthly basis.
- Existing B2B reports displaying the number of activities processed on customer accounts, filtered from 1 June 2016 to 30 June 2017 which also aligns to the date range of the telephony records and written correspondence requests received by the division
- An important point to note is that there is no direct correlation in the data between the volume of telephone calls, the number of written correspondences received and the amount of activity on the business system. This is due to a customer being in a position to perform a number of activities during a single telephone call, or a single written request resulting in a number of system activities being performed. Despite this, conclusions can still be drawn and insights gained from each set of data.
- The as-is process activity diagrams were mapped out after observing the agents performing each type of activity selected for re-engineering by reviewing the applications used, the steps which are taken to perform each activity and inefficiencies being noted.

8. Overview and Analysis of the Company

8.1 Current Divisional Organogram and Staff Compliment

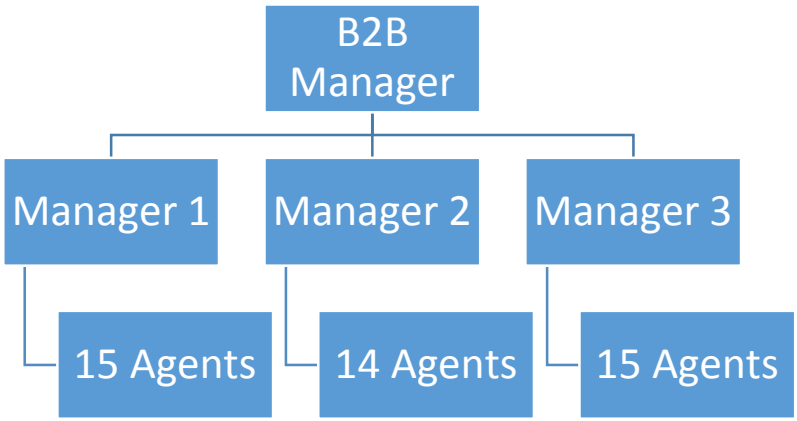


Figure 1 - Existing Divisional Structure

The division currently consists of 44 customer service agents. These resources are assigned to take calls as well as attend to written correspondences based on the volumes of each type of query received.

The number of people answering the incoming calls is adjusted based on the volume of calls received. This approach is seen as a double-edged sword where the volumes of calls increase when there is a high volume of written requests in the queue as customers want their requests fulfilled as soon as possible. Customers may call in more than once to follow up on their submitted request if the query is not timeously resolved. If more resources are assigned to handle the increased volume of calls, fewer resources are available to manage the written requests received.

8.2 Reasons for customers making contact

The B2B customer would generally contact the call centre of the service provider with an enquiry and depending on the nature of the query, it is either resolved whilst the customer is on the call or the agent will request for written correspondence to be sent through to a specific email address or fax line. The following requests are attended to only through a written request:

- New account and service activations
- Updating of customer telephone details
- Address changes
- Changes to debit order details
- Permanent cancellation of services
- Activation of demonstration devices for marketing, sales or technical purposes

Requests relating to the following activities are managed telephonically:

- Refund requests
- Changes to the payment due date on accounts
- Resending of invoices or statements
- Technical error management
- Voluntary disconnection of accounts
- Reconnection of services
- Allocation of payments to accounts
- Request for a magazine to be sent

The third option for customers to make contact is at a walk-in centre where they can make payments or swop faulty devices.

8.3 Volumes of Correspondence Received and Calls Taken

A total of 164 837 calls were taken during the 13-month period and a total of 338 876 activities were processed on the business application. A customer may have called in once and performed multiple activities or called on multiple occasions to resolve a single issue. An average of 13 707 calls are received monthly which relate to:

- Product and pricing related information
- Other general information (Technical, marketing, payment related information)
- Statement or invoice requests
- Updating of business debit order details
- Technical queries
    - Error management

    - Specific services not being transmitted
- Billing disputes
    - Incorrect charges raised as a result of incorrect products activated for customer
    - Refund required or not timeously processed for incorrect charges raised
    - Account reconciliation
    - Audit of devices linked to the business account and the active set of products against each to ensure that correct services are being transmitted
- Customers following up on fulfilment of written customer requests which entail
    - Account registration and activation of services
    - Updates or changes to customer details, account related information or the existing combination of services subscribed to
    - Other requests not actioned

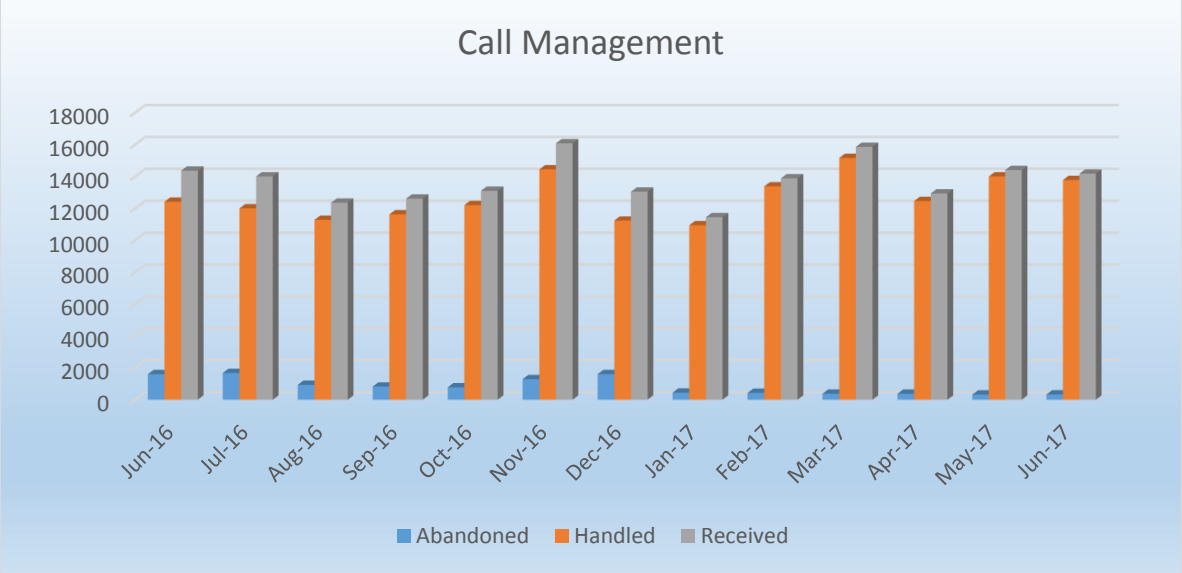


Figure 2 - Historic Call Management Data

The average number of calls taken per month is 13 707 over the 13-month period with an approximate handling time of 5 minutes per call. The abandonment rate fluctuates between 2% to 11% which results in customer dissatisfaction and further calls back to

the service provider. At an average call cost of R35 per call, the approximate telephony spend per month is approximately R444 000.

8.4 Written Correspondence

An average of 6 273 written correspondence is received monthly and this may be related to various requests that need to be fulfilled. Examples of these include:

- Activation of new subscriptions
- Addition or changes to existing portfolio of services subscribed to
- Updating of banking details for debit order collection
- Cancellation of services
- Reconnection of services
- Amendment to details linked to business profile

The annual software licensing fee for the document workflow management application is R8 327 per agent. Across 48 employees, this is a total of R391 369 per annum.

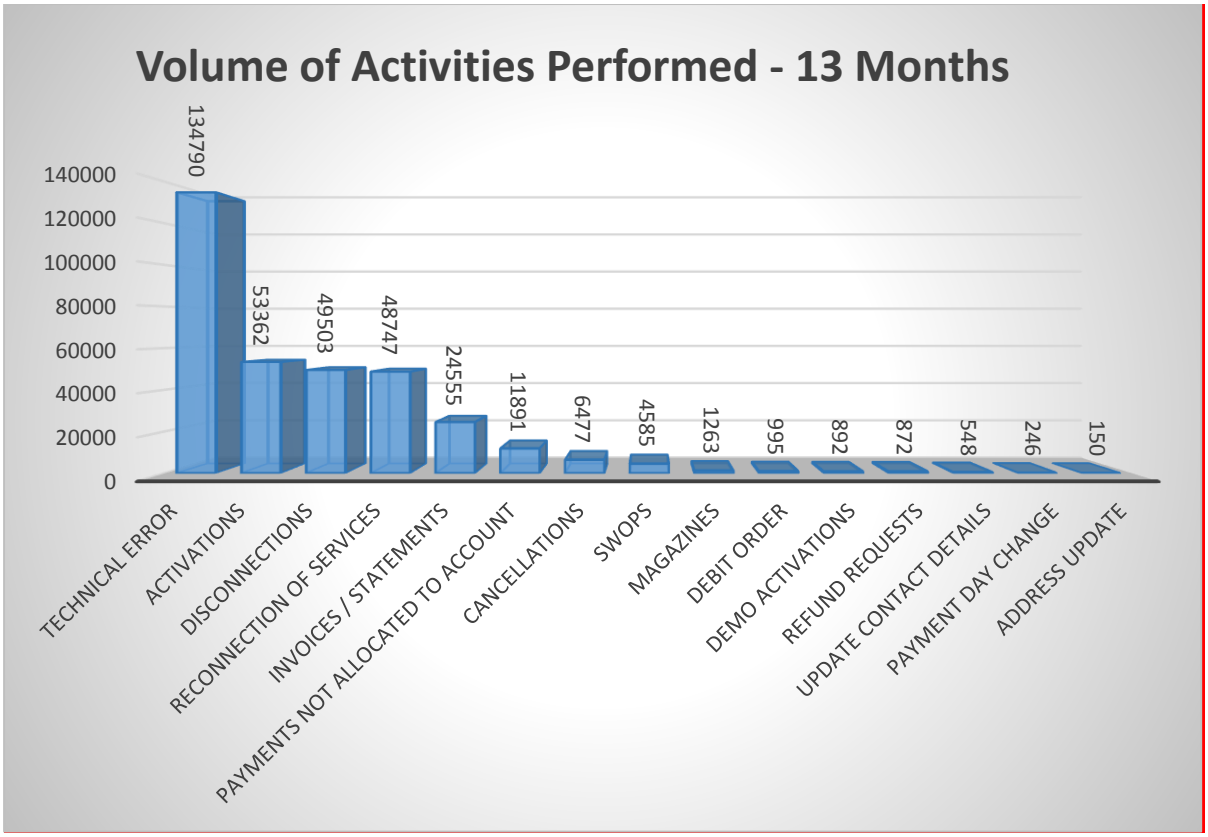


Figure 3 - Volume of Activities Performed

The table represents the volume of each activity processed on the business application which highlights the most performed activities on the system. The findings, therefore reveal that the five highest activities were Technical Error Management, Activation of Services, Disconnection of services, Reconnection of services and Invoice or Statement requests. These areas were selected as the processes for re-engineering.

8.5 Further Data Analysis

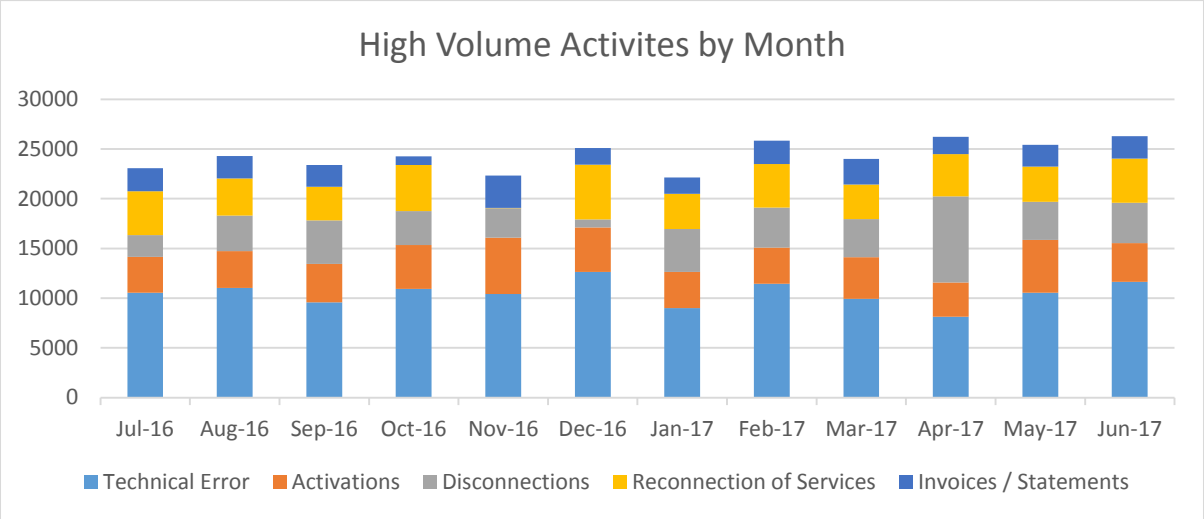


Figure 4 - High Volume Activity Comparison by Month

Comparing the 5 highest activities on a monthly basis, the following insights were drawn:

- Technical errors appear consistently all year round with spikes in December, February and June
- The volumes of activations are shown to be consistent all year long with a spike in Nov and May. This correlates with the preparation for peak periods that follow
- Disconnections peak in April which correlates with an issue was noted in minutes at a meeting where a glitch was experienced with the generating of statements and invoices in that month
- Reconnections peak in December. This coincides with the primary holiday season. It should be noted that technical errors are also at their highest during this period suggesting a link between reconnections and technical errors.
- The month where invoices/statements requests were high was November. A large portion of the B2B customer base is in the hospitality industry and want to ensure that their services are paid up and not disrupted over the festive season, therefore the volume of the invoice and statement requests are higher during this period.

- The BPR exercise is focused on reducing the time and costs of performing these activities and may not necessarily reduce the volume of activities processed.

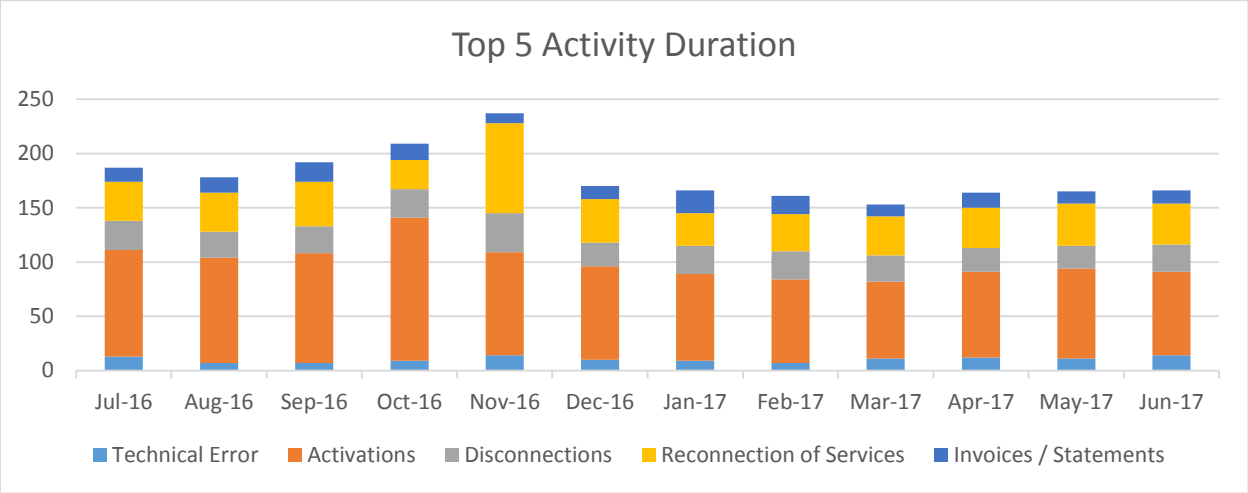


Figure 5 - Execution Time of High Volume Activities

- Despite the high volume of technical errors, these appear quite easy to resolve as is evidenced by the low average resolution time.
- The activation of accounts takes the highest amount of time as it involves reviewing the B2B contract and other documentation supplied by customers. In addition, it may require, a call to the customer to clarify details which may not appear clear on the scanned documents or which may not have been captured at all. Delays are experienced as the agent is required to retrieve the contracts from the document management application and simultaneously create the customer account on the business application.

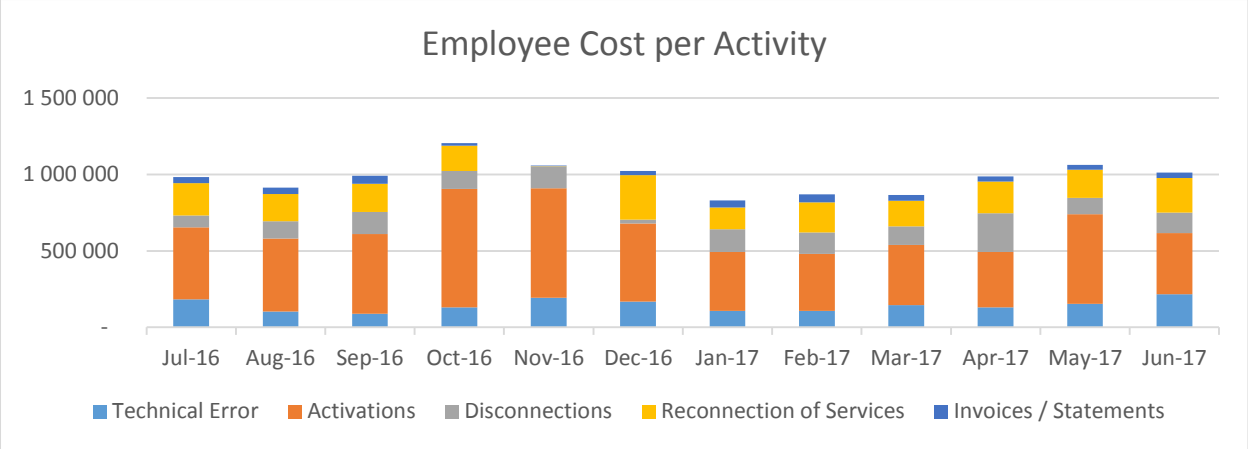


Figure 6 - Employee Cost Associated with High Volume Activities

- The activation of new accounts and products incurs the highest cost and takes the longest to perform. The activation costs correlate with the increased volume of activations processed over busy periods. This is evident in November and May.
- Reconnection, disconnection and resolution of technical errors are high costs due to the sheer volume of devices installed and services B2B customers subscribe to.

9. As Is View of the High-Volume Processes Targeted for Business Process Re-engineering



9.1 New Business Account Creation and Service Activation

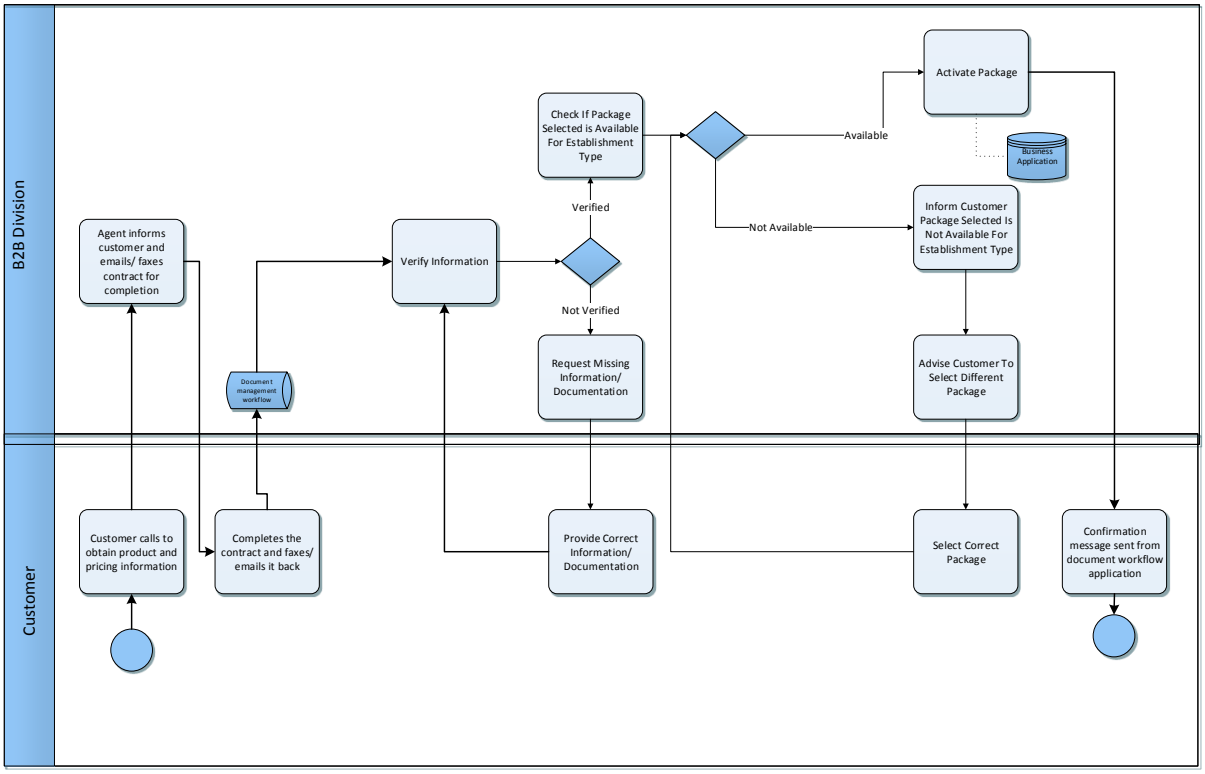


Figure 7 - Current Process Flow of New Business Account Creation and Service Activation

9.1.1 Explanation of the new business account creation and service activation

A business customer calls in to enquire about the current product and service offering. The agent attending to the call informs the customer of the various packages available along with the price of each product. The customer then identifies which option is best suited to meet the requirements of their business and the agent emails or faxes a business contract to the customer for completion. The customer completes the

contract and it takes an average of from one hour to five days before the completed contract is received by the B2B division.

The completed activation document goes to the end of the activation queue on the document workflow system. Agents work through the activation contracts on a first-in, first-out basis. Based on the high volumes of activation requests, it takes an average of 3 days before a contract is attended to and it takes an average of 23 minutes of processing time for each application. The average number of applications received per month is approximately 4 000. Upon activation of the services, the customer is sent a notification from the document management application informing him/her that the request has been fulfilled.

9.1.2 Inefficiencies with the New Business Account Creation and Service Activation Process

Inefficiencies	Impact			
Current New Business Account Creation and Service Activation Process	**Cost**	**Quality**	**Speed**	**Customer Satisfaction**
B2B customers wait on average 3 days to activate services. This equates to a revenue loss.	X	X	X	X
Information captured on the contract may not be clearly visible or legible which results in the agent having to contact the customer, thereby creating further delays	X	X	X	X
The automatic notification upon completion of a written request does not provide confirmation to the customer or the organisation that the transmission of services has been successfully provided and this may result in another call to the call centre	X	X		X
The existing process is very manual and labour intensive	X	X	X	X
Servicing the customer is a costly approach	X	X	X	X
Information which is conveyed by the agents is not always consistent	X	X	X	X

9.2 As-is process map for Cancellation or Disconnection of Services

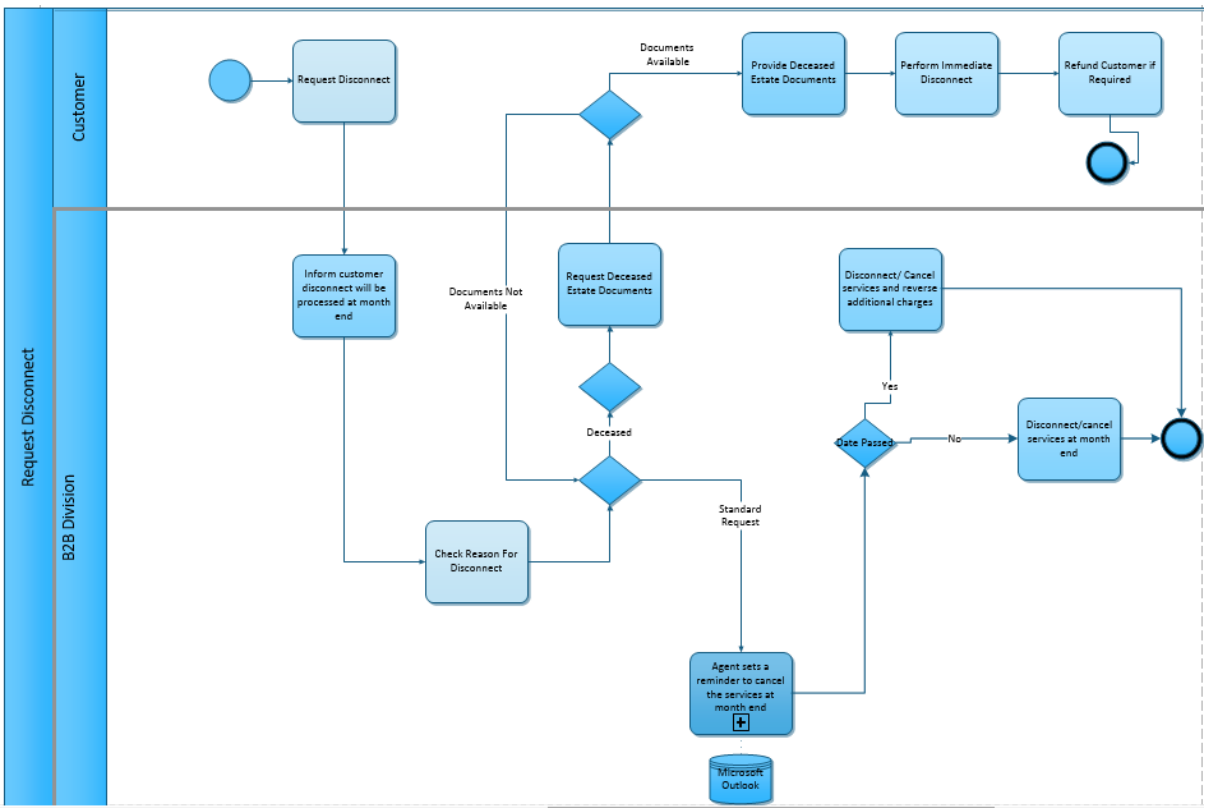


Figure 8 - Current Process Flow for Cancelling or Disconnecting Services

9.2.1 Explanation of the as is process for Cancellation or Disconnection of services

A Business customer calls in to request for part or all of his/her services to be disconnected. The agent makes a note of the request against the customer account and sets a reminder on his/her Microsoft Outlook calendar to disconnect the requested service/s at the end of the month.

In the event of the owner of the business having passed on, the agent would request proof in this regard and then cancel the service once the death certificate is received. The customer would be billed proportionately for the number of days the service was received and a credit would be processed for the remainder of the month and refunded to the business bank account. Disconnections are generally temporary due to seasonal viewing patterns.

9.2.2 Inefficiencies with the Current Cancellation and Disconnection Process

Inefficiencies	Impact			
Current Disconnection and Cancellation Process	**Cost**	**Quality**	**Speed**	**Customer Satisfaction**
The disconnection process is manual, it involves a telephone call and may also result in a call back from the customer if the agent fails to execute the action at a later date	X	X	X	X
Future-dated disconnections are managed through a manual calendar which is hosted outside the business application and is executed at the end of the month. If for whatever reason, the agent is unavailable, this creates customer disputes		X		X
Customers may have to stay on the line and follow the telephony queue before an agent can attend to the call. Written correspondence is also required to confirm the request. This is sent to the document management application and reaches the back of the queue and may only be attended to days later	X		X	X

9.3 As-is Process Map for Reconnection of Services

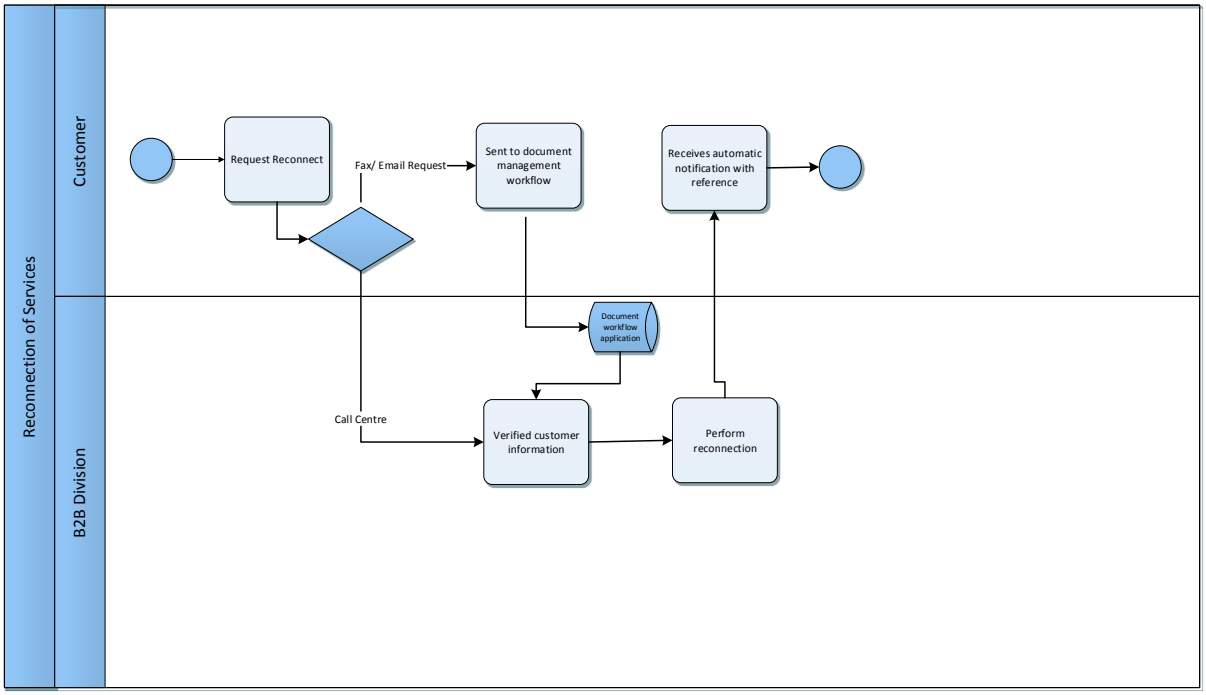


Figure 9 - Current Process Flow for Reconnecting Services

9.3.1 Explanation of the as is Process for Reconnection of Services

A business customer calls into the call centre for reconnection services and the agent is able to immediately reconnect specific services for a customer. The agent accesses the customer account information on the business application after the customer provides the B2B account number. The agent then ensures that the account has no outstanding balances due by checking the customer account before reconnecting the requested service. After the services are reconnected, the customer is able to confirm the service is received before ending the call.

Written requests for reconnection are received through the document workflow application. An agent will reconnect the B2B service as they work through the reconnection queue on the application addressing customer requests on a first-in, first-out basis. As a result of the many queues and backlog of requests, the reconnection of a B2B service may be delayed.

9.3.2 Inefficiencies with the current Reconnection Process:

Inefficiencies	Impact			
Current Disconnection and Cancellation Process	**Cost**	**Quality**	**Speed**	**Customer Satisfaction**
The disconnection process is manual, it involves a telephone call and may also result in a call back from the customer if the agent fails to execute the action at a later date	X	X	X	X
Future-dated disconnections are managed through a manual calendar which is hosted outside the business application and is executed at the end of the month. If, for whatever reason, the agent is unavailable, this creates customer disputes		X		X
Customers may have to stay on the line and follow the telephony queue before an agent can attend to the call. Written correspondence is also required to confirm the request. This is sent to the document management application and reaches the back of the queue and may only be attended to days later	X		X	X

9.4 As is Process Map for Invoice or Statement Requests from Customers

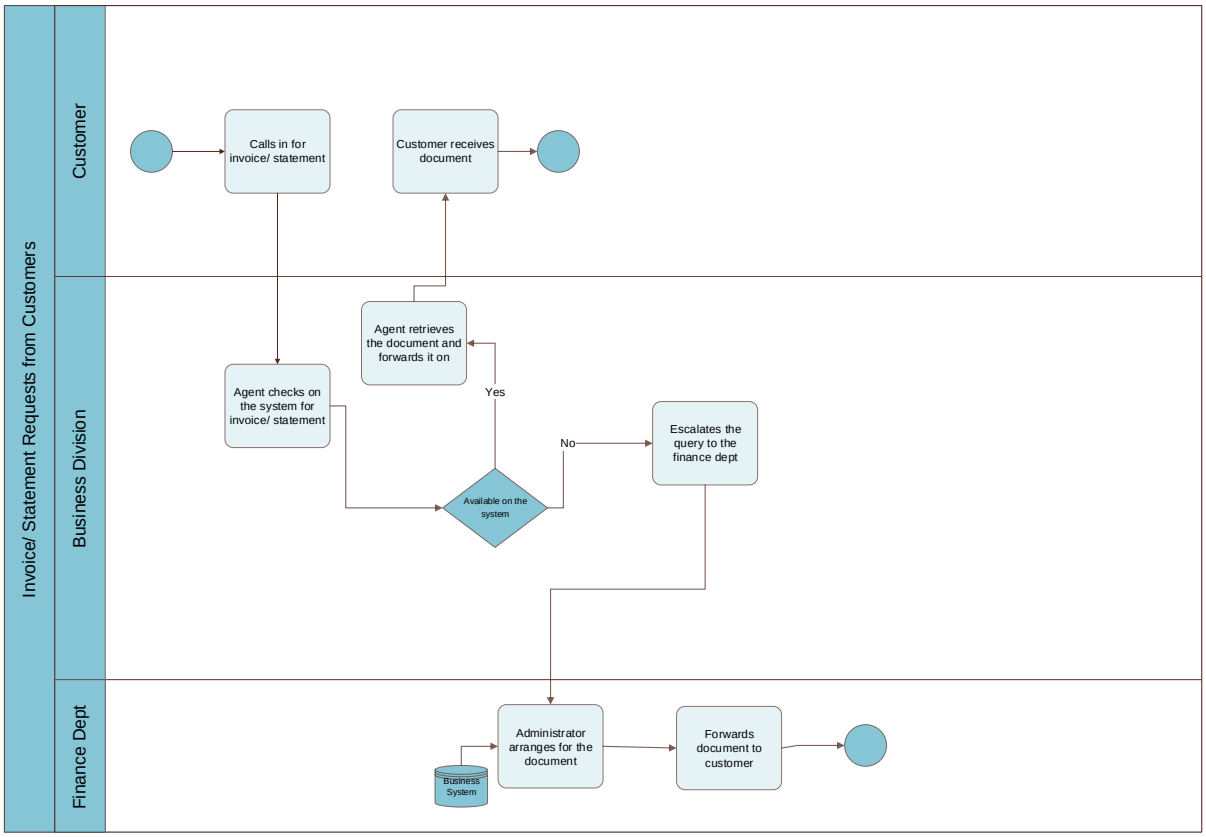


Figure 10 - Current Process Flow for Invoice or Statement Requests from Customers

9.4.1 Explanation of the as is process for invoice or statement requests from customers

The business customer calls into the call centre to request for a statement or invoice. The agent checks for the document on the business application and emails it to the customer. If the agent cannot locate the document, he will escalate the request to the finance department using the document workflow and management application. The finance department then sends the relevant documents to the customer. These requests are managed on a first come first serve basis and the customer request is usually fulfilled within 2 days.

9.5 As is Process Map for Invoice or Statement Requests from Customers

Inefficiencies	Impact			
Current Statement and Invoice Process	Cost	Quality	Speed	Customer Satisfaction
Customers are sent their invoices and statement document via email or post which is a current cost to the service provider. Due to unforeseen events, some of these do not reach the customer and results in him/her having to call back to the call centre.	X	X	X	X
Errors in capturing correspondence preference or actual correspondence details may occur during application or during a customer detail updates stage resulting in correspondence not being received and a further call having to be made to the call centre	X	X		X
Delays in providing a statement or invoice document timeously to a customer may result in account payment delays to the service provider and subsequently disconnection of services. The customer then has to make a further call to the call centre in order to resolve the payment issue	X	X	X	X

9.6 Overall challenges with the existing high-impact B2B customer processes

1. A document management application is used for the receipt of all written correspondences from business customers. This application serves as a workflow tool that:
    - allows for the storage and retrieval of documents
    - distributes work items to agents who are logged into the application
    - tracks the progress of work items through service level agreements
    - creates alerts for cases not resolved with the service level agreement

- serves as a monitoring dashboard for the management team

The business division has a dedicated email address and fax number for each type of written correspondence it forwards or receives. This allows management to quantify the various types of customer requests based on the fax or email queues.

2. In the past, before the implementation of the document management tool, documents were received and manually archived at an external document warehouse. Currently, when customer contract disputes occur, it takes an agent a few days to locate the actual contract and in some instances, he may not find the document at all. Written correspondence received after the implementation of the document management application in 2010, is stored within the application. Since these applications are not integrated, an agent has to alternate between the business application and the document management application when addressing customer queries.
3. Through the daily operations, planning which is based on anticipated call volumes and the number of written correspondences in the backlog, the number of agents assigned to receive calls versus the number of agents working on written correspondence is adjusted. When call volumes are high, a higher number of agents is assigned to take calls. It was observed, however, that customers are calling repeatedly due to the length of time taken for written correspondence to be processed.
4. At least 30 to 50 calls are abandoned daily, resulting in customer dissatisfaction, a call-back, or loss of a potential new customer.

10. Proposed Re-Engineering of High Volume Processes



My approach throughout this re-engineering exercise has challenged the current status quo on activities performed at the B2B division of the company and has totally disregarded the manner in which existing processes are executed.

An ideal future state would be one where there is a significant saving, both in time and costs incurred, during the fulfilment of customer requests. Ultimately, we want to reach a stage where we service B2B customers efficiently and optimally in order to create breakthrough results (Hammer & Champy, 2009). This can be achieved by implementing a self-service website for B2B customers. The use of digital technology (Grover & Malhotra, 1997) to develop a self-service website, will ensure that customers will have the ability to access information and transact on their accounts independently.

Such a solution would provide customers with the benefits of immediate access to information through the use of any internet enabled device. Customers will be able to fulfil their requirements outside of the service provider's operating hours which allows for around the clock availability thereby enabling them to assist themselves through the use of an intuitive application.

This solution contributes towards:

- a paperless environment
- reducing the number of requests for contracts, statements and invoices etc.
- customers transacting on their accounts independently
- customers being able to access historic information or transactions

The operating model is improved as a result and this allows for:

- immediate access to information
- new account creation and activation of services
- static data updates of business related information
- changes to services (reconnections, disconnections, cancellations)

- technical error code clearing
- retrieval of invoices or statements generated to date
- viewing of all activities performed against the customer account to date, and
- lower costs of servicing a customer
- improved controls and mitigation of risk as only customers and those they allow to transact on their behalf will be transacting on the website leaving no room to dispute services provided.
- the consistency of processing requests through a digital platform as the current manual steps will be eliminated
- the number of steps and time taken to process requests being reduced
- improved customer satisfaction as information is available at their fingertips

Existing processes will be performed more efficiently ensuring a reduction in operational expenditure. With the introduction of the B2B website, financial investment is required; however, the perpetual return on investment far outweighs the current operating expenditure. Fewer calls will be received in the call centre and the existing document management workflow tool will need to be decommissioned. As a society in general, becomes more technologically advanced, this will leave B2B customers with no other option but to use the website.

Data mining and insights are possible through digitization. Real time dashboards will enable monitoring of all website activity and performance tracking per activity. Additionally, it will be possible to identify instances where the execution of specific tasks is taking excessively long to execute which indicates a potential customer call to the service provider.

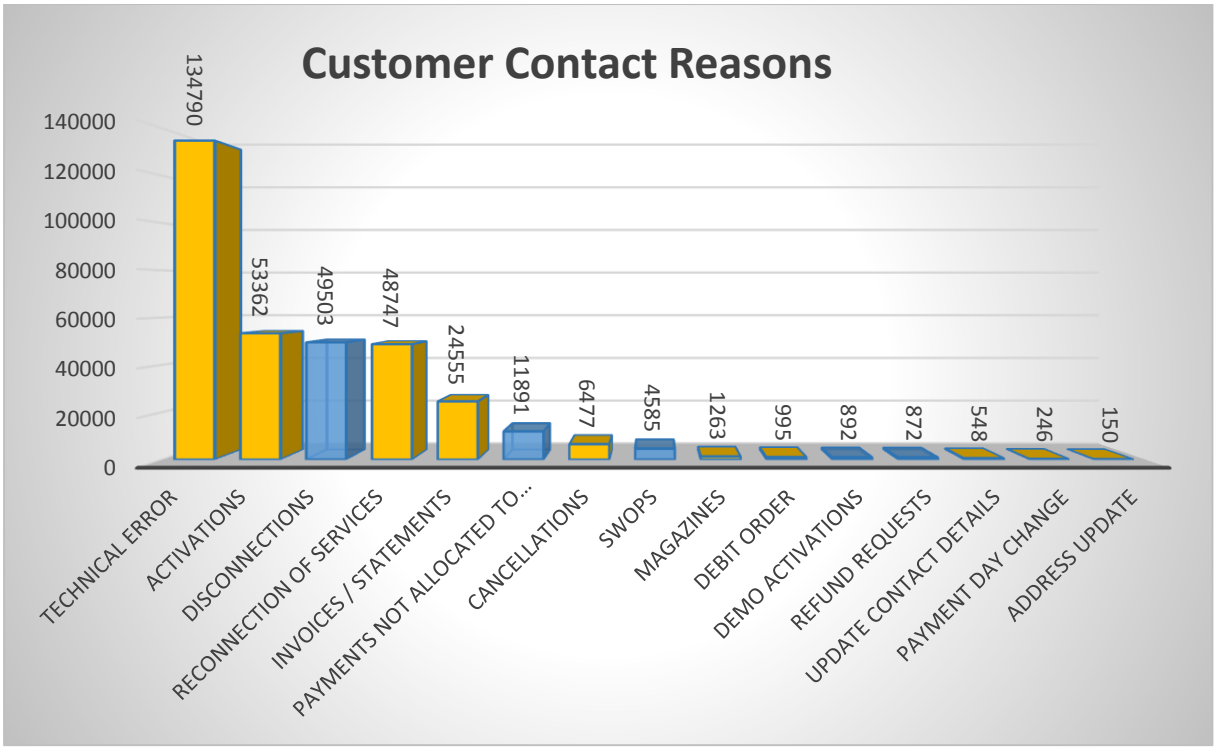


Figure 11 - Volume of Customer Contact per Reason

From the above bar chart, the ten customer contact reasons represented in yellow have been identified as part of the re-engineering process. 77% of the call centre activity is attributed to four out of the five main reasons customers make contact. This was originally identified as processes to be re-engineered. An additional 3% of queries, although low in volumes and was not selected as part of the re-engineering process, but are re-engineered by default. This, in essence, enables a total of 80% of the activity to be managed via the website.

Through the use of storyboarding, the customer flows for each process executed via the website has been designed. The redesigned processes and explanations follow:

11. Redesigned Processes

11.1 Website Registration Page, New Account and Service Activation

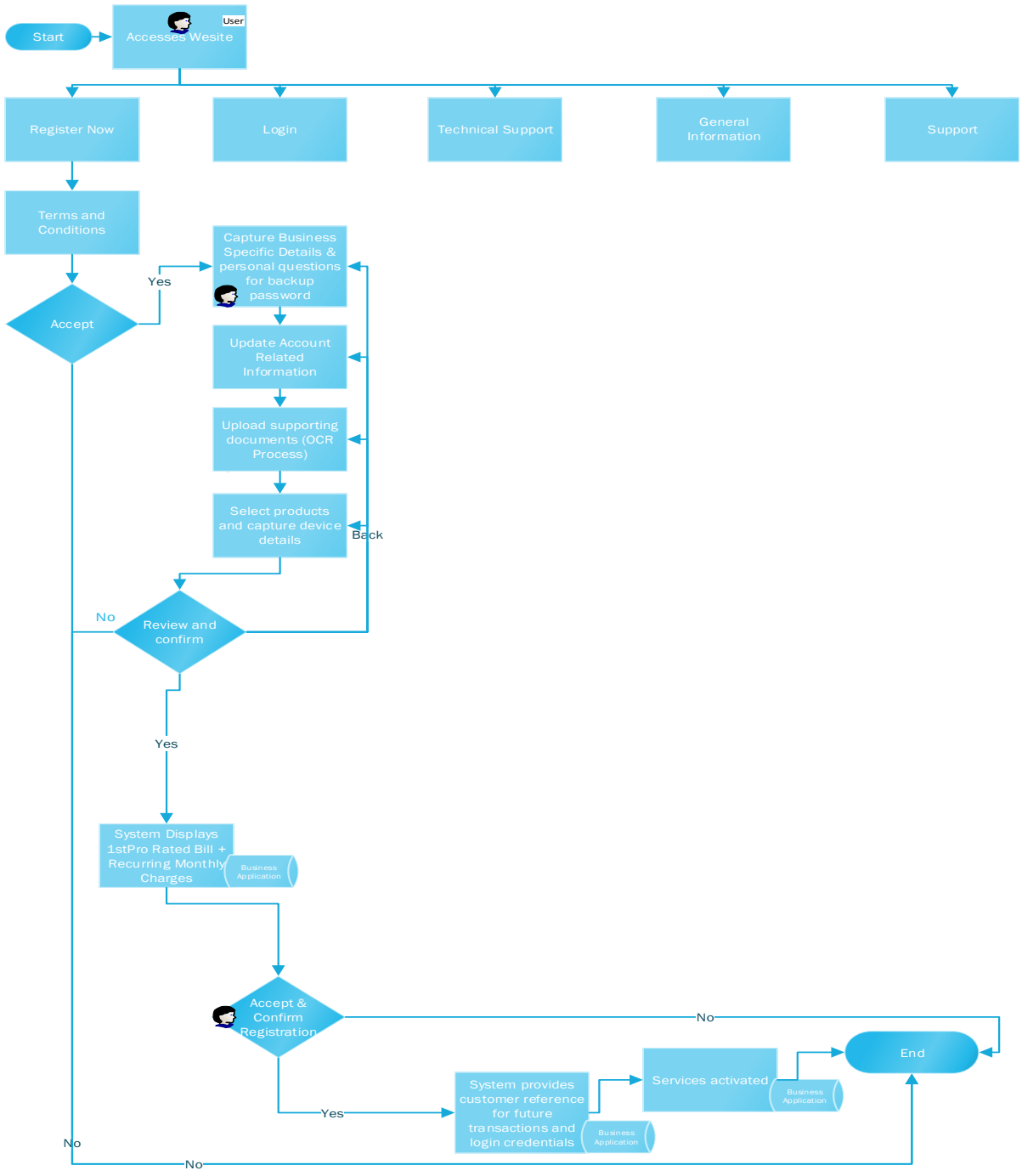


Figure 12 - Redesigned Process Flow for Registration of Account and Activation of Services

11.1.1 Explanation of Registration, New Account and Service Activation

Assumptions: The customer is aware of the products and services and their devices are installed. They are able to browse through other parts of the website such as General Information, Technical Information and Support to acquire further information prior to registering. (Detailed information pertaining to these web pages will be provided under further into section 11)

Narrative: A customer would search for the website using a search engine or type in the URL to access the landing page of the self-service website. Upon selecting 'Register Now' they will be presented with the terms and conditions which must be accepted in order to proceed with the registration. If the terms and conditions or any other confirmation activity during the registration process is declined, the registration process is immediately terminated. Upon acceptance, the "Customer and Business Specific" detail page will be presented for the B2B customer to capture business specific details such as:

- Company Name
- Registration Number
- VAT Number
- Physical Address
- Postal Address

The user will then be prompted to capture accounts payable information such as :

- Contact Name
- Telephone number
- Company email address for invoices to be sent
- Banking Details for Debit Orders
- Preferred Billing Date

The system will then request supporting documentation to be uploaded which is validated through an optical character recognition process. These include company registration documents, proof of banking details and address confirmation.

Areas in the business where the product will be used need to be specified. (E.g. offices, conference rooms, reception areas, private rooms, foyers, bar etc.). Products which are available for viewing in those specific areas can then be selected. There would be an option to select certain products that can be displayed in a public or private space depending on the area of use. The number of display points in each area must also be specified as the billing is calculated accordingly.

Upon completion of these details, the screen will display the information captured and the user will be prompted to confirm details. The current month's bill is generally a prorated amount as well as the recurring full monthly charges will be displayed. Upon acceptance, the user receives a unique customer reference as well as login credentials (username and password) for the website. The registration process is complete at this stage and the customer's devices with the specific services selected are immediately activated.

11.2 Activities which can be performed whilst logged in

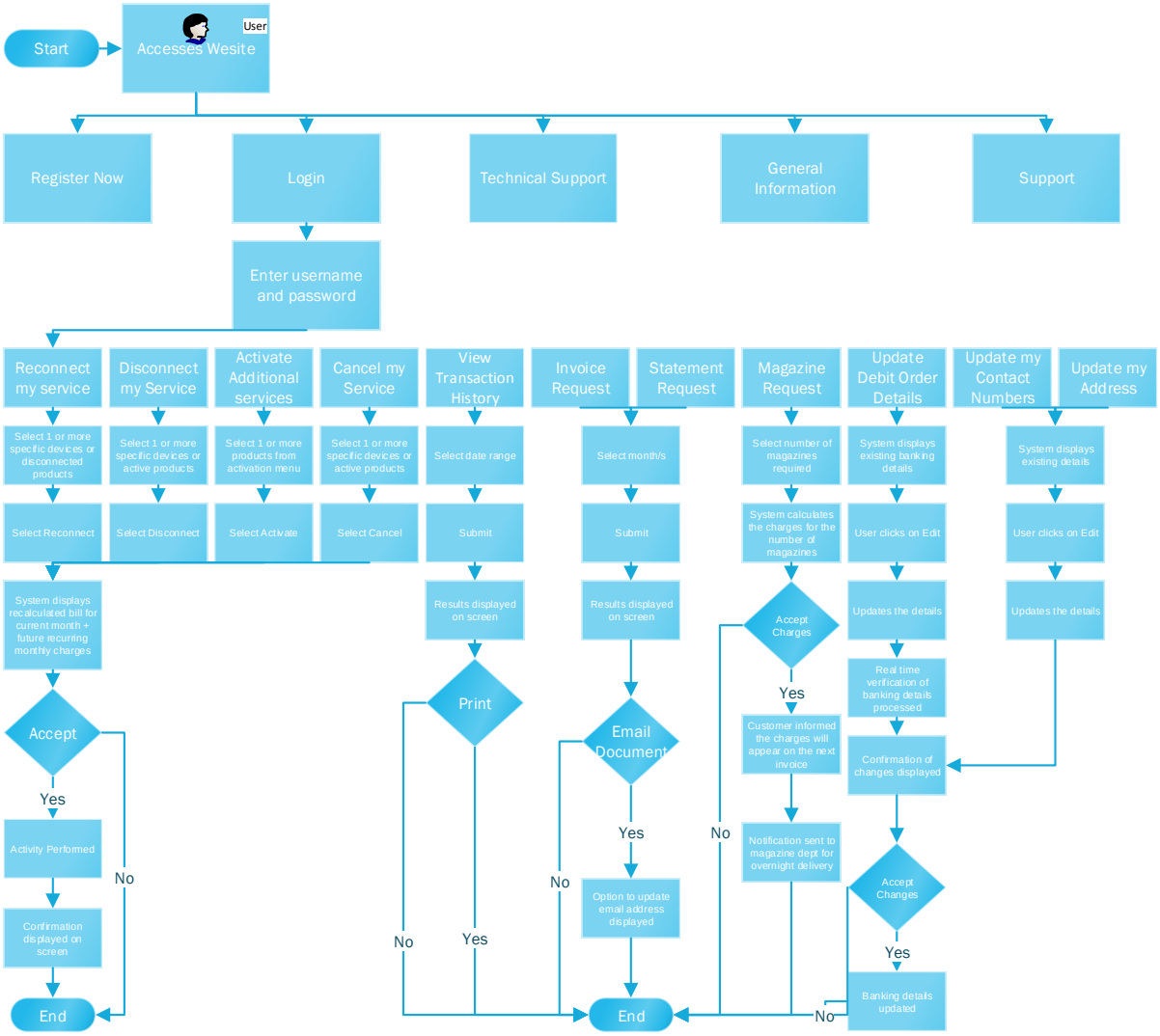


Figure 13 - Redesigned Process flow of Activities which can be performed whilst logged in

11.2.1 Explanation of Activities performed on the Technical Support page

Assumptions: The customer has completed the website registration and has logged onto the B2B account through the website.

The customer has the ability to perform updates to one or more of the following activities after selecting a date to perform the desired action:

- Reconnect a previously disconnected product or products
- Disconnect a currently active product or products
- Activation of additional services
- Cancellation of a current service or all services

Narrative: Upon selection of the product/s, a quote is displayed to highlight any change to the current month's bill and also displays the next full month's bill for the customer to be aware of any differences in charges. The customer has the option at this stage to confirm or decline the request. Once the confirmation button is selected, the desired action is complete.

Transaction history allows the customer to select a date range and to view all activities performed against the B2B profile during that period. The customer may print the information displayed for reference which also serves as an audit log of activities performed against the account.

Customers have the option to View Documents of previously sent correspondence, statements/invoices or contracts. They are therefore able to access documents which may not have been successfully delivered through email or post.

The monthly magazine which has the activity line-up may also be requested through the website. Upon selection of the volume of magazines required, the system generates a quote for the customer displaying the charges. Once accepted an automated notification is sent to the magazine department and an overnight courier service is arranged.

The customer is able to edit or update the B2B debit order details which are verified in real time using an existing business process that integrates with the banking system.

Updates to customer profile information or address details are also possible directly through the website where the customer can select the "My Profile" or "Update my Address" option and perform the required update or simply view the information to validate it is correct.

11.3 Technical Support Information (Login not required)

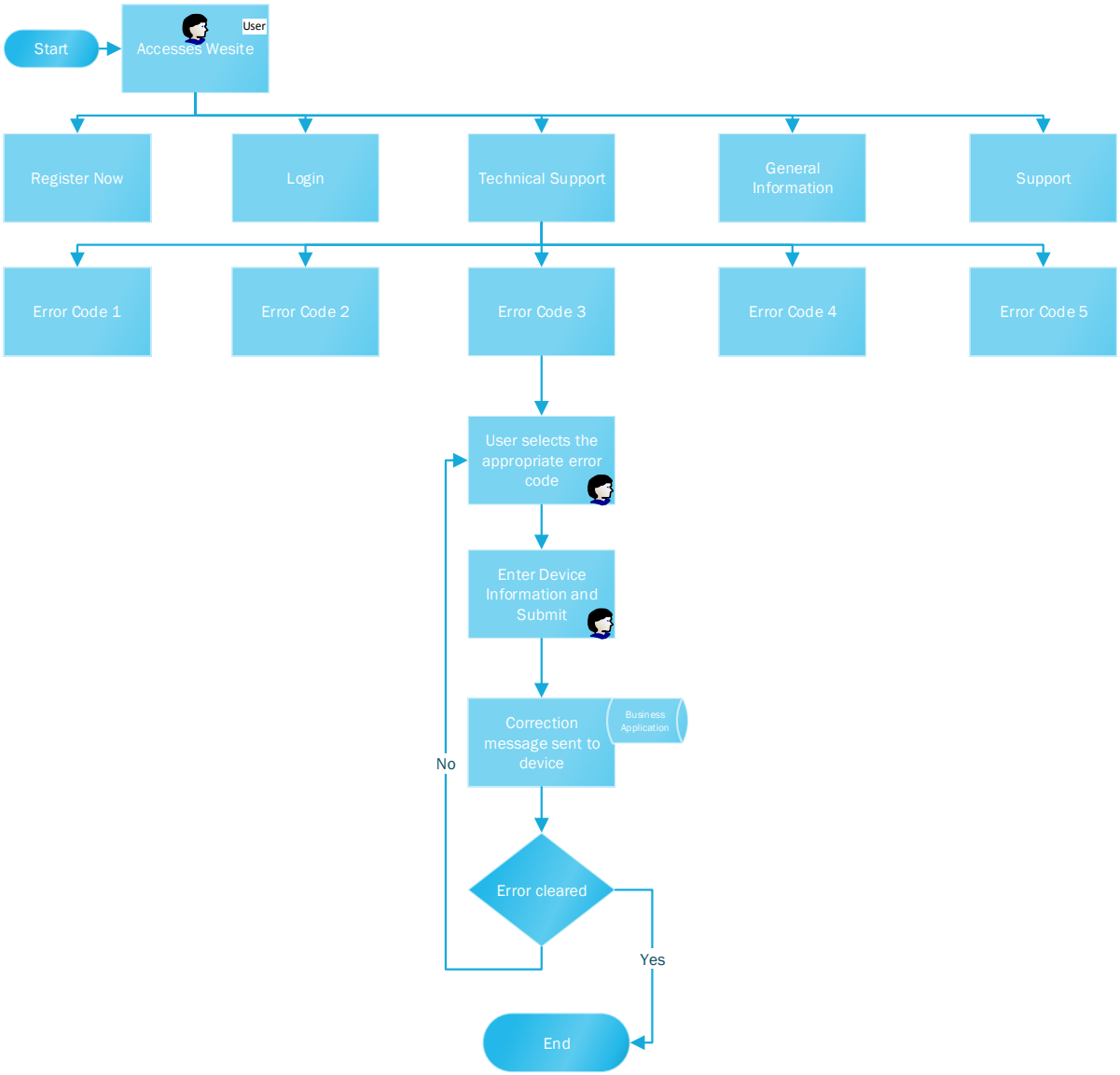


Figure 14 - Redesigned Process Flow of Technical Error Management

11.3.1 Explanation of Activities which can be performed on the Technical Support page

Assumptions: The customer is an existing B2B customer who is experiencing a technical error, has accessed the website and selected the Technical Support page, and has the B2B device details on hand.

Narrative: The customer can select the appropriate error from the list of errors displayed on the page and thereafter capture their device ID for the correction message to be sent to the device via the business application. The error code should clear within a few seconds. If it does not, the customer may retry the error clearance steps. After 3 attempts the system will notify the customer to contact the service provider.

11.4 Access to General Information (Login not required)

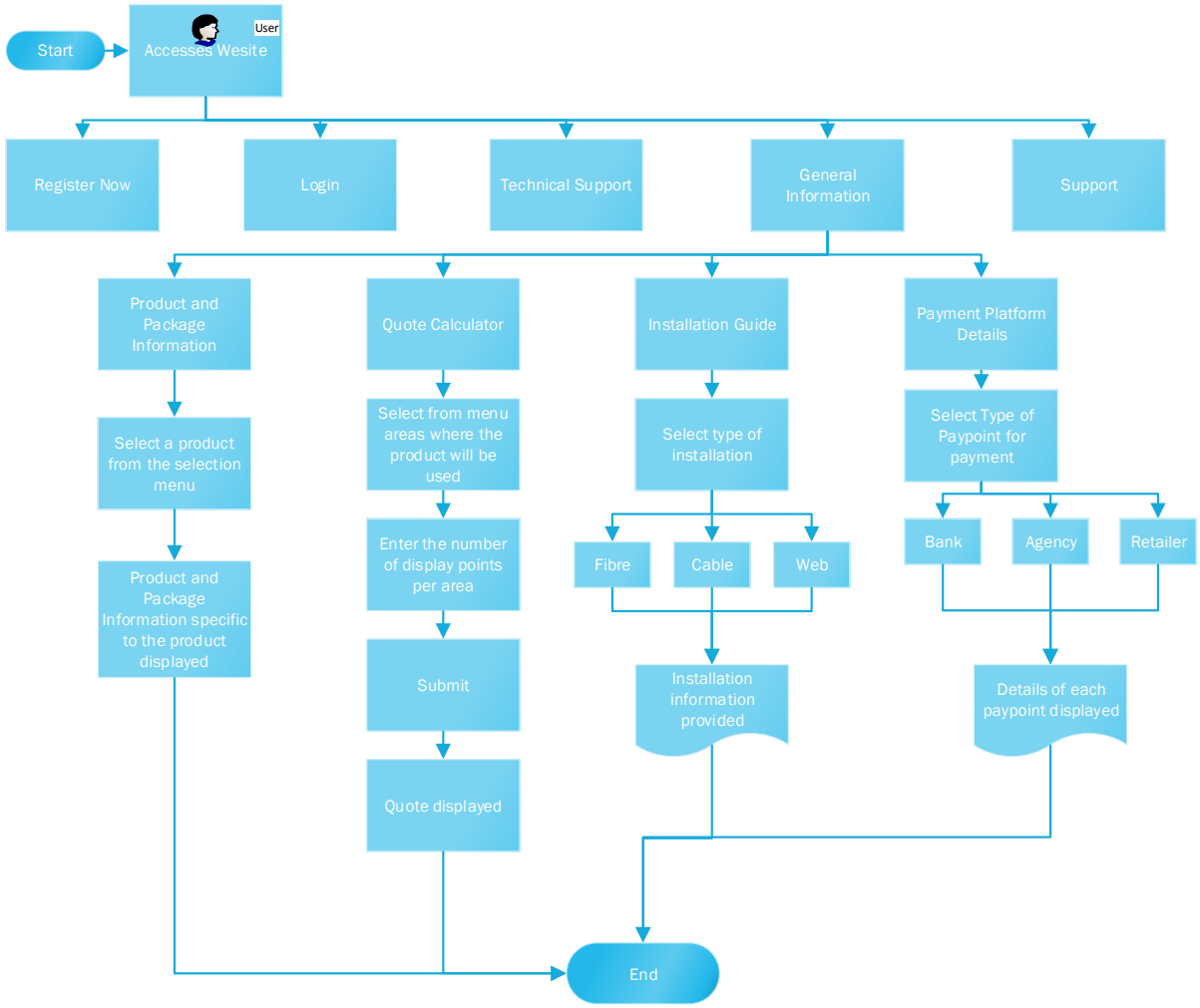


Figure 15 - Redesigned Process Flow for Acquisition of General Information

11.4.1 Explanation of Activities performed on the General Information page

Assumptions: The user may or may not be existing B2B customer, has accessed the website and selected the General Information page.

Narrative: The range of B2B products, the associated prices and packages are displayed. Upon selecting one or more products or packages, comprehensive details on the offering are provided to the reader.

A quote calculator exists which allows the user to select products, the areas of the business where the services will be viewed and the appropriate packages allowed per area will be displayed. Upon selection of suitable packages and the number of display points, the user can then click on the quote calculator which will display the total monthly charge that is applicable.

An installation guide is also available to the user which provides information relating to the differing types of installed products, either fibre, cable or through the web.

The Payment Platform Details tab provides details on banks, agencies or retailers for payments to be processed.

11.5 General Support (Login not required)

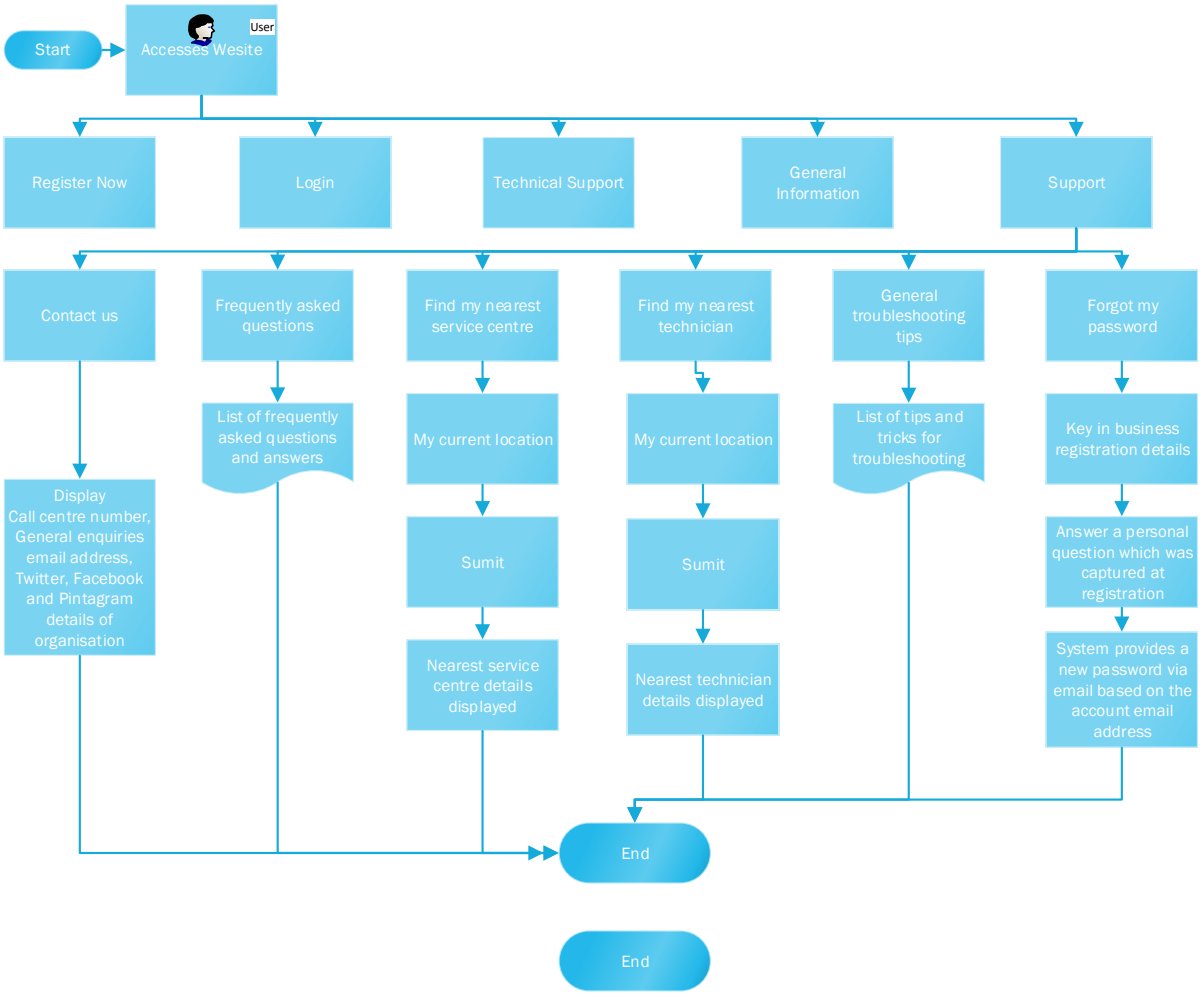


Figure 16 - Redesigned Process Flow for General Support

11.5.1 Explanation of Activities which can be performed on the Support page

Assumptions: The user may or may not be an existing B2B customer, has accessed the website and selected the General Information page.

Narrative: The support page contains the following details which make information available to people navigating the website without having to log in.

The contact details of the B2B division is displayed which contains the call centre number, general email address for the division, as well as social media options such as Twitter, Facebook and Instagram.

The frequently asked questions tab provides customers with answers to questions which are commonly raised by customers. This assists with educating other customers with similar concerns.

An option to locate the nearest service centre is also displayed for customers who need to have a faulty device repaired.

A general troubleshooting menu provides customers with tips on how to resolve common technical issues without having to contact the call centre.

If the customer requires assistance from a technician, an option exists with contact details of technicians closest to the customer. This will be displayed once the customer captures his/her current location.

The support page enables B2B customers to reset their passwords should they require to do so. From a security and verification perspective, they will be requested to capture business pertinent information like their company registration number and answer a pre-defined personal question before they are sent a new password via email.

12. Costs and Benefits of the Website Solution



12.1 Direct Financial Benefits

Significant performance improvements will be achieved based on cost, cycle time, service or quality. This will make the B2B division of the organisation more competitive as a result of smarter, sleeker and simpler processes.

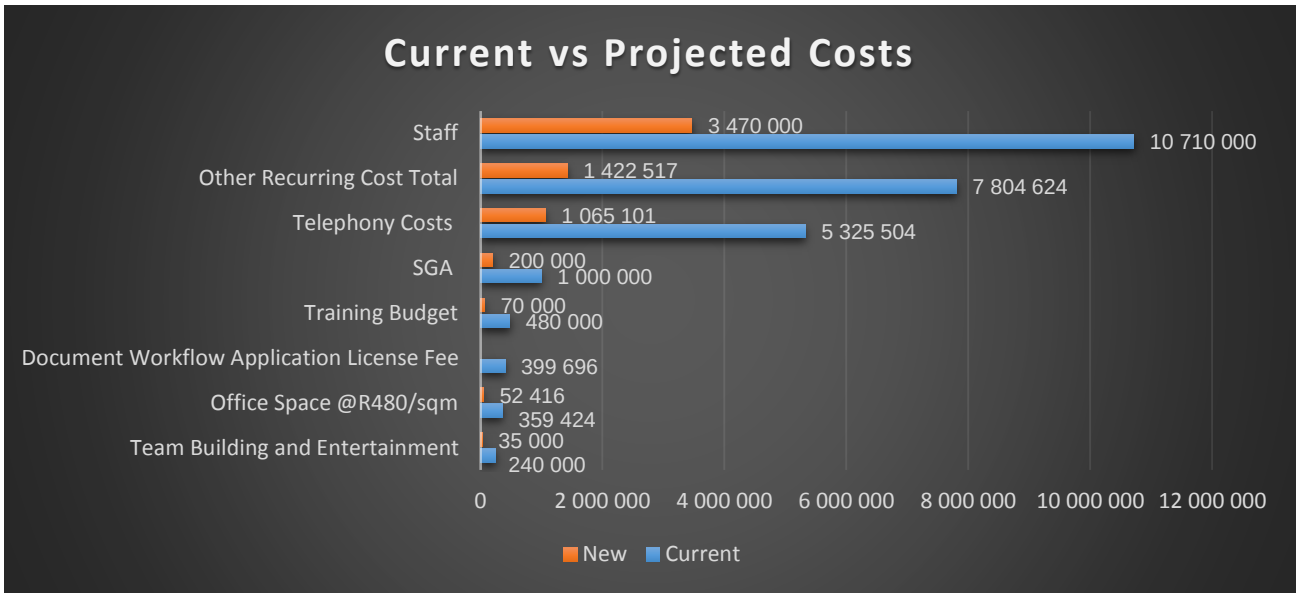


Figure 17 - Graphical Representation of Current versus Future Costs

Business Division Costs	Current	Future
	Annual	Annual
Agents	7,920,000	900,000
Managers	1,590,000	530,000
Divisional Manager	1,200,000	1,200,000
Software Developer		840,000
Total Staff Costs	10,710,000	3,470,000
Other Recurring Costs		
Telephony Costs	5,325,504	1,065,101
Training Budget	480,000	70,000
Team Building and Entertainment	240,000	35,000
Office Space @R480/sqm	359,424	52,416
Document Workflow Application License Fee	399,696	
SGA	1,000,000	200,000
Other Recurring Cost Total	7,804,624	1,422,517
Total Divisional Operating Costs	18,514,624	4,892,517

Figure 18 - Detailed Breakdown of Current versus Future Costs

The potential financial savings in the operational cost reduction of the call centre is substantial and is mainly attributed to a reduction in employee headcount in the B2B call centre from 47 agents to just 5 agents. This anticipated 80% reduction in customer queries as a result of customers having the ability to attend to their own needs via the website, now means that we will only need 20% of the actual staff complement. The associated rand value in terms of payroll costs, staff training and development costs, office space and entertainment costs are also taken into account. This decreases the

cost from R17.1m to R5.6m and equates to an annual saving of approximately 65% or R11.5m which is a direct contribution to the organisation trading profit. This is certainly a quantum leap in financial savings for the B2B division.

12.2 Indirect Financial Benefits - Customer Benefits

- Customers, in general, are becoming more demanding and expecting more efficient delivery of services as the environment becomes increasingly competitive. The website will meet this need by providing customers with the convenience of transacting through any device at any time of the day or night
- Reliance on an agent to perform requests on behalf of customers as well as misinterpretation of information is eliminated
- Delays and frustrations as a result of calls or written correspondences that are queued are eliminated. Ultimately, delays experienced during a customer interaction translates into a poor customer experience
- Reduction in turnaround time for execution of requests
- Customer frustration due to incorrect information being captured by the agent when accounts or services are being updated/processed is reduced
- Availability of the system 24 hours a day
- Customers do not need to wait for extended periods to get through to an agent
- Duplication of requests are eliminated and customers calling back a number of times are reduced thereby improving customer satisfaction
- The agents will be stimulated by the calls which come through after the website is implemented as these will possibly be challenging and complex issues which customers cannot resolve themselves using the website. Alternately, it may be a new type of issue that is experienced that cannot be processed via the website
- Customer analytics and insights can be derived based on activity on the website. This will allow for data-driven decision making or it may highlight process issues. As an example, if a high volume of technical errors is processed shortly after a new service is captured, it may highlight that the provision messages are not being transmitted upon activation of the service
- Information disseminated to customers is consistent

12.3 Process Efficiency Benefits

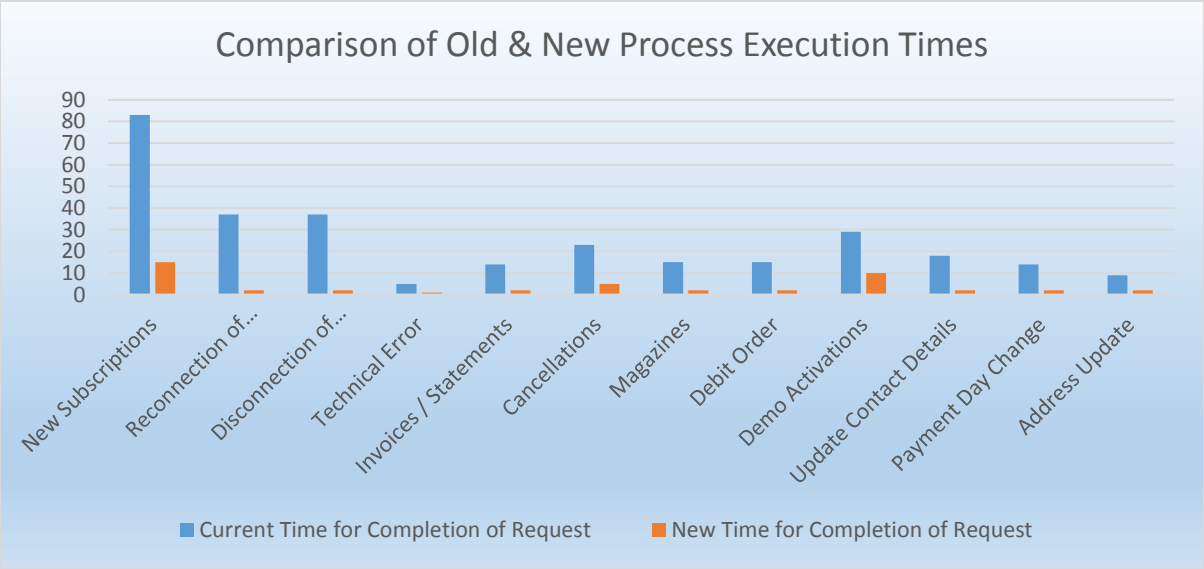


Figure 19 - Comparison of Current versus New Process Execution Times

The graph represents the time taken to execute customer requests using the current process and compares it to the new process. It is apparent that the execution times are significantly reduced. Processing of requests by customers using the self-service website can be executed at least 5 times faster than the existing process. The implementation of this website will not only have financial benefits but will also lead to additional operational transparency and performance efficiency.

12.4 Benefits of Implementing the Self-Service Website

Benefits of having a self-service website include the following:

- ✓ Customers will have adequate information available to them which cover product, technical, support and general information that customers would normally call in to obtain
- ✓ The self-help option provides customers with the ability to perform most of their requests by themselves. This eliminates the need to contact the call centre and wait in the call queues and reduces the risk of them being provided with inconsistent or incorrect information

- ✓ Through product and pricing information being displayed on the website and a calculator made available, customers have the flexibility to select options which are best suited to their business needs and can immediately calculate the charges to ensure it also meets their budget
- ✓ New subscriptions can be activated immediately without experiencing the current delays where the turnaround time for processing of requests are 3 days
- ✓ New customers are also provided with a view of the current month prorated bill and the full month charges thereafter which reduces billing related calls as customers are made aware upfront of their billing
- ✓ Customers cannot dispute services subscribed to when they have made the selections, viewed the quotes and confirmed the activation of these products
- ✓ Changes to the subscription services can be done immediately and are not subject to delays and customer call back for the request to be fulfilled by an agent
- ✓ Transaction history serves as an audit log for the customer and alleviates calls, queries and disputes on the account since the customer is performing all the activities
- ✓ A number of customers currently do not make payment timeously as their invoices may be delayed or mislaid in the post which results in their having to call in to request invoices or statements. As these documents are available to download or print from the website, customers will immediately be able to retrieve their invoices for payments to be processed timeously and avoid arrear disconnections and subsequent phone calls to reconnect services once payments are processed
- ✓ Customers no longer need to make a telephone call and provide written requests for magazines or to update the personal or account related information as they can process these themselves
- ✓ The majority of the calls received over the period under review were for technically related calls. These can now be resolved through selecting the appropriate error code on the website which will send a correction message directly to the device, without the user having to log in

12.5 Summarised View Highlighting the Radical Change Benefits

Measurement Component	Current	Future
Cost	R18 514 624	R 4 892 517
Employees	48	8
Turnaround time for New Account Creation and Service Activation	83	15
Turnaround time to Reconnect Services	37	2
Turnaround time for Technical Error Resolution	5	1
Turnaround time for Addressing Invoice or Statement Requests	14	2
Risk	Reliance on an agent	Reliance on process design
Quality of Experience or Service	Variable	Consistent
Information Dissemination	Agent	Application
Customer Satisfaction Score	80%	>80%
Requests queued in Document Management Workflow Application	Up to 3 days	0

The above table summarises and compares the current and future state which distinctly highlight the benefits of the re-engineered process. It is evident that the implementation of the website will make radical improvements in terms of cost and speed. Additionally consistent quality and increased customer satisfaction will be experienced through the implementation of the B2B website.

13. Implementation Plans



13.1 Human Resource Activities

The new divisional structure will consist of the divisional manager, a team manager for five call centre agents and a software developer who will be responsible for the updating and maintenance of the website.

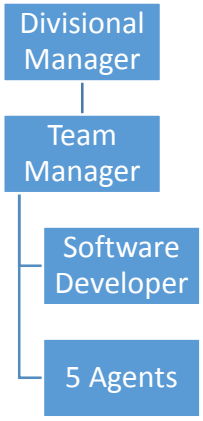


Figure 20 - Proposed B2B Division Structure

The human resource division will need to conduct interviews and assessments to assist with the selection process of the team manager and 5 agents who will remain employed in the division. They will also have to engage with the B2C (business to consumer) call centre division to ascertain if the 2 managers and 39 agents can be redeployed into the B2C call centre as their experience in the company can be leveraged to add value to another division of the business. The attrition rate of call centre staff is generally high in the organisation and redeployment of these employees is a high possibility.

The human resources department would need to schedule change management sessions for these employees as well as plan training courses to assist them to be familiar with the B2C business processes.

A job specification for the software development position will have to be drawn up by the human resources division and the position benchmarked and advertised internally and externally. The divisional manager and the human resources practitioner of the division will need to perform the selection and recruitment process with the assistance of the Information Technology Divisional manager who will provide technical guidance in the employment process.

13.2 Marketing

The marketing initiatives will entail communication drives to educate our customers and promote the use of the website. Almost 95% of the customer base has an email address on the business system which makes it easy to contact the customer.

Through email notifications, customers will be provided with a brochure which gives customers a walk-through of the website, showcasing the convenience of transacting online. In addition to the email, an SMS (short message service) can be sent to customers informing them of the website and providing a link. They can be informed in advance that the website will be launched at a future date which will create awareness around the online platform.

This is also an opportunity to highlight the fact that the power now lies in the hands of the customer to perform activities without delays, at any time, from anywhere, provided they have access to the internet. Through hyperlinks attached to the email, customers will be able to access the B2B website and navigate through it. The username on the website will be the customer's email address ensuring we have the correct email address for the customer for push notifications.

Informational videos will be made available on the landing page of the website providing guidance to customers on how to perform certain functions. This will assist with the change management required on the customer's part to increase adoption of use through the online platform. These videos will also be made available on YouTube, the Facebook account of the organisation, Twitter and Instagram. Through the use of Google Analytics, the organisation will be able to measure the number of customers who have accessed the video links on social media and their associated responses.

The interactive voice response which is currently used at the call centre to assist with incoming calls must be updated to include a recording which informs customers of the new functionality while they hold for an agent.

Targeted adverts can be created through the customer's devices to inform them of the new method available to them. These will be in the form of pop-up device mail push notifications.

13.3 Implementation Approach

Despite the marketing initiatives and customer education on the new process, it is recommended that the new website is launched and run in parallel to the existing process for a period of 6 months. Agents will educate and assist customers to use the website when they call into the call centre. This will also allow potential teething issues to be overcome and the existing B2B agents to be absorbed into the B2C call centre as positions become available.

Considering the sensitivity of B2B customer relationships and the importance entertainment has on customer's businesses, the phased approach is advised. This new process should be completely operational after 6 months which is a reasonable timeframe to allow for the change management efforts to be undertaken, existing agents to be transferred into new roles, and communicate to customers the new process through the various marketing campaigns and operational initiatives.

14. Analysis of Previous Consulting Engagements and Interventions

A previous consultancy project identified that the documents received by the B2B division were sent by the customer to a central fax machine or emailed directly to the personal mailbox of the agent the customer had spoken to. This posed as a challenge from a document archival, management and retrieval perspective as soft copies of documents were residing on individual's computers and hard copies had to be collected from the fax machines or printed from the email before it was physically filed away.

The improved approach entailed implementation of a document workflow tool, where central dedicated mailboxes and fax numbers were created for the various types of

requests which were received from customers. This ensured that each type of request received via email or fax was stored and retrievable from a specific folder.

Additionally, the tool automatically assigned items of work from the queues to logged in agents to allow for tracking, managing service level agreements and viewing case escalation to other agents or to the supervisor. Document archival, document retrieval, dashboards and statistics were available to monitor and manage agent performance. This also allowed the B2B call centre to meet audit compliance.

The implementation of the document workflow application made a significant improvement to the division's document management process as it eliminated the loss of documents which were previously mixed up at the fax machine and alleviated the stress associated with searching through a pile of papers at the fax machine when a customer called in.

Previous challenges when an individual was not at work and a customer email was sent to that particular individual's mailbox was eradicated, as customer emails were sent to a central mailbox with the implementation of the new document workflow application.

Although this intervention resolved many challenges with the old process, the software application was deployed as a standalone application which meant that the agents had to log into two applications whilst at work. The first being the business application with customer information and the second being the document management application for retrieval and execution of written requests from customers. As a result, agents had to toggle between two applications whilst dealing with a customer. Ideally, a holistic approach should have been taken to integrate the document workflow application with the business application for documents to be seamlessly retrieved against the customer account.

Another consultancy project involved the installation of a soft telephony application which eliminated the need for desktop telephones. This was a continuous improvement approach taken to upgrade the telephony system as well as reduce call costs based on VOIP (Voice over internet protocol) technology, when compared to fixed landline telephony costs.

It reduced call costs as the soft telephony application worked through VOIP. Cost of the desktop units along with the actual maintenance costs was also eliminated. There were also delays experienced in reporting and replacing faulty units which added to the agent frustration.

A recent study was conducted by internal consultants (business analysts) at the organisation to assess the volume of customer requests received either through telephony or written communication. It was noted that the current staff complement was sufficient to meet the volume of requests and calls received. It was concluded that a further ten agents were required to adequately address the timeous resolution of queries. From this, it is deduced that not all avenues of research were explored in order to fully address the problem.

15. Critical evaluation of "traditional" consulting methods and identification of opportunities for innovation

15.1 Traditional Consulting Methods

Management consultancy frameworks may be successfully tested through application across a number of industries but is not a guaranteed formula for success in every situation.

Despite the frameworks and expertise that management consultants may have, there are examples of changes which are inconsequential changes as no concrete benefits are realised. Some BPR implementations may incur significant expenditure and transform the manner in which activities are executed, but yield no direct or indirect financial benefits.

Management consultants appear to take a purely scientific approach where they simply focus on the facts at hand as they seek solutions to business challenges they were tasked to resolve. The challenge of focussing on only quantifiable elements such as costs and efficiencies may result in an oversight of the intangible measures such as employee morale, commitment, dedication, innovation and corporate

entrepreneurship. The levels of loyalty that people display toward an organisation along with the passion and excitement to be innovative in pursuit of making a positive contribution may be adversely impacted.

Traditional management consulting frameworks are mechanistic, which is based on cause and effect. This means if a lever is pulled in one area, an impact is felt in another area. As an example, if an organisation wants to significantly reduce costs and it chooses to reduce headcount to achieve this objective. It will show more profit but the aspect of morale may be ignored. The use of retrenchment by application of Section 189 of the Labour Relations Act (Labour, 1995) and the fact that retrenchment does not guarantee the achievement of the desired levels of performance of the organisation, may simply mean the organisation is shifting the burden by embarking on such an approach. Those who are regarded as the top performing individuals or having sought-after skills may remain employed, however, there is a good probability that they will search for another job and move to another organisation due to job insecurity, management mistrust and no longer feel a sense of loyalty towards the organisation. Another high risk is that key resources may be retrenched during a restructure only for the company to realise the mistake later.

Management consultants in some instances are hired to set strategies and assist an organisation to meet its objectives. Although these strategies may be grounded on theories, industry best practice, management consultant's expertise and deep insights into a specific industry, it holds no guarantee for business success. Despite the strategies being defined by management consultants, they are not always involved in the implementation and roll out of these which may increase the risk of the implementation failing.

Traditional consulting does not always work but the danger is that organisations may view it as a panacea. Today's solutions in some instances may become tomorrow's problems (Senge, 2010). Systemic changes must be evaluated in its entirety and not simply provide solutions to individual problems, without taking into account the impact on other factors in the environment. The end to end value chain is made up of sub processes. As an example, if we optimise a process and do not take into account the

full picture, we may end up with a highly efficient process in one business area whilst having a sub-optimal process in another area which may lead to a bottleneck.

Traditional management consulting frameworks concentrates on making people efficient at what they have always done and needs to focus more on transforming companies and disrupting industries through innovation and combination of best practices and learnings which can be emulated across industries.

Management consulting frameworks focus on process optimization and system implementation by replacing people with tools. It does not generally take into account the underlying culture and dynamics of the organisation.

When employees are forced into a situation and experience pressure, people default to what they know best. They resort to previous ways of performing tasks, since it is their comfort zone. Management consulting frameworks do not take into account the overall subtleties, cultural and system dynamics which are vital elements to ensure that changes applied will be sustainable for the organisation.

15.2 Innovative Approaches

Traditional management consulting frameworks focus on an efficient and optimised business process. With increased competition and disruptive business models, it is becoming increasingly powerful for management consultants to have deep insights into customer behaviour and customer interaction with products and services as opposed to having the expertise and insights in specific industries. Through the development or combination of best practices and resources of certain industries that are replicated in other industries, management consultants will be in a position to provide disruptive solutions to business problems.

Since change is a constant, we need to acknowledge that problem definition can evolve during the period of consulting. Management consulting frameworks must be flexible enough to adapt to the changing needs of the business.

Environmental uncertainty increases as the pace of change accelerate. Management consultants may have to work on smaller projects and deliver rapid results as opposed

to working on large scale projects which run over extended periods and may perhaps be obsolete by the time it is ready for implementation.

As the world becomes more technologically based, the reliance of organisations on the intellectual capital of people diminishes. The use of software based analytics, big data and artificial intelligence provides key insights on industry and market trends which may be readily available. Through the use of digital technology, most information is readily available and this enables management consultants to analyse large volumes of data across industries in a relatively short space of time.

When re-engineering, it is imperative that the replacement of employees through technology is re-evaluated as employees and the culture that exists could be a key factor that drives competitive advantage for the company. As much as scientific evidence is taken into account during business analysis in a management consulting project, the intangible factors such as inter-organisational power dynamics, be considered as well.

An innovative approach to consulting involves close collaboration with clients to jointly problem solve and create solutions which the client will be able to continue to implement post the termination of the consulting contract. This builds stronger relationships and increases the chances of other consulting opportunities with the client.

Another innovative approach is to use crowd sourcing to leverage off the power of the crowd to solve business problems by accessing a world of talent. Management consultants will be empowered with valuable information or presented with cutting edge ideas through the intelligence of crowds. This enables consultants to obtain a wide range of perspectives, insights and strategies around a particular subject which may pose solutions to a particular problem. Such an approach allows for resolution of business problems without having to spend too much time analysing information or adhering to traditional management consulting frameworks.

The revenue framework for engagement between management consultants and organisations can also be improved to include gain sharing with regard to business problem resolution which entails management consultants having a stake in the

project and only benefits were the organisation benefits. They can also co-create through investing in the client's idea and through funding an innovative idea or new business venture which results in a joint ownership of the product or service. Another source of revenue can include the development a tool by management consultants which is deployed at organisations to run their operations. Management consultants can conduct trend analysis and gain insights into areas the organisations are experiencing challenges to identify further opportunities for consulting projects. This creates the ability for management consultants to create ongoing revenues from customers.

16. Recommend and substantiate topics for academic research and issues requiring consulting interventions

16.1 Possible Research Topics

The impact of business process re-engineering on the morale of employees is an area I believe requires further research. The primary concern of almost every person in the B2B division engaged with through the consulting exercise was that their jobs would be impacted negatively. People are naturally fearful as employment opportunities are scarce and to an extent, people become complacent in their jobs. The current levels of unemployment are quite high and there are more people competing for employment at a junior level since they are generally those who do not possess a tertiary qualification. It is understandable that they are fearful of job losses when re-engineering takes place and this would affect their morale.

Another potential research topic may be the role that leadership plays during business process re-engineering. Based on past experiences of employees who have gone through business processing re-engineering exercises, it was noted that the common approach of the leadership team is to generally provide an initial announcement and no further communication is shared thereafter. This creates huge uncertainty as employees tend to form their own presumptions around the possible outcomes and this may adversely affect the culture and morale.

Another research topic recommended is the benchmarking of self-service applications which highlight the average time customers are prepared to spend on a website to perform specific activities using a self-help website as well as the number of steps they need to follow in order to perform a specific activity. Concrete answers to this question could not be located during the storyboarding process and it is believed that it is imperative information to create a successful website.

16.2 Possible Consulting Intervention

An issue which requires a consultancy intervention was noted in the logging of system related defects with the Information Technology Division. In the event the agent identifies a business process issue on the business application, they would log a case on an application called HP. This request is evaluated by a business administration team to determine potential customer impact and severity of the problem, however, the team does not have access to the tools required to query the database for impact quantification and severity classification. This is done as a best guess exercise. The case is then escalated to the Information Technology Division (ITD), where it is further investigated, however no clear turnaround time for resolution or feedback is provided which results in a query remaining idle for an indefinite period.

When the case is eventually attended to by an ITD first line resource, it is analysed and then the case is closed on the HP application. A new case is then logged on another independent system with a new reference number for the development or configuration teams to analyse and resolve. This case forms part of a pool of requirements along with other project and enhancement related issues which then is prioritised by the business executives without a formal business case. Once it is prioritised to be worked on by the development or configuration teams, the case is again closed on the second application and re-logged on a third application. This ultimately makes it very difficult to track the end to end progress of an issue through a single thread from inception to completion. This makes it impossible to determine whether issues are being resolved in a timely manner. As a result of the fragmented process, it is recommended that a consultancy project is instituted which will add value to the organisation.

17. Possible Unintended Consequences of the Project

An unintended consequence of the project will be the reduction of headcount in the division once the digital platform is mature and customers are aware of the option to use the self-service website. As more customers utilise the website to acquire information, execute changes to their business details or obtain product or account related information, the volumes of calls into the call centre will significantly drop. In addition to this, once the document management and workflow tool is decommissioned, customers will be forced to perform activities on the website directly and the agents handling calls will merely be educating and guiding customers on how to perform the requested changes using the online platform. The customer independence created by the website will result in fewer agents being deployed to perform specific customer requests.

Upon realising the potential benefits of this re-engineering exercise, the executives at the participating company may request for such analysis to be conducted in other parts of the business to enhance efficiencies and reduce operational overhead. As a result, this may spark off digitization of processes in other business units within the organisation.

Employees in the department had also become concerned about their job security and the morale was affected even though they were advised that this is simply a study. It is only natural for them to be concerned about the potential impact these changes would have should it be implemented.

Interaction with an agent telephonically allows for a relationship to be established with the customer and to upsell and cross sell products. The implementation of a website will provide significant performance and cost benefits but results in a loss of connecting personally with the customer.

18. Conclusion

The BPR exercise focused on ways to optimise the customer journey through expediting the delivery of customer needs and simultaneously reducing operational costs to the organization. This was achieved through insight into the management

theories relating to BPR, thereafter embarking on an in-depth study of the business division to obtain a thorough understanding of its functions and processes which led to the discovery of opportunities for re-engineering.

The approach taken to this BPR exercise was an assessment of the current processes, identifying shortcomings and designing new processes based on industry trends and best practice in the marketplace.

The costs of servicing existing customers as well as the delays in performing certain functions were highlighted. The proposed use of digital technology to provide a self-service website allows B2B customers to execute their requests themselves and at their convenience instead of having to contact the B2B call center. Such a solution is a radical change Carpinetti et al. (2003) which reinvents the way in which customers engage with the organization and the processes that need to be executed Hammer and Champy (2009). The activities with the highest volumes and resultant costs were selected for re-engineering and the non-essential steps were removed using technology as a solution enabler.

During this consultancy exercise, further opportunities for consulting as well as unintended consequences which may arise as a result of BPR have been noted. Traditional management consulting frameworks were assessed and opportunities for innovation were also highlighted.

The success criteria for BPR will also be met according to Hammer and Champy (2009) who claimed that BPR success can be measured in terms of cost, quality, speed or service and the implementation of the website will meet all these criteria. Consistent quality and around the clock service will be available to meet customer demands for the most performed requests. The implementation of this proposed solution promises a significant reduction in operational costs and improves the turnaround time for efficient delivery of customer needs. Ultimately, this aligns with the objective of the organization which is to increase trading profit.

19. Glossary of Terms

BPR – Business process re-engineering

SME – Subject matter expert

B2B – Business to business

B2C – Business to consumer

VOIP – Voice over internet protocol

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