A Solid Infrastructure
support and people

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One of the biggest lessons that I have learned as a Chief Financial Officer (CFO) came when the Board finally approved a major investment in the Group's IT infrastructure. We had been struggling to get timeous accurate information out of the existing IT systems, which was impairing our ability to make informed strategic decisions.

The company's Chief Information Officer (CIO) and I were assigned with the task of transforming the Group's IT systems, which we estimated would culminate in an eighteen month project. We aptly named the Project 'O₂' as we felt that the systems were in dire need of a boost of oxygen.

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Our thinking going into the project was that our IT system was flawed, and that we needed to catapult it out of the window and implement a completely new system. To say that the task was daunting would be an understatement, as we knew we would be turning the business upside down by implementing a new system and that the change management obstacles that we would encounter would be significant.

Little did we know, in embarking on the project, how our view of the current systems would change. With the guidance of an innovative consultant, we began to realise that our current software, a bespoke application that supported the retail and membership POS transactions together with our "SME" ERP application, was in fact not fundamentally flawed. The key to our change in thinking was that, unless the current system is fundamentally flawed, it is not so much about the new system but rather about the precision of its implementation, coupled with how the system is used within the organisation.

This change in thinking was further enhanced by a number of other pertinent factors, such as the amount of IP invested in the current applications, the disruption a new system would cause in the current economic climate and the current level of use of these systems, and what a new system would need to deliver to be perceived as an improvement. Change management should

also never be ignored in any large project if the project is to be successful. Upon changing our thinking, we embarked upon a re-implementation of our existing software.

We approached the re-implementation of the existing software as a NEW system, and the project was communicated to the entire organisation on this basis. The re-implementation involved taking the current software and looking at how it could be reconfigured and enhanced to support the business processes best, which we also found needed to be critically assessed, as they were not always necessarily the most efficient. Our main areas of focus were on the consolidation of data, product taxonomies (this is how information is filed/stored in a logical manner that best describes the business), standardising the Group's chart of accounts and streamlining and standardising the integration between the disparate systems.

The lesson learned was not to rush into the replacement of one's current IT systems if they are not fundamentally flawed. A possible re-implementation of the existing system should always be initially investigated.

Another big lesson that I have learned as a CFO involves the risks of under investing in a company's support infrastructure (Finance, IT and HR).

If you compare how many Information Technology (IT) and Human Resources (HR) staff you have in your business to support the number of IT users and employees against industry and world standards, you may be surprised at how under resourced are these departments. This exercise may well provide some valuable insight as to why these departments might not be delivering on expectations.

When one thinks of HR one thinks of payroll, but HR MUST be viewed and treated as a strategic partner. Employees truly are a company's greatest resource and, although we often talk about this, we need to start believing it. If HR is just a payroll department, the company will never be in a position to extract full value from its employees.

If I had the opportunity to do it all over again, I would critically assess the members of my finance department from Day 1. People DO make or break your business and you need to act decisively in getting the right people on the bus and the wrong people off the bus. This is not always easy and HR needs to provide support in this area. The creation of a strong, cohesive team will ensure that 'Together Everyone Achieves More'.

The lesson that I have learned is that a solid support infrastructure is critical to the success of any business and its CFO. The support infrastructure forms the foundation of a business, and a lack of investment in this area will cause the business to be built on an immensely shaky foundation.