

Modernisation: Revamp your systems and raise your bottom line

At first glance, the Indian branch of famous global footwear brand Bata and the Democratic Republic of the Congo (DRC) banking system seem to have very little in common. Yet there is a common denominator between them: both Bata and the banks of the DRC have been undergoing the equivalent of an enterprise make-over: modernisation.

The World Bank earlier this year agreed that funds could be given by the Bank's International Development Association (IDA), established to help the world's poorest countries by providing loans and grants for projects and programs that would boost economic growth to the DRC for modernising its banking infrastructure. The \$30 million grant was approved for upgrading the African nation's electronic banking platforms, most notably mobile, and to increase financial services, such as micro-finance in order to develop the country's entrepreneurs.



Dayle Wheeler

Half a world away, Bata India is hoping to kick its own sales into high gear by modernising its manufacturing processes. But the cool one billion rupees it is investing is going to be visible on the front end as well: the company is planning to use some of that money to renovate many of its retail stores and continue on to its footwear look, with redesigns for trendier shoes in the works in order to appeal to a wider range of clientele.

Implementing new technology

According to Dayle Wheeler, Managing Director of IT consultancy ModernBusiness, the way that both Bata India and the World Bank - in its approach to improve the DRC's banking - have gone about it, is the right way. "Modernisation is not just about adopting and implementing new technology or upgrading your existing systems willy-nilly, just because everyone else is doing it. Modernisation is not technology leading the way, but begins with rethinking your entire business, starting with asking where you want to be in 10 years time. Only then, once you have established who you want to be, do you select the technology that would help you achieve that goal. In both the DRC banking and Bata's case, these technology changes were only implemented after both the World Bank and the shoe manufacturer defined what sort of business they wanted to be and then partnered with the right technologies to get them there."

Wheeler says the opportunity for modernisation right here in Africa is enormous. "One of South Africa's major banks, Standard Bank, estimates that the continent will have to invest at least \$100bn over the next decade to modernise its infrastructure in order to realise its full potential for economic growth."

Around the world too, modernisation appears to be a growing trend as more businesses realise the importance of phasing out outdated legacy systems in favour of newer technology. A recent study on enterprise adoption, hosted by IBM, found that 62% of enterprises around the world were preparing to increase infrastructure spending over the next 12 to 18 months.

Upgrading and rethinking

Wheeler cautions that the success of modernisation will be the difference between upgrading an existing system or rethinking how one's business should operate with newer technologies. Many businesses owners might be under the wrong impression that they are in fact modernising as a result of the recent demise of Microsoft's operating system Windows XP, leading to a required upgrade of their systems to Windows 8.1. However, failing to take advantage of how the newer technology works and adapting one's business processes is a failure to modernise, he cautions.

"According to Microsoft, more than 8 million of its client-base was still using the operating system when the company pulled

the plug on support, security updates and hot fixes in April. Besides the obvious support and security issues, these businesses will be left behind by competitors that are more modern, efficient and using the latest technology in a way to maximise their profits making it harder for those left behind to compete in a newer modern world."

And that, concludes Wheeler, is what modernisation is all about: "Applying the latest methods and ideas to maximise efficiencies by using technology that is both appropriate in time and effort, resulting in a higher return on investment."

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