

# Boosting business in uncertain times

Computing SA staff

**With economic growth in SA being hampered by rising interest rates and inflation, many companies are under severe pressure to deliver the level of results to which shareholders have become accustomed over the last few years.**

According to Donovan Muller, head of the South African Outsourcing Growth Platform for Accenture, the companies that will survive and thrive in these difficult times are ones led by senior management who are prepared to implement decisive measures, both to streamline costs and to improve business performance.

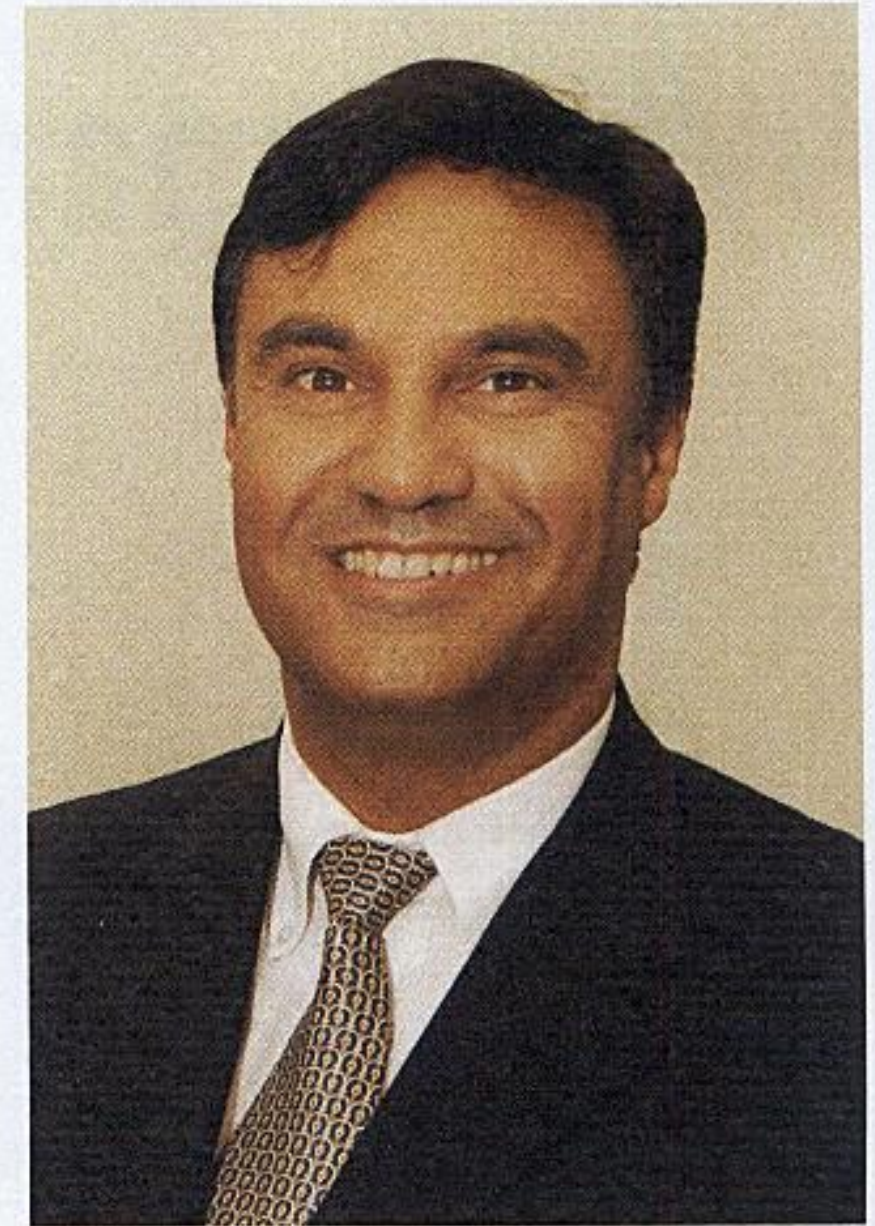
Muller says one way of doing this is through the outsourcing of non-core activities, which provides companies with the potential to address not only cost issues, but also to better position themselves for growth.

"A recession is an opportunity to improve business performance and should not be viewed as a threat," says Muller. "Outsourcing in such times can not only reduce costs, but it can create transformational opportunities that drive high performance, generate added revenue and create sustainable long-term advantage. An example of this is Application Outsourcing, which gives businesses the ability to increase value from IT investments while reducing the total cost of ownership."

Muller says that in SA, where strong IT skills are increasingly rare and expensive, managing the IT and infrastructure requirements through outsourcing allows companies to transform business-critical applications and processes and achieve high performance.

Muller recommends several other key areas in which outsourcing can add significant value to local businesses during volatile economic conditions. Business process outsourcing (BPO) helps organisations to become high-performance businesses that exceed their peers by quantifiable standards. Practical examples of this include the outsourcing of the accounts payable function, which allows businesses to better manage their cash flow situation, and procurement outsourcing, to enable companies to run tenders more effectively and get the best price for the best service.

Muller explains that with the local outsourcing market being immature, and with the common misconception that it costs more than it is worth, businesses often overlook the benefits that this can provide. He affirms that savvy executives can change their company's competitive position, create value and manage downturns effectively by using the vast pool of resources that efficient outsourcing opens up to them.



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"So whilst outsourcing can certainly be a valuable tool to cut costs, it also allows your business the opportunity to improve and achieve sustainable and measurable growth and development, when everyone else is tightening their belts. Boom times float all boats, however whilst in an economic downturn, superior companies rise to the top," he adds. ■