

Skynet Worldwide Express

Simply helping a courier deliver efficiency

Skynet is a transactional couriering business with a wide distribution network in South Africa and internationally. They operate over 35 hubs countrywide and serve over 200 major gateway cities, globally. The project was focused on addressing the complexity of the business as well as the cost implications for Cost to Serve, Loss of Revenue and Excess Cost to Serve.

ANALYSIS

Following a challenging financial period resulting from depressed revenue and escalating costs, Skynet appointed Renoir to carry out an improvement program with the goal of delivering sustainable change across their business.

Renoir's initial analysis looked at a wide range of activities including Administration, Account Management, Customer Services, Operations, and HR (Structure & Payroll). The findings revealed a group-wide lack of standardised business rules and compliance, adding to complexity and costs. Furthermore, over-servicing, poor service attainment and other operational failures compromised profitability.

PROJECT APPROACH

Renoir carried out a 25 week programme, "Skynet Complexity", to develop and implement: Standardised end-to-end Business Rules, Simplified operating processes and systems, Optimised revenues from the core Skynet product range, as well as reviewing the effectiveness of the current organisational structure and functionality in supporting the business. The following framework was used for the programme:

**PROJECT
INITIATION**
WEEKS 1-5

**FOCUS
PROCESS™**
WEEKS 6-15

**IMPLEMENTATION
& ROLLOUT**
WEEKS 16-25

PROJECT INITIATION AND THE FOCUS PROCESS™

Management Action Teams (MATs) were created and members trained during the early weeks of the Project. During the ensuing Focus Process™, the MATs became the champions of engaging the entire organisation in initiating sustainable change.

The sole purpose of this exercise was to ensure that the organisation understood and owned the existing problems in order to facilitate effective solution development and implementation. During Renoir's Focus Process™ various diagnostic exercises, brainstorming sessions, observation studies and data analysis were conducted to identify and define potential improvement.

The MATs, with support and guidance from Renoir, then designed and developed new systems, adding or simplifying elements identified through the Focus Process™. A critical by-product of this process is creating ownership of the new systems, amongst all stakeholders.

World Leaders in Sustainable Change

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"I have no hesitation in recommending Renoir for projects in which the status quo needs to change drastically – they have access to individuals who are experts in the interventions required and who became "part of the family" from the start of the project."

Gerhard van der Horst
CEO Crossroads Distribution
(Skynet)

Key Results

Organisational Structure with an Efficient Span Of Control

Defined Business Rules and Management Controls

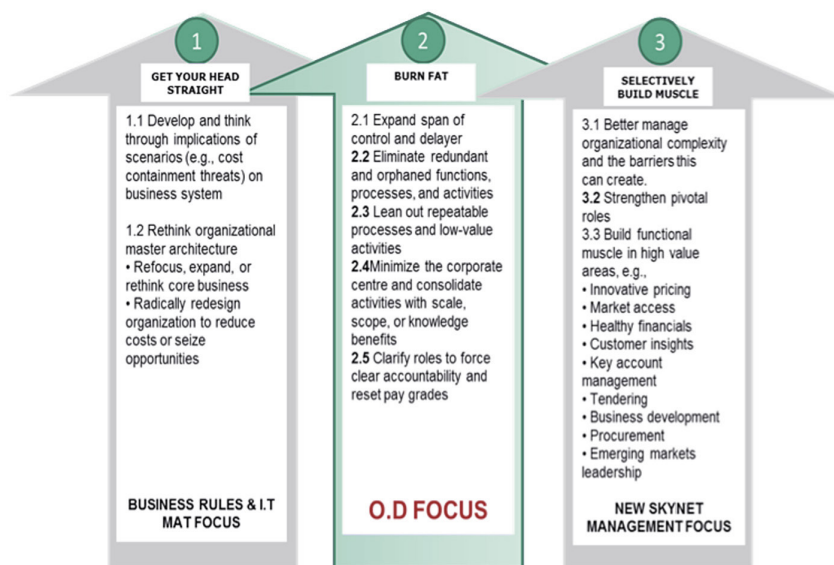
Efficient Processes

IMPLEMENTATION

As all concerned members of the organization were engaged at every stage, the resistance to change was negligible. And with the help of a proactive management team, any minor resistance was easily overcome. After the solutions were tested in the real environment, extensive training was provided for the roll out. This helped the users to readily accept the new practices.

PROJECT OUTCOMES

The deliverables of the project included developing and implementing Business Rules that streamlined business processes and standardised operating procedures. Furthermore, resource requirements for the new processes and a new, streamlined organisational structure, were established. These included clear definitions of functions, activities, roles and responsibilities.



Once the organisational structures were redesigned, informed by particular design principles and revised business rules and processes, the team was able to focus on implementing organisational and area specific tools, that would address the operational inefficiencies that were initially highlighted. The project achieved an annualised cost saving of over R20 million resulting from:

- Enabled strategy – Customer-centric, Operational excellence, etc.
- Leveraged people – Defined Levels of work, Clear Roles & Responsibilities (Job Description)
- Cost containment – Standardisation of products and services
- Operating within constraints – Concise Business Rules and Competency
- Eliminating difficult links – Processes, Clear Interfaces, etc.
- Optimising hierarchies – Span of control, Communication & information flow
- Clarification of decision rights and responsibilities – Levels of authority, RACI, MCS
- Strengthening accountability – Ownership, KPI's and High Performance through KRAs
- Improving innovation and flexibility – Continuous improvement, Best Practice vs. Fit for purpose

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THE RENOIR GROUP

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