

## Can lean technology benefit the African business?

Businesses will not survive, if they don't start adopting a lean mindset (start small, fail fast if you will). Economic conditions, customer needs and a lack of financial resources are forcing businesses to operate more efficiently and to engage customers more effectively.

 By Craig Terblanche 31 Aug 2016



Image by 123RF

Business survival hinges on the ability to change, to become lean and agile (with a small “a”). The ability to change, is increasingly being driven by a more digital mindset and evolving market. In the next decade the majority of your customers will be millennials and we believe, there has never been a better time for Africa businesses to embrace digital transformation.

While digital transformation, is a concept that is liberally bandied about – for many companies, the question remains, ‘How do we start lean’?

Lean is about identifying a problem (having a view of what the customer needs) and testing a solution to validate the customer need. To do this however, businesses face an interesting conundrum.

The first option, the most expensive one, is to hire consultants to help understand what your customer needs, through a process of assumptions (perhaps validated by surveys of focus groups) and scenario setting.

The alternative, is to take a lean approach, make your own assumptions and validate, or negate these systematically. Timing is everything. If you believe the time is right, a lean approach will allow you to find out sooner rather than later.

The right technology can be the differentiator both in terms of validation, and implementation. This is where the concept of lean technology comes in. To digitally transform, a business does not need to invest in a 100 strong digital team. Lean technology uses the existing resources in an organisation that can be leveraged (millennials, entrepreneurs and problem solvers) to start the process of modernising and innovating.

Lean technology solutions give organisations the ability to validate as many assumptions as possible instead of investing in a slow solution with long timelines and a big budget. Once in the market, customer feedback on the digital product will allow a company to pivot and be agile enough to adjust the offering.

Using lean technology means that businesses can build a golden thread, or basic solution, that isn't overloaded with features and functionality. This is a minimal valuable product (MVP), and it enables a cost effective, scalable approach to testing specific features and the usability of applications. This approach ensures that the agility, and speed to change (or enhance) is not lost.

Leveraging feedback mechanisms to measure, track and collect data about how customers are interacting with the product, will help businesses understand its viability for further development (or not).

## **Resistance is futile**

But there is still resistance. The misnomer that digital transformation means overhauling and changing a company's technology footprint is one reason why businesses remain hesitant. There is no need for a big bang approach, with the risk of switching everything off and turning a new system on.

The second hindrance is resistance within organisations. There are CEOs who are reluctant to change. They believe that face-to-face customer interaction is the "be all and end all" of their businesses market strategy. This resistance leaves the company at risk of losing market share to a competitor who is able to adapt to evolving customer needs.

The biggest hindrance of change may be management's inability to change. Old managers are not equipped to implement new ways of engagement so they'd prefer not to change. They often say, "we've tried that and it didn't work" or "that won't work for us". The classic "not invented here" syndrome.

Digital transformation is a business necessity. The myths that surround its design and implementation are preventing South African companies from being great and side stepping the disruptors in their market.

## **ABOUT CRAIG TERBLANCHE**

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