

Agile businesses will come out of this smarter, stronger

By Sindy Peters

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As part of our #LockdownLessons series, Bizcommunity is reaching out to South Africa's top industry players to share their experience of the current Covid-19 crisis, how their organisations are navigating these unusual times, where the challenges and opportunities lie, and their industry outlook for the near future.

We chatted to Andrew Skudder, CEO of Construction Computer Software (CCS) SA, to get his take.

What was your initial response to the crisis/lockdown and has your experience of it been different to what you expected?

Andrew Skudder: Initially, there was an element of denial and complacency. But then we realised we need to change and we need to change quickly. We needed to prepare for lockdown because we saw what was happening in the UAE and UK where we have offices and they were weeks ahead of us.

III Comment on the impact of the Covid-19 pandemic on your company or economy as a whole.

Skudder: We were uncertain about how our business would operate remotely and whether we would be able to continue business. The reality is that it's been a seamless transition from working at our offices to a remote / virtual work environment for 100% of our employees. It has been really easy – the people who are battling most are the sales people.



Andrew Skudder, CEO of CCS SA

We have two products: one is Candy, which is a relatively easy product to sell and we have traditionally sold it telephonically whereas our complex ERP solution BuildSmart is a much more complex sale and you have to get several stakeholders around the table in order to make a sale – from your financial, payroll and procurement people, to project management and commercial managers, they are all involved in the decision. We have had some clients who are not interested in following through on a virtual sales process, and others have said 'let's try this'. We've had a very mixed reaction to clients engaging us on a complex sale.

Our clients have been very good in terms of payment – which is one of the things I expected to be delayed – as our clients are facing cash-flow issues. But in the SA context we have been delighted with how our clients have continued to pay and pay on time. We are very grateful for that, because it's really important for us to manage our cash-flow and in terms of our ability to continue to support our employees.

Luckily, our experience is different to our counterparts in other countries / regions. In the Middle-East, for example, our receipts are half of what they normally are – interestingly, many clients still pay by cheque in Dubai. We have a driver who picks up cheques from clients and, of course, he can't do that in lockdown. Here is SA, we take EFTs for granted.



III How is your company responding to the crisis?

Skudder: We have become far more of a remote virtual company. A lot of our training and implementation was done face to face. For example, a lot of our Candy training took place in the classroom at our training centre. We have now shifted that 100% into virtual training and have had some really great successes. And the outcome is as good (some of our trainers are saying it might even be better) – as people tend to be more focused when they have the content right in front of them – they are really engaged.

We have continued to do implementations – that we would usually do on-site – via remote means and it's been really successful. And there is no reason why we can't, in future, deliver more and more of our projects virtually. It's increasing our bandwidth – our ability to offer implementation to people in different countries / new markets we probably shied away from because our mindset was that we have to get on a plane. We are not going to be limited by that idea anymore, we will do implementation from South Africa and we believe people will now be more receptive to the idea.



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III Comment on the challenges and opportunities.

Skudder: The greatest challenge is keeping the team connected and morale high. People have gone through various stages of emotion during lockdown, from frustration, to anxiety and uncertainty. It has been important for us to communicate more with our teams. I, myself, have communicated more, as has my leadership team.

The communication always starts off with 'how are you? How is your family?'. Before, it was more a matter of jumping into the business issue at hand when someone walked into your office. Now, there is a much higher level of care, which is a good thing.

Opportunities – as I mentioned earlier - the ability to pivot our business into a more virtual business and offer client services remotely, wherever. Today we were talking about a Mauritian client we are about to bring on board and how we will implement the project remotely. It will be a really good test for us.



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How has the lockdown affected your staff? / What temporary HR policies have you put in place regarding remote working, health & safety, etc.?

Skudder: We haven't made any salary cuts, which has gone down really well in our business. Been good for our long-term morale.

In addition to communicating more, we have done some fun things aimed at boosting morale. We had a work-from-home challenge, e.g., show us what you're doing to stay sane at home. People are doing really creative stuff. The person who won is employed in our UK operation. He sings in a band and he and his band mates have continued to write music and keep the band going by connecting through mobile technology.

We have also involved our employees' children. We had a colouring-in competition. I think children are getting frustrated because even though their parents are at home, they are not always present – they're on teleconferences, etc., a lot of the

day - so it's important to keep them involved and busy as well.

Notably, the people who are battling the most are working moms. Overnight they have had to juggle work, teaching, housekeeping, caregiving etc. The burden is quite heavy and I am delighted with how understanding our organisation has been, allowing moms to have kids on their laps during meetings etc.

No major HR policies – because we haven't had to cut salaries. We have, however, put all new appointments on hold. It's a way of saving costs without impacting your existing team. Also, it is more difficult to attract people away from good jobs under the current circumstances.



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Has this global crisis changed your view of the future of the industry in any way?

Skudder: From a software industry perspective, it has reinforced the importance of software in every company's future, as well as the importance of cloud-based technology for the future. It has heightening the importance of investment – by companies – in technology and the digitisation of more parts of their businesses.

In terms of the construction industry, in the short-term, things are going to be difficult for certain sectors, especially the building sector, that is, offices, retail and rental.

I think government will use investment in infrastructure as a tool to kick-start the economy. It is an important absorber of people and has a downstream value chain that can get going quite quickly.

Also, from a technology perspective, remote working, etc., has heightened the awareness of the need for technology in the construction industry and I think it will accelerate transformation in the industry – hopefully to become one of the most digitised industries going forward.



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Any trends you've seen emerge as a result of the crisis?

Skudder: First trend – there will be a greater demand by employees who can work remotely – to be allowed to work remotely. We conducted a survey last week amongst employees about whether they want to continue working from home under Level 4 and 96% said they want to continue working from home.

When we explored it further, much of it had to do with health considerations, but also that employees actually feel more productive when they work from home, they spend less time travelling and it promotes closer relationships with their family members. They feel happier and healthier.

So, I think a major trend is going to be far more remote working, which will lead to companies such as us changing the way we work. We've had some sceptics saying it can't work, but this has proved that it can work.

Second trend – clients are more willing to engage you remotely and not insisting on face to face meetings. They are happy to have product demonstrations or training done remotely. That's good because it means we can increase our bandwidth

and get our products to other regions. It will also reduce travel costs for team members.

Going ahead, there will still be a need for face-to-face engagement, but I think people are going to be happy to reduce these and conduct some of them virtually.



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III Your key message to those in the construction?

Skudder: Now is the time for some of your teams who are working from home to look to upskilling themselves. Look to your current service providers and see if they can offer you ways and means to upskill team members during this working-from-home time. It's a unique opportunity to take time out, to upskill themselves, and take time out to learn more about the tools they already have. Many of our clients don't use the full functionality offered by our software. By training their teams, they could get so much more use out of the products.

While I understand companies don't want to spend more money, I also know that service providers like ourselves are offering special deals to support our clients in upskilling their teams during these times.

Longer term message – take this opportunity to drive change in your business in terms of adopting technology. Experience the power of technology such as using Microsoft Teams and its collaboration capabilities. Use the time now to investigate digital tools that will help transform and streamline the various processes in your business.



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III What do you predict the next six months will be like?

Skudder: From a construction industry sector perspective, we will see the slow resumption of the construction industry. Some are already back with about 60% to 65% of their projects back in operation, although on those projects they are running different shifts and only have about a 30% capacity in operation at certain sites.

Probably, in six months' time, we will be back to full activity on projects that are going ahead. I do think that some projects that have been in the pipeline will be shelved, due to uncertainty in the economy, lack of capital to invest. Many people have eaten into their capital now to keep things going. I think that several projects could be pushed out for a period of time – largely private sector clients in retail, office space and residential.

Government expenditure will hopefully increase. I think it is imperative the government invests in infrastructure projects to get the economy going. There are some real gaps in our infrastructure: power is the obvious one and renewable energy projects are a really quick way to get projects off the ground and to get investment. We still have many challenges in water and low-cost housing. These kinds of projects need to get going – also schooling and medical facilities. What we are learning is there is massive under-investment in medical facilities.

These are in the hands of government and if they use their funds wisely, it is far better to borrow to invest in infrastructure development than to borrow to invest in social grants. It has a much longer-term benefit to society. Of course, there needs to be a balance. We have to spend on social grants now due to peoples' inability to work at the moment, but borrowing for fixed investment is much more sustainable for driving an economy.

Importantly, more significant growth is more likely to occur through public-private partnerships. This has to be on the cards too and I am sure we will start to see it happen.

Ultimately, I think we will come out of this better prepared for the future. Agile businesses will come out of this smarter and stronger. That's how they react, they react rationally to these types of challenges and become more resilient.

ABOUT SINDY PETERS

Sindy Peters (@sindy hullaba lou) is a group editor at Bizcommunity.com on the Construction & Engineering, Energy & Mning, and Property portals. She can be reached at

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