



DISRUPT THE STATUS QUO

# Recession Survival Kit

**SOUTH AFRICA HAS BEEN ON THE VERGE OF A TECHNICAL RECESSION** consistently for more than a year. This has put a lot of pressure on businesses to stay afloat, with retrenchments and extreme cost-cutting becoming the norm. This 'Recession Survival Kit' looks at lessons from previous recessions and provides solutions to the main challenges.

## TECHNICAL RECESSION FACTS:

1. South Africa's economic growth is mediocre at best<sup>1</sup>
2. Retrenchments are rife, leaving the remaining few employees with both hurt morale and productivity, at the worst possible time<sup>2</sup>
3. The projected economic growth is half of what it needs to be<sup>3</sup>
4. Joblessness and poor economic growth feed each other in a vicious cycle<sup>4</sup>

Research and case studies on the Great Recession both confirm and challenge some conventional wisdom on how to survive a recession, as Walter Frick of the Harvard Business Review (HBR) summarised in his article 'How to Survive a Recession and Thrive Afterward'<sup>5</sup>.

There are four main influencing factors to consider:

### 1. DEBT

The lower your debt, the better you fare in a recession, and shedding assets might be better than shedding staff. This reduces leverage without necessarily cutting core aspects of operations.

### 2. DECISION MAKING

Spreading decision-making is a better buffer than hoarding it at top management. Delegating decision making further down the hierarchy better adapts a business to changing conditions, because decisions are matched with expertise.

### 3. WORKFORCE MANAGEMENT

Businesses that rely less on retrenchments to cut costs, leaning more on operational improvements, fare better during a recession. Staff cuts cost money, employee morale, productivity and time.

### 4. DIGITAL TRANSFORMATION

Downturns encourage the adoption of new technologies, which make a business more transparent, flexible, and efficient in three ways: 1. Improved analytics allow for tighter control over business decisions. 2. Automating tasks and adopting data-driven decision making cut costs. 3. IT investments make companies more agile.

The quickest win of all of these is digital transformation. Debt reduction, organisational restructuring and workforce management take a lot more time than available to recession-proof a business, so taking advantage of existing technologies is the logical place to start. As mentioned above, automation and optimisation give more for less, and also free up resource-strapped employees from mundane repetitive tasks.

# DIGITAL TRANSFORMATION

## CHALLENGE



- Conventional wisdom says that new technology is a big ticket item.
- In the current economic climate, businesses are already cash-strapped, and understandably avoid a seemingly big investment.

## SOLUTION



- AYOH has developed a range of finance options so businesses can invest in smart technology.
- This provides the massive ROI a business needs in a recession, without annihilating cash flow.

## HOW TO MINIMISE BIG-TICKET OUTLAY

1

### Device as a Service - DaaS

DaaS keeps employees connected and mobile with a flexible, scalable device and accessory mix. It reduces the IT burden of managing multi-OS devices and provides protection against endpoint, human error and cyber threats.

2

### OPEX vs CAPEX models

Switching to an OpEx model can assist a company's cash flow and allow the business to avoid making the whole purchase in a single year. This is made possible when traditional CapEx infrastructure investments switch to OpEx-funded services solutions.

3

### Software as a Service - SaaS

SaaS, or Software as a Service, is a method of software delivery where applications are hosted remotely by a vendor or service provider and are made available over a network.

4

### Business Process Automation and Optimisation

Document management and automated workflow provides a single digital archive for both digital and scanned documents, drastically reducing search time and space requirements. It enables mobile, self-serve access, and online document collaboration.

# DaaS: DEVICE-AS-A-SERVICE

## CHALLENGE



- Supporting, securing and managing multi-OS devices
- Security risks
- Complex IT requirements
- Devices depreciating at different rates

## SOLUTION



- DaaS (Device as a Service) keeps employees connected and mobile
- Flexible, scalable device and accessory mix
- Reduced IT burden of managing multi-OS devices
- Protection against endpoint, human error and cyber threats

## RESULT

Multi-OS devices, proactive service, single price per device, intelligent analytics.

Hardware leasing and end-to-end lifecycle services in a single, per-device, monthly contract. Full asset and service management, a range of scalable technology refresh options, based on employees' requirements.

## AYOH DaaS SERVICES



A wide variety of device choices



Technical support and rapid repair or replace



Actionable analytics, proactive management capabilities



Flexible plans with a simple price-per-device model



Lifecycle management on a global scale



### DISCOVER AND DESIGN

Create your ideal tech environment with our assessment, design, and planning services.



### CONFIGURE

Save time and increase productivity by having your custom images and settings installed.



### OPTIMISE

Get the most out of your IT environment through helpdesk services, priority support, and staff augmentation.



### MAINTAIN

Relieve your IT staff of maintenance hassles by letting HP handle onsite service, accidental damage protection, and more.



END-TO-END  
LIFECYCLE  
SERVICES



### DEPLOY

Hit the ground running by letting HP handle everything from logistics to installation to data migration.



### DISPOSE AND REFRESH

Keep your technology current by letting HP securely and responsibly manage hardware that's at the end of its lifecycle and then deliver new equipment to your users.

## CHALLENGE



- High cost items such as IT infrastructure require well-forecast budget estimates and long processes for approval, slowing down equipment purchases.
- Once a business owns the hardware or software, they're likely stuck with it for a long time, in order to extend its ROI.
- Estimating future capacity needs for static hardware or software can be tricky and complicated.

## SOLUTION



- Services-based IT solutions like SaaS and DaaS allow organisations to unlock money that was formerly frozen in CapEx purchases on other business needs.
- The ROI of services-based solutions are easier to track, due to monthly payments rather than a lump-sum purchase of an aging product.
- Services-based solutions are easy to scale up and down, even on a month-to-month basis.

## WHY OPEX AND NOT CAPEX?

Traditionally it made sense to use a CapEx, or capital expenditure, model for IT-related expenses. Since businesses would typically invest in expensive IT infrastructure and static software, it made sense to use a model that accounted for the cost of the assets beyond the financial year in which they were procured, also taking into account their depreciation.

With the advent of services-based solutions like Software and Device as a Service, it makes sense to switch to an OpEx, or operational expenditure, model. Since these solutions operate on a monthly subscription and remove the investment costs of equipment and software, they fit within the day-to-day running costs of a business, with no depreciation.

## OPEX FREES UP CASH

The changes in cost and use of hardware and software options with SaaS and DaaS invalidate the traditional benefits of CapEx.

Switching to an OpEx model can assist a company's cash flow and allow the business to avoid making the whole purchase in a single year.

## OPEX BENEFITS



OpEx are fully tax-deductible in the year they are made.



Management approval of an OpEx item is usually easier and quicker.



No upfront investment - SaaS and DaaS are subscription models.



Services-based solutions are scalable, with easier to measure ROI.



CapEx models require internal IT maintenance, OpEx models allow vendors to provide this service. This includes upgrades and service calls.

# SaaS – SOFTWARE AS A SERVICE

## CHALLENGE



- Clumsy and expensive infrastructure and scalability
- High cost of software installation and hardware maintenance
- Implementation, maintenance and end-user adoption take time
- Compatibility issues and constant updates with existing systems and software

## SOLUTION



- SaaS eliminates the cost of license and hardware purchases
- Online access and vendor maintenance saves time
- Affordable, flexible scaling
- The vendor manages upgrades, eliminating compatibility issues

## SaaS FREES UP RESOURCES

Reduces the customer's need for dedicated, internal IT resources – personnel and hardware.

SaaS vendors will frequently provide more robust data security than the customer would itself.

High availability and access to the system as part of the Service Level Agreement.

Compliance with increasingly stringent data security, breach notification and privacy laws and regulations.

## WHAT IS SaaS?

SaaS, or Software as a Service, is a method of software delivery where applications are hosted remotely by a vendor or service provider and are made available over a network. The end users rent the software instead of purchasing it, over a usage-based subscription that can be purchased on a monthly or yearly basis.

## BENEFITS

Software as a Service has a lot to offer. If it's used properly, it can help your business save money, time and human resources. By eliminating problems like software maintenance and incompatibility, SaaS can provide streamlined focus, greater productivity and save huge costs on hardware infrastructure.

## WHY SaaS?



Reduced time to go live



Lower costs



Scalability and integration



Low cost, timely upgrades



Access to the latest and greatest technology

# AUTOMATION AND OPTIMISATION

## CHALLENGE



- Multiple, inefficient archives of paper and digital documents
- Documents difficult to access and collaborate on
- No remote access to files, impacting mobility and productivity

## SOLUTION



- Document management and automated workflow
- Single digital archive for both digital and scanned documents, eliminating the need to print and manually archive documents
- Drastically reduced search time and space requirements
- Mobile, self-serve access, and online document collaboration

## BENEFITS

Savings on labour costs and less manual intervention, therefore saving on time and costs for organisations and employees.

## HOW DOES IT WORK?

### Content capture and ingestion



### STEP 1: GET THE DOCUMENTS INTO THE SYSTEM



Email



Scanned Documents



PDFs



Mobile Capture



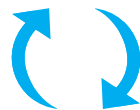
Office Documents



eForms

### STEP 2: INTELLIGENTLY PROCESS DOCUMENTS

Process automation  
Exception handling  
Document classification  
Rules-based routing  
Mobile workflow



Data enrichment  
Image editing  
Intelligent indexing

### Process intelligence and workflow



### Content view and decision making



### STEP 3: REVIEW AND OPTIMISE



Integration



Reports



Search



Mobile Apps



Browsers / Web portals



Sharing