



Overview

Country or Region: South Africa
Industry: Healthcare

Customer Profile

The South African National Blood Service (SANBS) is registered as a Non-Profit Company, which processed 807,563 donations from 484,498 donors in 2015. The mandate of SANBS is to provide blood transfusion and related services.

Business Situation

In its pursuit to remain relevant in this rapidly changing business, medical and demographic environment, SANBS recognised an urgent need to re-imagine its existing service delivery capabilities by infusing state-of-art and emerging practices, and technological innovations. In doing so, SANBS realised the bigger importance of refining its investment appraisal process for strategic investments.

Proposed Solution

Nihilent applied its 7-Perspectives Ranking Framework to first prioritize the list of 150 candidate ICT projects into top 25, and then used its Quick Business Case Framework to undertake a thorough investment appraisal for the 16 projects shortlisted by the EXCO. The business cases documented the background of the candidate project, the scope, the expected business benefits, strategic alignment, the options considered (with reasons for rejecting or carrying forward each option), expected costs of the project, the expected risks, and a recommendation based on a composite score received by each candidate project.

Business Case for ICT Projects South African National Blood Service

“ Today we are a lot more confident of treading through these challenging times and come out winning, for not only do we have a robust approach towards assessing the viability and rationale of strategic investments, but also the discipline to execute our transformation programs ”

Ridwaan Bardien, Chief Information Officer, SANBS

The South African National Blood Service (SANBS) is registered as a Non-Profit Company, which processed 807,563 donations from 484,498 donors in 2015. In its pursuit to remain relevant in a rapidly changing business, medical and demographic environment, SANBS recognised an urgent need to re-imagine its existing service delivery capabilities by infusing state-of-art and emerging practices, and technological innovations. In doing so, SANBS realised the bigger importance of refining its investment appraisal process for strategic investments and then ensuring a seamless deployment through robust Project Management Practices.

Given the complexities involved in achieving the objectives around ICT service delivery, Nihilent was engaged in late 2015 to provide SANBS with the requisite subject matter and institutionalization expertise. Nihilent developed a custom framework for investment appraisals and then went on to also demonstrate its effectiveness by working alongside the SANBS leadership team to build detailed business cases for the 16 prioritized ICT initiatives focused on efficiency and innovation.





The South African National Blood Service

SANBS is registered as a Non-Profit Company registered as such in terms of the Companies Act 71 of 2008, and is governed by amongst others, the Non-Profit Organizations Act 71 of 1997, the National Health Act 61 of 2003 and the Human Tissue Act 65 of 1983. Its mandate is to provide blood transfusion and related services.

SANBS operates across all of South Africa, with the exclusion of the Western Cape. SANBS is further regarded as a major role player in the provision of support to countries in the SADC region.

SANBS is a large operation and had 2,240 employees at the end of the financial year 2015; operated 84 blood banks located in hospitals and 82 permanent donation centers where donors can donate blood. In addition, on a daily basis SANBS collects blood at approximately 80 mobile blood drives at businesses, schools and communities. The scale of operations is significant, particularly for an altruistic business and sound governance principles are applied throughout all areas of SANBS.

SANBS had 484 498 donors in 2015 and processed 807 563 donations, through 84 fixed donor centers and excess of 3000 mobile blood drives across eight provinces.

SANBS Vision : SANBS strives to be a centre of excellence in the discipline of blood transfusion.

SANBS Mission : Providing all patients with sufficient safe, quality blood products and medical services related to blood services in a sustainable manner.

Business Situation

The South African National Blood Service prides itself in providing sufficient blood to meet South African requirements. The vision and mission form the basis of the strategic objectives and is the basis of all goals and performance.

Underpinning these objectives are a number of strategic risk factors which, if not adequately managed, will inhibit the success in achieving SANBS' objectives. For instance, SANBS reckons that if the changing donor demographic is not managed correctly, it could lead to reductions in blood donations, placing both patients and the financial well-being of SANBS at risk. Another significant driver is the rapid changes brought about by technological innovations.

Given the complexities involved in re-imagining its existing service delivery capabilities, and the given bigger importance of making strategic investments, Nihilent was engaged in late 2015 to provide SANBS with the requisite subject matter and institutionalization expertise.

The Investigation

The consulting team from Nihilent started by investigating the delivery capability. The short coming was addressed by the design and deployment of a custom solutions delivery capability, the SANBS Way. The core of this capability was the IIBA and Prince2 based methodology for Business Analysis and Project Management, tailored to serve Waterfall, COTS, and Agile software engineering approaches through extensions.

Having built the foundation for solutions delivery, (doing things right) attention was now turned towards reviewing and refining the project appraisal and selection process (doing the right things).

High Level Selection : From all initiatives identified by the business units, there were 150 candidate projects founded on ICT led solutions. The Nihilent proprietary applied **7-Perspectives Ranking Framework** was used for a qualitative ranking of the projects -

1. **Strategic Alignment** - How well does the Project/Program investment strategy align with the long-term goals of the business?
2. **Payback Period** - What is the length of time required for an investment to recover its initial outlay?
3. **Net Present Value** - What benefits does the Project/Program have in terms of outflow and inflow for 24 months, measured as NPV?
4. **Inherent Risk** - How likely is it that the Project/Program will fail to meet expectations given budgeted outlay and current maturity?
5. **Technical Architecture** - How scalable, resilient, and simple to integrate with existing technology are the databases, operating systems, applications, and networks that would be implemented as part of the proposed Project/Program?
6. **Business Change** - How much would the project force the company to change existing practices to align to future?
7. **Supplier Credentials** - Does the supplier have requisite expertise, capability and a track record for delivery and support?

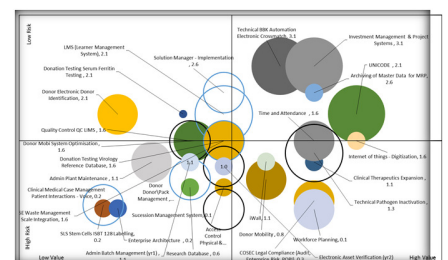


Exhibit 1 : Prioritization matrix

Based on qualitative scoring by managers, low-risk high-value projects were identified in addition to computing a composite score for ranking the 150 candidate projects and listing the top 25 projects.





The South African National Blood Service

SANBS Core Values : The bedrock of SANBS are the values we live by: Transparency, Honesty, Respect, Integrity, Excellence, Accountability, and Value Diversity

The 9 strategic pillars for SANBS are -

- ✓ Procure sufficient blood to meet South Africa's requirements
- ✓ Offer an optimal product mix to meet health care demand
- ✓ Manage blood safety and risk at appropriate / defensible levels
- ✓ Harness technology for internal processes
- ✓ Ensure sustainability through product / Service diversification and innovation
- ✓ Enable empowered and engaged employees to build a value based culture
- ✓ Ensure sustainable business operating model
- ✓ Be a well-respected corporate citizen, and to
- ✓ Ensure optimal Customer and Stakeholder relations

The 5 Principles of Excellence adopted by SANBS are -

- ✓ Customer and Stakeholder focused
- ✓ Value based practices
- ✓ Continuous improvement and flexibility
- ✓ Team and performance driven
- ✓ Quality superiority

Quick Business Cases : This list of 25 projects were further reviewed by the SANBS Executive Committee from which 16 were selected to undergo a business case rigor, to link the investments with business results and ultimately, to strategic outcomes of the organization.

Quick Business Case – A Nihilent Proprietary Framework – Successfully Applied across Industries

#	Candidate Projects	A. Idea	B. Reasons	C. Solutions	D. Selection
1					
2	SET OF EFFICIENCY PROJECTS				
3					
4					
5	SET OF OPTIMIZATION PROJECTS				
6					
7					
8	SET OF MOBILITY PROJECTS				
9					
10					
11	SET OF IOT PROJECTS				
12					
13					
14	SET OF OTHER PROJECTS				
15					
16					

Quick Business Case is Nihilent's leading practice framework for developing business cases in a matter of weeks. The *Idea Stage* explores the project idea at a high level. The *Reasons Stage* unpacks the idea into a degree of detail which can be used to drive problem definition and root-cause analysis.

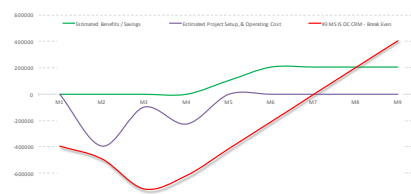


Exhibit 2 : Break even Analysis

The third stage, *Solutions* focuses on scouting for potential options including the total cost of ownership for each.

Solution Ranking	Solution Option	Strategic Alignment	Direct Payback Period	Net Present Value	Inherent Risk	Technical Maturity	Business Change	Stakeholder Readiness	Solution Option Score
		Weightage	25%	18%	10%	9%	16%	12%	100%
#1	#1 DO NOTHING TA	NA	NA	NA	NA	NA	NA	NA	NA
#2	#2 SAPSCTA	5	2	2	5	5	5	5	3.8
#3	#3 SAPTLTA	5	2	2	5	5	5	5	3.8
#1 ✓	#4 SAPM TA	5	10	10	5	5	5	5	6.4

Exhibit 3 : Solution Option Scoring

And last one, the *Selection Stage* compares all available solutions options and ranks each

on the basis of a composite score so that management can take an informed view.

Key Outcomes

The objective of this engagement was not just to obtain EXCO approval, but conduct due diligence, to fairly evaluate, with a high degree of confidence, the business value of generated by the proposed initiatives.

- ✓ **EXCO Sponsorship** : the analysis assured that PMO is selectively working on the highest value-generating opportunities
- ✓ **Success Assurance** : the analysis adequately captured the quantifiable and intangible characteristics of each proposed project, improving quality of risk management and assuring success
- ✓ **Budget Provisioning** : on receipt of EXCO approvals, budget provisions were made based upon the average-case condition

As part of monitoring, Nihilent is also engaged to conduct a mid-year review of the transformation program and to update the relevant cases, with focus on benefit realization.





The South African National Blood Service

For More Information

For more information about Enterprise Transformation Services, call Nihilent Sales at +27 (11) 263 5900 or email at globalbizdev@nihilent.com

To access information about Nihilent using the World Wide Web, go to: www.nihilent.com

To access information about South African National Blood Service using the World Wide Web, go to: www.sanbs.org.za

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About Nihilent

Nihilent is an ISO 9001:2000 and CMMI® Level 5 certified global business consulting and management with our patented change management framework MC³™, Nihilent's Enterprise Transformation Practice partners with clients in successfully translating business strategies into business results.

For more information about Enterprise Transformation Practice, go to: www.nihilent.com/enterprise_transformation.html

MC³ - The Change Management Framework

The MC³ framework is a metrics based model that helps companies to continuously monitor business goals and undertake initiatives to enhance performance.

Nihilent's MC³ transforms an organization's Vision (Business Strategies) into Reality (Business Results) by:

- ❖ Identifying the extent of gap between Vision and Reality
- ❖ Defining clear-cut objectives, measures and action plans at all levels
- ❖ Bridging the gap between customer expectations and organizational performance
- ❖ Creating a role based organization
- ❖ Capturing skills and competency matrix of individuals
- ❖ Identifying a learning agenda for every individual
- ❖ Creating a culture of learning, sharing, collaboration and innovation
- ❖ Fostering an environment of continuous experimentation and improvement
- ❖ Introducing change management to institutionalize learning
- ❖ Calibrating corporate performance continuously using Lamat™

For more information about MC³ the change management framework, go to: www.mc3consulting.com

The Nihilent Advantage

- ❖ A holistic view of consulting on key strategic assets of an organization - People, Process, Technology and Knowledge
- ❖ Strategy execution using the patented MC³ framework which looks at an all -round organisation transformation
- ❖ Focus on continuous improvement with client engagement at the epicentre of value creation
- ❖ Metrics based delivery model bringing incremental to transformational change in Time, Quality, Cost, and Productivity

