

[TECHPRENEUR]

Technology consulting takes shape

Joseph Waruingi has built one of the most respected technology consultancies in the country and "there is still a lot to be done"

BY ALFRED OTIENO

For many entrepreneurs launching a new venture is a daunting task. But Joseph Waruingi, the managing director of Advantech Consulting has found out that with meticulous planning and steely determination success is almost always guaranteed. He started toying with the idea of a company that would "help organizations derive maximum value" from their Information Technology (IT) investments in 1997.

But it took him another five years to crystallise his business idea and gain enough confidence to launch it. Waruingi had joined Coopers and Lybrand in 1996, just a year before it merged with Price Waterhouse to form PriceWaterhouseCoopers (PWC), today the largest global management consultancy organization.

"This was my best time in employment, as I lived through the merger of two global brands, acquiring first-class skills on strategic business process planning," says Waruingi, whose main focus is business analysis, modelling and strategy.

Advantech finally took off



in 2003, and in the last five years, it has specialised in IT strategy advisory, Enterprise Resource Planning systems, IT alignment and security policy. "We are also advising businesses in areas such as business continuity and disaster recovery as well as design of change management

frameworks," he says.

Advantech is emerging as a premier consulting practice in the region. It has won contracts from blue-chip firms and public sector organizations. Among its first clients was PWC—Waruingi's former employer. Others are Coca Cola East Africa and the

JOSEPH WARUINGI, managing director, Advantech Consulting. "There is need for online business applications that take into consideration our unique realities."

Indian Ocean Islands and Safaricom. The company was involved in the development of a five-year strategic plan for the Public Procurement Oversight Authority (PPOA) and the development of an ICT strategy for Kenya Airports Authority.

Presently, it is mapping water facilities in Machakos, Kitui and Mwingi districts. Using geographic information tools, it will develop spatial data for use by the National Water Conservation and Pipeline Corporation.

Advantech has provided services to governments across the sub-Saharan region and foreign investors interested in the local market. "We have been retained by a client from the Middle East attracted by local skill levels, availability of land and the expected bandwidth infrastructure and who wants to invest US\$50 million in data centres in the country."

Data centres and recovery services are expected to be the next frontier of growth due to improved communication infrastructure and initiatives like e-government and the switch to digital television in 2012.

Waruingi says one of his main challenges was getting the venture off the ground. "Getting good clients was not easy," he says. "The company was new and we therefore had no reputation or visibility."

To overcome the hurdle, he focused on the contacts and relationships he had built while in employment. He also kept his operating costs, which constitute the bulk of a consultant's budget, to the bare minimum. To reach more clients and enhance Advantech's capacity, he started exploring and forming partnerships with other local and regional players and individuals for collaborating in big projects. Slowly, the venture started taking shape and staking a claim to the estimated KSh70 billion spent by the public and private sectors on ICT.

ICT consultancy is not a new phenomenon in Kenya. Among the early adopters was the Central Bank of Kenya, the government payroll

department and multinational banks. "The public sector is the biggest consumer of ICTs in the world," he explained. "ICT-related spending will continue to grow in the public and private sector and consulting will be among the main beneficiaries."

This is largely because as organizations evolve, they need a strategy to guide their investments. Most of them do not have the internal capacity to design such strategies, preferring to outsource the process. Consultant's main role is usually



OPPORTUNITIES Waruingi was recently involved in a study for KPLC on viability of offering broadband services over its electricity grid.

to help them craft plans that match investments, technology and organisational objectives.

Waruingi explains that the process has three key stages. At the "strategic" level, a review of an organisation's competitive position is done and used to determine "how it can use its resources to meet market needs and fulfil stakeholder expectations". The "process" level focuses on operating efficiencies while the third one involves identification of the right technology. "The quality of an ICT strategy is proven by its business achievements," he states adding that Advantech is primarily hired to provide assurance and ensure the integrity of the process.

Although he is impressed by the

strategic direction Kenya has taken in actualizing its ICT goals, he cautions that "a lot of work is yet to be done". For instance, ways to roll out services to rural areas effectively have to be found. To enable e-commerce and other online transactions, payment systems have to be developed. Such challenges also provide incredible opportunities: "There is need for online business applications that take into consideration our unique realities," he says.

Building rural infrastructure and "last mile" solutions is also going to attract keen interest. The roll out of WiMax is for instance expected to complement the national fibre optic cabling systems. Fibre optic networks will most likely connect town centres, and in rural areas, district headquarters. The segment between the fibre optic cable and residential homes is likely to be covered using wireless technologies like WiMax.

In March 2008, Advantech completed a study on the viability of laying fibre optic cables along Kenya Power and Lighting Company's grid. "We found there is a lot of potential in bandwidth provision and it would only take a simple upgrading of their existing systems," he reveals. In April, the electricity distribution company invited expressions of interest from companies interested in buying bandwidth in its network. The electricity grid is already connected to thousands of homes and can therefore be used as a last mile solution, or to extend access to rural centres.

Waruingi says equally innovative ideas are needed to build digital content. There is little local content on the internet and this limits its usefulness. "Advantech is seeking partnerships to harness opportunities in content generation," he says. The company is particularly interested in content relating to sectors like cut flowers and fresh produce. "Kenyan produce can fetch premium prices in overseas markets if information on aspects of production and quality was available to prospective buyers."