



**Successful
business process
transformation:
What does it take?**



This article discusses : How to succeed in business process transformation by choosing the right implementation model. Business process transformation is the buzzword being discussed in every boardroom. It is aimed at reshaping an organizations outdated processes into a robust business model for long term benefits. According to Gartner, eighty-seven percent¹ of senior business leaders callout process transformation as their company's priority. As per Zinnov market study², automation is recognized as the mainstream for transformation with a growth potential from \$2.3 Bn in FY 2019 to \$11 Bn in 2024, at a CAGR of thirty five to forty percent. Despite the hype around automation transformation trends, organizations recorded that adoption rate is dawdling with two out of three³ transformational initiatives being unsuccessful or not meeting revenue expectations from digital efforts.

Changing times from input to output to outcome-based services

With process transformation as the need of the hour, organizations are taking rapid but staggered implementation approach across the business

functions with disparate automation platforms and solutions from multiple vendors. Some organizations have taken a lead to manage this internally by starting from scratch building an in-house team, setting up practices/policies, investing in software/ hardware infrastructure and maintenance. In a complex scenario of implementation with multi-vendor ecosystem, organizations face continuous challenges in measuring outcomes and managing risks that impact the pace and extent of automation adoption. Accounting for multiple challenges, the secret mantra for successful transformation program lies in the realm of augmenting right implementation model for maximized value at lower cost and risk.

Over the past decade⁴, outsourcing industry has seen a significant evolution in service delivery models with the value proposition shifted from cost to delivering business outcomes where the perspective of outcome depends on CXO's vantage point. The variants of service delivery models that have evolved and are widespread in the industry are described below (Figure 1).

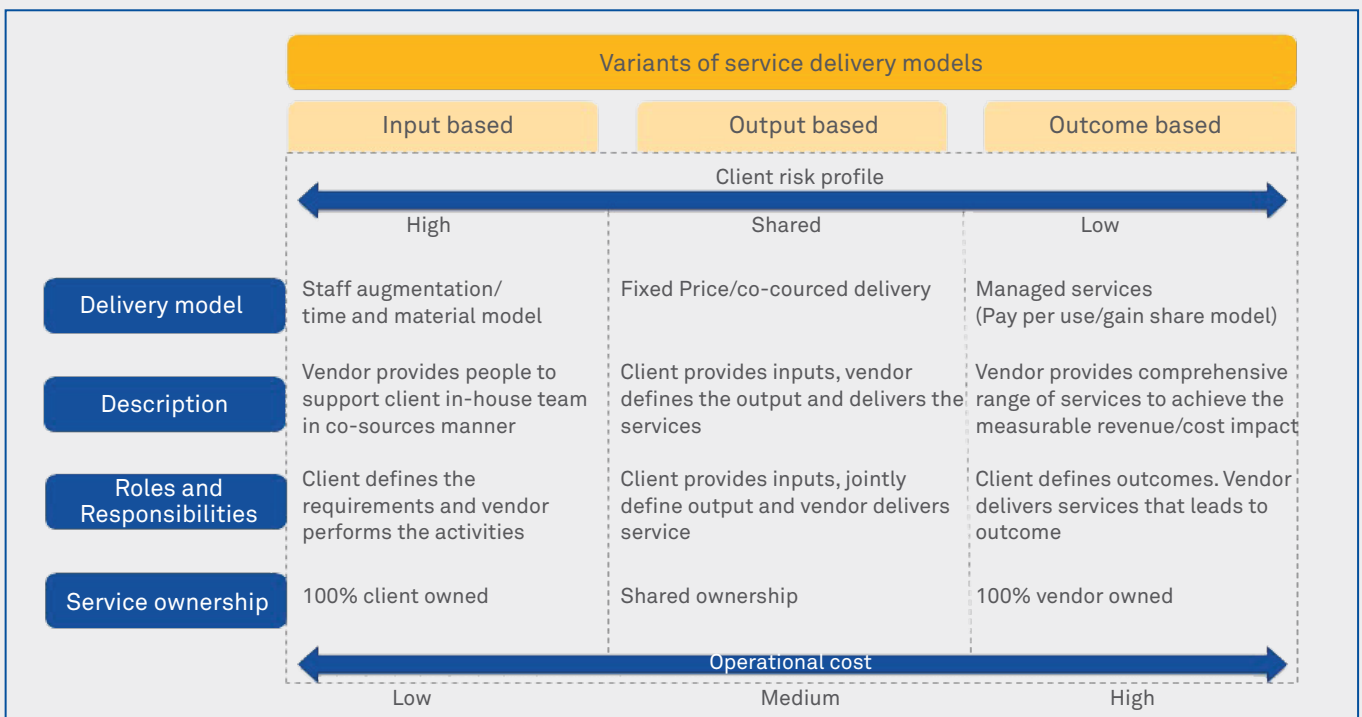


Figure 1: Variants of service delivery models

With emerging service delivery models, in our experience, majority of transformation implementations are supported by third party service provider with approximately forty three percent outcome/managed services, thirty percent fixed price/time and material, twenty

percent people support and remaining seven percent in-house. This is a notable data trend which shows organizations are transitioning from traditional to managed operational model in terms of effort and investment (Figure 2).

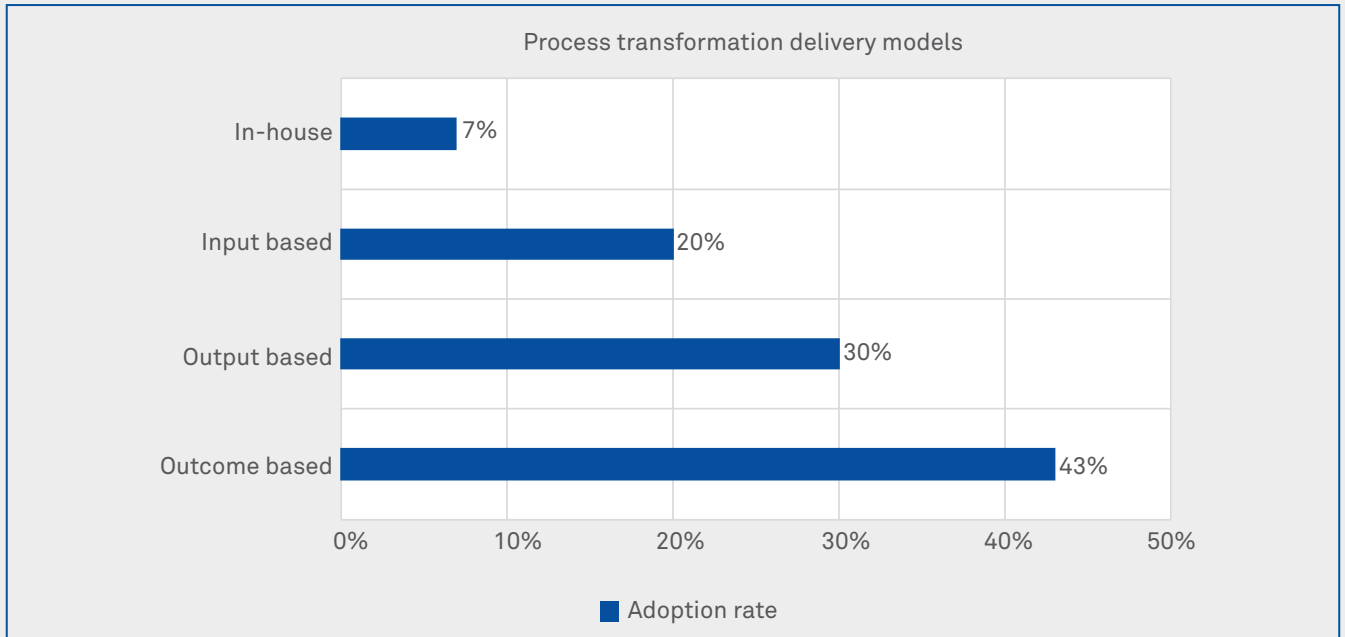


Figure 2: Adoption rate of process transformation delivery models

Comparison of service delivery models and best fit			
Parameter	Input based	Output based	Outcome based
Cost of Implementation (delivery cost, infra cost, resource cost, maintenance cost, training cost)	High	Medium	Low
Customer risk profile	High	Medium	Low
Time to market	Slow	Medium	Fast
Flexibility in solution/customized solution	Low	Medium	High
Newer technology adoption	Low	Medium	High
Scope of implementation	Small	Medium	Large
Service provider accountability	Low	Medium	High
Visibility and control in business	High	Medium	Low
Scalability	Low	Medium	High
Benefit realization	Slow	Medium	Fast
Focus on core process	Low	Medium	High

Figure 3: Comparison of service delivery models

In the process of transition or adoption of delivery models towards managed transformation, organizations should be open to bolder, broader and cohesive enterprise wide initiatives as the benefits of a digital workforce should be evaluated across the whole organization, not just in functional silos. Most companies now seem to be recognizing this.

Approach towards managed transformative services

In the beginning, managed services was created primarily to support infrastructure support. In today's competitive world with the growing need for disruptive technologies, managed service provides end- to-end cutting-edge solutions that help to make a major impact in all areas of the business, including output and revenue. The key differentiating factor of managed transformation implementation

is the unified actionable framework, which leverages multiple technologies and solution levers, such as 'Simplification', 'Automation', 'Intelligence', and 'Immersive Experience' for accelerated time to value and ultimate scalability.

Managed services framework follows a matured seven step approach methodology (Figure 4), which is derived based on the in-depth experience gained from multitude of process automation & transformation engagements. The approach methodology breaks down the delivery activities into seven dimensions aligning to the core mantra of Identify, Improve, Innovate and Increase. By embracing managed transformation framework, organizations are enabled to operationalize the whole nine yards of implementation attributes that offer the customers measurable and time bound outcomes with better control and transparency.

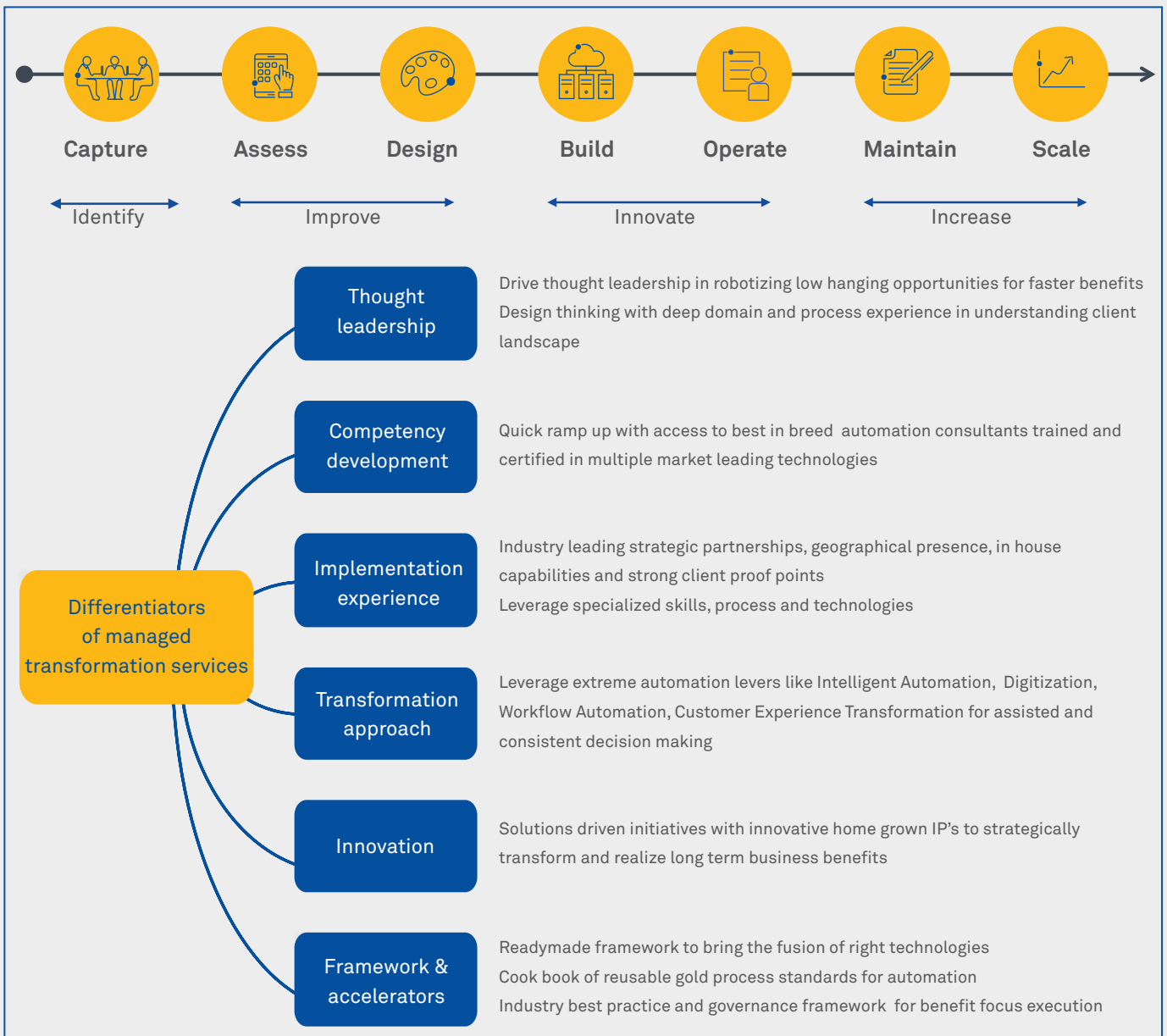


Figure 4: Transformation approach methodology

Experimentation to transformation: A path forward with managed services

Many organizations that had started process transformation by treating it as an experiment are now facing challenges in realizing benefit expectations with a staggered and a piloting approach. Maximizing the impact of automation requires a committed shift in mindset and an approach from experimentation to enterprise wide transformation.

To fully harness the potential of process automation and transformation, organizations are recommended to gauge managed services that will not only deliver straight forward business benefits with high levels of experience driven operational integration and scalability, but also let organizations to focus on their top strategic priorities, such as core business growth, design thinking, and value creations.

References

¹<https://www.gartner.com/smarterwithgartner/speed-up-your-digital-business-transformation/>

²<https://zinno.com/rpa-trends-and-market-analysis/>

³<https://www.gartner.com/smarterwithgartner/mobilize-every-function-in-the-organization-for-digitalization/>

⁴<https://www2.deloitte.com/content/dam/Deloitte/mm/Documents/risk/mm-risk-managed-services-in-banking.pdf>

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