Transform the transformation
Process mining is accelerating digital transformation
Traditionally, transformation was an initiative or a project taken up by the CXO organization, led by a group of Quality or Six Sigma consultants. If you were also looking at outsourcing some of your processes, your BPO service provider brought in transformation somewhere along the Lift-shift-transform, Transform-lift-shift, or Lift-transform-shift lifecycle.

When you got down to the brass tacks, it involved a one-time process shadowing, or deep dive discussions, and lengthy interviews with subject matter experts (SME). Often, this was subjective, partial, and with increase in scale and complexity, drawn out and costly.

But we still pressed on, brought in the organizational changes, the process improvements and technology – hoping for business benefits, which were not easily monitored or reported.

Gartner says, “Many BPO companies lose money, time and customer confidence on disappointing slow starts to BPO contracted engagements because the clients do not have sufficient levels of detailed insight into the actual work being conducted.”

But “Process Transformation” has itself (thankfully) followed Ray Kurzweil’s “Law of Accelerating Returns”, according to which, the rate of change in a wide variety of technologies tends to increase exponentially.

In the case of process transformation, the paradigm shift is brought in by a tech concoction of Knowledge Management tools, robotic process automation, and artificial intelligence.

In this article, we will focus on a relatively new entrant – process discovery or process mining technology.

Everest Group defines process mining as any software product or solution to examine and analyze process-related information that is captured in event logs generated by enterprise systems such as ERP, CRM, and SCM to discover processes and generate process maps.

**How does process mining drive digital transformation?**

Process mining brings in a data-driven, objective, enterprise wide view of the processes in real time. In the hands of a transformation consultant, the tool provides endless possibilities to collect, discover, improve and monitor processes. The process view is no longer a snapshot, but a see-as-it-happens view and this allows the consultant to understand how to make discrete parts of the business more efficient, and how to calibrate the individual components to optimize the whole for specific outcomes.

(Figure 1) shows how we have been adopting process mining at different stages on the BPO project lifecycle to accelerate transformation outcomes:

1. BPO Solutioning / Consulting
2. Smart / Remote Transitions
3. Driving Operational Excellence
4. Automation Assessments
Digital transformation is being turbocharged by shared services, which creates an environment that is conducive for rapid adoption of digital capabilities.

Shared Service Centers (SSCs) and Global In-house Centers (GICs) are the catalysts for driving transformational changes. With a structured approach to transformation and a data-driven approach to continuous process discovery and transformation, it provides value-add, which is a win-win for both service providers and the internal stakeholders (Figure 2). Some of the key benefits are:

- BPO Advisory uses data-driven approach to build a transformation roadmap
- Identifies more cost-out by pinpointing and eliminating operational bottlenecks, and improving operational SLAs and KPIs
- Accelerates business impact and connects processes to target-based outcomes, which can help reduce costs per transaction by 10 to 20%
- Allow Transformation office to run and compare results of various transformation initiatives during BAU operations
- Quality Analysts are able to create analysis required for process audits and compliance requirements

### Figure 1: Process mining at different stages of BPO project lifecycle to accelerate transformation

- **BPO solutioning / consulting**
  - Time to Value improvement leading to significant cash flow impact due to reducing cost of transformation and better opportunity identification
  - Standardized approach to process due diligence reduces the need for higher governance layers
  - Process mining exposes not just process variations but also system variations, leading to data driven IT standardization
  - Better benchmarking, leading to accurate baseline assessments and sharper commercials

- **Smart / remote transitions**
  - Automate transitions as a de-risking strategy in current conditions
  - Extend process mining capability to create and print SOP documents (automatically created from process logs & user interaction data) and maintain SOP repository
  - Allow for auto-SOP update capability on an ongoing basis

- **Operational excellence**
  - Implement RPA in a smarter way with tools that identify candidates for automation, measure automation rates across processes, and monitors the value of automation

- **Automation assessments**

### Figure 2: Benefits of process mining in typical BPO engagement

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**Improve Time to Value**

- Faster ramp up of FTE & volumes leading to better billing rates
- Reduce BPO EBITDA / EPS impact due to –ve cash flow during transition

**Sharpen Cost Competitiveness**

- Structured, data-driven transformation roadmap with better value realization

**Reduce Transition Effort and Cost**

- Comprehensive task mining & user interaction based Knowledge Acquisition & Transfer

**Benefit of up to 5% of TCV**

- Drive “Lift + Transform shift” Capture "as-is" and digitizing the lifecycle end-to-end from planning to knowledge transfer to go-live

- Improved productivity & cost take out based on better transformation identification

- Manual process capture vs. automated transition reduces cost and eliminates risk of missing key process variations
“When digital transformation is done right, it’s like a caterpillar turning into a butterfly, but when done wrong, all you have is a really fast caterpillar.”
— George Westerman, MIT Sloan Initiative on the Digital Economy

Ready to mine your process gold mine?
Let’s get started the right way! Connect with us here to know how we can deliver you a new level of control over your business processes.

References
1Gartner - Differentiate BPO Via Advanced Process Capture Published: 20 August 2019

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