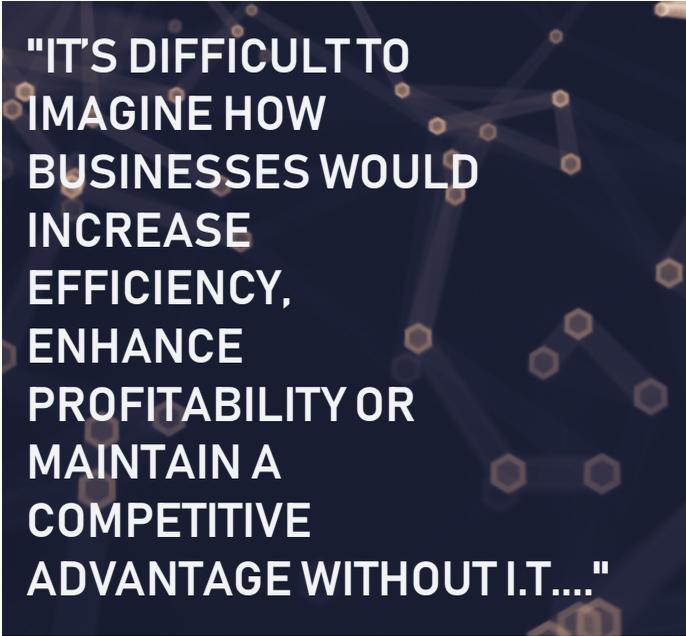




**THE
EXECUTIVE
GUIDE
TO**

BUSINESS OPTIMISATION



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velocity 

THE EXECUTIVE GUIDE TO BUSINESS OPTIMISATION

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PREFACE

The quickening pace of digital innovation and advances in computer processing power have a profound influence on the way that today's leadership teams approach business optimisation. While business optimisation doesn't only focus on technology, it's difficult to imagine how businesses would increase efficiency, enhance profitability or maintain a competitive advantage without I.T.

Shifting goals

Thanks to a confluence of technologies that enable process automation, better decision-making, the merging of the virtual and physical worlds, and more – the potential of business optimisation has moved beyond cutting costs and increasing efficiency, to creating agile enterprises that can react swiftly when opportunities or challenges come along.

For those on the more innovative side of the spectrum, business optimisation may even involve exploring disruptive new business models powered by emerging technologies. Established industry players could remain relevant by leveraging deep industry expertise to create digitally-powered solutions that protect their market share against disruptors or enable them to engage new customers.

Adapt or die?

While “adapt or die” may seem to be a dramatic sentiment, it is important to be aware of the digital renaissance that is happening in your industry and marketplace. If new technology-enabled rivals enter your sector, will you be able

to compete with them? Disruption can happen quickly. In the GPS industry, for example, leading manufacturers lost 85% of their market capitalisation in a mere 18 months, thanks to the launch of the Google Maps Navigation app in 2009.

How will your organisation remain relevant?

Continue reading this guide to explore how strategic technology choices and a process-first approach can optimise your business, both now and in the future.

1

THE VALUE OF A PROCESS-FIRST APPROACH

Begin with your processes. Without processes that work well, you're building your business optimisation strategy on very shaky foundations.

IN THIS SECTION

- Understand the importance of business processes
- The link between processes and business optimisation
- The effects of a sound business process management strategy

Processes define how a business operates – guiding how people, systems, data and other resources work together to achieve specific outputs. These outputs could be anything from a signed contract to a quality product or exceptional customer experience.

Processes can be simple and confined to one department or complex enough to impact multiple business units, suppliers, partners and customers. The important thing is to understand how your processes work, so that you can identify areas for improvement. As W. Edwards Deming famously said, “If you can't describe what you're doing as a process, you don't know what you're doing.”

Therefore, without introducing the necessary improvements at a process level, business optimisation is unlikely to have the desired impact. Inefficient processes that contain too many steps, rely too heavily on manual work or require data from disparate systems can slow business down – no matter how skilled your employees are.

REVIEW AND REDESIGN

Take a step back to understand the business' processes in order to improve their efficiency and understand where they can add value.

DIGITISE

Leverage digital technology to turn manual processes into digital and automated processes that save time and ensure accuracy and consistency.

COMMUNICATE AND EDUCATE

Ensure all staff members are informed and engaged with the digital initiatives. This makes training and enablement smoother and faster.

MONITOR AND MANAGE

Gain insights into the effectiveness of your business processes and take positive action to target areas of inefficiency.

FIG. 1
Benefits of BPM

With a sound business process management (BPM) strategy in place, powered by suitable technologies, you can achieve the following:

Review and redesign

- Map each process so you can assess each step and decide whether it's adding the value it should be.
- Ensure resources like documents and data are easy to access and manage.
- Remove, add or combine steps to optimise resources and efficiency.
- Assign clear roles and responsibilities to all process stakeholders.

Digitise

- Turn time-consuming and error-prone manual tasks and routing into seamless digital steps.
- Liberate employees from mundane work, enabling them to focus on other projects that add more value to the business.
- Standardise processes to ensure consistency and quality.

Communicate and educate

- With a process clearly mapped out and fully optimised, it's easier to communicate best practice to all those involved.
- It is also easier to train new staff members, teaching them the best way to do things from day one.

Monitor and manage

- Review internal controls embedded in your processes to ensure these are effective and optimised.
- Continually improve processes as lessons are learned, needs change or new tools are introduced.

When a sound, process-first approach to business optimisation has been established, it's time to choose the technologies that will power your new strategy.

2

TECHNOLOGIES THAT TRANSFORM BUSINESS

From technology that does your work for you to technology that thinks for you – which digital capabilities should you be investing in to support business success and resilience?

IN THIS SECTION

- How a digital transformation affects operating models
- Key technologies on the horizon
- Why keeping your tech stack updated is crucial
- Differentiate between technology hype and true benefits

In this era of rapid digital transformation, new technologies have created opportunities to fundamentally change operating models, the work environment and the customer experience.

Let's look at some of the technology that can be harnessed:

Business process automation (BPA)

Many enterprises choose to put their process transformation goals into action using software applications that automate manual workloads, break through information silos and create leaner, better processes. When developed well, BPA solutions can run on desktops, laptops and mobile devices to elevate productivity and flexibility to exceptional new levels.

One important call that you'll need to make is whether to invest in pre-packaged applications or custom-build your own to suit exact needs. Out-the-box business apps are pre-packaged and ready to run, so they deploy quickly but can be too generic for most companies' requirements.

If your goal is to streamline business processes from the ground up, a custom-built app or app development platform often makes better business sense. Coding from scratch can be expensive and time-consuming. This approach can also be inflexible as you'll rely heavily on software engineers to update your apps every time a process step is changed.

Low- and no-code platforms provide an innovative solution to this problem. They create an environment where BPA solutions can be visually configured by users who are not professionally trained developers. This allows for rapid deployment and therefore more flexibility in uncertain market conditions. (Read about this in more detail in chapter 4.)

Robotic process automation (RPA)

Robotic Process Automation (RPA) is used in diverse industries to automate repetitive, rules-based, digitally-driven tasks. This type of software, often referred to simply as a 'bot', operates on the user interface (UI) of a third-party application, rather than the application programming interface (API).

This means that bots can emulate the routine aspects of human roles – such as onboarding suppliers, handling account reconciliations and executing price comparisons, to name but a few of many examples. They even use the same mouse clicks and keystrokes, only much faster and more accurately.

Here, it's important to note that because RPA technology can be configured to execute existing processes, working with systems already in place, it is not a complete solution to process transformation. The underlying process needs to be "fixed" first. For this reason, it often makes sense to use RPA in conjunction with your BPA solution.

Due to its ability to drive down labour costs, the emergence of RPA has caused concern in some circles that many human jobs may be at risk. However, it's important to understand that RPA is process-focused not role-focused. This is because bots are not yet able to handle complex exceptions to the rule, let alone make complex judgement calls or deal with an irate customer! As a business leader, this could be an opportunity to re-define the roles in your organisation, so you take the robotic work out of the human roles and find better ways to extract value from your human capital.

Big data analysis

The buzz about big data is not new. However, as data analytics and computational power advance, many companies are growing better at harnessing the power of (some of) the information they have at their fingertips.

Big data relates to customer preferences, user behaviour, equipment performance, productivity patterns, risk exposures and much more. This means that, in theory, it can be analysed to support smarter decision-making



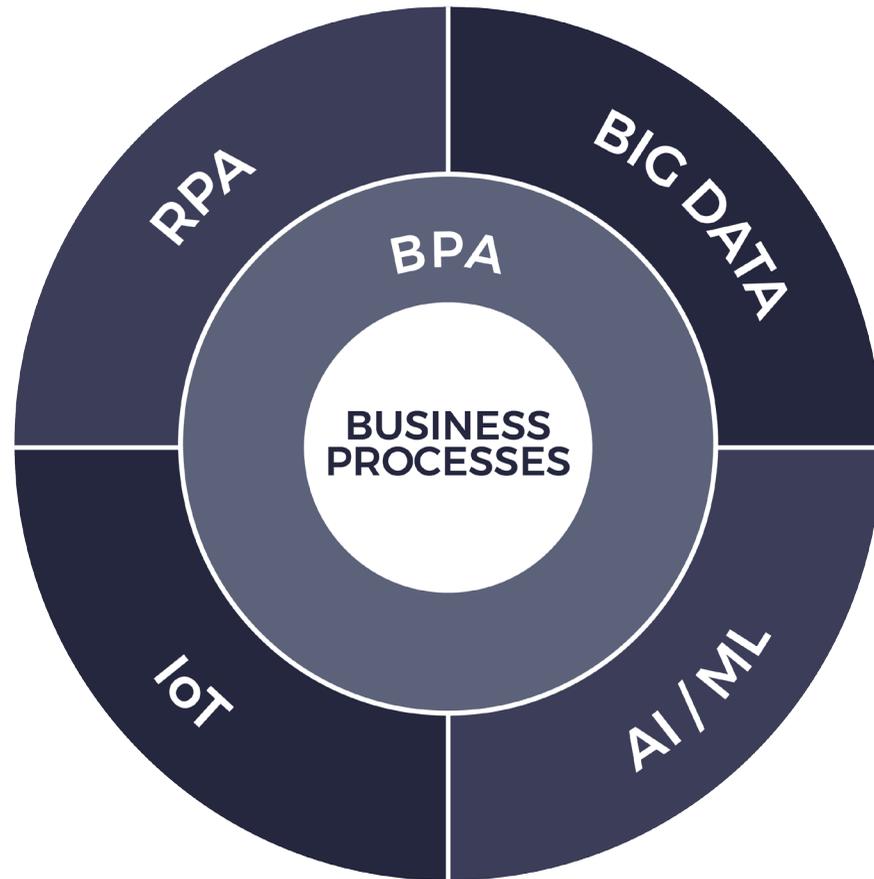
The relationship between technology and people has to change in the future for the better, and I think RPA is one of the great tools to enable that change

– Leslie Willcocks, professor of technology, work, and globalization at the London School of Economics

in every function across the enterprise. However, transforming vast volumes of data into actionable business intelligence can be a profoundly challenging undertaking.

To lead truly data-driven organisations, executives need a sound strategy in place to:

- Select which data to use from the immense amount available
- Choose the best technologies for storing, analysing, integrating, visualising and governing data – from a digital solution marketplace that is expanding rapidly
- Secure the best skills for handling analytics



AI and machine learning

One category of artificial intelligence (AI) that is already providing value in the business context – thanks to greater data volume and variety as well as more powerful processing power – is machine learning. This type of AI is able to make connections and identify patterns in data without relying on pre-defined behavioural algorithms. It also learns from experience to improve on past iterations and enhance its capabilities.

Organisations can harness technology with machine learning capabilities to produce models that can analyse larger, more complex data sets and deliver faster, more accurate results. These insights can guide better decisions and smart actions in real time. For example, in a sales and marketing context, data relating to customer demographics, social media behaviour and past transactions can help to drive targeted product recommendations. Amazon and Netflix are examples of companies that use this type of intelligence to increase conversions.

While your organisation may not yet be positioned to adopt AI systems of this scale, it is advisable to plan for the inevitability that intelligent technology is going to become more affordable and accessible as the years go by.

One option is to choose a business process management platform that is agile enough to integrate with AI-enabled solutions and other intelligent technologies as these become relevant to your business needs and budget. Ideally, this platform should also have the ability to seamlessly link data assets across your enterprise, because AI requires large amounts of quality data – and it won't be able to work with data that is sitting in silos.



I keep saying that the sexy job in the next 10 years will be statisticians, and I'm not kidding.

– Hal Varian, Chief Economist at Google

FIG. 2
Emerging technology

The internet of things (IoT)

Looking at the stats on smart and networked devices, it seems as if anything that can be connected, will be connected. As of 2018, there were 23 billion connected devices, with 127 joining the fray every second.

The IoT is a network of devices, machines, vehicles, objects and even living beings that are connected to the internet – and each other. These “things” have sensors that allow them to collect and transmit data without human involvement. By integrating data from these cyber-physical systems into automated processes, organisations can access insights that drive efficiency and performance to new levels. Examples of IoT-driven business benefits include the ability to track inventory status in real-time, and equipment that can monitor its own health to support predictive maintenance.



As of 2018, there were 23 billion connected devices, with 127 joining the fray every second.

One key trend in the world of IoT is the concept of edge computing, where processing and analytical capabilities are pushed to the “edge” of the IoT network (i.e. the smart devices themselves). Cameras with edge computing capabilities could, for example, collect and analyse images. This helps to reduce data latency and decrease reliance on the cloud, which could appeal in areas where internet connectivity is variable.

At present, however, security is a major headwind for businesses looking to build IoT into their process transformation strategies. Not all manufacturers of IoT-enabled devices have taken a security-first approach, and this introduces vulnerabilities into the network. The consequences of an IoT data breach could spell significant financial and reputational damage, due to the loss of

confidential enterprise information or distributed denial-of-service (DDoS) attacks that bring down corporate websites. What’s needed is a standardised – and possibly regulated – approach to security for both manufacturers and developers involved in the industry.

Another issue is a lack of resources. In order to extract value from IoT data, a range of other technologies – and specialised skills – are required. You’d need a technology stack that can:

- Stream IoT data to a cloud platform
- Store and crunch this data to find patterns and compile forecasts (this will require machine learning capabilities)
- Integrate this intelligence into your business processes

3

DISRUPTIVE BUSINESS MODELS POWERED BY TECH

Technology can do a lot more than save you time and money. It can change the way you think about your products and allow you to explore new revenue streams.

IN THIS SECTION

- How a digital transformation can lead to industry disruption
- Proactivity as a way of maintaining competitive edge
- Innovation is no longer a “nice to have” but a necessity for business survival

Given that many of these technologies are still developing, some organisations may be tempted to “watch and wait”.

If your enterprise is planning to take such a cautious approach to digital transformation, will this mean making compromises in your business optimisation programme? Are you going to adapt your processes to suit your technology, rather than the other way around?

Unfortunately, waiting too long to evolve as technology changes could eat away at your competitive advantage and increase your risk of losing market share to disruptive innovators. A McKinsey survey of global executives found that new digital entrants managed to seize 17% of revenue (on average) across their industries in less than a decade.

To remain competitive, some companies are investigating new business models that are made possible by ever-evolving digital technologies. Some common ones are:



New digital entrants managed to seize on average 17% of revenue across their industries in less than a decade.

Omni-channel customer engagement models

Now that mobile and social have become key customer engagement channels, many businesses have adapted their marketing and sales strategies to work across multiple customer touchpoints. One key challenge is managing all the customer data that is generated through each channel. Companies that are able to connect these disparate data systems and consolidate all their data into a single view of the customer are better placed to understand their customers better and work more efficiently, which all translates into a better customer experience. Technology enables them to achieve this goal.

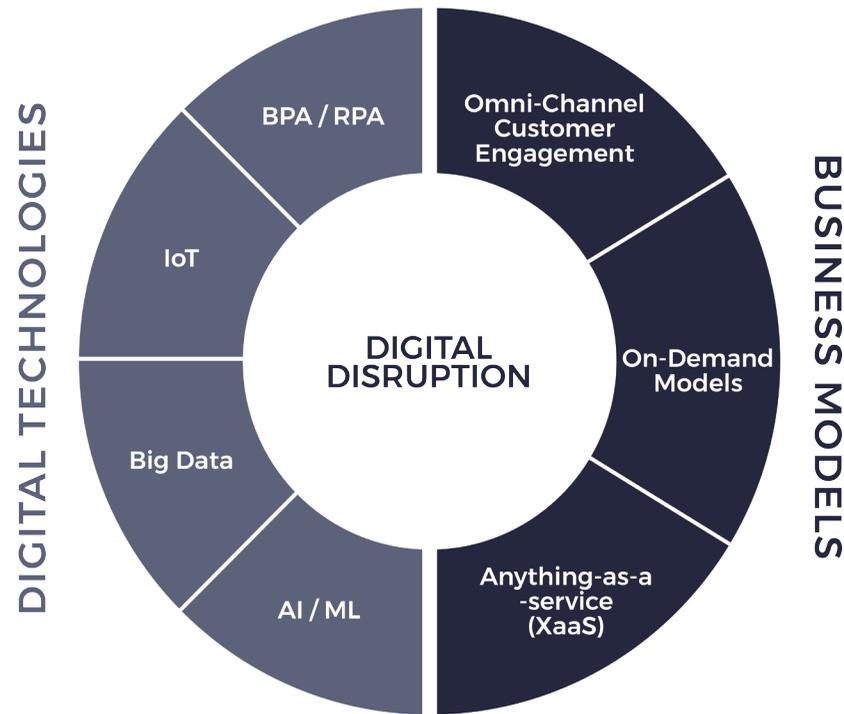


FIG. 3
Digital disruption

On demand models

This business model can be leveraged in a wide range of industries, where companies sell instant access to a solution as this is required. Well-known companies that use this model are Uber and Airbnb. Digital technologies, such as mobile apps with payment integration, geolocation and many more capabilities make it possible for customers to access these companies' solutions.

Anything-as-a-service (XaaS) models

Another trend that is emerging is a move from product-focused business models towards service-oriented solutions. Many organisations use this model to provide solutions to their customers on a subscription basis, which makes them instantly accessible and also, more cost-effective. Monthly or annual subscription models provide a reliable income and also aim to lock out the competition. Netflix is an example of a company that uses this approach. Forbes reports that the global XaaS market will grow by nearly 40% from 2016 to 2020 (compounded annual growth).

4

THE BATTLE FOR I.T. SKILLS

In an era of digital transformation, the demand for skilled developers is fast outstripping supply. Fortunately, many companies already have the human capital they require – they just need to unlock its value with innovative technology.

IN THIS SECTION

- How to compensate for I.T. skills shortage
- What is a citizen developer and why this figure can help close the skills gap
- I.T. is no longer just the I.T. department's responsibility

The clear advantages that digital technology can offer business have resulted in a dire shortage of software engineering skills. In the U.S. alone, industry experts predict that by 2020, there will be around 1 million more computing jobs than applicants who can fill them. In this environment, it can be extremely challenging for companies to get the right brains in the right seats.

Enter the low-code revolution

Low- and no-code BPA platforms can address this skills gap. These software suites enable users outside of the I.T. function to develop their own custom digital assets visually, without the need to write much (or any) code. In place of programming languages, they use a modular design approach and drag-and-drop tooling to build the solutions they need.

The result? Tech-savvy employees from various business units – known as “citizen developers” – can close the growing chasm left by a lack of I.T. skills. This also means that the people building applications have in-depth operational

knowledge, enabling them to create digital assets that are closely aligned with business optimisation goals.

The skilled software engineers, on the other hand, can focus on applications that require extensive modelling and lengthy development cycles. These I.T. specialists are still very much needed, but they’re playing to their strengths instead of being overloaded with lightweight application development projects.



8 in 10 enterprises are actively planning to implement citizen developer programs to spur innovation with technology.

Powering transformation on multiple levels

Working together, business users and I.T. specialists can overcome the traditional I.T. bottlenecks and meet a broad range of process transformation requirements. This helps to accelerate the pace of digital transformation and make sure that more people across the enterprise have the tools to perform optimally.

As low-code technologies become increasingly accessible and sophisticated, more companies are looking to put the power of digital asset development at their business users’ fingertips. An IBM survey that showed the 8 in 10 enterprises are actively planning to implement citizen developer programs to spur innovation with technology.

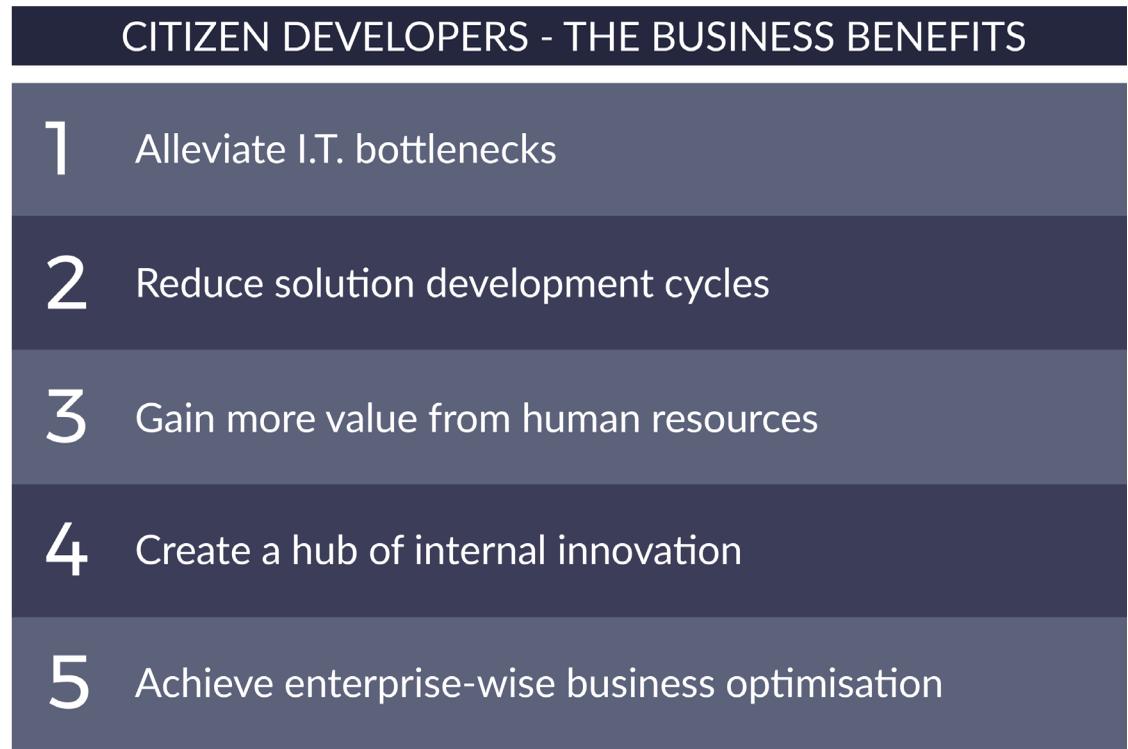


FIG. 4
Business benefits of
citizen developers

5

THE NEED FOR ENTERPRISE-WIDE SUPPORT

How can you ensure that your people derive maximum value from your technology investments? It's important to build a solid framework for building capacity, encouraging collaboration and increasing successful adoption.

IN THIS SECTION

- Not being technical is no longer an excuse
- How to support the I.T. team to meet growing demand
- How to use a Centre of Excellence (CoE) to bring business and I.T. together

In many industries, employees are growing more adept at using technology as a business tool. This puts them in an ideal position to share ideas on how to digitally transform their processes – and corporate performance as a result. Rather than handing over a wish list to I.T., these users can play more active role in creating digital assets that solve real business problems.

As discussed, many I.T. functions are struggling to keep pace with the escalating demand for business apps, process automation solutions and more. When backlogs happen, there's a chance that business units could grow frustrated and invest in digital assets without the I.T. function's authorisation (otherwise known as "shadow I.T."). This puts corporate data security and regulatory compliance efforts at risk.

To address this challenge, executives need to find ways to bring business and I.T. closer together; and empower business users to get more involved in designing the digital solutions they need. This will help to reduce the risk of shadow I.T., ease I.T. bottlenecks and ensure that the solutions delivered meet all stakeholders' expectations.

Get better business value from your technology investments

As discussed in earlier chapters, I.T. and business can be brought closer together by solutions that democratise the use of technology. These low code tools are enabling users who have the business or process knowledge required, yet lack technical skills, to get more deeply involved in application development.

This is not only helping to create digital processes that dovetail with business needs, but it is also helping to reduce time to market for many applications. With decision-makers getting involved so early in the build, applications are designed and rolled out more speedily; and with everyone's buy-in.

An integrated effort

Technology can only power true and lasting digital transformation if there's a sound framework in place to support its adoption and optimal performance. To this end, organisations need to ensure that everyone impacted by the technology:

- Appreciates its full potential
- Has the skills and capacity to use it
- Understands how the solution aligns with broader organisational goals

Starting at the top, the leadership team needs to develop an enabling environment for continual process improvement. This involves providing clear direction so that the business optimisation programme stays focused on the most important goals, maintains its momentum and – most importantly: remains an integrated effort.

Organisations will struggle to delight their customers, disrupt their industries or meet other business objectives if functions are working at cross purposes and if a disjointed, silo mentality is eroding data management capabilities.

The solution? A framework for success

A Centre of Excellence (CoE) helps to increase the value that your entire organisation derives from your technology investment. The goal is to provide leadership, guidance on best practice, research, support and training – with regards to both process excellence and the technology that will power process transformation.

A CoE acts as a springboard for sharing valuable ideas, as well as the competencies and tools to harness the full potential of the technology. At the same time, the CoE ensures that these initiatives are delivered consistently and well, through standard processes – eliminating the risk of rogue I.T. scenarios.

To ensure the platform lives up to its full potential, the CoE needs to clearly define a standard set of processes for developing digital assets. This methodology ensures that all solutions developed on the new technology platform:

- are delivered in predictable timescales
- meet pre-defined quality standards
- harness the relevant expertise
- align with stakeholder expectations
- produce exceptional outcomes.

6

HOW TO DEVELOP A SUCCESSFUL C.O.E. METHODOLOGY

Developing a mechanism whereby new applications and platforms can be rapidly developed and delivered means businesses can be more agile and work to higher standards.

IN THIS SECTION

- Step-by-step guide to setting up a CoE
- Understanding the key components of a CoE
- Increasing productivity through CoE methodology

Step 1: Platform

Selecting the best technology stack is essential. Ideally, you want technology that delivers good ROI by enabling your organisation to deliver more high-quality digital assets, in less time. You also want a platform that keeps your processes and business agile, so you can quickly and securely adapt to change.

Step 2: Process

As mentioned, you also need to establish a methodology that channels ideas and requirements through a standardised process. The goal is to achieve predictable development timescales and consistent asset quality.

Ideally, this methodology should channel stakeholder inputs and outputs through the various stages of the digital asset lifecycle. These stages, which can be fine-tuned to suit the specific company, could include:

- Discovery and Formulation
- Design and Review
- Specification
- Development and Configuration
- Rollout
- Support

Step 3: People

People - and their ideas, expertise and knowledge - are the most important component of a CoE. This includes all the stakeholders who are required produce the exceptional outcomes that improve an organisation's performance. It's important that every person understands their unique role in driving a successful CoE methodology.

Step 4: Portfolio

This is an inventory of digital assets produced by the CoE. A central directory provides users across the enterprise with complete visibility into the existing apps, workflows and other solutions that are available. This reduces the risk of redundant work and encourages people to access as many assets as they need to improve corporate performance.

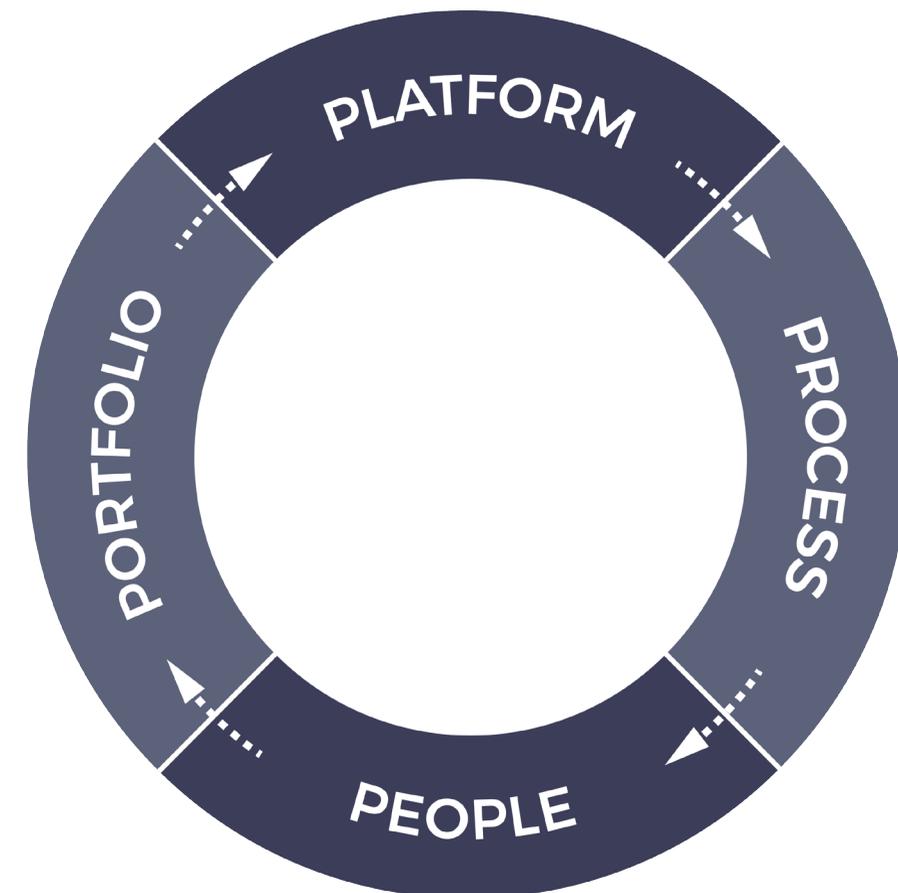


FIG. 5
CoE methodology

7

WHERE TO FROM HERE?

Given the frenzied pace of technological change and the many challenges that these new digital opportunities bring, it can be easy to feel overwhelmed and unsure of where your business optimisation priorities lie.

On one hand, digital disruption is a reality and organisations that are slow to react could lose market share sooner than they realise. On the other hand, many of the technologies available today are still to prove their business value at scale, while others are clearly game-changing but out of reach financially.

In this environment, it's worthwhile seeking the advice of a business optimisation expert. A partner like Velocity can:

- Help you to quickly discover areas in business operations that could benefit from optimisation
- Provide guidance on the more strategic technology choices, taking a vendor-

agnostic approach

- Propose changes in line with realistic delivery costs and timescales
- Continue to provide support with a range of project management, training, monitoring and evaluation services

Velocity can help you to establish a clear framework for process transformation, supported by a strategic mix of agile technologies. This empowers you to implement your business optimisation programme in a way that will add value from the beginning, across the enterprise - and continue to deliver ROI as your marketplace and business interests evolve.

Velocity

We believe that business optimisation touches every person within and connected to an organisation. Everything we do is to help enterprises reach optimisation so that every member of the organisation can achieve higher levels of productivity, time management and satisfaction - and every customer can enjoy a seamless customer experience.

Move beyond manual, paper-based workloads – automated processes enable operations to run accurately, smoothly and reliably providing organisations the tools to scale without incurring higher operational costs, and access real-time insights that elevate performance and efficiency. With a bespoke automation solution that takes care of your processes every step of the way, organisations can allocate human resources to more strategic activities, cut operational costs and maximise operational efficiency.

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