



**THE FUTURE - WHAT WE  
NEED TO AND CAN CREATE**



**T**here is no doubting the fact that BPM is here to stay. As a business strategy it has made its point and has demonstrated its value to the industry. It is like the omnipresent mobile phones. You may not like them, but you can't live without them – not for long anyway.

Almost all the business leaders we met during our research have voiced that moving further into the BPM world is the way to go. There largely covered under the 10 pointers below:

**More of the same** – Increase Awareness. Most activities on BPM initiatives have been centred around 'aware' companies or people. Increasing complexity and volatility of today's business environment is demanding a redesigning of service functions. Visionary CEOs & CFOs are looking at building 'best in class' business functions with embedded and enhanced controls, enabling metrics-based decision making to lead and support their enterprise cost saving mandates, and ensuring effective use of information, costs and capital to deliver value to all key stakeholders. Slowly but surely the word is spreading.

**Stronger Support Systems** - Better Tools. Success in the future means embracing more scientific, industrialized business process designs says Harpreet Duggal of Genpact. The future of business process reengineering could well be completely IT driven. BPM Systems need to be de-jargonised and simplified. Running cloud based applications may revolutionise the industry once again.

**Innovate to Attract** – New Stories. India has been a favourite destination for many a years for companies overseas to run to. This

has largely been for the huge visible benefit of labour cost arbitrage. With competing pressures from overseas, companies in India have to offer new and improved solutions to their overseas clients. Similarly Indian companies setting up shared service centres in India or outsourcing to India are not really looking for huge gains from labour arbitrage. They are looking for value-adds in terms of innovations, best practices and flexibility.

**Increase Width – Lateral Thinking.** The traditional functions outsourced/ SSED are Customer Service, Collection, F&A, Payroll, HR Logistics, and IT. At the next level are Compliance, Supply Chain and Procurement. Very few companies have moved Controllershship, Legal and Taxation. Almost no one has moved R&D, Product Design, Treasury and Budgeting. These too can be looked as possible candidates for the future. The larger functions such as Marketing, Policy, Client Engagement etc are too core to be moved out. Those are in fact the core business of the executives.

**Increase Depth – Verticalisation.** Even within the functions which have moved to SSCs, there may be and artificially introduced break to create a hand-off. This could be due to process sensitivity, an exposure risk, or simply the need to retain the 'feel' of the process. In either case, processes both up-stream as well as down-stream can be well considered for inclusion.

**Virtualisation – No Boundaries.** This could well be the next wave in the chain of evolution. It means setting up of a chain of processes or processes experts linked by a common network, who may not be in physical proximity with each other. It operates as a virtual resource common to

all. Devices, applications and human users are able to interact with the virtual resource as if it were a real single logical resource. SSCs of the future can be virtual, which allows firms to leverage skills and knowledge found in disparate locations across the globe.

### **Public Sector – Literally Earth Movers.**

As we have seen, many of these giants are well out of their slumber. Several PSUs have well defined BPM strategies and have already moved considerably ahead on them. Some of organisations in the public sector have been at the cutting edge of this process. Of course there is much more to do to meet the aspirations of the modern day customer – but the battle has truly begun.

**Small & Medium Enterprises – Deep Potential.** As already mentioned, the SME segment itself may not be able to harness the advantage of BPM. However collectively, this segment can become a formidable force to deal with. India's SME segment is rather disorganised at this point in time. We need to develop low cost aggregating solutions which should be disseminated through industry bodies, associations or Government agencies.

There can be no doubt of the advantage that can be reaped by the SME segment by using well defined, standard collective tools which are capable of producing results that cannot be produced by these units individually.

### **Skill Intensification – Mind the Gap.**

Nearly every Business Leader we have interacted with has talked about a skill gap at the national level. There is a crying demand for effective leaders in the country (in fact the world) and there seems to be no ready solution for it. As business models change and companies strive to be more competitively advantageous over others, the need for leaders to be specialists in Business Studies is becoming more relevant. We need to create learning environment, curriculum, training facilities and certification programs to support the growing demand. Our vast young population strive for education. We have huge education programs both in the public as well as private sector. Even so, the employability fit within the industry remains low. We need more of colleges, teachers, books and research in the field of Business Studies so that our youth are able to take knowledgeable steps into the world of business.