SSF Global | A Global Association of Enterprise Functions, Technology & GCC Leaders

Leadership Interaction 2024 – EUROPE SERIES

BUILDING THE ROADMAP FOR TRANSFORMING BUSINESS FUNCTIONS
– Turning Business Process Automation and AI Challenges into Success Stories

SWITZERLAND   I   GERMANY   I   INDIA

February 28th 2024

Speakers:
- **Dr Oliver Wolff,** Senior Advisor, **Genpact**
- **Dr Sanjeev Rastogi**, Partner & CEC Head, **Deloitte India**
- **Urs-Ulrich Katzenstein**, Head of Business Development & Transformation – Continental Europe, **Quintes Global**

Key Takeaways from the Interaction:
- Most of the industry surveys and research point out that currently **AI is being leveraged** more on the Business side compared to the functional process side (Support Functions/SSC)
- **40-50%** is the Success rate of transformation projects (RPAs)
- **FAILURE FACTORS:**
  1. Resistance from within the business unit
  2. Technology setup – too complex, too unprepared, too old
  3. Data quality and availability – data not prepared and not ready for the new system
  4. Lack of involvement and of accountability within the Management
  5. Compliance and regulatory issues not considered
  6. Lack of expertise and skills in the business organisation
  7. Lack of standardized data
  8. Desired outcome not achieved if the processes selected for automation are not highly standardised or highly scalable (volume)
  9. Absence of process standardisation (lot of exception handling)
  10. Unstable systems
  11. Considering complex process as the scope
  12. Lack of decision-making ability – rule-based, transaction-based, volume-based
- **SUCCESS FACTORS**
  1. **Create a sequential plan** – first automate the process then see where you can implement AI – both things are neither the same nor should they run parallelly for any process
  2. **Shift toward GPOs (**global process organizations) for managing diverse processes across regions, and playing a critical role in defining, standardizing, and automating processes, working closely with operations teams spread across multiple BUs and Countries
  3. **Change management readiness** is critical for any Transformation project:
     - Clear assignment by and accountability of top management
     - Right attitude
     - Commitment from leadership and incentivizing change within organizations
     - Having a catalyst team in place
     - Managing people over processes, fostering a culture of continuous improvement
     - Open communication (Clarity and transparency) to people involved and impacted – address fear of losing jobs, keep periodic checklists and address these concerns
     - Clarity of purpose – Do you really want automation or transformation?
     - Clear roadmap for transformation
  4. **Culture of learning:** Building Human-capital to get to status of readiness for automation
     - Need for SME who has in-depth understanding of the processes being automated – people who understand business and operations both

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- Fill the Skill gap – For e.g., in Deloitte, mandatory 40 hrs training every year is practiced by the workforce and that is reflected in goal sheet during the appraisal period so that people should continue growing and adapting with the changes around
- Investing in People Capital – Offer learning roadmap that can level up the skills to make people realize that they need to learn new skills in order to stay relevant
- Upgrade resources, make them part of change management, and make them feel that organizations care

5. **Technology Partners' Selection Criteria –** Synergy with the Tech Partners and their comprehension of business processes
   - Experience across geographies, systems, and architectures
   - Tech partners must know the level of complexity in processes
   - Offer a blend of process expertise and automation solutions – with knowledge of compliance, audit, and data privacy

6. **Transition in Organizational Structure**
   - distinguish between organizations already in outsourcing operations and those not yet engaged; need for catalysts to drive change in organizations resistant to automation
   - importance of a project-oriented organization over a standard one for successful transformation

7. **Legal and Data Management Challenges**
   - Data integrity and real-time availability are critical for decision-making. Challenges include managing different versions of systems and consolidating data. Solutions involve implementing robust ERP platforms and leveraging tools like SAP for analytics

▪ **Questions from audience during Interaction**

1. *Can you please share a few success stories where the AI or Generative AI has worked well for a European company? considering multiple languages?*

   RESPONSE
   European companies are leveraging AI technologies to drive transformation and innovation in their F&A, Marketing, Customer services, as well as Procure-to-Pay processes, ultimately achieving operational excellence and competitive advantage in their respective industries. Some examples:
   a) **Customer Service:** A European telecommunications company implemented AI-powered chatbots to handle customer inquiries and support requests. By utilizing Gen-AI models trained on vast datasets of customer interactions, the chatbots were able to provide personalized responses, troubleshoot common issues, and escalate complex queries to human agents when necessary.
   b) **F&A Transformation:** A multinational financial services firm based in Europe was facing the challenge of managing large volume of financial data, reconciliations, and reporting tasks across multiple regions and business units. Manual processes were time-consuming, error-prone, and hindered real-time visibility into financial performance. They implemented AI-powered automation solutions for F&A processes. This included intelligent data extraction tools to capture and digitize information from diverse sources, machine learning algorithms for automated reconciliation and variance analysis, and predictive analytics for forecasting and financial planning. The AI-led F&A transformation significantly streamlined financial operations, reducing processing times and errors while improving accuracy and compliance. Real-time insights enabled better decision-making, enhanced risk management, and improved resource allocation.
   c) **P2P Transformation:** A leading manufacturing company headquartered in Europe deployed AI-driven P2P automation solutions to streamline and optimize procurement operations. This included implementing e-procurement platforms with built-in AI capabilities for supplier discovery, contract management, and electronic invoicing. Machine learning algorithms were also utilized for spend analysis, demand forecasting, and vendor performance management. Automated workflows reduced cycle times for purchase requisitions, approvals, and payments. Predictive analytics enabled better demand planning and inventory management, leading to reduced stockouts and excess inventory. Moreover, enhanced visibility into

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supplier performance and spending patterns facilitated strategic sourcing decisions and negotiation strategies, resulting in lower procurement costs and improved supplier relationships.

2. *An organisation which is already successful, how do you motivate employees to change and how you show them the next level of goals to be achieved? Also how to show them the expected gains within the organisation with AI coming in?*

   RESPONSE
   - It is critical to foster a culture of collaboration and empowerment, making people feel valued and part of the change.
   - It is a must ensure that everyone understands how AI will enhance, not replace, anyone's work, and that by leveraging AI technologies, repetitive manual tasks will get streamlined, freeing up valuable time to focus on more creative and strategic aspects of roles. This means less time spent on mundane activities and more opportunities to innovate and drive business growth.
   - Comprehensive training programs can help to adapt to new technologies and acquire the skills needed to thrive in an AI-driven environment. These programs will not only equip people with the technical know-how but also offer personal growth opportunities, allowing them to stay competitive and relevant in today's rapidly evolving landscape.
   - Furthermore, encourage active participation of the people in the development and implementation of AI solutions, utilizing their experiential insights and expertise that are invaluable in ensuring that these technologies are effectively integrated into workflows and aligned with business objectives.

3. *Do we have any new Tech which might be the combination of static process and fine tune on exceptions as well?*

   RESPONSE
   - Integrating technologies like Intelligent Process Automation and Machine Learning Operations platforms results into powerful synergy, amalgamating the reliability of static process automation with the adaptability to handle exceptions through AI and machine learning combine the robustness of static process automation with the flexibility of handling exceptions through AI and machine learning.
   - These innovative technologies possess the capacity to evolve and refine their operations over time by learning from encountered exceptions, thereby perpetually enhancing process efficiency and effectiveness.

4. *What kind of support / sponsorship is required from CXOs to avoid the failure rate of these Tech transformational initiatives?*

   RESPONSE
   It is crucial that you have a "carte blanche" from the top management and that they support you with consequential management for those business units who do not collaborate. They need to side with you in cases of rejection.

5. *What kind of role GBS/ GCC needs to play to drive the outside-in learnings and driving stakeholder engagement to the newer ways of working?*

   RESPONSE
   GBS organisations should change to more fluid organisations, and act as a hub for best practices and lessons learned across the organization. They should promote standard processes and technologies to reduce complexity and serve as a centre for innovation, experimenting with new technologies and approaches.

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6. *Change Management being one of the keys during transformation of business functions, what are some best practices for managing change and gaining buy-in from stakeholders during the transformation process?*

RESPONSE
- Install a change management organization specifically for the project.
- Engage stakeholders early and often, involving them in the planning and implementation phases. Develop a comprehensive communication plan that addresses the why, what, and how of the project.
- Provide training of methodology and technology and support affected colleagues to ensure everyone is equipped to adapt to the new ways of working.
- Collect feedback and adjust the approach where necessary to address concerns and challenges.

7. *Is there any other source opportunity for automating the process with better yield result then RPA, VBA, etc....in the dynamic world?*

RESPONSE
Low-Code/No-Code Platforms enable rapid development and customization of applications, including automation workflows, with minimal coding required. These are an easy way to start digital transformation especially for SME's.

8. In the overall journey of Transformation, there is a strong need for right partners, what are the considerations for selecting the right technology partners or vendors for automation and AI solutions?

RESPONSE
There is a vast choice of transformation service providers. For the selection process we suggest some of the following:
- Ensure the partner understands your business goals, brings industry experience and offers solutions that have been contextualised to align with your strategic objectives.
- In the evaluation process, challenge the potential partners for their expertise in the specific technologies you are interested in e.g. based on their proven success stories and ask to speak to existing clients about their experiences.
- Ensure that the contract includes all your requirements and eventualities that might occur.

Thank you again for joining us on "Building the Roadmap for Transforming Business Functions – Turning Business Process Automation and AI Challenges into Success Stories." We hope the insights shared and the discussions sparked have illuminated the path forward in leveraging automation and AI within your organizations.

Please feel free to contact our speakers for further questions as well as for support in your upcoming projects. Their insights may be the catalyst for transformative change within your organization, guiding you through the complexities of technology integration and ensuring a smooth transition towards a more efficient, innovative future.

We thank you once again for your participation and engagement. Let's continue to drive forward, embracing the challenges and opportunities that lie ahead with confidence and determination.

– Team SSF Global
For more, tune in to the SESSION RECORDING

NEXT LEADERSHIP INTERACTION 2024 – EUROPE SERIES is scheduled for March 27th 2024 (1130 to 1230 Hours CET or 1600 to 1700 hours IST).

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