



# The future ready enterprise - making your run at tomorrow

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Global economic volatility is the new reality. Escalating costs, changing technologies, complex regulations, unpredictable markets and record deficits are impacting businesses around the world and have created new challenges in meeting shareholder expectations. Enterprises that use analytics and technology to address these business challenges have a tremendous competitive advantage. However, to address and eliminate long-standing challenges, enterprises will have to implement 'Smarter Analytics' and 'Smarter Technologies' along with 'Smarter Processes'. This paper discusses the need, the roadmap, and critical success factors for companies to become 'Future Ready' and run Intelligent Enterprises.

## An Uncertain Future

An anonymous philosopher once noted that life is like a dogsled team: "If you're not the lead dog, the scenery never changes."

While tough economic conditions make today's business environment more dog-eat-dog than ever before, the way the race is run has fundamentally changed in recent years.

As the internet age lowered barriers to market entry, the contest quickly morphed from an icy Iditorad® to a wide-open greyhound race. A new breed of leaner, faster competitors was unleashed. It had little difficulty out running much bigger "old dogs."

Today's new-breed lead dogs must be ready for a very different race, one that is essentially a foxhunt. Speed, strength, and tactical smarts will still be useful, but using them to open up a lead on the rest of the pack won't do much good if the trail you're all charging down ends up leading nowhere.

Unsurprisingly, a lack of certainty about which trail will lead to a

bright future and which over a cliff is prompting many of today's leading companies to be cautious. This explains why US companies, alone, have been sitting on cash reserves totaling nearly \$2 trillion.

Sooner than later, though, CXOs will have to make a hard call about what the future holds, and then set a course forward for their organizations. Many of those calls will be made on blind instinct, and more than a few dogs will be left chasing the proverbial garbage truck (or, equally embarrassing, their own tail!). But there will also be those well-trained bloodhounds that have worked hard to develop an almost extrasensory nose for where the future is meant to lead them.

Organizations that possess a keener ability to anticipate needs, are agile in adapting to change, and greatly prize a spirit of innovation, are effective in diverse markets and are alert to evolving stakeholder requirements, are truly ready for whatever tomorrow has in store. And these, as we call them, are the Intelligent Enterprises of the Future.

## The Road to Becoming Future Ready

How do you get a mental picture of the future – or at least your future – when nobody else can?

Through Analytics.

None of us owns a crystal ball. But with access to the right information, placed in the hands of experts who know how to correctly interpret and act on it, you can get a strong sense of how

the operating landscape for your business is being reshaped, and how intelligently you can move forward for optimal success. Importantly, such clairvoyance isn't attained by supernatural means. It comes only at the final stage in the evolution of an enterprise's business process management capability. Each of these stages – and the payoff you can expect in mastering it – is outlined in the waterfall chart below.

### Future Ready Roadmap



### A Race against Time

As a company progresses through each stage above, the temporal context in which it views enterprise performance and formulates its expectations for success, shift markedly. Those involved at every stage find themselves in a race against time, first with the past, then the present, and finally, the future.

#### Past Surpassed

Improvement Measured Against Your Enterprise's Prior Performance

#### Present Proficient

Competency Measured Against Ongoing Performance of Best-in-Class Peers

#### Future Ready and Intelligent

Success Measured Against Performance Outside Stakeholder Would Like to See

Looking at the graphic above, it should be clear that each race is worth winning. The push to lean out or restructure an existing process for optimal efficiency and effectiveness is noble. It is yesterday's race, however, if you haven't run it yet, there's no time to lose. The drive to produce the most desirable outcome for a process, as measured against those running that very same race you are right now, is also invaluable but it doesn't get you Future Ready.

Being Future Ready is about developing the capacity to anticipate and address emergent employee, vendor, and customer needs proactively as necessary, and eliminate problems preemptively where possible. It's about intelligently leveraging smarter analytics, smarter processes and smarter technologies in integrated ways that enable you to identify and eliminate soon-to-be outdated workflows and replace them with entirely new ones.

Your first duty in getting Future Ready is to get beyond asking, "How can I best meet this challenge?" and instead ask, "Is there a way to reengineer a process so that this current challenge will no longer pose a challenge to our business in the very near future?" This is how enterprises become intelligent in how they run businesses.

For a concrete illustration of this concept, consider the real life example of future readiness in action below:

### **Genpact Case Study**

**A leading American children's hospital cuts by 70% the average time it takes patients to go from entry into the Emergency Room (ER) to either a same day discharge or an overnight bed.**

Factors contributing to the 70% cut include - return patients using smart cards to expedite registration, and doctors, nurses and orderlies using a distributive network to input, track, and share the status of patient movements in real time. An analysis of which trauma-unit supplies had the highest use among doctors led to a reorganization of inventory into "quick kits" that were more readily available, and to a reduction in lesser-used supplies. This reorganization saved lives as well as money and time, while making it easier for purchasing staff and outside suppliers to see where the trauma-supply needs were greatest and address them more proactively.

Also, when X-Rays revealed a fracture during peak hours, patients were given the option of immediately setting the break with a temporary splint and then returning at a later off-peak time for permanent casting. This meant patients would wait a little longer to conclude treatment, but could do it under terms they actively chose, and in this case, have final casting done at a later time ideal to their schedule. Interestingly, in this last example of outside stakeholder empowerment, the patient enables the hospital to change its process-improvement calculus from "how do we address the current challenge of long wait times for castings," to "how do we qualitatively redefine the nature of wait-times so they're no longer seen as a negative for the patient or hospital staff."

### **Need for Future Ready Re-engineering**

The follow-on challenge in the case above, and in the case of so many future ready opportunities, lies in figuring out how to leverage internet and telephony technologies so that external stakeholders can increasingly "self serve," anytime, anywhere. How, for instance, can trauma kits be bar-coded so their use is recorded after each procedure, and a new order "triggered" and automatically sent to a preferred supplier when inventory falls

below a certain threshold? Or how can a working mom e-sign her consent to treat a seriously ill or injured child even as he's being rushed from daycare by paramedics?

Whether applying collaborative process management strategies to life-critical emergency care or to processes common to the operation of any business, the guiding principal behind any future ready reengineering initiative is this:

**"Workflows must go from what's easiest for your employees or business process management partners to manage, to what's easy for customers, or mission-critical suppliers to do in a few finger taps from a smart phone or PC tablet touchpad."**

### **Process before IT**

All the while you need to remember that better technology is only a means to the end of better process performance, not a substitute for it. Also, remember that as more workflows shift to partial or full self-service by outsiders, your processes and policies must also be reengineered to mitigate risks associated with migration to a more open platform. The interests of outside users and your enterprise must be protected in equal measure, especially where they're aligned.

With those process stakeholders in mind, ask, "What should our enterprise look like in three years, and how are we going to redesign process around that vision?" Looking ahead like this allows you to design the process unimpeded by consideration for current technology investments that might limit the scope, scale and method of reengineering. It lets you create entirely new workflows to suit your future ends, and then integrate your next generation technology in a manner that serves the process, as opposed to process being a slave to present-day technology platforms.

You're shifting the paradigm from one where technology dictates what process stakeholders need to do to one where process stakeholders are empowered to integrate and leverage technology based on what they need it to do, and thus respond to change with agility. In short, in a Future Ready company, the tail (technology) is no longer "wagging the dog." This isn't meant to suggest the "tail" isn't important. A dog that has lost or damaged his tail will see his balance and agility greatly diminished. Likewise your technology platform is an instrument for maintaining an accurate, stable course. It allows you to surge ahead at high speeds and make tight turns in direction. When applied intelligently – using insights from existing operations and emerging opportunities, – technology can have an exponential impact on outcomes.

Where once you might have plodded along with incremental changes to business processes that improved productivity and/or cost by, say, 5% year-over-year, getting your analytics, processes and technology smarter and future ready lets you satisfy the “need for speed” any lead dog would need, so that your organization can realistically pursue incremental improvements of 20%.

Future Ready is the ability to view your processes as all individual stakeholders inside the enterprise and outside would like them to work – based on their immediate self interest – and to then re-engineer them to jibe with that vision. It is about giving individuals who’ve traditionally had a passive interest in how a process works the promise of the better future outcomes they’d want, so long as they actively participate in helping you give them what they want.

### What’s Really Changed?

What we’re talking about is an IT-enabled “mass customization” of the Business Process Management (BPM) service experience, one where the external process stakeholders’ needs and preferences can be satisfied to an extent not possible until very recently. Importantly, it’s not that our IT capabilities have radically changed overnight. What’s really changed (for Genpact, at least) is our ability to accurately identify and rapidly disseminate the right information through the correct communication channels.

This deeper analytical comprehension – of who needs what information when – doesn’t just yield better feelings about existing service among all process stakeholders. In time, it opens the door to sell other services you can accurately anticipate the customer would want, or need, before even they realize they want or need it. Too frequently, though, companies put all their energy and resources into managing a process solely from an operational perspective. Grasping those aspects of a process that are in the hands of a customer or vendor is dismissed as “outside our control” or “not our job.” This is a serious mistake.

Companies don’t operate in a vacuum, and their processes shouldn’t be designed as if they do. True, you may not be able to control much (or anything) about those aspects of a process “owned” by customers or vendors. Still, you can (and must) understand how customers/vendors like to manage their piece, and, ideally, reverse engineer process design with that understanding in mind.

### Success Factors for Getting Future Ready

Getting a clear picture of what others control but you cannot, and based on that managing what you can control is the essence of future readiness. Being future ready means acknowledging success is a collaborative endeavor that includes all stakeholders, including you. A future ready intelligent enterprise needs to be

- **Globally effective**, both in terms of its ability to address different markets and run operations optimally
- **Connected** so it can deliver the visibility required to anticipate and meet evolving stakeholder needs
- **Innovative** in addressing both opportunity and uncertainty
- **Adaptive** in responding to change with agility

This is how you succeed in the face of great uncertainty - by managing a process based on what all involved see as their next step forward in as close to real-time as possible.

Great analytical rigor is a prerequisite for getting future ready. However, for embracing transformational changes, enterprise stakeholders would want more than just information, no matter how compelling and actionable it is. They’ll want assurance that all stakeholders are as dedicated to future readiness as they are. For Genpact, that’s increasingly meant structuring contracts so our payment is directly tied to how much money our process reengineering efforts save or make for our BPM partners in the future. Such contractual terms send a powerful message. Namely, that we “have a dog in their fight,” and have every bit as much to win or lose in the hunt ahead as they do.

#### About Genpact:

Genpact Limited (NYSE: G), a global leader in business process and technology management services, leverages the power of smarter processes, smarter analytics and smarter technology to help its clients drive intelligence across the enterprise. Genpact’s Smart Enterprise Processes (SEP<sup>SM</sup>) framework, its unique science of process combined with deep-domain expertise in multiple industry verticals, leads to superior business outcomes. Genpact’s Smart Decision Services deliver valuable business insights to its clients through targeted analytics, reengineering expertise, and advanced risk management. Making technology more intelligent by embedding it with process and data insights, Genpact also offers a wide range of technology services. Driven by a passion for process innovation and operational excellence built on its Lean and Six Sigma DNA and the legacy of serving GE for more than 15 years, the company’s 55,000+ professionals around the globe deliver services to its more than 600 clients from a network of 58 delivery centers across 16 countries supporting more than 25 languages.

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