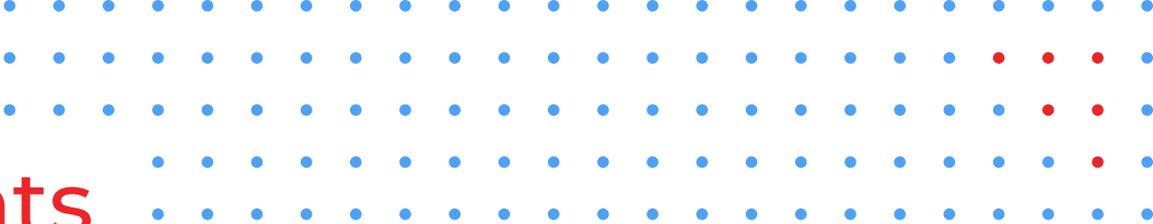




Whitepaper

***Data-driven Process
Optimization to Accelerate
Digital Transformation***



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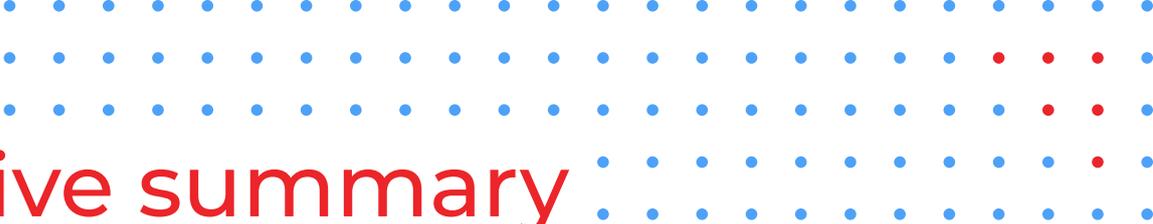
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Executive summary

According to Celonis research, with 7 in 10 enterprises investing in digital initiatives, transformation is no longer a choice but a must-have! However, in a rush to innovate, “82% of business leaders admit to investing in transformation without looking at their processes first”. It negatively impacts ROI and stifles innovation with failed transformation projects.

- ▶ Digital Service Providers (DSPs) have multiple teams and systems supporting critical processes. It results in a complex ecosystem with high OpEx and poor customer experience
- ▶ Traditional approaches to resolving operational challenges are costly and time-consuming. They do not provide an accurate view of the processes and the real bottlenecks
- ▶ Process governance and audits are complex due to informal behaviors
- ▶ Process optimization moves beyond business improvement and looks for increased penetration, i.e., audit and compliance, automation, and IT operations

To optimize processes and realize potential benefits, technology leaders must:

- ▶ Leverage a data-driven approach to generate an objective view of the process and enable a common understanding across the organization
- ▶ Engage all impacted operational groups to generate insights and recommendations
- ▶ Generate internal leadership advocates, starting with one process at a time
- ▶ Set KPIs at a task level to measure performance and drive improvements
- ▶ Adopt process execution management tools for the leadership team to prioritize the critical activities and address the KPIs

This whitepaper details how DSPs can leverage a data-driven process optimization approach to look beyond discovery and achieve near real-time process execution visibility.

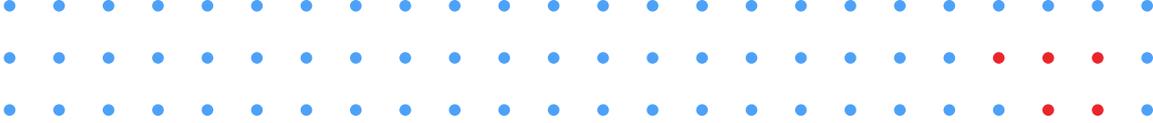
Key challenges in the current process landscape

Most DSPs experience increasing process inefficiencies and the necessity to run operations at optimal OpEx. These inefficiencies often arise due to the telecom industry's cutting-edge core principles and its ever-changing landscape. Some of the key reasons are as below:



- ▶ Mergers and acquisitions (M&A) and legacy footprint has resulted in the industry has resulted in complex ecosystems, where IT departments struggle to implement a simplified back-end landscape. Implementing new technologies compounds the existing complex ecosystem, where the pace of change is much faster than the speed of system integration and simplification.
- ▶ Often a single process is managed by numerous teams & systems, resulting in multiple handoffs. Over a period, various reasons such as scalability, product expansion, vendor changes, geo expansion, etc., add to the existing complexity.
- ▶ Every service provider has set KPIs to measure the efficiency of given processes. Many of the SLAs & KPIs are just indicators of the current operational efficiency rather than being an enabler for proactive improvements. A massive volume of complex data and data consolidation from multiple systems hinders consolidated process tracking.
- ▶ Lastly, a high amount of manual activity results in delays and rework. It can be addressed with siloed automation and increasing efforts to manage the automation solution.

Multiple departmental silos, process variations, system dependencies, rework and process bottlenecks result in increased cycle time, direct/indirect revenue loss, and lower customer satisfaction as measured by Net Promoter Score (NPS). For instance, the Order-to-Activate process takes 10+ teams to traverse through 55+ systems across geographies to complete one order. The multiple handoffs, a high number of manual activities, and rework lead to a significant increase in cycle time and loss of revenue.



Inefficiency in the traditional approach due to heavy focus on process discovery

Historically DSPs have relied on SMEs to generate process maps, including customer journey maps. In addition to leveraging the existing documents, the consultants perform detailed time and motion studies to identify the inefficiencies. This traditional approach has few signature elements as below:

- ▶ Collate historical data, conduct group workshops, and employee shadowing
- ▶ Time-consuming and costly exercise to generate detailed flows
- ▶ The final output is subjective, representing a standard "Happy Path" and is a static one-time understanding
- ▶ The outcome does not necessarily list the ways of how a process is done
- ▶ The exercise typically rules out SLA performance

BI-driven process discovery

Today, some DSPs use the Business Intelligence (BI) approach for process discovery. This approach typically includes data mining, business analytics, data visualization, and best practices. It has a few signature elements as below:

- ▶ Dedicated BI experts will leverage BI tools to perform analysis. Presentation of analysis requires BI resources to generate leadership consumable information
- ▶ Leverage existing system data and identify potential improvements
- ▶ Used for one-off analysis exercise and regular reporting
- ▶ Identifies automation potential but does not optimize the workflow before automation. It can result in an optimization plateau effect

Though the BI-driven approach provides the output with data pointers, some of the critical drawbacks include understanding the end-to-end process management, identifying the re-engineering ideas in coordination with automation, identifying root causes, and real-time tracking. Hence, there is a need for a more structured and self-sufficient framework that supports the end-to-end transformation journey of the DSPs, right from identifying the opportunities until ensuring the objective is met and beyond.

Data-driven process optimization approach leveraging process mining to look beyond discovery

Process optimization approach helps the DSPs in analyzing the current performance, identifying the target areas such as NPS or cycle time, setting targets, and implementing improvement opportunities coupled with the discovery. It includes three significant steps as follows:

01 Process discovery

A comprehensive data-driven approach must include data mining, task mining, visualization, and root cause identification. It should help DSPs understand the current state of the process by identifying the bottlenecks and categorizing the good and bad practices.

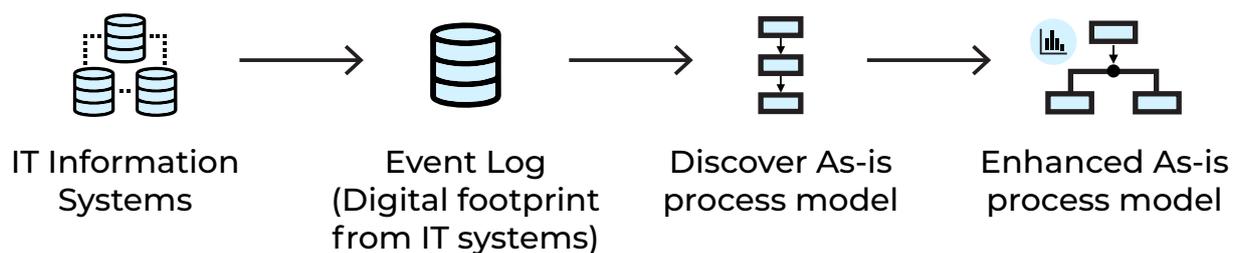


Fig 1: Basic functional blocks of process mining with event logs from the existing systems to visualize insights

The recommended approach assists the DSPs to:

- ▶ Leverage existing data from each system used within a workflow
- ▶ Generate process and data visuals which is easy to navigate by users, owners, and leadership teams
- ▶ Identify all variants and present the truth on how a process is running in real-time
- ▶ Detect the workflow problems and corresponding root causes
- ▶ Identify the existing and new automation opportunities with business quantification to enable a business case
- ▶ Track the benefits realized before and after process improvement implementation through continuous performance tracking

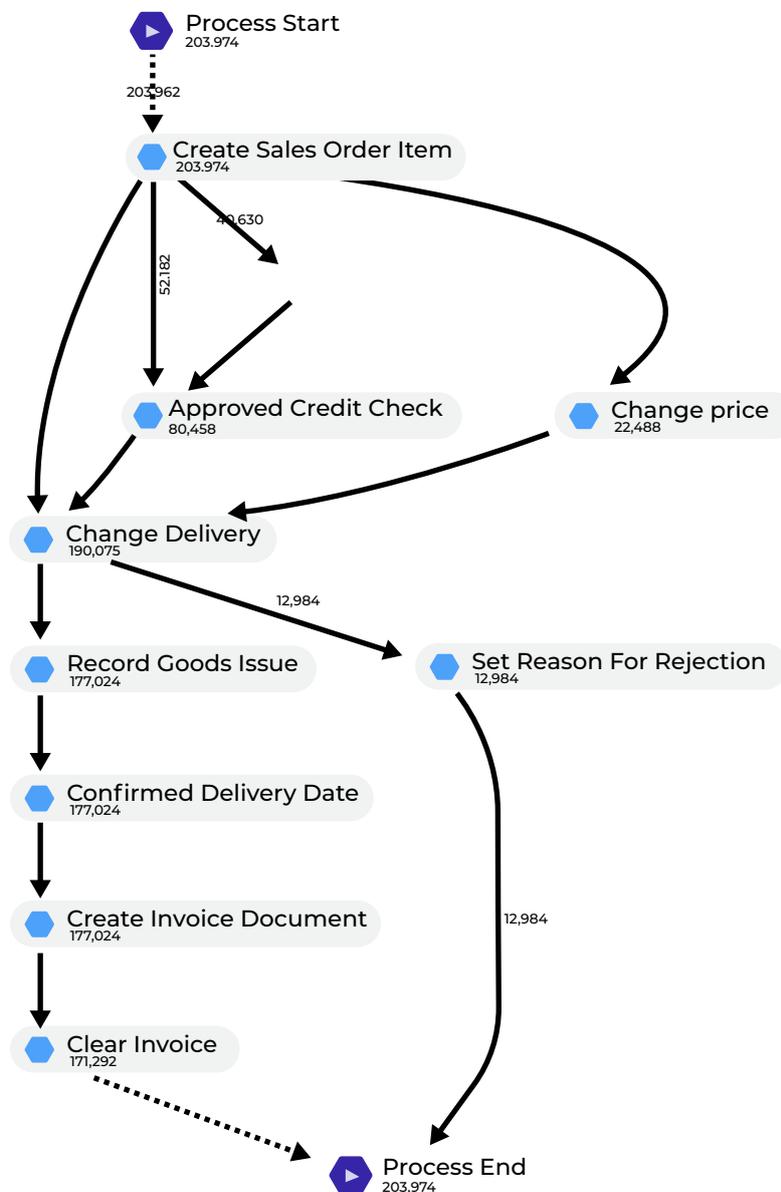


Fig 2: Sample end-to-end view of mined process

The real benefit of driving discovery through process mining is identifying and categorizing improvement opportunities viz. process improvements, automation, organizational changes, and managing such implementations continually.

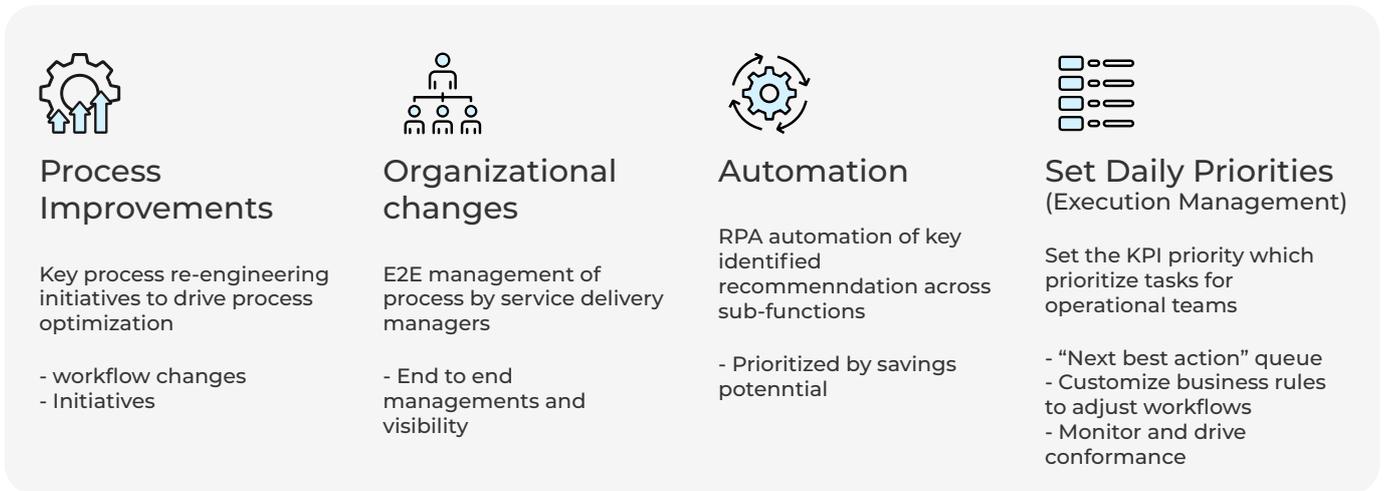


Fig 3: The output of the discovery phase and the driving plan for process optimization

02 Process improvements

The opportunities identified from process discovery should be prioritized and implemented based on category. Before implementing any automation, the existing workflow needs close examination to drive re-engineering. The goal is to generate an optimal flow before implementing other improvements. Process re-designing and re-engineering are aligned to maximize benefits from the set objectives/targets. It enables standardization across teams and systems and maximizes the improvement benefits.

Workflow improvements

Workflow improvements can be any of the below:

- ▶ Adding or removing workflow activities
- ▶ Rearranging workflow activities (re-engineering the flow)
- ▶ Adjusting the flow of data between systems
- ▶ Adding or adjusting system functionality, including User Interface (UI)

Once an optimal workflow has been identified, DSPs can implement the identified improvement opportunities.

Automation of activities

The primary focus is the elimination of manual activities and easy orchestration of the end-to-end process.

- ▶ Implement the improvement opportunities in sprints, aligned to the re-designing plans
- ▶ Accelerate benefit realization and enable transparency across end-to-end process improvements
- ▶ Drive the end-to-end orchestration through BPMS platforms while hyper-automation levers such as RPA, Virtual Assistants, OCR, etc. can be used in eliminating the manual activities
- ▶ Leverage AI models to focus on tasks where critical thinking is required
- ▶ Single accountability and transparency across the process are needed to reduce rework of the siloed teams
- ▶ Direct the resources to solve specific problems and ensure to meet the SLAs
- ▶ Set targets for SLAs & KPIs at the process and sub-process levels

A streamlined improvement is critical as it enables the process to be genuinely efficient despite scalability, thus transforming it from an "improved" phase to a "managed" phase.

03 Process execution management

Within a managed process, identify a specific target KPI and set the priority for the corresponding team. Monitoring the targets in real-time becomes critical in seamless operations. Establish connections with source systems in real-time, monitor the end-to-end process, and act based on the immediate SLA/KPIs. Proactively identifying the potential bottlenecks/inefficiencies in real-time and resolving them immediately helps in enabling effective operations. Enable the entire team, right from the management level to the operational level, to align the priorities and translate the strategic goals to operational goals.

- ▶ Drive the team's behavior by setting priorities both at the operational and strategic level
- ▶ Establish connectors with relevant systems for accelerated enablement
- ▶ Monitor the right metrics and SLA targets continuously
- ▶ Enable AI models to predict potential risks in real-time and execute corrective actions
- ▶ Recommend the right resource to handle each step

Some of the key samples of the process execution management are as below:

- ▶ In Accounts Payable (AP), invoice discounts can be set as a priority. It will drive AP teams to pay specific invoices early if there is any discount in doing so. If cash preservation is set as the priority, then all invoices would be set to be paid "on time"
- ▶ In a trouble-to-resolve process, if a call exceeds the expected resolution time it can be flagged to the supervisor for immediate intervention. This will help to improve customer satisfaction and enable effective operational targets. Analysis from the "process discovery" can identify particular situations that require specific actions

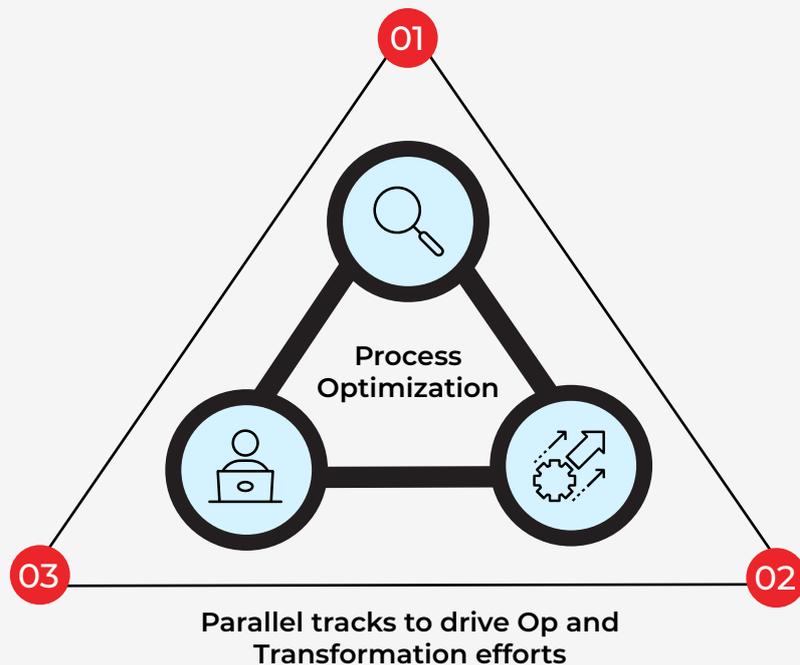


Fig 4: Key steps of process optimization approach

01 Process Discovery

- System inventory and collect event log data from transactional systems
- Generate process and data visualization, As-is flows and all variants
- Generate specific insights and root cause issues
- Generate desired To-be workflow
- Generate prioritized improvement opportunities

02 Process Improvements

- Process design
- Automation
- Organization design improvements
- "Next Best Action" quest to enable process execution management

03 Process Execution Management

- Dashboard (i.e Activity level SLA)
- Drive conformance - root cause analysis
- Prioritize KPIs to drive resource behavior
- Resource bandwidth management

Thus, the data-driven process optimization approach helps the DSPs to achieve near real-time process execution visibility. It enables the DSPs in cycle time reduction, right-first-time improvement (first time-right fixes), effective learning, and standardization.

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The data-driven process optimization can be implemented across various telecom business processes such as Order-to-Activation, Trouble-to-Resolve, Lead-to-Quote, Lead-to-Cash, and shared services such as Procure-to-Pay, Accounts Receivable and Accounts Payable, etc.

Prodapt has a singular focus on the Connectedness vertical, providing deep telecom knowledge and telecom-specific analysis for the customers to kickstart process optimization. Celonis is the global leader in execution management systems, which provides companies a modern way to run their business processes as well as further eliminate the system complexities.

Prodapt & Celonis offer a proven "Process Optimization" framework enabling DSPs across the transformation journey to set business objectives. The framework has been helping DSPs to identify critical processes and enable effective operations. Together they combine a complementary capability to accelerate cost savings by 60%, increase revenue recognition by 30%, and improve customer satisfaction by 30%.



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