Transforming the Service Industry with Smart Automation

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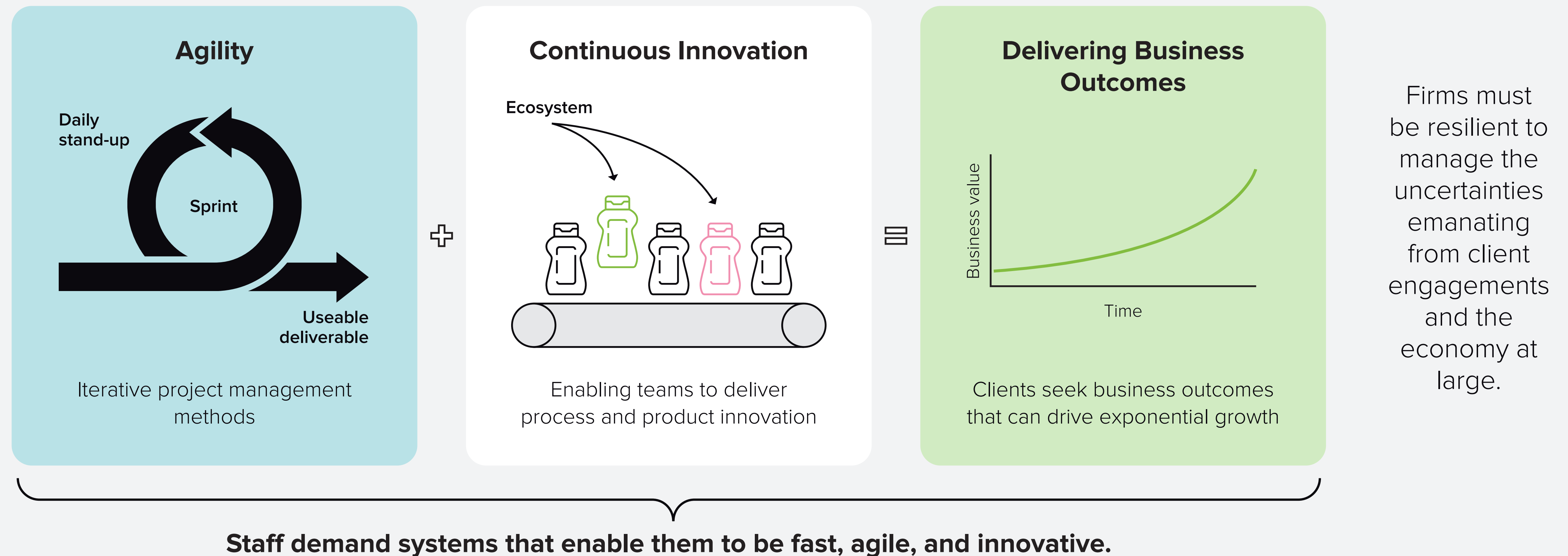# Navigating this InfoBrief

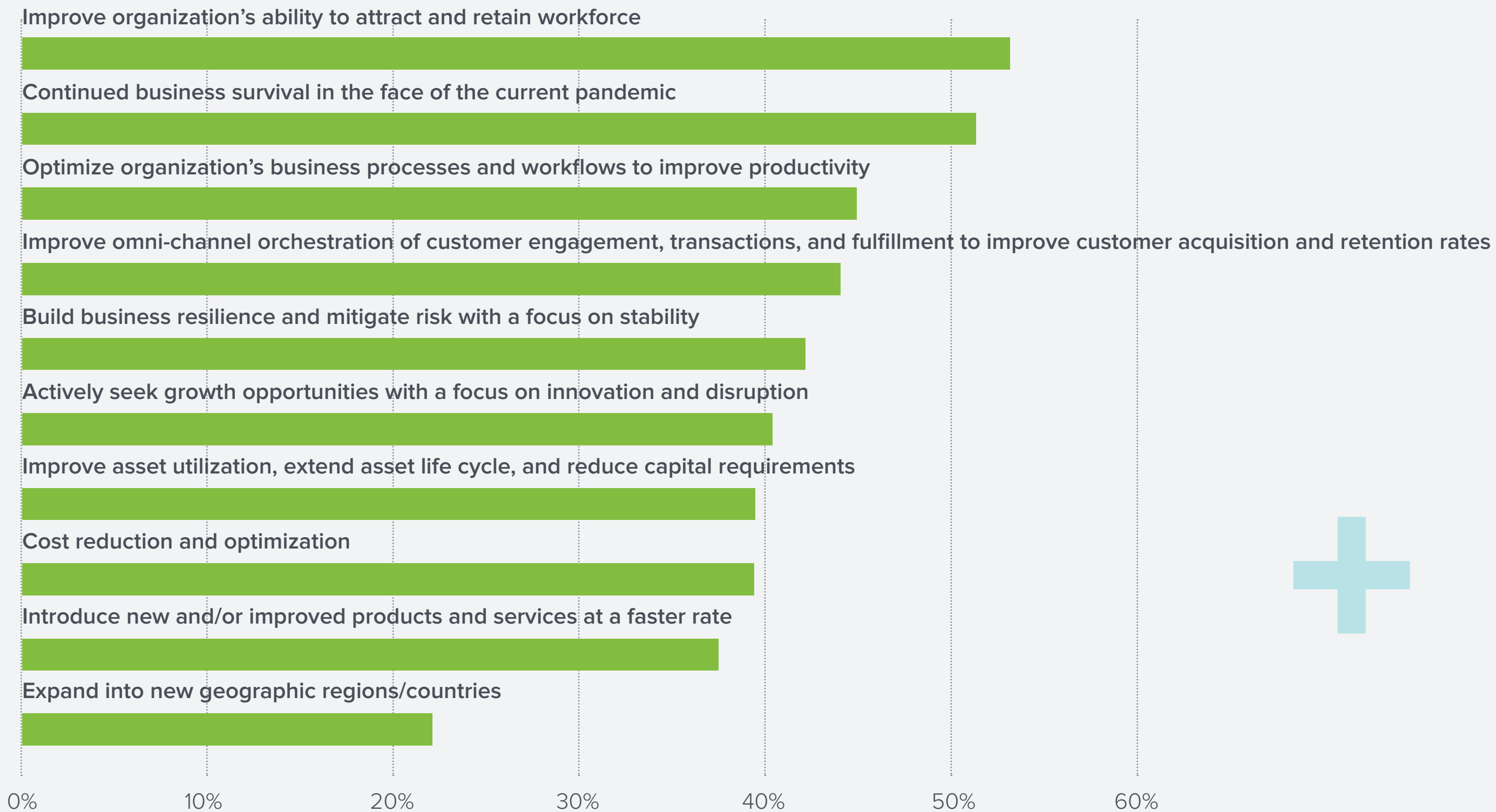# Pressures Facing Business Services Firms

Business and professional services firms must adapt to meet new customer expectations. In 2021 clients expect services firms to innovate on every engagement, adapt to evolving needs, and commit to achieving business outcomes.

Agility

Daily stand-up

Sprint

Useable deliverable

Iterative project management methods

+

Continuous Innovation

Ecosystem

Enabling teams to deliver process and product innovation

=

Delivering Business Outcomes

Business value

Time

Clients seek business outcomes that can drive exponential growth

Firms must be resilient to manage the uncertainties emanating from client engagements and the economy at large.

Staff demand systems that enable them to be fast, agile, and innovative.

Business Priorities in 2021

What are your organization's top business priorities for 2021?

Improve organization's ability to attract and retain workforce

Continued business survival in the face of the current pandemic

Optimize organization's business processes and workflows to improve productivity

Improve omni-channel orchestration of customer engagement, transactions, and fulfillment to improve customer acquisition and retention rates

Build business resilience and mitigate risk with a focus on stability

Actively seek growth opportunities with a focus on innovation and disruption

Improve asset utilization, extend asset life cycle, and reduce capital requirements

Cost reduction and optimization

Introduce new and/or improved products and services at a faster rate

Expand into new geographic regions/countries

0%   10%   20%   30%   40%   50%   60%

#1 Bring the business and the team through the pandemic

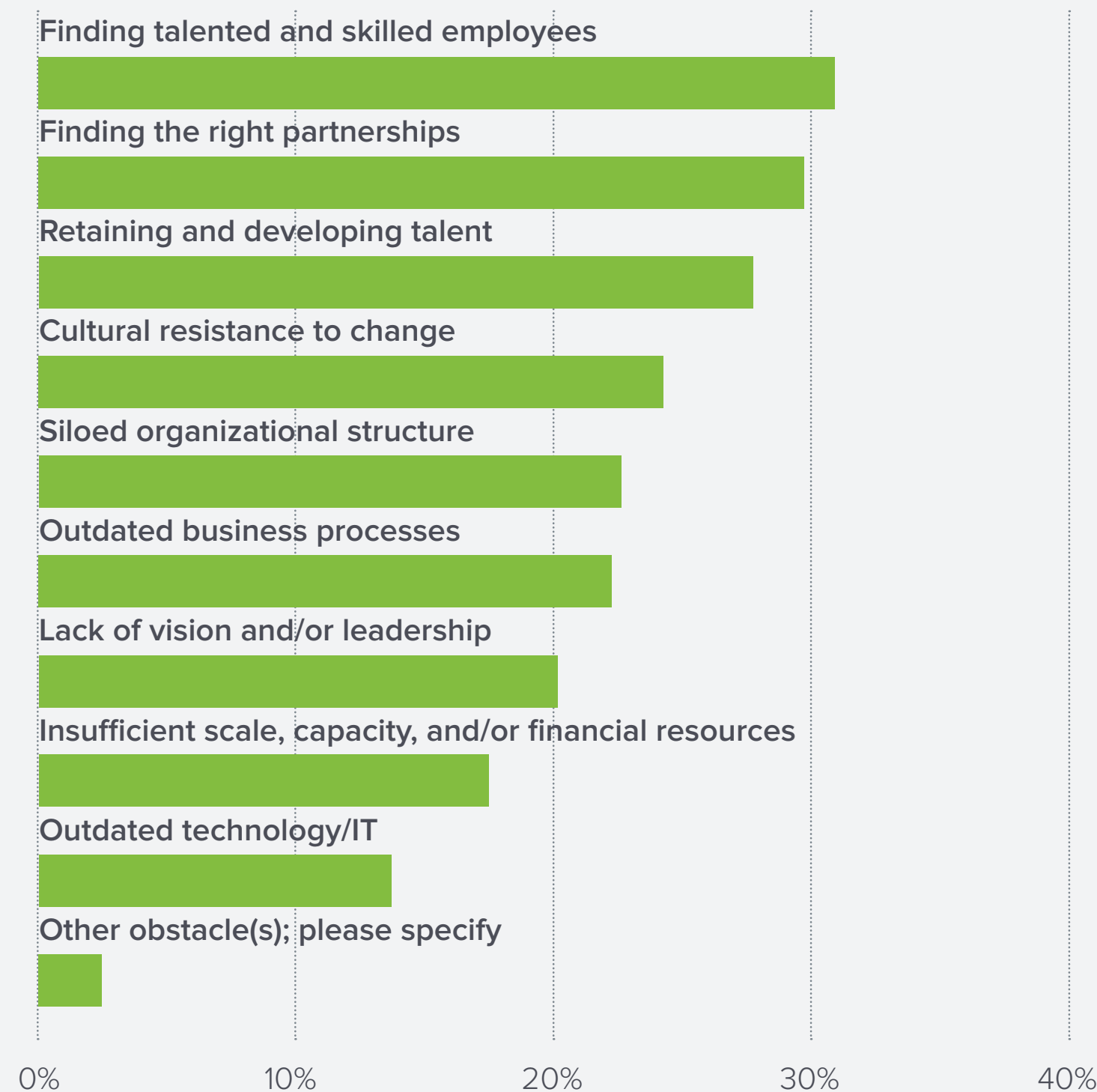**#2** Enhance, optimize, and build resilience

#3 Hold fire on geographic expansion

2021 is a year to enhance, optimize, and build resilience.

Process and Resource Barriers

What are the main obstacles for your organization in achieving its business objectives? (Top 3)

Finding talented and skilled employees

Finding the right partnerships

Retaining and developing talent

Cultural resistance to change

Siloed organizational structure

Outdated business processes

Lack of vision and/or leadership

Insufficient scale, capacity, and/or financial resources

Outdated technology/IT

Other obstacle(s); please specify

0%   10%   20%   30%   40%

Process weaknesses create damaging vicious cycles.

Business and professional services firms are defined by their talent, and difficulties in developing and allocating this talent pool are the primary barrier to transformation. Internal silos and outdated processes also take their toll.

Resourcing barriers

- Finding talent is the number 1 challenge and this of course refers to recruitment, but identifying talent that may already exist in the organization is also known to be a challenge.
- Problems at any stage in the talent cycle are a major barrier to business progress.

Process barriers

- Legacy processes were inflexible by design.
- Outdated processes do not support agile and innovative ways of working.
- Disconnected processes allow organizational silos to persist.

Poor processes compound pressure on teams

Barriers translate into pain points for key personas

Finance manager   HR manager   Procurement manager   Project manager
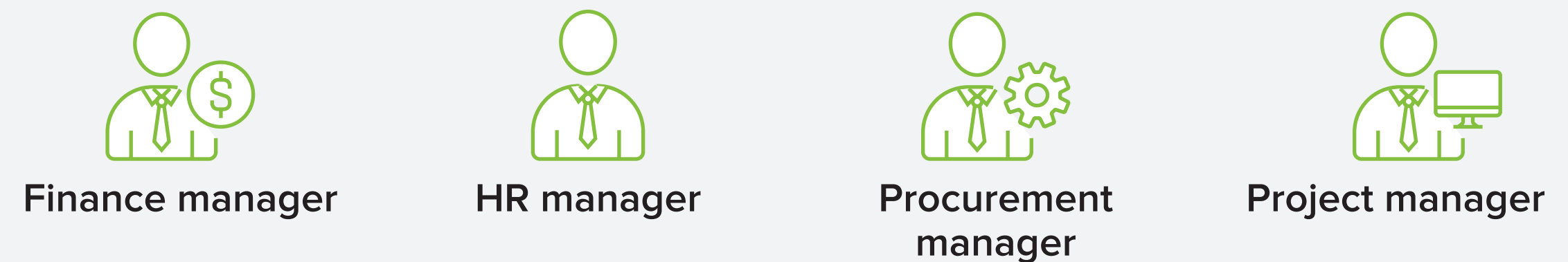
Finance Manager

Role

- Managing and reporting on financial performance
- Ensuring compliance with statutory requirements
- Team performance management and development
- Overseeing key finance processes
- Managing financial risk

Time allocation

Too much:

- Consolidating financial data
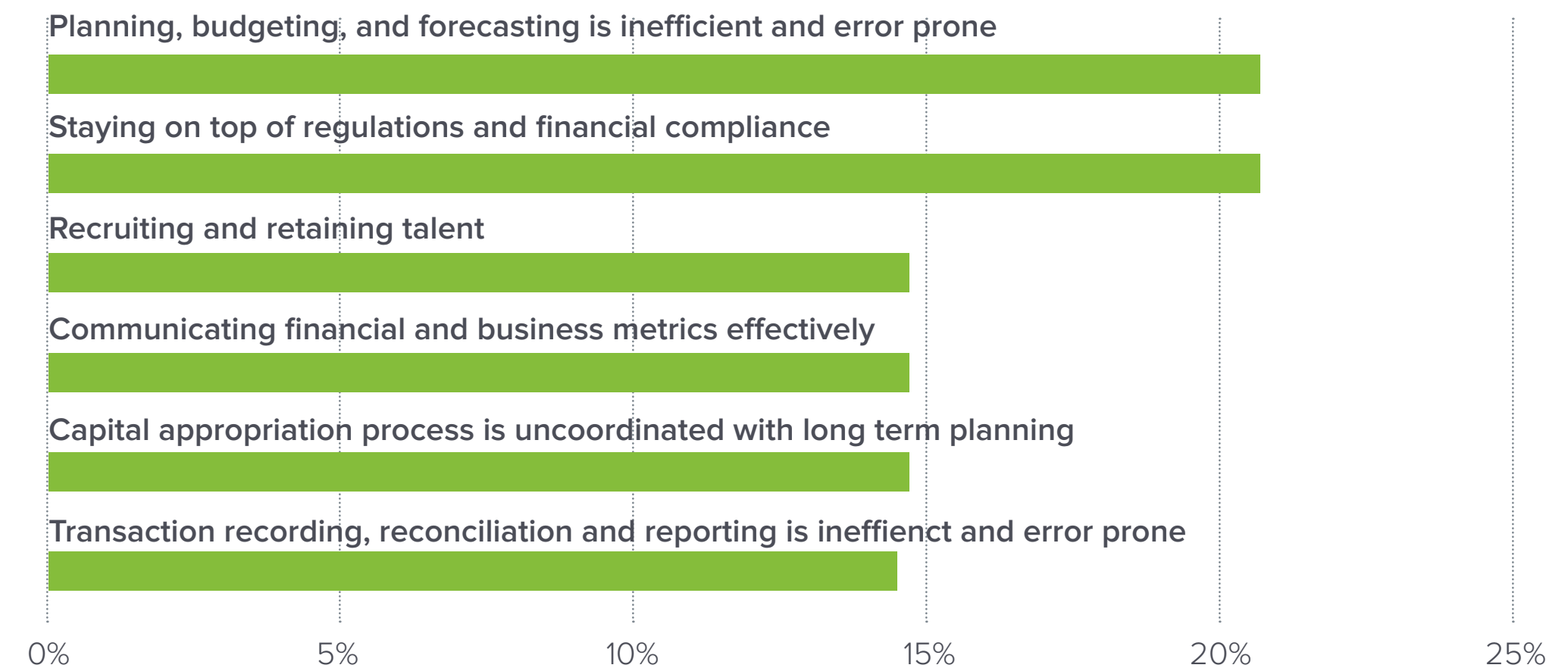- Resolving process exceptions

Too little:

- Providing forward-looking views and advisory

Pain points

- Inefficient planning, budgeting, and forecasting processes
- Keeping up regulatory requirements
- Lack of data visibility and standardized reporting
- Too many disconnected systems and processes
- Making financial planning and forecasting transparent

Which of the following best describes your top pain point?

Planning, budgeting, and forecasting is inefficient and error prone

Staying on top of regulations and financial compliance

Recruiting and retaining talent

Communicating financial and business metrics effectively

Capital appropriation process is uncoordinated with long term planning

Transaction recording, reconciliation and reporting is inefficient and error prone

0%   5%   10%   15%   20%   25%

Wishlist

- A single up-to-date view of current status
- A single application in which all management tasks can be coordinated
- Adaptation of artificial intelligence (AI) and machine learning (ML) for finance use cases
- Ability to quickly apply technology to emerging challenges

HR Manager

- Developing a talent pool to support the future business
- Responding to short-term talent needs
- Supporting the training and development agenda
- Driving employee engagement

Too much:
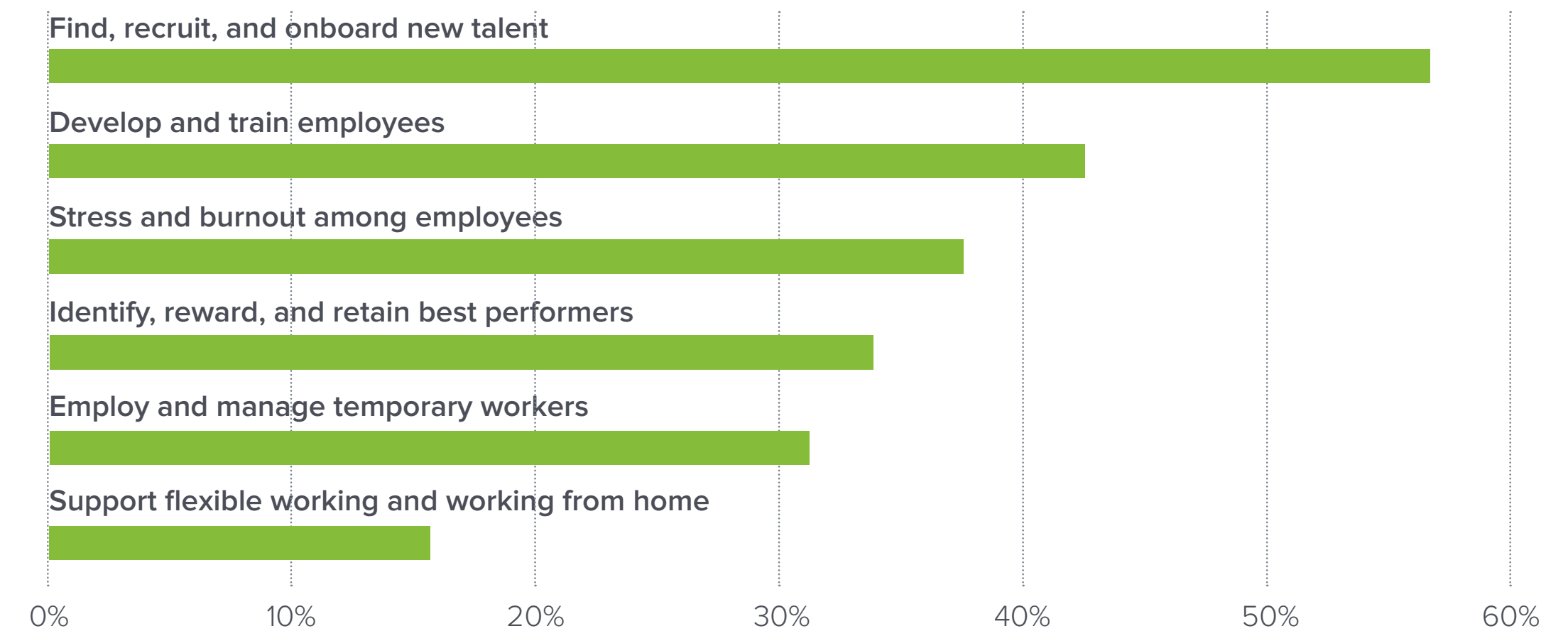- Talent sourcing
- Managing job performance and satisfaction of workforce

Too little:
- Talent management

- Being beaten to the best candidates
- Always being reactive, not proactive
- Beating the vicious cycle of high staff turnover
- Staffing properly right now to avoid overspend in the face of uncertainty

What are the most important IT application areas for improving business resilience in your organization?

Bar chart categories (top to bottom):
- Find, recruit, and onboard new talent
- Develop and train employees
- Stress and burnout among employees
- Identify, reward, and retain best performers
- Employ and manage temporary workers
- Support flexible working and working from home

Axis: 0% 10% 20% 30% 40% 50% 60%

- A forward view of the organization's talent requirements
- A means to efficiently coordinate candidates
- Manage talent in an agile and accurate way
- Holistic view of employee well-being, job satisfaction, and performance across the organization
- Being able to retain the right talent

Procurement Manager

Role

- Helping the team to move from tactical to strategic sourcing
- Ensuring the products and services required by the organization are of the right quality and are available on time
- Protecting value for money, reducing cost, and preventing overspend

Time allocation

Too much:
- Responding to unforeseen requirements
- Unblocking problematic transactions

Too little:
- Supplier relationship management

Pain points

- Maverick spending
- Late involvement in spending decisions
- Dealing with the complexity of spending and the supplier base
- Sustaining cost reduction

Thinking about the technologies and workflows that procurement will use in 2021, please rank the top 3 technologies that will be used in order of importance.

Chart categories (top to bottom):
- Transaction processing
- Supplier enablement and onboarding
- Dynamic pricing
- Spend analysis
- Procurement analytics
- Supplier performance management
- Contract discovery, management, and tracking
- Self-service requisitioning and approval flows
- Strategic sourcing

Axis: 0% 10% 20% 30% 40% 50%
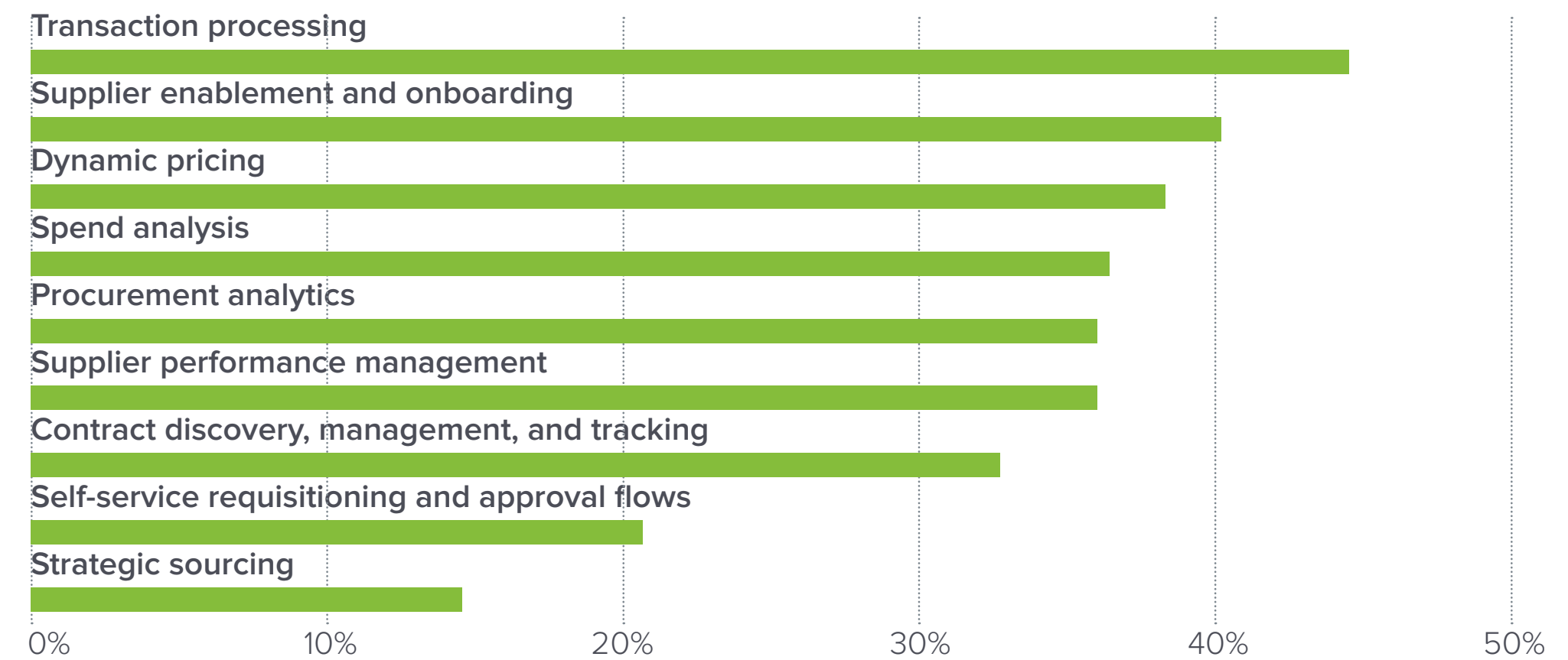
Wishlist

- A robust but rapid sourcing process for unplanned requirements
- The ability for staff to self-serve from approved suppliers
- Rapid access to supplier performance and spending data
- Regulate costs and streamline their procurement practices without sacrificing control
- Ability to decentralize administrative tasks

Project Manager

Role
- Ensuring the client receives deliverables on time
- Coordinating tasks and resources
- Internal reporting, but this is secondary to ensuring client success

Time allocation

Too much:
- Managing resource conflicts
- Providing updates by email

Too little:
- Influencing the economic success of projects

Pain points
- The need to manually key project data in to multiple systems
- Difficulty in identifying resource conflicts with other projects
- Lack of visibility on resource skillsets, job performance, and satisfaction

Resource performance
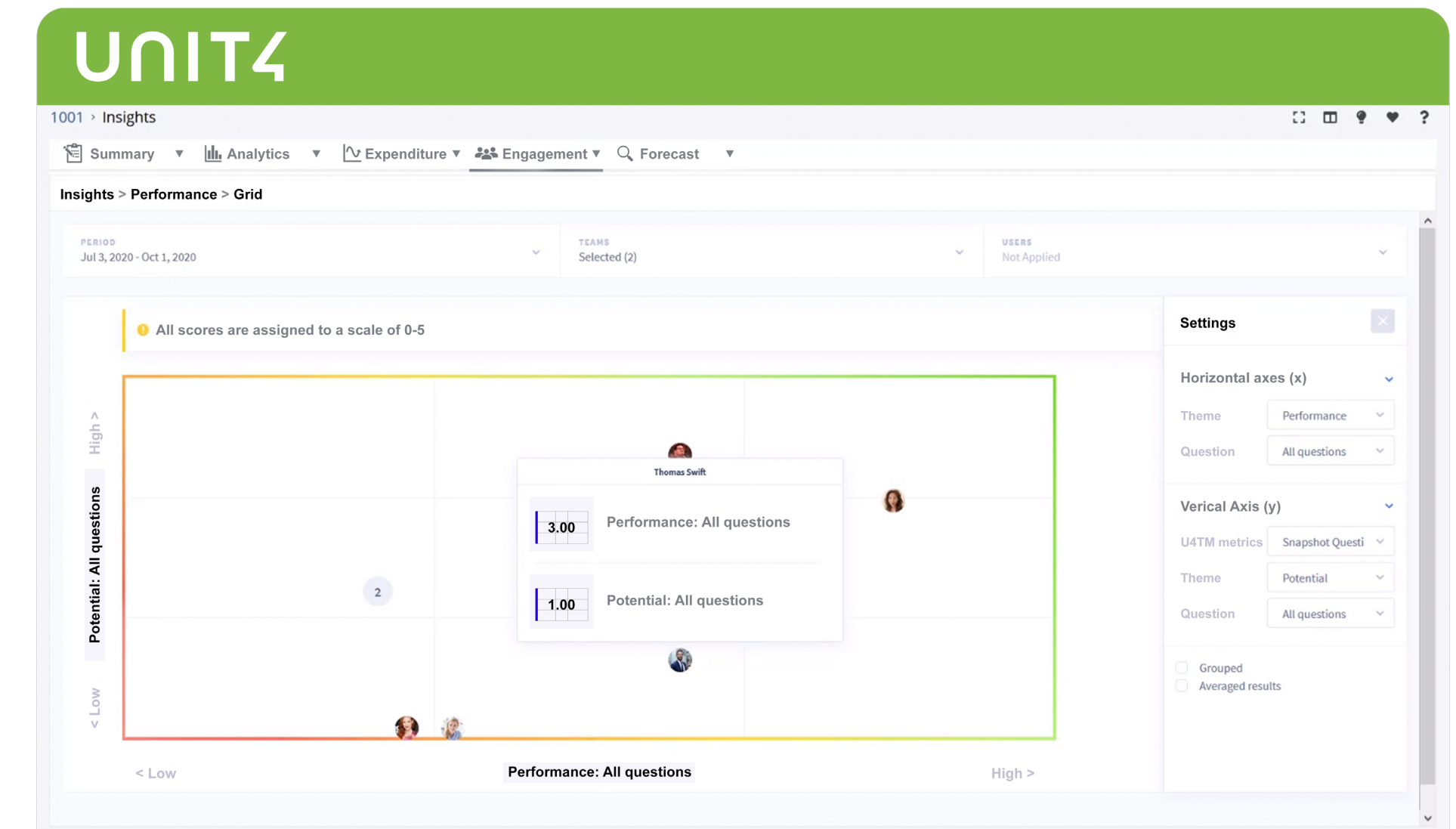
Wishlist
- Tight management and control on all aspects of the project, including project budgeting, people planning, forecasting, time and expense management, revenue recognition, project billing, and timely reporting from one source of truth
- The ability for all stakeholders to directly access project information
- Access to HCM data (skills and availability) to ensure appropriate resource allocation

The Role of Smart Automation

Root causes of persona pain points

A multitude of technological and human factors lead to poor data and disconnected processes:

- **High friction leads to low adoption**
- **Administration considered low priority**
- **Error-prone processes and human error**
- **Disconnected systems cause process discontinuity**

How smart automation helps

See the full picture

Make a fully informed decision

Focus on value-adding activity

Take action in the moment

Know the technology will follow through

FRICTIONLESS UX LEADS USERS TO THE BEST ACTION

Process execution becomes:

- Rapid
- Timely
- Accurate
- Efficient
- Continuous
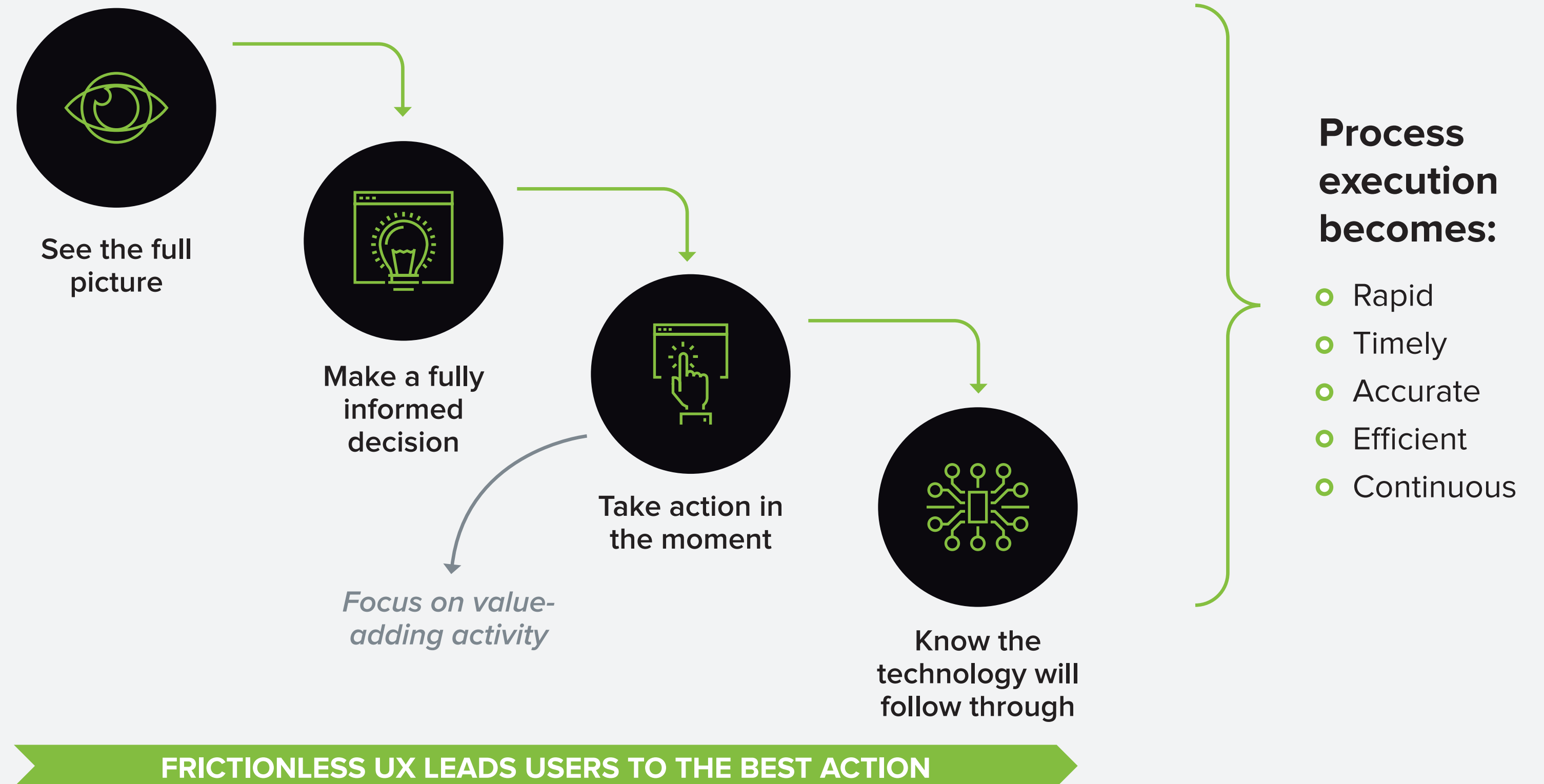
Use Case: Project and Life-Cycle Management

The challenge

- Data relating to the status of projects is spread among multiple systems and spreadsheets and is rarely truly up to date.

- Practice and project managers must make decisions quickly to keep pace with the needs of clients; often decisions will have to be made with only some of the facts.

The Unit4 solution

- ERPx with integrated smart automation provides a single interface through which data relating to the full project life cycle can be viewed and is permanently analyzed.

- If, for example, a project runs over budget, AI can identify the reason by interpreting data from multiple solutions (e.g., low job satisfaction, resulting in hiring many external contractors on the project) and propose immediate changes to get the project back on track.

Technology

- The combination of AI and machine learning enables managers to take action immediately and proactively, even where actions must be executed through multiple systems and/or solutions.

- Communication to relevant parties involved is automatic.

Automated project budget issues identification

Business benefits

- **Better decisions:** Managers have access to the right level and quality of information more frequently and therefore make more precise decisions.

- **Reduced cycle times:** Enabling managers to act on information in the moment reduced execution times and prevents processes being left in limbo.

- **Seamless data flow:** Unnatural partitions formed in standard ERP software functions are removed, enabling seamless data flow between departments.

Use Case: People Planning
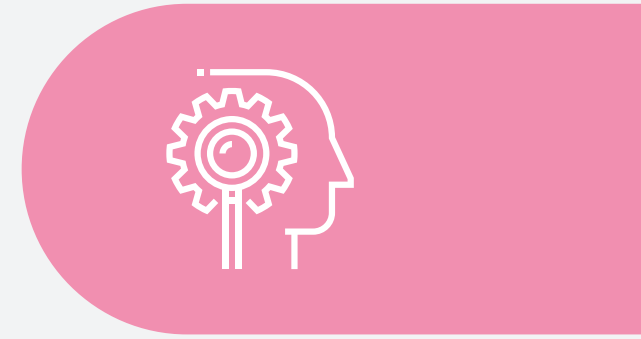
The challenge

- Clients require a rapid and reliable way of engaging a service provider's team.
- The needs of each request must be assessed to determine the type and level of resource required.
- The staff in question may be engaged in client-facing activities, but a rapid response is required.

The Unit4 solution

- Requests arriving by email are automatically converted into a work order, initiating the business process instantly.
- The work is automatically scheduled into the service planner.
- Interconnected people/project planning and talent management, always selecting the right resource for the right project.

Technology

- Employing machine learning to realize smart automation aimed at making the life and work of the user easier.
- Interaction with certain key people within the process is via a chatbot communicating through Microsoft Teams.
- AI is applied to identify the optimum resource, learning from previous projects and resource performance interconnecting HCM, ERP, and talent management.

Robotic Resource Planning

Business benefits

- The process is initiated instantly, avoiding any delay or mishandling of inbound requests.
- The customer receives the earliest possible view of when the service will be provided, boosting customer experience.
- Staff interact with systems through existing communication channels, reducing or even removing the need for training.

Use Case: Accounts Receivable

The challenge

- Project progress is not smooth and resource utilization is not evenly spread.
- Knowing which projects are profitable for the business at a point in time is critical, but hard to calculate with no one person holding all the data required.
- Opportunities to intervene are often missed.

The Unit4 solution

- ERPx enables managers to quickly check project plans and payments are in sync by combining finance and project status data.
- AI is used to assess a client's payment history holistically, assessing the need for a credit check based on the full picture.
- A credit check can be initiated automatically where necessary.
- A negative credit check can trigger a block on new commitments.

Technology

- AI is applied to rigorously and consistently assess the need for the credit check.
- Industry-specific enterprise mesh.
- Prepackaged integrations with third-party apps, boosted by machine-learning-driven automations.

AI enabled payment issue identification
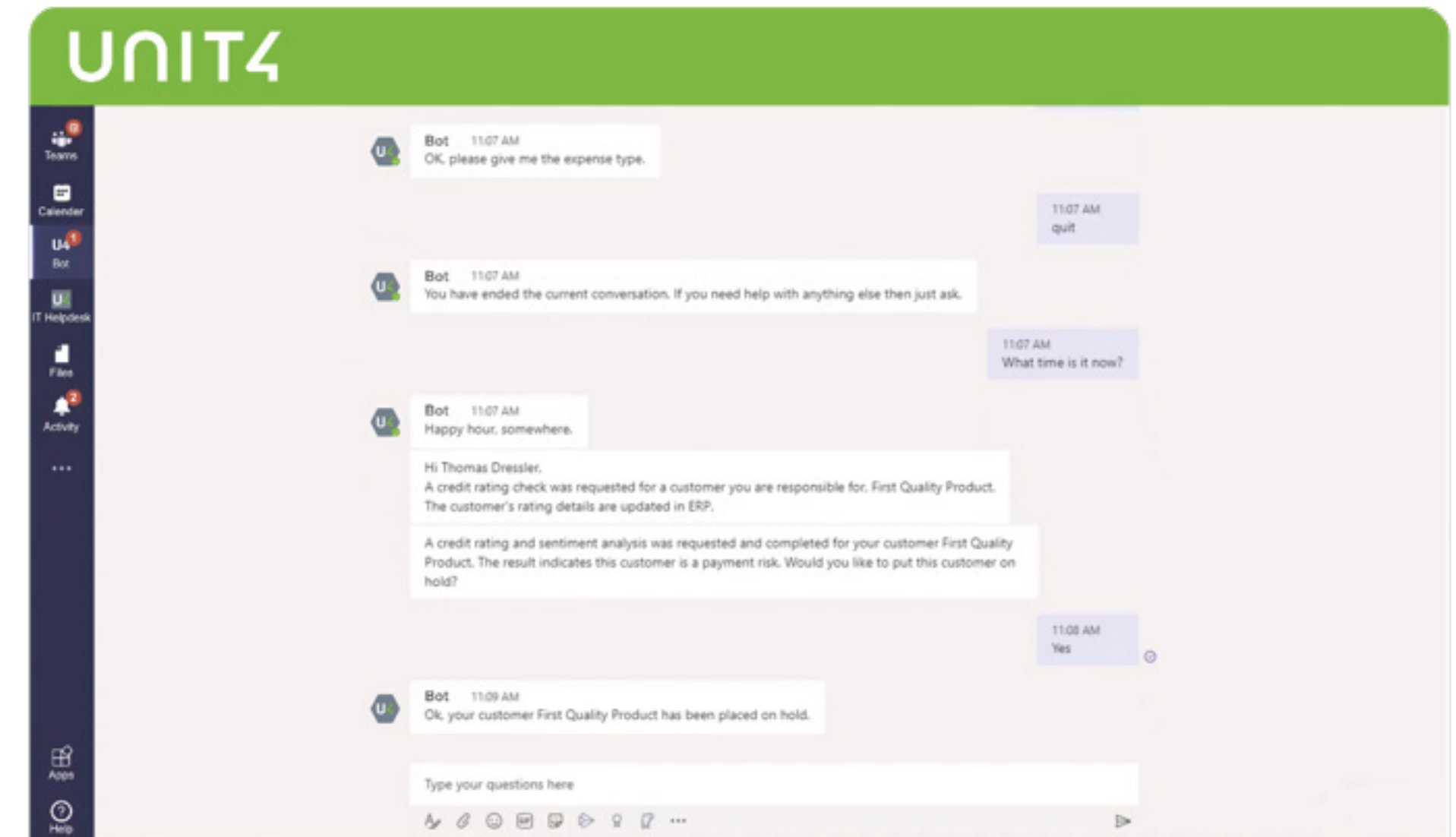
Business benefits

- Days outstanding metrics can be improved, enhancing working capital.
- Target credit checking reduces the chance and size of client defaults, directly reducing losses.
- Personalized experience to ensure that all users, regardless of functional expertise, have software that works for them.

Conclusions

Liberate resources to focus on value-adding activities

Key personas in business services find they are unable to perform value-adding activities due to the time lost performing activities that can be automated by a modern ERP solution.

Data visibility

Decision making is often made by staff who can't see the whole picture, leading to poor decisions and internal conflict.

Act in the moment

Smart automation can help managers act immediately once a decision has been made, without waiting for others or the opportunity to access other systems.

For more information visit www.unit4.com/smart-automation

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