

Process Improvement is the Catalyst for Digital Transformation

By Kevin Craine



Grappling with Digital Transformation

Organizations grapple with digital transformation because it requires assimilating digital technology into all areas of the enterprise and fundamentally changing how the organization operates. And while digital transformation may seem like it's just about technology, the transformation that matters most is strategic. Real transformation requires a holistic embracement of new ways of working that leverage advancements in disciplines like artificial intelligence, process automation and intelligent information management.

Despite the challenges, C-suite leaders are getting on board. According to the 2018 AIIM Industry Watch Report Digitalizing Core Business Process, 75% of organizations view process automation as "important" or "very important" to their organization. While back-end operations are cited as prime targets for digital process improvement, respondents say that the greatest benefits can be gained by automating customer-facing activities like new account opening, client on-boarding and case management.

Executive leaders are undaunted in their investment in digital transformation. IDC research indicates that spending is on pace to reach \$1.7 trillion worldwide in 2019, a 42 percent increase from 2017. As the new digital economy emerges from disruption, CIOs are now seeing their best opportunity to cross the digital divide. But it won't be easy. IDC's predictions for CIOs in 2018 show that 75% of CIOs feel that their enterprises will fail to meet all their digital objectives.

Making the Transition

How can you avoid the pitfalls and make the most of digital transformation? One way is by focusing on process improvement as the catalyst for change. Digital transformation demands the automation of hundreds or thousands of processes, so it makes sense to use a process-based approach as a framework for strategic design and decision-making. Plus, modern process automation tools have emerged that work to build and adapt processes quickly to eliminate paper-bound inefficiencies and more immediately deliver digital-age improvements to operational performance.

Process improvement is the perfect catalyst for digital transformation; as you identify gaps in the performance of key processes you will begin to uncover the specific ways that the workflow can benefit from digital transformation.

Catalyst for Change

Where should you start? According to the 2018 AIIM study, 67% of organizations report having less than half of their processes automated, so there should be plenty of opportunity. Choose those vital few processes that truly drive organizational performance and offer the most return on your effort. AIIM respondents point to internal operations like Human Resources and Finance as prime targets for cost-cutting process improvement, but the greatest strategic benefits may indeed be

gained by improving and automating customer-experience-related processes like sales (34%), customer correspondence (32%), on-boarding (23%), new account opening (23%), and case management (26%).

Real World Transformation

One good example of digital transformation in action is the story of Vestergaard, a global non-profit dedicated to improving the health of people living in developing countries around the world. Vestergaard recently transformed their processes to manage 3rd party contracts with 'distributors' and 'agents who help secure sales'. With no structured workflow to a third-party contract lifecycle that spans finance, legal, compliance and sales, mailboxes were full of duplicate attachments, including draft contracts and final contracts. It was difficult to ascertain if all the right actions had been taken or if all the right people were copied. This led to considerable delays and confusion in concluding contracts and the process was not always compliant with internal procedures.

"It was very difficult and time consuming to establish the status of a particular contract," says Sergio Ferraz, Head of Internal Audit and Compliance. "So there was clearly a need to have a workflow that would make the process more transparent and efficient."

The company had already tried to introduce a solution using SharePoint as a repository for contracts, but it was too rigid and difficult to customize. Vestergaard selected the FlowForma Process Automation tool to automate the flow that manages contract requests. This has transformed a complex manual process into a seamless and transparent workflow process. Read the entire Vestergaard case study [here](#).

Best Practices

Vestergaard is just one example of organizations finding benefit with process automation. How can your organization find similar success? Form your strategies for digital transformation using a process-focused approach and consider these best practices.

1 Process Owners Must Lead Development.

Your current process owners are the best ones to describe the current state and design systems and approaches to address gaps in the performance. Technology experts are essential for success, as is strong executive support for organizational change, but empowered process owners design better solutions, embrace change more readily, and have a vested interest in the success of the efforts.

2 Adopt solutions that allow agility.

Business conditions and technology developments change rapidly, so you need an approach that allows you to react quickly to circumstances and opportunities. Cumbersome and complex deployments often stall, causing a loss of momentum and focus. You can miss the mark as a result. Digital process automation practices, platforms, and plans can be the answer; allowing your organization to capitalise on improvements more quickly and ensuring that future opportunities are not overlooked or left behind.

3 Look for low-code BPA solutions.

A new class of business process automation tools are rising to meet the challenge of digital transformation with solutions that enable business managers to seamlessly deploy digital processes without any coding and very little assistance from IT. As a result, low-code usage is taking off. According to research from Forrester, 67% of the organizations they surveyed plan to expand the use of low-code process software. Look for approaches that are flexible, scalable and agile enough to replicate across multiple processes that may be related or similar.

4 Engage Stakeholders.

In addition to the process owners, a number of other stakeholders and constituents should also be a part of your digital transformation efforts. Include your customers, suppliers, resellers and others who are part of the process. After all, these stakeholders have a direct influence on the performance of the process and a vested interest in the changes and improvements made to the workflow.

5 Be clear on your requirements.

With all the different technologies available and the many different approaches to digital transformation, how do you know which methodologies are right for you? One way is to fully explore and understand your requirements. Will a cloud-based service meet your needs or do you require an on-prem solution? Is ease-of-use a primary concern, or is your focus on gaining expanded features and capabilities? What about advancements in mobile computing, artificial intelligence or analytics?

Moving Forward

A process-focused approach allows organizations to move their digital transformation forward more quickly by taking advantage of the learning and development gained in one process improvement effort and applying the techniques to other key processes. For example, methods used for HR onboarding may be used in differing ways for new product development or clinical trials. Organizations should foster a center of competency led by business process owners across the enterprise and supported by IT and the C-suite.

Organizations from all industries are finding success using process improvement as the catalyst for change. Look for providers and partners with the right combination of capabilities, expertise and vision to help you make the most of digital transformation.



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AIIM
8403 Colesville Road, Suite 1100
Silver Spring, MD 20910, USA
+1 301 587 8202
www.aiim.org

AIIM Europe
Office 1, Broomhall Business Centre,
Worcester, WR5 2NT, UK
+44 (0)1905 727600
www.aiim.org