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WHITE PAPER

Intelligent Business Operations and the Future-ready Organization

Going Beyond Operational Efficiency to Transform the Entire Business

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Executive Summary

Organizations are continuing to face increased pressure to achieve greater profitability, deliver rapid innovation, and meet accelerated compliance requirements while dealing with outdated technology and approaches. For many years, the formula for business success has been based on a delicate balance of people, processes, and technology across operations. This basic principle still holds true. However, in an era of rapid digitization and technology evolution with an ongoing shortage of IT skills, organizations are tasked with transforming their operations in a different way, one that delivers both short- and long-term benefits. This means the formula now requires an expanded focus on technology, one that moves organizations from beyond operational efficiency to intelligent business operations.

Operational efficiency enables an organization to use its resources effectively and efficiently to achieve business outcomes. Intelligent business operations take operational efficiency to a new level, requiring more than just a balance of the right assets of people, tools, platforms, analytics, automation, AI, and continuous innovation. It requires expertise in managing operations, as well as designing and implementing a holistic operational strategy based on the understanding and effective management of the downstream and upstream processes. This comprehensive approach is often achieved best with the help of a solution partner that has both the expertise and capabilities to create significant cost-takeout and the flexibility that improves competitive advantage and expands an organization's current scope. Ideally, the solution partner is able to leverage the cloud with business process as-a-service (BPaaS) capabilities and can act as a seamless extension of the organization or own the end-to-end application and business functions globally. There are other options for organizations seeking to create intelligent business operations; for example, some seek a slightly different model where they work with a partner for the initial design, implementation, management, and transformation of operations, with the goal of transferring the ownership back once operations are fully optimized and stabilized. This paper looks at the advantages of these options when embarking on an intelligent business operations journey.

Taking Operations to a New, More Intelligent Level

Intelligent business operations take operational efficiency to a new level, requiring more than just a balance of the right assets of people, tools, platforms, analytics, automation, AI, and continuous innovation.

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Today's organizations are challenged more than ever before to drive operational efficiencies and to transform operations. They are expected to deliver more innovation and higher cost savings—all with fewer staff and less budget for technology investments. Doing a large-scale implementation of intelligent business operations in-house is often simply not practical and comes with inherent risk, including failure to deliver on predefined business outcomes. Aligning with an experienced transformation partner, one with enterprise capabilities, is an approach worth considering when creating a technology solution focused on specific business objectives.

Cost Savings from Data and a Cloud-based Approach

Historically, operational efficiency has consistently been one of the top business objectives for driving an organization's data strategy, tightly connected to IT and other technical stakeholders. As more areas of the business are empowered to better use data as part of their job functions, benefits, like improved quality of products/services

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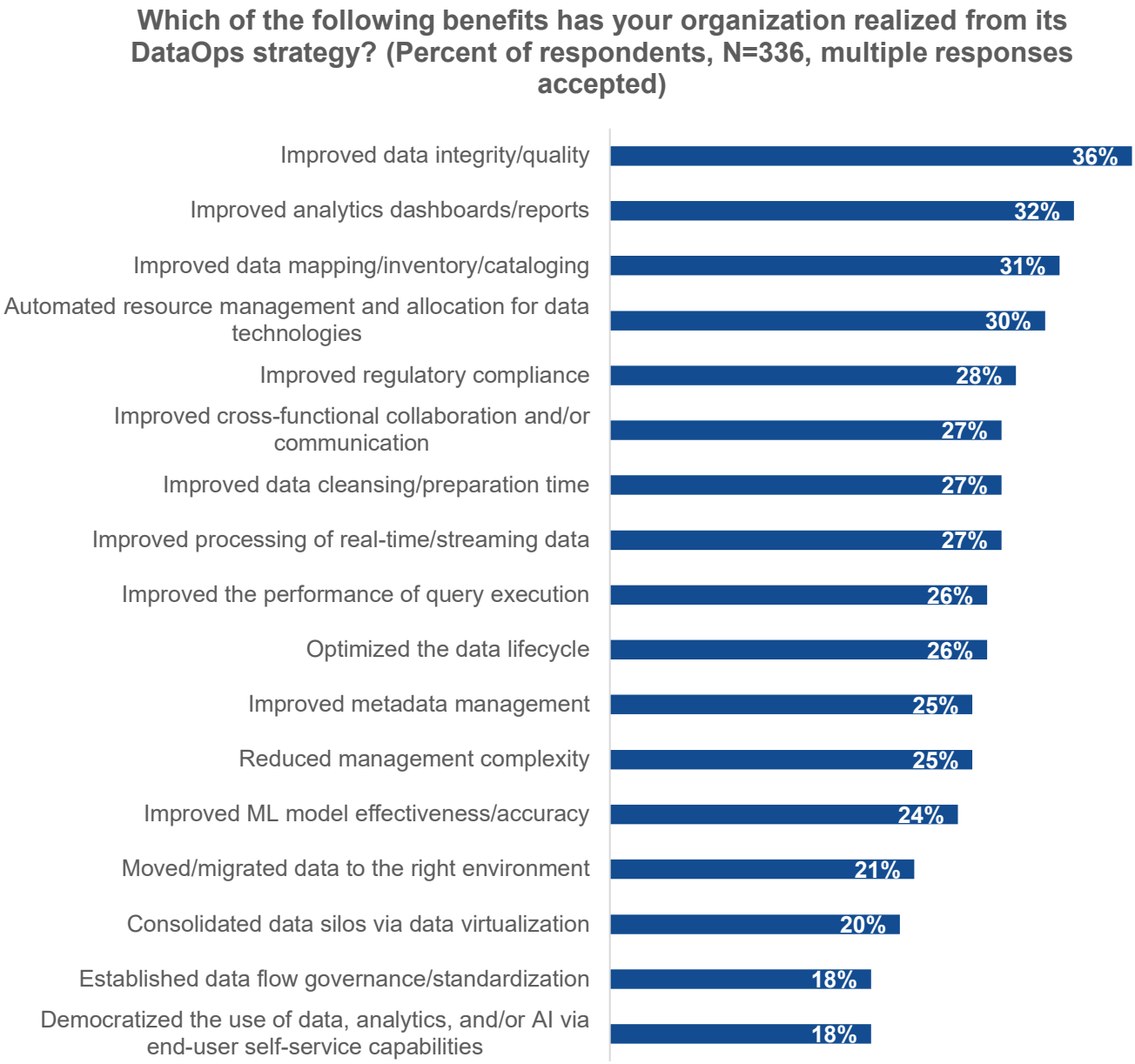
delivered and improved business decisions, are being realized by organizations through their DataOps strategies, highlighting a maturation of the overall data market (see Figure 1).[1]

Figure 1. Data Is Delivering on Its Promise



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Without a robust data strategy in place, it is impossible to achieve the level of integration required for operational efficiency. Another key factor for success is effective application management. Organizations must be able to manage their applications in a way that maximizes availability, reliability, and performance for improved customer experience, while also minimizing costs and downtime.

[1] Source: Enterprise Strategy Group Research Report, *The State of DataOps*, August 2022.

One approach to creating large-scale operational efficiency is to leverage capabilities from a provider with expertise in both Business Process as a Service (BPaaS) and application management services to drive intelligent business operations and the future-ready organization. This combined approach of cloud-based application management and BPaaS transforms organizations to optimize their key business processes to drive outcomes beyond just cost optimization. It enables them to achieve more flexibility, scalability, and greater focus on innovation and growth.

Specifically, the combination of BPaaS and application management services helps DevOps teams be more agile and frees them from infrastructure management maintenance to focus on continuous integration and continuous delivery (CI/CD), which, in turn, spurs innovation so essential in a competitive marketplace. This cloud-based strategy also enables a business outcome mindset, where both IT and business stakeholders' objectives are accessible and aligned.

Effective Application Management

Organizations must be able to manage their applications in a way that maximizes availability, reliability, and performance for improved customer experience, while also minimizing costs and downtime.

A BPaaS provider that offers application management as a service can transform application management by enabling businesses to go beyond just cost optimization to achieve greater flexibility, scalability, and focus on innovation and growth.

Overcoming the IT Skills Gap

On top of these operations challenges, enterprises are continuing to struggle with an ongoing technical skills gap, which can block or stall operations initiatives. In fact, 91% of organizations acknowledged significant skills gaps in at least one key area of DataOps, including 36% of respondents who reported that their organization has a significant skills gap in the area of data analysts. This is a big reason why organizations continue to look to technologies infused with machine learning capabilities that can drive improved productivity through self-service and automation.

Organizations are also experiencing significant skills gaps when it comes to IT operations professionals, with 30% of respondents reporting a skills gap in this area. And at least one in four companies have experienced skills shortages of data scientists, data engineers, database administrators, and business analysts (see Figure 2).[2]

Automation and Self-service Tools Can Help Offset IT Skills Gaps

To offset the skills gaps in key operations positions, organizations are leaning on technologies, like automation and self-service tools, to enable less-experienced IT staff and relieve overburdened developers, system programmers, and other IT operations managers.

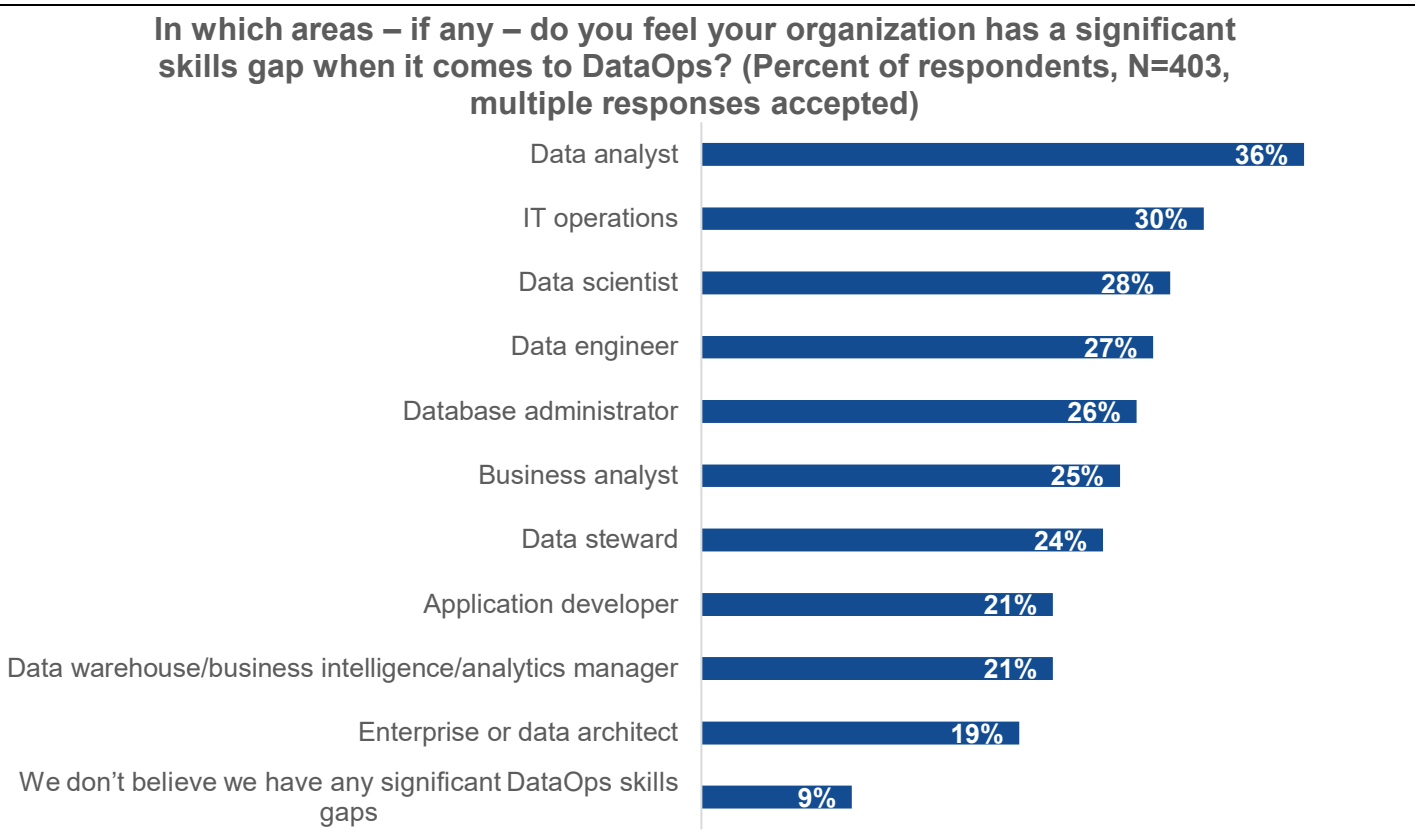
This shortage of technical skills across teams places excess burdens on stakeholders tasked with ensuring successful operations implementation, maintenance, and management. Some of these overburdened stakeholders are being asked to complete tasks outside their area of expertise and don't have the required experience or time to execute unique, complex tasks, creating a ripple effect that delays the value of operations initiatives and increases business risk.

Not surprisingly, research reveals that the most overburdened stakeholders are IT operations professionals.[3] To offset the skills gaps in key operations positions, organizations are leaning on technologies, like

[2] Ibid.
[3] Ibid.

automation and self-service tools, to enable less-experienced IT staff and relieve overburdened developers, system programmers, and other IT operations managers. Even executives are looking for automation to help them track operational performance tied to the business outcomes.

Figure 2. Significant Skills Gaps Found in Virtually All Areas



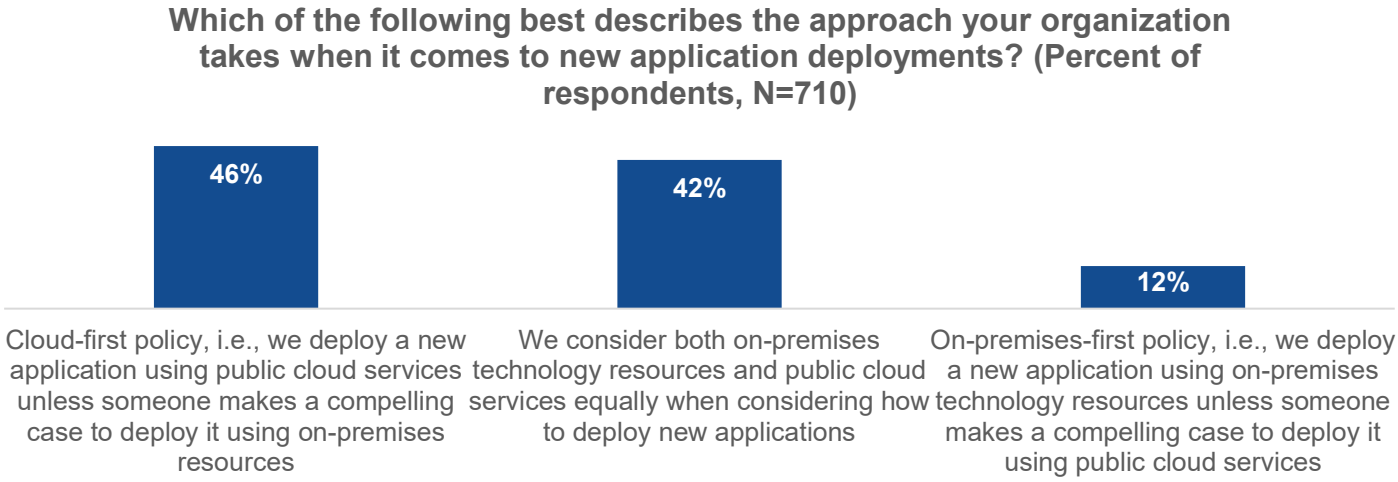
Source: Enterprise Strategy Group, a division of TechTarget, Inc.

The Challenges of Migrating to the Cloud

According to another Enterprise Strategy Group report, 46% of respondents said their organization has a cloud-first policy for deploying new applications. Forty-two percent said they consider both on-premises technologies and public cloud services equally, while 12% said they have an on-premises-first policy (see Figure 3).[4] The research shows that, overall, organizations continue to move toward the public cloud, either as their first choice or as part of a hybrid approach.

[4] Source: Enterprise Strategy Group Research Report, *2023 Technology Spending Intentions Survey*, November 2022.

Figure 3. Organizations Taking a Cloud-first Approach



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

The cloud continues to grow in adoption. But whether public or hybrid, moving an enterprise to the cloud is a complex endeavor, requiring a strategic and comprehensive migration plan that encompasses data, applications, and security. Risk management is another important consideration and requires identifying and mitigating risks with security assessments, compliance audits, and disaster recovery planning. Many organizations lack the in-house expertise to create a comprehensive cloud strategy and achieve a successful cloud migration on their own. And when organizations try and fail, it can be costly.

Whether public or hybrid, moving an enterprise to the cloud is a complex endeavor, requiring a strategic and comprehensive migration plan that encompasses data, applications, and security.

A best-in-class managed service provider (MSP) will offer a variety of service delivery options, including infrastructure management, application management, data management, and security management. The MSP may also offer an option to get the organization up and running on the cloud and then transfer the ownership back to the organization with a build, operate, transform, and transfer (BOTT) service delivery model.

Why Deloitte

IT organizations understand the need to embrace a business mindset to not only support those stakeholders but also, to become a tightly aligned, future-ready enterprise. An experienced provider can help transform the large enterprise by providing advanced technology solutions designed to deliver on business outcomes. This means the service provider must be able to commit to designing and delivering an operations solution in support of a client organization's specific business objectives. They must also have enterprise-level experience, particularly in application management, and offer capabilities that provide integration, innovation and outcome-based solutions across the organization's supply chain, IT finance platform, and ERP platforms. Perhaps most important is that the service provider must be able to leverage cloud technologies with BPaaS capabilities so that it can act and react as a seamless, fluid extension of the organization.

Using a consultative approach that builds on their technical experience and the depth and breadth of their capabilities, Deloitte is a leader in helping organizations meet key business challenges that come with enterprise transformation initiatives. As an MSP, Deloitte enables its customers to deliver on business imperatives with a growth-based strategy to achieve outcome-based, innovation-driven and flexible solutions. As part of their Operate program, Deloitte uses its consultative and technical experience combined with the depth and breadth of its technology capabilities to help clients with data strategy, AI Ops, BPaaS, and cloud migrations. Deloitte's solutions enable companies to efficiently manage operations across all domains, such as supply chain, IT, finance, and ERPs (like SAP and Oracle), despite an IT skills shortage. Deloitte also offers a BOTT model designed to get companies up and running operationally and then transfers control back to that organization.

Deloitte's Operate differentiators include:

- Advance sharing of roadmaps.
- Integrations designed for maximum effectiveness and sustainability.
- Technical development and evolution of complete solutions.
- Pre-and post-sales technical support.

Deloitte's Operate leverages years of experience and a strong technology foundation based on helping a wide variety of large enterprises solve some of their biggest operational challenges. As a transformation partner, Deloitte combines the technical and functional expertise required to drive sustainable business outcomes. For Deloitte, application management that meets service levels is a given. Deloitte excels in their commitment to realizing the most value and benefit from their clients' investment combined with their ability to deliver continuous modernization and upgrades while also addressing incremental business changes as part of their solutions. In fact, Deloitte's clients can leverage its global experience across business functions, geographies, technology, and processes with a flexible solution designed to meet their unique needs.

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Conclusion

Companies are looking for outcome-based, innovation-driven solutions and for partners with strength and depth in various domains and technology to help them drive their vision. Companies need a provider that can design, build, implement, operate, and transform their business and enable them to go on their unique transformation journey with a trusted partner by their side.

Deloitte is a leader in application management and BPaaS that brings with it vast capabilities in managing the length and breadth of supply chain, IT, finance, SAP, and Oracle and partnering for growth, with the flexibility organizations need. Deloitte has evolved its Operate Services to not only collaborate with organizations' expectations of conventional "tech-with-talent" and "managed services" models, but also to help deliver increased business, innovation, and transformative value. Deloitte provides cost-takeout and cost-effective solutions for BPaaS, an area that can lead to higher costs.

When looking at becoming more agile, more responsive, and more efficient, companies need to consider partnering with an experienced provider like Deloitte that can help them be prepared to respond and should consider competitive and technological challenges the future holds.

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