

WHITE PAPER

Process Progression Model™ (PPM)

A holistic model to transform business processes



- Arun Kumar Natha, Madhukar Tata

Abstract

New markets emerge. Business priorities change. Competition increases. And to accommodate and respond to these changes, as and when they arise, business processes must evolve. However, most enterprises find it hard to adapt their processes to these changes and face challenges such as:

- How to transform processes through an evolution curve of higher process maturity and measurable business outcomes?
- How to ensure a transparent view to track process performance?
- How to build flexibility in the transformation frameworks to incorporate current business complexities and deliver results?

Having managed large and complex processes for more than 150 clients – across global locations and industries – we have garnered valuable insights that have enabled us to create the Process Progression Model™ (PPM) to address these challenges. Right from the seeding of the basic idea to developing the holistic framework, this paper takes you through the entire PPM journey.

The context

To understand how PPM evolved, it is important to understand how the BPO industry has evolved in the last two decades.

From 'run the business' between mid-nineties and early 2000's to the 'big boom' in mid-2000's, the industry has evolved to what it is today – the transformation engine for businesses. Today, businesses have understood that the minimum requirement from a service provider is to not just 'run' but also 'grow' the business. The focus has shifted to 'the business value delivered'.



Diverse needs, goals

To deliver business value, processes should be water-tight and at the same time flexible. And to bring about this transformation in processes, the right transformation lever and methodology is an absolute necessity as each business situation is different.

In our experience, we have broadly seen three categories of business scenarios and the way transformation is defined:

“Predictable delivery and maintain stability”

– as defined by a large commodity manufacturer

“A canvas with levers focused on innovation and process improvement, resource optimization both in technology and people, delivering best-in-class services to internal and external stakeholders, and being cost competitive”

– as defined by a global electronics giant



“Focuses on achieving business outcomes and being best-in class with industry peers”

– as defined by a global leader in the CPG industry

Clearly, the needs and goals are diverse. And adding to this complexity are the functional or regional definitions and expectations of stakeholders. We found that instead of working as building blocks for a harmonized structure, these functional and regional units are often myopic, focusing on short-term enhancements that provide a short spurt in performance but dwindle over the long-term and are counterproductive to the interests of other functions and the overall global enterprise.


To truly transform processes, a holistic and transparent framework that is adaptable to diverse requirements and is capable of charting a distinct path for achieving the set business outcomes is needed. Our efforts to establish such a framework led to the Process Progression Model™ (PPM).




Arriving at the PPM

Over a period of 10 years, we employed various methodologies / process improvement initiatives under the umbrella of quality, Business Value Articulation (BVA), technology intervention, standardization and consolidation, etc. However, what gave shape and form to PPM was the successful implementation of Delivery+, a process transformation initiative which bundled all the transformation levers and delivered substantial savings for a large electronics major. The success of Delivery+ and the learning we derived from implementing it were leveraged and rolled as a pilot initiative in our Finance and Accounting practice, in the form of Differentiated Delivery Model (DDM). And the success of DDM inspired us to develop a holistic model that could be adapted to any practice, any function – the PPM.






- Delivery+ was an account level initiative to measure the delivery performance
- Delivery+ is an initiative undertaken for a global electronic giant towards building excellence in delivery performance
- Delivery+ performance was measured against 4 themes and 10 tracks including thought leadership, domain expertise, knowledge management and competency development







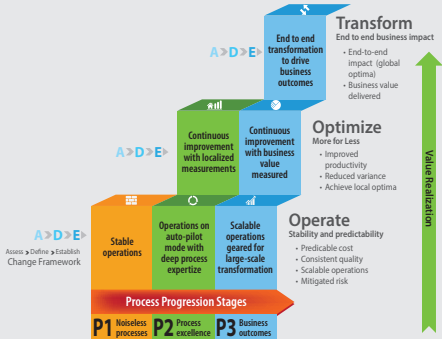
- Differentiated Delivery Model (DDM) is the framework designed to measure the delivery performance for the F&A practice engagements
- DDM was primarily initiated to help the client CFO in achieving the finance functional objectives
- DDM has been classified into 3 levels as D1, D2 & D3

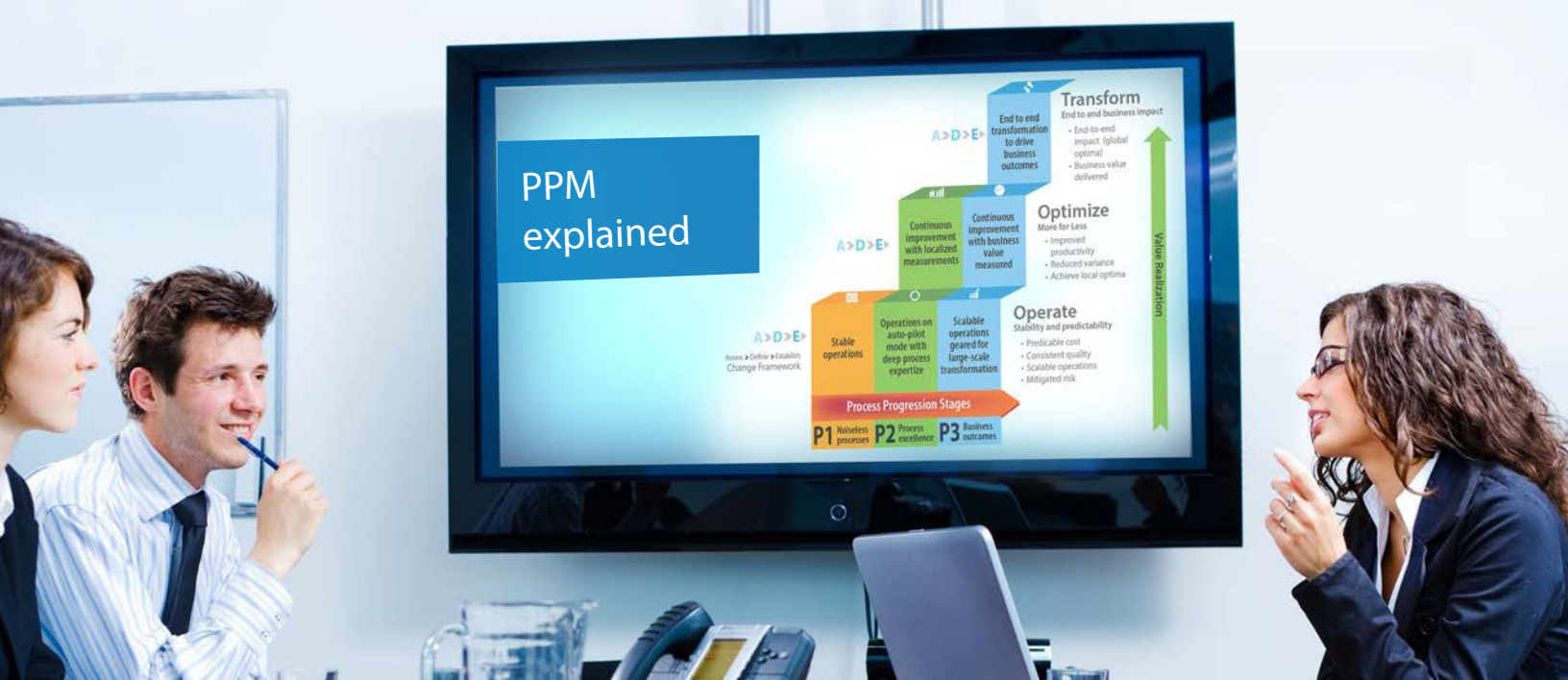


- Process Progression Model™ is the client-centric model designed to evaluate the process delivery performance across all engagements in the organization
- PPM is a holistic model with which we partner with our clients on the transformation journey to achieve desired business outcomes
- PPM stages of client's processes are measured into 3 levels - P1, P2 & P3

Components of Finance Function Maturity

| | |
|--|--|
| Finance Department Costs as % of revenues  | Finance Performance  |
| Degree of Centralization  | Use of Technology  |
| Business Value to Organization <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | |





PPM is a roadmap that takes client processes on a journey of progression and continuous improvement. Irrespective of the existing state of the client process / industry / function, the model is geared to transform the client process through an evolution curve of higher process maturity, measurable business outcomes and enhanced client customer satisfaction. The model addresses the complete cycle of objectives of the three stages of progression of a business process – operate, optimize and transform. The three distinct stages of PPM are:

| | |
|-----------|---|
| P1 | Assures 'noise-free operations' and a stable and predictable delivery |
| P2 | Ensures process excellence and efficiency, along with P1 outcomes |
| P3 | Enables clients to achieve effectiveness and scalability, and realize business value along with the outcomes in P1 & P2 |

Holistic, flexible and transparent

A holistic model

Is deployed through the entire lifecycle of the engagement right from design to delivery

Focuses on the end-to-end process

Is designed to view business processes from an end-to-end perspective across geographies and functions

Addresses diverse client requirements

As each business situation is unique, so is the business process – the model addresses this diverse need

Helps zero down to the right levers

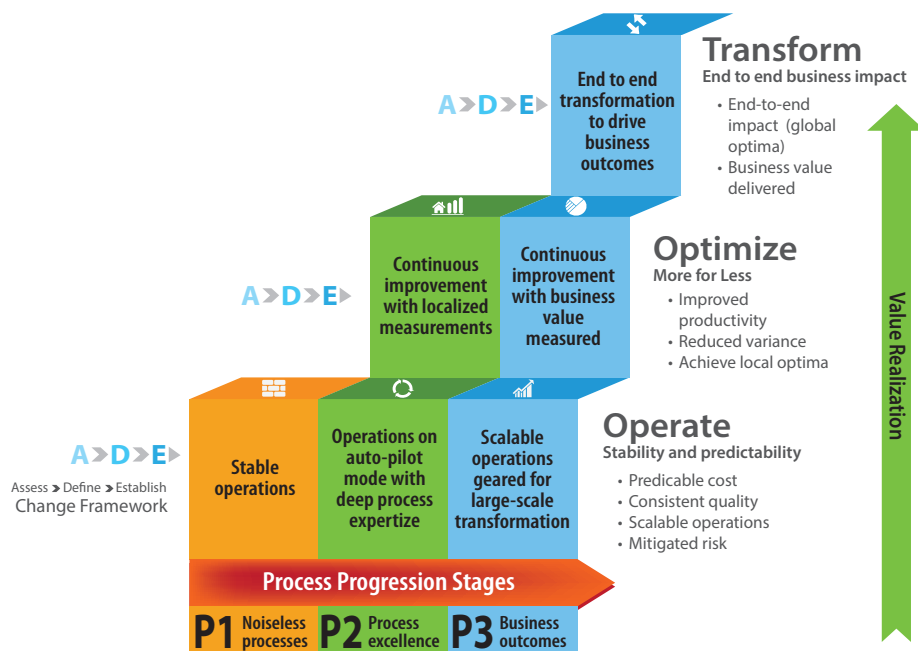
Goals for each process is unique and the model zeroes down to apply the right set of change levers

Is flexible

Choose when to initiate or terminate the transformation journey or consider it as a continuous journey of innovation and process excellence

Is transparent

Provides complete and transparent view of the deployment and the process progression



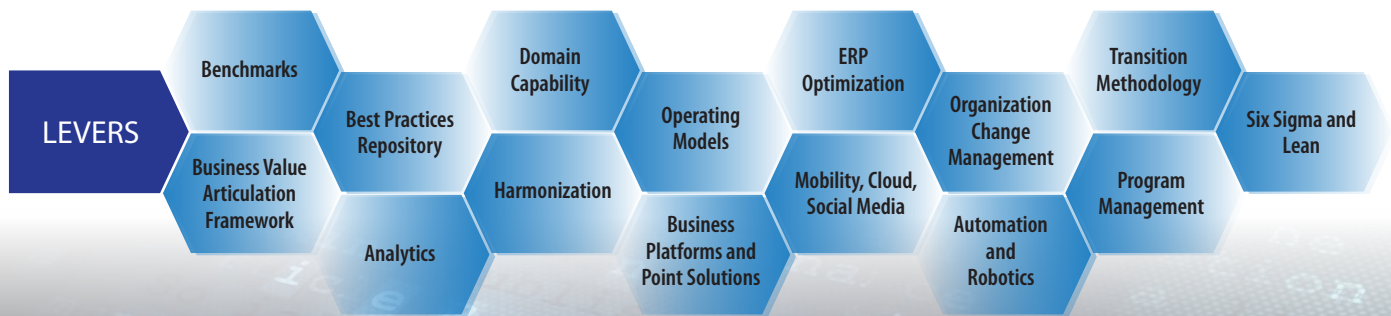
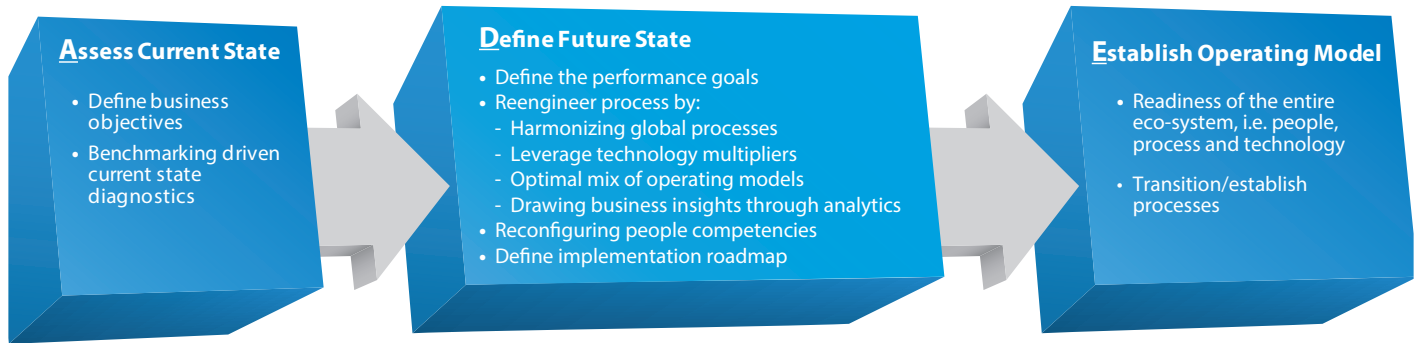
Infosys BPO Process Progression Model™

Making the change worthwhile

Process change is worthwhile only when it is achievable, measurable and delivers sustainable business value. Discovering, designing and assessing such a change require a structured, consultative approach along with practitioner know-how is needed. We bring this in with our **A>D>E Change Framework**.

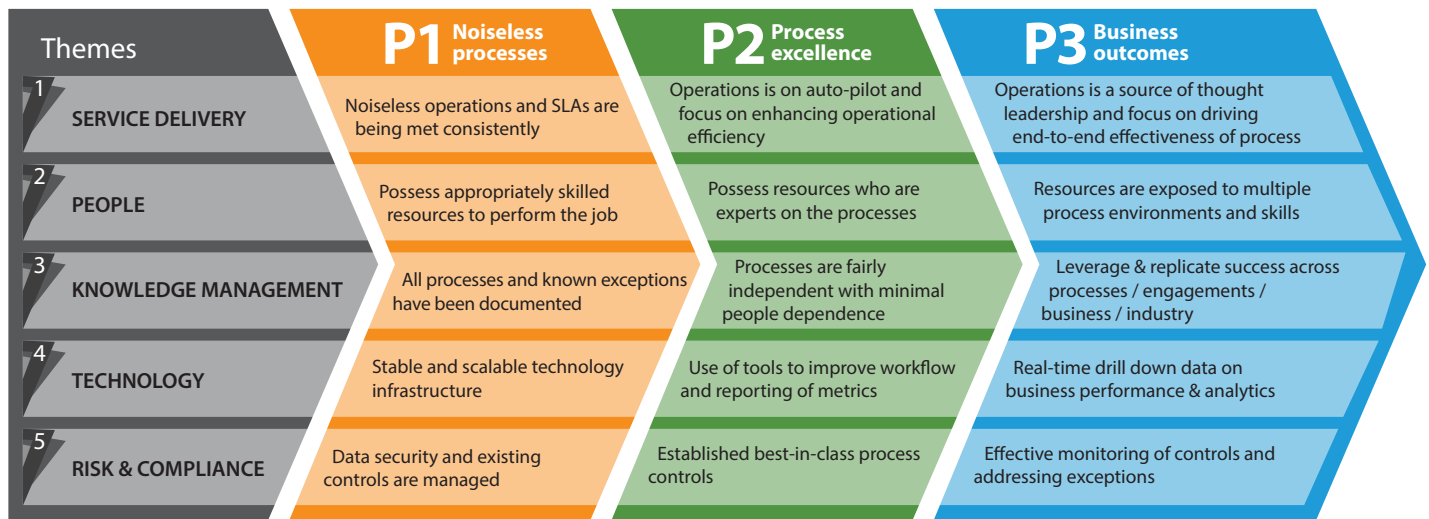
The framework is designed to understand the needs, deploy the right change levers, define a future state and implement recommendations. It:

- Brings together various competencies and IP that we have nurtured over time, e.g. toolkits, best practices, business platforms, point solutions, lean, six-sigma, etc.
- Helps identify the right levers, as we understand each situation is unique
- Will be deployed at each stage of P1, P2 and P3, to achieve the desired state



Checks and balances

Processes are measured across five themes and 32 extensive parameters to track progression levels of an engagement. Progress along all 32 parameters is communicated over the duration of the engagement via comprehensive dashboards, with metrics-driven reporting across the five themes.



Deployment and governance

PPM implementation is a two-step process, the steps being :

- Maturity assessment
- Progress tracking

Each step is overseen by a defined governance mechanism and owned by a stakeholder. The maturity assessment is a seven-stage approach from start to finish and the progress tracking is done monthly with periodic review of the progress made.

The roll-out is managed and monitored by an exclusive cross functional PMO team with the CEO and MD of Infosys BPO being the Project Sponsor. The internal governance is structured such that a monthly review is performed at a business unit level, practice level, and the organization-wide progress is tracked through a quarterly steering committee review chaired by member of Executive Council.

Achievements, so far


- Now implemented across 75% of F&A accounts which includes strategic accounts
- Deployed in 30% of the accounts
- Roadmap for P3 defined for large no. of clients
- Clients, analysts and advisory teams have expressed positive feedback


Accommodating diverse needs

Each client's need is diverse. While most focus on efficiency, some focus on scalability, others focus on compliance and then there are some focus on transforming operations. In each of these situations, we would begin with understanding the client's needs, then deploy appropriate levers and parameters to measure the outcomes.

Here is an example of our approach to transforming a client's processes by deploying the relevant levers through the engagement life-cycle.

This client is a global manufacturer with an appetite to offshore / outsource.

| | |
|--|--|
| Business Drivers / Key Challenges | <ul style="list-style-type: none"> • Client had created a shared services organization for Finance with 3 off-shore centers in Poland, India and Thailand. As well as smaller operations in each key country. • Lack of expertise in technology to drive further process improvements and innovation projects • Inadequate cost structure that could not adapt quickly to volume changes or macro-economic changes • Potential high cost liability of restructuring and difficulty to provide value addition in service excellence |
| Infosys Solution | <ul style="list-style-type: none"> • Infosys took over 1400+ FTE's located in three countries through a detailed plan which focused on ensuring smooth transition of services • Robust governance framework to fulfill the key objectives • Established a strong reporting framework to measure and monitor performance • Deployment of our proprietary tool, OEMS to bring in workflow based management for effective delivery • A joint innovation board was established to accelerate innovation and automation-based transformation. It incubates and sponsors innovation-based projects focused on value creation through improvements in efficiency, business functionality and delivery models |
| Key Levers Deployed |  |
| Outcomes | <ul style="list-style-type: none"> • A guaranteed cost reduction of 20% over the contract duration • Improved service levels by introducing around 20 KPIs that were based on efficiency rather than on volume metrics • Reduced attrition and Improved Customer Satisfaction with customer testimonials |



“The deployment of PPM provides Infosys BPO with an advanced methodology enabling the enhanced delivery of mature processes and solutions to clients. The holistic model provides flexibility and transparency, and integrates important objectives such as technology automation and business value delivery, thus serving as a key differentiator for Infosys BPO. It is also a valuable tool for the company to document the delivery of operational value and business outcomes for clients on an ongoing basis. It is a progressive model enabling end-to-end transformation, to provide significant and measurable business benefits to clients.”

– Charles Sutherland
 EVP Research, HfS Research

Structured progress - guaranteed

Being a holistic framework, PPM allows tracking of the progress on cost, quality, people and other relevant parameters. It guarantees progressive process improvement to reach the cost and quality benchmarks. It demonstrates structured and sustainable progress in turn driving business value and end-to-end transformation.

About the Authors



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Head – Global COE, F&A Practice; PPM PMO Lead, Infosys BPO

Arun is the Global Delivery Lead in the Finance & Accounting Practice at Infosys BPO. He comes with more than 18 years of experience in the Finance and Accounting domain. He is a Commerce Graduate, a Chartered Accountant, a Cost Accountant and an MBA in Marketing. Arun is responsible for ensuring smooth delivery of services with differentiated experience to help clients realize their full potential. In this pursuit, he works very closely with clients in identifying, blueprinting, transitioning, and implementing transformation roadmap of their Finance & Accounting department. Prior to this role at Infosys, Arun worked with Accenture, Standard Chartered Bank, DHL and KPMG in various capacities across end-to-end finance, accounting and audit functions.



Madhukar Tata

Head – Business Transformation Services, Infosys BPO

Madhukar's focus is driving growth and managing delivery of Business Transformation Services – an advisory practice focused on helping clients realize business value by leveraging multiple levers, including establishing their operating models. Madhukar has more than 18 years of experience in transformation and re-engineering including stints at HP BPO, McKinsey and Ford. He has been involved in designing various frameworks to assess organizational efficiencies and effectiveness that drive material impact to businesses.

About Infosys

Infosys is a global leader in consulting, technology and outsourcing solutions. We enable clients, in more than 30 countries, to stay a step ahead of emerging business trends and outperform the competition. We help them transform and thrive in a changing world by co-creating breakthrough solutions that combine strategic insights and execution excellence. Visit www.infosys.com to see how Infosys (NYSE: INFY), with \$7.4B in annual revenues and 158,000+ employees, is Building Tomorrow's Enterprise® today.

Infosys BPO, the business process management subsidiary of Infosys, provides a broad range of enterprise and industry-specific services. We deliver transformational benefits to clients through our proprietary Process Progression Model™ (PPM). These benefits include cost reduction, ongoing productivity improvements and process reengineering.



For more information, contact infosysbpo@infosys.com

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