PERSPECTIVE

Disrupting the As-a-Service BPO Ecosystem for the New Enterprise

Amit Puri

Abstract

Today, digital capabilities are determining the value of enterprises. In this new era where hyper growth and new business models contribute towards greater value generation for enterprises, they still do not guarantee long-term survival. Therefore, new enterprises must adopt a unique approach – not just to transform their internal landscape, but also to align themselves to their customer's needs – to holistically integrate both B2C and B2B models.

In this thought paper, we discuss how enterprises are combating emerging challenges in the digital age in order to lead transformation efforts with innovative and disruptive models.

Infosys®

They cannot continue to work as two separate entities as it limits synergy and forward thinking amongst individuals.

Having said that, hi-tech, online, and social media companies have already witnessed a paradigm shift in leveraging SaaS-based technologies with new, cloud-based ERPs and end-2-end stack solutions i.e. Workday, NetSuite, Infor etc, that are now taking on global majors such as Oracle and SAP. Ultimately though, it is not just about implementing a radical, cloud-enabled ERP or saving license costs – that is only the first step. Companies today need to go through requisite change management and organizational redesign to maximize benefits from their cloud solutions as a single, seamlessly integrated service. Only then can they align to a common goal and support large-scale transformations across the organization.

The challenge – SaaS automation is not just about implementing a cloud-based solution

The BPO industry is undergoing its biggest seismic change ever as enterprises reduce their reliance on labor-based services and remove archaic, on-premise technologies. Enterprises require wide-scale transformation of business processes enabled by new technological tools and platforms. As a result, there needs to be a logical merger of business processes, operations, infrastructure, and cloud services to enable a fundamental shift towards technology-driven services.

At the same time, companies do not have the luxury of the conventional, five-year improvement programs anymore. The traditional mindset of large enterprises – with CIOs and CFOs running independent charters – needs to fundamentally change.

Seizing the opportunities of the digital age

Today, the digital storm is forcing changes across businesses in an unprecedented manner – such as technological and social shifts, big data and cloud adoption, concentration on the Internet-of-Things (IoT), and new customer expectations and behaviors. It is creating new trends, disruptive entrants, and industry evolutions. Although these new-age technologies and never-seen-before models are helping businesses adapt faster and build new capabilities, but still long-term survival remains unpredictable. Further, despite huge valuations of new-age digital companies, sustainable revenues or profits seems suspect. This scenario has given rise to an important question for enterprises embarking on digital transformation in the quest to seize digital opportunities: where should they invest to make digital transformation more sustainable in order to reap its benefits in the short and long-term? We believe the answer lies in aligning business processes to customer needs and adopting As-a-service models.
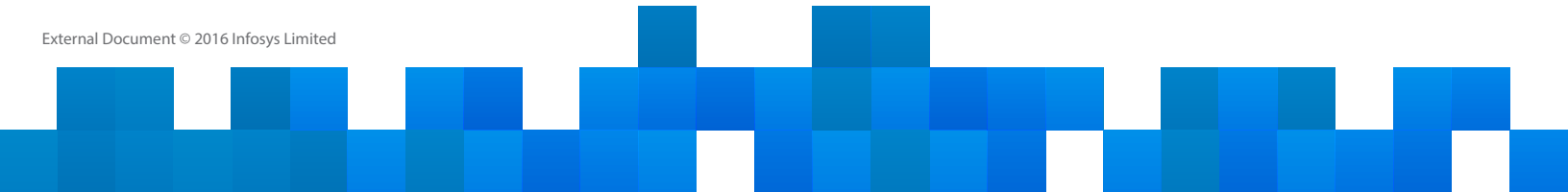
processes – but fundamentally linking to organization's business models for greater impact. Without such futuristic archetypes, sustaining growth in the digital age will be difficult as tools, platforms, and processes will need to cater together to the new ecosystem.

However, this does not mean that companies should simply outsource everything. Rather, enterprises should adopt sustainable, balanced models that combine in-house initiatives and partnerships with global service providers.

It is similar to the first technology bubble burst in the year 2000. Essentially, no one knew when things could go wrong, and how fast. New tech startups are hitting the `**unicorn club**' ($1 billion+ valuations) and yet growing with a lot of turbulence. Yes, there are great stories with the likes of Uber, Facebook, Spotify, Waze, and Airbnb; but then again, look at companies like Groupon and Twitter that are simply struggling to effectively turnaround their business models, beat the competition and scale. This extends to even earlier titans like HP, Cisco, Intel etc, who are facing the heat. It is like the tech-hype-cycle that can deflate very quickly. The digital ecosystem will change things not just for billions of consumers, but also equally for companies and how they adapt to new business models that align simultaneously with investors, employees, and customers.

Aligning business processes to sustain growth

We know from experience that any transformation initiative must align strategies with all systems and processes. There are several examples of companies that falter due to insufficient focus on optimizing basic functions, such as finance and accounting, procurement, supply chain, human resources, or even internal productivity processes. Therefore, for a successful digital transformation effort, for enterprises to adopt sustainable

organizational models that combines newer systems-of-engagement themes with the traditional systems-of-record, is essential.

The BPO industry is preparing itself to enable successful digital transformations with newer Digital-BPO models. These models are designed to support the rapid growth in digital technology with critical linkages to not just managing core business

As-a-Service ecosystem for sustained advantage

As-a-Service ecosystem means different things to different people and is a concept that companies are only now beginning to embrace. Nevertheless, its adoption is growing and becoming more disruptive.

Today, enterprises are not just thinking of outsourcing a basic order management process; instead, they want to outsource underlying ERP systems, application support frameworks, and infrastructure in their entirety. In addition, they would like to add analytics, robotics-led automation,

design thinking elements, and more to the mix, in order to improve the entire customer service journey. Of course, we are now seeing global service providers offer these type of models on a per-transaction fee, with cost and operational risk as variables, and in some cases, even taking over a significant share of **business risk.**

From a provider's perspective, it is linchpin for them to enable enterprises to successfully leapfrog into the digital ecosystem. This is a strong partnership

that benefits their business models. Once this is established, providers will have the wherewithal to create unique, industry-specific platforms, and competitive differentiation. However, this groundbreaker for innovation would also disrupt traditional models and trigger an evolution in the BPO industry. Providers will be forced to think beyond just Business Process-as-a-Service (BPaaS) / cloud-enabled platforms, rather migrate to industry-specific platforms built around specific industry domains.

Business Process Industry Platform-as-a-Service (BPIPS)

As of today, many of our clients have begun reshaping conventional outsourcing models, to combine business processes, application development support, and infrastructure around cloud-based models, to embrace As-a-Service paradigms. Emerging enterprises want to ensure a wide-scale transformation of business processes, enabled by new technology tools / platforms.

As-a-Service models will logically merge operations, infrastructure, and cloud services to accelerate the fundamental shift towards technology-driven services and persona-based user experience. By combining industry platforms, software, and services, leveraging BPIPS framework will help build viable business models that will both deliver value to clients and grow new revenue streams. This will help enterprises to digitally reimagine and manage business processes and bring in ways that are more effective in predicting and forecasting demand. This new approach will also enable enterprises to migrate to pre-packaged, plug-and-play models that are on-demand

and driven by technology-enabled services to achieve increased ROI in a much shorter implementation time frame.

This is a new landscape for system integrators and they will need to exhibit agility and foresight to steer enterprises in the right direction, by bringing together elements of BPO operations, infrastructure, technology support, and organizational realignment to offer "Consult-2-Operate" value themes – where this also allows global SI's to get

closer to their end customers through Zero Distance-led innovation programs. With such newer thinking and approach, enterprises will have a better chance of leading digital transformation for desired impact and success. This new way of integrating various technology-and-process elements has given rise to companies now beginning to embrace technology-stack solutions around FAO-as-a-Service, Procurement-as-a-Service, HRO-as-a-Service, Analytics-as-a-Service, and related models.

Conclusion

Without doubt, the digital ecosystem offers tremendous opportunities for enterprises to get closer to customers by leveraging seamless integration between business and technology. This could be further driven by design-thinking led automation to innovate and maximize TCO impact. Ultimately, enterprises will see huge benefits of shifting from legacy/on-premise to cloud delivery and monetization models. This will impact major BPO support elements like Finance, HR, Procurement, Sales & Fulfilment, Customer Service etc, where both IT infrastructure and process support will move to a culture of technology-driven services, hence making "As-a-Service" models more effective and easier to implement. Long-term survival of enterprises depends on their ability to lead with this type of innovation, be more bold and relentless, and their willingness to disrupt traditional IT and BPO services models to accelerate growth.

About the Author

Amit Puri
Portfolio Sales Leader, Infosys BPO

Puri currently leads new revenue and growth initiatives to accelerate the pace of transformational growth for Infosys BPO. He is a seasoned industry executive, with a proven track record and a strong background in outsourcing (IT / BPO) and technology domains, having led sales, business development, and P&L leadership roles across global SIs and in startup environments.

Prior to his joining Infosys, he was founder of a silicon-valley startup to build the next gen BPaaS / platform-BPO. Earlier, he has held various senior management roles with Genpact, Oracle, and HCL- Hewlett Packard in the US and Asia-Pacific to drive global sales growth and building strategic client relationships, and incubating key alliances for technology and services partner ecosystem.

Puri holds an MBA in Marketing from Kellogg School of Management, Northwestern University, and a BE from Delhi College of Engineering, University of Delhi.

He is based out of San Francisco Bay Area, CA and can be reached at puri_amit@infosys.com.

For more information, contact infosysbpo@infosys.com

Infosys®

Stay Connected