



Perspectives

The modern operations opportunity for a future-ready business

2022-09-19

Modern operating models are built on processes that are fast, efficient and human-centric. Cognizant's analysis of recent Economist Impact research shows that businesses are taking a fresh look at their operations and seeking to turn processes into agile, data-driven experience engines.

Operations has not historically been an excitement-inducing topic in the minds of business leaders. Considering its close association with notions such as “optimization,” “cost-reduction” and “back-office,” operations’ lack of glamour is understandable.

However, this area is experiencing a spotlight moment. Under mounting pressure to provide elegant, simple and fresh customer experiences, businesses have discovered that the only way to achieve this goal is to ensure the processes that deliver these experiences are themselves built for simplicity, elegance and ingenuity.

The operations renaissance

With the evolution in technologies such as process mining, process and IT automation, and artificial intelligence (AI)—along with increased adoption of design and systems

thinking—a plethora of new tools is available for companies to future-proof their business by radically modernizing their operations.

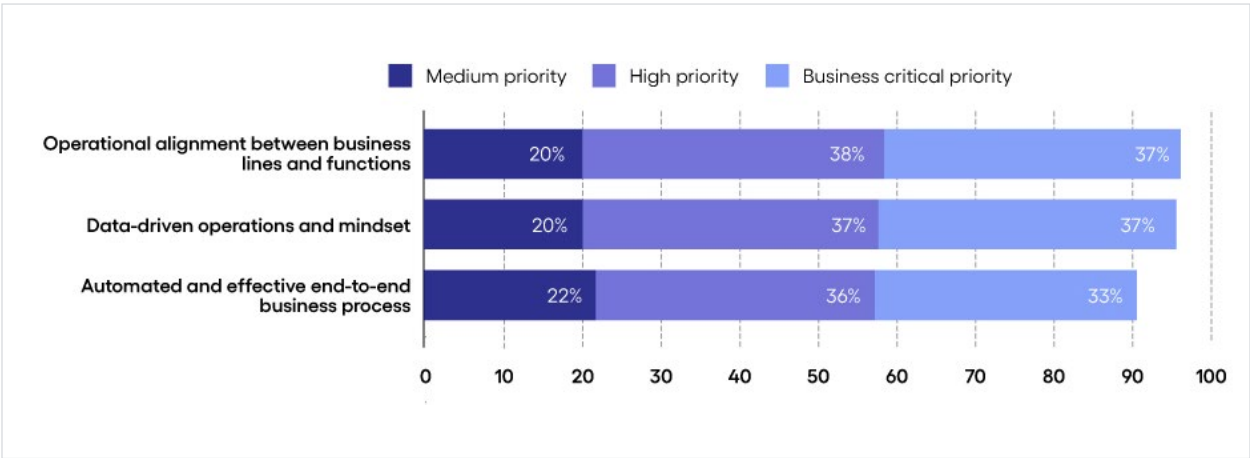
In this context, operations is emerging as a vibrant space of innovation in which reimaged processes, cutting-edge technology, data and people blend to not only deliver efficiency and agility but also considerably improve experiences for customers and employees and create new value for the enterprise.

In recent Economist Impact research supported by Cognizant, business operations surfaced as a top priority for senior executives.

At least one-third of respondents rated data-driven operations, automated and effective end-to-end business processes, and operational alignment as business-critical priorities. An additional one-third said they were a high priority (see Figure 1).

Businesses crave aligned, automated, data-driven operations

Respondents were asked to what extent their company’s corporate strategy prioritizes the following. (Percentage of respondents saying “business-critical” or “medium/high” priority)



Response base: 2,000 senior leaders
Source: Economist Impact Survey 2022

Figure 1

The imperative for modern operations

Leaders worldwide agree it is more difficult than ever to predict what the future will bring in light of the rapid pace of change. How will hybrid work evolve? What countries are the next talent hotbeds? How will customer preferences change? What new, disruptive ideas will transform the industry landscape? What are the best strategies to invest in upskilling and caring for employees, as well as prioritizing and executing on environmental actions while still delivering strong profit margins?

Automated, intuitive processes can deliver the experiences sought by stakeholders. Data-driven operations can provide the efficiency, agility and resilience executives crave while also making the business more environmentally friendly. Operational alignment can create the organizational muscle memory to allow companies to move at the speed of change.

It is at the process and operations level where business leaders can build three critical elements that serve as the foundation of sustainable growth for the future-ready enterprise:

- Enhanced human-centric experiences for all stakeholders
- An agile and resilient operational backbone made for speed and adaptation
- A powerful business insight engine that acts as a force multiplier for strategic goals

We call this “the modern operations opportunity.”

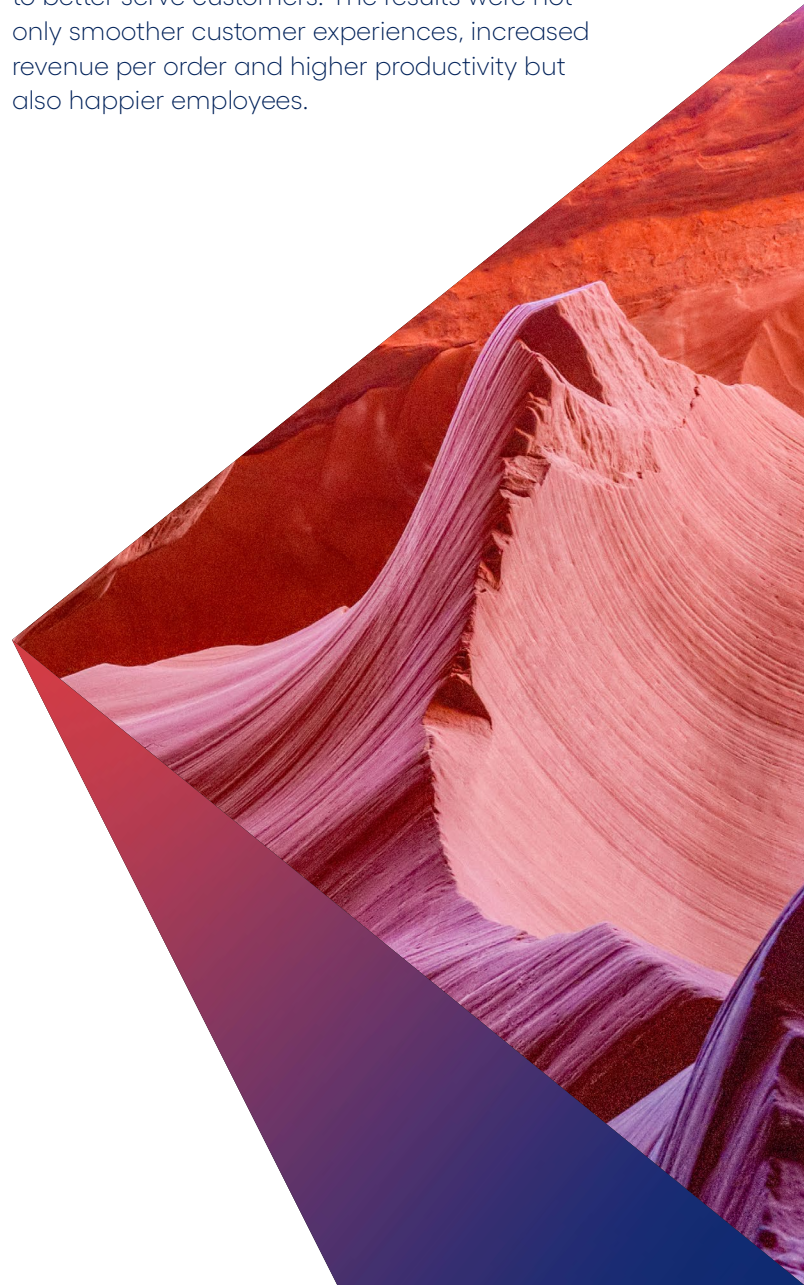
Enhanced human-centric experiences

The correlation of employee experience (EX) and customer experience (CX) was recognized early by leading organizations. Apple was the first to institute and consistently track a “net promoter score for people” to measure employee engagement as a parallel metric to its customer-focused net promoter score (NPS).

Leaders participating in the Economist Impact survey cited improved customer experience (39%) and improved recruitment and retention (33%) as top human experience angles. By placing people (be they employees, customers, partners or investors) at the center of process design, businesses can start grasping the modern operations opportunity.

An organization that has seized this opportunity is the global pizza franchise Papa John's. The company wanted to improve the way it handled customer orders, reduce wait times and provide pizza lovers with a better experience.

We worked with Papa John's to redesign the ordering process and infuse it with technologies like automation and AI, enabling customer care teams with the data and insights needed to better serve customers. The results were not only smoother customer experiences, increased revenue per order and higher productivity but also happier employees.



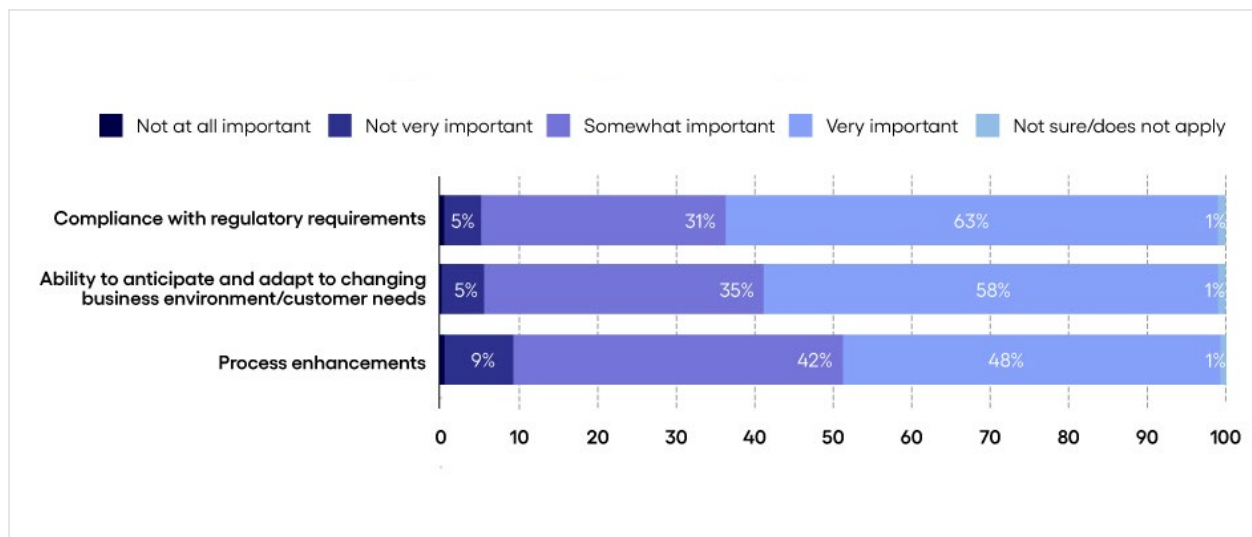
An agile operational backbone

More than half of executives surveyed in the Economist Impact study believe the ability to anticipate and adapt to changing commercial

environments and customer needs is a vital characteristic of a future-ready business (see Figure 2). Enhanced processes and regulatory compliance received a similarly high endorsement from respondents.

Agile, resilient and cost-effective operations drive the modern business

Respondents were asked to rate each topic on its importance to being a modern business. (Percentage of respondents rating each as somewhat or very important)



Response base: 2,000 senior leaders
Source: Economist Impact Survey 2022

Figure 2

The modern operations opportunity lies in harnessing the power of process science, data and technology, and combining it with the speed and ingenuity of fast-growing digital-native companies, so that businesses can be ready for anything.

Our extensive work with digital disruptors has proved that the secret of designing a future-ready operational backbone lies in striking the right balance of both structure and fluidity, and rigor and speed. Testing, iterating and operationalizing new ideas quickly is the natural

operating model of digital innovators and is also the way forward for traditional businesses looking to reinvent themselves and remain relevant.

One of the companies we helped make the shift to modern operations is a major US health insurer managing more than 30 health plans for over 30 million members. Using intelligent process automation and self-healing AI-driven bots to complement the workforce already in place, we enabled the client to process claims 600% faster and save \$40 million per year, an 8X ROI.

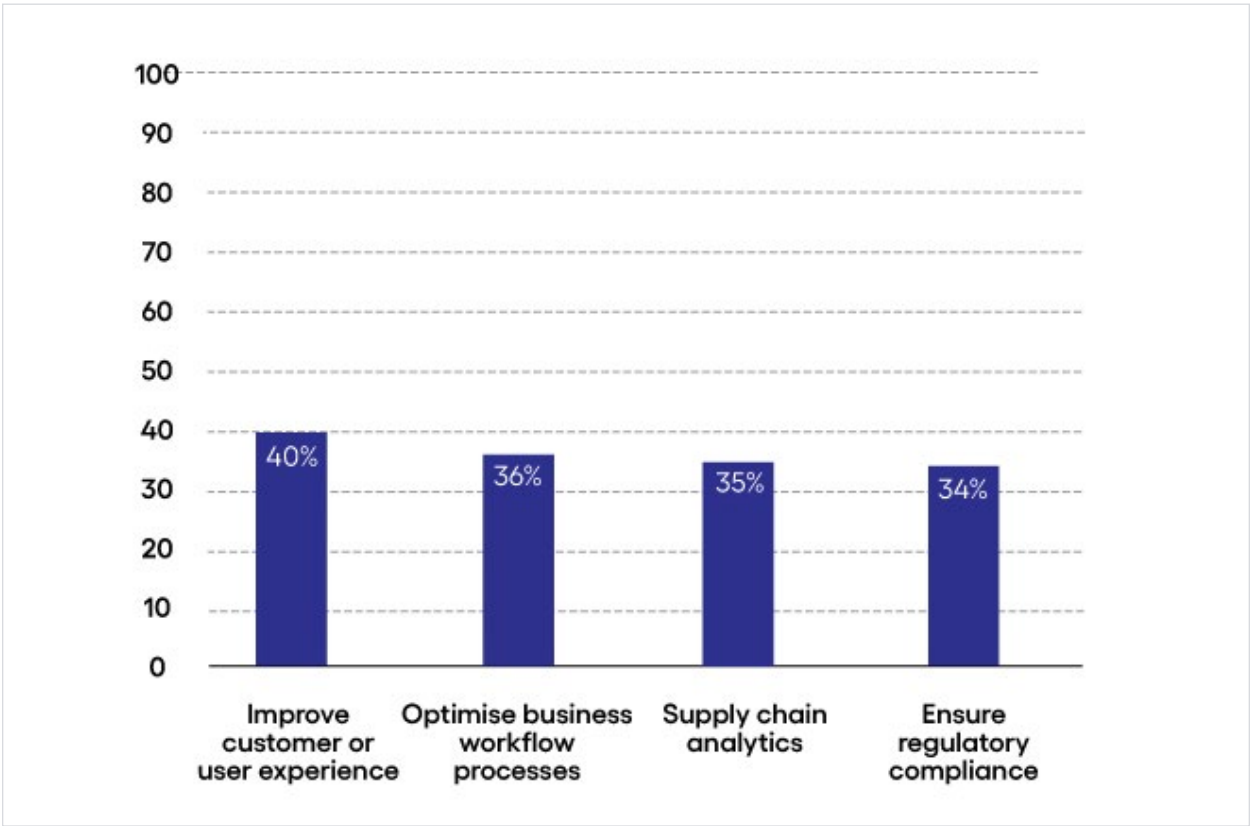
A powerful business insight engine

Data is a force multiplier for all areas of the business—whether providing better, more thoughtful customer support based on interaction history and sentiment analysis, testing new services and quickly evolving them to attract buyers, or uncovering opportunities to reduce waste, cut costs and obtain sustainability advantages.

When asked how data is currently used, businesses showed a somewhat reserved response to areas that are typically critical operational battlegrounds. Just over one-third said they funnel data to ensure regulatory compliance (34%), support supply chain analytics (35%) and optimize business workflow processes (36%) (see Figure 3). This is in stark contrast with their ambition to create data-driven operations. While a slightly greater percent of respondents (40%) use data to improve customer and user experiences, there are clear opportunities to do more.

Future-ready businesses need a powerful insight engine

Respondents were asked in which areas their company is leveraging data. (Percentage of respondents using data in each area)



Response base: 2,000 senior leaders
Source: Economist Impact Survey 2022

Figure 3

Modern operations combines AI, cognitive and automation technologies with reimagined workflows to collect and analyze data along end-to-end processes, transform it into insights and enable the business to act smartly and quickly.

Take the example of **Parkland Community Health Plan (PCHP)**. With a critical need to do more to meet the growing needs of medically underserved communities in North Texas, the PCHP team worked with us to fully integrate member touchpoints via a business process as-a-service solution, enabling PCHP to effectively coordinate all administrative and clinical aspects of its member experience.

New analytics options give PCHP insight into how to effectively engage members while putting the plan provider in a much better position to coordinate care, enhance members' experiences across their healthcare needs and adapt to shifting customer preferences.

Developing a business insight engine is just as much about optimizing and enhancing existing processes and experiences as it is about preparing the ground to tackle the new, whether that's in response to regulatory shifts, market volatility or stakeholder demand.

Operations moves into the spotlight

Operations is experiencing an identity shift from back-office management of routine tasks to a strategic source of innovation and competitive advantage.

By bringing human experiences into the center of process design, and building a flexible operational backbone fueled by data and technology, leaders can turn their business into a future-ready business.

To learn more, visit the **Modern Business** section of our website or **contact us**.

The views and opinions expressed in this report are those of Cognizant and do not necessarily reflect the view and policies of Economist Impact. Data presented is from an Economist Impact executive survey, commissioned by Cognizant, conducted in early 2022.

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Learn more, visit the Digital Business Process Services section



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