

SUMMER 2022

# Implementing intelligent supply chain operations

### The intelligent supply chain – and how to get there

Jean-Pierre Petit, Digital Manufacturing Group Offer Leader, Capgemini

### The intelligent supply chain – cognitive, touchless, and data-driven

Sandip Sharma and Gaurav Karker, Intelligent Supply Chain Operations, Capgemini

### From the supply chain – to the supply value network

Helping to reimagine your business operations

/

Phil Davies, Capgemini Invent



#### DHARMENDRA PATWARDHAN

Global Head of the Intelligent Supply Chain Operations Practice, Business Services As we all know, geopolitical crises, climate change, and pandemics have drastically impacted global supply chains, and organizations are desperate to solve their own supply chain disruption. However, we propose that what we are facing now isn't a supply chain crisis but rather a consumer crisis.

The expectations we, as consumers, have all been conditioned to demand, such as greater product customization, ever shorter order fulfillment times, and immediate logistics management, have now been called into question. However, for organizations that can manage this new complex ecosystem, and continue to deliver on-demand service, huge opportunity awaits.

To deliver on this challenge, organizations need to reimagine the traditional supply chain through holistic digital transformation and ecosystem collaboration, and in doing so roll out intelligent, end-to-end data-driven solutions for consumers.

With this in mind, the summer 2022 edition of Innovation Nation focuses on how Capgemini is helping to design, deploy, and run intelligent supply chain operations for our clients in order for them to better serve their consumers.

Among the articles in our special feature, Jean-Pierre Petit (Digital Manufacturing Group Offer Leader, Capgemini) presents the six pillars needed to develop an efficient, agile, resilient, and sustainable supply chain for augmented customer centricity; while Sandip Sharma and Gaurav Karker discuss the challenges of implementing an intelligent, frictionless, and customer-centric supply chain function that delivers cognitive, touchless operations, and data-driven decision-making.

Jörg Junghanns (Vice President Europe, Intelligent Supply Chain Operations, Capgemini's Business Services) and Phil Davies (Head of Intelligent Industry, Capgemini Invent) talk about how Capgemini's global business lines leverage consulting, integration, operations, data, and cloud management to build an intelligent supplychain that can deliver new levels of resilience, performance, customer centricity, and sustainability to your customers.

The articles and interviews in this edition are aimed at helping you navigate this new paradigm and giving you the building blocks you need to build an intelligent supply chain that meets the needs of your organization to better serve your consumers.



### INTELLIGENT SUPPLY CHAIN OPERATIONS

The intelligent supply chain – and how to get there Jean-Pierre Petit, Capgemini	07
Drive resilience, performance, and sustainability for augmented customer centricity	10
The intelligent supply chain – cognitive, touchless, and data-driven Sandip Sharma, Capgemini Gaurav Karker, Capgemini	15
Transform your organization with an integrated supply chain	18
From the supply chain – to the supply value network Phil Davies, Capgemini	24
How to build an intelligent supply chain Jorg Junghanns, Capgemini	27

Touchless supply chain planning – making a competitive differentiation 31 Sandip Sharma, Capgemini Shaun Cheyne, Capgemini Comprehensive sourcing analysis<br/>and supplier collaboration39Greg Bateup, Capgemini39Evolution of the<br/>logistics control tower43Shriharsha Parampalli, Capgemini43Technology in the supply chain<br/>rintelligent, integrated, and<br/>frictionless46Abhishek Singh, Capgemini46Ivalua and Kinaxis – the<br/>technology behind intelligent<br/>supply chain operations49Sreekanth Patcha, Capgemini49

Implementing intelligent,

touchless order management 35

Supply chain collaboration<br/>and sustainability52Jorg Junghanns, Capgemini

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INNOVATION NATION | Summer | 2022
```



SHARING SUCCESS



TECHNOLOGY TALK Capgemini's award-winning Frictionless Finance drives the transition to the Frictionless Enterprise 56 David Lumley, Capgemini

NelsonHall recognizes Capgemini's Cloud HR transformation expertise Stephan Paolini, Capgemini

59

Everest Group recognizes Capgemini as a Leader for its Intelligent Process Automation expertise 61 Geetika Mediratta, Capgemini

A health insurance company implements document automation tool to produce benefit booklets with more accuracy and efficiency 63 Case Study

Improve your order-to-cash process by consolidating vendor data effectively 74 Jose Zamora, Cappenini

Improve the accounts payable process through leveraging AI 77 Mahalakshmi Ramakrishnan, Capgemini

Driving efficiency across the journal entry process 79 Malgorzata Bateup, Capgemini

The journey towards implementing a frictionless people experience 81

lon Harriman, Capgemin

Deliver frictionless HR operations by putting people first 83 Antoine Starek, Capgemini

Transforming L&D operations adds value to your HR function 86 Sarita Fernandes, Capgemini

89

Connected marketing – best practice Abha Singh, Capgemini RPA enables pharmaceutical company in China to support sales events during pandemic 65 Case Study

A financial services company uses intelligent automation to drive workforce management efficiency 67 Case Study

Capgemini's award-winning software drives frictionless HR contract management 69 Karolina Lach, Capgemini

Breaking down O2C process silos accelerates billing 71 Bartosz Grochowski, Capgemini

How increasing digitization in life sciences is improving patient care 92 Scott Manghillis, Capgemini

Driving a frictionless sales experience within the MedTech space 95 Deepak Bhootra, Capgemini

Six simple steps to	
process mining success	97
Marek Sowa, Capgemini	

The role of organizational change management in digital transformation 100 John Willmott, NelsonHall

Sustainability and business operations – the dynamics of regulatory and market alignment and imperatives 102

Jim Harvey, Capgemini



### EMOTIONAL INTELLIGENCE



**CAPGEMINI** 

COMMUNITY

Capgemini helps reduce Guatemala's digital divide with its new Digital Academy 122 Eduardo Castillo, Capgemini

Capgemini Guatemala gives disadvantaged school children a better start in life 124 Eduardo Castillo, Capgemini

processes Aarti Srivastava, Capgemini The power of emotional

Unleashing the power of

Emotional intelligence – implications for business

emotional intelligence

intelligence David Lumley, Capgemini Emotional intelligence made easy 115 El Medhi, Capgemini

109The effect of AI on emotional<br/>intelligence118Jonathan Kirk, Capgemini

112

106

# S



INTELLIGENT SUPPLY CHAIN OPERATIONS

# THE INTELLIGENT SUPPLY CHAIN – AND HOW TO GET THERE

Working with a trusted partner with relevant expertise in consulting, integration, operations, as well as data and cloud management, across industries, enables you to build an intelligent supply chain that meets the needs of your organization to better serve your markets.

The supply chain has always been an important function, but nowadays, it's much more front and center.

There are several reasons for this. For a start, business is more global than ever, but relocations will still happen. In addition, its increasingly online nature has changed expectations – not just those that consumers have of brands and retailers, but those that companies have of their suppliers.

Then there are long-term factors, such as the implications of climate change, pandemics, and geo-political crises – and then there are market forces, including not just competition, which is a constant, but less expected influences such as the global pandemic.



#### JEAN-PIERRE PETIT

Digital Manufacturing Group Offer Leader, Capgemini

# The forces acting upon supply chain models can perhaps be summarized under four headers:

**Customer experience** – post-Covid, the already rapid growth in online transactions has accelerated. More people expect products and services to be customized, and order fulfilment times to be shorter

Global supply chain – global end-to-end models can comprise thousands of suppliers across all tiers and geographies, with widely varying stock replenishment cycles – all of which needs monitoring and managing

**Resilience** – the pandemic and the war in Ukraine have shown how impactful supply chain disruptions can be, and highlighted the need to build resilience into the system

Sustainability – most, if not all, major enterprises rightly have sustainability targets – and addressing the supply chain is one of the most important factors in reducing CO<sup>2</sup> emissions.

How can supply chains be reshaped to address these new or growing challenges?

At Capgemini, we've identified what we believe are the six main pillars needed to develop an efficient, agile, resilient, and sustainable supply chain for augmented customer centricity. These pillars leverage assets across the Capgemini Group to drive business outcomes that include enhanced resilience, performance, customer centricity, and sustainability.

#### Intelligent network design and systemic risk management

This involves segmenting endmarkets and channels, and differentiating service offerings and design intelligent supply chain networks (including locations, inventories, and flows) right through the product lifecycle, while monitoring systemic risks over time.

The aim is to create a supply chain network that balances resilience, performance, and sustainability all along the value chain.



# Smart forecasting and integrated business planning

This means designing, building, and deploying intelligent forecasting and integrated business planning systems that better anticipate customer demand, while optimizing services, stock levels, and enterprise performance management.

In this case, the aim is to achieve a sense of the enterprise-wide ecosystem, which can be used to improve granular forecast accuracy and constantly ensure relevant and consistent planning across all tiers of the business. In turn, this means they can better serve customers while improving company performance.

### 360° sourcing analysis and supplier collaboration

By designing, building, and deploying supplier scorecards – with resilience, performance, and sustainability as key metrics – and by also building collaborative platforms, overall supplier effectiveness can be constantly monitored and improved, from product design and sourcing all the way through to delivery.

## Touchless and agile order to delivery

Organizations need to optimize their operations, while providing a seamless, rewarding, and efficient omnichannel customer experience, from order intake to product and services delivery, all along the product lifecycle.

They can do this by architecting, deploying ,and integrating best-ofbreed solutions and automation (RPA, IPA), from smart order management to agile warehousing and transportation – and by ensuring that supply chain functions are integrated from end to end.

#### Supply chain-as-a-service

When everything is both integrated and visible, it's easier to think of the strategy and the execution of supply chain operations as separate functions.

This means organizations can digitize and automate supply chain processes, and then outsource the operation to a trusted partner who can apply and maintain best practices.

In the meantime, they themselves can focus on higher levels of

decision-making, as well as innovation and the occasional need for arbitration.

#### Supply chain control tower and end-to-end performance management

If organizations design, integrate, and deploy cloud-based supply chain platforms, they can progressively provide end-to-end visibility, traceability, and advanced event monitoring capabilities, while deploying a consistent performance management system that addresses every participant in the supply chain.

Put these six pillars together, and work with a trusted partner that has relevant expertise in consulting, integration, operations, and data and cloud management, and you'll have an intelligent supply chain that can flex to meet the needs of your organization – delivering new levels of resilience, performance, customer centricity, and sustainability to your customers.

Jean-Pierre Petit is the digital manufacturing Group offer leader at Capgemini.





INTELLIGENT SUPPLY CHAIN OPERATIONS

DRIVE RESILIENCE, PERFORMANCE, AND SUSTAINABILITY FOR AUGMENTED CUSTOMER CENTRICITY

# Supply chain leaders are embracing a new supply chain paradigm

#### TRADITIONAL FORCES

#### **Customer experience**

- Post-Covid over 50% of companies and people will purchase online
- More customized productservices and faster order fulfillment times are the top two customer demands

#### Global supply chain

- End-to-end supply chain could involve 7,000–15,000 suppliers across all tiers and support 50–300 days of stock
- 75% of organizations view technology as decisive but only 45% have adopted horizontal or agile approaches

The Intelligent Supply Chain

#### NEW FORCES

#### Sustainability

- Sustainability is now a priority for all stakeholders – 65% of global GDP includes companies with a 2050 netzero carbon commitment
- CO<sup>2</sup> emissions = 20% directly from the company and 80% from suppliers, while only 22% of waste material is resold or reused

#### Resilience

- Disruptions will be more frequent/severe and can cost half of a year profit over less than a decade
- Over 15% of global trade could be relocated in the next 5 years



#### From traditional to intelligent supply chain – leveraging the full power of data and collaboration to address transformation challenges

#### TRADITIONAL FORCES

#### Customer experience

- Micro-segment the market and differentiate service offerings
- Enrich, personalize, and integrate customer journey along the product lifecycle
- Sense the ecosystem and improve forecast accuracy to anticipate and optimize
- Reduce order fulfillment time

#### Global supply chain

- Connect ecosystems to provide end-to-end visibility
- Deploy harmonized performance management and incentives
- Anticipate evolving worldwide regulations
- Ensure end-to end cybersecurity



#### NEW FORCES

#### Sustainability

- Integrate circular supply chain and recycle rare resources
- Bring end-to-end transparency and traceability to product and material flows
- Fuel and leverage collaboration with suppliers and crossenterprise synergies
- Deploy continuous sustainability metrics

#### Resilience

- Balance geographical footprint and secure an ecosystem of partners
- Deploy just-in-time efficiency and just-in-case resilience
- Set up end-to-end risk management and insure supply chain losses
- Deploy pandemic-proof, integrated planning and operations while centralizing planning and decentralizing execution



Addressing new business and technology challenges across resilience, customer experience, globalization, and sustainability



#### Intelligent network design and risk management

Segment end-markets, differentiate service offerings, and design intelligent supply chain networks – locations, inventories, flows – along product life cycle, while monitoring systemic risks over time

#### Unique business value:

- Combine supply chain expertise, data capabilities, and network design tools knowledge to define the best "resilience-performance-sustainability" compromise
- Enable a rapid start with network design demonstrators, ABC<sup>2</sup> in the box, and cost-to-serve to qualify a first set of opportunities for network optimization





Design, build, and deploy supplier scorecards – resilience, performance and sustainability – and collaborative platforms to constantly improve overall supplier effectiveness

#### Unique business value:

- Mobilize multidiscipline purchasing and procurement capabilities and technological ecosystem to make it happen
- Leverage a PEPS framework to scope the transformation, and on-shelf analytics and risks assessment/monitoring tools to quickly deliver a 360° analysis proof of concept
- Leverage pre-built solutions and tools to implement and deploy fast





Design, build, and deploy smart forecasting and integrated business planning to better anticipate customer demand while optimizing service, stock levels, and enterprise performance management

#### Unique business value:

- Combine deep expertise in planning transformation, AA/ AI, APS tools, and IS/IT architecture/integration to make it happen
- Leverage planning transformation credentials and expertise, and specialized platforms and tools to deliver an agile transformation
- Leverage global IS/IT, data and cloud capabilities and footprint to deploy fast





Architect, integrate, and deploy IS solutions and automation, from smart order management to agile warehousing and transportation, to optimize customer experiences and operations

#### Unique business value:

- . Combine multi-discipline execution system capabilities, IS/IT architecture capabilities, and technological ecosystem to make it happen
- Leverage a set of assessment grid, tools, and credentials . across execution systems to scope and qualify
- Lean on an iCaptivate framework and leverage preconfigured industry solutions to implement and go fast







Provide externalized business services along the supply chain while progressively applying best practices and digitalization

#### Unique business value:

- Combine global and multi-discipline supply chain expertise and deep knowledge of solutions to steer business services transformation
- Leverage a process transformation platform, methodology, and experience across industries to scope the transformation
- Leverage business services hubs, pre-configured solutions and tools, and a supply chain academy to scale fast



and end-to-end performance

Design, integrate, and deploy cloud–based supply chain platforms to progressively provide end-to-end visibility, traceability, and advanced event monitoring capabilities while driving end-to-end performance

#### Unique business value:

- Combine end-to-end supply chain expertise, extended system integration capabilities, and a technological ecosystem of solutions, hyperscalers to steer your journey
- Use on-shelf supply chain control tower assets (assessment grid/tools, analytics, reference architecture) and experience to showcase and proof value
- Leverage data and AI, move to cloud, and cybersecurity frameworks and tools for industrialization







#### SANDIP SHARMA

Senior Director, Intelligent Supply Chain Operations, Capgemini's Business Services



#### GAURAV KARKER

Senior Director, Intelligent Supply Chain Operations, Capgemini's Business Services

# THE INTELLIGENT SUPPLY CHAIN – COGNITIVE, TOUCHLESS, AND DATA-DRIVEN

*Innovation Nation* talks to Capgemini's Sandip Sharma and Gaurav Karker about the challenges of implementing an intelligent, frictionless, and customer-centric supply chain function to deliver cognitive, touchless operations, and data-driven decision-making.



Innovation Nation: Hello Sandip, Gaurav – thanks for joining me today. I'd like to start by asking you about the current state of the supply chain sector. What are the main challenges supply chain organizations are facing today?

Sandip Sharma: Thanks for having us. There are four main challenges that supply chain companies are having to deal with today – customer service, cost, resilience, and sustainability.

Customers now expect more personalized experiences and customized product services. This is putting pressure on supply chains to provide a unique, some would say, bespoke experience to their customers, which is driving up complexity and cost.

To counter this, supply chain leaders are looking for ways to lower costs, while remaining efficient, in order to stay competitive in today's market. And with disruptions such as the recent global pandemic becoming more frequent, they need to deploy integrated planning and operations that drives a more resilient supply chain. This has now become critical if they want to increase transparency and hyper-personalization.

**Gaurav Karker:** On top of this, the adoption of new ways of working continues to be a big challenge and concern for supply chain leaders, and the future will see innovative solutions which are fit for purpose and can be easily adopted by organizations to drive value.

Further, supply chain leaders need to put sustainability front-and-center in their operations by consistently creating new sustainable solutions within a net-zero context that helps them adapt to market changes when they occur.

### That's very clear. How is Capgemini addressing these challenges?

Sandip Sharma: At Capgemini, we put touchless operations at the heart of everything we do in intelligent supply chain. This means we're injecting more intelligent automation and artificial intelligence (AI) into these operations to deliver a truly frictionless way of working. This improves cost, efficiency, and our clients' overall responsiveness to challenges as they occur. And by automating repetitive tasks, we give our clients the ability to focus on more business-critical tasks.

In addition, our Digital Global Enterprise Model (D-GEM) transformation platform enables us to deliver more efficient intelligent supply chain services to our clients by enabling them to choose the right technology, location, and services that work for their organization. We also answer the challenges posed by sustainability through our ability to deliver tangible sustainable business outcomes.

There is a need to rethink supply chain processes across plan, source, make, deliver and collect with sustainability as a goal. This could mean launching more sustainable products, making processes more efficient to reduce waste, and creating a dashboard to track progress against sustainability goals. All of this will ultimately result in reduction of carbon footprint, reduction of business waste, better logistics capacity utilization, and sustainable promotions. **Gaurav Karker:** To add to this, leveraging our partnerships help our clients run their supply chains much more efficiently. These partnerships are based on expertise gained from working with some of the largest supply chains in the world, which enables us to bring industry bestpractices and proven operating models into our clients' way of working.

We also provide a set of tech solutions that breakdown silos and enable supply chain managers to see their supply chain operations from end to end. This provides a 360-degree datainformed view of their organization's operations that helps them better plan how to distribute their products.

Finally, return on investment lies at the core of all our partnerships. We marry pain points to outcomes to ensure every problem our clients face is addressed – enabling these weaknesses to become strengths.

#### What solutions do you deploy to overcome these challenges and deliver frictionless, customercentric, and intelligent supply chain operations?

Sandip Sharma: Our end-to-end Touchless Supply Chain Planning solution helps our clients generate more smart forecasting and better integrates business planning into their operations. While our Touchless Order Management and Logistics Control Tower solutions make the order-to-delivery process much easier and more efficient – underpinned by a Supply Chain as-a-Service (SCaaS) model.

In addition, our One Operations unlocks value across the enterprise by delivering end-to-end business integration at speed and scale, while our Cognitive Procurement Services solution helps you design, implement, and operate an AI-enabled procurement operating model.

We also handle supply chain data management in a unique way that guarantees data is kept to the highest quality possible and significantly increases the interoperability of this data.



# What part does technology play in delivering touchless, data-driven supply chain operations?

Gaurav Karker: Technology plays a big role in driving frictionless supply chain operations. We leverage intelligent automation and AI into our clients' supply chain operations to break down silos within their current setup. This can be truly achieved by moving to cloud-native solutions, leveraging platforms to run bestin-class supply chain operations, and using hyperscale automation to fill the whitespaces that cannot be addressed by standard platforms. In addition, it will be critical to harness the power of data through advanced analytics to drive automated decision making.

At Capgemini, our touchless supply chain approach has three layers. Human-out-of-the-Loop handles repetitive tasks, while Human-onthe-Loop handles higher supply chain tasks such as checking weekly planning processes. Finally, Human-inthe-Loop involves tasks where team members are needed to complete them such as handling investments.

We have expertise in both big tech and small tech to keep abreast of the latest and greatest technology solutions out there to fuel customer 's supply chain operations, addressing a given problem in the best possible way.

#### What outcomes does Capgemini's intelligent supply chain approach deliver to our clients?

Sandip Sharma: We offer our clients a true outcomes-based approach to supply chain management by taking joint responsibility for achieving the business outcomes they need. There are four main outcome areas our intelligent supply chain approach covers:

- Service improving fill rates, on-time-in-full performance, revenues, delivery lead times, and customer satisfaction (NPR) score across traditional and online channels
- Cost reducing cost around inventory, operations, storage, transportation and business waste
- **Cash** decreasing the amount of working capital investment by increasing efficiency
- Sustainability minimizing CO2 levels, reducing warehouse space, and generating more energy savings across our clients' supply chains.

### Finally, what do you see as the future of supply chain management?

Gaurav Karker: The focus on customer-centricity and hyperpersonalization will grow, and supply chains will become truly frictionless – the days of supply chain silos are numbered. There will be greater focus on driving a more sustainable, net-zero approach to supply chain operations, which will transform supply chains to become more agile and adaptive.

Sandip Sharma: We will also see greater reliance on the AI-augmented workforce, with the human workforce only handling critical supply chain decisions – this will be critical to establishing and maintaining this more agile and adaptive supply chain.

### Sandip, Gaurav, thank you both for taking the time to talk to us today.

Sandip Sharma works with clients to create compelling transformation solutions and services to design, run, and evolve their supply chain operations.

Gaurav Karker is passionate about running sustainable supply chain operations and has expertise in supply chain planning, IBP/S&OP, and supply chain control tower.

# TRANSFORM YOUR ORGANIZATION WITH AN INTEGRATED AND FRICTIONLESS SUPPLY CHAIN

INTELLIGENT SUPPLY CHAIN OPERATIONS



#### Supply chain disruption since the global pandemic



### Ever-more demanding customers

Customers expect fast, error-free delivery and customer experience excellence

Keeping inventory availability to satisfy demand is becoming a challenge



Improved product forecast accuracy to reduce stock without impacting order fill rate



Increased customer satisfaction by reducing friction and touchpoints



94%

of Fortune 1000 companies are seeing supply chain disruptions from the global pandemic\*

Integrated order management processes to drive end-toend visibility of fulfilment operations



Improved process quality and speed to drive revenue growth



Challenging external factors

Building innovative solutions to build sustainable supply chains is crucial

Supply chain and operations are being

impacted by global demand and

supply volatility

On-time, accurate master data creation to enable seamless supply chain processing

Delivering human-tech hybrid processes drives seamless supply chain management

25%

improvement in

forecast accuracy



revenue growth

# 30%

improvement in customer satisfaction

# 70%

reduction in operational cost

# Implementing intelligent supply chain operations drives enhanced business outcomes







#### Planning excellence

Better visibility and understanding of demand, forecast, and trends

- Demand planning / sensing
- Supply planning
- Inventory optimization

#### Fulfillment reliability

Optimization of logistic performance to deliver the right product at the right place, time, and cost

- Order management
- Logistics and customs operations
- Documentation handling

#### Supply chain data performance

Optimization of process flows by reducing data complexity and increasing data quality

- Master data management and maintenance
- Data visualization and analytics

25%

Augmentation of forecast accuracy

20%

Reduction of inventory cost

90%

Touchless orders

Improvement in OTIF

85%

Data entered right first time



# Re-code your organization to drive alignment, efficiency, and growth

#### From

- Inefficient, siloed functions
- Multiple and/or duplicative systems
- Fragmented run and grow

Sales & Marketing

Supply Chain Order Management and Logistics

Accounts Receivable

#### То

- Growth-focused operating model
- End-to-end GTM synergy
- Alignment and re-balance of run and grow
- Supported by a best-of-breed framework for technology, data, and business intelligence



Master Data Management, Governance and Guardrails, Analytics, and decision support

#### Key assets to drive intelligent supply chain processes



# Frictionless supply chain

Improved product forecast accuracy to reduce stock without impacting order fill rate



#### D-GEM driven assets

Increased customer satisfaction by reducing friction and touchpoints



Digital twin

Integrated order management processes to drive end-toend visibility of fulfilment operations



#### Co -innovation – SCM lab

Improved process quality and speed to drive revenue growth



#### Proprietary assets and alliance ecosystem

On-time, accurate master data creation to enable seamless supply chain processing



#### CASE STUDY Customer order fulfillment

American aerospace company

Capgemini solutioned a right-shoring approach to deliver frictionless customer order fulfillment services:

- Omnichannel customer service and sales order processing
- Pursuing a "transition-then-transform" approach maximizes savings and a ROI in less than 12 months
- 27 processes delivered through 4 regional teams in US and Canada

#### **Benefits delivered**

+15%

Operational savings delivered within a year

\$25M

Savings after 5 years

# 60%

Of total operational costs saved over 5 years

15%

Productivity gain promise after year 5





#### CASE STUDY Planning transformation Leading healthcare and consumer goods company

Capgemini enabled integrated, end-to-end demand and supply management – including optimized transportation spend:

- Lowering costs on both the client and supplier side with transport optimization
- Assuring material availability at right place and time
- Improved vendor OTIF and first-time right data

#### **Benefits delivered**

18%

Forecast accuracy improvement across product lines

25%

Savings on planners' time 50%

Transactional cost reduction

98%

Master data accuracy



#### CASE STUDY Forecasting and demand sensing optimization Leading European soft-drink bottler

Capgemini created a proof of concept leveraging historic data to prove its tool capabilities:

- Deployed an industry-leading forecasting platform to generate short-term forecasts and mid-term promotion forecasts
- Implemented process governance workflows to compare the "as-is" and "to-be" output of the new tool

#### **Benefits delivered**

8-10%

Forecast accuracy improvement

97%

first time right



Productivity improvement

99%

data accuracy rate





INTELLIGENT SUPPLY CHAIN OPERATIONS

# FROM THE SUPPLY CHAIN – TO THE SUPPLY VALUE NETWORK

Consumer product organizations are reimagining the traditional supply chain into a supply value network – a connected, responsive, and evolving ecosystem that serves the needs of the consumer through engaging the right third-parties to deliver, while maintaining profitability.

Many organizations talk about a consumer-centric supply chain, but only a few of them make it a reality. In traditional models, the supply chain is usually a one-way, linear path from a large-scale manufacturer to the retailer. The emphasis is on the mass production of goods and the speed at which they can reach shelves. Few, if any, members of the chain have reason to consider the consumer.

On the other hand, in a modern supply value network, the path to purchase is not a sequential chain, but an interconnected web. The consumer is at the center, and every other aspect of the ecosystem is connected to him or her.



PHIL DAVIES Head of Intelligent Industry, Capgemini Invent In shifting to this new model, businesses must completely rethink how to meet consumer demand within the supply value network.

For example, inventory may not necessarily need to be managed in traditional warehouses. Instead, organizations may want to diversify their assets so that they can support a variety of sales channels and delivery models. There is no longer a one-size-fits all approach.

There are many different types of consumers to reach, and the supply value network should reflect that.

At the same time, organizations need to optimize their business operations. They must ensure the business remains profitable, even as the demand for personalization, speed, and direct access grows.

### The six pillars of the intelligent supply chain

risk management





Intelligent network design and





360° sourcing analysis and supplier collaboration



Touchless and agile order to delivery



Supply chain as-a-service



Supply chain control tower and end-to-end performance management



### The power of data – and of people

Consumer product organizations have long relied on biographical and transactional data to help segment consumers and predict demand. However, advances in intelligent automation also allow them to incorporate contextual data, which includes any combination of external factors that may inadvertently affect sales, such as weather, traffic, holidays, or tourism.

Developing this capability depends on the ability of the organization to bring data to the center of each business function. Companies must be more deliberate in organizing the business in a way that embraces data-enabled technology.

For example, if a consumer wants to customize a product, the organization will need to be able to service that preference across the supply chain. This is a completely new way of working, and it can be executed only if the organization thinks about data and technology holistically.

While technology is a critical underpinning of supply chain modernization, we cannot underestimate the human element of transformation. Shifting to a supply value network model requires the organization to change its skills, culture, and mindset. These elements are, at best, underestimated, if not outright overlooked – and yet addressing them is the only way consumer product businesses will survive and maintain a competitive advantage. People are as much a part of that equation as the technology itself.

### Supply value network solutions

While organizations traditionally looked for end-to-end visibility in the supply chain, today's environment requires a 360-degree view across the supply value network. At Capgemini, we provide consumer product organizations with some key elements to help enable their supply chains such as:



#### Strategy and operating model

 for many consumer product organizations, putting the consumer at the center of the digitally-enabled supply network will require a complete overhaul of both the business strategy and operating model. Further, organizations will need to assess how this new way of working will impact other aspects of the business, as well as their relationships with every member of the supply value network

- Connected autonomous planning – organizations should consider moving to an environment where planning of manufacturing, transport, procurement, and virtually every other aspect of the supply value network is completed in a touchless, autonomous way. This system, which is enabled by data-driven intelligent automation applications, helps optimize each function across the ecosystem. While humans maintain oversight of this system, tedious and recurring tasks are handled entirely by machines, which frees the workforce to focus on higher-value tasks, such as customer service or sales
- Connected manufacturing in today's digital world, organizations must ensure that they have near real-time visibility into production lines, and that every element related to them is enabled through the cloud. Working this way will help unlock operational efficiencies, such as maintenance timing or workforce planning, as well as the ability to cut costs through more precise demand forecasting or inventory awareness capabilities
- Connected control tower the most crucial aspect of modernizing the supply chain is enabling a 360-degree view of the supply value network, including internal operations and external variables. This forward-looking function is both predictive and proactive – helping the organization anticipate issues and opportunities, while also generating ways to respond to them

It's an approach that provides the six pillars we have identified as necessary to support an intelligent supply chain.

### Evolution towards a supply value network

As consumer product organizations reinvent the traditional supply chain as a networked ecosystem, it is worth remembering what an ecosystem is.

As in nature, the supply value network is complex and connected; responsive and adaptive; evolving and ongoing. It is also potentially fragile – requiring a delicate balance between serving the needs of the consumer, engaging the right third-parties to deliver, and maintaining profitability.

For this reason, the modern consumer product company is much more than its core business. It is an orchestrator, overseeing multiple channels, interconnected supply systems, and a deep and varied network of partners.

In embracing this new role, organizations might come to think of the creation of a supply value network not as the end of the supply chain, but as its latest evolution.

Phil Davies works with leading consumer products companies, technology providers, and thought leaders to innovate and bring new ideas and solutions to make intelligent supply networks a reality.



#### INTELLIGENT SUPPLY CHAIN OPERATIONS

# HOW TO BUILD AN INTELLIGENT SUPPLY CHAIN

Leveraging the right building blocks, partnerships, and technology enables organizations to create integrated, intelligent, and frictionless supply chain operations that deliver superior, reliable, and repeatable business outcomes.

There are so many elements to supply chain management. In addition to building and maintaining what are often large and complex networks of suppliers and logistics providers, organizations need to integrate and align their operating model with profound business architecture, enabling technologies, their supply network stakeholders, and operations.

Getting there is not easy. But sometimes, the benefits of taking action outweigh the effort involved, and this is one such instance. What's more, a knowledgeable and trusted advisor can reduce the hassle considerably.



#### JÖRG JUNGHANNS

Vice President Europe – Intelligent Supply Chain Operations, Capgemini's Business Services

### Creating an integrated operations platform

Working with Capgemini is a case in point. In partnership with our clients, we build a base of standards, including methodology and approach, expertise, and our process and technology capabilities. We call this standard environment the <u>Capgemini</u> <u>Integrated Operations Platform</u> (CIOP).

CIOP complements our One Operations offering. It enables us to form an integrated, end-to-end process platform, supported through enabling technologies and talent, which help us to create unique, tailormade solutions. Its building blocks can be used across functions in various configurations:

- The frictionless supply chain

   removing the boundaries
   between traditional supply chain
   functions to create seamlessly
   integrated operations, with
   reduced touchpoints for
   improved efficiency and customer
   satisfaction
- D-GEM-driven digital assets Capgemini's own Digital Global Enterprise Model (D-GEM) platform is built on years of experience and sector best practice. It provides standards, blueprints, and trusted methodologies for process reengineering and digitalization that supply chains need – which, when knowledgeably applied, deliver the best possible business outcomes
- Digital twins virtual business transformation models provide a secure and safe environment to

try out operational scenarios, to make supply chains more resilient and flexible, and to mitigate risk

- Co-innovation lab Capgemini's professionals can be brought to bear wherever their talent, supply chain experience, and knowledge will be of most use to a given process, function, or technology, enabling open discussion and experimentation
- Proprietary assets and partner ecosystem – Capgemini's strategic partners complement our own "small tech" proprietary tooling across all supply chain processes, including customer and employee experience digital accelerators. Our partner ecosystem provides the necessary support from specialist expertise or technology; and even goes beyond to further vertically integrated expert supply chain orchestration capabilities.



#### Macro-, micro-, and nanoservices

The specialist supply chain expertise and technologies furnished by ourselves and our partners include:

- Macroservices monolithic applications such as an ERP, which streamline and digitalize not only supply chain operations, but also enterprise services
- Microservices smaller applications that deliver

specialized functionality for individual functions, such as order fulfillment or planning

 Nanoservices – applications that tackle individual pain points within macro- or microservices functions, such as order validation.

#### Capgemini leverages small or nano-tech to drive value creation across:

- Supply chain master data management
- Planning and forecasting
- Customer order management
- Workflow management
- Reporting and analytics

Layering these <u>nanoservices</u> on top of the standard CIOP platform enables organizations to be flexible, helping them choose the right tools for the right task, and scaling up or down as necessary.

The key is to integrate the solutions with the right methodology, talent, and organization. Some regions or countries will need to wait for macro-/micro-technology availability, but they can use the waiting time to prepare, so they can deliver and unlock value at as early a stage as possible.

They can build up from the most detailed nano-service to deliver tailor-made solutions for individual "nano challenges," without having to commit to big micro tech too early. It's about choosing the right macro- and micro-tools for general operations such as functions, business rule driven validation, and sector-specific algorithms.

In my introduction, I said that building an integrated supply chain management network was a challenge, but that it's worth it. The same is true here, in implementations at nanoservice level. It involves effort,, but the immediate value it creates makes it worth it.



#### A supply chain platform for a smart, flexible future

The CIOP on which a supply chain operations architecture is built integrates functions, identifying and addressing friction points through transformation, and making the most of the digital strengths of our clients' organizations.

It's the base upon which stand the six pillars we have identified as integral to an intelligent, integrated, and flexible supply chain model.

#### The six pillars of the intelligent supply chain



Intelligent network design and risk management



Smart forecasting and integrated business planning



360° sourcing analysis and supplier collaboration



agile order to delivery



Supply chain as-a-service



Supply chain control tower and end-to-end performance management

Jörg Junghanns leverages innovation and a strategic and service mindset to help clients transform their supply chain operations into a growth enabler.





INTELLIGENT SUPPLY OPERATIONS



#### SANDIP SHARMA

Senior Director, SCM Solutions, Capgemini's Business Services



SHAUN CHEYNE Senior Director, Capgemini Invent

# TOUCHLESS SUPPLY CHAIN PLANNING – MAKING A COMPETITIVE DIFFERENTIATION

A shift to a supply chain planning model that is comprehensive, smart, frictionless – and based on touchless processes – drives sustainable transformation and competitive advantage.

For many years, multi-national enterprises have had to deal with disruptions caused by climatic, political, economic, and biological events; with regulatory changes; with sudden demand fluctuations; and with stockouts and high inventories. In recent years, though, they've been joined by other challenges. For instance, it's a given that nowadays, customers are more connected, and they expect greater and more instantaneous choice, and a more personalized service offer. What's more, global lockdowns have altered buying behavior and hence sales channels. With the growth of direct-to-consumer channels and of subscription services, fulfilment models have often had to morph into something that is certainly new, and probably more complex. It has been disruption on a scale that has not been seen before.

If organizations are to meet and manage these challenges, they need fundamental and sustainable transformation – a shift to a supply chain planning model that is comprehensive, smart, and frictionless.

## The characteristics of touchless planning

The defining principles of touchless supply chain planning include:

- Reducing manual touchpoints, and both reducing and improving individual decisions through advanced analytics, automation, and business rules
- Using the system to create plans that are executable and optimized

   enabled and accurate data,
   optimized parameters, user needs at the center of the system design and set-up, and a focus on building user capabilities and understanding the system
- End-to-end supply chain visibility, powered by predictive intelligence and digital twins (supply chain control tower and end-to-end performance management)
- A tiered organizational model with a well-defined, consolidated hub, and local responsibilities (supply chain as-a-service)
- Short planning cycles enabled by concurrent processes (smart forecasting and integrated business planning)
- An ecosystem of partners, with known and quantified capabilities to support and enhance the quality of plans generated.

#### The six pillars of the intelligent supply chain



Intelligent network design and risk management



Smart forecasting and integrated business planning



360° sourcing analysis and supplier collaboration



Touchless and agile order to delivery

Supply chain

as-a-service



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Supply chain control tower and end-to-end performance management

## Operational and customer benefits

A frictionless planning model with these characteristics provides competitive advantage. Operationally, it enables organizations to work seamlessly with multiple providers and partners at an optimum cost, and to make the most of the best resources on a global scale. Information and physical inventory flow seamlessly between them, and their interactions are augmented by artificial intelligence.

The workforce is digitally augmented too: the majority of processes can be run concurrently without manual touch points, leaving planners to focus on exceptions, where their own direct input adds the most value. For example, they can take advantage of predictive analytics to identify and act upon risks and opportunities, harnessing data that can now be drawn from across the extended enterprise. But that's not all. While the operational benefits are both considerable and welcome, the real differentiator in touchless supply chain planning is the effect it can have on customer relationships. When processes are seamless, and when information drawn from across the supply chain is shared, interpreted, and actioned, organizations can work with their customers to create personalized experiences that meet their individual needs and expectations, and fulfilment models can flex around customer requirements to make things happen.



#### Traditional vs. frictionless

Frictionless planning models make it possible to work in a radically different way. Let's make some comparisons.

Traditionally, processes are siloed, with the focus mostly on the hereand-now and if things go wrong, the firefighting can be considerable. But with frictionless planning, most of the time-consuming processes are touchless and continuous, allowing the focus to switch to the mediumor long term. Also, because data can be drawn from across the business, insights can deliver long-term value, and assist strategic decision-making.

In contrast to the traditional approach, touchless planning is driven

by an AI-augmented workforce, where the planning architecture takes charge of managing the end-to-end workflow, and where people are assigned to tasks not by transaction volumes, but by exception – because most, if not all, the heavy lifting is done in a touchless manner.

# The benefits of touchless supply chain planning aren't just possible in theory – they're already happening:

#### For a European beverage manufacturer

- 25–30% reduction in forecast error
- 10–14% inventory reduction
- 20% planners' time release from demand sensing
- For a global CPG enterprise
- 72% no touch purchase order (NTPO) compliance from a starting point of 39%
- Improved master data, planning system parameter tuning, and loss tree analysis

#### A global industrial leader

• 25% reduction in inventory costs within the first year of adopting an integrated solution.





#### Deployment model

Now that we understand what touchless planning is, how do we deploy these capabilities across an extended enterprise?

What's needed is a target operating model that can take advantage of the organization's worldwide resources and capabilities, connecting them to achieve a truly frictionless process. It's a model that has three building blocks.

- #1: Plan a consolidated planning hub, built on an optimized and dynamic technology platform, can develop these plans from end to end, globally, and in a touchless manner
- #2: Connect the next key part of the model is a team within the market that is focused on business partnering, collaboration with stakeholders to drive adoption, and incorporating feedback to improve the quality of plans created by the hub. Its members harness local

and global knowledge and skills in order to create demand, to put plans into action, and to ensure there is flexibility in the response

 #3: Sustain – making a success of supply chain planning isn't a onetime fix. The third building block is the creation and maintenance of a culture of innovation, to drive continuous improvement. This includes rapid proofs-of-concept to test new ideas, the development of collaborative ideas with industry and academia, a strong governance structure to manage innovations, and establishing a principle of innovation-as-a-service.

A frictionless approach to supply chain planning can make a competitive difference to major businesses – a difference that isn't just real and immediate, but one that will also scale and flex to meet new challenges, including those we can't yet even imagine.

After all, this is the way it's always been in the supply chain.

Sandip Sharma is a Senior Director and leads Capgemini's Business Services end-to-end Touchless Supply Chain Planning capability. He also works with clients to create compelling transformation solutions and services to design, run, and evolve their supply chain operations.

Shaun Cheyne is a Director at Capgemini Invent and leads the UK's Consumer Products Supply Chain capability. He works with clients to enhance business value through supply chain transformation from strategy to implementation.



#### INTELLIGENT SUPPLY CHAIN OPERATIONS

# IMPLEMENTING INTELLIGENT, TOUCHLESS ORDER MANAGEMENT



#### ABHISHEK BIKRAM-SINGH

Director, Intelligent Supply Chain Operations, Capgemini's Business Services Introducing smart technology, fixing master data issues, and applying business rule-driven supply chain operations can help organizations pre-empt the root causes of manual interventions to drive agile, frictionless, and intelligent order management.

Touchless and agile order-to-delivery is one of the six pillars that underpin the intelligent supply chain. Everyone remotely linked to supply chain management understands how important this can be. Every "touch" you remove adds more accuracy and speed to the process.

#### The six pillars of the intelligent Supply chain



Intelligent network design and risk management

Smart forecasting and integrated business planning



360° sourcing analysis and supplier collaboration



Touchless and agile order to delivery



Supply chain as-a-service



Supply chain control tower and end-to-end performance management

In fact, in the last couple of years, the word "touchless" has become the most used adjective to describe a supply chain. The only other word that comes close to competing with it is that other word in our pillar descriptor – "agile."

The agility of a supply chain is complicated: it depends on multiple factors cutting across internal and external functions, which everybody understands. By contrast, though, isn't touchlessness supposed to be a simple goal to achieve? That's why I'd like to focus here on order management, where we see a lot of manual work and interventions.

In recent years, I've worked with client supply chain teams across multiple industries to make their order management touchless. In our first meetings, the general consensus was to implement electronic data interchange (EDI) and to develop and deploy robotic process automation (RPA) platforms as a shortcut solution to achieve "touchless" order management.

I wish the answer were this simple – but even after making these changes, the desired result for our clients was not achieved. And no, it wasn't because the implementation was poor, either.

### Where does touch happen...?

To gain a better understanding, we need to go a little deeper into this topic. At what stages typically does "touch" happen in order management?

The first stage is order entry. Orders are created manually: they are received from customers in an unstructured email, or in purchase order copies, or by phone or fax (yes, fax is still not obsolete). Any errors or corrections in these sales orders as notified by EDI or by RPA routines are also fixed manually – adjustments to replenishment orders, for example.

The next stage is stock allocation. Quantities are confirmed manually in the system before outbound deliveries are handed over to the warehouse for dispatch, and allocated stock is adjusted based on channel and customer priorities.

The third stage of manual intervention is outbound delivery. Adjustments sometimes need to be made in confirmed quantities due to stock constraints, wrong batch selections, and limited availability of credit, for example.




#### ... and why?

But what are the root causes of "touches" – even though tools, systems, and automation are already in place?

- Missing automated processes and/or systems – especially those that capture customer orders and stock allocation. As a result, purchase order copies are processed manually by an operator to make a sales order in the system. There is often also a lack of integration between CRM and ERP systems, as a result of which orders are manually created. The list can be endless
- Master data issues not having the right supply chain masters is one of the biggest culprits, which can cancel out attempts to achieve full touchless order management. Let's say an organization has established EDI connections or implemented RPA for order entry, but the product mapping is not adequately maintained, resulting in exceptions rather than a sales order. Customers may send orders using an old stock keeping unit (SKU) code which no longer exists, or which causes a price mismatch. If master data boundaries such as minimum order quantity (MOQ) and lot size are not set, what

ought to be automated processes are liable to require manual intervention

 Ad hoc adjustments – when stock levels are limited, how do organizations allocate inventory to sales orders? If the available credit limit does not cover the entire sales order value, which SKUs can be trimmed? All these scenarios need managing with ad hoc adjustments rather than with clear rule sets.

#### Solving the problem – intelligent order management

We've seen that missing systems, master data management (MDM) issues, and a lack of business rules are among the root causes of manual interventions in order management. What can be done? Here are some steps to consider.

## Introduce tools and platforms to automate manual steps

- Implement replenishment orders for your distributors based on stock norms. Give them a platform for confirmation with a defined tolerance
- Implement EDI with customers wherever possible for direct

integration with sales order entry in your system

• Implement an automated stock allocation system.

#### Fix MDM

- Fix master data, remembering it's not a one-time exercise but a continuous adjustment throughout the product life cycle.
- Communicate changes in your product, promotions, price list, etc., to customers to avoid issues in automated sales order creation.

#### Business-rule-driven operations

- Define the sales order validation rules, and implement and automate them
- Review and revise credit control policies regularly, rather than once or twice a year. A growing business frequently renders existing credit limits inadequate, and can block delivery
- Define business rules for stock allocation. Find what suits your business needs – is it proportionate, or a fair share allocation if stock levels are constrained? Define prioritization based on channels and customers to avoid manual adjustments every time.



Order management is a living process. It requires constant monitoring to pre-empt and fix potential causes of touch.

At Capgemini, we assist organizations in their pursuit of "touchless" order management, helping them find root causes in the value chain, and introducing intelligent technology to fill the gaps. Abhishek Bikram Singh has over 15 years of industry experience in managing different supply chain functions. He has worked with clients across industries to define their current order fulfilment and MDM maturity with respect to people, process, technology, and governance, and to develop their target operating model.



#### INTELLIGENT SUPPLY CHAIN OPERATIONS

# COMPREHENSIVE SOURCING ANALYSIS AND SUPPLIER COLLABORATION

Supplier collaboration and 360° sourcing visibility is crucial for organizations to implement an intelligent and innovative supply chain that adds enhanced value.

The article that introduces the intelligent supply chainleads this seriesction of articles this edition of Innovation Nation identifies the six main pillars necessary for a smart, efficient, flexible, and customer-focused supply chain . One of those pillars is 360° sourcing analysis and supplier collaboration, and that's the area we'll address here.



#### GREG BATEUP

Head of Cognitive Procurement Services, Capgemini's Business Services

## The six pillars of the intelligent supply chain



Intelligent network design and risk management



Smart forecasting and integrated business planning

360° sourcing analysis and supplier collaboration



Touchless and agile order to delivery



Supply chain as-a-service



Supply chain control tower and end-to-end performance management

Procurement is evolving at a pace more rapidly than ever before. The challenges around supply chains, risk managing including sustainability, technology advancement especially in areas such as artificial intelligence, and the inability of procurement in many organizations to react to quickly evolving changing business environments, is seeing this pace accelerate.

As part of this, more than ever, strong supplier collaboration is becoming a key tool for driving an effective supply chain that enables 360° visibility while taking into account both internal and external factors.

#### Sourcing analysis...

For many organizations, procurement remains focused on a small number of criteria to make sourcing decisions. For a given specification, price is the determining factor – sometimes total cost of ownership (TCO) and rarely return on investment (ROI). For items where short lead times are important, delivery dates may be taken into account. But many miss the tools or data to make decisions beyond these few factors.



Let's look at the data required to undertake further analysis within the purchasing process:

- For supplier performance, we need to look at past data such as delivery times, returns, and failure rates
- For risk, we should look at sustainability and diversity measure metrics, financial risk, and social indicators for areas such as modern slavery.

But it is impossible for organizations to track this data against every one of their suppliers. Right?

Take supplier performance. Most organizations have much of this data available to them, be it invoice data, purchasing data, delivery dates, refunds, and credits. If they have a procurement lifecycle management (PLM) or MRO (maintenance, repair, and operations), they might even have data to link this to their production systems to understand it's impact on production failures. Creating predictive models from this data and feeding this information back to the organization's procurement system will ensure this data is available for sourcing decisions.

For risk management, there are terabytes of data available in the public domain, not to mention the myriad of private services that can be leveraged. While mining this level of data on their own is beyond most organizations, there are many services that can provide this service across the supplier base.



There are also sourcing platforms that will analyze spend data and automate the supplier selection process based on an organization's own supplier base, together with their own supplier performance data and external risk management factors based on the criteria defined for sourcing. Intelligent online searches can aggregate information to build a detailed picture of the supplier landscape, bringing together analyst reports, other third-party assessments, media coverage, social media comments, and more.

From this analysis, conducted in the open market, organizations will develop a better understanding of their current and potential future suppliers, and their resilience, performance, and sustainability. But it doesn't need to be an all or nothing approach. While organizations continue to work towards getting their data perfect, incremental improvements in visibility will drive much better sourcing decisions and improve supply chain resiliency.

## ... and supplier collaboration

Comprehensive analysis of the kind we've just summarized enables organizations to be confident in the suppliers from whom they source products, materials, and services.

Which, of course, is highly desirable. But all of this is largely a tactical benefit. What a thorough analysis can also provide is an understanding not just of practicalities, but of character. The better a business truly knows its suppliers, the better it will be able to form lasting and productive relationships with them. Collaboration of this kind goes beyond tactical gains to deliver genuine strategic advantage.

When organizations and their suppliers know and trust one another well enough, the boundaries between them can become fluid. They can share responsibilities in order to achieve outcomes in planning, in quality, and in delivery that benefit all parties.

The collaboration can go further still. Supplier input can lead to positive changes in product design that organizations may not otherwise have been able to envisage. When relationships reach this level, they've left the basics of fulfilment far behind. They've become genuinely innovative – so much so that perhaps the term intelligent supply chain doesn't do them full justice.

#### Innovation and intelligence

It's time, perhaps, to recognize that supply chain innovation needs to – more than ever – include procurement. Rather than being reactive, it needs to be more intelligent – and even creative – to be able to add more value to the organization.

#### What Capgemini has already achieved with this new approach:

## For an international financial services company:

- Over 90% PO compliance
- Increase in no-touch POs to 80%.

### For a European energy sector company:

- 25% increase in productivity over two years
- 9% savings in tail-spend management.

#### For a global food company:

- 8% increase in on-time supplier payment
- Increase in touchless POs from 21% to 80% in three years.

## For a large North American utility organization:

- 80% touchless invoicing with e-Invoicing
- Operational savings of over 50%

Greg Bateup has worked with clients to deliver business transformation and BPO services for almost 30 years. For the last few years, Greg has focused on the digital transformation of the source-to-pay function, and how organizations can not only drive efficiencies in the procurement function, but also drive compliance and savings.





#### INTELLIGENT SUPPLY CHAIN OPERATIONS

# EVOLUTION OF THE LOGISTICS CONTROL TOWER

Implementing a best-in-class logistics control tower requires the design and deployment of a strong core operating model and the right technology to drive real transformational benefits.

While the term "logistics control tower" has been in vogue for quite some time, the concept itself is often understood differently.

For some executives, it means a comprehensive set of dashboards displaying logistics metrics with data refreshes in real-time, enabling them to take data-driven decisions and prioritize actions. For others, it means a central team of employees crunching numbers, figuring out the bottle-necks in the supply chain, and taking coordinated and concerted action, while addressing priority customer requirements.

While none of these definitions are necessarily wrong, a comprehensive logistics control tower in its fullest sense has a wider scope encompassing people, processes, and a governance framework glued together by a technology layer.



#### SHRIHARSHA PARAMPALLI

Director, Intelligent Supply Chain Operations, Capgemini's Business Services

## Logistics control tower challenges

To get a comprehensive understanding of how the logistics control tower has a powerful value accretive effect, it's worthwhile examining the pressing logistics imperatives that organizations need to address:

- Elastic logistics the ability to rapidly scale-up or shrink logistics capabilities and shift resources in the face of quickly changing demand and global factors will, to a large extent, determine the agility of the supply chain
- Hyper-visibility the need for extreme transparency in the fulfilment process right from order to delivery is percolating to the most mundane of product categories. This will no more be a differentiator as customers are starting to expect this as a given. Added to this is the need for traceability to be maintained for certain categories of products either as a customer value-add or as a regulatory requirement
- Micro-services and hybrid cloud • - the days of expensive standalone logistics software implementations on-prem are, to put it mildly, numbered. Micro-services architecture offering modularity and scalability riding on the back of dedicated or multi-tenancy cloud models with unprecedented data security is quickly becoming the norm. For the end customer, there's a plethora of customized technology offerings that are costeffective and tailored to the needs of the organization
  - Sustainability challenges a customer message today that caters to environmentally conscious communities is rapidly influencing the regulatory framework under which businesses operate. It's not just about adhering to regulations but sustainability aspects, such as carbon footprint, reverse logistics and disposal make sound business sense and have a direct impact on brand reputation in the communities they operate in.



## Leveraging an adaptive control tower model

With this in mind, how do we meet these challenges head on? At Capgemini, we leverage an adaptive control tower model based on years of experience and numerous implementations for our clients across industry sectors.

Input flows into the much overlooked aspect of control tower operating model design through our Digital Global Enterprise Model (D-GEM) transformation platform and ESOAR framework (Eliminate, Standardize, Optimize, Automate, Robotize) depending on the repeatability, criticality, and business logic complexity of the process. Once the building blocks of the basic control tower operating model design and governance has been set up, the chosen technology elements are operationalized to address critical needs such as extracting data at the optimal frequency, fusing together the information, and surfacing the actionable intelligence at the right time to create the desired business impact.

This is where the sheer computing power and cost-effectiveness of cutting-edge technology elements such as micro-services and hybridcloud really come into their own.

#### A strong core operating model drives enhanced business outcomes

What differentiates a truly adaptive control tower from a well-managed one is the seeding of machine learning algorithms in tandem with cognitive automation to provide predictive and prescriptive analytics that pre-empt supply chain events and dramatically reduce risk.

Our clients have seen tangible impact across the 3 "Es" – efficiency, effectiveness, and experience.

To summarize, the control tower is not an off-the shelf software that acts as a magic bullet for today's logistics challenges. There's as much to the core control tower design and operating framework as there is to the choice of technology. To enable real transformational benefits to flow into modern day logistics processes, there's no shortcut to building a strong core operating model.



#### What Capgemini has already achieved with this new approach:

#### For a leading Aircraft company

- 2–3% reduction in transport costs
- Productivity improvements through consolidating and standardizing activities
- Improved shipment visibility and tracking
- Proactive customer notifications and improvement in overall service levels.

#### For a world-leading CPG company

- Seamless, integrated operations with multi-disciplinary teams housed under a supply chain Center of Excellence
- 10–11% reduction of freight rate/tonne
- Developed and deployed in-house small-tech tools for visibility, analytics, and optimization

## For multiple global clients in the freight forwarding and 3PL space:

- Unified system to handle varied customer requests
- Data consolidation of master data, offer data and operational data leading to unprecedented transparency
- Significant cost reduction and service level improvement through consolidation of orders and utilization of capacity

Shriharsha Parampalli is a supply chain leader with over 18 years of delivery, consulting, and practice building experience working with marquee clients across Manufacturing, Healthcare, Retail/ CPG, Hi-Tech and E-commerce spaces.



#### INTELLIGENT SUPPLY CHAIN OPERATIONS

# TECHNOLOGY IN THE SUPPLY CHAIN – INTELLIGENT, INTEGRATED, AND FRICTIONLESS

Insights obtained from managing our clients' supply chain processes have enabled us to develop a portfolio of intelligent supply chain technology products that act as a bridge between their supply chain ecosystem partners and enterprise systems.

Throughout this series of articles, we've referred to the six pillars we've identified that underpin the intelligent supply chain.

Technology is integral to all these elements. Indeed, it's present in just about every area of our lives. It's effected changes in our ways of working that we couldn't have imagined even a few years ago – and with the global pandemic, it has become even more important. In many instances, it was absolutely necessary to embed technology in all our processes to ensure business as usual.



#### ABHISHEK BIKRAM-SINGH

Director, Intelligent Supply Chain Operations, Capgemini's Business Services

## The six pillars of the intelligent supply chain



Intelligent network design and risk management

Smart forecasting and integrated business planning



360° sourcing analysis and supplier collaboration



Touchless and agile order to delivery

Supply chain as-a-service



Supply chain control tower and end-to-end performance management

#### Two broad process types

It's important, though, to remember that it's not all about the tech. The technology serves the process, and the process serves the organization and its customers. With supply chains, this principle is demonstrated by the building blocks necessary for effective operations, which are:

Visibility – to make decisions in real time

**Agility** – to manage deviations from planned outcomes

**Connectivity** – across a widespread partner ecosystem of suppliers, customers, and service providers.

## We can broadly categorize supply chain processes into:

**Enterprise-centric processes** – to manage processes within the enterprise, be it planning, forecasting, or transaction management

#### Ecosystem management

**processes** – to manage interaction, communication, and collaboration with supply chain partners in the ecosystem. While the positive impact of technological advances has created huge efficiencies in enterprise-centric processes, significant challenges remain in managing the ecosystem management processes.

This is because of distributed supply chain environments across the ecosystem partners, disparate standards used in processes and communication interfaces across the ecosystem, and multiple technologies used across the ecosystem – creating challenges in data collaboration.

## Intelligent supply chain technology

The technology needed to address this challenge should be able to integrate varying data, process, and technology standards used in various nodes of the supply chain ecosystem.

While in the enterprise space, technology seeks to generate efficiency through process standardization and harmonization of data standards, the technology used in managing the supply chain ecosystem seeks to address the disparity in processes and data standards.

#### Specialist technology types used across the supply chain ecosystem comprise:

Macroservices – monolithic applications such as an ERP, which streamline and digitalize not only supply chain operations, but also enterprise services

**Microservices** – smaller applications that deliver specialized functionality for individual operations such as order fulfillment or planning

Nanoservices – applications that tackle individual pain points within macro- or microservices functions, such as order validation.





#### "Value tech" tools

At Capgemini, we understand the very real challenges our clients face in managing their supply chain ecosystems to deliver visibility, agility, and connectivity.

Insights obtained over the years in managing supply chain processes for our clients in varied industries and geographies have enabled us to develop a portfolio of "value tech" products that seek to address this specific challenge of our clients. These act as a bridge between the supply chain ecosystem partners of our clients and their enterprise systems.

Our "value tech" tools deliver value by enabling efficient and frictionless process flow management and partner collaboration, and by providing process visibility. Since these are meant to address the specific challenge of disparities in the ecosystem, they do not need any significant change management efforts for deployment.

They are designed to adapt to changes in the supply chain ecosystem such as the additions of partners to the ecosystem, making it agile and scalable.

Areas in which we have developed value tech tools include:

#### End-to-end planning

- Demand baseline forecast generation tool – a sophisticated statistical modeling tool to run a "best fit" forecasting model
- Cloud-based demand planning collaboration tool – (description of the tool needed)

#### Fulfilment

- Sales order generation tool

   converting client data in any format into ready input for the organization's ERP system
- Stock norm generation scientific stock norm generation for the organization's replenishment orders

- Customer collaboration tool web-based tool to collaborate on replenishment order generation
- Stock allocation tool using defined business rules this proportionate, fair share, this tool can allocate constrained stocks to sales orders through defined channels or by customer priority
- Inter-company inventory planning tool – supply planning and collaboration tool for intercompany goods movement
- Return order management system – web-based platform for managing requests, approvals, and documentation for all types of returns.

#### Master data management

- Request management system business workflow and ticketing solution
- Inspect +/- MDM data quality monitoring tool – (description of the tool needed).

#### Value from experience

All these tools were developed to fill the gaps in our clients' technology landscape and to meet specific needs – and they've proved to be highly useful.

They are versatile and easy to install, and are the products of the insights we have gained managing the supply chain operations of our clients over the last 15 years.

They have made our clients' supply chains frictionless, predictable, intelligent, and agile in response to ever-changing scenarios.

Abhishek Bikram Singh has over 15 years of industry experience in managing different supply chain functions. He has worked with clients across industries to define their current order fulfilment and MDM maturity with respect to people, process, technology, and governance, and to develop their target operating model.



#### INTELLIGENT SUPPLY OPERATIONS

IVALUA AND KINAXIS – THE TECHNOLOGY BEHIND INTELLIGENT SUPPLY CHAIN OPERATIONS

*Innovation Nation* talks to Capgemini's Luis Rios and Sreekanth Patcha about how Ivalua and Kinaxis deliver value to our clients' intelligent supply chain management operations through the technology they provide.



#### LUIS RIOS

Global Sales Lead – Cognitive Procurement Services, Capgemini's Business Services



SREEKANTH PATCHA Global Head of ISCT Services,

Capgemini's Business Services

Innovation Nation: Hello Luis, Sreekanth. Thank you for joining me to talk about how Capgemini's technology partnerships with Ivalua and Kinaxis drive value into our clients' supply chain operations. Luis, let's start with you. What role does Ivalua play in helping our clients implement intelligent supply chain operations?

Luis Rios: Ivalua is a market-leading provider of cloud-based spend management solutions, and provides a single platform where businesses can address all their spending and transformation needs.

Ivalua empowers organizations to transform faster and achieve quick wins, through supporting spend and supplier management in ways that businesses can build from the ground up. In the face of increasingly complex marketplaces, controlling spend during supply chain transformations is critical, as many organizations are currently looking for ways to improve profitability, and give their employees the consumer-like purchasing experience they expect. Therefore, how companies allocate spending and resources can transform their businesses quickly and easily enabling them to thrive, despite the challenges in the market today.

Capgemini has been one of Ivalua's main partners for over 20 years. This means that we have experts with extensive experience in implementing intelligent supply chains and procurement solutions across a variety of industries, without any of the business disruptions that come with this.

#### How is Ivalua enabling our clients to efficiently manage their supplier relationships and expand?

Luis Rios: Recognized by analysts as a leader in its field, Ivalua brings all spend management under a single, comprehensive source-to-pay platform. This gives organizations more rapid time-to-value capabilities and flexibility – enabling them to turn small projects into big ones through the additional modules and packages Ivalua offers.



Ivalua also provides rapid supplier enablement, which enables businesses to offer modern, unified user experiences to their customers with quick returns of investment. All this ensures Ivalua's partners remain agile enough to handle any unique market requirements – resulting in some of the highest levels of supply enablement in the industry.

#### Finally, how does Ivalua engage our suppliers and drive better insights to help our clients make better, faster decisions?

Luis Rios: One of the key advantages of Ivalua's source-to-pay solution is its ability to provide a 360-view of all supplier information and activity, which gives business complete control and visibility into their entire relationship lifecycle with any supplier. This helps better inform processes, addresses issues and risk quickly, drives innovation, and enables businesses to access quality data at speed.

From onboarding to registering on its portal for free, Ivalua provides organizations with the relevant qualifications, certifications, and financials they need to better manage or engage with potential suppliers. This takes the guesswork out of choosing suppliers at this critical time in the market – enabling companies to choose the suppliers that suit their needs, while keeping supply chain technology front-and-center at every stage of the procurement process.



#### Sreekanth, now over to you and Kinaxis. How does Kinaxis drive intelligent supply chain operations for our clients?

Sreekanth Patcha: Kinaxis is a market-leading planning tool that provides crucial global supply chain information, all in one place. This gives organizations end-to-end visibility into their supply chains in real time, helping them to make informed, data-driven decisions that drives significant time and cost savings. This really enables organizations to "Know Sooner, Act Faster."

Capgemini and Kinaxis' relationship started over five years ago. In this role, Capgemini partnered with Kinaxis to broaden the solution offering by including complementary process and data integration technology elements. This approach enables Capgemini and Kinaxis to go to market together along with their core products and extensions.

#### How does Kinaxis combine human intelligence and technology to produce tangible value for our clients?

**Sreekanth Patcha:** Kinaxis revolutionizes supply chain operations for organizations by delivering the agility needed to make quick decisions in today's fast-paced market. It combines human intelligence with AI, and its unique concurrent planning technique so that businesses can focus more on business-critical tasks – with minimal effort on their part. Kinaxis also provides easy collaboration between different experts in the process and so enables all the relevant human intelligence inputs into the process.

As a recognized Leader by Gartner over the last seven years, Kinaxis can get any organization's intelligent supply chain operations up-andrunning with advanced planning in as little as 12 weeks with proven results that truly make the supply chain frictionless.

#### Finally, how does Kinaxis engage our suppliers and drive better insights to help our clients make better, faster decisions?

Sreekanth Patcha: Like Capgemini, Kinaxis sees the value in helping organizations transition to the Frictionless Enterprise, as this eliminates redundancies and cultivates trust by giving businesses end-to-end visibility and transparency across their supply chain network.

In addition, Kinaxis helps build up resiliency before the next big, inevitable market disruption, while enabling organizations to seize any opportunity, as it also offers them the agility they need to adapt to any circumstance at any time. Finally, Kinaxis leverages AI, machine learning, and prescriptive automation to maximize efficiency – ensuring every resource and employee is focusing on business-critical tasks that will increase revenue and effectiveness, 24/7.

In short, Kinaxis and Capgemini's joint efforts towards building any business into a Frictionless Enterprise enables departments and teams to work more efficiently and effectively, leading to better insights and decision making across the board.

#### Luis, Sreekanth, thank you both so much. It's been a very insightful conversation.

Luis Rios has extensive experience in technology, sales, marketing, procurement, supply chain, ERPs and business development.

Sreekanth Patcha has extensive experience in supply chain design, integrated business planning, and program management. He leads the Intelligent Supply Chain Technology Services globally, including go-tomarket, capability development, and delivery.



#### INTELLIGENT SUPPLY OPERATIONS

# SUPPLY CHAIN COLLABORATION AND SUSTAINABILITY

Bringing together a range of assets and experience within a collaborative supply chain ecosystem can help organizations optimize performance, embrace new business opportunity, and realize sustainability goals.

As has already been written, there are six main pillars that support a smart, efficient, flexible, and customerfocused supply chain.

One of those pillars is intelligent network and operations design and risk management. This entails segmenting end-markets and channels, differentiating service offerings, and designing intelligent supply chain networks (including locations, inventories, and flows) across the product life cycle, while monitoring systemic risks over time.

The aim is to create an intelligent design that doesn't just achieve a balance between resilience and performance, but that also delivers on sustainability – which is as important a business imperative as any other.



#### JÖRG JUNGHANNS

Vice President Europe – Intelligent Supply Chain Operations, Capgemini's Business Services

## The six pillars of the intelligent supply chain



Intelligent network design and risk management



Smart forecasting and integrated business planning



360° sourcing analysis and supplier collaboration



Touchless and agile order to delivery



Supply chain as-a-service



Supply chain control tower and end-to-end performance management

## Improving sustainability performance

How can organizations <u>improve their</u> <u>sustainability performance</u>? There are three main ways.

The first requires transformation of the network design. It's all pretty obvious, really – but that doesn't make it any less necessary. We're talking here about reducing transportation distance, frequency, and risks, and selecting the most appropriate transportation mode. It also means making the best possible use of transportation and warehousing assets, while minimizing their environmental footprint – for example, green and shared warehouses.

The second one focuses on the last mile. Changes might include multimodal delivery solutions in urban environments, and partnering with sustainable last-mile delivery players. An efficient collect-and-reverse flow will also enable end-of-life treatment and refurbishment for products, which is yet another good thing. The third main way in which organizations can improve their sustainability performance concerns the improvement of end-to-end planning and orchestration. When visibility is improved throughout the supply chain, organizations can optimize resource consumption, waste, and stock levels.

This is particularly important in the food industry, where nearly one-third of all the food produced in the world is never eaten. Indeed, most industry segments share this same pattern: too much waste, not enough re-usage and re-cycling.

Advanced analytics, combined with data sharing through digital platforms, and including customers, suppliers, and subcontractors, can help organizations limit the impact of their waste along the chain.

## Transparency and traceability

Let's look in more detail at the visibility issue, and in particular at transparency and traceability.

I said earlier that sustainability is as important a business issue as any other, and transparency plays a big part in it<u>. According to NielsenIQ</u>, 73% of consumers are willing to pay more for a product that offers complete transparency. People want to know where things come from, because there is a growing awareness that there are different ways in which we can all improve our CO<sup>2</sup> footprint.

Transparency in this respect means supply chain intensive corporations need to measure their footprint – either with appropriate tools, or the support of a partner – and to do so continuously, not just a few times a year. This, in turn, means businesses need to make the products and materials in their supply chains traceable.

This provides tangible proof of sustainability claims, and it also supports a more agile and efficient supply chain – including suppliers upstream – with lower levels of waste and resource consumption. There are four main challenges to overcome when implementing a traceability program:

- Tracing back through the initial raw materials channel and collecting information on origin, composition, manufacturing process and flow at each step of the value chain
- Ensuring the collection of data, its authenticity and consistency, while guaranteeing suppliers' independence and data protection when setting up a connectivity platform
- In a large ecosystem, collecting sustainability proofs and guarantees and making them transparent to customers with an end-to-end data platform
- Reconciling available data in a clean way, even if it comes from poorly managed or non-harmonized databases.



## Sharing best practice in sustainability

How are those desired sustainability improvements to be achieved, and how can these traceability challenges be addressed?

Collaboration with a committed partner can be a big part of it. For instance, here at Capgemini, we have a <u>dual ambition</u>: to become carbon neutral by 2025 and net zero by 2030, and to help clients save 10 million tons of CO<sup>2</sup> by 2030, including making supply chains more sustainable.

When they work with us, our clients' operations benefit by back door, as it were, through our own sustainability efforts. Incidentally, the same principle can be applied to the whole supply chain ecosystem. Some potential partners will have their own commitments to the green agenda – for example, those who provide more sustainable warehouse or transportation operations – and choosing to work with them will add impetus to the organization's own environmental momentum.

Another big part of it is sharing and understanding both best practice

and the latest thinking. Capgemini recently launched Climate Circles, in which business leaders come together to redefine what it means to be a responsible business, and in particular, to share ideas on sustainability transformation for positive change,

Leaders were presented with two choices for discussion:

- The race to net-zero key topics around the global climate emergency, fore fronting the science and facts around climate change. The discussion focused on each person's own beliefs about climate change to lay the groundwork for a review on the role of businesses in this equation
- Breakthrough and innovation for a sustainable future – the role of industry in the face of climate change, focusing on technology and innovative solutions to address the global climate crisis. There was an evaluation of Capgemini's business capabilities to understand how it can enable global development for a sustainable future

It's not just about what organizations can learn about themselves. It's also about us, here at Capgemini, learning about how we can help.

Our aim as a business is to bring together a range of assets and experience in optimizing supply chain networks that can help our clients realize their performance, new business opportunity, and sustainability goals. For instance, we've helped businesses achieve a 15% decrease in the CO<sup>2</sup> footprint of their entire value chain.

Supply chains are important not just for businesses, but for the people they serve – and for the planet we all share.

Jörg Junghanns leverages innovation and a strategic and service mindset to help clients transform their supply chain operations into a growth enabler.



# SHARING SUCCESS



SHARING SUCCESS

# CAPGEMINI'S AWARD-WINNING FRICTIONLESS FINANCE DRIVES THE TRANSITION TO THE FRICTIONLESS ENTERPRISE

Capgemini drives AI-enabled, finance and accounting digital transformation to make frictionless finance operations a reality for your organization. What's more, it has recently been recognized by the Everest Group for its ability to unlock the true potential of your finance function.



DAVID LUMLEY

Global Head of the Finance and Accounting Practice, Capgemini's Business Services



Talk of intelligent automation, artificial intelligence, and other emerging and innovative technologies always promises a revolution across every aspect of your business – especially when these discussions turn to what these technologies can do for your finance and accounting (F&A) function.

However, despite the race to become the most digitally-augmented company on the market, your organization still faces a range of problems if you want to achieve truly high-performing business operations. What's more, these same obstacles often lead to an impaired customer and employee experience, inefficient decision-making, reduced speed-tomarket, and an inability to keep pace with rapidly changing regulatory environments.

Countering friction requires real operating model evolution – to break down your internal barriers, take control of your data, and redefine your finance processes for the digital age. Your finance function should be a key protagonist of this evolution, and needs to move from simply cleaning-up frictions to becoming a business model disruption catalyst.

But how can you make this transformation easier? How can you handle the ins-and-outs of this kind of transformation without disrupting your day-to-day business operations? Capgemini – recognized as a finance Leader by Everest for eight consecutive years



FINANCE & ACCOUNTING OUTSOURCING

Enter Capgemini, who have recently been positioned as a Leader in the Everest PEAK Matrix® for Finance and Accounting Outsourcing (FAO) Service Providers 2021 with our new <u>Frictionless Finance</u> solution. This is also the eighth consecutive year that we have secured the Leader position here due to our depth and breadth of expertise.

What's more, this report assessed the market impact, vision, and capabilities of 28 FAO service providers globally to understand which providers were really ahead of the curve and had the evidence to prove it.

The Everest Group recognized Capgemini for our Frictionless Finance solution's strengths in the following areas:

 A robust digital ecosystem and consulting experience, offering a comprehensive suite of solutions across the F&A value chain

- Our <u>Digital Global Enterprise Model</u> (D-GEM), a unique platform-based architecture that provides business transformation and benchmarking to guide the right digital operating model for your organization
- Increased inclusion of <u>Digital Twin</u> capabilities in service delivery, which helps to predict issues, avoid bottlenecks, and drive service efficiency
- Extensive industry expertise in serving key clients across several sectors globally
- Strong client-centricity and a relationship-driven approach which is appreciated by clients
- Providing seamless transition and strong support to clients during the global pandemic.

We're delighted to be recognized by Everest for our F&A services. It reaffirms our continued commitment to provide future-ready, tech-backed innovative solutions that transform our clients' finance functions, and enable the transition to – what we call – the <u>Frictionless Enterprise.</u>

#### The tangible benefits of Capgemini's award-winning solution

Our Frictionless Finance solution delivers Al-augmented <u>order-to-cash</u>, <u>purchase-to-pay</u>, record-to-analyze, and analytics in order to enable your finance function to enhance top-level outcomes such as:

- Up to 25% improvement in forecast accuracy
- Up to 25% sales growth in digital revenue streams
- Up to 40% improvement in days sales outstanding.

In short, Capgemini's <u>Frictionless</u> <u>Finance</u> solution helps your organization implement a comprehensive digital ecosystem that addresses each and every friction in your finance operations – ensuring you overcome every typical challenge organizations face on their race to digital.

This, in turn, unlocks value from your finance function, enabling you to transition to – what we call – the <u>Frictionless Enterprise</u>, ensuring your digital dreams become a reality with minimal effort on your part.

David Lumley leads a global team that delivers global finance transformation projects for large organizations across a range of industries including CPRD, Financial Services, Utilities, and Telecoms.





SHARING SUCCESS

# NELSONHALL RECOGNIZES CAPGEMINI'S CLOUD HR TRANSFORMATION EXPERTISE



STEPHAN PAOLINI

Global Head of the Intelligent People Services Practice, Capgemini's Business Services Capgemini has been recognized by NelsonHall for its ability to meet clients' future HR requirements and deliver immediate cloud transformation benefits to its clients across geographies – for the second year running.

Superior employee experience delivered with cost and process improvements are the primary drivers for any HR team moving through 2022 and beyond. Indeed, reducing costs, while still offering a memorable, intelligent employee experience is now critical as we move into a hybrid working model reality. All of this is happening while businesses address increasing skill gaps within their processes and/or workforce. In fact, many organizations are now choosing to collaborate with experienced transformation partners to answer their needs, giving them the bandwidth to focus on more businesscritical tasks on a day-to-day basis.

These cloud HR transformation partners are often selected for their overall cost-effective technical and process expertise in the HR domains, which helps experienced HR teams operate effectively in the new normal.

Services impact and effectiveness along with workforce safety, productivity, security, and better cost containment are the name of the game for many HR teams looking to get ahead of the curve in 2022 after two challenging years. However, the question remains – how can your organization focus on increasing productivity while designing more engaging digital and automation services, both for your employees and your clients? And on what and how can a proven HR transformation partner help you achieve these worthy goals?





#### A leader in cloud HR transformation services for the second year running

You're in luck! Capgemini has recently been named a "Leader" in Cloud HR Transformation Services in NelsonHall's most recent Vendor Evaluation and Assessment Tool (NEAT) report for the second year in a row.

The report also highlighted several of our key strengths, in the field of cloud HR transformation services, including our:

- Digital design-thinking model with a robust methodology and delivery capability for digital solutions through our <u>Digital Global</u> <u>Enterprise Model (D-GEM)</u>
- Proven HR transformation solutions such as <u>Employee People</u> <u>Operations</u>, Digital Helpdesk, and <u>Digital Learning Operations</u>
- §Focus on next-generation technological innovations, including robotic process automation (RPA), chatbots, machine learning, and AI for HR transformations
- Holistic approach towards delivering end-to-end HR operation solutions, capabilities – providing digital learning solutions and supporting major HR technologies
- Global footprint and ability to support large geographies such as the US, the UK, France, Germany, the Netherlands, and Australia.

As organizations adapt to a hybrid workspace, they are looking for a seamless and user-friendly HR experience to make their workforce agile, resilient, and future-ready. We're delighted to be recognized by NelsonHall for our proven approach to Cloud HR Transformation Services. It reaffirms our continued commitment to provide future-ready, tech-backed innovative solutions that transform our clients' HR functions and enable the transition to – what we call – <u>the</u> <u>Frictionless Enterprise</u>.

#### Capgemini's proven HR transformation approach has its benefits

Our Intelligent People Operations

(IPO) Practice puts all of your employees at the heart of the HR Services solutions portfolio – across your talent acquisition, HR administration, payroll, and HR analytics functions – to deliver a strong and sustainable value to your business, including:

- A frictionless, "consumer-grade" employee experience
- Up to 35–40% increase in productivity across five years
- Over 95% first contact resolution and 30% less queries
- Enhanced optimization of resources and human capital
- Increased flexibility to scale operations
- Increased adoption of digital skills
- Insights-led decision-making
- Reduced risk in delivery via robust operations.

Stephan Paolini and his team help to design and implement people engagement and management solutions that accelerate implementation and provide change efficiency in complex global environments. Going beyond operational performance, we can create a renewed and collective people performance that sustainably transforms organizational ways of working in this new normal context.



SHARING SUCCESS

EVEREST GROUP RECOGNIZES CAPGEMINI AS A LEADER FOR ITS INTELLIGENT PROCESS AUTOMATION EXPERTISE

Capgemini has been recognized by Everest Group for its expertise in Intelligent Process Automation, which is helping organizations reduce costs, increase efficiency, and enhance customer experience.

Evolving into a digital-first business is becoming increasingly important for most organizations to remain resilient and competitive. Intelligent automation is leading the charge in helping organizations shift to an intelligent and automated operational set up.



#### GEETIKA MEDIRATTA

Global Head of Capgemini's Intelligent Process Automation Practice, Capgemini's Business Services Solution providers have been quick to recognize this demand and are moving to a digital-first model to drive digital transformation of backoffice processes. This is helping organizations deliver significant cost reduction, greater operational efficiencies, and frictionless customer experiences.

One of the easiest ways of achieving this is through leveraging a <u>proven</u> <u>Intelligent Process Automation</u> (IPA) solution. But with so many options in the market, how can organizations understand which IPA providers are able to deliver an unprecedented level of process intelligence to their organization?

#### A leader in Intelligent Process Automation expertise – two years in a row

Thankfully, Everest Group has made answering this question much easier, announcing Capgemini as a "Leader" in its PEAK Matrix® for Intelligent Process Automation Providers 2022 due to our extensive expertise in this area. What's more, this is the second consecutive time Capgemini has been recognized for its market impact, vision, and capabilities in relation to intelligent process automation. Everest Group also recognized Capgemini as a "Star Performer" for demonstrating the highest improvement overtime in the PEAK Matrix<sup>®</sup>. The report highlights Capgemini's key strengths as our:

- Data-led approach and AI- and analytics-driven solutions that drive tangible business outcomes
- Capgemini Intelligent Automation Platform (CIAP), which enables automation, real-time robot monitoring, analytics, and control
- Extensive partner ecosystem and experience across intelligent automation components
- Proprietary frameworks for consulting services that include maturity assessment and technology advisory
- Client recognition of automation knowledge, opportunity identification, and solution development.



#### The benefits of leveraging proven Intelligent Process Automation expertise

Our dynamic suite of intelligent automation solutions enables organizations to drive process efficiency in a cost-effective manner. This helps companies unlock the true value of their technology investments, and helps foster continuous innovation, enabling them to transition to – what we call – the <u>Frictionless Enterprise.</u>

A key part of this transformation effort is Capgemini's<u>Intelligent</u> <u>Process Automation</u> solution which enhances business operations with automated, end-to-end processes and a digitally-augmented workforce – all of which is underpinned and infused with RPA, AI, and smart analytics to deliver an unprecedented level of process intelligence to any organization.

And this recent positioning by Everest Group reflects our commitment to delivering sustainable value to our clients and our ability to help unlock the true potential of intelligent automation.

Geetika Mediratta is the Global Head of Capgemini's Intelligent Process Automation Practice at Capgemini's Business Services.





SHARING SUCCES - CASE STUDY

# A HEALTH INSURANCE COMPANY IMPLEMENTS DOCUMENT AUTOMATION TOOL TO PRODUCE BENEFIT BOOKLETS WITH MORE ACCURACY AND EFFICIENCY

Capgemini collaborated with a healthcare company to establish a welldefined, frictionless production process and introduce automated, macrobased tools that efficiently update the essential text of benefit booklets



## Innovation for aspirational purposes

When it comes to health insurance, accurate and timely benefit information is of absolute importance to customers. Any discrepancy or delay to the delivery process may hinder the use of benefits or result in difficult health-related decisions. Understanding this, one of the largest US-based, mutual reserve health insurance companies identified a need to improve the speed and accuracy with which it produced and distributed benefit booklets.

However, identifying the challenge and resolving it were two different things. The company knew that it needed a partner to help accomplish the success it envisioned. Starting in 2015, the organization expanded its existing relationship with Capgemini, who already engaged with the company on application development and management. In the years that followed, the partners delivered the benefit booklets faster, but remained short of the aspirational goal of sending them out to its customers in under 60 days.

## New tools meet new ambitions

In 2020, Capgemini was determined to fulfil the company's 60-day ambition. To do so, the project team performed extensive research to identify new technologies and opportunities for process enhancement that would deliver the necessary efficiency gains. Following this review, Capgemini understood that there were two primary areas in which booklet production could be improved: streamlining processes and procedures through automation, and standardizing language updates wherever possible.

Each year, the health insurance company updated the language used in its benefit booklets to keep up with regulations and changes to the products it offered. This previously required every change to be manually completed by members of the project team. To improve the speed with which this could be done, Capgemini introduced a new, macro-based Magic Wand tool that automatically copies the updated text into the booklet format.

This substantially reduced the manual, repetitive tasks that required employees' time and attention, while also cutting down on human error, leading to a more frictionless production process. To further improve the accuracy of the language in the booklets, Capgemini identified a second macro based tool that identifies errors in the wording and highlights them for correction. The tool uses previous errors to learn rules that it rapidly applies to the new wave of booklets, improving the team's ability to identify pre-categorized issues.

This involved new requirements added that year, which represented the largest source of errors. In this way, the inspection tool not only improved the accuracy of the booklets, but also helped to communicate challenges and make company stakeholders aware of process breakdowns that could be corrected.

Lastly, Capgemini introduced a new training tool that substantially improved the pace at which new employees were onboarded. Originally, it took six months to fully prepare a new team member for booklet production. With the new tool, this was reduced to a single month – ensuring that the team was properly prepared for intense, highvolume periods resulting from annual open enrollment.

## Innovation delivers critical information to customers

With the new tools for processing benefit booklets and improving training methods, the partners achieved their 60-day delivery goal, producing higher-quality, more accurate booklets – without requiring experienced employees to

perform lengthy and repetitive work. This new frictionless process ensures that health insurance members have access to essential information quickly and more reliably, and can be replicated annually.

Following this success, the partners plan to continue streamlining the production and quality control processes. By identifying opportunities for improvement from both sides, the partnership will ensure that neither the health insurance company nor its members will experience anything other than exemplary quality benefit information.



SHARING SUCCES - CASE STUDY

# RPA ENABLES PHARMACEUTICAL COMPANY IN CHINA TO SUPPORT SALES EVENTS DURING PANDEMIC

In collaboration with Capgemini, the business introduces RPA technology to meet compliance regulations as sales representatives manage online events during the COVID-19 pandemic



## Meeting safety and compliance requirements

In the wake of the global COVID-19 pandemic, many everyday events and aspects of life have needed to adapt to new circumstances. For one pharmaceutical company in China, new restrictions imposed in response to the pandemic meant that its sales representatives could no longer run seminars and conferences, which played a key role in showcasing and selling products, in person. While keeping its employees and customers safe was the organization's top priority, the company still needed to ensure that its salespeople could connect with hospital personnel and medical experts. As a result, the organization shifted these seminars to an online format, which enabled business to proceed as normal.

However, compliance requirements meant that the business needed to monitor these events and provide proof that they were not being abused by the sales representatives running them. This meant assigning a team of 20-30 people to collect and submit screenshots that would demonstrate that the online events met compliance expectations. The company quickly realized that such repetitive work could be automated, which would lower costs and reduce the organization's reliance on thirdparty agencies. In order to identify and implement a solution that would achieve this vision, the business engaged with Capgemini to form a collaborative partnership dedicated to the project

## Automation provides the key

Working together, the partners decided that robotic process automation (RPA) offered the best fit for achieving the company's goals of improving efficiency and lowering the costs of processes associated with compliance. Following Capgemini's proven RPA methodology, business analysts reviewed the organization's existing tools and processes in order to identify the steps needed to complete the project. Once this plan was approved by key stakeholders from the pharmaceutical company, the partners then launched the development of multiple robots based on UiPath.

Due to the ongoing pandemic, the company and Capgemini coordinated in a fully remote capacity throughout the project, which included consistent coordination and communication with users to ensure that the automated process aligned with their needs.

This remote access also lowered the overall production cost for the business while enabling the partners to connect more flexibly while maintaining employee safety and ensuring that the project proceeded in a smooth and agile manner. Finally, once the robots were built, the company and Capgemini performed thorough testing to identify any issues prior to introducing the live solution.

## RPA drives efficiency and lowers costs

Following the conclusion of the project, the company and Capgemini introduced 7 distinct robots that were programed to produce the necessary screenshots and prepare them for submission to ensure ongoing compliance.

As a result, the pharmaceutical company has empowered its sales representatives to continue leading their online events without worrying about compliance issues while enabling the business to focus it's effort and resources elsewhere. The introduction of RPA technology has reduced the overall costs associated with meeting compliance regulations by reducing the business' reliance on third-party workers who previously created the screenshots manually.

Additionally, the company and Capgemini ensured that the solution was simple for event organizers to use so that any sales representative can now easily request a printout during the meeting.

Based on the success of this RPA implementation, the pharmaceutical company and Capgemini will continue to explore new opportunities for the implementation of automated solutions. Together, the organizations will expand their innovation efforts in a continuing search for efficiency that supports the company's future goals and the efforts of its employees.



SHARING SUCCES - CASE STUDY

# A FINANCIAL SERVICES COMPANY USES INTELLIGENT AUTOMATION TO DRIVE WORKFORCE MANAGEMENT EFFICIENCY

Through its partnership with Capgemini, the company introduces an automated solution that enables the workforce management team to introduce frictionless processes and expand its focus to other areas

#### Building upon a successful partnership

When a North American multinational financial services company decided to expand the scope of its workforce management (WFM) team, the organization wanted a new set of tools to improve efficiency and free up the team's time to spend on additional tasks.

As new, relevant technology became available, the company and Capgemini, its long-term partner, recognized the opportunity to realize their vision through implementing intelligent automation. This began with a review of the new tools available as well as a decade of effective partnership to identify the exact opportunities they could exploit. In addition, the project team performed a thorough cost benefit analysis focused on the potential impact of a transformation project. After this initial groundwork, the partners agreed that implementing the Genesys Administrator & Aspect tool would best serve the needs of the company.

## Automation at the heart of transformations

With an action plan agreed on, the partners then launched a transformation program that introduced automation throughout selected processes, which included real-time activities and workforce scheduling.

The company and Capgemini also developed more comprehensive, frictionless forecasting techniques that would help better predict upcoming workload requirements and assign team members appropriately to ensure consistent, high-quality service delivery. Automation was also applied to quality control in order to more reliably and quickly identify and address errors in scheduling.

Throughout the project, the company and Capgemini maintained a collaborative, "One Team" approach to transformation. The combination of the company's financial services industry knowledge and Capgemini's technical expertise ensured that the solution satisfied all possible needs.

## An expansion built upon efficiency

Introducing intelligent automation enabled the partners to implement frictionless WFM processes. This reduced the amount of repetitive and time-consuming tasks that had previously absorbed a great deal of effort and enabled the partners to look for ways to expand their successful relationship. With less time needed to complete their existing work, the team was then able to take on additional responsibilities. As a result, the partners have added more people (4 FTEs) to the overall project, thereby continuing to grow what has proven to be a rewarding engagement without expanding the associated costs.

Going forward, the company and Capgemini will continue to look for new opportunities for innovation. The automated solution applied in this case has application potential beyond WFM processes, which could offer the partners the chance to apply what they've learned in a new context. In this way, the financial services company and Capgemini will pursue a future based upon efficiency and dynamic transformation.





#### SHARING SUCCESS

# CAPGEMINI'S AWARD-WINNING SOFTWARE DRIVES FRICTIONLESS HR CONTRACT MANAGEMENT

Capgemini's new easy-to-use contract management software enables HR teams to change and track employee contract information transparently at the click of a button.

As most people who work in HR know, requesting changes in employee contracts is not always easy. Tickets sent in by HR managers requesting changes are stored separately from the contract management software or platform where these changes are usually made.

This makes the simple task of updating employee contracts and information time-consuming, complex, and error-prone, leading to a great deal of frustration for all involved.

In response to these challenges, Capgemini saw an opportunity to develop powerful, easy-to-use HR contract management software that gives our HR teams full visibility and control over making and tracking changes to employee contracts transparently at the touch of a button.



KAROLINA LACH Compensation and Benefits Manager, Capgemini's Business Services



#### Next-generation software simplifies contract management in HR

Our new "HR Changes" software gives HR managers the ability to customize change request forms by adding new fields, removing existing ones, or even replacing entire forms whenever it is needed. HR Changes works as a living contract management tool that can adapt to its users' needs, without inputs from the IT department.

This customizable mindset also extends to the cybersecurity infrastructure surrounding the tool. It enables platform administrators to decide what information HR teams can see. For example, employee salaries can only be accessed by contract managers and approvers. As a standalone, plug-and-play, web application founded on Angular and .NET frameworks, this contract management software can be integrated with any HR platform in a few simple steps. It was designed by Capgemini's Software Factory – an internal team of developers and software engineers that was tasked with transforming Capgemini Poland's HR ecosystem.

## Award-winning HR contract management software

Leveraging HR Changes has been a real game-changer for Capgemini through enabling users to customize information captured at every level of the contract management process. In fact, it's safe to say that this new software has revolutionized the way our supervisors and HR teams operate.

This is why it was recognized at the most recent HR Brilliance Awards, where it won the <u>Gold Award in</u> <u>Brilliance in Innovative Use of</u> <u>Technology in the HR category</u>. It also has huge potential for organizations to streamline the entire change management process with a single tool via a unified, user-friendly, frictionless interface.

Karolina Lach is a manager in Capgemini's Compensation & Benefits team. She specializes in building solutions that drive process excellence, continuous improvement, and intelligent automation to deliver significant benefits for HR and business users.



SHARING SUCCESS

# BREAKING DOWN O2C PROCESS SILOS ACCELERATES BILLING

Capgemini's Digital Customer Invoicing solution helps finance teams simplify their way of working, breaking down silos between departments to standardize the entire order-to-cash process from end-to-end.

When it comes to order-to-cash (O2C) processes, every finance team worth their salt have a lot to consider. This includes contractual requirements, legal regulations, business specificity, and e-invoicing needs – otherwise defined as process siloes, which often make it challenging to industrialize the initial O2C scope and increase operational efficiency across the board. On top of this, data-driven intelligent automation is no longer a luxury – it's a must.

Our O2C teams were recently faced with precisely this challenge – disconnected and siloed data critical to the billing process. This provided an opportunity for Capgemini to develop a unique project management and invoicing tool that

processeesler – and continuing Capgemini's journey to become



#### BARTOSZ GROCHOWSKI

Director, Digital Transformation, Capgemini's Business Services



## Flexible and transparent O2C processes

Our intelligent automation team, based in Poland, built a new Digital Customer Invoicing solution that provides our internal financial engagements with a transparent, 360degree view of what's happening on the ground with regards to customer billing.

This helps to break down O2C process silos, <u>standardizing the entire O2C</u> <u>process</u>, making it much easier to submit customer and third-party invoices.

#### Impact on O2C

Since implementation, our solution has improved Days Outstanding Receivables (DOR), shortened turnaround time for end-to-end invoice processing, and increased operational efficiency by accelerating the transactional process.

Furthermore, our solution produces the highest possible data quality results when processing invoices by integrating intelligent data validation processes into our invoicing lifecycle. This has been critical in improving our O2C processes overall.

#### Award-winning O2C solution

Need more proof of the value of our new solution? Well, it has been recognized by Business Intelligence Group, who recently awarded it a <u>BIG</u> <u>Innovation Award</u> – which shows how much our Digital Customer Invoicing solution helps improve finance processes, and O2C in particular.

Bartosz Grochowski currently works as a digital transformation director, responsible for identifying and implementing process automation and other user-focused opportunities wherever they are needed.
# **VOLOC** ALK



# IMPROVE YOUR ORDER-TO-CASH PROCESS BY CONSOLIDATING VENDOR DATA EFFECTIVELY

Consolidating your vendor data can deliver a more intelligent order-to-cash process that adds value to your finance function.

Most order-to-cash teams are familiar with logging into payor portals to upload a new invoice or check on payment statuses. But wouldn't it be great if there was a way of consolidating all this data into your order-to-cash process?

The good news is this is now possible.



JOSE ZAMORA

Accounts Payable Global Process Owner, Capgemini's Business Services

## Consolidating order-to-cash data is now a reality

Start by leveraging robotic process automation (RPA), scripts, and other intelligent data extraction tools to pull data from your customers' payor portals or other websites. This means you don't have to upload data manually, and helps you build a smarter, more intelligent order-tocash process.

Follow this by optimizing the data your customer portals hold across five key areas:

- Payment forecasting upload and code promises to pay in your collections system automatically. This will enable you to better forecast pending cash collections and month-end results
- Credit management incorporate payment-in-transit into the credit decisioning process along with info such as accepted invoices, and scheduled payment dates. This will make the entire cash management process more transparent and much easier to handle for your team
- Collections add pending payment data into your collections platform and leverage it to automatically tag payments in transit or disputed items
- Cash applications apply cash faster and more effectively by identifying and matching against the proper invoice. Implementing this properly will improve the auto match function overtime, reducing the amount of exceptions in your system
- Dispute and deductions management – build an early disputes and deductions identification system. This will enable your team to act faster, leading to all invoices being cleared in a timely manner. This will also improve your resolution time, reduce friction, and improve customer satisfaction overall.

While this approach might seem daunting, keep things simple by just focusing on your top 15 largest customers, and consider a marathon rather than a sprint.



# Inject AI to simplify your order-to-cash

Overcoming these hurdles is made much easier if this approach is implemented properly as it promises <u>best-in-class finance operations</u> for your business by benchmarking your operations to ensure top performance, reducing your total cost of service, and implementing a target operating model that actively supports your business.

All of this can be achieved by infusing intelligent automation and artificial intelligence (AI) into your cash and collections processes to deliver nextgeneration, frictionless order-to-cash capabilities. This transforms your finance function into one that drives frictionless, intelligent, enterprise-level outcomes, enhanced efficiency, and top-line growth to your business. Bringing you closer to – what Capgemini calls – <u>the</u> <u>Frictionless Enterprise.</u>

Jose Zamora has extensive experience in delivering both outsourced and in-house services from Capgemini's different delivery centers in Europe, LATAM, and North America for several global companies.



# IMPROVE THE ACCOUNTS PAYABLE PROCESS THROUGH LEVERAGING AI

Implementing a streamlined, AI-enabled frictionless accounts payable process drives agility into your finance function, enabling you to seize opportunities to increase productivity, boost service levels, and catalyze growth.

With organizations across industry sectors constantly under pressure to do more with less, we can all agree that accounts payable process expectations are far more demanding today than they were even a couple of years ago. We now live in a time when simplifying manual operations and operating in a Lean fashion is the norm, and streamlining accounts payable is no different. Modern finance functions can no longer afford to pass up opportunities to free up labor and capital to focus on businesscritical payable processes.



## MAHALAKSHMI RAMAKRISHNAN

Accounts Payable Global Process Owner, Capgemini's Business Services

## Overcoming AP process challenges – at speed

No doubt you'll be well aware of the inefficiencies in your <u>accounts payable</u> <u>process</u>. But failure to transform and streamline your processes can lead to a number of common challenges, including:

- Loading supplier and contract information incorrectly into master data files
- Relying too heavily on manual, error-prone processes to, for example, approve requisitions, scan supplier invoices, and issue payments
- Over-extending payment cycles that lose early payment discounts, or simply accepting discounts without considering the cost of the capital outlay
- Having no processes or systems in place to prevent late payments, underpayments, overpayments, duplicate payments, or missed payments.

While every organization is different, adopting best practices can help you implement an efficient, optimized, frictionless, and automated accounts payable process. This, ultimately, strengthens your cash position and builds resilience for your finance operations.

## Strategies to transform the accounts payable process

But how can you make accounts payable process improvement a reality?

At Capgemini, we recommend leveraging artificial intelligence (AI) and intelligent automation to reinvent and optimize your accounts payable process. Some of the proven improvement strategies that we advise our clients on include:

- Setting up a reliable supplier portal
- Adopting a paperless processing environment
- Leveraging automated accounts payable solutions
- Centralizing accounts payable processing and reporting



- Adopting more robust governance practices
- Employing risk-free disbursements.

The approach should be to combine process knowledge with digital technologies, AI-driven operating models, and a partnership philosophy to breakdown functional silos within your accounts payable function and eliminate repetitive, non-value-adding tasks such as exception handling and insight dashboard creation.

## Reimagine the accounts payable process through AI

Transforming your accounts payable processes with AI drives a myriad of business benefits and value-based outcomes. These include enhanced process efficiency, improved cash flow forecasting and liquidity, reduced cost, and increased profits.

On top of that, a streamlined, frictionless accounts payable function infused with AI can drive enhanced transparency, control, and compliance, and deliver optimized payment strategies that support both your business and your supplier ecosystem.

All of this drives agility into your finance function, enabling you to seize opportunities to increase productivity, boost service levels, and catalyze growth.

Mahalakshmi Ramakrishnan leads multi-national multi-cultural teams and transformation projects across the accounts payable process.



# DRIVING EFFICIENCY ACROSS THE JOURNAL ENTRY PROCESS

Leveraging an AI-based journal calculation engine and data integration tool can transform your endto-end journal entry process to deliver enhanced operational efficiency and savings.

Implementing AI-enabled finance and accounting (F&A) operations can unlock value from your finance function and <u>create a frictionless</u> <u>future.</u>

Indeed, leveraging a <u>frictionless</u>, <u>AI-based approach to finance</u> can be a game changer in the record-to-analyze (R2A) space. Not only does it shift the focus from transactional processing to partnering with your CFO, but it also gives you the insights and analysis required to make business decisions that drive value-focused outcomes and truly impact your bottom line.



## MALGORZATA BATEUP

Record to Analyze Global Process Owner, Capgemini's Business Services



However, <u>delivering frictionless and</u> <u>autonomous accounting operations</u> requires your data to be integrated and consistently available in real time, while every journal entry has to be calculated, prepared, and posted automatically – also in real time. For their part, your finance professionals need to able to monitor and analyze accounting transactions via dashboards that enable them to react quickly if issues arise.

Achieving this requires nextgeneration, AI-enabled solutions and technology to automate the R2A process, taking your accounting operations – especially the end-toend journal entry process – to the next level.

## Eliminating manual effort in the journal entry process

While many automation solutions only address the front end of the journal entry process, collaborating with technology vendors such as BlackLine and Trintech Cadency can help you validate calculated and prepared journals, maintain standard templates, and support approvals. On top of this, easy integration with your ERP enables you to automate journal entry postings once approved.

However, within the context of the end-to-end journal entry process, this part of the journal entry process is only the tip of the iceberg. The majority of effort is hidden in calculating the amount of journal entries based on the data that comes from different sources – all of which has to be manually retrieved, consolidated, and formatted.

## Drive AI into the end-to-end journal entry process

But what if there was an innovative, platform-based solution that leveraged a next-generation journal calculation engine and integrated data from across your different sources?

And what if it could easily connect with your existing tools such as Cadency or BlackLine to transform your end-to-end journal entry process through:

- Delivering increased efficiency across journal entry calculation automation and systems integration (up to 60% for a client recently), including data downloading, formatting, and eliminating manual effort
- Driving significant operational savings by reducing manual effort
- Acting as a transformation catalyst to eliminate, standardize, and optimize calculations and source data templates
- Providing easy-to-track, transparency in progress monitoring
- Improving collaboration between teams and eliminating unnecessary emails
- Enhancing transparency, compliance, and control through improving traceability, automation, frictionless data integration, and more built-in checks.

At Capgemini, we've designed and developed such a solution – in cooperation with two of our tech partners, Workiva and Boomi – to automate the manual effort required in the end-to-end journal entry process. And our platform-based solution is helping our clients move towards implementing continuous and frictionless accounting.

Malgorzata Bateup focuses on developing new products iin the record-to-analyze area. She has over 20 years of experience in finance and accounting, with the last 12 years being dedicated to transforming our clients' processes and operations.





## JON HARRIMAN Group Portfolio, Capgemini



## CLAUDIA CRUMMENERL

Global Lead – Workforce and Organization Practice, Capgemini Invent



## ALAN CONNOLLY

Global Head – Employee Experience and Digital Workplace, Capgemini



## STEPHAN PAOLINI

Global People Practice Leader, Capgemini's Business Services

## TECHNOLOGY TALK

# THE JOURNEY TOWARDS IMPLEMENTING A FRICTIONLESS PEOPLE EXPERIENCE

Jon Harriman talks to Claudia Crummenerl, Alan Connolly, and Stephan Paolini on how Capgemini's Intelligent People Experience portfolio puts people at the heart of HR operations – transforming the way our clients address their talent and workforce challenges – to deliver an intelligent and frictionless "consumer-grade" people experience.

Jon Harriman: In days gone by, employee experience used to be the driving force behind business profitability. But as the conversation switches towards providing enhanced people experiences in the post-pandemic world, employee experience is becoming a thing of the past.

For example, 15% of the workforce are now contractors or part of the liquid workforce, many of which have similar needs to an organization's employees. So, the question isn't about employee experience – it's about people.

While all of this may feel a little overwhelming, it all falls neatly into four main areas – people experience, culture, technology, and organization. Delivering a great people experience requires collaboration and alignment between all of these areas to ensure everyone is on the same page, while keeping people experience front and center. Of course, having a portfolio that spans all these areas is vital, which is why

I'm joined by three of my Capgemini colleagues who focus on HR processes, people and culture transformation, change management, and technology services to talk about the solutions and services they deliver that combine to offer our clients an intelligent people experience.

#### Jon Harriman: Firstly, let's look at "reinventing work." Claudia, can you tell us more about what this term means?

**Claudia Crummenerl:** Thanks Jon. As you've said, it's really important to invest in an <u>intelligent people</u> <u>experience</u>. However, if organizations want to invest in a truly consistent people experience, they need something that can address these four elements of people experience, culture, technology, and organization. Indeed, Capgemini brings together these four building blocks, while connecting advisory, technology, and operations services.

## Reinventing work is the driving

force behind how we build a peoplecentric and adaptive organization. This means laying a new, flexible foundation, reorganizing to re-center efforts around employees, and enabling maximum job satisfaction and productivity. We believe that only a truly people-centric transformation can give people and organizations the edge they need to succeed in today's hybrid world. This calls for reinventing work in a deeply people-centric, empowering, and engaging way, while orchestrating people, technology, and data effectively.

We identify the transformation starting point that is right for our clients and tailor the transformation foundation around four key areas. These are:

- Reinventing work models rethinking ways of working, while fostering an adaptive culture within the workplace
- Reinventing the workplace identifying the right mix of hybrid tools and workplace to drive agility and security

- Reinventing the workforce designing the right development strategies, upscaling programs, and career paths to really empower people and build a thriving culture of continuous learning
- Reinventing HR ensuring HR applies relevant technologies and achieves the productivity and organizational effectiveness required to create a more peoplecentric culture.

We all know disruption isn't new, but the rapidly accelerating pace of change means that to succeed today, organizations must continue to reinvent work.

### Now, let's have a look at the technology solutions delivered through our Connected Employee Experience offer. Alan, can you give us an overview of things here?

Alan Connolly: Sure Jon. Capgemini's Connected Employee Experience portfolio pulls together a raft of technologies, integrations, workflows, and devices to make things work. Our objective is to enable fast, frictionless, and consumer-like experiences that accelerate work, tailored to the individual needs of each individual employee. It's understanding the expectations and needs of each individual employee, and providing the right physical and virtual workspaces they need to work productively everywhere. It's enabling people to collaborate effectively throughout their working day, and empowering them through business transformation and automation. Today's smart buildings can be immersive spaces that enhance how people collaborate physically and virtually.

And support, goes further than just providing reactive IT support – its predictive. It uses intelligent automation and chatbot solutions to prevent and eliminate issues, enabling us to provide value-add services around learning, adoption, expert support, and people services.

So, to summarize, it's about going further than just the technology – our services and technology solutions are always designed with people and a great experience in mind. This ensures a good people experience, promotes inclusivity, drives productivity, and lays the foundation for a long-term, sustainable business.





#### Finally, let's look at intelligent people operations. Stephan, could you tell us more about this please?

Stephan Paolini: Absolutely, thanks Jon. Capgemini delivers an intelligent, frictionless people experience by putting our clients' people at the center of their organization's HR proposition. This helps them engage more effectively with their HR function through providing streamlined, digitized HR processes and simplified touchpoints.

This is what we call a "consumergrade" people experience that enables our clients' people – whatever their level or device – to solve the same challenges quickly and efficiently at every level of the business.

Capgemini's Intelligent People Operations approach gives our clients access to optimized organizational resources and helps them better utilize their data to give their people more personalized and memorable experiences. We give our clients the ability to drive actionable insights through an intelligent command center that helps them make the right decisions in real time. In turn, this helps our clients increase the flexibility of their operations, organize upskilling at scale, and target their knowledge management services.

Finally, we need to remember that automation is a means, not an end. While it's the basis of increased productivity, automation can't solve all people challenges, simply because it's a lot more demanding than it was before, and now encompasses more people, including employees, managers, leaders, content engine employees, and the entire capability ecosystem. This is exactly what we're talking about when we talk about people experience.

Thank you, Claudia, Alan, and Stephan! It's been extremely informative! It's clear that the journey from employee experience to people experience is one organizations can't afford to ignore.



# DELIVER FRICTIONLESS HR OPERATIONS BY PUTTING PEOPLE FIRST

Putting your people at the center of your HR operations drives intelligent and frictionless people experiences that enhance the value of your HR function and enables you to meet all your employee and business needs.

Who hasn't booked a vacation online? We all do it. We check options and availability, select, and confirm. We don't even need to log it in our calendars, because the booking system will generally do that for us.

We expect everything to be this easy. At work, for instance, that same vacation is going to entail arranging some time off. The process ought to be just as simple and accessible. It's not just vacations, though. We bring these same preconceptions as consumers to every interaction we have with our employer's human resources (HR) function – and that's why organizations today are focusing on delivering frictionless HR operations expectations effectively, and if possible, exceed them.



ANTOINE STAREK

Intelligent People Operations Leader, Europe, Capgemini's Business Services

# Frictionless, integrated people operations

The best way for organizations to achieve a consumer-grade people experience is first, to bring all the relevant elements of the enterprise into a single, integrated model, and second, to build that model on a smart, digital platform.

At Capgemini, this is part of what we call the the <u>Frictionless Enterprise</u> – an approach that seamlessly connects processes and people, intelligently, as and when needed. It dynamically adapts to an organization's circumstances to address each and every point of friction they may encounter in their business operations.

Specifically in HR, this approach means organizations can provide <u>a seamless and intelligent flow</u> of information and collaboration <u>between their employees, suppliers,</u> <u>partners, and customers to detect</u>, prevent, and overcome friction in their HR operations; and create bestin-class HR processes and services that deliver increased efficiency, faster time to market, and an enhanced user experience.

The areas addressed by Capgemini include:

- HR advisory and digital services focusing on key platforms including Oracle, SuccessFactors, Workday, and ServiceNow
- A digital employee helpdesk providing designed, personalized experiences, making use of intelligent, omnichannel shift strategies
- Frictionless HR operations integrating process and application management services that take advantage of innovation and intelligent automation and a collaborative people experience design
- Digital learning and knowledge services – providing a learning platform that makes use of machine learning and AI to deliver a Learning Content Factory.



## Business, technology, and employee benefits

This smart, frictionless, and integrated approach to people operations delivers benefits in three main areas.

In general business terms, organizations can better organize their HR processes and nurture their talent. With a smart, comprehensive, and frictionless HR platform, they can simplify their employee contracts, effectively plan their resourcing support during operational and customer peaks, and they can also upskill, re-skill, deconstruct, and reconstruct roles.

In technology terms, they can implement data-driven decision-making and service delivery, innovate via intelligent process automation, and deploy consumergrade solutions.

In terms of employees, organizations can design and implement a personacentric approach, including a personalized, end-to-end, intelligent learning experience.

They can simplify and automate their recruitment processes, and deploy an omnichannel approach that brings together phone, email, chatbots, enhanced self-service platforms, and employee portals. All of which makes meeting employee and business needs much simpler.



## The net results of implementing frictionless people operations

A frictionless and intelligent approach to people operations enables CHROs to achieve desirable outcomes that include:

- A purpose-led and empowered workforce – no matter where they're working
- An enhanced, intelligent people experience, with a focus on flexibility and wellbeing
- Improved digital literacy that enables lower-level, volume tasks to be automated, leading to an opportunity to reshape the workforce and reap the benefits of the intelligent orchestration of people and machines

- An agile operating model for future-fit HR that leverages digital, cloud-based delivery platforms and robust data to give CHROs the flexibility to adapt to changing circumstances
- A culture of continuous learning that quickly transforms into a dependable means of fulfilment
- New strategies to attract and retain top talent. For example, CHROs can differentiate their employee value proposition to attract employees with in-demand skills, and align their talent strategy to the changing business strategy.

Many of these results are tangible and even quantifiable. At Capgemini, we transformed a global technology retailer's HR service delivery model to achieve a significant reduction in the overall cost of HR operations, a 90% customer satisfaction score, and a onestop shop HR and IT contact center.

While for a leading UK utility business, we modernized HR processes to deliver a 30% reduction in HR costs, implemented frictionless and efficient HR processes, and enhanced visibility and resolution of requests. We've also seen a 35–40% increase in productivity, and first-contact resolutions have now reached 95%.

Antoine Starek leads HR transformation projects for clients, and is responsible for all aspects of project and client management in addiiton to people management skills.



# TRANSFORMING L&D OPERATIONS ADDS VALUE TO YOUR HR FUNCTION



## SARITA FERNANDES

Intelligent Learning Operations Leader, Capgemini's Business Services Implementing an intelligent, next-generation learning solution to transform your learning and development (L&D) operations drives personalized, frictionless, and continuous learning experiences across your talent management cycle.

It's a given that organizations are only as good as the people they employ. Employees are the key intangible asset to any organization and innovation has always been about people. Team members at all levels need to have the right skills, and they also need to be motivated to embrace continuous learning. It's a constant challenge, and it's not helped by the times in which we live. For one thing, technology is moving fast, which means skillsets need to keep pace. For another, everyone is now accustomed to multi-channel access to information. Say we're at home, and we're learning a new hobby. Where once we may have gone to an evening class or consulted a manual, learning new skills is now both easy and available via ready curated online courses, videos, interactive tutorials, and by several other means.

Continuous learning is about the ceaseless expansion of upskilling and increased knowledge to stay relevant and ahead. We bring these expectations with us to the workplace and expect our employers to be able to fulfil them. If they are unable to transform the learning and development (L&D) process, this will likely have an effect not just on our productivity, but on our engagement, and possibly even our sense of loyalty to the business.

## Individual needs vs. business needs

It's clear, then, that learning needs to be focused on the wishes and expectations of the individual but at the same time, it needs to be shaped by the requirements of the organization. What's needed is a comprehensive, qualitative insight into what, where, and how the business needs to re-skill. It's an act of reconfiguration extending beyond employees to an entire people ecosystem that includes suppliers, vendors, contractors, and contingent workers. At Capgemini, this joined-up thinking is part of what we call the Frictionless Enterprise.

The Frictionless Enterprise seamlessly connects processes and people, intelligently, as and when needed. It dynamically adapts to an organization's circumstances to address each and every point of friction they may encounter in their business operations.

# The value of transforming L&D processes

The L&D offered by this intelligent, frictionless ecosystem needs to be smart, personal, and consumerlike in the way it's delivered. It also needs to be learning from which the organization derives value, whether directly – such as functionrelated skills training that increases productivity. Or indirectly, such as soft skills training that boosts self-esteem, or readiness on future-fit skill sets that set the organization in a forward and advance mode.

The areas addressed include:

• Learning advisory and transformation – making use of learning experience design to solidify the enterprise talent pipeline, and integrating L&D into HR and business processes with a people experience focus

- Digital learning and knowledge services – designing and implementing a smart, intuitive digital learning and knowledge platform, taking advantage of artificial intelligence (AI) and machine learning (ML) to deliver agile content that empowers user experience
- Learning technology enablement

   deploying high-tech L&D
   technology to enrich employee
   performance and experience.

   This involves augmenting the L&D
   landscape with a range of solutions
   to maximize reach, overlaid
   with innovation and intelligent
   automation
- Managed learning operations – enabling best-in-class training processes that reduce costs, realize measurable outcomes, and provide a flexible and scalable suite of learning services.





## Measurable improvements – and increased personal satisfaction

With a frictionless, enterprise-wide approach encompassing areas such as these, organizations can begin to transform the L&D process into experiences that are tailored, curated, accessible, and available on-demand.

What's more, because it's digital, learning can be delivered continuously and at scale, keeping pace with the changing needs and desired outcomes of both the organization and of individual employees while creating a culture of "learning in the flow of work." In addition, because it's the product of an ecosystem that spans the organization, insights from learning behaviors and other performance metrics can be comprehensive, and so can be used to create continuous improvement cycles.

In a world in which repetitive volume tasks are increasingly handled by intelligent automation, it makes sense for organizations to ensure that their people are sufficiently well trained and motivated to add value in new ways that may not have been an option when they were bogged down in all those low-level activities.

Everybody can win. At Capgemini, we've seen employees benefit from improvements of up to 40% in their learner experience and in delivery performance – and we've seen organizations achieve improvements of up to 50% in learning operations efficiencies, and up to 60% in training cost optimization. Sarita Fernandes helps optimize our clients' learning infrastructure, talent, performance management, and learning costs through designing and implementing sustainable and scalable learning experience solutions that augment their L&D effectiveness and efficiency.



# CONNECTED MARKETING – BEST PRACTICE

The growth in data is enabling marketing to achieve its potential. Successful organizations are reaping the benefits here ranging from more effective decision-making, better business outcomes, and the ability to perform real-time marketing that consumers increasingly expect.

In its recent report, <u>"A New Playbook</u> <u>for Chief Marketing Officers,"</u> the Capgemini Research Institute (CRI) found that data-driven marketers outperform their counterparts in other organizations in four key areas:



## ABHA SINGH

Senior Director, Marketing and Communications Services, Capgemini's Business Services



## 1. Data-driven marketers can make the most of realtime marketing

For instance, 88% of highly datadriven marketers say they can adapt and change content based on realtime data (versus only 38% of other marketers), and 79% also say that they can deliver content based upon a real-time understanding of customer needs (compared to 38% of other marketers). In addition, 77% say they can decide the next best course of marketing action based upon data and insights collected (against 48% of other marketers).

## 2. They realize better business outcomes from real-time marketing

Data-driven marketers also report better performance against key metrics for real-time marketing campaigns. These metrics include improved brand awareness/ consideration; improved customer satisfaction; an increase in conversion rates of prospects to customers; and an increase in customer retention.

## 3. They have wellrounded talent

Data-driven marketers have a greater supply of data and technology talent. For example, almost three-quarters of data-driven marketers (72%) say they have the data analytics and datascience skills they need (against 40% for others). They also have a greater supply of core marketing skills, as well as soft qualities and skills such as empathy, collaboration, and emotional intelligence.

## 4. They foster creativity

Creativity and data are often considered opposites. Creativity is seen as requiring a more artistic and emotional mindset, while data skills are regarded as needing a more analytical and methodological viewpoint.

However, data – especially the insights obtained from first-party customer data – can be used to enhance the creativity of marketers. The CRI research finds that data-driven marketers nurture creativity, which can take one of several forms:

- Building quick responses for changing trends
- Syncing data and creativity in customer engagement:
- Understanding consumer intent across different channels
- Delivering new ideas for personalized content
- Driving hyper-targeting in customer engagement
- Pairing data and creative talent.

## **Recommended practices**

Drawing on its research and experience, the CRI identified six focus areas in its report that are critical to ensuring CMOs are prepared for the future in a datadriven marketing environment:

- Create a clear vision for the marketing strategy – ensure data-driven capabilities are at its core, and define the roadmap for transformation
- Implement a framework-driven data-collection process – consider data from emerging digital touchpoints, and unify internal data silos
- Ensure talent is equipped with data, creative skills, and specialists – focus on developing an analytical mindset in your team, and upskill on digital and performance marketing. Establish a center of excellence – and, in general, develop a learning culture
- Accelerate collaboration across the marketing ecosystem – collaborate with key functions, such as IT, sales, and finance, and also with external partners
- Reimagine the customer journey with real-time engagement

   implement a customer data platform, and make use of listening tools to understand customer intent. Have a clear content management strategy, with appropriate solutions, and use automation tools for delivery
- Integrate long-term brand building and short-term marketing engagements – allocate separate budgets for long-term and short-term marketing engagements.

## **Taking stock**

Data is growing at explosive rates. It's being driven by the quickening pace of digitalization, and also by the rise of e-commerce, which is itself accelerating because of the global pandemic.

This data growth is enabling marketing to achieve its potential. Marketing has never been more integral to business, as the CMO role has broadened and become more holistic, with many CMOs now responsible for customer experience and growth strategy. Given the need for marketers to understand how customers interact with brands and companies, and to know when and where to engage with them, real-time data will be a critical enabler for CMOs to deliver their broadened remit.

Successful organizations are reaping benefits here, ranging from more effective decision-making, better business outcomes, and the ability to perform real-time marketing that consumers increasingly expect. In short, it is critical that today's marketing teams be data-led, so they can drive sustainable growth.

Abha Singh drives large transformation and consultative sales, presales, and marketing projects for Capgemini's clients, bringing innovation into the core of every area of her work.





# HOW DIGITIZATION IN LIFE SCIENCES IMPROVES PATIENT CARE



SCOTT MANGHILLIS

Go-to-Market Lead for Healthcare and Life Sciences, Capgemini's Business Services Increasing digitization within the realm of patient interactions and engagement is now a primary focus in the life sciences sector. But what are the benefits and what role does transformation play?

In the modern life sciences market, putting the customer front and center is now the name of the game. But what does this look like in practice? I spoke to Harsh Madan (Vice President, NA Growth, Capgemini's Business Services) about the impact the digitization of patient interactions is having in the life sciences sector and the role intelligent experience centers and contact center transformation play as a whole.



Welcome Harsh. As you look at the life sciences market space, how can companies overcome patient interaction challenges by utilizing digitization?

Harsh Madan: Many companies in the life sciences sector have embarked on a transformation journey to increase digitization within their patient interactions, in order to achieve their goal of optimizing therapy adherence and patient health outcomes.

Traditional "patient services"including patient enrollment, patient education, financial assistance, patient therapy, and clinical program capabilities – have evolved to encompass a broader scope of services to engage patients in new ways. With ongoing societal and cultural consumerization, patients now increasingly expect cohesive digital solutions that protect their data, while leveraging it responsibly to optimize their health outcomes.

#### So, what does this look like in the real-world? How can companies increase patient interaction digitization?

There are four areas companies can focus on in order to increase patient digitization in life sciences. These are digital coaching, telehealth, artificial intelligence (AI), and crisis detection and response.

Digital coaching enables patients to receive interactive care directly from their mobile devices through apps that enable them to select and share information with their healthcare professional. Meanwhile, in the area of telehealth, increasing patient digitization enables providers to offer patient care in their customers' own homes. This offer gives them access to more frequent check-ups and hospice care/on-call capabilities that are available through their phones 24/7. All of this is built on a solid foundation of proven call centers and local partnerships that continue to grow in order to offer patients more cutting-edge life sciences capabilities moving forward.

For its part, AI leverages large patient data sets to identify key insights that inform more relevant patient communications. This enables better point-in-time care, executes improved clinical trial programs, and generates more efficient patient case management at higher volumes overtime.

Finally, when it comes to crisis detection/response – increasing the implementation of patient interaction platforms could help health professionals manage public health crises by providing communications to patients and the general public.

## How does an intelligent experience center help solve patient challenges?

As Steve Jobs, once said, "You've got to start with the customer experience and work back toward the technology, not the other way around."

For example, in patient clinical trials, pharma companies create personas and journey maps to extensively understand patient test prototypes and optimize the physician and patient experience. This is clearly seen not only in the value delivered by the product or service itself – but also across the entire experience associated with it including learning about this product/service, choosing it, buying it, and leveraging it in dayto-day life.

Creating intelligent experiences is particularly relevant at drug launches because the performance of a new drug in its first six months tends to determine its market share thereafter.

#### Finally, what are some of the outcomes that digital contact center transformation delivers to our clients?

Contact center transformation can deliver at-home care for our customers' patients in a frictionless, omnichannel way. This enables them to offer more regular check-ups, and mobile-enabled hospice care with on-call capabilities that are aligned with therapeutic call centers and local partnerships. Digital transformation can also enable them to provide remote patient scheduling and follow ups for clinical trials for their patients.

#### Thank you, Harsh

Scott Manghillis helps clients transform their technology into digital, omnichannel, and personalized solutions

Harsh Madan leads business growth efforts for Capgemini in North America across multiple industries



DEEPAK BHOOTRA GTM Lead, Digital Sales Operations, Capgemini's Business Services

# DRIVING A FRICTIONLESS SALES EXPERIENCE WITHIN THE MEDTECH SPACE

Keeping salespeople in the pricing analytics discussion provides access to critical data right when, and where, they need it – helping to make a frictionless MedTech sales experience a reality. Otto Von Bismarck, the famous Prussian statesman, once said: "Laws are like sausages, it is better not to see them being made." But laws and sausages are a good thing, right? The same is true for data. It is seen as a very good thing within the MedTech industry, in fact it is often seen as a precious commodity here – right from when a medical device is approved for sale, all the way to the assembly line.

However, as most MedTech organizations have made investments in tailor-made tools and applications for specific sub-processes, it's difficult to harmonize and leverage data for holistic sales management purposes. This is a problem for MedTech salespeople, as owners of their customer relationships, they already face a variety of complex compliance and technological challenges to overcome.

This is precisely why MedTech salespeople would benefit from more meaningful insights and greater transparency across the sales cycle – generated in real-time. In short, they want to know how the sausage is made, so to speak.

## The current state of pricing in the sales cycle

Although discovering buyer behavior and examining price rationality across segments helps align MedTech product pricing decisions, this pricing discovery is typically the outcome of a standalone exercise – often after a sale. Worse still, most pricing analytics projects see winning prices as the optimal outcome of complex pricing analytics algorithms, which are typically separate from how any MedTech salesperson navigates the deal cycle with their customers.

This means that most pricing algorithms designed and used by data analysts end up being "black boxes." They only allow salespeople to see the prices they produce, without letting them see how they are actually generated or why the proposed price is the most optimal one available. As a result, most pricing within the MedTech sector is currently done in isolation, with the salesperson being a consumer of the output of this process – rather than being informed on how the output was generated or on the rationale behind their price offering.

In short, this setup undercuts any MedTech salesperson's relationship with their customer, as these analytically generated prices often don't consider the unique factors present in every customer relationship. These prices are never clearly explained or outlined to any MedTech salesperson, leaving them unable to explain why their offering costs more or less than other offerings on the market. This damages trust and can cause the customer to see the salesperson as unprofessional or even inept.



## Making the frictionless sales experience a reality

However, making pricing analytics a key component of an integrated decision support mechanism overcomes the challenges outlined above, enabling MedTech salespeople to make better-informed decisions while keeping their proprietary knowledge, valuable insight, and preexisting customer relationships intact.

Ensuring pricing analytics becomes a fully-fledged decision support mechanism also enables sales managers to get better insights into how and why deals are approved. They receive more context and information surrounding any deal in real-time, which helps make the <u>frictionless</u> <u>sales experience</u> a reality.

Finally, it's important to remember that proper pricing analytics change

management also requires accepting and incorporating how salespeople work into the pricing process. Pricing is critical to the sales process, and salespeople should be at the core of any pricing conversations.

## Getting a frictionless sales experience is easier than you think...

To ensure salespeople introduce a <u>frictionless sales experience</u> into their sales cycle, a provider needs to be capable of dealing with technological change, complex compliance requirements, regulatory demands, and the power of relationships during direct sales interactions. Price is a key variable in all sales discussions, and it can be spectacularly disenfranchising for a salesperson if they are not actively engaged in this critical sales activity. Capgemini enables salespeople to drive productivity and growth within their teams – backed by whatever digital transformation or long-term operational support they might require. Capgemini also integrates deal pricing data into how MedTechs apply price differentiators to their customers, which optimizes margin and win-rates and drives sales productivity gains and sales engagement. All of this helps make the frictionless sales experience a reality.

Deepak Bhootra is an established executive with two decades of global leadership experience. He delivers process excellence and sales growth for clients by optimizing processes and delivering seamless business transformation.





# SIX SIMPLE STEPS TO PROCESS MINING SUCCESS

Trouble scaling process mining across your organization? The six simple steps outlined below will transform your business operations more quickly and easily than you might think.

The disruption of traditional business models by the global pandemic, the necessity for more resilient operations, and the need to scale digital transformation initiatives is driving increased demand for <u>intelligent automation</u> solutions that combine digital tools to achieve results.

One of these digital tools is process mining – a set of data science and

process management techniques that are often leveraged to support operational process analysis efforts based on event and case logs that many organizations already store in their IT systems. The objective is to turn business process data into tangible insights and actions that organizations can take forward to improve key areas of their business such as customer experience for example.



## MAREK SOWA

Head of Intelligent Automation Offering & Innovation, Capgemini's Business Services



# Achieve more scale and value – easily

It's true that <u>process mining helps you</u> <u>achieve more scale and greater value</u> <u>realization</u> for your transformation initiatives – these six steps outlined below show you how:

- Secure executive buy-in early

   lack of executive sponsorship
   and stakeholder buy-in will
   undoubtedly lead to gaps in
   your organization's vision and
   strategic focus. But avoiding
   this is crucial if you want your
   transformation efforts to catch
   on. This is why executive support
   must be achieved early in any
   transformation as it helps direct
   the whole transformation journey
   from day one.
- Start with a simple project selecting the right processes for process mining proof of concepts (POCs) is critical as they demonstrate your vision, while also highlighting the potential this technology will have for you and your clients. It's easier to start with a process that is structured, contains a limited number of steps, and requires low data preparation. Keeping things simple here will potentially lead to more success and grow business appetite for scaling-up.
- Ensure better data availability/ quality – limited event log data availability is key to scaling adoption correctly. This is why educating stakeholders about the benefits of logging business data through information systems is vital to ensuring you overcome your data issues quickly. To do this, focus on transforming data into the formats that work for you. Getting enterprise IT involved early-on will also lead to a better understanding of your application landscape enabling you to address data privacy and availability concerns quickly.
- Set up a CoE trying to scale process mining efforts with a siloed approach and a lack of proper governance will always be challenging. However, establishing a dedicated center of excellence (CoE) will help you clearly define what you want from your transformation. It will also provide a strong centralized structure and governance framework for developing a shared vision, transformation initiatives collaboration, and strategic alignment between key stakeholders.
- Identify and source relevant skills/expertise – process mining requires a multi-disciplinary team to be implemented successfully.

However, skill shortages, difficulty in acquiring/retaining talent, and high training costs often impedes progress here. Consider leveraging your service providers' expertise to fill the gaps. After all, collaborating with vendors or service providers to train employees, while helping them develop an analyst-based mindset will further accelerate your scaling efforts – with the added benefit of fast-tracking your own in-house skills.

Focus on change management resistance from individual employees to process mining adoption hinders scaling efforts. However, you can gain access to change agents your employees know and trust by simply aligning with, and educating frontline managers on the benefits of process mining. Developing an organizational culture that embraces innovation and builds a workforce excited by process mining reinforced through events, workshops, and active collaboration will help accelerate the adoption of this technology across your entire enterprise.

## Begin your process mining journey today

#### Adopting process mining at

scale offers huge potential for organizations to drive continuous improvement, accelerate their automation and transformation initiatives, and realize greater ROI and business value.

Marek Sowa is head of Capgemini's Intelligent Automation Offering & Innovation focuses on adopting AI technologies into business services. He leverages the potential hidden in deep and machine learning to increase the speed, accuracy, and automation of processes. This helps clients to transform their business operations leveraging the combined power of AI and RPA to create working solutions that deliver real business value.



# THE ROLE OF ORGANIZATIONAL CHANGE MANAGEMENT IN DIGITAL TRANSFORMATION

Organizational change management is a critical success factor for digital transformation. Combining a business and employee experience perspective in transformation programs can support a better understanding of upcoming change across the organization.

Digital transformation and the associated adoption of Intelligent Process Automation (IPA) remains at an all-time high. This is to be encouraged, and enterprises are now reinventing their services and delivery at a record pace. Consequently, enterprise operations and service delivery are increasingly becoming hybrid, with delivery handled by tightly integrated combinations of personnel and automations.



JOHN WILLMOTT CEO, NelsonHall However, the danger with these types of transformation is the omnipresent risk in IPA putting the technology first, regarding people as secondary considerations, and alienating the workforce through reactive communication and training programs. As many major IT projects have discovered over the decades, the failure to adopt professional organizational change management procedures can lead to staff demotivation, poor system adoption, and significantly impaired ROI. The greater the organizational transformation, the greater the need for professional organizational change management. This requires high workforce-centricity and a structured approach to employee change management.

In light of this trend, NelsonHall's John Willmott interviewed Capgemini's Marek Sowa (Head of its Intelligent Automation Offering & Innovation, Capgemini's Business Services) on the <u>company's</u> <u>approach to organizational change</u> <u>management.</u>



#### John Willmott: Marek, what do you see as the difference between organizational change management and employee communication?

## Marek Sowa: Employee communication tends to be seen as

communication tends to be seen as communicating a top-down "solution" to employees, whereas organizational change management is all about empowering employees and making them part of the solution at an individual level.

#### What are the best practices for successful organizational change management?

Capgemini has identified three best practices for successful organizational change management, namely integrated OCM, active and visible sponsorship, and developing a tailored case for change:

Integrated OCM – OCM will be most effective when integrated with project management and involved in the project right from the planning/ defining phase. It is critical that OCM is regarded as an integral component of organizational transformation and not as a communications vehicle to be bolted on to the end of the roll-out.

## Active and visible sponsorship –

C-level executives should become program sponsors and provide leadership in creating a new but safe environment for employees to become familiar with new tools and learn different practices. Throughout the project, leaders should make it a top priority to prove their commitment to the transformation process, reward risk-taking, and incorporate new behaviors into the organization's day-to-day operations.

Tailored case for change – the new solution should be made desirable and relevant for employees by presenting the change vision, outlining the organization's goals, and illustrating how the solution will help employees achieve them. It is critical that the case for change is aspirational, using evidence based on real data and a compelling vision, and that employees are made to feel part of the solution rather than threatened by technological change.



#### So how should organizations make this approach relevant at the workgroup and individual level?

A key step in achieving the goals of organizational change management is identifying and understanding all the units and personnel in the organization that will be impacted both directly and indirectly by the transformation. Each stakeholder or stakeholder group will likely find itself in a different place when it comes to perspective, concerns, and willingness to accept new ways of working. It is critical to involve each group in the transformation and get them involved in shaping and driving the transformation. One useful concept in OCM for achieving this is "What's In It For Me" (WIIFM), with WIIFM identified at a granular level for each stakeholder group.

Much of the benefit and expected ROI is tied to people accepting and taking ownership for the new approach and changing their existing ways of working. Successfully deployed OCM motivates personnel by empowering employees across the organization to improve and refine the new solution continually, stimulating revenue growth, and securing ROI. People need to be both aware of how the new solution is changing their work and that they are active in driving it – and thanks to that, they are actively making the organization a "powerhouse" for continuous innovation.

How an enterprise embeds change across its various siloes is very important. In fact, in the context of AI, automatization is not only about adopting new tools and software but mostly about changing the way the enterprise's personnel think, operate and do business.

## How do you overcome employees' natural fear of new technology?

To generate enthusiasm within the organization while avoiding making the vision seem unattainable or scary, enterprises need to frame and sell transformations incorporating, for example, AI as evolutions of something the employees are doing already, not merely as "just the next logical step" but reinventions of the whole process – from both the business and experience perspective.

They need to retain the familiarity which gives people comfort and confidence but, on the other hand, reassure them that the new tool/ solution adds to their existing capability, allowing them to fulfill their true potential – something that is not automatable.

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John Willmott is CEO of NelsonHall, the leading business process services (BPS) and IT services (ITS) research and analysis firm, and is widely regarded as one of the world's leading authorities on achieving business transformation through the application of BPS.



### EXPERT INSIGHTS



## LEE BEARDMORE

Chief Innovation Officer and Head of Sustainability, Capgemini's Business Services



## JIM HARVEY

Senior Director, Global Process Owner Carbon Accounting and Sustainability GPO, Capgemini's Business Services SUSTAINABILITY AND BUSINESS OPERATIONS – THE DYNAMICS OF REGULATORY AND MARKET ALIGNMENT AND IMPERATIVE

Implementing sustainability into your business operations to transition your organization to the future demands that you embrace an evolving set of regulatory and market imperatives.

## In 1987 the <u>United Nations</u> Brundtland Commission defined

sustainable development as "meeting the needs of the present without compromising the ability of future generations to meet their own needs." The Commission's report presented a common future combining both the environment and global development, highlighting the inextricable link between the two.

In the intervening decades major scientific, political, and societal developments ratified, substantiated, and proved the climate change hypotheses put forward in the 1980s. At the same time, there has been a steady evolution of public opinion recognizing that the climate is changing as a direct result of human activity.

Fast forward to today, we are living in a time where there is a recognized moral imperative on organizations, countries, and individuals to reduce the negative impact of our activities on the environment to prevent our actions from compromising the needs of future generations.

Business operations are not driven solely by moral imperatives, though. Warnings of climate change may be old – <u>Frank Capra made a film about</u> it in 1958, and John Ruskin lectured on it as far back as 1884 – but the increasing urgency of those warnings has made action more than a matter of conscience.

In short, sustainability is a matter of incentivized rewards that pushes organizations towards making certain changes that can lead to major business benefits. In this article, we'll look at some of the regulatory and market imperatives organizations have to deal with to make their business operations sustainable.

## Regulatory and market imperatives

Demonstrable commitments to sustainability measures are increasingly becoming mandatory compliance requirements, and in many



instances, that need for compliance is being enshrined in law.

For example, from this year, in a world-first, the UK Government has <u>mandated the Taskforce on Climate-</u> <u>related Financial Disclosures</u> (TCFD) for UK registered companies over 500 employees, to make TCFD-aligned disclosures in their annual report and accounts.

These disclosures will cover four main areas – governance; strategy; risk management; and metrics and targets – with the aim of providing information on how organizations manage material risks and opportunities arising from climate change. The UK also <u>requires</u> <u>companies to report on their global</u> <u>emissions</u>, not just those at home.

Other parts of the world have also introduced regulations. <u>The European</u> <u>Union's Non-Financial Reporting</u> <u>Directive</u> imposes an obligation on all large companies (not just quoted companies) to include a non-financial information statement in their reports, including information on environmental impact.

In the US last year, the Securities and Exchange Commission (SEC)

announced an Enforcement Task Force focused on climate and environment, social, and governance (ESG) issues. And, in March this year, the <u>SEC announced</u> "rule amendments that would require a domestic or foreign registrant to include certain climate-related information in its registration statements and periodic reports, including:

- Climate-related risks and their actual or likely material impacts on the registrant's business, strategy, and outlook
- The registrant's governance of climate-related risks and relevant risk management processes
- The registrant's greenhouse gas (GHG) emissions, which, for accelerated and large accelerated filers and with respect to certain emissions, would be subject to assurance
- Certain climate-related financial statement metrics and related disclosures in a note to its audited financial statements
- Information about climate-related targets and goals, and transition plan, if any."

## Environmental metrics and frameworks for sustainability in business operations

These are just a few examples of mandatory regulations, and they are growing in number and scope.

There are also numerous metrics and international frameworks that relate to the environment and sustainability. Their objective is to provide the necessary guidance to help organizations quantify the environmental impact of their operations in a globally consistent way. A small sample of these include:

- <u>The Greenhouse Gas Protocol</u>, launched in 1998 which provides widely used and respected standards in greenhouse gas measurement
- <u>The United Nations Framework</u> <u>Convention on Climate Change</u> (UNFCCC), and the decisions made at the Glasgow Climate Change Conference in October and November 2021
- The ISO 14064 international standard, which includes guidance at an organizational level for the quantification and reporting of greenhouse gas emissions and removals
- The Sustainability Accounting Standards Board (SASB) <u>Financial</u> <u>Information Disclosure</u> ESG Standard, which identifies the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in 77 industry sectors
- The <u>Partnership for Carbon</u> <u>Accounting Financials</u> (PCAF), which helps financial institutions assess and disclose the greenhouse gas (GHG) emissions from their loans and investments through GHG accounting.

Organizations need to deal with this complex mesh of compliance and voluntary measures for effective disclosures. Of course, it doesn't end there – there's an ever-growing market pressure coming from a number of critical directions: from investors making investment decisions based on ESG measures in place; from policy-makers in all countries in which businesses operate; and from customers, whether they be consumers or other businesses, who want organizations to actively pursue sustainable targets as a way of justifying their custom.

Such market and regulatory imperatives can positively or negatively impact the market value of organizations, which is further exacerbating the need to effectively act.

## Achieving compliance and improving operational sustainability

Even from the few examples we've given here, it's clear that achieving sustainability compliance is by no means straightforward. Simply staying on top of all the standards and recommendations is a full-time job: organizations need to know not just



what's obligatory, but which of the voluntary metrics best suit their own circumstances.

The real challenge, though, is not in the external paperwork, but in the hard graft of improving operational sustainability. Take carbon accounting: accurately recording the sources of emissions across all facets of a multinational organization is a major task, especially when considering the emissions contributions from the extended supply chain.

Ways of achieving sustainability – repeatable, self-supporting improvements – are the rewards that offset the obligations we've considered here.

This entire exercise isn't about merely ticking the box. It's about showing you understand the wider context, that it's important to you as a business, and that you're putting in the necessary effort and resources to enhance and build on the sustainability measures you've implemented.

Lee Beardmore has spent over two decades advising clients on the best strategies for technology adoption. More recently, he has been leading AI-driven business transformation for Capgemini's Business Services.

Jim Harvey is the Global Process Owner for Carbon Accounting and Sustainability at Capgemini's Business Services. He works on developing carbon accounting, ESG, and sustainability solutions to help Capgemini's clients shape the future of their business operations in a sustainable way.

# ENCOLONAL NTELLIGENC





EMOTIONAL INTELLIGENCE

# UNLEASHING THE POWER OF EMOTIONAL INTELLIGENCE

## The essential skillset for the age of AI



## What is emotional intelligence?



# Emotional intelligence offers big benefits to the organization and the workforce

# Share of organizations realizing more than 20% benefits

63%
62%
61%

Increase in productivity/ effectiveness

Higher employee satisfaction

Increase in market share

# Share of employees realizing more than 20% benefits

54%

52%

51%

Better emotional and mental wellbeing

Reduced fear of job loss

Openess to change

## How can organizations develop a more emotionally intelligent workforce?



Use technology and data for building a high EI culture



Customize existing learning programs to integrate EI and make them accessible to all



Apply an EI lens when n promoting and rewarding talent



Modify recruitment processes to include the evaluations of EI

Sources: Capgemini Research Institute, Emotional Intelligence Research, Executive Survey, August–September 2019, N=750 executives. Capgemini Research Institute, Emotional Intelligence Research, Employee Survey, August–September 2019, N=1.500 executives.


#### EMOTIONAL INTELLIGENCE

# EMOTIONAL INTELLIGENCE – IMPLICATIONS FOR BUSINESS PROCESSES

Investing in emotional intelligence can lead to enhanced productivity, high employee satisfaction, increased market share, and reduced attrition.

Emotional intelligence (EI) is the ability to recognize, understand, and regulate people's emotions. There is increasing recognition within the workforce of the appetite for EI, and of the need for organizations to satisfy this demand. In this article, we look at the business arguments for change, key factors in its execution, and routes organizations can take towards a more emotionally intelligent workforce.



#### AARTI SRIVASTAVA

Chief Human Resource Officer, Capgemini India



#### **Business benefits**

The subject is topical because of a <u>recent report</u> on the subject that has been published by the Capgemini Research Institute. The report pointed out that it wasn't only teams and individuals who benefit from developing a greater capacity for emotional intelligence. Research conducted for the report found that, on average, 60% of the surveyed organizations realized significant benefits by having employees who display high EI.

The report aimed to quantify these benefits. Taking a conservative approach, it assumed that 10% of benefits from the survey results would translate into an actual return for organizations, leading to an incremental gain of \$6.7 million. This, the report said, would amount to a return of up to 2.2 times the investment made, i.e., an annualized return of up to 29%.

A more optimistic assessment would assume that 20% of benefits from the survey results would translate into an actual return, leading to an incremental gain of \$13.3 million. This would amount to a return of up to 4.3 times the investment made, i.e., an annualized return of up to 62%.

The CRI maintains that there are four key areas on which organizations should focus to build a more emotionally intelligent workforce: Customize existing learning programs to integrate EI – emotional intelligence may be a skill that people possess innately and to differing degrees, but that doesn't mean it can't be taught or enhanced. Organizations should:

- Identify the key EI skills that are important for their workforce – requirements may vary from one enterprise to another – because, for instance, of the market in which they operate
- Identify and develop targeted training by career levels and functions – one size does not fit all. While EI training is important in leadership roles, there is also a need to focus on midmanagement and on more junior levels. Some organizations go further, and identify particular groups and individuals where benefits may be greatest
- Assess EI skills within the organization – to do this, businesses should first establish a continuous EI assessment framework, examples of which are discussed in the report.

Modify recruitment processes to include the evaluation of EI – the report declared that an evaluation of EI should be an integral part of every good hiring decision, and that therefore organizations need to think more creatively. They need to determine the recruiting channels where they could also look for candidates for high EI, and attract a more diversified talent pool. They also need to think about building EI into their hiring practices, starting with effective assessment tools.

Use an EI lens when promoting and

rewarding talent – the CRI report found that more than two-thirds (69%) of employees would be willing to invest in their EI skills if they are provided feedback on it. Employees were also asked about what would motivate them to learn new EI skills. The top three responses, in order, were:

- Monetary benefit (e.g., higher raises in wages/salary)
- Organizational sponsorship for EI training and value addition to their CV and profile to move jobs/roles
- Opportunity to safeguard their job against increasing automation/AI.

We see clearly here that there is a greater need for organizations to incorporate El assessment and evaluation into promotion, performance management and reward practices.

#### Use technology for building a high

El workforce – technology should be used to measure El in the workforce and also to deploy programs for training employees in El. This, the report tells us, is still an area in which organizations are yet to invest significantly.



## A commitment worth making

Planning for, and investing in, emotional intelligence may require a foray into what is new territory for some organizations, but it's worth the effort. The benefits that were quantified earlier in this post are enumerated in the CRI report as enhanced productivity, high employee satisfaction, increased market share, and reduced attrition.

Nurturing emotional intelligence is the right thing to do, not just for senior people, but for all teams and individuals. It's beneficial not only to employees, but to customers, to suppliers, and hence to the business as a whole. It is, in short, an investment that can deliver dividends for everyone. Aarti Srivastava leads strategic HR for Capgemini India. She advises on people issues, organizational design, and HR product needs, as well as translating business demand into HR solutions.



#### EMOTIONAL INTELLIGENCE

# THE POWER OF EMOTIONAL INTELLIGENCE

The better people are at empathizing, listening, collaborating, innovating, adapting, and trustbuilding, the better and more fulfilled your workplace and external relationships will be.

The last two years have taken their toll on the working environment. Sure, people have grown accustomed to working from home and to meetings online, but our natural instinct is to be together.

There's no substitute for being in the same room, for sensing and responding to mood, to tone of voice, and to body language. It's something we do instinctively.

This human facility is sometime called emotional intelligence. It's a term

that describes the ability to recognize and understand the emotions of oneself and of others, and to regulate one's own.

We may feel that some people are more gifted at this sort of thing than others, but emotional intelligence is something we can all do better, and at Capgemini, we're actively training our staff in this regard.



#### DAVID LUMLEY

Head of the Intelligent Finance and Accounting Practice, Capgemini's Business Services



# The need for human understanding

Why? Because in the modern business climate, where so much is conducted online, where remote working has increased the physical distance between people, and where transaction volumes make automation unavoidable, the need for human understanding is greater than ever. We need to arm ourselves with a different toolkit to navigate in these new environments but still achieve our desired outcomes which is why emotional intelligence is even more crucial to success. In the changing circumstances we've all experienced, we need to focus on building cohesion between people, on feeling part of a high performing team, and creating and sustaining a sense of belonging.

## What is emotional intelligence?

There are four main elements to emotional intelligence:

- Self-awareness understanding your own emotions and how they affect your performance
- Self-management controlling your emotions effectively, and taking positive initiatives
- Social awareness accurately gauging situations and people around you, for example, via empathy and organizational awareness
- Relationship management managing interactions with others to help them feel understood, for instance, via coaching, teamwork, conflict management, and inspirational leadership.

In short, the better people can be at empathizing, listening, collaborating, innovating, adapting, and trustbuilding, the better the workplace will be, the better the business's external relationships will be, and the happier and more fulfilled those people will themselves be.

In a range of workshops, classes, and expert talks over a three-month course, our Emotional Intelligence training program uses a range of approaches to develop a more emotionally intelligent workforce.

We've customized existing learning programs, and we've made technology and data available to help people grow in insight and understanding.

In addition, we use emotional intelligence as a foundation principle for promoting and rewarding talent, and we are also modifying our recruitment processes to include its evaluation.

# Commercial and personal benefits

There are business benefits to emotional intelligence. For example, according to our own <u>Capgemini</u> <u>Research Institute,</u> it can improve team performance by at least 20%.

But there are other advantages. The emotional and mental wellbeing of employees is noticeably – and indeed, measurably – better. Fears of job loss are reduced. Openness to change is increased.

Customers benefit, too, not just from engaging with a happier and more motivated workforce, but because they, too, are now dealing with more emotionally intelligent people, who are taking the time to understand them better, and to make a connection.

This is a workplace evolution that we believe ought to be an essential element of the digital transformation for which so many businesses today are striving. The changing world has shown that we need a different type of focus, and new skillsets. We need to be the glue between different parties, and to do that we need fresh perspectives, particularly in the new ways of working.

It's true that actionable data, and streamlined processes, and automated online functions are all necessary in a fast-moving, highvolume world, and we hear these points made regularly. But the point remains that we lose sight of the human element at our peril.

David Lumley leads a global team that delivers global finance transformation projects for large organizations across a range of industries including CPRD, Financial Services, Utilities, and Telecoms.





#### EMOTIONAL INTELLIGENCE



EL MEHDI

Senior Program Manager – L&D Manager, Capgemini



#### VANESSA TULLIO

L&D Project Manager, Capgemini's Business Services

# EMOTIONAL INTELLIGENCE MADE EASY

Capgemini's Emotional Intelligence training program is enabling our people to discover the power of emotions, and how emotional intelligence can deliver increased productivity, enhanced job satisfaction, and lower attrition.

In previous articles, we looked at the benefits of a properly trained, emotionally intelligent workforce, and how it can lead to a happier workplace. In this article, we look at how Capgemini's unique emotional intelligence (EI) training program gives our workforce and organization:

- The knowledge to discover the power of emotions
- The basic level of EI needed to get results faster
- Concrete benefits in terms of higher productivity, higher job satisfaction, and lower attrition, among others.



# Emotional intelligence – an essential skillset for the age of AI

Empathy is important for today's employees. According to <u>Capgemini's</u> <u>own research</u>, 74% of executives and 58% of non-supervisory employees believe EI is a "must-have" skill for all employees. Capgemini's Emotional Intelligence training program aims to get our people up-to-speed when it comes to EI.

Before joining the program, participants undergo an El assessment carried out across five key areas: selfawareness, self-control, motivation, empathy, and social awareness. This enables participants to learn more about El, and gives them insight into how good their own El skills are. Participants also learn more about how the program works, what they can expect, and receive weekly presession material curated through the NEXT platform – Capgemini's internal learning platform. The program consists of four workshops covering the main areas of EI, with the final session featuring a speaker who shares their own EI experiences and opens the floor to a general Q&A session. In these workshops participants learn how to:

- Use EI effectively shows participants how to understand and manage their emotions, and use their understanding of others' feelings to interact effectively with their colleagues,
- Enhance their EI builds awareness of what comprises EI and deepens participants' knowledge of how EI plays a role in client relationships and negotiations
- Sell by leveraging EI highlights the role EI plays in the sales cycle
- Identify the links between emotion and stress – helps participants understand the relationship between emotion and stress.

All of these workshops also have a practical element that expose participants to simulated emotional situations, which aim to deepen participants understanding of EI and how it can be applied in realworld scenarios. These workshops are targeted towards all employees, regardless of discipline, with each workshop comprising of 30 participants.

Six to nine months after their emotional intelligence training, participants receive a second EI assessment. This second assessment gives participants insight into how emotionally intelligent they have become since starting the program. Of course, the increase in their skills here may also be impacted by changes in roles or environments over those last few months. However, the differences between the scores of these two assessments are always significantly better the second time around.

#### Discovering the power of El

As mentioned before, Capgemini's Emotional Intelligence training program provides our managers and their teams with more knowledge around the power of emotions, the basic level of EI needed to get results faster, and offers concrete benefits to our employees and organization in terms of higher productivity, higher job satisfaction, and lower attrition among others.

But don't take our word for it – read what two of our participants said about the program:

Being part of this training program taught me about emotional empathy and the ability to think before reacting. I strongly believe, as managers, we should drive empathy as part of our daily routine with our teams to create a better workplace, increase team bonding, and possibly even reduce attrition" – Renuka Ramanjinappa, Operations Manager.

The program brought me tons of new knowledge on EI, after questions which made me challenge my beliefs and think of how my feelings can impact whoever is supporting me – whether they are my teams, family, or friends. This program was also a great opportunity to share experiences, and enlarge my network of colleagues across the globe" – Thomas Zimmer, Service Delivery Manager.



As we move into the new normal, adapting best practices that focus on building EI, coupled with leveraging technology and data effectively, developing a more emotionally intelligent workforce is critical for every organization.

To learn more about the increasing importance and growing relevance of EI in the age of automation and AI, read Capgemini's report entitled: <u>"Emotional Intelligence – the essential</u> <u>skillset for the age of AI."</u>

EL Mehdi is a senior expert in the project management field. He has managed many complex projects within the IT sector to date, leveraging his 14 years of experience within the sector to ensure success. EL Mehdi is a certified Project Management Professional (PMP 2011) and has spent the last 10 years working on, and delivering, several EI-based training sessions and seminars.

Vanessa Tullio is an L&D manager with extensive knowledge on facilitating learning interactions and designing development programs. She is a professional coach and mentor, a Capgemini University facilitator and handles global learning and development for Capgemini leadership and certification programs.



# THE EFFECT OF AI ON EMOTIONAL INTELLIGENCE

The application of AI is increasing employee and organizational focus on unique human cognitive capabilities that machines simply cannot master. Emotional intelligence is one such area that AI and machines find hard to emulate – making it an essential skill set in today's age.

Artificial intelligence (AI) is becoming more prevalent in our lives – both at work and at home. While many traditional job roles within organizations have already been automated, more sophisticated AI and machines are supplementing human intelligence and helping the human workforce to evolve their skills and roles.



#### JONATHAN KIRK

Data Scientist, I&D Insight Generation, Capgemini's Insights & Data One example of this is how AI can also be used to make our workforces more emotionally aware. Potential applications could include:

- What is the best new role for an individual based on their experience?
- How can we ensure the most efficient and slick retraining programs?
- How can we provide a more personalized experienced for our people and customers?

### How do we make AI emotionally aware?

Given increasing customer demand for more meaningful and personalized experiences, we can easily see how customer and agent emotions could impact these experiences – considering not only what customers want, but also understanding how they feel in that moment and modify the customer journey based on their feelings.

When we provide a recommendation based on a customer query, we anticipate a set of feelings and thoughts that govern that behavior and the actions we take. And behind these actions are thousands of emotionally aware judgments we make.

Currently, there are two ways we can learn in AI:

- The first is using known outcomes to train a model that finds patterns and data trends to give the best result (method 1).
- The second involves observing our environment and making decisions accordingly. The outcomes of these decisions teach us how to make better decisions and so on (method 2). This is the way humans learn, and it's this flexibility that enables us to respond to new stimuli and make new decisions.

If we use method 1, the AI agent doesn't understand the emotion of the customer and act accordingly, but applies the emotional intelligence of previous human agents to a similar problem – and, therefore, isn't emotionally aware. Even if we train the AI to recognize emotions such as anger or happiness, the machine learns our interpretations of these emotions based on our labeling of the emotions and not on the data it is receiving. If we use method 2, until the AI agent has had enough experience to have learnt effectively, it would be like talking to a child.

A better approach is to combine methods 1 and 2 – build an AI agent to use current outcomes and labeled examples, and then as more data is collected, allow the AI agent to learn new patterns on its own. The AI doesn't need to know which responses are from angry people, it will associate all similar responses together and call it whatever it likes. The AI then offers bespoke solutions based on similar behavior within the profile, learns from the responses, and records feedback to improve the outcomes each time.





#### How is an emotionally aware AI engine better than what we have today?

AI brings universal benefits such as consistency, repeatability, and scale – but it also enables us to understand empirically the role of emotions in customer interactions.

We can quickly change the offer to the customer if they change their emotion mid correspondence, and we can try out completely novel solutions and observe the emotional response to them. We have built a flexible and stable agent that can handle complex customers and understand how they feel.

Going back to the impact of AI on the workplace, what does a human agent do when replaced by a nonhuman agent? They can either retrain to manage the AI, spend more time innovating solutions for the business, or be available if the customer wishes to speak to a human agent – all of which are higher-value activities.

Indeed, perhaps the most important part of an AI agent is the ability to know when to revert to a human agent based on how the correspondence is progressing. After all, if the context is highly emotional, people prefer to talk to a <u>human</u> agent.

As a closing thought, perhaps we are simply living through a transition period, which will end when we can no longer discriminate between AI and human agents?

Jonathan Kirk specialized in behavioral ecology before taking up a career in data science. He has over four years' experience in both the public and private sector, delivering solutions to solve key business problems using both well-known and bespoke statistical and machine learning techniques.

# CAPGEMINI COMMUNITY



#### CAPGEMINI COMMUNITY



EDUARDO CASTILLO

Head of Business Services, Capgemini Guatemala

# CAPGEMINI HELPS REDUCE GUATEMALA'S DIGITAL DIVIDE WITH ITS NEW DIGITAL ACADEMY

Digital transformation is changing the employment market. Capgemini is committed to creating opportunities for disadvantaged communities in Guatemala to kickstart careers in technology and IT.

## Inclusive talent pools are the future of the job market

As digitalization saturates the world completely, the global workforce needs to acquire digital skills to keep up with the changing market. Unfortunately, in some parts of the world, many do not have access to digital training programs, which leaves them on the margins.

According to a <u>recent study by</u> <u>Statista</u>, only around 18% of the population of Guatemala are employed in industry jobs. This is because Guatemala continues to be stonewalled by serious issues of inequality. Decent work opportunities are generally beyond the reach of rural, indigenous, and female youth.

Strategic investments in education that align with the needs of employers are crucial to stimulate business and disadvantaged individuals to reach their full potential.

# Opening doors to careers in technology

To close this technology gap, as part of Capgemini's global Digital Academy program, Capgemini Guatemala delivered a series of high-end IT training programs to help bridge the digital skills gap. In partnership with <u>El Patojismo</u> – a humanitarian association in Guatemala that aims to create an inclusive and safe zone for its students and families – Capgemini Guatemala launched its first digital academy in the community of Jocotenango, Guatemala. Through these courses, participants are provided with a "way in" to the technology industry, preparing them to excel at internships and job opportunities. The people participating in our digital academies include:

- Disadvantaged and excluded youth who are NEET (Not in Education, Employment or Training) or who are in education but need support to improve their employability
- People struggling with long-term unemployment or in need of professional retraining
- Those in transition, such as refugees
- Under-represented or marginalized groups such as women, people in LGBTQIA+ groups, and people with disabilities.

Since 2018, Capgemini's network of over 50 active digital academies has equipped approximately 10,000 graduates with digital skills enabling them to enter the IT job market. More than 1,000 of them are now our



valued colleagues. We aim to train 75,000 participants by 2030 and hire 10% of them.

# A rainbow colored, inclusive future awaits

As the leader of this project, I am extremely pleased to be able to contribute my time and energy to such a great cause. Our Digital Academy space reflects our values and vision for the future, and we designed it with this in mind.

The walls of the premises are painted with a rainbow of colors, depicting nature, animals, and mythological creatures and themes. Above the doorway to the laboratory is written in painted letters: "Nada mas hermoso que hacer comunidad con amor, honor y dignidad. Aqui construimos un nuevo mundo, el de los sueños e ideas." This translates as: "Nothing is more beautiful than to form a community with love, honor and dignity. Here we build a new world of dreams and ideas."

What's more, as part of the opening ceremony, we wrote positive affirmations on the walls of the computer laboratory we built such as "Capgemini apoyando la educacion," meaning "Capgemini supports education." The creativity that went into this project was incredibly inspiring and we hope that it is a sign of a very colorful future for the youth of Guatemala.

The future of education looks very bright, and we look forward to continuing this journey of creating these spaces with care!

Eduardo Castillo is an accomplished leader with over 15 years of experience in business process outsourcing and networking in the US, Canada, and Latin America. His stengths include a strong focus on revenue and cost management, P&L accountability, business development, and strategic planning built around the relationship between operations, financial objectives, and his clients' requirements.



CAPGEMINI COMMUNITY

# CAPGEMINI GUATEMALA GIVES DISADVANTAGED SCHOOL CHILDREN A BETTER START IN LIFE

Capgemini Guatemala delivers a fourth school for children living in a low-income area as part of its Building a Better Future initiative, which helps to build a sustainable and unified community.



EDUARDO CASTILLO

Head of Business Services, Capgemini Guatemala



Among the many challenges faced in Guatemala, such as poverty, hunger and inequality, education is a big one. In low-income rural areas there is often a lack of classroom supplies and no adequate classroom furniture, which prevents many children from attending school.

About five years ago, Capgemini Guatemala set up a project to improve primary schools in the Ciudad Quetzal Community of Guatemala City, with the help of <u>United Way Guatemala</u> (a non-profit organization looking to improve the lives of people).

Through its Building a Better Future initiative, Capgemini Guatemala has benefitted over 2,500 children through the building and renovation of four schools.

## A promise fulfilled towards a happier future

Despite the global pandemic, the Guatemala team renovated the infrastructure of a fourth school, as the final stage of the project. The team equipped classrooms with modern technology and built a mobile computer laboratory – benefitting 396 children in the Ciudad Queztal Community.

Prior to the renovation, the conditions at the school were inadequate, and children didn't have a conducive environment to study. As the leader of this initiative, I was very motivated to provide a better environment for these children to give them a better start in life. Now the school stands with proper roofing, decent classrooms and painted blue – coincidentally Capgemini's brand color.

Angel David Orozco Ramirez, a fifthgrade student, remarked: "Before, with the classroom made of metallic sheets, I used to feel very hot and when it rained, we couldn't hear what the teacher was saying because of the noise, and sometimes the water would leak inside, and we would slip and fall."

The opening ceremony was held on September 20, 2021, in the company of school authorities, and lots of happy students and teachers. It gives me personal satisfaction that the initiative truly promises a better future for this community.

#### "Science Fair" – an exciting online learning experience

As a part of the project, a volunteering activity "Science Fair" was held with 70 volunteers and 200 students from the schools in the Ciudad Quetzal Community, who joined together in a virtual environment to learn about the basics of electricity. The main objective of the activity was to encourage children's interest in science and technology.

Among the activities, the participants had to build a circuit using copper tape, LED lights, and coin batteries – in both series and parallel configurations. They then had to identify and explain the different elements of an electrical circuit. After having successfully built the basic circuits, the volunteers and students had to create a magic wand made up of a basic circuit and switch. The wand would light up when the switch was pressed.

## The magic continues with a new project for 2022

Following the success of Building a Better Future, it is with great pride that I'm pleased to present a new project for 2021–2022 that aims to create a sustainable community through impacting the pillars of education and health of whole families.

In our new Building a Sustainable Community initiative, we will continue to work with United Way seeking to assess and improve the areas of health and education in rural, lowincome, vulnerable communities, to positively impact the lives of children up to age 12 and their families.

Eduardo Castillo is an accomplished leader with over 15 years of experience in business process outsourcing and networking in the US, Canada, and Latin America. His strengths include a strong focus on revenue and cost management, P&L accountability, business development, and strategic planning built around the relationship between operations, financial objectives, and his clients' requirements.



#### About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 340,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2021 global revenues of €18 billion.

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