



Capgemini's Vision to Create Frictionless Enterprise Operations

HFS' view on the new era of business services

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Introduction

The business services industry has been overdue for some much-needed changes, and now digital transformation agendas are pushing a pace of change never seen before. The future is here, and there is no time to wait. So how will service providers help their clients pivot to survive and leverage the power of emerging technology to thrive?

To learn about Capgemini's approach, we sat down with Anis Chenchah, CEO, Business Services Global Business Line, Capgemini, and several of his business process services (BPS) executives to learn how Capgemini is applying an emerging-technology-focused approach to its outlook and messaging for business services. Backed by data

from Global 2000 enterprise executives to understand demand-side perspectives on the future of services in the pandemic economy, we explore the priorities, "have-to-have" capabilities, and outlook for successful partnerships today.

Capgemini's approach rests on a vision for a 'Frictionless Enterprise'. It's ambition is "to remove the friction between enterprise functions and enable them via transformation of the digital core and operations transformation and delivering the next generation of enterprise-level outcomes through frictionless operations." Using this principle, Anis and his team are helping rewrite the book of business services.

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We are building a simple, yet innovative, narrative that addresses what is key to enterprises today – operations that are focused on delivering key business outcomes...

- Anis Chenchah, CEO, Business Services Global Business Line, Capgemini

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Accelerating digital initiatives amid disruption is a clear mandate for most enterprises

Enterprises are finding the acceleration of the digital transformation agenda is the most impactful element of the pandemic environment (see Exhibit 1). Business services providers like Capgemini will lead digital and process transformation agendas, requiring a deep understanding of client processes and assessing the real-time impact of changes to identify bottlenecks and areas for improvements. Fundamentally, enterprises see digital adoption and fluency driving an ability to survive, stay competitive, and free up operational time and resources to focus on growth.

The pandemic forced radical changes to the BPO (business process outsourcing) delivery model, and the global industry

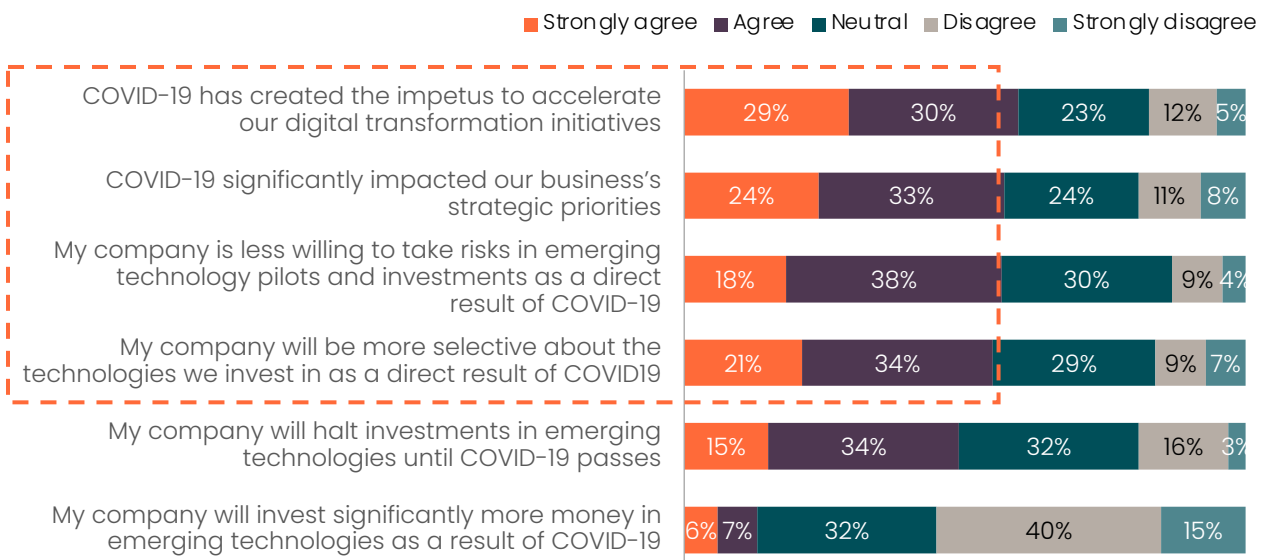
reacted admirably. HFS research suggests that over 75% of the global BPM (business process management) workforce was work-from-home (WFH) enabled within weeks of the COVID-19 crisis beginning. But this cannot be a short-term measure. We now need to shift our view to a long-term, borderless, frictionless environment enabled by digital transformation.

The consumption and delivery of the BPO services industry post the pandemic shock will need to be distinctly different. The question for providers like Capgemini is how to adapt to these changes and partner with customers to help them survive and thrive.

Exhibit 1

COVID-19 created the impetus to accelerate digital transformation

Thinking specifically about how COVID-19 has impacted our new working environments, how much do you agree or disagree with the following statements?



Source: HFS Research, 2021

The original trifecta expanded, breaking down siloes for digital transformation

Organizations are seeking to align business operations and workforce interactions across an adaptive, digital environment. [HFS describes the "OneOffice"](#) as a model where the organization's infrastructure, people, processes, and intelligence mature into one integrated system that operates efficiently and intelligently in a virtual environment. Breaking down organizational siloes to allow data and information to flow seamlessly and aligning to shared outcomes across the organization required of the OneOffice align well with the frictionless concept Capgemini leaders are evangelizing.

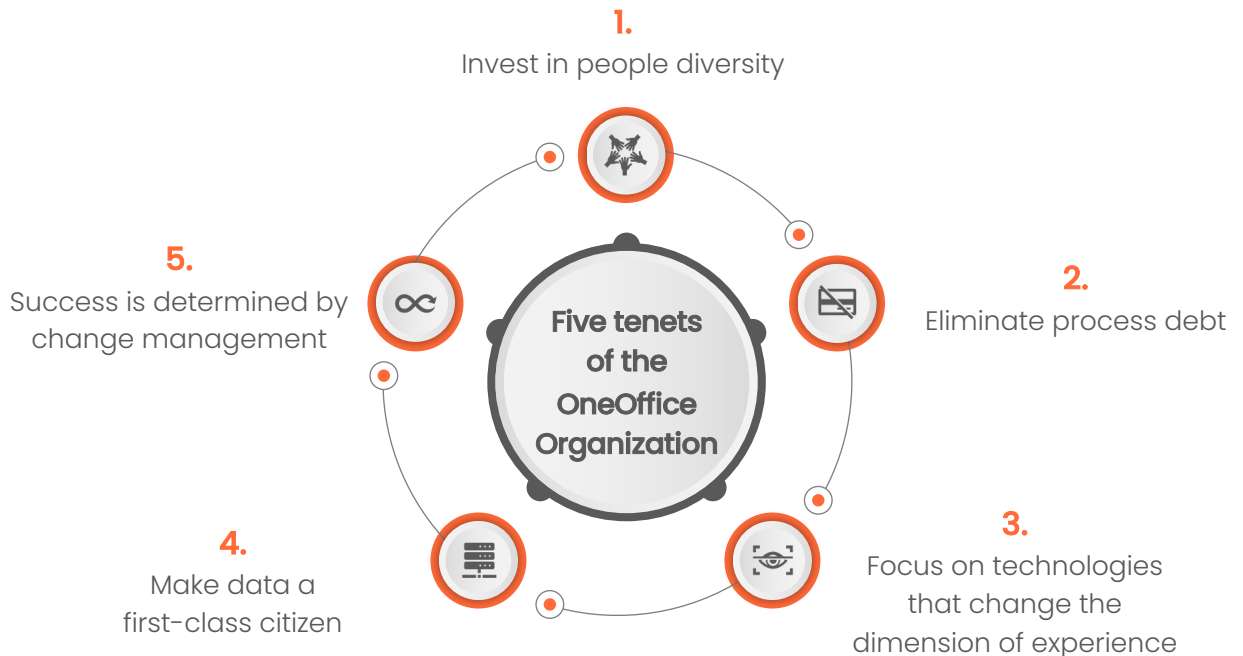
Being a trusted business service provider in this environment requires expanding the traditional "people, process, technology" paradigm to include data and change management (see Exhibit 2).

Perspective from Anis

A business outcome-driven approach, with AI and analytics at its heart, that enables the seamless and intelligent flow of information in the eco-system of employees, customers, suppliers and partners – that is our vision of the Frictionless Enterprise.

Exhibit 2

The five tenets of OneOffice capabilities for business services



Source: HFS Research, 2021

Building on these themes, Anis and his leadership team articulated the following points, which have enabled a shift to focus on a similar “frictionless” approach to accelerating digital initiatives with its clients, with the pandemic accelerating it.

- The former BPO industry which was focused on labor arbitrage has shifted on its head, and now it is critical to create profiles which combine tech and BPO. Capgemini’s big shift that related to skill building has been to create hybrid profiles; people who are domain experts but also tech savvy. By providing incentives to get certifications in RPA and intelligent automation, they have found a very willing and engaged talent pool stepping up to the plate into these roles. And, by activating talent mobility programs across Capgemini Group, technology expertise has been infused into the Business Services business line. This investment in skilling has paid dividends in the current scenario, with clients far more willing to digitize their operations.

And with remote working a reality, a much greater opportunity now to re-invigorate diversity and inclusion programs to really explore the potential candidate pools and ensure that more diverse voices are heard within the organization.

- Capgemini is also seeing a far greater propensity in clients to talk about outcomes, rather than costs. This too has been driven in part by the ability

to partner with clients in the immediate aftermath of the pandemic help them to solve immediate business problems and reduce immediate frictions. This has helped change client conversations.

- Capgemini is also seeing faster decision making – without people burning up hours on planes or in meetings, everything gets faster, more efficient and cheaper. The business starts to move a lot quicker, because people are getting decisions made faster and getting things done. One example Anis and team shared was of a client that was initially resistant to digital learning. With Capgemini’s guidance they have now adopted it completely, given countless hours back to the business, and has proven itself to be an example of digital adoption at scale.

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Our clients are demanding to see more diversity and inclusiveness in our workforces, but the limited working hours have worked as deterrents. It’s been very interesting for us that the remote working has actually improved our inclusion, as well as the diversity of the talent pool that is available to us.

- Anjali Pendlebury-Green, Global Head of the Digital Customer Operations Practice, Capgemini’s Business Services

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Five fundamentals of frictionless: The “have-to-haves” for survival

Technology should not overpower the frictionless narrative, but it is a critical enabler. A major trend that has emerged since the pandemic’s onset is how emerging technology, such as automation, AI (artificial intelligence), and analytics, has become necessary for survival (see Exhibit 3).

Exhibit 3

Emerging technology is a “have-to-have” for survival

The top-ranked objective of investments in emerging technologies

| Emerging technology | Pre-COVID-19 (March-April 2020) | Post-COVID-19 (May-June 2020) |
|-------------------------|--|--|
| Process automation | Cost-reduction (10%), improve brand value (10%), top-line growth (10%) | Essential for future survival (31%) |
| Artificial intelligence | Cost-reduction (12%) | Essential for future survival (22%) |
| Smart analytics | Improve decision making (12%) | Essential for future survival (21%) |
| Hybrid or multi-cloud | Cost-reduction (12%) | Essential for future survival (20%) |
| Blockchain | Foundation for infrastructure modernization (10%), improve decision making (10%), cost-reduction (10%) | Improve competitive positioning (23%) |
| Edge computing | Improve brand value (12%) | Improve competitive positioning (20%) |
| 5G | Essential for future survival (10%), improve decision making (10%) | Essential for future survival (22%) |

Sample: 300 executives (May-June 2020, Phase II sample) and 600 executives (March-April 2020, Phase I sample) across Global 2000 enterprises
 Source: HFS Research in conjunction with KPMG

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Underlying the Frictionless Enterprise are two abiding principles – human-centric design that ensures that we keep the end user or customer at the heart of everything we do; and Artificial Intelligence that needs to be all-pervasive, acting as the invisible hand that guides orchestration between machines and humans across every single process.

- Anis Chenchah

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The five fundamentals enabling Capgemini's frictionless enterprise are well aligned to the "essential for survival" technologies, establishing solid foundations for an organization in which information flows seamlessly between people and processes, intelligently, and as and when it is needed.

1. Use hyperscale automation to augment the workforce and create touchless processes. Design or redesign processes to be fully automated to deliver touchless processes. Delivering touchless processes requires an architecture designed for it; the key technologies are microservices and application program interfaces (API). Design each process to be automated end-to-end and split into small and autonomous sub-processes, each built as a microservice. Microservices can deliver complex business rules, are designed to scale up or down on demand, and support sudden activity (such as Black Friday) while consuming nothing during periods of low activity (for example, at four o'clock in the morning). These microservices speak to each other with APIs and can run in the cloud as autonomous services. The overall design must be created collaboratively within the partnership.

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Clients are fundamentally changing the way they operate as a company. For example, for (a CPG company), we moved their business processes to a machine learning model, creating demand forecasts which get accepted without people intervening, without people touching it, and then the system moving on. We have multiple examples of the fact that the move towards machine learning, artificial intelligence, and leaving it to the machines to do their job actually reduces friction in an organization and helps things move along faster.

**— Patwardhan Dharmendra, EVP,
Capgemini Business Services**

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2. Let cloud empower digital-readiness. A frictionless enterprise can become dynamic, potent, and flexible, adapting automatically to an organization's circumstances and needs and powering the organization and its changing process requirements to deliver innovation. Becoming a truly agile enterprise includes organizational aspects (setting up a transformation and innovation office, design office, and ways to develop entrepreneurship) and digital readiness using cloud-native solutions to facilitate internal and external collaboration, support growth, and scale up or down.

3. Leverage AI and data fluidity for continuous business process improvement.

Organizations need the ability to control, understand, and analyze the execution of each process in real time to conduct an ongoing program of continuous improvement. To do this, organizations must collect and analyze data to detect malfunctions, inefficiencies, errors, improvements, unplanned ways of consuming the process, and fraud or to link process execution to business and financial data. This is simply about applying continuous improvement.

Leveraging AI is essential to detecting a problem as soon as it arises, especially to avoid multiplying the errors and their consequences when using microservices on a huge scale. Analyzing data requires smart analytics to correlate and identify the hot spots that need to be corrected, stopped, improved, redesigned, or raised to the management for a strategic decision.

4. Make sustainability a corporate responsibility.

It's difficult for an organization to consider its evolution

without factoring in responsibilities to the environment and society at large. Targets such as increased business insight, greater efficiency, seamless processes, and better user experiences should be joined by commitments to digital inclusiveness and corporate responsibility and sustainability (CR&S) initiatives, such as becoming carbon neutral.

Sustainability and efficiency are interlinked—the more efficient we are, the less energy or resources we spend, reducing friction for the benefit of all. The positive impact of sustainable engagements between employees and customers is a win-win for sustainability efforts.

5. Foster secure business operations.

Secure business operations require an organization to build trust across its ecosystem of customers, suppliers, and partners. Further, the lead enterprise must establish and implement a set of solid rules. Cybersecurity, compliance, privacy, and transparency are critical elements of enabling security in a business operations partnership.

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Some of the platform companies' value proposition is removing friction from the way you connect with friends, finding a place to stay or choosing entertainment or even hail a cab, for example.

They have all been built on the most recent technologies. In particular, they are cloud native, with all the agility that cloud solutions can bring. And their intentional leverage of data, through artificial intelligence, makes data a competitive advantage.

– David Lumley, Head of the Finance Powered by Intelligent Automation Practice, Capgemini's Business Services

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The Bottom Line: Technology is an enabler, but the ability to transform is cultural. The mindset comes from leadership

This is clearly the right time for Capgemini to take its frictionless message to a market that is yearning for a business strategy rooted in fundamentals, in this case, the laws of physics. Under Anis's leadership, Capgemini is taking a bold approach to assist clients with their "have-to-haves"

while emphasizing employee experience and corporate responsibility. Ultimately, it will not be the technology or the skills that rewrite the business services playbook; it will be the culture and mindsets that Capgemini's leaders are powering from within.

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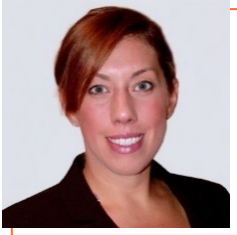
A new era is being shaped. A fundamental key to successful companies is the ability to drive transformation—with a personal commitment from leadership.

The rest, be it technology or domain skills, you can build or buy. But the ability to lead change, - you have it, or you don't have it.

- Anis Chenchah, CEO, Business Services Global Business Line, Capgemini

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HFS Research authors



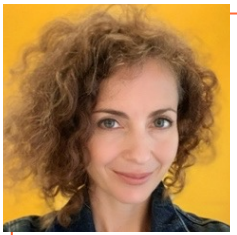
Melissa O'Brien | Research Vice President

Melissa O'Brien leads HFS' customer experience and front office services research, with a specialization in retail and travel and hospitality strategies. Her key focus areas are on customer engagement operations, CX design, digital marketing, and digital associates, focusing on the trends that are driving customer experience across the enterprise.



Phil Fersht | CEO and Chief Analyst

Phil Fersht is a world-renowned analyst, writer, and visionary in emerging technologies, intelligent automation and robotic process automation software, digital business services, and the transformation of enterprise operations to drive customer impact and competitive advantage.



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Josh Matthews | Associate Director, Research

Josh Matthews is an Associate Director at HFS, based in Cambridge, UK, where he also sits on the City Council. Josh graduated from an Engineering and Management master's program at Cambridge University—and before that a Chemical Engineering master's at Loughborough University; his academic research tackled sustainability from multiple angles, as does his work at HFS—alongside energy, utilities, and technology. Josh has consulting experience at Unilever and SMEs in the tech and marketing spaces; he has also worked in the energy industry.

Acknowledgment

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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 270,000 team members in nearly 50 countries. With its strong 50 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.

To learn more visit www.capgemini.com and follow us on [Twitter](#) and [LinkedIn](#).



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HFS is a unique analyst organization that combines deep visionary expertise with rapid demand side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as "RPA" (Robotic Process Automation) in 2012 and more recently, the HFS OneOffice™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.

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