

Modernize Processes To Digitally Transform

After a full decade of work, the digital transformation imperative has entered a new phase. Though it began as a rush to update customer-facing processes, digital transformation has always ultimately been a challenge to envision how work gets done at both the individual workflow and enterprise level. That is why true digital transformation has always been the work of business process professionals whose job it is to drive continuous improvement via the right balance of process discipline, business insights, and technology. But despite this 10-year head start, companies still struggle to mature their approach and build a connected, automated, and intelligent enterprise.

KEY FINDINGS

Forrester's study yielded the following key findings:

- › **Flexibility, automation, and data are key to process modernization.** Process professionals must consider three related attributes when reinventing workflows: flexibility (i.e., the ability to address process variability), automation, and the amount — and range — of data leveraged for insight.
- › **Misaligned investment in tech and services causes trouble for firms.** The time for spreadsheets is over. Yet, enterprises continue to rely on the legacy tools that worked years ago while failing to capitalize on solutions like process mining and predictive analytics that could solve today's challenges. Similarly, though they face issues that the addition of professional services could help with, they underinvest in the partners that can help them navigate these important elements of transformation.
- › **Companies that partner see exponential benefits.** Modernizing processes is no easy task, but the returns around CX, agility, growth, productivity, and cost reduction are clear. Furthermore, firms that partner to reengineer processes experience far greater benefits than those that don't.

Over 75% of decision makers agree that they need to change the way they work in order to deliver on digital transformation goals.



Summary of results from the IBM-commissioned Thought Leadership Study, “Reinventing Workflows.”

METHODOLOGY

In this study, Forrester conducted an online survey in North and South America, Europe, and Asia Pacific to investigate the modernization of business processes and workflows at enterprise organizations.

Specifically, Forrester conducted an online survey with 450 C-level and line-of-business decision makers with knowledge of their organization's processes, workflows, innovation programs, and digital business.

Click [here](#) to read the full results of the study.

Firms Must Overcome Legacy Issues To Move Forward

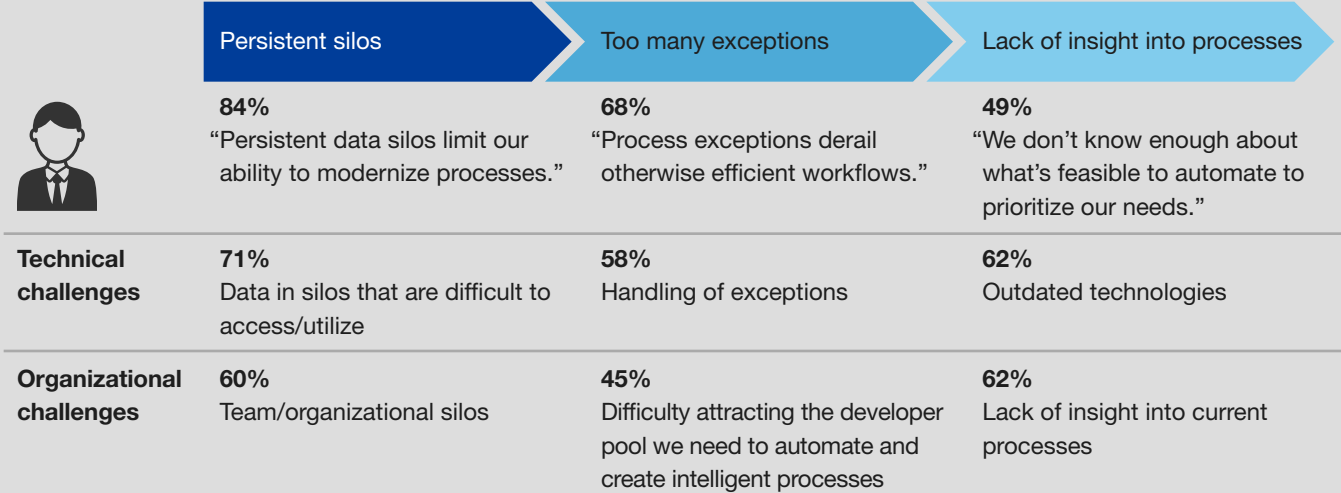
Having already tackled the obvious first steps of digital transformation by bringing new experiences to customers, firms must now carry on with the hard work of reimagining how business gets done. To do so, process professionals must evaluate their workflows to find the right balance between automation and flexibility and to optimize the amount of data that can be leveraged for insights. But in doing so, they encounter many roadblocks, most notably: persistent silos, too many exceptions, and lack of insight into current processes (see Figure 1).

These issues are compounded by the fact that organizations are overinvesting in the wrong technology and underinvesting in the right services. The most used tools for today’s process professionals are email and spreadsheets. The problem is that these tools, though widespread and well understood by business users, create silos of information. To drive end-to-end processes, firms must enable users to develop automated online tools that can be integrated into broader processes. The story is similar when it comes to services. Despite agreeing that their organizations are siloed, only 34% of decision makers are using organizational change management services; despite agreeing they need to change the way their company works, only 51% are utilizing business and technology vision support; and despite agreeing that they have neither the knowledge required to prioritize nor the right developer talent pool to modernize processes, only 51% are investing in process reengineering services.



Eighty percent of decision makers agree: Integrating processes across organizational boundaries and legacy systems will accelerate digital transformation.

Figure 1
Key Challenges To Modernizing Processes



Base: 450 global C-level and line-of-business decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, November 2019

For Future Success, Enterprises Must Partner

Forrester has routinely found that automating and modernizing processes leads to lower costs, fewer errors, and faster execution, and decision makers in our study agree (see Figure 2). But taking digital transformation to the next level requires a thoughtful combination of technology and partner services that can bring the experience, access to specialized skills, and proven methods needed to push the organization forward. Our study found enterprises using partners to reengineer processes:

- › **Are more likely to leverage modern tools.** Teams that have partnered are nearly twice as likely to use AI (24% vs. 13%), 1.6x more likely to use predictive analytics (33% vs. 20%), and more than twice as likely to use process mining (49% vs. 22%).
- › **Enjoy workflow-level benefits.** Enterprises that have partnered are also more likely to see improvements to critical workflows. For example, AP processes are more automated, invoice approval and payment are more flexible, and recruitment processes are both more data-driven and more flexible.
- › **Cut costs faster, grow at a higher rate, and increase market share.** Organizations that partner to reengineer processes are more than twice as likely to see a 20% or greater reduction in cost from their process modernization efforts. They are also 1.6x more likely to see both a 7% or greater growth in revenue and increased market share.

Ultimately, process modernization that improves business outcomes requires partnering for guidance based on deep experience coupled with innovative design methods. Enterprises that leverage services to reengineer processes set the pace of transformation and see the business results.

Figure 2

“Where have you seen the biggest business impacts in your company from current process modernization efforts?”



Base: 450 global C-level and line-of-business decision makers
Note: Not all responses shown.
Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, November 2019

[To read the full results of this study, please refer to the Thought Leadership Paper commissioned by IBM titled, “Reinventing Workflows.”](#)

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