TATA CONSULTANCY SERVICES

Building on belief

TCS Survey

The future of operations

How cognitive operations improve business performance

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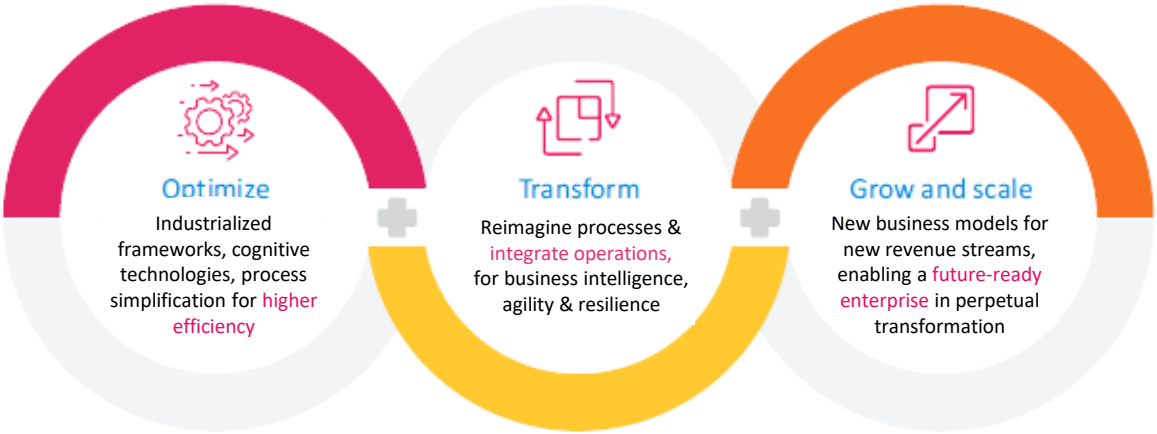
TCS survey: The future of operations

Essential enablers for improved business performance

To understand how companies are building out their future business operations strategies for 2024, TCS Thought Leadership Institute has conducted an eight-question, cross-industry survey in Australia, France, Germany, UK and US. The survey explores the top strategic focus areas for the C-suite and uncovers key enablers to creating a more resilient, intelligent approach to business operations. The survey also examines top performing organizations, or Pacesetters, in these countries to understand what they are doing differently.

We asked 300 C-suite leaders questions about their organizations, including:

Top strategic focus areas | Enablers of key business priorities | How to break down organizational silos | Current & future role of AI in technology | Successful technology deployments and dependencies | Future planned investments in technology



Findings are based on combined "Significant" and "Moderate" responses.

This survey focused on the following industries:

- Banking & Financial services
- Manufacturing
- CPG
- Technology
- Travel, Transportation & Logistics (includes Accommodations, Food Services)
- Communication, Media & Information Services
- Retail
- Insurance
- Healthcare & Life Sciences
- Energy & Utilities

Executive summary

With new artificial intelligence (AI) tools and other advanced technologies rapidly maturing, it is an exciting time for businesses worldwide, regardless of size or industry.

New opportunities abound for forward-thinking companies who understand the value of a more intelligent approach to business operations and the competitive advantage it offers, now and in the increasingly digital years ahead.

Modern cognitive business operations involve the use of advanced technologies such as AI, analytics, machine learning, natural language processing and cloud computing platforms, which allow organizations to do more than automate individual processes in isolation.

Embracing a holistic business operations strategy enables companies to improve efficiency by integrating systems and technologies into a unified platform spanning the entire organization and ecosystem partners, for a real-time, end-to-end view of the business.

Leveraging this approach empowers businesses to unlock greater insights and value from their data, make better decisions and move faster, and provide more personalized experiences for customers and employees.

> Operations are the heart of a business, orchestrating and touching every part of it. If not running efficiently, the entire organization is negatively impacted.
>
> The survey findings suggest that a more intelligent, integrated approach to business operations can provide companies with an organizational structure that delivers widespread and lasting benefits far beyond cost savings.

Four enablers to a futuristic operations model

> The TCS Future of Operations Survey suggests that future-ready cognitive business operations are based on four key enablers – a digital and data-driven foundation, technology harmonization, business outcome focus and integrated operations.

The global economic environment is becoming increasingly complex, competitive and dynamic, with businesses under increasing pressure to optimize their operations and reduce costs. Companies are also challenged with integrating new technologies and managing an avalanche of data, essential for making better and faster business decisions—all with the goal of driving growth and transformation. Additionally, customer preferences are rapidly evolving, driven by technological advancements and unpredictable economic pressures.

Based on findings from the recent TCS survey, "The Future of operations," this report examines the current state of operations and how senior enterprise executives around the world are building out their future operations strategy. It also looks at what the top-performing companies, "the Pacesetters," are doing differently from everyone else. The research suggests that future-ready cognitive business operations are based on a customized approach that builds on four key enablers – a digital and data-driven foundation, technology harmonization, business outcome focus and integrated operations – which can allow companies to become more agile, innovative and cost-effective for improved customer engagement and higher profit margins.

Overview

We asked more than 300 CEOs, CIOs, COOs, CFOs, CMOs, CHROs CCOs and CPOs of large enterprises*:

- What are your top strategic focus areas?
- When looking at your top strategic focus areas, what are your key business operations enablers?
- What are the biggest factors to break down organizational silos?
- What is the role of AI/automation/cognitive technologies in your operations model right now and for the future?
- What are the dependencies for successful deployment of technologies?
- Which technologies are being considered for future investment?

According to the C-suite executives in all countries and industries in the survey, here are the top takeaways to create a futuristic operations model.

*86% of respondents were from companies with annual revenue from USD $5B - $50B.

Top 10 essential takeaways at a glance

In the survey, CXOs overall responded that:

1 The top strategic focus areas rankings:

1. **New business models**
2. Profitability and cashflow | Employee experience & well-being
3. Customer experience

2 Meeting the top strategic priorities and building future-ready operations requires these critical enablers:

1. **Digital and data-driven operations**
2. Simplifying and modernizing the technology landscape
3. Leveraging ecosystem partners

3 The most important factors to break down silos and create integrated operations are:

1. **Creating autonomous teams**
2. Integrated organizational structure
3. Change management | Creating common goals

4 AI, cognitive and automation technologies play the largest role in:

1. **Environmental, social, governance (ESG) and sustainability efforts today**
2. ESG and sustainability efforts in the future
3. Managing/improving supply chains in the future

5 The top dependencies for successful technology deployments are:

1. **Change management | Ecosystem collaboration**
2. Company culture | Visibility into ROI | End-to-end integrated approach
3. Interoperable technologies

6 The #1 dependency for successful AI/Automation technology deployments is:

1. **The right technology selection for the right processes**
2. Governance | Quality data
3. Engagement with business | Clear business charter

7 When asked about new models of engagement, 42% of respondents said they are:

1. **Actively considering a new model of engagement with IT partners within the next 6 to 12 months**

8 When asked about planned technology investment:

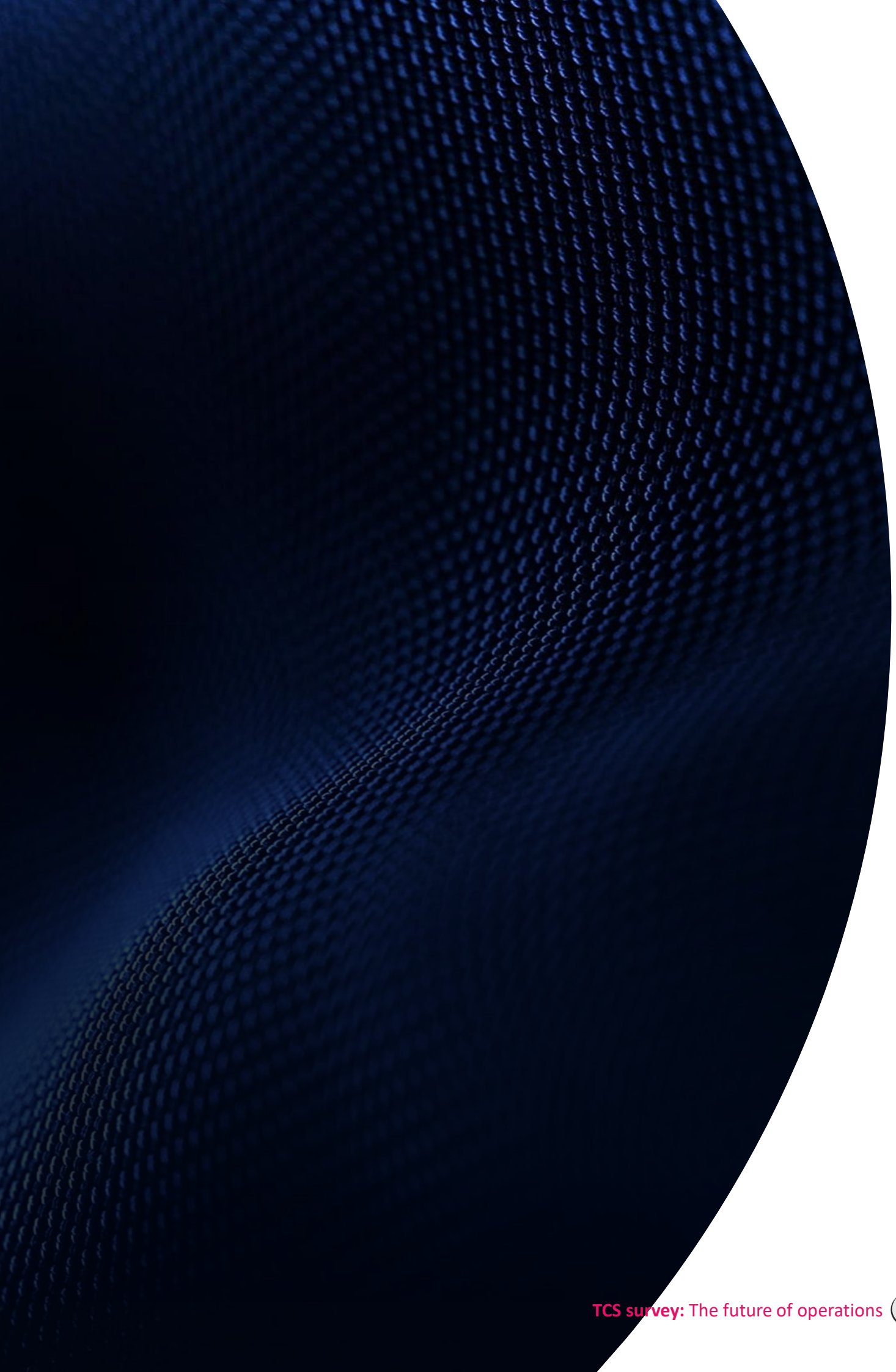
1. **Cloud was ranked the top planned investment for the next 6 to 12 months**

9 Top enablers for creating new business models, profitability & cashflow, and CX, EX and ESG:

1. **Harmonizing multiple technologies**
2. Simplifying and modernizing the technology landscape
3. Leveraging ecosystem partners | Digital and data-driven operations

10 Pacesetter principles—how they achieve greater operational success:

1. **Simplification & modernization**
2. Blend process, domain & technology
3. Ecosystem partnerships
4. Harmonize multiple technologies



Create more value with new business models

When asked about their current top strategic focus areas, CXOs say that new business models, profitability & cashflow, and experiences rank as their top three priorities.

Why it matters

The ability to better respond to a highly dynamic business environment through artificial intelligence (AI) and other advanced technologies promises to give companies the opportunity to innovate and reshape their business models in a highly dynamic market.

To achieve their strategic business priorities, including new business model execution, 88% of CXOs said that "Harmonizing multiple technologies" is critical.

New business models are possible with harmonized technologies, which provide:

- **Integration of various processes and systems to work together seamlessly.** For example, combining artificial intelligence with big data analytics and IoT sensors can help businesses identify patterns and trends in customer behavior and preferences. This information can then be used to develop better products and services that appeal to customers, leading to increased sales and revenue.
- **The power of cloud computing, artificial intelligence, and internet of things (IoT) data** combined can help automate processes, optimize performance, and improve customer experiences. These technologies work together to provide new insights into customer behavior, streamline operations, and create personalized experiences.
- **Increased operational efficiency:** Multiple technologies can be integrated to automate processes, reduce waste, and improve overall efficiency. By combining artificial intelligence and IoT data, businesses can gain real-time insights into machine performance, monitor equipment usage, and identify maintenance needs before they become issues. This can save time and resources, allowing businesses to focus on revenue-generating activities.
- **Improved customer experience:** A harmonized approach to technology can help businesses create personalized experiences for customers. By leveraging customer data and insights through artificial intelligence and machine learning, businesses can customize their offerings to meet individual needs.
- **New revenue streams:** Harmonizing multiple technologies can also create new revenue opportunities for businesses. By integrating cloud computing and IoT, businesses can offer new services and products to customers. For example, a car manufacturer could offer a connected car service that uses IoT sensors to monitor the vehicle's performance and provide real-time feedback to the driver.

For many large enterprises, the overabundance of technology choices (like automation, AI, analytics and blockchain) and the lack of a holistic integration strategy can leave them struggling to effectively manage a set of disparate IT solutions. This, in turn, limits the ability to scale and slows deployments, resulting in organizations deriving less than optimum value from their investments.

To get the most out of digital technology investments, there needs to be a plan in place that implements each technology in logical order based on priority and ensures overall integration with all the technologies across operations.

Achieve priorities with digital and data-driven operations

CXOs were also asked about enablers to achieve their top business priorities.

Takeaway 2

89% of CXOs ranked digital and data-driven operations most important to achieve business priorities

Ranking	
1	Digital and data-driven operations
2	Simplifying and modernizing the technology landscape
3	Leveraging ecosystem partners

Q2. How much of a role do the following aspects play in achieving your selected business priorities?

Integrating the siloed operational layers, I Agility in operations transformation I Adaptability to business needs I Simplifying and modernizing the technology landscape I Digital and data-driven operations I Business outcome mindset I Blending process, domain and technology I Harmonizing multiple technologies I Leveraging ecosystem partners

(n=304) (Answer options: Minor, Moderate, Significant)

Why it matters

If an enterprise can maintain an agile posture, it is able to smoothly respond and adapt to changes in technology and other forces, such as economic factors. To become a truly agile, high-performing enterprise, companies must also become a data-driven organization. This requires breaking down silos and creating a holistic, cohesive data strategy for the entire organization. It requires technology that connects large volumes of disparate data on a single platform, and automation and AI to manage and analyze it.

In addition, it is an organizational mindset, requiring culture, governance, cybersecurity and data privacy considerations as well as human resources. Automation and AI can help overcome the obstacles of becoming a data-driven organization by managing and analyzing large volumes of data.

A data-driven organization can see the following advantages:

- **Improved efficiency** with streamlined operations and automated routine tasks that reduce costs.
- **Better decision making** based on more informed decisions from real-time insights.
- **Improved customer experience** from customer insights that enable better, more reliable services and products.
- **Competitive advantage** from better data, better insights, faster rollout, better products, more agile and better response to changing market conditions.
- **Innovation** from enabling experimentation with new ideas and technologies more quickly and easily.
- **Effective technology deployment** using automation, with less risk and faster time to market.

Client Success Stories

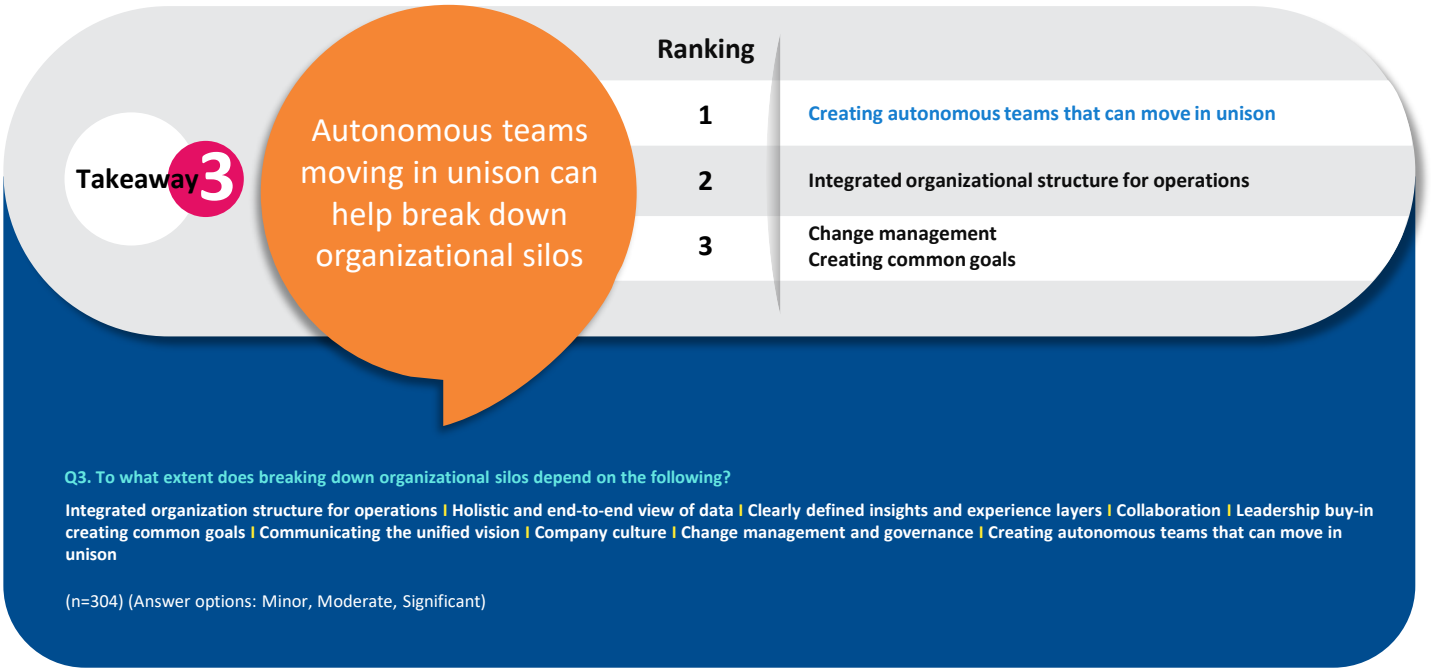
AGL embraces a digital, AI-powered and data-driven operating model to transform customer experience

AGL, one of the largest integrated multiproduct energy retailers in Australia, recently transformed the customer experience for its consumers. To provide a smoother, more intuitive, and personalized experience across all touch points throughout the customer journey, TCS helped AGL transform its end-to-end retail business operations, across the front office, back office, and IT infrastructure. AGL embraces a digital, AI-powered and data-driven operating model to transform the customer experience.

The path to future-ready operations

CXOs also report that the top factor to break down organizational silos—an obstacle to efficient business operations—is creating autonomous teams that can move in unison. The findings suggest a cohesive leadership that clearly communicates the organizational mission is key to creating a unified enterprise with successful technology deployments.

Factors to breaking down organization silos



Why it matters

Survey findings show breaking down organizational silos is most dependent on creating autonomous teams moving in unison. Teams must be empowered to:

- **Collaborate** across the team and all departments, with the ability to make decisions independently.
- **Share cross-functional skills** by breaking down barriers within the team and among departments so that collective knowledge can be fully leveraged to the benefit of the larger organization.
- **Be innovative and creative.** Autonomy brings a sense of ownership and encourages teams to explore new ideas and methods to solve problems. This leads to cross-functional collaboration and better communication between teams —and ultimately, increased innovation throughout the organization.
- **Respond with greater flexibility.** Autonomous teams are better equipped to react to changes that occur within a business or industry. These teams are more responsive to new challenges, opportunities, or changes in customer behavior because of their flexibility and ability to adapt quickly to new demands or requirements.

Client Success Stories

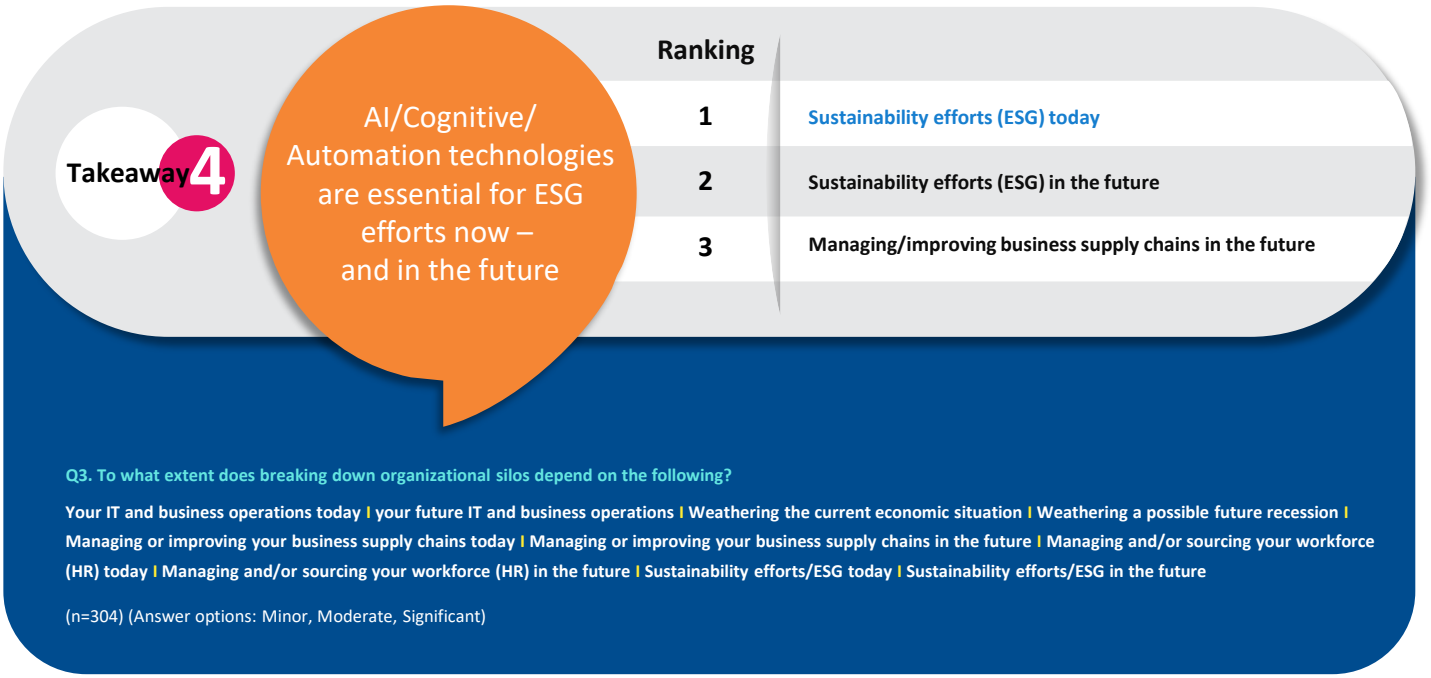
American multinational conglomerate focuses on collaboration and innovation

This company is best known for its power, renewable energy, aviation and healthcare industries. It has long been a pioneer in the field of operations management, and the company has emphasized the importance of collaboration and innovation in its operations. For example, the company has implemented a collaborative innovation platform that allows employees from different departments to share ideas and collaborate on projects. The survey findings validate the need for greater collaboration and cross-functional communication within organizations.

Where are AI/Cognitive/Automation technologies most important?

In 2022, nearly 47 percent of IT executives expected their companies to have widescale adoption in AI in their respective companies[1] . When asked about the current role of AI/Cognitive/Automation technologies in their organizations, most CXOs in this survey said these technologies were most prominent in their current environmental, social, and governance (ESG) efforts.

The role of AI/Cognitive/Automation technologies



Why it matters

Environmental, social and governance (ESG) initiatives are fast becoming table stakes in business because they can uplift a company's reputation and overall success. These initiatives help customers, prospects, and other partner companies determine whether the company aligns with their values. ESG programs attract investors, foster customer loyalty, improve financial performance and make operations sustainable.

Ideally, organizations should have integrated benchmarks that span the globe as well as region-specific ones. Artificial intelligence (AI) tools can collect and analyze all the governance data (even as regulations change), track ESG performance, risks and opportunities based on these benchmarks and provide insights that inform decision making while strengthening future sustainability strategies.

The survey findings support the belief in the potential of AI to transform supply chains of the future. Managing the end-to-end process is complex and involves planning, coordinating, and controlling the movement of goods and services from suppliers to customers. It requires integration of various disciplines, such as procurement, production, logistics and distribution. AI can be used to automate tasks, forecast demand, optimize routes, manage inventory and monitoring, predict outcomes and monitor security and compliance across all these areas. The use of AI could also be integrated with robotics and autonomous vehicles to handle order delivery, packing and transportation tasks. In addition, the integration of blockchain technology will likely become another focus area in the future, making the logistics network more transparent and secure.

[1]https://www.statista.com/statistics/1346631/global-ai-function-adoption-rates-business-it/

Client Success Stories

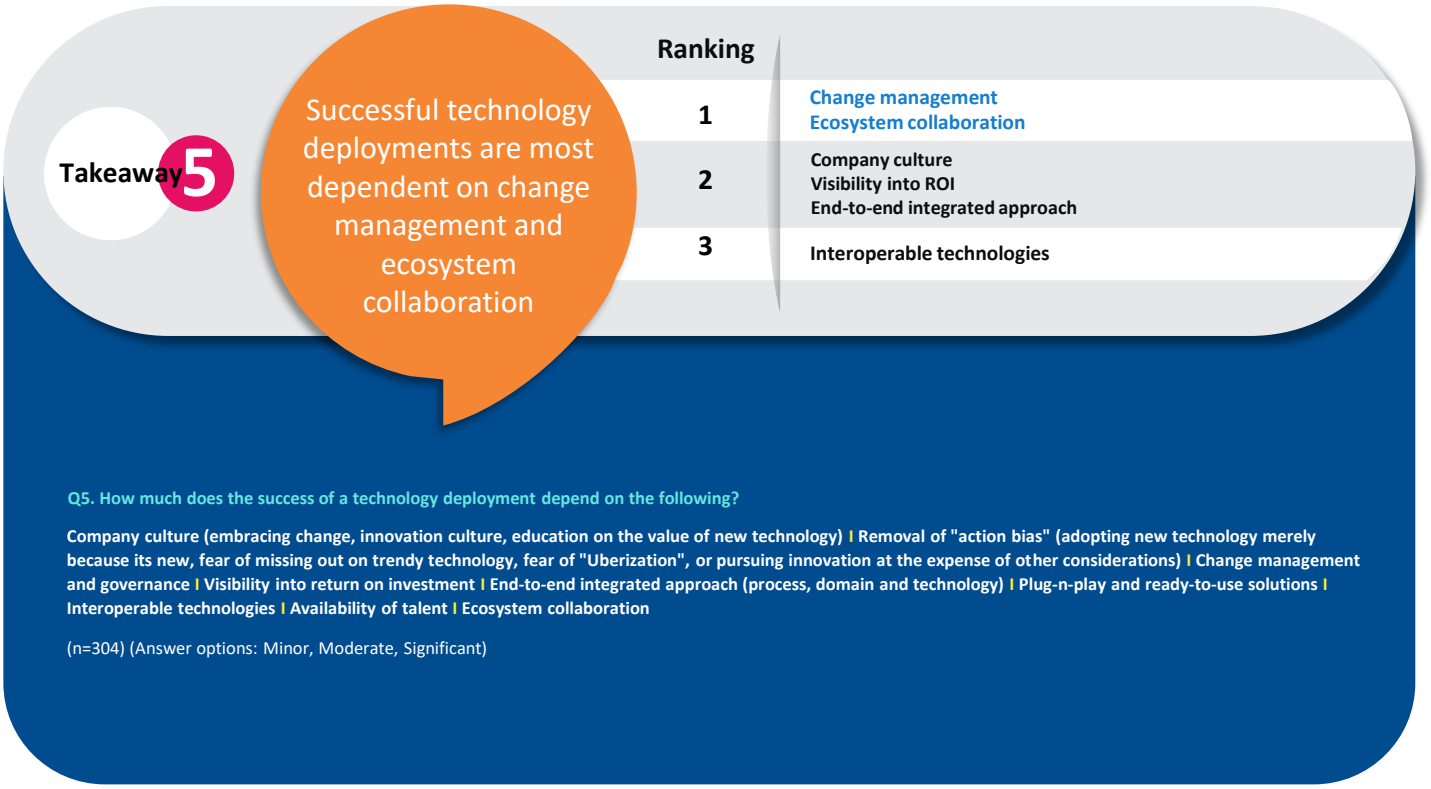
American manufacturer of sports equipment focuses on sustainability

This well-known brand has made sustainability a core focus of its operations in recent years, including implementing eco-friendly manufacturing processes and using recycled materials in its products. This reflects the growing importance of sustainability and ethical sourcing among consumers. By aligning its operations with these trends, the company has been able to improve its brand image and appeal to a wider audience.

What matters most for successful technology deployments?

When asked about dependencies for successful technology deployments, there were multiple statistically tied responses, with the #1 responses from CXOs being change management and ecosystem collaboration

Dependencies for successful technology deployments



Why it matters

Change management is a necessary discipline to ensure successful deployment of any technology because it lets your organization:

- Identify and manage stakeholder expectations
- Plan for change
- Communicate change
- Engage stakeholders
- Do training and development
- Monitor and measure progress

Ecosystem collaboration is critical when working with an IT partner. A large-scale ecosystem combined with customer-centric approach to solution delivery offers advantages far beyond revenue, including:

- Integration & interoperability
- Specialized expertise
- Access to innovation
- Scalability & flexibility
- Risk mitigation and support
- Market access and customer value
- Expanded market reach
- Less expensive and easier customer acquisition
- Improved service and product offerings

Ensuring successful AI/Automation deployments

Dependencies for successful AI/Cognitive/Automation deployments

Why it matters

Since the emergence of intelligent automation, organizations across sectors and geographies have experienced tangible benefits from embedding automation into their processes. Intelligent automation goes beyond business process optimization and offers bigger potential.

To successfully implement intelligent automation, enterprises must be visionary, results-oriented, and data-driven, while planning effective use of ecosystems and data democratization.

Selecting the right technology for related processes is ranked the top enabler for a successful AI deployment. Consider AI, which is a hot topic right now, although it has been around in modern times in various forms, including chatbots, recommendation engines, automation, and machine learning.

With generative AI being so prominent across every industry, organizations can feel pressured by “action bias” and “fear of missing out” to move too quickly to implement AI in a piecemeal manner, without a holistic strategy or business case analysis.

It is important to select a process or a tool in context of the surrounding technology stack. And because there can be dependencies, it is important to implement an AI solution in the right order to create cohesion and across the entire value stream. Another common scenario is when an organization moves too slowly from not understanding the technology and implementing use cases with little or no value.

The key is to follow the hyper automation approach of identifying business areas and the associated business value, then identify the most appropriate AI technology that aligns to those areas.

Client Success Stories

American multinational retail corporation use of automation and data analytics

In recent years, this giant retailer has invested heavily in automation and data analytics to streamline its operations and improve efficiency. For example, the company has implemented automated systems for tasks such as sorting and tracking inventory, as well as using data analytics to optimize its supply chain. By leveraging these technologies, the retailer has been able to reduce costs, improve customer satisfaction, and stay competitive in a rapidly changing retail landscape.

New model of engagement with IT partners

The findings show that on average, 42% of respondents overall are actively considering new models of engagement with IT partners within the next 6-12 months.

Why it matters

To efficiently execute key business priorities, organizations are seeking to engage with IT partners who offer technical capabilities and expertise not available in-house. The survey shows that 42% of the 300+ CXOs surveyed are actively considering new engagement models within the next 6-12 months.

Possible reasons include dealing with slimmer profit margins in the face of significant macroeconomic challenges as well as the push to fully exploit generative AI and other AI offerings to gain competitive advantage.

Technology investment trends

The survey shows that cloud continues to be a strong investment for senior executives, followed by IoT/Robotics, and automation.

Future planned technology investments

Takeaway 8

Cloud ranks highest for planned investment in technologies

Ranking	Technology investment in the next 6-12 months
1	Cloud
2	IoT Robotics
3	Automation
4	Edge computing
5	AI
6	5G
7	Quantum computing
8	Metaverse

Q8. To what extend do you intend to invest in the following technologies in the next 6-12 months?

Artificial Intelligence I Automation I Cloud I Metaverse/AR/VR I Blockchain I IoT I Robotics I Edge computing I Quantum computing I 5G

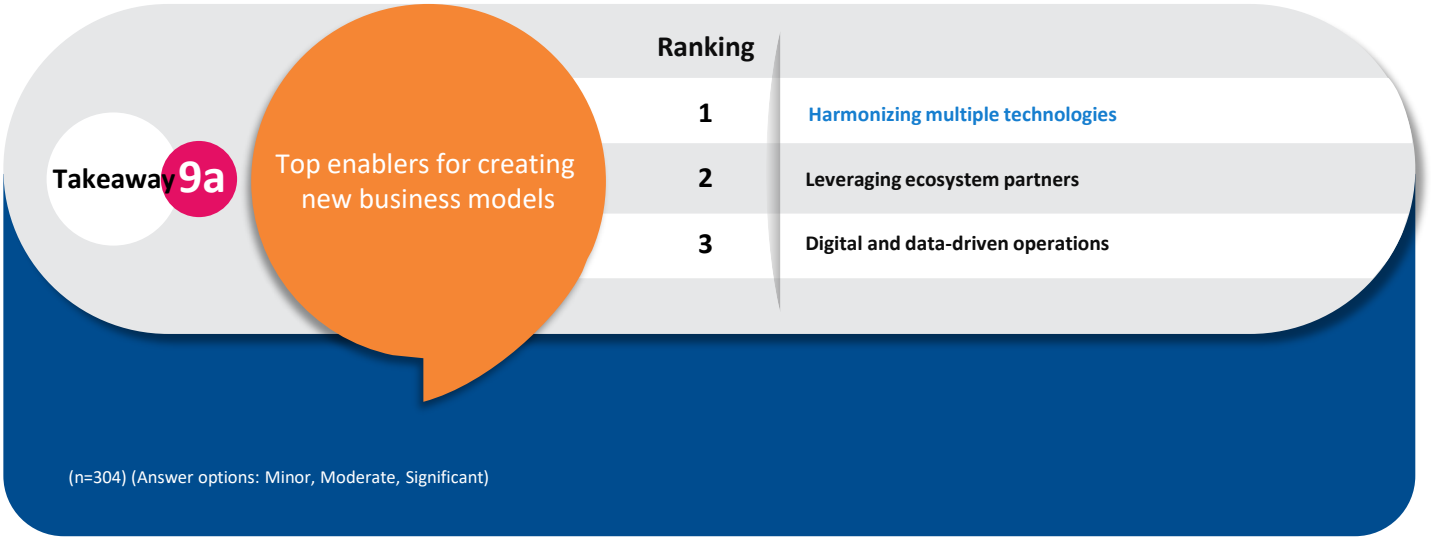
(n=304) (Answer options: Minor, Moderate, Significant)

Why it matters

Not surprisingly, cloud is still—and will likely remain— a top priority for organizations as they continue to evolve and modernize their cloud infrastructure and applications. Although AI ranked #5 overall in the study, generative AI / ChatGPT is gaining traction in the marketplace as an invaluable tool for organizations seeking to innovate and differentiation and offers the potential to revolutionize the future of operations.

This technology can be used to summarize and extract insights from unstructured data sources as well as for creative content creation, coding, product design, process optimization, personalization, and product and services innovation. By leveraging generative AI, an organization can improve its operational efficiency, reduce costs, and enhance the customer experience.

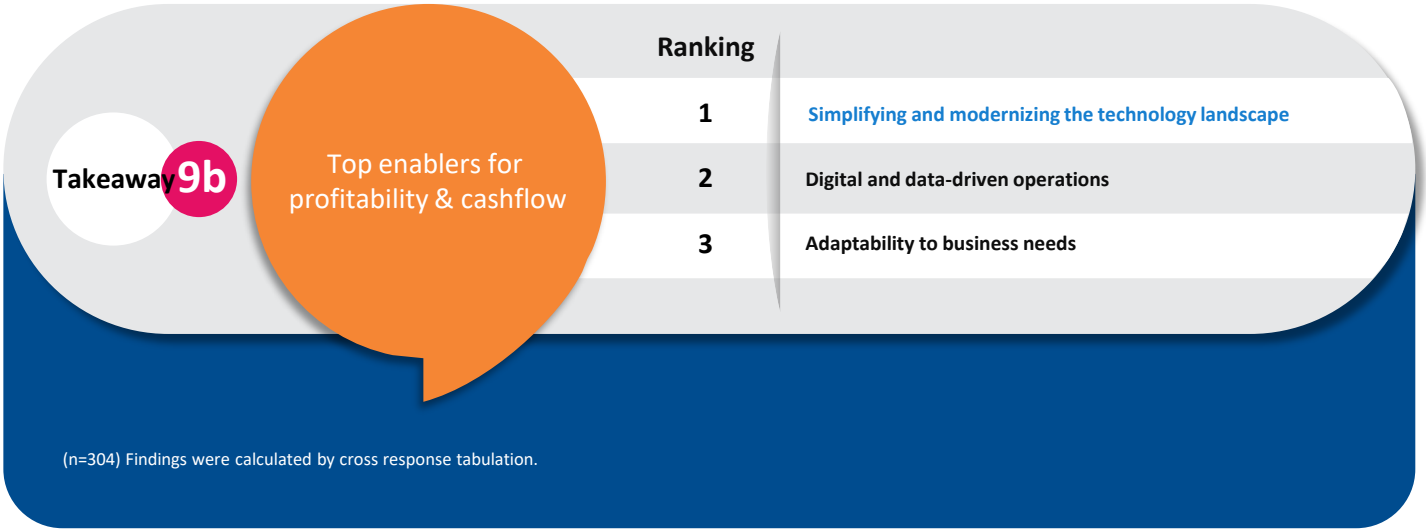
Top enablers for creating new business models



Why it matters

- For those respondents who selected new business models as their biggest strategic priority, these three common enablers emerged: harmonizing multiple technologies, leveraging ecosystem partners, and digital and data-driven operations.
- The findings highlight the importance of a common platform to harmonize multiple technologies, fully using your partner ecosystem to avoid having to build solutions from scratch, and ensuring you have digital and data-driven operations.

Top enablers for profitability & cashflow



Why it matters

For the CXOs who selected profitability & cashflow as their biggest strategic priority, these three common enablers emerged: Simplifying and modernizing the technology landscape, digital and data-driven operations, and adaptability to business needs.

The survey findings underscore the need for digital and data-driven operations to achieve key business priorities.

Top enablers for CX, EX, and ESG

Why it matters

- Across three key strategic focus areas—customer experience (CX), employee experience (EX) and environmental, social and governance (ESG)—common enablers emerged: Leveraging ecosystem partners, simplifying and modernizing the technology landscape, and digital and data-driven operations + blending process, domain & technology.
- These findings highlight the importance of exploiting ecosystem partnerships, simplifying and modernizing the technology landscape, and ensuring your operations are digital and data-driven.

Pacesetters' principles: How they achieve greater operational success

Pacesetters focus on four key enablers

Takeaway 10

When analyzing Pacesetters' approaches to operations compared to all other respondents' behavior with respect to futuristic operations enablers, the survey showed that Pacesetters embrace:

- Ecosystem partnerships
- Simplification & modernization
- Blend process, domain & technology
- Harmonizing multiple technologies

Pacesetters are defined as those organizations who overall performed above average in growth and revenue from 2018-2022 compared to all others.

Only two countries met Pacesetters criteria:

Australia and the US.

Pacesetters compared to followers

Pacesetters embrace ecosystem partnerships

44% vs 25%

44% of Pacesetters believe leveraging ecosystem partners significantly helps achieve their strategic priorities

Pacesetters believe in simplification and modernization

43% vs 30%

43% of Pacesetters believe simplifying and modernizing their technology landscape significantly helps achieve their strategic priorities

Pacesetters believe in blending process, domain and technology

40% vs 31%

40% of Pacesetters believe blending process, domain and technology significantly helps achieve their strategic priorities

Pacesetters strive to harmonize multiple technologies

42% vs 33%

42% of Pacesetters believe harmonizing multiple technologies significantly helps achieve their strategic priorities.

Additional survey highlights

Customer experience ranks in the top 3 strategic focus areas in these countries

	AUS	FRA	GER	UK	US
1	Customer experience	• New products/services at speed • Profitability & cashflow	Profitability & cashflow	Profitability & cashflow	New business models
2	New business models	New business models	Customer experience	Employee experience & well-being	Employee experience & well-being
3	• Profitability & cashflow • ESG	• Customer experience • Employee experience & well-being	New products/ services at speed	Customer experience	Customer experience

Q1. Which of the following are the current top three strategic focus areas?

Employee experience and well-being I New products/services at speed I New business models I Profitability and cashflow I Customer experience I Talent transformation I ESG (Environmental, Social, Governance) I Regulatory compliance

(n=304) (Answer options: Minor, Moderate, Significant)

Key focus areas by countries

Findings show that customer experience is a top strategic focus area across geographies. Interestingly, ESG did not rank in the top three, except for Australia. In a possible paradigm shift, “profitability & cashflow” is not a focus for the US. New business models ranked high, except in Germany and UK.

For more detailed findings for each industry, visit: https://on.tcs.com/future-of-operations.

Key focus areas based on industry

As with each geography, each industry has its unique focus. Here are the top three focus areas across all industries surveyed.

Top focus areas by industry

	Financial services	Transportation & logistics	Accommodation & Food Svcs
1	New business models	Employee experience & well-being	New business models
2	• Customer experience • Employee experience & well-being	Customer experience	• New products/services at speed • Profitability & cashflow
3	Profitability & cashflow	ESG	• Customer experience • Employee experience & well-being

Q1. Which of the following are the current top three strategic focus areas?

Employee experience and well-being I New products/services at speed I New business models I Profitability and cashflow I Customer experience I Talent transformation I ESG (Environmental, Social, Governance) I Regulatory compliance

(n=304) (Answer options: Minor, Moderate, Significant)

Insights

- Financial services is interested in new business models—timely considering recent events in this sector.
- Customer experience shows up in the top 3 of the industries shown in the chart above.

	Communication, Media & Info Svcs	Technology	Manufacturing
1	Customer experience	Profitability & cashflow	Profitability & cashflow
2	New business models	New business models	• New business models • Employee experience & well-being
3	Talent transformation	Employee experience & well-being	New products/services at speed

Q1. Which of the following are the current top three strategic focus areas?

Employee experience and well-being I New products/services at speed I New business models I Profitability and cashflow I Customer experience I Talent transformation I ESG (Environmental, Social, Governance) I Regulatory compliance

(n=304) (Answer options: Minor, Moderate, Significant)

Insights

New business models are in the top 3 focus areas of all these industries shown above.

	Healthcare & Life Sciences	Retail	CPG
1	• New business models • Customer experience • ESG	• Profitability & cashflow • Employee experience & well-being	Profitability & cashflow
2	Employee experience & well-being	Customer experience	ESG
3	Profitability & cashflow	New products/services at speed	• New products/services at speed • New business models • Employee experience & well-being

Q1. Which of the following are the current top three strategic focus areas?

Employee experience and well-being I New products/services at speed I New business models I Profitability and cashflow I Customer experience I Talent transformation I ESG (Environmental, Social, Governance) I Regulatory compliance (n=304) (Answer options: Minor, Moderate, Significant)

(n=304) (Answer options: Minor, Moderate, Significant)

Insights

Employee experience and well-being shows up in the top 3 focus areas of these industries.

	Energy & Utilities
1	• New products/services at speed • New business models
2	• Profitability & cashflow • Customer experience
3	ESG

Q1. Which of the following are the current top three strategic focus areas?

Employee experience and wellbeing I New products/services at speed I New business models I Profitability and cashflow I Customer experience I Talent transformation I ESG (Environmental, Social, Governance) I Regulatory compliance

(n=304) (Answer options: Minor, Moderate, Significant)

Insights

Interesting that regulatory compliance ranks so low in an industry focused on regulations.
Also surprising is that ESG ranked third in strategic focus areas.

For more detailed findings for each industry, visit: https://www.tcs.com/insights/global-studies

Key focus areas by role

When looking at the findings by role, the findings varied widely, and reflected the key priorities of each C-suite executive.

The C-suite ranks their top priorities by role	
CEO	Customer experience
CFO	Profitability & cashflow
CHRO	Talent transformation
COO	New business models
CCO	• New products/services at speed • Customer experience • Talent transformation
CMO	New business models
CPO	• New business models • Profitability & cashflow
CIO	Employee experience & well-being

The C-suite ranks top enablers for key priorities by role	
CEO	• Adaptability to business needs • Simplifying and modernizing the technology landscape
CFO	• Integrating the siloed operational layers • Simplifying and modernizing the technology landscape • Business outcome mindset • Harmonizing multiple technologies
CHRO	• Digital and data-driven operations • Blending process, domain and technology
COO	• Digital and data-driven operations • Blending process, domain and technology • Leveraging ecosystem partners
CCO	• Harmonizing multiple technologies
CMO	• Digital and data-driven operations • Blending process, domain and technology • Leveraging ecosystem partners
CPO	Adaptability to business needs
CIO	Digital and data-driven operations

Recommendations

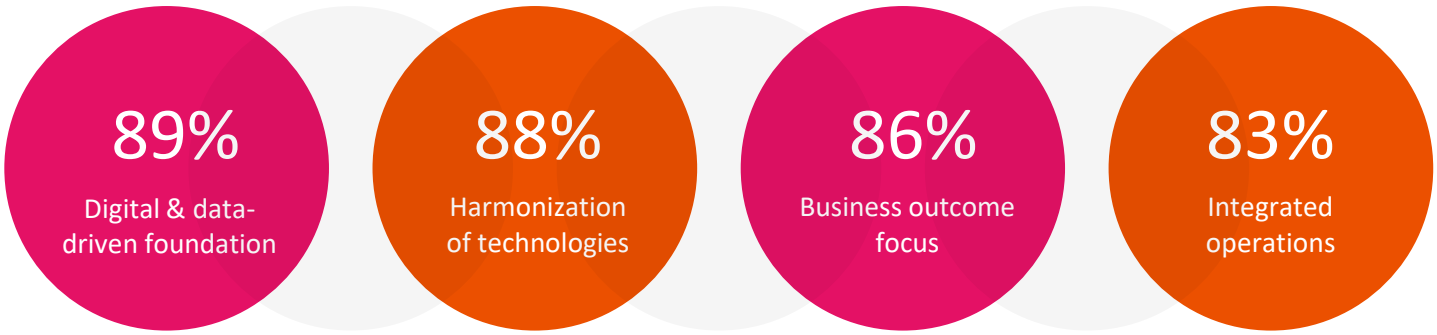
The path to performance: Enablers of futuristic operations

Organizational leaders are recognizing the need for a new, more integrated approach to business operations, one that is more resilient, adaptable and intelligent. One that enables the business to take advantage of the unprecedented, accelerated pace of change. One that leverages new technologies like automation and AI, new collaborative models, and smarter business processes to become more responsive to a complex and fluid environment.

Pacesetters have performed better in 2018-2022 compared to all other organizations in the survey by embracing four approaches.

Since 2022, with game-changing advancements in AI and intense macroeconomic challenges, the pace of change has greatly accelerated. All organizations, including Pacesetters, need to re-evaluate their operational strategies. As defined by TCS and validated by the overall findings in this survey, here are the four key operations enablers and the related benefits that can propel businesses — even Pacesetters — into the future with better performance and distinct competitive advantage.

The four enablers to a futuristic operations model.



#1

Digital & data-driven foundation

- **Improved efficiency:** Streamlines operations and automates routine tasks that reduce human error, improve process efficiencies and reduce costs
- **Better decision making:** Real-time insights create a foundation for more informed decisions
- **Improved customer experience:** Insights that enable rapid innovation and more reliable services and products that foster loyalty, based on customer data and feedback
- **Competitive advantage:** Better data translates to better insights, faster rollout, better products, and a more agile and better response to dynamic market conditions
- **Innovation:** Enabling experiment with new ideas and technologies more quickly and easily

#2

Harmonization of technologies

- **Allows companies to leverage the strengths of each technology** and seamlessly integrate them to create a more comprehensive and innovative solution
- **Eliminates redundancies and streamlines processes,** which removes technological roadblocks and improves efficiencies
- **Accelerates product development process, reduces costs, and can enable creation of unique products or services** that are competitive differentiators

#3

Business outcome focus

- **Creates alignment** between all efforts, activities and resources toward the achievement of specific measurable and meaningful goals
- **Ensures strategies are practical**, actionable plans to achieve results
- **Enables organizations to accurately measure success** and progress, helping to monitor and evaluate progress to make informed decisions and data-driven adjustments
- **Facilitates better communication internally and externally**, promotes ownership and accountability because everyone in the business has clear understanding of what the core objectives are, and how their role contributes to its progress
- **Helps businesses become better positioned to achieve their strategic business priorities**, meet stakeholder expectations, and gain long-term competitive advantage

#4

Integrated operations

- **Improved decision-making:** When operational layers are integrated, business leaders have access to accurate, comprehensive data and get a clear picture across the entire organization, empowering them to make better decisions.
- **Improved efficiency:** When different operational layers work in silos, duplications in processes, systems and efforts are the result. Integrating these layers ensures that work is streamlined, and resources are utilized optimally, which leads to improved efficiency.
- **Better communication:** When operational layers are not integrated, they cannot communicate effectively with each other. This can cause delays, miscommunications, and errors. Integrating siloed layers can create a more cohesive organization, with clear lines of communication and collaboration between teams.
- **Increased agility:** Siloed layers can make an organization rigid and slow to respond to changes in the market. Integrating these layers can help to create a more agile organization, with the ability to quickly adapt to changing business requirements.

Client Success Stories

Wolters Kluwer reimagines business processes

Wolters Kluwer's enterprise legal management solutions business unit provides legal spend and matter management, contract lifecycle management, and legal analytics solutions. TCS helped Wolters Kluwer streamline the legal invoice operations to make them fast, accurate, and tailored to customers' policies. The current process was manual, time-consuming, cumbersome, and resulted in inaccuracies. TCS deployed a neural-network-based DML model to ensure high-quality, efficient, and consistent extraction of all key data elements across thousands of formats. The extracted data is integrated directly into an enterprise legal management spend system through a data feed, making the invoice processing task efficient and thus improving savings.

"Wolters Kluwer is excited about pioneering the industry's first e-billing solution with deep machine learning capabilities, which are powered by TCS' cutting-edge cognitive technologies"

— Abhishek Mittal
VP, Head-Data Analytics, OpEx and Legal Ops
COE, Wolters Kluwer

Client Success Stories

A Middle East-based retailer transformed its Finance operations leveraging TCS' future-ready finance offerings and innovative digital ecosystem. With the help of TCS' pre-built, customized digital solutions that leverage multiple technologies like Automation, AI, Analytics, this retailer was able to automate its finance processes and improve its visibility & intelligence. This has helped the retailer deliver savings through reduction in open items, duplicate payments and manual efforts. It has also helped them shorten their month-end closure from 13 days to 5 days. They have been able to improve their cash flows and working capital, positioning them for competitive advantage in the market.

Conclusion: Rewriting the rules of enterprise business operations

Senior executives in every industry in every country are facing significant challenges in business operations, including the need to simplify the technology landscape, achieve greater agility, leverage ecosystem partners and maintain a continued focus on ESG, customer and employee experience, and talent development. The evolving scope of digital technologies, especially AI and cloud, are accelerating an already highly dynamic business environment. It is essential for organizations to navigate the waves of disruptive change and steer the business unwaveringly to its north star and future growth.

Talk to us at TCS

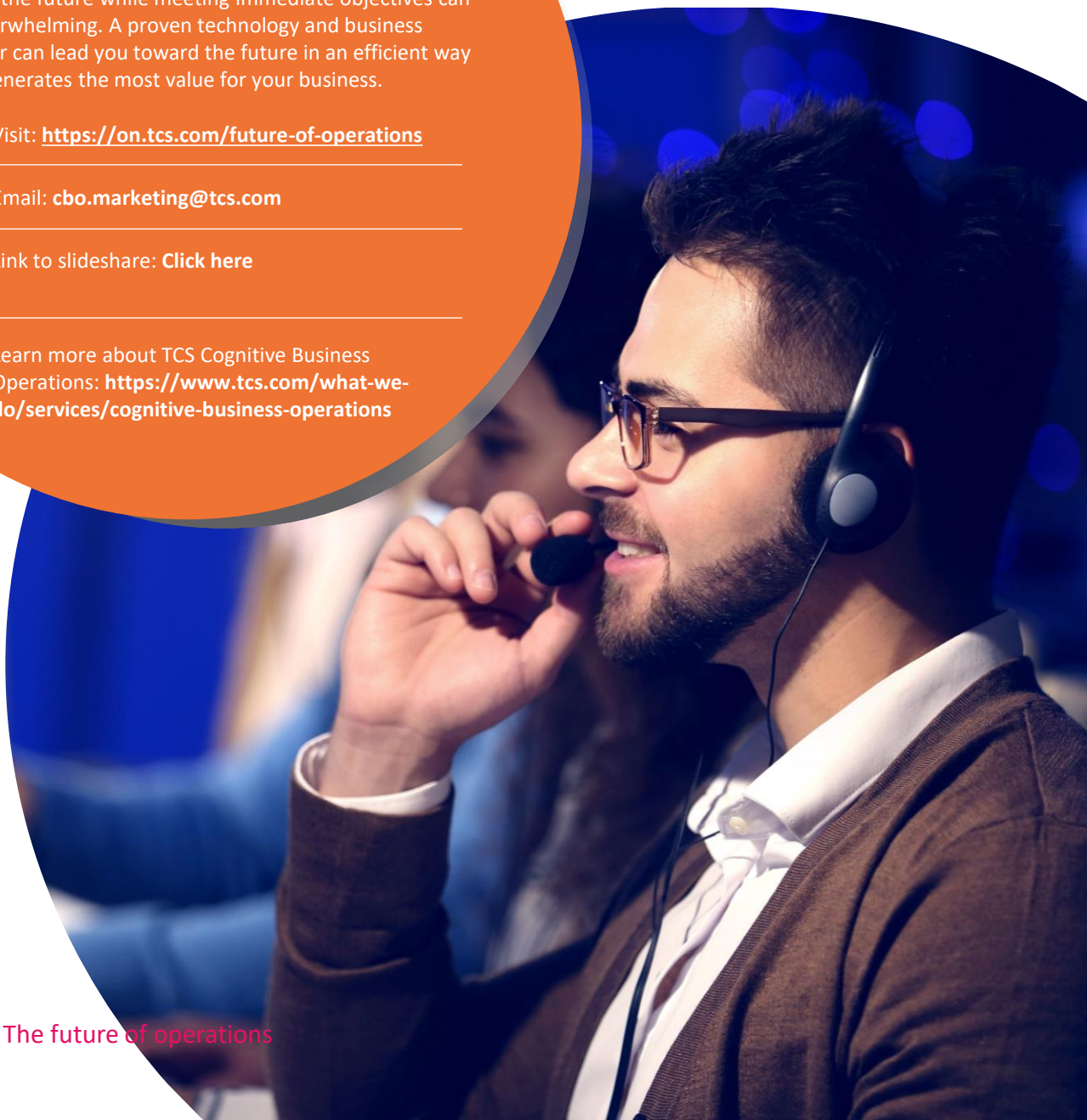
Creating an effective business operations strategy with an eye to the future while meeting immediate objectives can be overwhelming. A proven technology and business partner can lead you toward the future in an efficient way that generates the most value for your business.

Visit: **https://on.tcs.com/future-of-operations**

Email: **cbo.marketing@tcs.com**

Link to slideshare: **Click here**

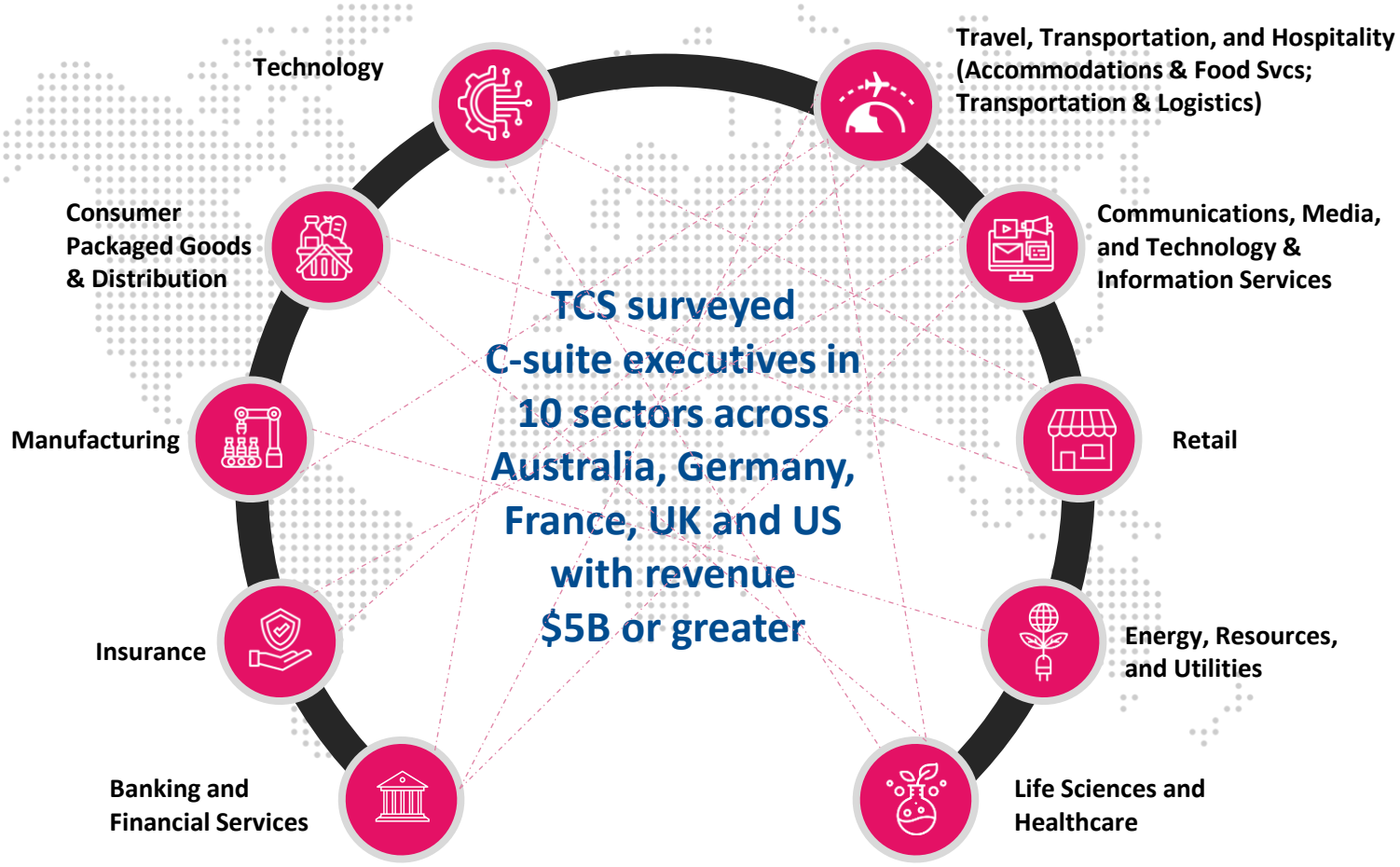
Learn more about TCS Cognitive Business Operations: **https://www.tcs.com/what-we-do/services/cognitive-business-operations**



Demographics

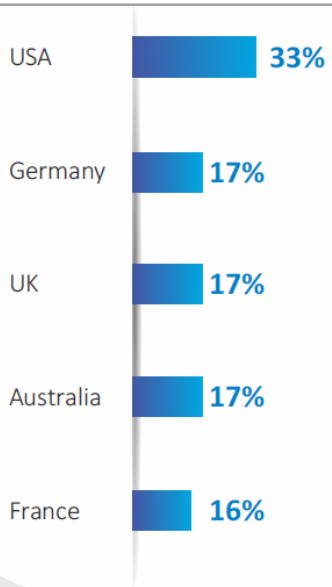
About the survey

We surveyed CXOs in these industries:

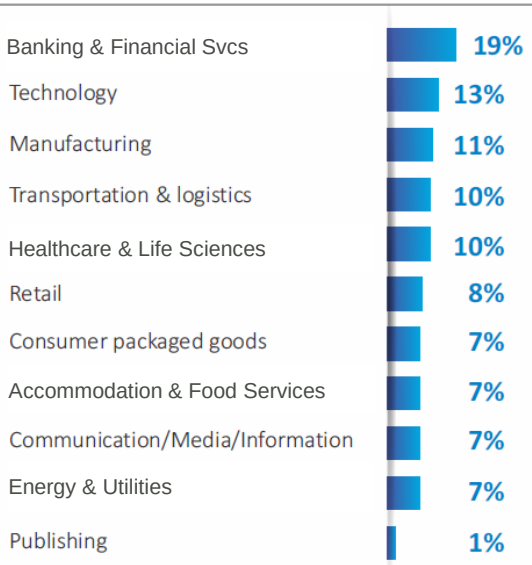


Demographics

Organization headquarters



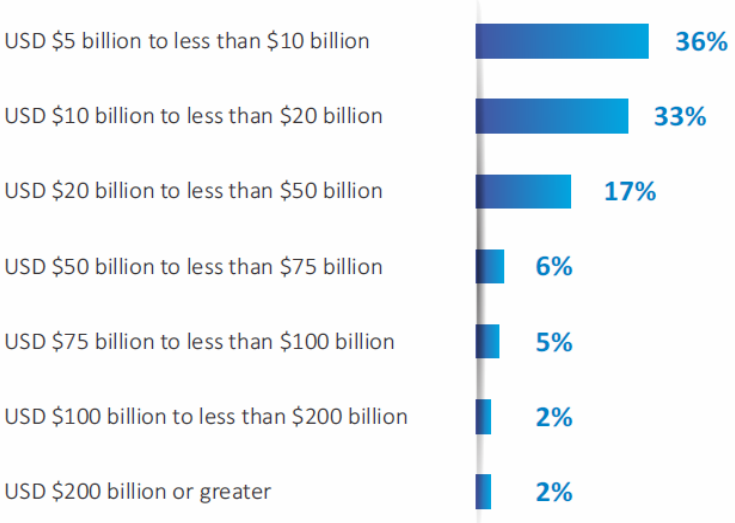
Industry classification



Job title

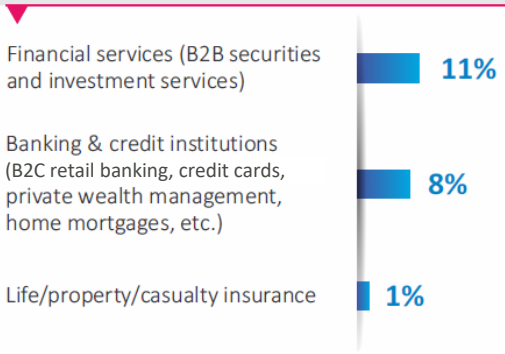
- C-suite officer (CEO, COO, CMO, CCO, CIO, CHRO, CFO, CPO)
- Divisional/business unit head
- VP/SVP
- Other

Company annual revenue

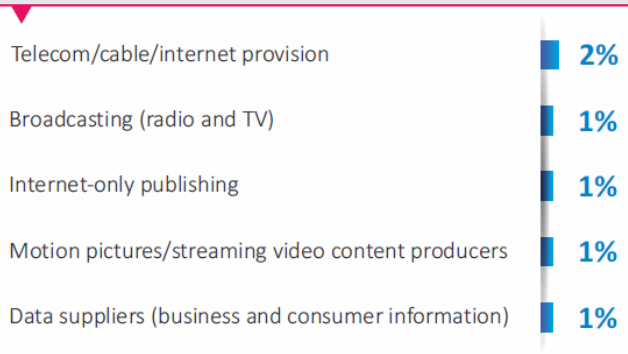


Industry segment breakdown

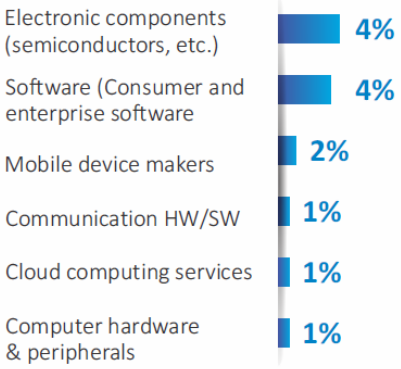
Banking & Financial Svcs (NET) – 19%



Communications/Media/Information (NET) – 7%

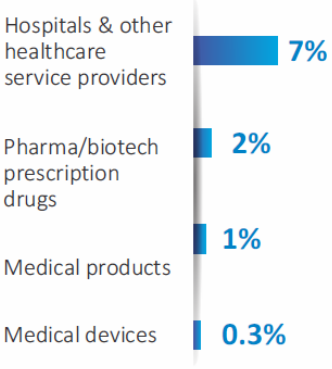


Technology (NET) – 13%

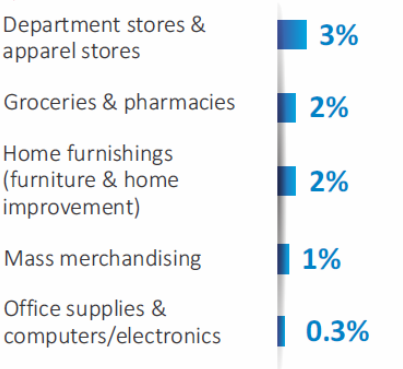


Manufacturing (NET) – 11%

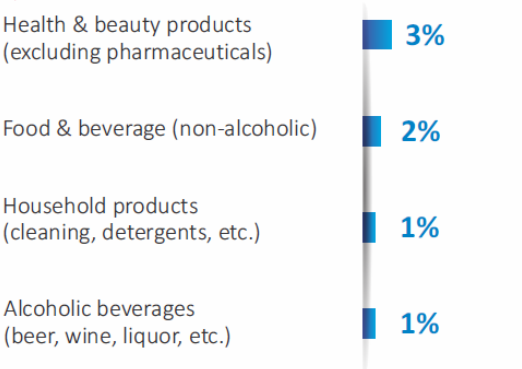
Healthcare & Life Sciences (NET) – 10%



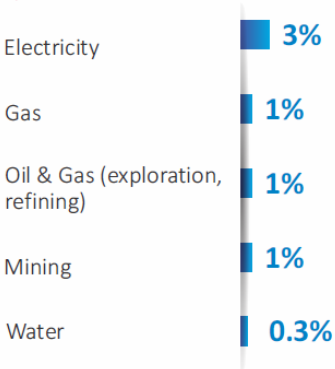
Retail (NET) – 8%



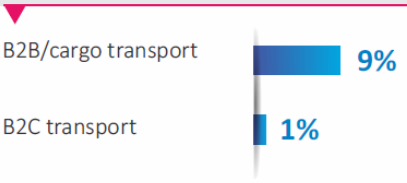
Consumer packaged goods (NET) – 7%



Energy & Utilities (NET) – 7%

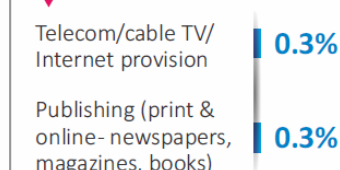


Transportation & logistics (NET) – 10%

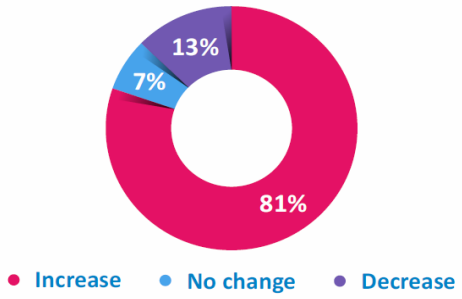


Accommodation & Food Svcs (NET) – 7%

Publishing (NET) – 1%

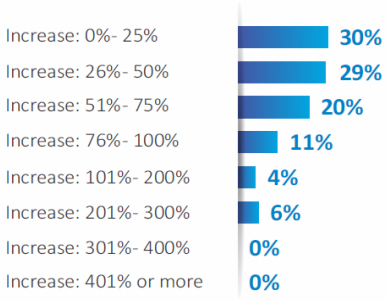


Determining Pacesetters: Annual revenue change from 2018 to 2022



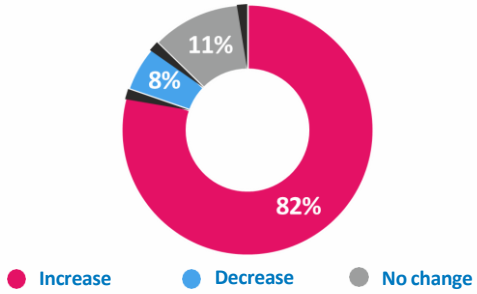
S5. Comparing the years 2018 and 2022, how did your company's revenue change?

Determining Pacesetters: Percentage of revenue increase between 2018 to 2022



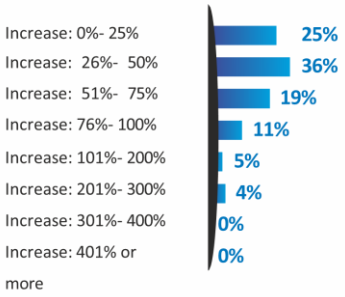
S5. By what percentage did revenue increase between 2018 and 2022?

Determining Pacesetters: Annual net profit change between 2018 to 2022



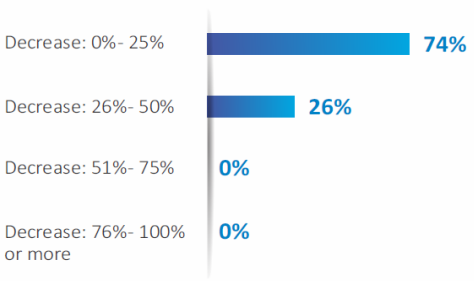
S6. Comparing the years 2018 and 2022, how did your company's net profit change?

Determining Pacesetters: Percentage of net profit increase between 2018 to 2022



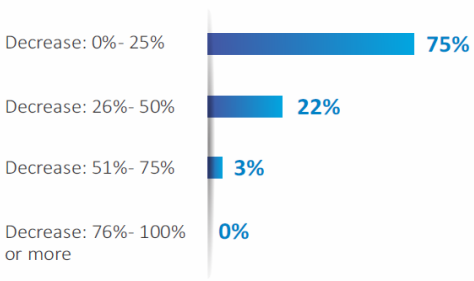
S6. By what percentage did net profit increase between 2018 and 2022?

Determining Pacesetters: Percentage of revenue decrease between 2018 to 2022



S5. By what percentage did revenue decrease between 2018 and 2022?

Determining Pacesetters: Percentage of net profit decrease between 2018 to 2022



S6. By what percentage did net profit decrease between 2018 and 2022?

Executive champions

Ashok Pai

Senior Vice President & Global Head,
Enterprise Cognitive Business Operations

Abhinav Kumar

Chief Marketing Officer

About the Thought Leadership Institute

Since 2009, the TCS Thought Leadership Institute has initiated conversations by and for executives to advance the purpose-driven enterprise. Through primary research, we deliver forward-looking and practical insights around key business issues to help organizations achieve long-term, sustainable growth. For more information, visit **tcs.com/insights/global-studies**

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