IT AUTOMATION
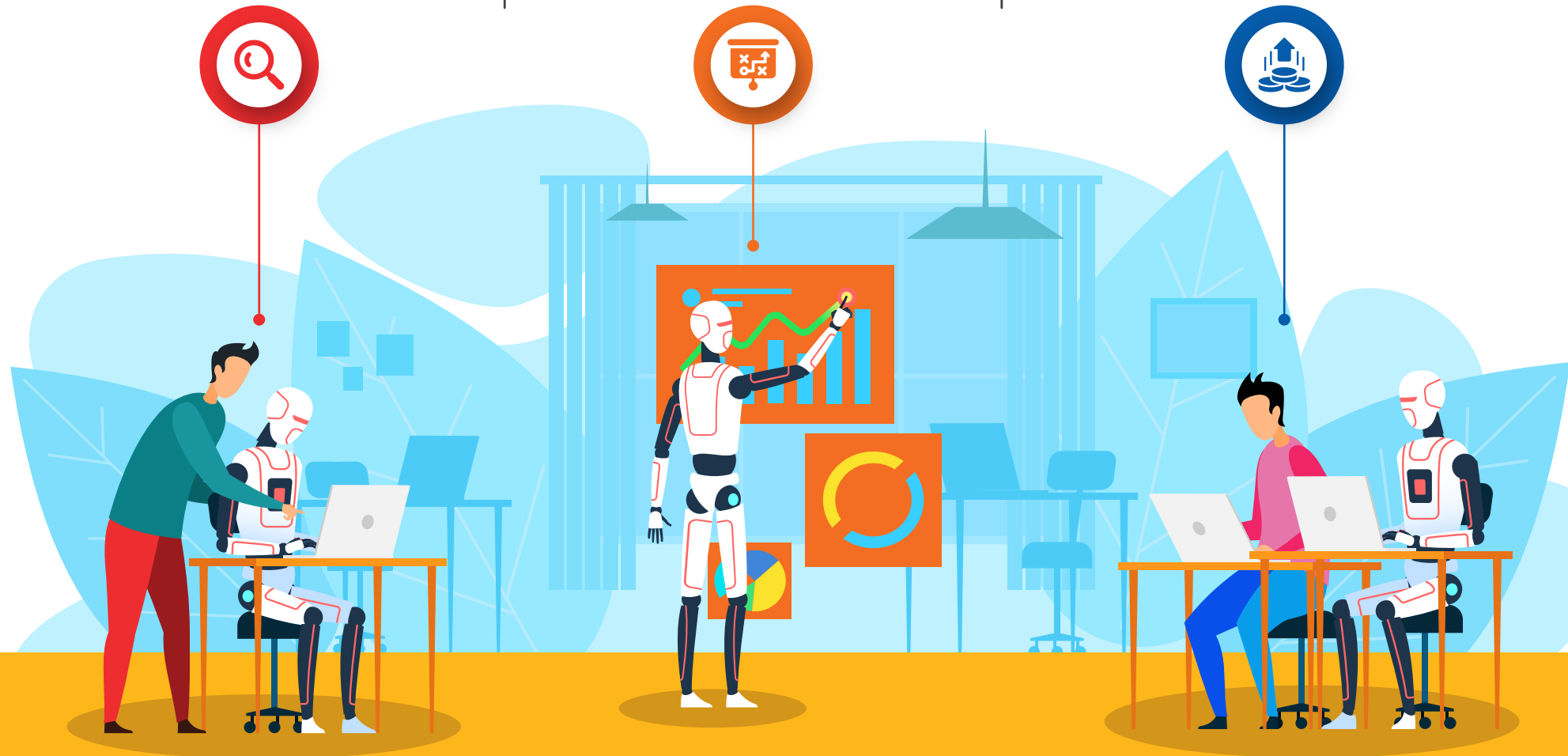
Identifying Concerns | Scripting the Strategy | Extracting Maximum ROI

Everyone knows what IT automation can do. It automates routine tasks like monitoring, managing, operating, testing and supporting an organization's hardware, networks, data centers, storage and related software. It helps to do a variety of tasks with greater agility, fewer resources and at a lesser cost. At the heart of IT operations are three goals: incident prevention, early restoral of services and straight-through processing of service requests. When done well, they help to achieve greater productivity, accuracy, service availability, compliance and predictability. The opportunity for ROI is very high. Still, adoption is low and skepticism is deep.

We understand why you are hesitant

While the benefits of IT automation are indisputable, adoption won't happen without its share of cynicism and resistance. As real are the benefits, equally real are the fears and concerns.

Fewer than 12% of the businesses surveyed by HFS Research[1] in 2018 had an enterprise-wide approach to automation. 35% of them said they were using multiple automation technologies but most of the implementations were piecemeal and only 11% were leveraging an integrated solution approach. According to a Forrester polling[2] of global data and analytics decision-makers, 25% said their firm lacked an overall vision or strategy for automation; 26% said they face challenges with culture and change management and 25% believed there were gaps in their organizational structure, alignment and readiness.
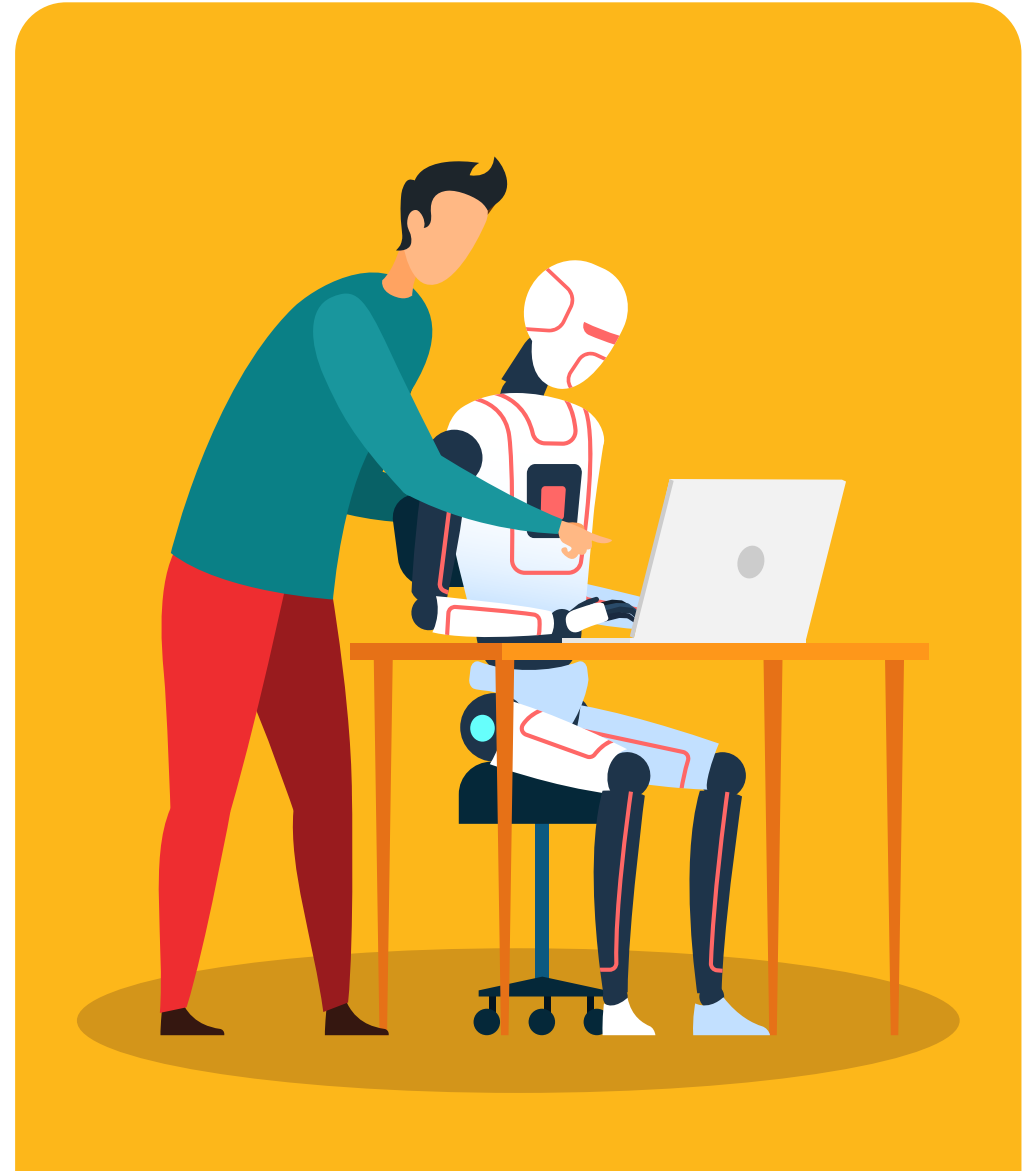
Why are CIOs and business leaders skeptical about IT automation?

Can I scale?

The inability to realize the full benefits of automation is the biggest barrier to adoption. Fewer than 20%[3] of automation deployments reach the scale they desire as most enterprises are unable to find enough number of use cases.

Who will own the results?

Most vendors sell the license and throw in some consulting. After that, it becomes the client's responsibility to implement the solution and to make the automation successful.

In other cases, clients get only consulting, without the ability to fix direct responsibility of results on the consulting company.

What is the ROI?

The struggle to scale automation, grappling with too many tools and fears of ownership dilute the case for automation ROI.

Are outcome-based models just buzzwords?

CIOs are cynical about outcome-based pricing models. The tendency to look at it as just another marketing gimmick occurs when service providers talk about it, but are unable to align outcomes to payments.

How do we work with so many tools and across silos?

A siloed approach to automation has resulted in too many tools, scripts and workflows, all in their own islands of automation. Extracting the full value of automation at a strategic level becomes a challenge, in addition to training staff for each new implementation.

How to keep pace with new technologies?

Obsolescence has always been a concern especially when it comes to keeping pace with contemporary automation technologies like AI and ML.

How to address employee fears?

When organizations are not able to repurpose their operations teams to more strategic roles, employees will fear job losses. Businesses will need to have an HR strategy to address these fears and will need a well-thought-out roadmap for employee roles within an automation-driven enterprise.

SCRIPTING A STRATEGY FOR THE AUTOMATION JOURNEY

We heard you and here's the good news!
Concerns surrounding IT automation can not only be addressed, but the opportunity to demonstrate true ROI with a three-point agenda is massive.
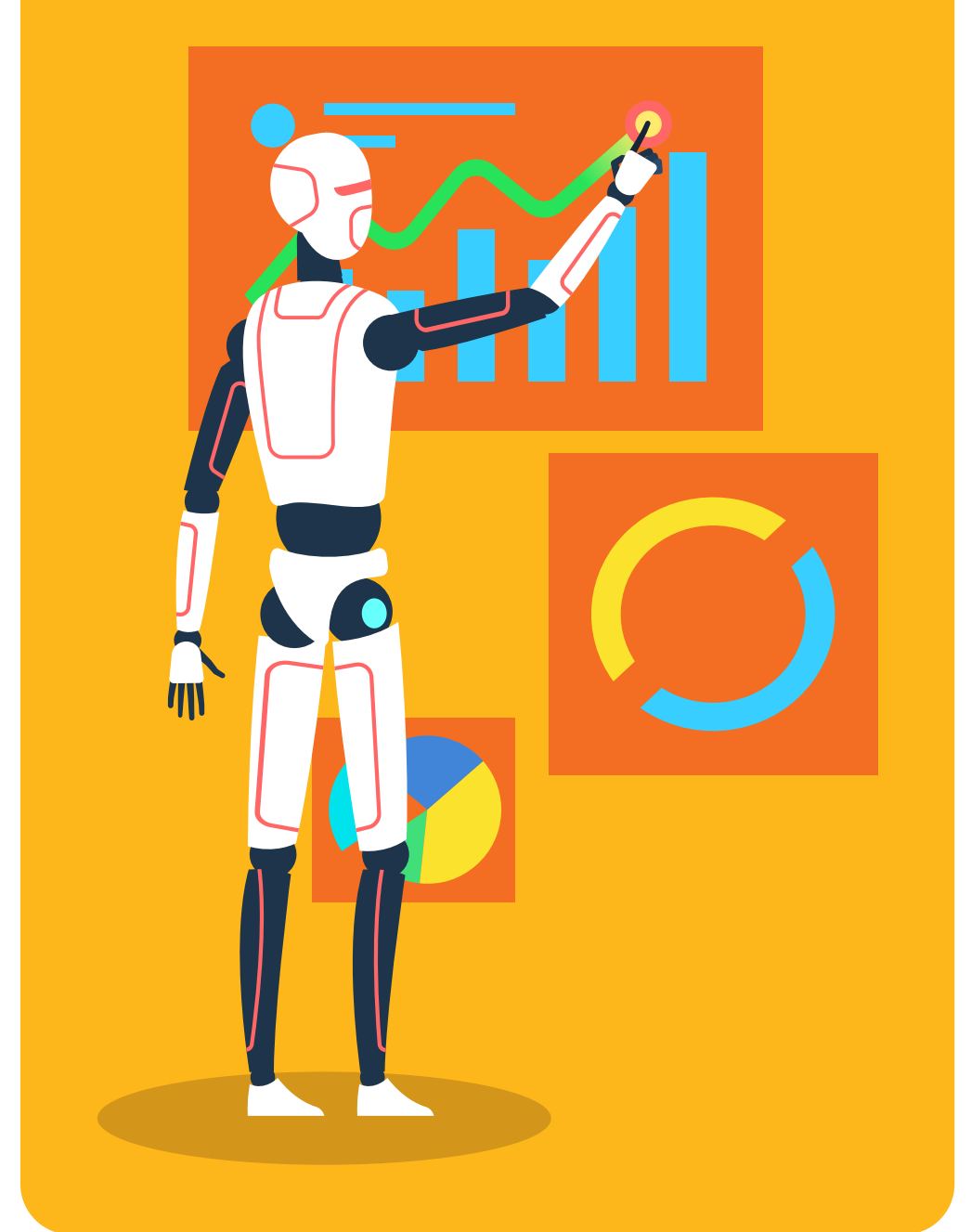
Align IT automation with business

Discover scalability upfront

Manage change

Align IT automation with business

IT is rarely for IT's sake. The influence and impact of IT are mostly on the organization's business functions – both internal and customer-facing.

According to Gartner[4], the pace of change for I&O will only increase in 2020 as IT leaders will face pressure to quickly create, deploy, manage and govern dynamic application environments. Still, according to HFS research[5], only 35% of enterprises considered their IT-business alignment to be excellent.

It is ironic that IT which is mandated with the task of improving business efficiency has a fragmented approach to automation in most organizations. If the true value of IT automation has to be leveraged, it will have to go beyond a tactical sprawl of tools and adopt a strategic approach to automation. A McKinsey report on The Automation Imperative[6] reveals interesting trends in the strategic adoption of automation: 37% of respondents at successful organizations said it was because automation was defined as a priority during the strategy-planning process, vis-à-vis only 22% in other organizations. 16% said it was to keep pace with competitors already pursuing automation vis-à-vis only 3% in other organizations.

An enterprise-wide approach to IT automation:

- What is the value to IT and to the overall business? This a great starting point and must begin with the CIO.

- CIOs will need to champion the cause of automation for their operations by identifying opportunities and demonstrating value on business-critical KPIs like improved compliance and productivity, reduced costs and decreased downtime.

- Demonstrating success with a POC, and showing how the POC can be scaled will help IT automation to gain momentum at the executive level.

- The success of automation cannot remain only with the CIO. Business leaders will need to become joint stakeholders along with information officers in scripting the automation strategy.

Discover scalability upfront

One of the biggest complaints from IT is that automation is not able to scale. It is not that there are insufficient tasks for automation. It is about applying a systematic approach to discovering use cases that can benefit most from automation and can deliver maximum ROI. This is especially true for large enterprises with massive IT asset volumes.

Finding scalability for use cases

- Which are the high-volume, high-frequency and repetitive tasks?

  - How many processes are involved in a use case?

  - Are these processes clearly defined?

  - Which workflows can be made simpler?

  - Will any processes need to change?

  - Is it better to eliminate some tasks altogether rather than automate them?

- What tasks are most prone to human error?

  - Which of these tasks will impact compliance?

- Where is the highest opportunity to improve MTTI (Mean Time to Identify) and MTTR (Mean Time to Resolve)?

- What operations will free up staff time for value-added re-skilling?

- Which use cases will create cost reduction in the long term?

- Which use cases will help to create new business opportunities with automation?

Identifying use cases to extract maximum value for IT automation
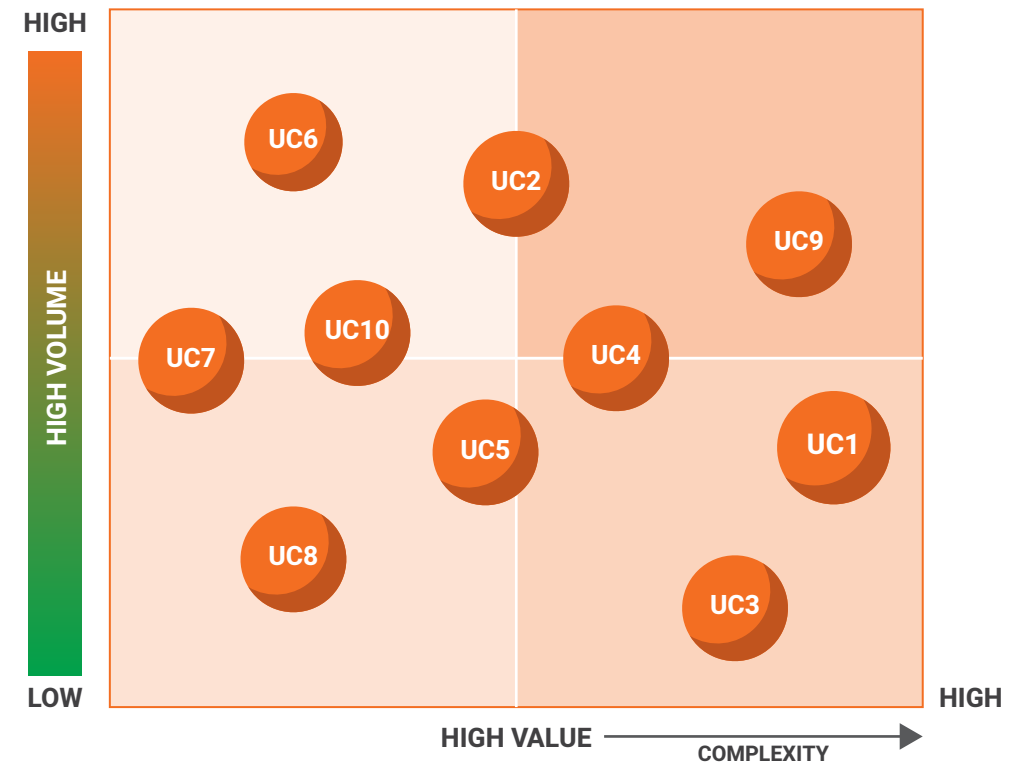
High Value: Reduced Cost through Effort Elimination + Improvement in Quality + Improved Availability + Improved User Experience = **ROI**

Manage change

For employees, a call to automation will trigger fears about job losses. Widely quoted studies about job losses due to automation have also fuelled the concerns. As more tasks get automated, employees will need to learn new skills to manage automation or upgrade their skills in new areas when current intervention becomes redundant.

Extracting value from automation is also about leveraging and upgrading skills, as much as it is about reducing cost and improving accuracy. At an enterprise level, it will require a robust talent strategy to prepare employees for transformation.

Initiatives will include:

- Addressing employee fears through proactive and clear communication at the business leader level

- Showing how automation and new technologies can create new jobs

- Demonstrating how the acquisition of new skills will create greater job value and relevance for employees in the long term

- Identifying the skills required for future roles like cognitive abilities

- Developing and implementing a training plan for upgrading skills
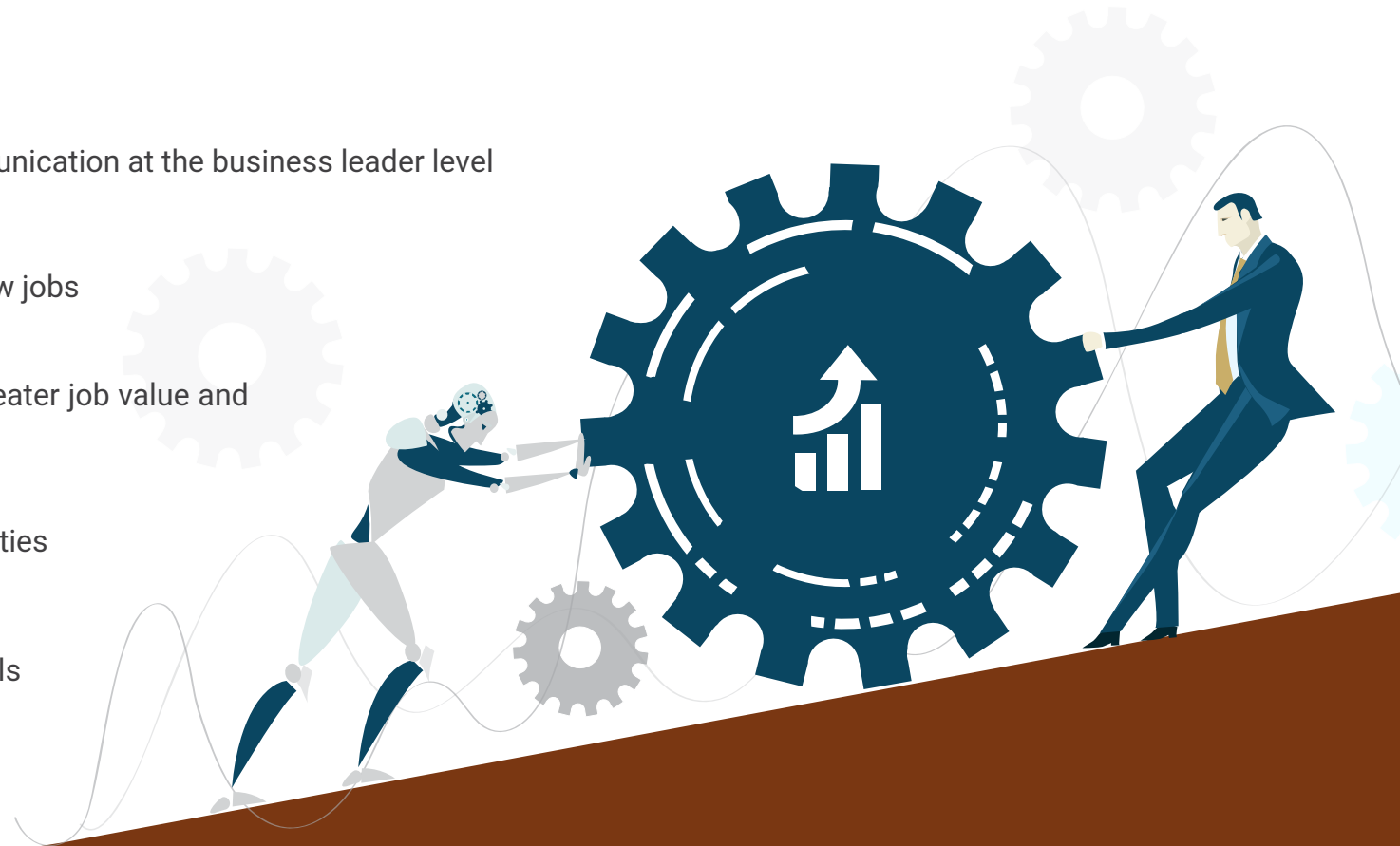
EXTRACTING MAXIMUM ROI

Leverage Automation-as-a-Service

Automation-as-a-Service (AaaS) helps organizations to leverage the full value of IT automation through a subscription-based engagement model.

- Clients gain from the service provider's domain expertise without having to invest in the platform, tools, or people. It offers a perfect model to address concerns regarding scalability, ownership of results and ROI.

- It will help IT functions to keep pace with contemporary technologies without having to make upfront investments.

- It allows an outcome-based service delivery model to be leveraged to its full benefit.

For organizations that have thousands of servers and business-critical applications, Automation-as-a-Service can deliver value in three key areas:

Incident prevention

A proactive approach using technologies like ML to predict and prevent failures

Early restoral of service

Eliminating and self-healing a significant volume of incidents

Straight-through processing of service requests

Identifying all the processes that can be automated, with a goal to eliminate physical work as well as enhance user experience
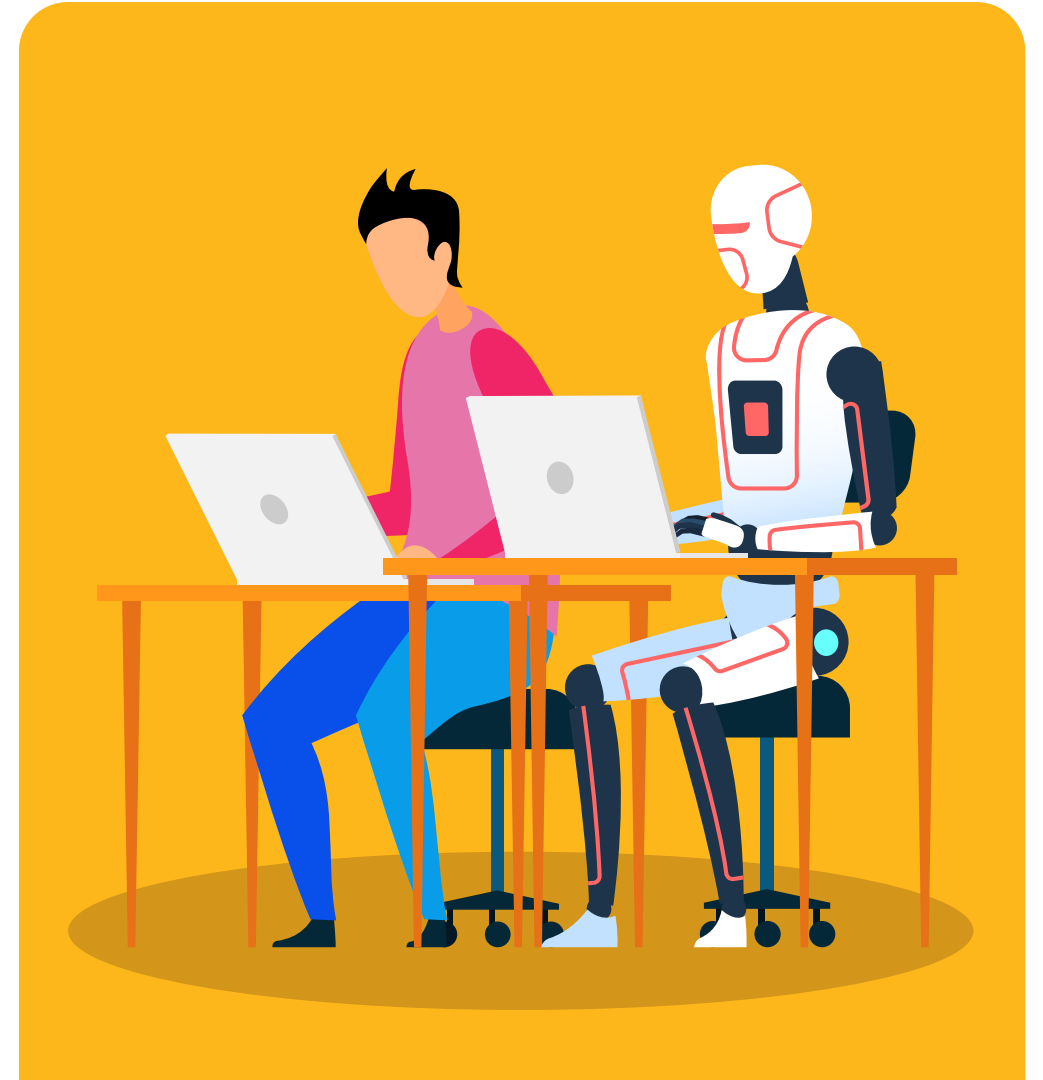
Protect ROI with an outcome-based model

In large organizations where IT asset volumes are massive, the cost of automation can be very high and failures can deal a double blow. An outcome-based model protects the business interests and strengthens the CIO's confidence in moving forward the automation agenda.

However, outcome-based models are viewed as mere marketing gimmicks. Here's a checklist to make your outcome-based pricing model fool-proof and don't forget to note the last item on the list. That's the most important!

YOUR CHECKLIST FOR AN OUTCOME-BASED PRICING MODEL

Your service provider should:

- Define and quantify outcomes that are aligned to business value

- Identify all the ROI use cases upfront

- Transfer savings derived from automation to the client organization

- Leverage existing tools in the client organization

- Be flexible about deploying people or tools where required

- Agree to be paid only when the outcome is achieved

- Agree to contractually sign the outcomes-based pricing

Outcomes are not about people, platforms, technology, tools or licenses. They are about paying for agreed results. It is a win-win for the business and the service provider

HEXAWARE'S OUTCOME-BASED MODEL FOR AUTOMATION-AS-A-SERVICE

Guaranteed | Signed | Delivered

Hexaware adopts a three-step approach to automation - Identify, Advise and Build & Support a use case-based approach.

Hexaware strengths:

We will guarantee specific success rates	We have the domain knowledge, platform capability and a comprehensive pool of use-cases
We are vendor agnostic, which means you will get the advice and solutions that are best suited to your unique automation requirements	We will contractually sign the outcome-based pricing model

What would you like to do?

Send me a case study

Automation-enabled savings for a Swiss bank. Delivered more than 400% ROI

Server de-commissioning. 53% reduction in cycle time per server + $ 55k per quarter

marketing@hexaware.com

Your outcome-based model looks exciting! Let's explore a POC

Sure. Please write to the email ID provided here and we will get back to you to check the best time for a call with our solution expert

marketing@hexaware.com

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About Hexaware

Hexaware is the fastest growing next-generation provider of IT, BPO and Consulting services. Our focus lies on taking a leadership position in helping our clients attain customer intimacy as their competitive advantage. Our digital offerings have helped our clients achieve operational excellence and customer delight. We are now on a journey of metamorphosing the experiences of our customer's customers by leveraging our industry-leading delivery and execution model, built around the strategy— 'Automate Everything™, Cloudify Everything™, Transform Customer Experiences™.' Hexaware services customers in over two dozen languages, from every major time zone and every major regulatory zone. Our goal is to be the first IT services company in the world to have a 50% digital workforce.

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