

Thriving in a Climate of Disruption

A New Path to Rapid Digital Transformation



Introduction: The Necessity of Digital Transformation

More than two decades ago, innovative software companies began exploring a new approach to software development — agile development.¹ This approach could allow them to more rapidly build new applications that digitized internal workflows and addressed emerging challenges. Somewhere along the line, this strategy — leveraging agile development to rapidly create digital solutions to business problems — became known as *digital transformation*.

Fast-forward to 2020, and the business landscape is more dynamic than ever. Constant change is opening the door to increased competition. In a 2020 study, 7 in 10 CEOs agreed that their core businesses are under attack.² To survive in this climate of disruption and cyber-vulnerability, companies must be able to adapt to change in real time. Waiting to “go digital” is essentially surrender. Digital transformation has shifted from innovative, forward-thinking strategy to a necessity. Customers expect it. Partners require it. And competitors are using it to close the gap.

It's no longer just large, tech-forward companies, either. More than 70% of companies today — businesses of all sizes and across all segments — have a digital transformation strategy in place or are actively developing one.³ The majority of companies without a digital transformation strategy believe they have less than a year before they start to see market share dwindle as digital-first competitors pull ahead.⁴

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92%

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to adjust to
digitization.⁶

1. <https://www.cio.com/article/3513849/the-state-of-digital-transformation-in-2020.html>

2. Forbes — “Everything is Becoming Digital: Talent, Business and HR Predictions”

3. <https://www.zdnet.com/article/survey-despite-steady-growth-in-digital-transformation-initiatives-companies-face-budget-and-buy-in/>

4. https://www.progress.com/docs/default-source/default-document-library/landing-pages/dach/ebook_digitaltransformation_final.pdf

5. Forbes — “Everything is Becoming Digital: Talent, Business and HR Predictions”

6. <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/why-digital-strategies-fail>

The majority of **companies without a digital transformation strategy** believe they will begin **losing market share within a year.**⁷

2020: An Inflection Point for Digital Transformation

Prior to 2020, 92% of senior leaders believed their business models would need to change to adjust to digitization.⁸ But the acute pressures created by a challenging 2020 accelerated that reality and forced many organizations to “go digital” faster than planned, as they spun up remote workers in their homes virtually overnight and created ad hoc digital processes to quickly make work-from-home work. Moreover, it’s clear that the widespread changes of early 2020 represent an inflection point for the business world. Companies, employees and, most importantly, customers, have glimpsed how digitization can deliver significant and often surprising benefits. And they’ve seen that digitization can happen quickly. None of these stakeholders will accept going “back to normal,” nor will they accept the notion that digitization has to be a long, complicated journey. But as businesses emerge on the other side of this inflection point, more and more are recognizing that quick-fix digitized elements designed as business continuity “band aids” need to be re-imagined. They’re looking for ways to build on their momentum by creating a long-term digital strategy that not only ensures business continuity, but delivers immediate and ongoing operational efficiencies that protects the bottom-line and allows them to better serve their customers.

What’s holding Digital Transformation Back?

The pressures may be reaching a peak in 2020, but the factors aren’t new — and most senior leaders and business owners have known they needed to “go digital” for years now. What’s keeping companies from making the digital transformations they know they need to make? In short, transitioning from a legacy operation to a modern digital enterprise is daunting.

Limited Internal Resources

Even those who champion the idea of digitization within organizations struggle to align their line-of-business (LOB) leaders’ goals and plans with the IT resources to execute them. LOB leaders know the processes that are prime candidates for digitization — and they can see how digital workflows would drive optimization. But they lack the technical skills to manage digitization on their own. Many IT staffs, already overburdened and short on resources, are trying to balance a high volume of digitization requests with their other responsibilities. Companies are looking for simple, intuitive, user-friendly digital tools that can help them bridge this gap, powering LOB staff to handle more of the digitization process without overburdening IT resources. They need to be able to roll out those technologies and strategies without completely disrupting their business.

7. https://www.progress.com/docs/default-source/default-document-library/landing-pages/dach/ebook_digitaltransformation_final.pdf

8. <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/why-digital-strategies-fail>

Balancing Growth Goals with Capital Conservation Strategies

Just as critically, most companies believe transformation requires something that is often scarce — capital. Senior leaders know they need to “go digital,” but they also need to tightly control operating costs in order to preserve margins in a challenging economic climate. Many businesses thus find themselves in a situation where they want to begin a digital transformation initiative in earnest, but with a limited budget for capital investments, they’re stuck on where to start — which digitization efforts will yield the fastest path to revenue? This line of thinking misses an important truth: While digital technologies provide the most agile and economical foundation for net-new growth, the most successful transformation strategies are not solely focused on top line revenue growth. Every step of a well-designed digital transformation automates manual processes, reduces the opportunities for errors and helps unlock the value of the immense amounts of data buried in every organization. An effective digital transformation also provides connectivity — for remote workers, customers and partners, each of whom carries an expectation for anywhere, anytime access.

An Emerging Approach: Business Process as-a-Service (BPaaS)

As more businesses face a make-or-break moment for digital transformation, the challenges and needs have become clearer: They need a strategy that doesn’t require a massive capital investment. They need technologies that don’t overburden already-strained IT resources. And they need to be able to roll out those technologies and strategies without completely disrupting their business.

Some of the savviest companies are taking a new approach to digital transformation, leveraging managed service providers that deliver Business Process as-a-Service (BPaaS) solutions to essentially outsource much of the difficult, burdensome work of digitization to trusted experts — and shifting the financial cost to an OPEX model. This approach is creating a new — simpler, faster, less cost-intensive — path to realizing both the bottom- and top-line benefits of digitization.

40% of all technology spending went toward digital transformation efforts in 2019.⁹

Just 7% of companies have implemented a **DIGITAL-FIRST APPROACH.**¹⁰

At organizations pursuing digital transformations, **7 in 10** say the progress has **slowed or stalled** out at some point.¹¹

9. https://images.idgesg.net/assets/2018/01/state_of_the_cio_01_ciod_winter_final.pdf

10. https://cdn2.hubspot.net/hubfs/1624046/Digital%20Business%20Executive%20Summary_FINAL.pdf?t=1526402192035

11. <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/how-to-restart-your-stalled-digital-transformation>

How a BPaaS Solution Accelerates Digital Transformation

By re-imagining how a business can execute digital transformation, leading BPaaS platforms and the managed service providers behind them can accelerate digital transformation and deliver business value across four key areas:

- 1 Intuitive Tools that Make Automation Easy
- 2 Cloud-Based Platforms that Deliver Practical Agility
- 3 User-Friendly Analytics that Unlock the Value of Data
- 4 Making Data Security Seamless

1 Intuitive Tools that Make Automation Easy

Streamlining business processes with user-friendly tools that anyone can use.

As mentioned earlier, the most significant barrier to digital transformation for most organizations is not budget — it's a lack of internal resources necessary to drive the strategy. Most organizations are dealing with IT staffs that are overburdened — or they might not have the full range of skills required to design and deploy a plan. At the same time, technology deployments that put too much of a burden on employees is the most common cause of failed digital transformation efforts.¹² While a BPaaS partner will handle much of the heavy lifting of process digitization, there is still some work for internal teams to do. Leading BPaaS providers deliver intuitive technologies that simplify these internal responsibilities making digitization a light lift for IT and making change management easy for the rest of your employees.

Data Science-driven Capture

Best-in-class BPaaS platforms start by making it easy to convert any document with any data from any source into a consistent form of structured data. Machine learning-enabled intelligent capture processing is the starting point for replacing manual and paper-based processes with digital, automated processes — as well as the foundation for leveraging analytics tools to extract relevant, actionable insights. Leading platforms go one step further, turning physical documents into born-digital documents that transform from a partial-digital workflow to one that can be 100% digital, maximizing benefits like accelerated processing speed, data accuracy, instant line-of-sight, and more.

AI-driven Data Management

The counterpart to intelligent capture capabilities is a smart data management system that automatically recognizes, organizes and extracts relevant meaning from incoming data. This is critical to breaking down data silos and creating a single, integrated source of business intelligence.

Library of Pre-built Digital Workflows

Leading BPaaS platforms provide proven and pre-built workflows for your employees across the full range of use cases: banking and finance, insurance, healthcare, human resources, supply chain and more. This library of pre-built workflows and applications allows you to pick and choose those that best fit your business processes, and further customize if desired.

12. <https://www.forbes.com/sites/carstentams/2018/01/26/why-we-need-to-rethink-organizational-change-management/#10c7bc1e93cc>

Digital Process Automation/Robotic Process Automation

Some BPaaS solutions now leverage advanced digital process automation (DPA) and robotic process automation (RPA) to automate manual steps within a business process. This accelerates the shift to an automation-enabled organization and allows employees to move from repetitive manual tasks to focusing on high-priority, value-added tasks.

Low-code Development

If agile development kickstarted digital transformation, low-code development platforms makes customized digital transformation practical for every company. Leading BPaaS providers leverage this approach to application development and deployment to rapidly build customized applications for web and mobile, using drag-and-drop components and model-driven logic through a graphical user interface. This allows a BPaaS partner to create, iterate and release applications in a fraction of the time, rapidly responding to internal or market needs.

Single Portal — Intuitive UX

Employees should be able to access the full range of digital services and workflows on any device from a single, secure portal. Best-in-class BPaaS platforms provide a simple, convenient, intuitive user experience that makes it fast and easy for all employees to find the information they need.

By 2024:

1 in 5 workers in knowledge-intensive tasks will have an AI-enabled “digital coworker.”

50% of structured, repeatable tasks will be automated.

Low-code development drives **5-10x faster application deployment.**



2 Cloud-based Platforms that Deliver Practical Agility

Leveraging the as-a-service (aaS) model to maximize scalability, enhance flexibility and protect business continuity.

Across all sectors, the business climate is increasingly dynamic: changes big and small come at organizations faster than ever. Leading, by definition, requires market-leading agility. But today, agile business processes are fundamental just to survive. Companies need to be able to respond quickly, pivoting in real- or near-real time to address challenges and capture growth opportunities. They also need to be able to scale up or down to manage changes — in the market as well as in their workforce.

The Cloud Makes Agility Practical and Cost-effective

Digitized, highly automated business processes unlock the agility companies need. But traditionally, the barrier to adopting digital tools has been the high upfront investment. Close behind the high cost, the traditional on-premises deployment model has left organizations paying for largely unused capabilities and capacity. The BPaaS model completely upends the paradigm for implementing the tools to drive digital transformation.

Pay-as-you-go/Pay-for-what-you-use

Because the cloud-based BPaaS model doesn't require companies to purchase software or hardware, there is no long-term capital investment required. The as-a-service (aaS) pricing model means you select what you need and pay only for the services you use.

Deploy in Days - Minimal IT Burden

Cloud-based BPaaS platforms allow tools and solution sets to be deployed for an organization in a matter of days, with minimal burden on internal IT staff.

Pre-built use cases and digitized workflows further streamline implementation and reduce time-to-value. And because there is no software to maintain, IT burden is continually minimized beyond implementation.

Real-time Scalability

The aaS model allows companies to quickly scale up or down in near-real time — and add on new services, capabilities, functionalities or tool sets as needs emerge, such as with seasonal fluctuations in demand.

Instant Access to Innovation

The aaS model also ensures immediate access to new features, functionalities, security patches and other innovations. This enables companies to give their employees the most advanced tool set, without requiring additional capital investment — and provides investment protection, ensuring your digital platform remains fully supported.

Business Continuity in the Spotlight

Rapidly evolving market conditions, major shifts in workplace culture, acute social unrest and geopolitical issues, and the global healthcare crisis of 2020 all bring business continuity into the spotlight like never before. Businesses in every sector are taking a hard look at how non-digitized business processes present high-risk “fail points” in the event of an incident that displaces staff, customers and/or work processes. But savvy businesses are leveraging the BPaaS model to achieve a new level of long-term business continuity planning. The inherent resilience — multiple redundancies and fail over capabilities — of leading cloud-based BPaaS providers ensures that a business can maintain critical operations, give employees frictionless access, and continue serving its customers in the face of virtually any disruption. Successfully executing this higher-level business continuity planning delivers strength, resilience and confidence that is a powerful competitive advantage in a world filled with increasing uncertainty and dynamic changes.

3 User-Friendly Analytics that Unlock the Value of Data

Turning raw data into actionable insights to drive customer experience, operational efficiency and innovation.

The operational efficiencies of digitization are dramatic. But as a business converts its day-to-day processes into digital workflows, it will exponentially increase the (already vast) amount of data it generates every day. Businesses know there is tremendous value hidden, unexploited, in these troves of data — 9 in 10 business professionals say that data analytics is key to their organization’s digital transformation initiatives.¹³ Yet according to some of the best estimates, just 1 in 10 organizations has implemented an analytics solution at scale.¹⁴ Best-in-class BPaaS solution providers today offer integrated, intuitive analytics tools that allow companies to build a robust-yet-achievable data analytics program.

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The Biggest Data Analytics Pain Points

If businesses know there is value in their data, what’s holding them back? Two fundamental challenges continually impede most organizations’ ability to unlock the value of their data:

Unstructured Data

The vast majority of business information — around 80% — originates in unstructured form. Data like accounting spreadsheets and financial tables are relatively easy to ingest and use. But data from things like everyday office processes and customer contact center conversations has traditionally been too difficult for analytics engines to handle in raw, unstructured form.¹⁷

Data Silos

The typical business today uses dozens of digital tools, each generating its own data pool. IT teams most directly feel the pain of data silos, with 83% of IT decision-makers agreeing that data silos create business challenges within their organization’s operations.¹⁸

13. Research and Markets – “Global Big Data Analytics Market Size, Market Share, Application Analysis, Regional Outlook, Growth Trends, Key Players, Competitive Strategies and Forecasts, 2019 To 2027”

14. Harvard Business Review Analytic Services – “An Inflection Point for the Data Driven Enterprise”

15. Research and Markets – “Global Big Data Analytics Market Size, Market Share, Application Analysis, Regional Outlook, Growth Trends, Key Players, Competitive Strategies and Forecasts, 2019 To 2027”

16. Harvard Business Review Analytic Services – “An Inflection Point for the Data Driven Enterprise”

17. Forbes - “The 80% Blind Spot: Are You Ignoring Unstructured Organizational Data?”

18. American Management Association – “Breaking Out of Silos”

Actionable Analytics — Without a Data Science Degree

The availability of data has never been a problem. Businesses have always had lots of raw data, but lacked the tools they need to transform it into actionable insights. Today, there is no shortage of analytics tools available in the market. The challenge for most organizations is finding an analytics solution that doesn't require an entire team of data scientists to implement, customize, manage and use. Leading BPaaS solutions have taken aim at this problem, developing analytics tools built for users with little or no training or experience in data science.

Automatic Capture & Data Integration

Digitization of core business processes will only increase the amount of raw, unstructured data — and expand the data silo challenge. Leading BPaaS solutions offer analytics tools that leverage AI and machine learning to convert any document with any data from any source into a consistent form of structured data. Moreover, these tools can easily integrate the disparate data silos and data streams within an organization, creating a single repository of business intelligence.

Data-driven organizations are
23x more likely
to acquire customers
6x more likely
to retain customers
19x more likely
to be profitable.¹⁹

Predictive & Prescriptive Insights

The first generation of analytics tools helped businesses answer the question, "What's happening now?" Uncovering trends in real-time remains an essential analytics use case, but the new generation of analytics tools are delivering answers to the questions, "What will happen next?" and "What should we do about it?" These predictive and prescriptive insights help a business anticipate everything from shifting customer expectations to new operational, technological or workforce challenges — and can often even provide automatic suggested actions to prepare or remediate.

Intuitive Tools & Relevant Outputs

Most organizations do not have — nor do they want to build — in-house data analytics teams. Next-generation analytics tools integrated in leading BPaaS solutions are built to be intuitive for any user. Perhaps more importantly, they're designed to deliver relevant insights through clear visualizations, simple, customizable dashboards, and robust reporting capabilities — showing users the information that matters most to their jobs in a format they can easily understand.

Cloud-hosted

All of the capabilities of next-generation analytics tools are powered by the unique capabilities of cloud-hosted solutions. Virtually limitless, cost-effective cloud storage makes it easy to create a large, integrated data repository. The computing power of the cloud drives advanced predictive and prescriptive analytics engines. And a cloud-hosted solution provides anytime-anywhere, frictionless and secure access, so users have instant access to the information that matters.

4 Making Data Security Seamless

Digitization brings with it myriad benefits and values to the business. But increasing digitization also brings increased data security risks. Cyber threats and data breaches occur more frequently than ever — and perhaps more concerningly, these incidents are more costly than ever for businesses, with impacts ranging from immediate legal costs to ongoing revenue loss from reputation damage or lost competitive advantage. In fact, cyber security incidents are now the top business risk globally.²³

Security Can't Impede the Business

Cyber security is the top business risk, but that does not make it the top business priority. Things like business agility, business continuity and innovation are what keep the lights on and enable growth. In an increasingly competitive, dynamic and uncertain business climate, even the most security-minded organizations recognize that they cannot afford to stifle the productivity, collaboration and innovation of their workforce in the name of security. Businesses are increasingly willing to tolerate some level of cyber risk in the pursuit of competitive advantage. But the rapid advance of cloud-based solutions and platforms has revealed a new paradigm: cyber security that doesn't require trade-offs.

Cloud is Now the Security Standard

Just a few years ago, on-premises software solutions were the default choice for the highest level of data security. Companies were wary of cloud-based tools — concerned about relinquishing on-premises control of their data. But today, cloud-based platforms have leapfrogged on-premises solutions. The unique capabilities of cloud-powered solutions have made the cloud the standard for high-assurance data security and truly frictionless cyber security — and cloud-powered BPaaS solutions deliver wide-ranging benefits.

AI-driven Security Capabilities

Leading BPaaS solutions are built on proven cloud platforms like Amazon AWS. AWS delivers security features continually field-tested and improved through millions of business deployments across every sector worldwide. In addition to this unmatched depth of experience, leading cloud platforms like AWS leverage the computing power of the cloud to enable AI-driven security functionalities that rapidly identify — and even anticipate — security issues.

Advanced User Authentication & Access Controls

One of the fundamental values of a cloud-based BPaaS solution is always-on service and anytime-anywhere access for users. To enable this agile connectivity, leading cloud solutions leverage advanced, multi-factor user authentication to secure access. They also make it easy to set user access privileges, building user groups and customizing specific users' privileges at a granular level if needed.

Digital Audit Trail

Another inherent security advantage of a cloud-based BPaaS solution is that it keeps a digital record of everything — who accesses what, when and from where — in real time. This delivers a more robust, comprehensive level of visibility and audit trail than with paper-based systems and even on-premises software solutions. Armed with this level of visibility, risks and incidents can be quickly identified, rapidly investigated and remediated — limiting the damage and costs.

Automatic Security Updates & Patching

Cloud-based BPaaS solutions automatically push out updates and security patches in real time, without putting a heavy burden on internal IT staff or employees. This allows vendors to rapidly address security vulnerabilities that may emerge, and gives businesses the assurance of always having the most up-to-date, advanced security features protecting their data.

Redundancy & Uptime Guarantees

Cloud platforms like Amazon AWS feature multiple redundancies to all systems and services. This allows cloud-based BPaaS solutions built on a platform like AWS to deliver unmatched uptime guarantees that give businesses confidence in their ability to stay connected to employees, continue serving customers and maintain business continuity — no matter what.

Seeing Digital Transformation in Action

A quick look at how a major U.S. medical center leveraged a workflow automation solution to rapidly digitize essential workflows demonstrates the wide-ranging value and forward-thinking potential of this approach. Like most U.S. medical centers, declining margins have posed significant threats to financial viability. Taking a closer look at how their operations are impacting both top-line revenue and bottom-line costs, they recognized that — despite their major investments in electronic health records (EHRs) — some of the financial bleeding is due to predominantly manual processes. In fact, around 90% of healthcare providers are still heavily dependent on manual processes for insurance claim submission and follow-up.

In particular, their insurance claims correspondence process was rife with inefficiencies. The convoluted process involved using a local bank's lock-box to store claim documents, waiting for the bank to ship those documents to the medical center each day, and then beginning a labor-intensive, five-step manual process to enter each of the 1,000+ daily documents into the patient record systems. To make things even more complicated, there were more than 200 document types with 1,000+ variations. Even with eight full-time staff members focused solely on this manual process, the medical center still routinely had two-plus-week backlogs. At best, these backlogs delayed revenue to the medical center. But they also increased the risk of missing critical deadlines and resulted in denied authorizations and denied payments.

The first step in the medical center's journey was to begin leveraging a data exchange platform to automatically transfer the scanned document images directly into the patient record systems. This paved the way for the medical center's workflow automation provider to build a three-step solution for end-to-end automation of the medical center's insurance correspondence process. With this solution in place, insurance correspondence information is captured automatically from various document sources — bank lockbox, electronic data and scans from the bank, email, fax, etc. Each document and document format type is then classified, extracted and indexed. The indexed information is then automatically matched to the patient's electronic health record (EHR) with machine-learning accuracy for timely response to document submissions and insurance follow-up. In the final automated step, patient information is linked to the EHR and documents are stored in the medical center's enterprise content management (ECM) repository to optimize the work queue and expedite response time.

This streamlined, highly automated and digitized process allows the medical center to resolve claims much faster, with staff spending five minutes (instead of 20+) to process each document. In addition, correspondence has been consolidated and simplified from 200+ document types to just 22. This allows staff to keep up with the pace of correspondence, minimize backlogs and shorten the time to receiving payment for the medical center. As an additional, unplanned benefit, as the medical center endured the tumult of the 2020 health crisis, the browser-based workflow automation solution gave staff seamless access to continue working remotely and minimize claims-processing, payment and revenue disruptions for the medical center.



Conclusion: Making Digital Transformation Accessible and Achievable

The pace of change and the rapid evolution of market demands has turned digital transformation from a buzzword into a critical necessity. Nearly every business — of every size and in every sector — was actively pursuing some level of digital transformation as this new decade began. But the global healthcare crisis forced every business to fast-track their efforts — and digitize many processes almost overnight. This has given businesses a unique chance to leverage momentum to accelerate their digital transformation, moving to the forefront of their markets and using digital advantages to capture market opportunities that have been revealed in this “next normal.”

Businesses have glimpsed the benefits of digitizing processes. They know they need to realize the efficiencies and value of creating end-to-end business processes that blend automation with human knowledge-based interaction. They need greater data-driven insight into every aspect of their operations. They need this now — or they risk falling too far behind the digital leaders in their markets. But with most businesses facing the realities of limited internal resources and limited capital, they need a new approach. Emerging BPaaS solutions enable companies to lean on managed service providers to deliver digitization expertise, as well as robust, pre-built BPaaS platforms. This outsourced, BPaaS model helps to simplify and accelerate digital transformation — and makes real digital transformation accessible, practical and achievable for a much wider range of organizations.

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