

Transition as an Enabler for Transformation

A novel approach to fuel transformation

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1.

Abstract – Setting the Context

Digital Transformation - or just transformation, for ease - is a buzz word that has gripped most businesses.

From being a buck-maker in the past, it has now turned into a survival technique in the market. From the change maker, it is now the business sustainer in a world of humongous competition. No longer is it an obscure activity performed by a niche group in an organization - it is now part and parcel of every unit within an organization. From a part time and period activity, it is now a full-time continuous journey of improvement.

‘Transformation’ has arrived - and is the new normal.

With organizations needing to bring in transformation to achieve higher goals, the key questions typically asked by senior management are:

- *What is the right time to do it?*
- *How guaranteed are the results, given the cost involved?*
- *Can I do all this in-house or do I need help?*

Through collaboration with clients in various industries, domains and geographies, Mphasis has been bringing value by educating, consulting, defining and running successful long-term transformation programs. Programs that have revived businesses, expanded existing business, optimized expenditure, and exponentially enhanced customer satisfaction levels.

Transformations are most successful when we have conducive environment, top management focus, organizational appetite to experiment and an attitude to embrace change. Transformations are relevant to all businesses, small or big, and they are better when adopted voluntarily – rather than being forced to adapt reactively by market conditions or competition.

Vendor transitions are integral part of IT outsourcing. Given the outsourcing successes and time-tested benefits leveraged, the IT journey of most organizations are dotted with large-scale transitions in their pursuit to get the best-fit technology and domain partners to run the bread-and-butter businesses.

At Mphasis, we have observed that large scale transitions can be great pathways to bring in strategic transformation. That is why, typically, we have transition and transformation teams working in tandem to bring in large scale changes to secure and enhance future businesses.

In this whitepaper, I would like to bring out a few key aspects of how a transition program can help fuel transformative changes in an organization - and discuss some levers that we have deployed at Mphasis to achieve transformation for our clients.

Transition programs are executed in all forms and sizes and I will focus on large-scale transitions that encompass and impact a large portion of the IT landscape of a client organization.

2.

Key Needs of a Transformation Journey

Transformation is a broad set of activities performed to deploy digital technologies in adding business value to an organization – such as venturing into new businesses, improvising and expanding existing businesses, increasing customer satisfaction, and effecting changes in business.

Transformation brings about a new baseline of business-IT alignment that focuses to increase efficiency, reduce waste and to get ready to face the changing world around us more effectively.

There is a general apprehension about transformation till the transition to vendors is completed. The reality, however, is different when you get to the core aspects of transformation needs. We will delve more into this in the subsequent sections.

The ground principles that an organization needs to be equipped with to realize its transformation dreams are given in the figure below.

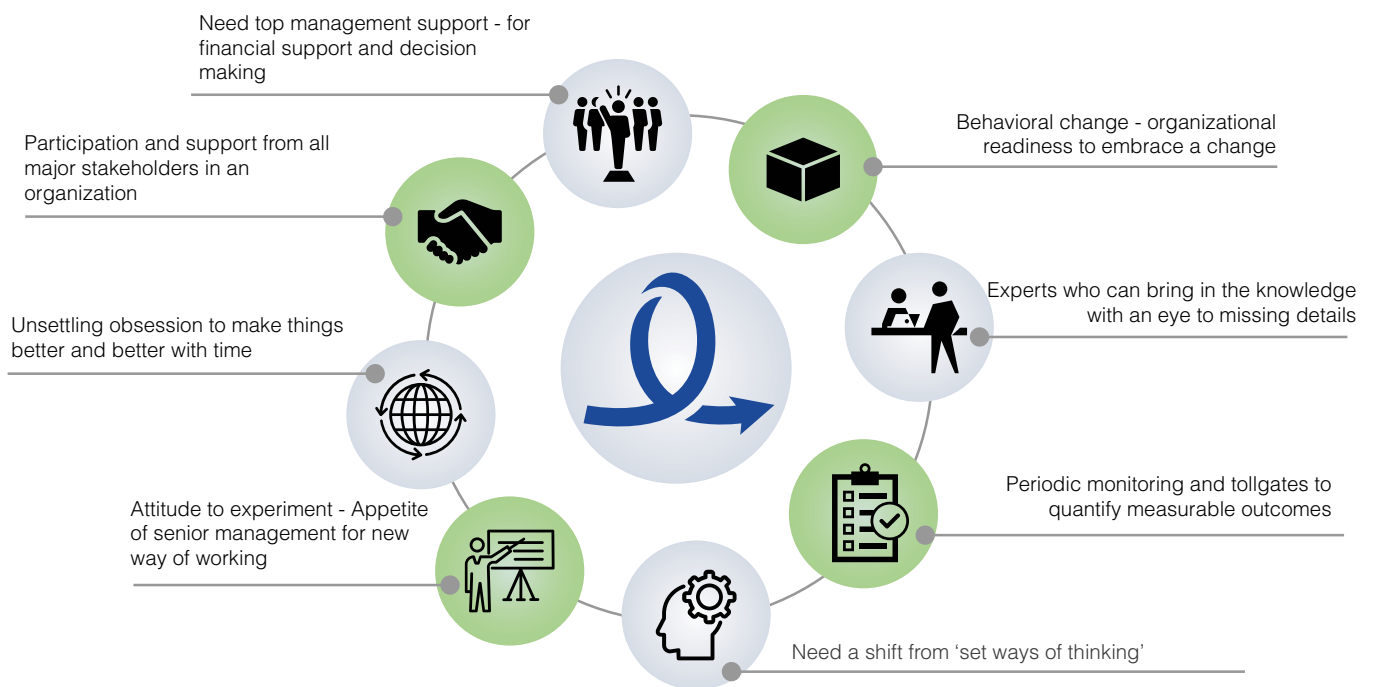


Fig. 1 – Principles of transformation

As shown in Fig.1 transition programs that bring in an organizational mindset for change will create a conducive period where seeds of transformation can be sown for better success rate for transformation. While transition turbulences may rock the transformation boat at times, it is better to rain changes than drizzle.

Let us say the top management has decided to bring in an expert partner to take over their bread and butter IT, Application, Infrastructure, BPO Services (some or all of them). They have also planned for their change management function to take their people along the path of change.

Here is where the transition partner can bring in value to ensure that a transformation focus is brought in early in the game, and deploy the transition apparatus to fuel transformation. The following sections will discuss some key levers that will help in achieving these objectives.

3.

How Transition can be Leveraged for Transformation

Change begets bigger changes and better ideas – especially in organizations trying to leverage technology for higher performance.

We will look at various facets of how transition can be a major contributor in bringing transformative changes in an organization. Depending on the scale of transition and lines of businesses that will be impacted, the extent of leveraging transition tools vary.

3.1 Demand a SWAT team from specialized vendors during due diligence

Most vendors come with a team of technical and domain experts to take over services. While they have been successful, at Mphasis, we have tried a different angle of transformation. We bring in a SWAT team that is purely transformation oriented.

Due diligence is the phase where vendor companies take a fresh look at their client's organization and technology portfolio. This gives an excellent opportunity to bring in new perspectives and fresh ideas. We suggest that organizations demand such a team of high-end consulting experts from vendors. This SWAT team inherently needs to have the following key traits:

- *Business + tech proficiency* – to handle both client business and technology, and quickly understand how IT is being leveraged to enable business
- *Stakeholder integration* – to bring various stakeholders to a common platform to ideate on transformation
- *Rich experience* - from other transformations to set larger goals while appreciating challenges
- *Openness to change and humility* – to understand that organizations know their business best, and they only need handholding on those tools that can give them wings
- *UV lens to provide the right perspectives* – to the external world of customers on what the company stands for
- *Customer obsession* – to be highly aware of the practical challenges, and address them with their rich experience in various functions

3.2 Bring in organizational motivation through shake-up during transition

Most stakeholders get active during a significantly large transition. There is an invariable shake-up triggered in the organization that generally is relaxed in the comfort of already set business-as-usual. A shake-up is a great opportunity to bring in desirable organizational changes. The transition phase provides the necessary focus throughout the organization and prepares stakeholders for upcoming changes. In doing so, however, a few key needs have to be considered.

Commitment from the top management

This is extremely critical. The top management must be committed and ready to take the impact of transformation. They must agree on the desirable levels of transformative change coming in, and be prepared to absorb any temporary dip in business or financial investment.

Willingness to move out of comfort zones

Ideating can happen only when key stakeholders move out of their comfort zones and work in more challenging environments. The transitional phase provides the right setup for such changes.

Organizational changes

Changes in ways of working calls for re-training people, bringing in mindset changes, identifying change champions among early adopters. Companies must understand that they are temporarily getting into a rocky phase - for the common good of the organization.

3.3 Ideas on how OPEX savings can fund CAPEX in the long run

Vendor transition is done to experience the advantages of savings and better services.

While planning for transition, scout for different adjacent areas where additional savings can be achieved. Strategically re-funnel this saving into transformative programs. At Mphasis, we have time-tested frameworks and refined models to enable long-term self-funded transformative programs - based on leveraged savings. Shorter exercises for marginal efficiencies do not deliver the right returns on costs. A management push to balance scale of transformation with savings will give more tangible results.

Key areas to bring in this balance of cost and effort are given below:

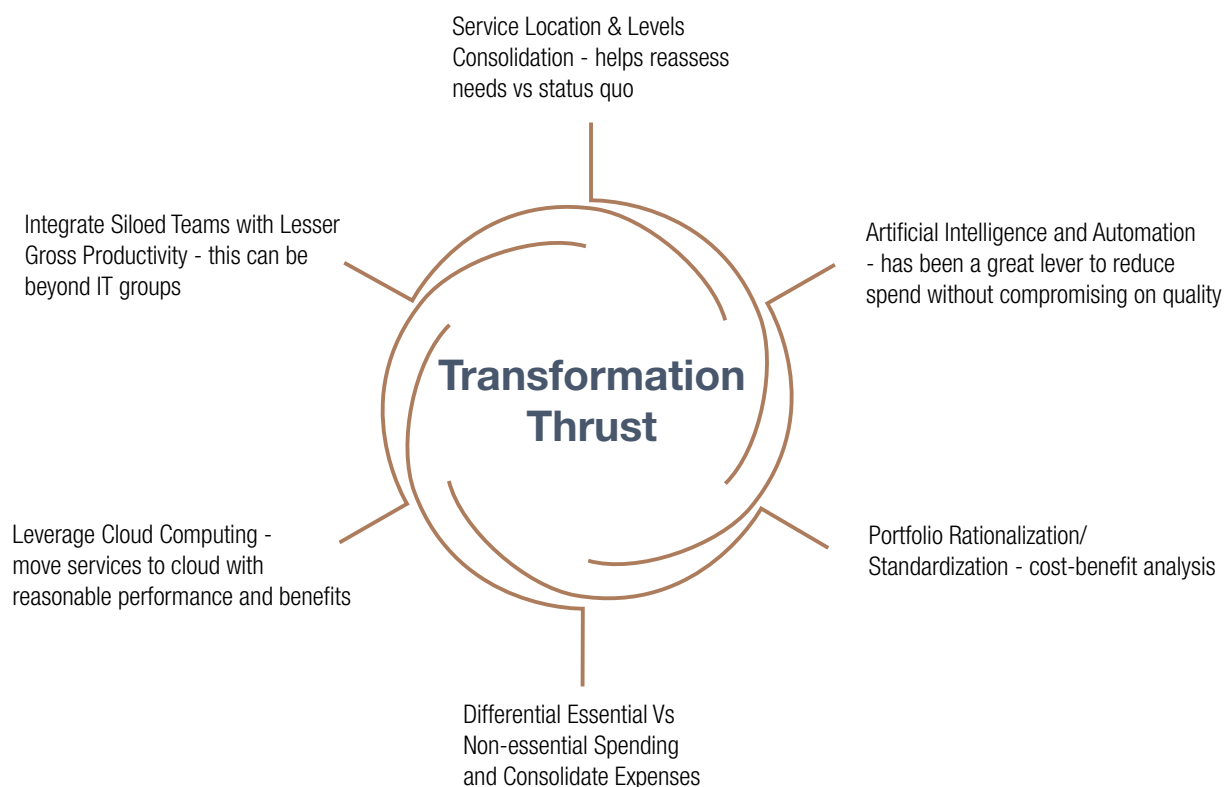


Fig. 2 – Key areas for transformation

3.4 Understand the gaps in process – an outsider view

Transitions can open a can of worms of inconsistent and mutually exclusive processes that have been taking up significant organization effort in reconciling them. Knowledge transfer is a good phase where vendors can give new perspectives of such conflicts and loose ends. Ironing them out can achieve transformation with the following drivers of cost savings:

- *Optimized processes to reduce rework and reconciliation costs*
- *Flushing of overheads on processes to eliminate effort and expense*
- *Optimization of redundant flexibility to eliminate cost overheads*

3.5 Enrich and complement missing knowledge – key to technology transformation

What we know is what we operate in. What are we missing? This should be the important question in the minds of leaders in an organization. In a diverse marketplace with changing demands, keeping abreast of the latest is not just a challenge, but an investment as well. Vendor transitions are opportunities to get expert advice, conduct independent assessment of knowledge levels, learn industry best practices, know about untapped technology areas, business-technology bridges (that your competitor may have leveraged) and business disruptors that have just arrived in the market.

At the end of the transition, organizations can demand an independent viewpoint on the following areas from vendors:

- *Transformation roadmap*
- *Likely levers for transformation and saving projections*
- *Technology and business disruptors to be aware of*

4.

Conclusion

While transition is a short-term need, transformation is a long-term reality. Every organization should consciously prepare for such critical phases and engage vendors or partners. They need to leverage their expertise better and embark on loftier goals to transform business with impactful investments.

A few opine that transitions are risky. While that may hold some merit, we should understand that any change for transformation is equally risky. With proper planning and risk mitigation, ambitious goals can be realized by utilizing the mood of change during transition. There are multiple models of how seeds of transformation can be sown during transition and reaped sooner during steady state. At Mphasis, we have engaged multi-discipline teams to successfully transform business of clients. An exciting journey with lots to explore lies ahead of us.

It is like 'Shake a branch and get two fruits vs. shake the tree to get as many as possible'.

Author



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Anand comes with 20+ years of experience in the IT Services industry, and currently heads Transition Practice at Mphasis, with key responsibilities of transition management, knowledge management - enrichment activities, thought leadership and deploying knowledge tools across the organization.

About Mphasis

Mphasis (BSE: 526299; NSE: MPHASIS) applies next-generation technology to help enterprises transform businesses globally. Customer centricity is foundational to Mphasis and is reflected in the Mphasis' Front2Back™ Transformation approach. Front2Back™ uses the exponential power of cloud and cognitive to provide hyper-personalized ($C = X2C_{m} = 1$) digital experience to clients and their end customers. Mphasis' Service Transformation approach helps 'shrink the core' through the application of digital technologies across legacy environments within an enterprise, enabling businesses to stay ahead in a changing world. Mphasis' core reference architectures and tools, speed and innovation with domain expertise and specialization are key to building strong relationships with marquee clients. To know more, please visit www.mphasis.com

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