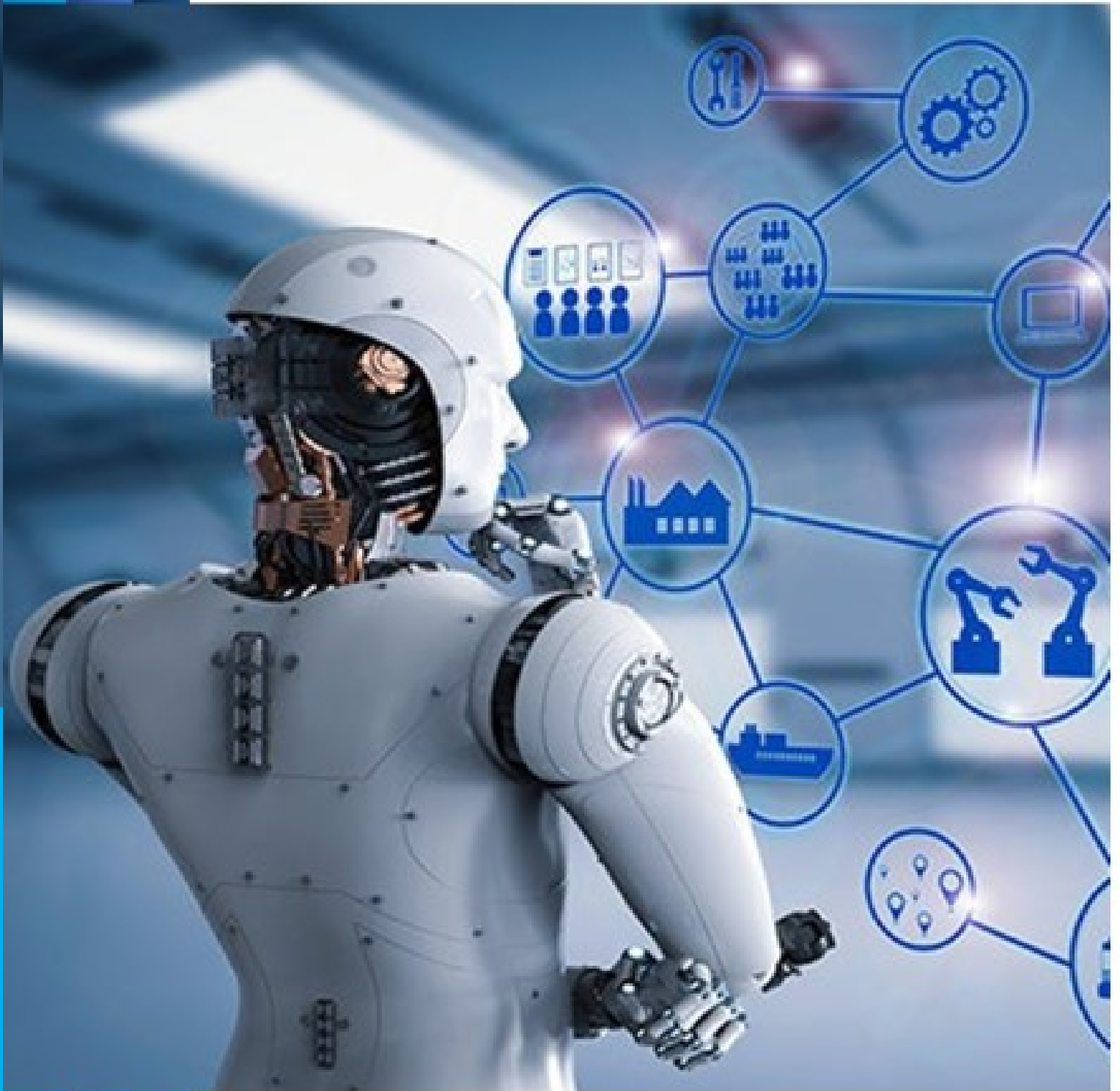


Hyper Automation Business Transformation Will Never Be The Same!



Hyper Automation - Business Transformation Will Never Be the Same!

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Aside from the impact that BPMS (Business Process Management) tools have had on [Business Transformation](#) and its evolution as a discipline, their blending by the larger vendors into true tool environments that offer BPMS, RPA, AI and Data Management capabilities is changing the game and the way it is played.

This paper is, however, not about tools or vendors. It is about companies and their business operations and Business Transformation today. The tool side will sort itself out – all of the major vendors' products are great and, while there are feature differences, all work once your applications developers figure out how to use them – despite claims, the tools are not that intuitive and take time to learn, especially for complex logic. But once developers are experienced, these tools are the foundation of the future in automation technology.

Instead, I will focus on the things that really make or break business transformation and look at the impact of this new generation of tools and of hyper automation in general.

Let me start with a prediction. Every company will need to transform their IT and digital operation over the next 5 to 7 years or they will slowly go out of business. Gloomy? Not really. Those who do transformation have a bright future. But the ways of the past in approaching business and automation support are becoming anachronisms – companies that refuse to adopt appropriate new technology and modernize will simply not be able to compete. And of those that do modernize without upgrading their training programs and upskilling business and IT staff in new concepts, approaches and techniques will have a difficult time competing. For example, business and process analysts will need to understand decision modeling and rules analysis and definition. While they do not need to know how to actually build the tech side of the business models, they will need to understand how to build detailed business models that allow the BPMS/RPA/AI and other tools to generate application systems. The problem is that without advancing their skills, the company will simply not be able to move quickly enough to remain relevant as customer technology sophistication grows with the constant evolution of new technologies.

A key part of this change in approaching Business Transformation is that both business and digital transformation are becoming comingled. It is no longer enough to look at digital transformation separate from the business strategy and the capabilities needed to execute the strategy through process. Strategy defines the operational capabilities and how the business

operation will change. This, in turn, defines the business activities that must be enabled through automation and other technologies. Together, these three components determine what the business operation needs to be capable of doing and what capabilities digital technology must provide.

Automation and operational transformation only become relevant to achieving strategy when one considers how well they will deliver the capabilities needed to compete and how well the solution supports rapid change. Any other approach just delivers “cool” technology that may or may not prove to add real value as related to market growth and profitability. Does it really help to have great modern technology if it doesn’t really improve the business or it’s ability to gain market share and increase profitability? That is why being driven by strategic capability and process optimization is critical to digital transformation success. It is also why a shift in “mindset” is needed.

Keeping strategy, operations or process transformation and digital transformation as separate activities is also a significant contributing factor in the 70% failure rate of both types of transformation. The fact is that transformation must deliver value – enabling the company to succeed and gain market share – not simply save a few dollars.

For this reason, strategy, digital and Business Transformation will be the foundation of looking at business evolution and the role that hyper automation will play in moving forward.

In addition, upscaling business and IT operations to have at least similar capabilities to your competition, is daunting enough for most organizations. But how do you want to differ? What will give you an advantage? This is a critical decision. Given the new capabilities hyper automation constantly offers companies and customers, every company will need to totally rethink the way they interact with their customers. This is the company’s face forward and it needs to be good.

Keeping up with everyone – customer and competition technology adoption

History has shown that customers adopt new technologies faster than companies and more use it more creatively. So, that can be counted on. Customers also know what is possible and they can recognize a poor interaction from a good one. Thus, these types of decisions become very important.

In response to these concerns, companies and their transformation efforts need to keep up with the technology their customer base is using, where it is falling short and what your competition is doing to leverage digital innovation to attract staff and customers. Management can then determine how they want to move forward and what type of customer experience they want to offer. For example, is voice interaction the best? Is an AI dialog better? Or is a “keep it simple” approach best?

And, in spite of the fact that companies today loudly proclaim their concern for their customers, few really do. Look to your own experiences in dealing with companies. Call yours pretending to

have a problem or a question. See what happens. An example are large banks. Have you every needed to address an issue? The call starts out with an hour or more on hold. If you are lucky enough not to be dropped and have to start again as you are transferred multiple times, you may eventually talk to someone who can help – it seems almost no one can make simple decisions or provide answers to mildly complex questions. But banks are not alone in this treatment. Making customers wait while listening to poor music and messages that tell you how concerned the company is for your well-being as you wait and wait is just maddening. If the bank cared, they would hire more people and not make people wait for long periods so the bank can save money. And when some bank finally figures out that they can use this issue to take customers from their competition and increase their market share, they will be taking a big first step into the future. The fact is that hyper automation is delivering both automation technology and a thousand other technologies that will change all our lives. That provides opportunity to the creative and those willing to invest in the people and technology they will need to prosper in the future.

But how will new automation or other technology be used? What expectations will change? For example, on the tech side, the move to no code application definition will replace long development times and reduce cost, making things that are prohibitive today, available. On the “make our lives better” side, advances in holographic technologies and virtual reality are at the front end of changing everything we do. If the Tesla new venture to surround the planet with communications satellites does what is promised, the whole approach to internet and other communications will evolve – changing everything we now have in place. And the list of newer, maturing technologies is long and interesting. Then add the list of emerging technologies in retail and other places and the foundation starts to look incredible.

But part of the digital and Business Transformation needed to move into the future is a willingness to deal with legacy infrastructure and applications. While they can be accessed and blended with other technology using BPMS, they are still inefficient, very difficult to change and act as an anchor holding you back. While their replacement with new technology-generated applications will take time and cost a fair amount, it should be started and replaced over time. This is the missing link in many digital transformation efforts, where improvement is confused with fundamental rethinking – transformation.

What can we expect this year?

According to the “Inc.” online journal, in 2021 we can expect:

- A continued expansion of remote working and videoconferencing.
- Contactless delivery and shipping remain as the new normal.
- Telehealth and telemedicine will flourish.
- Online education and e-learning is growing and essential part of the educational system.
- Increased development of 5G infrastructure, new applications, and utilities.

- A.I., robotics, Internet of Things (IoT), and all forms of automation will grow rapidly as Virtual Reality (VR) and Augmented Reality (AR) technology usage rises.
- Ongoing autonomous driving innovation and new ecosystems and business models around it.
- And a scrambling from the more forward-looking companies to rebuild change capabilities and to leverage hyper automation to gain market share

In addition, our research indicates that:

- [Disruption](#) will become normal and companies that control their ability to respond will have an advantage.
- [Business paradigms](#), defining the vision of the company, are changing and segmenting businesses in an industry by their future operations and market goals.
- New business and operating models are changing rapidly. Hyper automation and emerging technologies are changing what we do, when we do it, how we do it and why we do it. This evolution in how businesses operate is redefining what can be done and its impact on the company.

Essential aspects of the changes in the next 12 months

The opportunities are there, and they impact every aspect of our companies. Turn loose really creative people and let them experiment and innovate. The potential for new products, services and customer experiences will combine in new ways to leverage the emerging technology – with staggering capabilities. But are you ready? To take advantage of the new technologies, the right people in the company must be aware of the new capabilities and they must understand what they really do and their potential. Then they can ideate and can transform the business constantly as new capabilities allow. But to do this both business and IT managers and staff will still need training in how to transform vision & strategy, target operating models, new adaptive organization structures and processes to put their ideas into practice. In many ways, training and human capability building is the most important part of this move forward. Creating these human capabilities is the focus of the company I manage, [MyCareerTransformation](#) and the professional courses we offer.

Knowing how to figure out what to do and having the knowledge to succeed in doing it are critical needs. So is understanding how to operationalize, build, and deliver what you have innovated. But, building the right capabilities and services and producing relevant products that can be purchased through comfortable interactions is where everything that has been done will be proven right or wrong.

Much of the foundation that is enabling the hyper automation era is available and where technology is going to take any company depends on vision and creativity. But it must be remembered that we are in a new era of change – one where the old must give way to the new.

Here technology modernization is a goal of digital transformation, but it is not a static target as it was in the past. This goal today means having a formal target technical and capability architecture in IT that is aligned to strategy and Business Transformation and able to flex quickly as hyper automation and new technologies become available. This interdependent relationship ties all parts of the business together and relies on a close collaborative relationship between IT and business operations.

The capabilities in rapid application development and in supporting business change as companies innovate, playing leap frog with one another on offerings, and customer interaction will be something to watch.

An example of this leap frog adoption of someone else's innovation proves this point. A few years ago, if you had an automobile accident you had to call your agent, who called a field rep, who then checked out the accident report, called the repair shop and submitted an estimate to the regional office. After a few days, you finally got a follow up call with instructions on how to file a claim. Today, you take a picture with your cell phone and text or email it to the insurance company who then deals directly with the repair shop. As soon as one insurance company had this, everyone had to jump on the wagon and this simpler and better customer experience capability became ubiquitous.

Was moving to integrate this capability optional? No. It defined a new level of differentiation that others had to quickly replicate or become obsolete. And this will happen again and again in the future. The important point is not the technology or even the innovation. It is the ability to adopt and very quickly adapt, turning out a solution that is customized to your company and hopefully contains additional creative innovation to differentiate your offering. The ability to do that is what will make a difference. And not just once. This level of innovation raises the bar and redefines differentiation. It will continue to happen faster and faster. The human capabilities to do this are just now being defined, and they go beyond the traditional term of 'innovation'.

Advances like this are happening every day. Almost anything you can reasonably think of is either available, becoming available or in research – along with technology you or I cannot even dream of. The fact is that the speed of change just took a quantum leap. Are you ready to deal with this level of change and re-imagine everything?

While this is all important, the final straw that mandates that companies do something to transform is that the rate of technology advancement has been described as being almost exponential. Technology advancement is building on other recent advancements almost as soon as they are announced. Nothing is now new for very long and the latest cutting-edge technology will become normal in a short time.

The only missing piece right now is a tool that reads legacy code, deletes the bypassed code, and generates new BPMS applications. Whoever solves that one will be a rich person. It wouldn't be a surprise if someone were working on that right now.

But what does this all mean to Business Transformation?

The first thing it means is that companies will need to rethink what they do and how they do it, leveraging a new group, probably in IT, that will just keep track of the technology changes that are maturing or coming online. These technology researchers will be a critical part of any Business Transformation because they will be the advisors on what technology is possible and how it can be used. These people will work with the innovators who are both visionary and very creative. They will have the most fun of anyone in any company because they get to consider every crazy and wild idea and kick it around in their groups. What will not work today may work tomorrow and it may change everything. Just look at Uber and the many companies that started in someone's apartment, basement, or garage. In Uber's case it totally changed taxi and delivery services. But now Uber will need to adjust like everyone else when autonomous automobiles and trucks are perfected in the next year or two. The lesson is that even innovation is not innovative for long and it will need to evolve as new technologies change the art of the possible.

Assuming companies allow the experimentation that will be needed to form new product and operation vision, they will have to define a future that this is a target, not a destination. Why, because it will never be reached – everything will keep changing and any target will evolve. The projects needed to move transformation along will be evolutions – and the solutions temporary. Serious change will be constant or you will fall behind and as with all laggards, wither on the business vine.

Customers

This type of constant [digital disruption](#) in our companies as hyper automation delivers new wonders, will require a new way to look at business and technology evolution – this is a continuous rethinking of the company. Here transformation becomes continuous as new ways to look at business operations and customers becomes a constant need.

As Business Transformation becomes continuous it will need to be looked at differently. It is no longer a one-time effort and it will no longer be used on components of business operations. Because different business units are almost all really interrelated; the operations will need to be considered at a broader level: groups of related business units that perform discrete business actions that join to form business capabilities. These will fit together like pieces in a puzzle. Because the connections of each piece of the operation to all others are discrete, the evolution can affect any capability with an easily identifiable ripple to upstream for new needed data or downstream to what is being provided over those connections.

By focusing on capabilities, business redesign will now have a new flexibility as companies try to keep up with one another's innovations. The first things that will need to be put in place are:

- A new understanding of the implications of hyper automation – what is evolving, what is coming and what is early stage on the horizon – and how that may be used.

- A group that understands how to go about transforming the business – a Business Transformation Center of Excellence.
- A group that keeps track of emerging technology and what the competition is doing with it.
- The adoption of a rapid change capability that allows the fabric of organizations to adapt to change and disruption.
- Reskilling everyone who will be involved with transformation – adjusting to the new transformation approaches and techniques.
- Innovation encouragement – sharing what is being learned about advanced technologies.

The mythical new normal

There will never again, at least not in the foreseeable future, be a new normal. Why? Once COVID-19 has run its course, the old “normal” will be gone. We will not be able to go back – even if we want to. The changes have become part of a new quasi technical way of life. But now we have to add hyper automation and technology innovation. It seems that if you can envision some technology or application, someone is building it. And the changes are not small. If Elon Musk succeeds in delivering a new approach to communication and obsoletes the way the internet works today, the world will change. No one knows were AI, robotics and cognitive computing will take us. What will happen when holographic technologies are mixed with virtual reality? We have seen advanced technologies slowly being introduced everywhere – including retail where you can be scanned at home to get a perfect fit on clothing or in healthcare with holographic imaging and robotic surgeons.

The fact is that new ideas and new technology are being released in a constant stream of new products and services. In fact, we are now seeing a blending of product and services that will define a new category of innovations and customer solutions that are only now being developed. And as soon as a new technology is released, someone starts to use it to build other innovative technology. That is why the most important part of transformation today is building for very rapid change – business, automation, new technologies and innovation from customers and competition. I believe that any company that can constantly monitor the tech world, feed information to innovators who will look at beating the competition and then build and deploy the changes, will have a competitive advantage. But this requires a change in mindset from the past where the focus was on saving small amounts of money – hoping they would add up to something big.

If we want to declare a new normal, I believe it will be this ability to change quickly – recognizing that we now live in a very fluid society and market.

Measuring success

So, how can any company succeed?

History with the Fortune 500 companies gives significant insight. Of the Fortune [500 companies in 1955, only 51 were still in business in 2020.](#)

So, past success does not guarantee future success. And, we know of many companies that did not adapt and lost. But adapting alone is not really enough – it just makes you a follower, not a leader. Innovation and operational excellence make companies stand out. However, success cannot be determined by temporary gains or by opinion.

Success can only be achieved when what is done can be measured against formally defined and agreed upon targets. But before you can begin to measure the success of any Business Transformation program – especially one that is designed to support continuous hyper automation-driven Business Transformation, you must put the foundation for the program in place. These foundation activities include the following (note: only the major foundation activities are listed):

- Adopt a policy of continuous Business Transformation (technology and business operations).
- Modify the strategic vision for the company to include preparing for and changing, based on appropriate emerging technologies.
- Define a future state operating model and operating direction for the company.
- Determine the timeline for evolving to the future state operating vision.
- Determine the first version of an evolution budget over the strategy's timeline.
- Define current and future business and automation capabilities at each milestone in the evolution plan – and what benefit delivering each capability will bring – you can now measure incremental success and final delivery of success.
- Design the business operating model, with IT support, at each milestone in the evolution and build the changes – check against emerging technology to determine the viability and appropriateness of the design – or improve as needed using new technology capabilities.
- Now optimize – the workflows will have been modeled but not optimized and application support will now need to align to the business operation and hitting what are believed to be optimal goals.

Then comes heart and commitment

The simple truth is that you should never expect to deliver any envisioned future state model. As noted, the reason is that the technology capabilities will change long before any multiyear change is deployed. That is why it is necessary to review the direction, design and plan every six months to see if new technology will provide new opportunities for innovations and, if appropriate, adjust the end state vision, strategy, goals and transformation designs and projects. This is a very different approach than we dealt with in the past where the operation was “frozen” while the change was built and deployed.

If you don't have this flexibility, I recommend that you build it – NOW. Every aspect of a business will flex during transformations. Poorly managed changes will be highly disruptive.

Transformation that is approached as in the past will continue to have a high failure rate. New flexibility supported by new methods, approaches and techniques are needed. For most companies, this will require a rethinking of transformation based on an approach to evolution that allows a constantly shifting end target as hyper automation and emerging technologies support additional fundamental change to the company, its operation and its IT support.

Building this capability is a foundation element to future success. New times, new technology and new concepts require new approaches and innovative ways to deal with foreseeable issues.

And innovation will be critical. But some things will work and be successful and some will not. Innovation requires experimentation and controlled risk. For many companies that are risk averse, this will require a new way to look at the business operation. It requires a culture where people can try something new and fail – learning from the failures. The key here is the executive ability to determine what will potentially provide a high return and then control the evaluation process – while checking marketability and potential development and marketing costs.

But, here again the final measurement is hitting financial goals and creating a sustainable product and operation – one that will change as new technologies allow.

Summary

The purpose of this overview is to get readers thinking and talking. This is the first in a series of articles that will look at different points that business and technical professionals will need to consider. I hope that this did in fact cause you to think about the future. Too often we all get lost in the crisis of the minute and fail to look at what is important for the longevity of our organizations. Let me know what you are thinking about and if you want to talk – agree or disagree, I am always open to sharing and mutual learning through different experiences and perspectives.

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MCT is a Business Transformation training and consulting firm that provides experience-based training in Business Transformation, Process Transformation, Business Architecture,

Transformation and Leadership along with expert level Business Transformation consulting services. MCT offers multiple free courses, a library of papers, articles and blogs we have written, and a variety of advanced techniques and concepts in our all online practical “how to” courses written by industry experts. We have recognized the evolution that is happening with hyper automation, and we have adjusted our time-proven methods and techniques to ensure success. Our all online training reflects these changes to prepare companies and Business Transformation professionals for the changes that are just starting.

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