

WHITE PAPER

Business Process Services: A Value-Based Approach to Process Improvement and Delivery

In this white paper, we examine how your business can be improved through business process services. Business models are no longer static. With ever changing technology, regulation and capital, it's important for companies to remain responsive to market needs.

Many organizations are asking, "If I want to make an effort to improve my business processes, where do I start?" And, "What are the steps I need to take to design new processes?"

We share in this paper a proven approach to process improvement, what to look for in a BPS provider, key success factors for success and real-life case studies of BPS at work across various industries. Through effective business process improvement, organizations can drive their competitiveness in an increasingly competitive world.

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A model for process improvement

The prospect of improving your business processes can be daunting. Often it's unclear which business areas should be targeted for improvements. In this paper, we share a proven approach for evaluating and implementing business process improvement and provide case studies demonstrating its success.

STAGE 1: VISION

Any process change program should align to your business strategy. It should take into account your future direction, define the business benefits to be achieved and identify how those benefits will be measured. Your current business process strategy needs to be assessed, and then a program needs to be designed to transform it to achieve your desired business outcomes. In addition, the process change program should cover not just immediate business process changes but also the wider cultural and organizational risks and impacts that any change management activities generate.

STAGE 2: SHAPE

You need proven business tools, models and methodologies to effect business change. You also need to ensure that the scope and speed of change is appropriate for all impacted business groups and stakeholders. A detailed program plan is required to clearly define the process change activities, dependencies and required resources. A governance model should also be implemented to provide a single point of control for the delivery of all activities, whether undertaken by your BPS provider or your own staff.

STAGE 3: CHANGE AND IMPLEMENT

During implementation of the process change program, the right resources need to be deployed and managed. Activity milestones also need to be reported and the benefits achieved at each key milestone need to be measured. There are risks with any change management program, and you need a methodology that includes rigorous processes to manage and minimize risks. An effective governance model will ensure that mitigating decisions are made at the right level of authority and, where necessary, the program is modified to accommodate change while ensuring that the desired business outcomes are achieved.

STAGE 4: DELIVER AND SUSTAIN

In the context of business process outsourcing, your BPS provider should assume responsibility for the ongoing delivery of new processes. The provider should regularly review its delivery against the agreed upon vision and measures of success. It should implement remedial activities as needed and support the new processes through the length of the outsourcing contract.

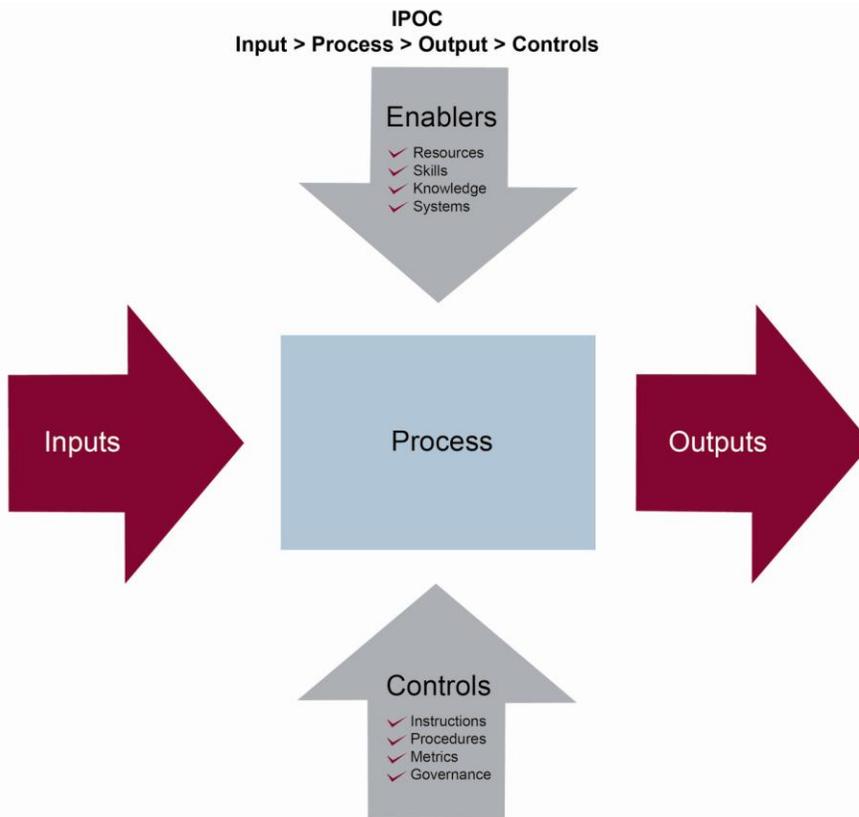
Benefits of BPS process improvement

- Lower operational costs
- Access key skills and technology
- Achieve higher service levels
- Focus on core business activities

Improving your business processes

Most business processes can be assessed for improvement using the IPOC approach, which is an acronym for input, process, output and control. IPOC provides a template for properly defining a business process before it's assessed, mapped and improved.

It's important to develop a high-level of understanding of the scope of your process first. IPOC helps to define process boundaries. It provides a structured way to discuss the process and agree on what it involves before further developing it in detail.



As part of the IPOC approach, it's essential to capture the flow of activities within a process. These activities make up what is termed the workflow. Designing an effective workflow streamlines the process, drives efficiency, and avoids gaps and duplication of effort. The workflow is likely to be built into the main business application on which the process operates or can be a middleware application that sits on top of the main business application. The workflow also can be used for allocating tasks to members of the business process operations team and for operational reporting.

Outsourcing and business process improvement

In today's economy, most enterprises are facing ever-increasing demands on time and resources. More and more businesses are looking to compete based on their core processes—processes that drive new products, enhance customer loyalty, manage volatile markets, address environmental issues and optimize global reach.

Case study

Early in 2009, CGI started a collections program for a client in the electronics manufacturing industry, managing 25 percent of the client's collections function as a business process service.

As part of the program, we built a B2C and B2B contact center that covered debtor analysis, collections, audit and recovery. It was deployed on our proprietary Collections 360 solution, which provides fully automated predictive analytics, work queuing, performance dashboards, and compliance assurance.

Within six months, we delivered an innovative workflow application that enabled the contact center to become paperless. This interface to the Collections 360 platform, called One Source, provides agents with the ability to enter real time, relevant information at the agent, management, and site levels, and supports all client required reporting and call details. In addition, it provides full compliance information and records.

After just two years, based on the performance of the pilot and our revenue collection success, we began managing 100 percent of the client's end-to-end collections process. Our service is delivered by our business process service team in two of our contact centers in the U.S. and our global delivery center in Manila, Philippines.

These same businesses see their non-core processes, such as customer service and billing, human resources, and payroll and accounting as less of a differentiator. Of course, they need these processes to run efficiently, but are willing to have them delivered by an outsourcer.

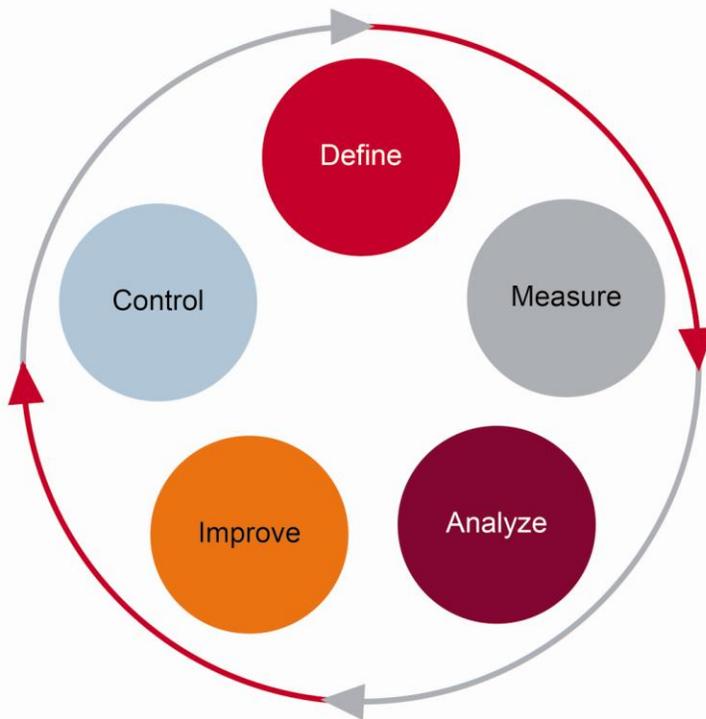
They do this because outsourcing businesses, like CGI, have invested in developing standard processes based on best practices, together with supporting technologies. Outsourcers build non-core processes on modular, reusable components to drive reliability and efficiency. These components are then configured to the extent necessary to meet the individual needs of each client.

They also have the ability to spot new trends in the marketplace, and thus create new processes that provide clients with greater competitive advantage.

Process improvements should not stop once implemented. Throughout the life of an outsourcing contract, your provider should continue to deliver process improvements, using approaches such as Six Sigma to identify improvements that will carry the most value. It should promote collaboration among teams, internally and externally, to innovate and deliver process improvements through the length of the contract.

Important steps behind the Six Sigma approach (see figure below) include defining, measuring, analyzing, improving and controlling processes. Using Six Sigma values for manual processes often means eliminating time-consuming waste by altering or automating these processes and procedures.

A Six Sigma Approach to Process Improvements



Case study

As a BPS outsourcer, CGI relies on the Six Sigma approach and advanced technology to deliver business process improvements to a wide range of clients. A recent example is our work within the European banking industry.

Complying with SEPA (Single European Payments Area) is one of the top priorities for the majority of our finance clients in Europe. We contributed to the development of the rules for SEPA, have provided insight into our clients' local issues and have focused on defining the right SEPA solutions for our clients.

One of our clients, the Royal Bank of Scotland (RBS), chose us to deliver a "one-stop-shop" for its SEPA migration. Our solution provides RBS corporate customers with a rapid SEPA compliance option that does not jeopardize or interfere with their current operations.

With this conversion solution, payments and collections will be converted into the format required for SEPA before the February 1, 2014 deadline—seamlessly, efficiently and cost-effectively. It's an example of what the expertise and capabilities of an experienced BPS provider can deliver when it comes to strategic business process improvement.

Key enablers of a successful business process service

In this section we explore four key success factors for effective business process services.

HARNESSING SOFTWARE IP

An effective business process service depends not only on the right improvement roadmap, tools, and methodologies, but also the right supporting solution. Leading BPS outsourcers are able to deliver proven IP solutions that support and drive the performance of new business processes.

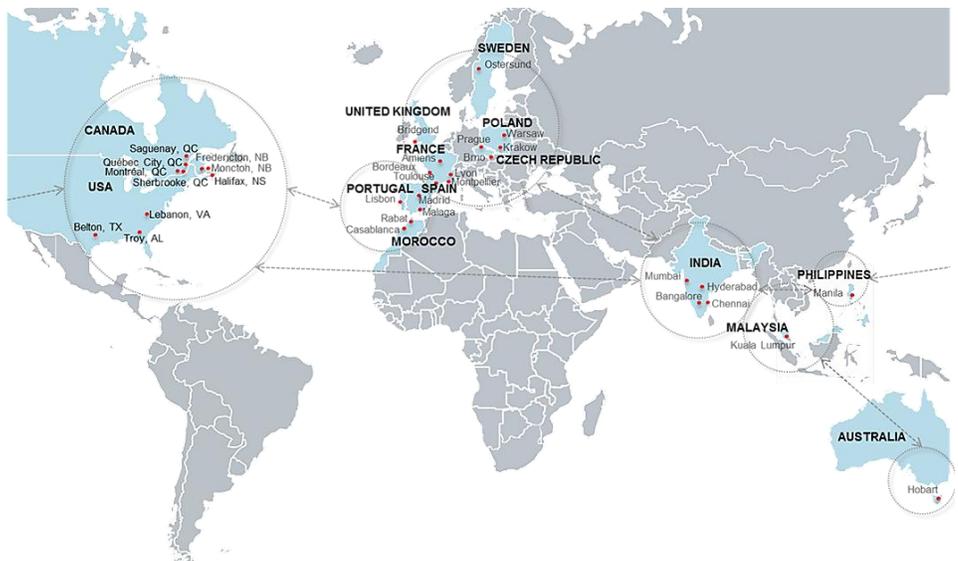
INTEGRATING INNOVATIVE TECHNOLOGY

Today's organizations are looking for business process solutions that enable them to think bigger, work smarter and perform better. The business environment has evolved rapidly in the last five years. New and innovative technologies in the areas of mobility, security, big data, cloud computing, business Intelligence and social media must be taken into account in developing and implementing business process improvements.

LEVERAGING GLOBAL DELIVERY

To achieve the benefits of globalization and economies of scale, successful business process improvement requires the support of a global delivery model through which the BPS provider is able to provide local expertise, responsiveness and accountability backed by the capabilities of a global team experienced in managing business processes on a global scale.

CGI's global delivery centers



Case study

An example of process improvement within the oil and gas sector—a truly global business—is the help desk support CGI is providing to Statoil's 20,000 employees in 40 countries.

Statoil was using several complex help desks for different business process functions and wanted to move to a single, unified service desk. It was a great opportunity for CGI to show how our investment in help desk process improvements could drive efficiencies and cost savings for Statoil. We centralized Statoil's first-line customer contact units into one multifunctional contact service. This process is now delivered from two global contact centers, supporting multiple client centers across the globe and multiple time zones.

The investment has paid off, delivering the expected benefits including the following:

Improved service quality: Statoil employees, wherever they are in the world, receive a standard, consistent, high-quality level of service under a global operating model.

Cost reduction: CGI provided viable calculations that reflected a quantitative financial improvement.

Continuous process improvement: CGI built and runs a continuous business service improvement cycle.

Together with Statoil, we have developed a modern, flexible, high-quality service.

STRONG GOVERNANCE AND CLIENT PARTNERSHIP ETHOS

The success of a BPS contract depends on the ability to meet the financial, process improvement and service objectives of the initial vision, while adapting jointly with the client to ongoing changes in the business environment.

A BPS provider should work together, side-by-side, with the client in pursuit of a common goal. It should foster an open and innovative relationship built on the client’s trust.

In working with clients, CGI relies on a management foundation that provides a solid structure for building and maintaining a strong client relationship while delivering high-quality services.

CGI Management Foundation

ISO 9001 CERTIFIED OPERATIONS	CGI Constitution Dream Mission Vision Values				Code of Ethics	Human Resources Policies	Financial Policies	Security Policy	Quality Policy
	Strategic Directions and Plans			Governance		Organizational Model and Adjustments		Management Frameworks	
	Business Unit Processes					Corporate Processes			
	Business Development	Assignment and Recruitment	Engagement Health Check	Managing for Excellence	Business Unit Performance Review	Global Marketing and Business Development Performance	Innovation, IP and Efficiency Investments	Financial Management	
	Client Partnership Management Framework					Member Partnership Management Framework		Shareholder Partnership Management Framework	
	Proposal	Contract	Governance and Management Plan	Delivery	Closing				
	Technology Management	Application Management	Consulting, System Integration and Development	Business Process Management		<ul style="list-style-type: none"> Integration Team meetings Performance management & career planning Leadership Institute 		<ul style="list-style-type: none"> Relationship management Disclosure guidelines Communications 	
	Client Satisfaction Assessment Program					Member Satisfaction Assessment Program		Shareholder Satisfaction Assessment Program	

ABOUT CGI

With 69,000 professionals operating in 400 offices and 40 countries, CGI fosters local accountability for client success while bringing global delivery capabilities to clients’ front doors. Founded in 1976, CGI applies a disciplined delivery approach that has achieved an industry-leading track record of on-time, on-budget projects. Our high-quality business consulting, systems integration and outsourcing services help clients leverage current investments while adopting new technology and business strategies that achieve top and bottom line results. As a demonstration of our commitment, our average client satisfaction score for the past 10 years has measured consistently higher than 9 out of 10.

Conclusion

Effective business processes are at the heart of a successful enterprise. In this white paper, we have set out an approach for evaluating and optimizing your business processes.

For those enterprises who want to benefit from having business processes performed for them by an outsourcer, we have set out some of the key criteria for a shaping and delivering a business process service and illustrated these with a number of real life examples.

These services typically increase the efficiency and effectiveness of your processes, lowering operational costs and enabling you to access key skills and technologies. This all adds up to a high performing service that delivers consistent results, enabling you to focus on your core business.

To discuss in more detail the topics addressed in this white paper, please contact CGI's global BPS group at info@cgi.com.

CGI's BPS offerings

CUSTOMER SERVICE AND BILLING SERVICES

We support our clients' core business by interacting directly on their behalf with customers and other parties and driving efficiencies and accuracy in billing. Our customer service and billing expertise drives revenue, reduces operational costs and improves end-customer satisfaction.

PAYMENT SERVICES

We manage card payments, process B2B and government-to-citizen payments, and provide operational support to banks. We also offer full analytical services, including fraud management and auditing. We deliver secure, accurate and compliant payments, reducing operational costs and improving your end-customer satisfaction

ENTERPRISE SERVICES

We support our clients' non-core enterprise processes, such as HR and payroll, finance and accounting, procurement, and project support and staffing. We process transactions, operate contact centers, manage suppliers and contracts, as well as provide auditing and reporting.

COLLECTION SERVICES

We assist our clients in improving their cash flow and reduce revenue leakage. Our services include debtor analysis, collections, audit, and recovery.

LOGISTICS AND ENGINEERING SERVICES

We assist our clients in improving their asset availability and reduce engineering, maintenance and distribution costs. Our services include program management, engineering design, procurement, assembly, testing, logistics, warehousing, maintenance and training. We also manage suppliers on your behalf.

DOCUMENT AND DATA SERVICES

We provide document services capabilities such as printing, scanning, and data services on a stand-alone basis. We also combine these into innovative end-to-end business process services such as Cloud based content management.