



ADVANCED ANALYTICS AND THE DIGITAL TRANSFORMATION OF ESM

WHAT'S NEXT?

KEY QUESTIONS:

P3

How can companies leverage digital transformation to enhance their customers' experience and achieve new levels of productivity?

P5

Which solutions will have the greatest impact in providing actionable, real-time intelligence?

P6

How can companies take full advantage of new technologies, big data and analytics today?

IFS WHITE PAPER

Tom Devroy, Senior Product Evangelist, Enterprise Service Management, IFS, September 2016



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ADVANCED ANALYTICS AND THE DIGITAL TRANSFORMATION OF ENTERPRISE SERVICE MANAGEMENT

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The move to data-driven intelligence is driving exceptional growth in big data/analytics, a technology that represents an opportunity for IT and business leaders to harness game-changing power in the quest for digital transformation.¹

“Digital transformation is not just a technology trend; it is at the center of business strategies across all markets and segments,” says Jason Anderson in a recent IDC report . Enabled by the four technological pillars of social, mobile, cloud, and big data/analytics, the digital transformation represents an opportunity for companies to redefine their customers’ experience and achieve new levels of enterprise productivity.²

The market is projected to exceed \$500 billion by the end of the decade, according to Wikibon. Not surprisingly, an Accenture/GE study showed that 87 percent of enterprises believed that big data/analytics would change the competitive landscape of their industries within three years, and 89 percent believed that companies failing to adopt a big data/analytics strategy imminently risked losing market share and momentum. Seventy-three percent of companies are already investing more than 20 percent of their total IT budget on big data/analytics, while more than two in ten are investing more than 30 percent. These spending levels are expected to increase.³



Executives are being driven to implement big data/analytics strategies through pressure from customers, competitors, and employees (i.e., internal stakeholders) that collectively drive greater demand for data capture, management, and analytical software. Customers expect companies to

IDC SAYS:

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ACCENTURE/GE STUDY SHOWS:



87% of enterprises believed that big data/analytics would change the competitive landscape of their industries within 3 years

The solution with the greatest impact for decision makers will be real-time, actionable intelligence



¹ Jason Anderson, "IDC at a Glance: Digital Transformation—A Big Data and Analytics Perspective," IDC, February 2016.

² Ibid, IDC.

³ "Industrial Internet Insights Report for 2015," GE and Accenture, 2014.

have detailed granular information at their fingertips; the competitive landscape is driving innovation through new competition and faster time-to-innovation enabled through data-driven insight; employees are asking for the ability to collaborate with co-workers that meets or exceeds the ability they have to collaborate with their friends—and to leverage that collaboration for business decision-making.⁴ Those solutions having the greatest impact in meeting these demands will be the ones providing real-time, actionable intelligence.

HOW ADVANCED ANALYTICS TRANSFORMS ENTERPRISE SERVICE MANAGEMENT

Digital transformation is transforming the service sector, moving it from the periphery of enterprise operations (i.e., a necessary cost of doing business) to an increasingly pivotal role as a profit center, revenue stream, and competitive differentiator in terms of customer satisfaction. The combination of technological innovation with the prevalence of economic uncertainty has transformed the environment for service management from one that was fragmented and reactive to one marked by increasing speed and agility, greater integration and more transparency all the way to the end user. What's more, this shift is necessary to better meet rising customer demands.

Data is the driving force on the front end of the service process and represents a new opportunity and challenge for field service organizations. The sheer volume of data generated demands that data impacting operational performance and value of service be identified and focused on; that is a challenge. Another challenge is finding people who can work with analytics; while this problem has been widely detailed, the issue diminishes as software providers develop solutions that make analytics accessible to business users without the intervention of IT personnel or data scientists. Moreover, as service organizations have moved from being a cost of business to a profit center, it has become less problematic for them to see and quantify the benefits of analytics. As such, the use of big data/analytics is rapidly maturing in the sector.

Consider the development of the use of GPS data as an example of maturation. When GPS came to the fore several years back, there were questions about privacy concerns and the legality of tracking employees. These concerns were resolved by adapting the technology to address them, and by clearly stating the business cases for GPS.

Today's GPS solutions

- Only track the GPS positions of locations while employees are on-shift.
- Allow for configuration by region or legal entity. (In multi-national companies, what is legal in one country may not be in another.)

Customer demands are rising the service sector.



DATA CHALLENGES:

- The sheer volume of data impacting operational performance
- Finding people with the right skills to work with analytics



⁴The MIT Center for Digital Business and Capgemini Consulting, "Digital Transformation: A Roadmap for Billion-Dollar Organizations," 2011

- Have clearly defined business benefits for the data being tracked. Today’s GPS uses ongoing, on-shift location to optimize scheduling. They use it to ensure safety, going beyond longitude and latitude to verticality, even to acceleration and deceleration, leveraged in greater depth for new purposes. It is also used to verify accuracy (e.g., was a technician onsite at the time indicated).

GPS is just a small example. The business world contains an incredibly vast amount of digital information that proliferates daily at incredible speed. (Think social media and machine information driven by onboard sensors.) This data can be leveraged to provide new insight and do things heretofore only imagined, provided an organization has tools to capture, process and share all this information.

Service organizations are increasingly seeing the benefits of visualizing data as a means of making it accessible “on the ground floor” as well as in other parts of the organization. It helps provide better service, predicts failures at customer sites, and enables optimization of the workforce and scheduling.

How data is leveraged to provide insight and act upon:

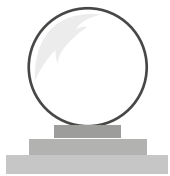


BENEFITS OF VISUALIZING DATA:

- Easy accessible
- Better service
- Predicts failures
- Enables optimization of the workforce and scheduling

TAKING STEPS TOWARDS ADVANCED ANALYTICS

Companies successfully embarking on initiatives like digital transformation and the application of analytics typically take three basic but essential steps⁵:



1. ENVISIONING WHAT THE ORGANIZATION’S DIGITAL FUTURE WILL LOOK LIKE:

This means seeing new ways that technology like analytics improve things like performance and customer satisfaction —not just trying to find an application for the technology.

Problems may come through an excessive focus on the technology per se rather than the different ways of operating that technology enables. The vision should be transformative, not incremental, to keep it from being limited. The vision should be “the what, not the how.”



2. INVESTING IN DIGITAL INITIATIVES AND SKILLSETS:

Getting to where you want to be will require investment. In many cases, a small initiative may lead to a substantially larger strategic investment—a step that only top executives can authorize. Understanding the need for investment, managing risk, and making the necessary changes to

capitalize on the investment are critical to successfully moving forward. It’s important to find the right skills to facilitate and successfully implement new tools like data analytics. Those skills may not be resident in the company. Don’t be afraid to hire new talent or turn to proven vendors to drive or manage initiatives moving the company down a data-driven path.

⁵ Ibid, MIT and Capgemini



3. ENSURING TOP-DOWN SUPPORT TO LEAD THE

TRANSFORMATION: Unless transformation initiatives have C-level endorsement—and top-down communication and corporate governance—the likelihood of success is greatly diminished. As with any change, there will be resistance

to the change the application of analytics brings. Some ways to combat this: communicate on an enterprise-wide scale as opposed to traditional hierarchical passages, and collaborate across the organization (think social media: forums, blogs, etc.) to encourage an ongoing conversation and get valuable insight about how employees feel about and are responding to the initiative.⁶

IFS Applications 9 brings a number of tools to the table to help turn change into a business advantage without complexity. For leveraging data analytics to drive operations, there is no business software solution that matches IFS Enterprise Operational Intelligence (EOI). The tool brings together solutions that visualize information to support decision-making at both strategic and tactical levels, providing insight in context when and where it is needed.

Take for example the North American service provider, Serco, Inc.⁷ Serco adopted IFS EOI as its global standard for enterprise operational intelligence. As a result, they are able to provide their customers with much higher levels of service, meeting KPIs and SLAs more effectively. What’s more, using IFS EOI has also enabled Serco to:

- Improve customer service levels
- Win new customers
- Help customers reduce service costs
- Achieve real-time access to critical business data
- Focus investments more accurately on areas that need improvement
- Easily configure software for a wide range of roles
- Increase their decision-making processes

By combining enterprise architecture, business activity monitoring, intelligent business process management, business intelligence and reporting capabilities, a platform is created that allows for an end-to-end picture that is in line with the organization’s business objectives.

Operational Intelligence focuses on a company’s business operations. While typical Business Intelligence (BI) tools display historical data to paint a clear picture of what has happened, Operational Intelligence goes beyond—by not only showing what has happened, but also analyzing why it happened and much more important, what is about to happen next.

IFS EOI:

- ... visualizes information
- ... supports decision-making on strategic and tactical levels
- ... provides insights in context when and where needed

BENEFITS FOR SERCO:

- Much higher levels of service
- Meeting KPIs and SLAs more effectively
- And more...

BUSINESS INTELLIGENCE VS. OPERATIONAL INTELLIGENCE:



⁶Ibid, MIT and Capgemini

⁷www.ifsworld.com/corp/our-customers/2016/02/01/09/11/serco/

WHAT'S NEXT?

According to IDC, “Tools to present the output of modeling are arguably one the most important elements of incorporating big data/analytics as this is where the output becomes actionable. Modeling output data, if too complex and not presented in an easy-to-understand manner, can be overwhelming and can lead to inaction, thereby defeating the underlying goal. Interactive tools that enable visual representation of modeling output data are likely to have higher success.”⁸

These tools will lead to the rise of operational intelligence, which focuses on real-time dynamics and business analytics to providing visibility and insight into data, streaming events and business operations. Operational Intelligence delivers real-time analytics for actionable decision making, through manual or automated actions.

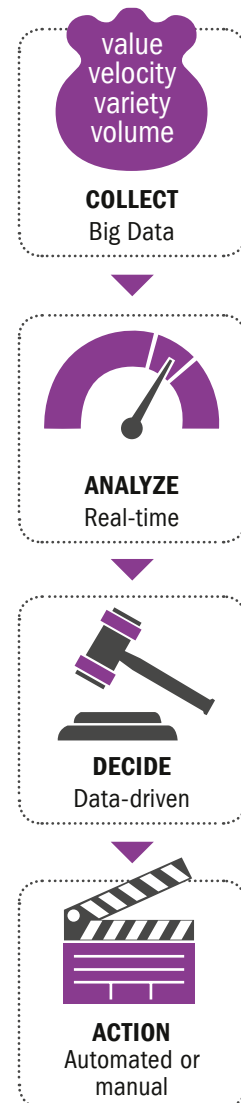
The benefits are coming, but for early adopters, they're here now as well. Big data/analytics solutions such as IFS EOI are working where service is the core business. In the case of IFS, these tools are being adopted because of the value they deliver, and the results customers appreciate, including:

- Up to 90 percent less resources are required for reporting: less administration for business and IT.
- Up to 90 percent increased agility: keeping pace with business needs as they change.
- Twenty percent greater management efficiency: better decisions made based on visible facts.
- Twenty percent increased productivity: process improvement is aligned with strategy.
- Performance, compliance and risk are balanced: integrated management delivered.⁹

For some organizations, facing these challenges may be threatening or intimidating, but for others, like Serco, it's allowed them to provide higher levels of service. In cases like theirs, they have reached out for what's next—actively seeking it and looking to shape it. They didn't just seize the opportunities available to them—they made them by actively participating in the transformation process, and that is why they believe their best days are ahead of them and that what's next is what really matters.

IDC SAYS:

“Interactive tools that enable visual representation of modeling output data are likely to have higher success.”



⁸ Ibid, IDC.

⁹ Presentation by Brendan Viggers, Product & Sales Support at IFS, “Beyond Big Data”.

ABOUT IFS

IFS is a globally recognized leader in developing and delivering enterprise software for enterprise resource planning (ERP), enterprise asset management (EAM) and enterprise service management (ESM). IFS brings customers in targeted sectors closer to their business, helps them be more agile and prepare for what's next in their industry. IFS is a public company (XSTO: IFS) founded in 1983 and currently has over 2,800 employees. IFS supports more than 1 million users worldwide from its network of local offices and through a growing ecosystem of partners.

For more information about IFS, visit IFSworld.com

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