



AUTOMATION FOR THE FUTURE

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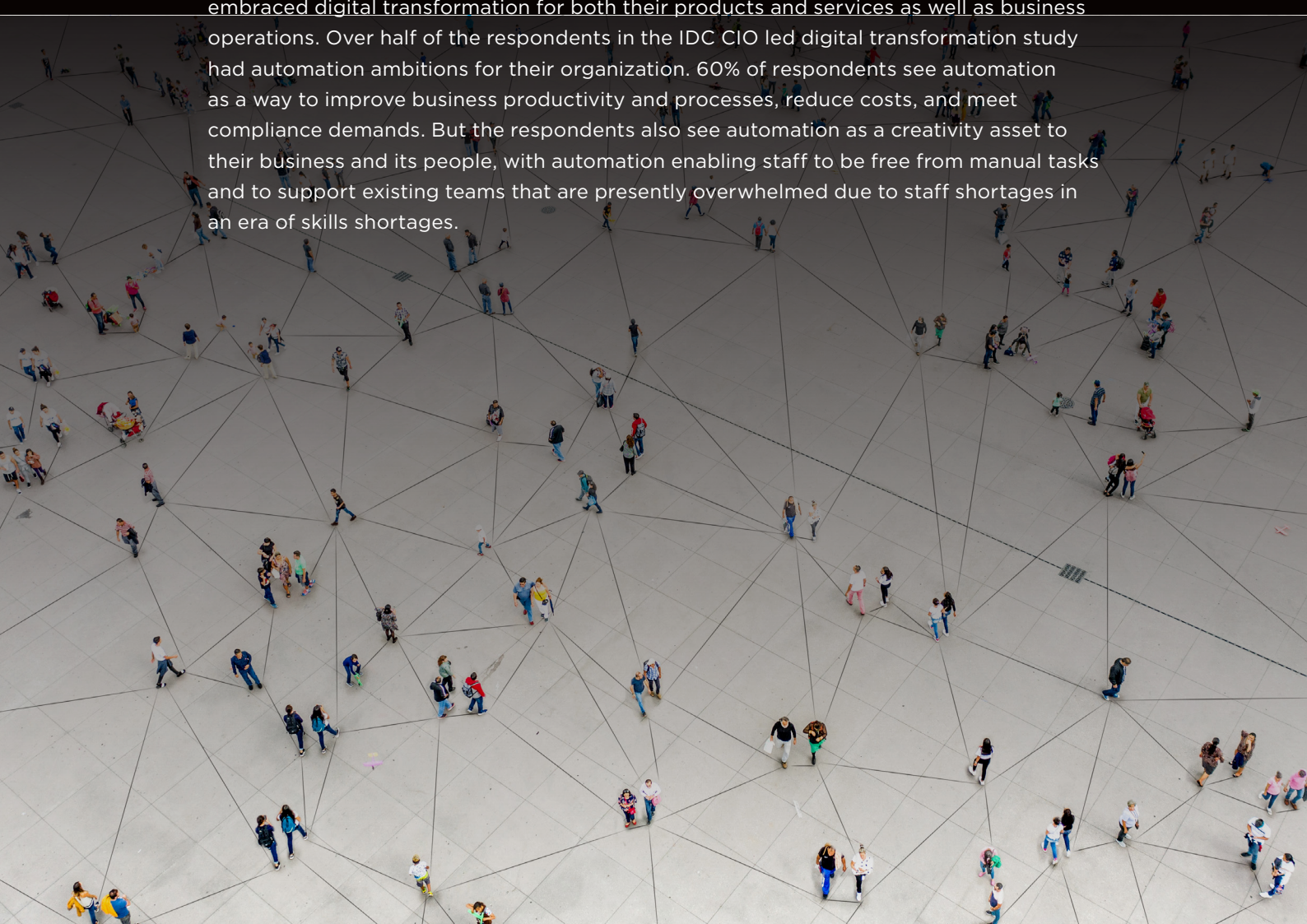
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Automation is already reshaping technology and business processes and looks set to be the challenge and opportunity for CXOs looking to truly digitally transform the enterprise.

We've been using automation in our daily lives for over a century, though you may not know it. Our homes heat water for showers or baths automatically everyday – the notion of this was first introduced into homes in the early 1900s. Since then we have been inventing new ways to automate other things to make our lives easier. The enterprise is no different, however there still exists surprisingly high levels of manual process that is holding the organization back from innovating.

“By eliminating manual effort, automation improves outcomes,” technology research analyst firm IDC recently reported in its study of CIO led digital transformation. “The highly competitive nature of the modern market, no matter the vertical market, requires CXOs to embrace technology led automation.”

Automation has become front and center in the CXO community as organizations have embraced digital transformation for both their products and services as well as business operations. Over half of the respondents in the IDC CIO led digital transformation study had automation ambitions for their organization. 60% of respondents see automation as a way to improve business productivity and processes, reduce costs, and meet compliance demands. But the respondents also see automation as a creativity asset to their business and its people, with automation enabling staff to be free from manual tasks and to support existing teams that are presently overwhelmed due to staff shortages in an era of skills shortages.



IDC said the CIOs it surveyed were looking to direct talent within the business towards higher levels of analysis, creativity and “high level problem solving”. The automation of business and technology processes will increase best practice and automate the resolution of problems in either technology or business processes. With less opportunity for human error, often created by repetition of manual processes, the CIOs believe they will improve the operational efficiency of the organization and lives of their employees.

Automation is already being deployed, according to IDC, with 38% of surveyed organizations automating the configuration and management of their technology infrastructure. Over a quarter of the CIOs surveyed were also using automation for client computer management, application workload management and help desk services. Over 30% of organizations had used automation to modernize their business processes, with procurement, customer relationship management, human resources and operations partly self managed by technology. Finance teams, one of the last areas of the enterprise to be truly digitized, is fast catching up with 29% of CIOs reporting the use of automation.

Benefits are already being reported, 28% of CIOs are seeing cost efficiencies and productivity improvements (27%) and

interestingly 19% state that employee retention has improved and the agility of the organization has improved for 20%. Nino Messaoud, Chief Digital Officer (CDO) for the Barry Wehmiller Engineering Company agrees with the IDC findings. “We used our customers to talk about business problems,” he says of how digital transformation and the automation opportunities is changing the mindset of global business.

Speaking at the same CIO network forum as Messaoud, Miguel Teixeira, Head of Information Systems & Technologies & Digital Manufacturing at Renault adds: “We can use digital to cut costs and improve business processes. Digital is a pillar for business outcomes.” Across the CXO world automation is widely seen how organizations can digitally transform their organizations.

“The shift to digital is a shift to an outcomes focus,” said Gunther Ghijssels, CDO and CIO for recruitment firm Randstad in Belgium. IDC agrees with Ghijssels: “Only by automating operations can you really build platforms that bring agility at the pace of digital demands. Taking a structured approach that deploys cloud and automation to develop your digital transformation platform should help you establish a rock solid digital foundation.”



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Customer Driven

“One third of enterprises have deployed automation to help manage customer relationships,” one IDC study found. This and other research report that customer demand for even more digital services is fueling the need for automation.

“We need to onboard customers faster and we need to give them visibility to every SKU faster,” says Rui Pedro Silva, Director of Technology Strategy at global shipping giant AP Moller Maersk. MIT professor Nils Fonstad, speaking to CIO Net CIO of the Year Silva agreed and added: “The way to ROI is changing and there is a sequence CXOs have to go through with stakeholders to learn what the customer and end user wants.” But Fonstad believes that automation and digital transformation enable the CXO to develop a richer understanding and engagement with the customer.



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Explaining Impact

Automation technologies, especially robotic process automation (RPA) have caused major concern amongst society, with fear of mass unemployment as robots take over our jobs. That fear will be stalking the corridors of every CXOs organization and poses the risk that the most talented members of the team will become demotivated, less productive and possibly leave the business. Therefore it is vital that CXOs explain that automation is beneficial and will improve the careers and work life balance of team members - not hinder it.

“The important thing is how you break it down to the levels of the business that you are working with because what drives the CEO is not the same as a warehouse operative for example,” said Silva of Maersk. He said it is vital to create strategies that get people involved.

“It makes no sense that you develop a strategy that doesn’t consider the people that have to live with that strategy,” said Messaoud. “The personal benefit for them is that you are making their lives easier, offering new skills and giving them a horizon and you then have to align that with the executive’s needs.

“Start with the daily pain points, it’s really important not to forget the people that have to work with these ideas,” the engineering business technology leader said.

“If the board is aware of how you are handling the strategy and its communications then you will have the connection to make people aware of the goal of the transformation and the company,” said Ghijssels of Randstad.

Automation will continue to reshape organizations and therefore the livelihoods of workers. The much vaunted ledger technology Blockchain is arguably an automation platform whose transparency will remove a number of manual processes from the organization. For those sectors where there will always be significant levels of business process, Blockchain holds much promise.

“Blockchain will be a huge opportunity for the supply chain,” said Silva at Maersk. “When you think about all the nodes and suppliers in the supply chain, then the trust is so important. In these days where we want things faster, the supply chain sector needs to rely on better ways, it may be that Blockchain is the tool.”



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