# UNIT4

# In Business for You

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**A NEW DIGITAL FRONTIER**

SERVICES ORGANIZATIONS INDUSTRY FOCUS

# Contents

# A new digital frontier

## Focus on what really matters

People-centered services organizations are standing at a frontier. Before them lies the land of digital opportunity; behind them, the familiar homeland of traditional working. Between these two landscapes is a divide, and it's growing wider by the day.

In the land of digital opportunity, organizations are harnessing intelligent, automated systems to capitalize on the opportunities of the Everything as a Service (XaaS) economy. They're adapting to new trends, adopting new models and technology systems; they're winning the wars on talent, productivity and competition.

In the familiar homeland of traditional working, many businesses are still doing work the conventional, labor-intensive way, relying on legacy systems that are often not fit for purpose.

In both landscapes, time is everyone's enemy. The race is on to achieve large-scale improvements and give customers, students, citizens, or donors more for their dollar. ERP can buy time for companies and create space for people to focus on what really matters. It can help increase revenue, decrease costs and enhance customer service; improve collaboration, boost staff satisfaction and raise productivity.

At Unit4, we've specialized in software products for service organizations, where people make the difference. Our technology is central to the organizations we serve — it improves efficiency and productivity, and allows people to spend more time on meaningful work. Read on to discover the reasons why and how your organization can embrace — and benefit from — a digital future.

## So, is it time for you to change?

Office workers spend **one-third** of the working year completing administrative or repetitive tasks.

This lost productivity costs the service industry more than **$5 trillion USD** annually.

Most office workers, especially young professionals believe **new technology** would improve their productivity

**Let's look at the global trends affecting services organizations** >>>

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# How things have changed

## Services industry megatrends

The XaaS economy — a world where almost anything can be offered as a service — is influencing business models, client expectations and industry regulation. No sector has been left untouched. From consultancies to universities, charities and governments, the impact is evident.

1.  **Increased competition**
    XaaS has created a dynamic business landscape characterized by five dominating strands: subscription billing, low barriers to entry, the gig-economy, location independence and the land-and-expand concept. As a result, the appearance of new rivals has been accelerated, competition has been amplified, and disruption has become commonplace in almost every sector.

2.  **New business models**
    In this new landscape, people-centric organizations are developing new business models to survive and adapt to its changing rules and to thrive by seizing the new opportunities it creates. We're seeing remodeling of every business process including the management of sales opportunities, project delivery, workforces and finances. We're seeing more agile processes, faster delivery models, greater collaboration and more innovative service creation.

3.  **Heightened client expectations**
    Because of increased competition and contemporary business models, everyone expects better service, more personalization and more urgency. Whether an organization is focused on customers, shareholders, end-users, students, citizens or donors, there is a relentless need to improve services. Not doing so means there's a serious risk of losing the trust, support or market share on which future success depends.

4.  **Regulation at the speed of digital**
    As a result of higher expectations, regulators demand more transparency and accountability. Both in commercial industries, like financial services, and in sectors that have traditionally relied on public funds and donations (higher education, nonprofit and public services), reporting and integration requirements are becoming more complex, while regulations are being updated more often. Digitalization is needed more than ever to meet compliance demands in a simple way.

**57%**

Percentage of businesses that have already made minor or significant changes to their product/services, business and pricing models to respond to the XaaS economy[1].

[1] DJS Research (2018), Xaas business model transformation in global service industries

5.  **The battle for talent is getting harder to win**
    The XaaS economy comes prepackaged with a fluid workforce defined by the gig economy and location independence. To compete effectively for talent in this reality, service organizations need to make systems automated to not only improve productivity, but also to enhance employee engagement by matching their digital experience at work to that in their personal lives. For businesses so utterly dependent on their people, ignoring this trend could spell rapid defeat.

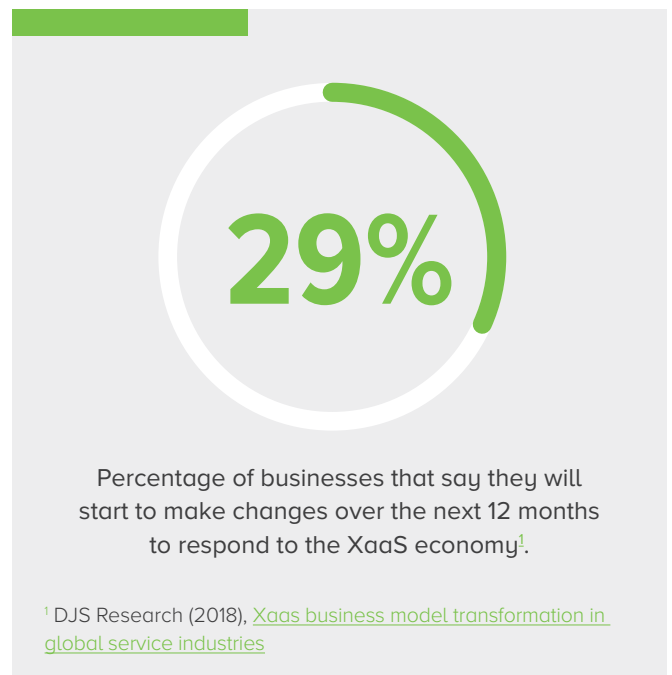6.  **People are better matched to demand**
    Successful, people-centered organizations have discovered how to optimize billable resource utilization by attaining 360-degree visibility over constantly changing data — and it's become a trend. By implementing cloud ERP they have gained panoramic visibility over every team member's skill set, experience, availability and seniority, and are then matching them to the right job at the right time to meet demand. They are achieving superior resource utilization rates, meeting heightened client expectations and reducing staff attrition.

7.  **Microservices replace megasuites**
    In the recent era of the megasuites, the trend was for seamlessly integrated, all-in-one ERP solutions so that businesses could have everything from the same provider. In the XaaS economy, customers want the flexibility to switch services on and off, or add solutions addressing specific use cases, requirements and business objectives as they change. Today's technology trend is for platforms with microservice-driven architecture, loosely coupled services, interoperability and extensibility. It's a trend that allows organizations to implement ERP throughout the enterprise, one process at a time, sometimes on a trial basis.

8.  **Automation is everywhere**
    Artificial intelligence (AI) and machine leaning (ML) are the keys to automation. They are no longer theoretical notions being developed by futurists locked away in labs somewhere, far away from the real world. We will see more and more modern, cloud ERP applications feature AI capabilities while an awe-inspiring amount of data is managed autonomously. (Which is a good thing, because more and more web-enabled devices, including our more obvious 'smart' devices, are gathering data as part of the Internet of Things). Automation is becoming faster, more capable and ever-present, while AI is already driving the design of revolutionary software experiences in both our personal and work lives.

# 29%

Percentage of businesses that say they will start to make changes over the next 12 months to respond to the XaaS economy[1].

[1] DJS Research (2018), Xaas business model transformation in global service industries

**Let's see what the analysts say about the services industry  >>>**

# The results are in

## Global industry analysis

Here's what the researchers, analysts and experts are saying about the services industry.

### Workers lose one third of time to admin

Workers lose one third of time to admin Labor productivity growth in the US and Western Europe is at "near-historic lows[2]". Lost productivity is costing the service industry more than $5 trillion a year[3], with the average worker spending one third of their working year completing administrative or repetitive tasks — time that could be better spent on their primary job duties. Yet, more than three quarters of office workers believe technology can improve their productivity, with nine out of ten workers in many countries saying they would use technology like digital assistants and software applications to manage repetitive tasks.

### Digitalization set to drive productivity

Around 60 percent of the productivity boosting opportunities over the coming decade are set to come from digital2. These include technologies that boost operational efficiency, reduce costs, streamline labor requirements and enhance innovation, as well as those that are reshaping entire business models and industries and changing barriers to entry.
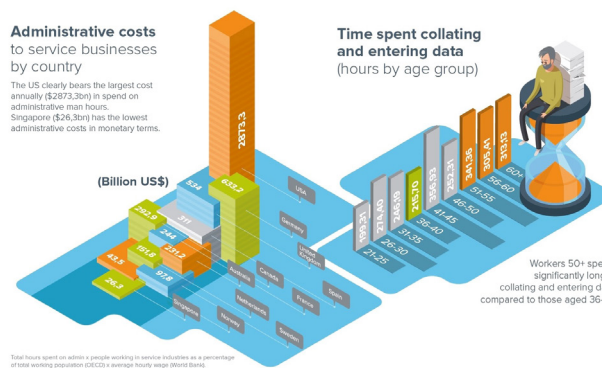
**Global productivity study:**
People spend 69 days on admin annually that could be spent on primary job duties.
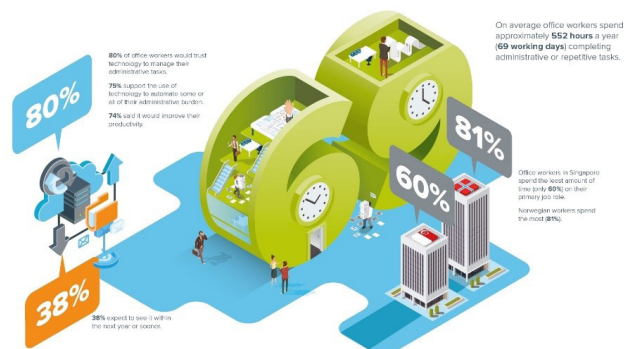


**The cost of lost productivity to the service industry**



**Get the infographic**

To see the details behind the GLOBAL PRODUCTIVITY STUDY, please click here.

[2] McKinsey Global Institute (2018), Solving the productivity puzzle

[3] DJS Research (2017), Office workers lose a third of their work time to admin

**Now let's hear from a global benchmarking study  >>>**

## XaaS, the great revenue-booster

Organizations that have made changes to their business model to adapt to the XaaS economy are reaping the benefits1. More than three quarters have increased income, customer retention, product/services standardization and personalization in marketing their services. Of the organizations that have made changes to their business model, pricing or product and service offering, two thirds have extended services beyond their core market into international markets. But there's still work to do, as around a third of those surveyed have yet to make any changes to their business model. Around half (47 percent) believe they are late to implement changes, 41 percent believe they are behind their competitors; the same proportion blame their technology infrastructure, claiming it is inadequate.

## Cloud has come of age

Almost eight out of ten (77 percent) enterprises have at least one application or a portion of their enterprise computing infrastructure in the Cloud. This number was set to grow to nine out of ten by 2019, with the rest expected to follow by 2021[4]. Enterprise organizations estimated they would invest on average $3.5 million on cloud apps, platforms, and services in 2018, with around one third of all IT budgets allocated to cloud computing.

Spending on cloud infrastructure set to grow

Spending on IT infrastructure for deployment in cloud environments was forecast to grow 11 percent to $52 billion in 2018[5]. Worldwide spending on traditional, non-cloud, IT infrastructure was expected to decline by two percent but nevertheless will account for the majority, 55 percent, of total end-user spending on IT infrastructure products.

Xaas is driving new services and new opportunities

| Extended services beyond core market | Expanded services into new international market | Increased income |
| --- | --- | --- |
| **67%** | **69%** | **83%** |

The benefits of change

**77%**
Customer retention

**75%**
Standardization of products and services

**80%**
Personalization of services

Click here for the full infographic.

[4] IDG (2018), 2018 Cloud Computing Survey
[5] IDC (2018), Spending on IT Infrastructure for Deployment in Cloud Environments

**There's a pattern — successful service businesses are responding to these changes in the same ways >>>**

# Changing it up

## Strategic responses

A pattern is emerging. In response to the trends, and to capitalize on the opportunities which the XaaS economy presents, leading service organizations are reacting in the same key ways: they're committed to digital transformation, adopting new models, reconsidering their system strategies and investing in new technology.

1. **Committed to digital transformation**
   Thriving services companies are now dedicated to initiatives which drive digital transformation. But, in the XaaS economy, it's about more than the technology. Today's challenges are to also manage cultural change and build a collaborative partnership with a technology provider that can deliver relevant recommendations, continuous training and proactive, personalized engagement.

2. **Adopting new models to thrive**
   Successful, people-centered businesses are developing new operating models in order to thrive in the XaaS economy and capitalize on the opportunities it offers. Among project-driven, professional services organizations, market leaders are focusing on their employer brand, remodeling business processes and reducing manual administration. Technology disruption is forcing higher education institutions, public services and non-profit organizations to reinvent themselves to compete for earned income, contend with non-traditional donation models and win over tech-savvy stakeholders.

3. **Revisiting system strategies**
   As organizations change, their back-office systems grow organically with them and the infrastructure becomes more complex as a result. Services businesses that are booming are doing so by revisiting their system strategies to re-evaluate their technology, the processes which technology manages and the infrastructure that underpins it. They've realized that no service-centric organization can be successful with conventional, aged systems and a dated, complex infrastructure.

4. **Investing in new technology**
   Most sub-sectors, like professional services, are investing in cloud-based applications which make full use of AI, ML and automation. In other sub-sectors, like higher education, the appetite for systems that address business-critical needs like the student experience, efficiency, mobility and self-service, is escalating.

**But there are barriers to achieving the positive outcomes from these responses >>>**

# A better way to work

## Against all odds

From global engineering firms to higher education institutions and international aid agencies to city councils, the barriers to success are becoming more numerous and impassable.

A range of external barriers are preventing service organizations from achieving their goals: changes in legislation and customer demographics; shifting economic and political landscapes; and new services from new providers with innovative business models (enabled directly by new technology or indirectly by new ways of working).

**Then there's the biggest barrier of them all... OLD TECHNOLOGY**

Legacy systems are not fit for the modern service economy. They were designed for the needs of the organizations of yesterday. As such, they create a barrier to productivity and innovation.

This situation is costing many service organizations time, money and market share. We are seeing this in organizations and institutions of all shapes and sizes, in higher education, nonprofit, professional services and public services — siloed IT and rigid processes are the biggest barrier to success in every service sector.

## But it needn't be that way

There are solutions for clearing the obstructions that outdated technology systems create. These solutions do exist, and they are already commonplace. Hundreds of forward-looking organizations are making the lives of shareholders, students, aid beneficiaries and citizens so much better. And it's done, partly, by reducing — or eradicating — low-value tasks to create space for people to do more work that really matters.

# Game-changing solutions

## Unit4 People Experience Suite

Unit4's next-generation enterprise software helps you deliver an exceptional People Experience for everyone your organization serves.

People Experience is a discipline applied to software development that prioritizes human impact — making work more productive, efficient and inspiring.

Our cloud-based enterprise software is easier to use and manage, since real people, not just tech experts, use it. You can manage projects and processes that deliver value across the service industries, quickly and flexibly, according to your specific needs.

**Unit4 People Experience Suite:**

- Unit4 Enterprise Resource Planning (ERP)
- Unit4 Human Capital Management (HCM)
- Unit4 Financial Planning & Analysis (FP&A)

## What This Means for You

You can transform work to be more meaningful through software that's self-driving and adaptive, intelligently automating administrative tasks. This elevates engagement and helps you attract and retain the best people.

But People Experience is not only about personal motivation — it's also about managers and staff working better together to improve organizational results. In all, freeing people to focus on what matters improves how work feels, and means you can better serve your people.
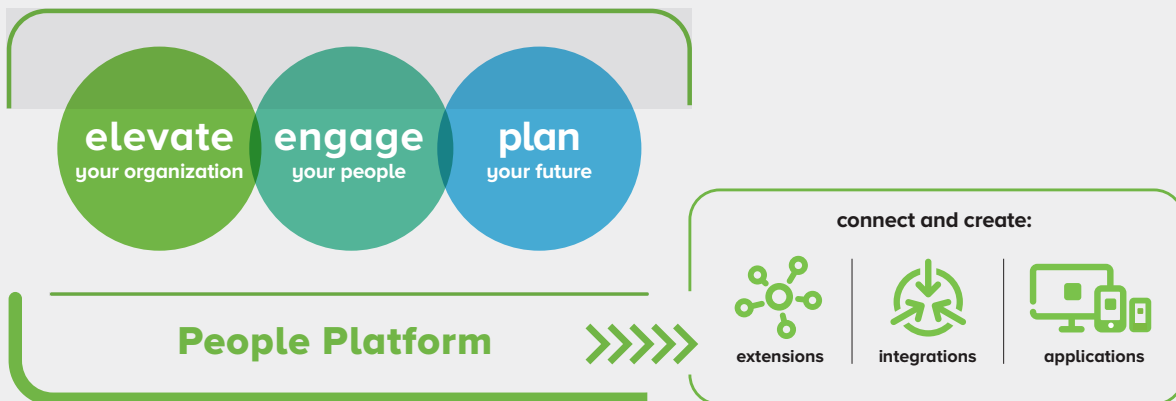
Discover how Unit4 can help your organization



**Unit4** People Experience Suite

**elevate** your organization

**engage** your people

**plan** your future

**People Platform**

**connect and create:**

extensions | integrations | applications

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