Playing catch up or leapfrog?

Instead of playing catch up, chemical process companies could leap ahead of competitors.
Are you agile, efficient and flexible?

Mega mergers and acquisitions, business separations to improve focus, coupled with new global competitors are dramatically changing the playing field.

Operationally, there’s increasing pressure on productivity and margins, the aging workforce and enhanced global regulation to contend with, not to mention emerging customer and market expectations, disruptive innovation, and the impact of digitization.

Basically, you’ve got to do more, with fewer people and in less time.

You need a better way to manage change and operate your business.

The old school, do-it-yourself approach, which many chemical process companies still use, doesn’t cut it any more. In this day and age you’ve got to be agile, efficient and flexible.

So, instead of continually playing catch up with competitors, isn’t it time to change the game? Time to transform your business in a different way?

While the right strategy is essential, even the best may not be successful if it takes years to unfold. The industry - and the world, for that matter - moves far too quickly for you to spend time catching up.

This eBook will help you reconsider your strategy and accelerate the changes you need. Its case studies will show you how fast movers in adjacent industries have leapfrogged their competitors.

Hang on to your hat! The pace of change in the chemical processes industry is getting faster by the day.
Are you agile, efficient and flexible?

Take a fresh look.

Unlike the game, leapfrogging at a business level is anything but child’s play.

To start with, you need to define your core and non-core processes.

Core processes tend to include research and development, sales/marketing and manufacturing/supply chain. They are the things that differentiate your business. And they are what you need to focus on internally to drive competitive advantage.

Non-core processes can be divided into two types: customer care back office (and in some cases front office) and traditional back office processes like Finance and Accounting, Human Resources and Transaction Processing. These are critically important to your business, but not necessarily differentiators.

Now, let’s take a fresh look at those non-core activities, a quick way to improve profitability.

Like many chemical related companies, you may not do well in them. Your processes may be too complex, fragmented and, in some cases, still manual. Your technology is likely to be dated. Maintaining your own service center infrastructure is costly. Your workforce is aging and turnover is high.

Running your own non-core systems uses up a lot of resources and often gets messy. If you could transform these scenarios you could create immediate savings and run things much more effectively.

This is where leapfrog comes in. Instead of sinking more and more money into doing it yourself, leap ahead with a company whose day job is business processes.

Leading business services providers bring to the table a highly skilled workforce, best practices, robotic automation, a global service center infrastructure and continual investment in new technology. Their skills and experience can quickly help you become a different kind of player.
Who is on the right track?

Why leapfrog?

Non-core processes are critically important to the smooth running of your operation. And to the image you present to your customers and employees.

Business service providers understand that and can move you ahead of the competition by simplifying, standardizing and digitizing your business processes.

In a little more detail, they can:

1. **Deliver immediate productivity improvements.**
   An expert with broad experience in other fast moving industries and business process optimization can accelerate productivity far more quickly than doing it yourself.

2. **Simplify business processes.**
   Providing a global set of harmonized processes and a single, standard operating model.

3. **Lower costs.**
   Using a service provider’s global infrastructure, rather than operating your own service center, reduces operating costs by 20% on average.

4. **Deploy next generation technology.**
   Service providers continually invest in the latest tools and technologies to automate and modernize your business processes.

5. **Improve business flexibility.**
   A variable model, that can be ramped up or down quickly as business conditions change, delivers cost efficiencies and scalability.

6. **Mitigate an aging workforce.**
   A service provider’s skilled and continually trained workforce can help offset the loss of your experienced employees as they become eligible for retirement.
Savvy companies recognize the value of learning from others.

Organizations facing similar challenges in other industries have used the leapfrog strategy. Understanding how they did it could provide the catalyst you need to transform your business.

Here are three examples of forward thinking organizations using ‘leapfrog’ for different business processes. And thoughts on how their strategies could be applied to the chemicals process industry.

1. High-tech giant re-engineers customer service and optimizes work flow
2. Global manufacturer rapidly transforms finance and accounting
3. Major aerospace company improves employee satisfaction and efficiency

Customers are top priority for chemical companies
According to a PwC survey of CEOs, customers are chemical company CEOs’ top priority. 90% say customers and clients have an impact on their organizational strategy, making them the industry’s most influential stakeholder group.

High-tech giant re-engineers customer service and optimizes work flow

Challenge

This high tech leader prides itself on its track record in customer service and client intimacy. But, like many chemical related companies, its processes were becoming dated and it needed a better way to scale.

The challenges were three-fold. To improve the customer experience by creating even more intimate relationships. To simplify and automate the end to end customer care and order management processes. To create a streamlined regional operating model. And at the same time, to significantly drive down costs.

Solution

A global business services partner provided a next generation customer care experience, driving scale and automating and orchestrating the work flow.

Its new regional operating model brought a more predictive approach, enabling virtual agents to engage in meaningful conversations with customers. Virtual agents work in various channels including chat, social and voice.

Analytics supports personalized interaction. And most customer care interactions are now fully automated, such as the new self-service facility.

The service provider’s global workforce means that regional ramp and scale is no longer an issue.

Results

This leapfrogging solution has achieved stellar customer satisfaction, greater flexibility and lower costs.

- Handling time for certain types of orders reduced by 50%
- Reduced manual efforts on one particular process by 96%
- Achieved 25% overall cost savings
- First call resolution increased by 23%
- Improved customer satisfaction by 20%

Lessons for Chemical Companies

Large high-tech manufacturers have become far more customer-centric and must differentiate their brands with high-touch customer service. The days of manual processes, sticky notes, and calling manufacturing and shipping for delivery dates are long gone.

A business services provider can help companies innovate around the customer experience. They bring next generation processes and technologies to create even more stickiness, reduce manual intervention and hand-offs, optimize efficiency and reduce costs.

Their systems can identify new sales and upsell opportunities, turning a cost center into a profit center.
Global manufacturer rapidly transforms finance and accounting

Challenge

This large-scale global manufacturing company operates in 170 countries around the world. But, for all its success, it lacked standardized processes for finance and accounting, and the right tools for work flow, productivity and performance management.

First off, it wanted to sort out its finance and accounting operations to reduce complexity, drive standardization across the globe, simplify the regional operating model and significantly reduce the cost of this function.

Solution

Rather than a long and expensive consulting engagement to fix what they had, the company realized there was no time to waste. They leapfrogged straight to a business services provider.

The provider runs a global network of service centers so the manufacturer soon had a new, lower cost, regional delivery model in place for finance and accounting. Using its experts and best practices the service provider helped the manufacturer simplify processes and technology and automate work flow.

Overall, the operations have been streamlined. Along with better analytics, performance management and a continuous process improvement methodology. The level of service can be varied as required.

Results

The more simplified approach delivered by leapfrogging has significantly improved the bottom line for this manufacturer.

- Transformation time line reduced by 25%
- Simplified processes for global finance and accounting.
- Account Receivables improved by 24%
- Regional service centers streamlined from 7 to 3
- Initial 20% cost savings, 30% targeted

Lessons for Chemical Companies

Many chemical organizations face similar challenges. A diverse geographic reach. Sprawling set-up created by acquisitions. Disparate business processes supported by multiple IT platforms.

Most have created internal service centers using labor arbitrage, and are trying to improve processes and work flow.

But, by following the example of this global manufacturer, you can change things far more quickly and efficiently and gain a harmonized set of simplified processes, enabled by a single IT platform - and rapidly scale and flex as your business changes.
Major aerospace company improves employee satisfaction and efficiency

Challenge

The world’s largest aerospace company employs over 150,000 people globally.

Its mission was to align its human resources function closer to the business, move to a self-service model and set up a new global learning program to train and certify employees.

Solution

The company turned to a business services provider for rapid insight on the challenge. And to quickly deliver a new operating model that brought scale and next generation business processes and technology.

Being a class leader, the service provider had a fast-track solution. It included best practice processes, advanced technology automation, and a service center infrastructure that could be leveraged. The provider was also a leader in implementing global learning programs including both online and classroom training.

Additional efficiency and cost improvements were achieved by leveraging both onshore and offshore resources.

Now, employees and retirees have a central place for their HR needs.

Results

Bottom line is a more simplified approach, resulting in a much better employee experience.

- Dramatically improved the efficiency of the hire-to-retire life cycle
- Significant cost reduction
- Multiple points of contact to one self service approach
- Simplified human resource processes and services
- A Learning University for key process and functional areas

Lessons for chemical companies

Aerospace companies recruit highly educated engineers, and have a large population of skilled employees in manufacturing, not unlike the chemical related industries. Sustaining and retraining these employees is critical to profitability.

These workforces expect a high level of personalized service.

Next generation capabilities in HR are available today. And as this aerospace giant shows, you can use them to improve the employee experience and maintain an evergreen workforce.
Many chemical related companies are destined to play catch up in a rapidly evolving sector, maybe even until they run out of breath entirely. But there is a different way...

Outsourcing non-core processes can accelerate productivity, drive growth and create more intimate client relationships.

Let the examples here inspire you to transform your business and prepare to capture market share.

As they show, innovative business models using business service providers can help you increase performance and agility, and significantly improve customer experience.

Seek out a business service provider proven to deliver a combination of operational best practice, simplified processes, next generation technologies and extensive expertise.

By partnering with a trusted business services provider, you can:

- Rapidly accelerate transformation
- Significantly reduce costs
- Simplify and harmonize processes
- Dramatically improve customer satisfaction
- Embrace flexibility

Case studies mentioned are only examples for the purpose of communicating typical results of what can be achieved by leveraging a Business Process Outsourcer’s capability. Results may vary depending on individual circumstances.
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Chuck has over 25 years’ experience in providing enterprise solutions and services for industrial, chemical and energy industries. Chuck is a key member of the leadership team and is responsible for advising strategic clients on enterprise strategies to increase business performance.
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