


HCLTech | Supercharging
Progress™

Digital frontier of business process – Redefining excellence

An exclusive thought
leadership paper with Xerox and ISG

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Methodology and background

In August 2024, a thought leadership paper by ISG in partnership with Xerox and HCLTech was published globally. The objective of the paper was to uncover relevant challenges faced by some large and midsize enterprises in their digital transformation initiatives. This report will focus on their near and long-term priorities and explore how BPO organizations continue to pivot these mission-critical engagements.

An independent survey was conducted that captured feedback from 125 large and midsize enterprises in industries such as manufacturing, healthcare and life sciences, digital print services, technology services, retail/CPG/travel and hospitality/e-commerce. The exercise was conducted to understand industry-specific priorities and examine how each industry views its partnership with BPO vendors.

The paper analyzes three major transformation catalysts: People, Data and Technology (PDT), which enterprises need to monitor constantly. It also discusses enterprises' current state of digital maturity, operational challenges and immediate transformation priorities, among other aspects. Additionally, the paper discusses how enterprises view BPO vendors as strategic partners rather than transactional partners and how BPO vendors can bridge this expectation gap by proactively participating in critical decision-making activities and developing strategic KPIs needed for their customers' digital transformation journey.



Prelude

Most businesses have experienced an unimaginable turnaround and progress in the last three years. Many organizations established a roadmap for their digital transformation journey, envisioning the future of enterprises. The transformation journey was originally a long-term strategy for many companies, which accelerated post the COVID-19 pandemic. Businesses not only have had to accelerate their digital transformation journey but also were under tremendous pressure to cater to rapid changes, including technological changes. These changes have been multifold and enterprises are beginning to optimize processes, leverage technologies and enhance people's skill sets to cater to end-user requirements.

Businesses are relying on experts to help them in this journey. While they focus on onboarding technologies, companies are seeking partners that support them in their growth story.

On similar grounds, for over a decade, the relationship between Xerox and HCLTech has grown and evolved from transactional to strategic. The partnership has evolved beyond leveraging people and technologies. The collaboration between HCLTech and Xerox is more oriented towards co-creating solutions and enabling growth for Xerox. Both these companies have developed numerous US patents and HCLTech has established an R&D center aligned with Xerox standards.

Focusing on the changing nature of engagements, this thought paper outlines key tenets of successful transformation and, in line with that, examines how HCLTech addresses the industry's newer requirements and future state. The report also outlines HCLTech's ability to leverage its domain expertise and technological and employee capabilities to help companies cope with changes and enable their growth journey.



Xerox — HCLTech engagement synopsis

Technological advancements and their widespread adoption are driving organizations to revisit and reinvent their operating models consistently. With rapid changes, organizations are on the path of innovation and are developing strategies to proactively address customer requirements.

Similarly, Xerox has actively embarked on a transformation journey marked by innovation to effectively address client requirements by adopting the most advanced digital approaches. Xerox has successfully collaborated with HCLTech on this journey.

Bringing its core expertise and vast technical knowledge and tools, HCLTech has partnered with Xerox for over a decade to transform its operations.

Among various transformation engagements, some of the most notable ones are listed below:

1.

HCLTech re-engineered the cash applications process for Xerox in partnership with HighRadius, resulting in significant automation, reduced bank fees and increased productivity efficiency.

2.

HCLTech created a 360° portal to enhance CX and create a unified one-stop shop for Xerox. Xerox leveraged HCLTech's TOSCANA® to enable digital transactions, validate duplication and increase orders.

3.

HCLTech created a centralized ticketing platform, significantly increasing transactions and enabling efficient productivity.

Having accomplished various successful transformations, Xerox and HCLTech continue to partner to create a future roadmap with several other transformation plans underway. The partnership between Xerox and HCLTech has transcended beyond a transactional relationship and matured into a strategic relationship, with KPIs advancing from transactional measures to business growth.

During the transformation journey, Xerox, in partnership with HCLTech, has transformed several processes, enhanced technological implementations and usage, leveraged data to gather insights that deliver business value and outcomes and nurtured talent capabilities to address evolving requirements. This comprehensive approach has made the transformation journey holistic and balanced.



Executive summary

Current and future state of the industry

According to ISG Index, business process outsourcing (BPO) saw over \$5B of annual contract value (ACV) generated in the first half of 2023. This achievement represents the highest ACV ever generated for this segment, with industry specific BPO accounting for \$1.5B of ACV.

Despite strong growth, a highly challenging environment exists for most organizations. Enterprises have faced significant challenges, prompting a realization of the necessary changes required to navigate through macroeconomic uncertainties, pandemics, talent shortages and inflation, among others. Changing customer expectations have propelled organizations to migrate from a state of inertia and embrace changes, realizing the importance and need for transformation to survive in the competitive environment and create resilient businesses. For example, when the workforce was disrupted due to lockdowns, companies turned to the cloud to enable the effective functioning of their operating systems. Furthermore, rapid changes in the technological landscape, such as the emergence and growth of generative AI (GenAI), have presented a plethora of new opportunities that have left many enterprises in a state of restlessness as they attempt to uncover and exploit these possibilities.

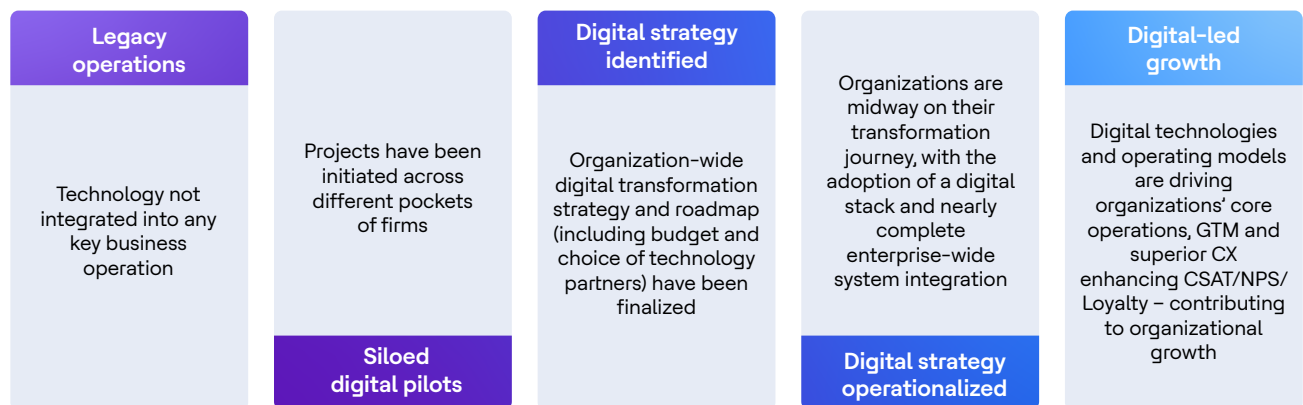
Merely onboarding technology has not resolved the problem for organizations, as many are struggling to reap the benefits and realize the returns on investments. Thus, many companies focus on rationalizing these investments and examining whether they align with their organizations' overall objectives. Most importantly, they question whether onboarding these technologies or vendors was more of a short-term fix instead of a long-term transformation. **Companies must realize that digital transformation is not solely driven by technology but by a combination of people, data and technology, a well-defined organizational strategy and objective and an effective data strategy.** This realization is prompting organizations to reprioritize their areas of focus. The reprioritization includes measures such as optimizing costs and processes, bringing in the right technologies, increasing flexible working conditions, improving CX, delivering high-quality services and enhancing data strategies. In 2Q23, overall managed services reached an all-time high, surpassing the \$10B quarterly mark for the first time ever. The ACV for managed services increased by 6% YoY, maintaining positive growth in 10 out of the last 11 quarters.

Top 5 areas of organizational development in the next two years

- 01**
 - More than **60%** of organizations are looking to use automation tools and technology to maximize process efficiencies
 - **Process Efficiencies:** This is an indicator that more organizations would like to benefit from technological investments as part of their cost optimization efforts
- 02**
 - **More than half** of the organizations realize the value of data and would like to invest in developing a comprehensive data management strategy
 - **Data:** This is an indicator that organizations would like to utilize data more effectively to fuel organizational growth
- 03**
 - Nearly **40%** of organizations want to utilize technology to free up time of the staff to engage them in more value-adding activities
 - **Technology:** A strong indicator to better utilize technologies that can enable the employees to focus on more value-adding services and activities
- 04**
 - More than **30%** of organizations are adopting agile working principles to enable remote/hybrid working models and build an employee-centric work culture
 - **People:** Another strong indicator that as technology evolves, the role of people is becoming more critical and the skills/ requirements are changing. Organizations are adapting to cater to newer requirements of people
- 05**
 - Nearly **80%** of organizations are not looking to invest in advanced technology such as AI/ML.
 - **Strategy:** This is an indicator that most organizations are now focusing on deriving benefits from existing investments and analyzing their effectiveness in alignment with larger organizational growth

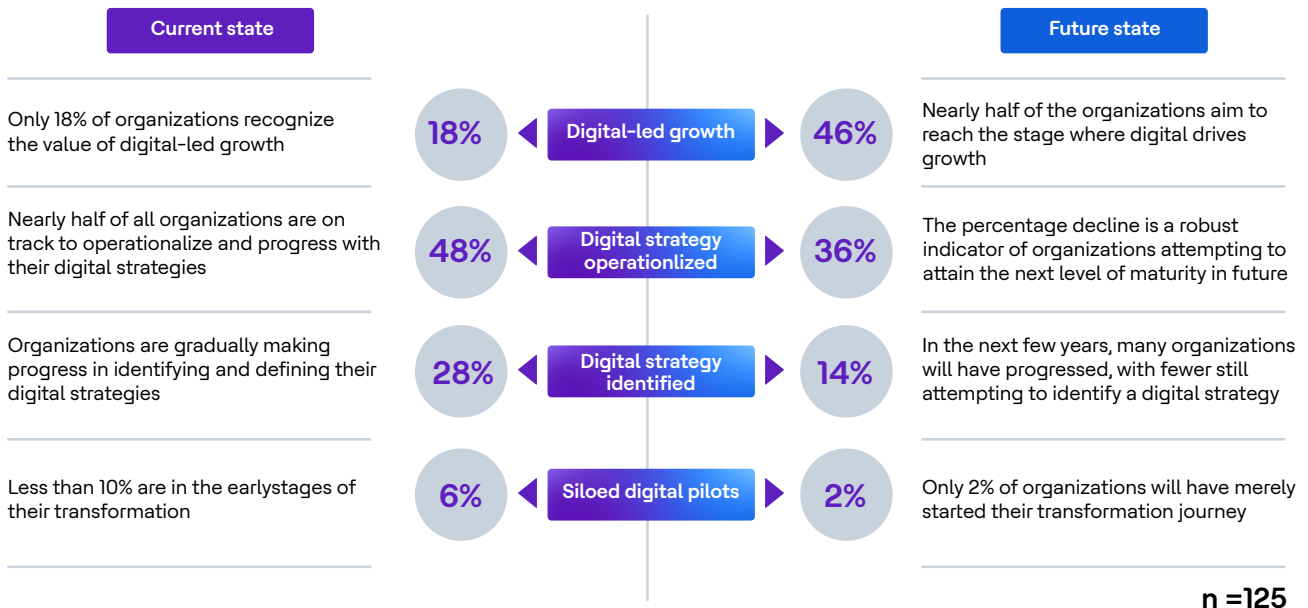
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Enterprises realize they have reached the innovate or perish stage in their transformation journey. Most companies have accepted that change is inevitable. Therefore, they must undertake all necessary measures to cope with these changes to survive the competition. Most organizations are moving along the curve of maturity while recognizing this need.



The positive development is that organizations have already transitioned away from their legacy operations, with less than 10% of companies remaining in the siloed digital pilots phase, where digital transformation is not designed to align with the organization's larger transformation purpose. Currently, more than 70% of organizations are either in their initial phase or are gradually operationalizing their digital strategies. However, within the upcoming 3–5 years, about half of them aim to accelerate their transformation efforts to maximize their investments and drive growth.

Enterprises now vs. enterprises over the next five years



Harnessing digital tools for automated cash management and procurement

As digitization becomes a priority for most enterprises, Xerox is actively focusing on digital transformation and contributing to significant improvements. In this quest to accelerate transformation and enhance process efficiencies, Xerox has partnered with HCLTech to leverage a partner solution and teamed with HighRadius for cash applications automation. From process reengineering and automating cash applications to consolidating teams, Xerox has gained operational efficiencies over automation and productivity improvement. However, these changes have also resulted in significant bank fee reductions. Other strategic KPIs achieved as part of this transformation exercise include enhanced CX, which is pivotal for organizations' success, sales enablement that demonstrates a high return on investment and system consolidation to provide an optimized and efficient experience through a single billing system.



Changing expectations of business functions

With businesses preparing to embrace the changes, the roles and KPIs for business departments are enhancing significantly. Breaking the silos and working towards a common goal has become quintessential for organizations to perform better. Leaders are expected to think and plan more holistically, considering all dimensions that will help them align with their organization's goals.

Leaders are expected to be more informed about industry trends to assess their impact on individual businesses.

These changes positively influence businesses in deriving better outcomes and enabling benefits, such as faster go-to-market and robust growth.



As technology continues to evolve, enterprises now hold much greater expectations for outcomes given its substantial influence on scalability, flexibility and visibility into operations and business dynamics.

As processes are becoming more automated, they also become more efficient and faster, enabling businesses to scale more rapidly.

As employees' roles are undergoing a dramatic shift, emphasizing the importance of building talent, equipping them with the necessary tools and technologies, enabling continuous improvement and learning and implementing effective change management has become a new imperative to manage the talent pool.

Historically, leaders concentrated on operational business aspects, with the responsibility for technological progress falling under the purview of the IT department. This implies that technology decisions are no longer confined to the CIO/CTO's office; instead, a consolidated approach and inputs from every business department would play a key role in decision-making.

However, in the results below, one of the most distinguishing common points is the expectation from leaders to be technologically invested and understand how to utilize technology best to gain more efficiencies. Companies are also willing to make technological investments; however, they expect leaders to understand and drive them.

Top 3 changing KPIs and role of business leaders

Business drivers	Current priorities
CX imperatives	<ul style="list-style-type: none"> • 58% want to adopt newer technologies to boost productivity, enhance EX and upskill contact centers workforce • 48% aim to use technology to support omnichannel customer interactions • 43% want to improve CX through the adoption of advanced technologies
F&A imperatives	<ul style="list-style-type: none"> • 63% want to improve ROI from technological investment • 55% of organizations want them to own and deliver strategic finances initiatives • More than 40% want to improve data strategy and effective utilization of resources
HR imperatives	<ul style="list-style-type: none"> • More than 61% wish to invest in advanced technologies for improving the hiring process, analyzing attrition trends and improve retention • Nearly 60% aim to adopt better digital workplace solutions for enabling a remote / hybrid / flexible work culture • 42% are focused on improving their DEI initiatives and policies
Organizational imperatives	<ul style="list-style-type: none"> • 61% want to leverage automation to improve operational efficiency • 51% wish to focus on data management and data governance principles • More than 40% want to incorporate flexible working principles and encourage employees to participate in cross-functional engagements
Supply chain imperatives	<ul style="list-style-type: none"> • 64% want to invest in advanced technologies for ensuring better supply chain visibility • 52% enterprises wish to engage with BPO firms who could help them with aspects such as inventory, demand forecasting, pricing, etc. • 46% want to streamline their operations by adopting technologies such as cloud, predictive models, big data, etc.

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Unlocking efficiency through HCLTech's comprehensive digital solution suites

In one of its most extensive transformation initiatives, involving nearly six strategic initiatives, HCLTech claims to deliver millions of dollars' worth of benefits over a five-year period. This engagement involves several technological implementations such as HighRadius, Agent View single pane of glass (SPOG), an in-flight U.S. customer portal and billing engine consolidation [Xcite to CTC], impacting various business functions across organizations. Xerox and HCLTech established a transformation steering committee with the CFO, CIO and chief delivery and supply chain officer to ensure successful implementations and effective usage. This strategy strongly signifies the importance of obtaining the buy-in and involvement of all relevant stakeholders in this transformation journey. It also indicates that technological decisions are not solely the responsibility of the CTO/CIO, and individual business function involvement is critical to drive these transformations successfully.





Three levers of transformation

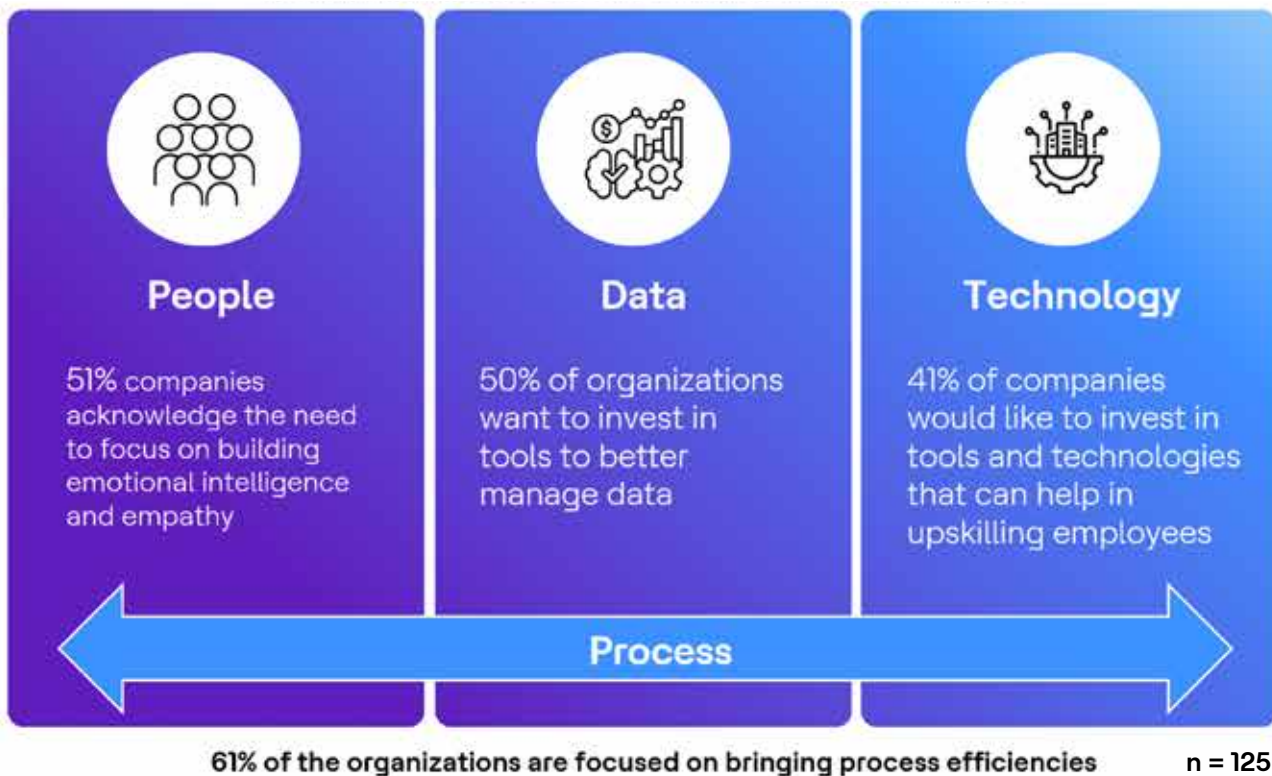
Digital transformation is often misunderstood as technological implementation, but in reality, it constitutes an organization's journey. It is a lifecycle of changes that impacts people, technology and data. While the three levers play a significant role in an organization's transformation, there are other steps that companies must undertake to ensure a seamless journey.

The foundation for success in any transformation journey would be to have a strong strategy. It is imperative for companies to initially define the overall objective of transformation and the outcomes they would like to achieve.

According to the ISG buyer behavior research and cost optimization study, approximately 60% of organizations rate digital transformation/ enablement as crucial for their organization's strategic direction.

Ensuring that the overall organization aligns with this common objective goal will be quintessential as a next step. Subsequently, designing a clear strategy and a transformation roadmap are critical to ensure organizational visibility and transparency. During the transformation journey, the three pivotal levers – people, data and technology – have a crucial role to play and are key tenets that are believed to be impacted by changes. As the system undergoes shifts, identifying these changes, minimizing disruption and facilitating a seamless process are essential components that define a successful journey.

Top priorities across each transformation lever



People

The role of humans has evolved with technological advances. Humans are increasingly well-positioned to offer more value-added services. With changing requirements, where people transition from transactional to value-added services, the evolution has demanded newer skillsets and talent to address the current requirements.

More than 50% of enterprises are facing skill shortages regarding emotional intelligence and empathy.

It is becoming increasingly evident and important that new-age skills requires a fine balance between digital skills, business knowledge, domain expertise and a combination of skills that encompasses softer skills such as decision-making, empathy, problem-solving and critical thinking.

This shift demands that companies adapt to support and enable employees to navigate through these changes effectively. It entails equipping employees with the necessary infrastructure, clear communication channels, well-defined career plans, growth opportunities and comprehensive training programs to ensure that they can thrive in their respective roles. Employees and their contribution to an organization's change are of prime importance. **Approximately 35% of organizations find it challenging to reorganize talent to meet new business requirements and address career growth** – any resistance to change can profoundly impact digital transformation.

Despite challenges associated with finding the right talent still prevailing in the market, organizations must increasingly focus on talent management, training and retention.

Challenges around talent management

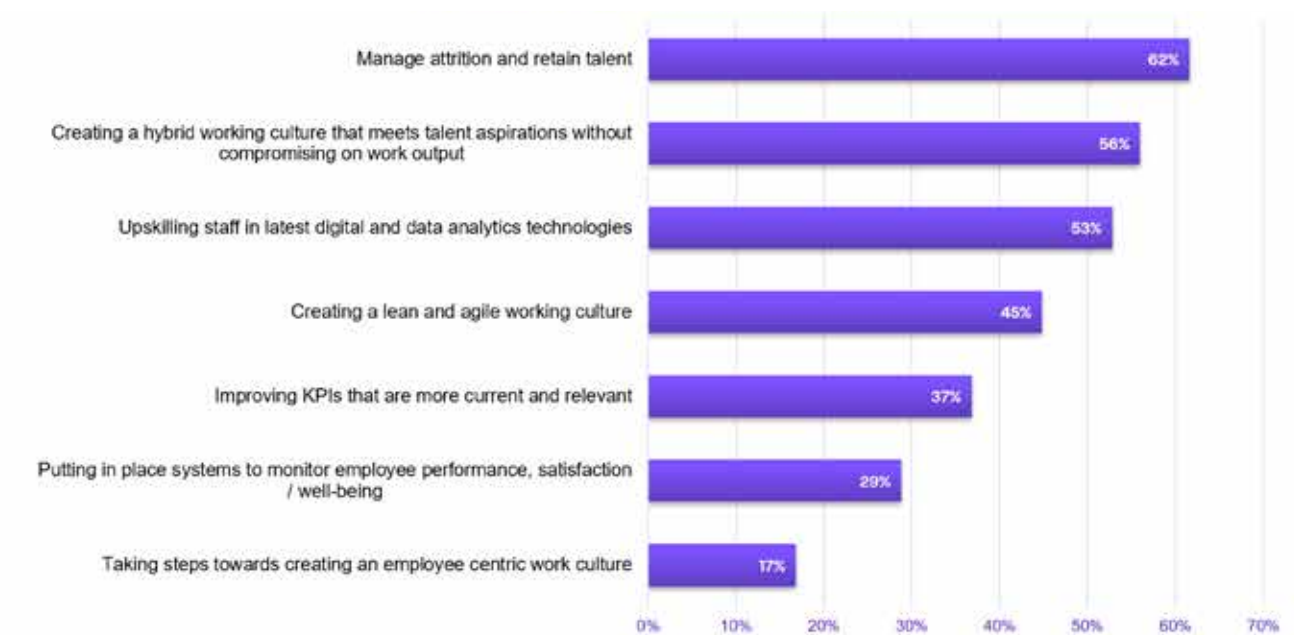


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Future actions

Over the last two years, the industry has faced turbulent times in the form of the Great Resignation and the Great Reshuffling. Presently, it is undertaking efforts to rebalance in response to the prevailing macroeconomic conditions. Despite the entire cycle of changes, managing talent remains crucial for all organizations. Considering the current challenges, organizations are focused on identifying methods to tackle talent-related challenges. **While attrition in the industry has predominantly stabilized, managing attrition and talent remains a top priority for more than 60% of organizations.** Organizations must be well-equipped to play a balancing role in managing employee expectations without compromising on productivity or quality.

Areas of focus to tackle talent related challenges



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HCLTech digitally empowers organizations to navigate complexities pertaining to talent management

As part of its engagement cycles with Xerox, HCLTech recognizes the critical importance of talent and its role in driving the digital transformation journey. Thus, HCLTech has ensured that talent is empowered and enabled to contribute effectively, with talent management being appropriately integrated as a core component of the larger transformation engagement. Throughout the engagement, HCLTech claims to have achieved improved engagement levels, aided its shared services and reduced and stabilized attrition. HCLTech has also undertaken talent development initiatives, which become a crucial aspect that has resulted in more than 460 internal employee promotions. The company has also created people engagement platforms to ensure a more inclusive culture by enforcing regular connects and townhall.



Data

Cliche but true, data is the new oil. Employing a robust data strategy has become quintessential for all enterprises. Today, most enterprises are managing tons of potentially unstructured data. If the same unstructured data is organized in a structured manner, the benefits and insights gleaned will be immense. Every department in an organization can obtain a holistic view of the developments if they implement a data strategy that effectively utilizes the data.

However, many organizations are far from achieving their share of success with the right use of data. Organizations continue to grapple with challenges such as scattered or siloed data, inefficient processes and tools that fail to align data effectively and skill shortages leading to inept data management.

Every aspect of data management plays a crucial role in how data can be effectively used. Most organizations aim to monetize data and make informed decisions. **More than 60% of organizations are struggling to improve data quality and completeness that will help them glean meaningful insights.** These challenges originate from issues related to capturing and managing data. A lack of processes right at the outset could lead to a failed data strategy despite having access to the right data tools.

Approximately 40% of organizations need an enterprise-wide data management strategy.

Several factors influence the formation of an organization's data strategy. For example, data privacy is directly correlated to the trust that customers invest in a company. While data has a power play here, companies must understand that several factors must be considered prior to maximizing its usage, especially while creating highly differentiated experiences. Another crucial factor in effective data utilization is leveraging data-related skilled resources to create a robust data strategy, which will benefit the company by improving process efficiencies.

Key challenges impacting data

52% of companies want to align their data strategies with cybersecurity and data privacy regulations

Businesses are struggling to benefit from data as

30% of organizations lack real-time data-driven insights

Approximately

20% of organizations lack use cases, and another

42% of organizations are dealing with a workforce lacking skills in data engineering or other data analysis capabilities

25% of organizations are still dealing with the transformation of unstructured data into usable forms

20% lack data technology infrastructure

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As enterprises realize that data is a game changer and can be one of the greatest competitive advantages, enterprises are committed to championing efforts to ensure the success of their data strategies. Aligning all business departments with an organization-wide data strategy is essential to achieving data-related goals. Approximately 37% of organizations aim to implement an enterprise-wide data strategy, while about 46% intend to invest in the right tools and technologies. However, organizations ought to be careful to avoid overinvesting in technologies, especially if they do not align with the company's interests.

Evolving role of a chief data officer

Much has been spoken about companies failing to bring the data strategy to fruition until all business units align. However, data strategy accountability and ownership still remain questionable across many organizations. The role of a chief data officer (CDO) is often questioned for the value they bring. In the recent past, the importance of data has grown exponentially and the role of a CDO is gradually becoming pertinent. **Approximately 21% of organizations will have a CDO to manage all data strategies within the next three years.**

Introducing a CDO in an organization necessitates the establishment of clear, tangible and objective KPIs to enable the CDO and its team to achieve the desired goals. The CDO would need to collaborate with multiple business functions, utilize every digital technology and be an evangelist and a strategic thinker to achieve defined outcomes. While organizations may be cautious about introducing another C-suite title, a well-defined role with measurable success factors can serve as a significant differentiator.

In the era of survival of the fittest where companies are aggressively competing to create differentiating factors, a well-planned data strategy will fuel growth. Achieving a unified data strategy, encompassing storage, gaining real-time insights and securing data management represent the desired future state for organizations.

Top priorities in mitigating data-oriented challenges over the next three years



41% of organizations want to implement technologies that enable real-time data insights to support informed decisions

36% of providers want to create a single and centralized data repository for entire organizations

30% implement data storage and analytics capabilities that adhere to cybersecurity and data privacy regulations

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Transforming insights into action with House of Analytics platform

Unraveling the power of data, HCLTech has developed the House of Analytics application on the ReactJS platform with multiple dashboards. This application caters to four different verticals: order to cash, delivery/SCM, sales support and procurement. It is designed to provide a consolidated view of data across these verticals, enabling insight-led decision-making. It also provides comprehensive sales support for business growth. As most enterprises grapple with data-related challenges and are unsure how to monetize their data, HCLTech has partnered with Xerox to maximize the usage of data and generate ROIs.



The next-generation evolution of the shared services represents our transformation-enabled environment where our partnership with HCLTech has empowered us with significant cost savings and delivered industry-leading capabilities centered around digital, engineering and AI, powered by a broad portfolio of technology services and products.”

David Hughes

Vice President,
Global Shared Services and Order to Cash, Xerox

Technology

Technology is the fundamental prerequisite for any digital transformation initiative. Change remains a constant force and in the last few years, organizations have not only rapidly adopted technologies, but have also witnessed swift advancements in the technological landscape. Notably, GenAI has unlocked vast potential for organizations to explore, offering endless possibilities. Most enterprises now acknowledge that implementing technology alone will not solve the challenges of digital transformation. Instead, it requires a comprehensive approach that encompasses other influencing factors such as change management, people, processes and data.

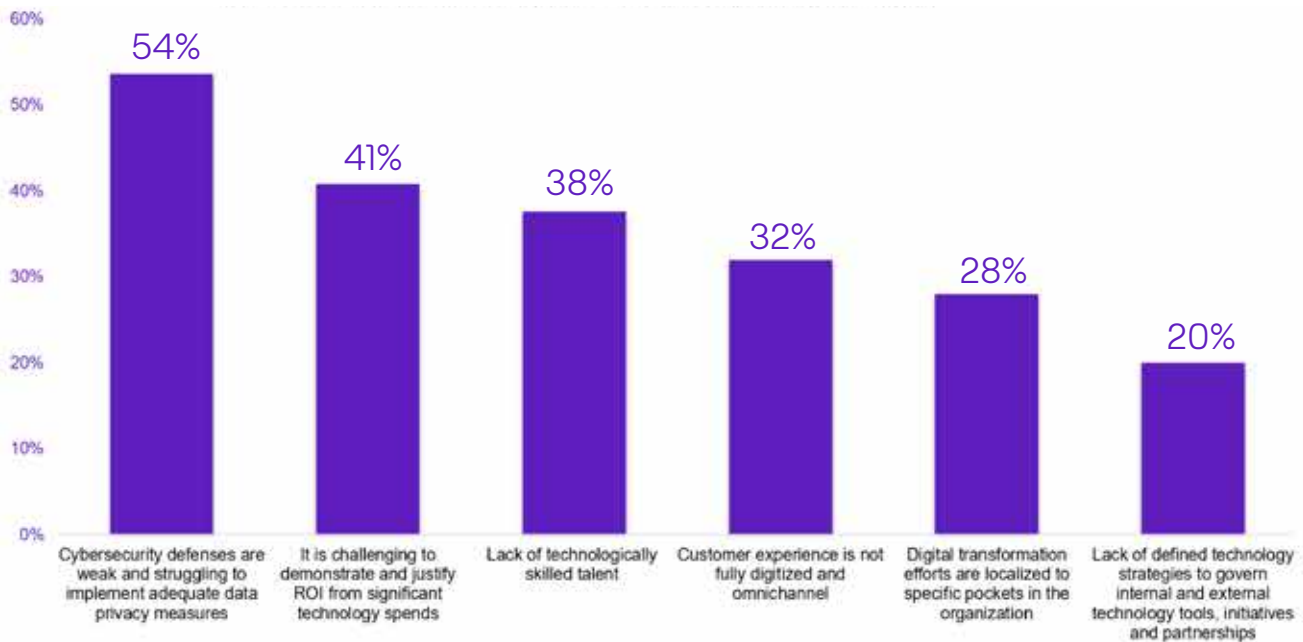
Adapting to the changing needs of end-users and selecting technologies that help in customer retention, improve growth and manage costs is of the utmost importance for enterprises. However, the onboarding of technologies needs careful evaluation. Often, companies adopt technologies without a clear strategy, lacking use cases and following an inside-out strategy where their interests take precedence over customers' interests. Such organizations struggle to scale operations, drive optimal benefits from technology and, in some cases, witness a significant increase in expenditure.

Approximately 41% of enterprises acknowledge the challenge of demonstrating or justifying ROI from significant technology spending.

When the pandemic struck, enterprises entered a panic spending mode to ensure smooth operations. This step led to a substantial increase in technology spending and many are now facing multifold challenges associated with these technological investments.

Cybersecurity tops the list of primary concerns, with numerous organizations identifying weaknesses in their cybersecurity defenses and finding it challenging to implement adequate data privacy measures.

What are the biggest challenges around technology?

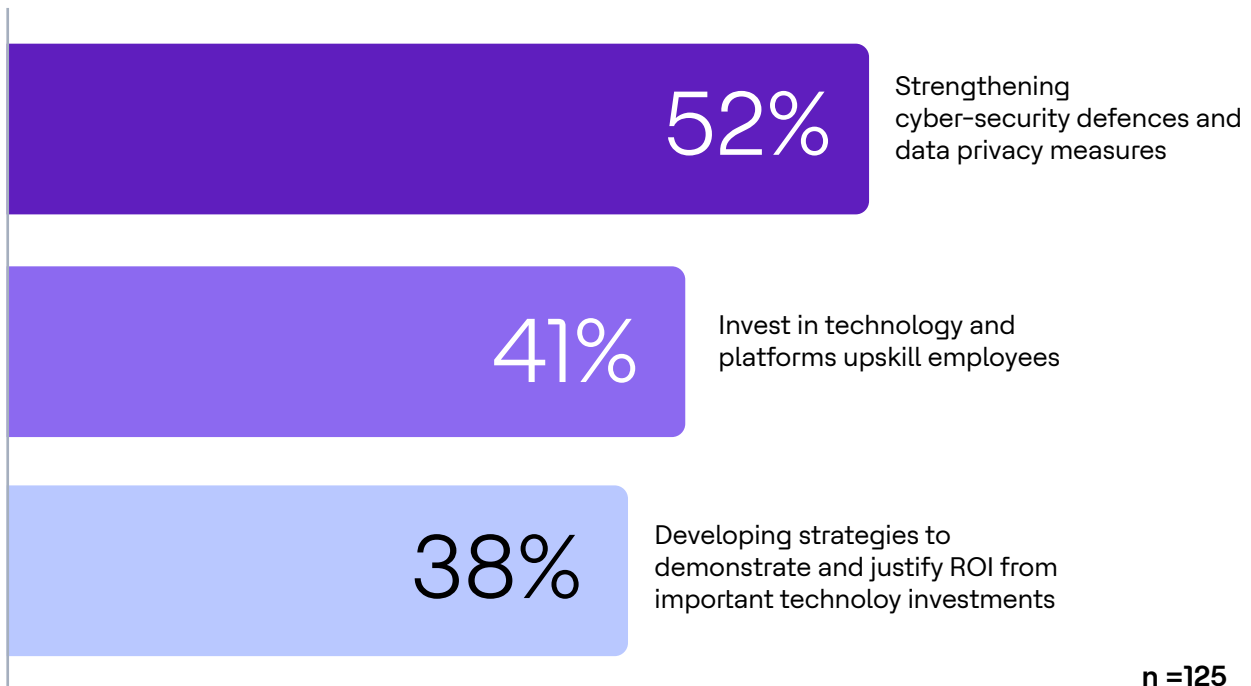


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Nevertheless, given the current macroeconomic conditions prompting enterprises to be cautious in spending, there is a discernable trend toward optimizing technology expenditure and making smarter purchases. **Over 25% of organizations seek to scale digital transformation initiatives across all key functions of the organization within the next three years.**

While digital transformation continues to be a priority, the prevailing sentiment among most companies is a keen emphasis on achieving measurable ROI.


What are the top-3 focus areas for overcoming technology oriented challenges in the next 3 years?



HCLTech revolutionizing customer experience through its 360° DX portal and iMPACT Analytics framework

In one of its largest transformation projects, HCLTech leveraged technology to transform CX for Xerox clients. The launch of its 360° DX portal marked a significant milestone – a unified, one-stop shop for CX transformation. HCLTech used its flagship TOSCANA® business process suite and iMPACT Analytics framework to elevate CX, helping Xerox in revenue generation. The portal is designed to serve 4.3M clients, manage 425,000 calls with remote resolution, enable 240,000 digital client transactions, increase web orders from 0.25%-10% and validate thousands of potentially redundant orders, among other outcomes. HCLTech leveraged its proprietary platforms to develop a 360° supplies agent portal that seamlessly integrates both back-office and front-office operations. This strategic integration played a crucial role in driving EX and CX. Additionally, this solution helped clients eliminate siloed operational norms, streamlining from over 600 standard SOPs down to a unified standard SOP, resulting in enhanced efficiency and improved controls. This transformation case study is a testament to the effective use of technology, not only driving revenue growth but also enabling seamless EX and CX, reflected in an impressive CSAT score exceeding 90%.





Importance of organizational change management

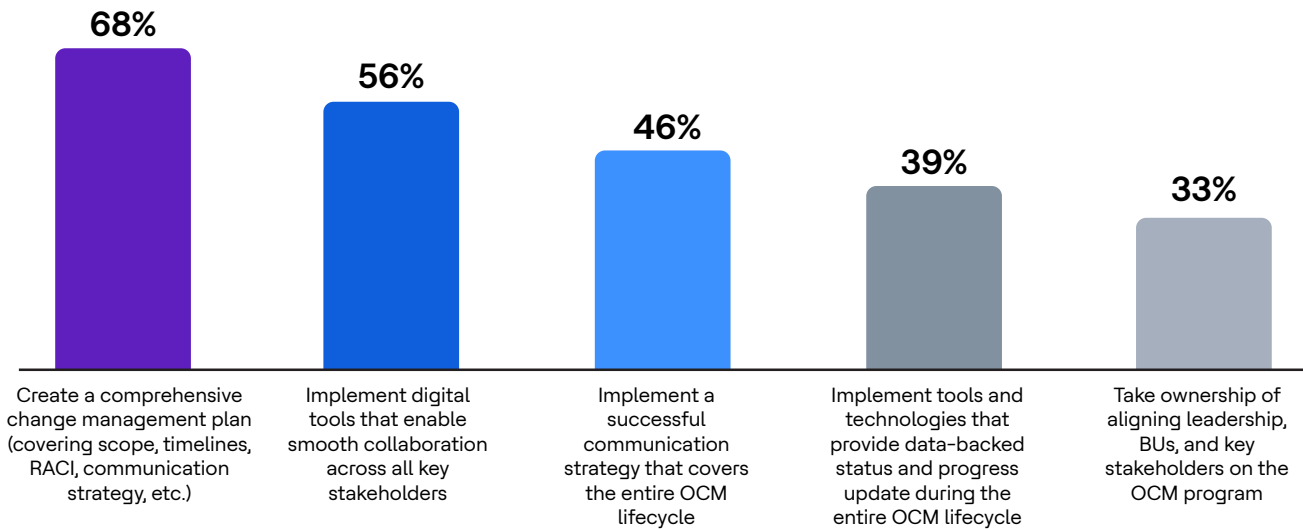
The significance of organizational change management (OCM) cannot be overstated. Whether it is a software update or an organization-wide transformation, changes reverberate across the organization. Accepting change is not easy and companies often struggle with this aspect. Regardless of the technology's sophistication, the cost involved or other process changes, its effectiveness is compromised without the support of an organization's workforce. To seamlessly navigate the transformation journey involving technology implementation, skill enhancement, data strategy and process improvements, enterprises must have a well-defined OCM program to make this seamless.

According to ISG, over 60% of a project's success relies on people, even when a company might have the best processes, advanced technology and extensive knowledge.

1. As a first step, companies must identify the projects or initiatives that make up the transformation and establish goals or targets for each. While overarching goals for the entire transformation are crucial, organizations must focus on the process, starting with a current-state assessment, followed by a detailed future-state definition and a plan to communicate or train on the impending changes. **A notable 70% of organizations face challenges in developing a change management strategy and execution plans.**
2. The key attribute of a successful change management program is creating a strong communication plan with targeted communication. Initiating communication early and maintaining consistent updates fosters momentum throughout the transformation. Despite its importance, **nearly 40% of companies struggle to create a comprehensive communication plan.**
3. Over 35% of organizations find it challenging to upskill staff on digital or functional skills. A critical component in shaping this program involves understanding the audience. Knowing the stakeholders, assessing their impact and engaging with them appropriately is of paramount importance.
4. Finally, assessing and monitoring progress becomes integral to measuring the adoption level. **More than half of organizations face challenges in monitoring the efficacy of their change management plans due to a lack of reporting systems, tools or techniques.**

As technology evolves and adoption rises, change will be a constant. Organizations that adapt to these changes, make necessary improvements and effectively manage these transformations are poised for success. Organizations must be willing to take the necessary measures to manage these changes effectively.

Top expectations from CM service providers in the future



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HCLTech revolutionizing management of shared services through its next-gen digital solutions

As the world moves more toward digital transformation, like most enterprises, Xerox is posed with the challenge of reinventing its print business and innovating to align with its target market. In partnership with Xerox, HCLTech has undertaken the management of Xerox Shared Services Centers to transform them into a process-led, digital and technology-driven global business services operation. As part of this massive undertaking, leveraging its tools and processes, HCLTech has successfully rebadged over 5,000 employees across 30 or more locations. A glimpse into its transition processes outlines that HCLTech has built over 2,600 SOPs, established 400 RACIs matrices, drafted 78 SOWs, facilitated over 90% WFH enablement, resulted in talent development initiatives and orchestrated more than 460 promotions. This achievement speaks loudly about HCLTech's change management capabilities.

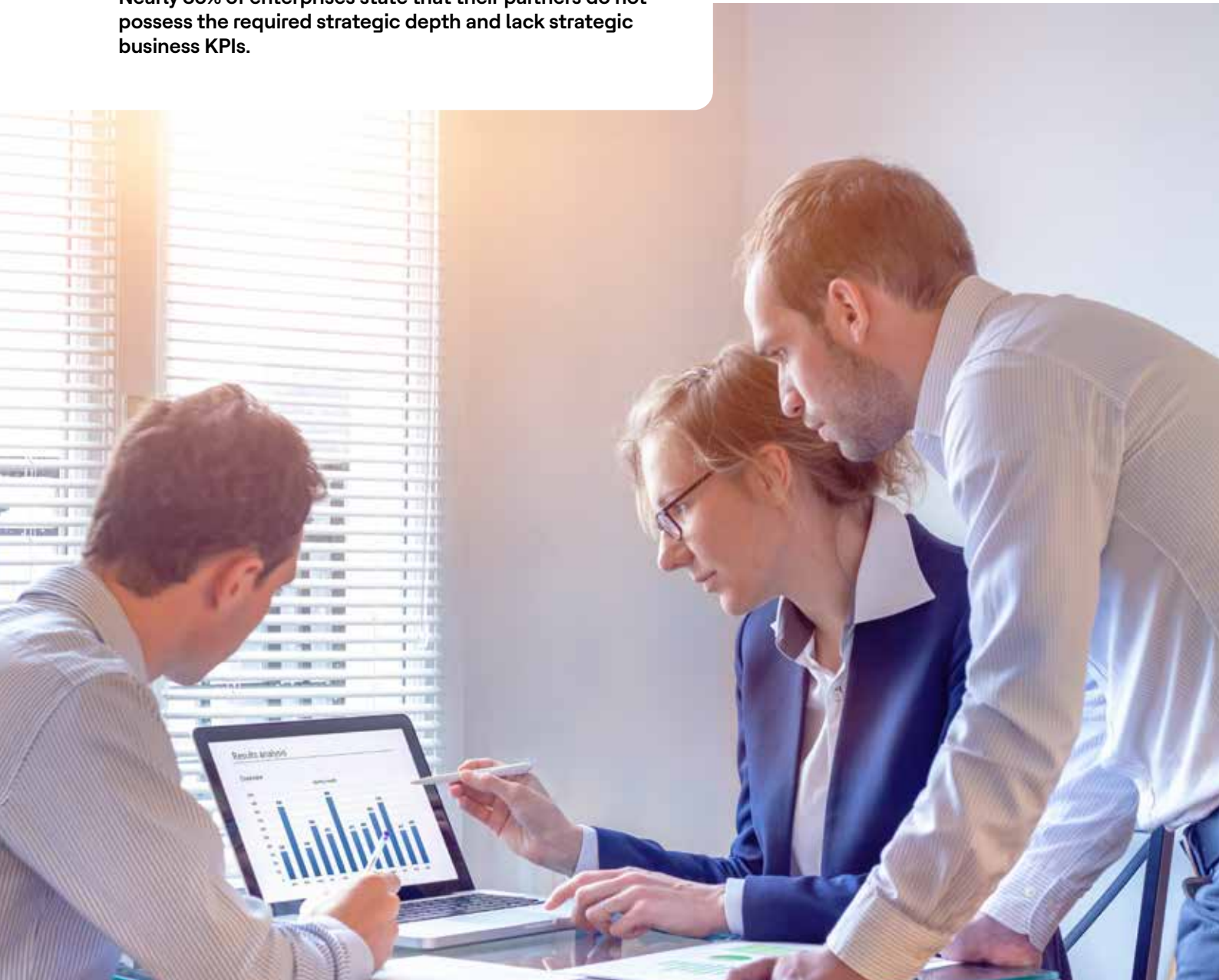


Strategic partnerships that navigate the transformation

Finally, whether in shared services models or outsourcing engagements, partnerships have transformed beyond transactional dealings to strategic collaborations. The industry has witnessed evolving changes where partnerships are no longer solely focused on FTE-driven process improvements or technological implementations but also ROI, impact, contribution to growth and cost savings.

The success of an enterprise in today's fast-changing VUCA world largely depends on its ability to make itself resilient against external and internal changes, such as geopolitical shifts, compliance loopholes, technological advancements, talent shortages and insider threats.

Nearly 35% of enterprises state that their partners do not possess the required strategic depth and lack strategic business KPIs.





Enterprise expectations from their partners

As the engagements turn more strategic, the associated needs are also evolving strategically. With numerous industry changes and rapid progress of digital adoption among consumers, enterprises find themselves at a crossroads where digital is no longer a luxury, but a necessity. However, this transformation comes with challenges, such as cyber risks that make companies vulnerable to attacks. With data flowing abundantly, the focus is not just on managing it but also on protecting it. **More than 65% of enterprises have stated the expectation that their partners will help them with advanced data security and access management, thereby improving their overall security posture.**

In times when the industry underwent a massive churn and recently faced a severe talent shortage, certain skills in niche areas became highly sought after, expensive and hard to find. **Over 55% of the organizations expect their partners to provide access to a talent pool, especially for in-demand skills.**

Recent events, such as a pandemic, wars and supply chain issues, have questioned businesses' resiliency and continuity. This is one of the biggest focus areas for many companies to ensure their businesses are built to withstand disruptions. **About 35% of companies rely on their partners to help them with business continuity in situations such as geopolitical tensions, rising inflation and attrition.**

Enterprise needs are changing and business partner expectations are developing accordingly. The inherent nature of KPIs expected from these engagements has dramatically changed, pushing business partners to think beyond, co-innovate and grow alongside their customers. **Nearly 40% of organizations expect their business partners to be more strategic in helping companies achieve their business and technology transformation.**



HCLTech is committed to helping businesses achieve their mission-critical business goals

A partnership with HCLTech that began over a decade ago has evolved and grown from a transactional to a strategic relationship. HCLTech partners with Xerox to not just run operations but also to be heavily invested in transforming shared services centers into digital and technology-led business service centers. HCLTech has undertaken several initiatives such as cash apps reengineering with HighRadius, 360° CX Portal, global ticketing automation and OTC transformation. HCLTech boasts of delivering several benefits to Xerox. Among the many benefits delivered to Xerox, some key achievements include 100% of its revenue being billed and collected by HCLTech, a 10% reduction in overall SG&A expenses, a 22% total project own-IT savings from this project, managing a \$5B spend and contributing to strategic partnership initiatives such as filing over 250 patents in engineering R&D, establishing more than five innovation labs and generating millions of dollar in collaboration in GTM strategy.



About the authors



Namratha Dharshan

Chief Business Leader, India Research, ISG

With more than 18 years of experience in IT/BPO outsourcing research, she has developed expertise in business processing outsourcing and customer experience broadly focused on horizontals such as finance and accounting and contact center. Her research focuses specifically on customer experience as it relates to digital transformation, omni-channel, analytics, AI and automation.



David Hughes

Vice President, Global Shared Services and Order to Cash, Xerox

With more than 35 years of experience in F&A processes, David is a certified Lean Six Sigma Black Belt who specializes in business transformations and process redesign, specifically within the order-to-cash and finance business.



Bob Carroll

Senior Vice President, Digital Process Operations, HCLTech

Bob has 25+ years of experience in business process transformation driving change via multi-function shared services, global business services and business process outsourcing. He is experienced in driving large-scale organizations and global change programs across multiple industries, lines of business and functions.



Bhavdeep Singh Sethi

Vice President, Digital Process Operations, HCLTech

Bhavdeep joined the HCLTech family in 2004 and has 20+ years of experience. His areas of expertise include business aligned IT strategy, process transformation, architecture simplification, cost optimization and IT governance. He leads the implementation of robotics, artificial intelligence/machine learning, digital and SMAC technologies.

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