

PEX IN APAC

This *PEX Network* market update looks at the leading process trends in the APAC region



Introduction

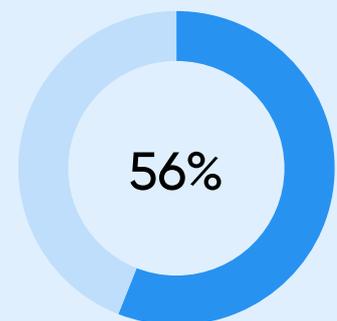
The Asia-Pacific (APAC) region has witnessed dramatic change in recent years, whether it is the instantaneous shift to remote working during the outbreak of the Covid-19 pandemic or increasing demand from customers to interact with companies online.

This *PEX Network* market update offers insights into the current drivers for process improvement in the region and investment trends. Findings are supported by exclusive initial APAC-based results of *PEX Network's* 2023 state-of-the-industry global survey, of which the full results will be featured in *PEX Report 2023*.

"The number-one skill companies are looking for is the automation specialist identifying opportunities thanks to a library of processes that helps them find pots of gold."

Thomas Kohlenbach

Principal consultant at Nintex



Amount of APAC-based respondents looking to invest in low-code and no-code solutions until mid-2023

Source: *PEX Network's* 2023 state-of-the-industry survey for OPEX and business transformation

Current process trends in the APAC region

Customers are a big driver for process improvement in the APAC region. *PEX Network's* global survey indicates that improving customer satisfaction through better process quality and efficiency is the top view in which APAC-based respondents see OPEX programs.

Debashis Sarkar, managing partner of Proliferator Advisory and Consulting, notes that customers' behavior has changed since the onset of the Covid-19 pandemic and they now expect digital experiences with companies they interact with. It is, he explains, "forcing businesses to use technology solutions to provide customers what they need at their convenience".

Nao Anthony, senior manager, operational excellence at multinational financial services provider Commonwealth Bank, explains that his job has evolved during the pandemic. It went from creating a standardized and simplified process environment to looking at systems and understanding how products are designed alongside the customer journey to meet exponential demand from customers to access assistance while their businesses came to a halt.

DHL Express Asia Pacific is embarking on several digital transformation projects to drive efficiency and higher productivity across the company in order to better serve its customer. One of them is an artificial intelligence-powered chatbot that enables a 24x7 customer service. It allows them to

receive bite-sized shipping information and track shipments in real time. It is also designed to instantly address commonly asked questions.

DHL Express's initiatives also include an on-demand delivery online portal that offers customers the flexibility to schedule contactless deliveries for shipments. They can choose from six alternative delivery options in case they cannot receive their shipment on the estimated delivery date.

Ken Lee, CEO of DHL Express Asia Pacific, explains: "By constantly listening to our customers' needs, we have implemented technological innovations that are relevant and sensible for our customers, employees and operations."

Nao also sees efficiency as a key driver for process improvement. From one of his previous experiences working in the supply chain industry, where majority of the sourcing and operations were based in Singapore and the Philippines. This, Nao explains, "is not a conventional outsourcing exercise, it is about focusing on the key value that is offered to customers by leveraging geographical locations which have distinct competence in relation to logistics, efficiency and other capabilities".

The work conducted in these offices revolves around offering capabilities which adds significant value to customers in Australia, New Zealand or even in the US. Being efficient is a priority, however, it is conducted by assessing the value chain and

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Rank of digital process automation, intelligent automation and change management in solutions currently used by respondents

Source: *PEX Network's 2023 state-of-the-industry survey for OPEX and business transformation*

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Nao Anthony

Senior manager, operational excellence at Commonwealth Bank

building technology solutions which improves customer experience significantly. He explains: "You have a lot of skills and capabilities in these countries, allocating sufficient financial resources will mean that the end-to-end value chain gains an overall uplift."

According to APAC-based respondents of *PEX Network's* global survey, cost savings is the second measure of success for OPEX programs after business top-line growth and increased throughput and efficiency, both ranking first.

Proliferator Advisory's Sarkar sees high inflation as a cause for organizations to be cost-focused as "it is forcing businesses to be more efficient, resulting in them analyzing processes for cost-reduction purposes".

In terms of methodologies currently used to support current OPEX programs, Agile is at the top for its delivery, which Nao explains is because "it looks at technology through the prism of releasing the best value to customers as fast as possible".

Thomas Kohlenbach, principal consultant at process management and intelligent automation software provider Nintex, sees a shift in the employment of specific skillsets, especially on automation.

He says: "The number-one skill companies are looking for is the automation specialist identifying opportunities thanks to a library of processes that helps them find pots of gold."

This corroborates initial results of *PEX Network's* survey that ranks both digital process automation and intelligent automation second (41 percent) in the list of solutions currently used by respondents to support their OPEX programs.

Change management is also second on 41 percent and derives naturally from automation initiatives along with continuous improvement. Kohlenbach explains: "If we improve, the next step is to manage change and explain its value to employees and the organization through visualization and feedback-led conversations – it makes a huge difference when you bring people into the conversation."

The next section of this market update outlines key investment trends in the process space in the APAC region.

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Ken Lee

CEO of DHL Express Asia Pacific



Current process investment in APAC

APAC-based companies want to decentralize process management to where the work happens and drive standardized repeatable processes on the front line. They want to map their processes first through business process management (BPM) before finding the right tool through, according to Nintex's Kohlenbach, to enable "more sustainable and strategic thinking".

This thinking applies to relationships with industry partners and goes beyond tool implementation. Companies now want to understand what support partners can provide when something goes wrong.

The focus in the region is, according to Commonwealth Bank's Nao, "all about making the processes simpler and better for customers where digitization is a key instrument". This aligns with the initial findings of *PEX Network's* global survey, where the top solution APAC-based respondents are looking to invest in over the coming 12 months (at the time of writing) is digital transformation (52 percent).

It is followed by artificial intelligence (AI, 44 percent) and intelligent automation (33 percent). Nintex's Kohlenbach notes the increased interest in AI and optical character recognition software in invoicing and supply chain applications. He also sees the appetite for robotic process automation (RPA) grow stronger again, with market players connecting bots to companies' application platform interface.

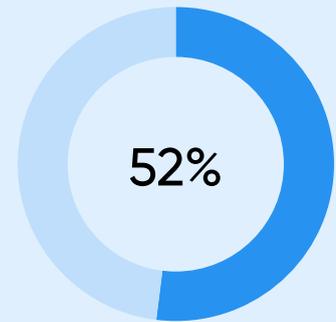
Automation projects can take three-to-six months in larger companies, but chief information officers and IT leaders are now looking for quick turnaround, enabled in part by low-code and no-code solutions. Of all APAC-based respondents of *PEX Network's* global survey, 56 percent are looking to invest within the next 12 months. Low-code and no-code will help Kohlenbach explains, "anyone who wants to make a real difference in the continuous improvement and center of excellence space".

Over the next few years, Nao sees a lot more customer-facing process transformation to ensure significantly better customer experience as it is currently a "challenging" environment. Sarkar agrees, noting that "companies wanting to get their omnichannel experience right will need to revisit the customer journeys and associated processes".

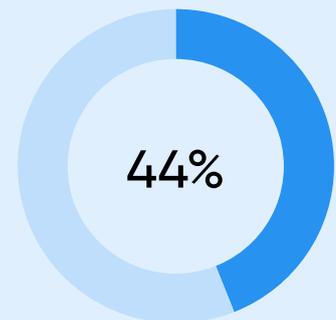
This will lead to new business models being adopted to stay relevant to customers and will require processes to be redesigned and adopted. This is already happening as *PEX Network's* survey shows business process reengineering is the second top solution that APAC-based companies currently use to support their OPEX programs.

Process practitioners based in APAC will need to keep the focus on reducing cost. They will need to continue digitally transforming their organizations and processes to continue delivering to customers and ensure their loyalty in a challenging economic time.

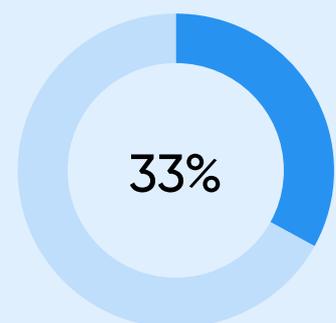
Top three solutions APAC-based respondents are looking to invest in until mid-2023



Digital transformation



Artificial intelligence



Intelligent automation

Source: *PEX Network's* 2023 state-of-the-industry survey for OPEX and business transformation