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# Order Management
## Process Improvement & Mining

**Generating deep process insights through process mining to drive optimization of E2E processes**

**ORDER MANAGEMENT**

## SETTING THE SCENE

Companies embark on driving digitally enabled operational excellence for key reasons:

**Transparency**
- Automated coverage of end-to-end processes
- Extraction of core process model
- Automatic comparison to target process models

**Process Improvement**
- Connection between standard KPIs and process flows, calculation of process KPIs such as automation rate, idle time and loops in the process flow
- Identification of bottlenecks with additional root cause analysis
- Process improvement with DMAIC methodology

**Homogenization**
- Benchmarking capabilities between business units, countries, departments,
- Automated identification of core process model supported

**Compliance**
- Visualization of process execution across systems in combination with connected responsibilities
- Identification of process executions that break compliance guidelines

## BUSINESS RESULTS

**Benefits**
- Identify problems & root causes and improve customer centricity.
- Understand the entire process and its variants (fact based time & motion).
- Validate effectiveness of optimization measures/ continuous improvement.
- Leverage process mining to measure potential improvements and size their subsequent impact.

**Lessons Learned**
- Agree up-front approach to measure and track benefits delivered.
- Ensure alignment of data quality and system information for extraction (leave enough time).
- Monitor the quality of outputs and invest in exceptions management.
- Ensure adequate education and user adoption approach.

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## CONFIGURING FOR SUCCESS

**Degree of Process Mining Maturity**

### Level I: Insights through Proof-of-Value **Show me**

- Understand capabilities and potentials of Process Mining through hands-on experience
- Diagnose & identify potential for improvement through data analysis
- Define implementation approach and roadmap for next phase

### Level II: Impact & Build up Capability **Teach me**

- Generate insights for improvement by analysing and prioritizing potentials
- Integrate Process Mining solution to productive system (hybrid agile methodology)
- Build functional and regional customized deep-dive analyses
- Train continuous improvement and process experts in their respective tasks & build center of excellence

### Level III: Continuous Improvement & Embed in DNA **Let me**

- Utilize Process Mining solution for status reporting and control of process improvement and compliance, internal benchmarking and etc.
- Implement improvement measures and commence with RPA, Machine Learning and process redesign
- Embed process mining further across regions and functions

## A CLIENT REFERENCE STORY

PRODUCTIVITY

A leading pharmaceutical company embarked on a multi-year transformation to optimize their main end-to-end processes in view of efficiency and flexibility. The main focus was directed to the definition of the specific end-to-end process target operating models and to the holistic process re-design including maturity and pain point assessments.
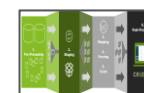
### APPROACH

- Deloitte supported the client to design and implement process mining solutions to various business processes.
- Develop the enabling foundations and capabilities required for a successful deployment of process mining at scale, including a detailed implementation plan, operating model, governance and process mining framework.
- Support leveraging the tool for various business processes to drive greater operational improvement, and supported the client to launch their own process mining Center of Excellence.

### OUTCOMES

Established **target operating models** for end-to-end processes & **centre of excellence** for process mining.

Novel **frameworks for process mining at scale** including process-specific technical specifications.

Introduction of **Process Mining KPI Dashboards** for end-to-end processes & identified improvement areas.

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# Order Management
## Enabling "touchless" ordering

## SETTING THE SCENE

There are key factors in preventing organisations developing touchless ordering capabilities:

- **Lack of master data quality** and complexity of master data set up a burden to ensuring a smooth flow of information across the end to end process and as a result lead to **manually interventions** (e.g. pricing, product attributes, etc.).

- **Lack of orders harmonization across the order intake landscape** (e.g. customer service, eCommerce, CRM) requires significant manual updates to compensate.

- **Automated Blocks** applied to the orders (order limits, delivery block, credit checks/holds, pharmacy license blocks, etc.) requiring manual interventions.

- **Lack of harmonized trade terms and challenges in adherence** result in a large diversity of orders type, many of which requiring manual interventions.

- Not leveraging or making use of **best in class digital tools** which can provide new opportunities for fu automation.

## BUSINESS RESULTS

**Ensure Perfect "Touchless" Order**
- The foundation of productivity improvements is the measurement of quality of order management
- Redesign of order management process with clear ownership and high levels of automation
- Multichannel automatic order intake (EDI, Commerce platform, Automatic order scanning and recognition via OCR)

**Driving Operational Excellence and Cost Reduction**
- Focus on improving the quality of execution steps and ensure continuous improvement of the process
- Pushing the usage of low cost channels away of high cost channels e.g. order taking by KAMs and Sales Rep
- Ruthless focus on process simplification/standardization

**Set up Master Data Governance**
- Economic data is valuable and should be treated like an asset
- Focus on simplification of the data elements to enable proper management
- Dedicated resources or data stewards to take ownership

**ORDER MANAGEMENT**

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## CONFIGURING FOR SUCCESS

| Order intake | Order processing | Confirmation | Order fulfillment | Order invoicing | Order payment | Order collection |
|---|---|---|---|---|---|---|

**Multichannel automatic order intake**
- EDI
- Commerce platform
- Auto order scanning & OCR

Embedded **business rules** (based on customer segmentation) drive different order processing, confirmation, and fulfillment patterns

**End-to-end process orchestration** will connect the workforce through automated workflows to have the order flow through efficiently (e.g. deviating payment terms are automatically redirected to the credit & collections department for approval)

**Predictive order management** & order frequency reminders to increase the predictability of order management and upcoming issues (credit / pharmacy license blocked orders)

**Robotics process automation** as the enabling tool to automate repetitive process steps, allow communication with other digital systems and deliver business benefits through enhancing speed, accuracy, availability and auditability

A clear **customer master data maintenance and governance** approach, with a centrally steered customer master data process is a key enabler to the OTC automated process

**Digital content processing**
In line with the green desk guiding principle, paper document will be replaced by digital documents in an integrated document management system. Critical enabler to make order-relevant information available to the whole company

**Order management e2e visibility and insights through process mining**, enabling full real-time visibility on events to take faster mitigation actions and allows more pro-active and timely customer communication

## A CLIENT REFERENCE STORY

- Deloitte was engaged by a specialist Life Sciences company to support a platform for growth initiative to design core end-to-end process across R2R, H2R, IBP Finance, S&OP, MDM and O2C.

- The E2E program aimed to drive standardisation, simplification and harmonization across the core processes and included a GBS transformation initiative to enable cost reduction and savings.

### APPROACH

- Deloitte supported each of the functional areas through a team of specialists to drive standardisation and harmonization into the process.

- Activities for order to cash included development and design of a core operating model through the definition of harmonized processes, governance and ownership, process mining and identification of improvement initiatives.

- Improvement initiatives were identified and implemented across people, process and systems.

### OUTCOMES

- **$4 million expected to be saved** over the first two years.

- **20% increased automation rate** from through touchless order initiatives (e.g. EDI, eCommerce).

- Detailed **blueprint and framework** for **core order to cash operating model** and standardisation across the organization.

- Increased throughput in the end to end order to cash process.

- Leveraging of **process mining** to gain transparency into the end to end process.

# Order Management
## Customer Service

- Digitisation, consumer practices and increasing competition are continuing to disrupt customer service models, increasing both choice and expectations with regard to support and ease of access.
- Organisations need to recognise the importance of service provision continuously throughout the E2E O2C process (e.g. order tracking, automated confirmation, query management, swift invoicing) to ensure loyalty and build trust.

A shift is needed towards **core design principles** to reflect those of customer behaviour

| Strategic | Operational efficiency<br>Service transaction<br>Reactive response<br>Information silos | ▶ | **Customer** advocacy<br>**Managed** journeys<br>**Proactive** advice<br>**Nurturing** communities |
|---|---|---|---|
| Operational | Emails / Mobile<br>Websites<br>Information systems<br>Desktop based | ▶ | **Social** interactions<br>**Engaging** applications<br>**Connected** experiences<br>**Touch / Voice** based |

## BUSINESS RESULTS

### ☆ Benefits

- Reduced customer operating costs.
- Improved customer experience and satisfaction.
- Increased revenue by improving customer retention and so sales.
- Improved competitive positioning through differentiated customer service.
- Improved process efficiency throughout the full life cycle of customer support.
- Improved customer user interface.
- Smoother flow of order process wither greater communication and information provided through automation.
- Single POC for support where required.

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## CONFIGURING FOR SUCCESS

## A CLIENT REFERENCE STORY

There are five capabilities critical for customer service delivery models to create competitive advantage:

**Omni-channel customer interactions** – Organizations need to understand the entire customer journey and not just optimize contact points individually. Building unified cross-channel services will deliver differentiated customer experiences that drive loyalty and repeat sales.

**Servicing connected devices** – Connected devices enable service teams to monitor equipment remotely and analyse device data to predict possible failures. Advanced analytics offer opportunities to deliver better service and improve efficiency.

**Creating loyalty through customer service** – Customer experiences, good or bad, can be amplified within minutes. The initial contact tier must take a greater role in driving customer engagement and loyalty across the E2E journey

**Nurturing customer communities** –. A customer community can act as a self-help network, generate valuable content and provide development ideas. Service teams should play their role in growing these groups.

**Engaging user experiences** – The quality of UI significantly influences customer perceptions. Investing in UX throughout can improve customer satisfaction and brand recognition.

- A global operating pharmaceutical's ambition is to retain its position as an undisputed leader in the European pharmacy market, constantly innovate with the aim of improving health care for those who need it, and to improve the quality of life and the well-being of all.

- The client is embracing the latest technological evolutions to transform into an "Amazon" of the pharmacies with an omni-channel strategy. The client is one of the challengers in health care, providing more value to customers in the regulated pharmacy environment.

### APPROACH

- Definition of the program scope which include: Order to Cash, Procure to Pay, Record to Report, Point of Sales, Loyalty Management and Marketing.

- Prioritization of approach and selection of the Omni channel customer interactions taking in to account their "Amazon" ambitions.

- Setup Agile program including existing satellite systems, to lay foundations of a future-proof solution where the focus is to empowering the client to for future innovative digital transformation.

### OUTCOMES

- Cost savings and improved customer service in the overall business are provided with the implementation being finalised.