

LEADING FOR A CHANGED FUTURE

What are your 'AHA' moments of 2020?

An Enlighten Leaders' Guide

Contents

Operational resilience: a leader's tool for ongoing disruption	3
The three pillars of operational resilience	4
Meet our industry leaders	6
5 Minutes with Jeff Smith	8
People: Fostering and nurturing an elastic workforce	10
Technology: Investing in right-fit technology	14
Compliance: Promoting an enterprise-wide compliance-first culture	18
A blueprint for the future	22

Operational resilience: a leader's tool for ongoing disruption

Business leaders are experiencing unprecedented disruption across the entire organisation, but most noticeably with their workforces. As leaders continue to grapple with how their businesses operate in the short and long-term, workers navigate finding a balance between effective remote working and the changes happening in their daily lives. Even the most resilient organisations have to rethink their people management strategies, risk management frameworks and business continuity plans to future proof their businesses.

In Australia, just as businesses thought the country had entered the post-crisis phase, a second wave of the virus hit, reinforcing the unpredictable nature of the crisis as a whole.

However, every cloud has a silver lining. As challenging as this year has been, it has presented leaders opportunities to build even stronger, healthier and more resilient businesses. It is an opportunity to get ahead.

Right now, global leaders are facing a make-or-break challenge: to build up their enterprises' operational resilience. Operational resilience is a new and important mantra that leaders should adopt and incorporate into their daily communications. It stems from the need for organisations to prepare themselves for ongoing change and disruption as the new standard.

Being operationally resilient enables a company to anticipate, mitigate, recover from and adapt to future hurdles, no matter the scale. While every business crisis is unique, leaders must develop a framework to help manage any fallout and quickly transition through change, engaging their workforce and rapidly pivoting to survive and thrive. Being prepared requires inherent business agility across every facet of the enterprise.

The new world is digitally driven, shaped by an 'elastic' workforce. Large-scale digital disruption will further test every industry, and with that comes increasing challenges around digital transformation, security, compliance management, customer experience delivery and workforce management.

We have compiled a guide on the critical considerations for any executive wanting to build an operationally resilient business and lead in a changing world successfully. Enjoy our insights and the various 'AHA' moments kindly shared by your peers!



Brent Churchill
CEO

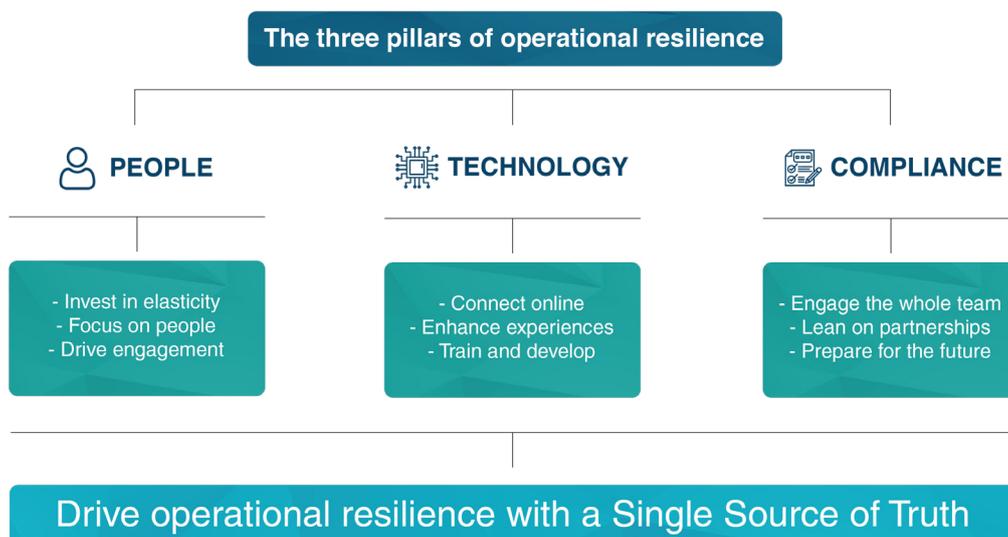
The three pillars of operational resilience



Operational resilience is the ability of an organisation to serve its customers while protecting itself and people in the face of any crisis. Being operationally resilient involves having visibility of every part of the business, from people to technology to data. Yet there is no one-size-fits-all strategy. Operational resilience requires continual assessment, analysis, and adaptation of existing strategies to address the unique challenges of each and every future crisis.

The journey to operational resilience is one of continuous improvement requiring the long-term investment of resources and time. It thus necessitates top-down commitment and consistent support from senior leadership and the Board. There are three main underlying pillars of operational resilience - people, technology and compliance.

- 1 People** - Leaders must acknowledge that the future lies in an elastic workforce. The new standard demands a very different way of managing people to ensure teams are fully engaged, productive and collaborative while also allowing people more freedom in achieving a work-life balance.
- 2 Technology** - Leaders must invest in the right-fit technology and be 'always on' ready for scalability and change. Transformation can't happen effectively without leveraging innovative solutions to manage a flexible workforce and ensure continuous improvement. Sustainable transformation requires detailed planning, employee buy-in and change management.
- 3 Compliance** - Leaders must promote an enterprise-wide compliance-first culture. It's no longer good enough for compliance to be considered the sole responsibility of only compliance officers. Organisation-wide thinking has to change so there is ownership of compliance at all levels of the organisation.



Meet our industry leaders



CRAIG RICE

Head, Mercer Administration Services

With 32 years' experience in the financial services industry, and having led geographically diverse teams of up to 1,250 across the world, Craig is an expert and industry thought leader in global operations management and business transformation.

Throughout his career, he has played an active role in solving complex organisational issues related strategy, sales, and operations, with the ultimate goal of delivering excellent customer service outcomes, always.



ANNABELLE THOMPSON

Executive Manager, General Insurance Sales & Service, Suncorp New Zealand

Having served in the financial services sector for over 10 years, Annabelle has had extensive experience leading strategic thinking and driving operational excellence in finance, product development, and corporate strategy.

Now as head of the General Insurance Sales & Service team at Suncorp New Zealand, she uses her innovator's mindset to build business processes that are fit for the future.



STEVE KLUSS

Director of System and
Process Integration,
NAC Consulting

With an extensive career spanning over 30 years in executive, management and functional leadership roles within banking, financial services and technology industries, Steve has carved out a niche for himself as an expert in business agility and transformation. In his work with NAC Consulting, he supports their partners and clients in building scalable and efficient business functions within an environment where people, processes and systems work seamlessly together.



SHANE BAKER

CEO, TAS

Shane is a business leader with over 30 years' experience in the international IT, finance, and professional service sectors. Now as CEO of a leading technology services provider to Australia's banking and finance institutions, he has his finger on the pulse of the latest industry insights and technology trends. He believes that cutting-edge technology has the ability to empower companies to navigate and adapt quickly to often-unpredictable business landscapes and ever-changing regulatory requirements.



NIGEL MCCAMMON

COO, APAC, LINK GROUP

As an authority in the financial services sector, Nigel has served in top key roles in big multinational corporations, including Global Head of Client Services at AMP Capital and Head of Mercer Administration Services. As COO of APAC at Link Group's newly-created operations, technology and innovation (OT&I) team, he supports millions of people around the world attain their investment goals through improved data management, analysis and insights.

5 minutes with Jeff Smith

APAC Program Director, Enlighten



*Jeff Smith is a game-changing leader with extensive experience in solving real-world business problems for insurance, banking and financial services organisations. Now, he shares his insights on measurable outcomes driven by a **Single Source of Truth**, highlighted in his experience working directly on-site with one of our clients. Learn about their 'AHA' moments in this interview.*

How has Enlighten worked with this company in the past?

We started with a pilot program in their Melbourne office implementing some of Enlighten's Single Source of Truth solutions and achieved some really good results. We significantly reduced their backlogs, increased efficiency by 40% and improved phone service levels from 45% to 70%. The client ended up saving over \$1 million annually while still growing their business and maintaining service levels.

As a result, we moved onto a second phase in the corporate super and master trust area, and we're currently rolling out a third phase in their contact centres, and have just signed a fourth phase starting November 2020.

RESULTS ACHIEVED



How did Enlighten help manage challenges during the crisis?

When COVID-19 hit, there were cost reductions in the business and the team became severely understaffed. Their offshore partner had closed down and they had inherited 500 hours of backlog overnight. They had 55 fewer employees doing the work, and we had to transition everyone to work from home.

Essentially, the business was in turmoil – service levels were in the single digits and efficiencies had dropped.

That's where they really had to rely heavily on our Enlighten dashboards to turn the situation around. I went to the client as a temporary employee to help them manage the transition, basically becoming a line manager and a client using the software to manage the business, rather than a consultant delivering the program.

How did data make a difference in enabling a smoother transition?

Data allowed the managers and team leaders to plan very effectively across a business of 160 people, and made it more efficient for them to get approval for extra resources. Using the software to show track performance in real-time supported more agile decision-making and we were able to react to things quickly, resulting in drastic improvement in service levels. Data also supported more effective work from home as we were able to provide support and coaching where needed.

It also meant that as a consultant, I was able to provide a more integrated level of service that is not often attainable with external parties. With Single Source of Truth, I was able to drive significant performance uplift and make critical decisions, despite being new to their business operations.

How can leaders define meaningful metrics for their business?

With many of our clients, the software gets installed but they're not using all facets of the solution. For example, when the internal business reporting teams didn't have data for the contact centre because of issues with their systems, I was able to obtain it from Enlighten because we pull it from their call centre provider's reporting API.

Also, while most businesses have volumes of raw data on quality and volumes of work completed, very few of them have access to more analytical operational performance insights such as output compared to hours spent. Information like that is critical when making the right business decisions.





Fostering and nurturing an elastic workforce

An elastic workforce means more than remote and mobile working. It takes into account the true extent of workforce flexibilities, such as flexible hours and job-sharing arrangements, with the focus on enhancing the employee experience.

But as companies were suddenly forced to experiment with work from home arrangements almost instantly, they soon discovered that managing a remote team requires significantly different management strategies. Leaders needed to reset and learn to focus on managing outcomes rather than time spent in the office -not something that is easy to do after years of being conditioned by “traditional” work structures.

During the crisis, flexibility became key to ensuring that teams stayed engaged, productive and collaborative despite the distance. Leaders also learnt that there are abundant possibilities to explore too, from building hybrid work models to completely reimagining certain roles within the organisation.

“The average make-up of what a person’s week looks like is three days working in the office and two days working from home,” shares Annabelle Thompson, Executive Manager of General Insurance Sales & Services at Suncorp New Zealand. “The big thing is just ensuring people are productive wherever they are, and using that flexibility to its advantage, to allow our people to perform while having a healthy work-life balance.”

Craig Rice, Head of Mercer Administration Services, agrees. “All roles can be flexible. It’s about a decompression of hours, so looking at work on the basis of full-time, part-time, and job-sharing arrangements, whatever makes sense for the business,” he shares. “People could come into the office in the mornings and work from home in the afternoons. Tailoring work hours to individual needs and having a discussion with the team leaders and managers on finding the best possible roster gets a win for the individual, the team leader and the business.”

An elastic workforce is pivotal in allowing leaders to tap into the unique value of its people to drive performance and productivity, no matter the circumstance.

As pointed out by Steve Kluss, Director of System and Process Integration at NAC Consulting, it’s about more than internal productivity. An engaged workforce is critical during business challenges to enable functionality and smooth customer experiences. “The elastic workforce drives scale, keeps cost low and allows you to utilise skilled resources on critical tasks, as well as respond quickly to events and respond to evolving customer needs especially in times like this.”



Building on engagement, boosting performance

Instead of simply surviving with remote work, leaders can leverage the opportunity by opening their mind to the many possibilities of the new working arrangements and how they can future engage with their teams. For example, remote working can help drive productivity and performance. By giving employees greater control over their work lives, companies can earn employees' trust and heighten morale. This also means companies can attract a better pool of talent, enticed by an engaging and collaborative workplace culture.

“You can’t just have people come together once in a while and expect to recreate that same level of connectivity and relationships as a traditional office setting. So, teams now will need to think differently about how to engage each other better whenever they do come together, whether it’s through events or activities that are run every week or fortnight. Whatever your team chooses to do, you need to ensure that you’re getting the most out of that physical proximity.

But while hybrid work models can boost engagement, it can also challenge it. “With remote work, the humanistic elements of office culture can start to get lost or weaken,” say Nigel McCammon, COO of APAC at Link Group.

EMPLOYEE ENGAGEMENT



Managing the elastic workforce with a Single Source of Truth

Data is the driving force behind a successful elastic workforce. High-quality data enables more accurate analysis of productivity so that managers can streamline workflow, reduce time wasted on idle capacity, or choose to automate more repetitive, manual and error-prone tasks.

“Data has the ability to deliver really interesting insights and answer those sort of big questions like: Has our productivity dropped? Has our productivity improved? Why has it improved? In which areas has it improved?” says Rice. “And those are the types of insights you need to optimise your existing operations while identifying opportunities to take things to the next level.”



“Data has the ability to deliver really interesting insights and answer those sort of big questions...”

But in addition to being high-quality, data needs to also be transparent. Transparency is key to building engagement and trust across any organisation, but transparency with regard to performance data can be particularly motivating, especially in a remote or hybrid workforce situation.

“Consistency and transparency is really key to empowering people,” says Thompson, “and so having a single source of truth, having language that’s associated with how we talk about outcomes, is really important to maintaining our strong organisational culture. If everyone in the team knows where everyone else is at or where we’re at as a whole, that’s when people can step up and support each other.”

“Understanding true performance through data removes emotion and provides the platform to deliver a continuous improvement culture,” adds Kluss, noting that it allows leaders to link performance to the strategy of the business. “When staff can see that their effort is contributing directly to the goals of the organisation it positively impacts their engagement, tying individuals and departments to a common goal, more so than micro metrics. This can result in greater engagement and increase in core work hours.”



Investing in right-fit technology solutions

The kind of transformational change leaders face in managing effectively in the new world requires significant dedication and investment. That, in part, involves the adoption of right-fit technologies to enable not just incremental change, but profound transformation.

Technology supports two key pillars of operational management: moving work to the people with the right skill sets, and empowering basic decision-making with a comprehensive view of the most meaningful metrics.



However, leaders must approach this strategically, ensuring that they don't invest in technology for technology's sake, or fall into the trap of pin-point solutions that end up complicating processes. This requires that leaders first evaluate and understand existing process gaps before determining what value any new technology will bring to the organisation and its people.

Another factor that cannot be neglected when adopting new technologies is securing employee buy-in and providing the necessary training for them to effectively apply these new tools. Human capital remains the most valuable asset of any business, and regardless of the innovation available, a people-first approach is critical to the success of any technology deployed. The dangers of ignoring employees' needs are numerous, ranging from poor customer experiences to high staff turnover.

"Adopting technology right now is about enabling a modern workplace. We have to consider not only addressing the changes to come out of the last few months but really understand where we want the workforce to be in the future," highlighted Shane Baker, CEO of TAS.

A people-first mindset

Investment in technology must start with people, as the ultimate effectiveness of adoption is reliant on the end-user experience. Leaders will need to ensure employee buy-in to successfully drive this digital transformation, with tools that are designed to enhance, not hinder, human capital.

"If you're going to use a productivity system, you don't want to make it super administrative because it will feel like an admin tool, versus being a great resource for insights to help you make smarter decisions or have better conversations," says Thompson. "Technology needs to be used for encouragement and coaching; the carrot, as they say. That way, you'll get sustainable change in people's behaviour, not out of fear of negative response or retaliation, but because they're doing it for the benefit of themselves, their team, and a greater purpose."

"I've seen it go both ways," she adds, "where people use technology for good and evil purposes. I believe the leadership approach has a big part to play in this, in ensuring that any new technology is used in the right way and for the right reasons."



"Technology needs to be used for encouragement and coaching..."

Before investing in any digital solutions, it's essential for companies to first evaluate and review existing systems. What is the current digital literacy of the workforce, what has been their response to current technology tools so far, and how much of the current gaps can be addressed by simply more efficient use of existing resources?

And when considering which tech tools to adopt, companies should focus on the employee experience and invest in ongoing training. Leaders can do better by considering tools that allow for some degree of personalisation or customisation so that people can optimise their own workflow. Training and development processes should also be designed around each individual's digital literacy so that no employee is left behind.

"Having all the AI capabilities is less important than ensuring that we're able to achieve some sort of market differentiation or competitive advantage because of it, and that has a lot to do with how our people use and engage with the technology, and then convey those insights in the services they provide," shares McCammon. "This requires that technology be designed around experience, not just process."

"For me, tech needs to be about collaboration," agrees Rice. "Because it's really about the usability, the acceptance, and it needs to be something that you can build into your normal workflows. The value of this really came through in our current hybrid or elastic work model where our workforce is in a dispersed environment."

INVESTING IN TECHNOLOGY



**Evaluating
current tools**



**Enabling
communication**



**Enhancing
experiences**



**Investing
in training**



**Choosing
adaptive tools**

Choosing right-fit technology by evaluating a Single Source of Truth

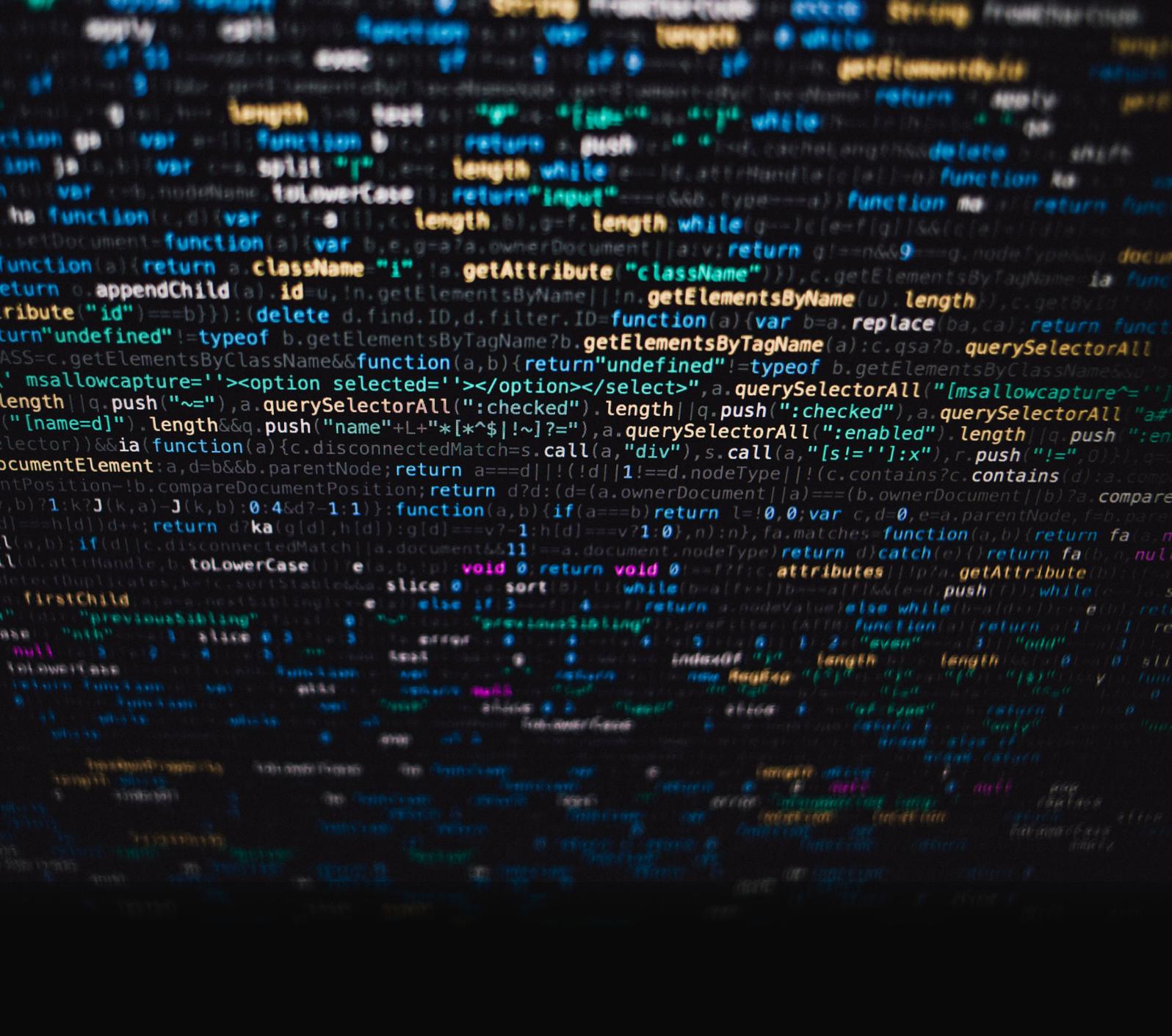
As entire industries are being redefined by digital disruption, leaders that tap into data-driven insights have the potential to leap ahead in terms of innovation. High-quality data allows businesses to reduce testing time in bringing new services or products to market while keeping an eye on changing market demands in real-time.

Kluss highlighted the importance around constantly assessing, analysing and adapting, especially in the early stages of adoption. “Leaders can employ activity-based costing models, driven by a single source of truth, to understand performance in real-time and utilise end-to-end process performance reporting to break down the impact of outside influences.”

McCammon says finding the right-fit technology has brought traceability and consistency to Link Group’s operations, resulting in a cultural shift away from activity-based to outcome-based metrics. “It’s a shift in our strategy, our mindset, and in the maturity of how we operate,” he shares. “With a single source of truth, we now have traceability and consistency to understand how our people spend their paid time, and how our members and clients interact through the various mediums that we have in the business. Having insight into both has put us on an absolute winning path.”



“It’s a shift in our strategy, our mindset, and in the maturity of how we operate...”



Promoting an enterprise-wide compliance-first culture

Increased flexibility presents unique challenges, especially when it comes to compliance management, an already complicated issue in itself. Amidst increasing digitisation, evolving global regulations and complex privacy obligations, leaders must now address a number of new risks, including issues related to remote data sharing, and employee management and performance observation without crossing into invasion of privacy.

To address the intricacies of the new normal, leaders have to nurture enterprise-wide compliance-first thinking that requires individuals at every level of the organisation to take ownership over compliance processes. Compliance is no longer the sole responsibility of a single department or compliance officer.



This is a critical issue for many organisations because the consequences of non-compliance can be devastating. Not only do companies risk incurring heavy fines, they also risk irreversible damage to their reputation and loss of customer trust, leading to even further long-term financial losses.

This, in turn, negatively impacts employee morale, leading to reduced productivity, higher turnover, and the inability to attract talent. In the current environment, coupled with worsening business conditions, this is the last thing any company wants.

“Compliance was already a complicated issue prior to the crisis, but the elastic workforce definitely adds an additional layer of complexity moving forward,” shares Shane Baker, CEO of TAS, a leading technology solutions provider for the banking and finance sector. “There are new points of risk that come with working remotely, such as securing the virtual workplace and ensuring people are trained and prepared to work safely, and making sure they are aware of their compliance requirements. We’re going to need to look at data loss, sensitivity labelling, minimising insider risk, and retaining internal information, all while staying productive, healthy and engaged.”

He adds that these issues are usually taken for granted in actual office spaces where companies have invested in ensuring that most compliance requirements are automated.

“The increased use of technology to enable workforce transitions is also going to affect effective compliance management,” he elaborates. “It all comes down to business continuity and what we’re doing to protect that, so compliance processes are needed to ensure people can stay secure, connected and productive outside of the traditional working model.”

As for Rice, compliance is a key issue in maintaining trust amongst stakeholders through trying times. “I’m thinking about compliance across our entire end-to-end business and making sure that we’re managing our operational risks day in, day out,” he shares. “I also consider what else we need to be doing to make sure that our reputation and our value-add as an administrator is understood by our members, and particularly by our trustees. We want them to know that we’re doing the best for them, and that’s why they should continue to do business with us.”



A strong compliance culture

Shifting to enterprise-wide compliance management is a question of culture. This requires the integration of risk management into every level of the business process, and starts from top-down commitment to demonstrating effective compliance. Leaders need to understand that the extent of their obligations carries all the way through to how they empower their people to take ownership with the right tools and training.

Cultivating a strong compliance culture requires first acknowledging the importance of compliance and what it means in the context of the new normal of work. Leaders should consider whether they have the right licenses for a remote workforce, and whether their current policies address confidentiality standards outside of the office.

With new digital tools being adopted, they also need to consider if adequate steps have been taken to mitigate cyber risks and meet compliance obligations.

Monitoring compliance efficiency with a Single Source of Truth

Data serves as a powerful tool to simplify compliance management, especially across your third-party vendors. Implementing the right tools to automate processes and reduce human errors allows companies to keep pace with evolving regulations, while supporting vendor management and ensuring compliance across the supply chain.

EFFECTS OF POOR COMPLIANCE MANAGEMENT



**Irreversible loss
of reputation
and customer
loyalty**



**Reduced
productivity and
resulting financial
losses**



**Lowered employee
morale and
productivity**



**High staff turnover
and inability to
attract better
talent**

In addition to leaders setting an example and employees taking ownership of compliance in their day-to-day, Baker also emphasises the importance of leaning on strategic partnerships to manage compliance. “Whether that’s tapping into data-driven solutions for total visibility or relying on regtech partners that will help automate the management side of compliance, companies should look to data to simplify the process,” he shares.

Most importantly, compliance is not a one-time fix, but a continuous process of assessment, analysis and adaptation.

“To me, compliance is about continuing to adapt and grow our thinking around our data quality scripts or the way that we process data and onboard information in the moment,” shares Rice. “And in today’s highly dynamic environment, we need to be able to flex our operational model quickly to accommodate any new regulations or risks that arise.”

Kluss further urged leaders to draw on appropriate metrics to support the team in modelling the true impact on customer experience, cost and risk to identify a balanced approach to meet compliance standards. “Organisations with embedded metrics that provide clear visibility of end to end process performance are best placed to understand these impacts at a granular level and respond appropriately. This allows organisations to move away from a one-size-fits-all approach to pricing, assessing risk and distribution channels and transition to offering tailored solutions for individual customers.”



“...we need to be able to flex our operational model quickly to accommodate any new regulations or risks that arise.”



A blueprint for the future

Geopolitical events, a global financial crisis, and a crippling pandemic have marked this year as one of the most challenging in recent history. While developing operational resilience against high-impact events is nothing new in business, in these make-or-break times, organisations must prepare themselves to handle future disruptions in strategically.

To do so, they will need to place people, technology and compliance at the core of their operational model and align the mindsets of everyone from top leadership to middle management to individual employees. Key to achieving this is to provide transparency, a single source of truth from which data can be used to drive employee engagement, enhance tech experiences, and mitigate compliance risks.

This should be further underpinned with critical management principles to ensure the survival of the strategy. Leaders should aim to assess and develop their Single Source of Truth with a defining scorecard covering:

- 1 Customer experience** - Understand the evolving customer journey and ensure your framework captures their responses in real-time.
- 2 Productivity** - Track output as a measure of operational performance rather than individual productivity to understand the value created.
- 3 Quality assessment** - Create a system of internal review to ensure your services are provided at a quality that matches the evolving market landscape.
- 4 Risk and compliance** - Invest in automation to allow your organisation to keep up with the changing demands of the regulatory system in real-time.
- 5 Culture and employee engagement** - Track the real measures of engagement and create channels for open and honest feedback as part of the metrics.
- 6 Cost and resources** - Measure resources against output and operational performance to get accurate visibility over critical gaps that need investment.



Explore how Enlighten can help you develop an operationally resilient business for the future. Get on the front foot today.

Enlighten Operational Excellence | www.enlighten-opex.com
Level 2/6 O'Connell Street, NSW 2000 Australia | +61 2 9232 2771