CLIENT STORY

protiviti®
Global Business Consulting

Assessing digital maturity across government transportation organization in the Middle East

The National Strategy for Digital Transformation of the Kingdom of Saudi Arabia aims to focus on accelerating digital transformation and improve the quality of digital services through three five-year action plans. The third action plan for the years 2020-2024 seeks to realize a smart government and develop a **digital capable ecosystem with focus on cost optimization and value maximization, reduce costs and overheads, and ensure quality and speed**.

In 2020, one of the Middle East's largest government-owned transportation and logistics companies embarked on an exploration of digital technologies, aiming to align with the company's vision and mission.

As a part of the company's digital initiative, Protiviti was engaged to do a comprehensive study on the entire business units within the firm to come up with digitization and digitalization opportunities.

The main objective for the study was to fulfill the following objectives:

- Comprehensive study of operational processes
- Identification of gaps in the existing processes
- Mapping Automation, BPM and other digital opportunities
- Building policy documents
- Establishing Automation Program Office
- Building Intelligent process automations, Task & workflow automation pipeline

As part of this initiative, Protiviti conducted a comprehensive examination of all shared services processes and procedures within the organization. This involved interviewing key business stakeholders, brainstorming solutions, increasing understanding of digital technologies, and other activities. The examination spanned various departments including Supply Chain, Finance, Legal, IT, HR, and Support Services, and comprised more than 35 workshops with the business teams. As a result, over 190 processes were meticulously scrutinized, leading to a thorough gap analysis and recommendations for process enhancements.

The gap analysis was conducted based on the following parameters:

1. Identifying process inefficiencies, where some of the key observation made are:

- High turnaround time, potential delays, and bottlenecks in execution of process
- Low level of systematization and digitalization
- Silo-ed processes and data due to lack of integration across internal modules and external systems
- Underutilization and lack of knowledge on Oracle EBS functionalities

Following this, **an in-depth analysis** of the operations in each department was undertaken to explore **potential process improvements, identify automation prospects**, and **establish the digital roadmap for the organization**.

191 Processes studied

35 Departments

35+ Workshops

2. Discovery of redundant OPEX:

- High reliance on human intervention and manual activities increases the cost of operations and lowers the time spent on value addition and strategic activities
- Cost overruns due to Inefficient planning and forecasting

3. Low Digital Maturity

- Data Quality & standardization issues
- Limited access to data
- Manual reporting & KPI monitoring with no data analytics tool in place

4. Compliance & Governance:

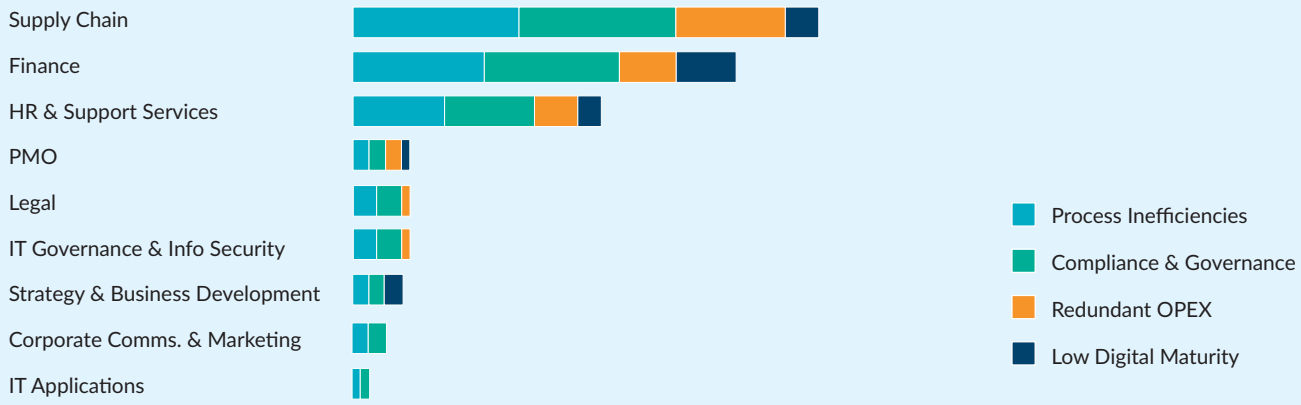
- Absence of audit trail and SLA enforcement mechanisms
- Manual performance of data extraction, reconciliation, and validation activities prone to errors
- Inconsistent digitization and electronic archiving practices

After identifying these gaps, the subsequent stage involved aligning them with each department to present a comprehensive perspective on how these factors differ across the various departments within the organization.

The result of the consulting exercise carried out for understanding the automation and digitization opportunities resulted in 62 opportunities which were then mapped to 6 solution groups that would allow the organization to efficiently solve the gaps that exist across various functions.

Protiviti followed a systematic approach to perform these assessments that included process and system walkthrough, identification of key pain points and inefficiencies and was centered around the firm's need, vision and industry best practices.

Quantitative Analysis* of Gaps



Assessment Approach

Current State Assessment	Opportunity Qualification	Industry Leading Practices Mapping	Alignment to Strategy	Digital Roadmap
Review of "AS-IS" processes and proposed "TO-BE" state to identify gaps and digitalization opportunities	Workshops with stakeholders to identify the need and relevance of the proposed opportunities	Inputs from SMEs for respective areas (Oracle, SCM, Finance, etc.) and global leading practices	Mapping the opportunities to existing strategy and systems landscape	Propose a roadmap for Digitalization based on parameters like business impact, effort etc.

> *Each digital opportunity has been chalked out considering four business impact parameters along with implementation effort to arrive at low hanging, high value or quick win category.*

Protiviti considered four strategic pillars to conduct the study which was the true representation of essential dimensions around firm's long-term success. The four pillars considered are:

01 **Governance & Control** - The purpose of operational governance was to align the entire organization as efficiently as possible, principally to ensure the effectiveness of the decision-making process across the firm, join all stakeholders together into a business-driven collaboration and create an enterprise that is strong, agile, and focused on the future.

02 **Process Efficiency** - Improving a company's overall efficiency is crucial for businesses, and this allows a reduction in turnaround time, mitigation of delays, and removal of bottlenecks, thereby making the organization more productive and results oriented.

03 **Decision Making** - Decision making is important to achieve the organizational strategic goals and objectives within given

time and budget. It makes information readily available, discovery of solutions and alternatives quick, increases confidence in decisions made, efficient utilization of resources at disposal, and satisfies the employees at the workplace. As a result, organizational goals or objectives can be achieved as per the desired result.

04 **Cost Optimization** - Continuous cost optimization helps to reduce the cost of operations. It helps to set a competitive price of services provided by the firm and increase value of profits or return on investments.

"Basis - Protiviti's understanding of firm's strategy, equal weightages have been assigned for each of the benefit parameters to come up with business impact score.

Time to Implement

Implementation Effort (IE)
2 – Medium Effort (3 -6 months)
1 – High Effort (> 6 months)

Business impact Parameters

Governance & Control (GC)
3 – High GC Impact
2 – Medium GC Impact
1 – Low GC Impact

Process Efficiency (PE)
3 – High GC Impact
2 – Medium GC Impact
1 – Low GC Impact

Cost Optimization (CO)
3 – High GC Impact
2 – Medium GC Impact
1 – Low GC Impact

Decision Making DM)
3 – High GC Impact
2 – Medium GC Impact
1 – Low GC Impact

*Overall Impact Score (OIS) (Per opportunity) =
25% * GC Score +
25% * PE Score +
25% * CO Score +
25% * DM Score

Business Impact (BI) =
- If OIS > =2 then then
- Overall impact is High
- If OIS > 1.5 but less than 2 then overall impact is Medium
- If OIS< 1.5 then overall impact is Low

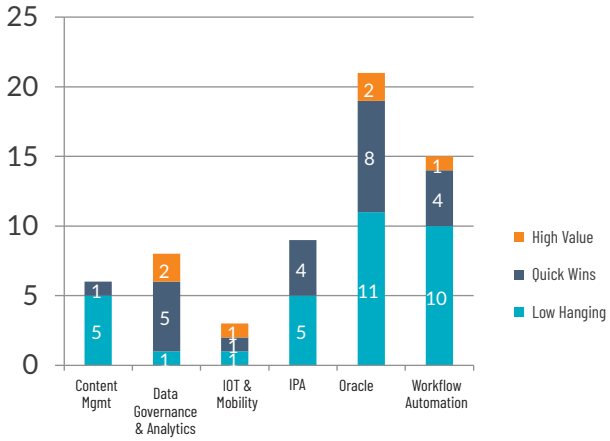
Opportunity Category		
IE	BI	Category
Low	Low	Low Hanging
Medium	Medium	
High	Medium	High Value
High	High	
Low	Medium	Quick Wins
Low	High	
Medium	High	

"Around 62% of Analytics solution would bring in Medium to High business impact as indicated in "Quick Wins" category"

Solution View across benefits' categories

Solutions were presented across benefit categories to provide an insight of business impact derived by each of the solutions

Highest count of opportunities was in "Low Hanging" category, indicating most of them have either Low implementation effort & business impact or medium implementation & business impact.



As per the exercise, there were 6 areas of digitization is identified which are:

01 **Intelligent Process Automation (IPA)**, which is a software technology that mimics human actions. It is best suited for repetitive, tactical, non-value adding transactional tasks that does not require judgment. IPA yields maximum benefits when processes and technology stacks are relatively stable and mature.

02 **Workflow Automation**, which is a business process management solution which tracks, monitors, and logs, orchestrates a repeated sequence of activities, to execute a process. It is best leveraged where there are multiple handoffs with different stakeholders within or outside of department /organization to track the status of the work item.

03 **Data Governance and Analytics** where Data Governance includes the people, processes and technologies needed to manage and protect the company's data assets to guarantee generally understandable, correct, complete, trustworthy, secure and discoverable corporate data and Data Analytics comprises of strategies and technologies used by organizations to perform analysis of data generated through multiple sources to derive insights. These insights drive organizations in decision making.

04 **Content management solution** –CMS is used to receive, track, manage and store files of various format. This is a digitization intervention with an aim to reduce paper based hard copies being manually managed, tracked and stored. CMS can be leveraged within many departments where contracts, invoices or any other supporting documents need to be maintained for operational or audit purposes.

05 **Oracle Enhancement**- Based on the firm's landscape, Protiviti identified departments where Oracle is currently being used and can be leveraged for extended functionality to meet the digital gaps. This becomes a cost-effective option as compared to incorporation of a third-party solution.

06 **IOT and Mobility** where IOT is a system of interrelated mechanical and digital systems which communicate over a common protocol to transfer data without the need for human intervention. Mobility solutions refer to typically handheld devices to improve business productivity and digitalization.

> *As per the study **52%** of the Oracle & **66%** of Workflow automation solution would derive Low to Medium business impact. "Quick wins" indicate Low implementation effort & Medium business impact or medium implementation & High business impact.*

Continuous Value and Engagement

While the initial engagement was to do consulting exercise and build digital roadmap for the organization, Protiviti was asked to take a lead in building the automation program office for the organization and asked to partner for the organization wide digitalization in a phased manner.

Automation Program Office

The Automation Program Office (APO) focused on delivering identified initiatives and managing their delivery, while mitigating emergent risks and ensuring quality of delivery, on time and on track.

Phase 1 – Digitalize Support Functions

34 initiatives were delivered that catered to the organizations' supporting functions mainly finance and supply chain operations; and impacted the processes and efficiency of core units significantly. These resulted in savings of 17,808 hours – including saved man hours and reduction in process hours. 9 out of 34 initiatives leveraged RPA, 5 were delivered using content management solution, 5 workflow automations were developed, 14 Oracle enhancements were made and 1 IOT and mobility solution deployed. The deployment of these solutions improved efficiency, conformance and standardization, enhanced decision making, strengthened compliance practices and conformance, and enabled better governance of data. These initiatives shaved redundant and monotonous activities that consumed time and required extensive human supervision, thereby enabling better allocation of resources.

Phase 2 – Digitalize Core Functions

In view of the benefits realized in Phase 1, the organization requested Protiviti to run the automation program office, with a keen focus on digitalization of core functions. 48 initiatives were identified and are scheduled for delivery in the coming year, to enable greater digitalization within the organization's core facets of operations. The initiatives encompass workflow automation, IOT, IPA, process mining, data governance and analytics, Oracle enhancements and conversational AI platform.

Contact us:

Amit Ray
Managing Director
Phone: +965 22957826
Email: amit.ray@protivitiglobal.me

Shailesh Indapurkar
Managing Director
Phone: +965 22957826
Email: shailesh.i@protivitiglobal.me

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and its independent and locally owned member firms provide clients with consulting and managed solutions in finance, technology, operations, data, digital, legal, HR, risk and internal audit through a network of more than 90 offices in over 25 countries.

Named to the 2024 Fortune 100 Best Companies to Work For® list for the past 10 years, Protiviti has served more than 80 percent of Fortune 100 and nearly 80 percent of Fortune 500 companies. The firm also works with government agencies and smaller, growing companies, including those looking to go public. Protiviti is a wholly owned subsidiary of Robert Half Inc. (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

©2024 Protiviti Member Firm for the Middle East Region

protiviti®