

Topic Info 1: END-TO-END-DIGITALISIERUNG



(1) Key word: END TO END business process

A business process is end-to-end by definition. This means that analysis and optimization of the business process starts at the customer and ends again at the customer.

End-to-end means therefore from the beginning to the end and refers to the consideration of a product or a service in total. An action of the customer must result in an answer (to the customer).

Depending on the degree, end-to-end considerations can be made for the entire organization, for the individual process or pure system landscapes.

Here, the focus is on 4 core elements.

1. How well can products be marketed? Who buys and who not?
2. How are products used? Which functions are missing or unnecessary?
3. Do the processes work? How well do they work?
4. Does a system chain work technically and the way it is required?

Above all, high-tech service industries (as the telecommunications and the finance sector) are marked by a strong competition, many different products, speed and a high price pressure. In such environments it is often not possible to optimize launched and faulty products during operation without impairing the image. Therefore, it is recommended in the specialist literature to take some time before introducing innovations in such cases and carry out tests from the beginning to the end - end-to-end.

In the 90's and since the success of business re-engineering, end-to-end business processes were the panacea. The drastic cure for companies was described in an opinion-forming way by the US American economists Peter F. Drucker (with Austrian roots), Michael Hammer and James Champy.

There was the conviction that customers could be won by analyzing and optimizing business processes and new services could be invented, and that it would be possible to be faster and save a lot of money hereby.

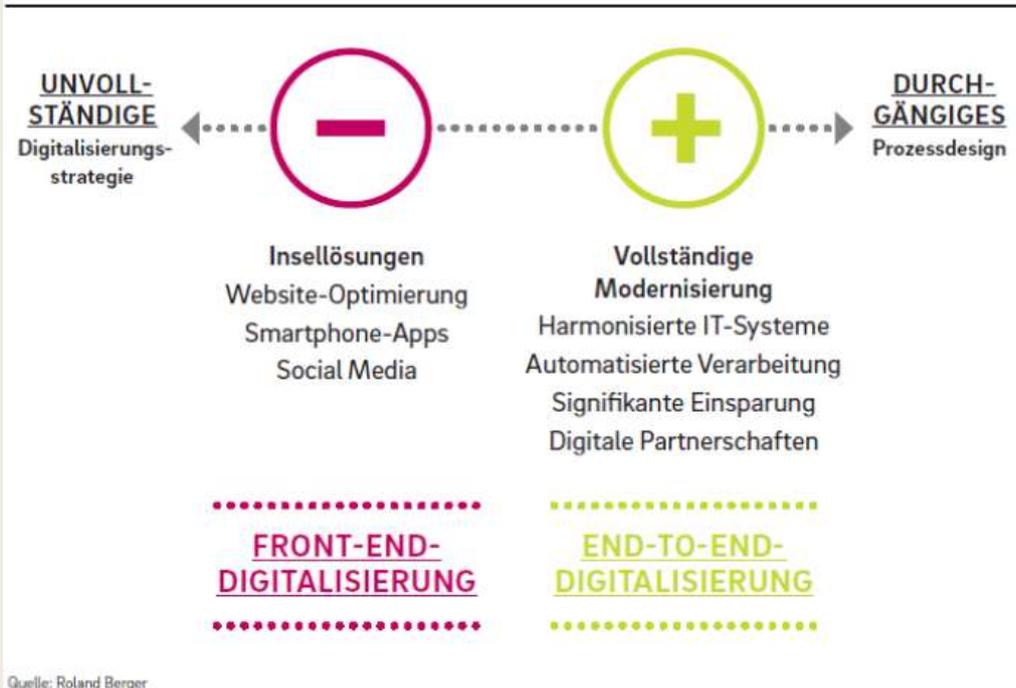
In the meantime, the enthusiasm waned as easier innovations started to take root and it was possible to save money in a shorter time by selling whole business units. Nevertheless, especially software for the generation and maintenance of business processes was excellently sold in the last years. Former procedures come back and are often only called differently, as for example the improvement of conversion rates in the internet..

(2) Definition: END-TO-END Digitisation

END-TO-END DIGITIZATION of the business model is the basis for a reorientation that is fit for the future. Isolated solutions are not sustainable and cannot meet the requirements in terms of customer focus and process efficiency.

STRATEGIEVERGLEICH

Der Vorteil eines durchgängigen Prozessdesigns



The digital transformation goes far beyond isolated optimizations and opens borders within and outside of companies.

Three principles:

- **THINK DIFFERENTLY FROM THE CUSTOMER PERSPECTIVE – AND TAKE A HOLISTIC APPROACH**
- **SIMPLIFY AND STANDARDIZE PRODUCTS AND PROCESSES**
- **STRIVE FOR A SHARED CROSS-DIVISIONAL VISION**

Based on these three key principles, seven concrete steps can be formulated which, taken together, form the end-to-end digitization approach..

THE SEVEN STEPS OF ACTION ARE AS FOLLOWS

Identify digitization potential

Appropriate projects must be identified as the basis for the comprehensive digitization of products and services. As the starting point for the digitization process, the company could use, for example, a less complex and largely standardized product from its mass business. This would enable it to realize a high digitization potential right at the start, creating a kind of "beacon project" for the further road to digitization.

Define vision and level of ambition

To develop a sustainable vision, one should think first of a typical customer journey: When does the customer start looking for information? When does he make contact for the first time? When does he close the deal? In developing this vision, it should first and foremost be ensured that all process steps are interlinked without media discontinuity. In terms of finding the right level of ambition, the key considerations are the need to reduce the number of manual tasks and to define efficiency targets as well

as bearing in mind the processing speed.

Involve the relevant company units

IT measures should not be implemented without market- or efficiency-oriented objectives. That means, for example, that input is required from Sales in order to ensure that customer behavior and relevant customer needs as well as competitors and digital sales partners (e.g., comparison portals, broker platforms) are identified in good time.

Develop a sustainable digitization strategy

A comprehensive end-to-end digitization not only takes a thorough look at all existing products and processes, it goes even further: a sustainable digitization strategy is also focused on the framework conditions, such as controlling and reporting instruments and a digitizable risk assessment. Furthermore, setting up a continuous improvement process can also be a useful measure to scrutinize the implementation of a sustainable digitization strategy on a regular basis.

Create manageable work packages

Given the size of the project and its complexity, the end-to-end digitization should be implemented in stages: to start with, the automation and digitization project should focus on simple processes, with complex processes to follow only in the later stages of implementation. Compared with a comprehensive "big bang" approach, this line of action will ensure that project risks are kept to a minimum and facilitate the gradual replacement of existing legacy IT systems. Another advantage of this approach is that those affected by digitization both within and outside of the company will be "taken along" on the digital journey.

Modularize the product portfolio

In order to fully realize the digitization potential, the existing product portfolio must be arranged along the lines of standardized modules. This will make the portfolio more flexible and customizable for end customers, which corresponds to their wishes. Not only is the principle of product modularization vital for the mass business of the consumer segment, it is also applied in the higher-level business customer segment.

Create 24/7 capability

Hardly any company can afford not to provide 24/7 availability. Nowadays, customers and sales partners simply expect companies to be contactable online at any time of the day or night – particularly where simple mass services are concerned. What we must aim for in this respect is the tailor-made integration of all the necessary external partners as well as all customers and agents in the digital information and transaction flow in order to be able to respond to them quickly in a dialog-based manner and provide them, where possible, with automated decisions. .

*Extract from: **THINK ACT** End-to-End-Digitalisierung (End-to-End Digitization), ROLAND BERGER GMBH (2016)*

(3) Relevance: DEUTSCHE TELEKOM AG

There is no consistent end-to-end digitization on European level or on national level along the overall value chain in the **Telekom Group**.

The process chain is dissected in partial process chains on European level as well as in individual national companies. The task of the working group 1 consists in analyzing the European partial process chains which extend to two or several national companies involved.

We want to examine the innovation potential of European digitized partial process chains and work out risks and opportunities for work and employment in the countries involved based on the analysis of the existing circumstances.

On this basis, we want to formulate our positions, objectives and design approaches for employees - oriented innovations of the European partial process chains.

For the continued thematic work in the following workshops, we want to draft first ideas with which instruments of the employee participation it is possible to implement our ideas.

Examples for the transnational work organization in the digital end-to-end partial process chain on European level can be:

- Sales to business partners with invoice processing
- Key account sales of T-Systems in the European participations
- External IT services
- Internal IT and TC techniques
- Customer service (e.g. call center, shops or on site at the customer)
- External services (e.g. finance, insurance or electricity products)
- Cross-divisional functions as personnel or finances (internally)

It has to be taken into consideration along the respective partial process chains where and how an extension in direction of contract award to suppliers or to customers takes place by self-administration.

However, this refers only to the relevant European end-to-end partial process chains. In the working group 1 we want to work out at which point in the end-to-end partial process chains innovation profits could be recorded or where we see further innovation potentials. Based on this, we want to formulate our expectations of innovation.

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