

Business Voice Programme

March 2022



Agenda

01 Introduction & Survey Overview

02 Business Process Inefficiencies

03 Digital Transformation / Automation

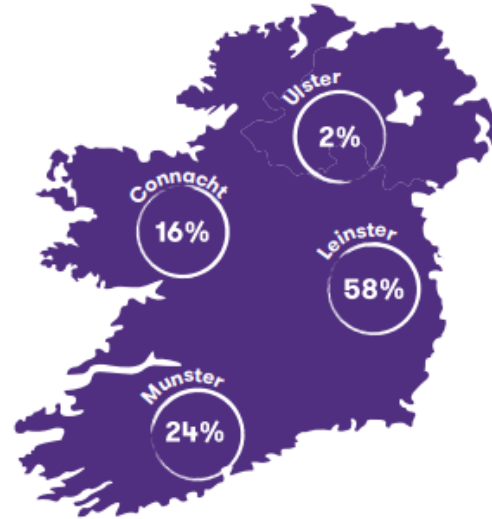
04 People Challenges & Opportunities

Introduction

The Grant Thornton Business Voice Programme

- established to support Irish businesses in key areas following the unprecedented and rapid change of landscape over the past year, by teaming up with local Chambers of Commerce
- the aim of the programme is to address these issues in order to arm businesses with the right tools and advice to move to the next stage of their success
- in June, the programme was initiated through the launch of a short survey containing 12 questions. Irish owned businesses around the country were invited to complete the survey to voice their concerns and to highlight the obstacles facing businesses in Ireland
- the Irish Business Voice Programme report was developed by Grant Thornton, where the business profile of the respondents is outlined followed by more in depth analysis into the areas of note from the survey.

 **264**
responses



Overview of Survey Findings

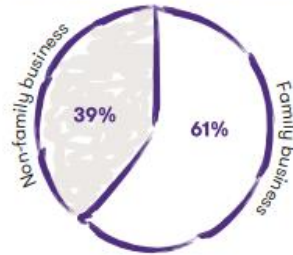
Background

The survey contained a number of questions that sought to portray the business profile of the respondents in addition to asking more insightful questions relating to the challenges faced by businesses in the current climate, including Brexit and COVID-19 focused questions.

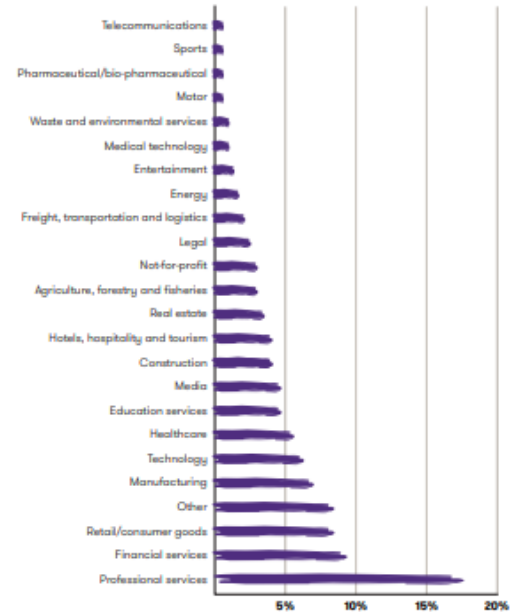
Profile of Businesses Surveyed

- Of the 264 respondents, the majority (61%), were family owned
- The survey respondents represented the full spectrum of business sectors within Ireland
- The sector most represented was:
 - professional services; followed closely by
 - financial services; and
 - retail/consumer goods.
- The middle spread of sectors included:
 - manufacturing;
 - technology;
 - healthcare;
 - education services;
 - media;
 - construction; and
 - hospitality and tourism.

Family or non-family owned business



Sector group



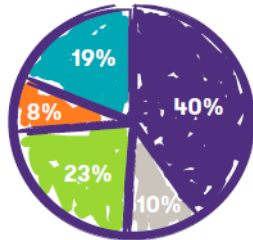
Overview of Survey Findings

Results

- The majority, 70%, of those start-up businesses are family owned, with nearly 100% having turnover of less than €500,000 and fewer than 25 employees.
- In fact, the majority of respondents to the survey, 66%, have fewer than 25 employees and 40% have turnover of less than €500,000.
- the majority of businesses that are over 30 years in business have a turnover of greater than €5 million. Employment numbers within these businesses are reflective of their turnover, with 54% of these respondents having more than 100 employees.

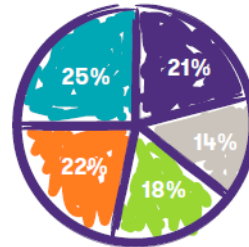
Annual turnover

- Under €500,000
- Between €500,000 and €1 million
- Between €1 million and €5 million
- Between €5 million and €10 million
- Over €10 million

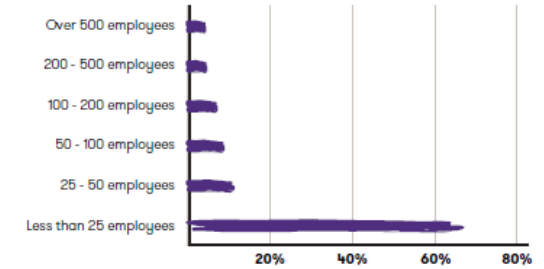


Number of years in business

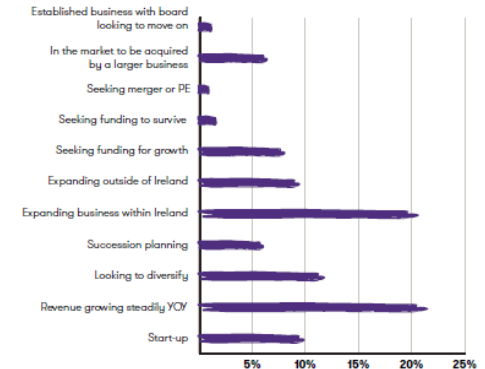
- 0-5 years (start-up)
- 5 - 10 years
- 10 - 20 years
- 20 - 30 years
- Over 30 years



Number of employees



Stage in business lifecycle

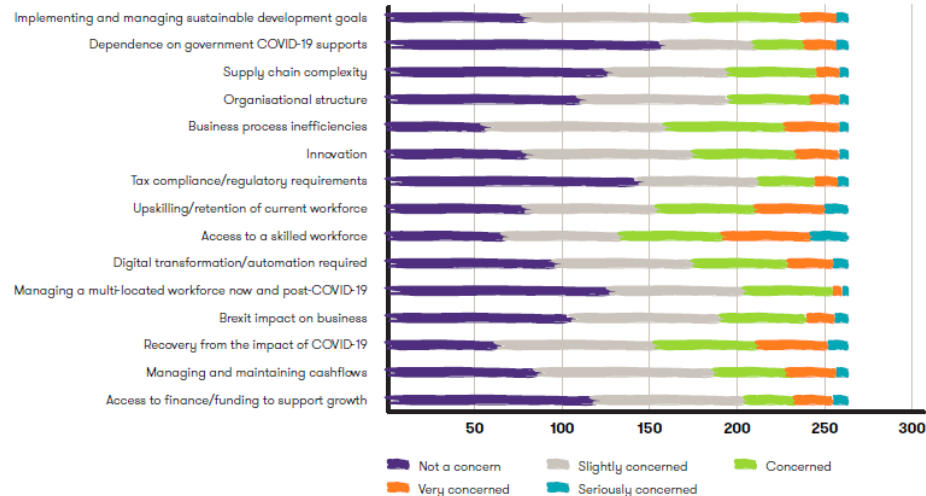


Areas of Focus

Key Concerns

- Through the analysis of the survey several key areas of note were identified. We took a closer look at the respondents' sentiments on a range of business factors. The survey results point to the pertinent issues facing Irish commerce today, and signal reasons for pessimism as well as optimism moving forwards. The figure below outlines the sentiments of the business respondents across 15 areas:

Business sentiments of all respondents (2021)



Business Process Inefficiencies

Marc Balbirnie, IASSC-CBB

Associate Director

Business Consulting



Business Process Inefficiencies



Professor Kaoru
Ishikawa
(1915-1989)

“If every nation plays its part in promoting quality control, the world will find peace, and its people will be able to live together harmoniously and happily.”

*~ Prof. Kaoru Ishikawa,
Hinshitsu Kanri Nyūman (Introduction to Quality Control),
1954*

Business Process Inefficiencies



Two-Step Approach

- The survey results showed that 76% of respondents were concerned to varying degrees about business process inefficiencies. Breaking this down further, 64% were either 'Slightly concerned' or just 'Concerned'.
- Business process reviews should be carried out periodically as part of continuous improvement programmes to ensure that process objectives continue to be met in the most efficient and effective way to meet business requirements. Business process inefficiencies can be identified and improved upon using a two-step approach.

First Step

- The **first step** is developing an understanding of the current state process, known as the 'as-is' state. Once the 'as-is' state is documented, it is analysed to identify the challenges and the opportunities for improvement.



Second Step

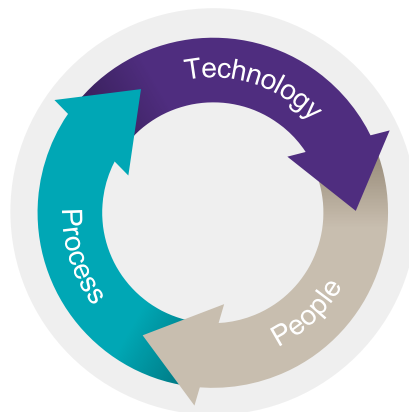
- The **second step** is to design the 'to-be' state or future state process to ensure that the process is more efficient and effective, aligning to business requirements.

Business Process Inefficiencies



Process Reviews

Business process reviews should not solely be focused on the 'A-Z' of the process, they should also encompass technology and people. Change management is often overlooked as a critical component of process review when in fact it should underpin all projects.



Continuous improvement in any business, big or small, is vital for sustained success. By continually seeking to improve through process, people and technology, an organisation can capitalise on efficiencies to allow them to become more agile, cost effective and focused on business growth activities.

Technology

Automation within a process can maximise efficiencies and allow for better utilisation of staff time. Process excellence techniques such as lean, combined with a suite of automation technologies, ensures an approach that focuses on the desired outcome and issue resolution

People

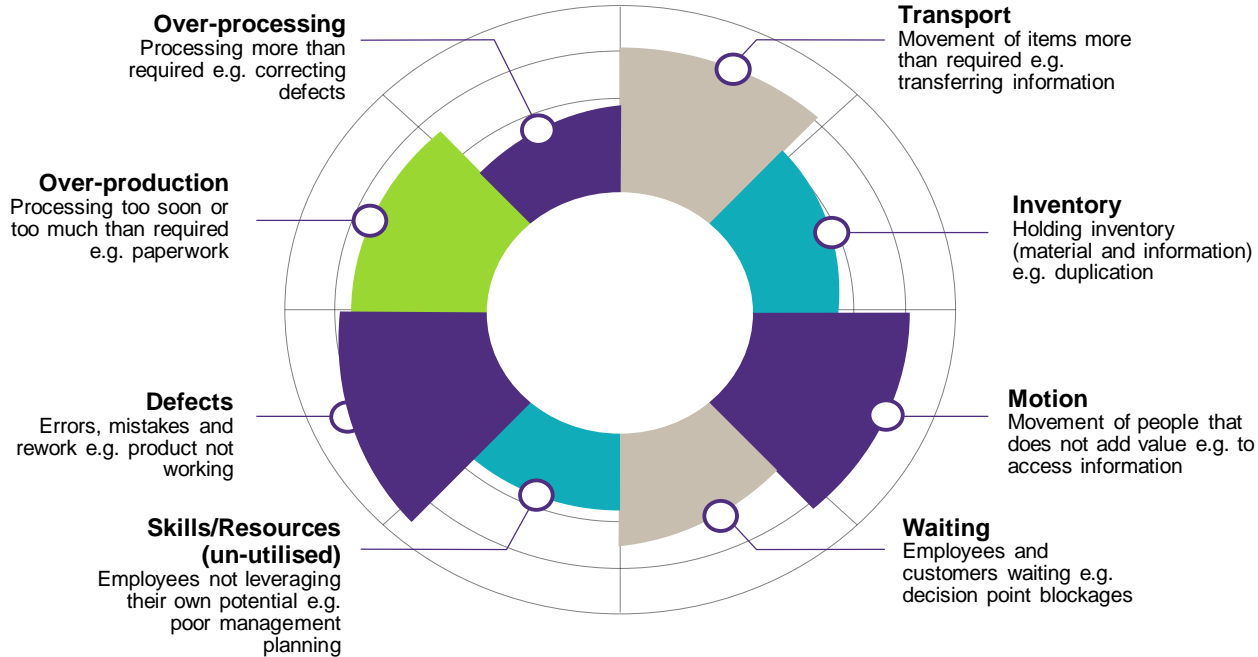
A successful process review requires input from the people who undertake the process. They will be critical in documenting the true 'as-is' process during the first phase, as commonly the perception of how a business process functions is very different to the reality.

Process

Change is change no matter how small, and many businesses fail to implement change initiatives successfully due to a lack of engagement with their people. People impacted by the change need to be communicated with throughout the change process.

Eight Types of Waste

TIMWOODS – waste activities



Case Study and Benefits



Case Study One

Lean Process Review Private – Agri Food



- Four pilot wastage reduction initiatives were implemented which all contributed to the increase in yield experienced including:
 - Mushroom stem length;
 - Bucket wastage;
 - Mixed sizing; and
 - Giveaway.
- increased QA initiatives have resulted in increased yields across all pilot houses with an average yield increase of **16%** was experienced.

Case Study Two

Lean Process Review Private – Agri Food



- Many of the issues observed were interconnected and mutually reinforcing across key categories of the business such as:
 - organisational structure
 - process,
 - people,
 - data quality,
 - IT systems and
 - key performance metrics
- the project team developed a to-be sales forecasting process.

Grant Applications

Major funding supports



Digital Transformation / Automation

Ian Cahill

Director

Digital Transformation



Today's topics

- 1 Digital transformation
- 2 An affordable automation option: Robotic Process Automation
- 3 Q & A



Ian Cahill

Director
Digital Transformation

Digital transformation

Digital transformation refers to a process of leveraging **digital** technologies and capabilities to enable **business model changes** and **transformation**.
(Gartner)



Of the top 10 reasons for SME digital initiatives, only two relate to digital business transformation

Digital transformation v Digital optimisation

Transformation

- Industry disruption e.g. bricks & mortar retail v online
- Add new digital technologies to add new products, services, business models
- Some typical technologies
 - E-commerce suites – move your business online
 - IoT (digitalise a product by making it 'smart'). This can also open opportunities for new services e.g. usage/cost monitoring service
 - Platforms (Azure, AWS, Salesforce etc.) – create marketplaces

Optimisation

- Add new digital technologies to improve efficiency, collaboration, quality, customer experience
- Some typical technologies
 - Cloud applications – move productivity & collaboration to the cloud (email, communications e.g. Teams, document collaboration e.g. SharePoint, GoogleDocs)
 - Data & analytics – improve forecasting of demand/supply, target customers with offers, predictive maintenance
 - Automation – reduce costs, reduce error, improve customer experience

Robotic process automation

Robotic Process Automation (RPA): What is it?

- Software that sits on top of and **works with existing systems** – your Accounts system, your HR system, Excel, Outlook, Internet Explorer etc. - to automate rule-based tasks or processes
- Emulates the actions a human worker performs on their computer
- Makes decisions based on rules
- Integrates seamlessly with other systems
- Digital worker



Why employ a digital worker?

Productivity & efficiency

- Does the work of 4-6 human workers
- Operates 24 x 7 x 365
- Doesn't get sick / take holidays

Quality

- Doesn't make mistakes

Costs

- Costs 80% less than a human worker
- Can avoid other costs – integration

Scalability

- Take on more work without increasing headcount

Digital worker – Year 1 performance review



Tasks performed 80–90% faster



Error rate = zero

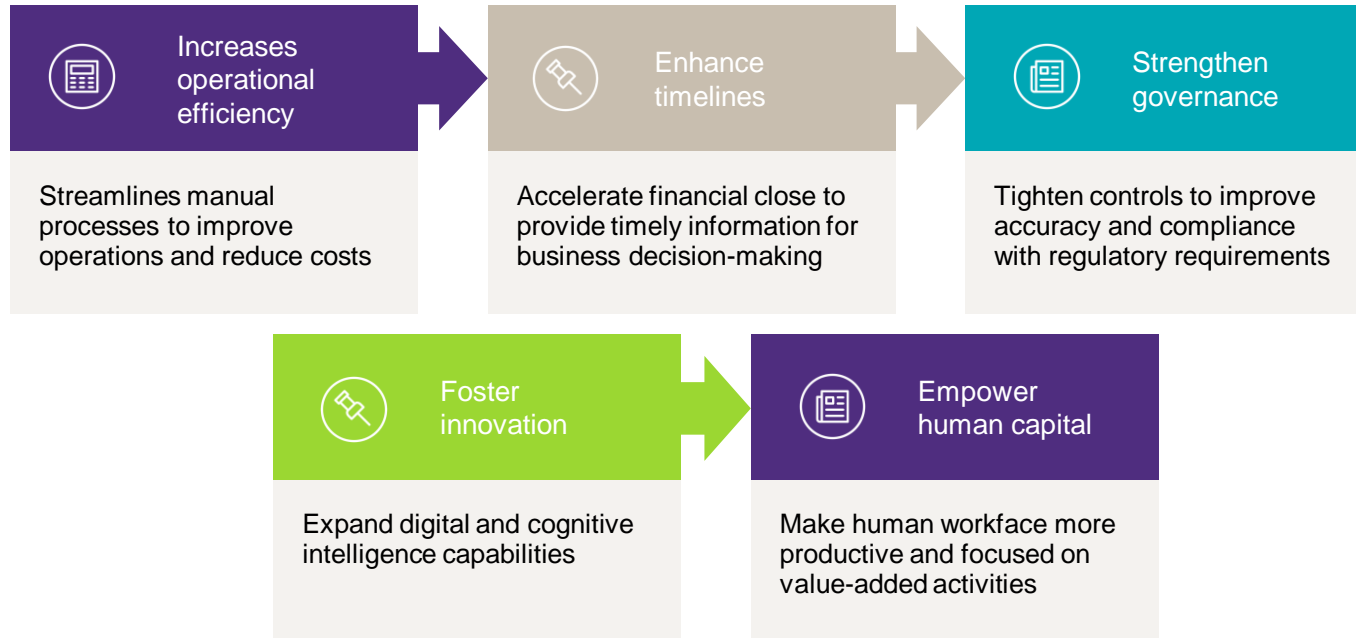


100–300% Return on Investment



100% Compliance

Why do leaders value it?



What are the typical Finance use cases?



Procure to Pay / AP

- New vendor setup
- PO creation
- Invoice validation
- Invoice payments
- Expense reimbursements
- AP reporting



Order to Cash / AR

- New customer setup
- Sales order processing
- Invoice creation
- Collections
- Payment processing
- AR reporting



Finance Operations

- GL close
- Reconciliations
- Manual journal entries
- Intercompany settlements
- Regulatory reporting



FP&A

- Budgeting
- Forecasting
- Variance analysis
- Management reporting



Treasury Operations

- Consolidations
- FX hedging



Tax Operations

- Tax compliance & filings
- Reconciliations

Some other typical use cases



Recruiting & Payroll

- Payroll administration / auditing
- Employee on-boarding / off-boarding



Legal operations

- Compliance audits
- Data management & reconciliation
- Contract management



Retail

- Customer feedback management
- Loyalty programme management
- Returns handling



Financial services

- AML / KYC / Transaction monitoring
- Loan processing
- Customer on-boarding / account opening
- Compliance reporting



Other

- IT Operations
- Sourcing & procurement
- Inventory management
-

Some recent GT projects



Anti Money Laundering analysis & reporting



Remittance management & journal entry



Invoice processing



Loan application processing / account opening



Sales order processing



Materials usage reporting

People Challenges & Opportunities

Anne Phillipson

Director

People & Change Consulting



Report findings...you said:

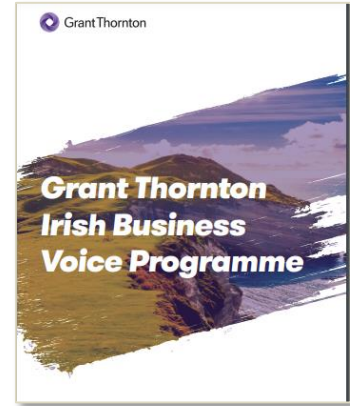
Accessing a skilled workforce was revealed to be a major concern amongst respondents. 25% were 'very concerned' or 'seriously concerned' about their access to a skilled workforce.

“unemployment rates have been falling”

“This increased demand for labour will also be impacted by people’s changing relationship with work, with many now wishing to continue with remote and flexible working arrangements.”

“Businesses will likely need to become more competitive to attract and retain their staff going forward.”

“Other businesses are shifting their focus towards improved learning and development of existing employees to ensure they will have the skills they require within their organisation for continued growth.”



“As the economy continues to grow it is likely the pressure to find skilled labour will continue.”

Current situation, globally

Unrest and uncertainty

97% of employees don't want to return to the office full time¹

Less than half (46%) of organisations have a workforce planning strategy based on a robust understanding of current and future workforce needs.*



71% of organisations advertise at least some positions as 'open to flexible working' and 49% 'open to location'*



45% org report increased competition for talent*

40% - 60% of workers are considering quitting¹

'The great resignation'

War for talent

Worsening social and human connection

We commissioned global research with QUB Management School and the findings are compelling

55%

of employees reported
worsening **social connection**

100%

of interviewees identified **human connection**
as the #1 challenge and need for the future

3 Top Challenges of Remote:

69%

Screen or
meeting fatigue

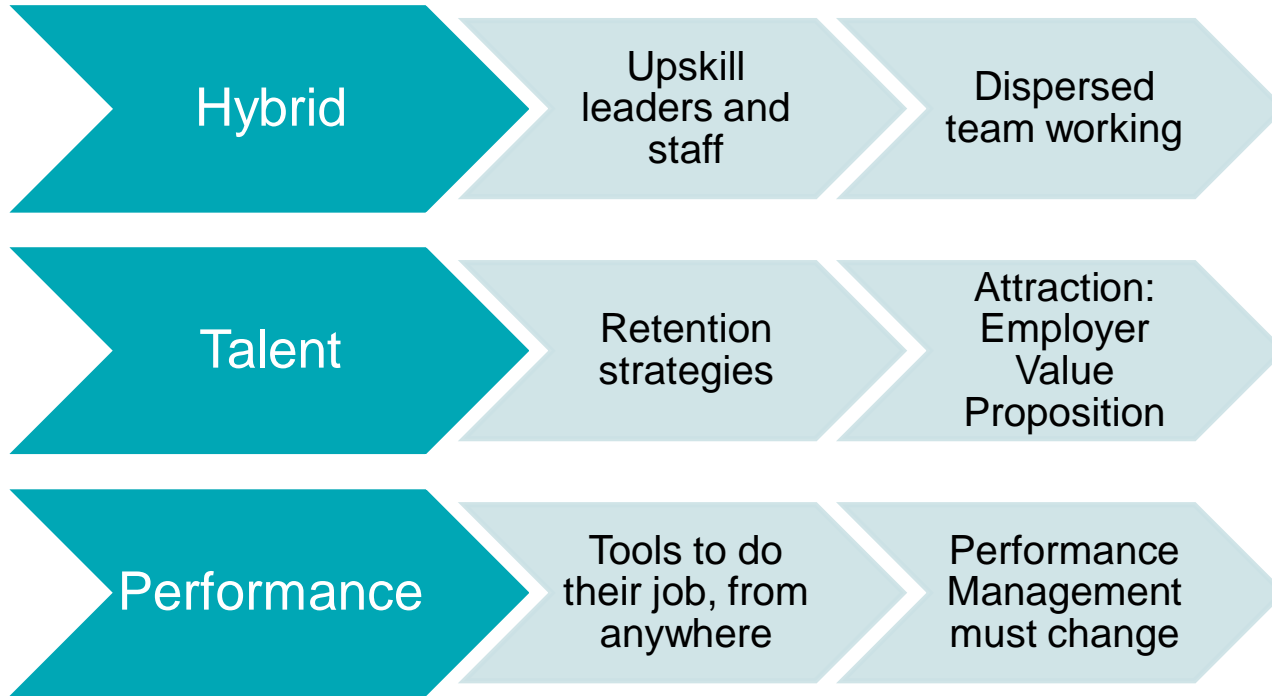
63%

Lack of social
interactions

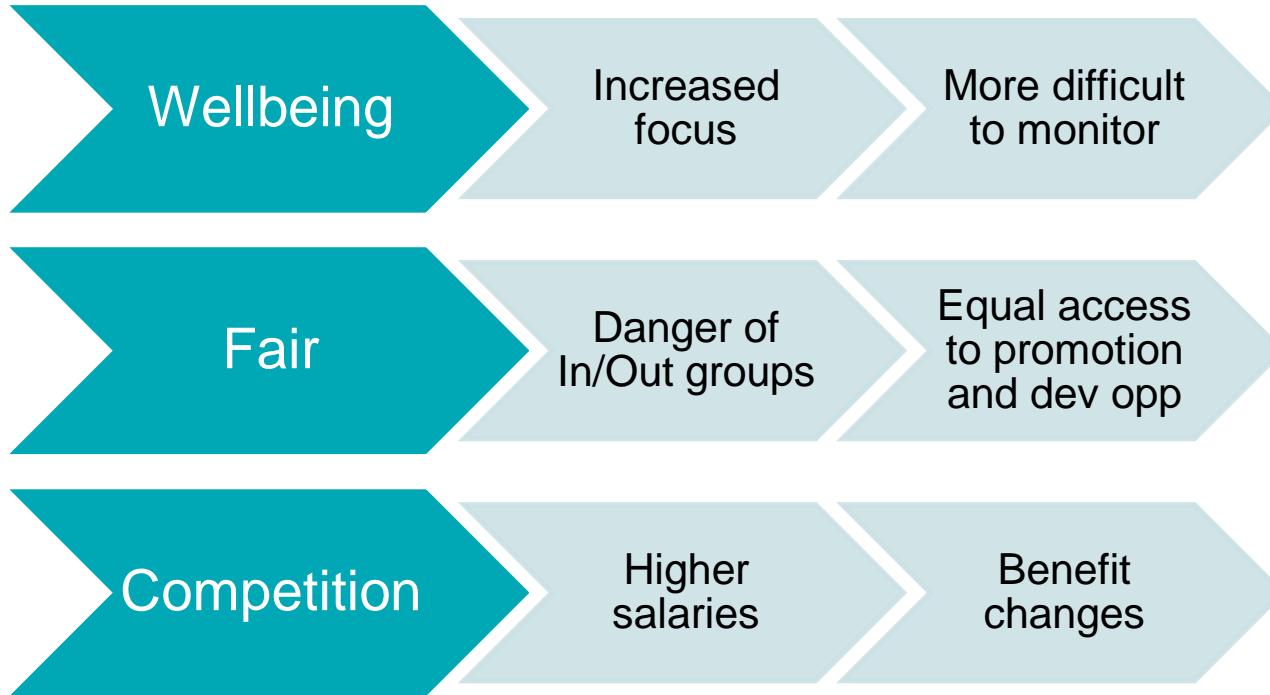
60%

Blurred lines
between work and
home

Impact of these trends



Impact of these trends



What employees want

Show me you care

To be part of a great team

Focus me

To do work that matters

Help me succeed

Opportunities for development

The tools to do my job well

Sense of belonging, fairness

Focus areas – opportunities



Training & Dev

Invest in upskilling your people and managers in remote working, leading dispersed teams, performance, and collaboration at a distance, new tech



EVP

Consider your Employee Value Proposition, and how to stay competitive in a hot labour market, update your benefits package, retain the staff you have



Leadership

Ensure your leaders are equipped to lead in the new context; prioritise connection and communication, listening, engagement



Policy

Refresh your policies to reflect the permanent shift to hybrid working, the right to disconnect, fairness, and other legislative changes

Discussion

Q&A