celonis

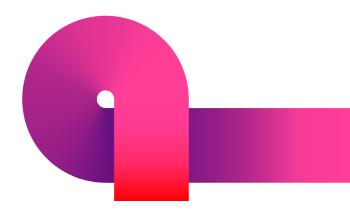
What has Aldone for you lately?

Why a Process Mining foundation unlocks the new era of **Superfluid Operations**

Contents

ntroduction3	Chapter 3: The new way of working	12
Chasing the hype but still missing the mark3	Why business context is the missing piece	13
The productivity paradox4	Putting AI to work for your business	14
Chapter 1: Integrating components of change5	Chapter 4: Realizing Al's potential	15
The staggered history of operational intelligence6	The new world of Superfluid Operations	16
The story of enterprise software7	The three parts to the Superfluid Operations Layer	17
Chapter 2: From information to intelligent action9	Chapter 5: Let's get real	21
Reconnecting operations with outcomes10	Where to get started	22
Building outcome-driven operations11	Real use-cases for Accounts Payable and Materials Management for Supply Chain	23

Chasing the hype but still missing the mark



Something big has been building over the last few decades.

Organizations all over the world have spent years (and invested billions) in the pursuit of agility and productivity.

The enterprise technology landscape is peppered with rapidly maturing capabilities. Areas like AI, analytics, automation (and more) promise to create competitive advantage in one form or another.

Companies are chasing a common future – of improved outcomes, operational efficiency, faster cycle times, predictive intelligence, less risk, more opportunities – all at scale and in real-time.

We all know the story. Technology will help us unlock our potential. It's the key to reaching better outcomes with fewer resources – and coordinating and operationalizing massive change at a moment's notice.

So why aren't we there yet?

This ebook is about the next generation of business operations – what it looks like, why it took so long to get here and the new way of working it unlocks.



The productivity paradox

For all the competitive acceleration and technological advancements, our momentum towards this new future hasn't picked up as quickly as expected.

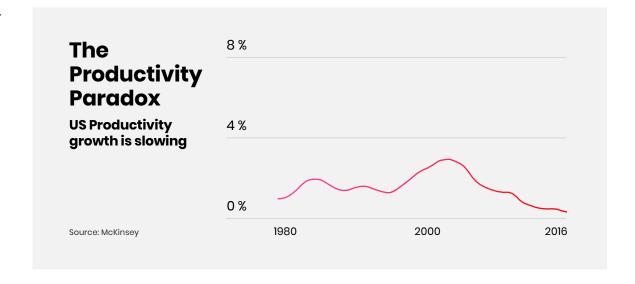
In fact, it's stalled. We're experiencing the **Productivity Paradox** – despite huge leaps forward in connectivity, data richness, Al and automation, US productivity growth is at an all-time low.

The problem is that while discrete technology areas are independently maturing, they aren't transforming companies by themselves. There's a missing link – something that unites these technologies into a new kind of intelligent capability.

We're at a tipping point – where the confluence of analytics, automation and AI evolve into a deeply pragmatic system of intelligent and dynamic operational change.

And to fully understand why that's so powerful, we're going to explore how the individual components converge into something greater than the sum of their parts.

Ready? Let's go.



Integrating components of change

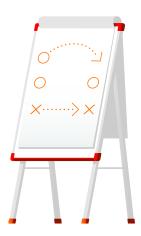
The staggered history of operational intelligence

To understand why productivity is flatlining, we need to zoom in on a persistent blind spot in the operational landscape.

As enterprise operations have scaled, they've become disconnected from the systems and analytics historically used to manage, measure and optimize them.

The result is a systemic gap between desired outcomes, strategic planning and execution – put simply, between how an enterprise thinks and how an enterprise acts.

And as processes have digitized and grown larger, faster and more complex, the gap is getting wider.



The story of enterprise software

Enterprises have been using software to try and close this gap for decades.

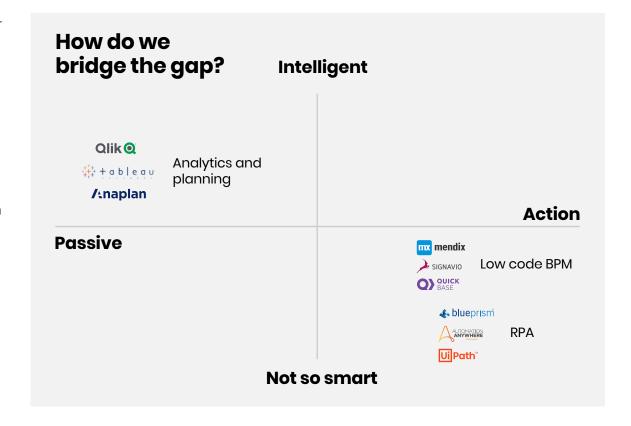
It started with the rudimentary Business Intelligence of early ERP systems – limited snapshots of performance across discrete pockets of the business.

Dashboard fever ensued. Enterprises built entire teams to process reams of insight streaming in from key systems and processes – but without any way to effect real change.

Next came automation – tools and bots designed to execute simple tasks within operational systems.

Finally, AI and big data analytics matured – teams could model scenarios, test variances, predict outcomes and make decisions at a scale never thought possible.

Fast-forward to today, and we have all the components needed to close that gap. But the gap is wider than ever. So why are things stalling?



ω

The trouble is that enterprises are managing multiple, siloed systems of improvement rather than integrating them into a practical capability designed to deliver specific outcomes. There's one place to spot problems, another to diagnose them, and another to fix them.

What's needed is a dedicated layer intelligently orchestrating the relationship between insight and action in real time.

A layer that puts AI to work on your outcomes, taking it beyond asking "what if?" to **deciding** "what now?" and then executing those actions.

A layer that reconnects the big-picture strategic outcomes with granular operational actions. That brings together the best of these technologies and elevates them to be more than the sum of their parts.



From information to intelligent action

2

Reconnecting operations with outcomes







The disconnect between operations on the ground and top-level outcomes causes pain in both directions.

At the top, decision-makers are plagued by partial (or non-existent) visibility into operational health. They can't see what's working or what needs improvement in context with their strategic objectives.

Limited understanding into how daily performance is driving high-level outcomes doesn't just make it difficult to assess current effectiveness – it obscures how much value those high-level outcomes ultimately deliver.

The knock-on effect is that changing direction (i.e., making operations agile) becomes almost impossible. Stating a change in strategic priorities is meaningless without operational follow-through.

The story isn't much better for front-line teams. They're stuck in the dark with no intelligence on the real business value of the day-to-day tasks. Even if they *tried* to prioritize their work in service of top-level outcomes, it'd be based on instinct and hunches.

What's more likely is their working habits are optimized for lower-level metrics – case volume or time-to-resolution – leading to moment-to-moment task prioritization that actually haemorrhages productivity and impedes outcomes.

This double-sided guesswork is the accepted cost of doing business in most enterprises. Both sides peering through the operational fog – acting in good faith – but inherently misaligned.

But a new way of working can clear the air and intelligently connect both sides.

Building outcome-driven operations

Falling productivity isn't a people problem – it's a systems problem. Today's operational environment has grown too complex and dynamic to manage it with traditional software.

The key to increasing productivity in a dynamic environment is a systematic, real-time view of which tasks serve which outcomes.

And that means building a bridge between the systems of analysis and the real-time operational reality. Enterprises need a new intelligent operations layer – one that connects existing solutions (like AI, analytics and automation) with the **business context** of every action, workflow and outcome.

The result is **outcome-driven operations** – a perfect alignment
between input and output. Teams can
now focus on creative problem-solving
optimized for specific business goals,
while precise, outcome-driven automation
enables rapid, touchless action.

And the key to unlock that business context is a Process Mining foundation.







The new way of working

Why business context is the missing piece

The abstraction of daily actions and decisions from the business outcomes they deliver is impeding strategic decision-making at all levels.

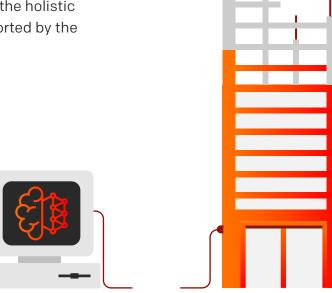
Enterprises are trying their hardest to engineer visibility manually – with decades of meetings, miles of status reports and endless layers of middle management needed just to ensure core functions fulfill their most basic remit.

But all this really manufactures is information – dashboards and spreadsheets spitting out torrents of siloed performance data every second, and yet still manage to be outdated once you get to that quarterly meeting

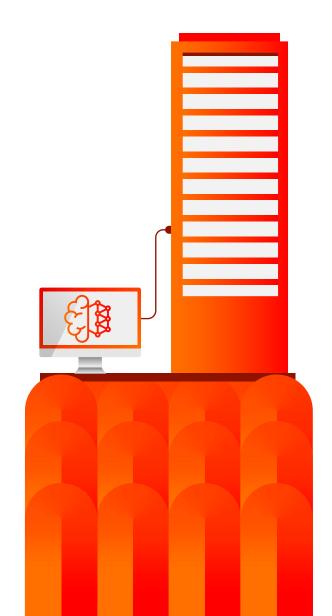
What's needed is something that can transform that information into actionable intelligence.

This is where most AI capabilities today falter. They're not connected to the reality of the operational environment or empowered to recommend small-scale changes within front-line transactional systems.

What's needed is granular performance data understood within the holistic business context, supported by the ability to act.



Putting Al to work for your business



Taking a process-level view of your core business operations delivers the missing piece of the intelligent operations puzzle: **live business context.**

Live business context doesn't just reveal the friction points impeding your key targets and KPIs, it also diagnoses their root causes – so you can see exactly where each process strays from its ideal path.

It enables exactly the right action, at the right time.

But crucially, live business context also enables you to change core process pathways around new desired outcomes. And this is the capability that's going to unlock a decade or more of stored potential agility and productivity.

Like we said at the start, many of the components of intelligent operations – rich transactional data, sophisticated analytics, robust automation – are now incredibly advanced.

A Process Mining foundation integrates these separate functions into a unified, pragmatic, outcome-driven intelligent layer. It puts AI to work in your operations, so businesses can sense friction and take decisive remediative action – all while eliminating repetitive, low-value tasks and decisions.

We're calling it the **Superfluid Operations Layer**. Let's see what it looks like.

Realizing Al's potential

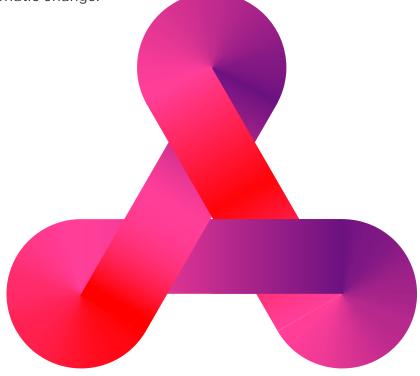
The new world of Superfluid Operations

Running a company today is like trying to land a passenger plane without a computer.

There should be a universe of complex telemetry describing every aspect of the flight, and a continuous stream of high-risk, specific adjustments – big and small – needed to stay on course.

But the operational systems are siloed and overwhelmed, so everything is effectively based on gut feel, guesswork and luck – quite literally a wing and a prayer.

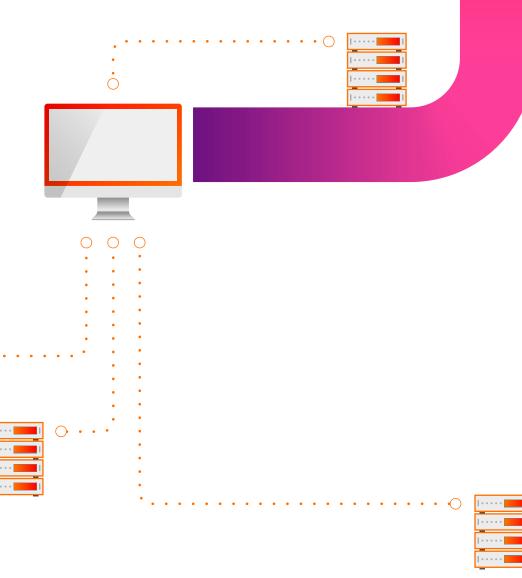
The **Superfluid Operations Layer** is a state-of-the-art navigation system that unites the sensors and systems across the whole enterprise into a feed of emergent contextual intelligence and automatic change.



There are three elements:

1. Data Connectivity

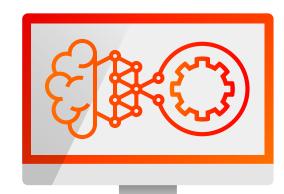
A central environment that creates real-time visibility into every transactional system and data feed – based on the event logs that render overarching core Processes to individual desktop applications.



2. Process Mining and Al

An intelligent engine that constructs a real-time process-level view of your operational environment and understands how to tailor individual actions within those processes towards specific desired outcomes.

Al continuously senses and diagnoses operational friction points by measuring their variance against ideal pathways. Then it finds and orchestrates remediation steps – automating low-value repetitive tasks and prioritizing high-value adjustments for functional teams.



3. A unified interface that brings intelligence and action together

Intuitive, outcome-oriented visualizations that enable executive and operational teams to transform and activate performance *information* into operational *intelligence*.

This isn't a dashboard for process friction. It's a control panel for operational agility and productivity that connects high-level strategy and insight with executional prioritization service of specific business outcomes.

That means:

- The power to steer more confidently for high-level visibility into real-time operational health and strategic decision-making in service of desired outcomes
- The ability to act proactively, by automatically prioritizing work by impact and outcome. With intelligent recommendations, discrete business functions (managers and teams) self-direct towards high-value work that delivers against the desired business goals, while automating the rest.





Combined, these three elements represent a systematic approach to outcome-driven processes at enterprise scale. It makes it possible to effect incredibly complex change in service of specific outcomes across the business.

The **Superfluid Operations Layer** can accommodate an almost infinite range of outcomes. But importantly, it arrives with exact solutions to high-value operational challenges out of the box. We call them **Operational Apps**.

The result is a balance between endless potential and an accelerated path to value. It's a series of pragmatic levers to pull immediately – and a toolset for long-term strategic planning and execution.

Over time, high-level strategy and operational reality will fall into perfect alignment. Change that used to take months (or even years) of high-stakes, high-budget choreography simply becomes an intelligent reflex to evolving conditions.

In short, landing the plane just got a whole lot easier.

So what does this look like in practice?

Let's get real

Where to get started

The **Superfluid Operations Layer** injects agility and productivity into the heart of your business through a new way of working – one that reconnects your daily operations with your strategic objectives.

It all happens through operational apps – different configurations of the Superfluid Operations Layer optimized to intelligently orchestrate specific outcomes for specific business functions.

Operational apps are as effective at driving quick-wins and optimizations for fast, high-volume administrative activities as they are for sensitive, high-complexity, customer-facing operations.

Let's explore that breadth through two operational apps built for very different functions: **Accounts Payable** and **Materials Management** for **Supply Chain.**



Accounts Payable

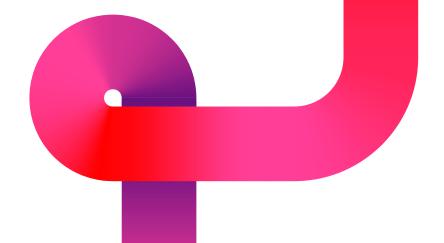
Every year enterprises waste millions of dollars because of the friction baked into their core Finance processes. Areas like Accounts Payable are saturated with rich opportunities for efficiencies, cost savings, automation and increased working capital.

Say the outcome your AP department is working towards is increasing Days Payable Outstanding (DPO).

A Steering Board – the interface providing high-level visibility and analysis into operational performance – might identify payment term discrepancies between invoices and purchase orders as the friction point that's having the greatest impact on your outcome.

This is hugely common and usually caused by vendors mistakenly issuing invoices with standard or outdated payment terms rather than those negotiated and issued on the PO. This discrepancy means invoices are paid early, unnecessarily decreasing DPO and tying up working capital.

The Accounts Payable operational app would sense a low DPO rate and share the value on the table to senior decision makers, prompting them to initiate investigation at the process level and set new targets.



Crucially, it surfaces the top process inefficiencies that are impeding DPO. It recommends and automatically executes intelligent actions through automated workflows, like sensing payment terms discrepancies and updating with the preferable agreed terms – or postponing payment where possible.

For complex cases that can't be automated, front-line clerks get invoice-by-invoice guidance through the Action Board, which prioritizes their work by impact and recommends next-best-actions.

In one fluid motion, AP clerks are dynamically focused towards valuebased actions that deliver against topline objectives. And just like that, work within your Accounts Payable function is instantly optimized for increased DPO.



Materials Management in Supply Chain

At the other end of the scale, Supply Chain Management is an opportunity to drive huge competitive value by optimizing for something like on-time delivery – increasing productivity, customer satisfaction and risk management.

Say you're the Chief Supply Chain Officer and you've been told to mitigate revenue at risk by 5% in the coming quarter.

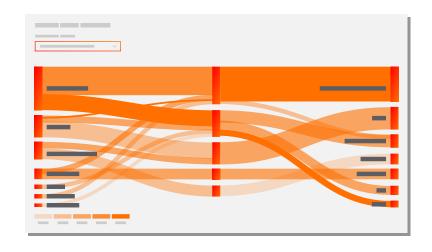
Your Steering Board immediately surfaces the regions and product lines where insufficient inventory is leading to low likelihood of on-time fulfillment. Armed with this new data, you can set new targets for the region in question.

Regional managers are alerted to the new targets and supported to proactively address supplier reliability through their Steering Boards – identifying problematic suppliers and components.

At the same time, the Action Board for your operational specialists (like logistics managers and MRP planners) shows previously hidden gaps between the ERP lead time value and the likely true lead time from historical data.

The Action Board recommends more accurate lead times, estimating the likelihood of on-time delivery for each, as inputs for planning going forward.

Managers can then settle on the right trade-off to achieve their desired outcome.



What are you waiting for?

The Superfluid Operations Layer delivers an evolving library of desired outcomes through operational apps, whether out of the box or custombuilt to your needs.

For the first time, organizations can realize Al's true potential – not just for complex problem solving, but for intelligent action.

Before too long a stark competitive gulf will emerge between enterprises that dynamically align moment-to-moment operations with high-level strategic objectives, and enterprises stuck in the past.

And for the businesses that move fastest, outcomes are going to get better for everybody. Senior decision-makers won't have to overcome ingrained friction to add value – they'll drive better results with confidence and shift towards new priorities with ease.

Likewise, operations teams will have a real-time view of process excellence and a clear understanding of how their actions propel the business – from the ground-up – to its desired objectives.

And most importantly, as both sides clear the operational fog and (for the first time) accelerate towards the same outcomes together, customers will benefit from that synergy too, through frictionless services and experiences.

This is a new way of working that helps the whole enterprise drive towards a shared definition of agility and productivity. The **Superfluid Operations** layer empowers everyone from the front-line to the board room to drive towards deliberate outcomes, together.

The time to move is now.
We can't wait to get going with you.

Discover <u>Operational Apps</u> and start your journey towards Superfluid Operations.