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RESEARCH

NEW ANALYSIS

Celonis Launches Its Execution Management System (EMS)

EMS Is the First Step Toward the Autonomous Enterprise

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# ELIMINATING SYSTEM COMPLEXITY IS CELONIS' NO. 1 PRIORITY

On October 14, 2020, co-CEO and co-founder Alexander Rinke kicked off Celonis' Ecosystem Summit and showcased its new Execution Management System (EMS). The goal is to improve an enterprise's execution capacity by simplifying complex processes. Celonis defines execution capacity as the ability to get things done over the time + cost + effort (see Figure 1).

Celonis uses its process mining core to deliver the Celonis EMS. The Bavarian software startup has headquarters in Munich and New York City, with 15 offices worldwide.

THE CELONIS EXECUTION MANAGEMENT SYSTEM

The Celonis EMS (see Figure 2) brings together a number of applications, instruments, development studios, tools and platform approaches to unlock execution capacity. Sitting on top of business processes and systems, the heart of the solution is the process mining core that identifies and measures capacity barriers. Capacity is unlocked by a methodic approach to applying best practices,

**Figure 1. How Celonis Defines Execution Capacity**
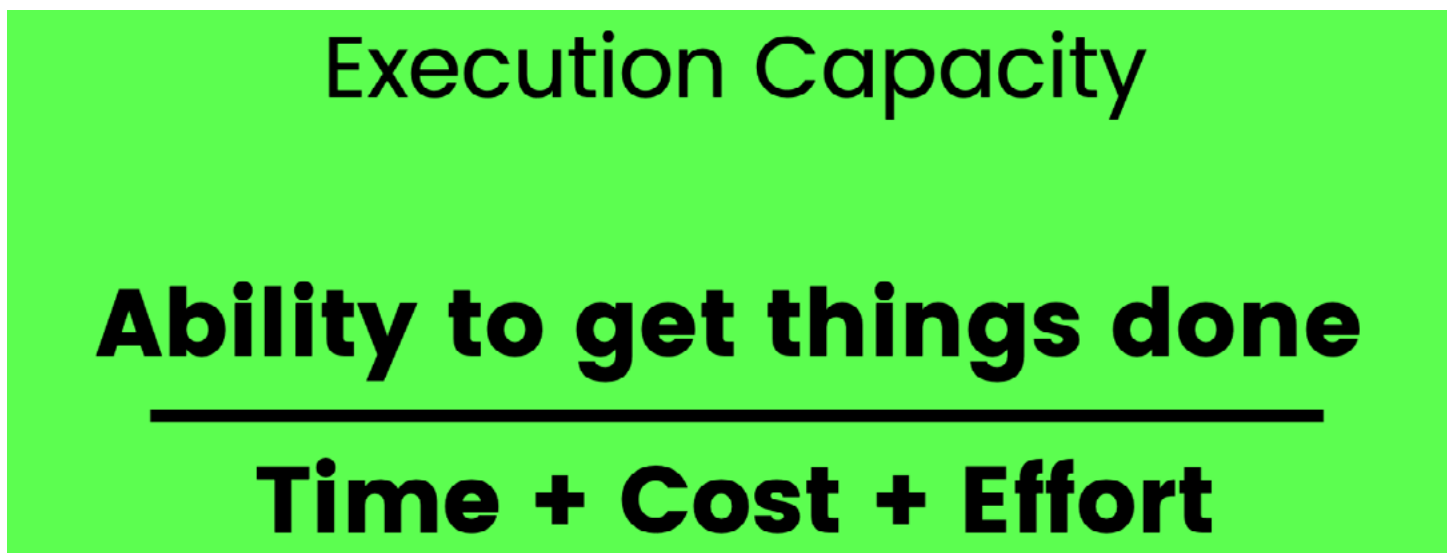
Source: Celonis

actions and automation. The new additions and updates from the fall launch of EMS include the following:

- **Celonis Execution Applications.** These operational applications include popular apps such as Celonis Accounts Payable, Accounts Receivable and Opportunity Management.

- **Celonis Execution Instruments.** Formerly known as process mining analytics applications, these can be used to measure current execution capacity and identify execution gaps. More than 170 instruments have been developed to date.

- **Celonis Studio.** Ecosystem partners and customers use the studio to build new instruments and applications.

- **Celonis EMS Store.** New solutions can be delivered by ecosystem partners and can be found in the store.

Figure 2. Inside the Celonis EMS Platform
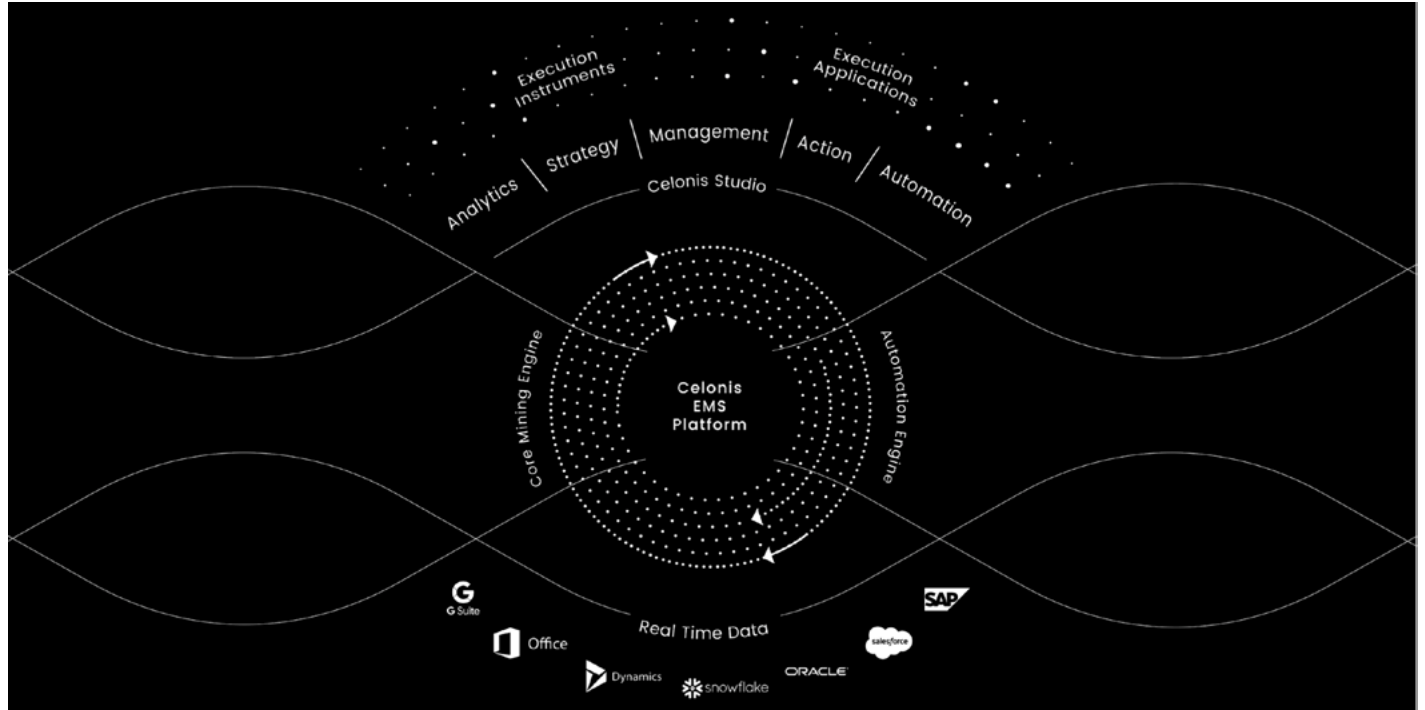
Source: Celonis

PROOF IS IN THE PUDDING

At the Ecosystem Summit, Celonis showcased a number of use cases for which EMS improved operations. For example, Avnet, a value-added distributor of technology, reduced throughput times order management by 50% from order to ship. Dell was able to move to a leaner supply chain with eight days of inventory versus an industry average of 40 days. Ascend Performance Materials improved on-time delivery by 27% while simultaneously increasing automation by 43% in just four months. L'Oréal was able to grow on-time touchless orders by 800%, resulting in greater revenue and capacity to ship more products using existing infrastructure. Comcast improved asset utilization and captured $85 million in improvements.

Overall, this ability to improve execution capacity has created more capacity with existing infrastructure. In supply chains, the average on-time delivery rate is 43%, yet Celonis customers using EMS can hit a 95% target. Celonis says that the average touchless invoice rate is only 27% inside companies while Celonis best-in-class customers are exceeding 90% adoption for finance and administration use cases. In customer experience, most companies average a 32 Net Promoter Score (NPS), yet Celonis best-in-class customers appear to double scores, with an average of 70 NPS.

Celonis customers include venerable brands such as ABB, AstraZeneca, Bosch, Coca-Cola, Citibank, Dell, GSK, John Deere, L'Oréal, Siemens, Uber, Vodafone and Whirlpool (see Figure 3).

Figure 3. Celonis Customers Include Global Leaders in Every Industry

Source: Celonis

BOTTOM LINE: THE RACE TO BUSINESS GRAPHS IS HERE; AUTOMATION AND AI ARE THE FACILITATORS TO DECISION VELOCITY

The convergence of workflow, process mining, robotic process automation, integration services, microservices and low-code/no-code platforms drive the future of software. The next battle in enterprise software will be the creation of business graphs. Like social graphs that use social networks to provide signal intelligence and digital feedback loops to accumulate a massive amount of data that is mined by artificial intelligence (AI), business graphs will accomplish the same for enterprises.

For the enterprise, the relationships among users, documents, business processes and contextual data will power the signal intelligence and digital feedback loops. Because the majority of data is collected by digital feedback loops via automated and ambient collection, these systems can improve their precision decision capabilities. Automation and AI are the tools that bring scale to creating decision velocity.

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Founder and Principal Analyst

R "Ray" Wang is Founder, Chairman and Principal Analyst of Constellation Research, Inc., and the author of the popular enterprise software blog, "A Software Insider's Point of View." He previously was a Founding Partner and Research Analyst for enterprise strategy at *Altimeter Group*.

A background in emerging business and technology trends, enterprise apps strategy, technology selection and contract negotiations enables Wang to provide clients and readers with the bridge between business leadership and technology adoption. Wang has been recognized by the prestigious Institute of Industry Analyst Relations (IIAR) as the Analyst of the Year, and in 2009, he was recognized as one of the most important analysts for Enterprise, SMB and Software. In 2010, Wang was recognized on the ARInsights Power 100 List of Industry Analysts and named one of the top Influential Leaders in the CRM Magazine 100 Market Awards.

Wang graduated from the Johns Hopkins University with a B.A. in natural sciences and public health. His graduate training includes a master's degree from the Johns Hopkins University in health policy and management and health finance and management.

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Organizational Highlights

- Named Institute of Industry Analyst Relations (IIAR) New Analyst Firm of the Year in 2011 and #1 Independent Analyst Firm for 2014 and 2015.
- Experienced research team with an average of 25 years of practitioner, management and industry experience.
- Organizers of the Constellation Connected Enterprise—an innovation summit and best practices knowledge-sharing retreat for business leaders.
- Founders of Constellation Executive Network, a membership organization for digital leaders seeking to learn from market leaders and fast followers.

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