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Build a Superfluid Enterprise

How Enterprise Performance Acceleration helps turn your processes into extraordinary experiences



Businesses have always needed to innovate to stay competitive.

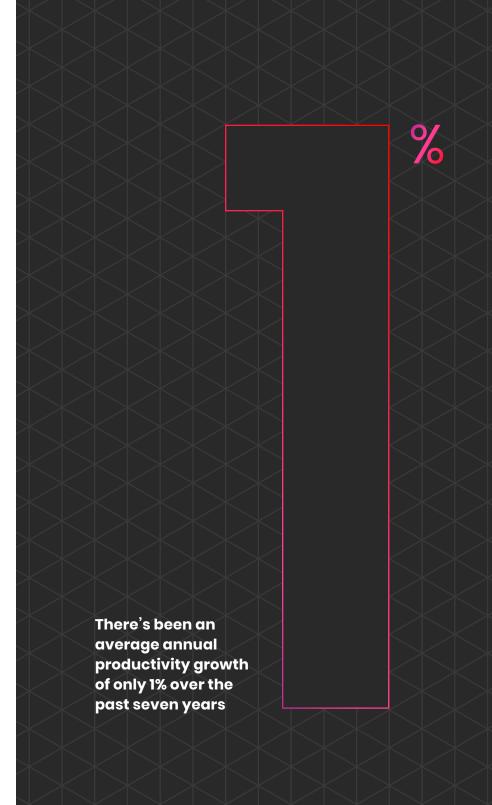
But today, changes need to be bigger, faster, and more frequent than ever. For two big reasons.

One, customer expectations have drastically changed.

The halo effect from today's most successful customer-first businesses touches us all. The likes of Apple, Google, Amazon, Netflix, and Uber set the standards that we're all held to, B2B included.

And two, employees have hit a productivity wall.

Performance is stagnating. In high-income countries, there's been an average annual productivity growth of only **1%** over the past seven years. To drive growth, we need to find new ways to drive productivity – faster and more effectively than ever before.



But there's a problem.

Despite massive investment, enterprise efforts to transform aren't paying off.

McKinsey says **70%** of complex, largescale change programs never meet their stated goals.

And our/third-party research shows a third of businesses spent more than \$500K on transformation strategies in the past year – but 44% of senior leaders believe those strategies were a waste of time.

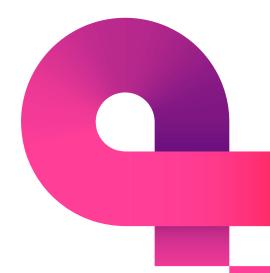
In practice, most transformation projects are time, cost, and confidence black holes.

The trouble is that they're rarely grounded in the reality of the operational environment, and so are too abstract to drive real value.

In fact, we found **82%** of business leaders ignore internal processes when establishing their transformation priorities.

So even though businesses understand they need to optimize, innovate, and accelerate, they miss what matters most.

They miss operational friction – the root cause of the problem.

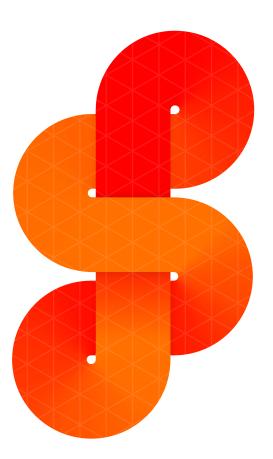


So what is operational friction?

Operational friction is hardwired into the enterprise model.

It's the price you pay when teams turn into departments, and departments into bureaucracies.

It's what happens when core backbone systems connect to bestof-breed systems that connect to edge-computing technologies, microservices, and APIs.



When your processes are dispersed across hundreds of systems.

Operational friction is what happens when processes get slowed down, interrupted, or disrupted because of all those silos.

Because processes – not discrete systems – drive business. So they need to work across silos, connecting people, systems, and data.

Take accounts receivable.

On the surface the process looks simple. Record goods, create invoice, send invoice, payment clears, update records.

In practice it's actually a high-volume process that spans many different IT systems and crosses departmental boundaries. Especially when you're selling an army of products across multiple regions, using multiple channels, to multiple customer groups.

Accounts receivable is light-years from simple. It's massively fragmented – and fragmentation causes friction, because there's no unified, crosssystem view.

That means you can't see where discrepancies cause payment delays that tie-up capital. And more importantly, you can't see how those operational pathways map to the customer experience.

So you can't actually improve the process and you can't be truly customer-centric.

Which, when you expand to the myriad complex processes your business relies on, adds up to a significant speed limit.

Right when you need to be accelerating.

The operational friction one-two punch

Operational friction hurts your business in two sensitive spots: your workforce and your customer base.

Employee friction

Operational friction holds your people back from doing a great job.

It's why your sales teams have such a hard time understanding how marketing qualifies leads.

It's why your fulfillment teams are so disconnected from your customer service teams who deal with angry customers.

It's what stops your CFO from seeing how different business operations *actually* interact.

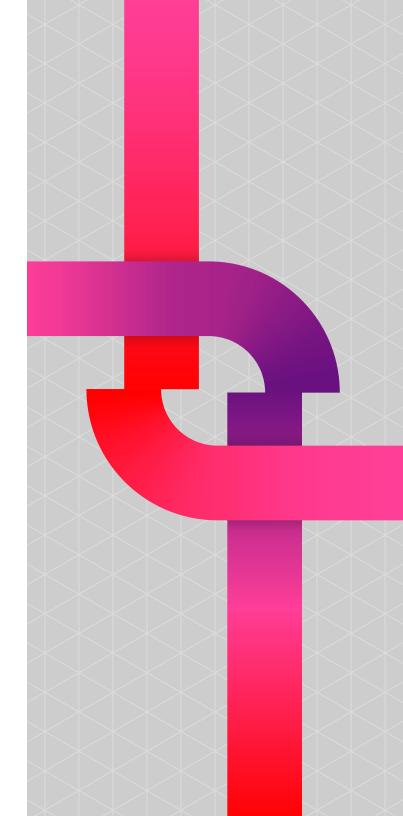
The result is that instead of optimizing and innovating, your people are stuck reinventing the wheel.

That's not what you hired them for. It's not what they're best at. And it's certainly not what they enjoy.

So eventually, those people become frustrated. And your productivity problem becomes an engagement problem, which then becomes a retention problem.

But that's not all.

Because customer experience begins at home.





Customer friction

Your customers feel your internal friction the most.

When they talk to customer service but can't get a straight answer.

When they're treated like strangers every time they get in touch.

When the only excuse for their bad experience is "that's not my department".

You're shooting for a delightful customer experience; you land at disjointed. Because when fast, flawless services are the new normal, anything less sticks out as substandard.

So before long, customer loyalty plummets, churn skyrockets – and you're left counting on innovation projects to turn things around.

Except your people have no bandwidth for innovation, because they're barely keeping their heads above water delivering business-as-usual.

Friction across the enterprise

We've talked about the bigger picture of how friction hurts your business.
But let's dive deeper.

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Finance

A big priority for finance is optimizing working capital, because that's how you free up cash to deliver value.

The problem is, most enterprise finance leaders are saddled with a bunch of organizational structures and processes that make optimizing working capital difficult.

That's operational friction.

For example, **90-day** payment terms from hastily executed contracts that hamper receivables performance. Or a leaky supply chain that means you struggle to reduce days sales outstanding.

And even where you have more direct control – like accounts payable – the problem is so big and complex, it's unmanageable.

You might know you need to deliver more own-time payments and take advantage of more cash discounts. But how? And where are you going wrong?

One option is to spend hundreds of thousands on consultants, who take a year to produce incomplete, backwards-looking, subjective results. When they're done, you have a standard payables process for the **30%** of invoices that don't deviate.

But you haven't solved the problem of paying on time for the other **70%**. Which means you still haven't solved your working capital problem.

IT

As part of the transformation narrative, most IT functions are engaged in some sort of systems modernization or consolidation.

So let's imagine that's your focus. You need to create a single source of truth, to free the business to operate more nimbly. But, like finance, operational friction rears its head constantly.

Say you've grown through acquisition. You probably inherited a labyrinth of systems and data silos along the way.

Or maybe you've spent so long squeezing every drop of value from legacy systems that ad hoc workarounds and one-time patches completely obscure your view.

And you favor a lower-risk incremental approach to modernization, but you have no idea where to start. Everything is interconnected and you have no way to isolate and define priorities.

Enter the consultants, who tell you end-to-end transformation is the best way. But that's an insurmountable task.

The consultants spend

endless months mapping
your current process
landscape – but their
roadmap is ultimately still
subjective. And as soon as
they're done mapping the
processes once, their maps
are already obsolete.

Customer service

If you're a customer service leader, customer experience is likely your major priority. You're probably looking in two main areas – order processing and incident resolution so customers get their products on-time and get help faster.

But like finance, you constantly come up against friction that makes driving value here difficult.

Maybe you get thirty million service requests a day. You know improving first contact resolution rate will have a huge impact on customer satisfaction – but how?

Where do you start? That's an impossibly complex problem.

Or maybe slow delivery times and missing deliveries are killing your net promoter score. But you lack the crosssilo clarity to effectively help.

And so you bring in more consultants. Or business intelligence software that tells you one thing is working and another isn't – without telling you why. Either way, you can't take action upstream, where you could have influenced outcomes.



Manufacturing, warehouse management, and logistics

The aim here is to accelerate fulfilment. Because every customer has ordered from Amazon and received their product in two days, for free. That's the new bar.

But operational friction makes optimization difficult. You certainly can't build your logistics and distribution centers from scratch (like Amazon did) and you're increasingly burdened by your existing setup and systems that can't keep pace.

Say you're getting sixteen million orders a year – where should you even start? You can't become Amazon overnight, but you're losing customers to more nimble competitors, fast.

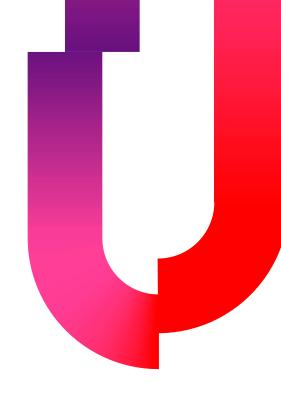
The problem is way too broad. Maybe warehouse management is letting you down. Or maybe the issue is lengthy manufacturing cycle times. Or high defect rates.

But what's causing those? And how are you supposed to fix them?

Your latest BI dashboard can't tell you. And your customers pay the price.

Operational friction hurts your people and your customers. It's the reason your investment into transformation isn't paying off.

But here's the good news.



Operational friction is not simply the cost of doing business. Not anymore.

Why you need to turn friction into fow

Operational flow is the opposite to operational friction. You might've experienced brief flashes of flow, if you're lucky.

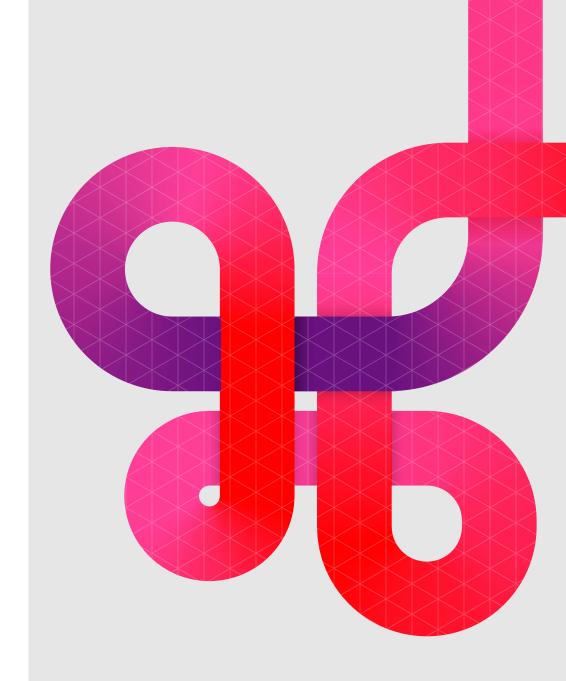
It's that feeling when everything clicks. No stop-start. No delays. No interruptions. No manual workarounds. Just smooth, invisible processes that run effortlessly in the background.

Operational flow engages, energizes, and empowers your people to be more effective. Which means they're equipped to deliver exceptional customer experiences.

(The kind of effortless, immediate, personal customer experiences that are the hallmark of today's most successful businesses.)

Operational flow also drives more efficient, productive, and cost-effective operations. But most importantly, operational flow totally transforms how you show up for customers.

That's transformation from the ground-up, not the top-down.



So, how do you create operational flow?

You refocus on your operational backbone and optimize processes at their most granular level. That is, by digging into the time-stamped event log data buried in every system you use.

Those event logs have spent years flying under the radar. But they're just sitting there, collecting a hidden wealth of insight.

Tapping into that data uncovers all the invisible potholes that slow your business down. So you can deal with them, making incremental changes that add up to true transformation. Real flow.

But you can't do this manually.
There's too much data, too little time,
and too many things on the business'
to-do. And this is too urgent for that.

You need a new type of software that offers granular, real-time insight into your processes. You need to understand the critical process paths for every operation, spot every deviation, and course-correct when things go wrong on an ongoing basis.

So you can automate and accelerate the manual, time-consuming, subjective process improvement you already do.



Welcome to Enterprise Performance Acceleration software.

Enterprise Performance Acceleration software brings all your systems together into a single layer, giving you the clarity to optimize at scale.

It's an as-is, no-frills snapshot of your entire operational landscape. A performance layer that maps onto everything you already do, to fill the potholes between systems and smooth the acceleration pathway.

The Celonis Intelligent
Business Cloud is the world's
first Enterprise Performance
Acceleration platform, trusted
by world-class companies
like Siemens, Vodafone
and L'Óreal.

The Intelligent Business
Cloud uses process mining
technologies to dig into
your transactional data
– where ground-up
transformation starts.



To:

Discover

Get total, ongoing clarity over your operational environment so you can visualize what really happens – and where you go off-road.

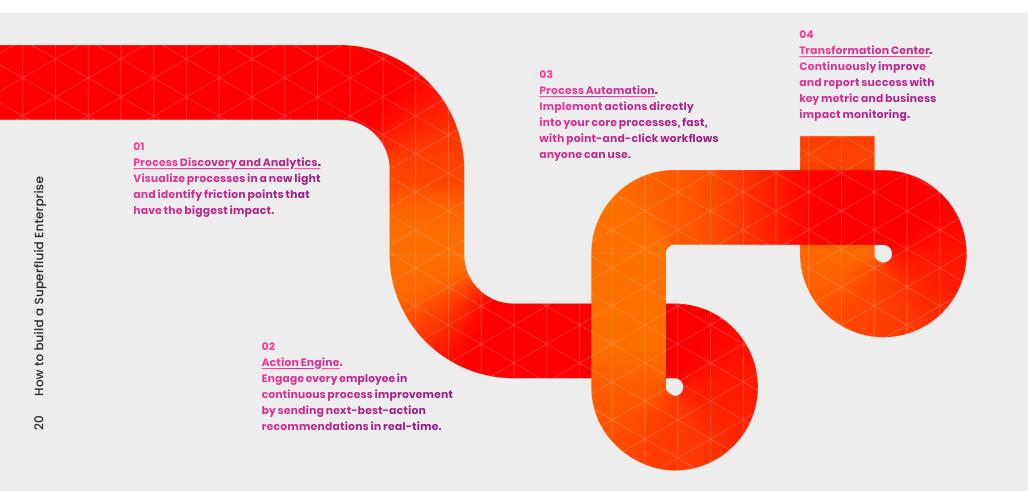
Enhance

Highlight improvements, reveal shortcuts, and take immediate action to remove friction and drive performance.

Monitor

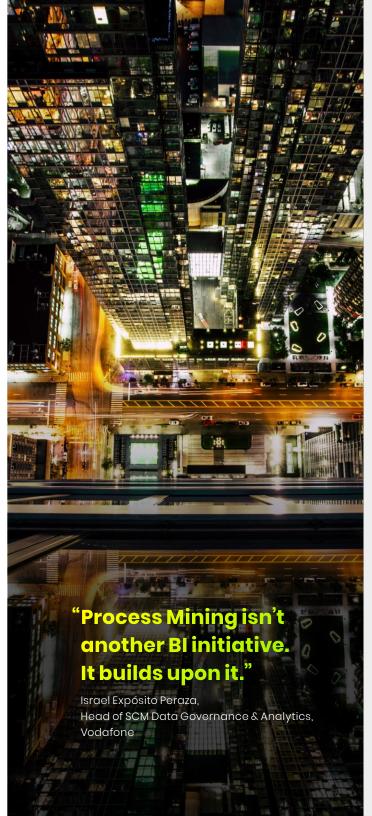
Uncover long-term trends, so you can spot recurrent bottlenecks and understand what's causing friction over time.

Let's look back across the business to see how that works.



the enterprise

Case studies



Finance

Enterprise Performance
Acceleration software breaks
the big problem – increasing
on-time payments to free
up working capital – into
manageable chunks.

So you might discover **27%** of invoices need a baseline date change after being entered in SAP, which adds an average of six days to the process.

Or another **15%** are cancelled, thanks to retrospective price or number changes.

And then you enhance by using an action engine skill that detects incorrect baseline dates and automatically fixes them according to the correct master data. It then alerts the payables clerk to contact the vendor to ensure future baseline dates arrive correctly.

The result? A massive drop in the re-work rate and a dashboard straight to the VP of Finance showing the fall in days payable outstanding.

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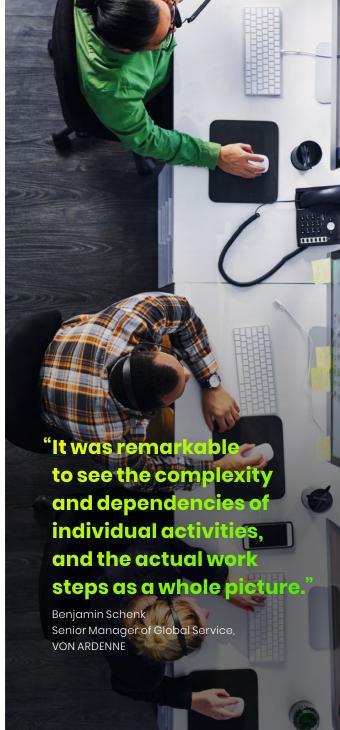
Right now, IT consolidation and modernization projects rely on a subjective map of your system and data silos. But Enterprise Performance Acceleration software tells you exactly what's happening objectively, in real-time.

Total process visibility means you can refine a target model that maps exactly to your operational reality. And you can pinpoint where and when you deviate from that model as you move forward.

It also empowers IT to add broader value across the business. Because you're actually eliminating bad process variations as you go, instead of just doing a systems migration.

You're also improving the business as a whole, as part of that migration. Which means IT becomes a massive value driver for the enterprise.





Customer service

Thirty million service requests are impossible to sift through.

Except, Enterprise Performance Acceleration software helps you pinpoint the areas of the business that generate the most requests, or where requests have the biggest detrimental impact. Automatically.

For example, you discover that the biggest driver of NPS is re-opened warranty tickets going unfulfilled because of a system conflict.

You can enhance that process with a workflow that automatically fulfils re-opened warranty tickets, and alert a project manager to manually check those incoming requests in order to prevent further issues.

Manufacturing, warehousing, and logistics

Accelerating fulfilment is a mammoth challenge because so many factors can cause delays. Enterprise Performance Acceleration software identifies exactly which factors and how long the delays are, so you know where to focus.

So, say you discover that

4% of production orders
are created late, causing
production delays. You dig
further and pinpoint the plant
and material type that's the
biggest culprit, so you can
improve production leveling
for that area.

Or you look at your warehouse and discover that you reordered **15,000** products retrospectively.

Reordering that's last-minute and at premium price, so it slims your margins and increases delivery times.

Or you dig into delivery times by customer and set an automatic workflow to prioritize product picking for the highest-value customers. You can't become Amazon overnight. But you can become Amazon for the customers that matter most.

But that's not all. Because the more you turn friction into flow, the smarter, better, and faster the process gets.



Superfluidity: Wholesale Transformation

Conclusion

Increasing operational flow for discrete processes has an immediate transformative impact for those are as of the business. It frees up resources for innovation, increases productivity, boosts engagement, and empowers your people to deliver a brighter customer experience.

But the real magic happens when fluidity becomes self-perpetuating across your whole business.

Because fluidity has a tipping point.

At first, you focus on bringing operational fluidity to a single process. But because processes work across systems and departments, fluidity does too. So while discovering, enhancing, and monitoring one friction source, you spot others.

And so fluidity spreads like wet ink, seeping through your processes one by one.

Until you hit that tipping point, and the business achieves a state of continuous, automated improvement: Superfluidity.

That tipping point will happen organically, if you wait long enough. Or accelerate the process by proactively prioritizing fluidity as a business strategy. By empowering process owners with the resources and autonomy to systematically improve.

The Superfluid Enterprise has total clarity over the operational landscape, at all times.

It's always eliminating friction, improving productivity, and finding ways to deliver extraordinary customer experiences. Every action self-corrects towards an optimal outcome, both for your people and for customers. Automatically, without interrupting day-to-day operations.

So efficiency and excellence become natural by-products of execution.

Because true transformation happens continuously – not with one big, expensive, exec-sponsored push.

And you find yourself on an exponential growth trajectory, *fueled* by continual, self-perpetuating transformation.

About Celonis

Celonis empowers world-class companies like Siemens, Vodafone, and L'Óreal to discover, monitor and enhance their most critical and complex business processes with Enterprise Performance Acceleration software.

To achieve massive efficiency and productivity gains and, more crucially, to transform into customer-first, future-ready businesses with evolution embedded at their core.

To turn processes into extraordinary experiences.

Watch our webinar now for a hands-on introduction to the Celonis Intelligent Business Cloud, the world's first Enterprise Performance Acceleration software.