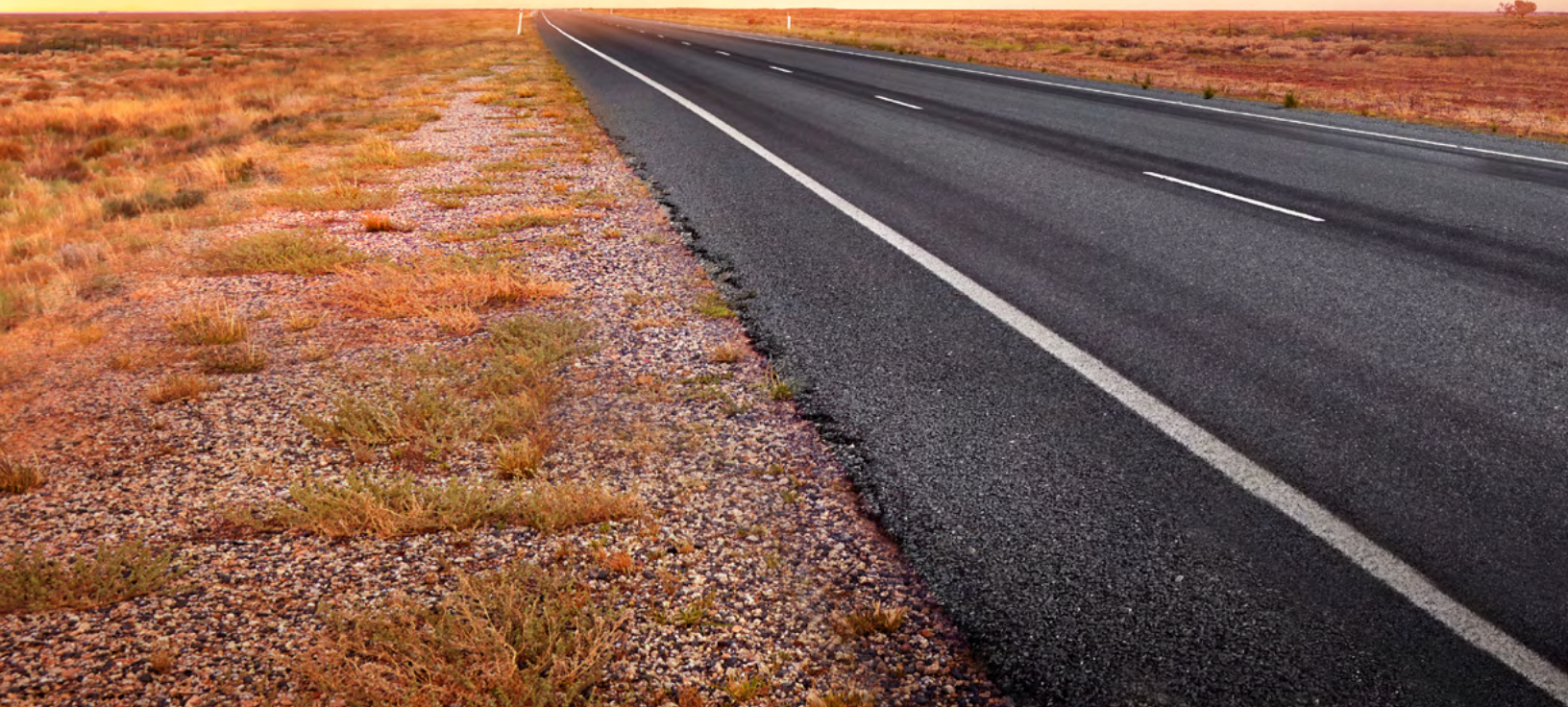




# Is your process mature enough for managed services?

Maybe maturity  
doesn't matter



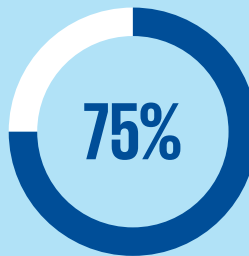
In a world of constant flux, companies are increasingly exploring managed services as a way to deliver innovation and create advantage through ongoing transformation.

But if you operate like many organizations, you may think your processes aren't sufficiently mature and require a heavy lift that you can't afford. Indeed, concern about process maturity is one of the most common barriers to adopting managed services, according to the *KPMG and HFS Managed Services Outlook*, a global survey of 800 executives in October 2021.

Another barrier is lack of confidence in providers' domain knowledge. As a result, you might not believe that an MS provider can actually fix your process in its current state, so you may think you need to simplify it first.

When considering how to improve operations, some companies use Lean methodology to maximize value and minimize resources. Others look at maturity in the context of the end-to-end, cross-functional span of a process—such as order-to-cash or procure-to-pay—and the coordination of teams and systems for seamless delivery.

Managed services provide an attractive and viable alternative.



of executives plan to boost spending on managed services in the next two years.

Source: *KPMG and HFS Managed Services Outlook*, October 2021

## Top 4 internal roadblocks to deploying managed services



Cultural proneness to work through internal teams and shared service centers



Concern that processes are not mature enough for vendors to do the work



Quality concerns about external vendors in general



Concern that vendors do not understand the buyer's domain

Source: *KPMG and HFS Managed Services Outlook*, October 2021

# Consider value, not maturity

**But the way we see it, readiness for managed services is not about process maturity. It's about your envisioned outcomes and the business case, which should go beyond cost savings alone.**

After all, process maturity is usually a cost-reduction topic, centered around people and technology. However, as the opportunities for labor arbitrage get narrower, savvy companies are looking to managed services for additional kinds of results, from speed to market to stakeholder trust.

Instead of assessing the maturity of a process, think about its value. Is every process in your organization delivering meaningful business outcomes, in the right time frame, with the right success metrics? In many cases, the answer is no—which is why many forward-thinking companies work with managed services providers to redesign and deliver critical processes.



# Capture outcomes beyond cost

One such process is cloud platform management. You may have moved finance, human resources, or another function to a software-as-a-service (SaaS) solution with a goal not only to reduce costs but also to build agility and competitiveness. Are you getting the full value from your functional transformation?

Many organizations leave value on the table because they simply can't absorb the periodic updates issued by the software provider. They return to business as usual instead of continuing to evolve. Leading managed services providers can help by preparing your organization for updates, and they bring analytics to anticipate and manage the impact to your environment.



## Ask the right questions

Instead of assessing the maturity of your process, assess the value. Is it delivering meaningful business outcomes, in the right time frame, with effective success metrics? If the answer is no, the process may be a good candidate for premium managed services.

They can identify potential improvements, such as faster payment processing or increased visibility on outstanding obligations, as well as potential disruptions to areas like desktop procedures or customer experience. They can help you capture the outcomes and address the challenges, so you can make ongoing transformation a part of business.

Maybe you have a goal to improve speed to market by making cybersecurity an accelerator of software development instead of a barrier. The right managed services provider can help you reach that outcome by embedding protection into the heart of your processes—through 24/7 threat detection, identity and access management, and application security.

In regulatory compliance, similarly, you may aspire to make your processes not only compliant but also *trusted* by key stakeholders. With compliance-as-a-service from a leading provider, you can proactively demonstrate trusted technology and processes, so you can exceed regulators' expectations and earn their permission to boldly advance the business—from entering new markets to creating new customer interactions.

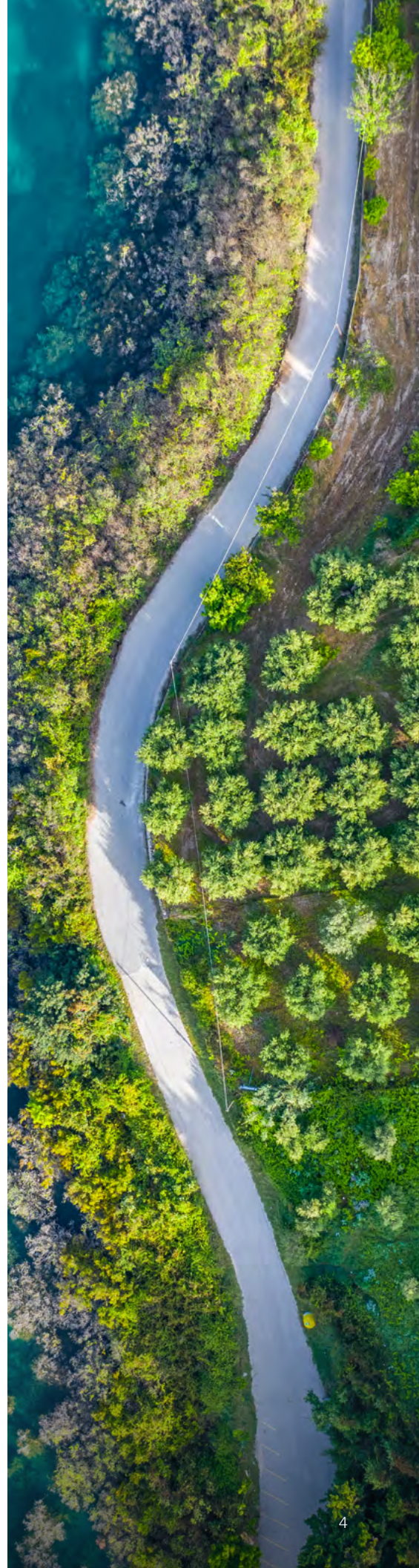
# Seek a transformation partner, not a delivery channel

**An important part of achieving meaningful outcomes is choosing a provider who doesn't just run the process—they also help you redesign it at the outset. And since transformation is an ongoing journey, not a one-and-done destination, the best providers help you continually evolve your processes to keep up with changing targets.**

That evolution includes smart analytics that turn your data into an asset. For example, some adept providers offer process mining to identify anomalies—such as process deviations, errors or redundancies—and apply self-healing code.

For Know Your Customer processes in the banking industry, the most capable providers don't just improve the monitoring of financial crimes. They also apply analytics to customer data, giving banks a deeper understanding of customers' business activities and potential needs—creating opportunity for an enhanced relationship.

As you think about managed services to continually evolve your critical processes, these are the kinds of conversations to explore with providers. And if you find yourself mired in questions about maturity, remember that what's more important is considering the potential value that a process can deliver to the enterprise. Astute providers can help you operationalize it.



# About KPMG Managed Services

Business transformation is the path to sustained advantage. But transformation is not a fixed destination; it's an ongoing journey. How can you continually evolve your business functions to keep up with ever-changing targets?

KPMG Managed Services can help. We combine advanced technology with functional and sector expertise to handle knowledge-intensive processes across your enterprise—on a subscription, as-a-service basis. In addition to reducing your costs, we drive outcomes like resilience, customer retention, stakeholder trust, and competitive advantage. We help you operationalize your growth ambition, so you can accelerate your transformation journey while minimizing disruption and risk.

[Learn more about KPMG Managed Services here](#)

# About KPMG Outsourcing Advisory

Outsourcing done well delivers results, improves service experience, and achieves strategic objectives. It can help your organization succeed in an increasingly complex and changing world.

Next-generation outsourcing deals reach beyond the transactional to consider end-user and client expectations—which positively impacts business outcomes and results in better margins, reduced costs, improved revenues, and enhanced customer experience. Our advisors provide support related to strategy and assessment, contract development, negotiations, implementation or transition—and lead you through your transition and transformation journey. We work with you to think, perform, and contract with agility—and deliver with increased speed to value across the back, middle, and front-office.

[Learn more about KPMG Outsourcing Advisors here](#)

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