THE SILENT IMPACT OF BACK OFFICE PROCESSES ON CUSTOMER EXPERIENCE

Back office processes impact the customer experience — even those without customer touchpoints

Hyland™

In yesterday's back offices, legions of knowledge workers drove business forward unseen and unheard. They handled the minute details of critical processes — accounting, contracts, policies, procedures and many others. Over time, digital technology began to provide an occasional peek into back office processes. Say, when we set up an online payment, book an airline ticket or connect with any call center.

Today, the back office is increasingly taking a seat in front. As business makes its way through the enterprise looking for ways to drive value creation, it increasingly shines a spotlight on the back office. With countless interdependent tasks and processes that still require manual steps, including paper, it is ripe for transformation.

We now know that back office processes impact the entire business ecosystem, including customers. This is true for all processes, *including those without any direct customer touchpoints*. Automating back office processes can score some big wins for business and improve the customer experience in surprising ways.

64% of today's data-collection tasks and **69%** of data-processing tasks could be automated using existing technologies, according to research by McKinsey.[i]

WHY BACK OFFICE BREAKDOWNS OCCUR

Manual processes are not just an inconvenience for the back office — their impacts ripple across an entire organization. The added steps and workarounds take time away from higher-value work and create bottlenecks with consequences that range from purchasing delays to difficulty recruiting top talent. Two related surveys **showed processes to be 50 percent manual or more** in finance/accounting[i] and human resources[iii] organizations.

What is the root cause of manual steps? Today, disconnected systems are a common cause. The resulting breakdowns can have a snowball effect.

Systems don't play well together (especially paper)

As the world transitions from paper to digital and next-gen digital, knowledge workers are caught in between. For the time being, we need to rely on multiple devices, systems, and point solutions to transmit communications. Unstructured information arrives not only through various channels, but in various formats. Systems often don't connect, or key systems may not work well with unstructured information. The resulting data siloes inhibit information access, remote working and secure collaboration.

Manual steps are required to bridge the gaps

Disconnected systems often require manual steps to move information from one system to another: Keying data from paper forms, moving information across non-integrated systems, emails, ticketing and team workflow systems. Employees must take manual steps to verify that information is received and correct. It is tedious, manual work that takes a toll on the morale of back office workers as well as the employees, outside stakeholders and customers they work with.

Human error is a natural consequence

A natural consequence of manual human work is human error. Typos, transpositions and oversights commonly result from re-entering data or collecting input from multiple sources. Lost or misplaced documentation, miscommunications and other everyday snafus pile up, creating delays and missed deadlines. Compliance-related problems can induce stiff penalties in addition to headaches.

THREE KEY AREAS WHERE AUTOMATION AFFECTS CUSTOMER EXPERIENCE

Surprisingly, even the most tucked-away back office processes have a hand in shaping the customer experience. Process efficiency can significantly color people's attitudes toward your brand. Attitudes tend to be contagious, and whether good or bad they amplify and ripple outward. Manual processes and redundant steps in the back office tend to create high levels of reverberating frustration that eventually affects the ecosystem and beyond. Automating those processes can significantly transform three internal factors that influence the experience of external customers: employee engagement, company reputation and innovation.

1 Customer satisfaction and employee engagement

Your employees' engagement has significant impact on your customers' experience — as well as the bottom line. Organizations increasingly look to automation to relieve employees of rote, mundane tasks they dislike, freeing them for work that requires human creativity.

Engagement matters

Researchers long ago noticed a relationship between happy employees and happy customers. One such study reported that companies with engaged employees have 89 percent greater customer satisfaction and 50 percent higher customer loyalty than their disengaged counterparts. Numerous other surveys and studies have since corroborated this point.

The far-reaching impact of morale

When back office processes require manual steps, it is the back office employees that bear the brunt. Aside from the burden of time-consuming tasks, they deal with unhappy stakeholders affected by process problems that can impact their own goals, KPIs and relationships within the organization. In turn, the morale of these back office workers will rub off on customers — if not directly, as a general vibe within customer touchpoints.

An increased sense of value

Automating manual processes dramatically improves employee engagement. Simply put: Back office employees are happier when freed from their manual burdens. Relationships with stakeholders improve as process efficiency, accuracy and predictability improves. There is finally time to focus on innovative work and add value. **When processes become an enabler for success, morale improves.**

HOW BACK OFFICE PROCESSES AFFECT EMPLOYEE ENGAGEMENT

Employees not engaged
- Morale problems
- Prospects look elsewhere
- Stakeholder friction
- Employee churn

Engaged employees
- Attract customers
- Positive relationships
- Attract talent

How automation helps

Removes manual tasks ›› Improves data quality ›› Transforms efficiency

Back office employees may spend 40% of their working time on low value-added activities.[iv]

2 Good reputation fosters customer loyalty

Your company reputation directly impacts the customer experience. Reputation affects a customer's decision to climb on board and their decision to stay on. It impacts a company's ability to recruit top talent and business partners. Simply put, you build your reputation upon the perceptions of an ecosystem that includes current and former customers, employees, vendors, partners and news media.

Ecosystem partners have customer touchpoints too
Frustration stemming from chronically inefficient processes can erode the trust of important business partners — like vendors and suppliers. If your customers have direct contact with those suppliers, they will feel the effects. If your customer's supply chain relies on your own suppliers, any troubled supplier relationships will eventually impact your customers as well.

Publicity affects reputation
Security breaches and noncompliance have a way of surfacing to the world at large, particularly when they involve leaks of personally identifiable information or confidential documents. Often, very simple human error and oversights are often to blame. The significance of these incidents varies, but even smaller breaches can chip away at a company's reputation.

Be prepared to weather the storms
Current and former stakeholders in your ecosystem have the power to impact your reputation through online reviews of your business, social media posts and word-of-mouth. Efficient processes make you easy to work with — and work for, helping to paint you as a desirable employer and business partner.

Your seamless employee onboarding process may not be mentioned on glassdoor.com, and your lightning-fast responses to vendor payment inquiries might not get hyped on social media, but back office process efficiency goes a long way in nurturing positive experiences that bolster your reputation, boost customer experience and make you more resilient in passing storms.

HOW BACK OFFICE PROCESSES IMPACT YOUR REPUTATION

Damaged relationships
- Chronic friction erodes trust
- Suppliers avoid you
- Customers look elsewhere

Positive brand perception
- Promotes trust, confidence
- Helps customer retention
- Creates influencers

How automation can help
Strengthens security ›› Reinforces compliance ›› Flags potential issues

Companies with engaged employees have 89% greater customer satisfaction and 50 percent higher customer loyalty than their disengaged counterparts, one study reported.[v]

3 The golden ticket to innovation

Once the first target for budget cuts, all eyes are now on the back office to drive value creation. Automation can help by allowing organizations to: Liberate staff from manual processes to focus on high-value tasks, increase agility to seize opportunities and scale for growth, and increase cash flow. Your organization can capture the human and capital resources surfaced through automation to invest in continuous innovation that improves the customer experience and boosts customer retention.

Work gets more interesting

When automation shrinks process times from weeks to hours, employees have more time and space for creative, innovative work. Integrations with core systems like ERP and HRIS further mean that employees don't need to switch screens and systems. With a more centralized, complete view of information, employees are able to answer questions more quickly and accurately to provide better service to their own customers. There is more time to spend on customer care, and less time on redundant work, chasing information and correcting avoidable errors. The ability to access data securely from anywhere also changes the game with scalability

Seize opportunities and fund innovation projects

When processes are largely manual, it can be difficult enough to keep up with the existing workload, much less find the time — or energy — to focus on driving more value. The time saved with automation frees employees to pursue opportunities that often slip by. An efficient AP cycle, for example, translates into dollars through early payment discounts. There is more time to negotiate with vendors or explore new options. Meanwhile, faster recruiting processes help to snag top talent.

Inform your decisions with data

Disconnected systems make it difficult to analyze processes to inform business decisions. Sometimes, businesses prefer to "fix" a process before automating it. But when processes are complex with multiple touchpoints, they can be challenging to improve before gaining a broader view through automation.

FREE UP TIME AND RESOURCES FOR CREATIVE WORK
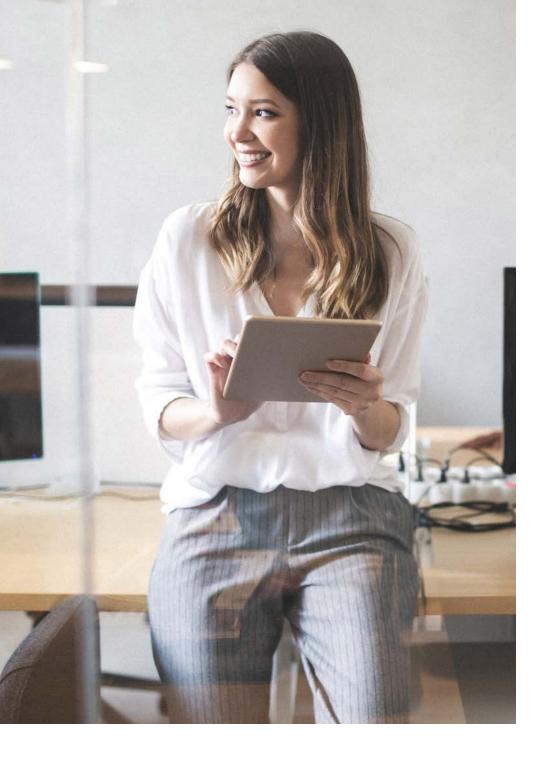
Manual processes
- No time for innovation
- Information blind spots
- Lack of agility

Focus on customer experience
- Time for creativity
- Data for better decisions
- Able to scale, grow, pivot

How automation can help
Gain efficiency ›› Connect data ›› Enable remote access

GAIN THE FREEDOM TO GROW

Few organizations can afford to continue ignoring the impact that back office processes have on the customer experience or its potential to drive value. Executives are looking to the back office to drive value creation and increase operating leverage. Managers of back office departments want to reduce the inefficiencies that create headaches for them and friction with employees and stakeholders. Employees want to be free of massively time-consuming, repetitive and mind-numbing work. Automation brings relief to all involved, putting software in charge of routine processes to massively improve efficiency, especially in processes with extensive documentation requirements.

Automated processes provide another huge benefit: The ability to scale. When organizations grow — organically or through acquisition — the volume of work grows, naturally. Because of the automations gains provided by Hyland's content services, business can support a higher volume of work without more hands, and operations can continue with less interruption.

As the back office claims its well-deserved place in the innovation sandbox, back office processes run just as your stakeholders prefer — silently and in the background.

Explore Hyland solutions for back office automation:
Hyland.com/BackOfficeAutomation »

Sources

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ii. Intelligent Finance Survey. Content Results, November 2020.

iii. Intelligent HR Survey. Content Results, November 2020.

iv. Successful back office optimization requires added value analyses. PWC. Webpage, sourced September 2021.

v.   Creating the Best Workplace on Earth. Harvard Business Review, May 2013.

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