Everything as a Service
How BusinessCloud Solutions Can Help Enterprises Run Better, Run Differently
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Cloud-based business solutions — integrating people, processes and technology — help leaders create new operating models, drive efficiency and agility, and provide access to new capabilities and innovations to deliver greater levels of performance.

By Mahesh Lunani

The cloud-powered “everything as a service” (XaaS) megatrend is exploding. McKinsey & Co. identifies the “as a service” movement as one of the top IT-enabled business trends and a topic for the management agenda. Until recently, its most visible and successful application has been in the realm of more technical cloud computing services.

Now, XaaS is evolving from technology as a service to business as a service; new delivery models are being adopted, from simple document management as a service to more complex business operations, such as clinical data management as a service. Cloud is a key enabler of business as a service, creating a new set of solutions we call Cognizant BusinessCloud™ Solutions. For enterprises both large and small, BusinessCloud has the potential to deliver game-changing business model advantages that provide not only must-have operational efficiencies but also real-time accessibility to the advanced capabilities and innovations that are the lifeblood of outperformers (see Figure 1, next page).

Enterprises run better with BusinessCloud™. By operating or consuming business as a service, organizations can channel budget dollars that once went to capital investments or fixed costs to more flexible, granular operating expenditures. Companies can quickly pivot their operations: Step up capacity when needed and scale it back when it’s not, thus ratcheting down costs. In other words, BusinessCloud helps drive budget efficiencies and cost agility.

Equally important, BusinessCloud enables enterprises to run differently. An efficiently run BusinessCloud solution helps organizations rethink and redefine core activities, tap the virtualized workplace and reshape how businesses operate inside their four walls and beyond with partners and customers. Such new business models, layered with social, mobile, analytics and cloud technologies (or the SMAC Stack™), provide a unique value proposition. The result: New ways of conducting business and more extensive capabilities that produce improved outcomes (see sidebars, pages 13, 14 and 16 for more detail).
A well-designed BusinessCloud solution often enables businesses to transition to an as-a-service model in weeks and sometimes days, depending on the extent of security, data integration and migration challenges, as well as the complexity of the solution deployed.

Cloud computing has whetted enterprise appetites for XaaS by continuously extending new capabilities via a pay-per-use, service consumption model that flexes with business needs and shifts capital expenses to operating expenses.

XaaS: A New Operating Reality
The success of the XaaS model in IT services demonstrates organizations’ ability – and desire – to shift to an as-a-service model. In a recent survey by IDG Research Services, over 60% of respondents said they had implemented or piloted cloud computing. Cloud computing has whetted enterprise appetites for XaaS by continuously extending new capabilities via a pay-per-use, service consumption model that flexes with business needs and shifts capital expenses to operating expenses.

Likewise, packaging mainstream business functions as a service and operating them through the cloud offers even greater impact. The BusinessCloud is set to become the Swiss Army knife of enterprise services. Multifunctional, flexible and cost-effective, it is already redefining functions and reaching more
areas within organizations. It also seamlessly integrates people, processes, technology and, in some cases, physical assets.

Take the example of 3-D printing as a service. Rather than maintaining expensive printers, consumers or manufacturers can leverage cloud-based business services from 3D Systems Corp. for their 3-D printing needs. Enterprises can upload 3-D digital files and specify material type, and the company’s on-demand service then processes and ships 3-D assets to its customers. This application has the potential to change business dynamics across aerospace, medical device and automotive enterprises, allowing them to run better and run differently, across their prototype, production and service parts operations.

**BusinessCloud: Rethinking the Enterprise**

BusinessCloud empowers business leaders to deconstruct their enterprises and rebuild them in ways that offer new strategic advantages and, ultimately, better economic models that radically alter the rules of the game.

An example of how BusinessCloud empowers business leaders is in the area of medical management. Medical management is a core business operation that health plans execute to administer the appropriateness of medical services, engage risky populations in preventive care programs and address chronic diseases. The cost of administering medical management is roughly $2.00 to $3.00 per month per member across the insured U.S. population. These costs increase significantly for severely ill, Medicare and Medicaid populations. The total administrative cost of medical management represents multiple billions spent annually by payers, considering there are roughly 250 million insured individuals in the U.S.

With medical management as a service, health plans leverage a fully integrated solution combining medical management software and the talents of a virtualized clinical global workforce. By delivering more efficient and on-demand use of expensive clinical resources – as well as automation algorithms, analytics and economies of scale with cloud software and infrastructure – medical management as a service enables health plans to reduce administration costs by upwards of 45% and minimize capital expenditures and fixed costs.

**Reducing Health Plan Costs, Driving Innovation with Cognizant’s Medical Management as a Service**

- **"Run Different," impacting 85% of health plan costs and medical expenses**
  - Provider-led utilization management
  - Bundled episode medical payments
  - Differential care management
  - Patient-centric integrated care
  - Customer self-service

- **"Run Better," impacting 15% of health plan and admin costs**
  - Technology, analytics automation
  - Global clinical workforce/best practices
  - IT hosting, maintenance

**FIGURE 2**

https://connections.cognizant.com/ COGNIZANT
As-a-service approaches to medical management enable health plans to also run differently, as risk-bearing providers rather than health plans are engaged in decision-making on medical services and patient treatments. As such, hospitals or physician groups are compensated with a fixed fee per episode, not on the traditional fee-for-service model. This approach drives greater patient engagement. By re-architecting medical management operations, health plans free up significant capital to invest in patient-centric care management and enable organizations to focus on increasing their member population while reducing medical costs. Our CareSERV™ BusinessCloud solution helps health plans build stronger businesses by delivering medical management as a service (see Figure 2, previous page).  

Cloud-delivered business solutions fit consistently and nicely into Clayton Christensen’s framework for “disruptive innovation,” according to Aaron Levie, CEO and co-founder of Box.net, a provider of a cloud-delivered document and file-sharing service. Since its 2005 inception, the company has attracted 15 million users, small businesses and Fortune 500 companies to its as-a-service model for document and file sharing. As such, it has reshaped how enterprises share content and create a ubiquitous work environment for knowledge workers.

Benefits of BusinessCloud Solutions

Our work in XaaS includes cloud-based business utilities that span a wide spectrum of industry and horizontal solutions. One such example is our SmartTrials™ BusinessCloud solution, which lets pharmaceutical companies manage clinical trials with an on-demand platform, centralized and remote monitors, and a risk-based monitoring process.

Based on our experience, organizations can expect to gain the following benefits when they implement BusinessCloud solutions (see Figure 3):

1. **New business value.** With BusinessCloud solutions, enterprises gain new capabilities and operating models that create new sources of value. A major mobile reseller, for example, supplements its brick-and-mortar operations with our Order Management as a Service (OMaaS™) BusinessCloud solution. It enables the reseller to not only run better – through automated order management, activation and fulfillment – but also to run differently by offering a unified, multichannel customer experience across the Web and its retail stores. (See sidebar, “Wireless Retailer Creates a Unified Customer Experience.”)

### Enterprise Benefits of BusinessCloud Solutions

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<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
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<tr>
<td>New Business Value</td>
<td>Access to new capabilities, new operating models and new sources of customer value.</td>
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<tr>
<td>Disruptive Performance</td>
<td>Multiplier effect of global workforce and virtualized process layered with SMAC technologies.</td>
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<td>Ubiquitous and Knowledge Work Efficiencies</td>
<td>On-demand, standardized work while driving collaboration and creativity.</td>
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<tr>
<td>Budget Efficiencies and Cost Agility</td>
<td>Asset-light model, allowing for business pivots, scale and business growth.</td>
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Wireless Retailer Creates a Unified Customer Experience

By Todd Weinert

Few marketplaces are as hot as mobile. To distinguish itself and gain a fresh edge on its competition, a U.S. wireless retailer worked with us to create a customer experience as modern and flexible as its products.

The company is a retailer of all things mobile: cellular devices, smartphones, tablets and mobile broadband devices that operate on the Verizon Wireless network. It is a retailer, however, and not a carrier, meaning that its customers can also choose to do business with Verizon. To earn repeat business, the distributor needs to offer a simple and seamless experience. Purchasing channels have clearly expanded, and consumers now move quickly among them. Online, mobile, store — customers choose how and when to make contact.

To stay successful, the retailer needed a consistent customer experience and marketing message. It chose our BusinessCloud solution called OMaaS to create an integrated, cross-channel shopping experience, as well as deliver a flexible, end-to-end order management platform.

OMaaS manages the distributor’s customer experience across multiple channels and provides a more holistic approach for store associates, as well. For example, when customers who used the company’s online channel then visit one of its several hundred stores, associates can access their transactions and offer promotions and service bundles tailored to individual buyers’ past purchases.

In addition to driving more foot traffic to stores, the new system enables associates to direct customers to online promotions, allowing the company to capture incremental sales opportunities from store to Web and back again, from Web to store.

The OMaaS subscription service lets the company quickly launch new products and services, minimizing upfront capital outlays. It also links operational expenses to order volume. And in addition to shopping and ordering, it integrates fulfillment, social media and customer care. The real-time analytics and reporting capabilities allow the company to make more informed decisions.

OMaaS puts the company at the forefront of a shared e-commerce and point-of-service experience that its competitors can’t match.

Todd Weinert is Cognizant’s AVP and OMaaS Venture Leader. He can be reached at Todd.Weinert@cognizant.com.
Life Sciences Spin-off Revs Up its Global Marketing Game with Digital Asset Management

By Jitin Agarwal

Like all new companies, a client that recently spun off from an established healthcare giant wanted to distinguish itself in the eyes of key influencers – prescribing doctors. Its goal: To more easily create and share sophisticated digital collateral that highlights the remedial qualities of its products.

Sophisticated, interactive and detailed presentations for the iPad, however, are expensive to produce and manage. The company’s global marketing teams worked largely independently of each other, with few opportunities to share and reuse creative assets such as brochures, videos and images.

Moreover, costs ran high, even for a well-capitalized company. For instance, each interactive, detailed presentation costs tens of thousands of dollars to produce. The repeat work among multiple brands and global locations slowed time to market and hindered sales momentum.

For this client, creating a ubiquitous process of gathering its digital assets onto a cloud-based platform was a natural choice. The company embraced our assetSERV™ BusinessCloud digital asset management solution for its operational flexibility, economies of scale and secure data transmission. As such, assetSERV is now a critical cog in the company’s digital marketing makeover.

Traditional digital asset management systems can take several months to implement, but in seven weeks, this client rolled out assetSERV for five brands in 22 European countries. (See “Revitalizing Marketing’s Digital Content Chain,” Cognizant Journal, Volume 4, Issue 2.) It plans to eventually expand the use of assetSERV globally. The cloud-delivered service standardizes the management and storage of images, videos and all collateral components. The improved and newly efficient processes allow the pharma company’s creative teams to repurpose brand content quickly and localize it for regional markets. Internal teams and external partners store presentation components as reusable content in a centrally accessible library.

With its end-to-end digital content solution, which includes the assetSERV platform and creative services to produce and reuse content, the client and its agencies seamlessly exchange content and use a staging area for pre-production content. Today, the company can host and repurpose content like never before, and its iPad presentations are sophisticated and unified.

Jitin Agarwal is Cognizant’s assetSERV Venture Leader. He has nearly 20 years of experience building 30-plus products across multiple startups and ventures in his career. Previously, as a serial entrepreneur, Jitin led TechRepublic.com, NetMinds Consulting and Gartner’s membership program. He is an alumnus of the University of Michigan and Northwestern University and can be reached at Jitin.Agarwal@cognizant.com.

Quick Take

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2. **Disruptive performance** is made possible when organizations marry a virtualized workplace and new operating models with SMAC technologies. This multiplier effect enables BusinessCloud solutions to deliver improved business outcomes, such as cost per customer, number of orders, revenue per customer and time to market — all of which are measurements that can yield deeper and more granular insight into true business performance. (See sidebar, “From 12 Weeks to 39 Minutes: An Insurer Speeds IT Updates—and Strengthens its Business.”)

3. **Budget efficiencies and cost agility.** BusinessCloud solutions allow enterprises to eliminate large chunks of upfront capital investments and operationalize their expenses. The change provides an economic model that is scalable and lowers the break-even point. This model is one of the drivers of success for cloud computing services. Similar budget efficiencies and cost agility will be offered to business functions using cloud-based business solutions, to create more nimble and improved return on investment.

4. **Ubiquitous enterprise work and knowledge worker efficiencies.** BusinessCloud allows work that is ubiquitous and standardized across the enterprise, while configured to differentiate an enterprise or knowledge worker. Our assetSERV solution provides a cloud-based global platform that enables marketing organizations and creative agencies to produce, manage, store and retrieve their marketing digital assets, whenever and wherever needed. (See sidebar, “Life Sciences Spin-off Revs Up its Global Marketing with Digital Asset Management.”)

**Executing on the BusinessCloud Promise**

From a design point of view, enterprises need to develop their strategies for XaaS and BusinessCloud at corporate or functional levels. Whether they want to consume cloud-based business solutions or offer them to their end customers, they need to determine how these solutions will help them create more competitive economic models. And when it comes to execution, they need to select the right partner, assess the opportunities and risks, and launch pilots that instill confidence and drive success.

The following enterprise conditions typically lend themselves to successful use of BusinessCloud solutions:

- The need for ubiquitous and standardized work across the enterprise.
- A virtualized workplace with highly skilled and scarce knowledge workers.
- The need for a flexible cost structure and limited CapEx spending.
- The need for innovation and new operating models to be implemented rapidly and allow for business pivots.
- A high cost to transition from the current to the next-generation technology platform.
- A desire to pay per outcome rather than pay per service.

Companies are changing because the world is changing around them. According to an analysis of *Forbes* magazine’s annual ranking of the world’s largest companies, there has been a significant shift in the global landscape of large companies. The Americas had 189 fewer companies on the list in 2012 than in 2004.

In today’s business world, there are no more sacred cows. Organizations need to radically rethink their underlying operating models to run better and run differently and respond to market changes. BusinessCloud Solutions delivered via an as-a-service model is an enabler for enterprises looking to alter the rules of the game.
Financial services companies routinely maintain hundreds of core applications and systems for everything from billing and claims to fraud detection. Upgrades can easily become overwhelming.

When a leading investment and insurance company found its application updates required a lengthy 12 weeks, slowing its ability to roll out new products, it looked to a software as a service solution. The insurer leveraged our Cloud360™ BusinessCloud solution to quickly shift its development and test environments to a public cloud. The shift automated the company’s project synchronization and brought new life to its development efforts. The time now required to update cloud-based applications? Thirty-nine minutes.

The new environment, launched in the first quarter of 2013, is the insurer’s first foray into cloud-based technology. In addition to the speedy system updates, the insurer also gained consistency across all of its environments and greater insight into its operations, with the ability to track each business unit’s resource consumption.

After a week of planning and identifying the requirements, the team completed implementation in four weeks. Validation took four more weeks. Our team created a hybrid architecture that integrated the existing system’s components and migrated development, user acceptance testing, regression and performance testing to Amazon Web Services.

Our Cloud360 solution monitors consumption across the environments and recommends optimized usage. By reducing the provisioning timelines from months to minutes and implementing usage metrics, the investment and insurance company gained a more adaptive and elastic business environment. It also enabled scalability, reduced costs and increased operational efficiencies, such as speeding batch application performance by 40%.

Today, the company builds more applications faster, and without the delays of unwieldy logistics and overly complex project management.

Ramesh Panuganty is Cognizant’s Cloud360 Venture Leader. He can be reached at Ramesh.Panuganty@cognizant.com.
Footnotes


2 “Enterprises See Key Benefits in Deploying Cloud Services with Virtualized Network Resources,” IDG Research, March 2012.


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