LPEA Tech Club – A Guide to Achieving Operational Excellence

Achieving operational excellence

1. Assess and optimize existing processes

Interview employees on different teams and seniority levels to understand their current processes:

- What's critical and cannot be disrupted?
- What's inefficient and can be improved?
- What do you want to achieve but cannot today?

Review business processes, crystallize your vision and goals, and identify the highest priorities. Don't try to take on everything at once— break them down into small, actionable projects.

Re-design high-priority business processes that can be optimized without making changes in technology, as implementing new technologies to an inefficient process will not solve the underlying problems. Once superfluous or inefficient steps have been removed from processes, focus on technology.

2. Identify gaps in technology

Map your technology stack on top of your team's existing processes and identify key areas that need technology adoption, customization, replacement, or integration. Review your data hosting and structuring strategy, as well as the data quality and flow between systems in case those are the root causes of any problems.

Prioritize and create a roadmap based on potential costs, benefits, timelines, and dependencies. Decide on your target operating model, identifying which processes to manage in-house vs outsource. Make sure that your short-term roadmap is clear and actionable, while your long-term roadmap captures your vision and doesn't box in your team as requirements evolve.

3. Collaborate with your existing vendors

Keep in mind that working with your existing vendors to fix technology issues might be the path of least resistance. That said, it might not always be the quickest or cheapest way, depending on your vendors' product functionality and level of technical debt, as well as technological improvements offered by newer vendors.

Clearly explain your current issues and your desired processes so the vendor can assess whether it can achieve your goals through re-configuration. Don't fall into traps by salespeople and ensure the system can fulfill your goals with existing functionality.

Work closely with your vendor to align on a detailed re-implementation / extension / customization plan and make sure your team is trained on all changes made to the system. Make sure the vendor can summarize the business objectives as well as the implementation steps and ask for a detailed budget instead of an open time-and-materials approach.

4. Build requirements for new vendor evaluation

If existing vendors cannot effectively service your needs, create a list of feature, data, and security requirements, as well as critical use cases and complexities that a new system will need to handle.

Qualify vendors on your first call using this list to ensure no time is wasted on either side and make sure to adopt the same approach as existing vendors in distinguishing between existing functionality and things to be built.

Optionally, leverage subject matter experts such as PE-specialized technology consultants to reduce internal workload and ensure you properly review all relevant vendors. Ensure the consultants are objective and independent from the technology vendors.

5. Run a comprehensive search process with a focus on PoC

Evaluate multiple vendors, clearly communicate your requirements, and make sure the end users are involved in the evaluation process. Consider how each solution will fit into your team's processes and review wider implications around data governance and connectivity between systems.

Keep in mind that all vendors will have well-designed presentations and specially crafted product demonstrations, so try to get from a long list to a short list as quickly as possible, which will allow you to evaluate the real impact of products by conducting a Proof of Concept (PoC).

Be aware that PoCs require commitment from both sides, and you shouldn't do more than two for a particular use case given resource constraints. Set a small budget to ensure that your team commits to using the system during the PoC, while enabling the vendor to allocate enough resources to configure the system to your unique workflows and populate historical data. Make a decision after gaining confidence by using the system with your own data and real-world use-cases.

6. Put in the work during implementation

Work closely with your selected vendor partner to align on a detailed implementation plan so they can configure the system in line with your processes, timeline, and expected costs.

Remember that implementation is one of the most important determinants of the success of a product, and successful implementation requires your involvement as the client.

Leverage your vendor's training sessions and online resources to ensure your team knows and uses the product effectively.

7. Collect feedback and iterate

Review your team's usage and feedback in the first few weeks to make any necessary adjustments alongside your vendor partner. Keep initial expectations in check knowing that implementations are typically not 100% in the first round, and your feedback is critical to ensure that the vendor delivers the system exactly in the way you need.

Stay in contact with your account manager to learn about product improvements and to share any use cases you would benefit from that could potentially guide product development.

Follow the changing landscape across the PE tech space and attend industry events to exchange best-practices with your peers.