

Three Ways to Turn Economic Uncertainty Into Competitive Opportunity

Preparing for the Unknown

2022 introduced a period of dramatic uncertainty for leaders in every sector.

Rampant inflation and rising interest rates are impacting the balance sheets of consumers and corporations alike. Some industries are going through major layoffs, while others face a persistently tight labor market. Geopolitical events are locking up supply chains. And amidst it all, analysts and financial experts are whispering about recession.

No one, of course, can predict a recession. They're famously hard to define, and even harder to see coming. But any business can respond well to uncertainty.

The most successful executives, from CEOs to CIOs, understand that every crisis presents as many opportunities as it does challenges. A crisis forces organizations to return to the fundamentals while unlocking new pathways to improve productivity, reduce costs, and increase efficiency.

Digital tools – process automation tools, in particular – are some of the best investments to make during times like these. They enable a proactive approach to uncertainty. With the right process automation platform, leaders can make substantial changes that improve the bottom line, whether a crisis materializes or not.

In this playbook, we'll identify the primary challenges facing IT and business leaders in 2023. We'll also explore three opportunities to strengthen your organization with no-code process automation.

“Organizations have a lot more digital tools and digital capabilities at their disposal than they did during the financial crisis of 2008-2009. Deploying digital [tools] enables organizations to reduce the cost of doing business and deliver against current and future customer and employee needs.” **GARTNER**

Understanding Your Risk

In a crisis, defense might feel like the safest posture, but it can be costly.

Most businesses design their operations around key assumptions, like consumer demand, the availability of labor, or the cost of capital. When those assumptions suddenly change—as they are currently—so must the underlying strategy, or businesses will face significant consequences.

Organizations that focus too heavily on survival during a downturn often aim for cost reduction without transforming their operations. That means they're more exposed to immediate risks, and when the economic tide inevitably shifts, they're caught flat-footed as competitors pass them by.

DECLINING PROFITABILITY

What happens if demand for your products or services suddenly drops or disappears? What will you do if a sudden increase in supply chain or labor costs erodes your bottom line?

These are the kinds of questions you must ask yourself as you prepare for a possible recession. Without a plan to compensate for lost revenue and slimmer margins, your resilience will be tested. A recent Gartner survey found that 74% of CFOs rank profitability as their top concern in an inflationary environment.

BECOMING OVERLEVERAGED

As interest rates reach new highs, burn rates that worked for the last decade are suddenly unsustainable. The sheer cost of capital means taking on more debt is rarely a viable strategy to grow your business.

Without easy access to financing, big bets no longer make sense. There's a smaller financial cushion to fall back on, which means there's less freedom to make mistakes. In the past, businesses might have invested heavily to grow revenue. In a recession, most leaders invest for cost control and efficiency, to make it through unscathed.

GETTING OUTFLANKED

Economic downturns always result in serious industry disruption from new market entrants. If you don't evolve to meet your customers' latest demands, take advantage of new strategic opportunities, or deliver value more efficiently, your competitors will.

Globally recognized brands like WhatsApp, Venmo, Uber, and Slack were all founded during and immediately after the Great Recession. They took chances that legacy businesses were unwilling or unable to.

BEING UNDERSTAFFED

Attracting and retaining talent is tougher than ever. Wages are increasing, viable candidates are hard to come by, and technology teams in particular are struggling to meet their staffing needs.

Forrester's latest research found that filling tech roles takes an average of 69 days—that's 28 days longer than the overall market. On any given day, they also discovered that approximately 200,000 open technology roles lack suitable candidates.

If you don't find creative solutions to supplement your existing team, it will be hard to prepare for a recessionary environment—let alone take advantage of new opportunities.

The Promise of Automation

Over the last few years, the availability of process automation and low-code software tools has grown exponentially. The impact of the COVID-19 pandemic and the latest external economic forces are only increasing the level of interest and investment in each.

According to International Data Corporation (IDC), software development in the business world was historically focused on “legacy applications”: single-purpose tools that remain the same for decades, until they’re simply too outdated to be useful.

Now, IDC has observed a shift in the way enterprise technology is designed and used. Businesses themselves are focused on developing innovative and adaptable software as a core competency, rather than bolting it on as a supplementary tool. They predict that the number of new “logical applications” will more than double between 2022 and 2025, to approximately 750 million worldwide.

Deloitte noticed similar trends in their survey focused on low-code automation. Between 2020 and 2022, the number of executives who had already implemented low-code tools jumped from 24% to 40%. Among respondents, the “most advanced adopters” of automation technology are focusing on end-to-end automation of their business processes, rather than optimizing individual tasks.

Why are technology leaders investing so much time and money into low-code automation? Low-code automation has a demonstrably positive ROI. The same Deloitte survey found that **organizations that adopt intelligent automation tools expect to reduce costs by as much as 31% over three years.**

In other words, automation promises to help technology and business leaders navigate the storm of an economic downturn or recession and build new processes for future success.

AUTOMATION IN ACTION

Here are three examples of how low-code or no-code automation software might be used in different industries to respond to the current economic environment:



MORTGAGE AND LENDING

When deal volume is low, lenders can quickly build tools to speed up other complementary products like loan servicing or forbearance.



LOGISTICS AND SUPPLY CHAIN

When inventory and staffing are unpredictable, logistics providers can set rules and design workflows to respond to any input and minimize losses.



TECHNOLOGY

Facing fewer cash reserves and a shortage of talent, software companies can get the same work done faster and with fewer engineers.

Implementing Process Automation

“Automating your business” sounds simpler than it is. Like any digital transformation effort, the road to automation is fraught with dead ends and bumps along the way.

In our experience working with leaders in financial services and other sectors, we’ve found that the implementation process is most successful when everyone agrees on a shared definition of success. By identifying the end state, you can better align teams and resources to achieve that vision.

In the current economic context, we see three opportunities to use automation to mitigate the risks of declining profits, overleverage, competition, and staffing—while positioning your business to lead the market for years to come.

OPPORTUNITY #1: MODERNIZE INFRASTRUCTURE

The first step to effective automation is building a strong foundation. For enterprises wary of sudden economic shifts, that means modernizing, working around, or even replacing old technology infrastructure.

When you need to cut costs or operate with a lean team, legacy software can stand in your way. It’s expensive to maintain, difficult to integrate, and holds you back from making quick changes. In a recession, you can’t afford mistakes; reliability is more critical than ever.

That’s why Forrester predicts that the economic environment will shift 10% of automation budgets in 2023 to focus on resilience instead of transformation.

Proactively investing in automation infrastructure provides two benefits: you avoid the short-term risk of economic uncertainty, and you set yourself up for long-term efficiency, accuracy, and productivity.

The best no-code automation platforms let you choose the level of modernization that works best for your budget and technology stack. They can sit behind existing software—like ERPs or CRMs—to add automated functionality, or they can operate as centralized hubs for process automation and software development within your enterprise.

Updating enterprise technology also enables your team to make more accurate decisions in uncertain environments.

Daniel Kahneman, a bestselling author and economist, has written extensively about the concept of “noise,” which causes unwanted variability in human decisions.

“Wherever there is judgment, there is noise,” he says, “and probably more of it than you think.”

Kahneman’s colleague, Olivier Sibony, specifically identifies automation as a tool to empower more consistent decision making: “Wherever you want to get rid of noise, you need to take away the human element of the judgment.”

In general, your modernization efforts should result in a suite of technology solutions that are easy to update, finetune, adjust, and manage. They should help you maintain healthy profits and incorporate future flexibility. They should also be built to effectively capture the human expertise at the center and avoid costly mistakes when they matter the most.



CASE STUDY: Prior to working with Decisions, American Express was manually maintaining a complex credit card affiliate program. Every time an incentive changed, they had one-on-one conversations with partner banks, causing delays and inconsistencies.

Decisions enabled the American Express team to turn this fragile, outdated process into a single, centralized workflow. They designed truth tables within the Decision platform to adjust incentives in real time as external economic conditions also changed.

OPPORTUNITY #2: REALLOCATE RESOURCES

These days, you can't afford to throw people at a problem until they solve it. Engineering talent is expensive and hard to come by.

But you can use no-code automation to empower existing software development team and turn less technical subject matter experts into de facto application development partners.

Gartner observes that "business technologists act as force multipliers who advocate for technology initiatives within business units and functions, provide expertise to select and manage applications, and ensure they're implemented and adopted to deliver business value."

No-code platforms remove silos and increase collaboration across divisions and departments. Instead of working their way through an endless list of requests, your IT team can collaborate with business leaders to build apps, workflows, and rule sets.

A fully end-to-end solution goes even one step further. It uses process mining to help you find inefficiencies and areas of improvement across your business, so you know where to invest in automation in the first place.

Process automation is ultimately about putting technology in service of your business, rather than buying technology to keep up with the latest trends. It enhances the productivity of software developers and allows you to add significant value to the business with current talent.



CASE STUDY: Our team was contacted by a private banking institution that sought to streamline its process for reporting and documentation to prepare for audits. The existing system required a dedicated team of specialists to manage siloed databases and complete a high volume of manual paperwork.

Decisions' no-code interface enabled a single subject matter expert to lead the development of a new, automated workflow. They completed the project 2X faster than it would have taken with custom code, and the efficiency of the final application enabled the bank to reassign 6 full-time employees to higher-value projects.

OPPORTUNITY #3: MOVE QUICKLY

After using process automation to strengthen your infrastructure and reallocate internal resources, your third opportunity is a bit less technical: be aggressive.

During periods of uncertainty, most leaders will take a defensive posture, making safe decisions and avoiding new ventures until the storm blows over. Taking advantage of process automation puts you in the unique position of mitigating risks while also being proactive about new business opportunities and experiments.

When everyone is looking to cut costs, you can stand out by using automated processes and custom experiences to enhance your connection with customers.

"If the pandemic disruption has taught one lesson, it's that organizations operating with legacy infrastructure and analog processes will struggle to meet the expectations of customers who've been forced to go digital," says Kristin Moyer, Distinguished VP Analyst for Gartner's CEO and Digital Business Leader practice.

The table stakes for digital experiences are higher than ever. If you can automate and streamline tasks for your customers—instead of relegating them to constant delays and frustrating customer service experiences—you're making a savvy investment in sustainable growth.

No-code automation also makes it easier to build and launch new products and services by reducing the time required from concept to deployment. When customer behavior shifts, competitors change their strategy, or the regulatory environment evolves, you can position your business to take advantage of that new context.

Research shows that 59% of new digital initiatives don't meet the expectations of executive leaders because they take too long to complete, and 52% dash expectations because they take too long to realize value. Effective automation neatly eliminates both challenges.



CASE STUDY: Fidelity Life was looking for new ways to connect with their target market in New Zealand, which features one of the lowest rates of life insurance in the developed world. Unfortunately, because their business rules were coded and distributed across multiple legacy systems, their team was unable to grow or maintain a more versatile product suite.

By implementing Decisions, Fidelity Life was able to build a flexible, no-code rules engine that enabled business analysts to add or change products with ease. Today, the entire sales and marketing process, from an initial quote to the first premium payment, is faster and more responsive to market demand.

Selecting an Intelligent Process Automation Platform

It's easy to get overwhelmed when selecting an automation platform. Here are some guiding questions to help you navigate the buzzwords and identify a platform that will set your organization up for long-term resilience.

IS THE PLATFORM NO-CODE OR LOW-CODE?

For an automation platform to be effective, you must be able to use it to empower your technology team and subject matter experts. You should aim to connect owners of a particular business function with tools that bring transparency and easy maintenance of rules logic.

A low-code platform can start you down that path. Low-code automation solutions typically include graphical interfaces that enable the efficient building of complex software. However, new workflows and processes always require some level of customizations or integrations to operate effectively. **If you select a low-code platform, you should expect to assign or hire technical team members to oversee the process.**

A true no-code platform includes graphical and logic-driven interfaces that can be used to design and launch new workflows or processes without writing a single line of code. **If you select a no-code platform, you'll be able to transform your business by enhancing the speed and productivity of both technical and business team members.** No-code platforms also shorten the time from concept to launch by reducing the total steps required. That's why we recommend no-code platforms in the context of an economic downturn, when cost reduction and speed are most critical.

DOES THE PLATFORM INTEGRATE WITH YOUR EXISTING SYSTEMS?

Any business process will inevitably involve multiple databases, legacy systems, and newer software from across your business. When selecting an automation platform, it's important to consider how these factors may influence the cost and time required to successfully launch it.

Does the platform integrate with the non-negotiable systems you need to run your business? Is it an end-to-end solution, or does it only address one business function?

HOW WILL THE PLATFORM BE UPDATED AND MAINTAINED OVER TIME?

Look for an automation platform that will serve as a trusted partner while you test, integrate, and scale it across your business. If your goal is to modernize your infrastructure, you don't want to select a tool that needs to be replaced again in a few years, or can't grow as you enhance workflow automation with new business rules, integrations, or process mining capabilities.

Does the platform have a dedicated support team that you trust? Do they have a history of releasing regular updates and adding new features? Are they responsive to your requests for troubleshooting and customization?

WHAT ARE THE FUNDAMENTAL FEATURES OF THE INTELLIGENT AUTOMATION PLATFORM?

Every software provider defines automation a bit differently. Two platforms that sound similar on paper might contain dramatically different features. Here are three core functions to look for in any platform that claims to provide complete process automation:

Rules Engine: A rules engine codifies your business logic to inform automated decisions.

Workflow Manager: A workflow manager helps you visualize and design processes for any part of your business.

Process Mining Agents: Mining agents find and visualize new opportunities for efficiency and productivity.

[Learn more at www.decisions.com.](http://www.decisions.com)

Experts interviewed for this playbook:

Heath Oderman, Chief Technology Officer, Decisions

Gordon Jones, Chief Operating Officer, Decisions

Michele Cunningham, Vice President of Marketing, Decisions

DECISIONS 

With the Decisions no-code automation platform you can fix the customer experience, modernize legacy systems, ensure regulatory compliance, and automate anything in your business.

We help people who know what to do, get it done, and change their world.

[See how at decisions.com](http://www.decisions.com)