

XaaS or “everything as a service” at next level

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Outsourcing certain business processes is no longer a novelty when it comes to helping companies to secure flexibility while keeping costs predictable. Carefully evaluating our core processes and separating responsibilities can help us assess what the best sourcing mix will be. Companies are already used to the outsourcing of, for example, accounting or information technology (IT) services. But extending the XaaS strategy to other areas is also gaining traction, for example, by analysing all of your company's present and future competence requirements to help you achieve your goals.

The XaaS strategy can be clearly applied to, for example, significant transformation projects in your company. This is likely to be a situation where you need more resources, your current staff don't have such experience, you need other types of competences, and these needs last for the project period only. A key role in this case is the project manager who not only plans and monitors execution of the project but also coordinates various subproject activities, analyses project risks, and communicates with all stakeholders and decision-makers. Transferring project management to a service provider is a great solution for the following reasons:

- You can attract the best industry expert.
- You can acquire the required expertise over a shorter time frame.
- Your own staff can make good use of their time in project groups, providing the expertise specific to your company.

It's worth considering whether we will secure our business processes on our own or whether we will take the XaaS approach not only when our company is planning significant changes that drive the need for specific expertise and more labour.

Let's take the finance function and processes it provides as an example.

Below are a few questions you need to answer before making a decision:

- Which competences and capabilities demand a deep understanding of your business?
- What competences and experience can be acquired by attracting them externally?
- Which of the specific expertise and processes are necessary in your day-to-day work?
- Can you keep those employees busy for the entire month?
- Which processes take place only occasionally?
- Which are specific areas of expertise where workers are difficult to find and retain?

As we analyse these questions together with our clients, in addition to accounting mentioned above, we see an opportunity for companies to consider outsourcing or using the XaaS strategy, for example, in the following functions:

- Financial control
- Process ownership

- Drawing up process documentation and work instructions
- Continuous improvement management
- Data analytics
- Billing

In all these examples, your experts are rarely busy for a full month, a business understanding is required to a limited extent, or the competences you need are unique or specific.

Of course, an analysis of this issue involves comprehensively assessing the strategic directions of IT infrastructure and considering any planned systems improvements, as well as automations or robotisations.

Transferring standard functions to a service provider offers the following benefits:

- Your fixed costs go down, creating more flexibility and cost transparency in the future.
- You can attract the most appropriate industry experts.
- The service provider is responsible for hiring, retaining and motivating the employee.
- This increases flexibility, allowing you to acquire a new competence over a short time frame, or to discard a competence you no longer need.

To recap, the ability to adapt to changing conditions is key in modern business governance. Adopting an XaaS mindset, which includes using specific competences in the form of services, companies acquire not only flexibility and cost predictability but also the most suitable competences, which is a key aspect.