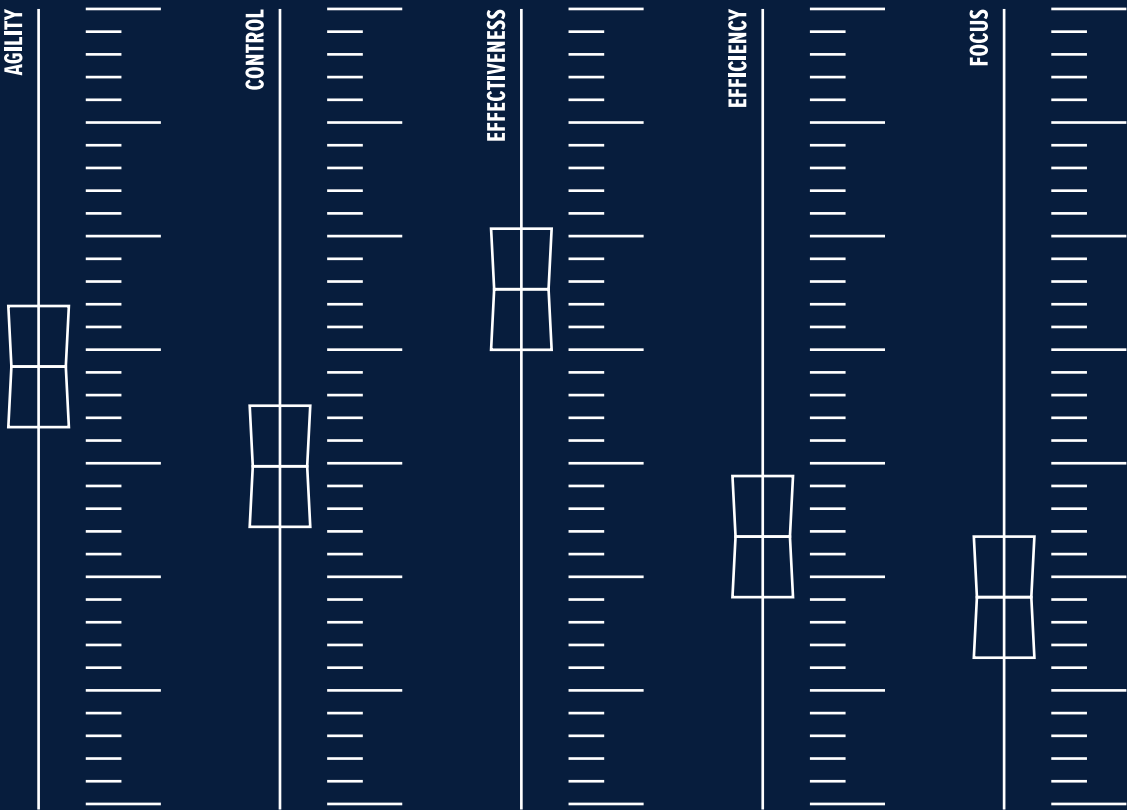


PERFORMANCE TRACKER FOR OPERATIONS

Financial Services



Contents

3	Foreword
4	Executive Summary
5	SPOTLIGHT Ops Leaders' Ai Optimism Is Overshadowed By Ongoing Data Challenges
7	OpsIndex Performance Across Regions
8	UK & Ireland Review and Forecast
9	SPOTLIGHT Ops Game Changer: Embracing Data to Improve Decision Making
10	North America Review and Forecast
11	SPOTLIGHT Get Match Fit For Greater Operational Performance: What Can Ops Learn From Gb7s Team?
13	Australia & New Zealand Review and Forecast
14	Conclusion
15	Running Operations 101
16	The OpsIndex Score
17	Glossary
18	Methodology
19	Bibliography
20	About ActiveOps



One way to lock in these performance gains is to ensure ops teams are making proper use of data to inform their decision making.



Foreword



IAN CARTER
HEAD OF INSIGHT & INNOVATION, ACTIVEOPS

Welcome to the August 2024 edition of the OpsTracker – the ActiveOps Performance Tracker for Operations – designed for Executives leading operations in financial services and business outsourcers.

The first half of the year has been more upbeat for ops leaders following a challenging close to 2023, with inflation continuing to slow and the prospect of interest rate cuts on the horizon (at least in the US and the UK). That brighter backdrop has seen ops performance improve significantly over the past two quarters across the UK and Ireland, and North America. Australia and New Zealand even hit a new performance record, despite Australia facing a potentially difficult period in the second half of the year as inflation rises and renewed rate hikes become a possibility.

One way to lock in these performance gains is to ensure ops teams are making proper use of data to inform their decision making. Some people have called data the new oil – not just because it is valuable, but because you can't do much with it unless it is refined first.

This is a familiar story for ops teams – they are sitting on huge amounts of valuable data but often they can't do anything with it, either because it is stored in silos and hard to access, or it is in a format that is unreadable or otherwise incompatible with the data analysis tools they want to use. In other words, they are sitting on a vast oil field of data, but they either have no way to pump it out of the ground or they are unable to turn it into fuel. In this issue we look at where financial services organizations currently are on their data journeys and what they can do to ensure they can start to become more data centric.

In our first featured article this quarter, we pull out the key findings from ActiveOps' latest independent study we commissioned about AI readiness – Ready or Not AI is Here – an overview of the past, present and future of AI, data and decision making for financial services ops teams. The results should serve as a wake-up call to ops leaders: nearly all respondents still struggle to get insights from their data. Many are having to make decisions using old data (in some cases several months old). Organizations must get their data in order if they want to start making informed, real-time decisions to drive better business outcomes.

ActiveOps has recently become the official analytics partner for the Great Britain Rugby Sevens, men's and women's teams. We met the teams and their support team to discuss parallels between sports and operational performance, and what ops leaders can learn from GB's rugby stars when it comes to making data-driven decisions.

Ops Game Changers podcast guest Ben McManus from Fidelity International also discusses how his organization embarked on its real-time data journey and how that has created greater operational control and improved performance.

I hope you enjoy this edition and find it useful. We look forward to sharing next quarter's findings and recommendations with you. And if you want to be the first one to hear about it, [sign up for the quarterly updates.](#)

Executive Summary

Whether it is elite sports stars trying to get an edge on their competition or ops leaders at financial institutions trying to plan more effectively, making decisions without data is like trying to plan a journey by reading a map in the dark. But getting access to good data is not straightforward – often it is stuck in silos or in inconsistent formats. Now with advancements in AI and the potential for ops leaders to transform their operations functions, it is more important than ever that organizations get their data in order.

The problem is companies are still struggling to clear this first hurdle. We recently commissioned an independent study into AI readiness which has highlighted as many as 98% of respondents said they face significant challenges when adopting AI for gathering, analyzing and reporting data, with 91% saying that it takes significant effort to get insights from their current operational data. With AI capable not just of automating tasks but radically changing the way decisions are made, organizations that are not attempting to fix their data issues risk being left behind by those that are moving faster on their AI journeys.

In this latest edition of the Quarterly Performance Tracker for Operations we review OpsIndex data for the second quarter in 2024 and look ahead at the opportunities and challenges that ops leaders will likely face in the second half of the year.

The OpsIndex aggregates the data of thousands of operations functions worldwide to analyze how organizations are running their operations according to five key metrics – agility, control, effectiveness, efficiency, and focus – giving an overall score. If you want to find out more about the OpsIndex score metrics and how they're calculated, you can read more on pages 15 and 16.

The UK and Ireland extended the gains seen in the first quarter, with its OpsIndex score rising to 51.2 from 45.8. North America also continued its rebound from Q4's surprise performance dip, with its OpsIndex score jumping to 59 – more than seven percentage points higher than it was in the final quarter of 2023. Australia and New Zealand also enjoyed renewed impetus as the region's OpsIndex score rose to 63 from 61 in the opening quarter of the year, a new high.

TRENDS TO WATCH



BECOMING MORE DATA CENTRIC

Digitization doesn't just mean building online experiences for your customers, it also means reshaping operations and becoming a data-first organization. By putting data at the heart of operational decision making, organizations can start to make more informed decisions that can help improve efficiency and drive better business performance. But that data must be relevant and timely – research commissioned by ActiveOps shows that ops teams are frequently relying on months-old data to make decisions. Therefore to become truly data centric, organizations must seek to access their data in real time so their decisions are based on the most up-to-date and accurate information.

SHOWCASING VALUE

Despite a cheerier economic outlook in most regions, corporates still face budget pressures that can constrain capital investment on digital transformation projects. Against this backdrop, ops leaders need to make the case for real-time data tools with all stakeholders by demonstrating the value it brings on a day to day basis and how it can enhance the decision-making process. If stakeholders and senior leadership can't see this value, projects will either not be given priority or they will just be rejected outright.

REFINING YOUR DATA

While organizations are often sitting on vast terabytes of data, it is frequently spread across multiple silos and in different formats that can be hard to extract and use. Therefore key to an organization's journey to becoming more data centric is ensuring the data is clean, consistent and stored centrally so it can be accessed in real time to generate actionable insights. But research commissioned by ActiveOps shows that the majority of firms are nowhere near this stage – 91% of respondents said it takes significant effort to get insights from their operational data.

UNLOCKING AI OPPORTUNITIES

Most ops leaders are optimistic about the potential for AI. According to research commissioned by ActiveOps, more than eight in 10 respondents believe AI will lead to more effective decision making and better operational performance. This is partly due to optimism about what AI can potentially deliver, namely predictive insights and automated decision making. To unlock these AI opportunities, however, firms must first fix their real-time data shortcomings: something they must make a priority if they don't want to be left behind in the AI race.

MANAGING HEAVIER WORKLOADS

With the economic backdrop in most regions starting to brighten and consumer spending increasing, organizations are likely to face higher work volumes in the coming months. This will put extra pressure on ops leaders to optimize resources to maintain the productivity gains seen over the past quarter – underscoring the need for real-time data and the ability to quickly redeploy workers to right-size teams rather than waiting for backlogs to start mounting.

SPOTLIGHT

SPENCER O'LEARY
CEO NORTH AMERICA, ACTIVEOPS



Ops Leaders' Ai Optimism Is Overshadowed By Ongoing Data Challenges

Financial services' ops teams are frequently relying on stale data, impacting their ability to make real-time decision, according to an ActiveOps survey

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The reality is ops teams are far behind the curve and have a huge data problem they first need to fix before they can properly use AI.

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Operations leaders at financial institutions worldwide are grappling with a common set of problems – nearly all are facing challenges when it comes to operational decision making and the vast majority also struggle to get meaningful insights from their ops data. With the rapid advance of generative AI technology, however, those challenges might soon be a thing of the past. In a recent ActiveOps report on AI, data and decision making, we commissioned a research company to survey more than 800 financial services ops leaders around the world to gauge the extent of their data shortcomings and the opportunities AI could bring if they can get their data issues fixed.

AI optimism

We believe AI has the potential to be a game-changer for ops teams. While there will likely be some teething issues to work through, most respondents are also optimistic about the potential AI can bring to service operations through smarter insights and improved decision making. For instance, more than eight in 10 ops leaders believe having access to reliable, real-time data can help deliver more effective decision making (84%), better customer experience (84%) and improved operational performance (83%). The extent of that optimism tends to vary by region. In the UK, for example, 72% of respondents said operational performance would benefit from more reliable data, while in Australia 92% said access to trusted data would enable them to make more effective decisions. When it comes to the biggest impacts in operations, 39% said it will help ops teams make more real-time decisions, while 36% said it will automate more tasks and 35% said it will enable deeper and more meaningful insights. When asked what they want AI to do, 40% of respondents said they want AI to suggest actions based on predictive insights, while 38% want predictive insights about what might happen in future. Some also want it to reduce the burden of decision making – 36% said they want AI to use predictive insights to take actions automatically without any human intervention. In the US that is even more pronounced, with one in two respondents wanting AI to give them prescriptive insights to flag what is happening in real time.

What are the barriers?

Even if organizations want to adopt AI, they are a long way from being able to utilize the technology to the full extent of its capabilities. Nearly all respondents (98%) said they face significant challenges when adopting AI for gathering, analyzing and reporting data. Yet despite this backdrop, most respondents said their firms were already embarking on their AI journeys. While just under half (49%) said they are just starting this process, 27% said they are already quite advanced and another 15% said they are very advanced. Only 7% said they are not using AI at all. Even so, many face a raft of challenges when adopting AI. Top of that list are concerns that AI might displace jobs (37%), followed by 36% who worry about potential ethical issues. A further 29% said a lack of infrastructure was slowing adoption, while 25% cited budget issues and 23% pointed the finger at a lack of C-Suite buy-in. Regional concerns also differ. In the UK, half of respondents said they experience issues with inconsistent terms and metrics. Meantime in Australia, 40% said they can't access data to make real-time decisions, while in the US, 62% say they don't have the data or the environment to fully capitalize on AI.

CONTINUE ON NEXT PAGE ►

The data challenge

The reality is ops teams are far behind the curve and have a huge data problem they first need to fix before they can properly use AI. As many as 91% of respondents said it takes some or a significant amount of effort to get insights from their operational data (in Australia it is as high as 100%). There are several reasons behind this. First, manual processes mean ops teams must rely on spreadsheets and other inefficient ways of collating data. Accuracy may also be an issue. As many as 50% of respondents in the UK said they just don't trust their data. Another challenge is that financial institutions are frequently relying on stale data. A third of respondents said they are using data that is anywhere between two weeks and two months old, with 16% using data that is at least three months out of date (in the US, one in four are relying on data that is between two and three weeks old to make decisions). Just 6% said they have access to real time data, while almost one in four respondents (24%) said they are unable to use data proactively to support decision making, underscoring the scale of the challenge ops teams need to resolve to make faster, more accurate decisions.

What the survey results underscore is that while most ops leaders in financial services recognize the need to adopt AI to help them make better decisions, the data issues the vast majority face is going to remain a major stumbling block to adoption.

So, what could ops teams do to get started on its AI journey? Think about the following:

1. Get your data in order – if your data is a mess, stored in different formats, systems or otherwise hard to access, your AI strategy will be a non-starter.
2. Think about the question you are trying to answer – you don't need access to all your data, just focus on the specific problem you are trying to solve and where that data resides.
3. Don't think about AI just for process automation – if you are only using AI to automate routine tasks, you're missing out on a huge opportunity.
4. AI is about supporting decisions, not replacing them – AI-generated insights can highlight unseen issues, helping ops teams make smarter decisions more rapidly.

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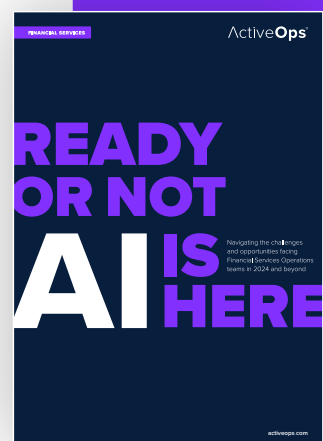
Get your data in order – if your data is a mess, stored in different formats, systems or hard to access, your AI strategy will be a non-starter.

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Ready or Not AI is Here

Find out more about the state of data globally.

[DOWNLOAD PAPER](#)



OpsIndex Performance Across Regions

UK & IRELAND



The UK and Ireland's OpsIndex performance improved for a third quarter in a row, jumping to 51.2 from 45.8 in the opening quarter of the year. That performance has been driven by ops leaders in the region getting a better grip on control levels, which has pushed efficiency and effectiveness higher. With the macro outlook brightening and inflation continuing to fall, economic activity is likely to increase, and with it inbound work volumes. This will test whether ops teams in the region can kick on from their recent improvements in operational performance and continue making productivity gains.

NORTH AMERICA



North America cemented its performance rebound from Q4's dip, with the region's OpsIndex score rising to 59 from 52 in the first quarter. That rapid recovery has been supported by improved outcomes across all metrics (only focus and work out per paid hour were lower). The region is once again closing in on Australia and New Zealand's OpsIndex score, though with presidential elections looming in the US, uncertain operating conditions may make workloads harder to forecast over the coming weeks, which may in turn limit their opportunity to further close the gap.

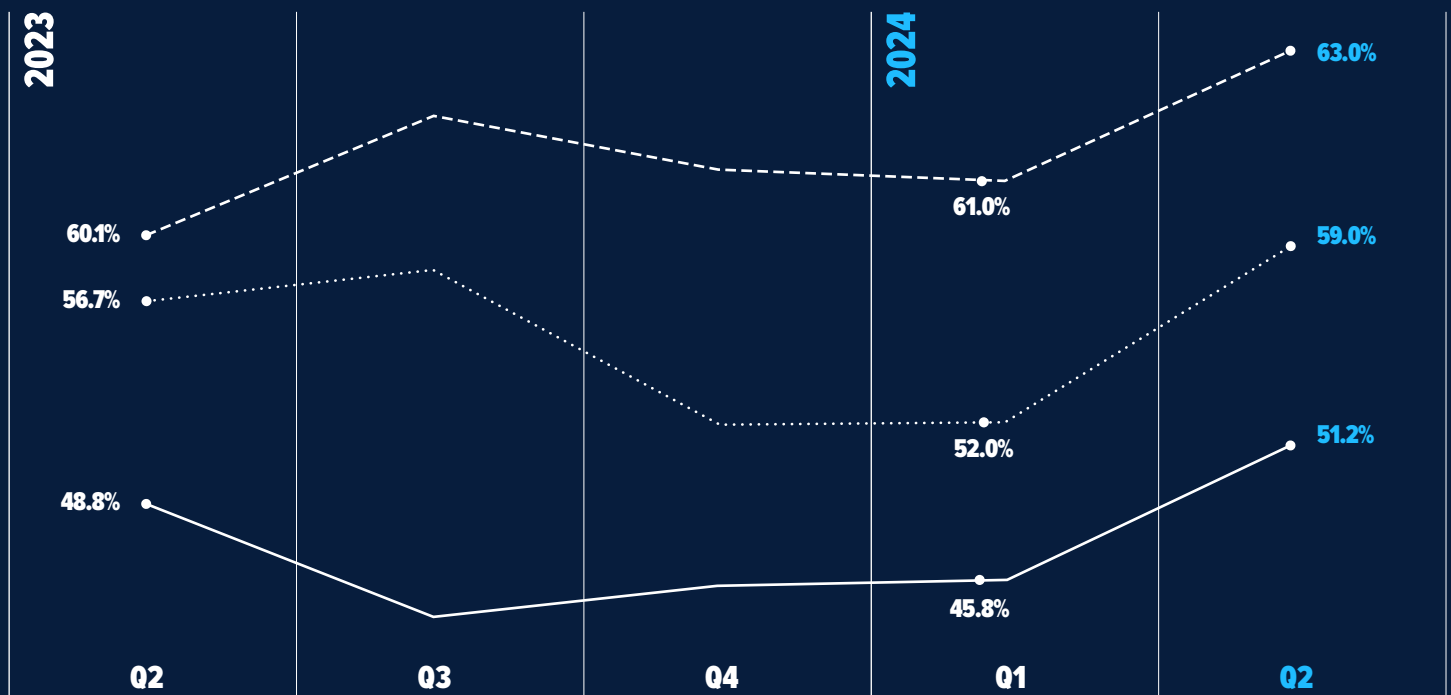
AUSTRALIA & NEW ZEALAND



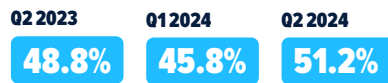
After several quarters of plateauing performance with only minor gains or falls, Australia & New Zealand's scores increased to 63 in Q2 from 61 in Q1, a new record. This was driven by better control, which has helped lift efficiency and effectiveness levels. However, agility levels slipped, resuming the downward trend seen over the past year – albeit from a high level (dropping to 97.1% compared to 98.2% a year ago). While Australia and New Zealand remains the top performing region, economic conditions are still gloomy (price rises accelerated in May in sharp contrast to the UK & US where inflation is falling, raising the prospect of rate hikes), potentially creating fresh challenges for ops teams in the second half of the year.

GLOBAL FORECAST

— UK & IRELAND ···· NORTH AMERICA - - - AUSTRALIA & NEW ZEALAND



UK & Ireland



The UK and Ireland saw operational performance recover to its highest level since the third quarter of 2022, rising to 51.2 from 45.8 in the opening quarter of the year.

The improvement comes amid broader optimism about the UK's economic backdrop even as political noise ahead of the general election in early July ramped up as the quarter drew to a close. GDP rose 0.4% in May, a faster than expected increase driven by services and housebuilding. The International Monetary Fund upgraded its outlook for the UK's growth this year, forecasting an expansion of 0.7% now instead of its previous estimate of 0.5%. Economists are divided on whether the Bank of England will start cutting interest rates in August, which currently stand at a 16-year high of 5.25%.¹

Inflation has also continued to ease, dropping to 2% in May, the first time it has hit the Bank of England's target since July 2021.² With inflation slowing, we would expect inbound work volumes to increase as consumer confidence grows, testing the robustness of the recent improvement in ops performance.

AGILITY – is higher quarter-on-quarter (QoQ) and now only marginally lower year-on-year (YoY) as ops teams show they are flexing resources to meet growing work volumes as the economic outlook improves.

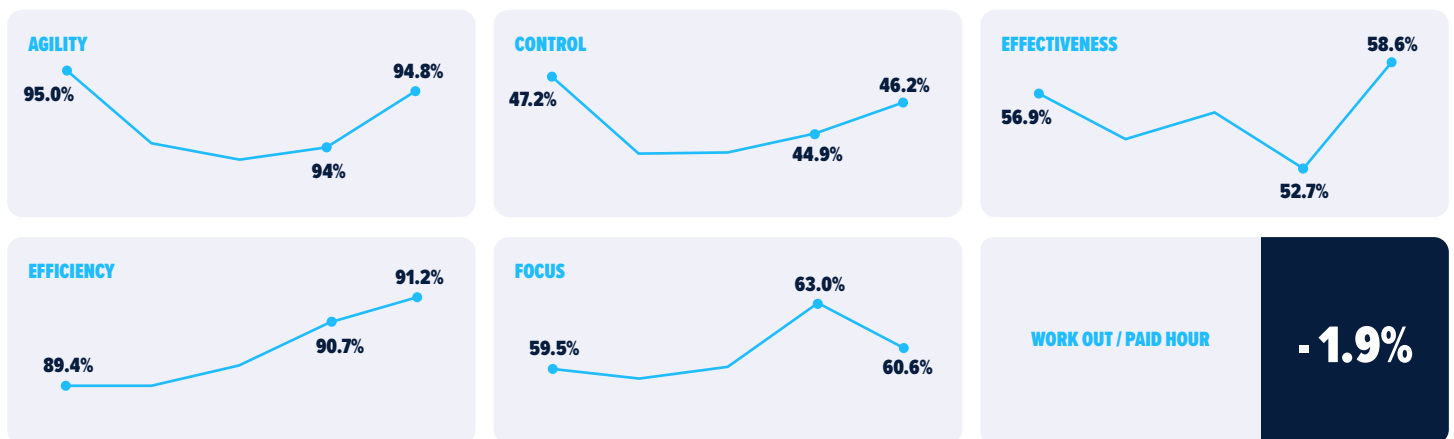
CONTROL – is higher QoQ but still lower YoY, highlighting room for further improvement. However, the upward trajectory since the third quarter of last year is underpinning the broader rise in the region's OpsIndex score.

EFFECTIVENESS – is higher QoQ and YoY, driven by those improvements in control, which is enabling ops teams to better meet service expectations.

EFFICIENCY – is higher QoQ and YoY, advancing for a third quarter in a row as high control and effectiveness means ops leaders are getting better value from their teams.

FOCUS – is lower QoQ but remains higher YoY. That is likely down to increased absences rather than time spent on non-core activities, with sickness levels almost double what they were in the same quarter in 2022.

WORK OUT PER PAID HOUR – is lower QoQ but still higher YoY, possibly impacted by increases in sickness-related absence over the past three months.



THINGS TO CONSIDER

Ops teams in the region have made significant strides in the first half of the year, though the performance gap between the UK and Ireland and the leading region – Australia and New Zealand – remains in double digits (11.8 percentage points, narrowing from just over 15 percentage points in Q1). The test now is whether ops teams can consolidate those gains and continue closing that gap over the remainder of the year.

- While higher sickness levels have contributed to the region's low focus score relative to other regions, ops leaders should assess time being spent on non-core activities and seek to cross-train or adjust team size if non-core activities aren't adding value.

- With customer demand likely to shift due to the potential for lower inflation and a change in government, operations leaders must engage in scenario planning to determine resource requirements and identify strategic actions. This approach can help organizations improve and adapt effectively.
- Control levels have been key to driving the steady improvement in operational performance over the past few quarters; ops leaders need to ensure those efforts continue as work volumes ramp up in the second half of the year.

SPOTLIGHT

BEN MCMANUS

ASSOCIATE DIRECTOR, GPS CAO PERFORMANCE AND
PLANNING, FIDELITY INTERNATIONAL



Ops Game Changer: Embracing Data to Improve Decision Making

Fidelity International's Ben McManus discusses how his ops team embraced real-time data to pre-empt challenges, support forward-looking decision making and improve operational performance

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*If you're just creating data for data's sake,
people won't buy into the idea.*

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I had the pleasure to join one of the Ops Game Changers podcasts recently, where I shared with Bhavesh Vaghela, the CMO at ActiveOps and host of the podcast our data journey to improve decision making in our operations team at Fidelity International.

When I first joined Fidelity, one of the things that I noticed straight away is that they are very customer centric. But what that actually led to is a more retrospective focus on improving things that have already happened – which is a bit like driving a car facing backwards. Some of the data we were using was 45 days old, so it was hard for senior leaders to make priority calls, while operations teams had to spend a lot of time ensuring the data was a true and accurate reflection of what happened. This was one of the biggest problems that we wanted to address.

Another challenge that we had to try and solve was that while individual teams had a good understanding of their backlogs, inbound work volumes and how they were getting through that, every group was using their own standards, metrics and tools, which meant it was difficult to get a consistent view across the company because they weren't speaking a common language. Often senior leaders had to do a lot of analysis themselves; it was inefficient and hard for senior leaders to interpret. They needed something that real time so they could drive the car facing forwards.

Implementing Real-Time Operational Data

To move to using real-time data, we identified teams that were willing to go first and who had some self-built data tools already, which meant we had a good baseline for comparisons. We also purposely chose a couple of teams that didn't have any data tools who were just tracking things on email or spreadsheets, so that we could test both bases. We then rolled out a proof of concept involving about 150 people, and within 12 weeks we had enough data that was usable. With that we had a whole planning suite that we could use to make better decisions and forecasts that we could trust, and from there we were able to get the funding approved for a full roll-out, allowing us to progress with the rest of the journey.

Securing Stakeholder Buy-in

make the data useful. If you're just creating data for data's sake, people won't buy into the idea, and it will just peter out. But if the data is useful and they are using it on a day-to-day basis, that's when they can see the value it brings. If they're making decisions using that data and can see how they play out and adjust as needed, that's when it becomes valuable.

Optimizing resources

The big change this approach has created is that in the day to day running of operations teams, everything is now forward looking – now we can see what's coming over the horizon and decide how we can best plan for that, with our teams able to preempt challenges.

This has also enabled about a third of our operations teams to flex resources among themselves, helping us to better optimize resources. This has helped expand employee skill sets because they are no longer just sitting in one team, so it has started to create alternate career paths for our ops staff.

Senior leaders are also integrating this data into as many decision-making processes as possible, such as headcount planning, budgeting and project sign offs. Ultimately what this has created is more operational control, and the peaks and troughs that usually come with seasonality have plateaued. This means service levels are more consistent, and that's vital – if our service levels dip, that just creates problems and complaints downstream, so this has really improved operational performance drastically.

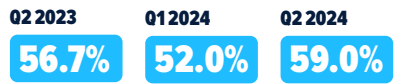
Embracing real-time data has been a game-changer for Fidelity International's operations. It has enabled forward-looking decision making, resource optimization, and consistent service levels, significantly improving operational performance.

To learn more about how Fidelity International transformed its operations function, watch the full Ops Changers Podcast below.

**BECOMING MORE DATA-CENTRIC
TO IMPROVE OPERATIONAL DECISIONS**

WATCH EPISODE 7

North America



North American organizations have managed to get their operational performance back on track, with the region’s OpsIndex score jumping to 59 in the second quarter, up from 52 in the opening quarter of the year. That completes a swift turnaround following the sharp drop in performance in the closing quarter of 2023, with the score now higher than it was before Q4’s decline.

The economic landscape, while generally brighter than its developed market peers, has been less buoyant over the first six months of the year. The US economy expanded by 1.6% in the first quarter, much lower than expected (analysts had been predicting 2.5% growth). That may delay the Federal Reserve’s decision to cut interest rates from a 23-year high (which many economists had previously said was odds on for September).

However, inflation did fall to 3% in June from 3.3% a month earlier, improving the odds for a September rate cut. All of that is coming against the backdrop of a US presidential election in November, which may increase economic uncertainty in the months ahead and result in less predictable workloads.³

However, if the US economy shakes off any election distractions and continues to grow, this may create opportunities for ops leaders to improve productivity as workloads increase.

AGILITY – is higher QoQ but lower YoY. This is the first time agility levels have increased since the third quarter of last year, supported by improved control levels.

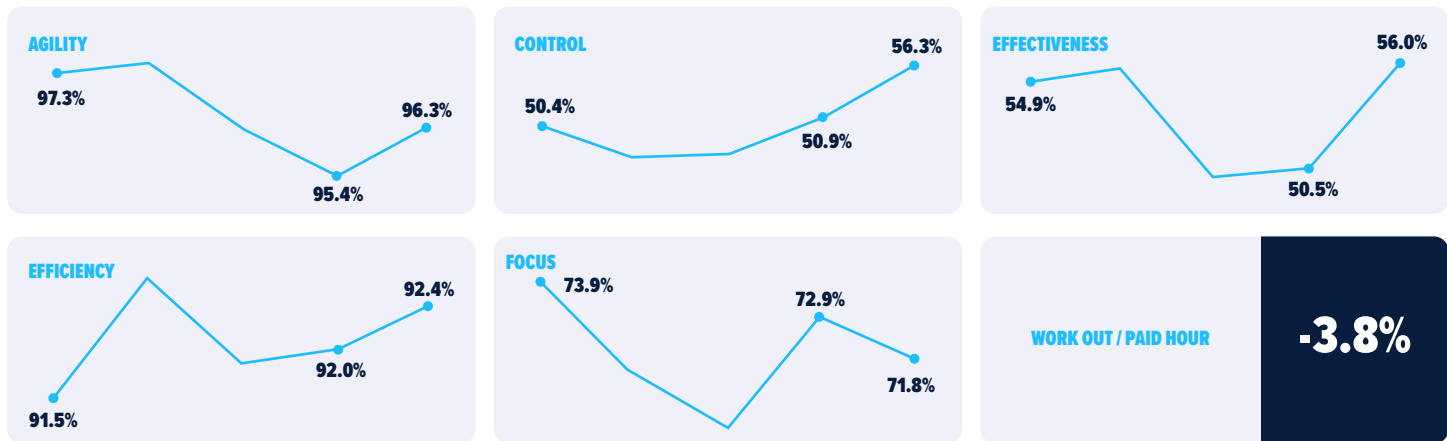
CONTROL – is higher QoQ and YoY, rising almost 10 percentage points over the past two quarters as ops leaders get a better grip on forecasting and meeting those goals.

EFFECTIVENESS – is higher QoQ and YoY, mainly thanks to those improved control levels, but also because businesses may be rebalancing customer satisfaction with costs.

EFFICIENCY – is higher QoQ and YoY, but still below the high hit in the third quarter of 2023, highlighting further scope for ops teams to be more productive.

FOCUS – is lower QoQ and YoY, which is being driven by increased time spent on non-core activities (sickness-related absence has remained fairly constant).

WORK OUT PER PAID HOUR – is lower QoQ and YoY, as lower focus levels are offsetting efficiency gains, meaning North American organizations are not getting as much value from their workers as they should be.



THINGS TO CONSIDER

North American organizations have erased the blip in performance experienced late last year and is now back within just four percentage points of top performing region Australia and New Zealand. If improved control levels are maintained, we should see further gains in the coming months, with North America potentially on course to see out the year as the best performing region.

- ▶ With focus levels being dragged down by excess time spent on non-core work, ops leaders should review what that diverted time is being spent on and assess whether those activities could be scaled back.

- ▶ While agility levels improved in the second quarter, they lag Australia and New Zealand, suggesting that more could be achieved if operations leaders push for greater flexibility across their teams.
- ▶ Taking steps to improve agility levels can also help North American ops teams make additional efficiency gains, given they are not working as efficiently as they have achieved in the past. However, any efforts to boost agility must be carefully balanced to ensure focus levels don’t fall any further.

SPOTLIGHT

BHAVESH VAGHELA

OPS GAME CHANGERS PODCAST HOST & CMO, ACTIVEOPS



Get Match Fit For Greater Operational Performance: What Can Ops Learn From Great Britain's Rugby Sevens Team?

Great Britain's Rugby Sevens team shows that sports analytics and operational decision intelligence have more in common than you might think

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*If you don't use data to form your opinion,
you're just somebody with an opinion.*

— Will Price, Lead Analyst, GB Rugby Sevens

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When the Great Britain Rugby Sevens women's team stepped out at the Stade de France for the Paris Olympics this summer, they didn't just count on raw talent to get them to the quarter finals of the tournament, they were also heavily relying on data to generate deeper performance insights to help them gain an edge over their competition.

ActiveOps is incredibly proud to be official Analytics partner of the GB Rugby Sevens men's and women's teams. Whatever tournament they are trying to win, we recognize distinct overlaps between how data is used in service operations and sports performance. Just as ops teams use data to plan for anticipated workloads and drive better decision making to be more productive, the GB Rugby Sevens teams use data to plan more effectively for competition and drive better performance on the pitch – and hopefully steer them to victory.

Game Analysis / Ops Strategy

Before the GB Rugby Sevens teams take to the field, their analysts first look at the opponent's game data and review their game tapes, giving them an idea of what to expect and helping them put together a game plan. “Data is a really important place to start, as it gives us stone cold facts as to where the opposition's strengths and weaknesses lie,” says Will Price, Lead Analyst for the GB Rugby Sevens men's and women's teams. “That is a huge part of our preview process, looking at the numbers and what are they telling us.” For ops leaders, this is similar to trying to understand inbound work volumes and what to expect – and the strategy needed to effectively manage that workload.

Strategy & Tactics / Service Quality

Once a Rugby Sevens tournament is underway, the GB analysts continue to track in-game performance to help identify any potential vulnerabilities and how they might be addressed. “This enables us to paint a really clear picture as to how successful specific areas in our game are going during that tournament and start to plant seeds for how the coach is going to feed that back to the players,” says Price. For ops leaders, this is similar to ensuring work in progress is on track, that service level agreements are being met – and what levers to pull if performance is lagging.

Workload / Utilization

game data, they are also looking at long-term data to monitor how they are handling workloads. “We can see if parts of their game start to tail off over a certain period or whether certain parts of their game are starting to get better,” says Price. “This also helps inform the coaching process so if parts of the game are tailing off, we can have a look at that and make an impact on the field when we're coaching with that information.” This has parallels for ops leaders when trying to assess skills levels and the volume of work an employee can handle – or what other areas they could also potentially cover.

Training / Agility Levels

Ensuring players are in top condition and can perform at the highest level means tailoring training and fitness plans to individual needs. "My responsibility is to make sure the players are strong and powerful to meet the demands of competition," says James Nolan, Head of Athletic Performance for GB Rugby Sevens men's and women's teams. "If we're looking at our how and why we use and apply data in our environment... [it is] to inform how we improve the individual athlete or how we improve the team's training in order to win – that's the central goal." For example, Nolan will look at performance and monitoring-based metrics to track a player's output, such as how much distance they covered during a match or training session, indicating how intense their training should be. For ops leaders, this is like using data to identify skills gaps and gauge where training would be most effective. Like with the rugby players, ops leaders also want to avoid overtraining – players risk injury if fatigued; for ops workers, they risk missing deadlines if they are spending too much time focusing on non-core work such as training. Overworking also leads to sickness, issues with wellbeing and ultimately, attrition

Performance / Productivity

Aside from wanting to win, the reason GB Rugby Sevens use data is to get the most out of their players and ensure what they do in training can be replicated on the pitch. "If we can demonstrate via GPS that our training is at or above the level of the game repeatedly, we can be happy that when we're executing, technically, tactically and in a contact scenario, it is giving us a similar look, feel and demand of the game." For Price, the most important reason to use data is so they can make informed, data-driven decisions that can ensure top performance in a competitive environment. "If you don't use data to form your opinion, you're just somebody with an opinion," he says. "Why we do that is so we can make intelligent decisions when we're going into battle." Likewise, ops leaders should be using data to ensure employees are as productive as possible to achieve a high level of operational performance.

By learning from these sporting analytics techniques, ops leaders can get their teams match fit for greater operational performance in the months ahead – and we'll continue cheering on the GB Rugby Sevens teams to see if their data advantage can bring them glory in the future.

“

*By learning from sports analytics,
ops leaders can get their teams match fit
for greater operational performance
in the months ahead.*

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ActiveOps®

EVERY DECISION || MATTERS

▶▶▶ FIND OUT MORE



OFFICIAL ANALYTICS PARTNER FOR GB7s

Australia & New Zealand



Australia and New Zealand-based organizations improved operational performance over the past three months, with the region's OpsIndex score edging up to 63 from 61 in the first quarter, a fresh high. However, while the scale of that improvement is the biggest change in several quarters, operating conditions could be on the verge of becoming more challenging.

While the UK and the US are getting inflation under control, prices rose faster in Australia in May compared to a month earlier, with the country's annual inflation rate hitting 4% compared to 3.6% in April.⁴

That is prompting murmurs that the Australian central bank may need to hike interest rates to keep price rises in check, having held rates at a 12-year high of 4.35% since November last year.⁵

All of that is likely to further squeeze hard-pressed consumers, with the ongoing cost of living crisis likely to crimp economic activity in the months ahead, potentially reducing in-bound work volumes.

That could put performance levels under pressure if ops teams are over-resourced relative to demand.

AGILITY – is lower QoQ and YoY, albeit still higher than other regions. Even so, ops leaders in the region must ensure they don't let agility levels slip any further in the coming months if they want to keep their OpsIndex score trending in the right direction.

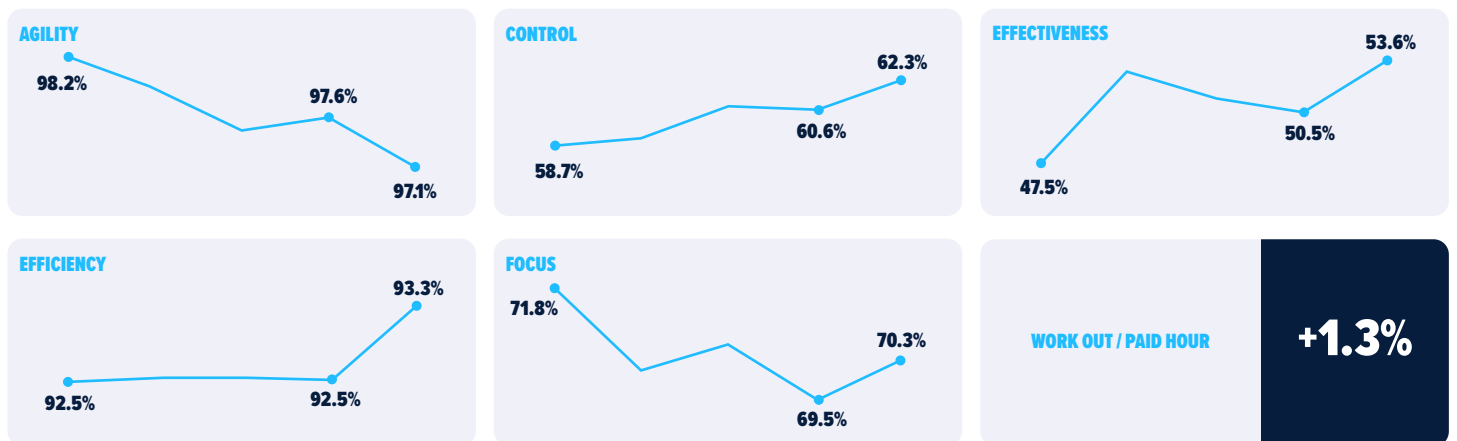
CONTROL – is higher QoQ and YoY, helping push the region's OpsIndex score to a new high.

EFFECTIVENESS – is higher QoQ and YoY, a direct result of improved control levels and a greater focus on customer service levels.

EFFICIENCY – is higher QoQ and YoY, having barely budged over the previous 12 months, with better control helping ops teams complete work more efficiently.

FOCUS – is higher QoQ but lower YoY, with more time spent on core activities in the past three months, helping boost overall performance.

WORK OUT PER PAID HOUR – is higher QoQ but lower YoY, with the focus on customer service potentially rebalancing costs and service relationships.



THINGS TO CONSIDER

Ops leaders in Australia and New Zealand continue to set high standards, with the region remaining the best performer in the OpsIndex. Improvements across the board (agility aside) over the past quarter could be replicated if efforts to improve control are maintained, though the region's performance has been fairly static over the past year, so it remains to be seen if Q2 is the beginning of an upwards trend.

- ▶ As the only metric not to improve over the past quarter, ops leaders need to focus on ways to boost agility without impacting the productivity gains they have made to lift the region's OpsIndex score to its highest on record.

- ▶ Ops leaders must also take steps to keep the improvement in control on track; bar a marginal fall in Q1, control levels have now consistently advanced since the second quarter of last year.
- ▶ With ops leaders in the region having previously struggled to find ways to improve efficiency levels, the gains over the past quarter should provide encouragement and a platform to build on those gains in the coming months.



After a tough 2023, ops leaders across all regions have seen performance improve significantly over the first six months of this year, particularly during the second quarter. This has created a solid foundation to build on for the balance of the year, even if there are potential uncertainties on the horizon (a change of government in the UK, presidential elections in the US and a divergent economic outlook in Australia where there is a prospect of further interest rate rises). That backdrop could make work volumes more unpredictable over the coming months across all regions, which means ops leaders need to ensure they are agile enough and have the control levels necessary to meet any sudden shifts in demand.

By analyzing OpsIndex metrics, the quarterly Performance Tracker can help you identify the areas you need to tweak to improve operational performance. Here are the key themes for ops leaders to keep in mind for the remainder of the year.

EMBARKING ON YOUR DATA JOURNEY

Organizations are sitting on mountains of data, which can make it challenging to know where to start when getting that data ready for processing and analyzing. The scale of the task may prompt firms to unnecessarily shelve projects due to cost or complexity. To avoid this, organizations should first identify what they want to use the data for – what problems are they trying to solve or what insights do they need? By prioritizing these specific use cases, organizations can focus on extracting and cleaning up the data they need rather than trying to fix it all, making the process far more manageable.

MAKING THE CASE FOR BEING DATA CENTRIC

For organizations to become truly data centric, there needs to be buy-in from all stakeholders in the business. For ops leaders, this means identifying ops teams that are willing to pilot real-time data tools and help demonstrate potential use cases, ensuring larger projects can then get the green light from senior leaders. It is also important that organizations can clearly see the value of using real-time data and the impact it is having on decision making and ops outcomes (for instance, being able to course-correct in real time based on more accurate data insights).



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FORWARD-LOOKING INTELLIGENCE

Integrating real-time data into the decision-making process can help ops leaders make more informed choices, giving greater confidence in those actions. By not having to rely on stale outdated data, ops leaders can start to have a more forward-looking view of the ops function, helping them to plan better and improve resource optimization. This in turn can give ops leaders greater control over the ops function, fueling improved performance and boosting productivity.

EMBRACING AI-POWERED INSIGHTS

The next step in the data journey is using advanced AI tools such as generative AI to help support the decision-making process. While AI is often seen as a way to automate routine tasks, ops leaders should view AI as a means to help them make faster, smarter decisions through prescriptive insights. This can give ops leaders sharper guidance or help them quickly spot trends that wouldn't otherwise be visible without AI intervention. This is not about replacing human intelligence but supplementing it, potentially freeing up ops leaders' time for higher-value work and in doing so transforming the ops function.



*The level of operational control
over performance is fundamental
to an organisation's success.
It is also a differentiator.*



RUNNING OPERATIONS 101

OpsIndex: The Metrics That Matter

Financial services operations teams have been heavily focused on improving efficiency. Many organizations have invested in technology, such as RPA.

Others have adopted modern business techniques such as Lean Six Sigma to reduce variation and waste. While that has helped streamline their operations, being more efficient doesn't necessarily mean operations are being run any better.

The level of operational control over performance is fundamental to an organization's success. It is also a differentiator—given the same market context, compliance constraints and customer base, if a company is more agile, it carries less latent capacity and can deliver better service.

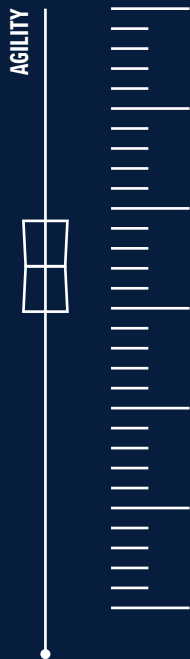
One of the challenges for benchmarking operational processes is comparability. The OpsIndex measures how well operations are being run, within the variety and complexity of the underlying business activities. It provides comparisons against five metrics—agility, control, effectiveness, efficiency, and focus—that are agnostic to processes or business structure and focused on the indicator of how well organizations are running their operations.

This enables operations leaders to track the choices they are making and monitor how those choices interplay with one another—pushing too hard or too little on one metric could negatively impact on others. By contrast, getting the optimal balance right may have a positive impact on other metrics—for example, control leads to greater agility, which delivers improved efficiency.

The OpsIndex rates back-office operations on their performance for each metric and then calculates an overall score. When organizations first embark on this journey with ActiveOps, many start with an overall OpsIndex score of around 30 or lower. Once organizations take steps to improve operational performance, a score of 80 or higher indicates that operations are being run well.

The OpsIndex Score

HOW IS THIS CALCULATED?



AGILITY

Are you well balanced?

Agility measures how flexible your capacity is when moving resources between teams and managing flexitime, overtime and temporary workers to meet shifts in workload

Ability to flex resource to meet the variation in work you experience



Improve your ability to effectively manage your work and people

+1% AGILITY

=1% CAPACITY



CONTROL

Do you have the production control to consistently & reliably meet the goals that you set?

Control measures the ability to create a predictable environment and deliver against a plan

Ability to plan with precision and ambition to deliver against that plan

WHY IT MATTERS

Improve your ability to manage and execute against your plan

+5% CONTROL

=2% CAPACITY



EFFECTIVENESS

Are you consistently meeting service expectations & service level agreements?

Effectiveness measures how well ops teams keep work in progress on track or ahead of schedule

Ability to maintain WIP at or under planned levels



Improve ability to plan and control against that plan

THE PAYBACK

+EFFECTIVENESS

= IMPROVED SLAs



EFFICIENCY

Are you consistently getting the most out of your employees?

A low score on efficiency means that you are getting less value for money from your workers

Ability to operate consistently at a stretched but achievable rate of productivity

WHAT YOU CAN DO

Improve ability to plan and control against that plan

+1% EFFICIENCY

=1% CAPACITY



FOCUS

How well are you focusing your time on core activities?

A high score on focus might suggest you are not investing sufficiently in the training and development needed to boost agility levels

Ability to direct your paid time to core work

Identify if you have enough people skilled to use the tools and focused on the right type of work

+1% FOCUS

=1% CAPACITY

UNDERSTANDING WORK OUT PER PAID HOUR

This metric helps operations managers track how much work is completed per hour of employee spend. For instance, if an organization is paying out for more sickness time, work out per paid hour would decline.

Glossary



AGILITY: measures an organization's ability to flex resource to meet the variation in work. If the score is low, it indicates a mismatch between work and the available resource, creating latent capacity and/or risk to service.

CAPACITY: is the difference between the resources that are available and the work that must get done, if a challenging but achievable pace is maintained.

CONTROL: measures an organization's ability to create a predictable environment and deliver against a plan. A low control environment is less resilient.

EFFECTIVENESS: measures an organization's ability to maintain WIP at or under planned levels. WIP plans are designed to meet service levels, so this is an indicator of the ability to maintain service.

EFFICIENCY: measures an organization's ability to operate consistently at a stretching but achievable rate of productivity. A lower score indicates a higher variation and lower average of productivity.

FOCUS: measures an organization's ability to direct the right amount paid time to core work. This score is likely to fluctuate throughout the year in line with seasonal trends. A low score means more paid time is going to other activities than core work – resulting in an increase in operating costs.

LATENT CAPACITY: measures the time that would have been available to the team had they worked at a higher level of productivity.

OPSINDEX: is the ActiveOps proprietary score that measures how well operations are being run, providing an overall score based on evaluating 5 key metrics: agility, control, effectiveness, efficiency and focus.

PRODUCTIVITY: is a measure of how closely the rate at which a person (or team) performs matches the standard time given to each of the core tasks.



The Quarterly Performance Tracker for Operations is based on the OpsIndex benchmarking data set from ActiveOps.

OpsIndex analyses live operations data with valid measurement and comparison of performance across operations teams. OpsIndex measures operations using five dimensions – agility, control, effectiveness, efficiency, and focus. In addition, work out / paid hour looks at how much work is completed per hour of employee spend – including paid sick days and holidays.

For this report, data from over 30 Financial Services businesses, with over 30,000 employees were analyzed. We looked at the OpsIndex performance in Q2 2024 compared to the previous quarter and Q2 2023. The data covered organizations in the UK & Ireland, Australia & New Zealand and North America.

The OpsTracker provides a snapshot in time every quarter, figures for the OpsIndex and the OpsIndex metrics are the values recorded at time of publication. There may be shifts in the figures registered from one edition to the other due to ongoing changes in customer data.

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About ActiveOps

At ActiveOps, we believe the ability to make every decision – the right decision, at the right time, will transform operations. Our blend of AI and human intelligence delivers the most complete and useful set of predictive and prescriptive insight to help service operations make better decisions - faster.

Service Operations has been in our DNA for 20 years. Our AI-powered SaaS solutions are underpinned by 15+ years of operational data and our AOM methodology that's proven to drive cross department decision-making.

We call this Decision Intelligence for Service Operations – and we are dedicated to the needs of banking, insurance, BPS and healthcare organizations, globally.

With Decision Intelligence, our customers deliver MORE - release 20%+ capacity within the first 12 months and boost productivity by 30%+ leading to MORE business impact. In fact, customer turnaround times are improved substantially, costs are reduced, SLAs are met, and employees are happier and more engaged.

Discover how ActiveOps can help you do more at activeops.com

Choose **More.** Choose Active**Ops**®