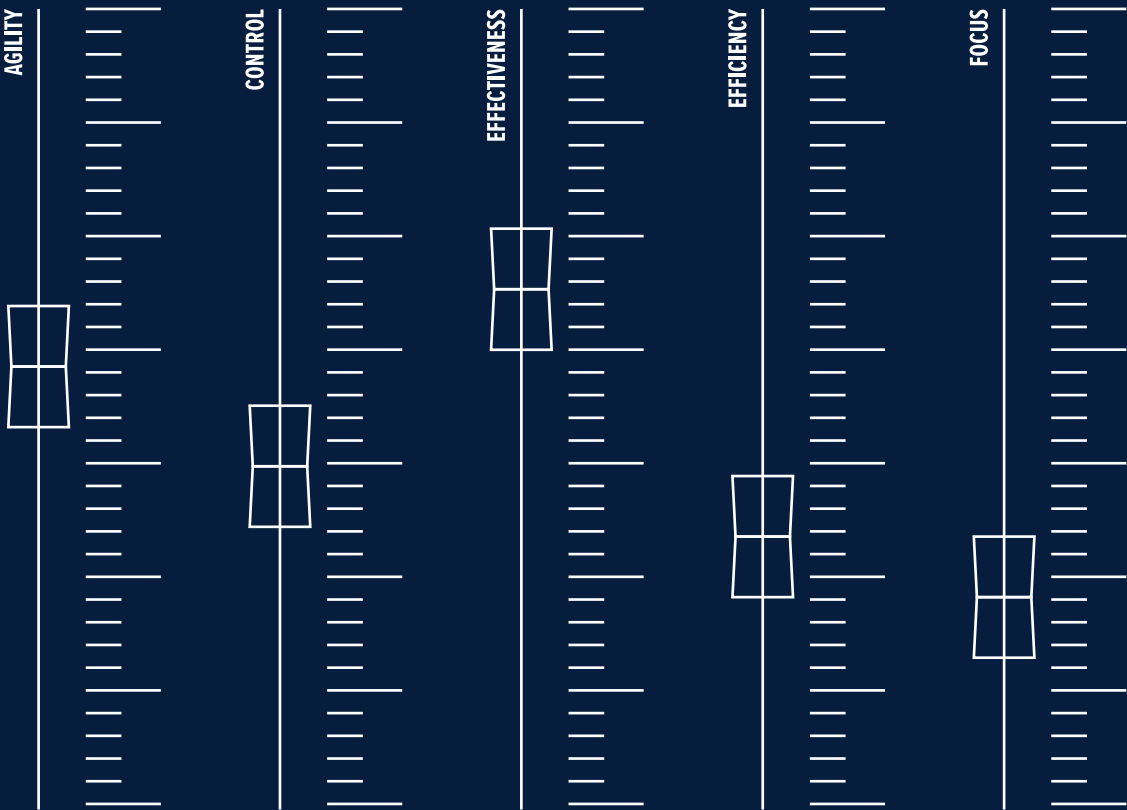


PERFORMANCE TRACKER FOR OPERATIONS

Financial Services



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AI will solve long-standing challenges in operations while creating new pathways for innovation and success.



Foreword



IAN CARTER
HEAD OF INSIGHT & INNOVATION, ACTIVEOPS

Welcome to the first 2025 issue of the OpsTracker – the ActiveOps Performance Tracker for Operations – designed for executives leading operations in banking, insurance and business process outsourcing.

Despite varying levels of performance across the year, all regions finished 2024 in better shape than where they started. The UK and Ireland was the most consistent region, posting steady gains each quarter. North America briefly surpassed Australia and New Zealand as the top performing region in the second quarter but regressed in the second half of the year likely amid political upheaval in both the US and Canada. Australia and New Zealand reclaimed its crown as the top performing region after hitting a record high in Q3, though performance slipped again in the final quarter.

To consistently drive performance upward, operations leaders will need to invest in AI tools—both to reduce time spent on monotonous manual tasks (thus freeing up time for higher-value work) and to generate meaningful insights that enhance human decision-making.

This edition centers on an industry-defining question: How will AI redefine operations in 2025 and beyond?

As the use of AI matures, its role in operations is evolving from a tool for incremental improvements to a driver of transformative change.

The future of operations will be marked by:

- Smarter decision-making: AI will analyze vast amounts of data in real-time, enabling faster, more accurate decisions.
- Enhanced efficiency: By automating repetitive tasks, AI will free teams to focus on higher-value activities.
- New opportunities: Entirely new roles and skill sets will emerge as AI takes on the role of a co-pilot, augmenting human capabilities rather than replacing them.

At the heart of this transformation is the ability to integrate AI into every aspect of operations—turning them from cost centers into strategic drivers of value.

To explore this further, we revisit conversations from our Capacity24 conferences in Toronto, London, and Melbourne, where ops leaders discussed how AI will impact operations teams, highlighting key barriers and the importance of stakeholder alignment and collective buy-in for effective AI adoption.

We also feature a new academic paper, produced in collaboration with Professor Danny Samson from the University of Melbourne. The report outlines how the partnership between operations and technology teams can better leverage AI and advanced decision intelligence to redefine operations, moving beyond efficiency to unlock strategic growth.

Finally, in this edition, Bhavesh Vaghela, CRO of EMEA and CMO at ActiveOps, shares his perspective on why 2025 will be a turning point. In his Op-Ed, he highlights how AI will solve long-standing challenges in operations while creating new pathways for innovation and success.

Thank you for reading. We hope this edition inspires you to reimagine what's possible for your operations in 2025 and beyond. Be the first to access future insights and updates by [signing up for our quarterly updates](#).

Executive Summary

Working smarter and more effectively is a perennial goal for ops leaders, particularly in a world where budgets are constrained and ops teams are constantly called on to do more for the same or less. As ActiveOps' Chief Product Officer Stuart Pugh and University of Melbourne Professor Danny Samson outline in a new academic report, this has traditionally been tackled by automating as much work as possible or outsourcing to third-party providers located in lower cost regions.

However, existing tech capabilities and the limits of outsourcing have diminished the effectiveness of these strategies. Many organizations have already maximized their use. Now, with the development of generative AI, new opportunities for innovation and efficiency are emerging. By leveraging AI, ops leaders can enhance decision intelligence with real-time, AI-generated insights, accelerating decision-making in operations management, such as demand forecasting, and uncovering patterns that human analysis may miss.

This new era has the potential to transform operations entirely, turning a function once seen as a drain into a key competitive advantage driving operational excellence. For financial services businesses in particular, this is an opportunity to replicate what has already been achieved in other sectors such as manufacturing where the operations function is critical to an organization's success and delivering better outcomes for customers.

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

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.

The UK and Ireland rose to 55.1 in Q4 from 46.9 a year earlier, getting the region's operational performance back on track. North America's performance improved compared to last year, rising to 57.4 from 52.1 in Q4 2023, albeit declining in the second half of 2024. Australia and New Zealand also ended the year on the same level as in 2023, though it lost steam in Q4 after hitting a record high in the third quarter.

TRENDS TO WATCH



SUPER-CHARGING DECISION MAKING

The rapid advance in AI technology promises to revolutionize the way organizations operate in much the same way as the internet has done over the past two decades. By accessing real-time data-driven AI-generated insights, ops leaders will be armed with greater decision intelligence to make faster, smarter decisions that will drive improved performance and operational excellence.

A NEW FRONTIER FOR OPS

Leveraging data-driven insights can help transform the ops function from its traditional image as a cost-center and drain on resources and instead reposition it as a source of competitive advantage. To transition to this new world – where AI underpins an organization's decision intelligence – ops teams need to work in closer alignment with the technology function to ensure AI projects are fit for purpose and can drive value for the business.

AI CAN ENHANCE YOUR WORKFORCE

One of the main concerns about AI among ops professionals is that their jobs are at risk of being replaced by machines. While manual, repetitive tasks will increasingly be handled by AI, the real opportunity with this new technology is to augment human intelligence by enabling ops professionals to focus on the value they can deliver – making sense of the data and applying nuance and human context to those findings, something that is beyond the capability of AI. The advance of AI may also lead to the creation of yet to be invented roles within the ops function, while also potentially creating an opportunity for ops professionals to become more agile by swapping product expertise for process specialisms.

FIX YOUR DATA ISSUES

While the ops function is on the cusp of radical transformation, unlocking the value of AI first requires organizations to get a grip on their data. This, by now, is likely to be a familiar refrain – but it is a mantra that needs to be repeated: AI-generated insights are only as good as the underlying data they are based on. Organizations must therefore invest time and money in getting the data they need out of siloed systems, cleaned up and ready to use in real time. Only by completing these steps can ops teams have a shot at true transformation.

STRIVE FOR SIMPLIFICATION

At the heart of every transformation effort is the need for simplification. By embracing AI, organizations can start to simplify ops in three key areas: technology, processes and customer experience. First, AI can help modernize an organization's tech footprint by cutting the amount of systems being used and reducing reliance on legacy infrastructure. Second, it can simplify processes by automating manual tasks, freeing up ops professionals to focus on higher value work. And third, it can help simplify the user experience by streamlining customer interactions while also creating a more personalized service.

SPOTLIGHT

PROFESSOR DANNY SAMSON
UNIVERSITY OF MELBOURNE



AI-Driven Decision-Making: The New Frontier for Service Operations

The world of financial services operations has undergone significant transformation over the past 30 years.

“

The future of operations is not just about efficiency but about redefining the function itself as a driver of strategic value.

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For those of you who have spent your careers in this field, the early days were dominated by sprawling spreadsheets, labor-intensive processes, and a glaring absence of actionable data to guide decision-making. In response, two major initiatives have shaped operations management: automating processes to reduce the workload and outsourcing to lower costs.

Today, however, we stand on the precipice of a third and far more transformative wave—one driven by the power of artificial intelligence (AI). This is the focus of a new academic report, *The Future of Financial Services with Operations as a Competitive Advantage: Fast, Efficient, and AI-Enabled*, a collaboration between ActiveOps and the University of Melbourne.

AI holds the potential to fundamentally redefine service operations. Where once operations were often seen as a "millstone" around the neck of the organization, we now have an opportunity to reposition them as a source of competitive advantage. This shift mirrors the operational excellence that has enabled companies like Toyota to achieve market-leading success in manufacturing, and the financial services sector is primed to follow suit.

AI's Role in Redefining Operations

At its core, AI can align supply with demand in unprecedented ways. For instance, AI-driven forecasts of demand can enhance our ability to allocate resources effectively, allowing us to plan far more efficiently than ever before. As we increasingly integrate AI into decision-making, the promise of leaner structures becomes achievable—yielding cost savings, faster processing, fewer errors, and improved customer service.

In this regard, AI serves as an augmentation tool for human decision-makers. While AI cannot yet account for every nuance of complex decision-making—such as unforeseen circumstances—it excels at analyzing large volumes of data to identify patterns and provide actionable insights in predictable scenarios, such as demand forecasting.

The Phases of AI's Impact

The third phase of AI's impact on operations will see a more profound transformation. While earlier phases focused on improving operational efficiency and supporting faster decision-making, the third phase will shift operations from a primarily cost-reduction function to a strategic asset that drives competitive advantage. In this phase, AI will not only streamline processes but also deeply integrate into strategic decision-making across the organization.

AI's role will extend beyond automating tasks or providing efficiency gains; it will become a vital tool for empowering leaders to make data-driven, informed decisions that align with long-term goals. The promise of AI in this phase is not just to enhance operations but to redefine them as central drivers of organizational success, directly contributing to a company's ability to compete and thrive in an ever-evolving marketplace.

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Achieving this third phase will require a closer collaboration between technology and operations functions. Historically, these two areas have not always been well-aligned, and misalignment has often led to failed transformation efforts. In the future, forward-thinking organizations will ensure that technology initiatives are purpose-driven, with operational excellence as a central pillar of business strategy.

The Yin and Yang of Technology and Operations

For organizations to succeed in this AI-driven landscape, technology and operations must function as a unified whole—what I describe as the "yin and yang" of decision effectiveness. AI lies at the heart of this synergy, enabling technology to amplify operational capabilities in ways that were previously unimaginable.

Importantly, AI will not replace human decision-making in the foreseeable future. Rather, it will function as "supervised AI," providing invaluable assistance while leaving complex, nuanced decisions in the hands of experienced professionals.

Practical Steps to Embrace AI

As organizations begin this journey, my advice is to keep it simple. Focus on structured areas where AI models can deliver immediate impact, such as automating repetitive tasks or enhancing customer experiences through chatbots. These initial steps will lay the groundwork for broader AI adoption.

Finally, I urge caution in adopting AI. Stay behind the bleeding edge, where the risks are highest, but do not lag too far behind the leading edge. This balanced approach will position your organization to reap the competitive advantages AI offers while avoiding unnecessary pitfalls.

The future of operations is not just about efficiency but about redefining the function itself as a driver of strategic value. AI will undoubtedly play a central role in this transformation.

To explore these insights further, download the [full report](#).

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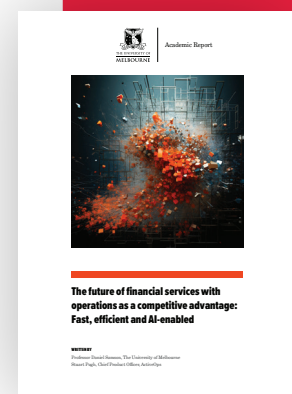
*AI holds the potential to fundamentally
redefine service operations.*

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UNIVERSITY OF MELBOURNE ACADEMIC REPORT

The future of financial services with operations as a competitive advantage: Fast, efficient and AI-enabled

[READ THE REPORT](#)



OpsIndex Performance Across Regions

UK & IRELAND



The UK and Ireland's OpsIndex score steadily increased throughout the year, rising from 46.9 at the start of the year to 55.1 in Q4 – the highest level since Q2 in 2022. Efforts to improve agility have paid dividends, with control levels also notably higher than at the end of 2023, helping drive those performance gains. This was achieved despite an uncertain operating environment and weaker business confidence following news of unexpected tax rises that will hit companies from April, potentially impacting headcount. Ops leaders in the region must now seek to build on those gains by focusing on efficiency and productivity given the prospect of resource challenges in the months ahead.

NORTH AMERICA



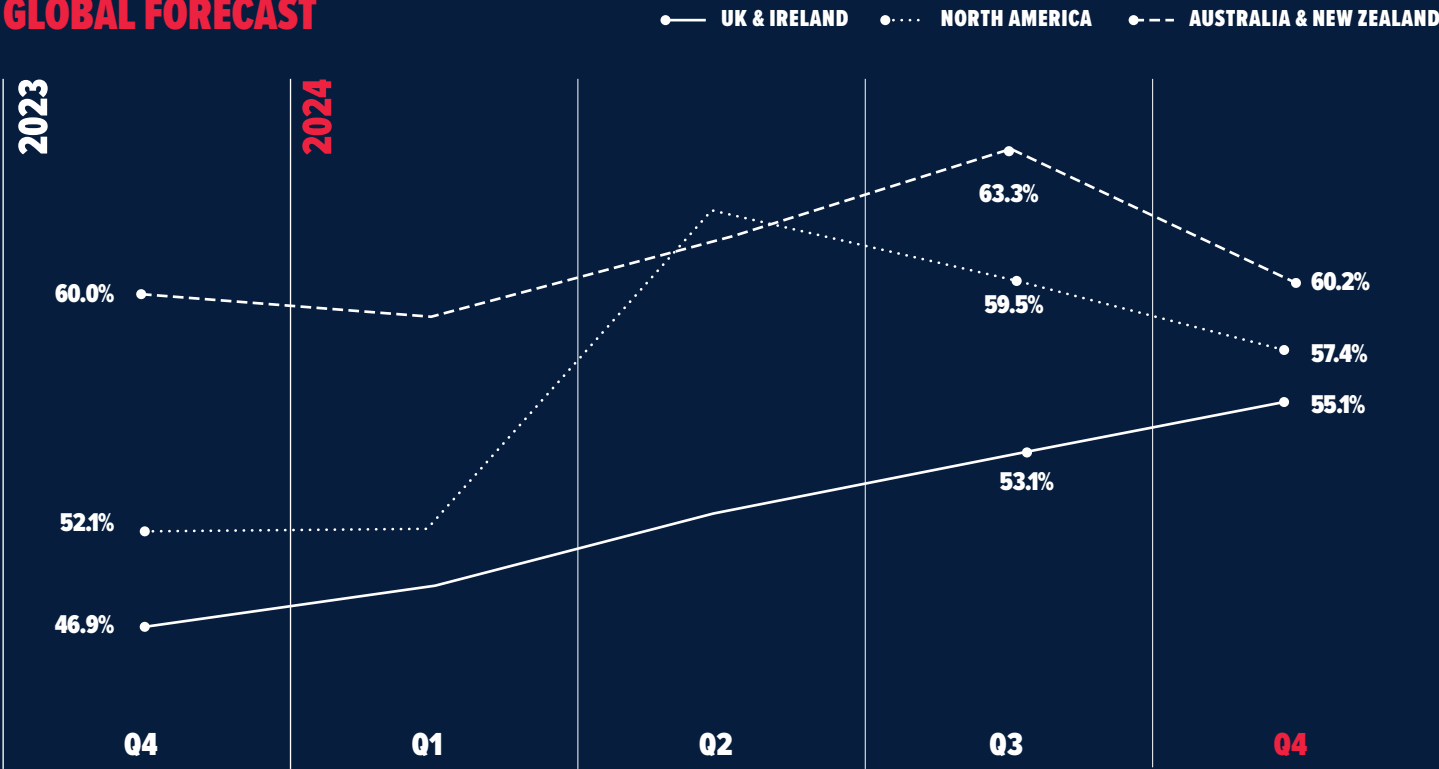
North America saw its OpsIndex score decline for a second straight quarter, ending the year at 57.4. That is still higher than it was going into 2024 (52.1), however the drop in performance follows a record Q2, when its score hit 61.4 – briefly helping it overtake Australia and New Zealand as the top performing region. The decline in the second half of the year coincided with a noisy political backdrop in both the US and Canada that proved a distraction (focus levels declined every quarter after Q1). The record score in Q2 was supported by a spike in efficiency levels, suggesting that ops leaders in the region should focus on efficiency initiatives in the coming months.

AUSTRALIA & NEW ZEALAND

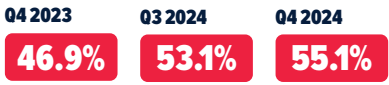


Australia and New Zealand also saw its score decline in Q4, however it ended the year on the same level as in on 2023 (60.2 vs 60), cementing its position again as the year's top performer (bar the brief decrease in Q1). Ops leaders in the region have managed to sustain performance despite an unfavourable economic backdrop, however making significant performance gains has continued to elude them as organizations in the region continue to hit an efficiency brick wall. This is a reminder that ops leaders need to think about other ways to unlock resource capacity in 2025 (investing in AI and automation, for instance).

GLOBAL FORECAST



UK & Ireland



The UK and Ireland saw its OpsIndex score steadily increase throughout the year, ending Q4 at 55.1 – the highest level since Q2 2022 – and up from 46.9 at the end of 2023.

That improvement has come despite a lacklustre economic picture, underpinned by anaemic growth and the new Labour government’s claim that the previous incumbents left a £22 billion blackhole in the nation’s finances. The economy flatlined in Q3¹, and grew only 0.1% in November², according to the Office for National Statistics. Inflation has also remained an issue, though it slowed more than expected in December to 2.5% from 2.6% a month earlier³, helping ease pressure on government borrowing costs.

The IMF in January upgraded its prediction for UK growth to 1.6% in 2025, up from a previous estimate of 1.5%, adding that it expects the UK economy to perform better than Germany and France over the next two years⁴. That may help boost business confidence, which had been dented following the autumn budget which laid out plans for higher National Insurance contributions that will kick in from April.

That increased tax burden may translate into resource constraints for businesses in the region, given they may have to trim headcount or freeze hiring to manage the additional costs. For ops leaders, this means focusing on agility levels to ensure resources are being deployed effectively, while also investing in automation to better handle unexpected shifts in workload.

AGILITY – is higher quarter on quarter (QoQ) and year on year (YoY), reflecting the steady progress made in 2024 as companies have improved their ability to flex resources when needed.

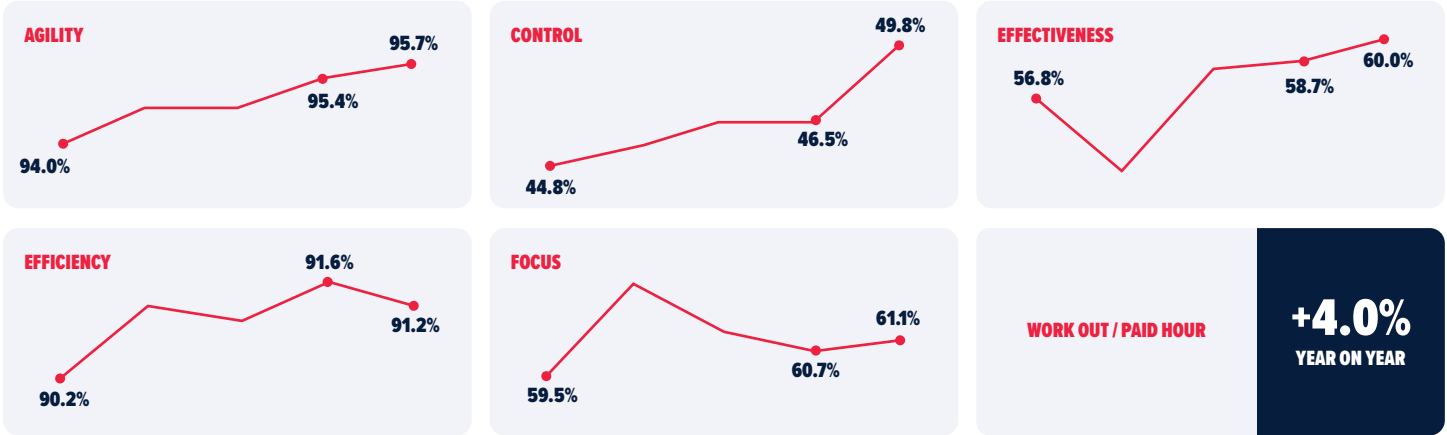
CONTROL – is higher QoQ and YoY, suggesting ops teams in the region are getting more consistent at meeting the goals they have been set.

EFFECTIVENESS – is higher QoQ and YoY, in line with the improvements in agility and control that have helped keep work in progress at manageable levels.

EFFICIENCY – is lower QoQ but higher YoY, potentially suggesting that while ops teams are getting better at meeting the goals they have been set, those goals are not ambitious enough and workers are not being sufficiently stretched.

FOCUS – is higher QoQ and YoY, suggesting previous efforts to boost agility through re-training staff (hence 2023’s lower focus levels) may have paid off. However, focus is down from a high in Q1, something for ops leaders to monitor in the months ahead.

WORK OUT PER PAID HOUR – is higher YoY, following the same path as focus levels (Q1 was a high point, and it has gradually fallen since then). In other words, while productivity has improved, the decline since Q1 shows organizations in the region are still not getting the most value out of their workers.



THINGS TO CONSIDER

The steady improvements in the UK and Ireland’s OpsIndex score over 2024 is welcome news for ops leaders in the region given the patchy performance in 2023. The region ends the year almost level with North America – which had briefly overtaken top performing region Australia and New Zealand earlier in the year. Given this progress, ops leaders must look to consolidate those gains by maintaining their agility and control levels while improving efficiency, which should feed through to greater productivity and performance.

- ▶ Ops leaders must ensure both sickness levels and time spent on non-core activities are reduced in order to maintain the recent improvements in focus levels.
- ▶ Ops teams have struggled with efficiency levels all year, improving just once (in Q3)—ops leaders therefore need to explore how AI and automation could help them make better use of their resources in 2025.

SPOTLIGHT

BHAVESH VAGHELA

OPS GAME CHANGERS PODCAST HOST & CMO, ACTIVEOPS



Get Ready for Disruption: How AI Will Transform Operations

If the past decade felt disruptive, the next ten years promise to redefine the very fabric of how we work.

“

AI positions organizations to operate faster, smarter, and with greater agility.

”

We are on the brink of an era-defining transformation as generative AI technology matures, opening the door to a complete revolution in operations. For ops teams, this is an unprecedented opportunity to reposition themselves as value drivers for their organizations and a source of competitive advantage.

From our conversations with organizations around the globe, three recurring tech challenges emerge for operations leaders: simplification, digitalization, and transformation. Addressing these challenges will be central to unlocking AI's potential and reshaping the future of operations.

1. Simplification

Simplification is at the heart of what many organizations aim to achieve, but it remains a multifaceted challenge.

First, there's the need to simplify and rationalize technology systems. In many financial institutions, decades of patchwork development have left behind a labyrinth of legacy systems and bolted-on technologies. This disjointed infrastructure makes modernization a daunting task, with siloed data trapped in multiple systems and incompatible formats. Consolidating and streamlining these applications is the critical first step.

Second, there's process simplification. For operations teams, the ongoing question has always been: How do we make work faster and easier to complete? Simplifying processes reduces inefficiencies and allows teams to focus on higher-value tasks.

Finally, organizations are working to simplify the customer journey. Nothing frustrates customers more than being shuffled between front, middle, and back-office functions, forced to repeat information at every touchpoint. Seamless, integrated service is now a non-negotiable expectation.

2. Digitalization

Digitalization is a natural extension of simplification, particularly when it comes to customer interactions. Modern consumers demand sleek, intuitive digital experiences—whether they're ordering a pizza or applying for a mortgage.

For operations teams, this means finding ways to hand off certain tasks to the customer for self-service. Tasks like opening a new account must become quick and frictionless.

Digitalization is also about expanding customer touchpoints. In today's world, customer interaction isn't limited to a branch or a phone call. Mobile apps, online portals, email, and AI-powered chatbots are becoming essential tools for delivering streamlined service. Ops teams must ensure these channels work harmoniously to create a unified customer experience.

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3. Transformation

The third challenge is transformation—moving from outdated systems and processes into the new era of digital and AI-enabled operations.

While transformation projects are nothing new for operations leaders, what's different now is the speed at which change must occur. The days of two- or three-year implementation timelines are over. With the accelerating pace of technological evolution, organizations must act quickly or risk losing relevance and customers.

How AI Solves These Challenges

AI has the power to tackle these challenges head-on, offering solutions that are both transformative and sustainable:

Simplification: AI can modernize legacy systems and simplify processes by automating repetitive, manual tasks that have long burdened operations teams.

Digitalization: By personalizing customer experiences and reducing friction in their journeys, AI-powered tools such as chatbots and predictive analytics enhance how customers interact with organizations.

Transformation: AI fundamentally changes how ops leaders approach decision-making. Through AI-generated insights, decision intelligence becomes faster, smarter, and more precise, allowing teams to achieve results with unprecedented efficiency.

The Future Is Here

AI represents more than just another technological advance—it's a seismic shift in how operations teams function and deliver value. By addressing the intertwined challenges of simplification, digitalization, and transformation, AI positions organizations to operate faster, smarter, and with greater agility.

As we enter this new era, the opportunity is clear: operations can become not just efficient, but indispensable drivers of competitive advantage. The future is ready for the taking.

At Capacity24, we've focused on the value that Decision Intelligence—with AI inside—delivers for our customers. Hearing their stories, understanding their drivers, and learning about the outcomes they've experienced will hopefully inspire you for the new year. You can watch all the sessions at the link below.

“

AI represents more than just another technological advance—it's a seismic shift in how operations teams function and deliver value.

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ACTIVEOPS 2024 ANNUAL CONFERENCE

Capacity24: Decision Intelligence with AI inside

WATCH THE RECORDINGS



North America



Despite North America ending the year with a higher OpsIndex score than in Q4 2023 (57.4 vs 52.1), for companies in the region 2024 was a story of what might have been. Having hit 61.4 in Q2, North America briefly overtook Australia and New Zealand as the best performing region. That proved a high-water mark as the region’s OpsIndex score steadily declined over the next two quarters.

This drop-off in performance has come despite an improved growth outlook in the US, with the economy expanding by 3.1% in Q3⁵. The US Federal Reserve has also embarked on a rate easing cycle, lowering interest rates by one percentage point since September to the 4.25%-4.50% range in December⁶. Inflation remains an issue though, with prices rising 2.9% in December on an annual basis⁷, compared to 2.7% in November.

The performance drop-off did, however, coincide with a charged political backdrop across North America that may have proved a distraction.

A divisive election in the US in Q4 saw the return of Donald Trump to the White House, which came with added threats of tariffs on Mexico, Canada and China, which if imposed could have a negative impact on economic activity in the months ahead. In Canada, growing political turbulence in the second half of the year ultimately forced prime minister Justin Trudeau to announce plans to step down, paving the way for more political uncertainty in 2025.

All of that is potentially disruptive for ops leaders when it comes to forecasting work volumes, which could have a negative impact on agility levels and control.

AGILITY – is marginally lower QoQ but still marginally higher YoY, suggesting companies may not have been properly prepared to adapt to shifts in workload amid increased economic activity (however, for context, North American agility is still higher than other regions).

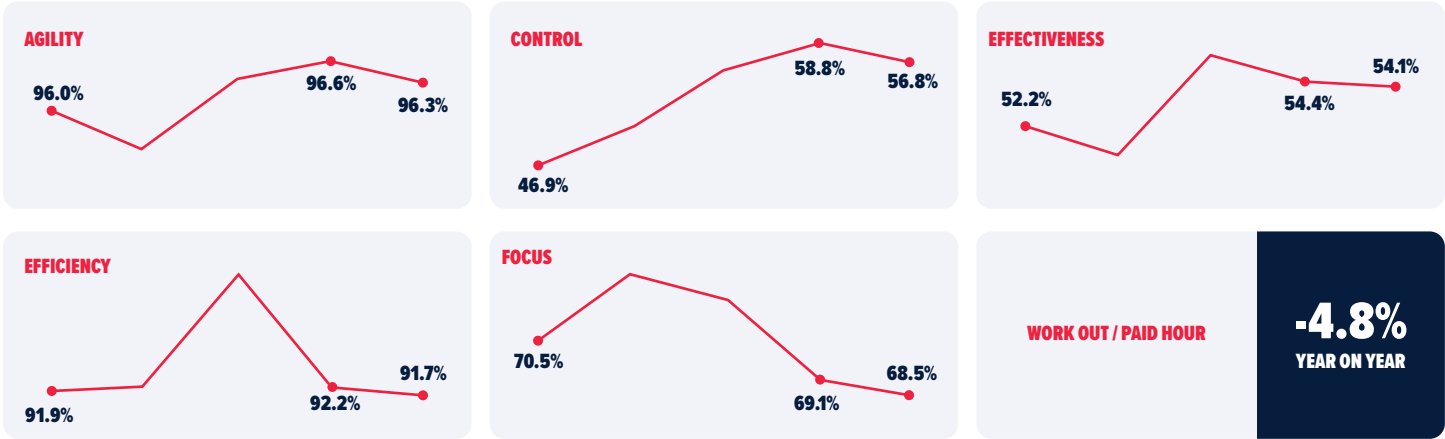
CONTROL – is lower QoQ, reflecting the recent decline in agility levels and challenges meeting the goals they have set, however it remains notably higher YoY, highlighting there is ample room to turn control back around.

EFFECTIVENESS – is marginally lower QoQ but higher YoY, following the same pattern as agility and control, a sign that North American ops leaders more recently have been struggling to allocate resources effectively.

EFFICIENCY – is marginally lower QoQ and YoY, suggesting that resources are not being used effectively (some teams overworked, others with too much idle time?) or organizations are not sufficiently investing in automation tech.

FOCUS – is lower YoY, potentially as a response to lower agility levels and driven by an increase in sick rates.

WORK OUT PER PAID HOUR – is lower QoQ and YoY, declining consistently across the year, driven by decline in focus, as companies have failed to get the most out of their workers, resulting in lower productivity.



THINGS TO CONSIDER

The high point in the second quarter quickly faded as ops leaders in the region lost their grip on control and agility levels, which has led to a decline across all OpsIndex metrics compared to the first half of the year. To get performance back on track, ops leaders must go back to basics by planning more effectively and ensuring resources are optimized, particularly given the uncertain operating environment in the US and Canada in the months ahead.

- Ops leaders must think about ways to become more efficient, given the record score put up in Q2 was boosted by a spike in efficiency levels (which then declined over the next two quarters). This could be done by investing in automation tools or by taking measures to improve resource flexibility.

- While ops leaders may be trying to boost agility levels by investing in re-skilling, they also need to focus on control and reproduce the general control improvements the region saw in the first half of the year by planning more effectively.
- Sickness levels have shot up by 30% over the past year, therefore ops leaders must invest in the right tools and support to improve wellbeing and avoid employee burnout.

SPOTLIGHT

ANDREA BOYLE
RELATIONSHIP MANAGER, ACTIVEOPS



With AI Inside, What Will Future Ops Teams Need to Look Like?

The future of operations will be defined by artificial intelligence, transforming the way ops teams work and reshaping their roles in the process.

“

***You don't deploy AI for AI's sake...
If you have a problem to solve, let's see
if AI can help you solve it.***

Tom Frosina
Head of Card Operations at TD Bank

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As a moderator at ActiveOps' recent Capacity 24 conferences in Toronto, I had the privilege of exploring this exciting yet complex topic with leading industry experts. Together, we unpacked how organizations can embrace AI to augment decision-making, address internal challenges, and prepare ops teams for the transformations ahead. In this article I am highlighting some of the insights shared as part of the panel discussions in London, Melbourne and Toronto.

Setting the Stage for AI Adoption

Organizations must start by clarifying the purpose behind adopting AI. “You don't deploy AI for AI's sake,” emphasized Tom Frosina, Head of Card Operations at TD Bank. “If you have a problem to solve, let's see if AI can help you solve it.”

Equally important is securing team buy-in by addressing concerns about job displacement. As Louise Day, Chief Operating Officer at the International Underwriting Association of London, explained, “People are scared of change—if you're an expert, why would you want the world around you to change?” Without excitement and trust from team members, she warned, leaders risk encountering resistance.

However, organizations with cultures of innovation and continuous learning are better positioned to embrace AI. Louise added that framing AI as a tool to remove mundane tasks—allowing employees to focus on more engaging work—helps gain their support.

“If you can present it in that way, and you're taking those things away so they can do the bits that really engage them with their role, then you're going to bring them on the journey,” she said.

AI and Strategic Goals

AI's most successful implementations are those that align with an organization's strategic objectives, explained Matt Quinn, Chief Data Officer, Azure Data and AI at Microsoft. For forward-thinking organizations, it's not just about efficiency—it's about creating meaningful work and fostering a culture that attracts top talent.

“It's about how do we deliver better outcomes,” said Matt. “How will this help me, personally and professionally, as well as helping the organization? If we get that balance right, we'll start to move.”

Navigating Barriers to AI Adoption

Adopting AI comes with challenges, including navigating approval processes. At TD Bank, for example, there are multiple evaluation levels for new technology based on the sensitivity of the data involved. “If it's using customer data, that would open it up to the highest level of scrutiny,” Tom explained.

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Data quality and accessibility are also significant hurdles. Unstructured data, particularly in non-standardized business lines, poses a challenge for Scotiabank's Senior Vice President for Retail & Business Banking Ops, Nanci York-Brar. "It's a more time-consuming task to build AI tools to service those customers," she said.

Data silos, high costs, and ongoing maintenance requirements further complicate AI projects. Oftentimes data is stored across multiple silos instead of somewhere that is easily accessible such as a data mesh or lake, says Kristy-Leigh Clark, chief operating officer at Land Services SA. Cost is also a barrier for adopting AI, which could mean ops teams need to wait until it becomes cheaper, she adds.

For organizations to succeed, investing in clean, structured data and robust measurement tools is critical.

"When you're making an investment like this, you don't want to fail fast—you want to be successful as early as possible," emphasized Dave Cochrane, Director of Operations - Default Solutions at First Canadian Title.

Robert Crnko, Regional Head of Workforce Management NA at Uber, underscored the importance of rigorous data validation and auditing. "We're not data rich; we're data drenched. Poor quality data can lead to misinformation, bias, and harmful responses," he cautioned.

The Role of AI in Ops Teams

While AI promises significant efficiency gains, it is not about replacing human intelligence but complementing it.

"From an operations perspective, human intelligence is as important as artificial intelligence, and without both, you're really not gaining the benefit that you're probably looking for," Dave explained. The ability to interpret data, understand context, and make informed decisions will remain core human responsibilities.

AI will also redefine job roles within ops teams. Routine, repetitive tasks will likely disappear, while new, more strategic positions emerge. However, while AI will increase automation, it can't replace the empathy and creativity that humans bring to operations, says Shraddha Potay, Head of Workforce Management at Bendigo and Adelaide Bank.

Ops teams may also shift from product specialization to process expertise. According to Jodie Langman, Head of Customer Ops at Standard Life Ireland, this change could enable greater flexibility and efficiency. "Being able to move people between different teams is really hard for us because you have product specialists. If people were process focused instead, organizations could more easily switch people around and drive greater efficiency," she said.

The Human Factor: Critical Thinking and Empathy

Amidst AI's advances, certain inherently human skills—such as critical thinking and empathy—will remain irreplaceable.

"I don't care about data; I care about insights that are hidden in that data and the ability to take action based on that insight to make decisions," said Matt. "It's the critical thinking around what the data means that will be important. AI is not about replacing people; it's about empowering people to do better work."

As AI takes on a co-pilot role, ops professionals will be better equipped to make faster, smarter decisions while focusing on work that adds true value to their organizations.

[Watch the full panel sessions here](#) to dive deeper into these conversations and learn more about how AI is shaping the future of operations.

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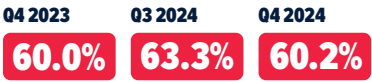
It's about how do we deliver better outcomes. How will this help me, personally and professionally, as well as helping the organization? If we get that balance right, we'll start to move.

Matt Quinn

Chief Data Officer, Azure Data and AI at Microsoft

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Australia & New Zealand



Australia and New Zealand’s OpsIndex score declined to 60.2 in the fourth quarter from a high of 63.3 in Q3. However, the region ended the year at the same level as in Q4 2023—having briefly lost ground to North America in Q2—while remaining the world’s top-performing region.

That performance has been sustained despite the region’s economic backdrop continuing to disappoint in 2024, with growth in Australia clocking in at just 0.3% in the third quarter and 0.2% in Q2, according to the Australian Bureau of Statistics⁸. Economic activity is being subdued by elevated interest rates (stuck at a 13-year high of 4.35% since late 2023) and inflation (although the consumer price index did hit a three-year low of 2.4% in the December quarter⁹). However, the central bank is expected to start cutting rates in 2025, possibly as soon as February.

The growth picture is similar in New Zealand, where the economy has been struggling to gain traction (contracting in the year to June), though the central bank did cut rates by 0.5 percentage points in November to 4.25%¹⁰.

That backdrop means ops leaders face an uncertain time ahead, which could have an impact on resource allocation and performance if forecasting proves inaccurate.

AGILITY – is lower QoQ and YoY. Having previously been fairly consistent every quarter (hovering around 97%), the decline in Q4 – which may have been partially driven by lower control – is something ops leaders need to closely monitor in the coming months.

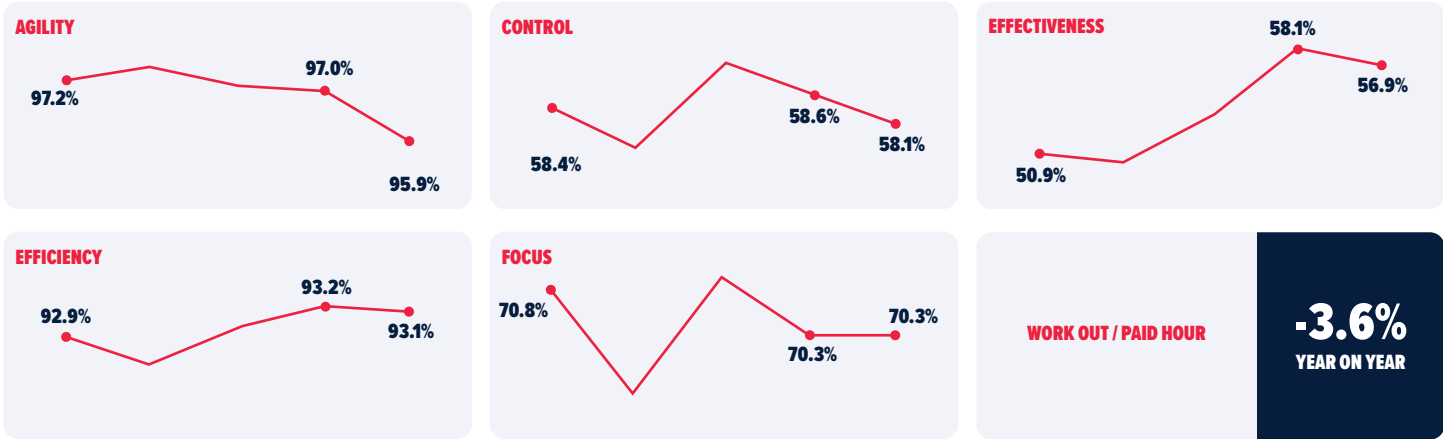
CONTROL – is lower QoQ and YoY. While the decline in Q4 is not quite as sharp as the drop in agility levels, ops leaders need to ensure they are setting achievable goals that match available resources.

EFFECTIVENESS – is lower QoQ but higher YoY, indicating that despite the recent declines in agility and control, the impact on customer service has not been as pronounced.

EFFICIENCY – is slightly lower QoQ but marginally higher YoY, maintaining fairly consistent levels over that time (underscoring the ongoing challenge to unlock greater efficiency).

FOCUS – is unchanged QoQ but lower YoY, indicating not enough time is being spent on core work (and with falling agility levels, that also suggests it is not because of re-skilling efforts).

WORK OUT PER PAID HOUR – is lower YOY, back to 2023 levels, following a similar path as focus levels with workers potentially left with too much idle time on their hands , despite delivering higher level of customer service.



THINGS TO CONSIDER

Australia and New Zealand’s OpsIndex score ended 2024 at 60.2 – a drop from a record 63.3 in the third quarter but still above where it started the year (60 in Q4 2023). While the region has performed consistently, it is still struggling to push beyond these levels, in part because ops leaders in Australia and New Zealand have still not found a way to unlock extra capacity. With performance potentially at risk of dipping in Q1 due to seasonal factors (the region often sees a drop off in their summer months), ops leaders must find ways to make better use of their resources and drive greater operational efficiency.

- ▶ The decline in agility over the past quarter is something for ops leaders to note, particularly given the uncertain economic backdrop and the challenge with forecasting inbound work volumes in this climate.
- ▶ As a region, Australia and New Zealand has persistently struggled to make significant efficiency gains. Ops leaders must look at ways to automate more work to make better use of human resources.



Ops leaders can look back on 2024 with satisfaction, given all regions have made improvements to their OpsIndex scores compared to 2023. However, the drop off in North America after it hit a record high in Q2, and the same for Australia and New Zealand after it hit a record high in Q3, shows ops leaders must get better at consolidating the gains they make, potentially by unlocking greater efficiency through the use of AI and automation. With the world braced for a fresh era of uncertainty, smarter resource allocation will be key for ops leaders to maintain operational performance in this environment.

By analyzing OpsIndex metrics, however, the quarterly Performance Tracker can help you navigate the current environment by identifying the areas you need to tweak to improve operational performance. Here are the key themes for ops leaders to keep in mind in the year ahead.

LEVERAGING AI INSIGHTS

Ops leaders are on the precipice of a step change in the way operations are run, with AI opening up fresh opportunities for innovation by arming organizations with greater decision intelligence. By using AI-driven insights, organizations can improve ops management and augment strategic decision making, empowering ops teams to work smarter and deliver better outcomes for the business and its customers.

ALIGNING OPS WITH INFORMATION TECHNOLOGY

To unlock this potential, organizations must encourage their ops and tech functions to collaborate more closely than they have historically, ensuring any AI projects are delivered with operational excellence as the primary goal. This can help avoid adding to the vast graveyard of failed IT investments that have plagued financial services firms when there has been a lack of alignment between the two functions.



By using AI-driven insights, organizations can improve ops management and augment strategic decision making



REDEFINING OPS ROLES

AI could change the skills needed among ops professionals by moving away from narrow product specialisms and instead allowing workers to become more process orientated, enabling ops teams to be more agile and efficient. By being product agnostic (fueled by AI-augmented expertise), ops professionals can focus on the underlying process, helping smooth out natural peaks and troughs in workload across product lines and enabling ops teams to be more productive.

THE FUTURE OF OPS

While it is impossible to predict where AI will lead us, the ops function of the future is likely to be very different than it is today. Fueled by data and insights, ops will be a slicker, streamlined function where human intelligence will be augmented by AI, enabling more effective decision intelligence. In this new world, ops will no longer be seen as a drag on the business, but as Professor Daniel Samson says, a competitive weapon that can drive greater business performance and growth.

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

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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.

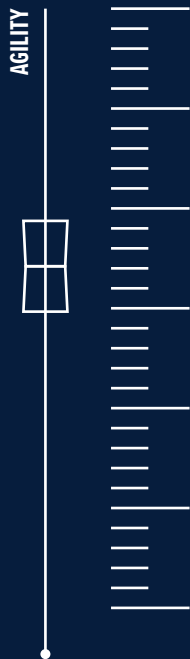
One of the challenges for benchmarking operational processes is comparability. The OpsIndex measures how well operations are being run, within the variety and complexity of the underlying business activities. It provides comparisons against five metrics—agility, control, effectiveness, efficiency, and 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

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

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

WHY IT MATTERS



WHAT YOU CAN DO

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 2024. 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**®