How Low Code Application Platforms Can Drive Innovation in an Age of Constant Change

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PREFACE

Business leaders are in a race to give their organizations the agility and speed they need to thrive at a time of huge volatility.

The recessionary environment is challenging growth in key economies. Against this backdrop, business organizations continue to accelerate the pace of innovation in order to support the evolving needs of the business, employees and customers.

Technology will play a vital role in helping organizations flex and adapt, by providing them with a platform to become more data-centric and roll out new services and features, break down company silos to drive greater transparency and transform workflows to increase productivity.

But too often in the past, investment in digital transformation has not been aligned closely enough to the needs of the business. Research from McKinsey found that as many as 69% of digital initiatives fail to deliver the expected business outcomes, and a disconnect between IT and business teams is often the root cause.

Having the tools in place to collect and process data and having the ability in place to turn it into actionable insight are different things. This is exacerbated by many businesses struggling to attract and retain in-house skills and expertise to leverage data to support continuous innovation. To successfully master the science of digital transformation, organizations need to adopt an ongoing pursuit of innovation by leveraging technology to unlock business value. Digital leaders achieve earnings growth that is 1.8 times higher than digital laggards—and more than double the growth in total enterprise value (source – BCG).

A growing number of organizations are transforming their business by adopting low code application platforms (LCAP). Solutions such as the Microsoft Power Platform are transforming traditional approaches, by enabling citizen developers without significant application development experience to shape new digital services in a way that truly supports the business. Through this approach, traditional, inefficient, and often paper-based processes and workflows are being digitized by colleagues with zero or limited development experience. These business users further contribute to the broadening of the ideal pool, devising solution approaches to existing challenges, while shaping up the realization journey.

Automation adds further benefits, as non-technical users can now create automated workflows through Power Automate's simple and intuitive interface. These automated business processes can be triggered by Power BI-derived insights and integrated into systems supported by Microsoft's Power Platform. But what is the Microsoft Power Platform, and what is it used for?

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THE MICROSOFT POWER PLATFORM JOURNEY

The Power Platform was released in 2015 as a Microsoft cloud computing product suite initially consisting of Power BI (cloud-based business analytics and data visualization solution), Power Apps (low code application development), Power Automate (formerly Microsoft Flow aimed at automating business and process workflows), and Power Virtual Agent (no-code graphical interface chatbot).

During the early Power Platform days, it catered mostly to Microsoft Dynamics business applications users who could use low code application development to build additional layers for mobility, experience, and more. For example, blending Dynamics 365 Customer Insights and Marketing with Power BI and Power Apps enables citizen developers and seasoned developers to create internal apps linking customer data with operational data to create new services and personalized experiences. This is where the Microsoft Power Platform's Power BI democratizes data while Power Apps democratizes software development, accelerating innovation.

REST API connectors, acting as an API wrapper or proxy, further extend innovation and experiences. In other words, an API that conforms to the design principles of the Representational State Transfer (REST) architecture using open standards, capable of talking to Microsoft Power Apps through Actions (behaviors) and Triggers (event-driven flows). There are over 900 connectors to connect to Microsoft and verified services, including SAP, Salesforce, and Oracle Database, to name a few. If prebuilt connectors do not meet the criteria, a custom approach is available to communicate with Azure Logic Apps, Power Automate, or Power Apps. The main purpose is to connect data source(s) to, for example, Power Apps to interact with a particular service, enabling the business to couple different ecosystems and build new and complementary layers on top for improved insights, efficient workflows, new experiences, services, and features, etc.

The strengths of connecting third-party enterprise software via connectors is amplified by Microsoft Power Apps' journey from a low code application platform for not only designing, building, customizing, and creating applications but also to update, improve, and scale at the enterprise level, digitizing more services and

processes. Moreover, the platform is being used to modernize legacy applications and build hybrid solutions at the enterprise scale, supported by Microsoft's continuously evolving and enriching the platform with new features (e.g., Power Pages).

Microsoft Copilot, combining AI/Generative AI and the power of large language models (LLMs) into the Power Platform, is set to generate even richer experiences and significant performance gains. Ideation can quickly come to life through AI based on existing data, Copilot suggestions, and logic and/or workflow prompts. Microsoft Copilot infusion aims to provide fully functional experiences beyond traditional automation while reaching outcomes faster without needing a code or process expert.

If businesses are still on the fence about how the Microsoft Power Platform could add value, there are plenty of case studies that are publicly available.

An interesting client story is that of India's largest private sector bank, headquartered in Mumbai. The bank has a strong presence across the country with a network of over 5,000 branches and 13,000 ATMs. It offers a wide range of financial products and services, including personal and corporate banking, loans, credit cards, wealth management, insurance, and investment banking. As part of its 'Future Ready' strategy, the organization partnered with Infosys to embark upon a journey for consolidating and modernizing its enterprise data landscape. Using Power Platform as an LCAP, the bank created an app innovation and automation factory to migrate, modernize and transform its application portfolio, thereby delivering a 'neo-banking' experience to its customers.

Microsoft Copilot infusion **aims to provide fully functional experiences beyond traditional automation while reaching outcomes faster**

BUSINESS MODERNIZATION THROUGH FIVE DIMENSIONS

The secret sauce to successful modernization is to adopt a composable and adaptable enterprise posture with greater agility and resilience. PAC considers low code application development platforms to be a valuable ingredient for this secret sauce. From an application standpoint, there's still much room for improvement among businesses.

According to PAC's recent Worldwide CxO Survey, 72% of business leaders state that their existing business applications are not sufficient to support their digital strategy, while 63% said they do not know where to start their business application modernization journey. Meanwhile, the 2022 Mainframe Modernization Business Barometer Report states that sitting idle and continuing to rely on legacy systems and applications leads to a lack of business agility, modern technology integration difficulties, and an inability to scale.

For these businesses, pursuing digital modernization to mitigate risks is highly recommended and PAC believes five key dimensions should be considered:

Modernization:

Too often, companies rely on inefficient manual processes with data stored in unhoused business applications (e.g., Excel or others). This leads to security risks, data backup and data governance limitations, and inefficient workflows resulting in data duplication, human error, lack of insights, and missed opportunities. The Microsoft Power Platform is a solid solution to these challenges. It can store, process, and transfer data securely, for example, via Dataverse or SharePoint, while using connectors for external data sources.

Over the years, Microsoft's investments in Azure, Office Graph, and BizApps clouds were among other things, aimed at providing a seamless data estate where data is secure and modeled in such a way that in any modernization, data integrations and connections are out of the box or natively designed, enabling seamless data flows across clouds. For IT services providers, this means that

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instead of worrying about technical challenges, time can be spent on the use case and engaging with the client, bringing all elements together.

With data no longer housed in a legacy environment, process mining via, for example, Process Advisor in Power Automate enables businesses and organizations to better understand their business processes, identify workflow inefficiencies, and how to optimize processes.

Power BI and Power Apps share a symbiotic relationship where creating a customized, industry-specific application connecting critical data in a single location via Power BI and Power Apps integration is possible. This enables users to transform and scale different data sources into interactive, visually appealing (e.g., Power BI reports and/or dashboards), intelligible insights, and opportunities in real-time.

To further improve the user experience, Power Virtual Agents (AI-powered chatbot) is natively integrated in Power Apps. Users can quickly and easily add an AI-powered chatbot to their application(s).

Agility: A compelling argument of the Microsoft Power Platform is greater development agility and faster business value in a short timeframe (minutes, hours, days). In contrast, traditional software development averages three to nine months, depending on product complexity.

Adopting a low-code application platform such as the Power Platform brings next-level digital agility by democratizing and accelerating software development. As business needs change, the flexibility offered using AI copilot, prebuilt templates, drag-and-drop simplicity, Azure Functions, and more, enable seasoned and citizen developers to build, extend, amend, and deploy applications much faster.

Efforts can quickly be generated at an enterprise scale. For example, Power Apps platform applications leveraging Azure Cloud Services can help businesses scale from individual productivity to enterprise mission-critical line-of-business applications. Other benefits include autoscaling, load balancing, automated updates, enhanced compliance, and security, to name a few.

Human experience: According to the Edelman Trust Barometer 2022, 60% of global workers choose their workplace based on their beliefs and values. A study by Oxford University found that happy workers are 13% more productive. Another global study by Willis Towers Watson showed that 92% of employers said enhancing employee experience is a top priority.

The correlation between workforce happiness, productivity, and talent retention is perhaps self-explanatory but this is facilitated if employees have the right tools with a user-friendly UI. Once they have the right tools, a creative mindset will flourish. In turn, creativity leads to new opportunities, efficiency, and innovation.

Low code application development platforms enhance the developer experience and enable employees that have a good understanding of the business to create user solutions and experiences that address specific challenges or workflows. At the same time, workforce enablement through democratizing software development will translate into a sense of belonging, ownership, and value. This is what the Power Platform hopes to achieve through business solutions such as Power Apps, elevating the user experience and harmonizing business innovation, productivity, and growth all at once.

Industry-specific solutions: In today's business environment, enterprises emphasize the adoption of industry-specific (cloud) solutions over standard applications for various reasons, industry-specific modules (e.g., engineering inventory management, warehouse management, sales, and distribution, etc.), industry best practices, accelerated implementation and faster time to value, to name a few.

Companies invest in industry-specific applications to make processes and operations more efficient and gain a competitive edge over their peers. Therefore, these investments will continue to grow. PAC figures indicate that industry-specific SaaS applications will grow 20.7% CAGR globally and 22.5% CAGR in EMEA over the next four years.

The Power Platform offers the ability to create industry-specific solutions in Power Apps' canvas apps (a blank canvas with drag-and-drop components to design an intuitive user experience and connect to one or more data sources) and model-driven apps (designed on underlying data, i.e., data model-driven apps for end-to-end solutions, leveraging components such as forms, views, and charts and dashboards to tables). Users are able to create, amend, extend, and scale applications for specific workflows or industry needs, improving the user experience while eliminating complex UI, excessive/missing functions, and high licensing costs.

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In more complex and enterprise-scale scenarios, businesses seeking to adopt the Power Platform will most likely engage with a Microsoft partner while also benefiting from industry-specific IP, such as accelerators, tools, and pre-configured business assets to speed up digital transformation and run, maintain, and scale the services post-migration.

Hybrid World: During the global pandemic, most businesses shifted to a hybrid or fully remote working model in a short timeframe. For many, this was a massively complex undertaking in terms of business operations and processes, impacting company culture, connectivity, and productivity.

In a post-pandemic era, hybrid working models continue to be widely visible. The Chartered Institute of Personnel and Development (CIPD), representing over 160,000 members globally, conducted a study in 2022 of 1,000 senior decision makers of which three-quarters said to offer hybrid working through formal or informal arrangements at their respective companies.

The Power Platform provides various tools and functionalities to support hybrid working models, for example, HR, marketing, finance, and other departments. Power Apps is a widely used solution to accommodate shifts in working styles as it integrates seamlessly with existing systems. For example, by integrating Power Apps with collaborative tools such as Microsoft Teams, businesses can quickly build and scale apps around Teams for various purposes, including employee incentive reward schemes, project management tools, onboarding workflows, etc. Additionally, Power Automate can help streamline workflows by deploying automation for specific activities. At the same time, AI-powered chatbots support answering employee queries - an approach often used to unburden HR agents.

From a hybrid working perspective, Power Apps, Power Automate, and other Power Platform business solutions offer many possibilities. Still, as a first step, it is key to understand the existing business challenge a company is trying to solve. By collaborating with an IT services provider and/or Microsoft partner, this becomes more straightforward as it is plausible the partner has worked on multiple projects tackling identical or similar challenges. Not only are IT partners able to help with your challenges, but due to their experience, they often can identify and solve other existing challenges that business stakeholders may not have considered.

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CASE STUDIES

A good example encompassing some of the dimensions described above is that of an American supplier of wafer fabrication equipment and related services to the semiconductor industry.

The supplier sought to modernize processes such as engineering inventory management, requesting parts, and ordering development material. Before it engaged with Microsoft partner Infosys, it used the low-code automation platform Appian and created apps for the processes above. However, users found Appian lacking a modern UI and agility besides being a costly platform.

Infosys successfully supported the supplier in migrating to the Power Apps/Power Automate stack to solve these challenges. The migration, and seamless connection with its SAP system, led to improved immersive search functionality, improved UI response for its industry-specific needs, enhanced EX regardless of work style, and savings of USD 270,000 in annual costs.

Another example is a leading electricity distribution company owned by the Government of Australia, which sought to transform procurement processes as the existing solution (SAP Ariba) for contact creation and approval was not meeting their needs and was too complex. SAP Ariba's high costs also played a key role in switching.

The utility company settled for the Microsoft Power Platform, leveraging Power Apps, Power Automate, and SharePoint. Supported by Infosys, and the Power Platform stack, the company quickly redeveloped its procurement tool for contract creation and approval, covering procurement and non-procurement users with SharePoint Online as the backend. With a custom connector calling SAP web services, the created app also covered contract publishing and extraction for master data to and from SAP. The result was a straightforward and simplified UX while saving significantly on annual operational and licensing costs as it no longer required Ariba's sourcing and contract modules.

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The result for the utilities provider was a straight-forward and simplified UX while saving significantly on annual operational and licensing costs as it no longer required Ariba's sourcing and contract modules

ENSURING CONTINUOUS INNOVATION AT SCALE

Investing in a low-code application platform across an enterprise can be challenging, but it does not have to be. In a small, largely controlled environment, this can be straightforward, but when dealing with a large workforce, subsidiaries, and different geographies, things can get tricky (local regulations, data siloes and quality, varying processes, etc.). Working closely with an IT services partner is your best bet for solving challenges, improving workflows, and increasing productivity.

Businesses should consider engaging with an IT services partner before adopting an innovative technology. The first step of any innovation-oriented engagement should be problem definition. Mutual discovery and identifying possibilities is the biggest challenge before adopting any technology.

A good IT partner places a balanced emphasis on the technology chosen, e.g., Microsoft Power Platform stack, aligned with the business strategy and employee expectations.

To ensure ROI and companywide user engagement, a valuable service offered by an IT partner is that of change management through exploratory workshops and engagement cycles, e.g., citizen developer training sessions, design thinking approach, etc. This approach fosters a company culture where modern working methods are adopted and continuous innovation and creativity is at the heart of the business.

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PAC OPINION

Many businesses have been able to harness Power Apps to accelerate innovation and transform operations and processes, resulting in increased growth and enhanced user and customer satisfaction.

However, governance and standardization are critical to avoid shadow IT, a lack of alignment with the overall business strategies, and excessive customization leading to complexity.

The stakes become high when Power Apps built solutions are mission-critical, have a high business impact, or rely on sensitive data. Therefore, identifying key risks and understanding the potential impact is critical before unleashing the power of the Power Platform by delegating initiatives to the wider workforce.

Despite Microsoft's low code application platform's potential value, it is often best to engage with a Microsoft partner that understands the business, has industry-specific expertise and IP, can tackle complex engagements, and has a deep understanding of third-party ecosystems, to help users transition or use a new platform to the fullest at scale; A path taken by a growing number of enterprises that are leaning on external system integrator partners to accelerate their time to value.

Too often, businesses rely on their in-house expertise or partners that place too much emphasis on the technology aspect, leading to innovation that fails to join the dots with the overall business strategy, employee expectations, and customer needs. It is important to remember that even if a solution or technology is tuned to perfection according to business needs and strategies, a path to success starts with its users.

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ABOUT PAC

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