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Getting Robots Right

How to avoid the SIX most damaging mistakes
in scaling-up Robotic Process Automation

Australian organisations are increasingly turning to Robotic Process Automation (RPA) to improve operational efficiency, productivity, quality and customer satisfaction. It is part of a wider move towards automation – here and around the globe – with 54 percent of Australian organisations reporting cost savings (of 15 percent or more) from automating systems and processes over the past two years.¹



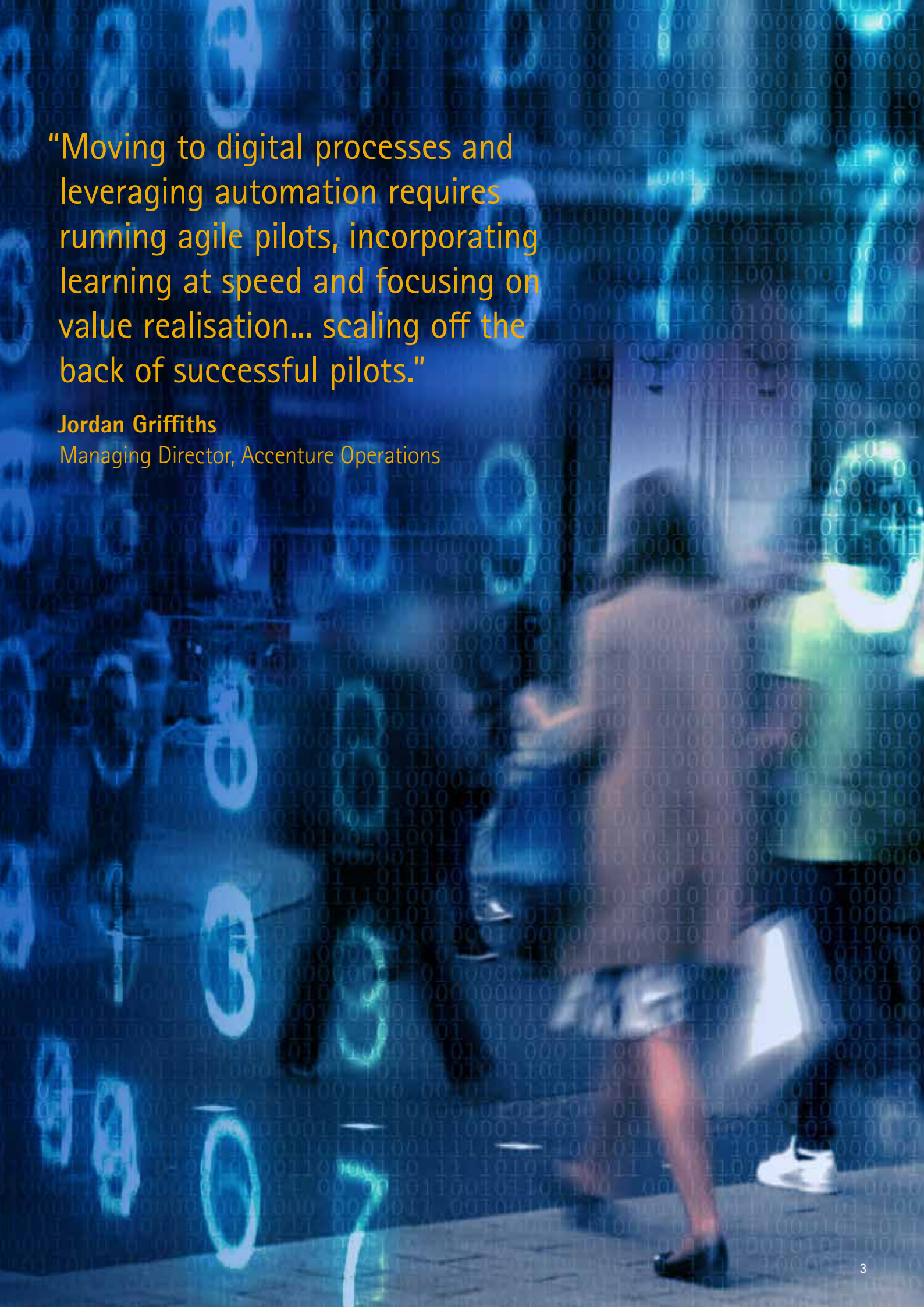
of Australian organisations reporting cost savings

Yet RPA remains misunderstood. While most now know that software robots do not come with hydraulic arms and rubber tracks – and while many have dipped a toe with trials and tests – few have experience building large-scale, organisation-wide RPA capabilities. As a result, Australian organisations remain vulnerable to costly mistakes in striving to realise the major productivity outcomes and transformational benefits of RPA.

This article puts the spotlight on the six biggest mistakes that companies make in expanding automation programs, highlighting several practices that can help organisations get large-scale RPA right the first time.

New to RPA? Read our executive primer: RPA in 60 seconds on page 10.

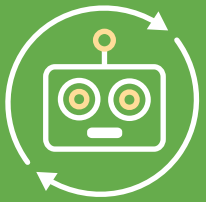
¹ Accenture Technology Vision 2016



“Moving to digital processes and leveraging automation requires running agile pilots, incorporating learning at speed and focusing on value realisation... scaling off the back of successful pilots.”

Jordan Griffiths

Managing Director, Accenture Operations



Mistake #1

"Robots are the whole solution"

RPA is not substituting one ingredient for another. It is part of a shift to a whole new recipe. The most transformative benefits come from mixing the right combination of RPA tools, process engineering and human talent – all within a long-term shift towards superior experience and greater automation.

As such, software robots should be introduced as part of a strategy of incremental investment in automation, analytics and artificial intelligence that will underpin transformation,

modernisation and innovation in operations for the next decade and beyond. Focusing only on short-term cost reductions will not get the full benefits of automation.

Few processes can be neatly and entirely automated using an RPA tool alone. Starting with end to end process thinking you will often need to use multiple tools and techniques (including "mini bots," natural language processing, data analytics, process reengineering, mashups and more). Similarly, to save costs, some investment often needs to be made first (e.g. in digitisation) in order to support the right combination of tools.

This is why one of the most important and complex areas of implementing an automation program is solution design: identifying the high value areas, determining which combination of capabilities to apply to processes in order to create optimal efficiency. Strong solution design should have a broad focus from the start, and a long-term plan (and business case) for ongoing improvements and innovations.



Mistake #2

"I can do this without involving IT"

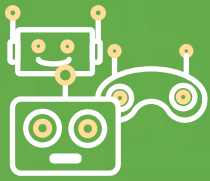
Often RPA is driven by core operations functions – e.g. middle office, HR, finance or procurement. With the best of intentions, there is sometimes a lack of understanding around how RPA will impact the rest of the business.

Robotics tools are also non-invasive (i.e. require no integration to legacy applications) and can be installed on any desktop. For these reasons, there is a tendency to think RPA does not need significant involvement from the enterprise technology team (IT).

But this is a mistake. A former Head of Back Office Services at a major telecommunications firm tells how his RPA pilot proved so effective it almost got him fired. So many transactions were executed in such a small amount of time it triggered an IT security alert, and he was escorted to a private room by the Head of Fraud and Security.

He found the IT team had strong negative preconceptions about RPA, assuming it was built from unsupported macros and "screen scrapers". The team also viewed RPA as unnecessary, given the mature Business Process Management System (BPMS) they had developed in-house.

Avoiding this kind of internal wrangling is one reason to bring IT on board as soon as possible. But a more fundamental reason is to ensure RPA systems are part of IT's worldview and strategy in terms of security, reliability, scalability, continuity and fault tolerance. This will enable the Operations teams to drive the productivity outcomes and transformation benefits fast.



Mistake #3

"If I can do one robot, I can do 1,000"

Getting started in RPA is relatively easy. In fact, a great feature of the technology is the ease in which organisations can "test and learn" in sandbox environments, gaining experience without risking negative impacts.

Completing a centralised, rigorous program of pilots, tests and reviews is often critical in satisfying the demands of board members, investors and regulators. But it also places an automation program on the right track by increasing the internal knowledge and expertise needed to industrialise RPA.

But this straightforward ability to prove the concept leads many to run before they can walk. Implementing one robot is relatively easy. Implementing hundreds across diverse processes – and integrating automation across the organisation – is much harder.

An initial piloting phase would typically take between one and three months. A process of wider business consultation should be established in this phase, where different areas can come forward with ideas to be built into the program, on what could be automated in their business areas.

Scaling up from piloting then requires a formal structure and operating model, centralised control, strong governance, approved business cases and a long-term road-map. It involves systematically rolling smaller projects in a wider program and delivering benefits in parallel.

The "go live" phase is often a nine-to-sixteen month program where implementations are delivered in waves, according to the roadmap. This formal, robust, holistic approach is the only way to build a sustainable automation capability that reaps the considerable benefits of larger scale RPA.



Mistake #4

"Let everyone do their own"

RPA tools are highly flexible, easy to use, and applicable in several contexts, across functions and departments. This leads larger organisations to let a thousand flowers bloom, not wanting to restrict new innovations, and what seems to be, a wide-scale efficiency drive.

But from the beginning, automation programs need centralised control and governance. Without it, a tangled mess of isolated projects can ensue.

Robots can be targeted at the wrong tasks, solutions overlap and a random mix of tools and techniques develop – all of which can hamper future scaling. Key risk practices can also be applied inconsistently – or missed entirely – including business continuity planning, formal maintenance schedules, system documentation, IT security protocols, robot inventories and measures to preserve human process knowledge.

RPA at scale is best achieved within a common environment – using common security, risk and quality standards – under centralised control and governance procedures; minimising risk and maximising learning.



Mistake #5

"Robots are 'set-and-forget'"

Just like every other system in an organisation, robots need to be managed (operationally) and maintained (technically). We should think of robots as true virtual workers.

And just as for human workers, when procedures and rules are updated, a change strategy must ensure robots are tuned, processes kept up to date, systems are aligned and human workers informed.

RPA programs should be managed continuously. New procedures need to be tested and leaders need to be alive to new complexities that could arise. Similarly, all changes to underlying systems and technology need to be monitored, with changes put through to the "virtual team" accordingly.



Mistake #6

"People strategy can come later"

RPA has positive implications for employees. The kinds of tasks being automated are mundane, repetitive, high-volume drudgery – parts of high-turnover roles filled by dissatisfied, disengaged employees who would rather be doing something more interesting and more valuable to the organisation.

Human brains of course, are more valuable in non-robotic tasks, including creative problem solving, innovation, personalisation, discretionary decision-making, in-depth analysis and human-to-human communication. RPA allows

teams to retrained to focus more of their time on these higher value, higher satisfaction tasks. Robot capability also evolves allowing for increasingly complex tasks to be automated. These new capabilities need to mapped against revised roles, processes and systems, to identify and capture further benefits.

But this doesn't happen by itself. Any RPA plan needs the technology strategy and the people strategy on the same page. Failing to do this will, at best, cause delays in training, redeployments and team development, and at worst, lead to unrest in employees that feel uncertain about their future.

Case Studies

Scale across functions

A major, global technology company needed to blend RPA tools with several third-party tools to automate its financial reporting processes. A tool capability assessment and solution design allowed the company to develop a strong, stable system that was rolled out across multiple functions.

Benefits

Reduced processing time by 28 percent, increased in productivity by 40 percent, halved the number of errors and upskilled financial analysts to more valuable tasks.

Increased efficiency

An international retailer has used RPA to drive greater accuracy, improved efficiency and faster invoice processing, validation and query resolution. The implementation was woven into several different applications to automate a previously time-consuming, error-prone matching process.

Benefits

A 46 percent improvement in efficiency and a 40 percent reduction in transaction handling time.

Scale across regions

Workflow and analytics automation are bringing significant improvements to finance process at several organisations. One global technology company has successfully replaced cash allocation processes with an automation solution that is now being systematically scaled to multiple regions.

Benefits

So far the initiative has generated over AUD\$500,000 in cost annual savings and driven the process quality score up to 98.8 percent.

Increased data accuracy

Automation is delivering greater efficiency and accuracy in sales and reporting for a global energy company, thanks to optical character recognition in concert with automation tools. Over 100 processes have been automated seamlessly, without disrupting existing global process design.

Benefit

A 67 percent reduction in the time needed for journal entry and invoice processing, increased data accuracy and total annual savings of over AUD\$3M.

Improved compliance

For a company in the global oil field service industry, complying with travel and entertainment expense (T&EE) policies goes beyond compliance with spending rules – it is also a way to prevent actions that could be interpreted as corrupt practices (e.g. violation of the US Foreign Corrupt Practices Act). Client expense report audits were previously limited to only a few sections of the T&EE policy and provided inadequate data for reporting. Automating the process allowed for a broadening of the scope and expanded the reporting capability – providing transparency over non-compliance and flexibility around process changes.

Benefits

A 49% reduction in personal-related spending and a 21% increase in compliance with T&EE policy.

Higher value work

A global banking and financial services company recently their procurement teams to focus on more rewarding, higher value work.

This implementation used RPA to automate invoice processing, non-compliance validation, vendor master data, catalogue creation/amendments, contract uploads, vendor on-boarding and global sourcing.

Benefit

A more motivated team now delivers new value and achieves more for the business – meanwhile, the initiative has achieved productivity savings of approximately 20% across the function.

“The highest level of benefits come from mixing the right combination of RPA tools, process engineering and human talent.”

Vinod Muraleedharan
Robotics & Automation Practice
Accenture Operations

Critical Success Factors

Avoiding the six mistakes is about getting pre-implementation expectations and strategy correct, putting in strong governance of RPA across the organisation and ensuring ongoing monitoring, maintenance and improvement. These imperatives are underpinned by six critical success factors:

1. The Automation Centre of Excellence

Organisations need a team responsible for automation governance, idea generation, skill development, process assessment and organisation wide support. This function ensures best practice is implemented, projects are not duplicated and reusable RPA tools and resources are developed.

2. Right Tooling

There are many automation tools on the market, with different capabilities, strengths and weaknesses. Organisations need a new kind of capability assessment and solution design – tailored to automation projects – that maintains updated analysis of various technologies and can optimise the selection of the right tools for the right processes.

3. Structuring the Infrastructure

A strong infrastructure support network is needed, with a virtual environment, server hosting and management, product installation and service capabilities to seamlessly support large-scale rollout.

4. Robot Risk Control

Robust monitoring and security governance is critical to ensure all the tools and related infrastructure developed in RPA are compliant with IT security policies, regulatory provisions and risk policies across the organisation.

5. Operating Governance

A comprehensive governance framework is essential to execute step-by-step RPA implementation, manage organisational change, update processes, manage service demand fluctuations and communicate with stakeholders.

6. Focus on Value Realisation

Implementing robotics is about driving operational efficiency, productivity, quality, customer satisfaction and more. Successful robotics programs have a relentless focus on the business value returned from their robotics investment.

This advice is hopefully timely for many organisations. In Australia, FY2016/17 is likely to be a watershed year for RPA, with significant increases in the scale and breadth of implementations. This is being driven by the increasing weight of evidence from successful early adopters – such as the big four banks.

This will soon be followed by an increase in Intelligent Automation – a move up the automation continuum from RPA. Here, the potential to use of unstructured data inputs – and the power of systems that learn from experience – unlocks a wider set of tasks that can be automated. Scaling RPA the right way, will lay the perfect foundation to step up the automation continuum.

RPA in 60 seconds: the what, where, why and how

WHAT is RPA?

Robotic Process Automation (RPA) uses software to complete repetitive, structured, rules-based tasks to automate business processes at scale. In many ways, RPA is the office-based equivalent of production-line robots.

RPA is part of an automation continuum that starts with simple, local tasks and scales up to enterprise-wide, intelligent automation, driven by machine learning and artificial intelligence.

WHERE can you use RPA?

RPA is used to process transactions, manipulate data, trigger responses and communicate with other digital systems. It is ideal for activities involving repetitive, non-subjective, high-volume manual tasks.

Two conditions must be met for an RPA implementation to be viable:

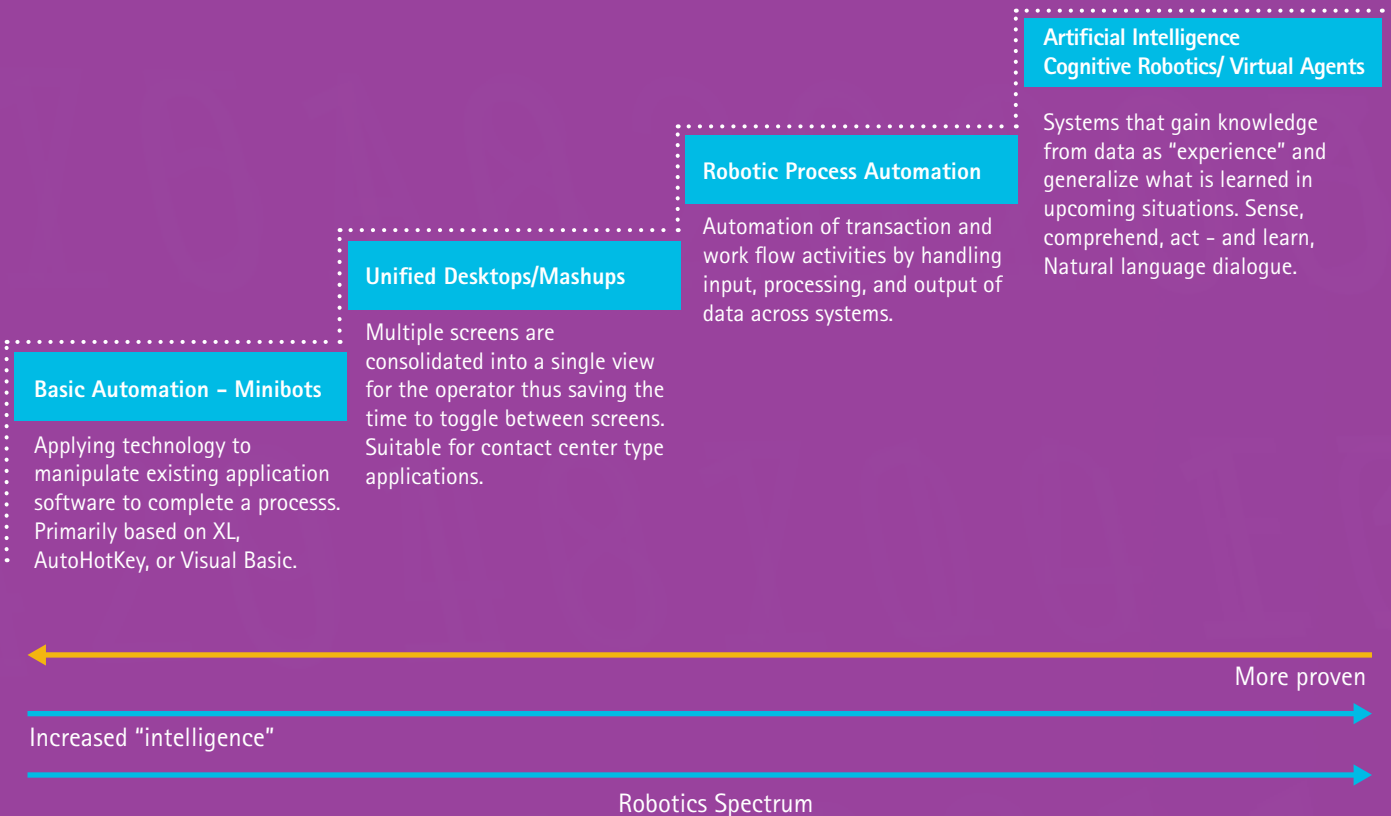
1. Structured inputs

The process must involve only structured, digital input (in some cases, other automation tools may be needed to prepare data for processing by software robots).

2. Rules-based processing

RPA follows defined rules. Unlike more intelligent automation, RPA requires a prescribed rule for every eventuality.

Ideal applications can be found in finance, HR, procurement, supply chain management, customer service/ experience and hundreds of industry-specific business processes (e.g. insurance claims processing).



WHY implement RPA?

There are seven powerful benefits of RPA:

1. Accuracy

RPA reduces the risk of transactional errors (e.g. incorrect data inputs, missed steps, incomplete processes, mistakes in rule-application) and improves overall data accuracy.

2. Speed

RPA dramatically reduces process cycle time – on average, handling times fall by 40 percent, which can significantly improve outcomes and customer satisfaction.

3. Service Continuity

Software robots work 24/7, providing predictability, dependability and continuity of service.

4. Cost Efficiency

RPA reduces the cost of transaction processing by up to 80 percent.

5. Ease-of-use

Relative to other forms of automation and transformation, RPA is easy to implement, configure and maintain – typically via a simple, intuitive user interface.

6. Agility

Adapting to demand fluctuations is a key advantage of RPA. Capacity can be increased or decreased – almost instantly – at a fraction of the cost of traditional models. This can be critical in ensuring peak demand does not negatively affect customer experience.

7. Scaling

RPA effectively decouples resource costs from process volume. This greatly simplifies operational scaling, allowing organisations to focus resources on other key areas of expansion, organisational change and capacity increases.

How does RPA transform an organisation?

The benefits of RPA are compelling. In combination, they can have a transformative impact on organisations and accelerate business outcomes without increasing complexity. For example:

Customer Experience/ Satisfaction

Turnaround times are quicker, so customers are not kept waiting, services are more convenient as operations are processed 24/7 and there is far-smaller risk of a processing mistake impacting a customer.

Workforce Value

People are moved from repetitive, monotonous routines to higher-value tasks that directly impact customer and business outcomes. Job satisfaction increases, as staff are able to expand their skills through more complex and challenging work, while organisations get more value from their employees.

Risk/Compliance Control

Compliance and risk management is improved through error-reduction, and more consistent, accurate and configurable application of rules. Robots are also programmable, rather than habitual, so rule changes are quicker and easier to implement than across a human workforce.

Analytics and Visibility

Leaders can gain total control and visibility over end-to-end processes. When processes are automated and standardised, data capture, structuring and extraction becomes easier, leading to more reliable and valuable analytics.

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