



Got automatonophobia?

**Four steps for overcoming your fear and
getting started with process automation**



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Introduction

Automatonophobia is the fear of anything that falsely represents a sentient being. And when it comes to process automation, many organizations have this fear about getting started.

Indeed, robots are fast advancing, enabling you to improve the accuracy, consistency, speed, and delivery cost of any activity that requires human labor. They do not need sleep, overtime salary, or breaks, and they can do everything from opening an Internet browser and executing a program to validating data, answering questions, and supporting decisions. But in a dynamic and somewhat ambiguous technical landscape, with a lack of established marketplace examples, some companies have spent the past 12 months just talking about robotic automation, while early movers are already saving millions of dollars.

Oxford University estimates that 47 percent of U.S. jobs could be automated within the next two decades. So, imagine how this automation could drive substantial savings in your cost structure. Even at more conservative estimates, the viability of removing 25 percent to 40 percent of your labor cost in the next decade is a very real opportunity. Now, imagine your largest competitor beating you to it.

Which camp do you want to be in? Do you want to follow the market and be at status quo with competitors? Or do you want to act first and create competitive advantage?

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Get started now, and learn along the way.

Robotic automation is moving so fast that if you wait for it to mature, you could get left behind. Instead, to tap the benefits of robotics and improve your competitive position, you need to make your market for automation, rather than waiting for it to happen.

For example, any business that has a large contact center with lots of repetitive, manual activities driven by well-defined business rules will have an opportunity in the next few years to automate much of that work. And the first movers will get a huge cost reduction—and leapfrog their competitors by creating a completely different cost equation. Some organizations are already looking to leverage the savings as capital investments on new business opportunities.

So how can you get in position for this kind of success? Here are four steps for getting into action.

1. Consider the culture of your company, and start with the right-sized pilot.

Your adoption of robotic automation will be based in large part on the culture of your company. Is your enterprise comfortable on the bleeding edge of innovation? Or is it more of a technology follower?

If you are like most organizations, you are not going to rush to cognitive solutions such as IBM Watson out of the gate. Rather, when your culture is on the more risk-averse end of the spectrum, you are wise to build some experience with small, tactical pilots in robotic process automation or RPA (the first class of automation; see Figure 1) before graduating to more sophisticated, cognitive capabilities.

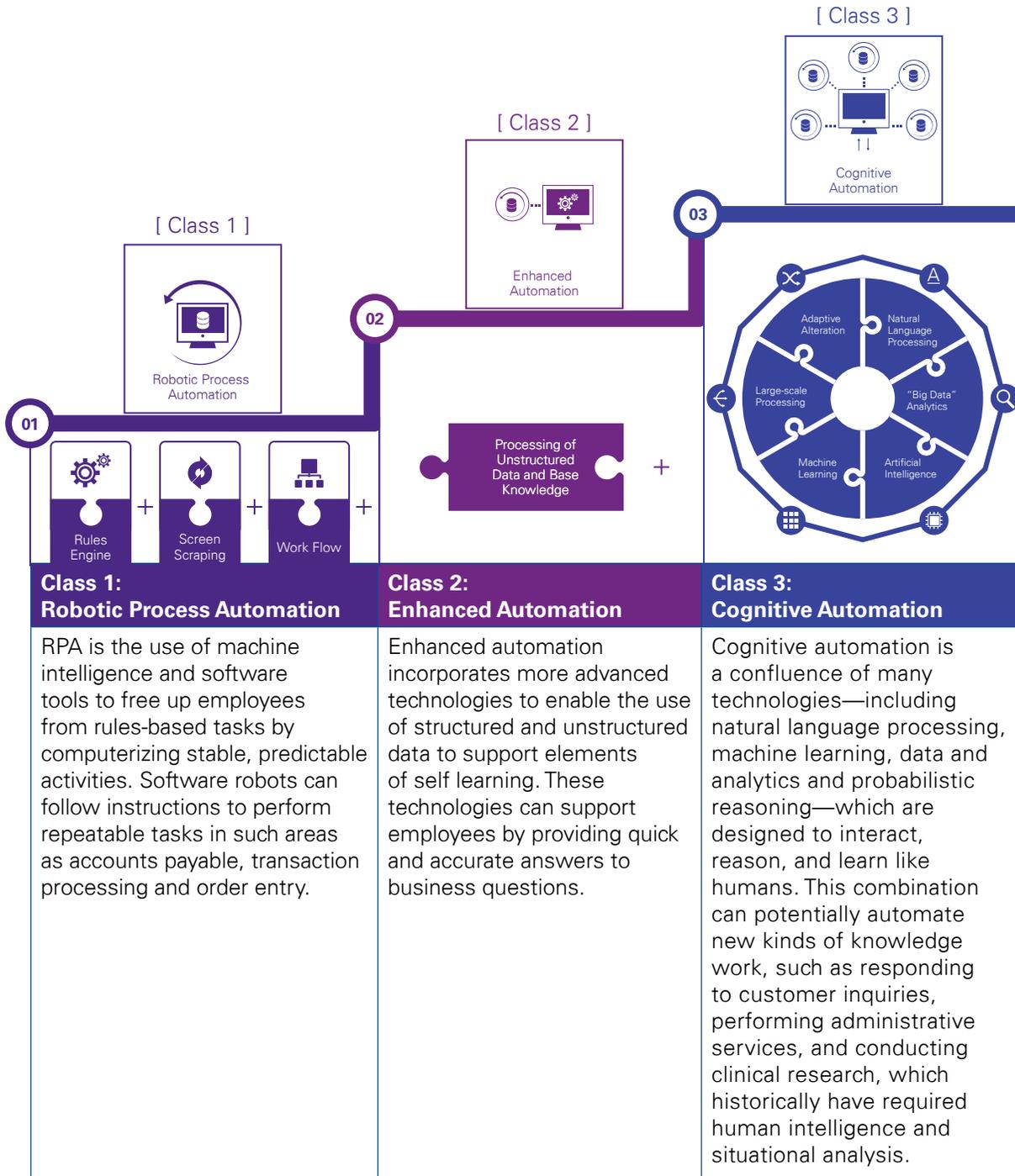
In finance, for example, if you have employees processing thousands of invoices a day, RPA can drastically reduce costs while improving speed and accuracy. Software robots can be “trained” to extract attributes from invoices in a certain format, enter the invoice data into the enterprise resource planning (ERP) system, progress it through a workflow, and assign it to appropriate approvers.

Similarly, you can often use RPA for “swivel-chair” activities involving the manual transfer of data across systems. For example, if an ordering process requires employees to receive data through a spreadsheet, validate customer information in a different application, and process the order in yet another system, you can use a software robot to perform these tasks.

With this kind of low-hanging fruit—whether it is manual processes in the front or back office, in-house or offshore—you can work with a service provider to launch an RPA pilot with very little investment and deliver quick value in as little as 90 days. Moreover, your information technology (IT) teams do not need to build or integrate anything from scratch.

Once you have a few pilots under your belt, you can use the savings to fund larger, longer-term enterprise projects that will generate even more value. In fact, some companies are seeing millions of dollars in early benefits, which may come in the form of increased capacity, improved speed and accuracy, headcount reduction, or other kinds of value.

Figure 1: RPA is one of three classes of automation:



To identify opportunities for Class 1 pilots, look top-down for areas where you have high operational costs, with a lot of people performing manual tasks. Meanwhile, look bottom-up at the actual work they are doing. Consider the volume and repeatability of tasks, as well as the complexity of business rules that govern those tasks.

Setting up the automation team for success

To be effective, a COE for automation should have:



Strong leadership, executive sponsorship, and key stakeholders from throughout the business



A strong relationship with IT and the business units



Respect and visibility throughout the company



Some technical resources to help implement the automation, understand technical challenges, and work collaboratively to overcome them



Excellent capabilities in training, change management, and communications

2. Create a center of excellence to operationalize automation throughout the enterprise.

After you have built some experience with Class 1 automation and want to scale automation at the enterprise level—or if your company is already on the bleeding edge of innovation and is willing to dive right into new enterprise technology—it is important to create a central automation team. This team, or center of excellence (COE), should consider the role of automation in the enterprise strategy, develop an automation plan, manage implementation, and drive adoption throughout the organization.

Which parts of the business could benefit from automation? What are the opportunities in Class 1, Class 2, and Class 3, and what is hype versus reality? How can your company get value from currently available technologies, while also considering fast-emerging technologies?

The automation team should answer these types of questions, focusing heavily on strategic alignment and change management. This team will ultimately take the lead on automation projects throughout the enterprise, including the establishment of standards, response to business units' requests for new solutions, management of vendor relationships, assessment of benefits, and development of controls to prevent rogue "bots" that could cause legal, regulatory, or IT issues.

Accordingly, the COE will need to determine an operating model for managing RPA and other classes of automation. There are three basic models:

Centralized. In this model, a dedicated team of developers is available to the entire organization, and this team helps ensure that all robots are scripted to adhere to the COE's standards. Since technical knowledge is concentrated in one place, the team can ramp up quickly. However, development of solutions could be delayed since the centralized resources will have little to no functional knowledge.

Decentralized. In a decentralized model, each business unit has a few resources dedicated to RPA. Since these resources have some functional knowledge, scripting time will be shorter than in a centralized model.

Hybrid. In this model, the centralized development team can pitch in with scripting support for the function-based technical resources.

3. Identify initial targets for automation projects, and choose the right technologies.

While your functional RPA pilots demonstrated the benefits of automation technology, the COE can formally operationalize and scale those solutions, while identifying opportunities for others. To determine enterprise targets for RPA, the COE should identify high-volume, highly transactional process areas. Following are a few examples:

- *Service delivery*, including tasks such as creating, submitting, and correcting orders; verifying inventory; sending confirmation e-mails; and responding to customer inquiries
- *Service assurance*, including handling tickets, troubleshooting, restarting servers, sending e-mail or text alerts, and monitoring and fixing issues
- *IT infrastructure support*, including code deployments, firewall burnings, and port openings
- *Customer care*, in which software robots can process data gleaned from interactive voice response and Web forms, and then respond appropriately. (And, if needed, robots can transfer the task to a human and learn by “watching” the human’s response)
- *Finance*, in which software robots can process accounts receivable transactions and resolve exceptions. Additional use cases could involve moving financial data from feeder systems to your ERP systems for reconciliation.

The COE will also need to choose the best automation vendor for each project, keeping in mind that each tool will have advantages and shortcomings. How easily can the tool be adopted across the enterprise? How efficiently can the solution be scaled to meet changing business needs? Does it have capabilities that can be reused across business units? Does it meet your security requirements? Can the tool be easily integrated into the existing enterprise architecture and future road map? The automation team should consider these kinds of factors when selecting the right technology vendor.

The benefits of automation projects



Improved customer satisfaction

Robots can serve customers promptly and accurately, delivering predictable and accurate results freeing up employees to focus on customer needs



Improved employee morale

Robots can reduce mundane and repetitive tasks freeing up employees to contribute in more innovative ways



Improved quality of deliverables

By eliminating human error, robots can improve the accuracy of outputs from various business processes



Improved operational efficiency

Robots can run 24/7/365, are scalable, auditable and managed by IT



Reduced manual hours

The automation of manual activities can reduce labor costs, and create opportunities to repurpose labor for other gains

4. Assess the benefits of automation projects, and prioritize them accordingly.

A key way for the COE to identify project opportunities is by educating the business units on the capabilities of RPA and other classes of automation—and then calling on them to identify automation projects. However, the incoming requests may soon be more than the development teams can handle. That is one reason the COE should continually evaluate the automation benefits and prioritize them accordingly, while staying true to the strategy.

Realizing the benefits of automation can be a tricky business, because benefits are often subjective. For example, a complex robot that took hundreds of hours to script may yield a very low financial return on investment (ROI), but it may improve the organization's regulatory compliance—and, therefore, drive cost avoidance. Similarly, a very simple bot that was scripted in a couple of days could drive a high financial return by saving several thousand manual hours, and freeing up employees for other tasks.

Done correctly, an automation investment can be self-funded after the initial launch. In several cases, for example, companies have seen positive ROI from initial investments within six to 12 months, and have reinvested these gains in more advanced technologies once the basic tenets of automation were established in their enterprises.

While there is substantial value in basic automation, the truly transformative value comes with more advanced technologies that require more money, more buy-in, and greater change management. And the path to these transformational investments is more straightforward when there is an established track record of success.



The time is now.

No matter which function you are in, you are probably keeping an eye on robotic automation and considering how to bring the new technology into your enterprise. But robots are not something to admire while you wait for them to mature. Instead, to protect and advance your company's position, it's critical to overcome your automatonophobia and start with a few small pilots. Then, to unlock the greatest benefits, create a COE to implement automation at the enterprise level.

Are you on the road to robotic automation? Or are you at risk of being left behind? Success here isn't about if, but when. Now is time to get started.

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Meet the authors



Todd Lohr
Principal
Technology Enabled Transformation
T: 312-665-1684
E: tlohr@kpmg.com

Todd Lohr is a Principal within KPMG's Technology Enabled Transformation practice, specializing in Enterprise Transformation, Process Excellence, and Process Automation. He is a thought leader in Transformation and Process Automation, and has led numerous initiatives at Fortune100 companies and government agencies. Todd specializes in the enterprise selection, design, and implementation of automation technologies, including workflow and robotics.



Anand Sekhar
Process, Robotics and
Cognitive Automation
Director
T: 312-665-1019
E: anandsekhar@kpmg.com

Anand Sekhar is a Director in KPMG's Process, Robotics, and Cognitive Automation practice, leading several of the firm's Robotics automation initiatives. He is a thought leader in Process Automation and Technology Strategy, and advises clients on transformation techniques and approaches leveraging Robotic Process Automation and Cognitive Computing in the Financial Services, Pharmaceuticals and Life Sciences, and Telecommunications industries. Anand is also a leader and key member of KPMG's Innovation and Enterprise Solutions group.

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