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FUTURE APPLICATIONS OF RPA

This article from Avaali Solutions' Founder and Director is about changing the shared service landscape with robotic process automation

By Srividya Kannan

Claude Shannon, the American mathematician and the "Father of the information theory", once said "I visualize a time when we will be to robots what dogs are to humans, and I'm rooting for the machines. While this is possibly still some more time away in the not so distant future, it cannot be entirely ruled out."

Shared service heads have always wanted to be transformation leaders, focusing on people, process and technology to lead transformation. This largely meant moving from high-cost to low-cost destinations, working with transactional applications and driving SLA's on process improvements. Some progressive shared service heads invested in full automation, with solutions such as Information Management (with OCR, workflows and automated posting) where there is minimal to zero manual interventions in the process. But with further technological innovations, Robotic Process Automation (RPA) is likely to leap process automation to a completely new level where people and shared service location are going to take a step back in favor of machines replacing labor-intensive processes.

Robots are applicable to data and document intensive processes that are repetitive in nature and are rules based. With RPA, the robot (software) captures and interprets existing applications for processing a transaction, manipulating data, triggering responses and communicating with other systems. With RPA, there is a possibility to see dramatic improvements in accuracy, cycle time and productivity of data intensive tasks that are highly repetitive in nature.

This 'virtual workforce' is always accurate, never goes on vacation or falls ill and has the potential to continuously learn and improve, all of which can be controlled. RPA can manipulate large data sets, trigger responses and communicate with other systems as required. In addition, it is likely to bring down labor cost by 20% to 40% even for cost labor destinations. A software robot is likely to cost about one- eighth to one-tenth of a Full Time Equivalent (FTE) for countries like US or UK, and perhaps about one-third for a country like India. Traditional BPO business models will consequently have to now be re-written to make it relevant in the context of the current world.

RPA has numerous applications across processes. Potentially any process that a human performs, that entails dealing with large data sets including data entry and data assimilation could be mimicked by RPA. It is a no-brainer that RPA could be a solution for any outsourcing requirement that involves business processes. 'Swivel chair' activities that requires transferring data from one source application to another could be performed efficiently with RPA.

In the finance and accounting processes, it could be used for recording journal entries, conduct reconciliation, maintain master data records, manage the lifecycle of incoming vendor invoices, process travel expenses, fixed asset accounting etc. A leading American airline for example was able to reduce its manual journal entries by close to 50% with →

RPA. For regulatory compliance and reporting, RPA can be immensely useful thanks to its strong data analytics and accuracy. It can be used for instance to identify and explain changes to the risk exposure, raise alerts in case of any breaches in limits.

Again, in the case of IT help desk, data center, server, network support and most areas of IT support, RPA brings with it immense opportunities to accelerate the process. In Human Resources, RPA could be used for identify the best interview techniques that help best choose the right candidate (aka Google's human performance analytics group), payroll, on-boarding and exit processes. RPA for customer service will help receiving and interpreting information from multiple systems (say for customer profile, order history, service requests etc.), allowing the customer service personnel to focus more on customer experience and customer satisfaction.

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RPA could also be used for issue detection to proactively identify and troubleshoot issues even before a client reports a problem. In supply chain and logistics, RPA could have multiple use cases whether it is tracking a trailer, scheduling a delivery or updating portals with current status and expected time for arrival. For legal, RPA would mean use cognitive technologies to review several contracts to isolate areas requiring further human review and decision making. Additional processes would include travel and expense, billing, order management etc.

How does one identify what process could be the best bet for RPA? Here are the some guidelines that could be useful in this regard. A value assessment must be done to identify the processes and entities that should be in scope, after taking into consideration internal process related challenges and external benchmarks including good practices implemented by other companies. Additional evaluation parameters include financial benefits of cost and FTE capacity release as well as aspects relating to standardization, speed, transparency and better governance:

- High volume tasks and rules based transactions: Processes requiring very intensive data volumes like invoicing, reconciliation, order processing etc. can be really low targets for automation with RPA. Processes where there are clearly and unambiguously identifiable rules again can ensure better ROI by automating via RPA.
- Repetitive swivel chair tasks: Transactions requiring high volumes of data to be transferred between systems where more than 50% of employee time is spent on repetitive, administrative tasks are again good candidates to automate with RPA.
- Poor Customer Experience: If there is poor customer feedback or customer complaints on a continuous basis caused by the time taken to retrieve or capture information during service or order requests, the impacted processes are good targets for RPA.

The impact that RPA has on the offshoring model has been much debated. No longer is it possible to make people employable based on language skills and basic understanding of processes, enough to handle routine processes. People will need to be now equipped with strong analytical skills and adopt higher level tasks. In this scenario two sets of countries are likely to get a better advantage: one that are equipped with strong soft skills and advanced analytical skills that RPA may not entirely replace (countries like India, Philippines, Latin America), the other who can be cutting edge innovation hubs that will bring out solutions that further fuel automation (countries such as Israel, Brazil, China etc.).

An AT Kearney report stated automation or "no-shoring" as the third wave of arbitrage in business services. A fourth wave in the form of BPaas (Business Process as a Service) is making waves that will have a significant impact on the offshore industry. The previous decade was about focusing on cheap labor and the next decade will be about autonomics. It'll be interesting to see how enterprise processes evolve in this context and who will emerge as ultimate winners. bq

Author's bio: Srividya Kannan is the Founder and Director – Avaali Solutions Pvt Ltd. A proven business leader with more than 19 years of experience across diverse functions including Sales, Alliances & Channels, Strategy, Innovation, Business Finance, Operations and Sales Enablement. She has extensive experience in creating and managing high performance teams working in large matrix organizations such as Wipro, Oracle and SAP.

Srividya has a passion for incubating functions and successfully integrating them within larger businesses. She brings strong process orientation, work ethic and integrity coupled with an ability to create and orient teams for long-term success. After graduating in Commerce, she did her ICWA and also Masters in Business Administration from Mumbai University.