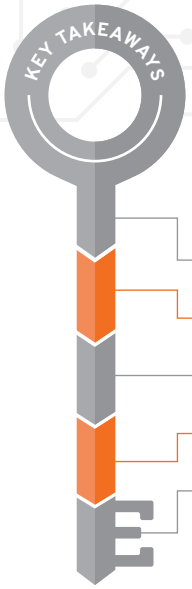
iOPEX [Business Optimized]∞ TECHNOLOGIES

Transforming Enterprise Back Office

Insights for Operations Leaders in Creating High Performance Teams



Key Takeaways

The race towards achieving the operational efficiency in the age of digital transformation is aided by several technological levers. Reading this whitepaper will give you a fair understanding of

- Benefits of Robotic Process Automation (RPA) in back office operations
- How to get started with RPA?
- Use Cases for RPA in back office operations
- Case Studies
- Best Practice Implementation Tips

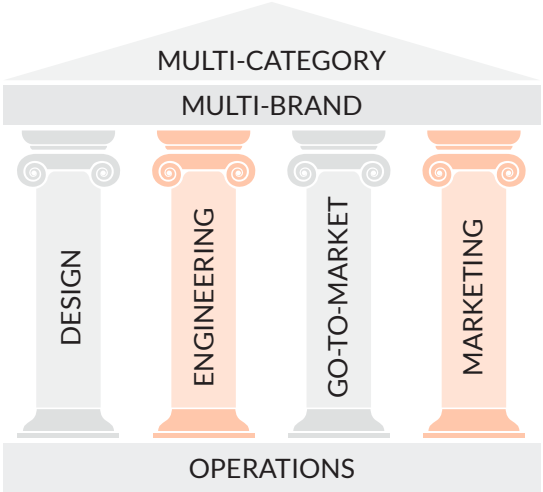
The Overarching Questions Towards Operational Excellence

As you think to fix some of your back-office operations with several constraints and limited resources, you might have some of the below questions that keep you awake at night:

- How can I improve productivity and compliance in back office operations?
- How can I optimize my team's effort in handling low-end but must-to-do activities?
- How can I empower my team to focus more on tasks that enhance customer experience?
- How can I make this a great place to work?
- What's happening in the industry that I should be aware of?

Over several years, you might have invested in technology to automate your back-office workflow and processes, but these solutions concentrated more on automating the workflows and little on optimizing employee's productivity, proficiency and work compliance.

We could see several companies are pursuing digital transformation and believe it will be the next growth lever in the coming years. This might pave way to increase the headcount in the back-office population. As back office operations are the foundation and force-multiplier for the success of the entire organization, it becomes necessary to increase the efficiency of your staffs by making them to focus more on high-value innovative activities and automate all the low-end activities that consumes the bandwidth.



Robots are Coming to Help You

As you want to be more efficient by doing more with less budget, time and resources to meet the demanding needs of your customers, you must consider to automate tasks that are structured, routine, repetitive, high volume, manual intensive and high likelihood for human error.

Robotic Process Automation (RPA), the buzz-word in the industry that you might be hearing a lot about comes to free our staff to take on more strategic roles, by absorbing the time-consuming, process-based tasks that they are often caught up in. This in turn empower them to do more fulfilling strategically valuable tasks that boosts their job satisfaction and employee engagement. The interesting thing with RPA is that it can be deployed quickly in a span of 3-6 months and with better RoI. Implementing RPA will trigger a new wave of economics by opening up a variety of opportunities for existing staffs and enable them to work at their full potential.

> RPA enables a business to realize 10-25 % increase in cost savings, potentially scaling to 30-50 % with AI-enhanced RPA
>
> *- Morgan Stanley*

RPA is just a stepping stone in the intelligent automation journey. Intelligent automation is the combination of artificial intelligence and automation to achieve unprecedented levels of efficiency and quality. Intelligent automation is already at the heart of many companies who are proceeding directly into implementing pilots versus starting their RPA journey going through Proofs of Concept (POC). This itself is an indication that more and more organizations are confident in the technology and RPA is included as an integral part of larger and long-term business transformation initiatives.

> In 2018-19, **53% of the Global 2000** are planning significant RPA investments to slash costs
>
> *- Hfs Research*

Robotic process automation (RPA) is the application of technology that allows staffs to configure computer software or a "robot" to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses and communicating with other digital systems.

RPA can expedite back-office tasks in HR, finance & accounting, procurement, supply chain management, customer service, IT operations and wherever the job requires "swivel-chair" access to multiple existing systems.

Why RPA in Back Office Operations

Digital workers are changing the way human work across the world. The robots carry out the routine processes of information work, freeing people to do the work they have been trained to do. Bringing in robots for the routine activities brings in lot of advantages in the short term and pave way towards the artificial intelligence in the longer term. Following are some quick reckoners on why to robotize the mundane activities.

Typical Back Office Worker		Digital Worker	
Processes per Hour	10 Processes	30 Processes	Processes per Hour
9-5 Days	80 Processes	240 Processes	9-5 Days
Minus Lunch	- 10	240 Processes	NO break, No cofee, No chatting
Minus break, coffee, chatting...	- 5	240 Processes	NO Mistakes
Minus Mistakes	- 3	-	24 Hour Day
Processes A Human Can Do In A Day	**62**	**720**	Processes A Digital Worker Can Do

Return on Investment (RoI)

ROI is calculated as: (Gain from Investment – Cost of Investment) / Cost of Investment

- 35-65 percent for onshore process operations.
- 10-30 percent in offshore delivery operations.

Operations Indicators

- Flow Rate or Cycle Time: 40 – 55% quicker delivery
- Productivity Increase: 1-5 to 2.5x efficient
- Error Reduction: 98% Accuracy from 92%
- Customer Experience/Delight: ~20% jump in CSAT

Investment recovery period:

- Short as 6-9 months.
- Some global processes take around 15 months

Other Benefits

- 100% compliance with stated regulatory requirements
- Easy to deploy and re-configure
- Rapid development 2-4 weeks
- Create audit logs to support compliance
- No change to business applications
- Consolidated systems knowledge that was not there earlier in the form of reports

Case Study:

Accelerating the Generation of Operational Insights in Tableau with RPA

Challenge

- The client wanted to optimize cost of global customer support operations and also to enhance revenue per customer
- However, the need for more operational insights triggered the need for more FTEs and also swamped the business intelligence team.
- It was found that much of the time was spent in fetching the data, cleansing it, harmonizing them and presented in excel pivots.

Solution

- iOPEX conducted a data harmonization exercise and created tableau dashboards to view holistically on the co-related impact of various CFO (Customers, Finance & Operations) data sources.
- In order to collect data from several systems & excel sheets uploaded in SharePoint, iOPEX deployed BluePrism RPA bots to manage the data feeds on daily, weekly, fortnightly and monthly basis, Or else it would have been a cumbersome manual activity.

Outcome

Baseline FTE	Benefit FTE	Other Benefits
10	4 FTE Savings 6 FTE Cost Avoidance	▸ Up contract profitability by 8% ▸ New insights that was never before

Getting Started with RPA

Leveraging RPA means understanding how RPA works at a high-level and then assessing where it can improve a business's operations. Following is a quick check-list to choose processes suited for RPA and considering it for a business case.

Questions to ask for discovering suitable processes for RPA

- What are the different processes within your team?
- How many FTEs are currently executing each of those processes?
- What is the monthly volume of transactions per process?
- How much time is required to complete one transaction in a particular process?
- What is the unit cost of the transaction?

Questions to ask for narrowing down to the right set of RPA'ble processes

- How many decision points required in transacting each particular process?
- Does the process have a high error rate leading to re-work and/or customer dissatisfaction?
- Does the process play a role in your control/compliance environment?
- How stable is the process – does it change frequently?
- How structured is the data used to transact the process?
- Does the process involve direct interaction with your client and effect their satisfaction with the service?
- How many applications are involved in the processing the transaction?

Questions to ask for prioritizing the RPA'ble processes

- How is the availability of subject matter experts to assist you in automating the process?
- Do you have standard operating procedure (SOP) or any kind of process documentation?
- Has the process ever reviewed for efficiency as a part of continuous improvement like Lean / Six Sigma?

Process	Owner	Objective	High Volume?	Repetitive?	Manual Tasks?	Low Level of Expertise?	Stable Process?	High Workload?	Eligible for RPA?
Reconciliation	OPS	Cost	✓	✓	✓	✓	✓	✓	GO!
Reporting	Compliance	Cost	✓	✓	✓	✓	✗	✓	STOP!
Term sheets	OPS	Client Journey	✓	✓	✓	✓	✓	✓	GO!

Processes to Assess for RPA in Back-Office

Finance & Accounting:

Order to Cash / AR

- Credit Analysis and Processing
- Sales Order Processing
- Customer Master Data Management
- Order Entry
- Reports by segments

Procure to Pay / AP

- 3 Way Match
- Purchase Order Issuance and Invoice Receipt
- Vendor Master
- Payment Process
- Duplicate Payment
- Tracking

Record to Report

- Monthly close process
- Financial consolidations
- Financial statements
- General ledger functions
- Journal entry processing
- Inter-company accounting and account reconciliations
- Fixed assets and project
- Cost and inventory accounting

Financial claim processing

Financial Planning & Analysis

Tax Services

HR / Payroll:

- Maintain Master Data
- Offer Letter Process
- Onboarding and Exit
- Appraisal-updating process / Change
- Payroll Status
- Position Management
- Reporting Line Change
- Superannuation
- Payment Summaries
- Employment Type Updates
- Service Desk Reports
- Distribution
- Leave Amendments

IT Operations

- Active Directory
- File Systems
- FTP Management
- Automated Installations
- Server / Application Monitoring and Alert Management
- Service Desk Management
- Notification & Escalation
- VMware Integration
- Data Movement
- Provisioning
- Config Management
- Routine Maintenance

Supply Chain:

- Order Prioritization
- Master data management
- Invoice verification
- Receipt confirmation
- Scheduling processes
- Reporting
- Production information capture
- Inbound processing
- Inventory management processes
- Pricing management
- Billing
- Freight costing

Specific RPA Use Case in Back-Office

Work Stream	Automation Use Cases & Benefits
Procure to Pay (Accounts Payable)	**New Supplier Onboarding -** Bots vet new suppliers with a complete report on credit scores, tax data, etc **Portal Queries -** Bots connect to all portals to gather/post information at pre-set times or triggered by event **Price Comparisons -** Bots sneak into the web code to extract catalogue pricing **Market Intelligence -** Bots vet suppliers' credentials on periodic basis and deliver threshold report on time **Contract Terms –** Bots validate vendor contract data in invoices to ensure compliance with contract terms
Quote to Cash (Accounts Receivable)	**Supplier Pricing Comparisons –** Bots compare supplier's prices while preparing a customer quote **Order Exception Processing –** Bots do a price check and verify the current price against the sales order **Delivery Reconciliation –** Bots reconcile delivery notes with purchase orders to validate orders against shipments **Customer onboarding and master data maintenance –** Bots vet new customers to onboard & validate their data

Record to Report (General Ledger)	▸ **Supporting Financial & Accounting Close –** Bots post data from several excel, PDF, scanned documents to subledgers, creates and then delivers financial filings to regulatory bodies - that involves many systems, departments and individuals. ▸ **Data Management & Reporting –** Bots aggregate, process, analyse and deliver financial and operational performance information in a timely manner and free-up burden for employees gathering data and also benefit executives who need information to gain insight into the business ▸ **Generating Mass emails –** Bots help in pulling data from multiple systems and trigger emails at defined intervals
Sales & Marketing	▸ **Creating & Delivering Invoices –** Bots update accounting records, prepare & deliver invoices from the right email accounts and sort the data replication issues between CRM and accounting systems ▸ **Updating CRM –** Bots update CRM records with customer contact data if email, call & other communication data are not integrated with CRM
IT Operations	▸ **Regular diagnostics –** Bots proactively conduct regular diagnostics before users get impacted and save time ▸ **Regular Testing –** Bots perform majority of testing required at periodical intervals and report it on time & every time ▸ **Fault Remediation -** Bots perform proactive procedures and complete steps in first level troubleshooting
Customer Support	▸ **Loading a detailed customer profile –** Bots prepare dashboard kind of snapshot by pulling data from CRM/ERP/Ticketing data and reduces time to resolve in customer contact center ▸ **Resolving simple but common customer issues –** Many repetitive ticker resolution tasks

Discovery Approach

Now that we are armed with the possibilities for RPA'ble processes, let us take a dive into the discovery approach for piloting your first RPA

Process Discovery	Process Assessment	Business Case
▸ 2-3 hours of meeting with key business stakeholders, process owners and associates ▸ Get high level overview to identify suitable candidates for RPA	▸ 1-2 Days workshop with process owners and SME to understand the As-is process for automation ▸ Process maps	▸ Calculate RPA benefits such as Cost, Time, FTE savings ▸ Defining project cost ▸ Approvals

Total Time ~ 3 to 4 weeks

Best Practices

In a fiercely competitive market, you need to be able to react quickly to new opportunities by working out some strategic initiatives and gain larger market share. Also, it is more important that you need to have agile approach by having alternative plans to best utilize the efforts spent if those initiatives don't work out. This holds true for RPA as well and below are some of the best practice tips while considering RPA in your team.

01 Prioritize, Have Quick Wins, Be Open, Scale, Promote and Engage

- Create heat map of processes feasible for RPA solution ("basic" and "enterprise")
- Prioritize the RPA process opportunities that can be quick and fast to implement
- Choose the process that is most likely to succeed as this will gain confidence to consider RPA for further opportunities
- Don't just mimic the manual steps with RPA but re-engineer wherever required so that the inefficiency is not built into the system
- Standardize the process and create a baseline to reap the scalability benefits
- Be open to consider for other process improvement opportunities while conducting the discovery workshops for RPA
- Be realistic with timelines, outcomes and requirements by having clear objectives
- Identify & engage all key stakeholders, decision makers and influencers right from the start
- Have a clear IT security policy and automation roadmap as RPA is just a step in the holistic intelligent automation journey
- Create company-wide awareness of RPA, its possibilities, limitations, risks and benefits

02 RPA Solution Deployment

- Understand technological interdependencies and potential impacts on processing times
- Have RPA control center to monitor logs, execute and schedule bot jobs, manage credentials, versions and change as well as visualize and orchestrate process dependencies
- Insist on standardized configuration of all robots, ensuring adherence to security requirements
- Document out the change management governance structure
- Get a clear idea on maintenance, support, upgrades, product maturity, training etc. from the partner whom you work with
- Include RPA solution into disaster recovery and business continuity plans

03 Have a Holistic Intelligent Automation Strategy

- RPA is still built on top of the legacy systems and hence you need to outline 24-month roadmap for enterprise-wide automation strategy
- Develop structured "target" roadmap and assure planned transformation addressing dependencies and interoperability
- Institutionalize "automation center of excellence" comprising of IT and business resources to create automation knowledge base and required skill sets

Case Study:

Eliminating Manual Activities by Pre-populating the Data with RPA

Challenge

- Customer support engineer consumers 35% of time in pulling the data from various sources during the incident resolution process and has less time to go for extra mile in customer satisfaction.
- The information is often missing, incomplete or inaccurate in the inventory sources. Engineers have to try and test the multiple IP addresses to identify the right one.
- In other cases, there are routine diagnostics activity performed and populate the outcomes in the ticket progress remarks section.

Solution

- Automated solution by RPA pre-populated the needed information and helped the service desk agent for quicker validation & resolution process.
- Moreover, it has automatically looked into the previous incidents for the same device to locate the inventory elements and also automated several steps in ticket closure.

Outcome

Baseline Vol	Benefit Volume	Other Benefits
3.5k	10% reduction of tickets that were previously escalated to L2	▸ Saved high value L2 FTE efforts ▸ Institutionalized rigorous process documentation

About iOPEX Technologies Inc.

Founded in 2009, iOPEX is a next generation Technology Operations Optimization company focused on enabling enterprises to optimize operational expenses, improve productivity and drive digital transformation using the digital transformation guiding principles, apt automation techniques, right tools and talent.

www.iopex.com