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Robotic Process Automation and Shared Service in Business Sector

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Abstract*:- *Robotic Process Automation (RPA) emerges as software based solution to automate rules-based business processes that involve routine tasks, structured data and deterministic outcomes. Recent studies report the benefits of the application of RPA in terms of productivity, costs, speed and error reduction. Most of these applications were carried out on back office business process where the customer is not directly involved, therefor a case study was conducted on a BPO provider to verify the benefits and results of applying RPA to a service business process with front and back office activities. The results show that productivity improvement is the main benefit of RPA

***Keywords: Robotic Process Automation (RPA*),**

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1. INTRODUCTION

In this paper, we examine how Robotic Process Automation (RPA) is being deployed in shared service organizations as the next transformation lever beyond centralization, standardization, optimization, relocation to low cost areas, and use of enabling technologies. Although shared service organizations have longdeployed enabling technologies like standard Enterprise Resource Planning (ERP) packages, self-service portals, and low-level automation tools like scripting and screen scraping, RPA is a new breed of software that allows enterprise-safe automation of processes. Early adopters we studied have achieved multi-faceted business results from deploying RPA, including FTE savings, doing more work with fewer resources, increased service quality (because robots execute exactly as configured to do so), increased service delivery speed, and more satisfied employees because their jobs are refocused to more interesting tasks requiring judgment, empathy and social interactions. These business benefits, however, can only be achieved with proper governance. Our research has identified the best practices for achieving business benefits, which include an executive-sponsored service automation strategy, control by business operations/shared services, talent redevelopment, and change management to prepare the organization for changes caused by automation.

2. WHAT IS RPA AND HOW IS IT DISTINCTIVE

In this section we repeat, for new Shared Services readers, some of the explanation of RPA provided in an earlier papers. 1 Although the term "Robotic Process Automation" connotes visions of physical robots wandering around offices performing human tasks, RPA is a software solution. In RPA parlance, a "robot" is equivalent to one software license. For business processes, the term RPA most commonly refers to configuring the software to do the work previously done by people. Although several service automation providers are calling their software "RPA", to us, RPA has three distinctive features compared to other automation tools like Business Process Management (BPM), scripting, and screen scraping: 1. RPA is easy to configure, so developers don't need programming skills. RPA interfaces work a lot like Visio, by dragging, dropping and linking icons that represent steps in a process. As users drag and drop icons to automate a process, code is generated automatically. Business operations people with process and subject matter expertise but with no programming experience can be trained to independently automate processes within a few weeks. This distinguishes RPA from BPM solutions because BPM requires programming skills.

2. RPA software is non-invasive. The second distinctive feature is that RPA technology sits on top of existing systems—without the need to create, replace or further develop expensive platforms. RPA software

accesses other computer systems the way a human does—through the user interface with a logon ID and password. RPA software accesses other systems through the presentation layer, so no underlying systems programming logic is touched. Furthermore, RPA products do not store any data. This distinguishes RPA from BPM solutions because BPM solutions are invasive, create new applications, and access business logic and data access layers in the IT architecture stack.

3. RPA is enterprise-safe. RPA is a robust platform that is designed to meet enterprise IT requirements for security, scalability, auditability, and change management. RPA robots are deployed, scheduled and monitored on centralized, interconnected IT supported infrastructure to ensure transactional integrity, compliance with enterprise security models and continuity of service in line with the enterprises' business continuity plans. This distinguishes RPA from earlier generations of scripting and screen scraping which users locally deploy from their desktops. Screen scrapers, for example, are an older technology that recorded users as they moved fields around systems. Screen scrapers only understood that a field located in one specific position on one screen should be moved to another specific position on another screen. If the field was moved without reconfiguring the screen scraper, the technology would no longer function. In contrast, RPA software does not rely on X and Y coordinates but instead finds data fields through Html, Java Access Bridge, and surface automation for Citrix. The Head of Global Financial Services for a large Financial Services Company explained it this way: "Well I think what distinguishes RPA from scripting and screen scraping, it's a level above. I describe it as a more integrated, more holistic solution. It's basically taking the products of workflow, process mapping, super macros, putting them into a nice thin client that sits on top of your platforms and basically automates the keystrokes of an employee."

3. RPA AND SHARED SERVISES IN THE INSURANCE SECTOR

This case concerns the application of RPA in a major European insurance firm, anonymised by company request as the pseudonym, INSURE. As of Fall 2015, INSURE had four individual business units covering General Insurance, Life, Healthcare and Investors. For several years, it had drawn upon shared Group resources in respect of Finance, HR, Procurement and IT. Each shared service function had a Head (e.g., Group HR Director), who also aligned with the head of that function in each business unit (e.g., Life HR Director). There was also a Group transformation team to manage any cross-Group, large-scale change. Automation evolved over 2014/15, as a result of a management consulting recommendation for its General Insurance and Life businesses. A legacy environment of systems and processes had built up over many years. By 2013/14 there was a strong view, from a Group perspective, that INSURE could be more efficient. The recommendations across the key frontline business areas brought out a number of opportunities, and also a strong business case for automation across both General Insurance and Life. At that point, Group decided to invest significantly in robotic technology.

4.ROBOTIC PROCESS AUTOMATION BEGINNING

RPA became, in 2014, a Group IT responsibility, while INSURE also created RPA roles within each of the GI and Life businesses. The transformation director, the GI and Life business units, together with IT put out a Request-for-Tender (RFT), which attracted eight suppliers. By applying the key criterion that the tool could be brought in-house, this was narrowed quickly to three. The Senior Automation Executive at INSURE explained, "We didn't want to pay a third party to do the job for us. We wanted to buy in the tool and then train our own staff, so that we could run it as much as we liked, and were not controlled by someone else's cost structure. We also wanted flexibility to redeploy inhouse IT resources depending on the key demands within the business areas. For these reasons one supplier emerged as the clear leader (Blue Prism) and we got the contract agreed within four months." There wasn't a normal proof-of-concept approach because the previous consultancy work made INSURE confident of the benefits. INSURE went straight to delivery and brought the provider into the IT teams. The IT teams got to look at it as a tool, its complexity, how RPA might be set up internally in terms of structure and governance, the capability needed, especially servers and the structure of the RPA team. Interestingly, the tooling and preparatory

process work occurred while the contract negotiations were on-going.

5. COMMON THEMES

All organizations planned to adopt more automation in the future, With visible success stories, MSC and INSURE are both ramping up their service automation capabilities. In December of 2014 immediately following the proof-of-concept case at the MSC, four processes were in development, five processes were waiting development, and 14 processes were awaiting review for RPA automation. More recently, MCS was evaluating natural language processing and cognitive computing in Fall of 2015. INSURE was expanding automation to other processes, like bodily injury claims, and making moves to utilize RPA more widely. We found other companies, like a global multinational planning to deploy RPA through high opportunity areas, having built infrastructure and governance structure and capabilities that could be used across the organization. It planned to build an RPA Centre of Excellence and utilize RPA in its heavily invested infrastructure in India where it operated a captive centre that ran 80 percent of the corporation's GBS workload. A senior executive stressed that RPA had to be a balanced sell: "I like my payroll deployment, because the staff realize there's a reengineering opportunity in it but I can show them something that will make their lives Looking at other cases from our research, additional benefits such as 24 hour service coverage, a multi-skilled robotic workforce, doing work faster, and better compliance were also mentioned. For one GBS in a financial services firm, RPA was a better way to get 24 hour service coverage than paying for expensive night shifts or trying to coordinate teams dispersed across time zones: "Everyone gets the cost reengineering and that's obviously one of the driving factors but the other compelling case is RPA doesn't sleep, does not go off sick, does not take vacation….. the virtual, always on workforce is something that we always dreamed of in the shared services industry in terms of follow the sun but here you're getting an opportunity to actually buy a product that does that." For several companies in our study, the fact that robots can be multi-skilled was a real benefit. A senior executive said, "A piece that I think is very attractive is the ability to use the robots on multiple tasks. From a robot, I just say, task number five, do the payroll run this morning and in your downtime, go over and do this task in accounting that's at a different time of day and that, I can see, is incredibly powerful." RPA also answers the charge to "do more work with fewer resources". One example from our research was payroll. Before RPA, one GBS client only had enough human resources to validate about 15 percent of payroll. Humans focused only on high risk employees. With RPA, the entire payroll was validated and exceptions were passed to the humans for processing. "I can actually cover more work, get a better customer service outcome and I can make my life for my employees a lot better….. By the way, that robot can work at three o'clock in the morning and run the entire validation of the US payroll and then return to you the exceptions by the time you come in an eight o'clock in the morning. That is something I'm quite excited about." Finally, some clients reported that compliance increased with RPA. "I'd like to say that we have the best process mapped processes in the world but the power of having the tools to actually process map and workflow is also powerful just from a governance and structure and oversight perspective."

5. CONCLUSION

As shared service organizations move forward, RPA (and additional automation tools on the way) can provide an additional transformation lever to add to centralization, standardization, optimization, offshoring labour arbitrage, and IT enablement. For the client shared service organizations we examined, the RPA business case emerged as a strong one: relatively easy and cheap to implement; lightweight IT (though falling within IT governance, security, and policy requirements); cost and FTE savings but also multiple other benefits; scales easily, easily redeployed. Where a shared service model has not been fully realized – the case in all too many back offices and Global Business Services, then RPA can deal well with the mismatches in processes, systems and steps, in ways at the moment accomplished by human labour. But RPA can be focused on the repetitive, standardized tasks, processes and sub-processes it excels at, freeing up human labour to fill complementary, more rewarding tasks more suited to human attributes. In practice we have found shared service organizations have been slow so far to move into adopting RPA. But this is changing as RPA has been gaining a higher profile across 2014/15, and we have found nothing inherent in RPA to inhibit adoption; quite

the reverse. There would seem to be, from our cases, strong reasons why RPA fits and helps deal with many of the dilemmas shared service organizations are finding themselves facing by end of 2015. But to be strategically adopted and achieve the greatest effectiveness, RPA needs cultural adoption by the C-suite. The shared service organization and the business units need to buy-in to RPA deployment. This comes from identifying the business problems that RPA can help solve, and from imbedding requisite RPA capability in the shared service organizations and business units. With RPA, as with IT, ownership prompts take-up. And it comes from rethinking talent, that is reconfiguring the older labour arbitrage model on which shared services has been based. The six transformation lever that is RPA is not in fact just an automation tool but requires, in the light of the technology becoming available, matching and leveraging three new identifications for the future: what people are best doing, how processes can be further reengineered, and where and how robotic process automation can best be deployed.

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