



Now that you want to go for Robotic Process Automation (RPA), find out realities on the ground!

By

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ABSTRACT

The hype in the RPA space huge. Claims of 50% to 80% ROI and the ability break loose from the heavily backlogged IT department are common. Read this white paper to find out on the ground reality and how different it is from the hype.

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The Hype

Hardly a day goes by without an announcement, webinar or a conference about RPA. Needless to say, that the interest level in this technology is high! You then listen to claims from vendors – upwards of 50% and some as high as 80% savings. Naturally, who would not want to make such an improvement? Add to that claims that the technology can be implemented by end users. You have a sigh of relief that finally you can break loose from dependence on IT. They seem to take forever to get to your projects. Add to this the claims of fast ROI because you can incrementally implement it.

All of this is true, but not to the degree to which it is promoted. You will see my findings and analysis in the rest of this article regarding each of these claims and on the ground reality.

What is RPA?

A simplified definition – RPA software records actions a human takes to complete a computer-based task and then repeats it any number of times rapidly. It is a piece of software that runs on a “client”. But this explanation gets more complex in a hurry. There are three aspects or flavours of RPA.

1. RPA: The simplest form -- “lift and shift”; for example, you program a robot to go to a web site, find certain data and copy it to a document. This is similar to a human going to a web site and physically copying certain data to a different screen on his or her desk top. The advantage of a robot is once it is set up correctly, it keeps on doing the same thing over and over without taking any breaks. However, the process needs to be clearly defined and repeatable. If there is some variance, a human might stop and ask questions, but this version of RPA does neither.

2. Cognitive

Simply put Cognitive = RPA + Machine learning

The system learns by doing much like a human – this is the whole area of machine learning.

3. Analytics

Because you are dealing with digitized information, you can capture and write programs to analyse trends, business value etc. I can see the possibility that based on some trends, the program may be able to make certain recommendations.

Many vendors have joined the RPA band wagon and calling themselves RPA companies. But it does not mean that they provide all three features. Some will provide only the first one and then consider the others in the domain of AI (Think Watson from IBM). Let's sidestep this debate. As a potential user, what you need to understand is the features you need for your situation and whether the vendor in question can provide them.

How does RPA relate to traditional outsourcing?

Outsourcing enables you to deploy human work forces for less cost. RPA enables you deploy "robots" (aka BOTS) as a digital work force. You can have the new-found digital work force work tirelessly around the clock and mimic some, many or all of the process steps that humans do. With this, you now have the human work force (local and outsourced) and the digital work force. This raises the question – why would you outsource if you can automate? Short answer is – you don't, although you may not be able to fully automate. You may still need humans locally and/or abroad, in which case you end up with a blended approach.

User level interface vs APIs and the implications

Unlike traditional applications like SAP, Oracle and the like, the interface to RPA is at the "user" level rather than at the API level. It simply does what a human would have done. So, there is no programmatic interface. Hence the IT world remains as it has always been – not disturbed.

But you still need to work with IT department! When a human works on an application, he/she is given a workstation with a certain level of access. The same is true for your digital worker! It needs to get access to screens and where to get data from. It still needs to be provided a password to log into the system.

The vendor landscape

Tool Vendors

Most of them focus on providing technology or products. Many do not have professional services organization to provide you support for feasibility analysis, business case development and eventually implementation. They work with system integrators.

System Integrators

Major consulting companies like KPMG, Accenture have an RPA practice. In addition, the major outsourcing companies like TCS, Infosys etc. also offer RPA implementation services. They may be a good bet and a good match for your situation. However, you need to be at a certain size to make the equation work for both and you and these companies.

The next tier – Several small to mid-sized systems integrators are out there. Some offshore companies have expanded their offerings to RPA. It is hard to evaluate their depth of expertise and their internal staffing levels with expertise in RPA, especially since the technology is relatively new.

Some system integrators tout that they are tool agnostic. They can work on any platform. They will even find the best tool for you. Some will help you with the whole cycle -- feasibility analysis, recommend the right tool, develop the BOTS, implement and provide ongoing maintenance. But you if you went this route, you could be dependent on the system integrator indefinitely. There is one alternative you could consider – train your own staff and bring it in house. But that needs to be carefully evaluated and may not be the best approach at least initially.

Given the dynamics, with the exception of the majors, extra due diligence needs to be your mantra. Getting referrals from someone you know in the industry is a great way to reduce your risk.

What about support?

Remember, the tool vendors support the tool they gave you the license for and not the application you developed using their tool.

Approach to support varies widely depending on the vendor. In one case, the vendor has support centres that adapt follow the sun model. At the other end, the vendor expects you to put your support issue on the user forum on line and hope someone will respond. This may be adequate for some users, but chances are that for most people it is not.

You will need support in a variety of areas; not just for bugs in the product or to maintain the BOTS created. I saw a post on-line that said that this individual had spent months building an application using a trial license, but now wanted to buy one. Though he tried to contact the company several times, no one responded. Frustrated, he chose to abandon the project.

How do you start?

Unlike a mature technology implementation such as Oracle or SAP, this technology is evolving and subject to rapid changes. So, your approach needs to be agile. Here are the broad steps you need to follow.

- Talk to a few tool vendors and systems integrators. Decide if you wish to work with one group or the other.
- Get IT involved early on. You will need their help with infrastructure issues.
- Identify prospective candidates for RPA.

Getting this right is crucial especially the first few. But it turns out it can also be the challenging part because you need to get staff with multiple skills to collaborate effectively:

- Process expertise: You need someone who understands your processes inside out.
- Work Flow expertise: You need someone who can take the processes and break them down to their smallest segments. Someone with process expertise may be able to do this also, but depending on your situation, you may need to bring in someone else to do this for you.
- Tool knowledge. You should be able to rely on your tool vendor to help with this. They can tell you if the process you have selected can be automated using RPA, at least their version of RPA. You may eliminate some of the prospective candidates at this stage because they are not feasible.
- Estimate costs.
 - Your vendor should provide you with a configuration and cost of the tools they are providing
 - You need to estimate any additional IT infrastructure i.e. hardware costs
 - Add the cost of staff.
- Evaluate Business Value and short list
Armed with a list of possible candidates and costs, you need to evaluate which of the processes makes economic sense. Some thought starters:

Is there enough volume to justify automation?
What will be cost savings or other benefits?
What is your present cost?

You may decide to eliminate some more processes because it does not make economic sense. At the end of this step, you will arrive at a short list.

- Pick one, preferably a simple one and develop a pilot. A pilot will demonstrate how the technology can be applied in your particular environment.
- Get stake holder buy-in. This is a crucial step. This should be done early on in the cycle.

- Take a look at the remaining candidates on your short list, work with the vendor to estimate resources and benefits. Armed with this list, you can develop a road map for implementation and a business case.
- Establish governance mechanisms. Very important to put this in place early on.
- Scale up.
- Audit regularly for improvement opportunities and optimize.

What are the metrics you should watch?

After implementation, measure reduction in number of people, improvements in performance and overall cost benefit analysis.

Sounds like a lot of work. Is it worth it?

It can be a lot of work. Yes, it can be worth it. But there is no one answer that fits all situations. It all depends on the specifics of your particular situation. I am personally aware of at least one early adapter who now has a few thousand BOTs. Many tool vendors are experiencing phenomenal growth rates, because their customers are adapting this technology. Here is an excerpt from a recent press release from industry leader Automation Anywhere:

Mihir Shukla, the company's CEO and co-founder, said: "After a record year of growth in 2016, we again set new growth records in 2017. We are not only acquiring new customers at a faster pace, we experienced an unparalleled upsell growth rate of 411 percent in the second half of 2017, validating our business model and delivering a superior RPA product to customers who want to start fast and scale fast. Customer success is driving our success."

One caution. This technology is still in the early stages and evolving rapidly and therefore is subject to significant rapid changes.

About Sath Associates LLC

Sath Associates provides advisory services on key aspects of outsourcing with Intelligent Automation. The firm was founded in 2001 by veteran outsourcing expert and pioneer M. M. (Sath) Sathyanarayan, who has helped dozens of clients across industries