BEYOND THE HYPE: RPA UNCOVERED

The Arvato way
Disruptive technologies such as RPA, will have a potential economic impact of nearly $6.7 trillion by 2025

Source: McKinsey Global Institute

Businesses are constantly evolving and at a faster pace than ever. We see changes in consumer behaviour and needs, changes in workforce, industry and market dynamics, and of course technological advancements. Organizations need to continuously adapt and improve in order to stay ahead of the curve and Arvato needs to be at the forefront of this in order to support our clients effectively.

Pat Quinn, CIO, Global F&A
What?

What is Robotic Process Automation?
Robotic Process Automation (RPA) technology uses software to mimic human interaction to complete repetitive, rules-based tasks where speed and accuracy are essential. The technology acts as a virtual workforce to complete high volume work improving efficiency while freeing up resources to focus on more complex, customer-centric tasks.

RPA aims to use a computer or “virtual FTE or robot” rather than a person to manipulate existing application software (e.g., ERPs, help desk and claim applications, databases,) in the same way that a person today works within those systems to process a transaction or complete a process. Allowing for smooth collaboration between humans and robots, robots interpret and process structured data, across various systems. A human agent can then review this data at key points in the process.

Robotic automation doesn’t replace existing applications; instead, the robotic automation software works with those systems and the user interfaces to perform the specific task that the “virtual FTE or robot” has been asked to complete.

Where?

Where can Robotic process Automation be used?
RPA is most suitable for processes that are highly repeatable, rules based and high volume. RPA enables the completion of rules driven processes such as comparing and contrasting data fields, date entry, and validation from disparate systems/sources, checking for system errors or inconsistencies etc. For enterprises, BPOs and shared services that use large scale, high-volume human labor, RPA has the potential to significantly impact innovation and profitability and to integrate without disrupting legacy systems. It enables organizations to utilise robots for manual and repetitive rule-based tasks, freeing up human resources for more high-value tasks.

Why?

Why should I invest in RPA?
Cost and speed – On average, an RPA robot is a third of the cost of an FTE (although different models may vary between vendors). A robot does not need to take breaks or require benefits and are “always-on” 24 hours a day, 7 days a week.

Accuracy – RPA eliminates human error, as robots don’t make calculation errors and have unlimited attention spans. When a robot encounters a transaction that does not fit its rules or parameters, the transaction is set aside for a human agent to review.

Scalability – A robotic workforce can be as big or as small as you need it to be, additional robots can be deployed quickly and cheaply to deal with peaks and removed again just as easily.

Analytics – RPA software delivers huge amounts of performance data – what your robots are doing, how many transactions have been processed, how many exceptions were encountered – access to this data can then help identify problem areas or opportunities to streamline.

How?

Implementing RPA allows your robotic workforce to implement business rules and logic, bulk processing and consistent decisions, allowing you to free up your human resources for more high value work - interacting with customers, making judgements and improving the business. In most large organizations (and many smaller ones) there are high numbers of inefficient processes. This can be because of outdated systems or systems not meant to manage new levels of growth often leading to intensive manual work. RPA implementation can provide an innovative, fully-auditable solution to drive productivity and reduce costs. Robotics provides high levels of accuracy and compliance – removing the “human error” component and increasing fraud control. Additionally RPA can increase both speed and scalability leading to elevated service levels, the solution also enables better allocation of resources, allowing organizations to redirect employees to business-critical work.
The growth of RPA is happening quickly, and RPA is poised to become a standard for positive business outcomes and performance. But where did it start and what does the future of RPA look like?

Robotic process automation has its roots in technology like screen-scraping software and workflow automation. The evolution of RPA led to the ability to combine, refine, and reimagine aspects of these technologies coupled with further developments in Artificial intelligence (AI) to create an impactful technological platform.

Processes are often supported with IT systems with low flexibility, therefore complex client and service provider IT integration challenges often hamper business efficiency. RPA can sit in front of the “Application Estate” allowing for significant process automation without having to modify core ERP/OTC systems.

However while automation is able to streamline repetitive, rules-based business processes, it is dependent on human intervention to manage exceptions. In comparison, AI can be used to approach tasks that require more complex decision-making and analysis – the main difference being that AI has self-learning capabilities, which means that it can tackle tasks which don’t involve repetition. AI can make sense of unstructured data-sets where there’s variation, and it also improves over time.

The market is expected to continue to evolve even further and more innovative RPA solutions are predicted to emerge, with coordination between RPA and AI pointing to what is possible in the future.

The combination of RPA solutions with even more intelligent technologies has great potential for widespread adoption across all industries. For example, machine learning and cognitive computing, technologies involving computer or software learning, can react in a similar fashion to how a human would

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<th>Structured data</th>
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<td>Trigger based Automation</td>
<td>&quot;Screen mashups&quot; and Robotics</td>
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<td>Cognitive computing and “AI”</td>
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response in certain scenarios. In this way robots can reason, collect and extract knowledge, recognise patterns, learn and adapt to new situations or environments.

This has the potential to make companies more agile and responsive, which is crucial in today’s increasingly global and complex marketplaces.
RPA IMPLEMENTATION METHODOLOGY

Step 1
Business case generation
5 days
- Business Process Reviews
- Lean Reviews
- RPA Suitability Study
- Subject Matter Expert(s) Identification
- Savings Calculator
- Business Case Generation

Step 2
Process Mapping
5 days
- Exceptions Handling Process Documentation
- RPA Process Specification (from Template)
- Business Sign-off

Step 3
Process Development
10 days
- Development Against Process Specification
- Solution Design
- Systems Testing
- Peer Review
- Development Sign-off

Step 4
UAT / Sign-off
2 days
- End to End Systems Testing
- Acceptance Against Process Specification
- Business UAT
- Testing Sign-off

Step 5
RPA Production
3 days
- Deploy
- Add into RPA Service Management
- Monitor Efficient and Process Improvement
Within traditional BPO we’re seeing a lot more organizations frustrated with their relationships, as providers are lagging behind in delivering efficiencies and increased innovations. Organizations are looking to their BPO provider to make use of new technologies to lower costs and pass the savings on to them and with the promise of reduced errors and enhanced compliance, improved job satisfaction, deeper analytical insights, and 24 x 7 “always-on”, robotics automation and augmentation tools deliver just that.

Early predications put cost reductions via RPA in the range of 60% in comparison to 15-30% offered by traditional BPO approaches. However, automation is just one part of the story – the real focus for the future is on the overall digitization of business with a focus on tools such as RPA but also deep analytics and digital orientated talent and a shift towards predictive and cognitive capabilities.

Successful digitization including the successful automation of complex services is as dependent on the orchestration of diverse initiatives and proper service delivery as on the technology itself.

RPA and BPO is therefore an ideal partnership, enabling providers to take an integrated approach, maximising value for clients.

Arvato’s approach to RPA and technology partnerships enables organizations to utilise automation to improve efficiencies and reduce costs without a reduction in quality or customer experience, helping them to transform for the future.

Arvato runs an extensive team of robotics experts who provide support to ongoing operations, driving improvements all the time. We strive to make automation a key part of our proposition in order to best support our clients.

Our strategic focus on RPA has led to ongoing partnerships with key RPA technology providers in addition to the development of our own “RPA Lab”. We are ideally positioned to help organizations transform their businesses, as evidenced by the major RPA deployments we deliver across multiple sectors.

**RPA & BPO – THE PARTNERSHIP OF THE FUTURE**

1. **End to End Service**
   - Fully outsourced service.
   - Components include staff, management, best in class processes and technology infrastructure on an ongoing basis
   - Includes automated plus non automated tasks
   - Driven by operational SLAs and KPIs
   - Service change largely Arvato driven
   - Commercial pricing likely to be % saving against existing baseline

2. **RPA as a Service Component**
   - Delivers only those processes which are subject to robotic automation
   - Sits as a defined part of an overall service which continues to be delivered by the client
   - Components include set up of technology infrastructure, deployment of process and a remotely managed robot service.
   - Once signed off and operational, performance regime driven by robot availability.
   - Commercial pricing likely to be combination of fixed cost and robot utilisation

3. **Build and Deploy**
   - Simple build and deploy model with no ongoing service component
   - Components include client engagement, analysis of requirements and process design. Client provides SME resource and signs off business processes.
   - Client manages residual operation, including monitoring of robots
   - Commercial pricing likely to be simple consultancy day rates.
Challenge
Validation is a non-standard process whereby an agent reviews the case information and makes over 50 different validations and decisions in an attempt to validate the readiness of that case to be processed and progressed to the next stage of the process.

It was discovered that each agent executed the process slightly differently, and scope creep was found at individual layers. Agents were not following the global process, and were utilizing self-built checklists, and process steps mostly dominated by tribal knowledge. Due to the lack of process adherence, training was long and complicated and often not effective.

Solution
Arvato implemented an automation tool which was interfaced into the OCR and Data viewer, over 50 validation rules were then built which were automated and made decisions on behalf of the agent.

Arvato integrated a static checklist dynamically built based on case type removing the individual and un-approved rules, scope creep, and checklists and a staging area for the agent to view any required fields for input into an ERP or host system. This staging allows the agent to review and approve the auto-populated fields prior to an automated entry into the ERP.

Additionally, Arvato Built an accelerated training program based on this tool reducing the need for deep process knowledge and or tribal knowledge.

Benefits
- Reduced handle time by 20% or more in some cases
- Reduced training and onboarding from 12 weeks to 6 weeks
- Standardized a global process by pushing each case through the tool
- Increased agent availability and reduced cross-training efforts
- Realized a reduction in HC due to lower handling times
**Challenge**

Local government spending cuts, coupled with the introduction of the Welfare Reform Act, have placed increased pressure on council’s front line services. Higher volumes of customer contacts and increased complexity of enquiries means that resources are now more stretched than ever.

Innovative technologies can play a key role in overcoming these challenges, through streamlining back office processes and driving efficiencies. One such technology is Robotic Process Automation (RPA).

**Solution**

Arvato recently completed a pilot to test the use of Robotics Process Automation (RPA) within the revenues & benefits department of one of its local government partnerships.

The main aim of the pilot was to prove that RPA can automate a high volume, manual transactional processes in the back-office and to create a model for best practice implementation of RPA in the public sector. Other objectives included demonstrating that the technology is accurate, auditable and robust and saves time.

To achieve these objectives, Arvato utilised Blue Prism’s RPA solution.

**Successes**

- The pilot proved that the processes could be handled virtually in the majority of cases, with 100 per cent accuracy and a significant increase in speed. Other benefits include:
  - RPA is 100% auditable, ensuring compliance with all statutory and legal regulations
  - For one process, RPA was able to free up the time of two full-time employees, allowing them to focus on more strategic work which can add value for the client
  - Improvement in processing times, reducing council tax direct debit input from five minutes to less than one minute
  - Overall improvement in quality and accuracy
  - Back-office employees are more satisfied with their job thanks to the removal of mundane and repetitive tasks from their day to day routine
  - No integration with legacy systems is required, reducing setup costs
  - Higher quality service delivery to customers through enhanced speed and a reduction of unnecessary direct contact. Robotics has reduced the number of days for direct debit processing from approximately fourteen days to one day.