Grant Thornton

Robotics process automation: How to embrace the potential and drive results

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There's no question that robotics process automation (RPA) is a familiar presence in financial services. Still, decision-makers throughout the industry have many questions about why and how to take best advantage of this technology. RPA's basic capabilities are widely acknowledged, but hesitation about this technology's applications persists. This is due, in part, to a limited understanding of the full suite of RPA's capabilities, overstated and unrealistic vendor product claims and oftentimes resistance within an organization by some groups who view RPA as a threat.

Based on our experience, incorporating the following five themes into your implementation strategy will help avoid some of the common pitfalls in implementing RPA.

1. Demystify RPA for all users

First, robotics at its core is software, not machinery. A simple comparison can be made to building macros in Excel but with more controls, redundancy and flexibility. With RPA, there is no key person risk or risk of knowledge loss because of the departure of a key individual.

Second, RPA is often assumed to be back-office focused, automating tasks only indirectly connected to the customer. But in reality, robotics can be utilized in customer-facing functions, e.g., robotic portals that accept and submit customer requests for robotic processing. While customers prefer to not converse with a robot, RPA software can be invaluable behind the scenes to facilitate and streamline interactions.

Third, though robotics is commonly perceived as being too complicated, implementing RPA is relatively easy and the technology continues to get simpler for end users to configure. Additionally from a technological perspective, RPA is very light in that it sits on top of the technology stack and interacts primarily through user interfaces. It does not require integration with existing applications.

Fourth, robotics is often feared as a job eliminator. However, it's more frequently a booster of job satisfaction because it takes on repetitive and tedious tasks. Even in IT, there are many use cases with a true return on investment. As companies begin to increase their operational efficiencies, RPA will allow employees to move from redundant tasks to more enriching opportunities for the individual's career and success of the company. Hence, a key implementation strategy should be to communicate to your staff what the organization's goals are when considering RPA solutions.

2. Plan efforts around achieving the multiple benefits of RPA

Pressures to comply with regulations, maintain profitability and operate within a low-rate environment are prompting banking and insurance leaders to leverage new tools to enhance their businesses. RPA implementations can drive significant returns and provide operational efficiencies that provide value for employees, customers and the company's bottom line.

Companies should define their RPA strategy and ensure a measured approach when rolling out the plan. The companies that have been successful early adopters of RPA spent a prudent amount of time building their plan and, after the initial implementations, consolidated their efforts into a centralized structure, usually with a center of excellence to maintain and drive future efforts.

Efficiency: accuracy, risk reduction, speed, cost savings

The technology is grounded in creating value for the business through operational efficiencies, resulting in greater accuracy, risk reduction, and time and cost savings.

Manual operations are always subject to human error and, with macros, risks and delays surface when the person who wrote the macro moves to another role or another firm. An example use case is a financial services operations team that, prior to implementing RPA, had to go to the exchange, pull fees and rates into an Excel file, format the file and upload it into a legacy app. This exercise took 45 minutes a day. An RPA solution was leveraged for the task, which after implementation took less than five minutes.

Time savings pay off in a number of ways, including when finance functions must be completed in critical periods such as in quarter-end cycles. During these periods, data movements and routine calculations must be performed repeatedly. RPA handles these tasks quickly, freeing up precious hours.

RPA is also attractive as offshoring administrative functions become more expensive. According to Vivek Rodrigues, Grant Thornton LLP senior manager specializing in strategy and performance improvement, “Wage rates are rising in the popular outsourcing destinations. Even in India, offshoring isn’t nearly the attraction it was a few years ago.”

Value: Employee productivity and satisfaction, and customer service

Professional staff time provides more value to the organization when spent analyzing data rather than simply moving it around. Given the nature of financial services, the people in the industry tend to be critical thinkers who are drawn to higher-level work and know their time is wasted on repetitive, standardized tasks that are better suited for automation.

As RPA helps realign tasks, skill sets can also be better aligned. For example, in the insurance industry, adjusters are attuned to complex negotiations and prepared to educate clients about industry standards and ways to improve their business. Opening claims and assigning notifications are distractions from the real work of meeting with clients. RPA can open up possibilities for greater productivity and effectiveness, allowing knowledgeable professionals to focus on the value they can contribute to the organization. In the process, customer service is enhanced.

3. Secure technology buy-in and partnership before adoption

It is critical to ensure that technology departments buy in at the onset of any RPA implementation initiative. According to Matt Tierney, Grant Thornton principal and Regional Insurance Practice leader: “Establishing a COE that includes stakeholders within the business and within the technology teams will ensure a more thorough and sound go-forward strategy.”

A key strategy for implementing RPA technology is to identify pilot and subsequent processes to automate. RPA can increase the “aperture” of the number of use cases to consider due to the lower implementation costs. Quite often it is possible to fund projects that, in a conventional budgeting process, would not make the grade due to the fact that they are not mission-critical but may still present opportunities to improve efficiency and job satisfaction.

IT doesn't need to assign extensive resources to fit RPA into the infrastructure stack. Because there is no integration with legacy applications, implementation is simple. Including IT at the outset of implementation, though, is important. As the number of bots increase across different divisions within an organization, managing those bots increases the need for a holistic strategy. The process of adding and deprecating bots to accommodate changing business conditions is best handled within a COE with strong IT support.

4. Make substantial preparations for implementation

Two major components of an RPA foundation are establishing a COE and taking a process-centric view.

A COE creates a defined structure for deploying the RPA technology and aligning the process areas that are candidates. The most fundamental component involves the business rules surrounding the process. A second component is identifying the technical expertise necessary to incorporate these business rules into the RPA operations. A company can then build a case for the associated ROI, where the RPA solution comes in, and how its processes can be continuously on-boarded. If the front-end process areas are muddy and the business rules aren't mapped out, the RPA solutions will fail.

A process-centric view identifies processes that are rules-based, standardized and scalable. This focus can help identify processes that are duplicative — being done in various places by a number of people. A process-centric view can also identify associated cost savings. Ideally, this view should determine how a broad range of tasks can be connected and automated for efficiencies and controls.

5. Look forward to RPA's expanding capabilities

RPA adoption has been quickly embraced in banking, where the focus has been on improving operations through automated workflow technology. Other sectors, including insurance and asset management, are also beginning to investigate and use RPA.

"As far as the RPA product, many vendors are starting to embed additional rules-based logic and learning capabilities. The next stage in sophistication — analytics — is emerging, as is predictive modeling. Analytics and modeling offer tools for opening windows into the data that organizations already possess and allow realization of data's full potential," said Tierney.

Artificial intelligence (AI) functionality is increasingly being embedded into many of the newer vendor releases and is also being implemented in separate stand-alone products. In specific use cases, AI can be a powerful aid in decision-making. Its evolution will continue to broaden the capability for dealing with larger data sets, allowing the system to improve the accuracy of auto-generating rules sets to process data.

Robotics and AI are here to stay. As the software matures and grows more sophisticated, the number of areas where these technologies can be implemented will increase. With continuing pressures on margins, we foresee the financial services industry continuing to embrace RPA technology to improve efficiency, effectiveness and customer service.

Contacts

Matt Tierney
Principal
Financial Services
T +1 215 701 8822
E matt.tierney@us.gt.com

Vivek Rodrigues
Senior Manager
Strategy & Performance Improvement
T +1 212 542 9980
E vivek.rodrigues@us.gt.com

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