INTELLIGENT AUTOMATION:
WHAT'S HAPPENING ON THE GROUND IN ASIAN SHARED SERVICES?

Leading SSO executives in Asia explain why IA is a valuable tool for change and disruption, where they are experiencing setbacks, how IA is perceived across different stakeholder groups (and why), and how intelligent automation heralds a new Shared Services model.

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Do you think Asian-based shared services operations are under pressure to deliver more value today, versus cost savings/arbitrage, as per the traditional model?

Yes, I would agree that the pressure seems to be mounting with every passing year as IA/RPA and new technologies are changing the business models and cost arbitrage equations. However, I also believe it is an opportunity for Asian Shared Services to create new skills in their workforce and use these to their advantage – interestingly everyone is learning as we speak and continuing to change the way we work – so we are all on a level playing field!

Yes, the evolving business mix demands a shift from transactional to tactical, and also wants more integration of the SME (Subject Matter Expertise) functions – but at the same cost. So this pressure is shifting transactional work to BOTs and cognitive and analytical work to HUMANS.

Yes, cost is no more the primary objective of shared services. There is a lot of pressure to add value and drive business results. Some of the factors contributing to this are:
a) Shared services are taking on more complex work, which has a direct impact on the top line and the bottom line, hence a drive to deliver "value."
b) With digitization and automation taking center stage, vendors are pushing for value through these streams.
c) Shared Services has become an extended team and not just an outsourcing partner. With this change in mindset, there is an expectation to contribute and deliver value and not just save cost.

Traditional operations have evolved from the days of store/branch-based work, where every bit of the back office was embedded in the branch. Eventually, all of this was bundled together in a centralized operation to reduce cost through scale. These centralized operations were then moved offshore to drive cost down through arbitrage. Throughout this journey over the past three decades, nobody gave much thought as to whether this work needed to be done by humans in the first place. Today the businesses don't just want cost benefits – they want to provide on-demand, high quality services to their customers with little or no risk involved. But these demands can no longer be delivered by throwing more people at a problem. Hence the pressure is very different to the traditional drive to save money through cost arbitrage.

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How does IA help deliver this "value"?

I think it's a very simple value proposition: As we automate processes we are making them more standardized and predictable. However, the moot question is, how Intelligent is IA? I believe the value comes from the fact that we continue to push the envelope and drive optimization but in a planned and cohesive manner, and look at end-to-end solutions rather than just automating parts of processes which are manual or need human intervention. A good IA strategy is one which covers all parts of the organization, from front end processes of Sales & Marketing; to core processes of Production & Manufacturing; to back office processes of Finance, Procurement, Human Resources and other enabling functions. It is important that we leverage the skills of existing resources so that they feel more inclusive in the value creation, through our digital strategy.

From my perspective it is too early to comment. Initial discussions andPOCs have not shown significant wins, in the HR space at least. In F&A and procurement, however, it's proving a good candidate.

IA or RPA is just another tool to increase cost savings. It is really not providing any major value at this point. However, there is great potential to use IA to generate value, for example... use IA to provide real-time information and quotes to sales (chat bots, mobility etc.); use RPA tools/ bots in revenue generating tasks, eg. deploy bots for quotes under certain dollar trash hold, that the company does not want to invest in.

IA is to operations what the invention of the wheel was to transportation. It enables us to deliver high quality service at no additional cost. It also offers on-demand capacity to operations, which traditionally took time. For example, to capacitize for a marketing campaign took months of work in the past; but today we clone assets to double or triple our capacity overnight, offering great flexibility to our front end/sales organization. The value that is being generated is not just in reducing cost but in increasing our capacity to sell more.

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The three main drivers for IA in operations are cost, risk mitigation, and better customer experience.

How do you define "IA" in the context of shared services?

I would define IA as a strategy to leverage tools and technology to make processes automated by eliminating manual work and human intervention. In the context of shared services, IA is even more applicable as it helps to change how we do things and run our day to day operations. As is rightly said, "Robotics aims to get the robot out of our daily routine," and this is only possible when we robotize processes that are repetitive or rules based and that apply cognitive computing and data analytics to drive well-informed business decisions backed up by data and predictive analytics. There are a suite of softwares available across the shelf to help automate processes. Automation Anywhere, Blue Prism, Redwood, Another Monday, UiPath, to name a few. IA also includes an element of self-service so that customers can get information available at a click of the mouse or the touch of a screen. Softwares like Taulia, SAP Process Director, and Read Soft are great tools for automation of your Procure-to-Pay (P2P) processes. Procurement tools like SAP Ariba help drive automation of Procurement processes. And, lastly, tools like Cadency and Blackline help drive automation of the Record-to-Report (R2R) processes. However, the power is not in the software we use but how we use it to drive automation of our business processes, make our solutions end-to-end, and simple to implement and operate.

I see IA a combination of desktop automation, RPA, ML/AI and Analytics, all of these have to come together and work in sync for IA to be successful.

IA has changed the operational model of the Shared Services. For the first time, operations managers are using the digital workforce to complement the human workforce. They have started to release the human intellect trapped for decades in mundane, manual and repetitive processes, which were error prone and painful to customers. Now we have an alternative to almost all tasks that humans do. These are some common ones:

TRADITIONAL	DIGITAL
1. Call Centers	Chat Bots
2. Sorting Documents	Image-based tools like OCR/ICR
3. Verification of Documents	Machine Learning / NLP
4. Account Maintenance	Robotics using screen scrapping
5. Bulk Data upload	Backend Database enabled Robotics

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Which of these opportunities are most promising or exciting for your operations?

Why?

> The most promising opportunity is the fact we can leverage technology today to drive change and we have Millennials who have the necessary mindset, skills and are ready to just Do it!

> HRMS administration, analytics and reporting.

> RPA tools are the most promising and exciting currently in our operation. We have deployed RPA for rules-based transactional activities across Quote2Cash life cycle, services, IT, R2R, HR and Presales. Along with RPA we have deployed real time transactional level business insights using ETL, BOBJ etc., and are exploring use cases to deploy ML/AI.

> The opportunities are immense and it depends on the maturity of the organization when it comes to leveraging these tools. Ultimately, all organizations will move to ML-enabled robotics with a digital front end.

> *To capacitize for a marketing campaign took months of work in the past; but today we clone assets to double or triple our capacity overnight, offering great flexibility to our front end/sales organization.*

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> *IA is not the end but the start of the journey when it comes to developing capability.*

From today's perspective, what are the core drivers of IA in your operations?

> The core drivers and enablers of IA are People, Process and Technology – the PPT syndrome! As it is through these three pillars that we can achieve IA. First, People are the back bone, as it is through a skilled workforce that we can drive IA; second, our Business Processes must be standardized and optimized so that we can leverage IA tools efficiently; and third, technology is enabling the change where machines are replacing humans (but let us not forget that for the machines to be intelligent the humans who program them must also be intelligent!!!)

> Cost, and moving humans to more value added work.

> Core drivers in order of priority:
> **1.** Cost efficiency (redeploy resources impacted by RPA to take on additional or complex work without adding additional headcount)
> **2.** Value add / process efficiency (speed and accuracy)
> **3.** Upskill resources from performing transactional activities to removing the robot from the human

> The three main drivers for IA in operations are cost, risk mitigation, and better customer experience.

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What's the biggest hurdle to moving ahead with IA?

The biggest hurdles to IA are the inability to experiment with change management, legacy systems and a risk averse culture with organizational silos. So the Challenge isn't technology prowess, budget or access to extra ordinary talent but the ability to lead the change in organizations.

Low penetration in high volume areas such as employee help desk.

1. Getting buy-in from IT, Risk and Compliance

2. Finding the right use case (use case which can make significant impact to justify ROI)

The biggest hurdle is getting the organization prepared for scaling IA within its operations. Most organizations struggle with putting in place a model to industrialize the deployment of digital workforce of the future.

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What's the overall evaluation of IA across different stakeholder groups within your enterprise?

> I would say the overall evaluation of IA across different stakeholders is very good as people are becoming more and more open to change and realize that Darwin's theory is still revenant – because if we don't change then we will die or become extinct!

> People have high hopes but I don't see much changing in the near future. It's a more of a new name to an age old word called "automation.

> With saving targets getting steeper and tighter, stakeholders across the organization agree and are looking at IA as one of the enablers to meet these savings target. Since IA is the new buzz word in the industry, there is a lot of pressure across the enterprise to explore it

> The overall evaluation is that IA is the future of organizations, customer and people. It is no longer an option to use it, but an imperative for survival. The earlier we adopt it the better prepared we will be to deal with future pressure on the business. However, there is also a cautious approach when it comes to risk managers who are not very evolved when it comes to dealing with the risk of a digital workforce.

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On the staffing level, what can you do to shift employees' skill sets towards working effectively with robotics/IA?

> In order to shift employees' skill sets towards working effectively with Robotics, it is important that we give them the necessary trainings on tools and technology that can be used to drive IA and become a part of the journey to implement the change. A lot of training material and content is available online which corporations can tie into. Some of these are even available free to the global user community. A very good example is edX.org which is a knowledge sharing website and what is so interesting is that that I was introduced to it by a Millennial – my son Sid!

> We need to have an inhouse team for the configuration and maintenance of these new solutions. As of now, we don't have such skills in house.

> The optimal way to do this is to have a business-owned IA model that is supported by a central robotics teams, which enables the business. By adopting this model, we can identify resources within the business that have basic technical skills and train them on RPA and IA tools. This will ensure 10-20% of the population within the business are trained and self-sustained to support RPA/IA. The central RPA / IA team acts as an enabler and provides training, development and L2 support. Also the RPA and IA tools are simple to operate and run on a day-to-day to basis, hence anyone with basic instruction and training can operate these tolls.

> Staff have already started questioning broken processes and demanding that IA be used to help them move to more value-adding jobs which are judgmental and analytical. They are skilling themselves on big data, block chain and analytical modelling.

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How can you most effectively partner with IT to optimize the opportunities around IA?

> The most effective way to partner with IT is to become a part of IT! I do not mean literally, of course. We should never view IT as a separate function, although I know we have compartments in organizations, because the moment we view ourselves as an extension of IT – that's when the barriers get diminished and we will be able to collaborate to drive IA across our organization more effectively.

> IT needs to help with integration with internal systems and enable feeds.

> Any IA program without IT involvement and support will not be successful and you will only be setting yourself up for failure. Here are key areas that require IT partnership:
>
> 1. Involving IT in vendor evaluation. This will ensure IT is aware of what you are doing and will not be a hurdle and consider the initiative as shadow IT program.
> 2. Involving IT in defining the architecture for deploying IA. This will ensure that IA gets past fire walls and clears data compliance.
> 3. IT change management. Any changes to core IT systems will impact IA, hence it is imperative to work with IT to ensure IA tools are part any IT change management.
> 4. Creating virtual resource identities and providing the infrastructure to enable virtual resources and tools.

> IA is not the end but the start of the journey when it comes to developing capability. IA is used to plug gaps in the capability of our current systems. They should be replaced by more stable APIs and all these APIs should be incorporated into the build of core systems.

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Any other comments you would like to share?

> We are at a point in time where the whole world is connected through the Internet, and economic, social and financial barriers are soon vanishing (though we do have some politicians and economists who still are living in the past and have a protectionist attitude). But the fact of the matter is that we could never have imagined that a social networking application like Facebook could, one day, connect the entire globe; or that something like Bitcoin could become an alternative global currency of exchange for trade and barter. Hence, it's important that we leverage this opportunity to drive global change and make this world a better place to live in!

> Explore and build the HR business case with caution.

> Based on our experience, only RPA tools in which rules-based transactional process are deployed are stable and enjoy a high degree of confidence with the users. However, the same confidence does not exist in ML/AI. There are way too many exceptions and manual intervention at this point.

> Make IA a people revolution and don't treat it like you are deploying a new system. People are key for the success of IA in operations. They should aspire to more, to take up more intellectual parts of a product capability, that the company offers its customers.

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