

Chairman's Takeaways

SSOW 2019

**March 14, 2019
Orlando, Florida**

**Brad DeMent, Chairman
ScottMadden Partner**

Improving and Automating Processes

It's not about how many bots you have...
it's about how many processes you automate

– Jose, Swiss Re

We are exploring using **cognitive** bots to
read contract terms & agreements

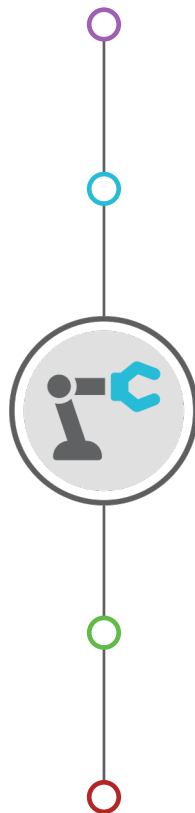
– Tracy, Gap

Continuous improvement (policy standardization,
process re-engineering, IA) **“CI Shark Tank”** exercises

– Debbie, McDonald's

It's amazing how many **RPA steps**
can be re-used in other processes

– John, Amex



In retrospect, testing tech to see if “RPA works”
was not the best use of time... **it works**

– Jeff, Voya Financial

RPA is only 15% of our total tech portfolio
(one piece of the puzzle)

– Tracy, Gap

There's a lot of **rebalancing work** with RPA

– Charles, Aetna

Our **metrics address outcome**, but **rarely root**
cause of problems (incorrect setups, no PO, etc.)

– John, WorldVision

Improving and Automating Processes (Cont'd)

Automation is like climbing **Nanga Parbat ridge**... can hit obstacles and **force loop back to beginning**

– *Bill, Darden*

Technology is **allowing us to do a 100% audit vs. sample** size audits

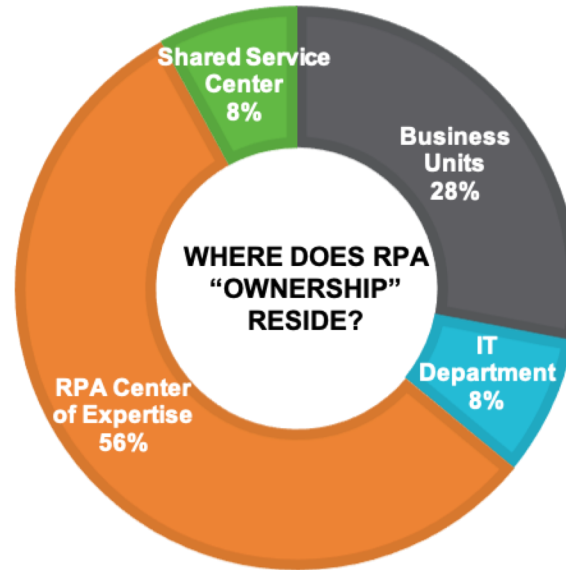
– *Grace, Microsoft*

Blockchain took 45 minutes of manual work **to a couple of minutes**

– *Grace, Microsoft*

Process mining = measure process E2E, benchmark, diagnose, rework, and monitor

– *Rob, AkzoNobel*



Process discovery can be **shocking** the first time you see it = plate of spaghetti with different variations

– *Rob, AkzoNobel*

But there's a **couple of "meatballs"** in there (hubs) that are consistent (e.g., Masterdata change)

– *Rob, AkzoNobel*

I need to layout a 3-year process prioritization plan to determine processes that need automation vs. processes that just need restructuring

– *Bill, Darden*

You need a **contingency plan if the robots stop working**

– *Bill, Darden*

Improving and Automating Processes (Cont'd)

We want to use **predictive analytics** to determine when a customer is about to leave

– *Suzanne, UPS*

Spend time **defining governance** – we had chaos at first with consultants bringing their favorite vendor

– *Charles, Aetna*

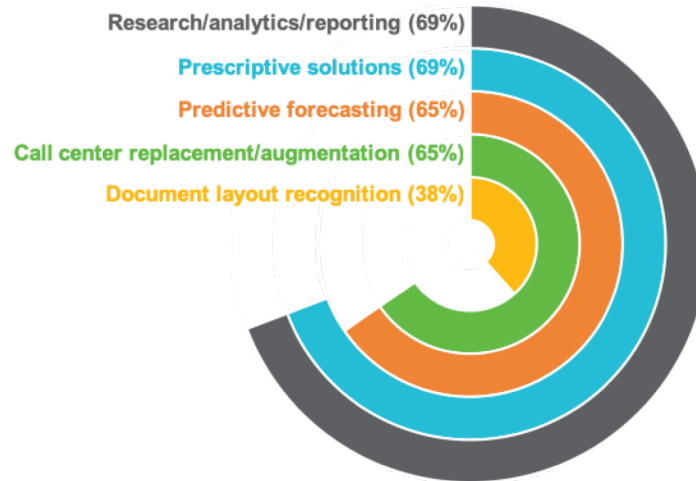
Got ahead of the problem and asked for new PO number before recurring contract expired

– *John, WorldVision*

We should be measured on **what % of business process** can be automated, **not how many bots**

– *Ash, AntWorks*

FOR WHICH PURPOSES ARE YOU USING INTELLIGENT AUTOMATION APPLICATIONS?



Make sure **internal controls** plays a **part** on your IA project team

– *Michael, GBD Independent*

We used to audit 5% of 25,000 USA paychecks, **now we audit all of them** in one night with RPA

– *John, Amex*

There are **66 different ways** to cancel a card across my market – I'm not going to build 66 robots.

Standardize first then apply RPA

– *John, Amex*

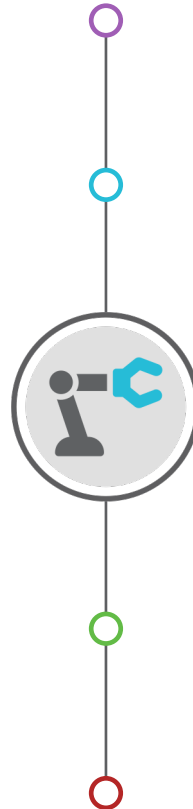
Improving and Automating Processes (Cont'd)

I have a 3-year prioritization plan, but it changes frequently, and that's ok
– John, Amex

Our first bot sent reminders for collections and generated \$Ms... **simple, but got executive attention**
– Robert, Canadian Tire

66% of help desk inquiries are **handled by a chatbot** (86% of those are **solved by a chatbot**)
– John, Amex

Cognitive load concentration – **understand what humans need to do** in the process today
– Lee, Ascension



RPA is just one technology in our “Automation COE”
– Todd, Underwriters Laboratories

Just because the technology is easy, **does not make RPA projects easy**
– Matt, BluePrism

If it's software, it's “digital”... **the term is overused**
– Lee, Ascension

We ran processes through the **continuous improvement** group **before the RPA** group
– John, Harland Clarke

Preparing for Blockchain – *Bettina, Animal Ventures*

Blocks are the carbon paper after your checks run out... **but you don't need the bank**

It's a **network of computers coming to agreement** and lowering uncertainty

The network creates **one giant computer** that's good for what computers do – **building stuff on top of**

But **no one owns it**, and there's **way more data** (100s of networked computers)



Smart contracts are not really smart or contracts – think of a check **“I’m going to pay you \$10”**

– It’s just automated **business logic** in computer-readable code

Machines can make decisions **based on a network of trust (not human trust)**

Early days... still in middleware phase...
We don't have an “Uber app” yet

Blockchain is very **useful now for asset tracking**

Securing SSO Systems – *Ryan, EBSCO*

- **Do you know which data** is most **important**, which is most **valuable** to others, or which is most **damaging**?
 - And do you know where that data lives, and who has access to it?
- We've seen a large surge of **CEO impersonations** (“send a check here... I’m on vacation”)
- **If an incident occurs do you know** what your RACI model is?



Financial, personal, and competitive data



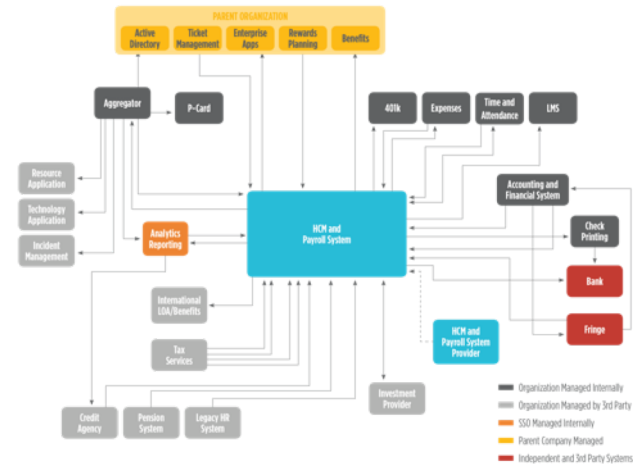
Complex systems and processes



Various communication channels



Low employee IT security engagement



Reworking Your Service Models

GBS helped us **leverage underlying tech**
platforms across multiple functions
– *Camilla, Adidas*

We created a **new foundation starting with data**
and intense focus on the client experience
– *Stephen, Silicon Valley Bank*

We deconstructed our GBS and **rebuilt in 3 parts**
(indirect procurement, ordering, employee services)
– *David, Cisco*

People should **not care** (or need to
know) **where the transaction occurs**
– *John, WorldVision*

If you view yourself as a **cost center**,
you are **not at the “decision table”**
– *Christof, Siemens*



We are a 100-year-old company
with **100 years of bad processes!**
– *Todd, Underwriters Laboratories*

Our new GBS leader saw **excessive structure**, and **cost reduction through service reduction**, which did not make sense
– *Tony, Boeing*

GBS reconstruction was based on **delivering value, not being an “order taker”**
– *David, Cisco*

Be willing to say “yes” to adding new services
with **caveat** that it will be analyzed beforehand
– *Todd, Underwriters Laboratories*

Reworking Your Service Models (Cont'd)

Moved AR to Customer Service; “Finance does not need to own it.” They have the relationships

– *John, WorldVision*

If I were starting today, I would not have a team in Manila, Buenos Aires, etc.... **they would have never left the USA**

– *John, Amex*

Our **RPA COE** expanded from **internal SSO** support to covering **entire organization**

– *Robert, Canadian Tire*

Standardize, automate, **then right shore**

– *John, Amex*



Typically, someone runs finance, sales, manufacturing, but no one is running **customer interaction**

– *Michael, GBD Independent*

Data **analytics COE** should be a blend of business **SMEs** and **data scientists**

– *John, Harland Clarke*

Analytic COE hierarchy – a) **Discovery** = why and b) **descriptive** = what; then c) **Predictive** = what will happen and d) **Prescriptive** = what should I do about it; and finally e) **Deductive** = what would happen if

– *Lee, Ascension*

FTE has gone from **\$70K/year** to **\$30K/year** to digital **\$8K/year**. Need to manage entire workforce

– *Lee, Ascension*

Attending to Your Customers

Design your GBS model around the customer – **make them the center of the universe**

– Suzanne, UPS



We spend way too much time building/sending **reports no one uses (applause)**

– Debbie, McDonald's

Adopted a standard ITIL model approach to customer service (**13 standard processes**)

– Ryan, EBSCO

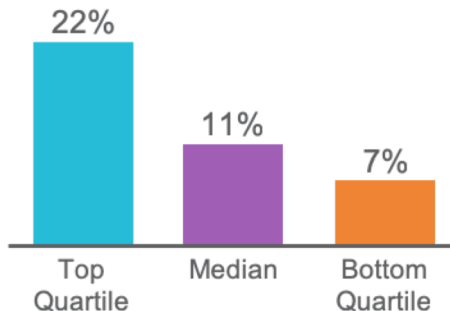
Provide service from the **lens of the customer**

– Ginelle, J&J

Services for “McDonald’s-owned” restaurants **different** than “McDonald’s-franchised” restaurants

– Debbie, McDonald's

% OF SSO EMPLOYEES DEDICATED TO “CUSTOMER CARE” INQUIRIES



If you can get your SSO worker to **smile while on the phone**, the **service will improve** for the customer

– Ginelle, J&J

The **customer does not want** to have to figure out **who to call for what service**

– David, Cisco

Just because we **did better this year** than last year **does not mean your good!**

– Tony, Boeing

43% will emphasize a **better client experience** this year

– YOU (#1 answer to polling question)

The Customer experience includes how **all parties** are involved in the E2E process

– John, Amex

Attending to Your Customers (Cont'd)

Converted time liberated by RPA to
front-line customer service roles

– *Laura, Mitsui & Co.*

Design a **journey for each customer channel**
(zero touch, one touch, and multi-touch)

– *John, Amex*

The last thing you want to do with a
digital customer **is make them call**

– *John, Amex*

80% of the chats on our website **go through a bot**

– *John, Amex*

Empathize with customer before you design

– *Sarah, Canadian Tire*



User-centric design accounts for **art**
(how it looks), **science** (how it works),
and **psychology** (how user feels)

– *Robert, Canadian Tire*

Introduce IT to your customer (and vice
versa) to **understand each other's worlds**

– *Robert, Canadian Tire*

Make sure there are **multiple intake
channels** that are simple “I have a problem”

– *Robert, Canadian Tire*

My 25-year-old son will never call Amex...
has no intention (chat, text, email)

– *John, Amex*

Preparing and Managing Your Workforce

I'm working with a **local university**
to launch **RPA apprenticeships**
– *Laura, Mitsui*

How many **remember when Excel was a skill?**
Well that's where **RPA is today**
– *Michael, GBD Independent*

Built a standard workforce governance to
monitor human and digital effectiveness
– *John, Amex*

Bots are not built today to say, "Hey, I'm available"
or "Hey, I've got a 3-day backlog" – we need to begin
managing robot work like we would human work
– *Lee, Ascension*

Cost drive out started as excitement, **but eventually**
eroded top talent (was not sustainable)
– *David, Cisco*



Build **next generation workforce** with
next generation people (students)
– *Jeff, WorkFusion*

We will **change professions** at least **three times**
– *Kapil, Infosys*

We are **not managing human** and
digital labor the same way
– *Ash, AntWorks*

Martec's Law – tech grows **exponentially**,
but **org capability growth is linear**
– *Tony, Procter & Gamble*

We had built a Porsche and
handed the keys to a 12-year-old
– *Stephen, Silicon Valley Bank*

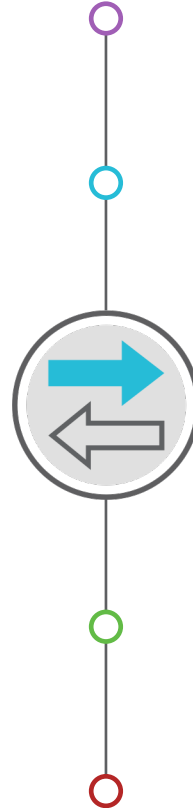
Natural attrition can help manage
work reduction attributable to RPA
– *John, Amex*

Managing Change

Our **CEO** signed up a **portion of his bonus** to hit three key metrics—this drove change
– *Stephen, Silicon Valley Bank*

We have **dedicated change management** resources that sit in GBS
– *Debbie, McDonald's*

You have to **manage executive expectations** that **RPA** will wipe out all your company's work
– *Charles, Aetna*



We learned you can adapt your model's "centricity" **according to business needs**
– *Kathy, Raytheon*

Our stakeholders were not in the room when we developed KPIs – we were **patting ourselves on the back**
– *Suzanne, UPS*

Nothing is ever as good as it seems, but **you can get there in time** by managing expectations
– *Chris, John Hancock*

Managing Change (Cont'd)

I spend a lot of time explaining
what technology cannot do
– *Yatima, MetLife*

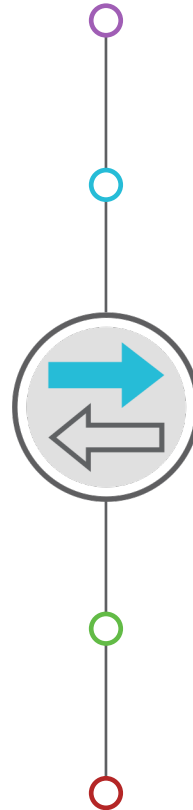
I have a boss that's a believer in automation, and
that helps tremendously
– *John, Amex*

CEOs don't seem to like the word
“robots”... and **prefer “digital workforce”**
– *John, Amex (and others)*

Optimism Theory – when we think
last 10% of the project will only
take 10% of the project timeline
– *Cathy, Mt. Everest*

Take the price you spent on RPA, **double
it and spend on change management**
– *John, Amex*

Human desire to **“do something”**
when faced with critical decision is **not
always best instinct** – resting/planning
can be a better choice
– *Cathy, Mt. Everest*



Driving Culture – *Robert Richman*

Zappos **answers phone** in
30 seconds or less **with NO scripts**

The word “customer” is not in Zappos’ customer
values... because **everyone is a customer**

Culture is driven by feelings – you know it when you
walk into the room (and **you can affect it**)

Please **tell me the one thing I don’t want to hear**
(give permission to provide feedback)



Navy SEALs **have strongest culture** out there.
Why? **Constant Reinforcement**

Ask on a scale of 0-10 **how lucky you think you
are...** high scores translate to **high customer
service** – good on teams (but don’t want a 10)

Culture is governed by games – goals
(get into Zappos), rules (have to show up
at 7AM or cut), feedback (can ask any
question and it will be answered), opt-in
(get full month’s salary to quit)

Thank You for a Great Shared Services Conference!



Brad DeMent

Chairman SSOW 2012–2019

ScottMadden Partner – GBS and Finance Practice Lead

bdement@scottmadden.com

- 21 years of Shared Services and GBS experience
- IA strategy and application counsel

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Deep Experience

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Our Corporate & Shared Services practice has completed more than 1,700 projects since the early '90s.

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Philosophy

We are personally invested in every project and measure our success by our clients' success.

We listen to our clients' needs and put their best interests ahead of our own.

We work with integrity, tenacity, and a genuine passion for what we do.

We do what it takes to get it done right.

Personalized Approach

Before we begin any project, we sit down and listen to our clients' needs and challenges.

We engage with our clients like no other firm does, working side by side to create practical, real results.

We don't employ canned methodologies or cookie-cutter solutions. We work to solve the right problem in the right way.



Outstanding job of selecting really good people that have the experience, knowledge, and insights.

