

CEO's Briefing



Software Robots: Buzzword or Revolutionary New Tech?

“ Right now, RPA (Robotic Process Automation) is gaining significant attention. ”

In IT, every year or so a new technology comes along promising to change the world. But groundbreaking tech can be difficult to separate from clever marketing. And sometimes expensive tech isn't all it's cracked up to be.

Right now, we're hearing a lot of talk about RPA (Robotic Process Automation). It claims to be able to automate mundane office work. That's a big claim, and certain RPA vendors have been enjoyed huge valuations. So it seems worth looking into.

This briefing is a balanced view on what we are seeing and what we are doing with RPA in mid-market companies. At Freeman Clarke, we work closely with tech vendors. But we have no commercial links with them, so our views are entirely independent.

Why, Robots

Look around an office and you will see plenty of people whose main work is dealing with systems and information. People handle information, organize it, fix it, share it, and ensure that different systems are up-to-date so that the right things happen. It may be product information, contracts, claims, pricing, or just tracking employee vacation days. Whatever the data, a modern office is full of this kind of activity.

RPA is technology that can replace these systems-based tasks. In other words, it promises to automate many of the ordinary office tasks. Forrester, a technology research company, estimates that by 2021, there will be over 4,000,000 robots performing office, administrative, and sales-related tasks!



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“ So perhaps this is the next industrial revolution ... AI removing the need for humans doing admin work. ”

The automation trend echoes the offshoring of labor-intensive manufacturing. But as wages in low-cost economies have risen, companies are looking to automation and innovation, whether it's on the production line or office tasks. As RPA has become more sophisticated, its use has spread beyond large off-shore “paper-processing factories.” Mid-market companies are increasingly using RPA to increase efficiency, improve audibility and control, and reduce office staff.

But What Exactly Is RPA?

RPA is just a set of tools that allow scripting of system tasks, such as:

- Logging onto systems
- Reading emails
- Reading attachments
- Looking things up
- Sorting, combining and sending information
- Updating records
- Logging off systems

RPA includes the applications that devise these scripts using simple “drag and drop” features, as well as more complicated scripting languages. It includes dashboards for managing the software robots, as well as special functions for handling exceptions, reports and errors.

While we're talking about “robots,” RPA actually allows for real people to be involved at any stage. So for example you can add rules that certain individuals must authorize certain steps, and get a notice if limits are exceeded, or unusual things happen.

Modern RPA tools work with all kinds of technologies, so the script can involve opening emails in Outlook on Windows, using an old green-screen system as well as a webpage, reading a PDF, or scanning a paper invoice.

In many ways you can treat RPA tools as if they were employees. Much like a person, you can assign and track its specific jobs, allowing for a much clearer cost-benefit analysis. You can email a bot with instructions. They may even leave a message for you on your mobile phone.

But RPA is not necessarily about improving or fixing processes or systems. One of the great strengths of RPA is that it's tech that automates the tasks you are currently doing. So it's relatively quick and simple. But that's also a weakness, as it means that you may not notice or fix underlying problems. It's merely a new layer of software on top of existing software that's not properly integrated, or processes that haven't been simplified.



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Is RPA Really New?

Some old-timers may grumble that none of this stuff is new. To some extent they're right. If you break an RPA tool down into its components, you can argue that many capabilities have been available for some time. What's new is that current RPA tools have wider applications, are easier to use, and are more conveniently packaged.

Is RPA a Kind of Artificial Intelligence (AI)?

You will often hear automation spoken of as part of the AI revolution. To be honest, though, RPA tools aren't really AI.

But it is fair to say that they will move closer together. For example, at the moment you may have to script how to handle an incoming support request. But machine learning technologies could classify such requests by analyzing how humans have handled them in the past.

An analogy: AI may give us self-driving cars. RPA could be considered a self-parking car. Driving is complicated and risky, and you don't yet see many self-driving cars cruising the highways. Parking, in contrast, is a defined, simple, existing maneuver.

What Are the Benefits of Automation?

McKinsey & Company claims that 60% of occupations could have 30% or more of their activities automated. This is actually consistent with our experience at Freeman Clarke. Automating entire jobs is hard, but many jobs include plenty of automatable tasks.

We see it as having eight clear benefits:

1. **No human error or breaktime.** Bots are faster than people, and they operate 24/7, and they don't hit the wrong key or break for lunch.
2. **Centralized standardization and management.** It is often difficult to proscribe ways of working to people in different offices or used to doing things their own way. Automations allows you to figure out processes and roll them out, end of story.
3. **Reduced costs.** Of course, cost is the attention-grabber. But it often becomes a lesser issue once you understand the real opportunities.
4. **Clear controls and security.** RPA allows you to codify rules and apply them with certainty: a bot can consult a manager if a threshold is exceeded or a sign-off is necessary from a particular person or level of authority.
5. **Improved business continuity.** Cloud systems don't need offices or storefronts. So when disaster strikes — like a fire or flood — the automated processes roll on.
6. **Documentation and auditing.** This is especially important in highly regulated industries or high-risk activities — and unlike human processes, you can be confident they're being followed.



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“ RPA tools are often expensive and their implementation requires significant effort from both IT experts and business. ”

7. **Scalability.** Companies with seasonal peaks or looking to grow can avoid the cost and complexity of scaling up. This can be a major win for companies with labor-intensive back-ends.
8. **Liberating experts.** RPA frees up knowledge-workers who are experts in their business and its processes. They can make a real difference to the things that matter (like customers!) when they are freed from repetitive processes.

Where Does It Work?

At Freeman Clarke, we have successfully introduced RPA in a variety of sectors, including legal, insurance and logistics. The benefits are especially clear for:

- Businesses with lots of paperwork and processes
- Businesses with regulatory or contractual compliance issues
- Organizations that have grown through acquisition, and thus have complicated, inconsistent processes
- Companies with laborious jobs, perhaps imposed by customers, suppliers or partners with their own systems that create repetitive tasks
- Situations where well-paid experts or managers find themselves involved in low-skill repetitive tasks

What Are the Drawbacks?

We have certainly helped organizations to significantly downsize their admin teams, streamline their activities, and get smarter about how they operate. However, the issues are as follows:

1. **It can get expensive.** The tools are often expensive, and their implementation requires significant effort. It's not a small or simple project, so to avoid cost overruns the entire project needs to be well-supported, well-communicated and part of a strategy.
2. **It's hard to plan.** Sometimes simple tasks can turn out to be complicated, and complicated tasks turn out simple. So you need to be flexible — take an incremental, 80/20 approach, prioritizing the simplest and most repetitive activities.
3. **It can go on forever.** Whenever systems change, problems will emerge, and unexpected situations will arise. So make sure you have in-house expertise, or an affordable rate with a good provider. Make no mistake, automation may take over simple human tasks, but it's complicated, and it needs humans to maintain it.



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“ RPA offers huge benefits, but should not be seen as a simple means to achieve tactical cost savings. ”

So What's Our Conclusion?

RPA offers huge benefits. But it's not a simple way to save a lot of money. It is a strategic move towards a smaller, more efficient business.

It offers the opportunity to reinvent your back office, with fewer people spending time on mundane tasks. Instead you can impose standardized, structured, documented and controlled processes — you'll have fewer errors to deal with. Similarly, with reports and information flowing more easily, automation enables better decision-making.

Automation also allows for the adoption of new technologies. As we mentioned, automation and AI will move closer together. Over time, more of your customers, suppliers, and partners will deal with you through online channels, and automation will help with integration.

Finally, automation frees up your high-value employees who are bogged down in repetitive tasks. It allows them to use their expertise to help the business instead of wading through paperwork.

In short, automation isn't easy and it's not a quick fix. But when it's done right, it enables your business grow in ways you may have not thought possible.

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