Revolutionizing via Robotics: Hear From a Peer

Shared services leaders provide perspective on the emerging field of robotics process automation

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Most of the gains from simplification, standardization, and offshoring or outsourcing processes have already been secured. But a new technology in the marketplace — robotic process automation (RPA) — could be a game-changer for shared services.

Sometimes referred to as “smart automation” or “intelligent automation,” “RPA” is an umbrella term for advanced software systems that can be programmed to perform a series of tasks that previously required human intervention. Other robotic solutions incorporate machine learning and include cognitive computing and artificial intelligence.

The routine, rule-based tasks and basic operations that employees find repetitive and mundane could potentially be ideal for RPA implementation. RPA software applications are commonly referred to as “digital FTEs” or “human proxies” because they can work and interact with existing systems as a person would.

Providers of the new software say it usually costs about one-third of an offshore employee or one-fifth of an onshore employee, but it can work nonstop, with no human errors — if programmed correctly. With numbers like that, it is no wonder RPA has caught the attention of shared services organizations, which are designed to ultimately be cost savers and to provide consistent back-office processes and business support. A few early adopters have already implemented RPA in their organizations, and more plan to: in April 2015, about 30% of shared services executives indicated they had either implemented or were actively evaluating an RPA solution, and by November 2015 the numbers had grown to 45%.

To stay competitive, all shared services leaders should be aware of the technology, its implications, and its costs and benefits. To help get you up to speed, this article summarizes what we’ve learned so far from interviews with experts and reviews of news and other publications on the topic. It also includes snippets of our first round of RPA discussions with shared services leaders.

Traditional Automation Versus RPA

When we think of automation now, we may think of optical character recognition, workflow technology and automatic data feeds from one system to another. But RPA software systems can interact with multiple, existing applications, such as your ERP or CRM, just as a person would by moving a computer mouse. They can manipulate data, set off responses and “talk” to other computer systems. RPA solutions might also be able to “review” reports and flag problems. They have the same level of security and access as a person, but they can work without interruption.

The Institute for Robotic Process Automation uses the analogy that traditional automation is like cruise control on a car and RPA is more like a self-driving car. Traditional automation keeps your organization moving at one speed, but can’t easily adapt to shifts in the environment. RPA identifies different conditions on the basis of a given set of rules and adjusts for those changes by following the rules. RPA, as a self-driving car, would stop at a red light — if given that rule to follow.
Key Considerations

- **RPA is not one particular product or tool.** There are multiple RPA solutions in the marketplace, and each one is designed to perform in different ways (just as certain computers come with programs that are better for movie and music editing, whereas others are better equipped for office work). If you decide to adopt RPA, you need to evaluate various products to identify which offering best fits your company.

- **RPA runs separately from applications and underlying systems.** RPA software runs separately from your underlying systems and can be implemented and altered relatively easily. It does, however, require human work for quality control and maintenance. For example, if your IT team makes updates to your ERP system, which your RPA software uses, your RPA software may also need to be adjusted to ensure the process or task it is performing works correctly.

- **RPA is faster, cheaper and easier to program.** RPA doesn’t require the same level of IT involvement that traditional automation does. Business analysts with a clear understanding of process and workflow can program RPA technologies — without training or coding knowledge.

- **RPA is scalable.** There is no limit to the number of human activities or processes that are candidates for RPA. The best-candidate processes for automation are definable and rule-based, making reporting, accounts payable, customer feedback capture and sales quote preparation among the most popular candidate processes. Ultimately, the only limit to RPA’s scalability is a company’s ability to keep pace with the change management needed to sustain it.

- **But RPA doesn’t necessarily replace outsourcing.** The ability to displace repeated human work with RPA certainly negates the strategy of cost sourcing, but that does not necessarily mean the end of outsourcing. Although some companies admit to experimenting with the idea of robotics as a service to include internally in shared services, others are planning on relying on their outsource partners to source the technology and expertise to use RPA in their functions.

- **Shared services leaders need to initiate change and action as it relates to RPA.** In October 2015, we hosted a roundtable for heads of shared services on the future of the function. Interestingly, multiple companies in attendance admitted that their IT functions were not knowledgeable — and in some cases not even aware — about RPA’s capabilities. Implementation started when shared services leaders brought information about and opportunities for RPA to their IT counterparts.

**Bringing RPA insight to the businesss**

RPA implementation often starts only after shared services leaders bring information and opportunities for RPA to their IT counterparts.
We are in the process of implementing RPA solutions for select processes, with the goal of driving down manpower required.

**Vice President, Business Services, Chemicals Company, $20+ billion in revenue**

We are just starting to research RPA — its costs, benefits and implications — on behalf of our shared services organization.

**HR Manager, Industrial Manufacturer, $20+ billion in revenue**

We’re approaching RPA implementation in two phases. Phase 1 is to pilot RPA for non-SAP processes, and phase 2 will apply it to SAP-based processes.

**Director, Shared Services Food Manufacturer, $20+ billion in revenue**

Our business process outsourcing vendor proposed that we implement robotics, and so internally we are evaluating its potential.

**Director, Source to Pay, Chemicals Company, $10 billion to $20 billion in revenue**

I’ve yet to see any RPA success stories for the accounting and reporting space broadly — just for very specific, purely transactional activities within the accounting and reporting or accounts payable terrain. And even in those cases, it seems RPA is being used as a “fix” for a bad process, and what’s really needed is to optimize the process upfront — rather than use RPA on the back end. Ultimately, I want to understand what aspects of RPA my team would own and what aspects our business process outsourcing vendor would own. My concern is that, if we don’t own the solution, changing vendors means losing the efficiencies that RPA can provide, and even if we don’t change vendors, not seeing much of the direct benefit in contract savings.

**Global Process Owner, Accounting and Reporting, Consumer Products Manufacturer, $10 billion to $20 billion in revenue**

We work with business process outsourcing vendors that use RPA, but currently there is not a consolidated effort within our organization to review the potential for implementation — only sparse reviews to learn more about the technology.

**Senior Manager, Payroll Operations Support Aerospace & Defense Firm, $20+ billion in revenue**

With our outsourced services provider, we’ve completed a proof of concept for leveraging RPA as part of invoice processing. We continue to work together to assess the requirements, costs and benefits of RPA as it relates to other activities.

**Process Excellence Leader, Pharmaceuticals Manufacturer, $20+ billion in revenue**

We achieved cost savings and productivity benefits through the initial consolidation of activities via a shared services model, and we have gained additional cost savings by further refining our processes and outsourcing wage arbitrage. We now see automation as the logical next step on our journey.

**Business Systems Support Manager, Energy & Utilities Company, $20+ billion in revenue**

Through a third-party vendor, we completed a small pilot of RPA for cash application. We are now working together to assess the value of scaling the solution for other accounting and reporting activities.

**Executive Director, Global Shared Business Services, Chemicals Company, $5 billion to $10 billion in revenue**

* These member stories were compiled and paraphrased from multiple member discussion forums to provide an overall picture of members’ perspectives on this issue.
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Contact us

Phone: 1 800 213 4848
Email: financeleaders@gartner.com
Web: gartner.com/go/finance

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