

Changing Workplace

Bots Doing the Work of Humans



Joe Huffine

We aren't talking about robots with arms and legs, but software tools called bots that are often referred to as Robotic Process Automation (RPA) or Intelligent Process Automation (IPA).

Over 50% of Fortune 500 companies have significant initiatives around RPA to streamline processes to maximize efficiency and eliminate unnecessary expenditures. Companies are using RPA (bots) to help free up their staff from repetitive tasks and give them the opportunity to work on more meaningful assignments that enable them to use more reasoning or judgement.

What is RPA?

You may have heard of artificial intelligence (AI), but not RPA. These RPA bots are developed by mimicking the keystrokes that humans make in completing a specific process. The software interacts with applications in the same way a person would in any information technology application or web site.

By automating these processes, routine back-office tasks are expedited and can be completed 24 hours a day, seven days a week with no slowdown for vacation time or sick days. Processes that took over 30 hours are being done in minutes or a few hours. What makes bots unique is they are very accurate, do exactly what you tell them to do and they don't complain.

How can my company benefit?

RPA has proven to be valuable to companies in their accounting, human resources and finance departments. The bots can perform tasks related to finance, procurement, supply chain management, accounting, customer service and human resources. These include data entry, purchase order issuing or business processes requiring access to multiple existing systems.

An insurance company planned to incorporate RPA to eliminate a 20-person division where most of the time was allocated to pulling data from the client's database, inputting the data into its system and then interacting with the consumer.

For a bank, most trades settle automatically and go straight through the client's system to the bank's own system. But sometimes trades don't settle automatically. There occasionally is an anomaly in the market and orders come in late, etc.

In the past, there would be a queue of unsettled trades and people would go into the system and

compare the database with an external database, review it and clear it. The bank now has programmed bots with rules that let them perform research on the orders, resolve discrepancies and clear the trades. The bank has bots doing the work that was once done by 100 people.

One health system used bots to automate processes related to procure to pay, order to cash and record to report. RPA enabled it to restructure 500 jobs, leading to savings of over \$20 million per year in its accounting, human resource and finance departments.

Financial return

RPA is very cost effective to implement, and companies often can get a complete return on their spend in the first year. By identifying a department's processes where most of the work is routine and repetitive, RPA can lead to greater productivity. One bot can do the work of anywhere from three to six humans. Industry experts believe that approximately 20% of the workforce can be reduced or reconfigured by implementing RPA.

Return on investment ranges from 30% to 300% on an annual basis. RPA is a good first step toward AI. Experts say AI will be a major part of success for most businesses in the next five to 10 years.

Advanced RPA could even play more of a role. According to a Forrester report, UBS has 2,000 people involved in the financial closing process. The company told Forrester that it believes it can fully automate closing the books in five years.

As you think about hiring another full-time employee, you may want to explore what RPA can do for your business. A key to success in RPA is to assign a champion that has enough authority and power to get buy-in from the different departments.

You often get pushback when trying to evaluate someone's processes and the fear that they may lose their job. Most companies do not cut their workforce but reassign people to a different area. They also let attrition take place and not replace workers who resign or retire.

Businesses are finding a competitive edge by implementing RPA. By running a more cost-effective operation, it may give you an advantage over your competitors.

AUTHOR: Joe Huffine is an entrepreneur who has sold two businesses to public companies – one owned by KPMG and the other Oracle. He currently owns a retained search firm, Kingsley-Rose, which helps companies all over the country recruit management and provide interim executives. He also is also president of Optivate, an RPA consulting firm. Learn more at www.optivateinc.com