Grant Thornton

How to drive automation through a wall of recession

Automation used to be a possibility — a goal for the future. Now, your competitors are following an automation roadmap to save work and weather economic turbulence. The possibility of automation is now a necessity.

"I think the questions of 'if' and 'when' have been exhausted. I think they've been answered," said Grant Thornton Digital Transformation and Management Principal and Leader Roy Nicholson.

Intelligent automation has become a fundamental part of driving efficiency in business. In the post-pandemic world, automation is also helping businesses address workforce challenges. "Not being able to keep or hire talent for internal jobs is requiring organizations to look at automation solutions for activities those people used to do," Nicholson said.

Economic downturns make the automation option even more valuable — but also more difficult to begin. Many businesses now need to become more efficient at the same time they're cutting back on new initiatives. Organizations in healthcare, finance, asset management, manufacturing and other sectors need to find a way to implement automation that is quick, cost-efficient and effective.

"Every single industry is impacted by the external forces driving the need for automation, and now it's a matter of 'How quickly can an organization get a transformation initiative started?'" Nicholson said.

To drive an automation initiative that achieves business benefits even in an economic downturn, you need to start by understanding the range of automation capabilities.

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Grant Thornton Digital Transformation and Management Principal and Leader

Understand the capabilities

To achieve the best ROI, start by identifying the benefits that you need the most. Intelligent automation can deliver three types of hard benefits and soft benefits:

With these benefits in mind, you can start to spot the best opportunities for intelligent automation in your organization.

Every organization has unique opportunities, depending on its processes, pain points, requirements and dependencies. Once you identify the benefits you need, find out where you can achieve them with an opportunity assessment.

Intelligent automation proven benefits

Hard benefits

Time savings
Processes that require several days of manual labor can be completed in minutes

Cost savings
Reduce the cost of manual labor human error, and slow processing

Higher accuracy
Tasks completed using pre-defined rules and artificial intelligence eliminate manual error

Soft benefits

Superior customer service
With robotics handling the volume of basic queries, staff can focus on resolving complex issues quickly

Improved employee satisfaction
Employees welcome new technologies that lighten their workload and allow them toperform more valuable work

Increased strategic activity
Free your resources up to do more strategic value-add activity that have real impact on your organization

Assess your opportunities

"One of the common questions we get is 'What are the best candidates for automation?'" said Grant Thornton Digital Transformation and Management Senior Manager Vivek Rodrigues.

To find your opportunities, use an assessment tool that helps you identify and rank which processes could yield the best and fastest return on automation.

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The intelligent automation opportunity assessment tool

Here is a sample assessment for processes that could benefit from intelligent automation technologies like robotic process automation (RPA) or intelligent character recognition (ICR). These questions can be revised to address unique situations or to include other technologies in the automation spectrum.

Data

1 What is your best estimate of the daily and monthly volume of data to be processed?

2 What is the type of data that the process uses, where does the data reside and is it digital or paper (e.g., a word file, comma-separated values, or printed paper)?

3 If the process must produce documents, how many different templates are required, and about how many templates meet 80% of the needs?

4 Does the process use handwritten input or generate handwritten output, and about what percentage of the data is handwritten?

5 About what percentage of the total data cannot be handled by the standard process?

People

6 About how many manual hours are spent per week and per month on the process, and how much time is spent on transaction processing versus error handling?

7 Is the process prone to manual error, and about what percentage of time is spent on rework to complete the process?

8 Is the process consistently performed by all who manually complete the tasks and, if not, about how often and why does it vary?

9 How many different teams, departments or groups are stakeholders in this process, and where are they physically located?

Process

10 What is the frequency and timing for completing the process today, and would you complete it more often with an automated solution (if so, would it be helpful to complete it more often)?

11 Is the process standardized with a known set of definitive business rules?

12 Is the process relatively stable, does it change often and are there currently plans for an update?

13 Does the process require human judgement based on the experience of the person completing the process?

14 About how many decision points are performed to complete the process?

15 Does the process involve a person manually re-entering data from a paper source or electronic image, and what is the nature of that source material?

16 Does the process have cycle time or service level requirements for speed of completion?

Technology

17 What applications and technologies are required to complete the manual process tasks today?

18 Is optical character recognition (OCR) or intelligent character recognition (ICR) currently used and, if so, what is the vendor and accuracy rate?
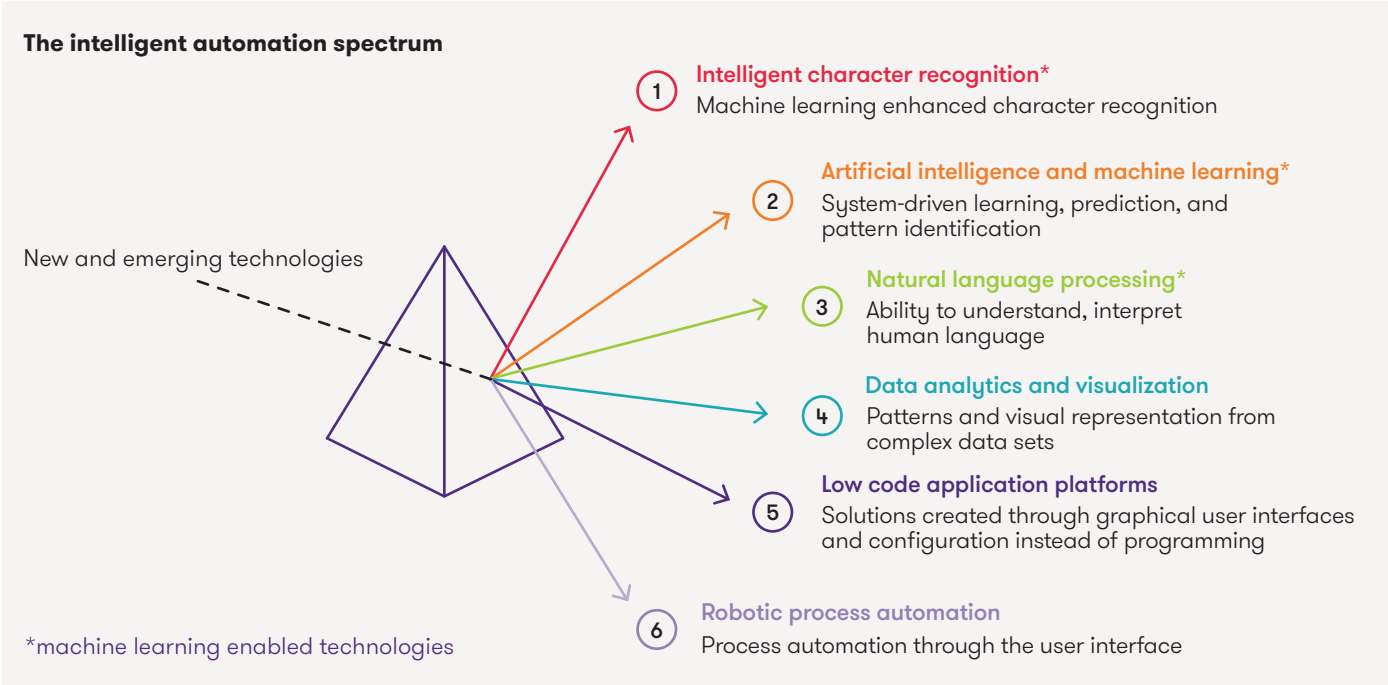
Once you understand the inputs and tasks within a process, you can evaluate which technologies would be required to automate it.

Map your opportunities to capabilities

Intelligent automation can be broken out to a spectrum of technologies that apply to different types of tasks.

Data is the fuel for these technologies. So, you need to be realistic about whether you have the data to drive the solution you choose — and whether you have the right data access, quality, volume and testing capabilities.

When you have connected an opportunity to a solution with the right capabilities and data, it's time to drive that solution to success. To accelerate the process of implementing automation, you need a controlled approach that spans the stakeholders in your organization.

The intelligent automation spectrum

New and emerging technologies

1 **Intelligent character recognition***
Machine learning enhanced character recognition

2 **Artificial intelligence and machine learning***
System-driven learning, prediction, and pattern identification

3 **Natural language processing***
Ability to understand, interpret human language

4 **Data analytics and visualization**
Patterns and visual representation from complex data sets

5 **Low code application platforms**
Solutions created through graphical user interfaces and configuration instead of programming

6 **Robotic process automation**
Process automation through the user interface

*machine learning enabled technologies

Drive through complexity with control

Companies can control and accelerate their automation initiative with a structured methodology. "With the great opportunity that some of these technologies provide, you also need to be conscious of the potential risk if those technologies aren't deployed in a well-governed manner," Nicholson said.

Gain control with a structured methodology for intelligent automation

Process assessment and discovery

- **Assess** the process to understand current state, process, systems, performance indicators, FTE, etc.
- **Refine** the process to develop potential solutions
- **Determine** automation feasibility
- **Assess** process complexity

Business case development

- **Develop** a business case to identify opportunities for cost savings
- **Agree** on use cases portfolio balancing between points on the board' /component solutions and complex implementations
- **Track and measure** ROI on continuous basis

Automate, improve and learn

- **Design** define business and solution requirements
- **Build** code and support code migration
- **Test** support user acceptance testing and defect management
- **Production** support code migration to production
- **Stabilize** gradually ramp up volumes and transition to run team

- - - One time only - - -

Operating model

- **Idnetify and engage** stakeholders
- **Develop** operating model and supporting processes
- **Define i**ntelligent automation delivery methodology, roles and responsibilities (COE) including day 2 support
- **Knowledge** sharing to build skillset
- **Implement** operating model

Infrastructure and application readiness

- **Provide initial v**iew of technology architecture and capability recommendations
- **Determine readiness** of existing applications with respect to target platforms for target environment up

To successfully complete this methodology, you need collaboration from across your organization. Intelligent automation needs to be a business-led activity. Your technology organization alone will not be able to surface and execute value without the input from the business.

It can be hard to navigate input and alignment from business and stakeholder teams. Here are some proven approaches to help you drive through that complexity:

Navigate complexity with proven approaches

- **Align stakeholders up front**
  Every process has stakeholders, with disparate requirements and opinions about how the process needs to happen. If these stakeholders express differing viewpoints or conflicting requirements while you are automating a process, that can quickly take your effort off the rails.

  So, you need to establish strong and appropriate stakeholder alignments up front. "Some organizations take an enterprise-down approach," said Nicholson. "They start the intelligent automation journey at the highest level of the organization, and bring in all stakeholders from all functions. Others take more of a bottom-up approach — they pilot the automation first, within a single department or functional area, and then look to expand. Defining that approach up front, and having an appropriate stakeholder either at the enterprise level or the departmental level, is important."

- **Plan your change management communications**
  Communication is an important part of change management for any software initiative, and it's especially important for intelligent automation. "There's a lot of press out there about how technologies like RPA and artificial intelligence are going to replace the current human workforce," Nicholson said.

  Nicholson advised "Be clear up front on the goal of this program. We have seen that to be very important — if it's going to be about cost reduction, then define and share that message accordingly. If it's going to be about optimization for future business growth, then you have a different message. We have seen that it's extremely important to the success of these initiatives to define that communication ahead of time."

- **Select the best process**
  Process selection is the launch pad for your intelligent automation effort, setting the trajectory that will ultimately determine your level of success. If a process has external dependencies (or stakeholders) that are inflexible and complicated, it will only allow limited automation, and only yield limited gains. If you are considering more advanced automation, your selection process becomes even more complex.

  "With some of the more fundamental technologies, like RPA that's applied to very well-defined processes, it's comparatively simple to define the process, evaluate its suitability for RPA and then prioritize," Nicholson said. "If you're looking at more advanced technologies like artificial intelligence, you have to come at it from a different standpoint. You also need to help departments understand how these technologies can be applied. It's more 'the art of the possible,' versus just looking at an existing process."

- **Address new business skillsets**
  If stakeholders and departments do not sufficiently understand intelligent automation, they might limit your success. Even when your organization uses external vendors for solution development, you need to ensure that you have the skills to drive buy-in, coordination and adoption by communicating the capabilities, benefits and limitations of automation with internal and external business partners.

  "You need to have a different skillset within your organization, to help your different functions or departments understand how some of these technologies could be applied to their business process," Nicholson said.

> "We've seen organizations actually be very successful in executing some of these intelligent automation projects, but not communicate the benefits of them more broadly across the organization. That results in the organization not being able to identify further opportunities to scale that technology."

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Grant Thornton Digital Transformation and Management Principal and Leader

- **Communicate your cost/benefit analysis**
  Most organizations understand that it's important to provide a cost/benefit analysis as part of the business case for intelligent automation. But, they often don't follow up at the end. Nicholson said it's important to both "define the business case and then measure and communicate the benefits out to the broader organization."

  "We've seen organizations actually be very successful in executing some of these intelligent automation projects, but not communicate the benefits of them more broadly across the organization. That results in the organization not being able to identify further opportunities to scale that technology," Nicholson said. "So, having the business case, measuring the benefits and then communicating out, as part of your change management program, is essential."

- **Establish a center of excellence (COE)**
  Many companies explore intelligent automation with small pilot projects. This can help ensure a quick and agile implementation, but it can also make it hard to communicate and expand the project's success across the broader organization. Without an enterprise COE that is responsible for intelligent automation, your organization may not effectively capture the lessons learned, motivation and keys to success from successful automation projects. And, you might not acquire the knowledge to expand your automation initiative.

"Establishing a COE for intelligent automation is a key tenant of success," Nicholson said. While intelligent automation solution providers often claim that anyone in the organization can implement their technologies, "that is not really the case and, even if there are 'citizen developers' within your organization that can work with the technology, that's not going to enable you to deploy it across the business," Nicholson said.

- **Drive continuous improvement**
  Nicholson explained "A COE is important partly to drive continuous improvement. By having centralized capabilities for this journey, you can continuously improve how you execute on an ongoing basis."

  Intelligent automation is still emerging as a mindset and a viable option in most organizations. Almost every organization has many opportunities for automation to yield true benefits, but automation initiatives must be communicated and expanded or else that potential will be lost.

Drive even farther

Intelligent automation has become a new competitive requirement — no longer just a goal for the future. Automation includes a spectrum of capabilities that can help meet pressing business needs and provide real financial returns for almost every business.

The returns on automation and digital transformation have been proven, but businesses need to be both controlled and visionary as they approach automation today. Budget constraints can quickly push organizations into the pitfalls of the past, so it's increasingly important to target the potential of automation with a clear understanding, assessment and approach tailored to your unique factors for success.

Evaluate these new capabilities, and identify how to bring them to your organization. Get feedback from stakeholders, employees and customers, to make sure you stay relevant to the people that matter. Then, drive even farther to improve and transform.

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