Orchestrating an Effective Operating Model for RPA

Guidelines for CxOs

CONTENT

Introduction

All-pervasive process automation remains the holy grail in the enterprise landscape, the substantial productivity benefits delivered by lean techniques and workflow standardization notwithstanding. This could change dramatically with the advent of Robotic Process Automation (RPA), which can foster enhanced operational efficiency in a non-intrusive manner by harnessing existing IT systems and the in-depth knowledge of day-to-day operations. For companies to be able to maximize benefits from RPA rollout, chief operating officers (COOs) and chief information officers (CIOs) must collaborate effectively to establish and deploy an optimal operating model.

This paper identifies the critical success factors involved in RPA implementation, and outlines appropriate roles for business operations and IT teams, based on their respective core competencies. It distills the experience of early RPA adopters to chalk out a roadmap for embedding an effective operating model, and also provides design and execution-related guidelines for smooth pilots and hassle-free production, maintenance, and support.

Establishing RPA Operating Model Framework

A systematic operating model framework is key to the success of RPA initiatives. Companies need to keep in mind the following four factors while designing such an architecture:

1

RPA Center of Excellence

Instead of adopting RPA in silos, companies must systematically embed its usage across the organization. Accordingly, they should set up an RPA center of excellence (CoE) that is primarily overseen by the operations team, in alignment with the business improvement and reengineering groups. The head of the Operations Excellence Group should play an active role in driving the CoE.

Meanwhile, IT should liaise with application owners, and facilitate the preparation for Infrastructure hosting. The technology team also needs to appoint a Head of Automation with overall responsibility for assisting in the selection of technology products and for supporting RPA CoE initiatives.

Moreover, the CoE must have a centralized RPA technology strategy group, and recommend best practices for framing standards that can be applied across processes and business units.

2

Change Management and Governance Framework

By enacting a strong change management and governance framework, firms can ensure standardization across the enterprise, prioritize the "right opportunities", and involve all the relevant stakeholders for RPA rollout. The primary responsibility for designing such a framework must rest with the operations team, given its dominant role in operations execution. However, it is critical to incorporate alignment with IT on strategic intiatives to avoid rework on automation.

The framework must include three elements.

1. An enterprise robotics council to scope out and spearhead the program, and set targets for tracking execution efficiency and outcomes.

2. Business unit governance council for prioritizing RPA projects across departments and business units.

3. RPA technical council for designing standards, formulating working principles and guidelines, and compiling best practices.

3

RPA Software Selection and Procurement

Considering that Automation is a journey and RPA is a step towards the direction, a single software tool may not be suitable for all purposes. And, the IT team should be extensively involved in decision-making of multiple components like software selection, purchase, and negotiations. The operations department, however, has a substantial role to play here, given its rich experience in functionality assessment.

Organizations must adopt a wider tool set that encompasses not only core RPA technologies but also ones concerning related areas such as optical character recognition (OCR), natural language processing (NLP), and machine learning.

4

Stakeholder Communication and Management

A well-defined communication plan is crucial for securing "buy-in" for RPA adoption from all concerned stakeholders, including C-suite executives and employees of all departments involved. Operations must take the lead in crafting the messaging, in coordination with human resources (HR) and IT.

Organizations should set up an enterprise-level steering committee comprising COOs of various business units as well as the CIO. In order to ensure senior executive sponsorship for faster and smooth rollout of RPA, awareness workshops should be conducted. Firms could look at building compelling videos that illustrate the proof-of-concept, rather than circulating written papers.

From an executive engagement standpoint, the communication program must highlight the tangible impact automation can deliver with regard to their controls, staff, and budget. As far as reaching out to employees goes, the emphasis should be on building the case that RPA will enable them to handle business growth without significant increase in resource headcount.

5

Need Assessment and Opportunity Identification

To maximize RPA gains, companies should evaluate various process areas across different business units that are ripe for implementation, and select the most promising ones in terms of return on investment (ROI) and scalability. An enterprise-level governance committee should be created, with a mandate to design a formal architecture for selecting and prioritizing feasible projects. Such an architecture should factor in the potential business impact of various projects, including ROI and FTE savings, the level of difficulty, and degree of executive sponsorship.

Operations must play a central role in the identification of opportunities, while IT should take overall responsibility for chalking out a technology roadmap for the application landscape of the future. IT should also provision bot access to applications, and should flag aspects of the existing technology landscape that might inhibit bot adoption.

Enterprises should opt for relatively stable applications, in order to avoid excessive automation rework and maintenance. Also, they should start with rules-based processes governed by robust standard operating procedures (SOPs).

6

Design, Development, and Build of Pilots

When undertaking RPA pilots, organizations must remember they are addressing a business problem, and not just applying a technology. Hence, the focus should not only be on automating service delivery, but also on innovating around the underlying mechanism for driving business process improvements. By leveraging the "eliminate – simplify – standardize – automate" approach, enterprises can effectively analyze and enhance their processes.

As a first step, they should execute some simple and relatively modest pilots to gain quick wins, and get key stakeholders across the organization on board. For early pilots, firms can pick processes where the business unit is willing to embrace a "test and learn" approach. As the adoption of RPA matures, companies can extensively map, redesign and standardize processes to maximize gains, and refine the implementation use cases.

While operations should be entrusted with the task of carrying out bot testing, IT needs to support the engagement with provision of a production-like environment and IT related testing support..

7

Production, Maintenance, and Support

During the production, maintenance and support stages of a RPA initiative, organizations are typically focused on monitoring bots to ensure quick, proactive identification and mitigation of adverse scenarios. It is also important for firms to assign responsibilities for orchestrating process changes, and to reprogram bots in line with updated processes and applications.

Scheduling, running, and monitoring of bots must be centralized within the operations team, with IT provisioning the necessary infrastructure, and providing effective coordination for a smooth rollout. To maximize bot (license) utilization, IT needs to devise ways of scheduling these automated programs across bots for different processes using scheduling, bot profile creation,

and dynamic task allocations.

Once the RPA initiative has entered the production phase, it is crucial for key stakeholders to be able to monitor bot performance on demand. This calls for a centralized tracking and reporting tool, with enterprise users being provided with an executive dashboard that delivers a "single version of the truth".

Bot maintenance should be overseen by the RPA CoE including both operations and IT. This will bring the IT team closer to business on the shop floor as the traditional support model of service tickets may not work and will require dedicated RPA consultants to support BOT outages, including technical support directly on the shop floor till it matures and stabilizes.

Best Practices

Based on the experience of various organizations in implementing RPA, we have compiled a list of best practices that you could keep in mind while architecting and executing robotic process automation:

1
Establish an RPA CoE in collaboration with the Operational Excellence Group and IT RPA CoE head/ Automation Head

2
Baseline the process improvement mechanism before embarking on tool selection

3
Start with rule-based and standardized processes with strong SOPs, since they are easier to automate, and deliver higher ROI

4
Ensure swift access to applications, and robust bot management, during production support

5
Be prepared to restack process steps for grouping "people tasks" at the very outset, and "RPA tasks" downstream

6
Drive robust communication among various stakeholders throughout the RPA lifecycle

7
Ensure strong COO and CIO sponsorship for RPA program

8
Start with the business problem, not the technology

9
Go for some quick wins – an early proof-of-concept is vital to success

10
Avoid highly volatile and fragmented processes

11
Involve IT, HR, and legal teams early on for bot identity and security management – it takes time

Exhibit 1 – Summary of Roles of Operations and IT across RPA Program

Exhibit 1 outlines the probable roles for operations and IT on the assumption that RPA is being used to drive automation of process improvements outside the main development priorities of the IT department.

Pre-RPA Preparation		
Activity	**Role of Operations**	**Role of IT**
Establishing a RPA Center of Excellence	Principally an operations responsibility with alignment to business improvement/reengineering group	IT should be key representative to setup infrastructure, and be involved in tool selection, and technology strategy
Establishing a governance framework	Principally the responsibility of the RPA CoE for processes and prioritization	IT should be represented within governance and technology council
Preparing a communication plan	Operations should develop messaging within Business Units in conjunction with HR	IT to communicate to all application owners and IT Security
RPA software selection and procurement	Operations support on Functional needs	IT to lead in technology selection, procurement, and negotiations

Need Assessment and Opportunity identification		
Activity	**Role of Operations**	**Role of IT**
Establish formal framework for opportunity selection	Operations led	IT helps in identifying any aspects of application landscape that would inhibit bot adoption
Identity security	Operations should identify this early in execution	IT should lead the establishment of bot ids and security frameworks

Development of Pilots, and Design and Build		
Activity	**Role of Operations**	**Role of IT**
Access to applications	Operations should identify applications to be used for transactions	IT needs to facilitate access to applications including UI changes where required
Bot testing	Prime responsibility and lead in data creation	Provision of copy of production environment and support with testing expertise

Production, Maintenance and Support		
Activity	**Role of Operations**	**Role of IT**
Bot scheduling	Start with Operations leading with new roles of Bot Controllers	Should be centralized later on maturity to bring in license optimization
Bot operations and monitoring	Scheduling lead by Operations	IT will need to establish operational IT infrastructure for monitoring and process MI reporting
Bot maintenance	Enhance training of Bots with additional scenarios related to future application changes	Liaison with IT is important to understand current and future application landscape

However, it is possible for either IT or operations to take the lead in RPA adoption and it is likely that IT will become increasingly involved as combinations of RPA and AI tools are used to address wider end-to-end business processes combining both rules-based and judgment-based processes.