RPA – THE BRIGHT SHINY NEW THING!

The Biggest Mistakes to Avoid on Your RPA Project
– Keith Johnson, Practice Manager

Is RPA a buzzword in your company? **If not, it's time to add it to your corporate vocabulary because everyone else is talking about it!**

For enterprise software, RPA is relatively inexpensive. For value, RPA promises a tremendous ROI.

How will you deliver that ROI?

RPA refers to Robotic Process Automation. Robots are the wave towards operational efficiencies and supporting scale in your company. The central place where RPA is gaining momentum is cutting out the costs of manual micro-tasks and activities, and digitizing them.

RPA is the next promise to transform your business and digitize your expensive, costly, or repetitive manual tasks.

What does RPA do? **RPA reduces the time and cost to take data from one application and use it elsewhere.** The technology has evolved from decades old capabilities such as screen scraping, business process modeling, and open architecture applications, all enhanced with middleware functionality. It has developed into a viable set of automated processes, enabling the execution of standardized, repetitive tasks.

One of our clients wanted to reduce billing cycle time and costs. Their billing team had to manually log into a transportation system and capture small amounts of transportation information, such as a tracking number, in order to complete the invoice. This process and many comparable ones in AP, AR, ShopFloor or wherever B2B or A2A platforms exist, is an ideal target for robotic automation.

The payback? The CFO estimated that these micro-tasks cost the company over $5 million in unnecessary costs, inefficiency, duplicate data, and increased cycle times. Cutting costs by 30-50% is common for these projects when performed properly.

Why do many companies fail to realize these gains?

Some of the biggest mistakes are:
- Roadmap does not exist.
- Automating Bad Processes.
- The Hammer Effect – not everything is a nail.
- The Buzzword Trap – Scalable, Flexible, Reduced, Increased.

Your roadmap?

RPA software is relatively inexpensive when compared to other enterprise software like ERP systems. There is a tendency to purchase the subscription software without knowing where to start.

A common mistake is failing to rationalize and justify which processes should be automated. Like other Enterprise level projects, make sure there is agreement on who owns the process, the expectations, and the RPA tools.

We start off our projects with two steps that lead to our successful results:
- Education to ensure team members understand how the software works and which processes to automate in order to deliver the expected results.
- Discovery activities that prioritize the processes targeted for automation and evaluate the cost/benefit of each process.

Automating bad processes:

Probably the biggest mistake a company makes is automating a bad process. Often there are many steps that do not add value, are not necessary, or could be done a better way. This is the main reason we use the Lean-Six-Sigma process improvement methodology to analyze, improve, and prioritize processes before jumping into spending the time and money to automate a flawed process.

Our approach allows data and outcomes to drive decisions and priorities, rather than relying on opinions or legacy thinking. Pausing to take a closer look allows us to identify opportunities for process improvement. This pause is crucial in building a strong business case. The justification identifies the prioritization, metrics, and ROI for each process.

The Hammer Effect!

Certainly, you have heard the phrase, "when all you have is a hammer, everything looks like a nail". **A similar effect happens with RPA – The "Automate Everything" syndrome kicks in.**

In one situation, a client wanted to automate some manual recurring processes. From our initial workshop, we realized some of their requirements were standard SAP functionality.

Another common mistake is to automate with RPA, but better technologies exist such as web services, EDI, API's, and other middleware techniques. RPA should be another tool in your automation and integration toolbox, and not your only tool.

Kick-off your RPA initiative with a clear roadmap of what is automated and the appropriate business case.

Ideal targets for automation with justifiable results:
- Outsourced Processes
- Siloed Applications
- Spreadsheet Purgatory

The Buzzword Trap!

We love our buzzwords, but do they trap us into flawed thinking? If we can achieve scalable, flexible, reduced, increased, and many other outcomes, we should proceed, right? **This is not always a good idea!**

For RPA there is a diminishing return for what you should automate and when. Our experience supports the Pareto Principle approach to your expected results, which suggest that 20% of your processes will yield 80% of your transformation and results.

Taking this idea to the next level, we would say that 10% of those processes should yield 90% of the results. **This is the objective of the Discovery Workshop.**

For example, one client identified approximately 200 processes that were potential candidates for RPA. Our pilot project approach is to target five processes to implement. These five processes alone will justify the project and deliver significant cost reduction in less than one year. The cost savings, along with the roadmap, will deliver benefits for both current and future processes to be automated.

Are you trying to cut costs from your operations and looking for innovative ways to achieve this? Titan Consulting is a leader in slashing costs in IT and Business operations. Avoid the mistakes of a failed RPA project by letting Titan Consulting create a clear roadmap for your business. Contact your Titan Consulting Director or visit titanconsulting.net and click on the Contact Us button for more information and next steps.