TALOS

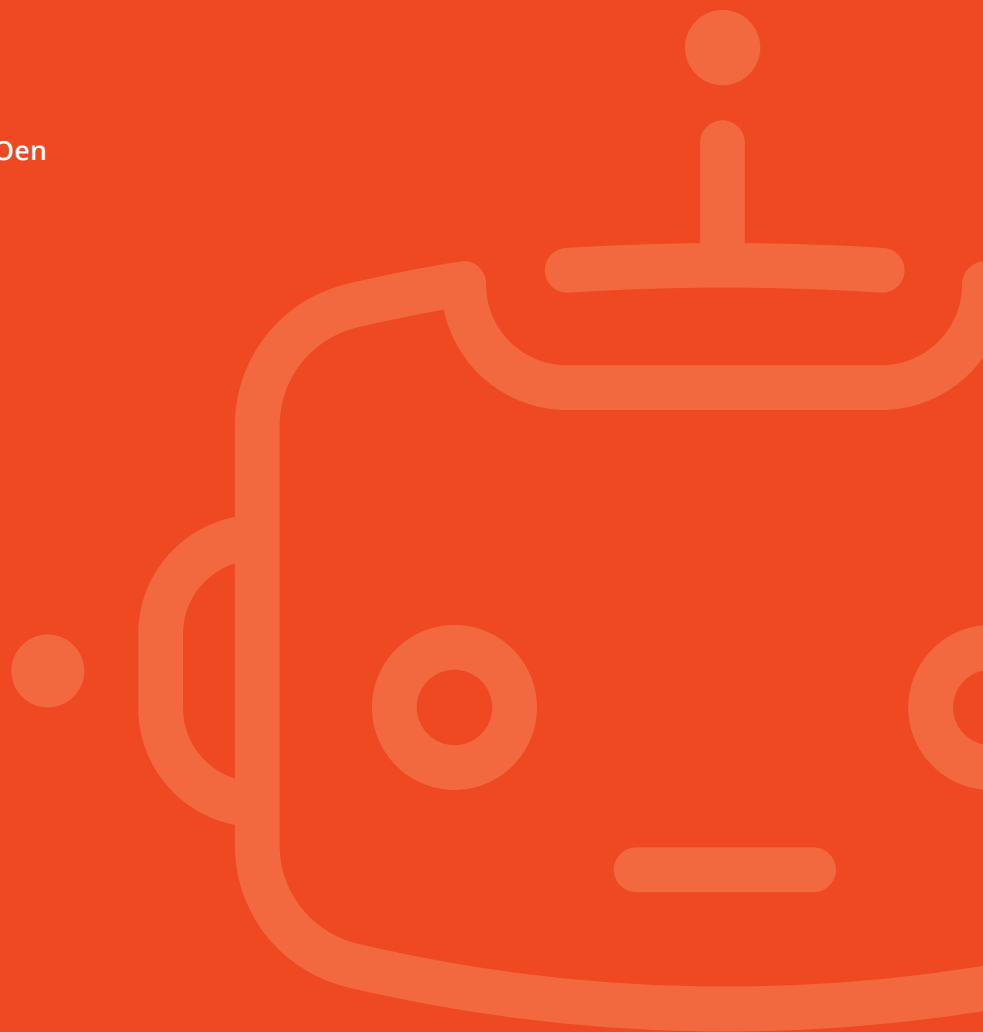# Robotic Process Automation 101

The why, what, and how of RPA

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Do these problems sound familiar?

1

Do you suffer from manual inefficiencies, which cause issues such as delayed month-end reporting?
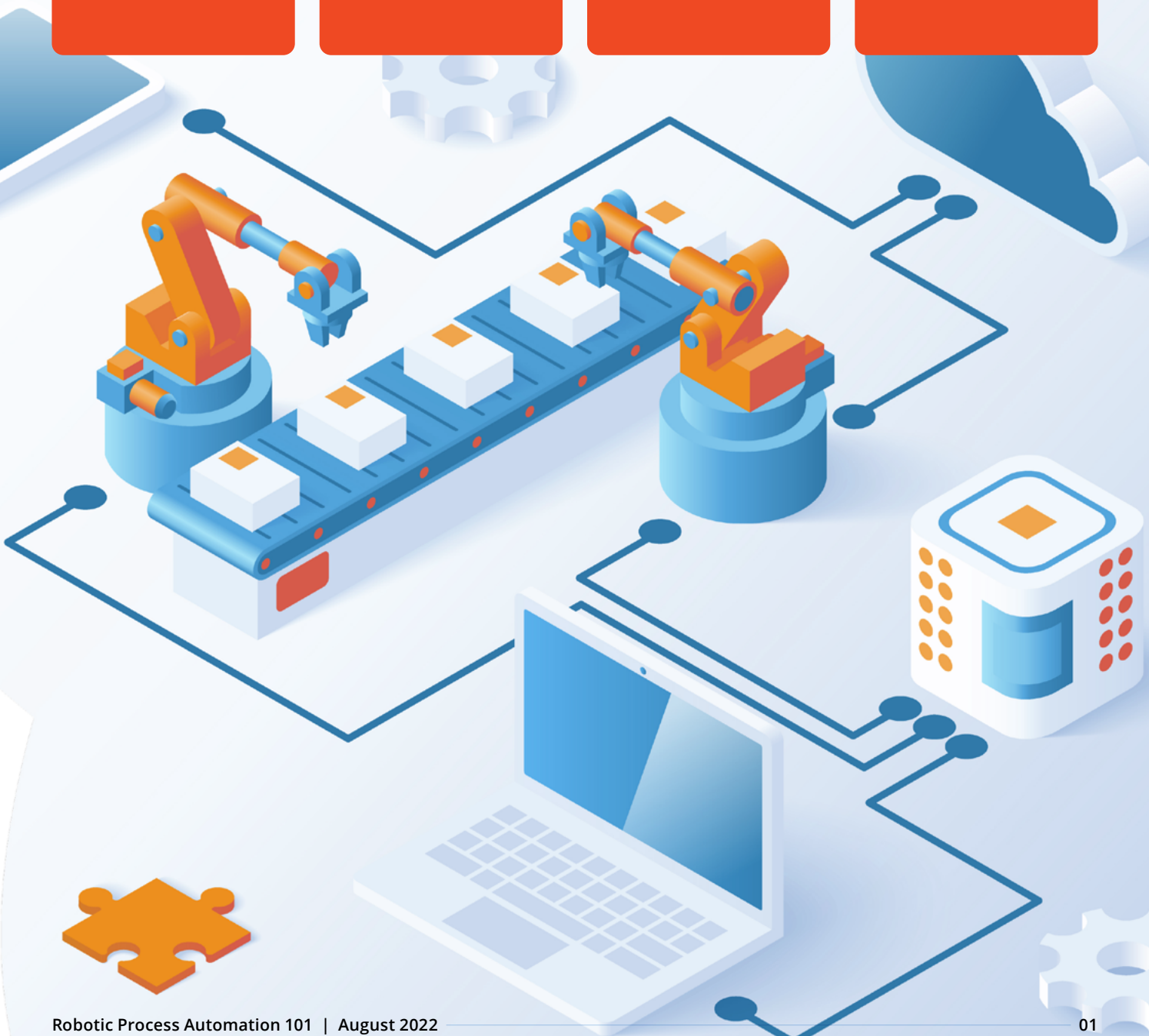
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Are you impacted by errors which create extra work, like recovering incorrectly processed invoices?

3

Is your customer service reputation at risk from declining engagement and satisfaction?

4

Will compliance issues threaten the basis of your business's operation?

1. Business challenges

Most businesses are facing an array of challenges brought about by the ongoing disruption in world events. Many of these are resource based – like delays in shipping, unavailable materials, and manufacturing backlogs.

There is also however a set of workforce challenges that need to be addressed. Much is made of the "great resignation". This is really a rebalancing of where workers choose to be employed. Poor job satisfaction is a key driver here. The other side of this is that many businesses have grown rapidly and simply cannot attract workers fast enough. This is driven by constraints in the labour market meaning organisations cannot rely on pre-COVID flexibility.

Automation is a lever to pull that addresses many of these issues. Poor job satisfaction can be alleviated by automating away the part of the job that cause frustration and boredom. Scaling up and down with demand is simplified with automation. A robot can just as easily process a hundred orders or a thousand, and it can be scaled in matter of minutes with no hiring or training process.

What is Automation?

Automation (or RPA) software works by mimicking human / computer interactions, as well as using computer / computer integrations. This gives businesses the ability to automate any kind of process with any of the systems that they use. Working on a pre-existing process, the value is easily determined, as RPA will replicate the existing process. It will add further benefits in speed, accuracy, autonomy, and reliability.

2. Case for automation

The value of automation in any business is driven by the core driver of increased business process efficiency.

However, this then has powerful secondary impacts:

- Job satisfaction improves as repetitive, low value tasks are handed off to robots

- Improved customer experience as processes are dealt with faster

- Ability to scale operations up and down quickly without affecting staffing

- Reduced error rates backed by increased auditability

This is delivered without disruption to existing systems. Any impact on processes tends to be beneficial as in the process of automating it is re-examined and often redesigned. One of the great features of modern automation tools such as UiPath is that there is quick benefit realisation from short development times. This helps demonstration of returns on investment in timeframes measurable in months rather than years.

Industry experts have warned that the risks of delaying or failing to automate business processes far outweigh the benefits of waiting for other initiatives to come up. This is because automation is an area where the benefits can be directly observed, quickly attained and are already being leveraged by first-mover competitors. In our experience, businesses that have introduced RPA into their organisation are the ones that are now positioned to drive growth in their business.

Our Customers' Automation Savings

- Month-end reporting from 5 days to 5 minutes
- Saving $60k per year on some common IT service desk processes
- Acquired 0.5 FTE of finance capacity at no additional cost
- $130k saved each year in data entry processes

3. Defining Automation benefits

Introducing automation into your business has a hard financial benefit (see below "Calculating ROI"). It also adds many soft benefits which magnify your investment returns.

Having a robot execute your processes results in increased efficiency in terms of volume and speed. This also is accompanied by a reduction in the number of errors. Part of your value calculation must include the cost of recovering from errors.

Robots also work 24x7 and can scale indefinitely. If you experience a surge in demand, you can crank up your response almost instantly. As a result, you must factor in the reduced cost of staffing to manage this. If you are looking at 50% growth but need to add less staff as you have automated, this is another cost saving. Also, if improved employee satisfaction will reduce turnover, additional savings can be called out.

Lastly the reinvestment of staff time to focus on more valuable tasks such as customer interaction can be factored into contributions to your improved NPS.

Calculating ROI

At a minimum, RPA relieves staff from performing unproductive tasks.

The ROI can therefore be estimated as the total time reclaimed by automating the process multiplied by the average cost per minute (i.e., hourly wage rate divided by 60):

$$\left[\begin{array}{c} \text{Number of times} \\ \text{process is run} \\ \text{per month} \end{array} \times \begin{array}{c} \text{Process} \\ \text{Duration} \\ \text{(minutes)} \end{array} \right] \times \begin{array}{c} \text{Avg \$ Cost} \\ \text{per minute} \end{array}$$

This simple calculation will tell you precisely what you can expect in terms of return on investment. But the benefits are not just limited to the ROI calculation.

4. Implementing automation

The implementation journey begins with a detailed analysis of the target process. Working closely with key stakeholders and SME's, a comprehensive process design document is created that outlines the planned automation design, expected ROI and risks identified.

Next, the development of the automation takes place. Developed using best-practice principles and frameworks, the automation is carefully crafted to meet all requirements. The automation is then rigorously tested with the business to ensure the outcomes are satisfactory and is ready for deployment.

Once deployed, the business immediately starts reaping the rewards of automation. With the process now running independently, you can focus your resources on more valuable tasks. The automation can be easily modified to suit changing process requirements and leveraged for further automation development in the future.

Contact us today

To start your automation journey, first review our EPIC methodology to understand the time and costs involved.

From there please book a free education session with us to discuss your challenges, identify areas ripe for automation and help you plan your next steps.

Case Studies

Improve accounts payable process

A national manufacturing company with 60 branches had a slow & error-prone accounts payable process where finance staff would enter invoices manually into their ERP. Automating this process gave staff back 2 days per week ($33k savings per branch), centralised the process and did not require any changes to their existing systems.

Automate email requests

A local government council was inundated with emails from the public ranging from customer details changes to invoices to spam. Staff would have to interpret each of these requests and action them appropriately. Automating this process gave staff back 2 hours per day ($20k savings) to focus on more valuable customer engagement activities, and ensured customer support requests were actioned faster, improving customer satisfaction.

On-boarding & migration

An aged-care provider needed to on-board 1,000 customers before a fixed-date or else would be penalised by the government. RPA's flexibility was able to complete the migration process estimated for 4 weeks within 48 hours ($10k savings), with spare capacity to perform other business processes.

Auto-generate reports

An insurance company had staff spend 30 minutes to generate a set of financial reports each week for stakeholders to review. RPA transformed this process so that the reports were generated overnight, only taking 10 minutes of robot time, giving the stakeholders the information, they needed without delay and allowing staff to re-invest 26 hours per year back into the business.