



Rewiring The Robots Within Your Organization

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Although not immediately apparent, most organizations already employ an army of robots. Their job is to smooth over the cracks between the organization's "heritage" systems and the needs of its customers. ***They're called employees.***

Table Of Contents

<i>The Robots Within</i>	3
<i>RPA Delivers A Step Change In The Economics Of Competition</i>	3
<i>Establishing The Initial Vision For RPA Programs</i>	5
<i>Engaging The Business For Long Term RPA Success</i>	7
<i>Creating A Center Of Expertise Helps The Business Focus Its Resources</i>	7
<i>Creating Business Led Governance Is Central To Success</i>	9
<i>Engage IT To Deploy And Secure The RPA Infrastructure</i>	12
<i>Select The Right Operating Model To Scale RPA Across The Enterprise</i>	14
<i>Recommendation: Design The RPA Journey With The End In Mind</i>	16
<i>About This Research</i>	17
<i>About The Author</i>	18

Why Read This Paper

Deployed properly, Robotic Process Automation (RPA) empowers the organization to reduce operating costs, increase efficiency and productivity, while delivering better and faster service to customers. To realize the benefits of RPA, firms need to overcome a range of challenges. Successful RPA initiatives rely on an effective partnership between IT and business operations, with operative governance and engagement unlocking the power of the technology approach. The primary responsibilities of IT are to provision a scalable, resilient and flexible digital workforce that operations consumes, trains and deploys. This research paper—based on an amalgamation of best practices from existing users—outlines a pragmatic methodology for introducing RPA into major organizations.

The Robots Within

Although not immediately apparent, most organizations already employ an army of robots.

Their job is to smooth over the cracks between the organization's "heritage" systems and the needs of its customers. They're called employees—people that are stuck doing highly repetitive, mundane and non-value adding tasks. Most large organizations have many thousands of them; people that are far better deployed to advise and assist customers. But what if:

- ◆ ***You could add extra robotic capacity allowing you to free up people (to do the important stuff)?***
- ◆ ***You could double the capacity of the firm without having to hire new employees?***
- ◆ ***You could do this at virtually zero cost, while overcoming the constraints of legacy systems?***

Wouldn't that put some spice in your digital transformation strategy? Instead of thousands of people battling through the complexity of arcane systems invented 30 years ago, they can now focus on helping customers, or creating new products and services—developing new ways of packaging value.

RPA Delivers A Step Change In The Economics Of Competition

Properly introduced, Robotic Process Automation (RPA) enables a step change in the economics of competition.

Let us take a real example. A global bank operating in a developed country ends up paying around \$100K for a fully loaded FTE. Place that same resource in an offshore environment and the cost comes down to \$35K. With a robotic worker, that figure shrinks to just \$15K. And when you take into account how the software robot is available 24x7—i.e. working 3 full shifts—and the fact that it operates between 2 and 5 times faster than a human, that \$100K FTE is now down to the order of \$1.5K. Applying RPA to the repetitive, non-value adding aspects allows the bank to price its products and services far more aggressively. Alternatively, they could afford

to increase the service and customer engagement elements delivered, while keeping the price the same.

Some see RPA within a relatively limited scope—an additional technology toolset for the call center—primarily used to enable outsourcing providers to cut costs and reduce the workforce. While that is one possible interpretation, our research shows how, if implemented as part of a strategic transformation program, RPA can deliver a wide range of benefits that accrue to the enterprise as a whole (rather than the outsourcer and the selected function). RPA becomes a critical enabler of digital transformation.

When viewed as a strategic capability, RPA revolutionizes:

- ◆ **How firms institutionalize knowledge.** With a rapidly aging workforce, firms need to capture the knowledge of their employees, creating reusable libraries of repetitive actions, enabling easy repackaging and reconfiguration of working practices into new offerings.
- ◆ **Overall organizational agility.** While many firms focus their digital transformation efforts on sexy front-end applications delivered through the web and mobile devices, the underlying challenge is the integration of legacy applications into those newly designed customer experiences.
- ◆ **How organizations need to manage change.** Rather than merely attempting to impose change on colleagues (that never worked anyway), you would now want to engage and educate them. The core challenge becomes ensuring the introduction of RPA is not a reductionist downsizing effort.

If introduced correctly, RPA ensures compliance and provides the ability to deal with unpredictable peaks in customer demand. It helps businesses launch products more easily and respond to events more quickly.

Ultimately, that means a better competitive edge. Given the current climate—where disruptors often appear to have the upper hand—the effective introduction of RPA can easily tip the scales back in favor of incumbent firms. However, there are many challenges to overcome. Based on a comprehensive research study (see About This Research), this paper sets out to explore those challenges and offers some advice on how to overcome them.

Establishing The Initial Vision For RPA Programs

Some RPA programs start in business operations; others begin within the IT organization. However, it is not as simple as flipping a switch and sitting back to reap the benefits. Point is that, it is no good just starting and hoping for the best.

Key challenges exist in establishing an appropriate vision right across the spectrum—from the boardroom, to C-level executives, middle managers, as well as workers and external stakeholders such as unions and press.

It is easy for people to see the economic argument—but helping them to understand the implications and power of an agile, digital workforce is quite another challenge. This is much more than a discussion about downsizing. Since RPA enables ordinary employees to overcome the brittle boundaries of existing systems—building reusable methods of moving data from one application and then using it in another—RPA becomes a primary enabler of long term organizational agility. It democratizes change.

To deliver RPA as a strategic capability, savvy firms take a phased approach to engage the wider organization and build buy-in. Indeed, long-term RPA success relies on a real partnership between business and IT. As outlined in Figure 1, the objectives of the RPA team are to get that initial buy-in.

They will initially need to focus on the senior executives to:

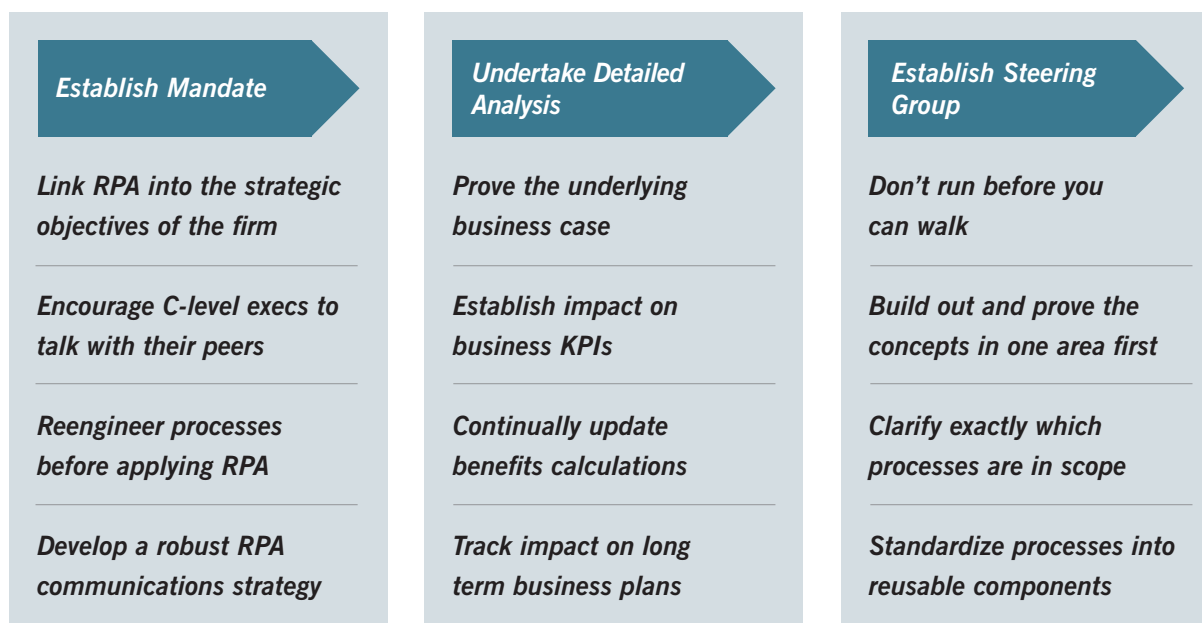
◆ **Secure an appropriate mandate for the RPA initiative.** You need to ensure executive alignment around a common vision of the RPA project, clarifying how it integrates with and supports the strategic objectives of the organization.¹ Set an expectation that related business processes will almost certainly benefit from re-engineering rather than merely paving the cow-paths and removing the freed up resources. Encourage C-level executives to connect with their peers and assess for themselves the validity of the approach. Of course, the RPA initiative needs an effective communications strategy and it is a good idea to bake it in at this early stage.

◆ **Develop a high-level business case.** In order to grow the appetite for change the team will have to undertake a high-level analysis of the organization and the opportunities. While precise guidance on how to build such a business case is beyond the scope of this paper, the team will need to assess the impact of RPA on key metrics in the business.² At this stage, the business case will explore the issues facing the organization and highlight why current resourcing approaches are unsustainable. This document later becomes extremely useful in establishing the benefits delivered. It is also a critical supporting element in identifying the initially targeted business area.

◆ **Establishing a formal organizational steering group.** The steering group’s primary role is to engage the business into the initiative.³ With the initiative firmly rooted in the organization, RPA change programs and solutions are much more likely to succeed.⁴ In the early stages, it is vitally

important that early RPA projects succeed; so choose one business area for an internal proof of concept project to validate the approach.⁵ Clarify exactly which business processes are in scope and explore how to identify common, reusable elements within those processes.

Figure 1: Developing The Initial Vision For Your RPA Capability



For RPA to become a strategic asset at the enterprise level, the key objective for the vision phase is to establish the direction, pace and trajectory for change. The organization can then plan accordingly.

It is no good just starting and hoping for the best. You have to know where you are, where you are trying to get to, and how you are going to get there. Without effective engagement of the business—dealing with organizational politics upfront—plunging headlong into a broad-based RPA effort is a recipe for disaster.

Engaging The Business For Long Term RPA Success

Cultural adoption is the critical stepping-stone to success.

The steering group effectively become the evangelists for RPA. Without casting the initiative as an organization wide strategy—one that aims to free up people's time and enable them to perform more value adding and interesting activities—the pipeline won't develop and the scope of the program becomes constrained.⁶

Having established a broad vision for RPA at the senior level, the emphasis then shifts to engaging the broader business and delivery of early project successes. To ensure that the initiative is rooted appropriately in the organization, the team will now need coordinate efforts across a number of fronts—from business engagement and resourcing, to effective governance and IT support. These three domains overlap requiring parallel effort and coordination.

Creating A Center Of Expertise Helps The Business Focus Its Resources

The initial PoC project team normally forms the core of a future RPA Center of Expertise (CoE).

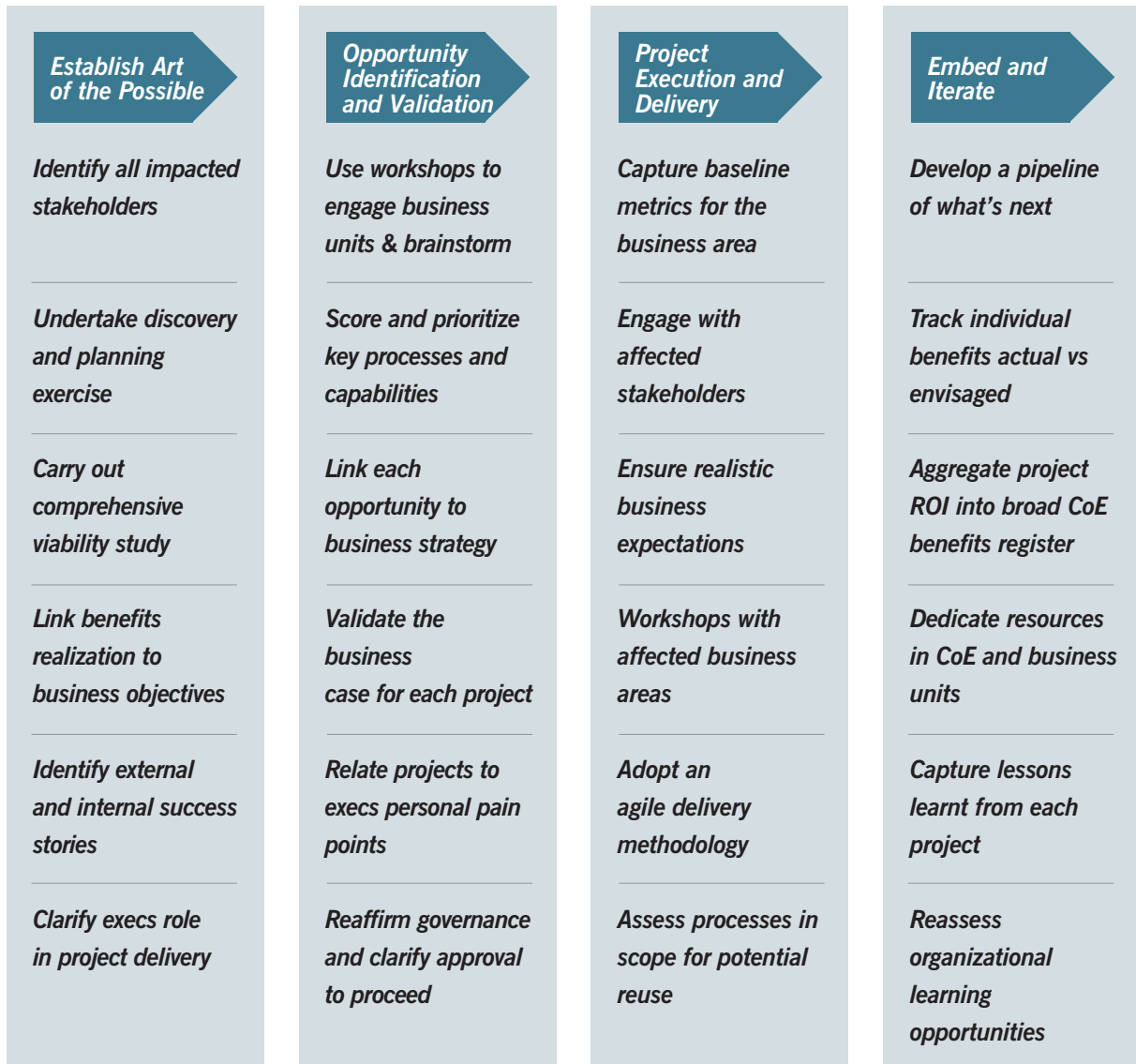
As shown in Figure 2, the newly formed RPA CoE has four key business engagement responsibilities:

- ◆ ***Promoting RPA within the enterprise.*** Facilitating the development of RPA service propositions such that the business can consume RPA capabilities without unnecessary overheads.
- ◆ ***Overseeing opportunity identification and validation.*** Engaging the business with support for business case development, along with portfolio prioritization and roadmap development.⁷
- ◆ ***Providing resources for project execution and delivery.*** This may include centrally employed resources and/or outsourcing resource support to specialist service providers.

- ◆ ***Capture knowledge and track benefits realization.*** The core RPA function will want to standardize the core methods and technologies used, as well as centrally track benefits over time.

Clearly, there are many nuances to some of the responsibilities outlined in Figure 2. Indeed, some of them are clearly related. For example, a broad-brush discovery and planning exercise underpins a viability study, which in turn sets the basis for long-term benefits realization. A business case for a business opportunity should clarify how the change supports business strategy and set realistic expectations. The tracked benefits for a single project delivery then need aggregating together into the CoE benefits register.

Figure 2: Key Responsibilities Of A Business-Led RPA CoE



Creating Business Led Governance Is Central To Success

In order to establish RPA as a strategic technology, there is a clear need for governance. Use a set of quick wins to build expertise and knowledge such that those challenging projects become logical next steps rather than leaps of faith.

Quite apart from wanting to make efficient use of the RPA resources that it is investing in, the organization needs to ensure that business units and affected stakeholders engage appropriately.

Establishing the ground rules—before ramping up and even rolling out into a more federated operating model—implies:

◆ ***Ensuring representation of the right roles and responsibilities on the governance committee.***

Getting the right people onboard is about smoothing the path ahead—anticipating the speed bumps in the road and building that into the program. For example, it is probably OK to proceed with a Proof of Concept project without involving cyber-security, but taking their advice early and then tuning the rollout plan accordingly will avoid the inevitable security challenges further down the road.⁸ As shown in Figure 3, the overall responsibilities of the RPA Governance Board have to be married with the key stakeholders.

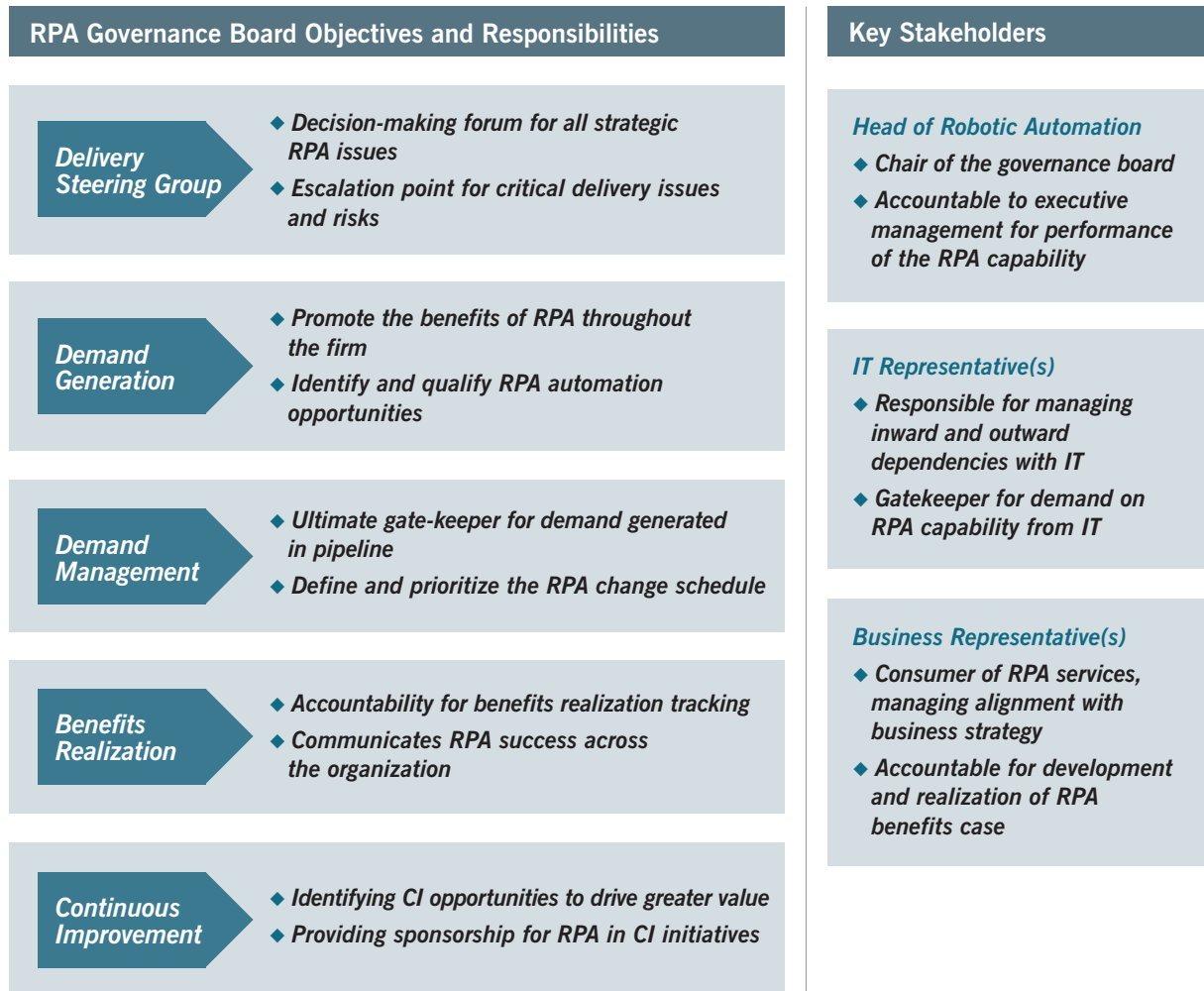
◆ ***Developing a realistic RPA governance model.***

Governance over business access to the RPA capability is vital for long-term success. At the core of this discussion is the need to develop clarity around the responsibilities involved and where they fit within the wider organizational structure. This governance model will need to evolve in line with the use of RPA across the firm, ensuring that it dovetails with the operating model and objectives of the enterprise (see the section “Select The Right Operating Model To Scale RPA Across The Enterprise”).

◆ ***Choosing the right projects at the right time.***

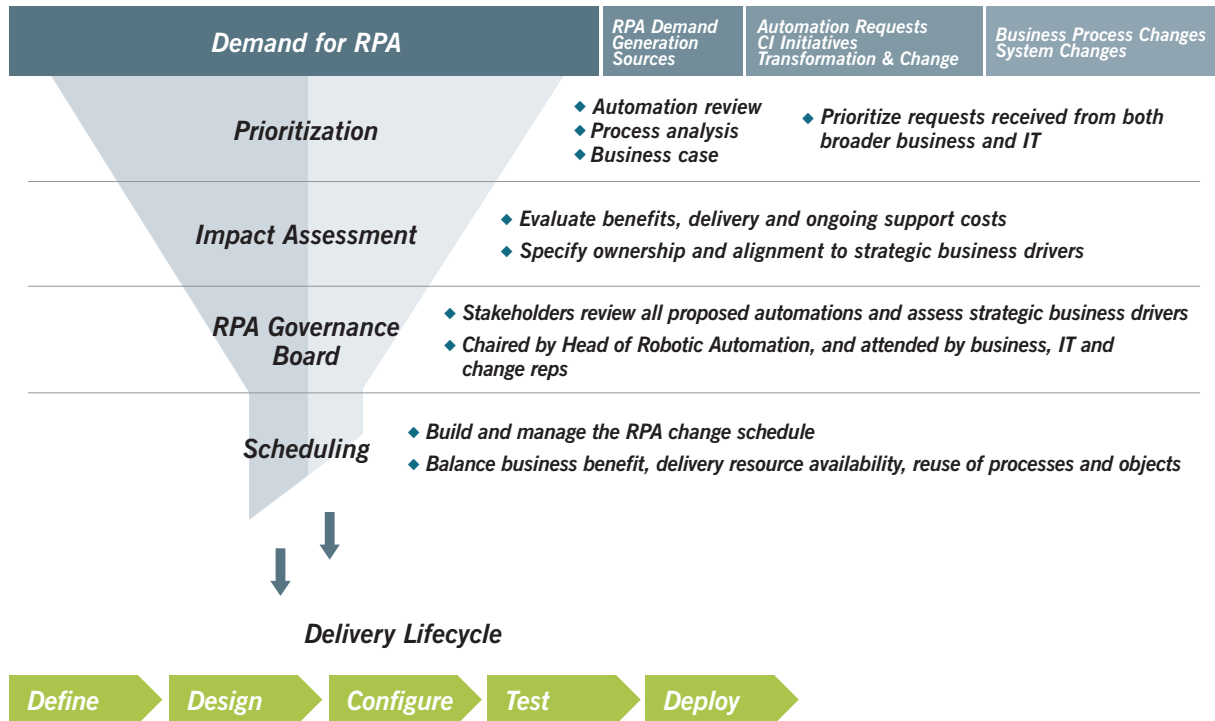
Following an initial proof of concept (PoC) project, the RPA team will want to identify a set of quick wins to build success. While a big thorny project may look attractive as an initial target, it's far better to build on success. Use a set of quick wins to build expertise and knowledge such that those challenging projects become logical next steps rather than leaps of faith. With typical RPA projects completed in a matter of weeks or a few months, it is far less risky to adopt a steady and sure pace. Ultimately, given a shortage of resources and bandwidth, plan on selecting projects and focus areas top down, ensuring alignment with organizational objectives. Figure 4 outlines an approach to managing the demand.

Figure 3: The RPA Governance Board Is Responsible For Setting And Delivering RPA Strategy



Source: Adapted from Blue Prism governance presentation

Figure 4: A Key Aspect Of Governance Is Managing The Demand Pipeline



Source: Adapted from Blue Prism governance presentation

The RPA governance committee becomes a key mechanism for implementing the policies and objectives of the RPA steering group (at the executive level), and therefore of the enterprise as a whole. The key point to remember is that articulating the core

decision-making responsibilities, roles and processes helps build confidence in the RPA initiative. Moreover, with a good governance structure, the overall RPA program is less likely to run into unexpected obstacles that can derail adoption.

Engage IT To Deploy And Secure The RPA Infrastructure

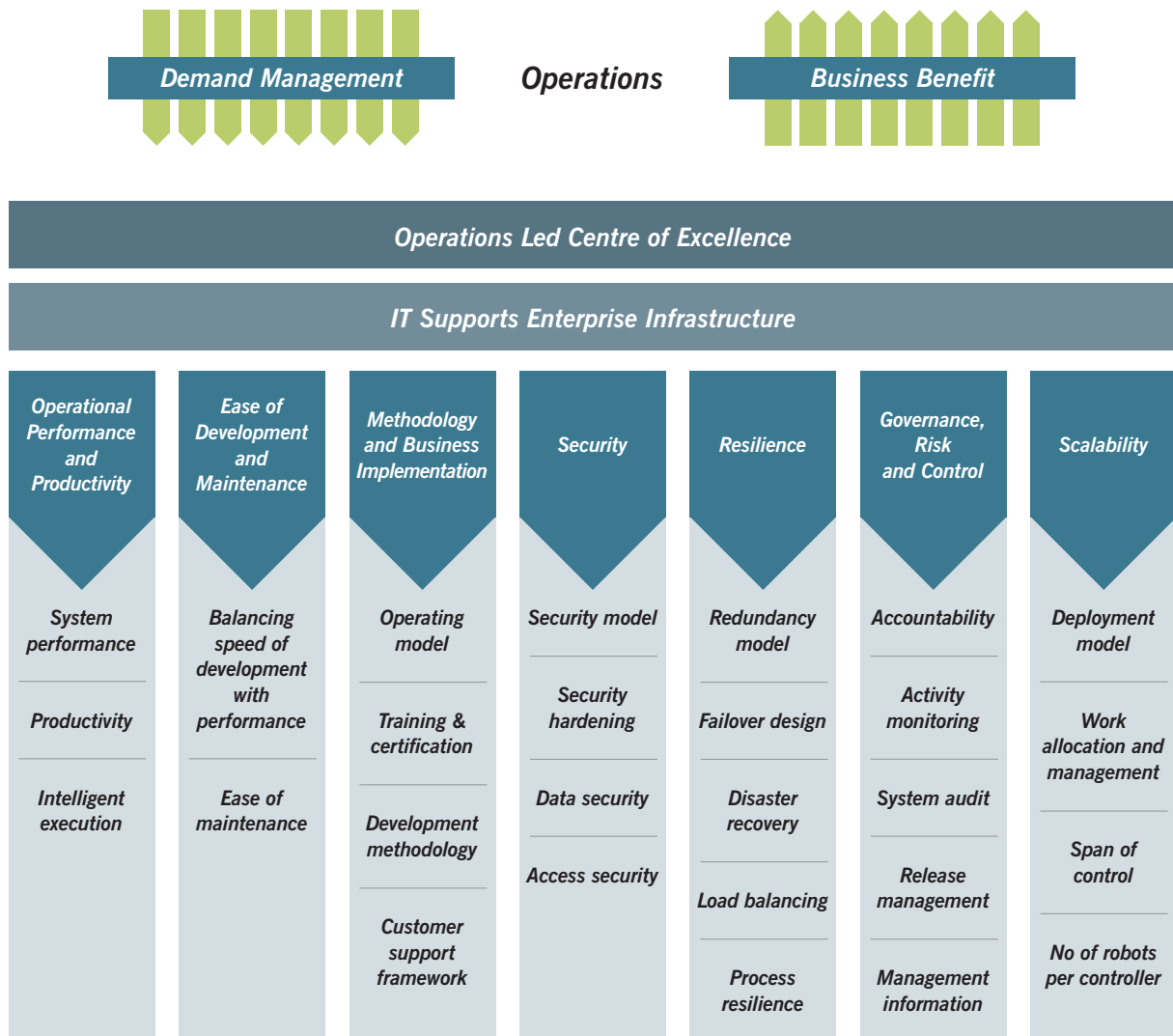
In some organizations, IT managers fulfill some of the responsibilities of the RPA governance committee (instead of business and operational leaders).

However, it is important to recognize that the IT organization probably has some important concerns and questions to address, such as:

- ◆ **Will RPA increase operational risk?** At its core, RPA technology integrates with existing applications without disturbing them. Put another way, software robots have the same access and functionality as existing business users. Therefore, with appropriate checks, there is minimal increase in operational risk—digital workers are only carrying out repetitive actions that humans carry out today. If anything, RPA delivers a stronger control framework due to better quality and consistency.
- ◆ **Does RPA add to the workload of the IT organization?** Deployed appropriately, RPA technology enables business users to manage minor change requests without day-to-day IT oversight. With a small amount of training, business people can establish RPA routines that, historically, would have required application maintenance or new developments. Firms with a mature RPA deployment have seen a radical reduction in the long tail of minor change requests presented to IT.
- ◆ **What governance will IT need to put in place?** It's in everyone's interests to give business operations day-to-day control over their digital workers, but that also means ensuring appropriate checks and balances.⁹ IT will have concerns over change management, non-repudiation of changes, and will want a strong centralized audit trail of activities. Without these sorts of functionalities built into the core product, hard stretched IT resources would need to spend a lot of time and money building them.¹⁰

As shown in Figure 5, IT has a raft of other responsibilities to ensure the appropriate deployment and security of the RPA infrastructure. Moreover, they tend to have the right sorts of resources; people with the experience needed to deliver RPA at an enterprise level.

Figure 5: IT Needs To Take Proactive Role In Support Of Enterprise RPA



Select The Right Operating Model To Scale RPA Across The Enterprise

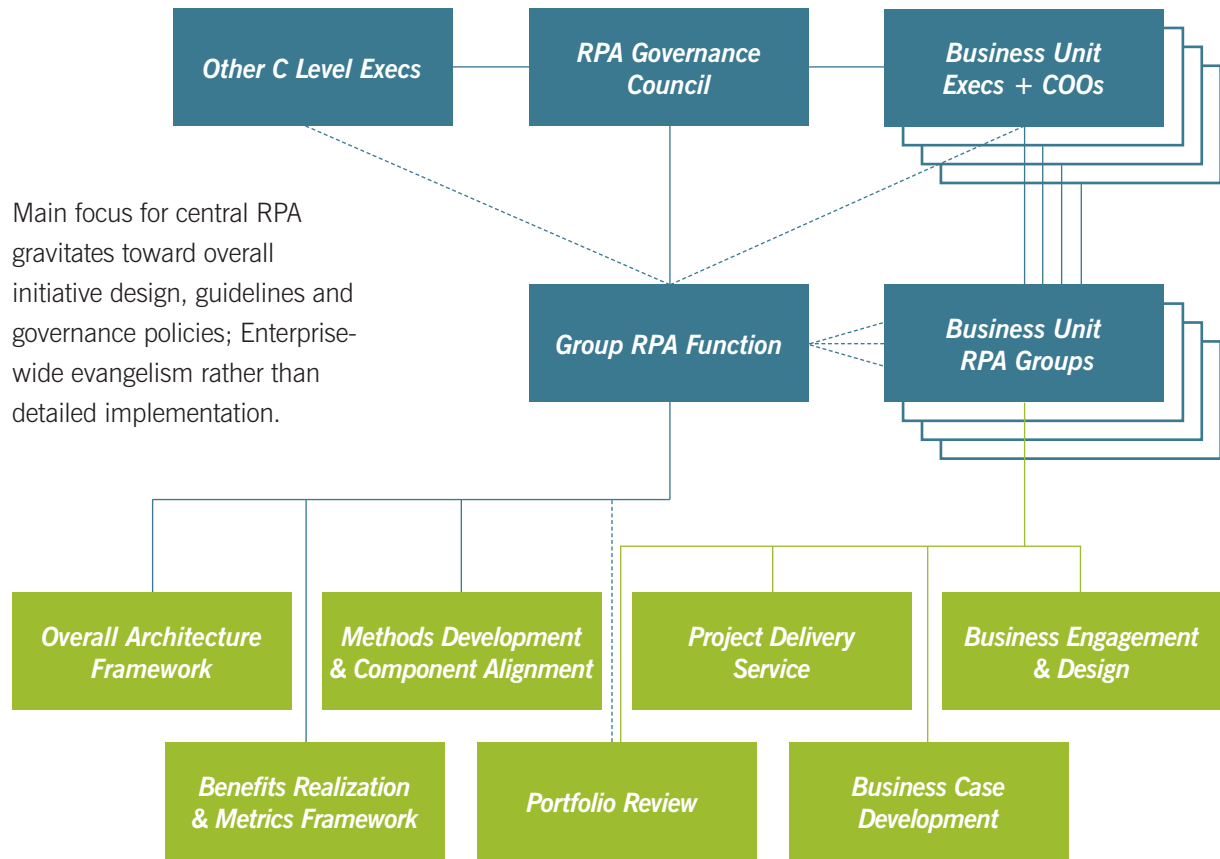
Rather than rushing into a broad deployment after an early PoC success, it's better to plan for the long term.

Changing course abruptly after 9 months will only disrupt the program and cause key stakeholders to question the viability of the initiative—it is much better to establish a pragmatic plan that steadily builds the RPA capability. Deciding on the right organizational approach will depend on the prevailing culture.¹¹

As shown in Figure 6, the responsibilities can move around depending on the adopted structure:

- ◆ ***Some organizations may prefer to stick with a simpler functional project team structure.*** Many RPA programs first take root as functional initiatives designed to overcome the constraints of legacy applications. In some organizations, it really does make sense to remain fleet of foot, sticking with a series of quick-hit projects at the functional level. However, this invariably misses the opportunity to curate the knowledge and skills needed for broad RPA adoption, and limits long-term potential benefits.
- ◆ ***Implementing a centralized RPA CoE is itself an evolutionary step.*** A centralized CoE approach becomes more and more relevant as RPA spreads across the organization.¹² However, in many firms—especially those with a federated organizational model—the prospect of a centrally managed and funded entity is challenging.¹³ The CoE provides a focal point for resources and governance, ensuring the enterprise adopts a consistent methodology and technological approach, while tracking benefits realized. At its core, the CoE provides an organizational focus that helps build and maintain momentum for the RPA initiative.
- ◆ ***A federated CoE structure involves discrete groups aligned with functional business units.*** One way of overcoming resistance to a centralized CoE is to focus it purely on infrastructure provision and IT governance aspects (probably within the CIO's domain). Taking this scenario a step further, this core group also ensures consistent methods, oversees engagement and alignment across business units and benefits reporting. Project delivery and resources are within the business units. This not only provides an accelerated and scalable delivery model, it ensures that the business areas themselves (where the process knowledge and business expertise reside) have a vested interest in—and hands-on experience of—implementing RPA into their own area.

Figure 6: Deciding on the right operating model for RPA means clarifying governance



Recommendation: Design The RPA Journey With The End In Mind

It's clear that there are many benefits associated with the successful introduction of RPA. On the other hand, for RPA to become a strategic enterprise capability there are many challenges to overcome, and moving parts to coordinate.

In responding to these obstacles, firms should:

- ◆ **Identify the broad organizational vision, and how to get there.** Where do you want to get to over the next 18 months-2 years? What will RPA look like? What value will it deliver and what does that mean for business as usual? This becomes the core RPA charter.
- ◆ **Design the RPA initiative appropriately.** Plan the overall shape from the top down to include the broad RPA framework and the evolution of your RPA operating model (Proof of Concept, early wins, establishing a CoE, through to federated support for the enterprise).
- ◆ **Recognize that RPA initiatives are a collaborative effort among all parties concerned.** It is essential to engage the business early and often throughout, ensuring a close partnership between the business and IT. Consider all stakeholders, and then engage the right people.
- ◆ **Address governance issues comprehensively and early.** The relationships between business and process owners, the CoE, an individual RPA project team, and IT require careful consideration. Identify how the business will ensure that its processes are performing as expected. Develop review practices to maintain these processes in line with business change.
- ◆ **Realize that the IT side of governance is subtly different from the business side.** What does the infrastructure and security model look like? How is the infrastructure hardened against attack? What does the redundancy and failover plan look like? What sorts of monitoring and management information is needed for RPA in the long term?
- ◆ **Identify process owners to sustain and support applications once in production.** Agree on change procedures, expectations on resource availability, and so on. Ensure that the IT organization are comfortable with the approach taken, with suitable checks and balances. Make sure that business operations develop contingency plans as part of their risk mitigation strategy.

About This Research

In the later stages of 2016, we worked with the members of the Operational Agility Forum to capture a set of best practices.

Using a robust co-creation workshop methodology, we facilitated 70 different business, operational and IT leaders from 40 different major firms as they shared their methods and techniques for ensuring a successful RPA effort. Participating firms included well-known names such as Allianz, AON, Barclays, British Telecom, Commonwealth Bank, Co-operative Banking Group, Credit Suisse, Direct Line, Fidelity International, HSBC, IBM, NHS, Nordea, npower, RBC, Sopra Steria, SSE, Talk Talk, Vodafone and Zurich Insurance. The workshop split participants into teams to share their experiences and insights. In the workshop and later interviews, we asked these leaders to articulate the best practices associated with:

- ◆ ***Establishing the vision for RPA.*** Helping the organization understand why a robust RPA capability is essential for modern digital transformation efforts. What is the best way of gaining sponsorship for a RPA capability and virtual workforce? How does an effective RPA capacity support a broader digital transformation effort?
- ◆ ***Engaging the organization for a new RPA initiative.*** How can you help people to see the power of RPA as a key pillar of a digital transformation initiative? What form of governance does RPA require? What is the best way of educating architecture functions and strategists about RPA? What role does the IT organization play in supporting RPA? What's the best way of:
 - › ***Creating a business-led RPA Center of Expertise (CoE)?*** How should firms fund RPA services—effectively, who gets/pays for savings/benefits within a federated organization? What are the key roles and responsibilities?
 - › ***Ensuring effective RPA governance?*** What's the best way of ensure optimized use of RPA resources; keeping the pipeline full? What sets of responsibilities (roles) are needed to ensure an adequate segregation of concerns?
 - › ***Building a collaborative relationship with IT?*** What is the role of IT in supporting that business-led CoE? How does the technology of RPA integrate with and support digital transformation? How can IT leaders develop the resources they need to succeed with RPA?
- ◆ ***Scaling an RPA initiative across the enterprise.*** Having created the initial business engagement and platform for RPA success, what does the evolution look like when scaled out across a large enterprise? How does the CoE evolve over time and what happens to the governance framework within mature RPA deployments? What does the IT service proposition look like that underpins an enterprise scalable RPA workforce?

To make the outputs more easily consumable, we asked each team to develop a workstream template for their aspect of an enterprise-wide RPA initiative, capturing the key components. This paper represents an aggregation of those outputs supported by a series of follow up interviews with key participants. We then validated the outputs with further discussions with RPA vendor Blue Prism who sponsored the development of this research. Unsurprisingly, some of the recommendations in sections may appear to overlap since they can have subtly different implications for different stakeholders.

About The Author



Derek Miers focuses on the methods, approaches, frameworks, techniques, and technologies of business architecture, transformation and target operating models.

His deep competence is around BPM; business process improvement; and organizational change. He places a special emphasis on an outside-in, outcome-based, customer-focused approach. His engagements usually focus on helping major organizations charter and establish their change programs, ensuring the change has the best chance of success.

Prior to joining MWD Advisors, Derek spent 5 years at Forrester Research where he led the Business Architecture research practice for 2 years after guiding research around BPM, Case Management and Organizational Transformation. While at Forrester Derek published over 60 different research reports exploring these areas. Previously, Derek worked as an independent Industry Analyst for 18 years.

Notes

- ¹ Clarity on the objectives of the RPA program, and how it relates to organizational strategy, is critical for gaining long-term executive sponsorship. Without a shared understanding of the RPA approach and the core objectives, the initiative will almost certainly falter or remain limited in terms of scope. Executives may start pulling in different directions and the RPA initiative will ultimately fail to deliver the expected benefits.
- ² It's worth noting that the business case will itself evolve, developing as the implications of RPA become more widely understood within the organization.
- ³ The steering group will typically include the most senior executive of the affected business area—i.e., the initial project sponsor, the CIO or a senior IT executive, the overall RPA program manager and senior managers from the functions directly affected. This steering group will almost inevitably become the center of the governance model for RPA within the organization.
- ⁴ It is useful to hold a kickoff workshop for the steering group. Probably the most important aspect of this workshop is to get executives involved early and initially set the stage. This helps establish the long-term road map and will help the team identify potential political hurdles. An external RPA expert should lead and facilitate this session providing case study material and anecdotal evidence where necessary.
- ⁵ That scope needs to be small enough such that it is possible to prove success within a few months and yet important enough such that the impact is self-evident. The important point is not to go broad and wide until proven internally. How to identify a suitable RPA project area is beyond the scope of this paper.
- ⁶ Some organizations name their digital workforce robots. Others crowd-source ideas. Successful RPA initiatives have automation champions in business units—such that it becomes a structural, strategic push for broad adoption and success.
- ⁷ Building on, and enhancing, existing process architecture and modeling methods to ensure a consistent translation of strategy, architecture and business intent. The RPA CoE will also carry out a significant role in the governance of the RPA initiative (dealt with in the next section).
- ⁸ Similarly, it's certainly possible to automate a few processes without involving colleagues from the compliance department. And while this approach will undoubtedly deliver some early benefit and looks good, the overall approach will not scale. So involving stakeholders from compliance, risk and security in the governance committees gives them oversight of what is happening, allows them to develop confidence in the approach and enables the RPA team to course correct early on.
- ⁹ Again, long-term success relies on engaging with compliance and information security teams to ensure that RPA practices and procedures follow guidelines established for the enterprise.

- ¹⁰ That of course assumes that they already know what sorts of things are needed, and that it's technically possible to bolt those features onto the RPA solution. IT architects fear a scenario where someone programs 100 robots to do something stupid (whether made accidentally or maliciously) and not having a way of detecting that. They need an enforced process for verifying changes and managing the traceability of those changes, right back to a given user.
- ¹¹ Key questions to explore include:
- ◆ How does the enterprise approach major change initiatives?
 - ◆ Does the firm normally create a centralized task force or prefer to operate a piecemeal set of projects?
 - ◆ What is the general level of experience and maturity around structured methods and approaches?
 - ◆ What is the appetite of the executive team for a broad transformational approach?
- ¹² There is no magic cutover point, although the earlier the transition, the greater the speed at which RPA benefits are realized.
- ¹³ Individual silos and fiefdoms are often quite powerful. Silos tend to resist the central management of resources. Indeed, they often indulge in all sorts of passive aggressive behaviors to kill off any initiative that threatens their grip on control. In such circumstances, undertaking an assessment of the resources (both employed and outsourced) involved in process improvement and architecture work usually reveals that around 1-2% of headcount are employed within business units to help improve business performance. In a business of say 30,000 employees, that can mean that as many as 500-600 FTEs are involved in performance improvement activities. What's more, these numbers are usually well hidden from C-level executives. Point is that even a small RPA CoE can make a big impact on the overall effectiveness of those performance improvement resources.