

A TALE OF TWO MODELS FOR RPA DEPLOYMENT

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June 2016

Introduction

It sometimes seems that the discussion of late on Robotic Process Automation and Intelligent Automation overall could be described using the opening lines of *A Tale of Two Cities* by Charles Dickens as indeed in many ways there is a revolution afoot.

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair."

Specifically, at HfS we believe it is the best of times for Robotic Process Automation (RPA) vendors and it might become the best of times for shared service (SSC) & global service centers (GBS) leaders as a result. HfS Research has witnessed the beginnings of a widespread and rapid deployment of RPA solutions (such as those of the RPA software vendor Automation Anywhere) by shared services leaders worldwide over the last few months, as these tools have hit the mainstream for business process and IT delivery in the enterprise. The future of shared services has, in recent years been questioned as with concerns over future additional scalability in delivery, stagnating process quality, rising costs, high levels of attrition and talent/role stagnation.

The advent of RPA has allowed the leaders of these centers to begin to address many of these limitations by:

- » **Improving Efficiency:** Automating process steps with previously high levels of human-induced errors or delivery delays
- » **Improving Productivity:** Freeing up human capacity so the shared service centers from mundane, rote or robotic tasks and moving to a lower TCO for standard process delivery
- » **Improving Effectiveness and Scalability:** Allowing shared services leaders to take on additional scope and scale with the existing delivery infrastructure and investment

All of this is allowing shared services leaders to create new roles for loyal staff who want to build their careers without leaving the enterprise. Hence, the potential for this to become the best of times.

Much of the recent market coverage on RPA has been on the technology and its potential to impact service delivery and the outsourcing market. There has been less coverage on what it takes to be successful with an RPA deployment inside of an enterprise. As it turns out, there isn't one way to implement RPA either nor one way to capture the benefits. In this POV, HfS examines two different models for deploying Automation Anywhere's RPA technology at scale within an advanced and successful SSC/GBS environment as identified after site visits with the Australia and New Zealand Banking Group (ANZ) in Bangalore and AT&T in Dallas.

Implementing Scalable RPA

While the mainstream market attention on RPA has been a phenomenon of the last several years, the technology could be found inside of process delivery operations in the enterprise well before that. Those early deployments were generally experimental in scope and size and often undertaken without coordination at the enterprise management layer. As such, these deployments often lacked the structure and rigor to be scalable at a board SSC/GBS or global process layer.

What the last several years of enterprise discussions and RPA site visits has shown us at HfS is that to really implement scalable RPA that can capture and sustain real economic benefits, it is necessary to have an overall RPA strategy for the enterprise that plans for major tasks and roles. In particular, it is necessary to design an approach that accounts for the following considerations:

- » **Definition(s) of Success for RPA:** What is the over-riding goal for an RPA deployment? Is it for cost reduction and the substitution of existing human talent or is it about augmentation of existing talent to do more?
- » **Operational Approach:** Will the deployment of RPA result in the receiving business units getting new or updated KPIs? How will the benefits of RPA in operations be tracked and distributed?
- » **RPA Development Model:** Is RPA development centralized or is there a CoE model developed which sets the processes and defines the methodology and then acts as a "help desk" for development done in the business?
- » **RPA Skill Ownership:** Are all potential business users to be trained in developing RPA "bots" or is that skill going to be centralized or is there something in between that makes more sense?

RPA in ANZ Bank

The journey to adopt RPA at scale in the shared service functions of ANZ Bank really began in 2014. Beginning with deployment in the Bangalore SSC centers, as of March 31, 2016, the RPA plan now extends across eight delivery locations around the world. There are currently 500 Automation Anywhere Bots in operation inside of ANZ Bank with plans to grow that to 1,200 by the end of 2016. A sample of the processes where RPA has been implemented inside of ANZ Bank include: loan and mortgage origination, account reconciliation, monthly close, audit compliance reviews, customer record maintenance and payments.

RPA in AT&T

The journey to adopt RPA at scale in the shared service functions of AT&T really began in the summer of 2015 with the support of KPMG and Automation Anywhere. Beginning with the creation of a COE based in Dallas, as of March 31, 2016, the RPA plan now extends across four delivery locations around the world. There are currently 270 Automation Anywhere Bots in operations inside of AT&T with plans to grow that to 450+ by the end of 2016. A sample of the processes where RPA has been implemented inside of AT&T include: automation of sales order entry into AT&T delivery systems as well as Automated Reconciliation of Revenue against network assets and inventory.

Two Models for Scalable Deployment

It's not just that ANZ Bank and AT&T are clearly very different businesses with different starting points on the journey towards scalable RPA deployment, these two enterprises have by design implemented two different models for RPA deployment as well. In Exhibit 1, the differences (and the commonalities) between these models is captured based upon the considerations for what makes for a successful RPA program identified earlier.

Exhibit 1. ANZ Bank and AT&T Models for Scalable RPA Deployment

Consideration	ANZ Bank	AT&T
Definition of Success	Human-robo integration to maximize the effectiveness of humans and build better careers	Drive a culture of creation and pivot to 2020 skills that also reduces costs
Geographic Scope	Global Shared Services	US operations
Benefit Approach	Changes the KPIs of operations where RPA is deployed	Doesn't change the KPI of operations but benefits are tracked
Development Model	Agile centralized approach	Center of Excellence (CoE) defining standards, methodology and performing quality control
Skill Ownership	Centralized 'bot' development team of ~20-30 people	Development is distributed to all business users with training
Funding Model	Centralized funding	Centralized funding
Overall Summary	Encourage broad agent demand for augmentative bots and then develop bots with a skilled core team	Design a centralized methodology first to then scale fast
RPA Bot Visibility	Very visible, bots have their own seats	Behind the scenes and integrated into operations

Source: HfS Research, 2016

Putting RPA into Your Network

These two models of RPA implementation at ANZ Bank and AT&T are by no means the only approaches that can be undertaken to enhancing the effectiveness of SSC/GBS operations. In fact, the rapid adoption of RPA across so many different enterprises is resulting in many different models of deployment and integration beyond just these two. What works for each enterprise will be different beginning with the rationale for embarking on an RPA revolution, is it for the substitution of existing labor or is it for the augmentation of human talent and thereafter what are the best ways to achieve that working within the existing cultural and operational norms of the enterprise?

It's all well and good to experiment with RPA and see what works within the existing application and process environment of the enterprise but putting it to work at scale requires being thoughtful and strategic. This is not a tool for organizational and process anarchy but rather a controlled revolution in pursuit of greater process efficiency and effectiveness.

So go out and think about how to make RPA work in the operations of your enterprise. Reflect on the approaches and experiences of ANZ Bank and AT&T and adapt those to the current SSC/GBS realities and future ambitions of your enterprise. Taking further liberties with the reference to *A Tale of Two Cities* by Charles Dickens, we would advocate that *"A day wasted on RPA {others} is not wasted on one's self."*

About the Author

Charles Sutherland



Charles Sutherland is Chief Research Officer at HfS. Charles is responsible for the overall research agenda for HfS across the “as a service” economy. He personally covers the areas of automation, business platforms, supply chain, procurement and various vertical processes. Since joining HfS in 2013, Charles has had the opportunity to speak at various industry forums including NASSCOM and has had his research covered widely in the business and outsourcing press as well.

Charles has been in the business services market for 20 years including previous roles as the Chief Strategy Officer for a BPO service provider and the Managing Director, Growth & Strategy for Accenture’s Operations Growth Platform. In these roles he has had a breadth of experience in thought leadership, strategy development, acquisitions, business development and long term investment planning in both BPO and ITO.

Charles has also had Growth & Strategy roles for Accenture in Infrastructure Outsourcing and for the Communications, Media and High Tech Operating Group. Prior to that he was a Strategy Consultant in London for Accenture serving clients in the Media, Communications and Consumer Goods industries. If you go even further back in time he was also a Marketing Director for Olivetti in Canada and Europe.

Charles has an MBA from INSEAD in Fontainebleau, France and an Honors BA in Economics and Political Science from the University of Toronto.

Charles now resides in Southlake, Texas but still keeps the Boston Red Sox bumper stickers on his Prius so clearly he hasn’t become a proper Texan just yet.

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