SE16N

How can Robotic process automation (RPA) from SAP increase your business processes

Introduction

Digital transformation is now the new technological paradigm that not only organizations are facing. Strong investments are being made in technologies that can aid this transformative process with worldwide spending on this being estimated to exceed $2 trillion by 2021. Conversational AI, analytics, Machine Learning, IoT, Robotic Process Automation are only a few of the trends that will also shape 2020 according to Forbes and the business landscape. The rhythm of change and transformation can make businesses struggle to be agile, flexible and stay ahead of the competition.

RPA is one of the solutions sought out to solve pain-points in businesses such as human errors, streamline processes and optimize them, cut costs, process data faster and more accurately, while also raising the levels of compliance. The RPA solution has been at first piloted and deployed in fields such as accounting, finance, and procurement-related functions, mainly because it solves the issues of the high volume of work, standardizes such a time-consuming process and eliminates the repetitive tasks, while employees can focus on other value-adding activities for the business. According to Gartner the Robotic Process Automation (RPA) software revenue grew 63.1% in 2018 to $846 million, making it the fastest-growing segment of the global enterprise software.

There are many misconceptions about what RPA can do for a business and many executives are disappointed when the actual implementation of RPA happens and it doesn't bring the expected results. This is not because RPA doesn't bring real value and saves time and money, but rather because people do not understand the real actual capabilities of this technology. According to Forbes, RPA doesn't

make bad processes better, it makes them faster keeping the same quality. Therefore, the end-to-end redesign of processes cannot be done with simple RPA. There is a need for human intervention here.

This paper is addressed to managers and executives that seek to understand what can SAP's **Intelligent Robotic Process Automation** can do for their businesses, how is it different than the basic RPA and how it can enhance the digital transformation of their processes so that organizations stay competitive in the market.

There are many enthusiasts that expect RPA to grow and overtake all mundane tasks of employees, automate and increase the profits. Until this point is reached, this whitepaper will shed light into to actual functionalities that SAP's intelligent Robotic Programmatic Automation can aid a business.

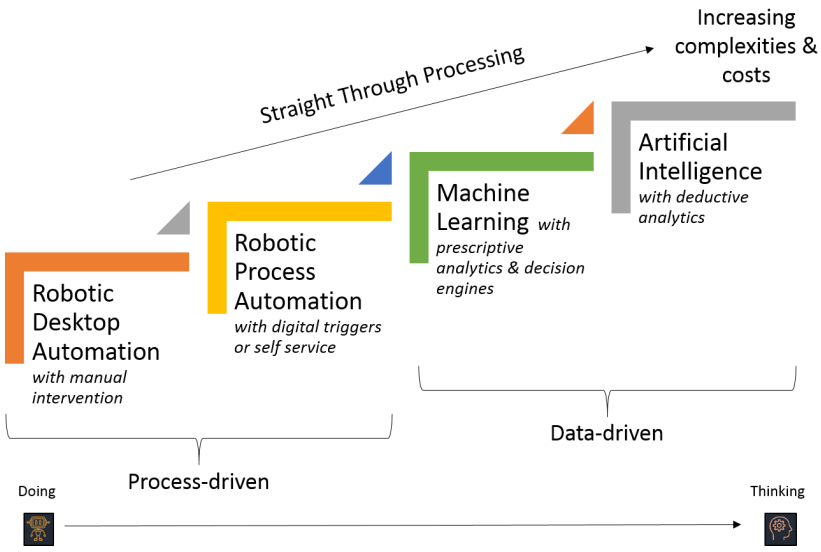
1. What is RPA?

RPA is an emerging technology, defined as the **automation of rules-based processes that are mundane, repetitive and involves high volumes of data and work**. It is the most simple form of AI and the work is based on bots or "digital workers" that can mimic the human tasks. They are deployed through software that utilizes a user interface and it can run on any software, including web-based applications, ERP systems, and mainframe systems. RPA **improves the accuracy, speed, and quality of output of processes** while reducing the risk of human error and freeing up the employee's time to focus on tasks that require human strengths (empathy, emotion, face-to-face negotiation, etc.).

To dissipate any misunderstanding and shed light on the terminology, there are differences between **RPA** and **intelligent RPA**. On a spectrum (see figure below) the basic RPA is process-driven, which means that it focuses on executing an autonomous combination of processes, activities, transactions, and tasks. This can be either "attended", which means that bots run on the desktop, they are triggered by an end-user on its workstation, or "unattended", which means that

they do the work alone on the server, automatically executing a whole process that is triggered by a schedule or cue. This automation is very different from actual redesigning and digital transformation that a business can undergo, mostly because if the process is not configured or optimized properly, the RPA will only perpetuate it, not analyze, redesign and improve it as it should be done for a digitized business. Trying to use unattended RPA to improve processes, not only is the process not improved, but errors and bottlenecks are likely to occur, which only creates new problems, diminishes the digital transformation and ROI, all while employees also have to deal with badly thought processes.

This is where the iRPA steps into the game. It is a step higher in the AI hierarchy by simulating human intellect and using machine learning technologies. It is more advanced compared to RPA in terms of comprehension, intelligence, and precision. With the automation tool iRPA has is analyzes prior to decisions and actions, learns them over time, gets smarter and supports businesses in making more informed decisions, back-up by data. RPA is the doer, while iRPA is the decision-maker.



iRPA is maturing quickly, with SAP even acquiring Contextor at the end of 2018 to augment its intelligent technologies portfolio and drive the automation of processes within S/4HANA and other cloud solutions.

The main components that are part of the SAP's Intelligent RPA hybrid solution are:

- Design the automation processes with the on-premise Desktop Studio (Windows only);
- Orchestrate the automation processes with the cloud Factory;
- Execute the automation processes with the on-premise Desktop Agent(s).

2. The Integration of SAP's iRPA in your business

Starting the process of integration of iRPA into business processes can leave companies confused, with many IT issues, unrealistic expectations and complex processes that they do not know how to approach. When a business tries to implement and scale RPA in general, the top challenges that appear according to a recent Deloitte report are:

1. Process standardization
2. IT buy-in and support
3. Integration and flexibility of the solution
4. Stakeholder buy-in and expectations
5. Employee impact

This migration to SAP's iRPA requires specialists that can help in the implementation and setting up everything to work properly. "*IT is absolutely critical to the successful deployment of RPA. This was a lesson we learned early on in our own RPA deployment in Deloitte. I have found there is a significant difference in both speed and cost to deliver between clients that have an engaged and supportive IT function and those where IT is less supportive*." (David Wright, Director, Deloitte). Such support can range between turn-key solutions to a

collaboration project to developing in-house teams and build internal-RPA capacity and capabilities in people. When such a capable team is needed, SE16N can step in the game as a certified SAP partner and facilitate the implementation and offer support across all steps of the project.

What is important to take into consideration when a iRPA project is outlined is that trial & error is a normal part of the process or implementation and adequate resources need to be enabled for this as well. Main steps to follow when planning to improve business processes through this solution are:

1. Determining the needs

What are the needs such a solution answers to? What challenges does the business need to overcome? What are the processes that will be automatized? Here discussions with employees can prove to be very insightful because this way a business can understand where energy, time and money are invested too much and could be simplified so that employees focus on higher-value activities. Also, starting the RPA journey doesn't necessarily need to happen across all the enterprise. It is indeed important to think big in terms of objectives in the long-term but also start small, by optimizing through iRPA business processes in only one area, where there is a bottleneck. Once results are achieved, it becomes much easier to present and gain support from key stakeholders in the organization for a wider project. It is necessary to ensure that the automation addresses a high-volume process for which a rules-based process can be applied.

2. Integration into a wider strategy, not only tactical cost savings

Rather than thinking about how many lay-offs can a "digital worker" replace, and how much money the business saves, it is advisable to ask questions such as "Does it increase customer satisfaction?", "Does it provide employees with more interesting and challenging tasks for them to grow?", "Does it improve compliance?". Such a digital transformation project needs to fulfill higher

elements in the overall business strategy. Complementary to this, RPA can be incorporated into employee training to raise the technological capabilities in the organization, have less resistance to change and not create panic among employees that they might lose their jobs in favor of the “digital workers”.

3. Assigning a project champion

There is a need here to find a suitable person in the organization that can coordinate and has the necessary know-how for such a project and can establish realistic expectations regarding the automation. For example, in Deloitte’s report organizations estimated that only 20% of their total enterprise operations can realistically be automated with RPA, which is actually aligned with the initial expectations at the proof of concept or pilot stages. Another option is to collaborate with a third-party partner who can advise and guide along the implementation process. The deployment needs to be managed as rigorously as any other IT project in order to ensure quality and ability to operate properly. A team that implements well the project can help build the business case for a wider opportunity.

4. Milestones & analytics

Having in mind the overall goal for the software implementation, a few smaller goals to achieve throughout the process need to be set. Passing milestones help a business measure the new product’s success. For example, let’s say a business implements iRPA in order to save employees time. A milestone could be delivering a task at increasingly shorter intervals. Or it could be accomplishing a higher volume of work in a given time frame. Quantifying and analyzing the success of the implementation is essential for the business case that will be built later to gain support across the whole organization.

5. Gaining support for change

Gaining support should include here C-suite and functional leadership, as well as employees. With a business case well built the chances of getting onboard the organization grows. In Deloitte's survey, C-suite and functional leadership have been found to be the most supportive stakeholder groups in companies that have implemented and scaled RPA.

6. Building capability in time

For maximum productivity in the long-run, employees should be taught how to work with these "digital workers". This means they need to know how to utilize the interfaces, their functionalities, what operations can be modified and streamed and how to also check and maintain the bots. Also, training and growing people that know how to evaluate the feasibility of a proposal, how to configure a bot, install, change, improve it and how to integrate it into the human work is also advisable to take into account. These kinds of skills will possibly give in time new roles for enterprises, roles strictly related to RPA.

3. Benefits of using iRPA from SAP

Using the iRPA from SAP, besides emulating human interaction within the enterprise system, can interpret text-heavy communications, or make process suggestions to end-users for definable and repeatable business processes. After capturing user activity, intelligent bots delivered by these services can emulate user interactions with software and digitally execute some of the user's tasks. Because these bots can take advantage of SAP Leonardo Artificial Intelligence (SAP Leonardo AI) capabilities and SAP Conversational AI services, they can automate actions that involve more than a traditional user interface. They can

work with process metadata to support hands-free execution of much more complicated processes.

The expected results of such an investment are:

a) Quality improvement

Compared with humans, “digital workers” do not need to rest and can keep running 24/7. Even more, errors and mistakes are greatly reduced, with a high precision in place. This kind of precision reduces greatly the risks of dissatisfaction from stakeholders due to data inaccuracy.

b) Improvement of speed

While some tasks could take up to a few days, the RPA can process faster and continues in the background, while employees focus on more complex and demanding activities that can benefit the business. RPA accomplishes tasks in a few minutes compared to the few hours employees need to put into the work. This results in an increase in the speed of operations. It increases productivity by executing faster processes that before could have taken a few days and be done with them in one hour.

c) Higher efficiency

RPA can run its operations with virtually no resource constraints. The speed of operations also means average handling times reduced by up to 40% and processing costs that could be even up to 80% lower.

d) Wide-usage across industries

RPA can be used by organizations in completely unrelated fields, mostly because all organizations have some types of common activities such as quote-to-cash and procure-to-pay processes. Also, all businesses have some form of repetitive tasks

that could be handled by RPA. This makes the technology a viable option in any industry.

e) Productive employees

It replaces the need for employees to execute boring and low-skilled tasks, such as checking, completing forms, copying and pasting information from one document to another, answering to users, emails and so on. Their time and skills can be transferred to other more stringent business activities. Also, it relieves employees of the rising pressure of work.

f) Customer satisfaction

iRPA brings a new level of operational speed and efficiency to respond to customer needs proactively. Customer service is improved because bots can deal with inquiries 24/7, giving more power to employees to deal with more complicated requests. Using SAP Conversational AI services, bots can interact with customers and users in the same manner a person would. And you don't need to predefine inputs and outputs or code into the bot every conversational possibility. Also, iRPA can analyze the available data about each customer to see in what phase of the sales funnel that person is and what kind of personalized offer can be made and also send it to them in a few minutes instead of hours. Customer experiences become disrupted in positive ways.

g) Execution in multiple systems

Employees usually need to spend a lot of time moving between applications. This is where intelligent bots alleviate one of the pain-points of employees: they can execute processes spanning multiple systems, multiple cloud solutions, and software. The ease of transfer of data from one part to another and fast access from one application to another is related to the improvement of speed, reduction of costs and efficientization. Another added benefit here is that the

bots present a low risk due to them not interfering with anything from the back-end systems.

h) Increased compliance

With the general increase in audit regulation and bureaucracy, iRPA increases compliance with an almost 100% cases of accuracy. This offers a sense of relief and security regarding information and accuracy across the organization.

i) Improved HR

Many HR professionals lose precious time each month navigating through all the payroll data, reading all information, updating the system, calculating and sending the information forward. iRPA is a great solution here for the whole process, giving time to HR to focus on the employees of the organization and on more strategic initiatives that can benefit the business. And payroll is only one of the functions out of many that could be improved with iRPA.

4. Increasing your business processes

Before a business decides to implement RPA to increase their operations, it is noteworthy to keep in mind that the "Digital workers" cannot do all the processes that a business desires. A very good example has been given by Leslie Willcocks, professor of technology, work, and globalization at the London School of Economics' Department of Management in an interview.

"*In an insurer we studied, there was a particular process where it used to take two days to handle 500 premium advice notes. It now takes 30 minutes. It worked like this: a range of brokers would write business for clients, and there was a central repository into which the business written had to go, and a process that someone had to manage to get the premium advice note from the broker into the repository. A number of operations had to occur for that advice note to be fully populated by all the data, and the process operator might find that the data had*

not been completely filled out, perhaps because the advice note wasn't structured very well. So the data had to be structured to standardize it so that it could be a common document like all the other advice notes. And if any data was missing, that person might have had to go back to the broker or add things from the systems of record in the back office. Then, once the note was complete and signed off by the process operator, it went into the repository.
Now a lot of that sort of work can be automated. But some of it requires human intervention, human reasoning, judgment. So an RPA engineer would look at that type of process and say, "Which bit can we automate?" The answer is not everything—it can't structure the data. There may at some stage be cognitive automation technology that could structure the data but RPA can't, so the human being has to structure the data at the front end and create a pro forma ideal advice note. Clearly, the RPA can't deal with exceptions either. The engineer has to intervene and look at the exceptions and create a rule to deal with them, so that gradually you educate and configure the RPA to do more and more work. Eventually it can do 90 or 95 percent of the work and very few exceptions have to be dealt with by a human."

As the example above says, there are only some types of operations that an RPA can deal with, therefore embarking on a digital transformation journey with RPA at the center of the change, there should be selected those processes that if automated have the biggest impact in the organization. In order to recognize such processes, they need to be:

- High-volume and rules-based
- Impacting costs and revenue
- Error-prone
- Time-consuming
- Speed-sensitive

- Fault tolerant

To assess better how RPA can be leveraged across different industries and gain a better understanding of what processes can be automated, below there are a few such examples:

Retail

Improving supplier process

Regarding the supplier process, a “digital worker” can compare current prices and availability of goods and raw material. The process can be automated further through the bot that will check for delivery times from different suppliers, and evaluate suppliers and material ratings. It can analyze data and give answers to questions such as:

Has the vendor received the purchase order and has he accepted it?

Has the PO been fulfilled?

Are related documents (such as a goods receipt or invoice) available and do they match the order?

The bot can also be programmed to execute actions related to the follow-up process.

Healthcare

Improve patient experience

Patient scheduling and insurance check-up processes can be assigned to an iRPA to speed up the overall operations and improve the patient journey, while the clinical staff can attend to more value-adding tasks.

Boost operational efficiency

Medical staff no longer has to spend hours of manual labor to enter data and operate multiple electronic medical and healthcare records systems. RPA can introduce all the necessary data, perform extraction tasks and update the databases with almost no errors.

HR

Recruitment processes

The iRPA can help with the recruiting process, by receiving the incoming emails, analyzing them through NPL capabilities. After it comprehends the message, the system carries out the necessary follow-up steps and also gets back to recruiters if the candidate matches the desired profile.

Banking & financial services

Automatize data management

An RPA bot automatically extracts account payables–related e-mail messages from an accountant's mailbox. It analyzes the PDF in the attachment using machine learning and injects the relevant extracted data into an ERP system.

Faster processing

iRPA makes eligibility checks faster (for example, for a loan or credit) and guarantees the traceability of mandatory "know your customer" processes such as background verification and evaluates autonomously the criteria for each client.

Potential threats

iRPA can detect suspicious activities for a bank client and it can send reports within minutes to the involved stakeholders. Optimizing all the manual labor tasks

reduces the processing time to a few minutes and increases the trust that the bank is indeed preoccupied with the well-being of the clients.

Sales

Optimize sales funnel

With the help of bots and integrated OCR software (optical character recognition), you can automate the entire sales funnel. These can read the received data, enter it automatically into your SAP ERP system, update statuses, send notifications to the sales people about what potential leads are the closest to making a decision to purchase.

For example, there is the case of a leading global insurer that uses smart RPA robots to classify inbound customer requests. The problem that RPA solved was that a single inbound email channel lead to inconsistent customer service. Therefore, through RPA the email queries received were read, sent to a machine learning model to classify the request to route it to the appropriate channel for follow-up. The better turnaround time resulted in better customer service, proving the effectiveness of the RPA.

5. What's next?

This whitepaper highlighted how SAP's iRPA can benefit businesses across all sectors of activity through **improved speed, accuracy, compliance, increased productivity of employees and raising customer satisfaction**. Moreover, 53% of the respondents in Deloitte's survey have already embarked on their RPA journey, with 78% of those who already implemented RPA in their organization expecting to significantly increase investment in RPA in the next 3 years.

Statistics show that SAP is one of the most popular ERP choices when a company decides to upgrade their business processes and invest in the long-term. This kind of digital transformation can be done through specialized companies that are

official SAP partners. Choices about third-party support are driven by specific criteria such as the nature of the digital workforce that an organization is seeking to establish and by factors such as the complexity and number of roles required, the need for flexibility and the need for quality assurance. SE16N can be such an option, due to the continued qualitative support in the implementation of SAP's iRPA projects. Furthermore, SE16N is also an SAP Certified Development Associate that qualifies us as a trustworthy partner. We can help businesses see their digital transformation project taken care of from start to end.

6. About SE16N

SE16N is a team of highly qualified consultants, specialized in SAP technology, that has an extensive design experience. Our industry knowledge is combined with many years of professional experience, and these two components allow us to deliver state-of-the-art solutions for any challenge that businesses face. Main services that we offer are SAP Technology, Amazon Web Services technologies and IBM Power Systems.

Let's build a foundation for your digital transformation project. Get in touch with us at:

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