PROFIT TODAY FROM RPA IN HR OPERATIONS
REAL-WORLD SAVINGS, EFFICIENCIES AND ADVANTAGE FROM ROBOTIC AUTOMATION

LANSHORE WHITE PAPER

EXECUTIVE SUMMARY

RPA is a transformational technology that you need to know about, because it's an access ramp to the world of automated digital labor. It's here today and in use in forward-looking firms already: it will change the future of business operations and activities in all sectors and disciplines.

In this paper, we explain what RPA is, what it does, and how it works to improve accuracy, efficiency and profit in a common commercial scenario.

We're not talking about a futuristic fantasy or a preview of business in the next decade. Robots have many forms and this type is a very practical and immediate game-changer.

That's why we're setting out to bring RPA to life for your business in a short, relatable, no-nonsense paper. Read it in ten minutes to understand how RPA can make a difference in the context of your operation and why it's a compelling alternative to traditional, costly system development.

"At a macroeconomic level automation could raise productivity growth on a global basis by as much as 0.8 to 1.4 percent annually."
McKinsey Executive Briefing, What's now and next in analytics, AI, and automation[1]

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[1] https://www.mckinsey.com/featured-insights/digital-disruption/whats-now-and-next-in-analytics-ai-and-automation

INTRODUCTION: RPA BASICS

What is RPA?

RPA stands for robotic process automation. It's technology with human-like capability, delivered with robot speed and accuracy. Robotic automation means processing unattended automation flows, requiring no human interaction. It can happen in the background, on an unmanned desktop.

RPA speeds up critical processes that typically require multiple human interventions and complex manual processing. It frees people from repetitive tasks to concentrate on higher value work. It produces better outputs in this type of work because there's no human administrative error. Performance and accuracy suffers when people get distracted, bored, careless or pressured when carrying out routine tasks. Robots are immune to these effects – RPA outputs are precise, consistent and delivered at machine speed.

How does RPA work?

RPA is a non-invasive approach. Unlike traditional IT system deployments, there's no need to redesign data architecture or make changes to applications at a deep and disruptive level. The technology works with the systems you have. It replicates human operations, so you can apply it to embrace and connect existing processes, interfaces and software apps. It is human-like activity (at the simplest level, replicating mouse clicks and keystrokes) deployed with robotic speed and precision.

In more technical terms, RPA is connected with existing applications and uses business logic and workflow to perform actions. It's agile, because if elements of source systems are redesigned or altered, it's easy to maintain the connection and continue carrying out the same actions: you don't have to redesign the whole solution.

How RPA mimicks humans in the office

RPA is an agile solution to automation – you can use it across incompatible and unconnected systems to aggregate data and perform multiple, connected tasks.

RPA bots perform tasks like logging into one application, moving to a specific screen to copy data and then logging into a second application to paste that data into relevant fields. Finally, the bot logs off both applications to complete the activity. It acts like a human given the manual for a well-documented process, obeying clear rules and instructions.

Even this simple example shows the advantage: the task is accomplished by a bot in a fraction of the time it would take even the most focused and effective human.

Without RPA, automating this activity would take months of development to create and embed a new process into a management system, assuming the two applications had APIs to use for the purpose. Alternatively, you might have considered upgrading to a single platform that can provide the functionality of all your current, disparate apps. These solutions are inflexible (if the process or data source changes) and costly (investing in a new platform, which your needs could outgrow anyway.)

INTRODUCTION: INTELLIGENT RPA

Improving the value of RPA

RPA can only make decisions in a workflow based on pre-defined criteria. Processes, systems and data are imperfect, so there will be many times when an RPA bot has to stop and request assistance, because of an anomaly or unexpected result.

When this happens, the bot notifies a human of the problem. This usually means that a human has to complete the task in its entirety, though they may be guided by error codes or parameters to help them identify the issue. The overall efficiency in a well-designed process is still far better than a human could achieve alone, but it's slowed down by manual intervention.

Introducing an element of AI to work with the RPA bot overcomes this inefficiency.

Defining AI

Intelligence means being able to adapt to changing circumstances. According to The Encyclopedia Britannica, 'artificial intelligence (AI) [is] the ability of a digital computer or computer-controlled robot to perform tasks commonly associated with intelligent beings.'

Whereas an RPA bot mimics human behaviour, AI mimics human reasoning, using experience and data to infer decisions. It doesn't replicate the human mind but it does continually update and improves its algorithms to incorporate the outcomes of the latest decisions and circumstances.

The RPA-AI spectrum

The next step on from basic RPA task automation is intelligent automation. When RPA comes to a decision, choice or anomaly, instead of passing the task to a human, it could engage with AI. The AI app or bot would refer to its database and makes an inferred decision so that the RPA bot can proceed with tasks and processes, without human intervention.

The AI choice might not be the one a human in the same situation would make. But that's because a human cannot reference such an extensive bank of relevant data. The AI choice would likely be better. As organizations adopt RPA to handle more of their processes and apply more AI to direct the bots when a decision is needed, their RPA moves further along the spectrum of intelligence.

The AI-supported system would never be completely autonomous. There are always checks and rules built in. They are needed to ensure that hands-free AI decisions can't create commercial or human problems that quickly escalate, due to the speed and efficiency of RPA bots acting on the AI information. AI logic is frequently tested and reviewed, both within the system and through human moderation.

WHAT RPA MEANS FOR YOUR BUSINESS

"More than 90 per cent of organisations surveyed (who have implemented or are scaling robotics) believe that RPA has met or exceeded their expectations on improved productivity, improved compliance and cost to implement."
The robots are waiting, Consulting report, Deloitte[2]

Benefits of RPA

RPA can automate multi-step, high volume computerized HR, compensation and SPM processes to save time and overheads. A robotic workforce can help reduce costs, increase quality, deliver greater value and a better experience for employees. RPA is already proven and embedded in industries like financial services, insurance and manufacturing.

In HR and compensation, deploying RPA:
• Allows HR employees to focus on higher value work
• Increases overall employee satisfaction through better, faster service across pay and HR interactions
• Reduces human error, while gaining consistency and efficiency by automating repetitive tasks
• Increases operational speed and scalability by using bots to complete tasks within seconds
• Decreases development costs by enabling business users to create bots with limited IT assistance

"By 2020, 90% of large and midsize organizations will have at least one process supported by RPA."
Competitive Landscape: Consulting and System Integration Service Providers for Robotic Process Automation, Gartner, 2018[3]

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THE MAIN EVENT: DISPUTE RESOLUTION WITH RPA

So much for the theory. Here's what you really need to know. How you could deploy RPA in your business today to improve your operations, processes, tasks and activities and realize tangible benefits?

We've picked an example in dispute resolution. It's a process that's familiar to any organization with formal HR processes or a commission or bonus-based workforce. And for every one of them, it's a pain point, wasting time and money, diverting HR, admin and finance resources from dynamic activities, eroding trust and undermining productivity.

> **"Compensation disputes are one of my biggest headaches. The time it takes to get together all the facts and compare system records makes an already contentious issue more aggravating for the employee who raised the dispute. And the costs of processing, questioning and arbitrating consume budget that needs to be invested in development, not firefighting. The sums involved make it a board-level issue."** Head of HR and Compensation

RPA in action

The impact on the bottom line
Dispute resolution is a big issue. We recently worked with a customer that has 15,000 payees. Typically:
- An average of 3,500 disputes are submitted each month
- Each dispute takes an average of 15 days to gather the information needed before starting to investigate
- Disputes need to be resolved within 90 days in a typical plan agreement
- $3M per year costs for external dispute and system management
- A further $5M per year incurred on internal staff costs
- Dispute management errors cost around $19m in annual financial leakage
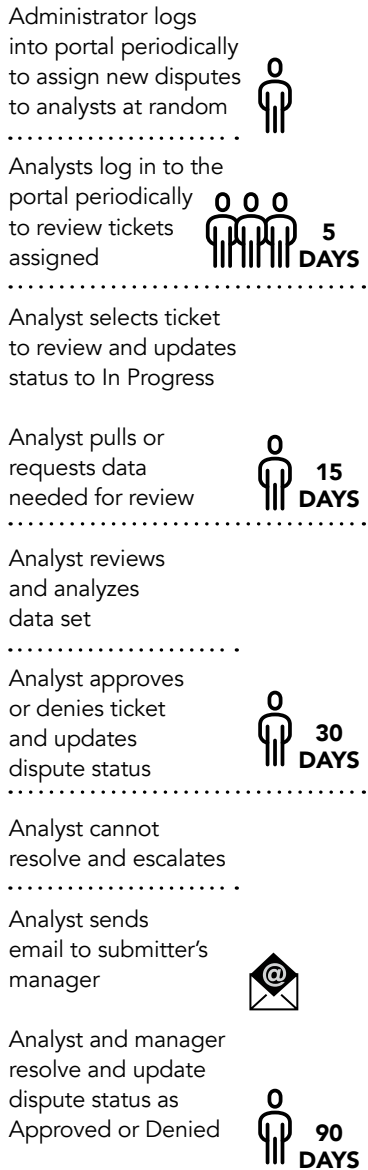
The impact on payees
The dispute resolution process typically requires users to provide a considerable amount of information and evidence. This information is held in systems around the business already.

Payees are frustrated at having to gather this evidence themselves when they believe the company already holds a record. Payees feel the company doesn't value their time and is putting barriers in the way of their pursuit of fair compensation.

Often, the dispute resolution process itself isn't clearly documented or communicated. This wastes even more time as payees misinterpret what's required and become more frustrated and unhappy with their organization.

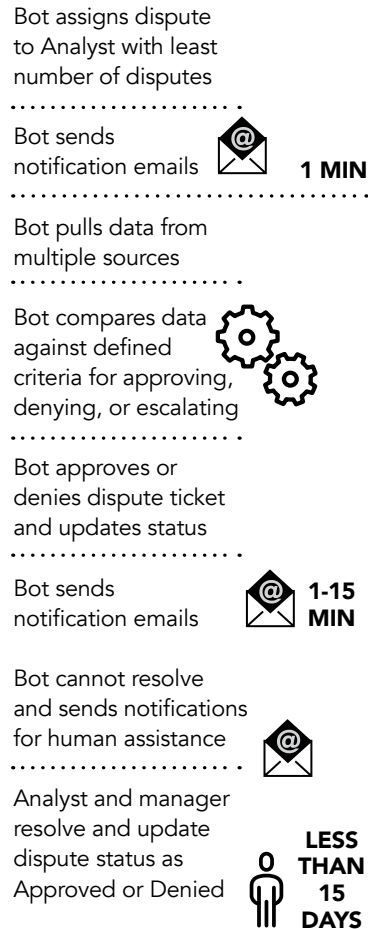## Spot the difference: timescales with RPA and without it

PAYEE SUBMITS A DISPUTE
NO RPA ASSISTANT

Administrator logs into portal periodically to assign new disputes to analysts at random

Analysts log in to the portal periodically to review tickets assigned — **5 DAYS**

Analyst selects ticket to review and updates status to In Progress

Analyst pulls or requests data needed for review — **15 DAYS**

Analyst reviews and analyzes data set

Analyst approves or denies ticket and updates dispute status — **30 DAYS**

Analyst cannot resolve and escalates

Analyst sends email to submitter's manager

Analyst and manager resolve and update dispute status as Approved or Denied — **90 DAYS**

In this scenario, the process drags on for up to 90 days. It's entirely manually driven, so can be delayed by staff holidays and other tasks, mis-communication and human error within the resolution process.

The payee constantly has to check and chase to find out what's happening.

PAYEE SUBMITS A DISPUTE
WITH RPA ASSISTANT

Bot assigns dispute to Analyst with least number of disputes

Bot sends notification emails — **1 MIN**

Bot pulls data from multiple sources

Bot compares data against defined criteria for approving, denying, or escalating

Bot approves or denies dispute ticket and updates status

Bot sends notification emails — **1-15 MIN**

Bot cannot resolve and sends notifications for human assistance

Analyst and manager resolve and update dispute status as Approved or Denied — **LESS THAN 15 DAYS**

In this scenario the data-gathering, basic decision-making and communication are all handled by the RPA bot. In a straightforward dispute, with all the data available from multiple sources, it can be resolved and notified within 15 minutes.

With a more complex or ambiguous situation, the data-gathering is still complete in minutes rather than weeks. Analysts and managers are freed from the upfront admin and can focus on resolving exceptional or complex cases, which speeds up their response time.

Even the most onerous cases can typically be resolved within two weeks, with clear information and progress updates provided to the payee throughout the process.

RPA in action

To set the parameters for disputes that are suitable for bot processing, we carry out an initial automation evaluation. This first identifies the potential processes, then assesses and scores them against RPA criteria, including repetitiveness, frequency, complexity, standardization and documentation. This produces a cut-off score for requests that will be handled using automation and exceptions which will need manual intervention. We refine the processes if necessary to reduce the number of exceptions.

A centralized dispute inbox is monitored by an invoker robot. It parses parameters in the emails and sends them on to the bot server for automated processing.

Automation requests are queued then processed by the next available robot. The results go back to the RPA server for monitoring and reporting.

> **"Deploying RPA has made a big difference to our dispute resolution burden. We've cleared a backlog and got typical resolution times down from fifty to ten working days. Word's got around and the workforce is more confident in our ability to arbitrate fairly. That means less tension and more trust and productivity. Payees don't feel they have to keep chasing up – they know they'll get a reliable response. My team can focus on manually resolving only the exceptional or complex cases, so they can use their time on projects that support business growth."** Head of HR and Compensation

CONCLUSION: HOW TO MAKE THE RPA MAGIC HAPPEN

RPA is a tangible reality. We've explained what it is and how it works in practice, illustrating it with a use case in dispute resolution that you'll recognize as an everyday headache for your business. And that's just the tip of the iceberg.

When you look in detail at all your HR and compensation processes, you'll identify unique challenges that RPA can solve for your particular business, as well as general issues that affect every organization.

By deploying RPA now to make current processes work better and faster, you'll pave the way for even greater added value by applying AI to create intelligent automation.

The cost and payback is compelling too – dramatically different from deploying a conventional HRM or compensation solution either off the shelf or bespoke.

"Clients could realize ROI [from RPA] in a matter of eight to 12 weeks, meaning right after the implementation. This could be from FTE hour reductions, turnaround time reductions, production efficiency enhancements, ease and flexibility in process execution, all leading to cost savings, either directly or indirectly."
Competitive Landscape: Consulting and System Integration Service Providers for
Robotic Process Automation, Gartner, 2018[4]

[4] https://www.gartner.com/en/documents/3885968

RPA business case fundamentals

ROI: fast payback for the business from rapid RPA deployment

Productivity: free HR and operations teams from time-consuming data gathering and investigation

Retention: increase employee trust, satisfaction and focus on key objectives

Coherence: instantly connect and access data in different systems

Employee experience: reduce frustration for operations and sales support, admin and finance staff in essential daily tasks

Self-sufficiency: accessible technology means you can ultimately evolve and build your own RPA processes to expand your RPA capability

Take a simple step towards assessing what you could gain from applying RPA to HR and pay processes within the next six months.

Call us to arrange an initial discovery session to identify the quick wins for RPA in your business... and the full potential beyond.

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