



Process Automation: Circa 2015



While process automation has been around for a while, large enterprises have seen mixed benefits from these technologies. New rapid or robotic automation solutions can help reimagine business process operations leading to significant, and often transformational, impact. However, enterprises need to understand a few basic principles to unlock the full potential of these digital solutions.

Stories about automation's impact on different sectors of the economy are a common feature in business news today. Automation, while a driving force in economic change for decades, has in the last two years advanced exponentially, demonstrating new capabilities and potential impacts. Yet progress, especially at large companies, remains mixed. Research shows that, while more than 80 percent of large enterprises place high or extremely high emphasis on digital technologies such as automation, less than 10 percent realize the expected benefits. The machines' enemy? We have seen it, and it is us.

So how do large enterprises unlock the full potential of automation technologies such as rapid or robotic automation (RA)?

First, prioritize right—the goal of process automation is to allocate human intellectual capital where it can deliver maximum value, not to save a few bucks here and there. Reducing human resources, decreasing short-term costs, and driving productivity improvement should not, therefore, be the primary focus of RA. Rather, enterprises should look at this as part of their overall value-creation process—as part of an end-to-end suite of tools, capabilities, and assets that can help accelerate business transformation. It is a means to reimagining how business processes are executed, and human skills are being applied where they are uniquely valuable.

Second, understand what is the potential of process automation technology today, not what it was yesterday. RA embeds significant intelligence within processes, such as the ability to handle non-standard and unstructured inputs, or perform activities like screen searching. Need to capture an alphanumeric invoice number? RA solutions can be programmed to locate it anywhere on an image.

Increasingly, RA solutions are embedding additional component technologies as mash-ups to augment scope, capability, and impact. These technologies can be organized around natural language

generation and processing, big data analytics, or advanced cognitive capabilities. For example, RA solutions with embedded cognitive computing capabilities can use complex algorithms to make more informed decisions. Taken in conjunction with linguistics (speech and text) and image processing, this class of systems can enable user-system interaction in natural language. An application may be improving the underwriting decision-making process by driving uniformity via automated recommendation engines that dynamically consolidate and interpret geo-spatial, textual, and image-based information.

Third, automating broken processes is a common mistake. Process optimization maximizes the value that can be unlocked through automation.

Companies too often take the easy road by applying RA to broken or sub-optimal processes. As **Stefan Thomke** points out in a recent *Harvard Business Review* [post](#), you can try to automate a broken process, but it won't help as it only cements the inefficiencies inherent in the system. Therefore, the right approach is to first re-engineer the process and then combine process optimization with appropriate operating models and RA technologies to maximize the outcome. It's important to understand that process redesign shouldn't be attempted with the narrow objective of automation alone. Ideally, the redesign should enable business transformation, with automation as one component of how superior outcomes can be achieved in the redesigned process.

Finally, to realize benefits faster, most enterprises should begin by looking to automate work that is already industrialized and optimized. In insurance, for example, this could mean claims processing; in finance and accounting, invoicing, payables, reporting, or master data management.

Following the right approach can have a massive impact for large companies. Our experience shows that implementing RA on an optimized process can deliver:

- Cycle-time reduction and response-time improvement up to 99 percent (for example, in insurance claims data management)
- More than 50 percent improvement in productivity of human resources (for example, in order-to-cash processes)
- About 85 percent improvement in time-to-market (that is, the end-to-end time to execute projects under a redesigned approach versus the traditional resource-driven model)
- One hundred percent accuracy, and therefore significant improvement in both risk and compliance (particularly in the context of industry-specific processes that are heavily scrutinized and regulated)

RA builds greater visibility into processes that span enterprise functions and enhances information feedback loops in terms of the speed, accuracy, and volume of data. This feedback loop empowers enterprises to sense and learn from the outcomes of their actions at scale, resulting in business operations that are truly intelligent.

Already, first-wave RA adopters have learned from experience and gained insight into what works and what doesn't. As business models across the spectrum are fundamentally disrupted, enterprises should examine the synergistic capabilities of machines and humans in order to fully unlock the potential of process automation.

This paper was first published in Enterprise Technology in July 2015, and was authored by Subroto Gupta, Vice President, Digital Transformation and Innovation, Genpact.

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