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TOP FIVE REASONS
AUTOMATION PROGRAMS
FAIL TO DELIVER
BUSINESS BENEFITS

The impact of automation on business operations is undeniable. It's changing the way business gets done and it's not just hype – it's crucial for success. The projected growth for RPA software and services in the global market is estimated to reach $3 billion by 2021.[1] Organizations that ignore incorporating an automation strategy will risk rendering themselves obsolete against competitors.

"Automation is quickly becoming one of the key levers to drive operational and digital transformation. The rate of adoption of RPA exceeds any other enterprise technology that has come about in the last decade" believes Anupam Govil, Partner at leading advisory firm Avasant.

Despite the increasing impact of automation, many organizations are unsure of how to implement programs successfully and lack the granular knowledge of how to drive success. In fact, according to Ernst & Young, 30-50% of initial RPA implementations fail.[2] **"Contrary to common perception, implementing RPA is not a slam dunk and RPA tools are not plug and play. Companies that rush into implementing automation without developing a roadmap or understanding the organizational impacts are bound to experience failure or misaligned expectations,"** according to Anupam Govil.

So, what's behind the failure of automation programs in enterprise businesses? This white paper will explore top reasons automation programs fail and four steps your organization can take to successfully implement a program.

TOP REASONS AUTOMATION PROGRAMS ARE FAILING

1. Implementation of digital tools without a cohesive understanding of the marketplace. Many companies are succumbing to the hype that to be successful today an organization must embrace automation in every corner of the business. Some organizations are forcing big, shiny platforms into their existing processes simply to check the automation box on their list of things to do without first assessing their environment in relation to all available technologies.

With today's rapidly advancing digital toolbox, taking a **"one size fits all"** approach and failing to determine how the latest advances fit your organization's environment can prove disastrous. Selecting technology that isn't a fit for existing processes can compromise penetration, limit ROI, and derail the success of the program. Possibly worst of all, the organization can be set back by the upheaval of a failed first attempt, thus making the second effort even more challenging.

2. Existing legacy environments. Legacy environments cause major barriers for automation, but they are also an opportunity to develop a strong business case for why change is needed. A successful transformation strategy requires an organization to remain flexible and agile in adapting to changing business environments, processes and technologies.

By definition, legacy environments tend to be highly customized and inflexible, thus very slow to adapt to rapid changes. Worse yet, many organizations find themselves mired in legacies across all functions and departments. They can severely limit automation's penetration and effectiveness. Deploying automation around legacies is more complex, time consuming, and costly in addition to delivering a less than desirable ROI.

3. Underestimating the need for effective change management. The implementation of an automation program can bring monumental disruption to an organization from top to bottom. Successful deployment can hinge on the ability to manage change

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Anupam Govil
Partner, Avasant

1 HfS Report by Phil Fersht & Jamie Snowdon
2 Ernst and Young "Get Ready for Robots: Why planning makes the difference between success and disappointment"

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and many organizations simply aren't prepared or are ill equipped to drive objectives through this disruption.

The spiral of failure starts by ignoring the need to assess the coming changes from a people standpoint. Organizations must communicate on a personal level why the changes are strategically necessary, and how these changes will be manifested to quell fear of the unknown. Also, an organization must clarify new roles and growth opportunities for its workforce. Failure to explain the impact of change on a personal level will limit buy-in and foster knock down behavior possibly derailing the automation program from within.

An organization must not underestimate the need to prepare for the changes automation will bring. Failing to effectively explain, drive and socialize these changes is setting an automation program up to disappoint.

4. Random acts of automation not linked to a digital strategy or transformation objectives. The most dangerous words in the digital universe may be **"just take this process and automate it."** Randomly automating processes outside of a holistic strategy that is aligned with business objectives is setting automation up to fail. By expecting results without proper protocol, acts of arbitrary

deployment unfairly put into question the benefits of automation.

The shelf life of random acts are short and results aren't sustainable due to the inability to adapt to surrounding business environments, processes and technologies. Also, deploying random acts of automation can trigger a whole host of control and compliance issues that can quickly derail any attempt at successfully implementing automation in the long term.

5. Complexities of RPA implementation. In truth, it isn't the complexities of RPA itself that cause many of the challenges, rather the complexities of the surrounding environments existing in the enterprise. The constant motion of surrounding business processes and evolving technologies can force RPA into a continuous customization mode which significantly complicates and slows its growth as well as tie up key resources.

In reality, many organizations fail their RPA by neglecting to adjust processes and install environmental governance to allow the proper coding, implementation and maturity necessary for successful deployment. When the automation inevitably delivers less than desirable results due to environmental overload, programs are viewed as a failure and momentum is lost.

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FOUR STEPS YOUR ORGANIZATION CAN TAKE TO DRIVE SUCCESSFUL AUTOMATION

1. Employ an end-to-end holistic automation strategy. The top levels of the organization must invest significant time in formulating a comprehensive strategy originating from a transparent internal assessment. Initially, it's important to identify business functions for consideration and select a list of processes for deployment, including the level of desired penetration.

The automation strategy must combine a top-down approach which stresses controlling the bots, utilizing business insights, and reporting issues to drive improvement with a bottom-up approach which emphasizes enabling the workforce and cultivating the idea pipeline. The strategy must align with overarching company and digital strategies as well as outlying business objectives. In addition, it must take a comprehensive snapshot of available technologies and show how these mesh with current environments.

A successful end-to-end holistic strategy will build around existing legacies with an **"enablement layer"** for added agility. It will also account for governance of existing processes to allow for effective deployment and growth of RPA through targeted disruption.

2. Establish an Innovation Council to govern strategy and manage the pipeline. The Innovation Council plays the indispensable role of mediator and middleman, skillfully organizing the program holistically by bringing vision and opportunity together. The Council makes the vision "executable" and drives action by connecting the right stakeholders with a rich pipeline of ideas. The Council also sets and tracks priorities, maintains agility, drives accountability between upper and lower

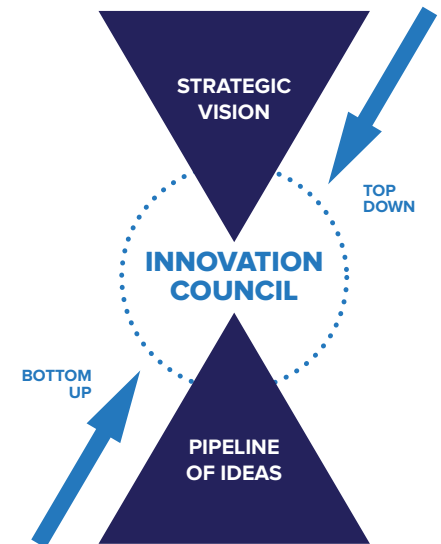levels and works to prevent disruption during implementation.

Many automation programs fizzle and lose momentum without the accurate calibration of results and priorities to keep all organizational levels connected to the success. One of the most critical roles of the Council is to keep an accurate and transparent ledger of program results. This vital pipeline of current information drives support, cements organizational alignment and increases the appetite for innovation.

3. Leverage the "right partner." Many organizations simply don't have the required knowledge or resources to go it alone when it comes to successfully implementing automation. Selecting the right partner to bring strength to your organization's areas of weakness can make all the difference.

Start by assessing your organization's capabilities, resources and appetite to commit from the top down. Document areas of weakness and formulate a list of specifics your organization will need from a partner.

COMPANY & DIGITAL STRATEGIES, OUTLYING BUSINESS OBJECTIVES

STRATEGIC VISION

TOP DOWN

INNOVATION COUNCIL

BOTTOM UP

PIPELINE OF IDEAS

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The ability to give an honest assessment is most critical. How flexible and agile is the partner in assessing your environment, understanding needs and pain points and giving true guidance on what's possible.

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Vice President of Operations
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Next, look for a partner who brings honesty, transparency and supreme flexibility in addition to a proven track record. According to Arun Srinivasan, Vice President of Operations at Sutherland, honesty is number one. He explains this when he says, **"The ability to give an honest assessment is most critical. How flexible and agile is the partner in assessing your environment, understanding needs and pain points and giving true guidance on what's possible. This honesty from a partner makes all the difference in building the relationship."**

The right partner should employ a holistic automation strategy and be willing to put skin in the game with a vested interest in your organization's success. They should continue to seek the right answers for your organization tomorrow and be able and willing to grow together moving forward in a true partnership.

4. Institute executive buy-in from the beginning. A successful automation program requires a comprehensive strategy based on a vision from the top.

This vision comes from a fully committed, engaged and accountable executive team who have committed their support from the project inception. Executive support is critical to your program's success.

The executive level must unify the organization around their vision by effectively communicating why successful automation is a high priority. The entire organization must have clarity from a strategic standpoint how automation will drive the value chain and positively impact their work. Also, they must convey specific performance goals such as % of automation enabled process and improvement in cost per metrics.

The buy-in needs to include the establishment of automation program leaders with the authority and accountability to ensure effective autonomy. Also, a personal commitment from executives is required to participate in all program briefings and Innovation Council meetings to drive expedient decisions.

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AUTOMATION SUCCESS

The accounts receivable division of a global market leading shipping and logistics company was struggling with ineffective collection processes, high unapplied cash levels and cycle times, high Days Sales Outstanding (DSO) rates, excessive write-offs and poor customer query management resulting in low customer satisfaction levels. IT Services was on a transformation path to improve their Finance and Accounting (F&A) business processes, but faced challenges trying to integrate systems and as a result hit a plateau.

However, the logistics company with the help of Sutherland, successfully standardized and optimized all processes across multiple business functions within the organization. Sutherland introduced RPA to further improve efficiency, lower costs and improve service outcomes. Specifically, an automated telephone payments solution was integrated with a consumer collections tool used by the collection teams. This automation removed the need for data input to show the status of invoices and created a single point of processing and collections for all agents.

The results of the initiative were decidedly positive starting with a reduction in non-productive administration activities of 100%. In addition, invoice-updates compliance increased to 100% and call volume improved by 10%. Most importantly, successful collection rates increased from 65% to 85% without a rise in FTE. This was client/partner collaboration at its best.

Sutherland's successful implementation of this automation program hinged on establishing a transparent, trusting, and collaborative partnership environment with the client. The partnership buy-in was cemented with the creation of an Innovation Council and backed by robust accountability and support from the executive level.

Aligned objectives drove the partnership with a shared focus on improving collections efficiency and service outcomes. Simon Speirs, Lead Solutions Architect at Sutherland, speaks to the critical role of the partnership when he says, **"As soon as the client realized we wanted the best for them and embraced a collaborative partner relationship, the incremental step changes began. We don't do this in isolation. We needed the client to change to allow us to help them. Successful automation isn't done to a customer, it's done with a customer."**

Also, by utilizing a design thinking approach, Sutherland maintained a flexible and pragmatic stance in seeking the correct automation solution to match the client's needs. Sutherland's approach didn't start with a solution in search of a problem, rather it embraced the role of an agile, tech-agnostic partner driving toward a shared outcome.

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AUTOMATION SUCCESS IN MOTION

In 2016, a leading refiner and distributor of fuels in Eastern and Gulf Coast regions of the United States, faced multiple challenges in transforming their finance and accounting processes. They were facing high costs, a significant drain on resources, a tight timeline and needed an agile partner to match their pace.

Sutherland performed a detailed evaluation of existing processes, created an engagement SWAT team and implemented their SmartLeap™ digital automation platform along with a new operating model to reduce head count, streamline processes and increase efficiency. After our client declared the initial phase a success, the focus turned to the second phase. The automation push began with the organizational excellence team initiating detailed process mapping to determine which processes would be suitable for automation.

At this point the team is completing the early stage analysis and information sharing on the possibilities for successful implementation. A fully engaged Innovation Council has been meeting regularly and is backed by the commitment, discipline and support of the client's executive team.

Sutherland has proven to be the right partner, bringing a proven track record with RPA and initiating a knowledgeable, design-oriented and holistic assessment of the possibilities for successful automation. This initial success rests on the strength of a transparent partnership aptly described by Chris Rellaford, Vice President at Sutherland, when he says, **"You can't tell who is a partner and who is a customer around the table – they are one holistic team and each side has skin in the game. The talk is open and unguarded on both sides, collectively driving to meet a shared end goal vision."**

CONCLUSION

Developing a successful automation program should be part of every organization's digital strategy and overarching transformation plan. However, automation isn't a magic panacea, one size certainly doesn't fit all, and successful implementation requires time, knowledge and the disciplined commitment of an entire organization. Organizations listening to the market hype and expecting significant results quickly with minimal disruption are in for a rude awakening.

Successful automation starts with a comprehensive knowledge of your existing business environment, working processes and the latest available technologies. This insight must then be harnessed to create an end-to-end holistic automation strategy to drive business objectives toward end goals under one executive vision. An organization must merge a "top down and bottom up" approach with the support, mediation and guidance of an agile and flexible Innovation Council to weather the inevitable storm of disruption.

Finally, engaging a true partner like Sutherland who views automation holistically, remains transparent and flexible, is willing to put skin in the game and delivers speed to results can be the final piece to ensure the successful deployment of an automation program.

Is your organization ready for a new model of process transformation that puts exceptional customer experiences first? For more information on how we can help you transform your process to optimize the customer experience, please visit us at www.sutherlandglobal.com, email us at sales@sutherlandglobal.com, or call 800-388-4557 ext.6123.

As a process transformation company, Sutherland rethinks and rebuilds processes for the digital age by combining the speed and insight of design thinking with the scale and accuracy of data analytics. We have been helping customers across industries from financial services to healthcare, achieve greater agility through transformed and automated customer experiences for over 30 years. Headquartered in Rochester, N.Y., Sutherland employs thousands of professionals spanning 20 countries around the world.