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Face the Future with Confidence

Robotic Process Automation (RPA)

RPA Success Factors: A Risk Based Approach To Implementing RPA

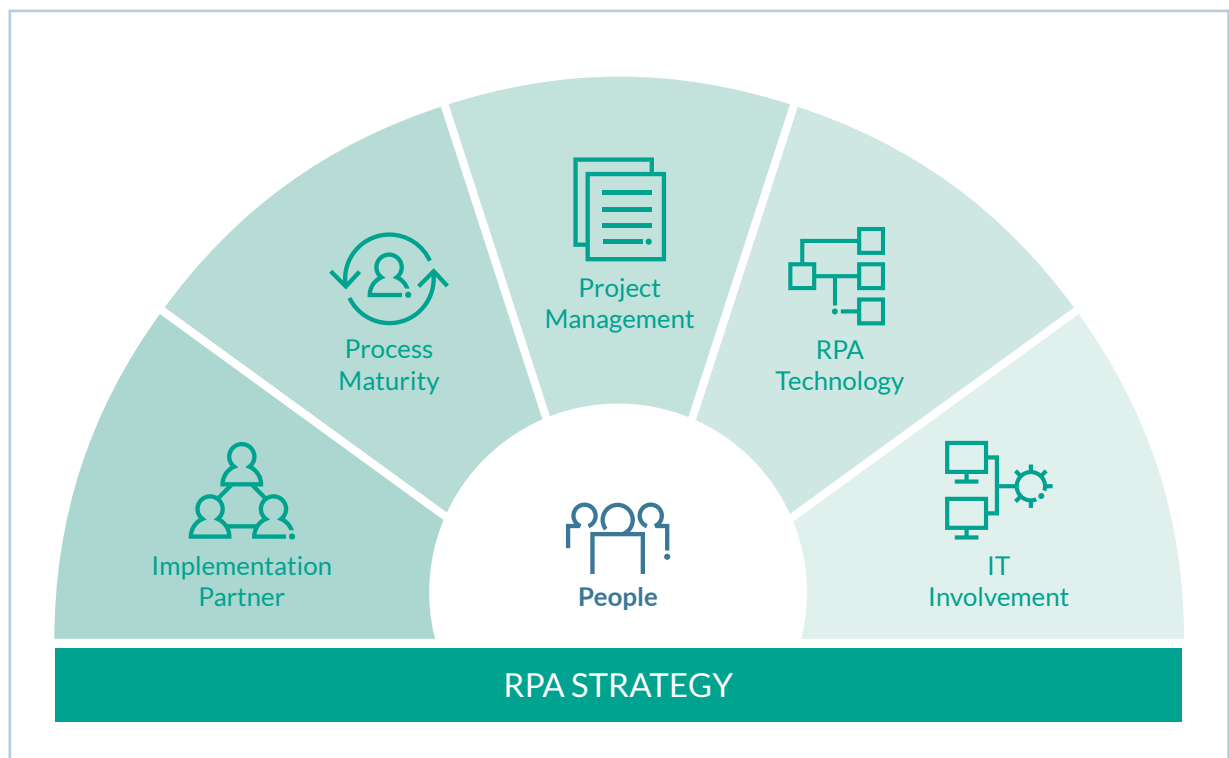Internal Audit, Risk, Business & Technology Consulting
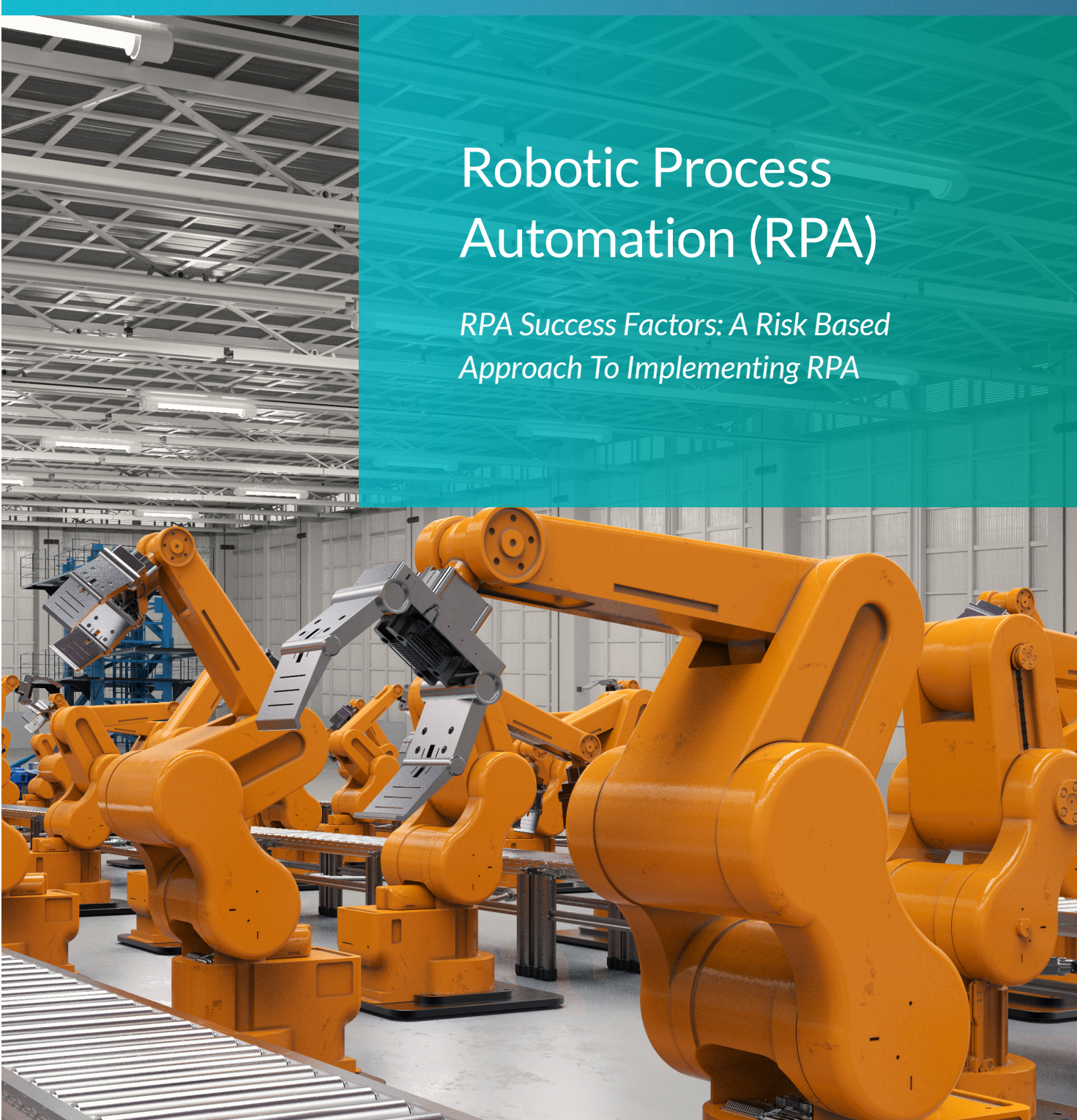
Protiviti's Risk Based Approach for RPA Implementation

In the constant race to find the unique edge and outperform competition companies are looking for ways to streamline processes, reduce costs and focus on value-add activities. Robotic Process Automation (RPA) is a new solution for these problems, so it's no wonder all large companies are currently trialing, or implementing, RPA.

Protiviti has seen multiple companies make costly mistakes by rushing in to RPA without a proper risk based approach. If the risks of any software implementation project are not managed, the implementation will either fail, produce undesirable results, or cost much more than planned. Protiviti has been involved with RPA implementations since 2015, and throughout that time has learned the biggest risk areas, and subsequently the keys for successful RPA implementation, are:

• • • *RPA Success Factors*

Diagram: Semi-circular chart with segments labeled Implementation Partner, Process Maturity, Project Management, RPA Technology, IT Involvement, centered on People, built on RPA STRATEGY base.

The keys to success have been ranked in order of importance below, however before starting any RPA implementation, it is imperative to have the basics in place — the right people and a plan. A company's RPA strategy should be directly linked to the IT strategic roadmap and business function operational plans. This ensures the RPA Program's goals and objectives are aligned to the organization's goals and objectives. Furthermore, people are the key to any project, as people are ultimately responsible for driving, and accepting, the change throughout the organization. Once the RPA strategy and core implementation team have been identified, the following five factors become the key to successful RPA implementation.

RPA Implementation Partner

Most organizations do not currently have a team of RPA professionals on staff to help deliver a RPA Program, as such companies are looking to RPA Implementation Partners to deliver the RPA Program. The key to selecting the right RPA Implementation Partner is to analyze fit with the organization.

Right fit with your company is key in selecting an implementation partner for an RPA Program

The partner should understand your industry and process areas being considered for RPA. It sounds straightforward, but most implementation partners will state they can implement RPA across a spectrum of industries and processes — which is not necessarily the case. Organizations should challenge potential implementation partners and ask for RPA specific client references similar to your organization. Ideally the partner has already worked with your organization and understands your business, processes and information systems.

Depending on the size of the RPA implementation program, it is also important for clients to select a partner who can meet staffing needs. RPA is growing at a rapid pace and implementation partners are struggling to keep up with demand. Organizations should ensure that potential implementation partners can truly meet staffing requirements within the required timeline. The expectations and final deliverables should be clear before selecting a RPA Implementation Partner.

Protiviti has seen clients select and rely upon implementation partners that were inexperienced or understaffed, resulting in a range of problems including poorly selected processes for RPA implementation, undefined return on investment (ROI) targets, project delays, budget blowouts, and

RPA technology that was not optimal for the client's needs. The RPA Implementation Partners either did not perform a proper RPA readiness assessment, did not have appropriate project governance, or did not manage organizational change appropriately.

Process Maturity

Not all processes are suitable for RPA. RPA generates the best ROI when implemented on processes that are labor intensive, repetitive, rule based, use structured data, and have a limited number of process exceptions. Essentially, RPA is suitable for mature, defined, repetitive, data heavy processes. In order to assess if processes are potential candidates for RPA, a process maturity and RPA readiness assessment needs to be completed prior to RPA execution.

Perform a thorough process maturity and RPA readiness assessment

Ensure the RPA business case and target ROIs have been set before performing the process maturity and RPA readiness assessment, to ensure only high ROI candidates are selected. From our experience, the processes which are the best candidates to complete a proof of concept that generates good ROI are accounts payable, accounts receivable, general ledger reconciliations, employee onboarding and customer onboarding (banking and insurance).

The results of the process maturity and RPA readiness assessment will create a shortlist of RPA process candidates. The assessment can also identify a second tier of potential RPA candidates, were minor process redesign or standardization is required prior to being automated. This allows organizations to remove as many redundancies as possible before implementing RPA. This ensures greater efficiency of implemented robots and reduces the number of exceptions and potential errors.

If a large RPA program is being implemented, start automating the easiest processes first. The acquired knowledge and experience from implementing the easy processes can then be used to automate the more complex processes. This may sound simple, but remember, RPA is new to your organization and potentially the people implementing the program.

Project Management

RPA implementation can be a large scale program or a much smaller project, either way, project governance and project management practices need to be applied for successful implementation. The first step is to build a project management team and define the governance structure for RPA. Ensure the team consists of key personnel from the relevant business unit(s), IT and project management professionals. The next step is to secure executive and process owner buy-in. Together the project management team, executives and process owners will determine the goals of the RPA program, such as reduction of man hours, errors, costs, or improving the efficiency or quality of work performed. The goals of the RPA program will help define the RPA business case, ROI and establish rating criteria to be used in the process maturity and RPA readiness assessment.

Change and communication skills are crucial in RPA project management

Once the project management team and RPA program goals are established, an RPA implementation plan can be developed, including key items such as change and communication management, and the establishment of an RPA Center of Excellence (COE).

Change and communication management is crucial for all departments and employees impacted by the introduction of RPA technology. Employees are nervous when they hear their job may be replaced by a robot, however this may not be the case (depending on the organization's RPA goals). Some roles may be replaced by robots, and therefore change management should include retraining or redeploying of personnel, and the restructuring of departments. For other employees, RPA is a new business tool which eliminates monotonous tasks so they can focus on value add activities, which is exciting.

RPA Technology

Define your company's RPA technology requirements

When selecting an RPA Technology Provider it is important for organizations to check the software's compatibility with your organizations systems. Just last year, one of the leading RPA technology providers was having trouble with utilizing Google Chrome, rather than Microsoft Internet Explorer for web based processes. So it is imperative your procurement process includes a comprehensive IT requirements review. The IT requirements review should consider items such as technical support, maintenance, security and data standards, hardware and software requirements, licensing fees and implementation costs.
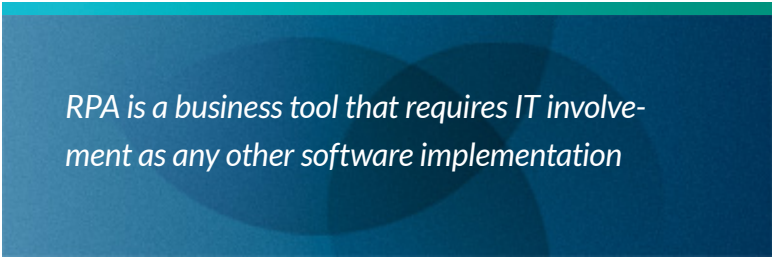
RPA software is fairly intuitive and easy to use, however organizations considering RPA should still review the RPA process design and configuration interface. In general, non-IT professionals should be able to configure and monitor the robots. All advanced RPA technology providers have a control room feature, which allows an organization to schedule

and monitor robot activities. The control room also highlights robots which did not execute properly and provides an error message noting the point of failure. RPA software should also provide user access restriction functionality and comprehensive audit logs for each robot, to ensure RPA is appropriately controlled.

IT Involvement

RPA is sold to business units as a low IT impact solution to business problems. Although this is somewhat true, RPA is a software and therefore its implementation is a software implementation that requires IT's involvement. It is critical that the IT department be involved in the RPA implementation early. Business units need to obtain IT executive buy-in early to ensure RPA aligns to the organizations' IT strategic roadmap. RPA may not be needed if full system functionality can be utilized, or if system updates or upgrades are expected in the short to medium term.

IT is also ultimately responsible for ensuring the RPA software complies with the organization's technical specifications and security and data standards, therefore IT needs to be included in the RPA technology procurement process.

RPA is a business tool that requires IT involvement as any other software implementation

Furthermore, IT will provide practical support throughout the RPA implementation, for example, access to hardware and IT infrastructure, system access, new user set up for the robots, and technical support as issues or access problems arise. IT will also play an important role in user acceptance testing (UAT), including follow up testing and performing impact analysis.

Once the software is implemented, IT's role will change to include notifying your RPA center of excellence of impending IT changes which may impact operational robots, can assist with technical support, manage change requests and execute maintenance requests.

Closing Thoughts

RPA will continue to take hold in organizations as RPA matures and practices become proven. Companies will continue to develop methods to employ greater precision and efficiency in a variety of processes to further utilize RPA across business units and processes. RPA enables companies to employ automation for routine tasks, which in turn frees up talent to add value by taking on more qualitative and strategic level initiatives.

If further information is required, please reach out to one of our RPA contacts below.

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Protiviti is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and our independently owned Member Firms provide consulting solutions in finance, technology, operations, data, analytics, governance, risk and internal audit to our clients through our network of more than 70 offices in over 20 countries.

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