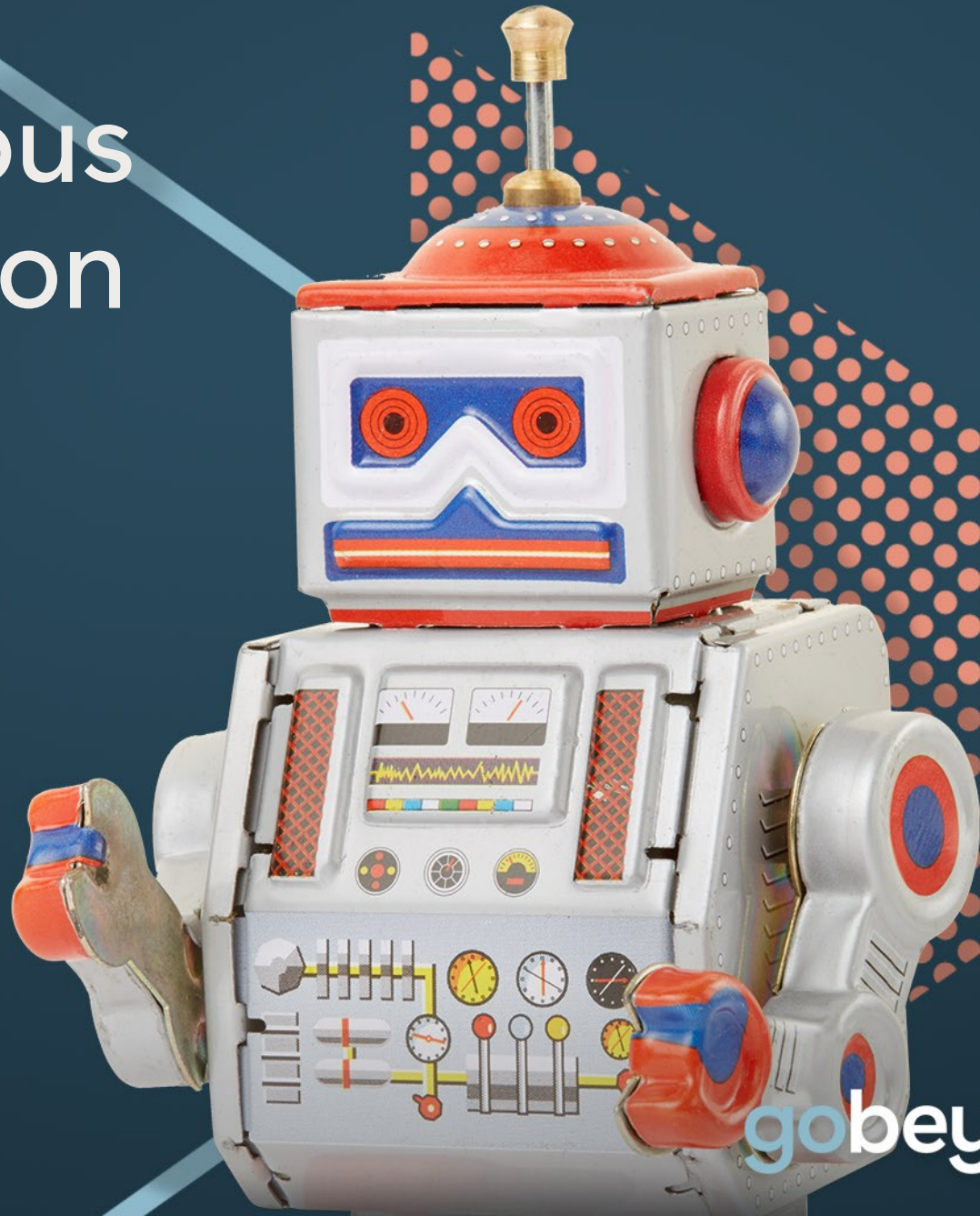


Time to get serious about automation



#servicereimagined

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Introduction

01

As businesses come to terms with the rapid shifts driven by COVID-19 and adapt to the new world, thoughts are inevitably moving on from a tactical crisis response and safety of colleagues to a more existential question: the long-term financial stability of the business itself.

While some companies have seen increased demand, most are considering the implications of the Bank of England's recent prediction of the UK's sharpest recession on record, with the economy forecast to shrink by 14% in 2020.

While there will inevitably be a period of 'right sizing' as businesses release staff to compensate for reduced demand, that will not in itself tackle the longer term profitability issues. With demand expected to be depressed until 2022 and fixed and overhead costs not fully compressible, margins are expected to be squeezed for some considerable time. Cost reductions must be found above and beyond the right sizing for demand.

It may finally be time for businesses to make good on their aspirations for process automation.

The changing face of business

02

A Gartner report in 2017 predicted the imminent demise of the clerical worker, stating that “by 2020, automation and AI will reduce employee requirements in business shared service centres by 65%”.

Soon afterwards, the OECD predicted “near half of jobs are vulnerable to automation”. And yet, in 2020, this is largely not borne out in our client base.

Automation programmes are proceeding, often in pockets and with patchy success, but are not bringing about the wholesale changes that were promised.

For every success story we find a false start, and many business cases have been found wanting in the cold light of day.

The unique challenges now faced by businesses across the world means this must change. The threat to many has gone from ‘competitive’ to ‘existential’ and this needs to drive automation with renewed vigour.

In a recent HFS survey, investment in process automation was business’ second highest priority, only beaten to the post by cyber security. But it is a truism that continuing to make the mistakes of the past will not bring about success in the future.

Process automation needs to deliver faster, with high rates of success and business cases fulfilled or exceeded.

The process automation landscape

03

At a high level, processes can be split into two categories: those that were 'designed for automation' and those that were not.

The former most likely came to market during the digital boom of the last few years and were based around a mobile or tablet app. These 'digital first' processes might not appear obvious candidates for automation and in many cases that is true. But it is also the case that many rapid app deployments were not designed as straight through processing solutions, but instead were deployed as 'front ends' to processes that behind the scenes involve multiple systems and manual activities.

Time to get serious about automation

The second group of 'legacy' processes require automation to be retro-fitted. In this case the challenge expands beyond the processing of customer demand to the generation of it; the need to build a proposition and interface that is attractive to customers and draws them into its use.

Customers should want to use digital channels not because they have no other choice, but because they are simply the best option – fastest, easiest and most engaging.

Most importantly, the digital channel should produce the best outcome; not just a short term hit of pleasant usability but the long-term satisfaction of outcomes achieved at speed and with high levels of reliability and satisfaction.

Digital channels need to create their own customer loyalty and advocacy.



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The process automation toolkit

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Existing business systems

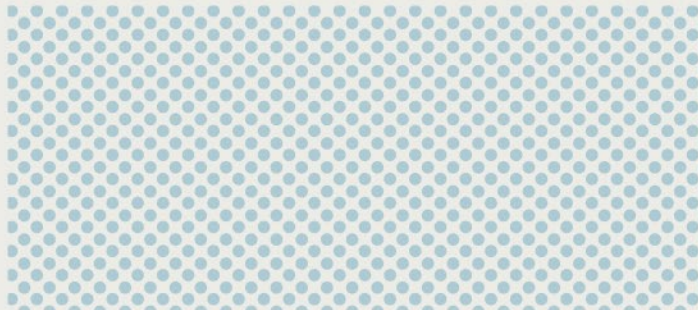
It is surprisingly common for us to discover that there is functionality within those existing systems, often paid for as part of the original business case, that is simply not being used. That may be through lack of knowledge, or of skill to exploit the opportunities, but it is often rooted in a human resistance to the changes in process or ways of working needed to make it work.

Automation opportunities are being missed because the business failed to deal with the people side of change, encountering resistance that could have been overcome to the benefit of all.

Bespoke software solutions

The pros and cons of bespoke software solutions have been much debated over the years.

With the increasing use of agile methods the initial design and build costs of bespoke solutions are falling and they become attractive in many cases, providing there is a coherent plan for long term management and maintenance.



Integrating existing systems

Integration of existing systems remains a challenge and seems to have progressed very slowly even in the face of advances in technology. Some very old legacy systems fundamentally resist integration but even landscapes with more modern applications can be surprisingly fragmented.

The reasons are sometimes technical but are more often caused by an inability to make a business case. In our experience this is through an inability to understand and quantify the impacts of not integrating, with hidden costs spread widely across the organisation and even buried in customer churn and lost revenue figures.

Configurable tools

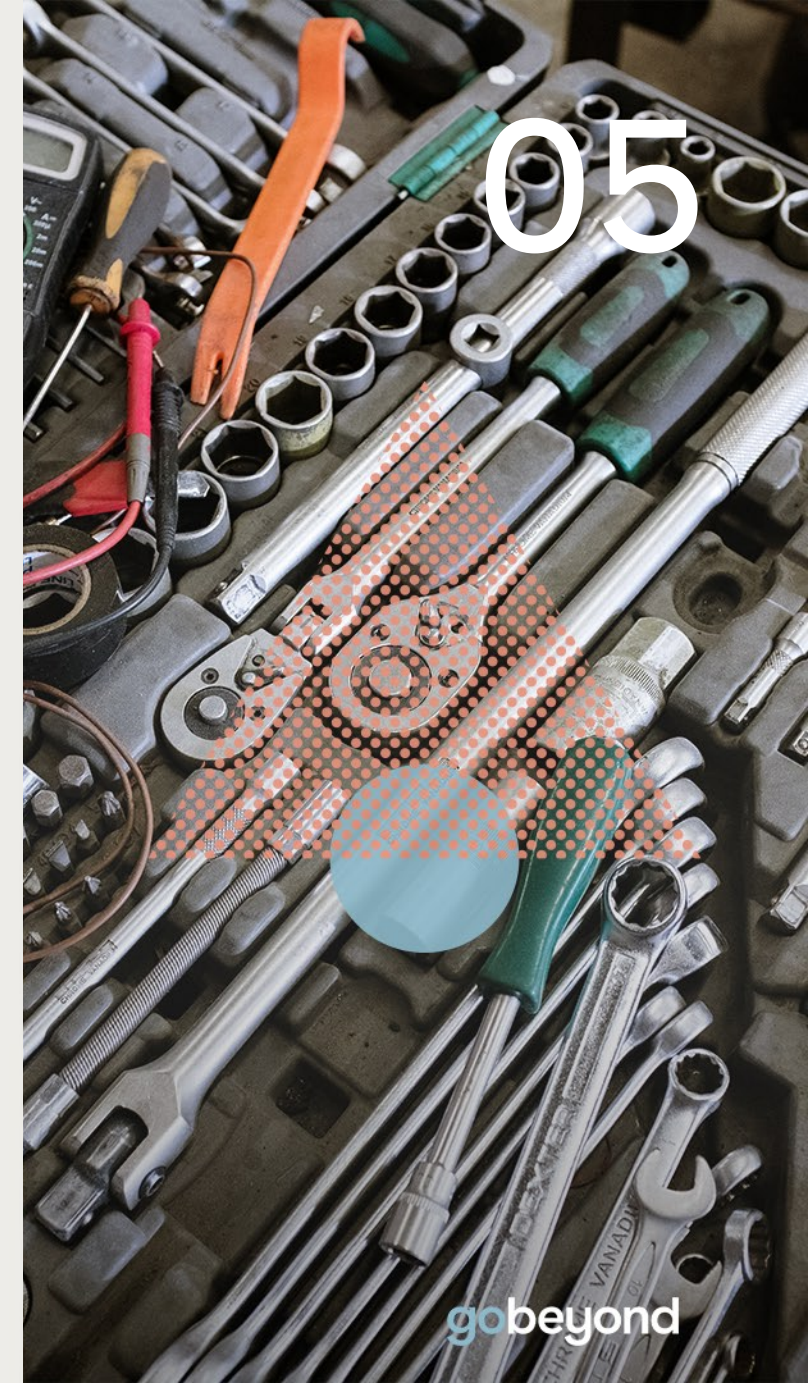
The proliferation of 'configurable' tools has generated a lot of interest and investment in recent years, often fuelling exponential growth of businesses offering the 'next big thing'. We think of these tools in two groups based on their use; "front office" or "customer experience" automation tools and "back office".

The front office toolkit is expanding rapidly, with more traditional technology such as Intelligent Voice Recognition and web chat being augmented by speech recognition, artificial intelligence systems powered by natural language, conversational commerce tools (holding AI-driven conversations with customers over messaging applications such as Whatsapp) and the increasingly-ubiquitous 'bots'.

Artificial intelligence has been on the horizon for several years but is finally achieving levels of capability that make it a viable component of a customer journey that can deliver high levels of satisfaction and advocacy.

The back office stalwart, the workflow system, has been augmented in recent years by a growth in "low-code" workflow solutions, and by the rapid rise of Robotic Process Automation (RPA). RPA has been a phenomenon and has undoubtedly had many successes, but it has also often failed to fulfil its brief. We have seen many clients launch RPA initiatives that have stalled or died a slow death.

Vendors themselves are moving quickly in response to the crisis, adding new capabilities into their toolkits and looking to provide multiple tools in a single platform.



Six fundamental failings

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With so many process automation tools available, it is common to find that a client's business process has had some kind of previous flirtation with technology; perhaps a 'broken engagement' where a business case failed to stand up and so never proceeded, or perhaps a 'failed marriage' where a solution was built but failed to stand the test of live operation.

Most commonly, we find the 'unfulfilled marriage' where some limited automation survives but is operating on only a part of a process, or for a subset of the total demand.

The cause of such heartbreak is rarely the capability of the chosen technology. In our experience, the seeds of disappointment are to be found in the way that the challenge was approached.

Our gathering of intelligence from a wide range of client experience has led us to identify six fundamental failings.

- 1 Phase 2 always gets cancelled
- 2 A problem in search of a solution
- 3 A failure to think end-to-end
- 4 Automating a bad process
- 5 A problem of leadership understanding
- 6 Missing the operational enablers

1 Phase 2 always gets cancelled

Many incomplete automation projects originally set out to achieve full end-to-end automation of 100% of the process demand. A desire to deliver business benefit quickly, and to show progress internally and to customers, resulted in the most obvious areas of benefit (usually the customer-facing parts or the high volume work types) being prioritised into a first phase, with subsequent phases designed to complete the end-to-end process jigsaw or to deal with more complex or less important types of work.

Very commonly, the subsequent phases failed to materialise. The reasons for this are many, but often centre around an inability to make a strong enough business case for the investment. This, in turn, is because of an inability to fully identify and quantify the significant ongoing costs or losses to the business of the manual workarounds. The business does not look holistically at the problem and so misses out on the opportunity to maximise the benefits from the investment.

2 A problem in search of a solution

Too many automation projects have started from the wrong point; often driven by technology functions, they identify an interesting new tool and go looking for opportunities to apply it. The recent explosion of RPA activity is a classic example of this. "RPA programmes" have sprung up in almost all large organisations but the very name gives away the approach, making it clear that the technology is being considered in isolation.

This approach results in false starts and missteps, where the tool was not the right answer to the problem. Worse, sometimes the problem itself was not the right one to tackle, but was highlighted because the tool in question seemed applicable to it; the classic embodiment of the phrase "when all you have is a hammer, everything looks like a nail".

3 A failure to think end-to-end

An organisation creates value for its customers, and so generates revenue, by transforming a customer's request into a fulfilled outcome. Value is maximised, and cost minimised, when that end-to-end transformation process is as efficient and effective as it can be.

Too many automation projects lose sight of that holistic view. Instead, a spotlight falls on an individual process step or task, often because it is labour-intensive, and attempts to tackle it in isolation. Small problems and symptoms are tackled while large problems and root causes remain undiagnosed and untouched. We have even seen cases where a local automation solution was actually making the end-to-end process less efficient or producing worse outcomes for customers.

4 Automating a bad process

"The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency. The second rule is that automation applied to an inefficient operation will magnify inefficiency"

- Bill Gates

Attempting to automate a poorly designed process is a recipe for failure and disappointment. A perfect storm of problems will result; system design and build times and costs will escalate, resulting in longer, more complex deliveries with higher error rates. As a consequence, project scopes are reduced to meet fixed budgets, leaving a legacy of workarounds and manual tasks with the consequent long term impacts on profitability and customer experience.

5 Missing the operational enablers

Process automation projects are often very focused on the human work content that will be removed by the new solution, but fail to consider the crucial element that is needed to realise the business benefits; the human work that remains.

As processes change and work is removed, it is inevitable that other things will need to change to accommodate the new automation. The process steps up- and downstream of the automation may need to be modified; new work may be created in the form of exceptions and items that the automation cannot process; the working patterns and organisation of the remaining staff may need to be altered as a result; and the new human-computer workforce will need to be planned, measured and managed in new ways.

Failure to redesign the operation that sits around the automation will again lead to long term inefficiencies that eat away at the business benefits.

6 A problem of leadership understanding

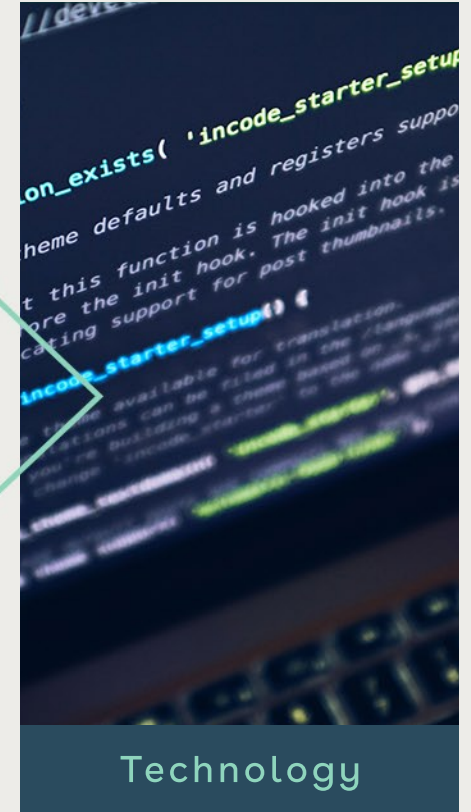
A common weakness among business leaders is that they are too process focused and don't understand that the inherent (and significant) process variability is driven by exceptions management (delays, poor training, glitches, sales team inaccuracy, errors). If you automate the 'idealised' process you miss a lot of the real work.

A more holistic understanding of the chaotic conditions that their workers deal with every day, plus an appreciation that good service is delivered in spite of the tools and processes provided, would lead to a greater appreciation of why retro-fitting is so hard. Starting again is probably cheaper than people realise.

Strategy > Design > Technology

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Our **insights** from understanding failed and struggling technology initiatives sit **at the heart** of the Gobeyond Partners approach to process automation; we have built a methodology designed to produce **higher quality** outcomes at **lower cost** and with **less** ongoing **management overhead**.



Build a coherent automation strategy

It is vital to start any automation initiative with a clear picture of two things; where automation efforts should be focused, and what will be the suite of technology solutions to be brought to bear.

Automation thinking should start with a good understanding of the customer service proposition and the end-to-end customer journeys that deliver it. Underneath the customer journeys are the business processes and the business operating model that enable them. The first step in devising the automation strategy is to build that big picture and use it to build an automation roadmap.

At the same time, the business should be clear about the whole suite of automation tools that it will make available.

Each tool should have a clearly defined value, with a good understanding of pros and cons and appropriate use cases. As a set, thought should be given to how the different tools can best be deployed to complement each other and deliver the best overall outcome for a customer journey.

Around the tool set there should be clarity about the operating model for building and deploying automation. This will often extend to understanding the ecosystem of partners and capabilities required to deliver automation in complex environments, and how the different actors and approaches will work together to achieve successful outcomes.



Design end-to-end and for simplicity

All automation work, whether intended to create strategic “straight through” solutions or having more tactical objectives, should work in full understanding and consideration of the end-to-end journey and process.

Designing in the context of the end-to-end has multiple benefits: it ensures that the solution will result in greater overall efficiency and effectiveness; it will often identify additional benefit opportunities and help make business cases stronger; it will make clear the benefits of end-to-end simplification before attempting automation design; and it often provides a ‘north star’, a single goal which unifies people from across the organisation as they understand how their individual actions contribute to the overall outcome.

Most importantly, each process should be designed to take advantage not of a single automation tool but of the full suite of available technologies.

Taking a holistic view of the entire process end-to-end and building a solution using the basket of available approaches will result in the best possible outcome and return on investment.



A development approach based on good practice and strong governance

Successful automation **requires a rigorous development approach.** Establishing strong governance and planning, agreeing baselines, solution design, collaboration, agile project delivery, business readiness and skills transfer are **all important considerations.**

Key elements of this approach are:

- Good quality documentation (processes, solution designs etc.)
- Strong development standards
- Focus on code re-use through standard objects / libraries
- Development delivered through agile sprints and cross-functional working
- Business engagement throughout
- Strong testing
- Measurement against agreed baselines



Ensure the business is prepared for automation

Successful automation implementation requires effective and timely change management and business readiness activities such as communication, training in new processes or post live support.

New operational management skills and processes are required to ensure effective forecasting, planning and production management of technology solutions to maximise the gains and ensuring they integrate with the wider operation.

A business operating model is the critical link between your strategy, customer experience and profits.

That operating model needs to be revised as processes shift and work content moves from manual to automated; without considering the work that remains and how it will be distributed and organised, the benefits of the automation will seldom be fully realised.

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Measure the benefits and develop capabilities

Creation of an **Automation Centre of Excellence (CoE)**, whether centralised, decentralised or hybrid has a number of benefits:

- Creation of deep internal expertise (business and technology)
- Coordination of automation activities to ensure efficient use of resources
- Development of shared object and script libraries to maximise re-use
- Ownership and quality assurance of design and development standards
- Tracking of benefits delivered as part of the automation programme
- Provision of project management and developer resources to projects
- Enables the opportunity to scale up the delivery of projects

In parallel, the business should invest heavily in capabilities, not just within the design and delivery teams but across the whole organisation.

A wide understanding of process simplification and waste elimination, agile working, cross-functional collaboration, operational change delivery and automated process management will increase significantly the chances of success and the benefits delivered.

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Finding the funds

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It is not lost on us that the very thing that might create a lifeline for businesses – investments in process automation – might also increase financial strain at this crucial time.

The use of capex rather than opex budgets does help to reduce the P&L impact, but does nothing to mitigate the cashflow demands of external investment. In our view there is a strong case for working with external partners who can provide solutions on a pay-as-you-go or gainshare basis to reduce the initial cash outlay.

Our five step approach can significantly increase the pace and impact of automation programmes, resulting in accelerated cost reduction.

This may be the difference between survival and failure for businesses facing the current existential threat in a post-COVID world.

Time to get serious about automation



About the author

An industry-leading specialist and thought leader in service operations with 21 years' experience in service sector consulting.

Chris is a leading expert in service sector operations, having worked for Gobeyond Partners for 17 years.

He has led many successful projects and has built long-term relationships through the quality of his advice and his collaborative approach.

He is approachable, knowledgeable and inclusive; he builds skills and understanding among those with whom he works.

He has pioneered Gobeyond Partners's market-leading approach to customer service excellence and the integration of digital into the business proposition.

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Chris Hallmark

Managing Director - High Tech Sector
Gobeyond Partners

About Gobeyond Partners

gobeyondpartners.com

Customer behaviour is changing. But many organisations are not keeping pace.

With legacy systems, cost pressures, and agile new competitors, businesses need to think differently about the way they look at things.

Gobeyond Partners is a new type of consulting firm that partners with you to solve complex customer journey challenges.

By combining deep sector expertise with an award-winning approach to client service and value, we bring your transformation vision to life.

As part of the Webhelp group, our people understand what it takes to deliver great customer experience. This means we connect design and transformation with the real world, working alongside your people to embed lasting change.

Our customer journey view is broader and deeper, so we help you break down organisational silos and deliver a fully connected omnichannel experience.

Every client and engagement counts, and every objective is guaranteed.

Gobeyond Partners. Experience without boundaries.

