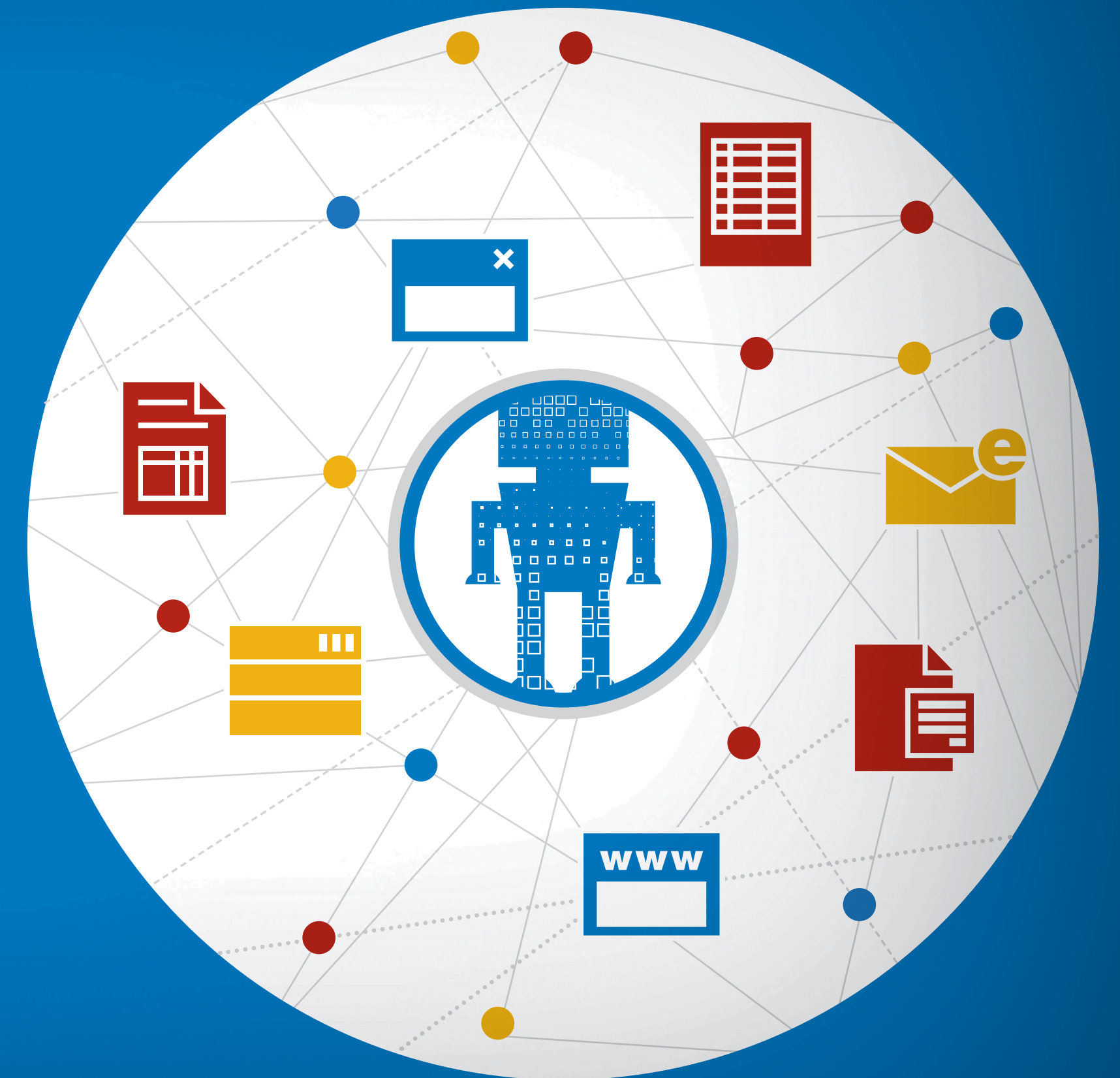


COMPLETE THE

# PRODUCTIVITY PICTURE IN FINANCE

A GUIDE TO ROBOTIC  
PROCESS AUTOMATION



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# Introduction

Despite advances in process automation, vital business processes consisting of data-driven tasks such as collecting, reviewing, and inputting information still exist in most organizations. These tasks are mundane, repetitive and...okay, boring.

IT groups struggle to respond rapidly to these high priority customer demands. Out of necessity, less urgent initiatives—even those deemed important by business groups—tend to get postponed, rescheduled, and forgotten (by everyone but the person left holding the manual process together).

Remedial tasks are performed manually, requiring individuals to log in and out of multiple systems, copying and pasting data between different sources and formats. This data must then be further researched and analyzed to make sure decisions are sound. In finance, automation solutions are excellent at working with or within common ERP solutions. But third party systems and portals that are outside the financial process automation (FPA) solutions are not always integrated, resulting in workers still having to perform manual work like copying and pasting data between systems or looking up information.

Frankly speaking, time spent by these workers could almost always be put to better use. Aside from being mind-numbing for the person performing the work, manual tasks performed by people are also notably inefficient and inaccurate—especially when compared to the predictability of automated work processes.

*Organizations are automating, on average, only 25-40% of their workflow today.*

- Cognizant Center for the Future of Work, 2015<sup>1</sup>

<sup>1</sup> <http://www.cognizant.com/InsightsWhitepapers/the-robot-and-I-how-new-digital-technologies-are-making-smart-people-and-businesses-smarter-codex1193.pdf>

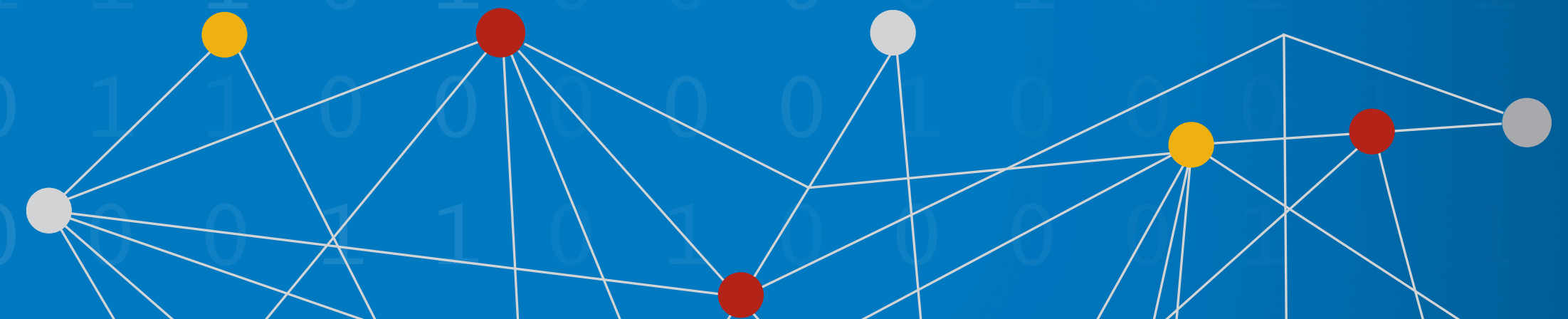




# Complete Automation Is Vital for World-Class Businesses

Global businesses are in a continual race to evolve. This is especially true for process automation, a growing category of technology solutions. With the quick pace of automation adoption, enterprises that still rely on manually performed tasks will be behind the times—the equivalent of unfolding a map while others are using GPS.

Because it allows work to be done much more quickly and accurately, automation reduces cost, improves efficiency and lays the groundwork for better information visibility, shortened cycle time, lower operating costs and enhanced audit and security controls. The bottom line is, following best practices to implement a gapless process automation solution is a milestone step in ensuring that your customers will be happier than your competition's.



*“Top-performing enterprises have taken their AP operations to the next level by leveraging technology to streamline the AP process, make it more efficient, and enable more strategic activities to be carried out.”*

- Ardent Partners: The State of ePayables 2017



# The Rise of Swivel Chair Automation

Complete process automation has been out of reach for many organizations due to a limited set of technology options. Each of these options has its own drawbacks.

In many businesses, processes consist of activities and tasks which haven't yet been automated. These tasks require a human worker to act as the conduit between several systems, moving between applications, physically keying, re-keying, and copying and pasting information between supplier portals, excel sheets, or ERP systems.

This is often referred to as “**swivel chair automation**,” bringing to mind an image of frenzied workers, spinning to and fro in their chairs, fingers a blur. Not exactly the picture of purposeful and efficient operations.



# 8 Drawbacks of Swivel Chair Automation

Below are eight ways manual completion of tasks widens the efficiency gap.



1

## Reduced Productivity

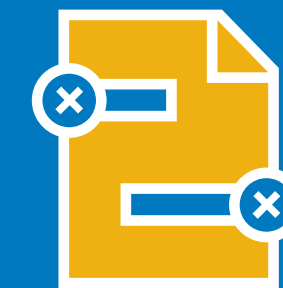
No matter how well-skilled, employees can only work so fast; we also need a lot more food and rest than computer software. Despite complaints that may be overheard near water coolers, none of us is really able to work 24 hours a day, 7 days a week.



2

## Inefficient Order Fulfillment

Inefficient processes cause a ripple effect that impacts many areas of the business, especially order fulfillment. For example, staff spends an inordinate amount of time simply gathering the data they need to complete a customer order.



3

## Diminished Accuracy

Employees can be error-prone, especially when completing a large volume of work. Even an experienced worker will fluctuate in accuracy, despite their skill and best intentions.



4

## Increased Expense

When you factor in payroll, training, facilities and benefits, you're paying a lot for what is, in many cases, a copy/paste task. Highly repetitive work siphons valuable time away from workers who could be applying their skills to more lucrative tasks.



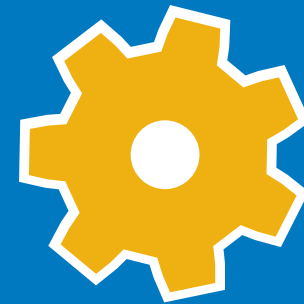
# 8 Drawbacks of Swivel Chair Automation



5

## Weakened Compliance and Security

People are famously good at bending the rules, and often adopt less-than-secure shortcuts when under pressure. Even those who intend to comply with corporate policies make mistakes. Manual processes set the stage for regulatory non-compliance.



6

## Insufficient Standardization

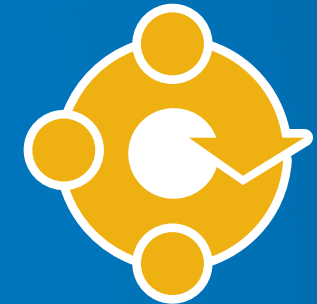
Each person has his or her own work style and preferences. Multiplied across dozens or hundreds of workers, reconciling these workflow variations is costly. Manual processes are highly inconsistent when it comes to standards like routing, file naming and exception handling.



7

## Incomplete Process Visibility and Analytics

Manual processes are inconsistent and much harder to track than automated processes. Because you're not starting with 100% accurate data, insights gained from processes that involve manual task completion will be inherently flawed.



8

## Limited Elasticity

New workers must be guided up the learning curve over time, making expansion cumbersome. When repetitive tasks depend on human workers to complete them, scaling up or down rapidly is extremely difficult, if not impossible.



# IT and the Very Long Tail of Change

Regardless of the organization, IT always has more projects than can be accomplished within a reasonable time frame.

Although process automation projects are often driven by business groups, they still require IT involvement. Many of these projects settle near the bottom of the priority list, where they lie dormant indefinitely while other, more immediate needs are addressed.

Developing custom solutions falls under the category of projects which are important, but not urgent. Because these “long tail” initiatives are easily bumped for pressing day-to-day priorities, it’s common for them to never actually get completed. When progress is made, it tends to be intermittent –resulting in a project that lacks commitment, not quite getting the internal traction it needs for success.



TRADITIONAL OPTIONS

# INCOMPLETE RESULTS





# A Question of Automation

Businesses that want to leverage the power of complete process automation are faced with a challenge. You may have adopted financial process automation technology and built service-oriented architectures to enable applications to work together. These systems acquire data from multiple sources, and enhancing and properly delivering the information requires some significant IT skills. The challenge is further compounded when dealing with automating processes that span across internal enterprise applications and external partner and customer systems, websites, online services, and so on. You get the picture.

Although you may have adopted some form of process automation already, having a fully integrated network of systems tied to processes is very rarely the case. Building a solution to connect every system and possible source of information and automating every manual task would be a headache in terms of complexity, time and budget.

**To handle increasing transactions and data volumes, front and back office processes must become automated. But the ideal solution must also avoid considerable delays and development costs, if it's to be worth the effort.**



# Why Custom Development Falls Short

When researching software solutions to replace the tedium and waste of swivel chair automation, you may only be considering technologies which have traditionally been available to you. With a little research, you'll discover that there are now more flexible and reliable options from which to choose.

When you consider building a solution on top of technologies and tools you've already used, not all business needs may get addressed, because:

- ⚠ **It's often cost- and time-prohibitive to build a solution that meets all business needs**
- ⚠ **Business needs can evolve and change more rapidly than development, leaving the intended solution lagging one step behind**
- ⚠ **Partners and customers won't always help to exchange data and integrate with your internal systems as you had hoped**
- ⚠ **Integrating multiple applications and data sources and connecting processes is complex – sometimes seeming downright unsolvable within a specified timeframe**
- ⚠ **It's especially complex to customize for interaction with legacy systems and external data sources such as websites, web portals, and online services**
- ⚠ **Many internally developed solutions have challenges successfully interacting with established desktop applications such as email and Microsoft Excel**

When making a case for change, document the roadblocks encountered as you attempt to reconcile repetitive manual tasks with automated processes used in other parts of the business.

# Closing the Automation Loop: Traditional Options Q&A

Let's look at the three options traditionally considered by businesses burdened with the inefficiency of lingering manual processes:

**Q. Should we continue to have repetitive tasks performed manually, risking competitive disadvantage?**

**A.** Utilizing people to swivel between applications is no more viable long-term than to communicate using printed memos instead of email. More data is being generated than ever before, spread across applications and locations. Combined with pressure to achieve and maintain competitive edge, this explosion in data creation should make continued manual completion of repetitive tasks a last resort for your businesses.

**Q. Should we invest in redeveloping or replacing legacy and custom built ERP workflows that may not be able to grow with the organization's needs anyway?**

**A.** Legacy solutions are limited and often require re-engineering—or even replacing—existing infrastructures. This approach tends to be expensive, as well as complex and slow.

**Q. Should we outsource and/or offshore repetitive tasks to a less cost-prohibitive (but potentially more error-prone) workforce?**

**A.** Although it's possible to find very reasonable pay rates when outsourcing, accuracy generally suffers. And, no matter how reasonable the labor pay rate, outsourcing can segregate important business processes, resulting in diminished visibility and potentially causing negative customer outcomes. Finally, manual processes are limited in the efficiency they can achieve. Using automation instead of outsourcing delivers greater productivity at less cost.



# A Glance at the Gaps

The way your organization addresses the completion of repetitive tasks is a key decision. It has real impact on the bottom line, especially as automation best practices evolve over time. Unfortunately, due to rapidly changing business needs, traditional technology approaches either never gain support and momentum or fall short of delivering an ideal outcome.

## Drawbacks of Manual Task Completion

- Advanced skills go unused while workers are tethered to monotonous tasks
- Human needs and schedules – including unexpected absences – must be factored in
- Not easily adaptable; cannot scale up quickly
- People are significantly more error-prone than automated solutions

## Drawbacks of Reworking Existing and Legacy ERP Workflow Technology

- Requires significant coding and many months of planning and development to implement
- Has difficulty extracting and integrating data from multiple systems, especially applications and external sources
- Doesn't easily handle processes which involve partners and customers directly
- Lacks true flexibility; changes require costly developers

## Drawbacks of Outsourcing or Offshoring

- Does not solve for human errors and productivity limitations
- Competitive edge erodes as other businesses adopt automation
- Visibility into day-to-day processes is often reduced, not increased

To become agile and efficient, your organization needs a combination approach – a flexible solution that embraces both the power of the core platforms as well as the innovation of new technologies.



THE MISSING PIECE

# ROBOTIC PROCESS AUTOMATION





*Robotic process automation is the application of technology that allows employees in a company to configure computer software or a “robot” to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses and communicating with other digital systems.*

*-The Institute for Robotic Process Automation.<sup>3</sup>*

<sup>3</sup> <http://www.irpanetwork.com/what-is-robotic-process-automation/>

# What Is Robotic Process Automation?

Robotic process automation (RPA) doesn't involve physical robots who sit at desks typing and occasionally revolting against their human supervisors. No, the robots used in RPA are software robots comprised of powerful and dynamic process flows. What do these intangible integration and automation flows do? It's simple: they mimic specific actions a person would take while working on a computer. This includes actions taken when interacting with an enterprise application like SAP or Oracle Financials, as well as a website, web portal, legacy green-screen application, email, Microsoft Excel, and more.

For example, Carl works in a shared services center and is responsible for validating sales order information. To do this, he must log in and out of third party systems, such as reseller price lists, gathering data and placing it into other systems for validation and approval. Robotic process automation takes the exact steps Carl takes, with results that are more reliable and free from error – so that Carl can work on more strategic tasks.

One step at a time, RPA completes the same tasks as humans within enterprise systems, in desktop applications such as Microsoft Excel and across external sources such as websites and web portals.

Because RPA sits on top of (rather than replacing) an organization's existing technology, it is both complementary to core systems and non-disruptive for day-to-day business. In short, robotic process automation solves problems that were previously unsolvable.

# Versatility Meets Utility: How Robotic Process Automation Is Used

RPA replaces labor-intensive, multi-step tasks across multiple systems and data sources, including:

- + Customer or employee onboarding
- + Inbound/outbound invoicing
- + Regulatory compliance reporting
- + Order scheduling & tracking of shipments
- + Loan application opening
- + AP integration
- + Credit collections
- + Sales order validation
- + Shipment load research
- + Financial account aggregation
- + Customer service: complaint handling
- + Supplier onboarding
- + Supply chain management
- + Financial close completion
- + Insurance claims handling
- + Insurance patient eligibility verification
- + Sales operations

Regardless of the industry, automating common tasks can result in considerable time and cost savings as well as an improved customer experience.

*Additional labor **productivity** from robotic process automation could equal the output of 110 million to **140 million full-time workers by 2025.***

- McKinsey, Disruptive Technologies.<sup>4</sup>

<sup>4</sup> [http://www.mckinsey.com/insights/business\\_technology/disruptive\\_technologies](http://www.mckinsey.com/insights/business_technology/disruptive_technologies)



# How RPA Complements Financial Process Automation

Robotic Process Automation is rapidly emerging as a highly relevant technology for finance and accounting operations. The key: knowing how RPA can address your unique business needs and complement any existing financial process automation (FPA) solution.

FPA solutions generally consist of capture and workflow technologies, and they provide high levels of automation when integrated with ERP systems. But automating the many manual tasks that are unique to your business and linking to third party systems are areas that may not be supported by a core FPA solution. That's where RPA can help to create

fully streamlined end-to-end automation for finance. Robotic process automation can be integrated with your FPA solution and also work with a third party system, adding speed and agility to your business processes.

In a time when the mandate for digital transformation has never been stronger, RPA represents the next evolution of advanced financial process automation, giving organizations the tools they need to automate what was never before thought possible, without any coding required.

*Best-in-class businesses are **2.6 times more likely** than all others to harness the power of robotic process automation as part of their **greater AP strategy** and programs.*

- Ardent Partners: The State of ePayables 2017

# The Proof Is in the Data: Use Cases

Robotic process automation is a key benefit for just about every enterprise business, and is an especially good fit for finance and accounting processes. We've included three use cases as a guidepost to how RPA can be leveraged to fill those pressing productivity gaps.

## Financial Close



Publicly-listed companies and businesses that operate in international or strongly-regulated markets must manage hundreds of tasks every month to prepare statements. Many tasks build on one another and can only be performed if the preceding tasks are complete. This added complexity is particularly noticeable when it comes to preparing a comprehensive annual statement.

An RPA solution makes it possible to create task chains that execute very quickly in a specific sequence. This enables companies to save valuable work time, focus on higher value tasks and reduce the duration of their close process.

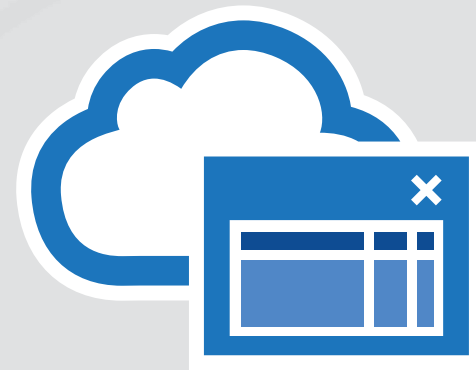
## Outcome



***Shorter close time means a company needs less staff dedicated to close the books faster. CFOs can run reports in real time, report earnings sooner and have greater confidence in the accuracy of data.***



# E-Invoicing Portal Integration



More companies are creating web-based self-service portals to share information with customers and suppliers. However, companies with automated financial processes may still require employees to log in to many different portals to check for updated information or to upload documents into web forms.

Using RPA, companies can deploy intelligent software robots to automatically perform the exact tasks that a human employee would carry out in the same process without the need for specialized programming knowledge.

## Outcome



***Save time and money and increase accuracy through clearly defined and automated portal processes that do not require expensive and elaborate interface programming for deployment.***

## Sales Order Automation



Traditional FPA solutions, including capture and workflow automation, streamline the core tasks of sales order processing. But most order processing teams must still work with a variety of third party systems, such as configure, price and quote tools or reseller price lists, to validate sales order information. This makes the order entry process highly manual and can lead to longer processing times, an extended cash cycle, more errors, unhappy and/or lost customers and additional return costs.

RPA extends a company's sales order automation capabilities beyond capture, workflow, collaboration, ERP integration, and storage to include integration with any and all third party systems. By doing so, validation becomes another highly efficient step in the organization's seamless sales order process.

## Outcome



***Sales order processing time is reduced, shortening days sales outstanding (DSO).***

***Costs are lowered by reducing high labor requirements to process orders, return shipping payments and write-offs.***

***With less errors, customer satisfaction is increased.***



# 6 Ways RPA Solves the Process Puzzle

The overarching benefit of robotic process automation is increased productivity, which means lower cost. Here are six specific benefits:

## 1. Matches the Speed of Business

Not only does robotic process automation yield near-real-time data in many instances, the no-coding approach means it's much quicker to build and deploy than traditional solutions—in days and weeks instead of months. Interfaces are generally easy to learn and most don't require a developer to deploy.

## 2. Gets Along Well with Others

A leading robotic process automation solution will complement, rather than replace, existing systems. With the ability to access data from multiple, disparate sources such as legacy, ERP and external systems, robotic process automation doesn't require re-engineering of old processes.

## 3. Flexes and Stretches with the Organization

To be successful, a robotic process automation solution must be adaptable to a variety of business needs and scalable to enterprise-size. In addition, solutions must be compliance-ready and secure, storing nothing locally.

## 4. Returns Time to a Busy Workforce

Robotic process automation releases employees from repetitive tasks so they can apply their skills to scenarios that require a human touch.

## 5. Keeps Moving 24/7

With a workday that never ends, robotic process automation maximizes the ROI available from bolstering efficiency.

## 6. Eliminates Human Errors

Automated technology eliminates human error and completes processes the same way, every time—resulting in more accurate and reliable outcomes.



# The Right Fit for RPA

Typically, an organization that would benefit from robotic process automation:

- + Is customer-oriented
- + Uses processes which are highly rules-driven
- + Requires repetitive back- and front-office tasks
- + Transacts business-to-business
- + Uses internal and external apps as well as websites, web portals, and other data sources

# The View from a Leading Analyst

In a TechRadar™ report titled “Digitizing Operational Processes, Q2 2015,” the analyst firm Forrester posited that:

- + Support for less structured and more human-centric processes will drive investment in case management and collaboration
- + Technologies built on the paper use case will experience rapid decline
- + As a tactical solution, robotic process automation delivers value quickly, offering short-term ROI

- Forrester, TechRadar™ : Digitizing Operational Processes, Q2 2015



# Filling in the Blanks: Before and After RPA

## BEFORE Robotic Process Automation

- Data entry errors
- Manual tasks managed separately
- Individuals apply rules differently
- Not easily scalable
- Not easily repeatable
- Often requires extensive training

## AFTER Robotic Process Automation

- Data accuracy
- Centrally managed
- Systematic; rules are applied consistently
- Easily and quickly scalable
- Easily repeatable
- Does not require extensive training

## Three Must-Haves for Your RPA Solution

If you've decided to investigate robotic process automation as a potential solution for your organization, it can be helpful to consider factors which may influence your decision. For example, make sure your robotic process automation solution:

1

Doesn't require complex coding

2

Is scalable and flexible to accommodate a variety of use cases

3

Can interact with virtually any application or source of information



# Additional Resources

**Learn more about how robotic process automation can benefit your organization:**

- + [Hackett Group White Paper: What Source to Pay Leaders Need to Know about Robotic Process Automation](#)
- + [Kofax Solution Overview: Increase Financial Processing Efficiency through Robotic Process Automation](#)
- + [Blog: How Robots Can Automate Your Most Labor-Intensive Financial Processes](#)





## Match Tasks to Talent with Robotic Process Automation

### In Closing

The faster rate of business and demand for a faster rate of change can only be addressed by considering innovative new options like robotic process automation. Otherwise, business agility will be limited by, rather than liberated by, human interaction.

To succeed, businesses need a mixed solution: the insight and nuanced decisioning that comes from skilled employees as well as the efficiency and accuracy that the right robotic process automation solution delivers.

***45% of purchase-to-pay organizations believe it (RPA) will be one of the areas with the greatest impact on the way its work gets done in the next decade.***

The Hackett Group: "What Source-to-Pay Leaders Need to Know About Robotic Process Automation, 2016"





For more information, ask for a **Financial Process Automation demo** from Kofax.

Contact us at [info@kofax.com](mailto:info@kofax.com) or give us a call at 949.783.1333.

