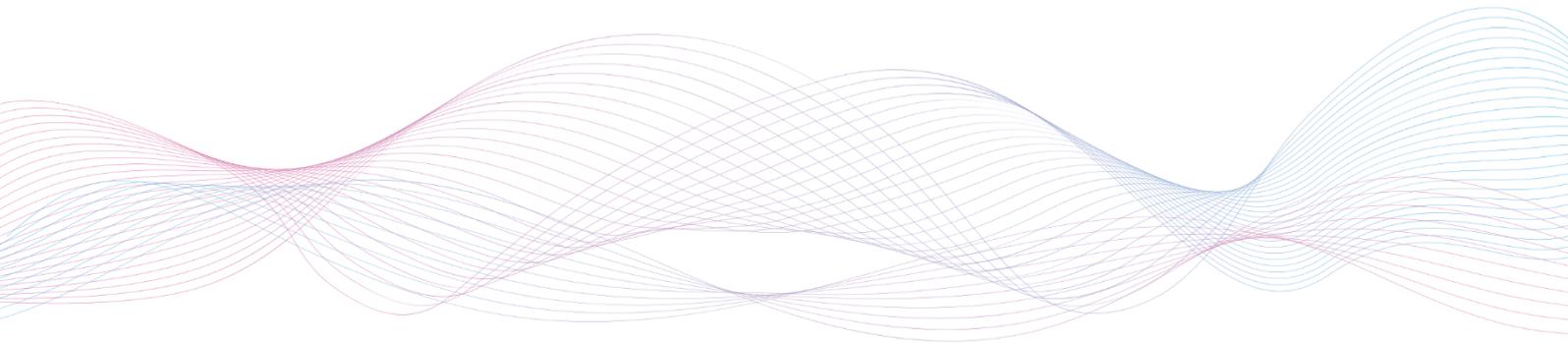




# BPR's Role in Maximizing RPA Benefits

STRATEGY | September 2021

WHITE PAPER



## Table of Contents

Summary	.....	02
Overview	.....	03
1. When is RPA the most suitable?	.....	04
2. How can synergy between BPR and RPA maximize benefits?	.....	05
3. Our recommendation to overcome RPA project challenges	.....	07
4. Case study: Standardize processes before implementing RPA	.....	10

## Summary

In the past 5 years, automation technologies have emerged. As one of the most popular solutions, **Robotics Process Automation (RPA)** plays a significant role when it comes to time and cost reduction in this new business era. In this paper, ABeam shares its perspective about how to maximize benefits from an RPA implementation by incorporating **Business Process Re-Engineering (BPR)**. Generally, companies may not gain the full potential benefits by implementing RPA alone; based on the results from ABeam's survey with 55 Asian Multi National Company (AMNC), over 42% report that RPA implementation projects do not meet their expectations, which is aligned with the results observed from around the world. ABeam's experience shows that the most common reason for this result comes from improper process selection and implementing RPA for inefficient as-is processes, which has led to ABeam's current solution of how to maximize RPA benefits. ABeam recommends each organization to consider a **BPR-RPA integrated approach** before embarking on a full RPA implementation journey. The model starts from 1. Improvement Identification & Workload Assessment, 2. Business Process Re-engineering (BPR), 3. RPA pilot, and 4. Effect calculation / transition plan formulation.

## Overview

As per previous ABeam publications, Robotic Process Automation (RPA) is one of the most well-known solutions in the era of digitalization. For many companies around the globe, RPA solutions are currently in the spotlight as a top choice to enhance process efficiency and to broaden competitive advantage.

However, adopting only an RPA solution may not be the best fit for everyone. Based on ABeam's experience regarding RPA implementations, there are a handful of challenges which need to be considered before opting for implementing RPA on its own.



**42%**

of companies identified challenges for promoting digital organization issues related to organizational goals – Including RPA – as benefits were not derived as expected.



**47%**

less than half answered that RPA can help them reduce overtime hours.

## When is RPA the most suitable?

Before getting to the details of RPA and ABeam's proposed four-step-approach, it is important for management to ensure that RPA will be the right choice to positively impact the organization's processes. Although RPA is one of the most popular game changers in the business process development world, it might not be the answer to all automation problems on its own.

### Low automation suitability

- |   |   |
|---|---|
| <input type="checkbox"/> No rule-based decision / No pattern                  | <input type="checkbox"/> High number of decision points                                       |
| <input type="checkbox"/> Unstructured data and not readable electronic inputs | <input type="checkbox"/> High number of exceptional cases which require human judgment        |
| <input type="checkbox"/> Frequent system / Process change                     | <input type="checkbox"/> Consist of more than 500 keystrokes and / or clicks (activity steps) |
| <input type="checkbox"/> Redundant / Unnecessary process                      | <input type="checkbox"/> Uses more than 5 applications  |

*Organizations can use this simple self-checklist to identify if their processes are suitable for automation.*

***If at least one box is ticked, an RPA implementation on its own may not be the right approach.***

Based on ABeam's experience, it is very challenging for companies to get the full benefits from RPA implementations. Instead of considering the implementation of RPA as a stand-alone, there are additional consideration points that each company's management should think about.

## How can synergy between BPR and RPA maximize benefits?

Business Process Re-Engineering or BPR originally meant the approach of redesigning the way work is done to better support the organization's mission and reduce costs (Source: Business Process Reengineering Assessment Guide, 1997, United States General Accounting Office - Accounting and Information Management Division), while the original concept is more focused on reducing cost, the BPR concept nowadays has been expanded to have many objectives, such as reducing complexity, streamline processes and to enhance competitiveness towards growth and expansion. Based on that expanded horizon of BPR, it can cover many other aspects to increase an organization's ability to adapt to the rapid changes in today's business landscape, like the COVID-19 pandemic and the Digital Disruption. Figure 1 illustrates the BPR objectives, benefits, and expected outcomes.

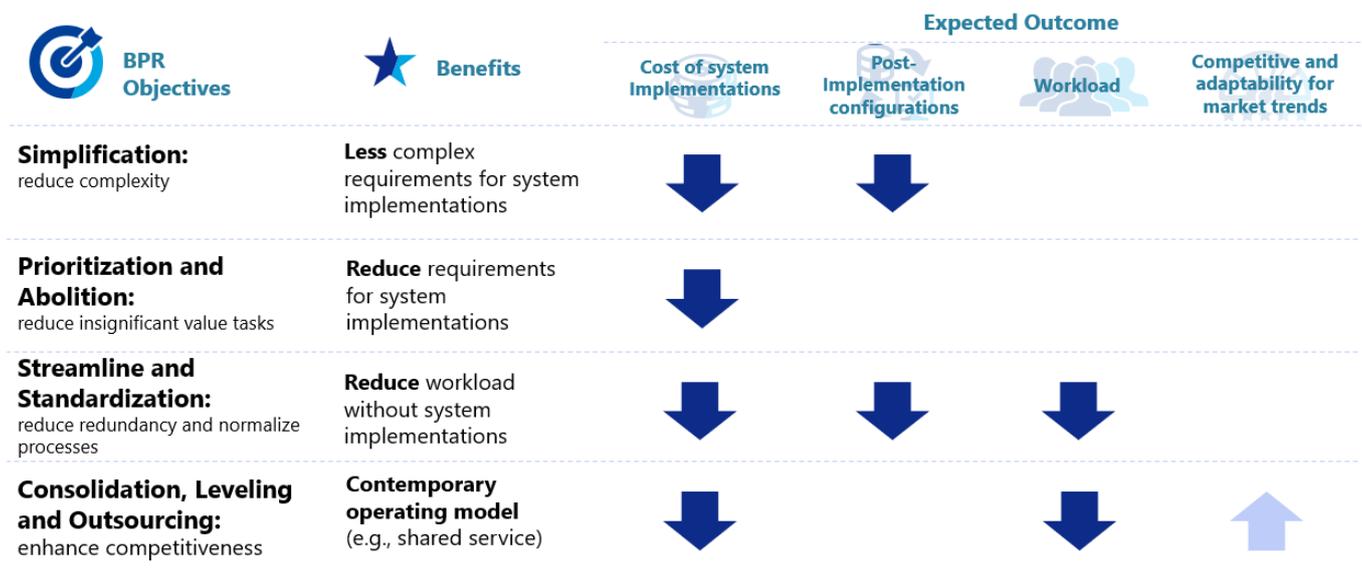


Figure 1

ABeam believes that in order to leverage the full benefits from both BPR and automation, while avoiding implementation risks, embedded BPR activities into the plan will achieve just that, an approach which is introduced through ABeam's **BPR-RPA integrated approach**, a step situated before doing a full RPA implementation (see figure 2 below).

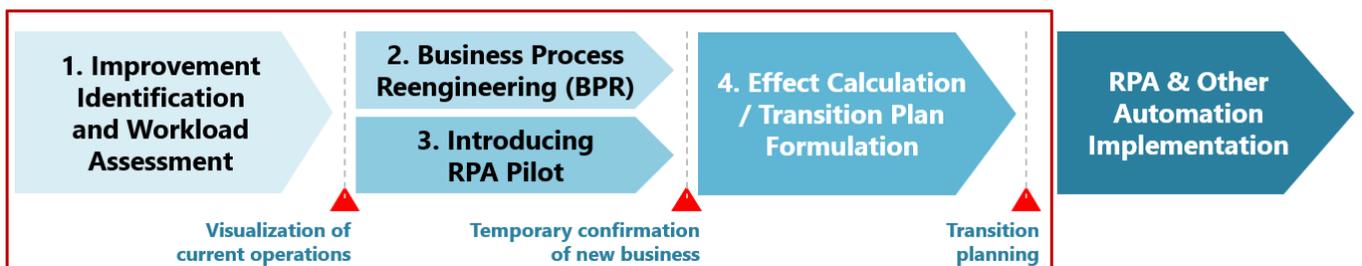


Figure 2

## **1. Improvement Identification and Workload Assessment**

In the first step, the current processes need to be analyzed to identify opportunities to conduct Business Process Reengineering (BPR) or other improvement areas by considering technologies, not limited to only RPA. The process selection can be considered through different factors, as for example Full Time Equivalents (FTEs), which will be identified for each process and allows for the prioritization of further improvements, following the order of most work-intensive processes. This process assessment activity will provide management with a clear picture of their overall processes and facilitate the identification of areas of opportunity for BPR and/or RPA. Enhancing the ability to select the right process for automation is the goal.

## **2. Business Process Reengineering (BPR)**

During the step of Business Process Reengineering (BPR), based on opportunities identified in the first step, the processes will be visualized, reviewed and analyzed for any potential issues, with business process re-engineering teams designing solutions for each issue. The solutions will not be limited to RPA or other technologies, but include process simplification and/or standardization, which can consequently increase the efficiency and effectiveness of operations, including resource optimization. Furthermore, BPR can reduce complexity and redundancy, which in turn can result in lower cost of implementation.

## **3. Introducing RPA Pilot**

In parallel to performing the BPR, it is important to conduct an RPA pilot to ensure that the solution and infrastructure are working as expected. The right processes for the pilot which were selected in Step 1 will be developed and tested by users for acceptance. Also, it is an opportunity to share the benefits and effects of RPA to all stakeholders.

## **4. Effect Calculation / Transition Plan Formulation**

From the result of the BPR activities and the RPA pilot, the benefits and effects of automation, especially the estimated high-level Return on Investment (ROI) can be recalculated to realize the actual value of the solution and to ensure if further RPA implementation (or other solutions) are worth the investment. Afterwards, the Migration Plan should be created to identify the tasks of subsequent projects and to categorize which tasks should be done during the full implementation phase.

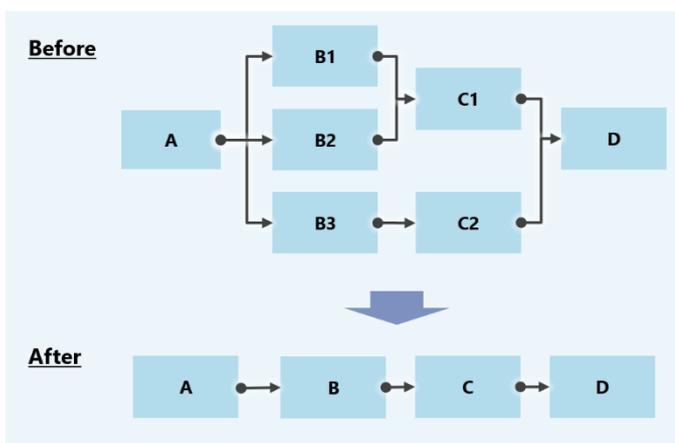
## Our recommendation to overcome RPA project challenges

ABeam’s research with AMNCs revealed, that despite several successful RPA implementation cases, from ABeam research **42% of companies identified challenges for promoting digital organization issues related to organizational goals – including RPA – as benefits were not derived as expected.** According to the 2017 Global Intelligent Automation Market Report by The Shared Services and Outsourcing Network (SSON), the top root cause for this kind of failure came from automating inefficient processes, which accounted for 38% of all reported unsuccessful implementations.

This root cause leads to many issues including delayed timelines, going over budget, and lower FTE savings than expected. Another root cause based on ABeam’s experience for RPA implementations is the challenge in selecting proper processes for automation.

### 1. Automating inefficient As-Is processes – Lean processes (simplify)

RPA implementations may lead to less benefits than expected due to applying RPA to inefficient processes. In the RPA world, there is a quote, “Automate an inefficient process, the process will still be inefficient”. Generally, RPA itself can only speed up processes, but will not improve the design or structure of poor processes. The problems from inefficient as-is processes will still be carried on with (or without) RPA. The processes in many organizations can be very complex with many sub-processes, with even some processes done by individual employees or teams in a different way when it comes to the detail steps. Developing RPA without considering process improvements, standardization, or harmonization will be challenging in terms of both time and effort for development, as well as for the after go-live maintenance, increasing the cost of building and maintaining those RPA processes accordingly.



**Figure 3**

For example, in figure 3, without considering thoroughly how the as-is process design could be improved upon, the business team may end up spending time and money on developing seven process steps instead of only four.

As mentioned already, inefficient processes do not benefit from RPA as much as people expect, which is further exacerbated if the requirements given are based on a procedure and/or work instruction, which does not match the actual day to day operation. Procedures and

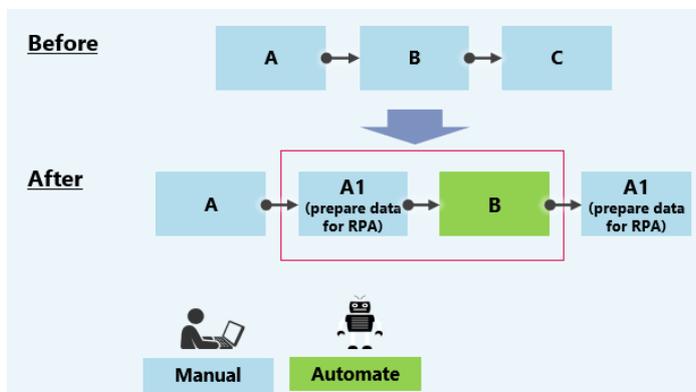
work instructions can be outdated due to process improvements made by staff, the introduction of new laws, or newly introduced technology over time. Applying RPA in those cases can even lead to law violations or to the developed bot not being usable, requiring further costly enhancements.

## 2. Inefficient process selection for automation

Another mistake ABeam has observed is that many organizations decide to automate either too little or too many processes due to their lack of an efficient process selection assessment. Some organizations do not perform process assessment at a level that is detailed enough or do not perform the assessment at all. Practically, manual work is more suitable for some processes in terms of efficiency and ROI and doing an inefficient process selection can lead to various issues.

- **Selected processes for automation may not result in positive ROI**

Sometimes, process reviews performed by business teams result in selecting only a few sub-processes for RPA implementation, mostly due to the business teams not fully understanding the whole picture of the process or which process or task could be automated or should not be considered in order to benefit overall cost reduction, eventually achieving the expected ROI. Business teams may end up considering only one sub-process, which subsequently does not reduce the workload in an impactful way when compared to the effort spent implementing the RPA.



**Figure 4** eventually in the overall increase of workload. Implementing only the processes that were chosen by users can sometimes result in unsuccessful implementations due to insufficient visibility.

Another well-known case is that, business teams select only small portions of sub-processes, which may not reduce workload but instead increase the workload for the overall process.

For example, in figure 4, the business team only selected process B for their RPA implementation, which in turn, created another process A1 for the data preparation that the RPA needs. Considering the end to end process from A to C, it may result

- **Overspending on development by trying to automate everything**

On the other hand, many organizations try to automate every process, without considering that some processes have a **low suitability level** for an RPA implementation, which is impacted by factors such as:

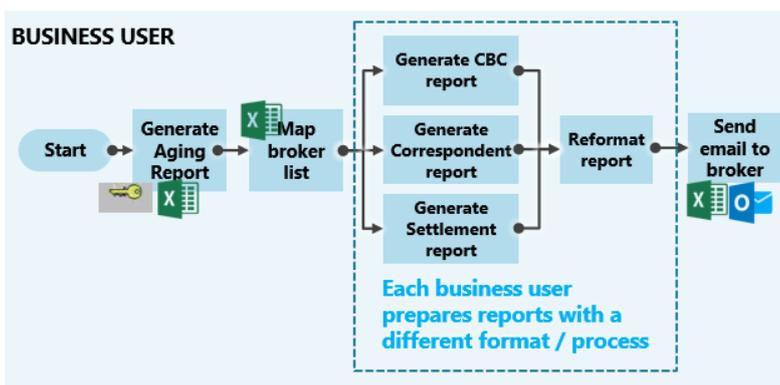
- Not rule-based
- Low volume tasks
- Unstructured data
- Not readable electronic inputs
- Soon to be changed process
- Require human intervention along the process
- Contains many exceptions
- Benefits more from other types of technology

By implementing RPA for these kinds of processes, organizations may need to invest effort and time that may not generate the lower lead times, FTE savings, or cost savings they expected by the end. Some tasks may require professional judgment and individual expertise; such tasks are usually better performed by humans than RPA. The findings here conclude that in some scenarios RPA transformation is not the optimal solution for an organization's targeted process improvement. Organizations should consider other BPR approaches; simplification, standardization, consolidation, leveling and outsourcing, to achieve efficiency and effectiveness for their operations.

## Case study: Standardize processes before implementing RPA

Company B is an insurance company, in the process of preparing and sending Billing reports and statements to brokers. The company's processes were assessed by a business analyst, which found that the process of preparing and sending Billing reports and statements to brokers was redundant and took a lot of time and effort to complete end to end. The As-Is process was separately performed by different business users: the Accounting & Finance Team manually generated an aging report and mapped more than 150 brokers (at peak period), then generated a Cash-Before-Cover report (CBC report), correspondent report and settlement report, after which they sent all reports to their brokers by email. After discussing with the Accounting & Finance team, the business analyst reengineered the process by standardizing the process and report layout to reduce redundant steps and save time before implementing any RPA solution.

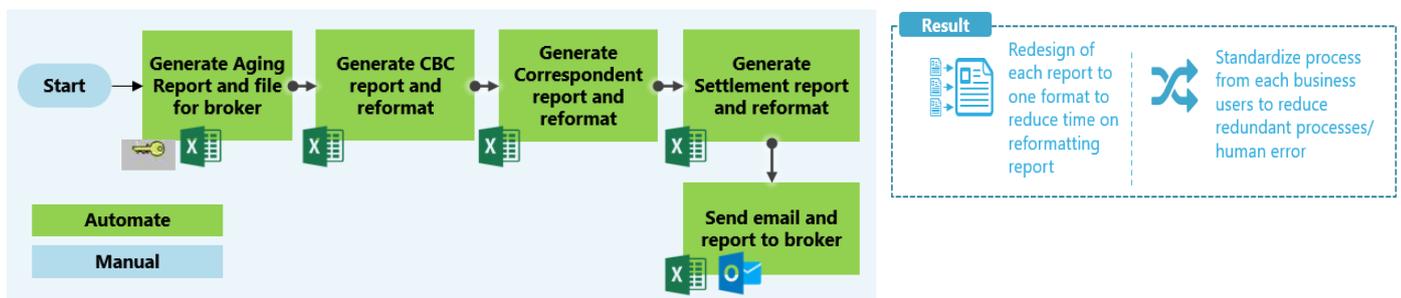
### AS-IS BILLING REPORTS AND STATEMENTS TO BROKERS



The As-Is process for creating the three main reports and sending the information to brokers was done differently from business user to business user. The difference in processes was one issue, the other issue was that, each business user had their own format/design for each report. Because of that, they needed to reformat their reports to a proper format before sending them out to their brokers.

As a result, before implementing RPA, Company B performed Business Process Reengineering to standardize their processes for each business user and redesigned the report layout to be the same.

### STANDARDIZED PROCESS with RPA



Digital transformation through RPA can speed up processes and free up resources to do other more value-added tasks, but more important than the number of automated processes is to target the most suitable processes to automate with the proper technology and to improve the efficiency in the processes to create a significant benefit multiplier for automation.

BPR can optimize the benefits of an RPA implementation. Considering a proper assessment and process selection will help mitigate the risk of selecting wrong processes for automation. It will also help companies to see if there are any other opportunities to improve their processes beyond a simple RPA implementation. This way companies can avoid automating inefficient processes and help explore if there is any better solution for each individual scenario. To achieve the full benefit from RPA, ABeam strongly recommends companies to consider the incorporation of ABeam's proposed **BPR-RPA integrated approach**.

#### **How can ABeam support your company?**

ABeam is introducing a one stop service for digital transformation with expertise in BPR and RPA, starting from a detailed business process assessment & reengineering for automation, full RPA implementation, and maintenance service afterwards to ensure that your enterprise transformation journey receives an optimized result.

Contact us if you are interested in our service relevant to BPR-RPA integrated approach and more information [https://www.abeam.com/th/en/contact\\_th](https://www.abeam.com/th/en/contact_th)

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## About ABeam Consulting

ABeam Consulting provides business transformation services that create strategic advantage, improve business processes, leverage technology innovation, and enhance organizational performance for leading multinational and domestic companies worldwide. ABeam partners with clients to diagnose and solve their real challenges with solutions that combine industry and operational best practices with technical expertise. Pragmatic approaches ensure that clients gain measurable value more quickly. Headquartered in Tokyo, ABeam's 6,600 professionals serve more than 800 clients throughout Asia, the Americas and Europe. For more information, please visit

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