Separating the Innovators from the ‘Automators’

How to future-proof your automation investment

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As we enter an era of unprecedented technological change (in particular around the efficiencies to be gained through automation) it is worth taking one step back to clearly review the available options so that sustainable automation solutions can be selected that are not only ‘fit-for-purpose’ and able to provide benefits today, but are adaptable enough to continue to be able to do so into the future.

As with any new technological ‘disruption’ the automation landscape is full of buzz-words and acronyms (think RPA, iRPA, RDA, BPM, iBPM, ML, AI, CPA and more) which only serve to deliver a level of confusion around the actual capabilities of each in relation to the needs of an organisation.

Combine this with the urgent need in an increasingly competitive (and complex) business landscape to do ‘more with less’ and it is understandable that buying mistakes will be made.

This whitepaper reviews what types of automation (and the processes around their application) have the best chance of delivering sustainable competitive advantage.
The Automation Landscape to Date

Automation solutions to date have largely ignored ‘real world’ complexities and, in the drive to competitively (even urgently) adopt automation, businesses have modelled processes based on the parameters of available tool sets rather than on the relationships and complexities that define their business.

The principal objective to date has been a noble one. To save cost.

But concentrating solely on automating existing processes simply to cut cost does NOT achieve the often talked about holy grail of ‘Digital Transformation’ and ignores the drive behind its adoption – the ability to innovate.

“A focus on cost-cutting and efficiency has helped many organizations weather the downturn, but this approach will ultimately render them obsolete. Only the constant pursuit of innovation can ensure long-term success”

Daniel Muzyka, Dean of Sauder School of Business, University of British Columbia

In a world where only the digital masters will survive, business leaders should consider what processes will help them differentiate when all efficiencies have been gained.

As Dr Mathias Kirchmer pointed out in his book ‘High Performance through Business Process Management’, many of the disruptive, successful and highly innovative companies that have come to the fore over the past 15 years, have been founded NOT on technology innovation, but almost entirely on process innovation.

"Amazon didn't invent books; they invented a new process for selling them. eBay didn't invent the auction but introduced a new process for auction sales. Uber didn't invent a driving service but a new process for delivering that service to consumers”

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Evaluating the shelf life of RPA and BPM technology

RPA

Business leaders are under relentless pressure to deliver transformation and instant results and as such have naturally warmed to what is fast becoming the darling of the automation industry – Robotic Process Automation (RPA).

With Forrester projecting steep inclines in RPA adoption – growing from $250 million in 2016 to $2.9 billion in 2021 – it comes as no surprise that companies are following the crowd and jumping to RPA as their preferred solution, ahead of investigating a more holistic, long-term approach to automation.

Heralded by organisations for its ability to reduce cost through efficiency gains and people redeployment, RPA automates rote tasks – but NOT processes, as its name would suggest! In line with its low-cost barrier to entry, its value relates to singular tasks.

These tasks, however, often need to form part of a wider process if they have any hope of delivering transformational benefit. Grounded in efficiency gains, not innovation, RPA services the demand for instant (albeit potentially short-sighted) ROI but offers only limited additional benefit to an organisation due to its rigidity.

As a task based automation tool, RPA is only designed to process highly structured data.

Most experts in today’s data industry estimate that structured data generally accounts for only about 20% of the data available in an organisation, leaving the remaining data (80%) unable to be automated using standard tools.

Robotic in nature, RPA lacks the human touch as the tool tends to fall down when things deviate substantially from what has been recorded. It cannot understand context or circumstance and, as a consequence, its application is limited when judgement is required. The information garnered from RPA often requires additional enhancement, and information may need augmentation from other systems to provide greater value.

Whilst RPA is a great technology to drive efficiencies, organisations are advised to consider how competitive advantage will be sustained when – as the adoption curve forewarns – every organisation has implemented it.

Gartner predicts “By 2020 20% of organisations will have replaced RPA with another tool due to its limitations.”

Evaluating the shelf life of RPA and BPM technology

BPM

By contrast, BPM is used to automate end-to-end processes. The technology can delegate human interaction – specifically where action requires judgement – and can integrate with third-party systems. This additional functionality however, comes with a hefty price tag and extensive project delivery runways.

Despite many BPM solutions being advertised as ‘Low Code’, substantive coding is commonly required to support unplanned deviations. This leads the technology to be very IT dependent with difficult change control.

Whilst BPM may appear to offer a more holistic approach to automation, organisations must account for its scope above and beyond its initial deployment, and ensure that the project it is designed to support will not lose its value and purpose in the time it takes to implement.

When looking towards the future, Gartner analysts have predicted BPM practices ‘as we know it’ will not meet the grade.

In an article titled “Introducing BPM Shift – BPM is Dead, Long Live Big Change!” Gartner Research Director, Elise Olding, cites IoT and Digitalisation as “just a few of the disruptions that will require radically rethinking work” continuing “The pace of change is increasing and our BPM practices aren’t evolving at the same pace.”

“The minute you use the BPM word, it is five years and £5 million”

One thing RPA and BPM solutions do have in common is their linear application.

BPM solutions are hard-wired and often require re-engineering to expand the scope of the technology’s performance.

“The pace of change is increasing and our BPM practices aren’t evolving at the same pace.”

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1 Craig Le Clair “The Forrester Wave: Robotic Process Automation, Q1 2017” Forrester, February 13, 2017 – Referencing the Head of Robotic Processing at an Irish Bank

4 Elise Olding ”Introducing BPM Shift - BPM is Dead, Long Live Big Change!” Gartner, April 2, 2014
The challenge that a linear approach to automation presents is that it does not support the promise of ‘Digital Transformation’, as a connected, Digital Enterprise is inherently non-linear.

To lean on an analogy, linear automation tools like BPM and RPA restrict business processes to ‘play out’ like a game of ten-pin bowling: the outcome and process that is followed is determined at the point you release the ball, there is no opportunity for variation or adaptation and the aim of the game (to hit over the pins) is fully planned out from the start.

In reality, by contrast, a Digital Enterprise’s processes are more akin to a football match: no game of football can be won by working out every pass and every play in detail before the players get on the pitch.

Instead, it relies on the players on the pitch reacting to situations based on individual perspectives and abilities who work together to win the match, responding all the time to the decisions and actions of the opposition and the game situation. Every match is dynamic and requires a dynamic interface to achieve the end goal.

A digital enterprise cannot afford to be confined by linear tools like the ten-pin bowling alley. Nor should it be limited by rigid big-budget, lengthy projects. For automation investments to win out, they must reflect real world processes by being cost effective, flexible, dynamic and agile.

Saying Goodbye to Linear Automation Tools
Refocusing Automation to Support Innovation

Why flexibility and agility are the life blood of the Modern Enterprise

According to a recent Harvard Review, nearly seven in ten Harvard Business Review respondents ranked the flexibility and agility to change business processes as and when required as the most important factor in managing complexity.\(^5\)

Modern businesses seek flexibility, not just in the way they operate, but in how they adapt to shifting customer needs and requirements. Whilst previously the business case for automation could afford to be built on cost reduction and profitability, the market has shifted towards the competitive requirement to improve the customer experience.

This market shift is highlighted in Forrester’s May 2018 research paper entitled ‘Refocus Process Automation to Rescue your Digital Transformation’\(^6\) where Rob Koplowitz and John Rymer call for a ‘new generation of digital process automation practices, platforms and plans’ classed as DPA (Digital Process Automation).

In the new world of DPA, a closer collaboration between IT and business is formed, enabling business users to directly and flexibly participate in creating new business applications as and when opportunities are identified.

To make the shift from linear automation tools to DPA platforms, organisations should look for solutions which offer:

- Simple process/application building: to enable rapid and varied deployment of no-code business solutions
- Intuitive user interfaces: to encourage increased adoption
- Intelligent orchestration: to support low risk innovation and the adoption of next generation technologies
- A data-driven platform: to empower users to create and adapt non-linear customer centric processes modelled on data, interactions and relationships
- Good governance: to allow business users to confidently and securely identify opportunities to innovate and create new business applications

In the paper, Koplowitz and Rymer highlight "Enterprises struggle to transform to digital business because they don’t automate the operational processes that underpin customer journeys”.

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\(^6\) “Refocus Process Automation to Rescue Your Digital Transformation” Forrester, May 17, 2018
Building a Culture of Innovation

IT and business leaders are under increasing pressure to support business units as they transform digitally. To successfully innovate, an organisation must adopt a culture of innovation in which everyone plays their part in the organisation’s success.

Whilst it is commonly the Business Executives who are tasked with demonstrating innovation implicitly within their role, they are often not the people that are most closely connected to the opportunities available.

It is often the owners of the business problem, the people that actually understand the nature of the problem, who are best placed to identify the opportunities to innovate.

To sustainably innovate, business must also ensure they can keep pace with the rate of technological change and support the needs of the business to make best use of convergent technologies such as ML, AI and IoT.

Whilst these technologies have become increasingly consumerable, their ability to support and transform both real world processes and customer engagement is underpinned by an organisation’s ability to connect them together intelligently.

Understanding context, aggregating information from disparate systems and connecting multiple activities are key to maximising success in today’s complex business and technological environment.

Organisations need to look beyond point solutions – be that RPA solving a single task, or ML looking at historic data to make a singular prediction - and instead take a more holistic view of automation, one that uses real-time data to fuel continuous improvement.

To be truly transformational, organisations need to invest in a DPA engine that can orchestrate the different automation tools and approaches that not only exist today, but that will exist tomorrow, wiring together a continuous environment that is far greater than the sum of the parts.

Only then is it possible to “automate the operational processes that underpin customer journeys”.
Ultimately, businesses can only afford to be innovative if the cost of innovation and failed experimentation is low. For example, 36% of the things that Google introduce are taken off the market; its very high rate of innovation is reflected in the fact that it can afford to have such a high rate of failure.

Most businesses cannot afford this high rate of experimental failure, however, and therefore require an agile, iterative automation solution that not only powers up a range of existing technologies but also enables innovation to be delegated, at low cost, to the people within a business who are best placed to identify opportunities and appropriately enabled to capitalise upon them.

Returning to our football analogy, Gareth Southgate can prepare his England team tactically and psychologically, but he knows his players must have the agility to deal with ‘in game’ situations, the ability to see how training pitch processes must be adapted to overcome the unforeseen challenges presented by a dynamic environment and opposition.

Key areas a business should focus on to future proof an automation investment:

- Build a culture of Innovation and Centre of Excellence around automation technologies
- Foster closer collaboration between IT and business by enabling business users to directly participate in creating new business applications
- Delegate problem solving to the business problem owners who see the opportunities to innovate
- Make next-generation technologies (such as AI, ML) easy to consume and connect to add value to your business processes
- Go ‘Customer Centric’ - provide customers with simplified and more intuitive experiences that follow the journey the customer wants to travel, rather than the process the business confines them to adopt

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7 https://thenextweb.com/google/2011/10/17/google-fails/
About autologyx® Ltd (ALX)

Autologyx® is a digital operations platform that enables businesses to automate, integrate and scale complex, non-linear processes. We allow customers to automate complex processes simply, by creating data models for their processes, assigning relationships and events to automate actions via an intuitive no-code interface, and integrating 3rd party technology or data sources at any point with the ability to push or pull data or documents in a real time environment.

All process data at any point in time is captured and made available for analytics on a BI solution of your choice. Further ready-to-use templates, components and integrations are available via our integrated apps and services store. Processing over 1 billion process transactions last year, all of this is delivered via enterprise-grade infrastructure with state-of-the-art data security and ability to handle large scale processes.
As businesses continue to evolve into Digital Enterprises, the requirement to innovate and automate non-linear processes is growing exponentially. As a consequence, many organisations are now re-evaluating their existing automation investments in favor of technologies specifically designed to support digital operations.

Whatever automation path you have set, autologyx® is ideally placed to help support a culture of innovation. If you’d like to learn more about Digital Process Automation in the context of your business, please contact us now.

(0) 203 884 1814
info@autologyx.com
www.autologyx.com