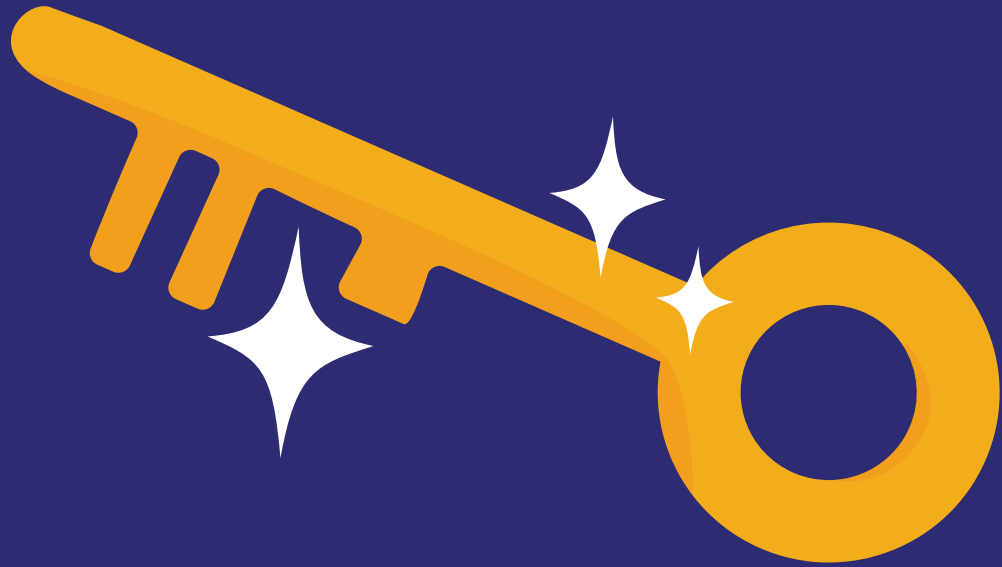


Skan^{AI}



PROCESS INTELLIGENCE

The Key to Automation Success

Your business analysts are missing one key ingredient that can make them invaluable.

Automation or Robotic Process Automation (RPA) is often recognized as the fastest growing, most successful business technology, yet automation projects often fail, or stall and ROI falls far short of its potential.

Gartner predicts that 90% of large organizations globally will have adopted RPA in some form by 2022 as they look to digitally empower critical business processes through resilience and scalability, while recalibrating human labor and manual effort. ¹

- Gartner

From insufficient process understanding to lack of prioritization for automation programs, there might be roadblocks at each step of the automation journey preventing consistent results at a competitive pace. How do you systematically accelerate a large organization's transformation?

In this article, you will learn how process intelligence is often the key to turning your automation program around. We will break down each step of the automation journey, discuss challenges in legacy process discovery methods, and showcase how process intelligence technology can help you become an automation hero.² The scope of this article will not include best practices around change management that are common for any process change or improvement program.

Regardless of where your organization is on the automation maturity scale, this guide is for you. Do any of these scenarios sound familiar?



ONE

You have been exploring automation opportunities but are unsure of where to start.



TWO

You have already implemented an automation program but there are too many exceptions, or the full benefits are yet to be realized.



THREE

You have implemented some automations that were successful but are struggling to find similar high-value ROI opportunities.

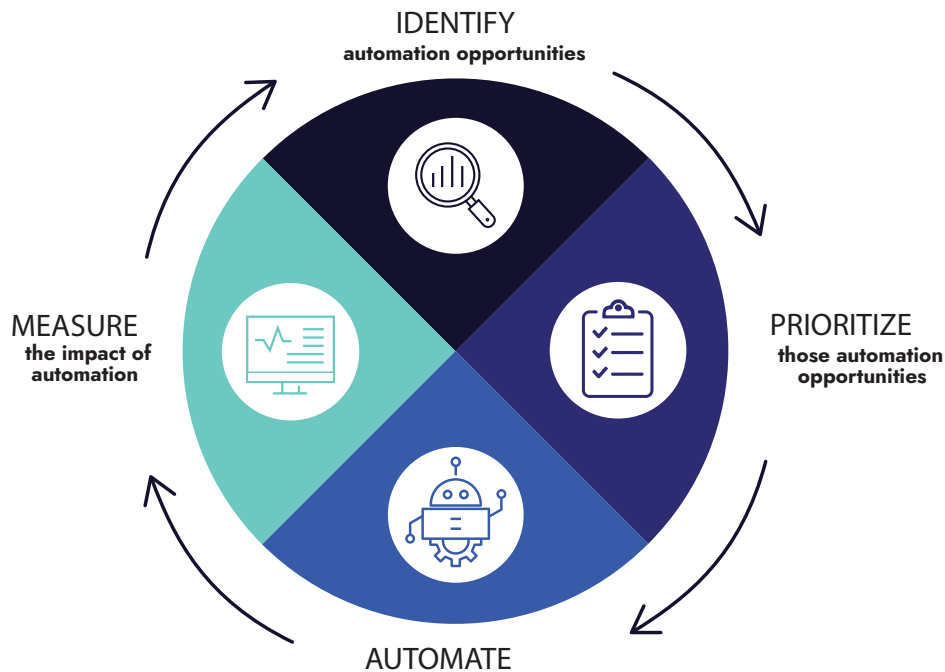


FOUR

You have a long track record of delivering advanced automations but find yourself spending most of your time convincing profit and loss (P&L) owners to approve the next iteration of improvement.

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The journey to automation involves 4 major steps:



Throughout this article, keep in mind that it is important to consider automation as a journey, with a series of iterations rather than a one-time effort. You can apply the same 4 steps wherever you are looking to improve.

When the four steps of the automation journey are applied correctly, organizations utilize real operational data to analyze how digital work is performed, in real-time, to identify improvement opportunities. They then assess these automation opportunities from a cost/benefit perspective to define the scope of the next iteration.

As part of this analysis, the documentation for the RPA developer is automatically generated, which significantly increases productivity. Also, the

initial testing can be performed with higher confidence and fewer resources. Finally, by anchoring each initiative in data-driven insights, the benefits realized can be fully quantified. This supports change management, ensures that new capabilities are fully adopted across the organization, and allows lessons learned to be captured. Calculating the ROI from each iteration also makes it easier to create a business case for increasing investment in the automation program.

Legacy process discovery methods have shortcomings in each of these steps that prevent automation leaders from truly understanding their organizations' processes and maximizing their automation potential:

'Companies with advanced automation programs will obliterate – not merely beat – the competition', Forrester Research recently predicted. Yet many businesses are still taking a siloed approach to automation, unable to reach IPA's full potential to help them transform their business.

- Harvard Business Review

50% of RPA opportunities are being missed.

- Flobotics

1 IDENTIFY

From manual observations to use of back-end log files, legacy methods that have been used to identify processes have limitations that lengthen the time to automation and more importantly, to the most valuable opportunities.

41% of companies won't switch to RPA because of a lack of clarity of the business process.

- Flobotics

Process understanding through manual observation involves working with a team of business analysts who perform interviews, gather data, and conduct analyses to help identify and improve processes. Because this method relies on manual observations, the results are anecdotal and limited in scope:

CHALLENGES WITH ANECDOTAL ACCOUNTS

Although employees have an intuitive understanding of how they perform a process, it is difficult to verbalize and accurately explain every step behind a process. Thus, over-the-shoulder interviews often miss important details which makes it difficult to accurately identify end-to-end processes. What's worse is that people tend to overestimate how much time they spend on rare,

complex process variations and underestimate how much effort goes into the everyday routine tasks.

LIMITATIONS IN SCOPE

These interviews are also disruptive to work and are not scalable, only capturing data from a small subset of employees performing processes as opposed to the entire organization. By missing out on detail and with a limited sample, organizations leave automation opportunities on the table. Due to the limited dataset, it is also difficult to make a strong business case for the improvement opportunity. If a business leader challenges a finding, there is little data to back it up. Observation bias is also strong and while it might seem as if a set of steps are performed quickly while the employee is being monitored, the average time to perform the steps might be



Process understanding through back end log files analyzes the high level state changes of processes by extracting data from event logs.

ONE

This technique misses most steps and variations of a process. From a backend system perspective, two process executions might appear identical but from the operator's perspective they could be miles apart. Furthermore, most actions that users take do not trigger a backend state change.

TWO

Process mining cannot distinguish between processing/handling time and turnaround/cycle time. Because process mining only captures changes between states (i.e., changes in project status), you cannot tell how much effort went into the process. For example, process mining would show the time an employee began a process, and the time they completed the process, but it would not show exactly what they did to get from point A to point B. If the process took two hours from start to finish, there's no telling what took place during those two hours. Was it two hours of active work? Two hours of idle time or unproductive work? How many people were involved? What

applications were being used? Process mining does not capture most of the detail that happened during those two hours, leaving important questions like these unanswered.

THREE

Like manual process discovery, this approach can also miss critical steps that go into a process: not all software programs produce logs, and not all actions are captured by event logs.

FOUR

The data quality is often obscured with incorrect timestamps and missing data attributes, which would require extensive time and effort to clean.



2 PRIORITIZE

Legacy methods lack sufficient prioritization mechanisms which is the main cause of automation projects failing.

ONE

Anecdotal data from manual observation does not provide the sufficient level of insights and granularity necessary to prioritize automation programs.

TWO

Another prioritization issue occurs when organizations do not tie impacts back to a KPI or business objective, or when they focus on the wrong objective. If you prioritize incorrectly, your automation effort will likely fail and a significant amount of time will be wasted, because you do not know which process variations matter and the long tail of exceptions is unlikely to be feasible and is definitely not fast.

THREE

There is debate about whether organizations should fix a broken process before automating or first automate it and then improve it. The answer will depend on the details. If a process is inefficient due to poor IT support, and can easily be automated, that is probably the only thing required. If on the other hand the process is suboptimal in the sense that it generates poor outcomes, it is probably better to reengineer it in parallel with the automation initiative.

FOUR

With the exhaustive data that an advanced process intelligence solution generates, not only can you prioritize which process, sub-process, and tasks have the highest ROI, you can also define the inclusion and exclusion criteria for the automation. Many automations fail, even for simple processes, because the automation attempts to cover every scenario. Most processes have a long tail or a broad distribution of outliers and exceptions that are not worthwhile to automate. This ability to optimally scope an automation both in terms of which steps as well as for which cases/variations/types of transactions is a unique and game changing value proposition for process intelligence.

FIVE

When it comes to automation it is important not to dive into the deep end, without prior experience. Organizations that tackle the most complex process automations first, without adequate experience and technological know-how, set themselves up for failure. There are many factors to consider when prioritizing opportunities and organizational automation maturity is one of the top ones. Early on it is often better to prioritize simple, low hanging fruit, that do not require a lot of scripting and that are also easy from a change management perspective. This often translates to laborious, time-consuming,



high-volume tasks that are governed by simple rules.

For example, a process with two long forms involving a high degree of duplicated fields has almost no business logic. And a new form on top of the two legacy ones can save an operator a significant amount of time by removing the need to enter the same information twice.

On the other end of the spectrum, many processes have cognitively complex steps that could take a human months to learn and that would require state of the art AI models to succeed. Thus, tackling the simpler automations first, and building up to more complex endeavors, is key to a successful automation program. So be sure to allow time for learning and developing the analytical, managerial, and technical know-how that is required for sophisticated transformation efforts.

3 AUTOMATE

Automate only after you have identified and prioritized automation programs.

ONE

Legacy process discovery methods do not capture all the process variations and exceptions. Thus, process nuances that are integral to developing an automation often get lost.

TWO

The developer's automation is only as good as the data provided by the business analysts. If that data is full of gaps, the automation will not be as effective as it could.

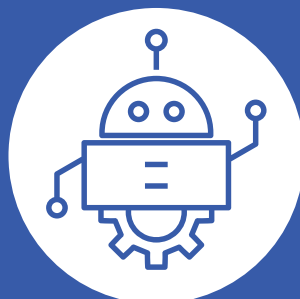
THREE

On the other hand, if developers have access to

comprehensive insights with all the process variations and exceptions mapped out, their solution design will be more robust. They will design for all the process variants that were included in the scope, as opposed to just a few variations identified during an incomplete discovery, and the automation will realize the expected benefit rate.

FOUR

Now that you have identified, prioritized, and developed your automation program – it is time to implement.



4 MEASURE

Legacy approaches lack the data for estimating and then measuring the results of an automation. These shortcomings have four major implications. On the one hand it leads to poor prioritization, as previously discussed. It also makes it difficult to identify problems with adoption and usage after the automations have been rolled out. Thirdly, without the means to quantify the difference between before and after, across different dimensions, important lessons learnt are not identified and captured. Finally, an easy and precise way to quantify the impact of each investment/automation provides more options in terms of how to build the business case, making it easier to align it to relevant strategies, and helps build the case for growing the automation budget.

PRIORITIZATION

Just as important as it is to understand the cost and complexity of an automation for correct prioritization, so is the accurate estimation of the benefits.

ADOPTION

Adoption is rarely 100% so seeing in real-time which users are using the newly implemented automations, to what extent, and how effectively is a great support for change management. This post-implementation intelligence also shows if there is additional training need, e.g., for efficient switching between legacy and new user interfaces.

CONTINUOUS IMPROVEMENT

You cannot automate what you do not understand, but you also cannot continuously improve without understanding what worked well and what did not with each improvement cycle. Organizations who approach automation as a one-time effort, rather than an ongoing journey

will fail to realize the long-term benefits of continuous improvement.

QUANTIFYING BENEFIT REALIZATION

We often think of automation as an opportunity to reduce variable costs in a process but additional steps that improve quality, value, and overall customer experience can be an equally large part of the business case. Even if cost reduction is the main driver, experienced transformation leaders will rightly avoid layoffs when the efficiencies have been achieved. As a result, quantifying the benefit realization rate is often difficult without a comprehensive way to compare the before and after.

With manual process discovery, after an automation is completed, an organization may do a time and motion study to determine the overall results, such as time and cost savings. Typically, organizations do not go back and follow-up on that initial automation program to see if they are still experiencing the same results 6 months, to a year, or even further down the line. They simply



close the chapter and move on to the next set of priorities. Over time, new process gaps or variants could arise, and it is important to address these as they pop up to ensure the initial automation continues to create value long-term.

The gaps at each step of the automation journey significantly delay time to value and hinder the overall success of the automation. Luckily, there is an alternative approach to these legacy methods

“ One U.S. health insurer, after adopting IPA across its enterprise, found it could process claims six times faster. An agricultural and food company improved its productivity by 75% with a quadrupled return on investment. And a leading global consumer credit- and debit-card services provider saved more than \$160 million by automating its accounts payable, accounts receivable, and purchase order workflows.
- **Harvard Business Review** ”



Process intelligence technology is the missing ingredient that can help you overcome these obstacles and become an automation hero.

Here's how process intelligence helps you succeed at each step of the automation journey:



1. IDENTIFY

Observes digital actions as they are performed and captures detailed process insights.

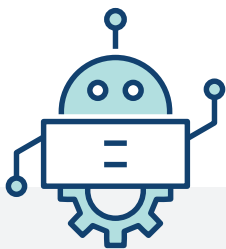
This will help you understand exactly how your organization operates and will enable you to identify automation opportunities at scale.



2. PRIORITIZE

Provides decision support for prioritization and scoping of automation programs by ranking complex automation programs versus the low hanging fruit.

This will allow you to start off with simpler automations first and gradually build up to more complex automations, while focusing on what will bring you the most value.



3. AUTOMATE

Gives you a head start for automation development and deployment by automatically generating PDDs and automation scripts that feed directly into an automation tool.

By eliminating the need for manual script creation, which is time consuming and costly, this enables you to implement automations faster, and decreases your time to value.



4. MEASURE

Quantifies benefits before and after deploying the automation, and continuously measures results so you can achieve continuous improvement.

Digital work is now a massive cost for companies and understanding the connection between how work is performed, and the outcomes produced is essential for continuous improvement. Process intelligence approaches automation as it should be – an ongoing journey, not a one time endeavor.

Curious to learn more about how Skan's process intelligence platform can help you become an automation hero?

Skan's ability to compile insights from your organization's people, processes, and technologies is unprecedented in the process intelligence sector.



Let's set up a call to discuss your organization's goals and explore whether Skan is a good fit.

Email us at: ryan.burg@skan.ai



Not ready to chat, but interested in learning more about Skan?

We've got you covered.

Read these analyst reports to learn more about what sets process intelligence apart from legacy methods of process discovery.



IDC



HFS

LPL Financial Relies on Skan for Factual, Outcome Driven, Process

A transformation program that is informed out of evidence generated by data, automatically leap-frogs other approaches, as it ensures adoption and realization of business value. At LPL, we want our programs to generate measurable impact to our internal and external stakeholders, who are the employees and advisors our technology and systems support. Skan is helping us achieve that outcome by quickly discovering our users' interaction with our processes and systems and giving us the source of truth.

- **Deepika Chopra, LPL Senior Vice President of Business Reinvention**