A Tour of Robotistan
Outsourcing's Cheapest Destination
The Panelists

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Agenda

• Definition of Robotic Automation (RA)
• Business processes best suited to RA
• How RA enables business process analysts to do software development
• RA demo
• Enterprise end-user case study: Telefónica
• BPO services provider case study: GenFour
• How RA can help BPO providers win new business and improve retention
• How RA shifts BPO providers’ focus from labor arbitrage to innovation
• Audience Q & A
We’re not talking about these kinds of robots...
Or even this kind, but rather...
Robotic Automation (RA)

• Inexpensive, tireless, reliable software agents running on virtual machine or hosted environments as an alternative to traditional IT-based development of custom applications or modifications to existing enterprise applications OR the use of offshore labor to manually perform the same functions

• Developed by business process analysts and modelers residing in the business unit, not software engineers in IT, using a sophisticated development environment and toolkit

• The resulting software “robots” cost less than $15K/year, yet do the work of an $80K onshore FTE or $30K offshore FTE


The Economist
Business processes best suited to RA

- Highly rules-driven
- Important and urgent for the business unit to address, but not an IT development priority
- Problematic to send offshore, e.g., for compliance or political reasons

- Based on a process that accesses multiple systems
- Easily decomposed into a logical flow
- Limited need for human analysis, judgment, perception, interpretation
- Limited need for exception handling
- Known costs of doing the same work manually
- High transaction volumes (in most cases)
How RA enables business process analysts to do software development

• Build application model
  - Map onscreen input and output elements

• Populate model with flowchart of business objects
  - Create triggers for action: retrieve / update / validate data, handle exceptions

• Map business objects to external data sources to create finished “robot”
  - Create connections with web services, databases, messaging, workflow systems

• Control execution of the robot
  - Run as a Web service, scheduled task in a VM, or sub-process of enterprise app (BPM, workflow, or messaging system)

• Run the robot in a test environment
  - Optimize for speed and proper exception handling

• Run the robot live
  - Continue to analyze, optimize under real-world conditions
  - e.g., VM processing load, variable network latency
Demonstration of Blue Prism environment / tools
When does Telefónica UK choose to use Robotic Automation?

• SIM swaps: customer experience
  - Turnaround cut from 24 hours to one hour
  - Pre-activated SIMs now sent to customers
  - Total headcount reduced by 14 FTE

• Recent smartphone launch: speed to market
  - 8 weeks from announcement to going live
  - Very resource-heavy due to multiple systems being used
  - Short time span between order placement and delivery window

• Moving across to 4G: high volumes / short time period
  - Short timescales to launch
  - Unknown volumes but expected to peak early on
  - No SOA capability for 50% of existing process
Virtual Back Office services provider: GenFour

Outsourcing • Smart Governance • Disruptive Technologies

Delivering the Virtual Back Office (VBO)

Outcomes

Deliverables

Implement

Offerings
- Strategic rationale
- Project Mgt
- Process Analysis & Mapping
- Robot process development

Benefits
- Speed to value
- Certainty of outcome
- Avoid mistakes

Maintain & Enhance

Offerings
- Fix on Fail support
- Process monitoring and analysis
- Process Enhancements

Benefits
- Stable and effective operation
- Continuous improvement
- Expertise on demand

Operate

Offerings
- Virtual Desktop
- Server and Database mgt
- Managed IT service
- Business Contingency
- Security audit
- Application connectivity

Benefits
- Speed to set-up
- Stable IT platform
- Manage costs effectively

Utilise

Offerings
- Robots on demand
- “Cloud” based delivery platform
- Process monitoring and alerting

Benefits
- Usage based charging
- Reduced investment
- Rapid deployment

Consulting

BPO

Re-use

Offerings
- Ready, trained robots
- Pre-built process solutions
- Scalable, flexible operational solutions

Benefits
- Output based charging e.g. by transaction
- Plug in and go
- Minimal investment

Consulting BPO

Deliverables
VBO services provider case studies: GenFour

UK Roadside Assistance Co.

- Implement, maintain and enhance solution
- Target processes: 12 back-office processes
  - 4 existing processes; 8 future processes in new customer management system
- Planned development time: 10 months
  - First process live 2 months after programme inception
  - Second process live 4 weeks later
  - VM environment live after 3 months
- Business case: 2 human FTEs required for first process
  - 1 Virtual Machine does the same work
  - Process accuracy increased from 50% to 80% (straight through with no errors)

UK BPO Market Leader

- Multi-client reusable process solution
- Target process: application, vetting, and approval for insurance benefit
- Total development time: 5 months
  - 4 months training, 3 weeks process modeling and development, 2 weeks QA
  - New processes now take 2 months on average to automate
- Initial objective: find a simple, easily-automated process with clear cost advantages over human labor
- Business case: human FTEs need 12 minutes to complete the process
  - Robots do it in 4, including 45 secs idle time
  - Net: 300% increase in transaction volume at 10% of FTE cost, ROI in 6 months
How RA can help BPO providers win new business and improve retention

• Deliver innovative services that mix human and robotic FTEs

• Make BPO contracts stickier
  - Keep any robots you have developed
  - Client taking back its human FTEs without robots becomes much costlier

• Reuse those highly modular robot components
  - Resell your work to other clients with similar platforms, processes

• Address buyer compliance and security risk concerns more effectively
  - Use extensive auditing and recording features of robots

• Exploit potential for capacity scaling
  - Use robots to manage groups of robots
How RA shifts BPO providers’ focus from labor arbitrage to innovation

• Help clients optimize mix of human FTEs (onshore & offshore) and robots
• Provide strategy consulting, business process analysis and modeling, implementation and support services
• Take knowledge capital developed for one customer, resell it to others
  - Accrete libraries of reusable process components
  - Build entire practices built around RA for specific back-office platforms, horizontal applications, vertical industries
• Package RA with related services
  - Cloud services to host robots, RA development and support, managed exit services from offshore providers
• Use RA to optimize use of expensive human FTEs
  - Reduce churn by giving dull work to robots, more rewarding work to humans
• Quit the labor arbitrage “race to the bottom” now
  - No country undercuts the pricing of Robotistan!
Audience Q&A

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