

ROBOTIC PROCESS AUTOMATION (RPA)

“Accounting for the Impact”



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Agenda

- Introductions
- Objectives of the Session
 - Define Robotic Process Automation (RPA)
 - Identify the Key RPA Software Providers
 - Demonstrate RPA in Action
 - Share RPA Insights – Current State & Predictions
 - Summarize the Opportunity Areas & Value Drivers of RPA
 - Understand the Criteria for Scoping & Prioritization of RPA Opportunities
 - Provide an Example of Process Mining & Discovery Tool
 - Understand the Risks of RPA
 - Share How RPA Can be Utilized for Internal Control
 - Consider the Impact of RPA to the Accounting Profession



Today's Presenters



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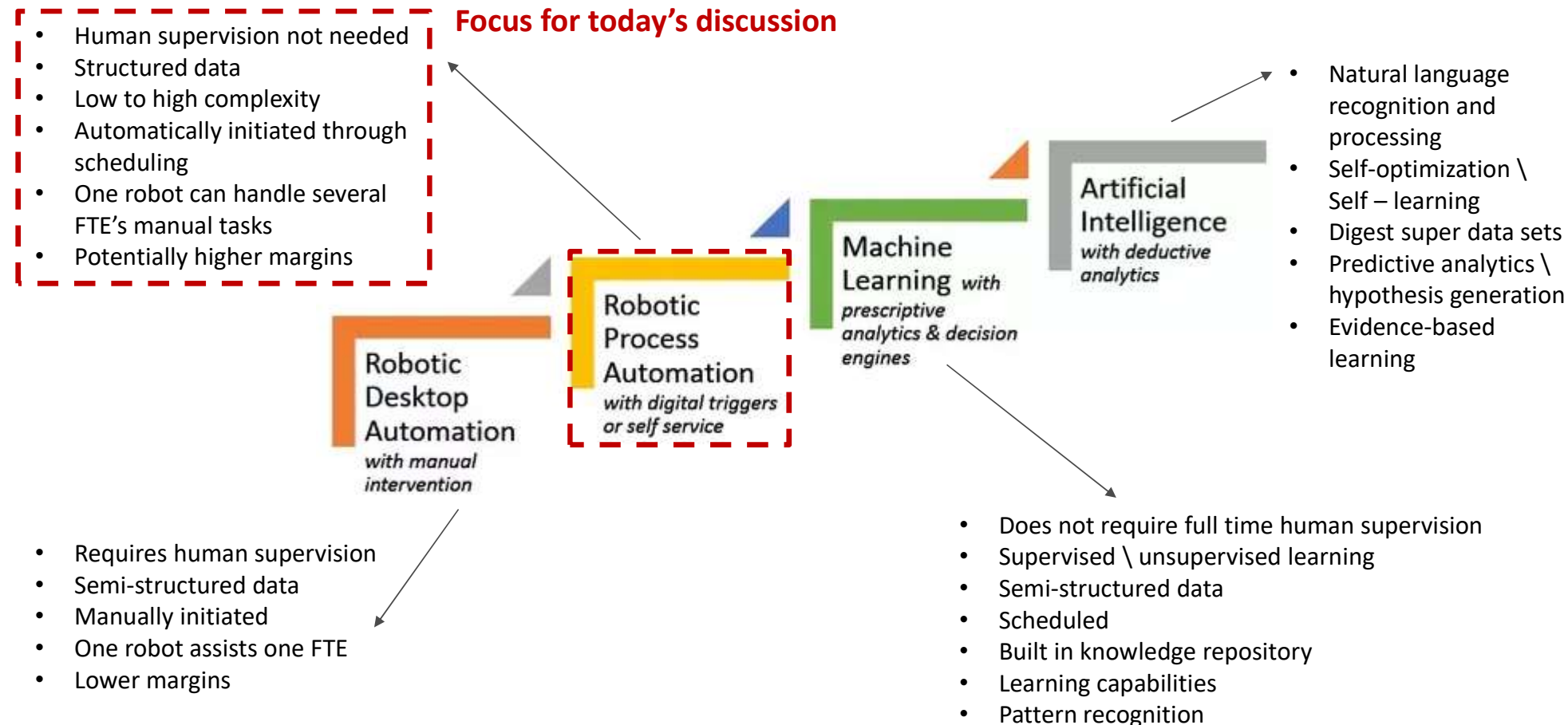
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What is RPA?

- RPA is not a **physical “robot”** but a **configurable software**, that **sits on top of a company’s existing IT infrastructure**, pulling data, performing algorithms, and creating reports.
- The “robot” is configured to complete the same process steps, follow the **business rules**, and **use the same systems that a human does** today.
- RPA makes the most significant impact on **manual work processes**, that are **repetitive and recurring**, and often have **high human error rates**.
- A single “robot” can be configured to performed a variety of processes enabling **multi-use** robots, and **variability as your business needs change**.
- The initial implementation of RPA can happen in weeks and typically delivers an **ROI of greater than 5:1**, often recouping the investment in the first year.

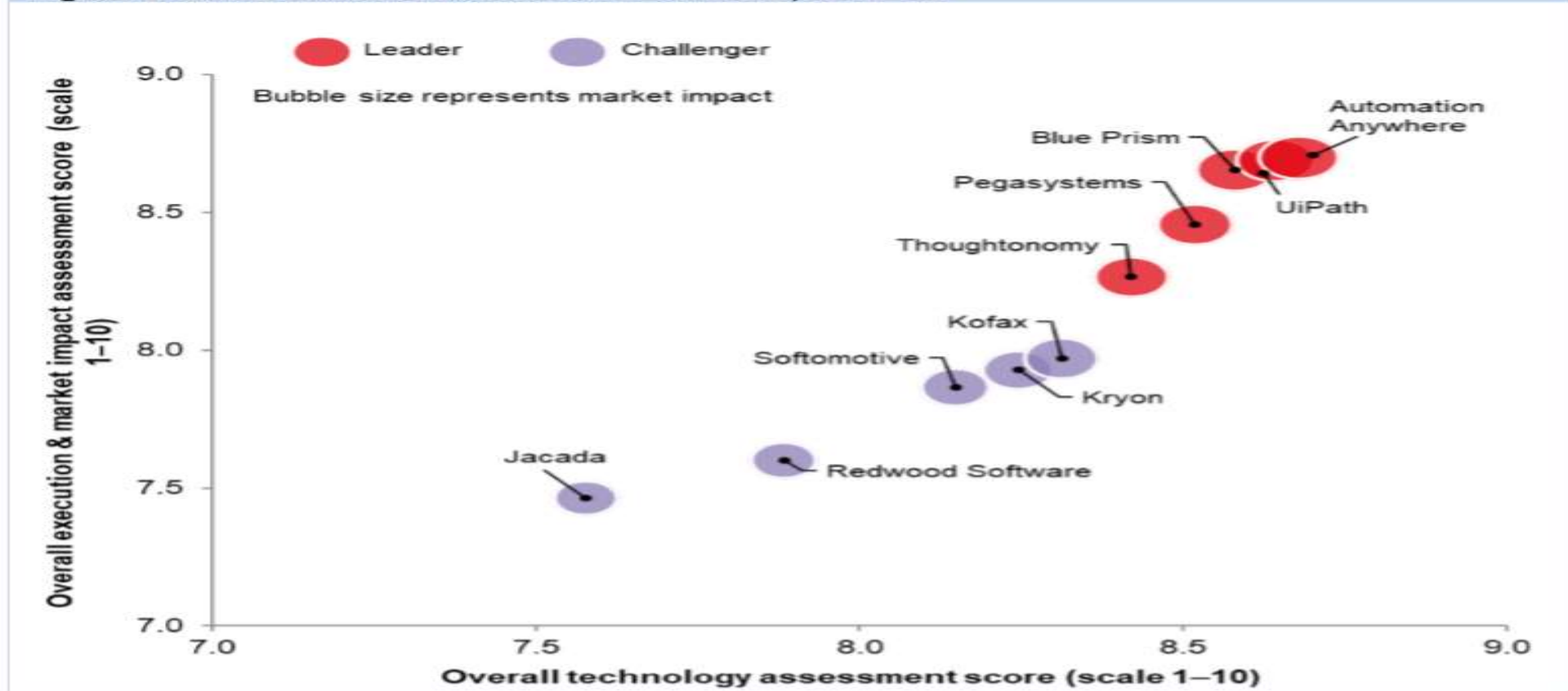


Levels of Process Automation



RPA Software Solution Providers

Figure 2: Ovum Decision Matrix: RPA Platforms, 2018–19

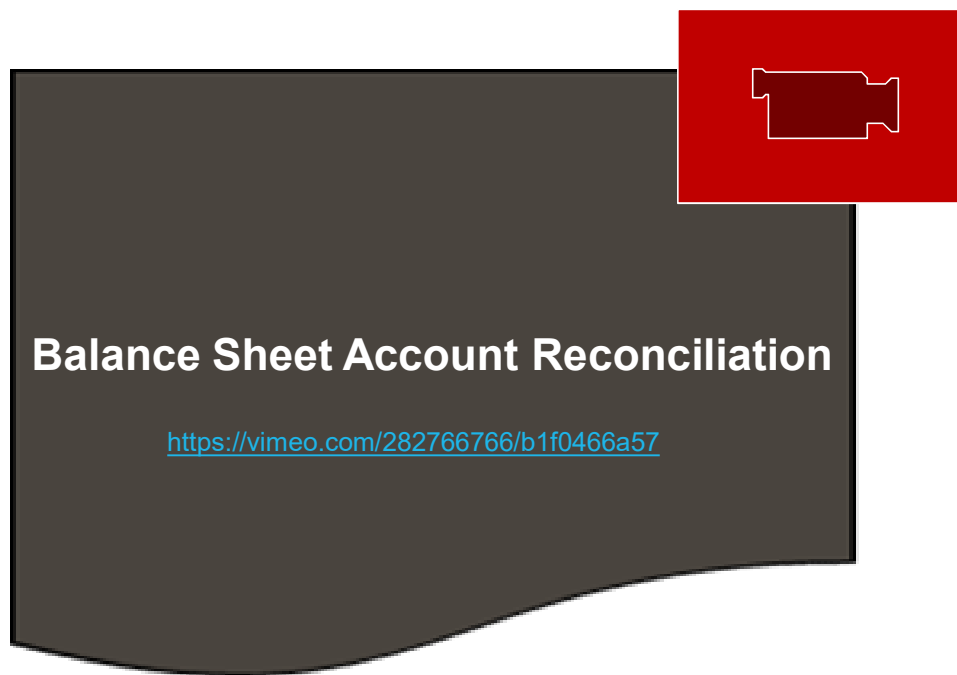


Source: Ovum (competitive positioning valid as of September 30, 2018)

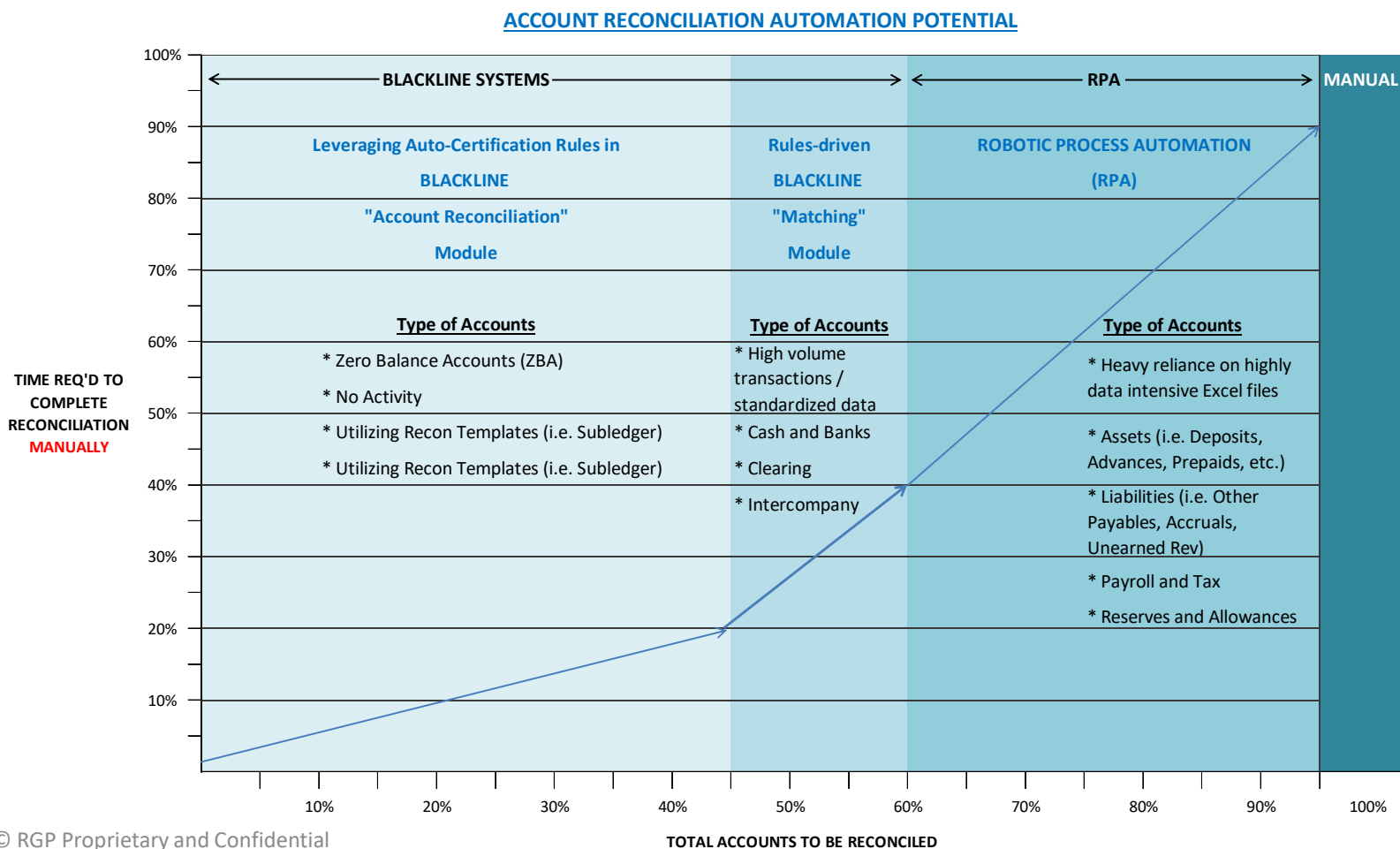
RPA Software Pros / Cons (2018 HFS Research Ltd.)

Pros	Cons
<p><u>Blue Prism:</u></p> <ul style="list-style-type: none">• Technical maturity• Market credibility• Ease of deployment• Partner network• Security and compliance <p><u>UI Path</u></p> <ul style="list-style-type: none">• Ease of doing business• Simple and stable• High flexibility• Rich features• Strong training• Funding and investment <p><u>Automation Anywhere:</u></p> <ul style="list-style-type: none">• Speed to market• User-friendly• Bot store• Scalability• Credibility	<p><u>Blue Prism:</u></p> <ul style="list-style-type: none">• End-user visibility and support• Lack of product innovation• Lacking features <p><u>UI Path:</u></p> <ul style="list-style-type: none">• Product support• Functionality• Limited security features• Nascent AI capabilities• Add-on pricing <p><u>Automation Anywhere:</u></p> <ul style="list-style-type: none">• IT-skills required• Desired functionality• Complex pricing and support• Environment stability

RPA in Action



Blackline & RPA



A graphic of a grey winding road with white dashed lines. Two black location pins are placed on the road. The first pin, on the left, contains a white square with the number '1'. The second pin, on the right, contains a white square with the number '2'.

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1. Current State

- The automation journey is prevalent across all industries and functions
- A classic candidate for RPA would be one where three characteristics are present:
 - The tasks or actions are consistent, with the same steps being performed repeatedly
 - The process is template driven, with data being entered into specific fields in a repetitive manner
 - The process is rules-based, to allow decision flows to alter dynamically

2. Predictions (2019 – 2020)

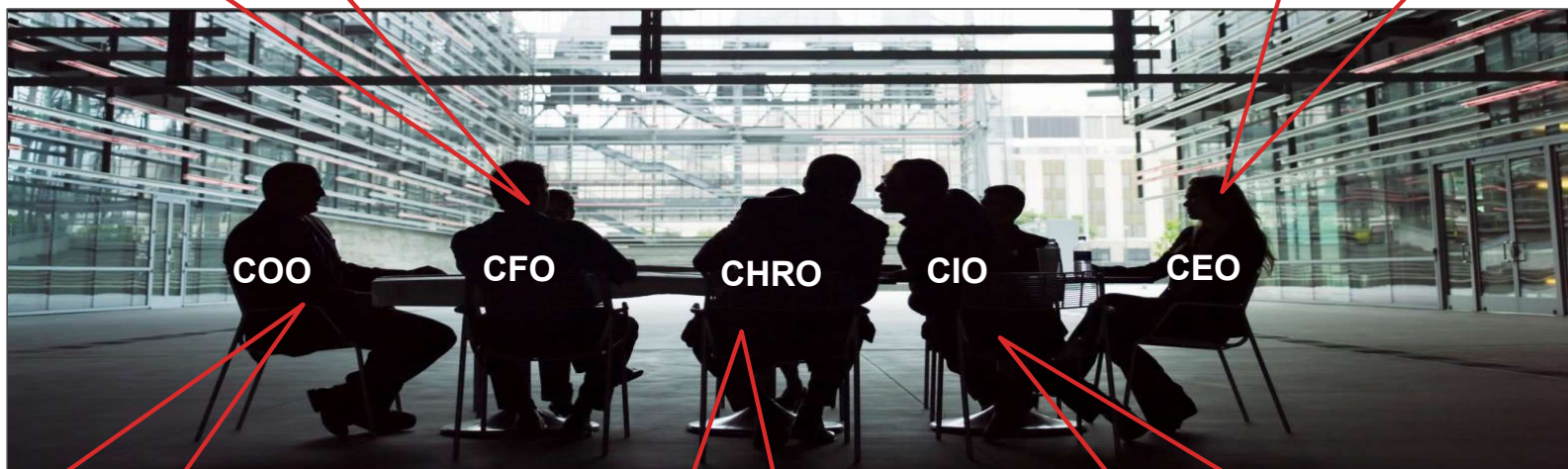
- In 2019, digital workers (bots) will replace/ augment 311,000 office and administrative positions and 260,000 sales and related positions
- By 2020, automation and artificial intelligence will reduce employee requirements in business shared-service centers by 65%
- 110 -140 million FTEs could be replaced by automation tools and software by 2020
- During the next three years, more than 50% of service automation projects will be abandoned or will fail to deliver anticipated benefits

The RPA Stakeholders

"Reduce operating costs and processing costs while increasing security"

CXOs: "We Need to..."

"Deliver value by increasing margins, reducing costs and operating more competitively"



"Increase productivity / deliver better services faster"

"Hire, train and deploy workforce that is agile and flexes to business needs"

"Provision a compliant, scalable, resilient and flexible digital workforce to the operation"

Potential Hard & Soft Value Opportunities from RPA



Reduced Costs



Improved Quality



Increased Security



Improved Compliance & Reporting



Upgraded Analytics



Increased Employee Satisfaction



Improved Operational Control

Who are the Potential Users of RPA?



Sales/Services

Order to Cash, Account Setup, 24/7 Customer Service Support, Customer Complaint Tracking



Procurement

Vendor Setup, Requisition to Purchase Order, Invoice Processing



Finance, Risk & Audit

Accounts Payable, Accounts Receivable, Payments Processing, Risk Management, Audit Sampling



Tax

Sales and Use Reconciliation, Tax Master Data, Monitor / Renewal Processing



HR

On-boarding / Off-boarding, Payroll, Resume Screening / Matching



IT

Account Setup and Maintenance, Internet Checks & Processing, Database Checks & Clean-up

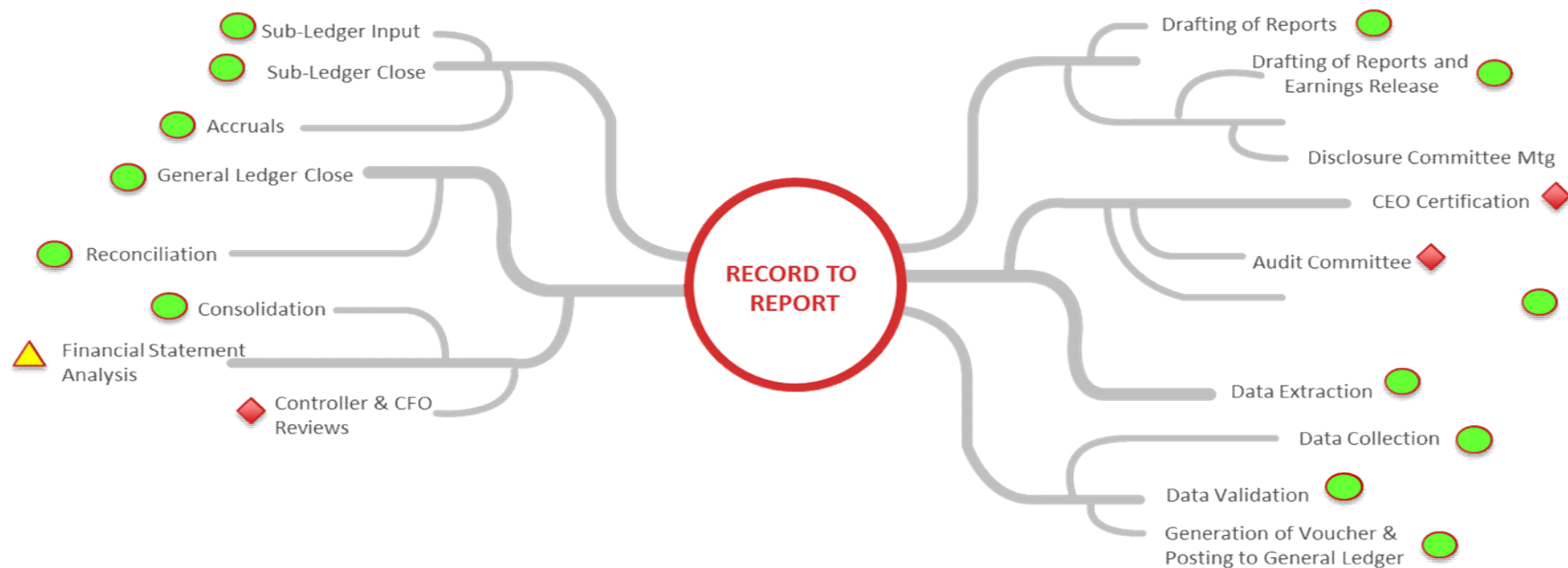
Some Recent Client Engagements

We are helping clients deploy RPA in a variety of ways, including:

- Optimizing automation of the reconciliation process
- Utilizing data mining to enhance the RPA experience
- Implementing a governance framework to manage risk
- Leveraging change management to maximize ROI



Process Candidates for RPA?

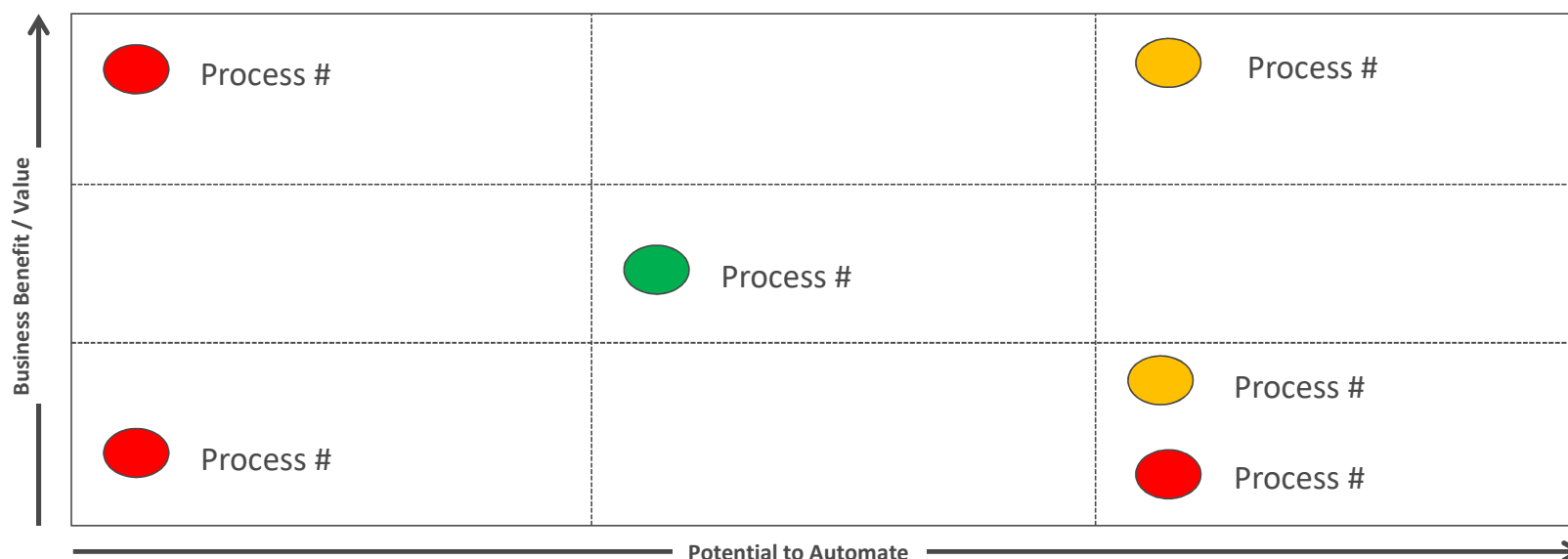


Automation Chances	Symbol
No Automation	Red Diamond
Low Chance of Automation	Yellow Triangle
High Chance of Automation	Green Circle
Use of Artificial Intelligence	Red X




Process Mining & Discovery



Three Dimensional Opportunity Assessment



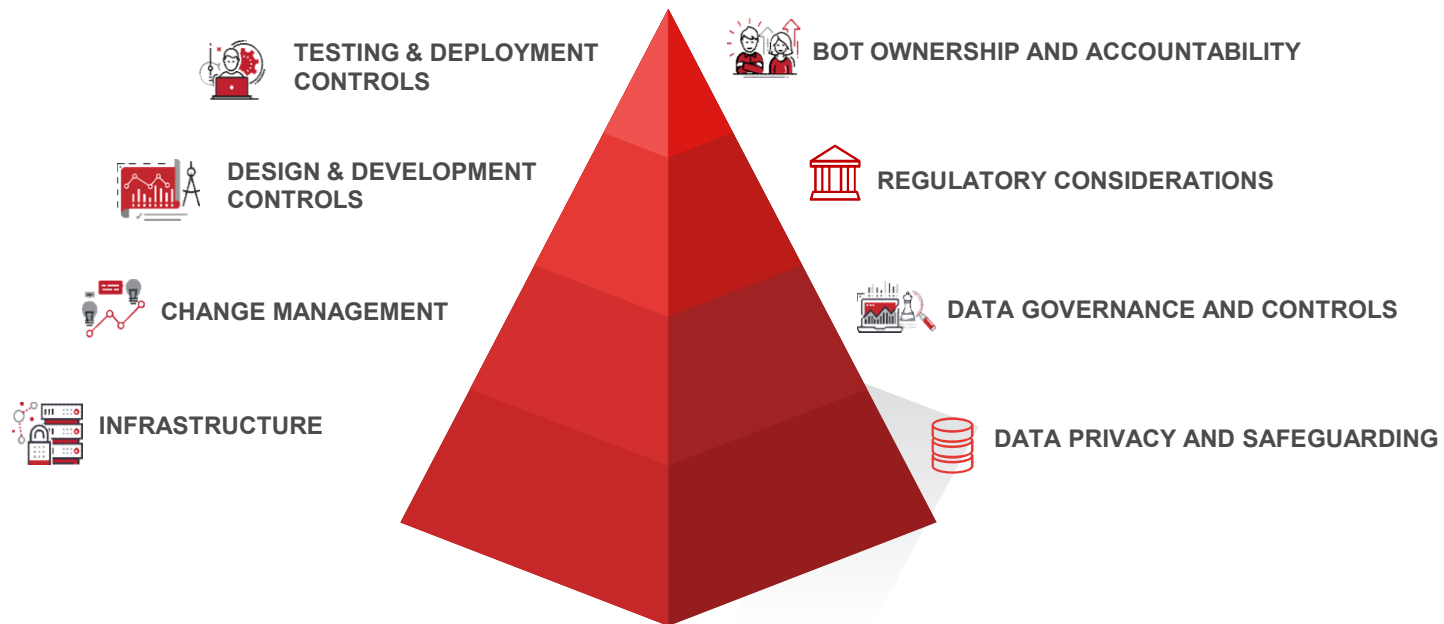
KEY:

-  Green indicates those processes that have **low risk** associated with moving them into an automated state.
-  Amber indicates those processes that have **some risk** associated with moving them into an automated state.
-  Red indicates those processes that have **high risk** associated with moving them into an automated state.

RPA Governance, Risk & Compliance Focus

We can't just ask, "How can we utilize RPA?"

We must also ask, "How does RPA impact our risk profile?"



How Can RPA Be Applied to Internal Control?

RPA can be applied where there is a high volume of routine, labor intensive and mundane activities performed on a day to day basis by the 3 lines of defense:

- Operate a control based on a predefined frequency, acting as a Control Operator, and evaluate a control's operating effectiveness by performing periodic control self-evaluations, acting as a Control Owner **(1st line of defense)**.
- Evaluate a control's operating effectiveness by performing periodic management testing of control effectiveness, acting as an Internal Control Tester **(2nd line of defense)**.
- Evaluate a control's operating effectiveness by performing periodic independent testing of control effectiveness, acting as an Internal Audit Tester **(3rd line of defense)**.



What Are the Impacts to the Accounting Profession?

- Need to understand the technology
- Promote importance of RPA governance
- Opportunity to eliminate boring tasks
- Potential to increase audit efficiency
- Free up capacity to think
- Enhance ability to add valuable insight
- Need to develop new teaching approaches
- Potential changes to hiring practices



Questions & Answers

