



A GUIDE TO RPA AS A COST EFFICIENCY APPROACH



RIGHT-SHORING VS. OFFSHORING

In April 2021, Conectys VP of HR and Communications Christina Mihai appeared on the Talkpush Recruitment Hackers podcast with an episode entitled “How Conectys kept the office fun during lockdown.” We did, and we’re proud of that -- see also our post on cultivating joy in the global workplace -- but Christina made a bigger point about where Business Process Outsourcing (BPO) is headed during this podcast appearance. In talking about “right-shoring,” she noted:

“In the last few years, clients have been shopping for right-shoring. This is not offshoring like it was like 20 years ago, but right-shoring to strike the balance between the lowest cost. In a BPO, typically 80% of the cost is human cost — or has been human cost, until lately. Now, technology is kicking in and that’s changing a bit, but yeah. So you have to strike the balance between the lowest cost you can find, language talent, and the right quality.”

We know that we need to service the needs of the end users. And that means that some people want really, really high quality -- not just, you know, low cost.

So if you are the BPO partner of high-end luxury brands it doesn’t matter so much if you cut the cost by 10-20%, you have to maintain the quality so that the end user of our client company feels that they’re getting the value of customer service.”

We love Christina at Conectys, and this is an amazing point she made on this podcast. For years -- for generations, really -- BPO was a cost play for many companies. One of the core terms around BPO was “cost arbitrage,” in fact, which allowed BPO to grow as a concept globally.

Over the last five-10 years, though, things have changed dramatically. Buyers want more from their vendors. Technology is everywhere, and sometimes it’s hard to vet. Is this new shiny thing good or fast or will it work properly for my end users? While a buyer needs to be aware of cost, cost-only evaluations can be a race to the bottom. Where’s the quality in the end product and consultation, services, proprietary elements, reach, scale, involvement of tech, etc.?

It’s a much bigger picture in BPO these days. And into that bigger picture in the last five years, you’ve increasingly seen Robotic Process Automation (RPA) enter, and companies that develop those solutions get investor windfalls. It’s become a big chunk of business globally, but definitely within BPO.

So what exactly is RPA, and how can you think about it around cost?

QUICKLY: DEFINING RPA

RPA is the technology that allows anyone today to configure computer software, or a “robot” to emulate and integrate the actions of a human interacting within digital systems to execute a business process, such as elements of customer experience. RPA robots utilize the user interface to capture data and manipulate applications just like humans do. They interpret, trigger responses and communicate with other systems in order to perform on a vast variety of repetitive tasks. Only substantially better: an RPA

software robot never sleeps and makes zero mistakes.

As a result of said definition, these are the processes that RPA typically hands best:

Highly-manual and repetitive processes: Think about high-transaction volume or processes that occur daily. Accounts receivable and invoicing fall here, often.

Prone to human error: What are some of your processes most prone to human error, that then causes additional work for others? Some HR functionality typically applies here.

Rule-based processes: Think of processes that follow a specific set of “if-then” type rules, and can easily be turned into a template. When decision-making is based on a series of standardized rules, that process makes sense as an automation contender.

Low exception rate: These would be processes with a low number of various scenarios. Exceptions create complexity, and a project can often be completed by partially excluding exceptions with low volumes.

Standard readable electronic input type: Excel, Word, XML, ERP, CRM, readable PDFs. There is now RPA work being done with unreadable types, including OCR -- but that does require an assessment of what’s necessary to make it readable.

High volumes: high-transaction volume and high frequency.

Mature and stable processes: Think of well-documented processes with known operational costs. Again, billing often falls into this bucket. Vendor selection RFP could as well.

HOW TO THINK ABOUT RPA AND COST

This is a little bit tricky, and it will vary based on your industry and organizational culture.

In general, at a 35,000-foot level, it is recommended that you only automate processes that would yield savings. Cost containment is a major factor in RPA selection. It’s not necessarily about reducing jobs, though, as much as letting human beings work on valuable, critical tasks and not waste time on repetitive processes.

Most of the clients we work with on RPA do want to see some type of cost savings or cost containment. However, that’s not usually their primary factor for buying into a RPA program with us (or anyone).

When they buy, what they’re concerned about is:

- How good is this vendor’s tech?
- How much does the vendor know about RPA?
- Can the vendor guide me on how to maximize RPA for what I need?
- Is the vendor solving my specific problems with technology, or making it worse?
- Will my end users feel satisfied and protected dealing with bots as opposed to

humans?

- Where is the human and technology intersection? Who handles what?
- Can the vendor consult me on new areas where RPA could work, as well as human scheduling?
- Can the vendor understand chatbots broadly, and other digital services?

Typically those types of questions need to be addressed either before we reach the cost containment stage, or in concert with discussing the cost containment stage.

There's a second tier to this as well when we're discussing cost. Even if it's not your organizational strategy, whenever you bring in bots or automated process tools, it's possible that your employees will get scared and think "These tools are coming to replace our jobs." Our brains are very attuned to fears -- we used to have to worry about lions on the savannah a lot -- and automation is a big fear because jobs represent income and human connection (pre-COVID, at least) and relevance. If you bring in RPA as a tool and it instantly sinks morale with your human employees, that's a net loss for your organization. So as organizations consider RPA for the reasons above and for cost reasons, they also need a robust, detailed communications plan. Such as:

- How do we communicate our intentions around RPA?
- How transparent do we make our strategy around RPA?
- Do we train front-line managers to have discussions if employees come to them worried about their job?
- How do we showcase and convey the human-tech interaction that we want?

Again, if you scroll up, there are a series of processes where RPA works best. If you try to assign complicated interactions to RPA right now, you will generally fail. The tech is good, but it's not there yet. A human calling in with a complex customer, multi-faceted customer need? RPA cannot handle that right now.

So you need a human-and-tech mix. Conectys has been banging that particular drum with clients for over a decade now. Tech is great, and shiny, and flashy, and efficient, and cost-savings often follow.

But a company that only focuses on tech is "A Borg." The downside of "A Borg?" We know the best technology is most effective when paired with great, proven processes and dedicated, thoughtful people at the helm. Your customers don't want to speak to a software platform and they certainly don't want to be tricked into thinking they're talking to a real person! Technology alone can't solve all your problems. And in fact, a lot of technology for call center needs lacks cultural nuance (i.e. moderation, but some customer support as well), and you end up paying more to fix problems that tech exacerbated.

BACK TO COST: HOW MUCH COULD RPA SAVE ME?

Hard to determine specifically as it varies by many factors -- and, as noted above, it shouldn't be your primary reason for getting into RPA vendors anyway.

In some industries, though, there are reports of 25-60% cost savings, often around labor.

A bigger savings might be in time, which translates to money in its own right. A customer return might be reduced from 15 minutes to 3-5 minutes, or a product swap from 10 minutes to 2 minutes. In financial services, we've seen loan applications go from 35 minutes to 5-10 minutes, and calls about loan questions reduce by 200% or more.

In 2019, Gartner came out and said that RPA would probably save the financial industry 25,000 hours of avoidable work annually.

One healthcare tech company saved 423,500 man hours with RPA.

So, the savings and efficiencies are absolutely there. It's not the entire picture you need to consider around vendors, no. But the money and time will be saved.

HOW DOES CONECTYS PLAY INTO ALL THIS?

We have helped clients automate processes for years at this point, but in 2020 we doubled down more, hiring our first Head of Digital Services and beginning to build out an RPA-focused team of analysts and developers. Especially after COVID started, we began hearing from clients that they wanted to do more with RPA, and it was increasingly becoming more than just a buzzword for them. We are insanely client-focused, so we invested in our RPA future as a result. Right now, we're working with several industry sectors on RPA and best process selection -- and we'd love to help you out as well. We have the background, the team, the process knowledge, and the data to help you delight customers and save money. Let us know how we can help!

Our biggest internal concept when we approach RPA is that we don't like to "square peg, round hole" anything. We want to talk with you about specific problems you have. What is happening in your business? How might RPA help? What are your reasons for considering RPA? We'll show you examples of other work, timelines, implementations, roll-outs, and our back-end (which is handled by Google). We want to help you make the smartest, most strategic decision possible for your business -- and find a partner/vendor who will consult, not just code bots for you.

If interested, reach out!



Contact us at sales@conectys.com

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