

Realizing the
strategic benefits
of automation –
What does it take?



Traditionally, enterprises release Request for Proposals (RFPs) to define the scope of work for system integration and managed services. The eventual goal is to reduce the total cost of ownership (TCO) and drive better business outcomes.

Today, a new trend is emerging in RFPs—the inclusion of a section for "Automation, Artificial intelligence (AI) and Innovation" – related to infrastructure, applications or business processes. While this marks a significant progress towards adopting an automation and AI mind set, it's important to remember that a large portion of these outsourced programs fail from an automation perspective.

According to Ernst & Young, 30-50% of initial Robotic Process Automation (RPA) implementations fail. The reasons for failure include:

1. **Lack of focus:** Automation is only a small component of the overall scope, making it easy to lose focus amidst the larger scope of work. It is usually IT-led and tends to be viewed as a one-off project rather than an integral strategy for taking the business forward. This results in automation being approached in an ad-hoc manner.
2. **Siloed automation:** At a macro level, an enterprise's varied operations range from IT to business processes and shared services—all of which offer significant potential for automation. Automating small chunks of the entire operation limits the potential of superior outcomes. Such an approach also results in siloes, with multiple vendors working with their own micro view, as opposed to a macro view.

Lack of governance: Automation can bring several benefits, but to do so, the entire process will need to be monitored on an ongoing basis. Constant management and maintenance are crucial. This would require the business to review its automation strategy on an ongoing basis so that automation contributes to the overall

business rather than to individual functions. Failing to do this will almost certainly predestine the project to failure and outcomes will fall short of expectations.

3. **Lack of alignment with digital strategy:** Every company has its own strategy for digital transformation. Often, short-sighted implementation strategies that are not fully aligned with the overall digital strategy lead to poor returns or no returns at all work, how we get to work, how we play and our healthcare.

How can enterprises tackle these issues?

Realizing the true value of automation requires rigor, leadership buy-in, robust planning, strategy and governance - along with the support of a strong automation partner. Some important elements for ensuring successful automation include:

- **An all-out automation strategy:** Instead of automating small parts of their operations, it's time that enterprises make holistic automation their top priority to reap strategic benefits.
- **Comprehensive and integrated approach:**
 - Taking a "unified platform" based approach of deploying the solutions as opposed to a bunch of siloed use cases.
 - Integrating cognitive/AI-led solutions with RPA platforms to automate downstream solutions to gain exponential results.
- **Lighthouse for innovation:** An innovation council acts as a lighthouse for innovation within the organization by marrying top-down (vision) and bottoms-up (pipelines of initiatives) approaches (see Figure 1). Organizations need to create exclusive senior leadership roles focused on AI and automation - a la the Government of UAE. The country has created a specialized role (Minister of AI) whose agenda is "enhancing



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government performance by investing in the latest technologies and tools of artificial

intelligence and applying them in various sectors”.

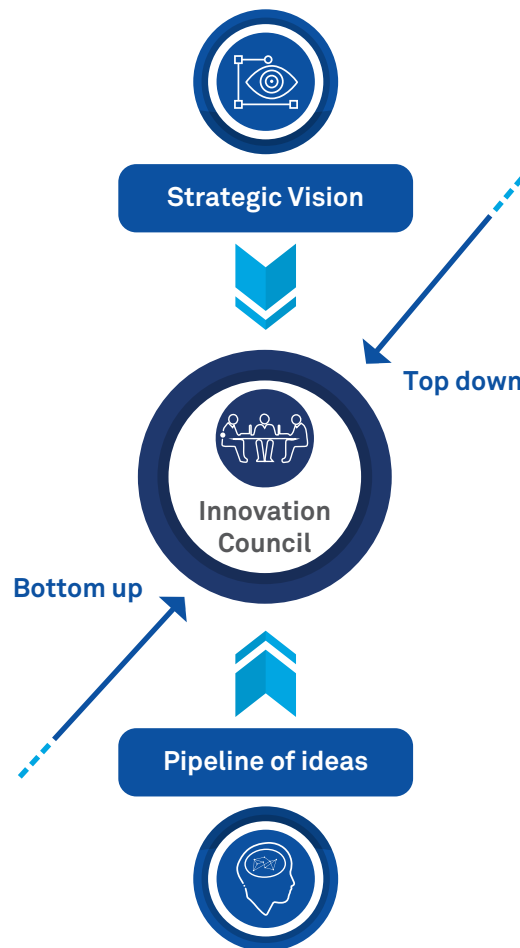


Figure 1: Innovation lighthouse

Moving from tactical to strategic benefits for competitive edge

Much like other disruptive technologies, automation and AI are making their way into

every enterprise. Automating operations is no longer a choice for enterprises. However, the

benefit of automation that enterprises are seeing today is just the tip of the iceberg. Leveraging a well-thought-out approach to aligning resources and investments underpinned by a robust roadmap can help enterprises gain strategic benefits.

Here are three ways in which automation can give you a competitive advantage:

Improve customer experience

In a study conducted by PwC, 27% consumers stated that they were not sure if their last customer service interaction was with an actual human or a chatbot. Clearly, bots are learning quickly! By handling the routine queries, automation frees up your high-level resources to function at higher levels and involve themselves with strategic functions.

Increase efficiency and savings

With more routine tasks getting automated, companies can expect to reduce the number of full-time employees. Bots also minimize the risks associated with human errors and the resulting operational risks. By leveraging existing systems, RPA bots also help optimize the company's current infrastructure.

Improve internal processes and drive compliance

Companies will be forced to define distinct governance procedures to leverage AI and RPA. This in turn will foster a stronger culture of internal reporting, on-boarding and other internal activities. Being rule-based, it will also foster stronger adherence with changes to the regulatory environment, thereby reducing the risks and costs associated with non-compliance.

About the Authors

Raj Srirangam

Business Development Associate,
AI and Automation Ecosystem,
Wipro HOLMES™, Wipro Limited

Raj has over five years of experience in various automation technologies. He helps customers across various industries transform their operations (IT and Business) through

comprehensive automation and AI solutions. In his current role, he heads the sales function for the Middle East region within the Wipro HOLMES™ and Automation Ecosystem.

● **Wipro Limited**

Doddakannelli, Sarjapur Road,
Bangalore-560 035,
India

Tel: +91 (80) 2844 0011

Fax: +91 (80) 2844 0256

wipro.com

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For more information,
please write to us at
info@wipro.com

