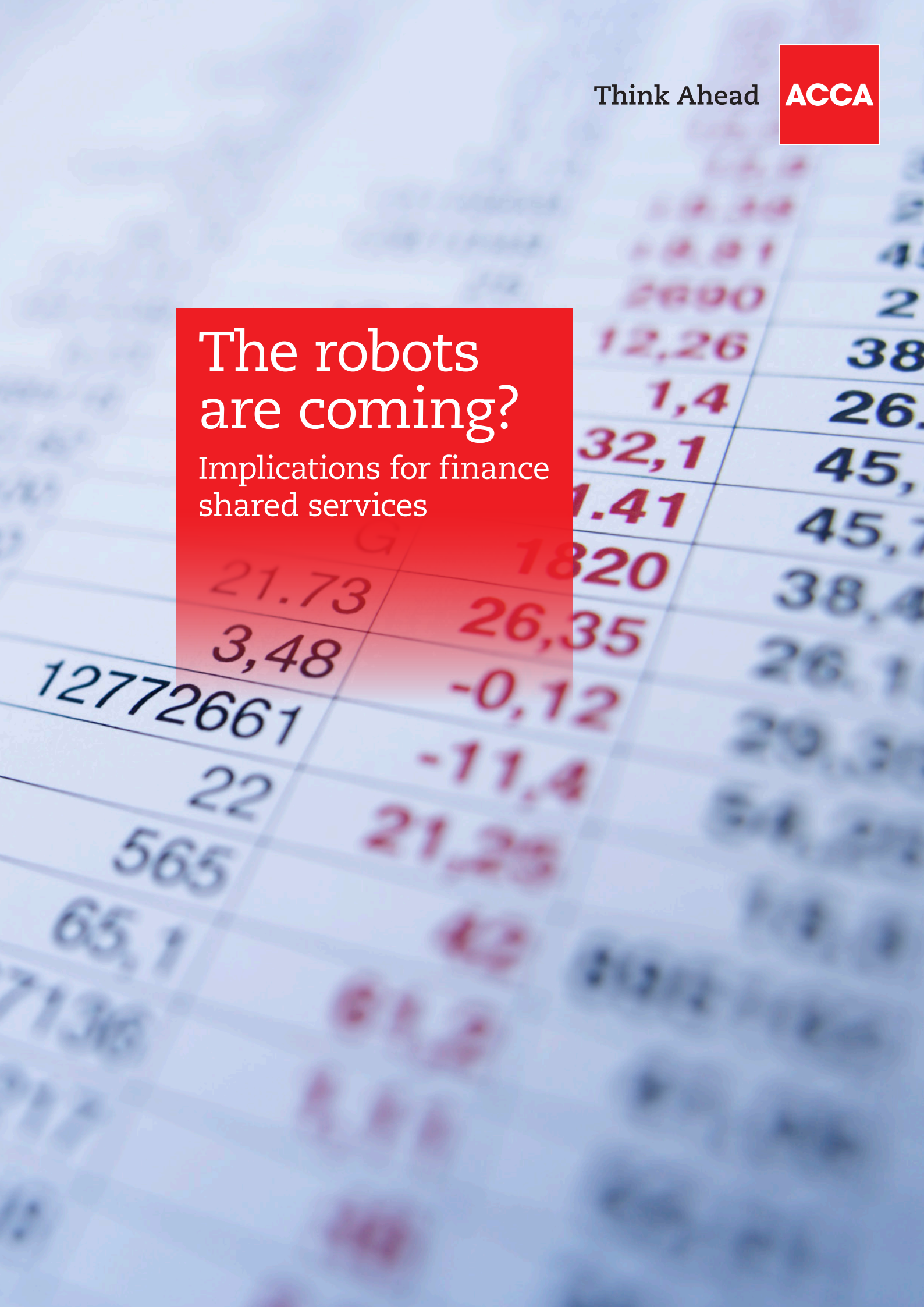
Think Ahead

ACCA

# The robots are coming?

## Implications for finance shared services



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This report draws on the expertise of ACCA's finance transformation, shared services and outsourcing advisory group, bringing together a panel of leading industry experts to provide perspectives on the future of automation and specifically the use of robotic software in the finance function.

# Introduction



Finance leaders obsess about transformation levers – people, process and technology.

Finance leaders obsess about transformation levers – people, process and technology. But today's solutions, save the requisite investment in an expensive ERP platform, have typically leaned heavily on the equation of people and process – cheaper people located offshore delivering transactions, plus added process improvement equals significant savings. The technology component has mainly been limited to communication widgets that facilitate workflow and e-invoicing.

Enter the robots. A very clever marketing tool, robots, robotics, robotics process automation, applied automation – whatever you call it – conjures up an image of a machine replicating the activities of a human doing the work. It is evocative, it's high tech, but most importantly, it's emblematic of what some see as the next step in the evolution of business process delivery – fewer people in favour of intuitive, machine-based learning technologies.

But what is a robot? Robotics is the application of flexible tools to automate manual activity for the delivery of business processes or IT services. It is most applicable to rules driven, data-intensive processes that are repetitive in nature. They can cross multiple systems, and include multiple decision points / calculations. They require an electronic input or trigger to commence working, yet the underlying technologies are still emerging, each taking a different approach.

No matter that "robots" are actually software tools run in a data centre working through a user interface that have, for the most part, been around for some time; any discussion of robots in the finance function is a proxy for the future of the finance organization, and finance careers.

This paper examines the views of the ACCA's finance transformation, shared services and outsourcing advisory group on robots.

# “Robots”: a primer



Despite the billions of dollars spent on ERP systems, finance delivery still requires a significant amount of manual labour to complete a process or a transaction.

Despite the billions of dollars spent on ERP systems, finance delivery still requires a significant amount of manual labour to complete a process or a transaction. Even though there’s been a focus on connecting systems with interfaces, layering middleware, and customization, the work remains.

As far back as the 1990s, those managing so-called back office processes were talking about screen scraping or macros to perform a number of activities, including finance. The technology was fallible. Processing wasn’t robust. Understanding of the actual workflow was sub-optimal. And because organizations didn’t embed automation into their ways of working, they usually relied on a single individual with sufficient knowledge to operate, which exposed the risk.

Moreover, these macros were often treated with deep suspicion by the IT department, perhaps rightly so because they were often implemented by the business and not on the “official” technology roadmap. So when an issue occurred, IT stepped aside, preferring to focus on mega-ERP implementations that consumed significant IT resource. Fast forward 20 years and tools based on very much the same technology and performing the same tasks have resurfaced, using the very clever moniker “robots” which resonate in a new digital age.

However, these tools are now much more intuitive and reliable than the previous technology. Simply, users build a flow chart of the flow chart, which becomes the basis for automation. The ability to talk to multiple systems is now very reliable, so it’s less likely that there will be a system exception or a problem unless there’s a problem with the underlying application that it cannot access. Robotic tools can now be implemented in a data centre that is safe, secure, backed up. It logs everything it does, so there’s a full audit trail of completed transactions.

However what is a robot in this context and what do they actually do? Think virtual (software) worker that you can train to perform work-flowed processes trained against a set of business rules programmed to start and stop at a specific time, or run perpetually. With a built-in control room, the ability to keep track on all the processes takes supervision to the next level. No holidays, no sick days, no training, no office politics, no overhead. Broadly, they scrape data by traversing more than one system, eliminating the need to toggle across screens; handling exceptions; “auditing” work; or providing controls, essentially replicating the actions of an end user. In effect, any process that can be work-flowed, like many finance processes, is a candidate for robotics, or “robotics process automation “(RPA).

Robotic implementation is also non-invasive to the underlying IT infrastructure, sitting as a layer of logic on top. Because the robot logs in as a user does, there is no change in the underlying system. And the concept is very quick to implement, often in as few as 14 days, once the underlying workflow is documented keystroke by keystroke.

Finance leaders, and other corporate transformation leaders, are understandably now becoming increasingly curious about robots. Firstly, they are in concept very easy and speedy to implement, certainly as compared with larger more complex enterprise systems. Second, they can conceivably unlock more value from multiple legacy systems, economising the building of interfaces that transverse across business and functions. According to Genfour’s James Hall, “more work is automatable. But to date it has been hard to get at using traditional IT solutions.”

If the core technology has been around for some time, why such an interest about robots now? There are a number of forces at play when it comes to interest in adoption, particularly in the finance function. Certainly, on an enterprise level, business is now being dragged into the digital age, with most leaders now sensitized to the benefits of mobility, applications, automation and working in the cloud. Second, the era of big ERP implementation appears to have come to an end, putting a magnifying glass upon the gaps in usability and functionality, not to mention the cost. Third--and here is where the finance function, arguably the corporate leader when it comes to adopting alternative business process delivery models such as shared services and outsourcing, comes in – finance delivery models have matured. Having moved processes offshore to exploit the advantage of labour arbitrage, transformation leaders now need a new channel to cost and efficiency.

What are finance leaders actually thinking about robots, if anything? This report examines the current view of robotics as a finance enabler and functional transformer, based upon the experience and opinions of leading finance transformation thinkers.

# 1. Is RPA (robotic process automation) hype reality for finance, or a very clever marketing tool?

Robotic automation has the potential to be a highly disruptive and transformative technology for both buyers and the outsourcing industry as a whole say various industry commentators.

Robotic automation has the potential to be a highly disruptive and transformative technology for both buyers and the outsourcing industry as a whole say various industry commentators. Yet three years out, we are still struggling for proof sources of RPA in the finance department. The leading lights in the finance transformation world are just nibbling at the edges. Does this mean it's a fad…or that finance leaders are just slow on the uptake?

Stereotypically the finance organisation is posited as a relatively cautious organisation function, not surprising given its stewardship responsibility. Arguably less so than the wider business, rules and regulations drive much of their decision-making, so they rarely step out onto the ledge when it comes to the tools they deploy. Even the shift to ERP systems took significant time for finance to adopt, but today they underpin almost every finance operation. Single instance ERP remains a deep ambition for many CFOs.

The goal is to perform all finance functions within the likes of SAP or Oracle with enabling systems and applications, with straight through processing as the end state. But the reality is that finance is far from attaining systems Nirvana, so manual work abounds even in the most evolved, the most transformed of finance shared services and outsourcing models. We still live in a spread-sheet world.

Enter the opportunity for robots. As with any technology, there's always a threshold that has to be crossed before mass adoption, a critical mass of implementations before robots become mainstream in the finance department. And that takes brave finance leaders to take the lead. As Kimberly-Clark's Liz Ditchburn says "it's about wanting someone else to cut their teeth on it before we embrace it. We like to go second, not first."

Healthy scepticism about robotics is evident. According to Deloitte's Peter Moller, "either finance functions have looked at this and thought, for whatever reason, have decided that it doesn't work for us or they just don't know enough about it, or it hasn't been on the top of their agenda, or they just haven't looked at it."

The fundamental question driving adoption of robotics is this: does finance delivery really need further transformation? Or is the effort marginal when it comes to additional value? Unisys' Chris Gunning's opinion reflects the beliefs of a number of shared services leaders. "I believe there's more trimming that can be done at the edges, whether it's 97%, or 98%, or 99% within the ERP, so I think it's difficult at this juncture to really see what that next quantum leap is but I don't think we can ignore that digitalisation is upon us. Over the last 15 years, shared service centres have leveraged automation, technology, and straight-through processing, so is robotics just more of the same with a different coat on, or is it something really more revolutionary? I think we don't know what we don't know".

Some leaders also question whether the implementation of robotics is the right course for continuous finance delivery transformation. There's little doubt that this sort of automation has applications in manufacturing or customer service functions, but for more rules-based finite functions, some see the benefits as marginal. Chris Gunning believes that his company's ERP system has already achieved top quartile performance as defined by benchmarks such as Hackett.

Some finance leaders also call into question the headlines around cost. Even with per FTE equivalents that approximate USD 5,000, some leaders, such as Chris Gunning believe that labour arbitrage in India is a better deal. Finance transformation veteran Anirvan Sen is also one of these skeptics. "I don't believe robotics is as big a savings potentially that people are making it out to be. It leads to an increase in overhead through servicing and

"I think there's a huge opportunity, and my challenge for my delivery team is if anybody has got two screens on their desk in order to read data off that screen and copy data onto that screen, then there is an opportunity for robotics."

taking care of the robotic infrastructure." Other leaders in the group concur "one of the challenges we have is that any investment in IT to automate and improve efficiencies are just not there, because the level of investment is prohibitive. So for a number of years we've really been struggling with how to automate at a cost that is affordable". Liz Ditchburn of Kimberly Clark thinks the current business case is still challenging. "I think a ninth of the (FTE) cost is too expensive. Let's be honest about this; it's just a computer program, so for the stuff that you don't need robotics, you're just running a computer program, so why is it being priced on a per robot per annum basis?"

Yet Deloitte's Peter Moller believes that misconceptions about the cost versus benefit abound. "Robots work twice as fast as a person and don't stop. Cost is also a fully-loaded versus just a salary cost, and that's part of the misconception as to the true cost. I'd be very surprised if you weren't getting a more economic price point for doing the work via robotics." Genfour's James Hall also cautions finance leaders to look beyond cost. "When we talk about shared services, it's not just transaction processing, it's dealing with exceptions. We are also dealing with interfaces that haven't yet, for whatever reason, been automated, and that's where I think the benefit of robotics comes in."

Other finance leaders see the potential, even if they aren't jumping to sign robotics contracts en masse. Despite her concerns about pricing, Kimberly-Clark's Liz Ditchburn is becoming a convert: "I think there's a huge opportunity, and my challenge for my delivery team is if anybody has got two screens on their desk in order to read data off that screen and copy data onto that screen, then there is an opportunity for robotics."

The last word on the subject is back to Deloitte's Peter Moller: "In my view, robotics will never change the role of ERPs in the core finance functions. If you're got high volumes, you're going to put in the proper solution using those traditional technology enablers. It's when you get to the periphery of finance that robotics makes the most sense. Take insurance: they have legacy systems everywhere that you simply can't interface into the ERP. You've got hundreds of people that are working on transactions, some of which are core business transactions that have a finance transaction off the back of it. This is where robotics may deliver benefit."

# 2. What's a robot to do?

We all understand toggling between screens, and pulling data from one spreadsheet to another, but how can robotics actually work for finance?

We all understand toggling between screens, and pulling data from one spreadsheet to another, but how can robotics actually work for finance? What processes should finance transformers focus on when they are thinking about the application of robots?

Leaders obviously get the fact that any rules-based, work-flowed processes are good candidates – such as cross system processing, data consolidation and reporting, monthly accounts closure, bulk data updates, cash applications and payments – but absent what they see as few, if any, tangible live case studies specifically in the finance function. Consequently they are hesitant to prioritize a starting point for candidate processes. At this point, to them, benefits are hypothetical as opposed to quantifiable and provable – "taking 3 days and 20% out of the current close process."

Their current view of the benefit equation is far more holistic, spanning the current state of finance delivery. Genfour's James Hall sees robotics as an opportunity first and foremost to make change in the way finance transactions are performed today. "We often debate what's the right process to start with. My view is that it doesn't really matter; it just needs to have a meaningful impact in the organisation, and then robotics is taken up virally and really fast. One criterion I use is the avoidance of effort. If you can eliminate the need for the team to work evenings and weekends, you then develop a mind-set or a set of skills to understand where you can apply it, how you can apply it, and the controls to put it in and apply it safely.

> "The best work to tackle first is the stuff that people least like to do, so robotics appears to be a help rather than a hindrance."
>
> James Hall

And the potential to eliminate exceptions is a plus for leaders. Some believe that robotics will force finance operations to stop allowing exceptions into a process by further enforcing standardization. Others believe that the finance transactions that are attached to transactions in the business will more likely have the ability to be processed straight through.

In short, it's the context of the transaction that finance leaders are thinking about, rather than specific processes. And for a function that often likes specificity, that thinks in numbers and processes and benchmarks, it may be difficult to embrace robotics until there is a proper proof of concept.

# 3. Show me the money

Robotics aficionados are claiming compelling business case numbers – so-called virtual workers are allegedly 1/9 the cost of Business Process Outsourcing workers offshore and offer a significant reduction in cost compared to onshore staff complements.

Robotics aficionados are claiming compelling business case numbers – so-called virtual workers are allegedly 1/9 the cost of Business Process Outsourcing workers offshore and offer a significant reduction in cost compared to onshore staff complements. Add in the benefits of increased velocity and higher transaction quality, and combine it with a payback of six to 12 months and the numbers seem very appealing.

Yet today, finance directors are unclear about the hard benefits of RPA. They see the numbers in other processes such as claims management, but can only imagine the business case for the finance function. This makes sense; RPA started in customer services functions and only over the last few years has been claimed as an enabler for horizontal business functions such as finance processes. Peter Moller of Deloitte says he's seen business case numbers from within the banking and insurance industry in non-finance function processes, but he hasn't seen a case specific to finance shared services. "We hear that BPO providers are all over this, but I don't see the benefits as being very well communicated yet."

Poor penetration into finance may be the fault of the software vendors. They may be getting the value proposition wrong, according to our group of leaders. If the vendor doesn't have domain knowledge sufficient to identify 1), the processes best suited to automation; and 2) the benefits of automating certain processes, it's a hard sell to a finance buyer. According to Genfour's James Hall, "When you look at RPA, you have to consider the process. It's not a functional sale, it's definitely not a product sale. It's selling a technique."

> "At the moment, all the hype on the websites hasn't been supported with real case studies saying this organisation had 300 people in a finance shared service centre sitting in the UK or India and has eliminated 40 people because they automated process and driven efficiencies. I don't believe we have seen that yet".
>
> Peter Moller, Deloitte

Making the investment case may also be difficult at this point in RPA evolution. Antithetically, the cost may be too low to merit corporate attention. Implementing RPA may, to be honest, not be enough of a headline to grab budget or sponsorship in an IT function used to multi-million dollar projects. As one of the leaders within the group asks 'Who decides to make the investment in RPA? It is potentially quite a granular approach around specific processes, so it makes it difficult to see the bigger picture. I think this is an issue."

# 4. Will the CFO ever trust a robot?

The stewardship responsibilities of CFOs often make them, understandably, quite conservative.

The stewardship responsibilities of CFOs often make them, understandably, quite conservative. Though there is some evidence of uptick in embracing newer concepts such as cloud and mobile in the finance organization, is untested robotics software a stretch too far for finance leaders? What assurances does the CFO need to move forward? Does the controls environment change? What are the implications of RPA upon the organization? Proponents of robots in the finance functions must be prepared to answer these questions.

Has the interest in robotics even reached the CFO's office? Finance leaders are not sure, but one thing they are convinced of – there needs to be far more clarity around the proposition for finance beyond headcount reduction. When the robotics proposition is put in front of the CFO, the value proposition must be clear, and addresses his or her specific concerns. As one of the group commentates "I would see why a CFO might not embrace robotics, but then again, they're probably like the rest of us, many of us can't understand what it really means for finance."

The first topic is the controls environment which is always a priority in the mind of the CFO. To aggressively move forward with RPA in the finance function, it's also critical for the company's external auditors to be up to speed with the implications and sign off. But that should be nothing new, says Chris Gunning. "As we bolt on new technology, we have to be clear about what it means for the back end."

The group do believe that the CFO should be able to see benefit from a broad application of robotics, saying that they suspect that its greatest value may be to satisfy the regulators. Once they understand the power of the audit trail integral in robotics software, some believe that implementation will become mandatory. According to Paul Mills of Ernst & Young, there's plenty of evidence." You can manage transactions more precisely and keep an audit trail of what you're doing. I know of financial services companies that have actually gone to their regulators with an automated process and achieved sign-off from the regulator very quickly as a result." CFOs need to see an operating structure that ensures that the right levels of checks and balances are in place, not to mention resources. Hypothetical discussions about cockpits and peak load management do not satisfy a CFO committed to keep the company out of the media spotlight through seismic control failures.

But even if these concerns are satisfied, the sell to the CFO may still be difficult. CFOs generally understand finance transformation because their peers are implementing shared services or ERP systems, but the more incremental (and less costly) move to RPA adoption may be a harder sell. According to Deloitte's Peter Moller, "with shared services, you can pretty much come in and say what we need to do is build a shared service centre, it needs to have a big satellite in Eastern Europe, a massive hub in India, and you can tell the CFO what the solution would look like. It's harder to say at the outset you need robotics, this is what it will deliver. All you can say is, we've got this tool and we think there's a mass application here, and you've got to start looking at your processes. You cannot bring it to life very effectively to the CFO in a 20-minute conversation."

The sale is more granular than strategic, as one of the leaders comments. "RPA is applied to discrete processes, so it begs the question: who do you target within the organisation in the first place to paint the picture holistically? Across the board, this is what it's going to mean for you." Others in the group suggest that the ultimate buyer may not be the CFO but someone close to the processes, someone who can test it, see what it feels like, and who can understand the benefit being delivered. Dominic Hollis of Ernst & Young believes that the buyer is not the CFO, but rather the GBS leader or the head of shared services. "We're the leaders in the thick of this, and I think we've proved ourselves over the last 15 years. When we see a piece of technology that we think would work wonders, we go and buy it. We're best equipped to see the gaps and underwrite the benefits."

Finance leaders also see a corporate dichotomy when it comes to adoption – the "new kids on the block' as opposed to the old corporate stalwarts, and those that have complex system environments. Anirvan Sen sees early finance adopters as the 'likes of Google' as opposed to a CPG company, or even old corporate stalwarts like General Electric. Peter Moller of Deloitte adds, "organisations that have lots of disparate ERP systems, who are never going to move to one in the near future would be the ideal candidates because they have a lot of people doing manual interfaces that should be automated, but there's no cost benefit of automating the interface, therefore robotics can become the chief interface."

# 5. Will the IT department let finance "roboticise"?

Perhaps robotics brings a new spotlight and challenge to the role of IT.

For a long time, IT departments have been hooked on the drug of ERP implementation. If it's not big, expensive or complex, the development may not be a priority. So moving to agile technology begs the question: will IT departments support the implementation of robotics in the finance function or act as a barrier? And what are the implications for finance function delivery?

Perhaps robotics brings a new spotlight and challenge to the role of IT. If Robotic Process Automation is orientated around self-service, and if it is so easy to implement as some are suggesting, it's understandable that the balance of responsibility – if not power – is shifting to users. According to James Hall of Genfour, robotics design and implementation means that "users no longer have to go through complicated, long winded processes set out by IT. We could test something and give it a go." But it certainly raises the question: where does ERP implementation / enhancement end and robotics process automation begin?

Kimberly Clark's Liz Ditchburn thinks that the adoption of robotics could bring a new dynamic to the working relationship between the finance and IT organizations on end. "I'd like to challenge where does IT stop and where does the finance function start? This is the perfect example where there shouldn't be a barrier. When we implement robotics, we shouldn't have an artificial divide between the IT and the finance team. We should have one matrixed robotics development team, so that you've got the right adherence to the right standards and the right process in place. To me, this is the critical starting place to implementation." Yet other leaders in the group are a little more sceptical about the two functions ability to work together in light of RPA. Anirvan Sen says "Traditional organisations were always saying you belong to IT or you belong to the finance function. Bridging those gaps arguably hasn't happened as much as it should. Is it going to happen in the next five years because of robotics? I don't know."

> "If we can combine intellectual IT thinking with the experience of users in one development team, working together, I think magic will happen."
>
> Liz Ditchburn Kimberly Clark

Other leaders also caution that the best and brightest IT talent may not want to work on smaller applications such as RPA, which in turn could herald more finance self-service on RPA implementation. Yet perhaps the coming generational shift in IT departments will facilitate the adoption of RPA. As mainframe, ERP stalwarts retire, finance leaders are hopeful that a new, more facile crop of IT problem solvers emerge, more focused on solving business problems of any size with emerging technologies rather than managing multi-year projects with big price tags.

More importantly, how does RPA change the shared services organizational ecosystem? Does it create a platform for new roles in or outside the company? Dominic Hollis of Ernst and Young says that with the simplicity of RPA, shared services leaders can now link continuous improvement directly to IT, truly embedding the function in the business. "Our teams, equipped with an application, will no longer have to justify their existence, and be able to show tangible change very quickly."

# 6. Are the robotics vendors getting the selling wrong?

**Are some robotics solutions providers selling the technology effectively?**

Are some robotics solutions providers selling the technology effectively? Some finance leaders posit that they see providers as selling the ability to embed an organization's own business rules as a value-add. Yet is this a sufficient value proposition to adopters, or are they looking for much more – help with domain knowledge, organisational implications, or governance?

Current software vendors sell robotics as an easy-to-implement tool, arguably an 'all things to all people' proposition. But is a "do-it-yourself" approach to RPA implementation likely to take off? Finance leaders suggest that users' self-interest may get in the way of adoption. "How are finance leaders going to get users motivated to deploy robotics? If management say "let's play around with this, shall we – users could then realize that their jobs may go away?"

The group suggests that software vendors may be simply "selling to the wrong people." In the rush to penetrate the market, many focus on a wholesale sale to BPO providers as opposed to the end user, which is a more difficult, involved sale…and requires sufficient domain knowledge to close the deal. Toby Stanbrook of Mazars also believes that the right client is a big company at this stage of adoption, likely with a BPO contract whose provider, at renegotiation, comes back with a robotics solution in order to forestall taking the work back in house with RPA. Leaders are not only concerned about paying for something they think is unproven, but also want a solution as opposed to a tool. Rather they want to buy from a vendor that has finance Intellectual property, who can support the change, and who understands how both capability and organization design will move as a result.

# 7. Will traditional outsourcing providers fade into the sunset?

Some commentators… and more than a few robotic software providers…are proclaiming that traditional based service delivery will "die on the vine" as robots replace tedious work, and organisations find that the offshore BPO/captive business case is no longer compelling.

Some commentators… and more than a few robotic software providers…are proclaiming that traditional based service delivery will "die on the vine" as robots replace tedious work, and organisations find that the offshore BPO/captive business case is no longer compelling.

Anirvan Sen, a finance delivery industry veteran, doesn't think that offshore delivery will fade into oblivion if robotics takes hold. "If it's right the first time, it'll do it in five minutes, or two minutes, or even ten seconds, but the question really is the problem of not doing it the right way. The question is how do you do exceptions, and that's where the BPOs are thriving, because they're still sorting exceptions. I am positive, even with robotics, that we will still have exceptions."

However, Unisys' Chris Gunning believes that robotics will be a threat to outsourcing providers. "If you sign yourself up to a five- or ten-year outsource deal, you've actually potentially signed yourself up to not gain the benefits of robotics. If there is significant benefit to be achieved, finance leaders will start to feel confident piloting robotics. So, if the head of finance shared services buys robotics, pilots it, realises there's a lot of benefits to be had, he or she then has the confidence to bring outsourced activities back inside because they think they can drive further savings by themselves."

Leaders believe that the tipping point will be contract renegotiations. As finance outsourcing contract terms end, clients will increasingly use the event to rethink their delivery models and reevaluate their providers' value propositions. Chris Gunning cautions providers to proactively manage their clients, and look at ways to share savings from RPA.

Will the incorporation of robotics start to push outsourcing providers up the value chain into higher value finance tasks? Will clients seize the opportunity occasioned by freeing up resources to move more work offshore? Doubtful, according to Kimberly Clark's Liz Ditchburn who sees a mismatch between capacity and capability. "If a provider pre-supposes that any capacity released through robotics is going to be able to deliver higher value work, that's probably not going to be true." Today, the ambition for many finance leaders is still more of the same: better, faster and cheaper.

Across the group there's little doubt that robotics will eventually become a component of finance delivery. Toggling between screens and data scraping in the finance function will be a fact of life. So it begs the question--will outsourcing providers in particular be able to walk away from their considerable investment in people and infrastructure, and embrace robotics fast enough to compete by providing true RPA solutions? Or will they just inject sufficient automation to be able to compete, riding the wave of RPA popularity but not fundamentally changing their delivery models? Liz Ditchburn says that "currently outsource providers are in the business to provide FTEs, their fees are all dependent on selling FTEs, they're going to do whatever they can to keep the number of headcount as high as they possibly can."

> "I believe that BPO providers with FTE dependency are following a very foolish and short-sighted strategy. The providers that are going to really get to the next level are the ones that recognise where robotics development is going."
>
> Liz Ditchburn, Kimberly Clark

However, there's a big unanswered question when it comes to the implications of robotics on offshoring and outsourcing. Billed as easy to implement and self-service, will comparable economics persuade finance transformation leaders to eschew offshoring and outsourcing in any form, keeping transactional finance close to home with a skeleton crew of in-house engineers and exception managers if finance delivery goes robotic? Genfour's James Hall thinks yes. "Actually, I think people prefer to hand over the work to technology."

# **Conclusion:** Are robots in the future vision for the finance function?

The adoption of robotics in finance delivery is challenging. Finance leaders will only adopt RPA when they see peers they trust implementing these solutions.

The adoption of robotics in finance delivery is challenging. Finance leaders will only adopt RPA when they see peers they trust implementing these solutions. Finance transformers will buy when software providers present a compelling value proposition. As Peter Moller succinctly puts it, "seeing really is believing." Other leaders in the group agree, suggesting that adoption will gain momentum when finance buyers can clearly track the benefits.

But access to case studies and the right software solution is not enough. Technology adoption, no matter how easy and non-invasive, requires a different mindset and a new set of behaviors.

To accelerate adoption, finance leaders in the group have some advice for software providers of RPA:

- **Price rationally.** Some think that the economic business case is not compelling enough to move from a labour arbitrage model. Don't price the software as a lower cost FTE; serve up a cost proposition that demonstrates the cost-benefit of total cost of ownership.
- **Allow a "try then buy".** Nothing sells like proof of concept. Let finance transformers play with the technology long enough to sell themselves on the benefits and ease of use.
- **Infuse IP.** While a self-serve-anyone-with a manual-and-process-knowledge-can-implement mindset sounds compelling in a sales pitch, the truth is that finance leaders are always seeking better practices. The sell needs to be around domain-rich, transformative solutions.

And leaders also have a few words of wisdom for BPO providers and consultants:

- **Be honest on RPA.** Leaders say there is a risk that providers have a tendency to wave RPA in front of finance transformers like a shiny new toy in the proposal process to get into the game, then revert to the old labour arbitrage value proposition.
- **Don't over-scope and over-price.** Some consultants, trying to replace significant multi- million dollar ERP implementation contracts may be looking at RPA implementation as the next cash cow.
- **Be willing to start small.** Good advice for providers and consultants that make money on scale. Changing any way of working takes time; be patient as finance leaders trial proof of concepts.
- **Refrain from the "trust me' sale.** When introducing RPA, what does it mean for controls? For roles and responsibilities? How will it affect relationships with auditors? What do the regulators think of robots? What can realistically be embedded onshore? What are the security implications? Give them sufficient information to fully evaluate a robotic finance delivery solution.

Even if the RPA industry sharpens its approach to finance processes, what will drive finance transformation leaders into the world of robots? A corporate merger? A failed outsourcing strategy? A change of provider? A punitive regulatory review? A move to a global business sourcing model? A change in CFO leadership? Peer companies that adopt early and inspire the rest to follow? Successful adoption in business operations? Or will adoption primarily depend upon an enlightened IT, shared services or finance transformation leader who truly understands what the technology can deliver? How should BPO providers view RPA potential, should they be strategically shifting away from the labour arbitrage model to secure longevity and if so, is RPA the answer? Or does uptake instead depend upon software providers armed with real finance intellectual property, rather than just narrow, granular process fixes.

All of the above issues are possible. For many finance transformation leaders, "hiring" robots may be the next obvious step in making finance process delivery more efficient and effective. And it's a reasonable guess that they will eventually incorporate RPA to some degree into transaction processes as various forces converge, and a greater understanding of the benefits and better value propositions become available in the marketplace. But the next frontier for shared services may be far more exciting, incorporating greater computing power and artificial intelligence into robotics, so that the lines between human judgment and automation become blurred. Are you ready for a delivery centre full of robots?

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