How To Determine If & When Your IA Initiatives Might Be Ready For a

Center Of Excellence (COE)

CHAZEY PARTNERS

Who's Who

Name | Company | Role

IA: Exploring, Launching, Growing, Scaling?
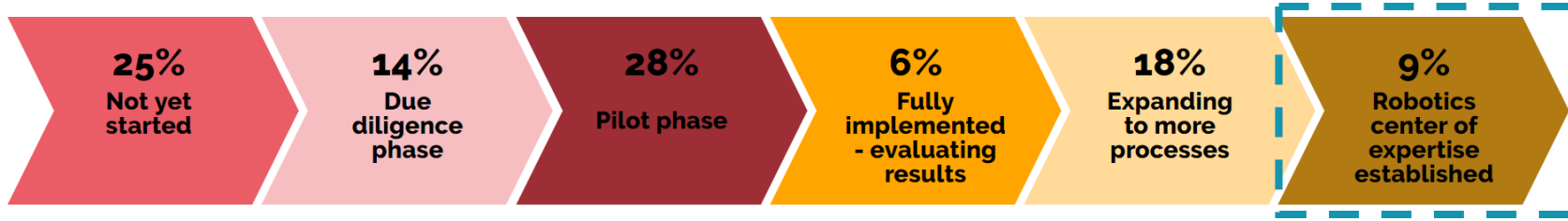
How many bots in production?

Have a CoE?
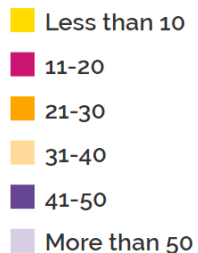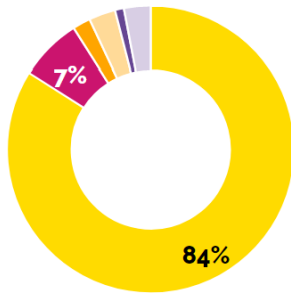
Your expectations for this IA CoE workshop?

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WHAT DOES THE CURRENT INTELLIGENT AUTOMATION (IA) LANDSCAPE LOOK LIKE IN THE UNITED STATES? (FROM RESPONDENT SAMPLE)

Stage of RPA adoption
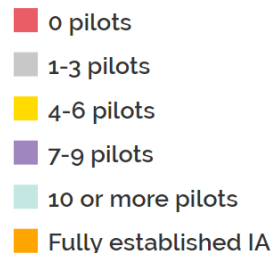
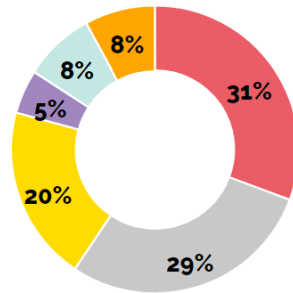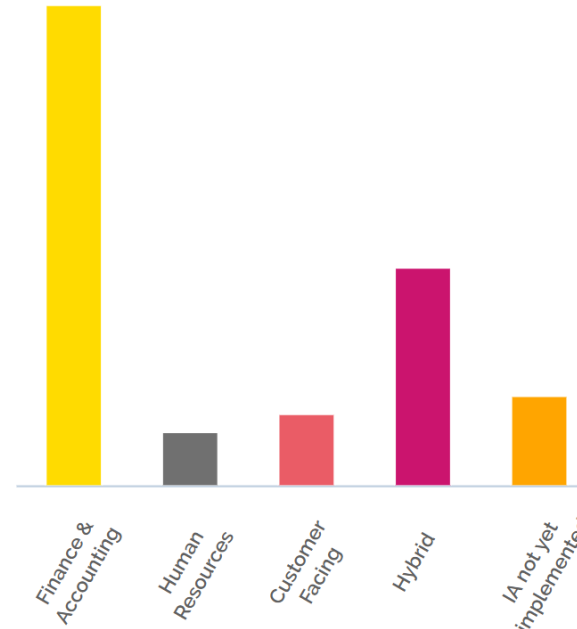| 25% Not yet started	14% Due diligence phase	28% Pilot phase	6% Fully implemented - evaluating results	18% Expanding to more processes	9% Robotics center of expertise established

How many bots do you have in place?

- 84%
- 7%

Legend:
- Less than 10
- 11-20
- 21-30
- 31-40
- 41-50
- More than 50

How many IA pilots do you currently have?

- 31%
- 29%
- 20%
- 5%
- 8%
- 8%

Legend:
- 0 pilots
- 1-3 pilots
- 4-6 pilots
- 7-9 pilots
- 10 or more pilots
- Fully established IA

Where have you implemented IA?

Categories: Finance & Accounting, Human Resources, Customer Facing, Hybrid, IA not yet implemented

- ▸ 61% of respondents have started on their IA journey – 28% piloting and 33% fully implemented.

- ▸ Majority (84%) currently have <10 bots in place – only 9% have already implemented >21 bots.

- ▸ Almost half (49%) are currently running between 1-6 IA pilots.

- ▸ 53% have automated processes within Finance & Accounting – this is >6x more than HR and Customer Facing processes.

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INTRODUCTION

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Global Management Consulting & Advisory Services

1 **Who We Are**
Founded 2006, headquartered in California, global offices, extensive work in Latin America

2 **What We Do**
Evaluations & assessments, strategic advice, project management, implementation support, process and market expertise

3 **Where We Focus**
Finance, Human Resources, IT, Procurement, Facilities, Customer Operations & other functions

4 **The Chazey Difference**
Practioners first, staff continuity, high ROI, knowledge transfer, client engagement in transformation

Shared Services
From Business Case to Implementation, plus correction & optimisation of existing operations

Robotic Process Automation
Automation assessment, proof of concept, vendor selection & provider of IA solutions

Business Transformation
"Back office" transformation, M&A integration, organizational design

Enterprise Wide Security
Business Continuity Planning & Organizational Cybersecurity

Enablement Through Transformation

Core Transformation Discipline
- Shared Services, Outsourcing & Technology Enablement
- Operational Efficiency
- Improved Quality of Service
- Improved Control & Compliance

Enhanced by Robotic Process Automation
- Consult, train & integrate automation solutions
- Best placed to understand & meet clients' needs
- Understand strengths & weaknesses of vendors & tools
- RPA Vendor Partnerships
- RPA tool agnostic

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Agenda
IA Center of Excellence

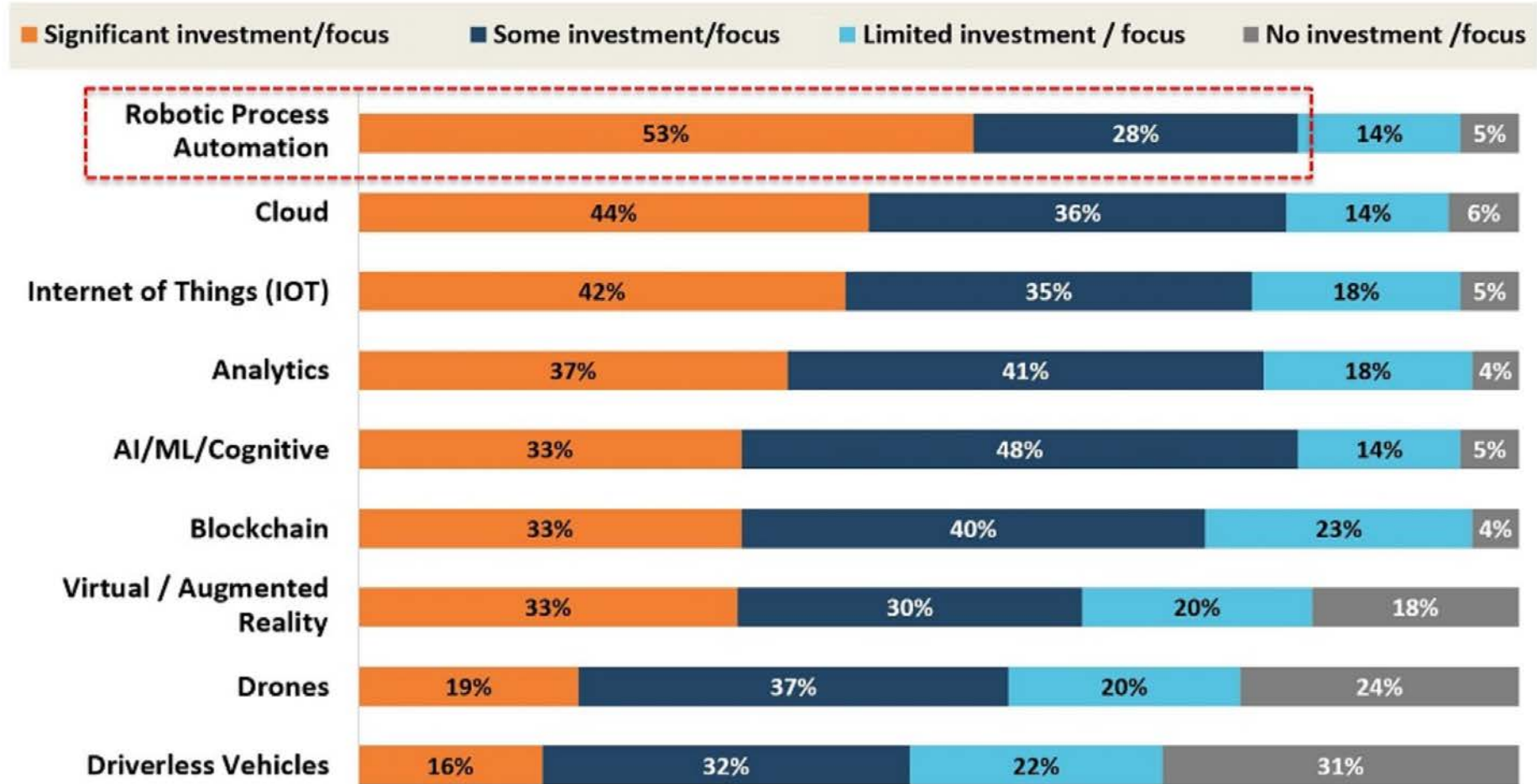| **1**	**2**	**3**	**4**
IA CoE Definition	Scope, Human Capital and IT Infrastructure	Managing Compliance	Governance, PR, Media Relations & Marketing

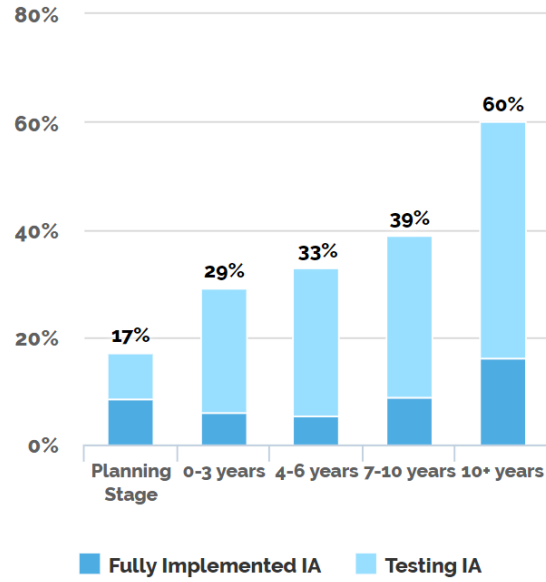**Chazey Partners**

1

What's an IA CoE?

RPA, Cloud & IoT Lead Investment Focus

Q. Over the next year, how much investment/focus is your organization making year to help you achieve operational cost saving goals?

2018 Focus

Technology	Significant investment/focus	Some investment/focus	Limited investment / focus	No investment /focus
Robotic Process Automation	53%	28%	14%	5%
Cloud	44%	36%	14%	6%
Internet of Things (IOT)	42%	35%	18%	5%
Analytics	37%	41%	18%	4%
AI/ML/Cognitive	33%	48%	14%	5%
Blockchain	33%	40%	23%	4%
Virtual / Augmented Reality	33%	30%	20%	18%
Drones	19%	37%	20%	24%
Driverless Vehicles	16%	32%	22%	31%

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2018 IA Adoption

By Maturity Level

Planning Stage: 17%
0-3 years: 29%
4-6 years: 33%
7-10 years: 39%
10+ years: 60%

Legend: Fully Implemented IA, Testing IA

By Geographies Serviced

Global: 31%
Regional: 19%
In-Country: 16%

Legend: Fully Implemented IA, Testing IA

By Location of SSC

Europe (Central and East): 50%
Europe (West): 47%
Latin America/Caribbean: 41%
ANZ: 40%
Asia: 36%
Africa: 28%
North America: 25%
Middle East: 11%

Legend: Fully Implemented IA, Testing IA

By GBS Maturity

Full GBS Implementation: 36%
Partial GBS Implementation: 30%
Planning GBS in next 3-5 years: 18%
No GBS and no plans to implement it: 12%

Legend: Fully Implemented IA, Testing IA

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Source: SSON's Annual State of Shared Services & Outsourcing Industry Survey Results 1/2018

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Main Challenges Implementing IA

Challenge	Percentage
Nothing major	
Unaware of potential benefits	
Employees' fear about loss of job	
Budget availability	
Management not convinced of its value	5%
Lack of resources	13%
Security concerns/risks	14%
Competing investment priorities or business needs	22%
Standardization of processes before implementation	40%

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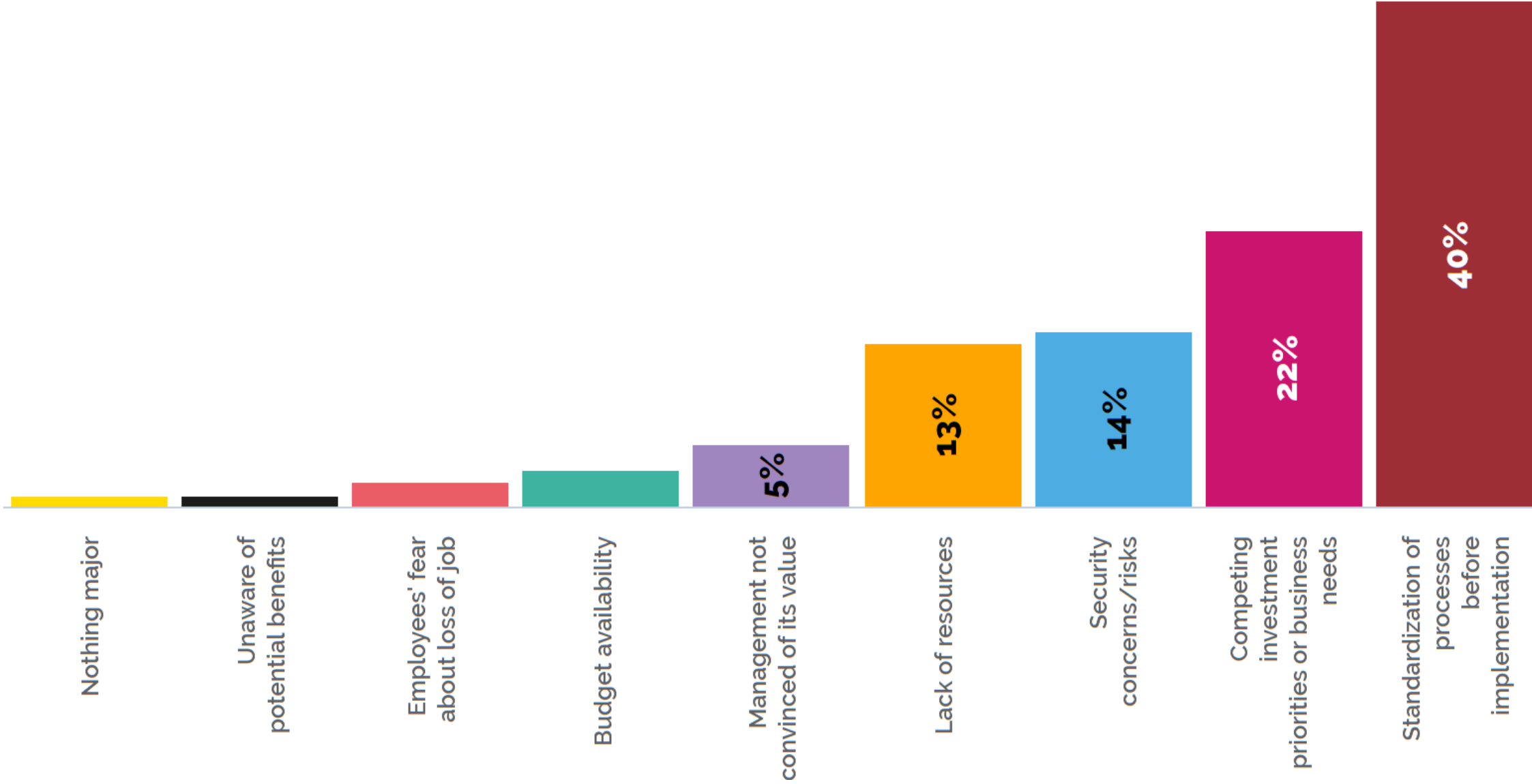
Operating Model

Office of CIO (Strategy)

- Strategic, global services with clear linkage to vision, mission and strategic goals of organization
- Long-term perspective whose activities have more distant relationship between effort and results
- Confirm policy alignment & ratification

Business Partners (Influence)

- Work with operational leaders to achieve organizational objectives
- Provide information, tools, analysis and insight to influence decision making
- Higher level of business proximity required (de-centralized delivery)
- Need functional expertise, analytical skills and strong interpersonal skills: "hire for skill and attitude"

Centers of Expertise (Expertise)

- Professional & technical
- Deliver on organizational strategy through provision of tactical services
- Generally requires interaction with client, although less necessary to be physically situated close to business
- Policy research, development & implementation
- Generic business & functionally expert skills required: "Hire for skill, train for attitude"

Shared Services Center (Process)

- Transactional & administrative
- Regular, repeatable, transactional activities
- Results more quantifiable
- Benefit greatly from standardization, automation and technology
- Clear linkage between effort and results (outputs generally experienced in short-term)
- Less necessary to be physically situated close to business
- Process focused, service-driven skills required" "Hire for attitude, train for skill"

Internal Client

- Provides inputs and/or receives outputs of in-scope processes
- Representative of internal client signs off processes, service levels, input requirements, key performance indicators, and client's roles and responsibilities as documented in Service Partnership Agreements

Client Interaction Framework

| Account Management	Client Contact Management	Service Partnership Agreements	Client Feedback	Continuous Improvement	Process Control	Performance Measurement	Performance Reporting	Recharging Methodology

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Center of Excellence (CoE) landscape

IT roles

- **Application hosting**
- **Interfacing system governance**
- **IT system support**
- **IT security**
- **Scalability**
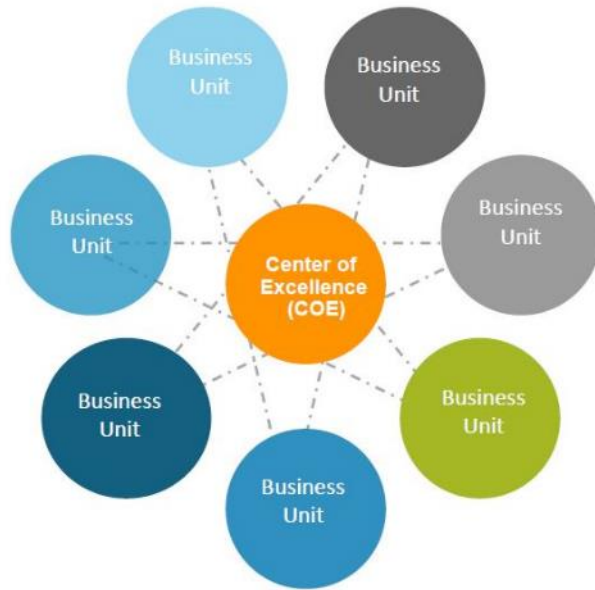- **Auditability of the processes**
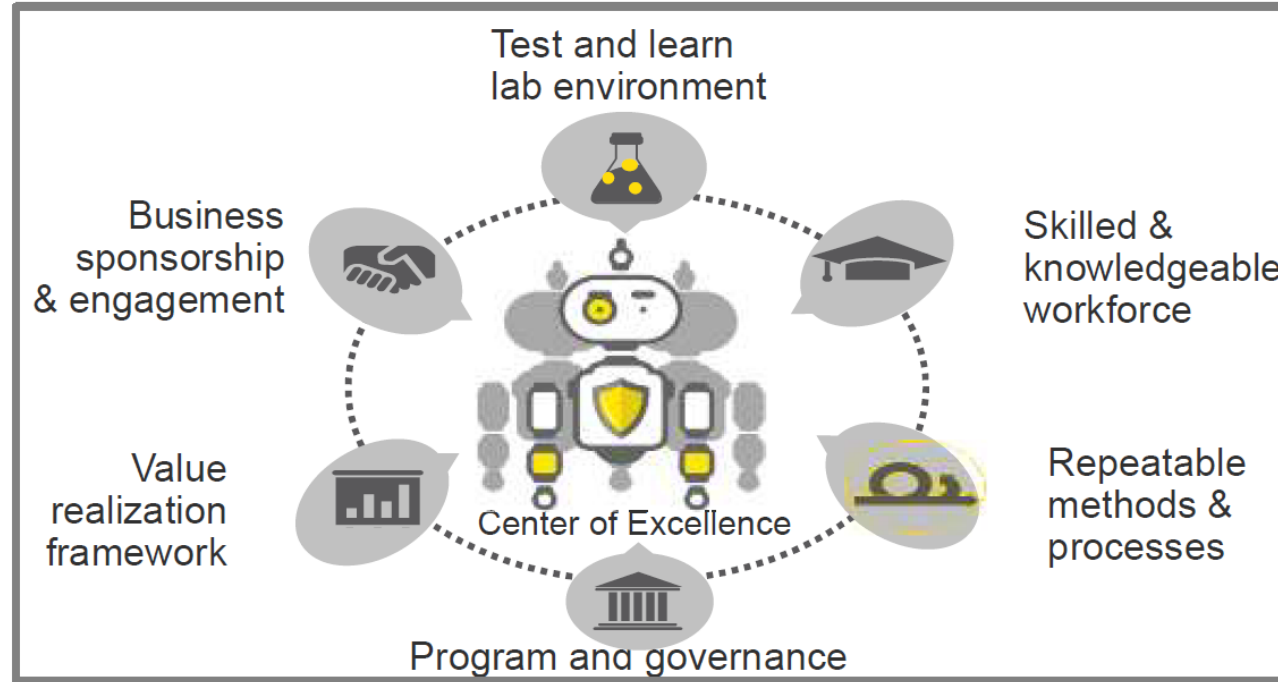
Business roles

- **Business vision**
- **Organization design**
- **Governance model and maintenance**
- **Delivery methodology**
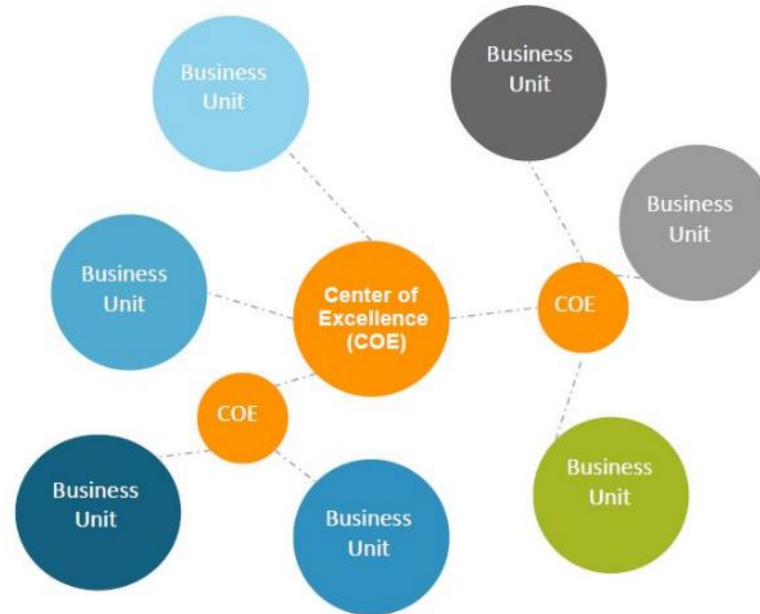- **Service model and agreements**
- **Engagement model with virtual workforce**

- Test and learn lab environment
- Business sponsorship & engagement
- Skilled & knowledgeable workforce
- Value realization framework
- Center of Excellence
- Repeatable methods & processes
- Program and governance

Key Components & Interactions

Scalability
The CoE is guided by the organization's RPA vision and supported by policies and best practices that enable economies and growth across the enterprise.

Speed
The CoE allows the organization to quickly identify, prioritize and implement RPA solutions across the enterprise.

Consistency
The CoE develops enterprise standards for RPA implementation and support and shares these across the organization ensuring that RPA is implemented consistently within business units.

Center of Excellence functions facilitate benefits across business units

Solution Development	Stakeholder Enablement	Skills Development	Project Delivery Enablement	Vendor Relationship Management

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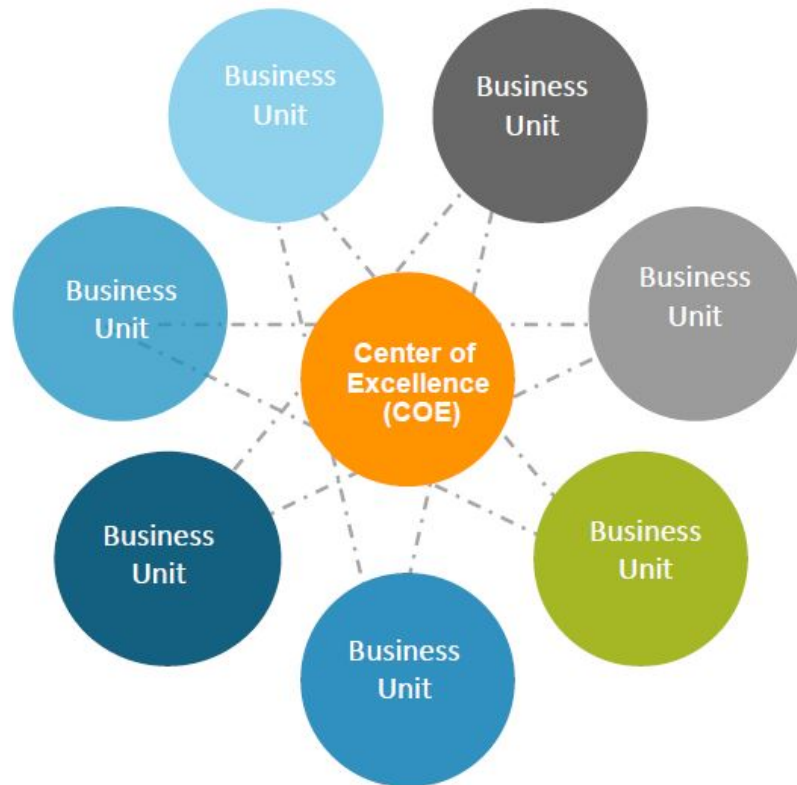
Center ≠ Centralized

Centralized

Hybrid

Federated

# Centralized

One RPA CoE serving all Business Units

Advantages:

• Unified and centralized RPA support for all Business Units

• Higher expertise, lessons learnt and best practice for automation easier to disseminate within the center

• Standardized RPA deployment, support and implementation methodology

Disadvantages:

• Potential prioritization challenges of automation projects due to high number of business units served

• Relies on distant communication

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Hybrid
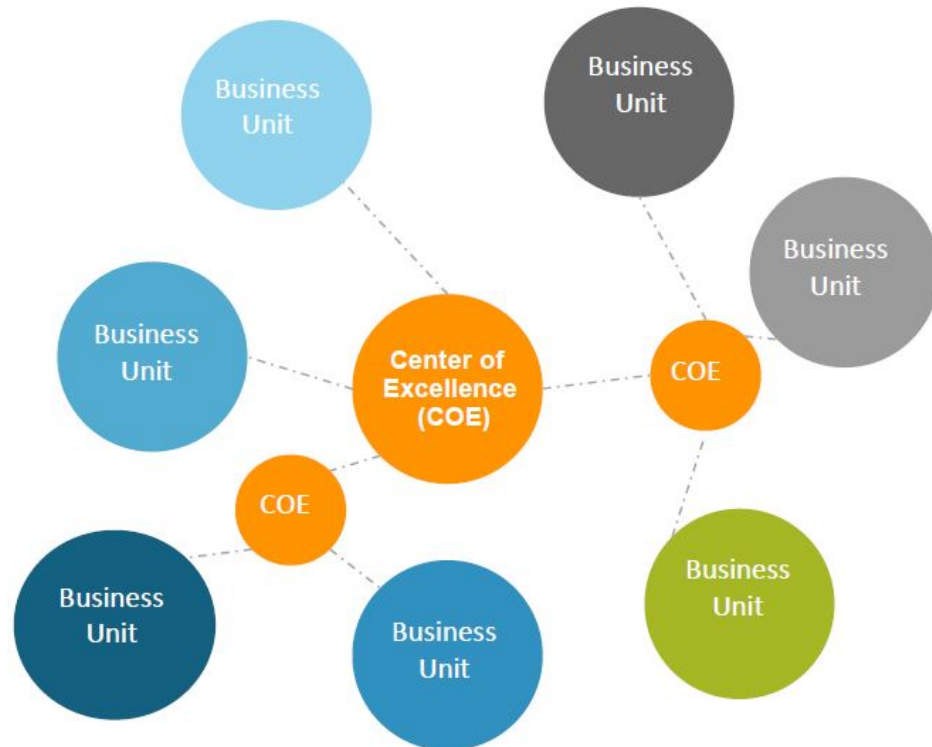
Several RPA CoEs serving several business units, linked to several smaller RPA CoE dedicated to individual business units
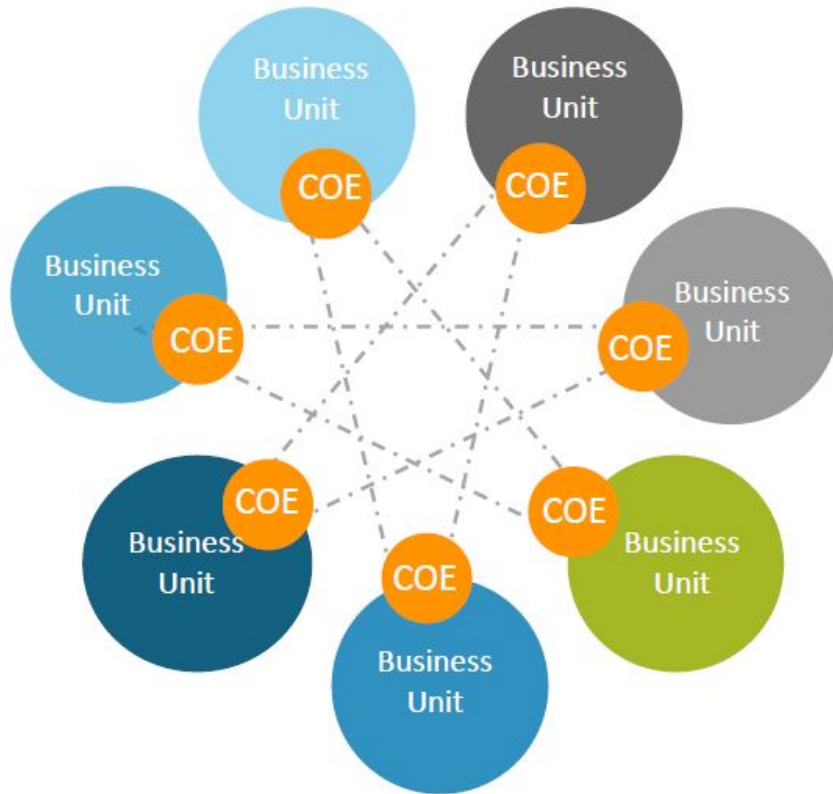
Advantages:

• High complexity projects delivered out of main RPA CoE, smaller RPA CoEs handle low-medium complexity automation projects

• Decreased risk of prioritization challenges due to existence of smaller dedicated RPA CoEs

• Higher process knowledge specific to business units concentrated in the smaller RPA CoEs

Disadvantages:

• Lessons learnt and best practice for automation at risk (expect discrepancy in know how between main RPA CoE and smaller RPA CoEs)

• Potential incoherence in the approach for RPA deployment, support and implementation methodology

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Federated

Independent RPA CoEs within each business unit

Advantages:

• Each business unit is fully in control of the automation projects and their prioritization

• All RPA CoEs will benefit from strong process knowledge as close to (within) each business unit.

Disadvantages:

• Lessons learnt and best practice for automation at high risk – need to enforce a strong, regular exchange of best practices between RPA CoEs from different business units.

• High risk of incoherence in the approach for RPA deployment, support and implementation methodology

• Incoherent technical solutions may be applied – risk of always "reinventing the wheel"

• Certain RPA roles will be duplicated and not fully utilized: e.g. the RPA Support team in certain RPA CoEs may have less work than others, same for RPA Solution Architects, etc.

Planning to establish your CoE (or reflecting on what you have built)
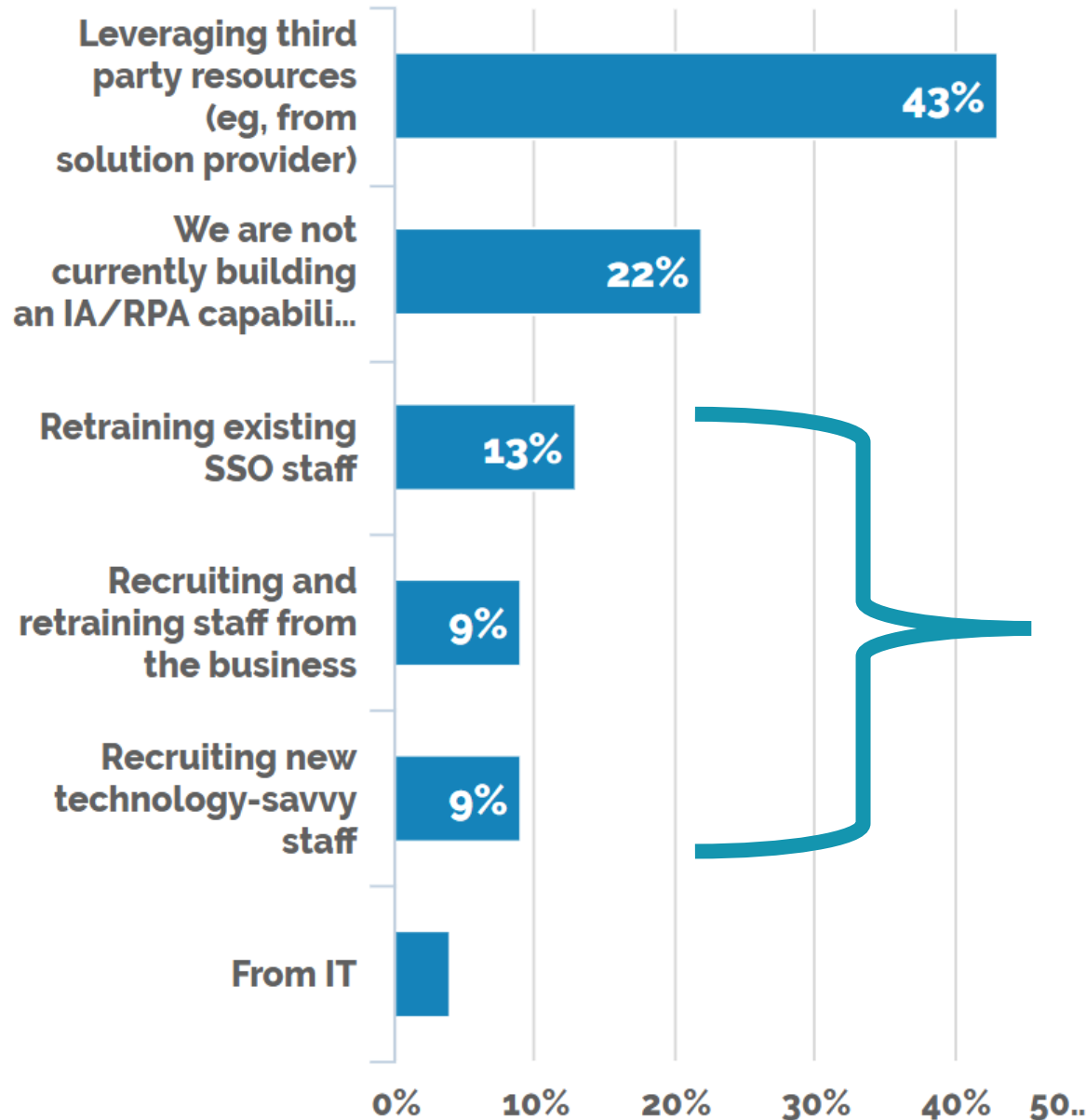
Exercise:

- **In your organization, which CoE model makes the most sense, and why?**

2

Scope, Human Capital and IT Infrastructure

Evaluating your IA program's scope, human capital and IT infrastructure capabilities – where it is now and where it may be in the future

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If you are building your own Intelligent Automation capability, where are you sourcing the talent?

Talent

Source	Percentage
Leveraging third party resources (eg, from solution provider)	43%
We are not currently building an IA/RPA capabili...	22%
Retraining existing SSO staff	13%
Recruiting and retraining staff from the business	9%
Recruiting new technology-savvy staff	9%
From IT	

"We look for attitude and aptitude"

Whereas many vendors advertise "no technical knowledge needed", it speeds both training and impact

Digital Natives and Millennials are well suited for these roles

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Millennials' Contributions

61%

"Creativity, Innovation Fresh Ideas, Unafraid of Change, Disruptive thought process on problems"

42%

"Tech-savvy, Digital Native"

17%

"Energy & Passion"

15%

"Results Oriented, Pressure for Continuous Improvement, A sense of need and satisfaction from working"

11%

"Collaboration, Team Player"

8%

"Integral part of the workforce, needed for advancement"

7%

"Fast learner, Minimal Training, Speed"

6%

"Improve Employee & Customer Experience, Better Engagement"

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Building a Robotic Operating Team

Sample Roles, CoE

RPA Sponsor
- Initiates the idea of automation, underwrites resources and protects progress into business adoption

RPA Champion
- Imprints the RPA vision and mission within the organization
- Acts as an internal Evangelist for RPA
- In charge of ensuring a healthy automation pipeline
- Head of the operational management of the virtual workforce

RPA Change Manager
- In charge of creating a change and communication plan which is aligned to the project deliverables, in order to ease the RPA adoption within the company.

RPA Infrastructure Engineer
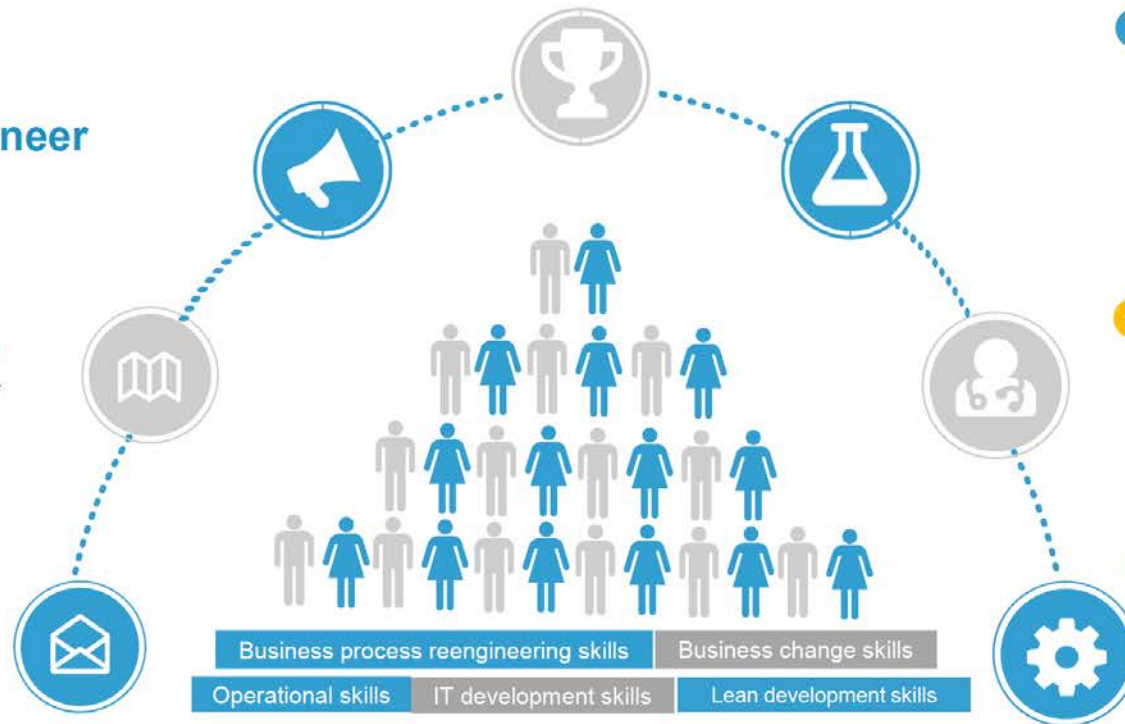- In charge or Server installations and troubleshooting

RPA Solution Architect
- In charge of defining the Architecture of the RPA solution. Guardian of the end to end performance of the solution agreed.

RPA Developer
- In charge of designing, developing, testing the automation artifacts

RPA Business Analyst
- Process Subject Matter experts located in Business Operations.
- In charge of creating the process definitions and process maps used for automation

RPA Supervisor
- Administers, orchestrates and controls the virtual workforce in operational environment
- Focused on continuously improving the robots operational performance

RPA Service Support
- First line support for the RPA solution deployed.

Business process reengineering skills | Business change skills
Operational skills | IT development skills | Lean development skills

*The Robotic Operating Team or Centre of RPA Excellence is fundamentally a **cross functional team** with the clear objective of deploying the RPA automation on a global basis as quickly, as efficiently and as safely as possible.*

O RPA Operations   **T** RPA Transitions Team

Source: UiPath – Enable RPA CoE

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RPA Supervisor - Operations

Role definition:

Part of future RPA Operations team.

Administers, orchestrates and controls the virtual workforce in operational environment

Focused on continuously improving the robots' operational performance using the tools and technologies in place and improving these.

Uses advanced reporting and analysis functions based on detailed logging system to optimize resource use and stability of robots and artifacts in place.

Deliverables:

Reporting of optimally running artifacts on well-utilized RPA resources

Skill-set requirements

Strong process and technology knowledge.

Medium to advanced experience in supervising teams, monitoring, reporting and auditing.

Medium understanding of RPA software functionality at desktop level.

Strong understanding of monitoring and auditing functions of the RPA software used.

Previous experience working with RPA tools is a plus.

Medium to advanced experience in supervising teams, monitoring, reporting and auditing.

Basic understanding of RPA software functionality at desktop level.

Strong understanding of monitoring and auditing functions of the RPA software used.

Source: UiPath – Enable RPA CoE

Evaluating your IA program's scope, human capital and IT infrastructure capabilities – where it is now and where it may be in the future

Exercise:

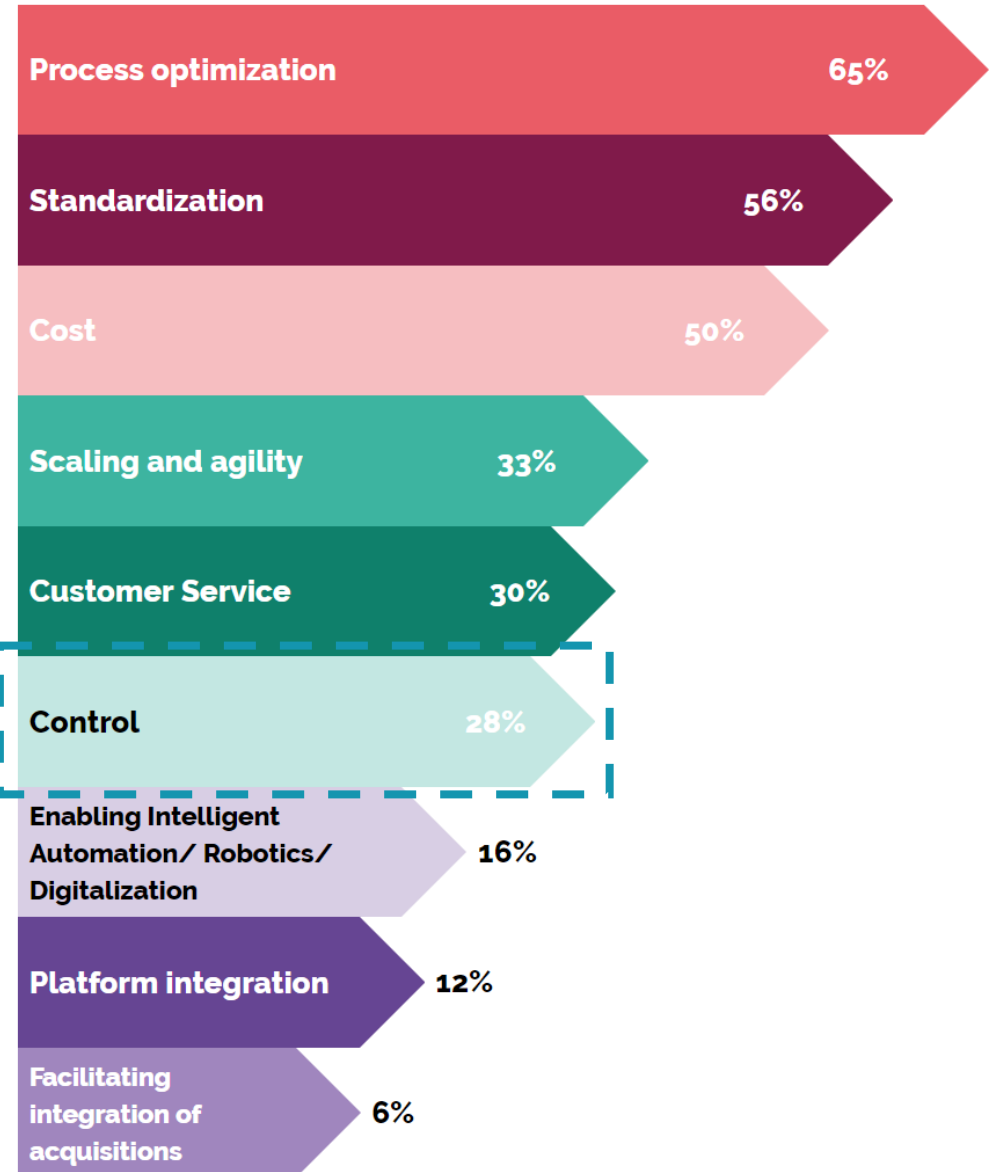- **Have you begun to staff your CoE and if so, how?**

3

Managing Compliance

Regulations your organizations must keep top of mind – and if a CoE would assist with managing these matters

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What are the 3 most important benefits of Shared Services to your enterprise?

Benefit	Percentage
Process optimization	65%
Standardization	56%
Cost	50%
Scaling and agility	33%
Customer Service	30%
Control	28%
Enabling Intelligent Automation/ Robotics/ Digitalization	16%
Platform integration	12%
Facilitating integration of acquisitions	6%

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"

Emerging technologies, such as blockchain, robotic process automation (RPA), and cognitive computing, seem to offer significant transformative potential in operations and regulatory productivity. Additionally, regulators are also fostering environments that encourage the use of these technologies by firms. However, many organizations are struggling to leverage them in the most efficient manner.

- Deloitte: The Future of Regulatory Productivity, powered by RegTech

RegTech: differentiated regulatory technology solutions

Concept

Managing regulators

Responding to new regulations

Higher regulatory scrutiny

Influencing regulators to enable innovation

Brand and reputation risks of non-compliance

Compliance strategy

Creating a compelling business case for change

Driving strategic decision making from compliance data

Need for an enterprise governance program

Compliance operations

Reducing compliance costs

Transparency and compliance reporting

Managing inefficiencies in paper-driven processes

Compliance technology

Applying new technologies to existing platforms

Managing disparate tech solutions and vendors

Understanding the new technology ecosystem

Managing and analyzing compliance data

Lack of technology awareness

CoE Toolbox

Robotic process automation (RPA)
Leveraging rules-based systems to automate repeatable, logic-based business processes, such as checking internal compliance controls for organizations.

+

Intelligent automation
Using cognitive technologies to build self-learning systems for automating intuitive tasks, such as compliance investigations processing, data extraction, and quality control.

+

AI/advanced analytics-enabled prediction of risks
Analyzing entity data and behavior for predicting regulatory and compliance risks. Allows organizations to mitigate risks proactively and address their compliance requirements.

Source: The Future of Regulatory Productivity, powered by RegTech - Deloitte

One Approach

Co-develop expectations	Assess processes	Map technology	Create prototypes	Scale solutions

- Conduct interviews/ workshops with the financial services institution's leadership to understand priorities and pain-points

- Use the insights generated to select the "challenge space" and develop a vision for the business (expected outcome)

- Review existing process maps and conduct a deep-dive of processes, costs, and FTE requirements

- Develop a view of what needs to change/what needs to be true to realize a significant improvement in cost and quality

- Determine level of complexity for each process

- Develop hypotheses on how one or more emerging technologies can be applied to help solve the challenge

- Leverage in-house capabilities and/ or engage RegTech firms

- Design the operating model, business requirements, implementation approach, etc.

- Engage with financial services institutions (and RegTech firms) to develop and implement working prototypes in the organization's test environment

- Collect feedback on prototypes; test, evaluate, and assess applicability

- Implement governance/change management for test process

- Identify areas where the solution can be further scaled

- Develop the long-term RegTech adoption strategy for financial services institutions, including ROI modelling, change management, and governance

- Monitor RegTech implementation

GDPR Example

General Data Protection Regulations (GDPR) take effect in the EU in May 2018

A key challenge for companies is the "right to be forgotten" clause

RPA Opportunity:

- Build and deploy a "forget robot"
- Depending on system limitations, may anonymize or delete Personally Identifiable Information (PII)
- Deleting records may be only choice
- Context matters if PII can be derived

CoE Requirements:

- Understand regulation, rules and fines
- Coordinate with Data Privacy, Risk, IT and HR functions
- Gather requirements for a compliant bot build
- Be able to demonstrate compliance with process, reports and logs

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Regulations your organizations must keep top of mind – and if a CoE would assist with managing these matters

Exercise:

- **List 3 – 5 regulatory or compliance requirements for your organization**

- **How might your CoE help manage these requirements?**

4

Governance, PR, Media Relations & Marketing

Educate, Educate, Educate

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Key Elements of IA CoE Governance

| Strategy & Governance	Process Life Cycle	Value Measurement	Alignment & Change	Technology	Enterprise Integration
Program strategy	Process identification	Program progress measurement	Skills development	Vendor management	Business process mgmt.
Policies and standards	Process prioritization	Operational and performance metrics	Stakeholder management	Architecture and infrastructure	Transformation programs
Roles, responsibilities and structure	Automated process optimization	Benefits measurement and reporting	Organization change mgmt.	Innovation and test lab	Risk and controls
Risk management	Development and deployment		Communication	Expert network	Security
Methodology and design authority	Ongoing operations			Knowledge management	IT processes
Robotics asset management					

Source: EY

Key CoE Role: Continue to Educate

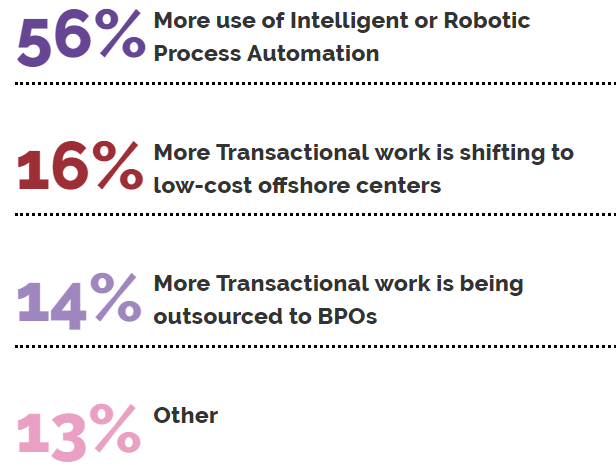**Is your strategy shifting from Transactional towards Knowledge work?**

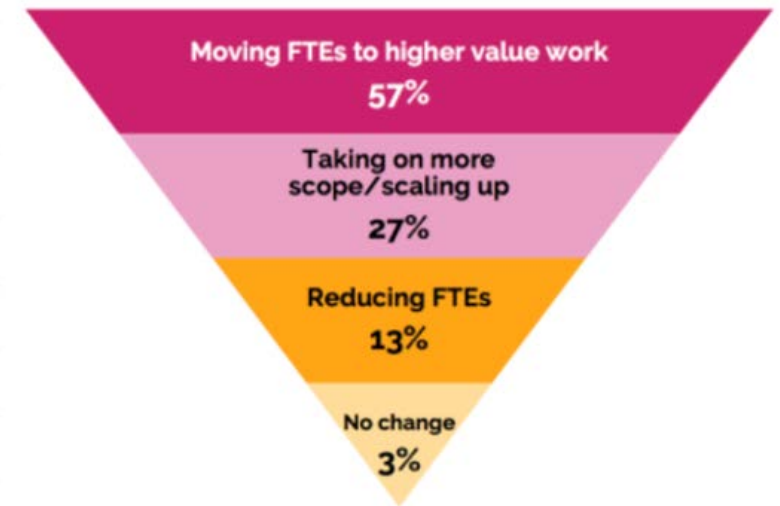OVERALL RESULTS | BREAKDOWN BY REGIONS

YES
61%

Not Sure
22%

Other 3%

NO
14%
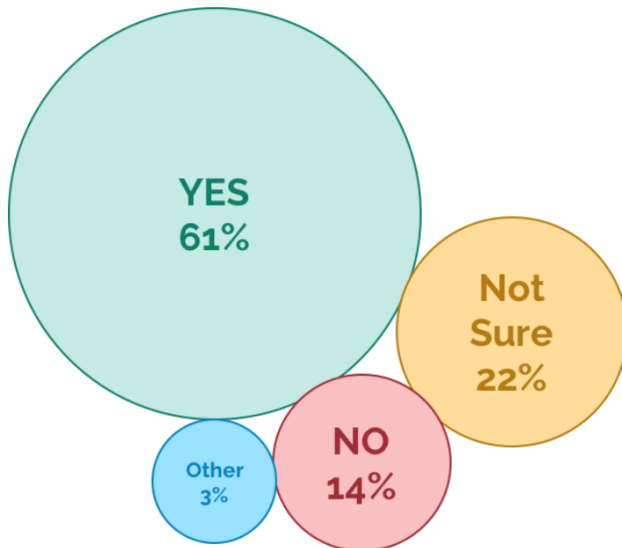
If you are shifting away from Transactional work, what is driving this?

OVERALL RESULTS | BREAKDOWN BY REGIONS

56% More use of Intelligent or Robotic Process Automation

16% More Transactional work is shifting to low-cost offshore centers

14% More Transactional work is being outsourced to BPOs

13% Other

How is automation impacting SSO?

Moving FTEs to higher value work
57%

Taking on more scope/scaling up
27%

Reducing FTEs
13%

No change
3%

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Governance, PR, media relations & marketing

Exercise:

- **Where is your organization in terms of awareness and buy-in?**

- **What steps have you begun or imagined?**

Help with the Journey

We advise following a clear, simple, structured framework as the building blocks for a successful RPA journey with tangible benefits and well defined expectations

6 STEPS TO LAUNCH a COMPANY's RPA JOURNEY

1

Process Suitability Assessment

2

Proof of Concept / Pilot

3

Operating Model

4

Vendor Assessment & Tool Selection

5

Business Case

6

Automation Roadmap

Leverage Our Experience for Your Success

THANK YOU

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