Frank Casale, Founder and CEO of IRPA sits down with Blue Prism's Co-Founder and CEO, Alastair Bathgate, to get his outlook on the overall benefits of Robotic Process Automation.

Alastair Bathgate

Alastair Bathgate's career spans manufacturing, retailing, banking and enterprise software which has given him a unique understanding of operational business processes and how technology can be used to improve efficiency and service. Setting his sights on the white collar back office and realizing that there was an enormous unfulfilled need in the "long tail" of automation, he co-founded Blue Prism to provide a new business led, more granular and economic approach that today we know as Enterprise Robotic Process Automation. He is currently CEO of Blue Prism and holds an MBA from Leeds University Business School.

Frank: As we look at robotic process automation (RPA) in reference to information technology outsourcing (ITO) and business process outsourcing (BPO) how you would describe your offerings at Blue Prism?

Alastair: We provide a virtual workforce, powered by software. Blue Prism's pioneering RPA software enables business operations to be agile and cost effective through rapid automation of manual, rules-based, back-office administrative processes, while reducing cost and improving accuracy by creating a "virtual workforce."

We're not producing automated robots to interact with human beings. We're creating robots that crunch through the routine technical work in the back office.

Frank: For the most part we're talking software, as opposed to a service or hardware?

Alastair: It's software, but it's also a methodology--a framework, an operating model. --In terms of how you manage change control and create a persistent capability within your organization, determining our operating model is as important as the software itself. To really think about how to continue to roll out process improvements to increase the size or effectiveness or importance of the virtual back office that you've created is critical.

Frank: What is your response to people who perceive RPA as hype or even hypothetical?

Alastair: All vendors have proof points. For instance, in the UK, Cooperative Bank automated its process for reporting and replacing lost and stolen cards. The scenario looks like this: a person in the middle of New York City, and calls the bank only to have to suffer through a thirty-minute call with a clerk who has to cancel cards, reissue them, change the limits, put blocks on them, format processes, place notes on the card, etc. However, by delegating this type of admin work to a virtual back office that is powered by robots, the clerk on the phone can now take the next call while the robot proceeds with the admin. In just one hour, the clerk will take twelve calls instead of just two.

Robotic automation is sometimes portrayed as a route to just saving costs, however, another one of our mobile phone customers, Telefonical, uses it to improve service. I went into one of the shops a few months ago to upgrade my iPhone. All that was needed was a new SIM card, which once put in, brought the phone to life in seconds.

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Previously, the exact same upgrade required a twenty-four-hour wait period for the new SIM card to be connected to the update process, which was actually performed by offshore labor. Can you imagine picking up a new cell phone and not being able to use it for twenty-four hours? It would drive you nuts.

If that SIM card swap process gets you a new telephone or a new billing program and can speed it up so it takes place in a matter of seconds, rather than a twenty-four-hour period, then the improvement in service to the customer is immeasurable. On the back end, RPA saves cost too, as the best process improvements tend to.

Frank: Being that we are talking about digital labor, is it safe to say the analytics are also a good benefit?

Alastair: It's really powerful when you start looking at performance improvement, once you've captured it in the digital labor. You can then mine those analytics for all sorts of really powerful uses.

Once you've built your digital process, you can audit in a way that human beings simply cannot. You can look back at any process at any time in history and see what decisions were made during that process. That information is used for process improvements.

Frank: As one of the pioneers in the field, how would you describe the earliest deals you've been involved in? Were they cost driven, as many are, or benefit driven?

Alastair: In my opinion, the primary focus has been to take out operational costs from an organization. Our team at Blue Prism

educates clients about the secondary benefits, such as accuracy, downstream benefits in the process, improved SLAs and response times.

Frank: Being one of the early players in this space, is the increased popularity of RPA good for Blue Prism?

Alastair: We were doing robotic process automation before it was called robotic process automation, not before it was cool. We had a hand in renaming it; not personally, but when we started focusing on the BPO space as a route to market, as well as an end client base, advisors that we were speaking to were trying to find ways of connecting.

Robotics seemed to be helpful in suggesting a third way of reducing costs and improving service is by using software robots, behind onshore and offshore staffs.

The current sexiness of robotic automation has undoubtedly helped Blue Prism, and has written us an effective "elevator pitch," which goes: *You've got a back office with 500 heads; why wouldn't you want 20 percent of those to be replaced by robots?*

Frank: I'm curious about what you mean by BPO.

Alastair: BPO is finance and accounting. It could be a back office of some sort. It could be contact center or customer support. It could be some aspects of human resource outsourcing. And a whole lot more. Where there is a call center, there is inevitably a back office doing fulfillment or customer service. That's where Blue Prism plays quite strongly.

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>
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Frank: Let's talk about banking and insurance. What impact does this technology have in these regulatory environments? Are there additional benefits there?

Alastair: When we first launched the product in 2008, it had limited capabilities in terms of being enterprise strength and it needed to be able to comply with regulatory requirements. We then had to make it able to secure private data that's typically held by a bank or health company. Further, it had to be flexible enough to meet the rapid route-to-market needs of a telecommunications company. We spent four or five years with early customers really building that capability in.

When considering how you create an outsourced workforce, you think about how to hire the people, how to train them, how to motivate them, how to stay on target, and how to schedule work for them. These questions must also be solved in robotics, and that's what we spent time working out.

Frank: When companies say to you, "We've already invested in process automation," in many cases do you see what they are referring to as being more traditional?

Alastair: There's a key difference between robotic automation and traditional process automation. Traditional process automation is an IT program, whereas robotic operation is a sourcing decision run and operated by the business operations team, not just one IT programmer. Blue Prism was born out of an initial conversation with a change manager, not an IT person, of a large bank, who asked, "Can you do some automation for me?"

"Yes," I answered. "But, why haven't you gone to your IT department to ask for it?"

He said, "It takes three months to get a meeting and three months to get a qualification and then another three months to get a 70 percent accurate cost. I'll wait another three months after that to get a 90 percent accurate cost, and then we'll sit down and decide if it gets on the change list."

"That's interesting," I said. "How many items are on the change list at the moment?"

"Two hundred and fifty."

"How many are actually being delivered right now?" I was curious.

He said, "I meet with my IT representative every month and we talk about the top five being delivered."

The point is, this exchange showed what a long tale of unmet needs this process causes. Blue Prism is not trying to replace what the IT departments do. We are trying to increase the footprint of automation in an organization by addressing things that are never going to make it onto the IT program, because maybe there's no economic case. You've got to break it down and find new economics. If the business team does it themselves, it can do it rapidly and without invading the IT structures and causing any security damage. This way, business cases are quite easy to achieve.

Frank: In the next two or three years as RPA becomes more common, what types of skill sets do you see as critical for university graduates?

Alastair: I don't believe in this doomsday scenario that seems to robotics and automation in general is going to decimate the work force. I think we're under resourced in jobs that people are good at right now, jobs in which empathy, relationships, creativity, and ideas are important.

Right now, there's a bunch of people in back offices and cube farms doing menial tasks that they just aren't very good at, simply because humans are not the most accurate in, say, calculations, whereas computers are much better at that type of work. I say, get on the right side of the technology. It's about finding the right type of work for the right type of results, whether that be a human being or a robot or a traditional IT automation technique.

That's where I would advise the labor and workforce in general: focus on the jobs that are much more enjoyable for human beings to do.

Frank: What are the three most important benefits of investing in robotic process automation, in your expert opinion?

Alastair: Obviously cost saving has to be one of them. I think business agility is another; being able to react more quickly to an event. A lot of people use robotic process automation to speed up their process to launch a new product because their competitor has done the same thing.

The last would be the benefit of improvements in accuracy and service level. Skills like that help a company get it right the first time, which sends a message of quality.

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The Institute for Robotic Process Automation (IRPA) is an independent professional association and global network for the buyers, sellers and influencers in the robotic process automation/autonomics arena. IRPA is the go-to source for market trends, best practices, case studies, events, assessment services and channel opportunities. To learn more and opt into our free global community, visit www.irpanetwork.com.

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To schedule a 30-minute executive briefing with an IRPA executive, to learn how and where Robotic Process Automation can deliver results within your organization, contact David Goodstein at david.goodstein@irpanetwork.com, or call (516)-279-6850 Ext. 719.