

# Understanding RPA ROI

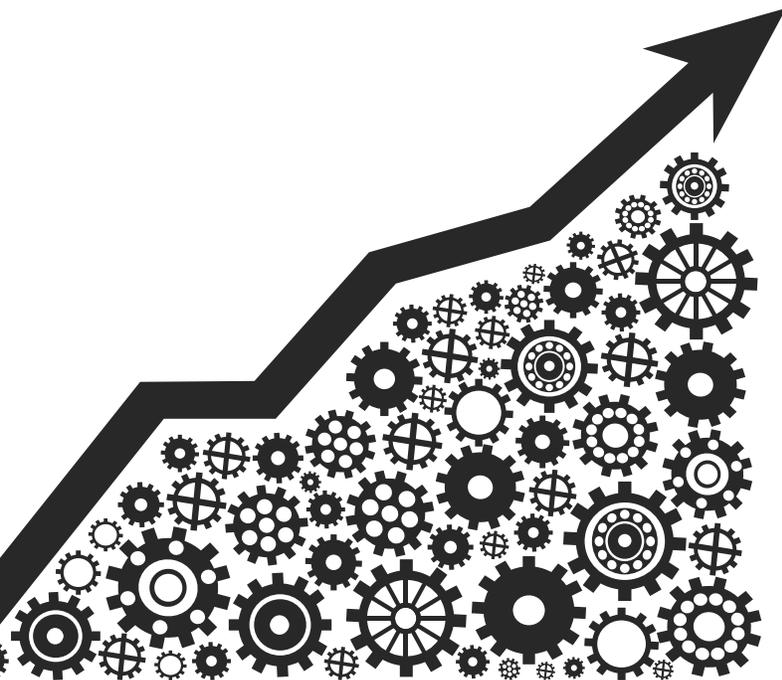
How to Measure It and  
Why It's Important

Sponsored by  **helpsystems**

# Introduction

Robotic process automation (RPA) can deliver significant benefits to companies of practically any size and in any industry. Its ability to improve productivity, increase innovation, and help companies deliver a better experience to customers makes it one of the most valuable tools of modern business. With effective tools for measuring the impact of RPA, companies can show that these solutions are important to the business and learn how to implement these solutions most effectively and perhaps more broadly.

Developing ROI metrics for RPA is critical to creating an effective roadmap for implementation, building support, and validating assumptions. Quantifying the expected and actual returns on an investment in RPA can help companies make better decisions, optimize their solutions, and learn from any pitfalls. However, it is necessary for companies to understand what data to collect, which benchmarks are valuable, and how to best make use of the information they gather. In order to create and follow an effective RPA roadmap, it is important that organizations understand ROI and how it can be maximized to make the implementation better.



## WHY ROI METRICS ARE CRITICAL

ROI can provide a business justification for any project. By showing that RPA will provide a net benefit to customer experience, innovation, productivity, and cost control, leaders can increase buy-in across the enterprise and ensure that their initiatives are successful. This process of using ROI generally can be broken down into three primary phases:

- **Initial** – Before implementation, project leaders can use ROI benchmarks and data from other implementations to build the case for RPA. By showing what the technology is capable of delivering, companies can better plan for implementation and ensure that business leaders give the project the necessary resources.
- **Interim** – As an RPA implementation develops and becomes more mature, it is important for the organization to understand the effects of the project, including those that are more difficult to quantify such as customer experience. Collecting ROI data can help validate initial assumption, identify areas for improvement, and help build support for additional initiatives.
- **Ongoing** – As RPA continues to evolve, users are applying it to a growing number of business processes. Companies should continuously track the ROI for implementations and look for additional areas that could benefit from automation.

# Financial justifications for RPA

RPA solutions can vary greatly depending on the vendor and whether the solution is developed in-house. There is a significant range in viable approaches to automation technology; determining how each will affect the enterprise is critical to determining ROI. In order to make accurate ROI estimates, it is important to understand all the benefits of each RPA solution, as well as the costs.

## Key Metrics

### IMPLEMENTATION COSTS

Development and implementation costs associated with RPA do not have to be significant. In many cases, they may be relatively minimal, and a positive ROI is often achieved rapidly. A well-defined, strong RPA solution can be implemented within weeks, allowing companies to see benefits far more quickly and with far less investment than with many other technological initiatives.

- **In-house deployment vs. third party**

**consultancy** – Choosing between implementing RPA solutions in-house or using a consultant can have a significant impact on the ROI of the project. One key consideration is whether to enable a team of internal experts who can be available for ongoing automation. With a continuing automation strategy, having internal expertise will result in lower costs and better support for business initiatives. Alternatively, consider the potentially higher cost of consultants, training, and ongoing support that may be needed after turnover of the project to an in-house staff. Finding a solution that allows for immediate automation, as well as training services to enrich continued automation, could result in shorter time to value with a full-time RPA resource as opposed to consultancy resources.

- **Implementation approach** – Front-office solutions interact directly with clients and often require more human intervention, management, and time spent on implementation. Because customers see these solutions, it is important that they be able to interact effectively with humans and be integrated into the workflow. Back-office systems are often more easily implemented and can run completely autonomously, making them well suited for IT, order management, HR, and other tasks that can be performed independent of human interaction.
- **Conducting a proof of concept** – To avoid locking in unfavorable recurring costs, organizations can choose to conduct proofs of concept prior to finalizing. This helps them find the provider that matches their precise requirements and can show that the solution will deliver significant benefits.

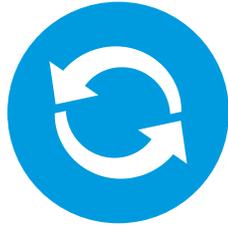
### The Road to a Rapid ROI

*A well-defined RPA solution is the key to a swift implementation, resulting in a faster ROI.*

## RECURRING COSTS

Aside from the initial costs of the implementation, there can be recurring costs associated with RPA.

Licensing, labor, and management can affect ROI. Companies must monitor and optimize these costs in order to ensure they are maximizing the return on automation initiatives.



- **Subscription fees** – Subscription fees can be one of the largest costs associated with RPA. There are a wide range of pricing structures and companies should carefully examine vendor options in order to choose a solution that will deliver the greatest ROI. It sometimes is possible to pay on a price-per-bot basis or purchase an entire bot deployment. Many vendors also charge additional fees at regular intervals. By purchasing a perpetual license, companies can avoid these fees.
- **Labor costs** – If implementing with an internal team, companies will need to employ staff with RPA expertise to deliver and manage the solution. Tool selection can have a real impact on costs, from resource productivity and time to configure to ongoing support needs. Carefully evaluating the flexibility of the tool is also an important consideration. Specifically, ensuring that the solution provides both RPA and BPA capabilities to enable the full range of automation needs across an organization, as well as ease of automation and stability, will factor into the number of needed resources.

## RPA BENEFITS

Ultimately, the costs of RPA almost certainly will be exceeded by the benefits returned. Understanding these benefits and being able to quantify them is critical to building a financial justification for automation and ensuring that initiatives deliver maximum business value.



- **Improve efficiency** – The primary reason that most companies implement RPA is to improve efficiency across the organization. The RPA implementation team should devise an efficiency calculation to compare human and robot productivity to showcase robotic efficiency and prove that the solution is saving costly man hours. The benefits RPA provides to efficiency are not meant to demoralize employees or prove that humans are less efficient, but rather highlight that human labor can focus on higher-value tasks that require more advanced cognitive abilities and not just speed through repetitive tasks and activities. This is one of the greatest benefits of RPA, as it allows companies to more effectively deploy their employees and innovate.
- **Increase innovation** – If implementing with an internal team, companies will need to employ staff with RPA expertise to deliver and manage the solution. Tool selection can have a real impact on costs, from resource productivity and time to configure to ongoing support needs. Carefully evaluating the flexibility of the tool is also an important consideration. Specifically, ensuring that the solution provides both RPA and BPA capabilities to enable the full range of automation needs across an organization, as well as ease of automation and stability, will factor into the number of needed resources.
- **Customer experience** – Another major area that can increase the ROI of RPA solutions is customer experience. Although this may not provide immediate cost reduction, fast and accurate processing means improved quality and minimal error, which implies improvement in customer experience. Over time, this may improve the value of the brand and lead to increased sales. Establishing a baseline customer satisfaction level prior to implementation can help companies measure this impact.

# ROI and the RPA roadmap

ROI plays a key role in a successful RPA roadmap. Any effective plan should have ROI targets and milestones, and the implementation team should constantly analyze the performance of the solutions and make adjustments to meet their goals.

## Developing an ROI-focused automation roadmap

### SET ROI GOALS AND EXPECTATIONS

Focusing on value delivered at every step of the process is critical to ensuring that a project delivers a positive ROI. To accomplish this, it is important to set goals, timelines, and strategies for implementation. Define what the intended outcome of the project will be and work with organization stakeholders to articulate the benefits of automation and its impact to the organization in terms of resources, processes, technology, and end customers.

### IDENTIFY LOW-HANGING TARGETS

It is important to establish a positive ROI early in the automation journey in order to build support for future projects. The first step of RPA implementation is the identification of structured processes with well-defined process triggers, hand offs, and well-framed SOPs. Automating these types of processes will allow companies to see benefits sooner and prove that RPA can deliver a positive ROI. This will help develop a business case for the implementation and provide insight into improving future iterations.

### ORDER PROCESS PIPELINE BY ROI

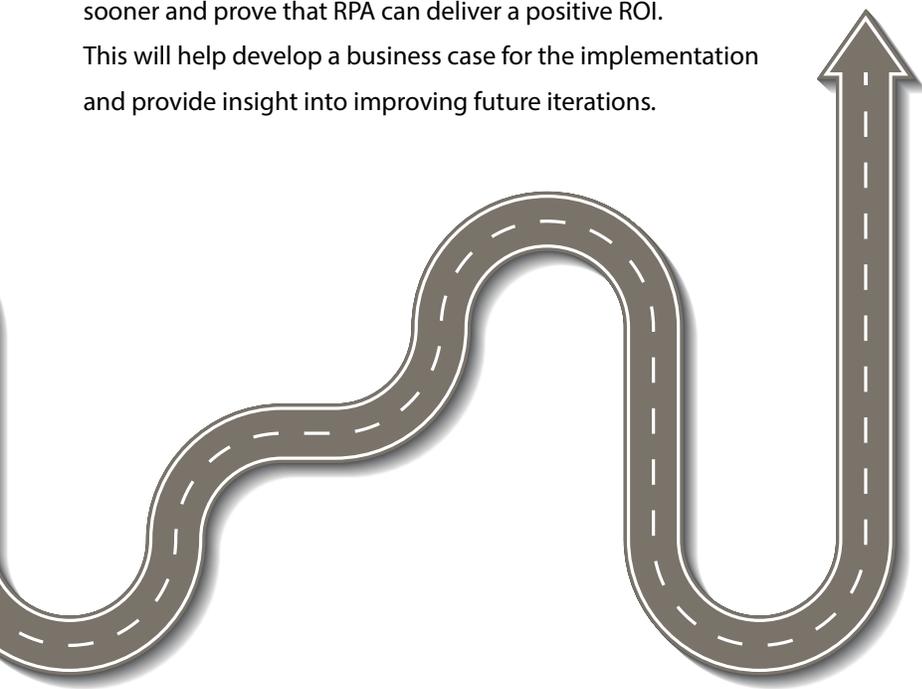
When a list of processes that can serve as RPA proofs of concept has been made, companies can begin choosing their ideal automation partner, program manage the POC, and map the results with the pre-defined objectives. The team can then score them in comparison with the pre-automation results to develop a process prioritization matrix of automation suitability and expected business value.

### CREATE ROI-FOCUSED ESTIMATES

Capital and operational expenses, efficiency benefits, expected outcomes, and the potential for savings from people, process and customer perspectives should be enumerated in an ROI-focused implementation outline. This will help the team justify the RPA initiative and provide a map for success.

### DEVELOP AN OPERATING MODEL AND LAUNCH CENTER OF EXCELLENCE

A well-defined operating framework will ensure the RPA program is not a one-time investment and delivers a continual return. In order to accomplish this, companies should train employees to manage the automation deployment and ensure it is optimized. Companies should also create a Center of Excellence (CoE) that works to develop a culture of continual improvement within existing processes and develop use cases for other standardized structured processes. The operating model should have a structured implementation methodology that can be re-used for other automation implementations.

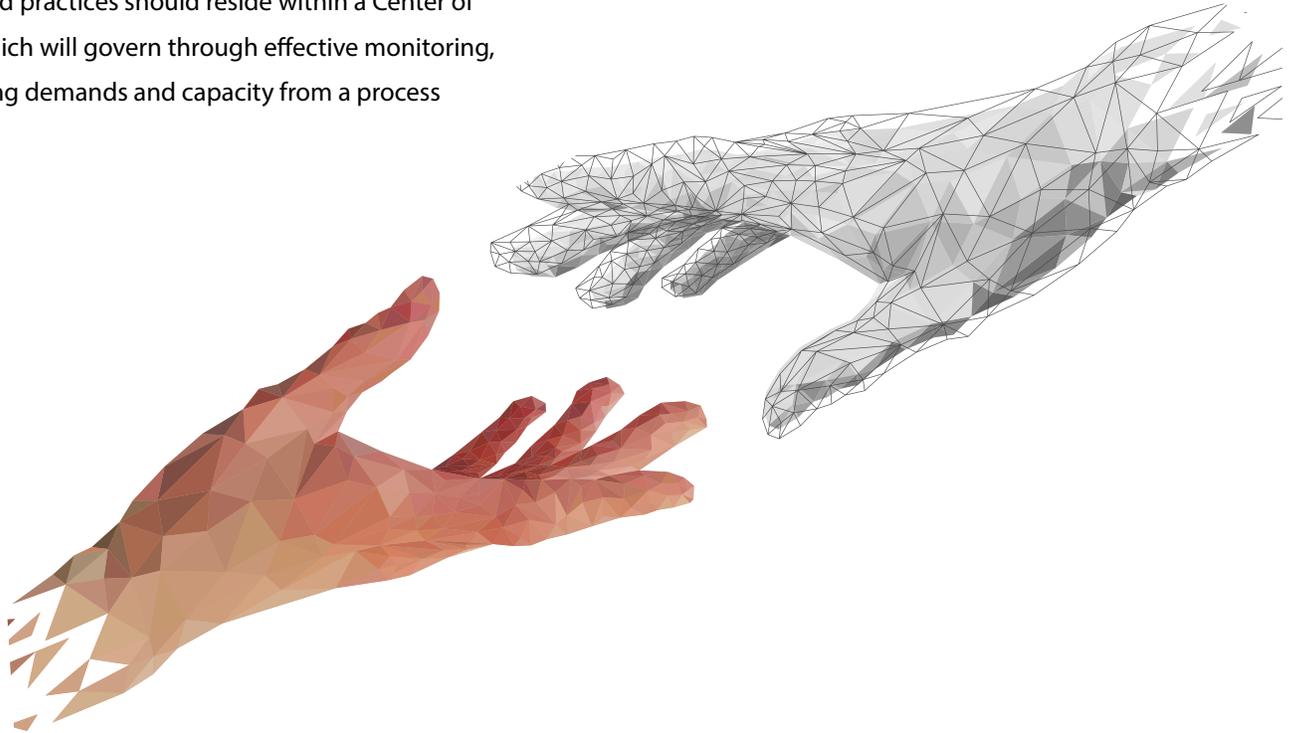


## SCALING AUTOMATION EFFORTS WITH A COE

Once a positive ROI has been established, the team can begin to implement strategies for increased scale. In order to scale RPA efforts, the team should create documents related to SOPs, methodology, best practices and lessons learned. This will help create consistency across the organization and help the initiatives continue to deliver value. Ideally, these documents and practices should reside within a Center of Excellence, which will govern through effective monitoring, while managing demands and capacity from a process standpoint.

## GOVERNANCE PHASE

This phase should be focused on ensuring that automation initiatives are providing a satisfactory ROI. The Center of Excellence should regularly analyze the costs and benefits of RPA across the enterprise and adjust practices and implementations to optimize returns. The team also should stay abreast of new technologies to keep implementations current and stay competitive.



## Conclusion

RPA has the ability to deliver real value in a variety of ways. Solutions can deliver positive ROI rapidly and with minimal upfront investment. Automation technology can help companies achieve their business goals, so there is no reason not to start an implementation today. However, without an understanding of an initiative's ROI, companies will be unable to make effective decisions about the technology and justify investments in automation to business leaders. In order to effectively implement RPA, the initiative team should make ROI a major focus during planning, implementation, and governance. By analyzing the real business impact of the solutions, the automation team can build support for additional implementations and ensure that their solutions are delivering the greatest value to the company.



## **ABOUT HelpSystems**

A leader in robotic process automation software and services, HelpSystems provides RPA software solutions to meet the needs of any organization, large or small. Building on over thirty years of expertise in automation and software robots, the HelpSystems Automate suite of products helps businesses increase operational efficiency and streamline mission-critical processes in every department. More than 10,000 organizations around the world rely on HelpSystems to make IT and business users' lives easier, while keeping business running smoothly.

**Learn more about our RPA solutions at [helpsystems.com/rpa](https://helpsystems.com/rpa)**



## **ABOUT IRPA AI**

Founded in 2013, the Institute for Robotic Process Automation and Artificial Intelligence (IRPA AI) is an independent professional association and knowledge forum for the buyers, sellers, influencers, and analysts of robotic process automation, cognitive computing, and artificial intelligence.

Our global network and advisory services offer leading-edge market intelligence, industry research, sourcing assistance, and events, as well as offering opportunities to learn and network with stakeholders across service industry functions.

**To learn more, please visit [irpaa.com](https://irpaa.com).**