

Working with Robots

by Lachlan Colquhoun

How will humans cope with their new Robot colleagues? Lachlan Colquhoun explores the benefits of Robotic Process Automation, how they can be assimilated into the workforce and looks at how UiPath, an Australian software firm, is benefiting from the rapid growth of the RPA boom.



In the very near future, many organisations will have teams of accountants working around the clock, 24 hours a day.

The difference is that not all members of the accounting team will be human.

The ones doing the night shift will almost exclusively be robots, a new workforce of bots to work alongside human colleagues. The good news for the humans is that their robot colleagues will be doing many of the more repetitive and boring jobs. While the human accountants are at home with their families or are asleep, the robots will be doing the grunt work. When the humans come to work in the morning, they can take what the robots have done overnight, and add the vital piece that the robots cannot do: strategy, insight and advice.

According to Ken Day, who is an expert on Robotic Process Automation ("RPA") for the software firm UiPath in Australia, in the future it will be commonplace for humans and robots to work together, and for work teams to be described as comprising "three people and two robots."

"The big difference is that the robot will be there 24/7, and will always do what it is told," Day says.

"That bot might be working on your desktop and start processing while you are working. You'll just press a button and send your robot off to do something while you do another job."

Robots in financial services are in many ways the best of both worlds, he says. They are cheap, and they reduce risk

because they make less mistakes and work faster.

What is less clear is how humans will cope with their new colleagues. While the technology benefits of robots in accounting is clear, the change management piece of assimilating them into the workforce is – according to Day – perhaps the most challenging piece in the transition.

Nevertheless, accounting firms around the world are embracing the robot future, and it is already having implications for humans.

In Belfast, PwC announced plans to create 600 new jobs in Belfast, taking its workforce in the city to 2900. The roles are in Operate, the operational delivery arm of the firm, and include training in how accountants will use RPA.

In December, KPMG announced it would invest US\$5 billion in a global digital strategy which has artificial intelligence and RPA at its core. Having undergone a global cloud computing implementation in 2017, KPMG is now using that to create a set of cloud-based capabilities with more than 50 advanced solutions including AI and RPA.

Elsewhere in Europe, banks are implementing RPA in Know Your Customer checks and saving thousands of hours a week, while insurers are using the technology to adjudicate claims, and are about to do so in better than half the time.

UiPath is one of a new wave of technology providers enjoying rapid growth off the RPA boom, and has embarked on a global push to educate

the accountancy profession on the coming wave.

As Ken Day explains, much of that work is in reassuring accountants that the future will be better for them with robots as colleagues.

He cites the example of a finance manager in a client's business who would spend two days a week auditing a spreadsheet looking for errors. The finance manager estimated that the work she did finding and investigating errors saved the business around \$200,000 each year and was horrified when Day completed the RPA implementation.

This was because the office manager was only able to audit 10 per cent of the spreadsheet over two days, where the robot was able to do 100 per cent, and then present anomalies to the finance manager to investigate.

"I can still remember her saying 'here's the robot' and then pressing the button," says Day. "She looked at me and said, 'I've just lost my job.'"

What the office manager hadn't understood was that because the robot was able to audit 100 per cent of the spreadsheet in the same time as she could do 10 per cent, her work in doing the follow ups was now worth \$1 million a year to the business, five times what it had saved previously.

"She looked at the numbers and said, 'I like this robot' and then her next question was whether we thought she should go and ask for a pay rise," says Ken Day.



One firm already deriving significant benefits from RPA in the finance function is Australian conglomerate Metcash, which operates a distribution, wholesaling and retailing business in the grocery market, beverages, hardware and in automotive parts.

Originally, the company began its RPA project in the aftermath of a major cost cutting exercise which severely slashed the headcount.

"It wasn't a good start to the project," says Jennifer Mitchell, a project manager at Metcash. "RPA equaled FTE loss which equaled fear in the business. RPA was introduced by our shared services provider and a couple of keen people in our business, but the problem was that they were in the cost cutting business unit."

From this inauspicious start, Metcash were able to turn their RPA project around and, within six months, turn it into a significant success, and one which has buy-in throughout the organisation.

A key first step was to restructure the ownership of the project. It was taken away from IT and was directed by the finance function, with Mitchell as business project manager.

"We took over from a group finance perspective and it is now funded by the CFO, with a steering committee identifying a pipeline of opportunities which tackle the low hanging fruit, things like reconciliations and the really easy stuff which is where we can show we are performing well," she said.

"There are things like reconciliations, which is really easy, and we have a strategy to zoom into IT, finance and HR and automate processes and then pillars at business unit level." Every time we put in a bot, we tell the CFO because he is the sponsor, and he then tells the CEO and the Board so there's an up and down stakeholder engagement."

The mandate, she said, is to simply automate the low value and repetitive tasks.

"Our mantra is to give the human back the human, and the way we do that is look at any process which is digitized and look at how it can be automated," said Mitchell. "We say if your fingers are doing the work, we can probably get your brain to do it faster. The result is that it's an over-zealous macro which does the work for you. Overzealous but very honest."

Some of the savings, said Mitchell, have been a "bit embarrassing" in the way they have shown up the clumsiness of Metcash's previous manual processes, many of which were built on manual data entry and legacy IT systems.

"One guy is now spending two days a week on data entry he had to do over a month," she said.

The Bots, all of whom have been given names like "Chuck" and "Tradie", are also cheap to operate and easy to implement, taking around four weeks from zero to functional.

"We have a pipeline of about 20 opportunities, and we hope to do 30 projects by financial year 2020," said Mitchell.

After the rocky start, the bots have been welcomed by employees who understand that RPA is now not about cost savings but is about saving time.

Following the pain of cost cutting Metcash was left with "really good people we really want to retain" but it was important that they were not left with "lots of mundane work because they weren't taken out in the cost cutting."

"We won't retain them by keeping their jobs boring," said Mitchell. "We had created a bit of a treadmill culture where there was a level of mediocrity creeping into the business, and this was cited in exit summaries with people who were leaving the business."

"So, in addition to making time for people we try and make it fun. We have races – human against bot – and show the business the benefits, and for a lot of people this is jaw dropping."

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Lachlan Colquhoun has written for some of the world's best-known mastheads in a journalistic career spanning four decades. From the Financial Times, the London Evening Standard as its correspondent in Hong Kong, the Scotsman and Ireland's Business Post, he also covers financial and accounting issues for CPA around the world.