Knowledge
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KEYS TO RPA SUCCESS

Part 3: Gaining Early Stakeholder Buy-in and Governance

How Blue Prism Clients Gain Superior Long-Term Business Value

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With market adoption of Robotic Process Automation reaching levels that support rigorous quantitative measurement and analysis, Knowledge Capital Partners has developed proprietary research tools and assessment models with the goal of establishing evidence-based performance benchmarks to inform technology selection and deployment. This report summarizes the key RPA management practices that have produced superior results and value for Blue Prism customers as revealed in multiple quantitative surveys and live deployment analyses.

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Introduction

Between 2015 and 2018 we carried out five surveys, 85 detailed case studies, and reviewed 104 further deployments of robotic process automation (RPA). As documented in our previous reports and books, we know from this research base that the top performing RPA users 'think strategically', 'start right', 'institutionalize fast' and 'innovate continuously'. These four admonitions add up to applying 30 action principles to mitigate 41 major potential RPA deployment risks . This paper focuses on two areas deserving particular attention: in our research, lack of stakeholder buy-in and poor governance emerged as major stumbling blocks towards progress and business value.

The politics of automation is too often overlooked as managers under pressure prioritize technical concerns, costs and implementation deadlines. But organizations have multiple stakeholder groups, often with different but legitimate objectives and interests. Unsurprisingly, as work processes, job content, and departmental interests are disrupted, politics breed in times of technological, and now RPA automation, change. Effective RPA users invariably manage this 'politics track' well, we find, while most ineffective users have managed it indifferently, if at all. The results are mixed to say the least: lack of visible progress, resulting typically from a mix of employee backlash, insufficient funding and resources from senior executives, uninvolved or uncooperative IT, trade union/worker representative recalcitrance, and/or organizational resistance from those not directly involved in delivery .

Governance can mitigate such problems. Governance establishes the constitution, or 'rules of the game' for RPA development and deployment within the enterprise. Governance involves specifying decision rights and accountabilities for important automation decisions, and creates a framework for encouraging desirable behaviors in RPA use. With IT generally, good governance has been found to produce up to 40% greater return for the same investment, compared to projects with poor or no governance in place. Moreover, firms with above-average IT governance that followed a specific strategy (e.g. operational excellence or customer intimacy) have more than 20% higher profitability than firms with poor governance following the same strategy. Our detailed RPA case and survey findings are consistent with these kind of figures .

Part of starting right and institutionalizing fast is gaining an early grip on stakeholder buy-in and governance. In our survey, top Blue Prism client performers operationalized distinctive practices on these two fronts, which we report on here.

Stakeholder Buy-In

Amongst Blue Prism customers, successful RPA automations are characterized by strong support from multiple stakeholders, chiefly senior management and employees working directly with the automated services (see Figure 1). Internal customer support is experienced as more important than external customer support, because process improvement involves multiple internal functional areas, while in successful automations, external customers might not even know, or need to know.

Level of Support for RPA from Stakeholders

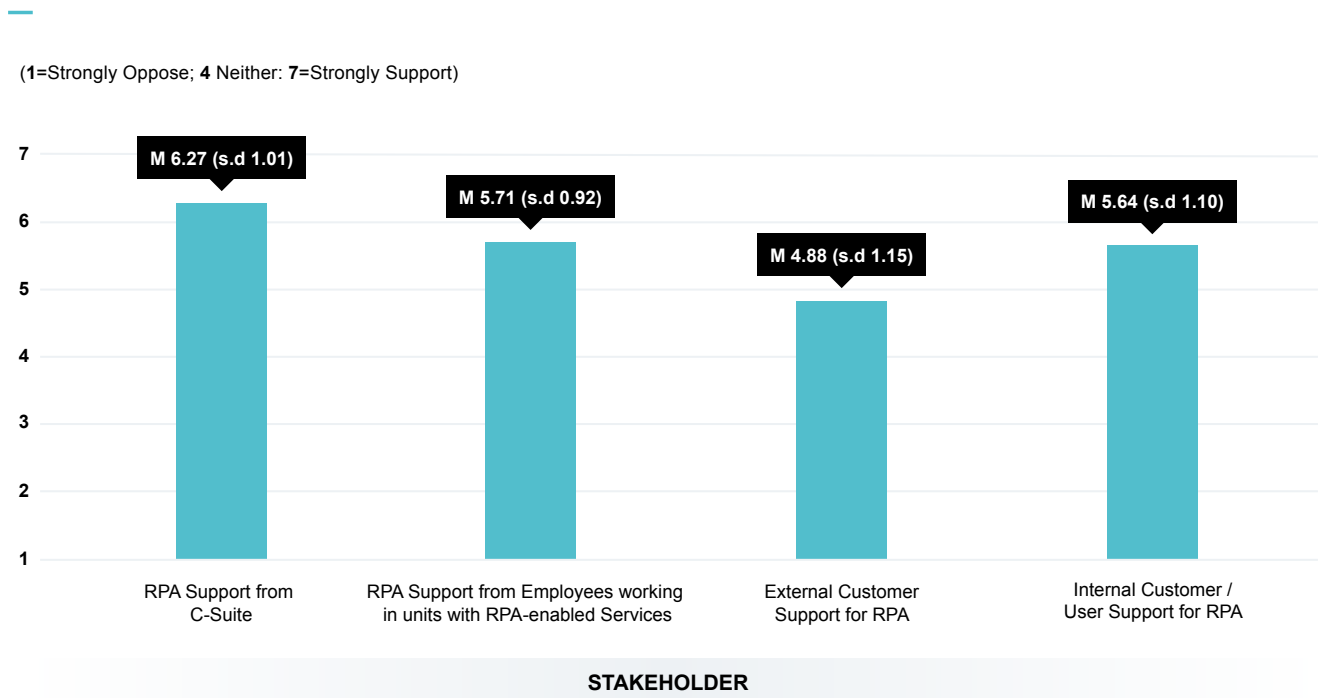(**1**=Strongly Oppose; **4** Neither: **7**=Strongly Support)

Figure 1

In one major North American bank the project leader for automation was appointed and supported by the head of the bank's service operations unit. In an insurance company the CEO appointed the project leader, the two having worked with each other in a prior organization. In a BPO service provider, the CEO endorsed automation, describing the organizational mission as 'having technology at its core'. In all three organizations, RPA has expanded greatly and proven successful. These are just three illustrative examples of the importance of getting early, active, on-going chief executive and senior board management support for strategy, resources and project protection.

But CXO buy-in, while necessary, is hardly enough. Organizations have multiple stakeholders, all of whom can support or derail RPA in some way. Gaining stakeholder buy-in means instituting strong change management practices from the start. These will be discussed in detail in paper 4, but our case research shows key overriding principles for effective change management: continuous communication of the vision, clarity about the end point and what is going to happen, and active stakeholder participation, with full information about individual roles and RPA's likely impact on them.

Information Technology (IT) is a particularly important group to involve early. Successful RPA deployments are characterized by IT involvement and support in providing infrastructure for RPA, assessing platforms and tools, and managing robotic access to core enterprise systems (see Figure 2). Some early Blue Prism adopters excluded IT because RPA was seen as a business operations program – an opportunity to bypass the IT priority queue – and a technology that did not need IT programming and development expertise. In nearly all cases this proved a poor approach. Customers learned the lesson: bring IT on board early.

Blue Prism software requires IT support on a number of critical fronts:
- Compliance with IT security, auditability, and change management
- Help with infrastructure configuration and scalability
- Prevention of 'shadow' IT and proliferation of RPA islands

IT is in the best position to build a scalable, safe, and robust infrastructure. IT can ensure business continuity, data and system security, and change management compliance. IT can also minimize network latency. IT also creates access rules and identities for robots.

A very first practical step, ironically, is educating the CIO, along with IT architecture and infrastructure managers about RPA, and how it differs from IT-led service automation tools – for example software development kit (SDK) and business process management (BPM) solutions. When IT understands RPA, the evidence is that IT then sees the benefits, including: reduction in IT demand from business operations; applicability of RPA to its own IT operations; better control and security over a growing part of the IT eco-system, and minimization of 'shadow' IT growth. Clearly IT has to be heavily involved in parts of automation governance, but which parts?

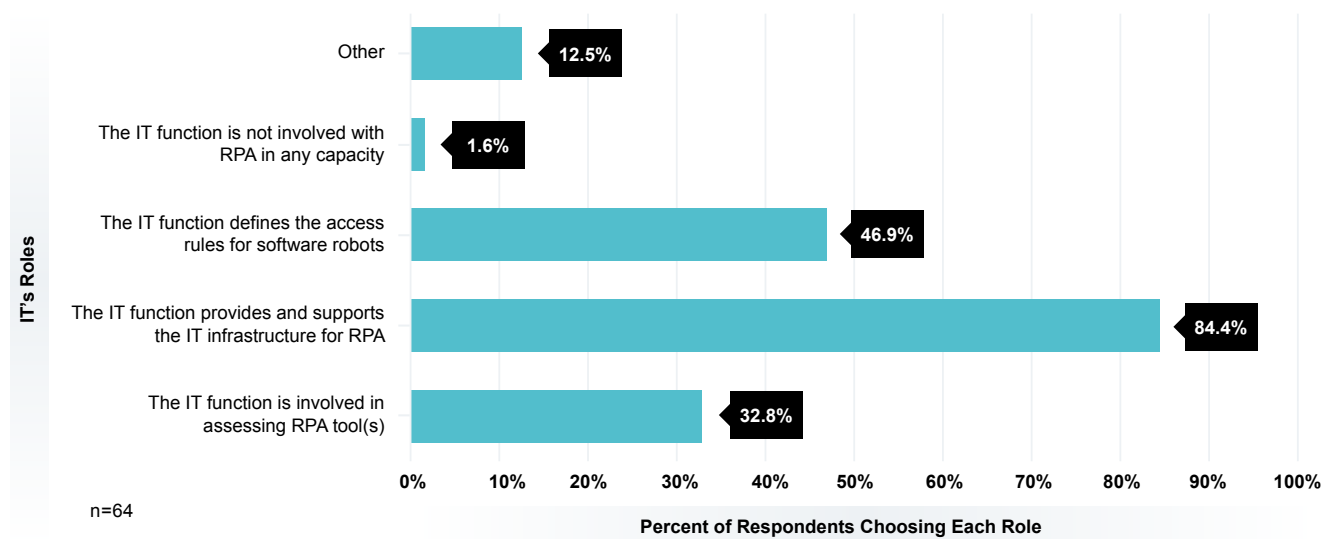## Which is IT's current role in RPA?

IT's Current role in RPA

Figure 2 – The IT Role In Effective Automations

Governance

High performing Blue Prism customers (56%) make an RPA (or automation) center of excellence the primary vehicle for governing RPA capability. The variations shown in Figure 3 (see below) are explained by a number of factors, some to do with where the RPA imperative began from – e.g., centralized innovation/R&D function or business operations, or others having to do with how recently RPA has been adopted. In 15% of cases, the IT function has primary responsibility, sometimes because business operations are not mature enough yet to manage RPA, and sometimes because the organization has not yet developed a fuller automation strategy, and IT seems to be the obvious first place to house software expertise. As automation scales and becomes more strategic, governance tends to become more centralized, and complex.

Which organizational unit is primarily responsible for governing the RPA capability?

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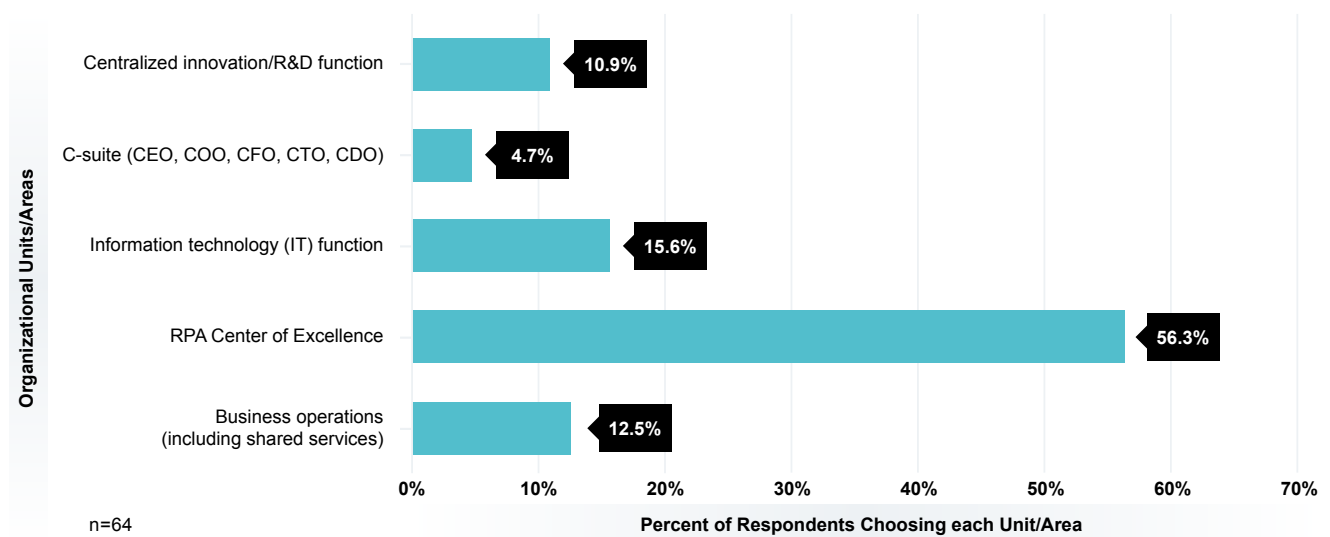**Org. Unit Primarily responsible for governing the RPA capability**

n=64

Figure 3 – Organizational unit primarily Responsible for RPA Governance

Following a similar pattern, the COE is overwhelmingly the preferred locus for designing and developing RPA automations, followed by Business Operations, Innovation/R&D, and IT (see Figure 4). Why do IT/ BPO service providers barely rate here? Are they too tied to their own internal methods? Or perhaps automation is seen as a vehicle for clients to control/bring service back in-house?

Which organizational unit is primarily responsible for designing and developing RPA automations?
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Org. Unit Primarily responsible for designing and developing RPA
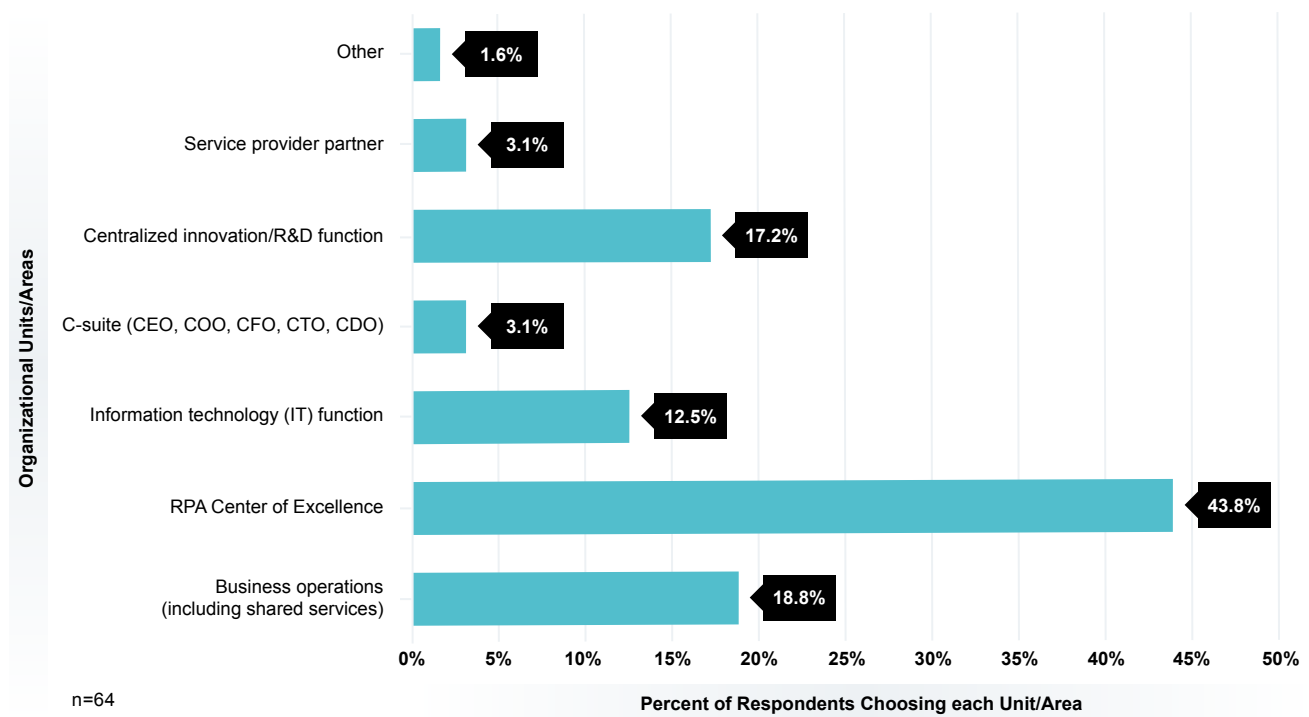

Figure 4 – The COE is the Preferred Unit for RPA Design and Development

The COE is also the principal choice for operating and maintaining RPA automations (see Figure 5). It is being seen as the simplest way of achieving enterprise control and as a way of building internal capability in the face of increasingly scarce skills. The COE emerges clearly as a critical success factor in successful RPA automations.

Which organizational unit is primarily responsible for the daily operating and maintaining of RPA automations?

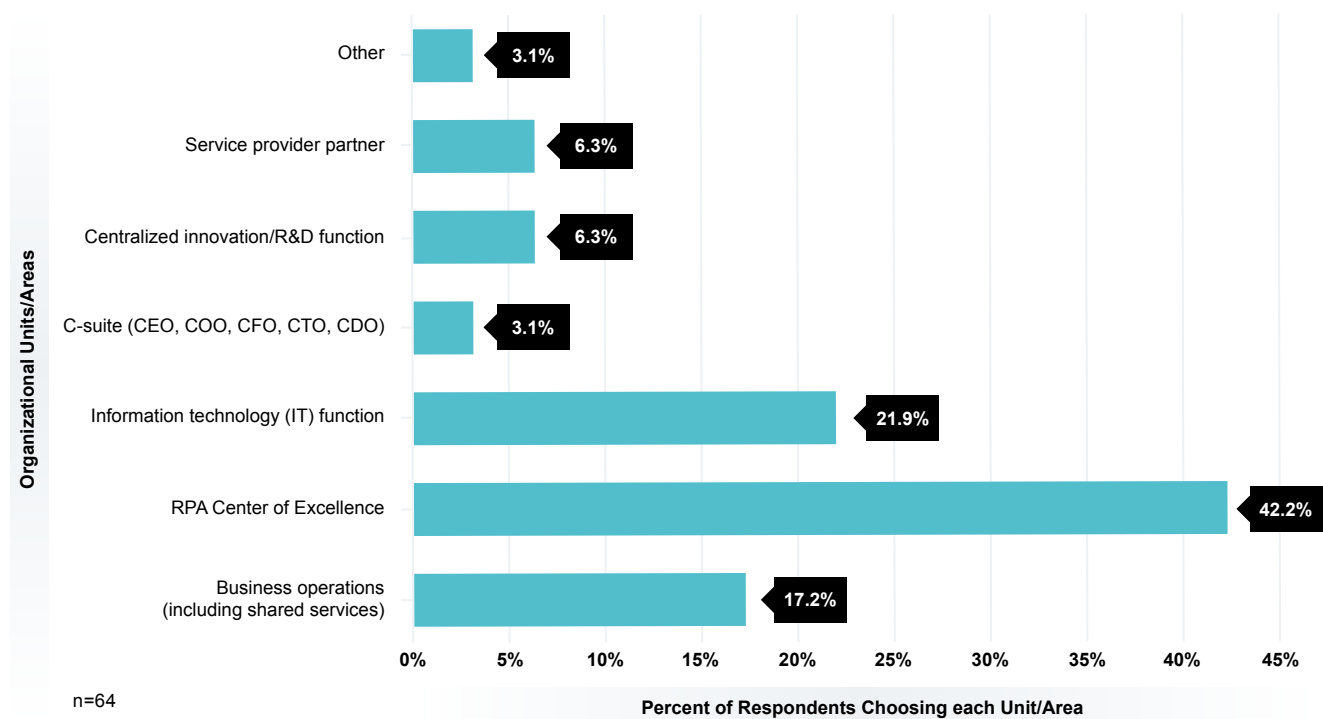**Org. Unit Primarily responsible for Operating and Maintaining RPA**

Figure 5 - The COE is The Preferred Unit for Operating and Maintaining RPA

So far, so good. However, RPA governance needs to be seen in terms of three areas – technical, project and program governance. Effective RPA deployments invariably do project governance well. They establish a senior project sponsor who spends up to 6% of her/his time resourcing and supporting the project, along with a project champion from the business, with high credibility and track record of delivery to articulate and communicate and drive the vision through, and an experienced project manager with a track record of delivery, either in business process or IT, preferably in both. RPA is seen and managed as a business change project, in other words, with multi-disciplinary teams, working to fulfill business goals. They tend to operate a time-box philosophy with quick delivery time-scales achievable by applying the 80/20 rule – focusing on the 20% that gave 80% of the business value sought.

Technical and program governance, on the other hand, have often run into problems. In our research, top performers 'start right' and 'institutionalize fast' by dealing with the challenges and clarifying governance structures early.

To achieve corporate coherence on technologies, RPA activities need to be linked to wider IT, cognitive automation and digital transformation developments in the organization, and decisions need to be made in five major areas :

• Automation Principles – Clarifying the business role of automation technologies
• Automation and IT/digital Architecture – Defining integration and standardization requirements
• Automation and IT/digital Infrastructure – Determining shared and enabling services
• Business Application Needs – Specifying the business need for purchased or internally developed automation applications
• Automation Investment and Prioritization – Choosing which initiatives to fund and how much to spend.

In practice a governance and management strategy is needed to cover decision and participation rights, roles and responsibilities, required governance capabilities, and preferred governance and management structure. One suggested model, drawn from our research is shown here in Figure 6.

Corporate Coherence

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Governance and Management Strategy

• Decision and Participation Rights
• Roles and Responsibilities
• Required G/M Capabilities
• Preferred G/M Structure

Business Applications Strategy

Automation CoFE

Automation Technology Strategy

EFFECTIVE BUSINESS APPLICATIONS
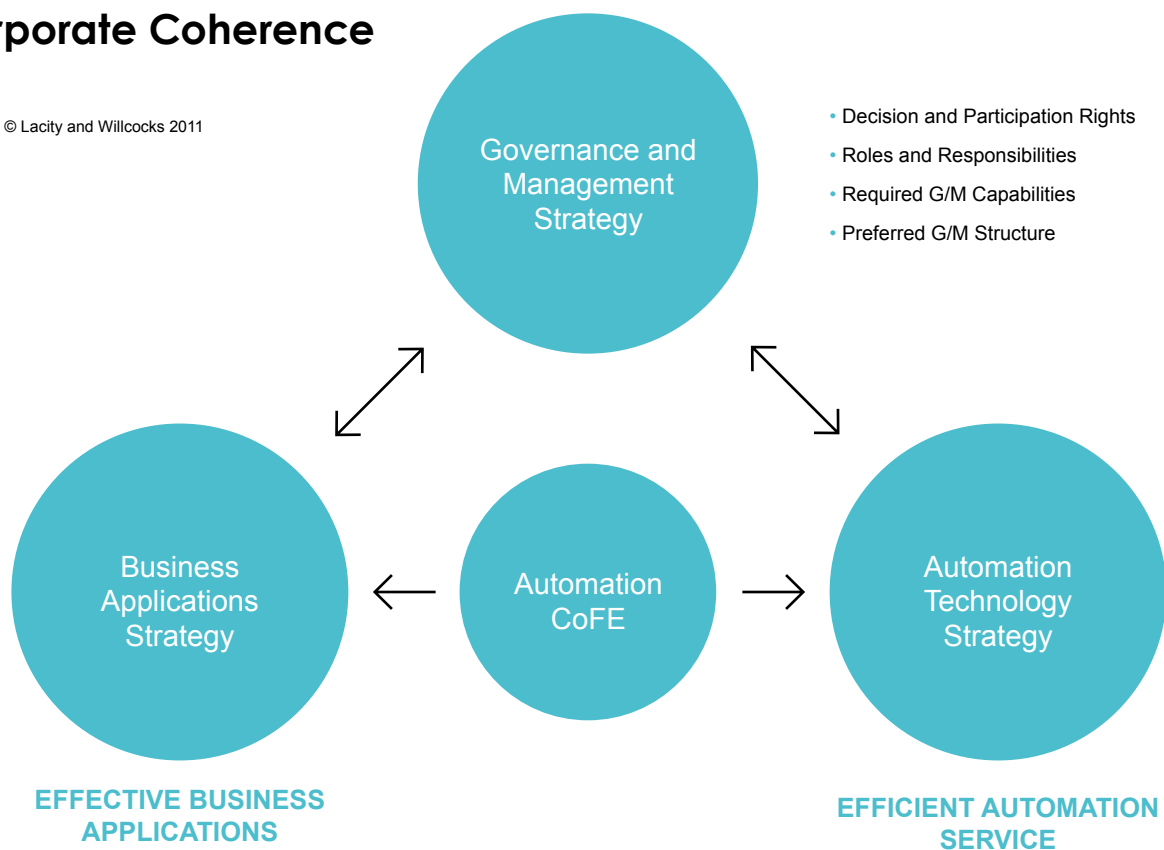
EFFICIENT AUTOMATION SERVICE

Figure 6 – Strategies for Governance, Technology and Business Applications

The governance and management strategy is drawn up by the CEO and senior executives representing the business and service units, including the IT function. The strategy will take into account and be consistent with the wider governance structures for business and for Information Technology within the organization. The RPA COE evolves into a comprehensive Automation Centre of Excellence, with authority to manage and coordinate all automation projects and the overall program. Business and service unit managers become primarily responsible for decisions on business and process applications, with expert support and some mandates from the COE. Technology decisions are primarily made by a combination of COE and IT, with the COE responsible for design, development, delivery, operations and maintenance, and IT for integration challenges, and IT architecture/ infrastructure and IT trajectory issues.

Conclusion

Getting stakeholder buy-in early is a critical part of effective change management. Governance structures are an important component in getting that buy-in and formalizing and clarifying relationships, roles and accountabilities. Some key leadership principles emerge from this learning, consistent with earlier findings on IT governance.

Firstly, design governance early and as a whole. In large organizations, governance must be designed at multiple organizational levels, with common governance mechanisms across the organization. This is especially important, given that RPA will have to fit with legacy IT and future developments in cognitive automation and digital transformation.

Next, redesign governance infrequently. Be sure to involve senior managers, and aim for a simple, consistent structure with a small number of performance goals. Clarify the exception-handling process. Assign clear ownership and accountability. Align incentives. And finally communicate everywhere and always, reinforcing how governance works, and what the rules of the game are – governance must be and be seen to be a living framework. This will mean a constant effort to provide transparency and education. Our final caution: governance can sometimes feel very bureaucratic, rather than dynamic. If it becomes so, then organizations will risk losing stakeholder support, and not being a high performer.

Research Base

This study draws upon detailed research into 70 RPA client adoption case studies in 2015-2018 period, with a review of a further 104 cases in that period. Much of this material can be accessed in Mary Lacity and Leslie Willcocks as Service Automation, Robots and The Future of Work (2016), Robotic Process Automation and Risk Mitigation: The Definitive Guide (2017), and Robotic Process and Cognitive Automation: The Next Phase (2018).   All these books are published by SB Publishing, Stratford, and there are also multiple working papers available at roboticandcognitiveautomation.co.uk. We also draw upon three surveys specifically of Blue Prism clients. The first was carried out using McGuire client contacts. The second was carried out through Knowledge Capital Partners and gained client results consistent with the McGuire data. The client satisfaction results were published as Lacity, M. Hindle, J. Willcocks, L. and Khan, S. (2018) Robotic Process Automation: Benchmarking The Client Experience (KCP, London). The results on effective management practices are published for the first time in this report series along with data collected from clients surveyed at the Blue Prism World Events at New York and London in June 2018. For this series we are also carrying out additional client interviews to verify our findings and conclusions, and collect new data.

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Knowledge Capital Partners is a global knowledge resource for organizations seeking expert advice and best practice in the sourcing and operation of technology, business services and public services. Offering empirically based research, executive education, and advisory services to businesses and governments worldwide, we provide an independent perspective through a global network of senior business professionals, academics and consultants. We help organizations design and implement sustainable sourcing and operations strategies that are ethical, socially responsible, commercially effective, and professionally managed. www.knowledgecapitalpartners.com

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Notes

[i] See Lacity, M. and Willcocks, L. (2018) *Robotic and Cognitive Automation: The Next Phase.* (SB Publishing, Stratford).

[ii] The phrase is from Willcocks, L., Petherbidge, and Olson, N. (2003) *Making IT Count: Strategy, Delivery, Infrastructure.*
 (Computer Weekly, London).

[iii] See Lacity, M. and Willcocks, L. (2017) Robotic *Process Automation and Risk Mitigation: The Definitive Guide.*
  (SB Publishing, Stratford)

[iv] The definition is developed from the work of Weill, P. (2003) *Don't just lead, govern: How top performing firms govern IT.*
  MISQ Executive, 3, 1, 1-17

[v] Figures from Weill, P. (2003) op. cit. and Willcocks et al. (2003) op. cit.

[vi] See Lacity, M. and Willcocks, L. (2018) *Robotic and Cognitive Automation: The Next Phase.* (SB Publishing, Stratford)