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Data to Intelligence

HOW TO REDUCE OPERATIONAL EXPENDITURE IN F&A USING RPA AND ALLIED TECHNOLOGIES

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ABSTRACT

Holistic use of technologies such as Robotic Process Automation (RPA), Optical Character Recognition (OCR), Artificial Intelligence (AI), and workflows result in fully integrated F&A solutions that help to reduce the Operational Expenditure of an enterprise's IT estate.

INTRODUCTION

Shrinking budgets and revenue margins are mandating enterprises to consolidate their infrastructure and operations in order to lower the operational costs. A scientific temper and systematic approach towards solving the business conundrum is lacking when faced with the impending moments of truth. Technology helps enterprises face the issues at hand and leverage synergies within the available budget thereby impacting the annual spend.

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PROBLEM STATEMENT
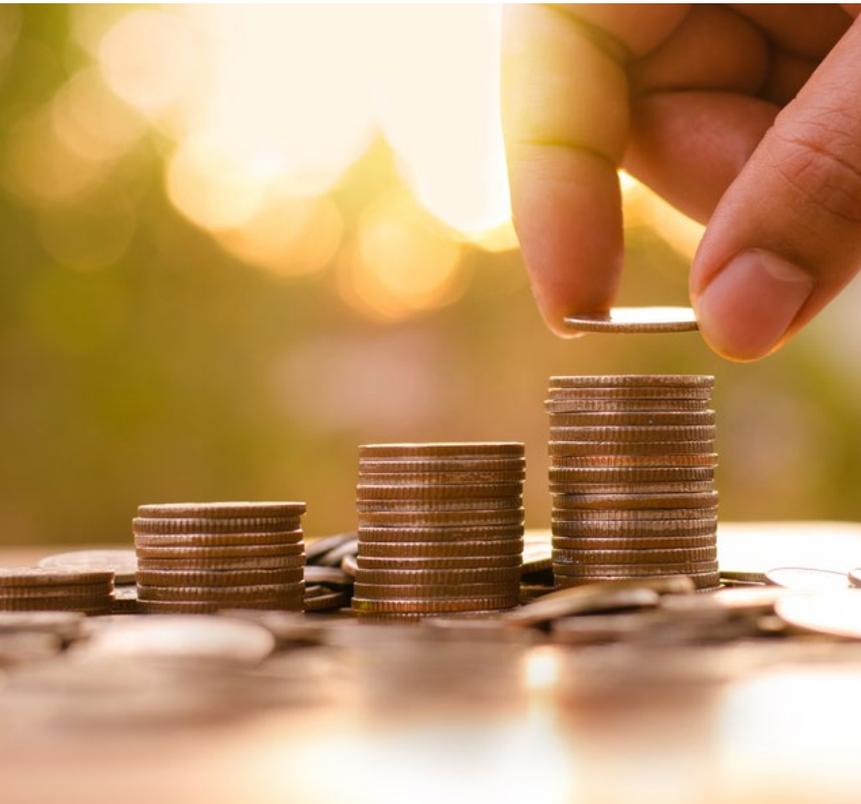
Direct and indirect costs involved in F&A processes of an enterprise are on the higher side due to siloed systems and the resulting swivel chair operations. Automation of these processes is a must while trying to streamline business operations and reduce operational costs.

SOLUTION

In the F&A domain, ERPs co-exist with many other siloed enterprise systems leading to fragmented ecosystems, business practices, and processes. This entails swivel chair operations for invoice processing, order processing, payment follow-ups, general ledger reconciliation, etc. This kind of a set-up automatically adds to the operational costs and complexities resulting in errors while keying in data that finally leads to non-compliances and audit concerns.

The solution to this business challenge is a highly agile and flexible RPA model, which is deeply integrated with OCR, Workflow elements, and AI-layers, and can be customized as per business requirement and IT architecture.

IMPROVE MARGINS = REDUCE COSTS

This solution stitches together the siloed ERPs and other business systems into a Smart Platform thereby automating tedious enterprise processes such as Accounts Payable and Accounts Receivable. The same framework can also be leveraged in part or in whole to streamline and centralize Order to Cash (O2C), Procure to Pay (P2P), and Record to Report (R2R) processes.

LET US SEE
HOW THE INDIVIDUAL COMPONENTS ADD VALUE

01 RPA

uses a team of virtual assistants or bots that automate repetitive and rule-based processes without any manual intervention. It automates complex processes across multiple touch points. It helps in rule-based data collection and data exchange between different ERP systems, legacy systems, and bespoke systems while performing auto-validation and auto-matching.

It automates the manual processes that tie-up fragmented systems and processes. It helps to collate, rekey, and post data between systems and eliminate repetitive and non-value added tasks as well as reduce costs and operational expenditure (OpEx) to a considerable extent. At the same time, it reduces errors, improves compliance, and enhances customer experience. It enables an enterprise to move away from plain tactical towards the strategic objective of business process automation.

02 Intelligent OCR

helps to ingest data from unstructured documents, scanned documents, and images into the digital ecosystem. Simply put, it uses fuzzy logic, business rules, look-up tables, and AI algorithms to help in high octane Digitization along with classification and indexation. This is one more leg, where the OpEx is highly impacted in a positive manner.

03 Workflow elements

help to define layers and roles as well as quickly route the tasks in between different enterprise process buckets imparting high agility to the process flows of exception handling, mismatch resolution, electronic approvals, etc. They help to perform duplicate checks, high priority

processing, and rule-based routing, to ensure flawless execution. The alerts and reminders incorporated in the solution ensure that the tasks are executed in time and with clock-work precision.

The workflow elements focus on improving underlying processes and streamlining operations to improve efficiency, reduce cycle times, and increase productivity. While RPA improves the surface level integration, the workflow elements serve to deeply integrate the ERP, legacy, and bespoke systems thus leveraging the concepts of e-Invoicing and e-Receivables across global offices.

In short, this layer helps to conjoin the various systems further by knitting together the end-points and start-points of process outputs of various disintegrated systems thereby reducing the OpEx further.

04 Embedded Analytics

helps business users with visual reports and at-a-glance information such that users can work smartly with integrated operational dashboards. The solution helps users with spend analytics, accrual reports, and cash flow statements to remotely monitor the inter-linked business set-up while on the move.

05 AI layer

imparts greater decision making capability to the solution that helps in high precision reconciliations.

It helps in pattern detection, text and data mining. It helps enterprises in extracting intelligence from high volumes of structured, unstructured, and multi-structured data from diverse sources. It brings in the quintessential intelligence layer through a direct integration of AI algorithms with the workflow elements thus expediting the processes, where otherwise human decision is required. This collectively reduces the OpEx in an exponential manner thereby consolidating and ultimately strengthening the entire IT estate.

In addition, the ensuing pattern identification, incident forecast, scenario prediction, and data summarization poses a new revenue stream and an avenue for data monetization thereby turning back-offices and cost centres into profit centres and revenue aggregators.

06 Mobility layer

which is essentially built using a Mobile Application Development Platform (MADP), helps package existing applications to help business users visit their applications anytime anywhere on their handheld devices.

07 Integrated payment gateways

help in the last mile F&A integration for making or receiving payments to/from vendors or clients, respectively.

LEVERAGING
THE CONSOLIDATED IT ESTATE

This kind of a consolidated IT estate that is integrated together through a loose coupling architecture is a Bespoke Financial Accounting System (FAS), which is built using the existing IT components of the enterprise. This not only utilizes the IT systems and current investments but decreases the OpEx to a significant extent.

At a more sophisticated level, a team of bots is deployed around defined process maps, to move unstructured data through the mesh of systems, and improve Straight Through Processing without human intervention to 90%. The bots can be controlled in real-time through operational dashboards. This bridged IT ecosystem not only becomes lean but also adds value in terms of reduced OpEx. Through this arrangement, one bot license can be used to execute multiple processes at the same time, as well as reduce costly migration expenses.

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DOING
MORE WITH LESS

Today, the CTO and IT departments of enterprises are expected to do more with less. The RPA and the allied technologies go a long way in assisting this primary goal.

Three components are primarily taken in to account while reducing OpEx:

Data and its Analysis

IT Infrastructure

Software & the associated processing

RPA, OCR, Workflow, and AI take care of the last bucket. BI Analytics dashboards and reports take care of the first bucket. Collectively, these technologies help in having a tight control on the data, the ensuing processes, the analysis, and hence the OpEx.

CONCLUSION

While businesses operate with siloed ERPs and systems acquired through mergers and acquisitions, the direct and indirect costs tend to increase due to the resulting swivel chair operations. Integrating the IT estate sprawl with the help of modern day technologies, such as RPA, OCR, Workflow, and AI helps in cost rationalization thereby lowering the OpEx to a significant extent.

ABOUT
THE AUTHOR

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" *Rajesh has played a key role in helping transform Datamatics from a service led organization to a product and solutions led organization leveraging new technologies to address business challenges.*

Rajesh Agarwal heads the Robotic Process Automation (RPA) business at Datamatics since over a decade. He brings with him over 20 years of varied experience in the field of Information Technology and IT enabled Services and has been instrumental in developing the proprietary solution for RPA – TruBot with the objective of improving business processes for its clients. Rajesh has played a key role in helping transform Datamatics from a service led organization to a product and solutions led organization leveraging new technologies to address business challenges. He has expertise in the areas of Technology Innovation, IP Development, Solution Architecture, Project Management, Pre-Sales, Account Management, Transition Management, and Business Process Reengineering.

ABOUT
DATAMATICS

Datamatics is a technology company that builds intelligent solutions for data-driven enterprises to improve their productivity and customer experience.

Our portfolio spans across Information Technology Services, Business Process Management, Engineering Services and Big Data & Analytics, which are powered by Artificial Intelligence.

The company also has established products in Robotics Process Automation, Advanced Analytics, Business Intelligence and Automated Fare Collection. Datamatics services over 450 clients across diverse verticals including Banking & Financial Services, Insurance, Manufacturing, Transport, Travel & Hospitality, Media & Publishing, Retail, and e-Commerce. Headquartered in Mumbai, the company has strong presence in the USA, Australia, Asia, Europe, and the Middle East with global employee strength of 10,000+.

Datamatics has adopted the highest standards of service quality and operational excellence through its customized offerings, enabling customers to take intelligent decisions and accelerate the time-to-market for staying ahead in the connected world.