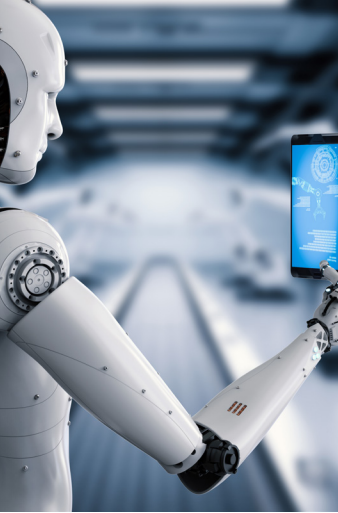# Automate Intelligently Innovate Ingeniously

Digitalization is crucial today

To stay ahead of the game, every company needs to embrace emerging intelligent automation technologies

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Taking a strategic approach to intelligent automation can give 5 to 10 times higher ROI

Intelligent automation is not just new technology implementation…

…It is as an end-to-end driver to support digital transformation

In this modern era of technological disruption, evolving regulations and geopolitical uncertainty, the need for digital transformation in every organization s DNA is paramount.

Companies are no longer just competing with their peers; they are up against newcomers who are radically changing the competitive landscape as technology evolves at breakneck pace.

To succeed in today's digital world, it is not enough for organizations to provide superior experiences to their customers. They must deliver on their promises more smoothly and efficiently, keeping risk at the heart of their approach whilst also embracing new technologies including robotic process automation (RPA), chatbots and cognitive technologies - collectively referred to as "intelligent automation.

Digital transformation

Customer Journey

Deliver enhanced customer experience.

Business Operations

Drive operational efficiency, maximize employee productivity and optimize business decisions.

Governance, Risk and Compliance

Master complex compliance requirements and manage global risk.
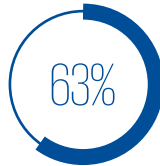
Intelligent Automation

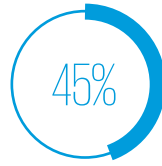(RPA, machine learning and cognitive technologies)

How are organizations struggling today?

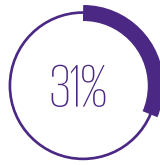**Expectations are high, but few are ready to implement intelligent automation**

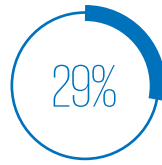**Top five challenges** faced by organizations when adopting intelligent automation*:

63%
Lack of in-house talent

45%
Lack of organizational clarity and accountability

31%
Change management concerns over the effect on employees

29%
Deficiency in overall data quality

27%
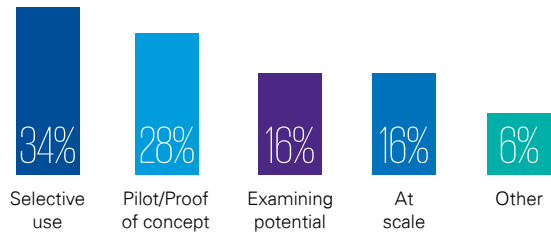Lack of senior management and vision for deployment
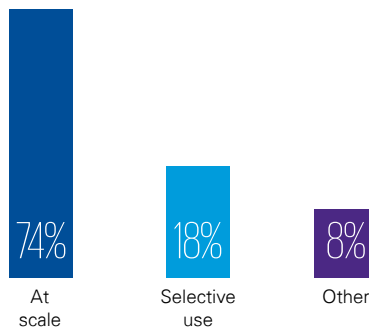
RPA continues to grow

RPA is set to become a commodity with 74% of organizations using it at scale by 2020

Organizations reveal **broad plans to adopt intelligent automation** and implement RPA within 3 years.*

Use of RPA in Q4 2017

34%	28%	16%	16%	6%
Selective use	Pilot/Proof of concept	Examining potential	At scale	Other

Use of RPA in Q4 2020

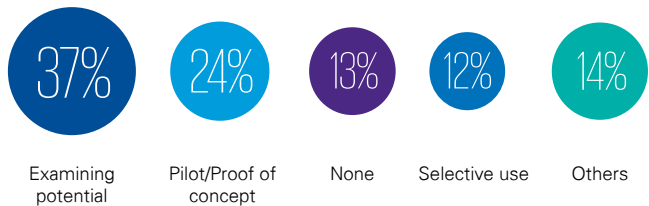| 74%	18%	8%
At scale	Selective use	Other

*KPMG Ready, set, Fail - Q4 2017
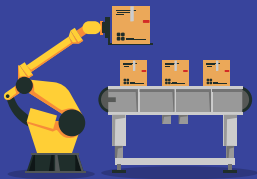
The use of cognitive technologies is a priority

Nearly 50 percent of organizations aim to use cognitive automation approaches at scale within 3 years, while 29 percent anticipate selective use only. Some 10 percent plan to launch pilots and proof of concept projects.*

Cognitive/AI use in Q4 2017

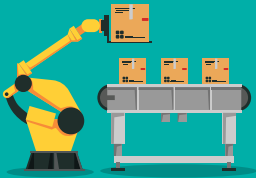| 37%	24%	13%	12%	14%
Examining potential	Pilot/Proof of concept	None	Selective use	Others

Cognitive/AI use in 2020

49%	29%	11%	11%
At scale	Selective use	Pilot/Proof ofconcept	Other

Where to invest?

Estimated **changes in spending** for RPA, Cognitive/AI and Data & Analytics by end of 2020*

Increase
> 21%

| 32% | 40% | 24% |

Increase
11 - 20%

| 20% | 18% | 26% |

Increase
6 - 10%

| 26% | 10% | 18% |

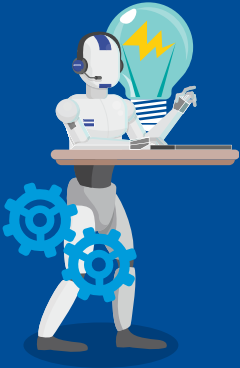Increase
< 6%

| 22% | 32% | 32% |

■ RPA ■ Cognitive/AI ■ Data & Analytics

Increase in spending will be significant over the next 3 years, therefore organizations should strengthen their governance and change management capabilities to achieve the expected results.

*KPMG Ready, set, Fail - Q4 2017

KPMG tip #1: Combine technologies for better results

As RPA becomes a commodity in most organizations, it is important to incorporate new technologies, such as machine learning, to take more complex decisions and increase efficiency without losing output quality.
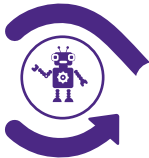
EXAMPLE:

External input:
Third-party documents

Internal input:
Customer policies, client contracts, etc.

Administration Process

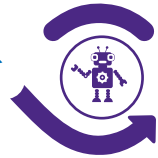| Gathering	Interpretation	Verification	Decision	Execution
Robot gathers documents and transfers them to the company	AI reads and interprets the information	Employee verifies that the information is interpreted correctly	AI checks information against external information sources and makes suggestions	Robot creates and sends the proposal using administrative systems

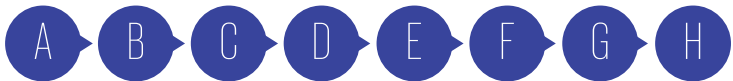Robotic Process Automation

Artificial Intelligence

Employee

KPMG tip #2: Go beyond best practice methods

Organizations usually apply best practices to identify and implement the most effective methods across any sector. This is not the best way to set themselves apart from competitors and be in a league of their own.

Why?

With this approach, the "as-is" process will always be the starting point, meaning process components are simply replaced by best practice automation methods. Therefore, by following a best practice approach – even while integrating new technologies – a company only has the potential to become as good as the rest.

As - is A → B → C → D → E → F → G → H

Best practice A → B → C → D → E → F → G → H

Robotics   AI / Machine Learning   Human   Chat / Voice bots   xTech

KPMG tip #3: Use intelligent automation as a starting point to rethink your organization

In contrast to best practice methods, KPMG does not focus on existing processes.

Instead, we create an entirely new process from scratch where the input and the output are the key focus.

Our objective is to build a fully AI-enabled process to generate the output: a "New Practice".

As - is	A	B	C	D	E	F	G	H
Best practice	A	B	C	D	E	F	G	H
New practice	A	B	D	F	H	X		

Robotics — AI / Machine Learning — Human — Chat / Voice bots — xTech
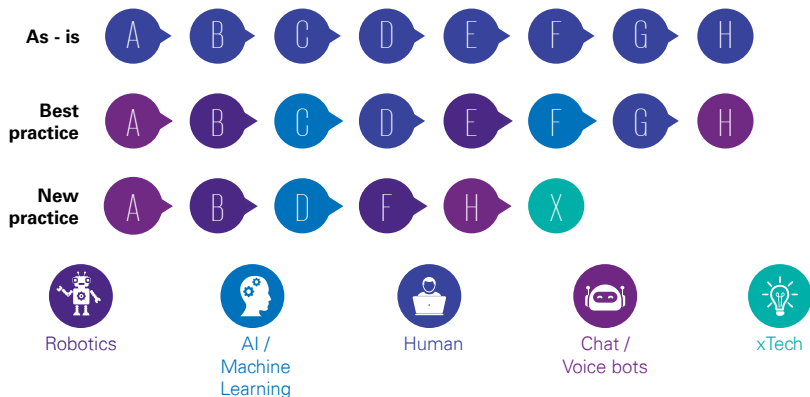
"New practice" allows us to reorganize and create a new process from a technological standpoint. We investigate how RPA, machine learning, chat/voice bots or other type of technologies could perform such a process.

Our aim is to create processes that are radically enhanced, thus establishing new standards for effectiveness.

This new and improved way of working implies so much more than merely reducing the process cost. Not only will it add value to your client offering, but will also allow us to help you create new services and increase output quality.
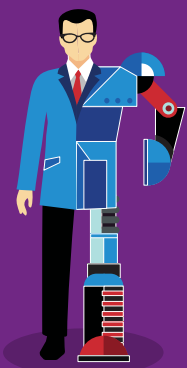
Build success with strong human-machine partnerships

Implementing intelligent automation is more than just a technological change; it impacts your entire global operating model.

Integrating your human and automated workforce requires meticulous planning and execution. The transformation of skills and responsibilities across the entire organization and its operations is essential for this new human-digital ecosystem to succeed.

Human and machine partnership

Initiate the relationship as soon as possible

— Plan roles and responsibilities in advance of releasing your first bots
— Identify teams that will be impacted first based on your release strategy
— Take advantage of user acceptance testing to make introductions
— Provide training on new ways of working with clear focus on exception handling
— Understand breaking points such as process upstream dependecies

Manage the people impact

Integrate your new digital workers with your current teams

— Access the resource requirements to retain and attract new talent
— Communicate and engage with your new workers will be critical
— Train your management team since they will manage a newly blended workforce
— Make your change management team an active partner in this journey
— HR, Employee Relations and communication teams will have to work even more closely

Inspire

Recognize the need to create new carrer path

— Review your existing employee value proposition to recognize the new workforce diversity
— Recognize that IT savviness will be a core skill accross your organization
— Reconsider your current talent sourcing to better connect skills with carrer paths

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