

Reinventing Outsourcing:

The Promise of Robotic Process Automation



CFOs are under pressure to drive down costs, increase data quality and speed up cycle times. The traditional solution to cost reduction has been offshoring to low-cost geographies.

With wage inflation and attrition issues, traditional offshoring isn't always what it's cracked up to be.

However, an exciting new technology, Robotic Process Automation (RPA), is enabling savvy organizations to reinvent their approach to outsourcing altogether.

The Journey From Cost Reduction to Increased Value

In a more competitive market landscape, there is a keener focus for CFOs and senior executives to drive down costs while simultaneously encouraging company growth. Finding it increasingly difficult and expensive to manage every business function, savvy organizations are outsourcing non-core areas of their business, including Finance and Accounting.

Typically, the Finance and Accounting outsourcing industry uses three main levers to lower costs:

- Labor arbitrage
- Standardization and process improvement
- Tools and technology to reduce manual work

Yet, over the last decade, offshore centers have been steadily moving to secondary and tertiary cities trying to attain lower and lower costs for both labor and infrastructure. These lower costs are required to pass on savings to clients as well as keep their own margins in a highly competitive marketplace. Quite simply, using “cheaper fingers” to drive down costs is no longer a viable solution.

Add to this the fact that, over on the buy-side, poll after poll shows that organizations are looking for value beyond cost reduction. Lowered costs and improved

efficiencies are now considered to be expected outcomes of the outsourcing relationship.

Business process outsourcing clients are looking for a partner who can help transform their business. As traditional outsourcing has been competent at ticking the expected outcome boxes, clients want more – more customer insights, more actionable financial data and more innovation.

RPA: A New Way to Automate

Companies have been automating tasks for decades. From systems integration, to ERPs to workflow tools – automation is nothing new. We use it to match invoices to POs, improve workflows and generally speed processes up with greater accuracy. So what's so different about Robotic Process Automation?

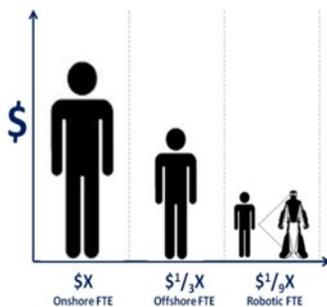
RPA systems mimic human behavior with no change to the existing technology infrastructure. In other words, they are technology agnostic and can work across legacy ERPs, mainframes, custom applications and any other types of IT platforms. If a human can use the interface, so can an RPA robot.

Because RPA leverages other application software through the existing application's interface, it is not “integrated.” So, from a technology point of view there is very little change.

With Robotic Process Automation, companies can easily automate business processes quickly and cost effectively without the need to create, replace or further develop expensive platforms. Finance and Accounting is a back-office function that is a perfect fit for RPA, as many of the processes are rules-based and can be easily performed by a robotic workforce.

How RPA Can Be an Agent of Change

RPA is transformational. It enables companies to differentiate themselves in the market through increasing quality of services, increased speed and by freeing up their best people to do higher value work. RPA has the ability to drive benefits across multiple dimensions – cost savings, efficiency, accuracy, scalability and compliance.



The benefits include:

- **Guaranteed Cost Reduction** – Robotic FTEs are at least 20 percent less expensive than people performing work in the lowest cost offshore locations and can work 24/7 without breaks, meetings, training or holidays.
- **Increase in Quality** – RPA removes the opportunity for human error ensuring work is performed exactly as designed, each time, every time.
- **Speed of Implementation** – It takes days and weeks to automate processes that take months and years with traditional outsourcing approaches.
- **Scalability** – Fully effective additional resources are added in minutes rather than months of recruitment and training; and they can be switched off just as quickly which is ideal for organizations catering to seasonal peaks.

- **Better Insights** – Business performance is improved as greater end-to-end visibility and analytics are possible, including the retained “live” FTE pool.
- **No Costly “Investment”** – Robots are trained with the business rules so that no costly integration and expensive process re-design or retraining is required.
- **Secure and Compliant** – RPA is secure, audited and managed within existing governance and compliance frameworks in any jurisdiction in the world.

Through our development of RPA, Sutherland has found that 50-70 percent of work generally carried out by shared service, captive or outsourced operations can be automated. This frees up organizational talent to concentrate on judgment-based and higher value tasks that are more likely to drive positive benefits to the corporation.

To really achieve the transformation that companies are looking for, that conversation must go well beyond a game plan for transition to a provider and must instead be a consultative, integrated approach. An integrated business process outsourcing model is an intensive look and due diligence on the processes, the technology, the company culture and dynamics and customer intelligence.

The Proof is in the Pilot

As a pioneer in the field of RPA, Sutherland can deliver unique insights designed to help companies transform their businesses. Every one of our custom-designed RPA programs is built upon Sutherland’s “3V” foundation:

- **Veracity:** Totally predictable and repeatable accuracy

- Velocity: Exponentially enhanced throughput and productivity
- Visibility: Increased data touch points and real-time reporting

This approach enables us to increase both the quality and speed of data, to give the client decision-making business information.

Each of the three Vs is a powerful lever, and together they represent a powerful competitive edge.

VERACITY AND THE TRAVEL INDUSTRY – In the highly competitive travel industry, the prompt filing of accurate fares through the Airline Tariff Publishing Company (ATPCO) system is critical to the airline's revenue. Yet, as spreadsheets of data pour in, one mistake in a keystroke can result in very costly errors. Despite multiple separate quality checks, incorrect fares were still being posted live.

Sutherland deployed RPA to show a side-by-side view of the fares and call out deviations between the source file and the to-be-published price. This removed the layers of time-consuming manual quality checks and resulted in price audits that could be completed accurately in mere seconds. This new "Quality as a Service" solution has delivered:

- 70 percent reduction in client comebacks
- 35 percent increase in productivity
- 5 percent estimated volume increase per month

VELOCITY AND THE TECHNOLOGY INDUSTRY – Our client was experiencing difficulty in the order processing function. Manual processing of purchase orders was slowing down expediting the customers' order. In addition, due to illegible writing or non-standard data, the employees spent inordinate amounts of time comparing typical orders and shipping

addresses in order to process the purchase order.

We ran a robotic program in the background that leveraged OCR and image capture to automate the process. This also allowed us to easily flag and resolve any orders that contained subjective data, accelerating order processing. Using RPA allowed us to achieve:

- Greater accuracy on order processing
- More productivity by eliminating manual processing
- Reduced costs by 20 percent
- A two-day shorter cycle from order placement to order received

Visibility and The Healthcare Industry

In the healthcare industry, claims administration and provider credentialing can be a cumbersome process, which can have a downstream effect on claims processing. Highly skilled staff managers were involved in the time-consuming mechanics of pulling information from various systems to create reports. As data changed, existing reports became obsolete.

The Sutherland team, building from the base of accuracy and productivity, used RPA to automate reporting, trending and analysis, and prioritization – allowing managers to get the visibility into their business that they needed. This automated approach enabled:

- 55 percent increase in transfer of data to claims processing
- 1500 percent increase in reporting productivity

Report processing went from 120 minutes per report to 8 minutes

Sutherland: A Leader in RPA

Sutherland Global Services is one of the first service providers to strategically focus on RPA. We currently run an extensive team of robotics experts who provide support to ongoing operations, driving improvements all the time. Leading industry analysts, including Everest Group and Horses for Sources (HfS) have recognized Sutherland as a pioneer and leader in Robotic Process Automation.

Sutherland was also in the leader position in Horses for Sources' first Robotic Premier League of BPO Service Providers. HfS called out Sutherland's "deep bench of RPA experts."

Our Differentiators

Sutherland Global Services has three key differentiators in the RPA marketplace:

1. **Methodology:** We have client-focused consulting services and employ proven method of assessment (RAPID) and implementation.
2. **Managed service:** We have a team of developers and a 24x7 control tower to enable us to respond quickly to changes and ensure the service is delivered effectively.
3. **SmartLeap:** Our own in-house tool that provides a platform for monitoring robotics and passing work between people and robots.

Our strategic focus on RPA has led to ongoing partnerships with key RPA technology providers, and prompted us to develop our exceptional internal RPA support center. We are ideally positioned to help organizations transform their businesses, as evidenced by the major RPA deployments we deliver across multiple sectors.

“(Sutherland) has made automation a key part of its proposition and is leveraging it to differentiate itself from other service providers that rely heavily on offshore resources...”

- Everest Group



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About Sutherland Global Services

Established in 1986, Sutherland Global Services is a global provider of business process and technology management services. Sutherland offers an integrated portfolio of analytics-driven back-office and customer facing solutions that support the entire customer lifecycle. One of the largest, independent BPO companies in the world, it serves global leaders in major industry verticals. Headquartered in Rochester, N.Y., Sutherland employs over 36,000 professionals and has locations across the United States, Canada, Brazil, Mexico, Colombia, Jamaica, Slovakia, Estonia, Sweden, Bulgaria, UK, Morocco, UAE, Egypt, Malaysia, Philippines, India and China.

For more information, visit www.sutherlandglobal.com

To learn more about Sutherland's best-practices approach to outsourcing and Robotic Process Automation, please contact:

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