Chairman’s Takeaways

SSOW 2019

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Orlando, Florida

Brad DeMent, Chairman
ScottMadden Partner

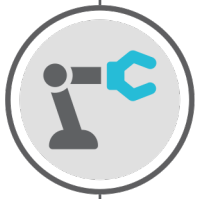
Improving and Automating Processes

It's not about how many bots you have… **it's about how many processes you automate**
– Jose, Swiss Re

In retrospect, testing tech to see if "RPA works" was not the best use of time… **it works**
– Jeff, Voya Financial

We are exploring using **cognitive** bots to **read contract terms & agreements**
– Tracy, Gap

RPA is only 15% of our total tech portfolio (one piece of the puzzle)
– Tracy, Gap



Continuous improvement (policy standardization, process re-engineering, IA) **"CI Shark Tank"** exercises
– Debbie, McDonald's

There's a lot of **rebalancing work** with RPA
– Charles, Aetna

It's amazing how many **RPA steps can be re-used** in other processes
– John, Amex

Our **metrics address outcome**, but **rarely root cause** of problems (incorrect setups, no PO, etc.)
– John, WorldVision

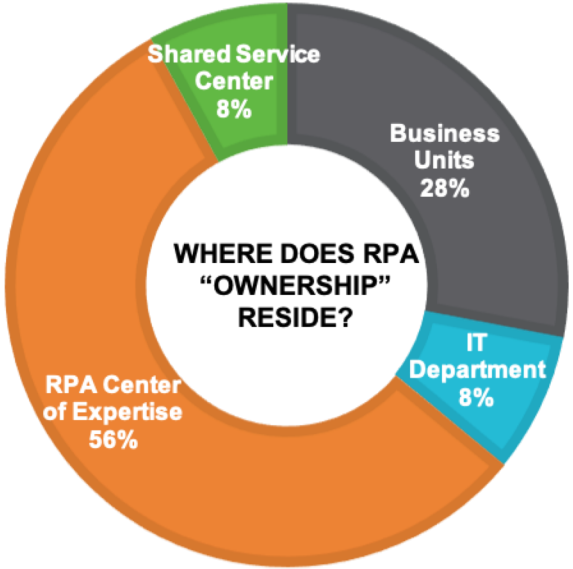
Improving and Automating Processes (Cont'd)

Automation is like climbing **Nanga Parbat ridge**… can hit obstacles and **force loop back to beginning**
– Bill, Darden

Technology is **allowing us to do a 100% audit vs. sample** size audits
– Grace, Microsoft

Blockchain took 45 minutes of manual work **to a couple of minutes**
– Grace, Microsoft

Process mining = measure process E2E, benchmark, diagnose, rework, and monitor
– Rob, AkzoNobel



Process discovery can be shocking the first time you see it = plate of spaghetti with different variations
– Rob, AkzoNobel

But there's a **couple of "meatballs"** in there (hubs) that are consistent (e.g., Masterdata change)
– Rob, AkzoNobel

I need to layout a 3-year process prioritization plan to determine processes that need automation vs. processes that just need restructuring
– Bill, Darden

You need a **contingency plan if the robots stop working**
– Bill, Darden

Source: ScottMadden and APQC Shared Services Benchmarking Study

Improving and Automating Processes (Cont'd)

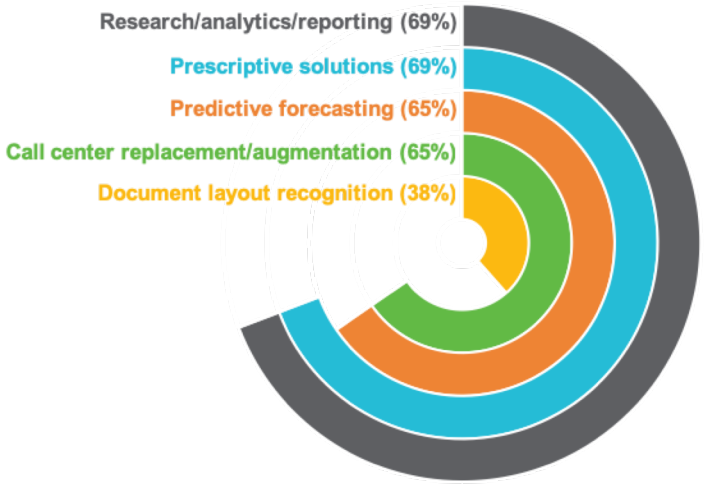
We want to use **predictive analytics** to determine when a customer is about to leave
– Suzanne, UPS

Spend time **defining governance** – we had chaos at first with consultants bringing their favorite vendor
– Charles, Aetna

Got ahead of the problem and **asked for new PO number before** recurring contract expired
– John, WorldVision

We should be measured on **what % of business process** can be automated, **not how many bots**
– Ash, AntWorks

FOR WHICH PURPOSES ARE YOU USING INTELLIGENT AUTOMATION APPLICATIONS?



Source: ScottMadden and APQC Shared Services Benchmarking Study

Make sure **internal controls plays a part** on your IA project team
– Michael, GBD Independent

We used to audit 5% of 25,000 USA paychecks, **now we audit all of them** in one night with RPA
– John, Amex

There are **66 different ways** to cancel a card across my market – I'm not going to build 66 robots. **Standardize first then apply RPA**
– John, Amex

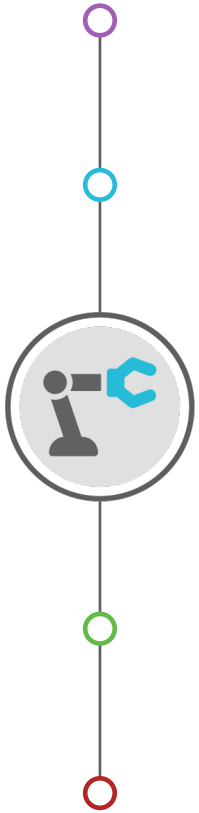
Improving and Automating Processes (Cont'd)

I have a 3-year prioritization plan, but it **changes frequently**, and that's ok
– John, Amex

Our first bot sent reminders for collections and generated $Ms… **simple, but got executive attention**
– Robert, Canadian Tire

66% of help desk inquiries are **handled by a chatbot** (**86%** of those are **solved by a chatbot**)
– John, Amex

Cognitive load concentration – **understand what humans need to do** in the process today
– Lee, Ascension



RPA is just one technology in our "Automation COE"
– Todd, Underwriters Laboratories

Just because the technology is easy, **does not make RPA projects easy**
– Matt, BluePrism

If it's software, it's "digital"… **the term is overused**
– Lee, Ascension

We ran processes through the **continuous improvement** group **before the RPA** group
– John, Harland Clarke

Preparing for Blockchain *– Bettina, Animal Ventures*

Blocks are the carbon paper after your checks run out… **but you don't need the bank**

It's a **network of computers coming to agreement** and lowering uncertainty

The network creates **one giant computer** that's good for what computers do – **building stuff on top of**

But **no one owns it**, and there's **way more data** (100s of networked computers)

Smart contracts are not really smart or contracts – think of a check **"I'm going to pay you $10"**

– It's just automated **business logic** in computer-readable code

Machines can make decisions **based on a network of trust (not human trust)**

Early days… still in middleware phase…
We don't have an "Uber app" yet

Blockchain is very **useful now for asset tracking**

Securing SSO Systems – *Ryan, EBSCO*

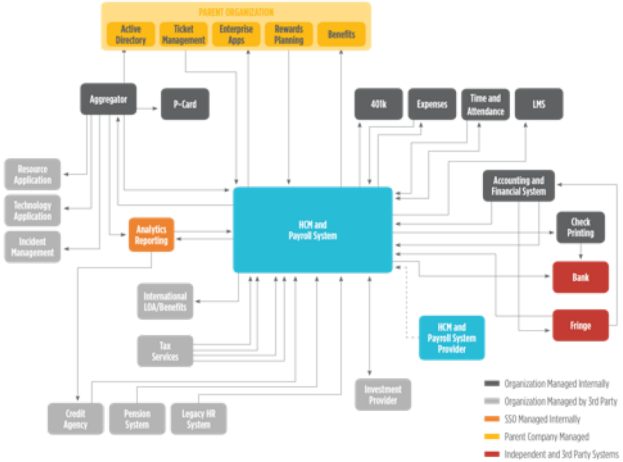
- **Do you know which data** is most **important**, which is most **valuable** to others, or which is most **damaging**?
  - And do you know where that data lives, and who has access to it?
- We've seen a large surge of **CEO impersonations** ("send a check here… I'm on vacation")
- **If an incident occurs do you know** what your RACI model is?

Financial, personal, and competitive data

Complex systems and processes

Various communication channels

Low employee IT security engagement



Reworking Your Service Models

GBS helped us **leverage underlying tech** platforms across multiple functions
– Camilla, Adidas

We created a **new foundation starting with data** and intense focus on the client experience
– Stephen, Silicon Valley Bank

We deconstructed our GBS and **rebuilt in 3 parts** (indirect procurement, ordering, employee services)
– David, Cisco

People should **not care** (or need to know) **where the transaction occurs**
– John, WorldVision

If you view yourself as a **cost center**, you are **not at the "decision table"**
– Christof, Siemens

We are a 100-year-old company with **100 years of bad processes**!
– Todd, Underwriters Laboratories

Our new GBS leader saw **excessive structure**, and **cost reduction through service reduction**, which did not make sense
– Tony, Boeing

GBS reconstruction was based on **delivering value**, **not being an "order taker"**
– David, Cisco

Be willing to say "yes" to adding new services **with caveat** that it will be analyzed beforehand
– Todd, Underwriters Laboratories

Reworking Your Service Models (Cont'd)

Moved AR to Customer Service; "Finance does not need to own it." They have the relationships
– John, WorldVision

If I were starting today, I would not have a team in Manila, Buenos Aires, etc.... **they would have never left the USA**
– John, Amex

Our **RPA COE expanded** from **internal SSO** support to covering **entire organization**
– Robert, Canadian Tire

Standardize, automate, **then right shore**
– John, Amex

Typically, someone runs finance, sales, manufacturing, but no one is running **customer interaction**
– Michael, GBD Independent

Data **analytics COE** should be a blend of business **SMEs** and **data scientists**
– John, Harland Clarke

Analytic COE hierarchy – a) **Discovery** = why and b) **descriptive** = what; then c) **Predictive** = what will happen and d) **Prescriptive** = what should I do about it; and finally e) **Deductive** = what would happen if
– Lee, Ascension

FTE has gone from **$70K/year** to **$30K/year** to digital **$8K/year**. Need to manage entire workforce
– Lee, Ascension

Attending to Your Customers

Design your GBS model around the customer – **make them the center of the universe**
– Suzanne, UPS

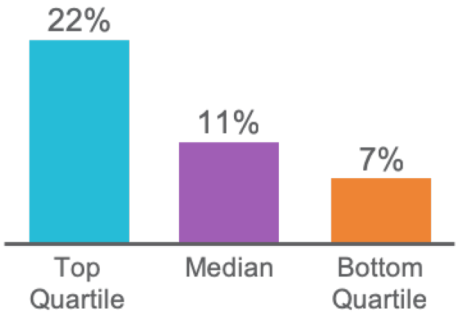
We spend way too much time building/ sending **reports no one uses *(applause)***
– Debbie, McDonald's

Adopted a standard ITIL model approach to customer service **(13 standard processes)**
– Ryan, EBSCO

Provide service from the **lens of the customer**
– Ginelle, J&J

Services for **"McDonald's-owned"** restaurants **different** than **"McDonald's-franchised"** restaurants
– Debbie, McDonald's

% OF SSO EMPLOYEES DEDICATED TO "CUSTOMER CARE" INQUIRIES



If you can get your SSO worker to **smile while on the phone**, the **service will improve** for the customer
– Ginelle, J&J

The **customer does not want** to have to figure out **who to call for what service**
– David, Cisco

Just because we **did better this year** than last year **does not mean your good**!
– Tony, Boeing

43% will emphasize a **better client experience** this year
– YOU (#1 answer to polling question)

The Customer experience includes how **all parties** are involved in the E2E process
– John, Amex

Source: ScottMadden and APQC Shared Services Benchmarking Study

Attending to Your Customers (Cont'd)

Converted time liberated by RPA **to front-line customer service roles**
– Laura, Mitsui & Co.

Design a **journey for each customer channel** (zero touch, one touch, and multi-touch)
– John, Amex

The last thing you want to do with a digital customer **is make them call**
– John, Amex

80% of the chats on our website **go through a bot**
– John, Amex

Empathize with customer before you design
– Sarah, Canadian Tire

User-centric design accounts for **art** (how it looks), **science** (how it works), and **psychology** (how user feels)
– Robert, Canadian Tire

Introduce IT to your customer (and vice versa) to **understand each other's worlds**
– Robert, Canadian Tire

Make sure there are **multiple intake channels** that are simple "I have a problem"
– Robert, Canadian Tire

My 25-year-old son will never call Amex… has no intention (chat, text, email)
– John, Amex

Preparing and Managing Your Workforce

I'm working with a **local university** to launch **RPA apprenticeships**
– Laura, Mitsui

How many **remember when Excel was a skill**? Well that's where **RPA** is **today**
– Michael, GBD Independent

Built a standard workforce governance to **monitor human and digital effectiveness**
– John, Amex

Bots are not built today to say, "Hey, I'm available" or "Hey, I've got a 3-day backlog" – we need to begin **managing robot work like we would human work**
– Lee, Ascension

Cost drive out started as excitement, **but eventually eroded top talent** (was not sustainable)
– David, Cisco

Build **next generation workforce** with **next generation people** (students)
– Jeff, WorkFusion

We will **change professions** at least **three times**
– Kapil, Infosys

We are **not managing human** and **digital labor the same way**
– Ash, AntWorks

Martec's Law – **tech** grows **exponentially**, but **org** capability growth is **linear**
– Tony, Procter & Gamble

We had built a Porsche and **handed the keys to a 12-year-old**
– Stephen, Silicon Valley Bank

Natural attrition can help manage **work reduction attributable to RPA**
– John, Amex

Managing Change

Our **CEO** signed up a **portion of his bonus** to hit three key metrics—this drove change
– Stephen, Silicon Valley Bank

We learned you can adapt you model's "centricity" **according to business needs**
– Kathy, Raytheon

We have **dedicated change management** resources that sit in GBS
– Debbie, McDonald's

Our stakeholders were not in the room when we developed KPIs – we were **patting ourselves on the back**
– Suzanne, UPS

You have to **manage executive expectations** that **RPA** will wipe out all your company's work
– Charles, Aetna

Nothing is ever as good as it seems, but **you can get there in time** by managing expectations
– Chris, John Hancock

Managing Change (Cont'd)

I spend a lot of time explaining **what technology cannot do**
– Yatima, MetLife

I have a boss that's a believer in automation, and that helps tremendously
– John, Amex

CEOs don't seem to like the word "robots"… and **prefer "digital workforce"**
– John, Amex (and others)

Optimism Theory – when we think last 10% of the project will only take 10% of the project timeline
– Cathy, Mt. Everest

Take the price you spent on RPA, **double it and spend on change management**
– John, Amex

Human desire **to "do something"** when faced with critical decision is **not always best instinct** – resting/planning can be a better choice
– Cathy, Mt. Everest

Driving Culture – *Robert Richman*

Zappos **answers phone** in 30 seconds or less **with NO scripts**

The word "customer" is not in Zappos' customer values… because **everyone is a customer**

Culture is driven by feelings – you know it when you walk into the room (and **you can affect it**)

Please **tell me the one thing I don't want to hear** (give permission to provide feedback)

Navy SEALS **have strongest culture** out there. Why? **Constant Reinforcement**

Ask on a scale of 0-10 **how lucky you think you are**... high scores translate to **high customer service** – good on teams (but don't want a 10)

Culture is governed by games – goals (get into Zappos), rules (have to show up at 7AM or cut), feedback (can ask any question and it will be answered), opt-in (get full month's salary to quit)

Thank You for a Great Shared Services Conference!

Brad DeMent

Chairman SSOW 2012–2019

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- 21 years of Shared Services and GBS experience
- IA strategy and application counsel

Meet with us to plan your next journey

Why ScottMadden?

Deep Experience
ScottMadden has been a pioneer in corporate and shared services since the practice began decades ago.

Our Corporate & Shared Services practice has completed more than 1,700 projects since the early '90s.

Our clients span a variety of industries from energy to healthcare to higher education to retail.

Philosophy
We are personally invested in every project and measure our success by our clients' success.

We listen to our clients' needs and put their best interests ahead of our own.

We work with integrity, tenacity, and a genuine passion for what we do.

We do what it takes to get it done right.

Personalized Approach
Before we begin any project, we sit down and listen to our clients' needs and challenges.

We engage with our clients like no other firm does, working side by side to create practical, real results.

We don't employ canned methodologies or cookie-cutter solutions. We work to solve the right problem in the right way.

> *"Outstanding job of selecting really good people that have the experience, knowledge, and insights."*