# How to mitigate risk in automation implementation



he intricacies in doing business has increased in recent years. Uncertainties in the macro environment, from political to technological shifts, have given rise to a challenging business climate where organizations compete to differentiate. New and innovative ideas are essential to keep up with disruptions and improve business outcomes. Automation of manually intensive processes in service industries is a lucrative option to save human efforts, minimize errors, and reduce operating costs.

Automation projects typically start on a positive note. However, as organizations go deeper in the implementation phase, challenges crop up, which sometimes lead to failure of the project. Is automation really that tough to manage? The answer is a definite 'no' if we avoid some of the common pitfalls.

An automation project, following either traditional waterfall model or agile methodology, is subject to certain risks that can derail the project or pose challenges in completion. Identifying the top risks and applying ways to mitigate them effectively without affecting project schedule or stakeholder relationships leads to successful automation implementation.

### Automation and its core

There are three levels of automation:

- 1. Basic desktop automation— such as macros or local automation
- 2. Tool based scalable robotic process automation
- 3. Intelligent automation which is self-learning and cognitive in nature

Most organizations have already achieved level 1, which run in the form of macros with their own limitations. At level 2 and 3, when tool-based automation is undertaken, challenges arise.

# Top risks in robotics implementation

Robotic automation implementation is not a standalone deployment unlike traditional application development and deployment. It is heavily dependent on the process, applications, and the technical infrastructure on which these applications are hosted, and how robots interact with these applications and process flow. Hence, risks arise from the system environment and affects the governance model.

#### **Risks in assessment**

The objective of automation is to gain financial benefits in the form of reduced human resources, or simplified processes. A gap between the efforts for automation and the benefits derived is a major challenge. For example, an activity that is performed at lesser frequency, or has very few people working on it will not give expected benefits or derive ROI from automation. In other scenarios, processes selected for automation have limitations such as shorter cut off times, need for manual judgement, or misjudged volumes, which make automation implementation complex and sometimes, not feasible.

### **Risks in technological infrastructure**

Technological infrastructure includes the setup physical desktops, VMs, VDI/Citrix - and each of them is only compatible with certain automation tools. Hence, selection of the right infrastructure setup is a challenge. Non-compatibility of an automation tool can lead to wastage of efforts in a project. Another common environmental issue is frequent changes in underlying applications in robotic deployments. Unplanned and sudden changes can stop a robot. Few applications have dynamic controls, which can change at some intervals and affect robots. In banking environments, availability of data is a major challenge too.

During RPA deployment, data availability and technological environment mismatches are the major issues related to technology infrastructure, followed by issues in application infrastructure, application dynamism, and non-compatibility with automation tool.

### **Resource issues**

Multiple stakeholders are involved in the automation of a process – For e.g. one team finalizes the requirements, while another performs testing, and the end user is completely different. This leads to challenges of expectation mismatch and rework. It is always preferred to have one single team throughout all phases of project to give and test automation requirements.

# **Governance issues**

Attrition leads to a lack of continuity and affects the automation project with respect to quality and timely delivery. Considering availability of resources, some clients prefer automation projects to run on staff augmentation model—wherein they hire automation resources for a temporary period. The challenge here is delivery quality, lack of support from senior technical resources, and project management. Typically, such projects encounter issues post going live and are unstable in nature.

Overall, the major risk contributors in robotic implementation are infrastructure (64%), followed by assessment (19%), governance (12%) and resources (5%) – (Figure 1).

## Approaches to mitigate risks

Risk mitigation approaches require action plans to avoid possible threats that might hamper the completion of a project. Here are some of the approaches:

### Assessment risk mitigation

Selection of apt processes fit for automation is the key to reducing risks. The assessment phase before automation should clearly outline the manual efforts required for the process, frequency, SLA, turnaround time etc. and the same should be verified by process SMEs. A clearly documented and measurable process assessment will ensure a right start.

# Technological infrastructure risk mitigation

As part of automation project implementation, an organization should have same underlying applications across development, testing and production environment. It should communicate any change in application in advance and the automation team should perform impact analysis on all enhancements or changes in underlying applications. In the case of an impact on automation, the project team should take the same approach of deployment in user acceptance testing (UAT) and sign off. Post successful completion of UAT, the team should deploy the underlying application changes in production along with updated robot script. Organizations need to take the same approach even when upgrading to newer versions of automation solutions.

# Governance risk mitigation

A well-defined governance structure from day one of automation project plays a pivotal role. Periodic connects with the business team, technology team and senior management to appraise them of the status of the automation project, to highlight challenges and appropriate solutions ensure proper governance and reporting. A well-organized team led by an able leader who interacts with the multiple stakeholders of the team is a primary requirement to mitigate governance risk. Collaboration with team members to review the possible threats and impacts on the project helps minimize diverse possibilities of failure.



Figure 1: Major risk contributors in robotic implementation

## **Resource risk mitigation**

Staff augmentation model for all resources must have support from project management. Possibilities of attrition and unskilled resources are many. Depending on the size and scale of the project, the resources should be mobilized. Such resources should continue unless the process is completely stable and proper hands off is provided to the support team or their successors.

### The right approach to implementation

All automation projects require tight governance, highlighting risks and red flags at appropriate time. Lack of proper governance creates situations wherein project is not tracked, and issues/risks are not raised to right stakeholders who can resolve it. In the absence of strong governance, the project status is unknown, the issues are prolonged, and creates an overall feel of lack of knowledge and indecisiveness among stakeholders.



# Jayasekar Mani

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**Global Delivery Head- Robotic Process Automation - Business Process Services, Wipro Ltd.** Jayasekar is an IT expert with over 23 years of experience spanning various industries like Manufacturing, Telecommunication and Banking BPO and IT. He has successfully led top global projects across various domains. Currently, he manages end-to-end automation requirements for business. Jayasekar has successfully established IT-BPO

synergy by launching domain offerings that take business to

Wipro Limited

Doddakannelli, Sarjapur Road, Bangalore-560 035, India

Tel: +91 (80) 2844 0011 Fax: +91 (80) 2844 0256 wipro.com

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