Companies are beginning to use robotic process automation (RPA) to perform routine business tasks and eliminate inefficiencies. RPA software programs are designed to mimic the keystrokes humans make to complete rote processes in areas such as finance, human resources, customer service and supply management.

Experts believe RPA applications will become widespread in business operations because they are cost effective and easy to implement. Gartner Research estimates the demand for RPA tools is growing at a rate of 20% to 30% each quarter. Transparency Market Research believes the RPA market will reach an annual growth rate of 47% through 2024.

RPA software is a “surface tool” that sits on top of legacy information technology (IT) systems or more complex intelligent automation applications. Because it’s less complex, RPA is easy to implement for fast returns in efficiency and cost savings. It can be integrated smoothly with legacy systems for enterprise resource planning (ERP), customer relationship management (CRM) and business process management (BPM).

RPA can decrease cycle times and improve throughput for routine tasks with greater accuracy. It is flexible and scalable, so it can be adapted easily as systems are upgraded. Installation of RPA software generally requires little or no IT assistance, so it can be implemented quickly and easily for fast results. In just the first year of an RPA implementation, McKinsey & Company estimates it can offer a potential return on investment of 30% to 200%.

Banks and insurance companies have found RPA is an inexpensive, fast and more accurate way to deal with the operational challenges of achieving compliance.

**BUSINESS DRIVERS**

One of the business drivers for RPA implementations is the increase in the availability of massive amounts of data and the need to use it effectively. Leslie Willcocks, professor of technology, work and globalization at the London School of Economics’ Department of Management, believes businesses are beginning to experience an exponential increase in work that matches the exponential increase in available data, at the rate of 50% more each year.

Another driver is the growth in audit regulations, bureaucracy and compliance requirements. Banks and insurance companies have found RPA is an inexpensive, fast and more accurate way to deal with the operational challenges of achieving compliance.
When companies implement RPA solutions, workers are able to focus on tasks that are more meaningful and contribute greater value to their organizations. By taking away routine tasks that drain time and energy, RPA is even being viewed as a stress reliever for workers.

SHOULD WORKERS FEAR RPA?
In addition to generating massive amounts of information, big data is also creating a growing need to analyze and process that data. Routine data processing and other rote tasks are usually the least appealing parts of a worker’s duties. RPA can remove the tedious parts of a job and free up more time for challenging and complex work.

Experts say knowledge workers who handle and use information in their jobs should not fear RPA, as it likely won’t eliminate entire jobs, just the parts that are routine. By performing repetitive tasks faster, more accurately and tirelessly, RPA allows workers to focus on tasks that require human characteristics such as reasoning, judgment, emotional intelligence and empathy.

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The applications for RPA are growing as companies find new ways to automate routine processes and tasks. The global RPA market is still relatively small, but experts estimate it will reach $5 billion by 2020. Some enterprise application vendors are beginning to add RPA solutions as part of their product offerings for BPM and CRM applications.

Other software developers are pairing RPA solutions with intelligent automation (IA) applications for a comprehensive automation package. IA applications have the potential to automate non-routine tasks involving judgment, intuition and creativity, or those requiring advanced capabilities such as handwriting recognition, image identification and language processing that only humans now can perform.

To discuss these topics in more detail, please contact your PNC Relationship Manager.

1 “Why robotic process automation adoption is on the rise,” by Bob Violino, ZDNet blog, Nov. 18, 2016. Available at: http://www.zdnet.com/article/rpa-adoption-on-the-rise/

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