

# Chairman's Takeaways

**SSOW 2019**

**March 14, 2019  
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*

We are exploring using **cognitive** bots to  
**read contract terms & agreements**

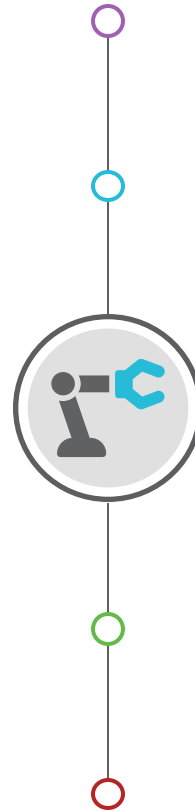
– *Tracy, Gap*

Continuous improvement (policy standardization,  
process re-engineering, IA) **“CI Shark Tank”** exercises

– *Debbie, McDonald's*

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

– *John, Amex*



In retrospect, testing tech to see if “RPA works”  
was not the best use of time... **it works**

– *Jeff, Voya Financial*

**RPA is only 15% of our total tech** portfolio  
(one piece of the puzzle)

– *Tracy, Gap*

There's a lot of **rebalancing work** with RPA

– *Charles, Aetna*

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

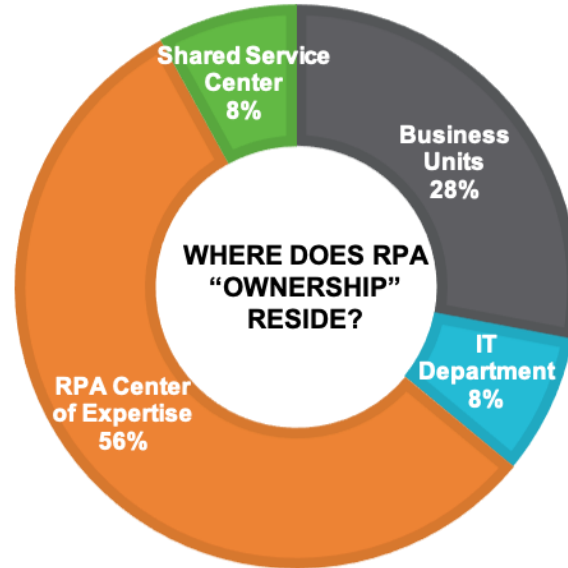
– Grace, Microsoft

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

# 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*

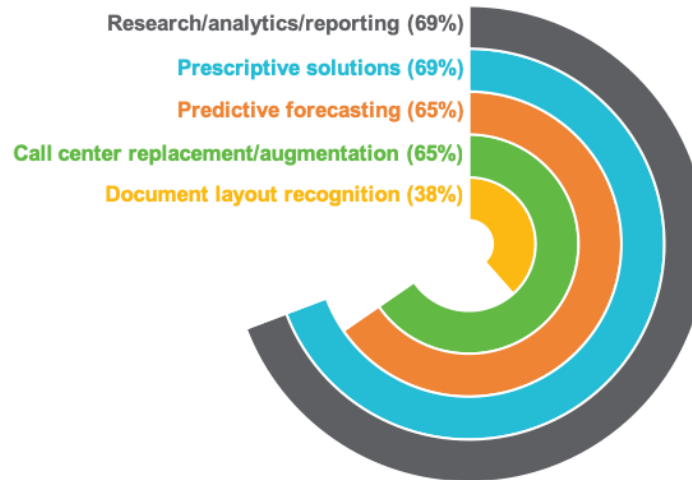
**Got ahead of the problem** and asked for new PO number before recurring contract expired

– *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?



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*

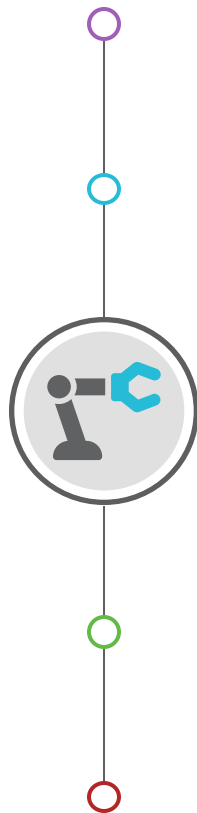
# Improving and Automating Processes (Cont'd)

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



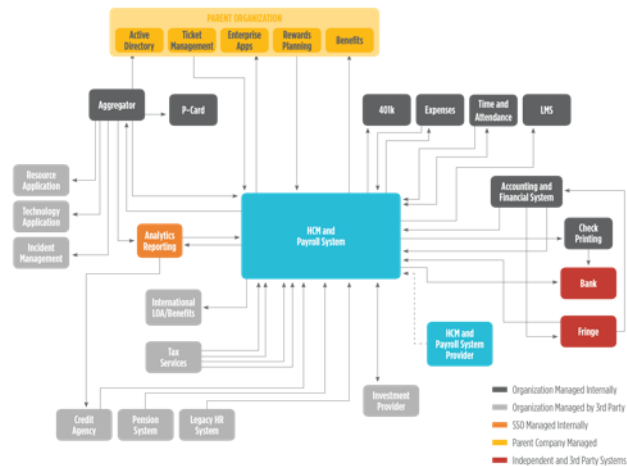
Complex systems and processes



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*



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

– *Ginelle, J&J*

We spend way too much time building/sending **reports no one uses** (*applause*)

– *Debbie, McDonald's*

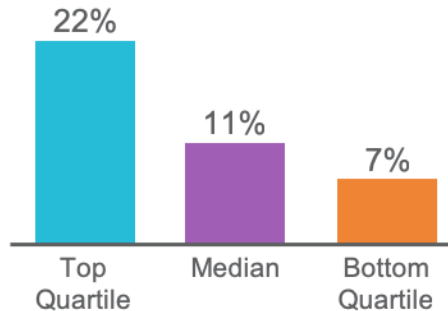
The **customer does not want** to have to figure out **who to call for what service**

– *David, Cisco*

Adopted a standard ITIL model approach to customer service (**13 standard processes**)

– *Ryan, EBSCO*

**% OF SSO EMPLOYEES DEDICATED TO "CUSTOMER CARE" INQUIRIES**



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

– *Tony, Boeing*

Provide service from the **lens of the customer**

– *Ginelle, J&J*

**43%** will emphasize a **better client experience** this year

– *YOU (#1 answer to polling question)*

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

– *Debbie, McDonald's*

The **Customer experience** includes how **all parties** are involved in the E2E process

– *John, Amex*

# 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*

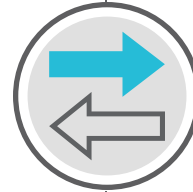
**Natural attrition** can help manage **work reduction attributable to RPA**  
– *John, Amex*

# Managing Change

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

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

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



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

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

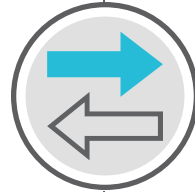
Nothing is ever as good as it seems, but **you can get there in time** by managing expectations  
– *Chris, John Hancock*

# Managing Change (Cont'd)

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

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

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



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

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

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

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

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# 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.*

