

Capgemini's Lee Beardmore Discusses RPA in Business Process Outsourcing and Gives Advice for Implementing Automation

Dan Goodstein, President of the Outsourcing Institute, talks to Lee Beardmore, Vice President and Chief Technology Officer, Capgemini Global Business Process Outsourcing.



Dan: Hello Lee. Glad to have you with us today. Before we begin, could you introduce yourself to our readers – your background and your role at Capgemini?



Lee: Yes, of course. I'm currently the chief technology officer of Capgemini's Business Processes Outsourcing (BPO) division. I'm a long-timer at Capgemini – this is my 13th year. Two of these years have been with BPO and the previous 11 were spent in the technology business, where I was responsible for driving solutions, particularly on big deals and large initiatives.

I've done the selling, I've done the strategy, the design and the delivery. So, I have a pretty broad coverage. Prior to Capgemini, I worked on the technology side of investment management. And

finally, by education I am computer scientist and software engineer. So, I've basically followed an academic interest and turned it into a career!

Dan: More recently, you've been focusing on everything related to Robotic Process Automation (RPA), and over the past few months, every conversation I've had with one of our members somehow involves, touches on or is about RPA. Are you seeing the same with your clients at Capgemini?

Lee: Absolutely. It's quite fascinating actually, particularly looking at the way BPO has evolved over the last two or three years. Technology is increasingly taking center stage and has become a key element in driving transformation. It obviously doesn't replace or supersede the whole transformation delivery from a people and process point of view, but it is having a massive impact on the way we deliver our BPO services.

I always get questions from clients such as: "What is RPA, what is Artificial Intelligence (AI)? How can we use automation better? How can we use technology to drive more efficient processes?"

What it boils down to is something quite similar to what we faced 20-25 years ago with mainframe systems. Fundamental questions were being asked back then about speed of change, getting more from applications and making them work in, what was then, the

new world of client servers. These same questions have been asked ever since. Complexity keeps on increasing

and the cost of change and the time it takes is really quite significant. Additionally, the needs of the business outstrip the core IT's ability to deliver. Our clients are asking legitimate questions to see whether there are ways to fast track change. This has led to a breeding ground for a new form of technology called Robotic Process Automation. Our clients are asking us to use RPA as a mechanism to help alleviate some of the mundane, repetitive and mechanistic activities that their workforces are dealing with. RPA is effectively put in place to help address the "so-called" long tail of automation. Addressing such numerous inefficiencies in core systems is expensive and hard to justify – but when you aggregate all of these little inefficiencies together, it becomes a massive drain on an organization.

This is where we as a BPO organization take on a lot of these inefficiencies from our clients. We transform their processes, and enhance their systems by adding new applications and expanding integration. RPA and increasingly AI are a key part of the solution for cost effective change.

Dan: The question I'm asked all the time is: "Is it hype or is it real?" I recently spoke to an executive who questioned whether automation is or ever could live up to the expectations that have been out there for a while. What's your opinion? Is it living up to the hype, especially in relation to BPO?

Lee: It's starting to get there. It's a little bit like the stories we would hear about cloud computing five years ago. It was very, very overhyped. I remember talking to colleagues and very experienced architects, and they were all looking at the Cloud and

saying: "Is it really going to take off?" questioning both the direction and the hype, as we are right to do. Right now, there's a huge amount of hype around automation and a significant amount of misunderstanding of what it can actually deliver. But when you peel back the layers of hype and get down to the root capabilities of the technologies, it's clear that you can use them to drive significant efficiencies across business processes.

So, this is what we're seeing, this is what we're delivering, and these are the sort of things our clients are asking us to do. But there should be a balance. If you focus on an automation initiative and have an understanding of the very absolute detail of the processes, you can quickly get to a position where the technology really delivers and you will start to see that some of the hype is actually borne out in reality.

Dan: Is there a particular area within BPO in which you see the most opportunity to automate? What's top of your list when you look at your clients' needs?

Lee: This is a really interesting question because, as a technologist, one of my key objectives is to think in an abstract manner, to generalize problems and then apply the right technology to these generalized problems.

Let's take a generic example. Choose a process that exists in an organization where there are significant numbers of people focused on repetitive, mundane, mechanistic work. These people are effectively implementing an algorithm with their hands, their keyboards and their mice.

If it's an algorithm, there's a good chance that some or all of it can be automated. It's these characteristics that drive the opportunities. That being said, a significant portion of what our

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team has been driving in this space has been in the finance and accounting space, particularly around things like Purchase to Pay (P2P), invoice processing, reporting and Order to Cash (O2C). RPA technology can really make a difference by eradicating quite a lot of inefficient activity.

Dan: Are you using any particular technology with your clients right now?

Lee: Well, obviously as a big company we have many vendor partnerships; we work with most of the leading vendors in this space. Most recently, we announced a global partnership with a company called UiPath. This lies at the core of our RPA efforts for our BPO clients and is used extensively by our global center of excellence. We have also developed extensive logging, auditing and analytics capabilities to supplement the RPA core to create an automation platform that meets the needs of a BPO service provider.

Dan: One of the other key themes around our network today is “digital transformation.” How does the RPA space fit into the big picture of digital transformation?

Lee: Digital is more than just technology. It’s about a mind shift change that impacts the entire organization, and this in turn is obviously related to processes. One of our key objectives is to transform our BPO clients, which will lead to innovative and nimble operations. One aspect of our digital transformation approach is to optimize processes in a way that best leverages technology. This is where RPA plays a role in such a transformation. A great deal of process transformation has focused on tweaking processes, rather than fundamentally changing them. There remains a significant amount of human-centricity. What we’re trying to do here is liberate our resources from the lower-value activities, and move them into the

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technology to effectively digitize those parts of the process. This frees those individuals to focus on more value-added actions, such as dealing with complex exceptions or focusing on fixing problems that are hard to fully automate. So, we are using digital transformation to liberate resources to focus on more interesting and more value-based actions.

Dan: It’s clear to me that automation isn’t something new to you at Capgemini. However, for the people that might be reading this interview, could you tell us how are you making RPA successful within your current client engagements?

Lee: You’re absolutely right. Automation has been a core part of how we’ve delivered our BPO services for many years. Every one of our engagements has some form of automation that we use to augment the core systems we operate. They are the forerunners to the modern batch of robotic automations. We built them with custom code or a variety of scripting languages. At last count we had over 3,000 examples of automation artifacts of this nature.

However, one of the main challenges is not becoming a victim of your own success. Lots of discrete automation artifacts leads to management and maintenance overheads. So, at the end of 2014, I started an initiative to build an enterprise grade automation platform that we would use consistently throughout our BPO organization and for our clients.

To be successful you need more than tools. We have an extremely strong focus on methodology, which is key to industrialization. We have strong governance and stakeholder management. Technically, it’s actually quite easy to build a robot. However, this means it’s very easy to build yourself a maintenance nightmare for the future.

With good stakeholder management, strong methodology, robust architectural constructs and the right technology, you can create an environment for RPA that has long-term viability.

And let's not forget the teams that actually develop the automation components. We have a certification program to ensure the requisite level of skill – which is important when ensuring consistency of delivery and adherence to governance rules.

Dan: Do you have any advice for anybody currently trying to implement RPA initiatives? Perhaps the top two or three things they should be doing when looking to make a successful RPA initiative?

Lee: I would say – do not underestimate the value that RPA can deliver, but balance it with some real experimentation against real business processes. Pick a pilot process. Create a small team of like minded individuals who are keen to explore new ways of working.

Delivering RPA well demands a certain type of mindset. So, have a person or a group of people in the team with an automation or software engineering background. Their skills will be invaluable to delivering a successful outcome for the pilot.

Deep understanding of the business process is necessary, but focus on one or two process steps in the first instance. The pilot team must have someone with intimate knowledge of the process.

Finally, make sure the whole team is aware of how to restructure processes such that they are optimized for automation.

If you provide these things, you'll have a good foundation to develop a successful RPA initiative.

Dan: If you had to look to the future – to the next two, five or ten years – where is the market headed and where will Capgemini be?

Lee: One thing we have to bear in mind is that the current pace of change is unprecedented. The speed at which new technologies and vendors are coming to market and the kind of disruption they are delivering is staggering.

So, we have to think in terms of fluidity. What we do now, what we do in two years, won't be the same as what we'll be doing in five years.

However, there is a trajectory that automation is following and in addition to RPA we are seeing a surge of interest in AI and cognitive computing. We're already working with AI vendors and this technology is delivering

business gains in areas that lie in the domain of human cognition. We're at the beginning of the evolution of AI, and I believe it's going to accelerate dramatically.

There is significant investment going into AI. Much work has been done by some of the technology giants such as IBM, Google, Facebook and Microsoft. So, it's inevitable that AI is going to make its way into enterprise computing and enterprise apps.

We're already following this kind of trajectory and we're actively implementing some of this technology. For me, this is going to be automation's biggest development in the coming 2-5 years.

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Dan: Are there any particular areas that you are personally looking at in the next couple years?

Lee: I'm very interested in machine learning, pattern matching and cognitive computing. My own research right now is trying to work out a way to apply these new kinds of technologies to the sorts of business problems that we focus on.

I already have operational systems that focus on pattern matching. In other areas I'm exploring the impact that this technology can have on process areas that are traditionally staffed by skilled workers and how it can be used to augment human activity. This is not necessarily about replacing the individuals, but more about augmenting their actions to make them more effective, to deliver more quickly and allow them to do more with technology, and therefore empowering them.

It's a fascinating area on which I'm spending a lot of my time right now.

Dan: My last question is actually a personal question. I like to end interviews with a "people" factor, because this is still, at least currently, a "people" business! Is there one personal, non-work related thing that the average person doesn't know about you that you're willing to share?

Lee: I'm an avid doodler. My notebooks are full of weird and wonderful constructions. It actually helps me to think and stretch my thought processes. Friends have called me a frustrated artist, which suggests I've got a lot of creativity locked inside my brain, but sadly it doesn't always seem to extend outwards from the end of my pencil!

Dan: Right! It's all about the user interface! Lee, thanks again for joining us.

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