Intelligent Automation (IA) charter for CXOs

Changing perspectives driving need for specific value creation

There is an ever-growing buzz around Intelligent Automation (IA). The World Economic Forum (WEF) estimates peg that around 75 million jobs shall be displaced using Artificial Intelligence (AI) and automation technologies by 2022 , that is, just three years from now, pointing to the fact that mundane jobs would not be the order of the day anymore.

As technical skills start getting commoditized, there is a growing need for today's global work-force to embrace the power of non-technical skillsets. A solace to this fact is that around 133 million new roles are likely to emerge as organizations globally adapt to changing automation landscape. This also means that the shift in skillsets not only affect jobs at lower hierarchies of organizations, but also challenges CXOs' across organizations as they try and manage the next generation of intelligent workforce, while they aim for top line and bottom line growth as organization structures get flatter by the day.

For the CXO suite, Intelligent Automation is no more a secondary key result area/performance indicator (KRA/KPI), it stands right at the top of their list, with most of the CFOs at least willing to deploy IA in the next 12 months as per a research by Grant Thornton . Coupled to this is the fact that 29% of IA initiatives today roll up to the CTO, about 22% roll up to the CEO and about 17% roll up to the CIO.

The aimed KRA/KPI landscape

The world of IA is slowly witnessing a shift from looking at generic-specific benefits for measuring return on investment (RoI) to very tangible and specific outcomes. While reduction in transaction processing time or average handling time, reduction in error rate, reduction in employee headcount and improvement in productivity has dominated list of KPIs from IA, the following figure tries to draw a line between value created by RPA & AI implementations, a yardstick that most CXO's measured till date, i.e. Figure 1.

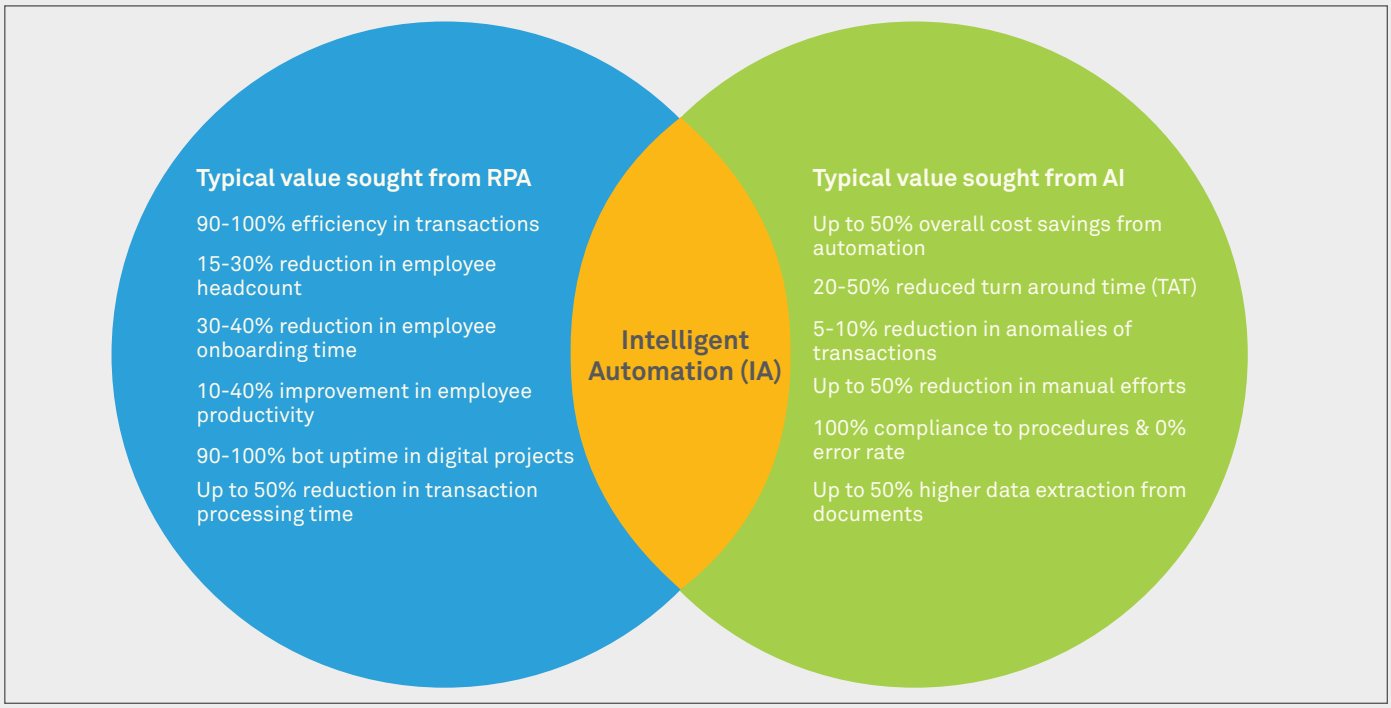

Figure 1: Value created by RPA & AI implementations

The changing landscape on KRA/KPI areas via advent of IA

An efficient CXO suite consists of the strongest relationships that has evolved over a period of time, some examples being the Chief Information Officer (CIO) & Chief Financial Officer (CFO), Chief Digital Officer (CDO) & Chief Financial Officer (CFO), and the CIO along with Chief Marketing Officer (CMO), Chief Human Resources Officer (CHRO), Chief Procurement Officer (CPO) Chief Supply Chain Officer (CSCO). The advent of IA technologies has led to shift in core performance areas, priorities and newer areas of focus in business.

An indicative mapping of six CXOs, i.e. CFO, CIO, CPO, CHRO, CDO & CMO has been attempted to demarcate a change in priority areas. Figure 2 depicts the change areas for a CFO, CIO & CPO and the focus areas are classified into four categories, that is, no change in priorities for KPIs compared to their earlier roles, additional priority KPI reflecting additional areas of focus, IA driven KPI that are governed especially by automation and recurrent/common areas of KPI across these six roles.

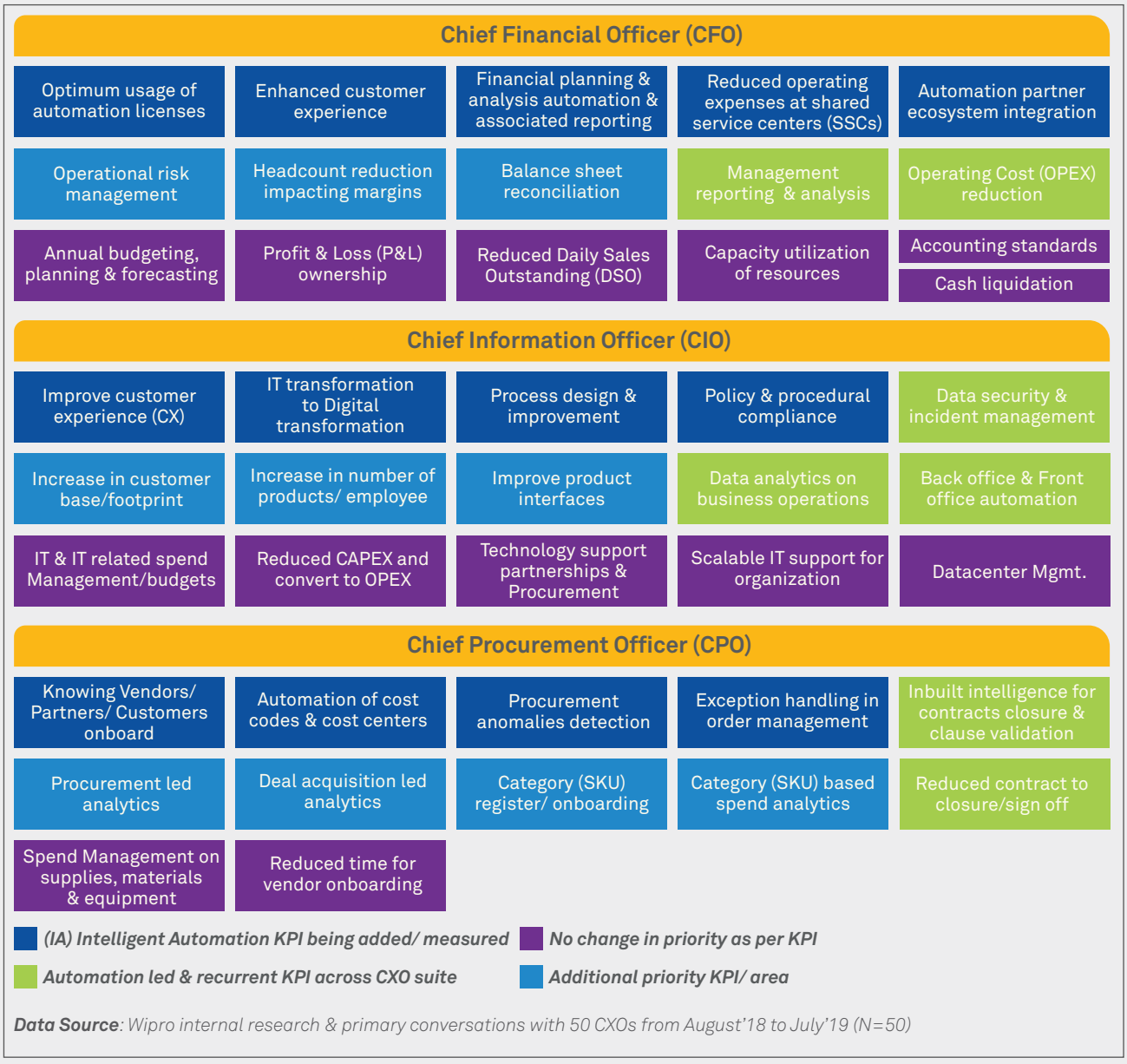

Figure 2: Change priorities for a CFO, CIO and CPO

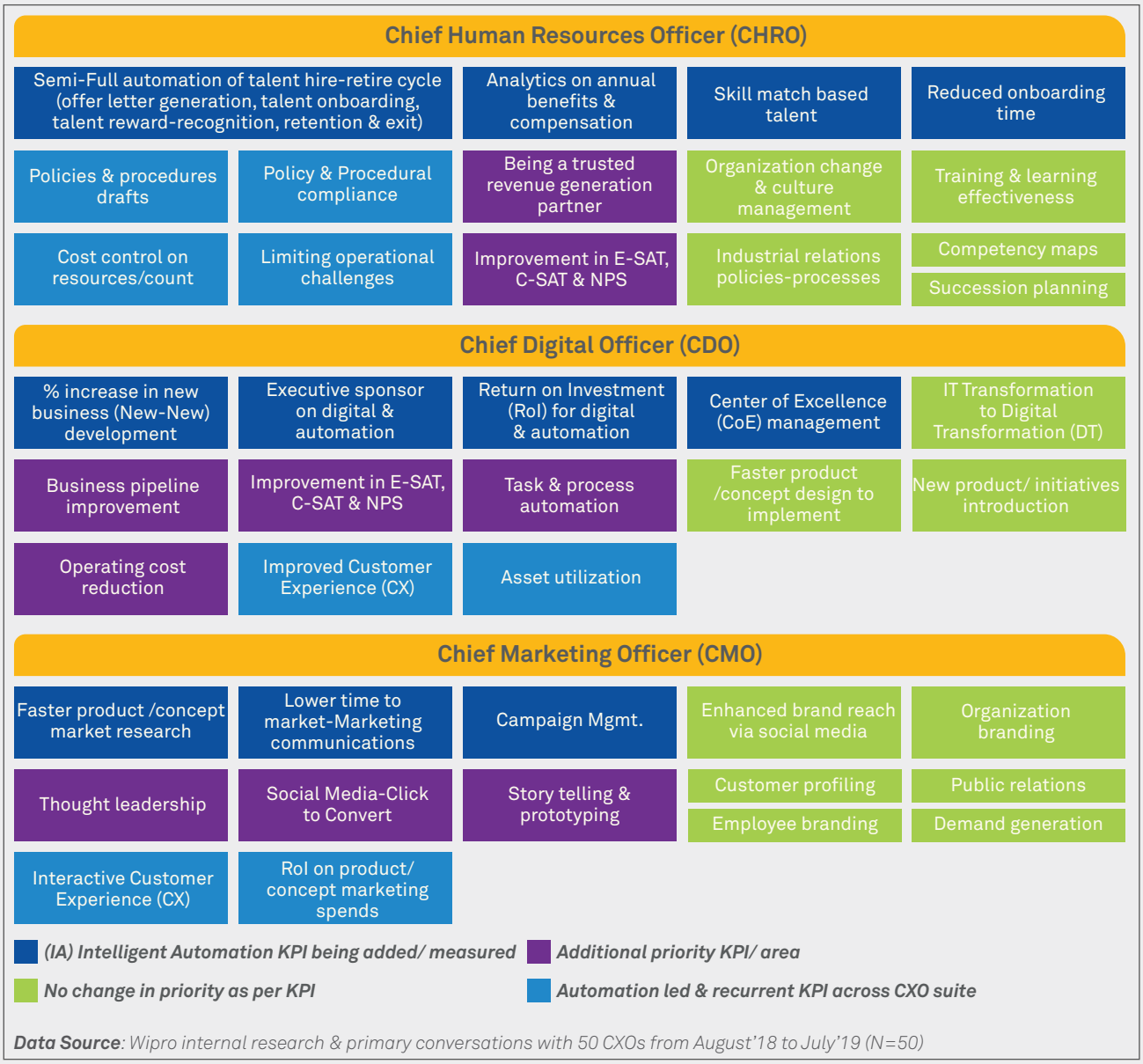

Figure 3: Change in priorities for a CHRO, CDO and CMO

Across all the six target roles, IA technologies have led to very distinct KPIs for each of them and at the same time, each of these KPIs converge to form underlying focus areas from all IA led initiatives highlighted in Figure 4.

For all the roles in consideration, cost reduction, customer and employee experience enhancement, contract to onboard cycle time reduction, data-operational (process) security, elimination of repetitive-mundane tasks, reporting and analytics led time cycles, back office automation and head-count reduction seem to be unanimously common target areas that are to be addressed via IA.

How can the CXO suite ensure seamless outcomes?

As IA initiatives begin to deliver results and draw interest globally, they also throw up numerous challenges to execution that CXOs face today. To ensure successful and faster pace of IA execution, focusing on People (P), Process (P), and Technology (T) along will not suffice, as the new dimension of focusing on Emotions (E) becomes equally important.

The focus on the Emotions (E) can be ensured by means such as mapping right skillsets to defining right roles for execution of projects, focus on rewarding outcomes, looking beyond employee reduction and prioritizing strategic pursuits etc.

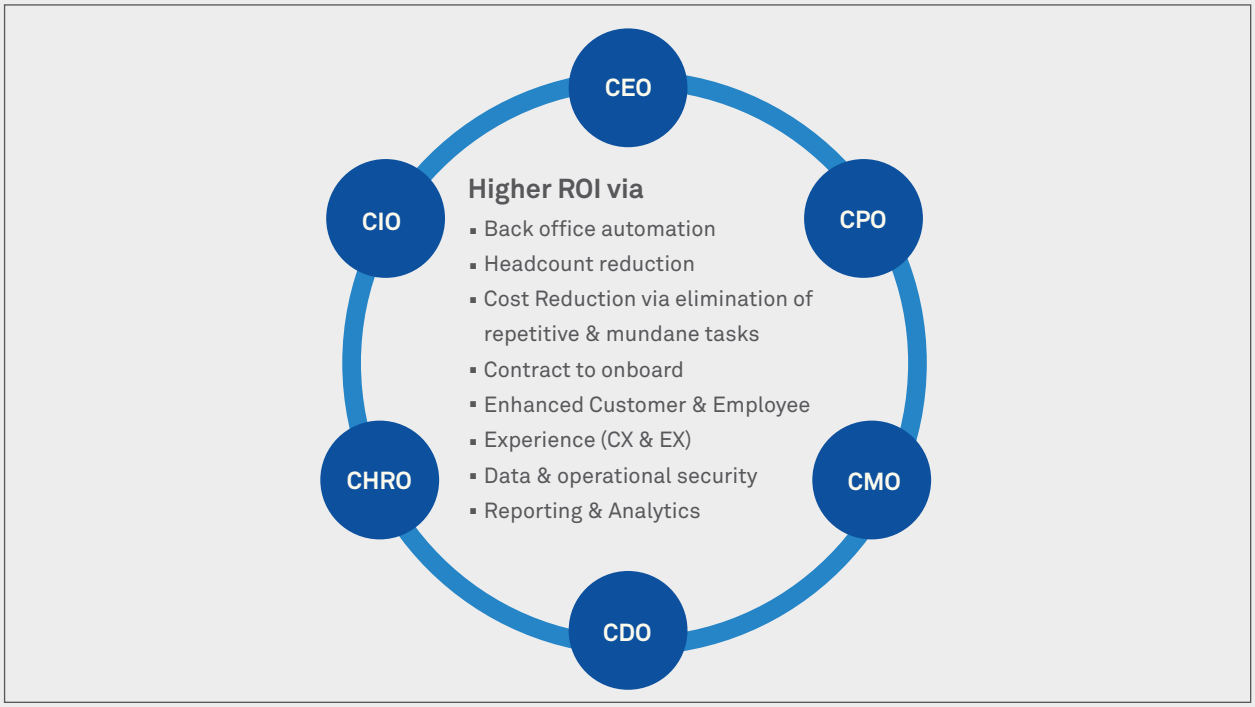

Figure 4: Coverging & recurrent areas of focus for IA

The day the CXO suite can execute this, deployment of IA initiatives will become more bottoms-up rather than just being top down, and the sooner CXOs realize this, greater is the probability of their success or vice-a-versa.

Summary

There is a marked change in priorities for the CXO suite today (CFO, CIO, CPO, CHRO, CDO & CMO) with the constantly evolving digital technology landscape. Intelligent Automation coupled with digital technologies is ushering in opportunities that lie not only at the lower and middle management levels of the organizations, but also hold paramount importance for CXOs, and Zsubsequently we would see more top down approaches being followed by organizations in their quest for digital success.

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