

BUSINESS PROCESSES AUTOMATION:

What It Is & How to Implement It



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Business Processes Automation (BPA): What It Is and How to Implement It

Technology has always served as a force-multiplier for businesses. From the humble gimlet that allowed early carpenters to create perfect holes in wood to advanced software that helps modern companies track international logistics.

However, more and more, the most successful companies are investing in a very specific form of technology, one that helps them better leverage the rest of their tech solutions and get more from their workforces.

So, before your company invests in new technology or overhauls any current practices, you should first leverage the power of business process automation.

UP TO 47%
OF JOBS COULD
BE AUTOMATED
IN THE FUTURE

What Is Business Process Automation (BPA)?

Business process automation (BPA) is the term for tech solutions that improve redundant, manual processes in business or even eliminate them altogether. If any of your processes include rote tasks that are done by hand but don't require thought or strategy, like data entry or document routing, BPA can handle them for you.

Some people get nervous about automated business processes, worrying that it's exactly the kind of technology that will replace jobs. However, the opposite is actually true! By giving machine-level tasks to machines, human employees are freed up to focus on human-level problems that require critical thinking and creativity to solve.

Business process automation is how you get all the small tasks off your plate to handle big projects that actually help grow the company.

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What is Business Workflow Automation:
Smoother Processes and Increased Productivity



What Business Processes Can Be Automated?

Business processes of all kinds can be automated so long as they are digital and always performed the same way. Whether you're sending a shipment update email to customers, passing an invoice to the right person, or tracking inventory, rote processes in all industries from **retail** to healthcare are candidates.

A good rule of thumb is to see if a task requires more knowledge or strategy. Strategic tasks usually require critical thinking from a human. But if all the knowledge you need can be programmed into a computer, then you can implement business process automation.

SOME OF THE MOST COMMON USES AND APPLICATIONS OF BPA INCLUDE:



What Are the Benefits of Automating Business Processes?

Countless companies have already succeeded at using automation to dramatically increase the ROI of other tech solutions and the efficiency of employees who use them.

In fact, according to McKinsey:

"Many companies across industries have been experimenting with IPA [Intelligent Process Automation], with impressive results:

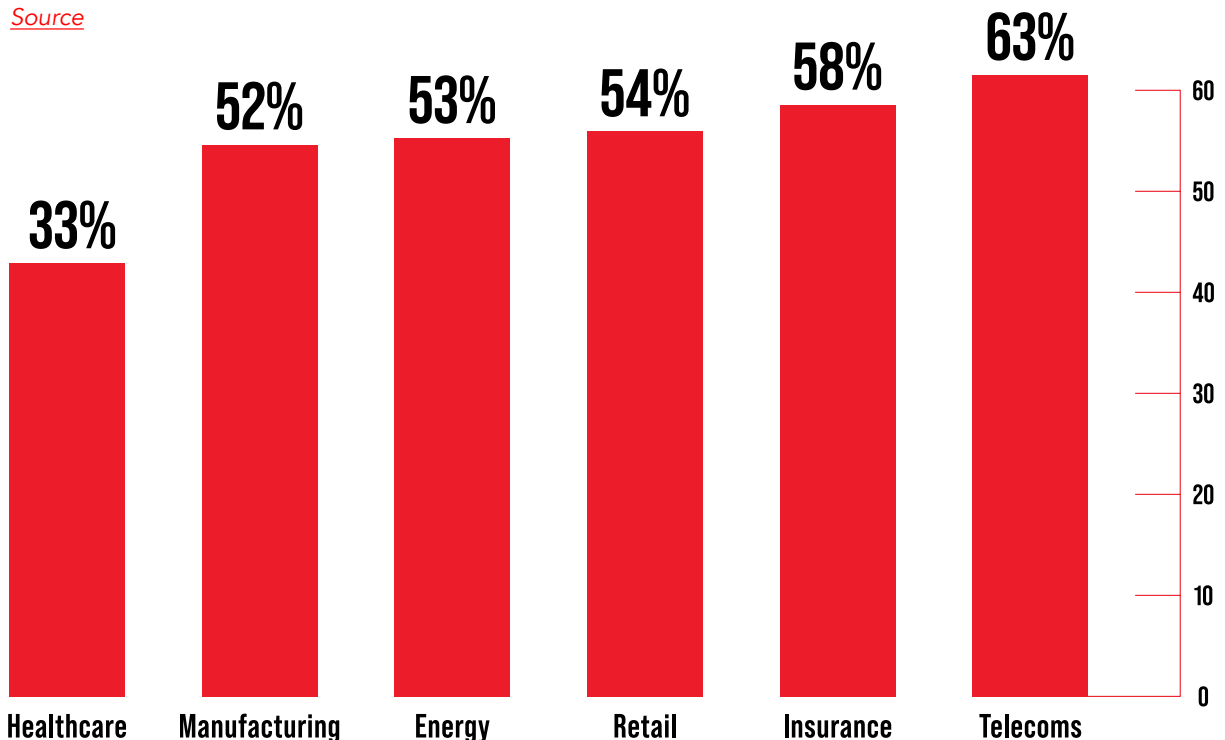
- Automation of 50 to 70 percent of tasks...
- ...which has translated into 20 to 35 percent annual run-rate cost efficiencies...
- ...and a reduction in straight-through process time of 50 to 60 percent...
- ...with return on investments most often in triple-digit percentages."

Best of all, with the help of a **managed services provider** (MSP), you don't need to spend time and money on developing in-house expertise in order to enjoy the five most important **benefits of business process automation**.

WHICH INDUSTRIES ARE INVESTING THE MOST IN RPA?

(% of business investing)

Source



Reduce Human Error

“Everyone makes mistakes.”

It's helpful to remember this when one of your employees makes a mistake. No one's perfect. Mistakes happen.

At the same time, it's just as important to remember how costly these mistakes can be for your company.

Over the years, there have been several headline-worthy examples of employees in payroll making mistakes that cost their companies large sums of money. By now, everyone knows that the simple mistake of unthinkingly clicking on a phishing email can almost immediately cost a business thousands, hundreds-of-thousands, or even millions of dollars.

Even Amazon, a corporation that is otherwise **strongly focused on cybersecurity**, has proven it's not impervious to the problem of human error. Back in 2017, part of the company's **Simple Storage Service** unexpectedly went down for hours. This wasn't just frustrating for users. By some accounts, the downtime may have cost S&P 500 companies a combined \$150 million. The losses may have been even greater for U.S.-based financial-service companies.



The worst part?

It was completely avoidable.

Two days after the incident, Amazon explained that an employee who had meant to take a small number of servers offline to fix a simple problem accidentally removed a much larger number of them instead by entering the wrong command.

Amazon has since addressed this problem by **automating certain safeguards**. Employees can still carry out vital tasks, but the chances of human-error-caused havoc have been greatly diminished.

While nothing this serious has probably ever happened to your business, can you imagine a scenario where vital work could be compromised by human error? Could the consequences be costly to your company?

Those potential pitfalls are actually goldmines. They represent amazing opportunities to not only eliminate the chances of damage caused by human error but to also streamline your processes even further.

For example, we've seen a number of companies do this through accounts receivable automation. As important as accounts receivable is, it's also full of repetitive tasks that are particularly vulnerable to mistakes.

Sending an invoice for the wrong amount could mean your company either doesn't invoice for as much as they earned or appears to be overcharging a customer. Neither incident ends well, especially if it's a mistake that can occur more than once. This is a good example of how, even if you're able to resolve the problem without anyone losing money, the "cost" may hurt your company's reputation, which is incredibly valuable. By empowering your company's accounts receivable with

automation, you can easily eliminate this risk altogether. The exact amount from the contract your customer signs can be auto-populated into the invoice, which is sent on a specific date or when a specific milestone triggers the action. No employees are required to do anything other than ensure the initial amount both parties agreed on is correct.

Most companies' normal practices are full of other opportunities for simple mistakes to result in costly problems. You've probably already thought of some, but many executives are surprised to realize just how many error-prone practices their businesses rely on every day.

Fortunately, a qualified MSP will first execute a comprehensive workflow assessment before recommending how to move forward with **intelligent process automation**. In short, this assessment dissects every mission-critical process at your company to find where they are most susceptible to human error.

The RPA market was valued at over \$2.3 billion in 2022, and is expected to grow at a compound annual growth rate (CAGR) of 39.9% from 2023 to 2030, reaching a revenue forecast of over \$30.8 billion.



Standardization of Operations

With that being said, it's understandable that employees sometimes make mistakes if their jobs involve certain operations without standardized workflows.

Again, let's look at accounts receivable. Employee A may invoice by checking the original contract for how much the customer owes. Employee B may simply call their contact in the sales department to have them check on how much the customer has to pay. Employee C might reference the database of past invoices as they know this customer is billed monthly and assumes it's for the same amount every time.

You have three employees handling mission-critical work in three completely different ways. Who trains a new employee? Will they learn from Employee A, B, or C? Will they come up with a fourth option?

This is why it's vital that companies standardize their operations and document them. As much as possible, employees should have one reference that explains how to execute each task for which they are responsible.

Unfortunately, that's not always sufficient.

As you are probably aware, some employees will stray if they think they've discovered a better method. The handbook may tell your accounts receivable team to always reference the contracts, but if they think it's quicker just to call someone in the sales department—and it doesn't seem to cause any problems—they might just do that instead.

So, while some companies that value efficiency also value operation standardization, the ones that make standardization a priority don't leave anything to chance. They rely on business process automation.

In other words, they don't leave the necessary steps of these processes to employee discretion or make room for human error. Instead, they make sure that processes are just a series of objective steps for employees to complete one-by-one through a template they can monitor.

While business automation experts will assess each unique process to understand what it will take to effectively standardize them through automation, here's a general breakdown to help you understand how it may work:

- Create templates for each process that are made up of individual steps that lead to its completion
- Provide access to these operation templates only to employees who need to execute them (and their managers)
- Automate actions in other operations that may be triggered from this template (e.g. when a contract is submitted, the dates for payments will trigger invoicing processes for accounts receivable)
- Assign performance-tracking for each step (e.g. the deadline by which it must be completed or notated if a delay has occurred)
- Generate reporting that shows management where further training of employees or automating of processes may improve performance

Again, a comprehensive workflow assessment is required to standardize your company's unique operations, but the result would be the same: efficiency and insights.

Standardizing your business operations is also essential in order to grow your business. Whether you're a startup looking to scale up or you're a Fortune 500 company that is outgrowing your current share of the market, you won't get very far if your operations can't grow.

And that can't happen if your critical processes **lack uniformity**.

You need reliable processes that produce predictable results again and again, so you're able to plan how you can most effectively grow your company.

Thanks to business process automation, it's easier than ever before to create these kinds of processes across companies of any size.



Increased Productivity

Like most executives, you probably juggle a lot of priorities throughout the year, but you always have your eye on increasing productivity. Who wouldn't want their company to get more done with less? It's better for your profit margins, better for your shareholders and the board, and can even play a role in boosting employee morale.

One way to boost productivity is through better training that shows your employees a more efficient way to do their work. Another is through incentives (e.g. commissions, stock options, etc.).

These traditional methods eventually hit a point of diminishing returns, though. Eventually, technology becomes absolutely critical to increasing productivity.

However, even the returns you get from greater investments in productivity can eventually plateau.

As one article in the **Harvard Business Review** put it:

"Most employees want to be productive, but the organization too often gets in their way. Our research indicates that the average company loses more than 20% of its productive capacity—more than a day each week—to what we call "organizational drag," the structures and processes that consume valuable time and prevent people from getting things done."

Imagine what your company would be capable of if it increased productivity by 20%. All you have to do is clear out any structural bottlenecks that are keeping your employees from reaching their full potential.

Take a moment to consider how often your employees run into delays or even regular bottlenecks because of the following:

- Redundant manual data entry (e.g. entering the same data multiple times into different spreadsheets, forms, databases, etc.)
- Spending time looking for the information they need in hardcopies, digital versions, or both - Delayed approvals because necessary documents are stuck in gridlock
- Unable to spot where bottlenecks form because processes lack transparency
- Wasting time manually searching through large amounts of information for the relevant data

Do some of these problems sound familiar?

Did some others come to mind as you read that list?

Again, this is where a comprehensive workplace assessment from an experienced MSP can be one of the best investments your company ever makes. They will be able to identify organizational drag that is limiting your employees' productivity.

One of the best ways to remove the kinds of widespread bottlenecks that are holding back teams, departments, or even your entire company is through automation.

Earlier, we touched on the role automation can play in improving accounts receivable by eliminating the risk of human error. At the same time, by automating essential tasks like invoice generation and submission, you're also freeing up your employees to use their talents where they can have a bigger impact on your bottom line. Perhaps they can audit account reconciliation, add important context to monthly financial reports, or focus on providing you with other helpful insights.

All of those benefits are examples of getting more without actually having to hire more people, add incentives, or even new technology, aside from a business process automation platform.

As Stephen Dubner said in his bestselling book, *Freakonomics*, "There's a big difference between being busy and being productive." Use automation to ensure that your employees are reaching their productivity potential and not spending their days on tasks that technology can do for them.

Increasing productivity isn't just about your employees, though.

It's also important that the systems you recruit to empower them don't become a hindrance, either. Through **enterprise resource planning** (ERP), your MSP can show you how to streamline all of your business' critical systems, so they're easier to access and utilize. This also means you have the ability to establish informative KPIs across all systems that show you just how much they're contributing to your bottom line.

90% of employees are burdened with menial tasks which can be easily automated.



Reduced Operational Costs

Automation is unrivaled for protecting your company against worst-case-scenario losses, but it's just as effective at cutting down on overhead that collects every single day.

Just like small employee errors can quickly pile up, so, too, can small costs that eventually create burdensome amounts of overhead. Many CFOs simply conclude that the level of overhead they're regularly seeing is just "the cost of doing business" but implementing process automation across departments quickly proves how much these costs can be reduced.

Reducing systemic overhead means your company has the money to explore current opportunities or prepare for new ones in the future. It may also be essential for keeping your company in business. Small- and medium-sized businesses often accrue debt because of uncontrolled overhead that simply snuck up on them.

Few solutions can reduce these kinds of costs as effectively as business process automation.

For example, automation may reveal that you don't actually need 10 people working on accounts receivable. Nothing will show you where your departments are bloated like automation.

Another example would be accelerating processing times. We've all heard the expression, "Time is money." The faster your company can get things done, the less it's going to cost. For example, if you move your accounts receivable department to an automated system, your processing time will increase significantly. One study done by the Institution of Management & Administration (IOMA) actually showed that this one decision was able to bring companies cost-per-invoice down from a median of \$15.70 per invoice to just \$6.31.

Again, the only change they made was adding business process automation to this one task. Think about how many other tasks your company depends on that could be entrusted to automation. Think about the kinds of savings that would represent.

Also, it's worth considering how automation can help you better understand how your company is spending its money. Chances are that you're probably already using some form of automation at the moment to accurately track accounts receivable and payable. Presumably, you're not relying on someone to literally update the books.

Still, automation can be used to do so much more.

Today's platforms can automatically produce reports that compare your accounts to the same quarter of the following year. They can project financial forecasts, as well. You can even create benchmarks so that reports are automatically generated whenever certain milestones are hit (e.g. stock reaches a certain price, turnover rate reaches a threshold, etc.). The list goes on and on, but the point is that your costs will always be higher than they need to be until you use automation to find out exactly how much you're spending, when, and why.

While automation will help reduce your overhead, partnering with an MSP will ensure you spend even less on utilizing this approach. Their business automation experts will not only show you where unnecessary overhead can be eliminated but will also ensure that unmanaged automation efforts don't produce runaway costs of their own.



Superior Customer Service

Finally, none of the aforementioned benefits of business process automation would be worth it if, at the end of the day, your customers aren't happy.

The good news is that automation won't just keep your customers happy. It can actually go a long way toward making them *happier*.

One of the most common ways companies are enlisting automation to serve their customers is through their help desks. Traditionally, when customers needed help, they'd have to call the company and wait for someone to answer. That person may not be able to help, though, in which case the customer had to wait while their call was forwarded to someone who could help.

Understandably, most customers weren't thrilled with this approach.

Today, companies have a number of options when it comes to providing customer support. When someone calls a helpline, they can choose from a list of options so that their call is automatically forwarded to the person best suited to help them.

Customers can look for help on companies' websites, too. In fact, most of them would prefer this route. According to studies done by Gartner, Pew Research, Oracle, Nuance.com, and Coleman Parkes, 91% of customers who are surveyed would **use an online knowledgebase** if it met their needs.

This is a great example of all five of the reasons to invest in business process automation.

First, this kind of online resource eliminates the chance of human error. It can't give a wrong answer.

Second, the operation is about as standardized as it gets. You literally create the exact experience you want to provide to customers every single time.

Third, you increase productivity as your customer service team can work on more important tasks, like one-off challenges that only a human can solve.

Fourth, you don't need as many customer service representatives because you have automated so much of your helpdesk.

And, fifth, as we just mentioned, the vast majority of your customers would rather just go online and help themselves.

Of course, that's just one example.

If automation is able to lower your costs and you can pass some of those savings on to your customers, that will definitely make them happy, too. You could also automate thank-you emails, follow up check-ins (e.g. "Is your product working correctly?"), or other messages that will increase their level of satisfaction.

The possibilities are endless for automating the ways you can make your customers happy.



How to Automate Business Processes

The possibilities of automated business processes are pretty impressive, but when you want to implement it in your own organization, it's best to start small.

Begin by identifying the processes in your organization that are ripe for automation. We outlined above how to pick out what can and can't be automated. Then, choose just one or two simple ones and find the software that will allow you to automate the process.

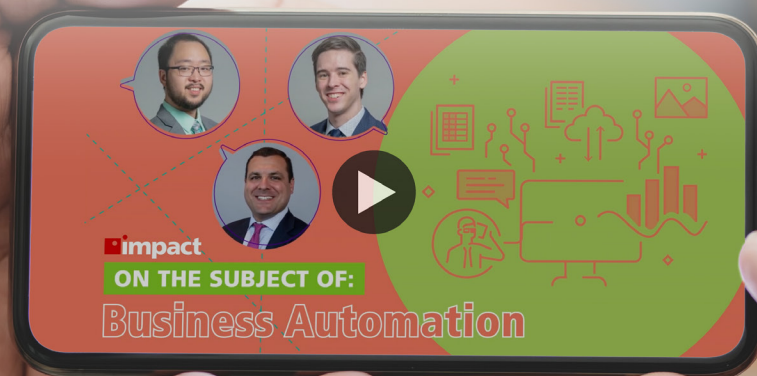
The hardest part of this process will be helping your employees through the change when they're scared of being replaced or frustrated by doing things differently, but one of the first principles of **change management** is to rack up small wins quickly, and use those to build momentum toward larger changes. Starting by automating simple processes is the best way to do that.

When those first few processes are successfully automated and your employees are comfortable with the new order, you're ready to expand to additional and more complex processes! Keep going as long as you can keep identifying rote recurring tasks in your organization.

Many small businesses like to enlist the help of a managed service provider (MSP) to make this happen. The experts that an MSP employs will be able to identify more automatable processes than you would have found on your own, already know the best tools for digitizing them, and have access to the expertise and support required to make implementation go as smoothly as possible.

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On the Subject Of: Business Automation



Automate Business Processes At Your Organization

Why do I need managed process optimization?

A modern business needs to make use of technology and data in order to make informed decisions.

With Impact's business process solutions offering, you can start implementing scalable and flexible tools that support your unique business objectives.

The best thing about our process optimization suite is that it can be integrated and synced between platforms with little manual intervention, so we can get you up and running in no time.

RECEIVE THE FOLLOWING:

1 Automation tools to handle time-consuming processes	2 A platform to support your team as you begin digital transformation initiatives	3 Collaboration tools for a more complete line of communication across your business	4 Access to a Solution Architect or consultant to match the solutions to your needs
5 Customized programs compatible with both desktop and mobile	6 Ongoing project management and execution plans	7 Real-time data for business performance and customer activities	8 Ongoing support, solution upgrades, and add-ons



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