

Our RPA journey to date

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Foodstuffs North Island
Overview of our automation journey
Initial, Current & Future State
Key Risk Analysis – Then and Now
Strategic Alignment
Example Processes - Outcomes and lessons learned
Governance
Reporting
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Foodstuffs North Island

- New Zealand North Island Co-operative
- 97 years serving New Zealanders
- All stores owner-operated
- Customer focused retailer and wholesaler
- North Island only – sister co-op in the South Island
- One large competitor and many small competitors
- Revenue is \$7.7b (2018 store sales)
- 3.7% increase in store sales from previous year

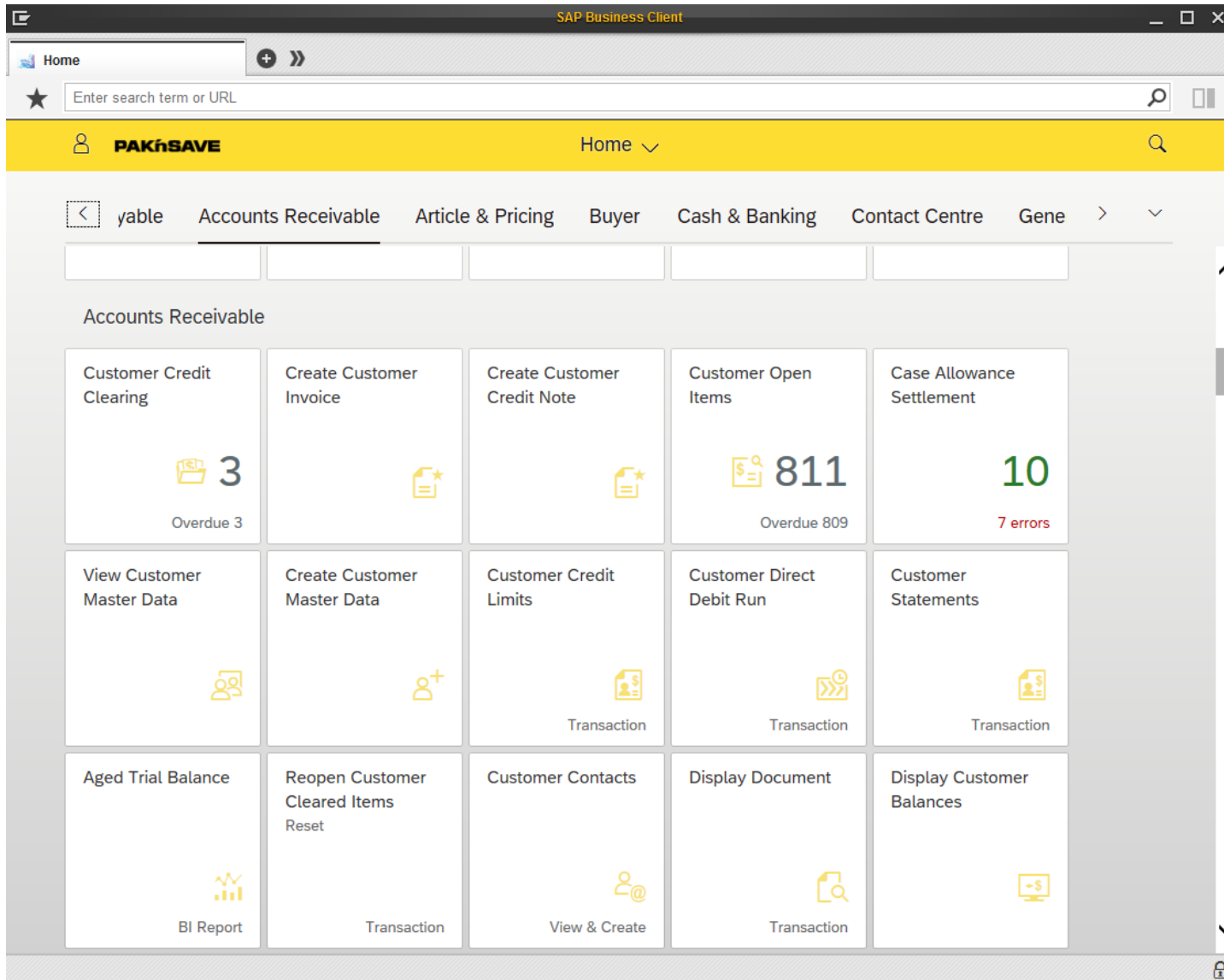


Foodstuffs North Island



Brands and Teams

- Owner / Operator model
- 332 Stores
- PAK'nSAVE, New World, Four Square, Gilmours
- 22,000+ team members



Our SAP Environment

Running Simple Finance 1605 on a HANA Database

Over 200 company codes in our SAP environment:

- Centre entities: 15-30
- PNS Stores: 47
- NW Stores: 99
- FourSquare Stores: 50
- Gilmours Stores: 7

Our Automation Story

What is automation??? Not just about Robotic Process Automation, we've been doing automation for years. SFTP of bank files, Excel Templates, Macros, development in SAP.

How do we plug the remaining gaps?

What is Robotic Process Automation? Rules based, repetitive processes.

What could we put on UiPath? What do we do in SAP? What is just training? What is bad process that people just accept? Can we just drop the process altogether? Key part is to challenge the process.

Our Automation Story – RPA Focused

Why did we start, future of work, cost pressure, top down strategy? A bit by accident really....

1. October 2017 – Pilot Process
2. December 2017 ... January 2018 – Enterprise review
3. January ... March 2018 – Expanded pilot
4. March ... October 2018 – Standing up our production environment
5. November 2018 ... Present – Expanding processing in production, building out the reporting platform and defining standards, including logging standards
 - a. 7 Processes in production, 1 in development, 2 assessed, more in pipeline
 - b. Across 3 departments; 1 new department in design
 - c. Delivering over 700 hours of activity each month
 - d. Automated reporting live

Initial, Current and Future State

Activity	Initial State	Current State	Future State???
Platform	RPA with UiPath, running on a stand alone PC	RPA with UiPath, running on a virtual server in our environment	RPA integrated with ML and AI, both on premise and in cloud
Licensing costs	Small investment	Bigger investment	Bigger investment again
Process identification	External Provider - fishing	Continuous Improvement (CI) and business users – still fishing	Business users and CI – people coming to us
Process assessment and design	Internal team and external provider	Internal team	Internal team
Automation configuration	External Provider	IT and External Provider (for capability and capacity)	IT and External Provider (for capacity only)
Automation operation	Assisted only	Unassisted	Unassisted
Nature of Automation	<ul style="list-style-type: none"> • Proof of concept, standalone technology • Finance only 	<ul style="list-style-type: none"> • Funded under CI work stream with dedicated project team. • Multiple departments • Not highly available and operating in isolation 	<ul style="list-style-type: none"> • Funded as needed • Whole business • Highly available environment, fully integrated with core IT systems.

Key Risk Analysis

Area	Identified Risk	Planned mitigation	Reality
People	<ul style="list-style-type: none"> ▪ Fear that the robots are coming for my job 	<ul style="list-style-type: none"> ▪ Collaboratively working with impacted staff ▪ Focus on processes that free people to work on value add and not data entry 	<ul style="list-style-type: none"> ▪ No redundancies, but head count is reducing through sinking ceiling ▪ People are really appreciating the tasks we've automated
Execution	<ul style="list-style-type: none"> ▪ Loss of IP on why and how processes are completed 	<ul style="list-style-type: none"> ▪ Build an explanation of the process into the RPA 	<ul style="list-style-type: none"> ▪ We've had enough knowledge to execute when failing
Competitors	<ul style="list-style-type: none"> ▪ They do it better than us 	<ul style="list-style-type: none"> ▪ Move to full production quickly 	<ul style="list-style-type: none"> ▪ We are doing ok but need to keep pushing
Financial	<ul style="list-style-type: none"> ▪ Overruns on build costs, licenses 	<ul style="list-style-type: none"> ▪ Careful tracking of actual vs estimate, so expectations become accurate and reliable 	<ul style="list-style-type: none"> ▪ One process went way over in a bad way, because we didn't define the problem well enough
Reputational Risk	<ul style="list-style-type: none"> ▪ Perception that we are replacing people with bots 	<ul style="list-style-type: none"> ▪ Ensure that we manage any media in an appropriate manner 	<ul style="list-style-type: none"> ▪ This has simply not eventuated, now a greater understanding that automation is happening
Technology	<ul style="list-style-type: none"> ▪ We are not using the best technology. 	<ul style="list-style-type: none"> ▪ Ensure our technology platform is regularly reviewed and that we stay up to date with changes 	<ul style="list-style-type: none"> ▪ Through forums with other businesses we've been able to keep up to date with tech changes. UiPath is the leading technology
Data integrity	<ul style="list-style-type: none"> ▪ RPA will process data as is, there may be integrity issues 	<ul style="list-style-type: none"> ▪ Build tolerance checking into the process. Regularly audit the outcomes 	<ul style="list-style-type: none"> ▪ On the whole our automations have been very stable. Automations have failed when data has been bad

Strategic Alignment

Example Processes

Outcomes and lessons learnt

Robotic Process Automation with UiPath

AP003 - Bank Statement Load

Example Process – PDF Invoices to EDI

Problem	Some major suppliers are not submitting EDI invoices, this makes post-processing more complicated.
Reason chosen	This was our first Proof of concept robot, It was selected because our supplier was building a very similar robot for another customer.
Solution	Using the OCR technology of UI Path we were able to build a robot to convert supplier invoices from PDF to compliant EDI. This is a scalable solution that can be used as an interim step until suppliers move to native EDI.
Benefits	<ul style="list-style-type: none"> • Increased the pass rate from 0% to 100% • Removing human interaction. • Invoices are now processed with line level detail, this improves the quality of downstream processing of invoices.
Return on Investment	The exact ROI is hard to measure as it reflects improved quality of data and not necessarily a time saving.

Example Process – Bank Statement Load

Problem	The critical task of loading bank statements into SAP is a manual process. At centre files are received by secure transfer and at store they are manually downloaded. Both centre and store load the files into SAP manually. When store staff are away this task can be left until they return, having a downstream impact.
Reason chosen	The bank statement load impacts other areas including AR & AP processing.
Solution	We will setup secure transfer for store files. The robot will pick up the bank files and load into SAP for store and centre.
Benefits	<ul style="list-style-type: none"> • This robot guarantees the daily load is completed regardless of staff leave, particularly of benefit for stores. • This enables the downstream processes to be completed. • This also removes about 10 minutes a day at store for processing the statements.
Expected Return on Investment	Based on loading statements for 152 stores and taking 6 months to bring all stores on board; Pay Back Period: 4 Months, ROI 1758%

Example Process – Article Price Maintenance

Problem	We receive a large number of price changes from suppliers. We do several checks on these changes and then load into SAP. This is a time-consuming task and in many cases the checks pass.
Reason chosen	RPA allows the checks to be automated and means that staff only need to review those with exceptions
Solution	We have automated the checks and if all checks are cleared we then load the changes into SAP
Benefits	<ul style="list-style-type: none"> • The checks are automated • Staff only need to deal with the exceptions • Time to implement decreased.
Expected Return on Investment	TBC

Example Process – Image Link Request

Problem	We have many companies running in our SAP environment. All of these companies prepare tax accounts and a key activity in this is the checking of expenses for correct treatment. This requires the review of invoices. It takes a long time to collate the invoices to review.
Reason chosen	There is significant time savings available if the invoices can be collated for the accountant to review.
Solution	We have automated the check for invoice, download to location and insert hyperlink into excel.
Benefits	<ul style="list-style-type: none"> • Massive reduction in the time to review invoices for tax purposes. • Automation is being used in unexpected ways to speed up other tasks.
Expected Return on Investment	TBC

Example Processes – Outcomes and Lessons learnt

Description	Lessons learnt
User Access	Consider access to every application, including Windows as early as possible. We had some development delayed and disjointed as we were awaiting access.
Full costing	Ensure that the full time of the current task is considered so that the time saved can be measured.
Benefits	Benefits need to be delivered, it is necessary to have someone responsible for the confirmation of these.
Reporting	Reporting on the success of each RPA process needs to be built into the robot. And this needs to be available for review.
Communication of changes	It is very important to be notified of any changes that may impact a process that has been automated. If something in the process is changed it can require modification to the RPA. I.E. We had a supplier change invoice format which caused the PDF invoice bot to fail.
Structure of robot processes	The robot needs to deal with data in structured manor so any failures are picked up for reprocessing. I.E. we had a robot moving a file to a completed file before it was complete.
Co-ordination	It is important that RPA is a co-ordinated piece of work and done in a structured manner. For one process, we attempted to deploy multiple times finding a missing piece each time, we would have been better to identify all pieces from the start.
Modular design	All RPA configuration should be modular in nature so that if/when any part of the process is changed, we can swap that element out quickly without having to rebuild the whole process.

Governance

Process Automation Assessment Criteria

Each process is assessed in five stages, only proceeding to the next stage if deemed appropriate at the previous stage;

1. Process Suitability Assessment:

The process to be automated is reviewed to ensure it is suitable for RPA, this will include assessments of frequency, volume, accuracy, if **something other than RPA is better suited**, any pending change to the process/systems, value of outputs and improvements in timeliness and accuracy.

2. Staff Impact Assessment

The impact on staff if the process is automated is assessed next, this includes expected FTE displaced, how the staff would be reassigned, would there be any redundancies or technical redundancies following a change in role of more than 20%.

3. Complexity to deliver an RPA Solution

We then review and estimate how complex it will be to develop RPA for the process. This includes assessments of the number of decision points and total possible outcomes, systems and data sources involved and a review of reusable development.

4. IT Platform Assessment

The IT platform assessment considers if there is additional licence, infrastructure and support requirements from this process.

5. Governance Assessment

This assesses if sensitive data is involved, if RPA will improve control, compliance and accuracy, and if there are any changes required to policy or practice to implement the Automation.

Over-arching, does the ROI stack up???

Process Assessment	Staff impact assessment	Delivering RPA / Complexity to	IT Platform Assessment	Governance Assessment	Suitable for RPA	
Process Score	Staff impact Score (calculated on FTE)	Delivery / Complexity Score	IT Platform Score	Governance Score	RPA Assessed score	RPA Suitable candidate
4.57	4	4.29	5.00	4.67	4.43	Yes

Benefits Measurement

The benefits gained from RPA will be both soft benefits and hard benefits

Soft benefits will include;

improved accuracy, reduced rework, improved compliance, faster delivery. The soft benefits are harder to measure the dollar value received.

E.G. Hours avoided, 200 stores at 3 minutes per day

Hard benefits will include;

reduction in staff costs, new employment avoided, staff reassignments. The hard benefits will have a measurable dollar value returned to the business (reduction in operational budgets)

E.G. Wages avoided, 2.5 hours per day for 1 staff member.

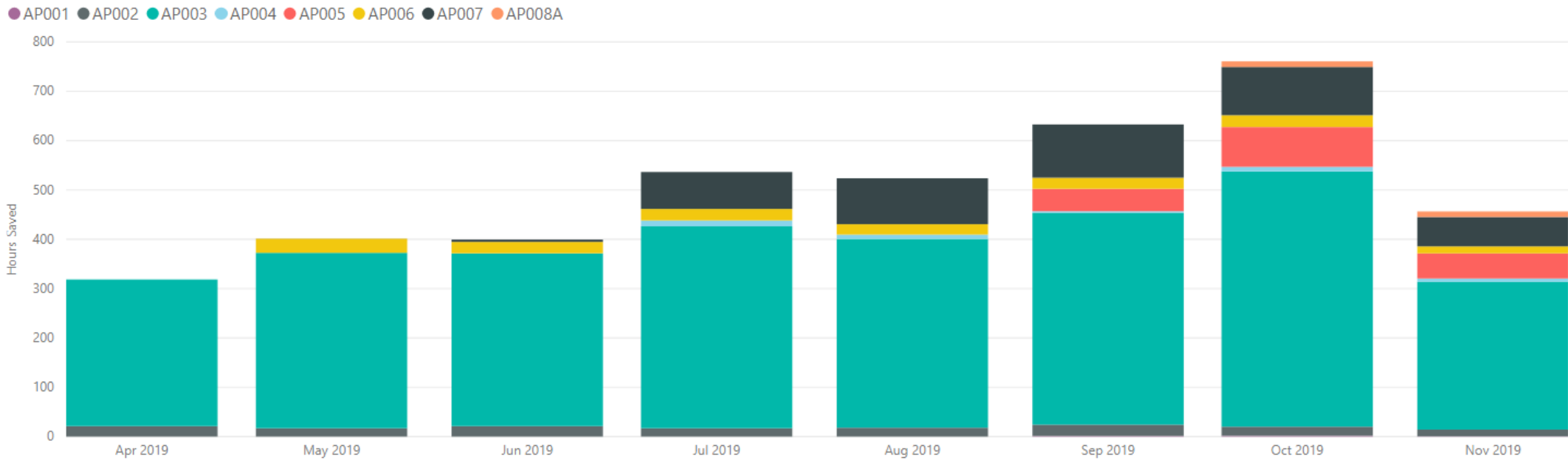
RPA activities will be tracked carefully to compare expected costs and benefits to realised costs and benefits. Each process will have a business owner responsible for confirming the benefits realised.

Reporting

Example Dashboard - Benefits

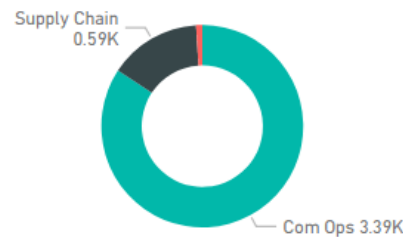
Process: Business Unit: Status: For the period: Last Import Date: 20/11/2019

Hours Saved by Process

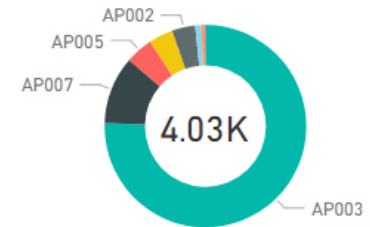


Process	Business Unit	Go Live Date	Items Processed	Hours Saved
AP001 - PDF to EDI	Com Ops	1/11/2017	2,550	3.54
AP002 - LNI Produce Invoice Report	Com Ops	9/04/2018	2,878	149.90
AP003 - Bank Statement Load	Com Ops	30/04/2018	72,985	3,041.04
AP004 - FOBL List Price Change	Merchandise	11/03/2019	401	40.10
AP005 - SAP Invoice Drag and Drop	Com Ops	11/09/2019	318,630	177.02
AP006 - Create Skeleton Load	Supply Chain	8/05/2019	1,881	156.75
AP007 - Run Optimiser	Supply Chain	23/06/2019	2,757	437.68
Total			403,884	4,028.55

Hours Saved by Business Unit



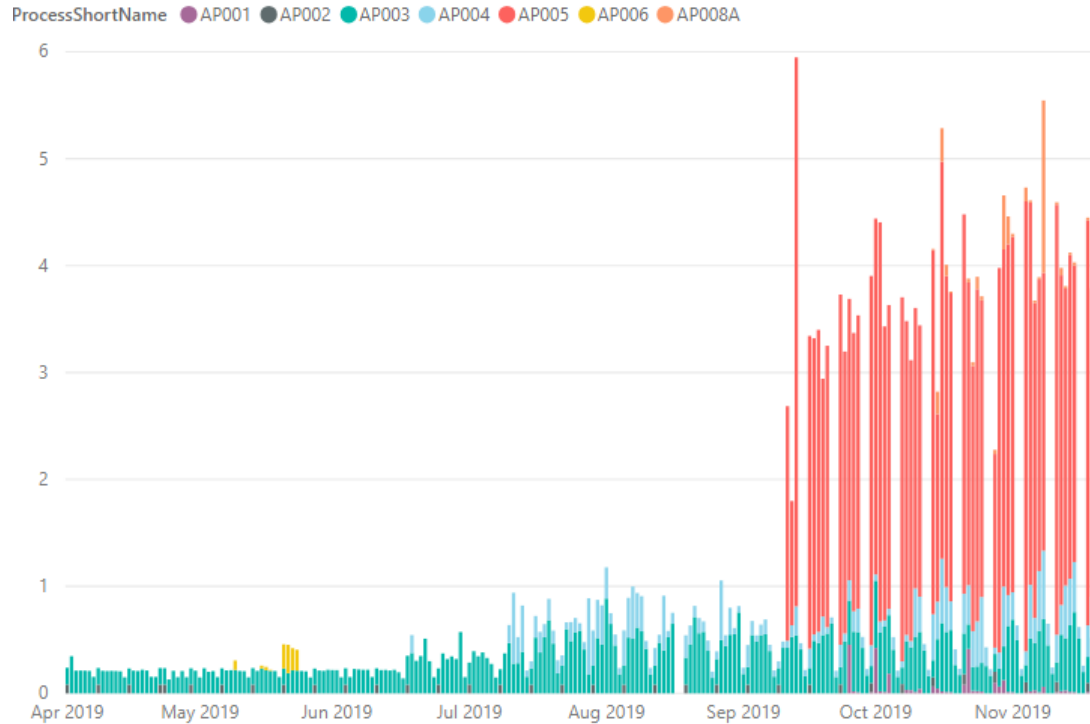
Hours Saved by Process



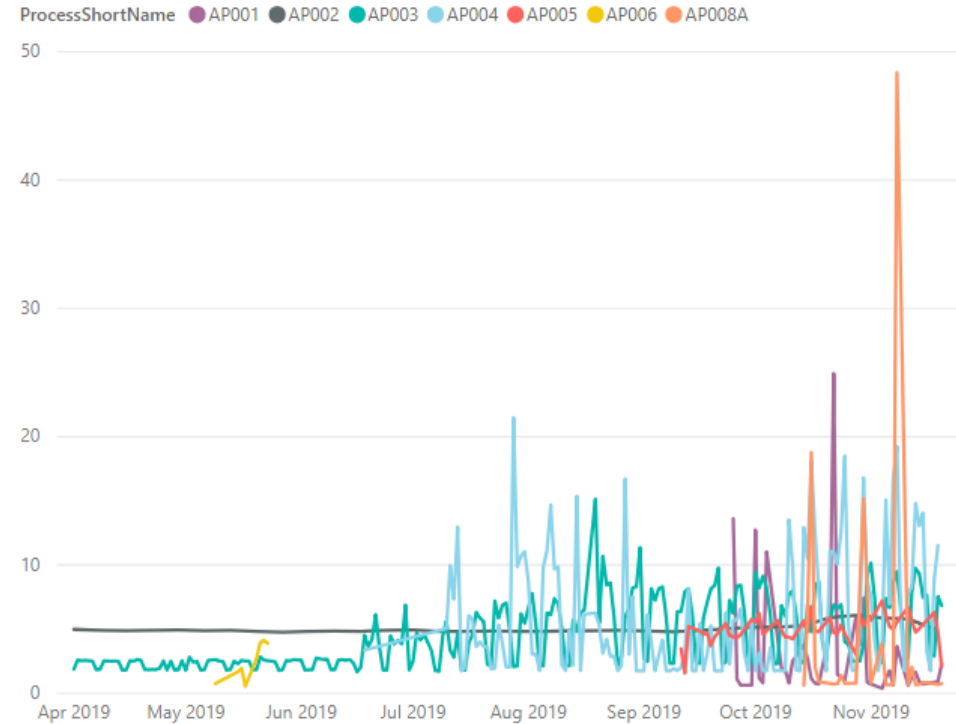
Example Dashboard - Benefits

Process:
 TimeStampDate: -
 Business Unit:
 Status:
 Detail.machineName:

Total Execution Time in Hours



Average of Execution Time in Minutes



ProcessShortName	Process	Business Unit	Status	Nature Of Time Saved	Machine Name	Execution Count	Items Processed	Average Execution Time in Minutes	Total Execution Time in Hours	Total Hours Saved
AP001	AP001 - PDF to EDI	Com Ops	Recent	Stated	VPRDRPA01	42	2,550	3.65	2.55	3.54
AP002	AP002 - LNI Produce Invoice Report	Com Ops	Mature	Stated	VPRDRPA01	35	2,960	5.03	2.93	154.17
AP003	AP003 - Bank Statement Load	Com Ops	Mature	Stated	VPRDRPA01	1083	73,209	4.20	75.83	3,050.38
AP004	AP004 - FOBL List Price Change	Merchandise	Mature	Stated	VPRDRPA01	268	401	5.99	26.74	40.10
AP005	AP005 - SAP Invoice Drag and Drop	Com Ops	Recent	Stated	VPRDRPA01	1792	318,630	5.00	149.33	177.02
AP006	AP006 - SAP Invoice Drag and Drop	Com Ops	Recent	Stated	VPRDRPA01	25	225	2.63	1.05	10.75
Total						3301	399,777	4.77	262.19	3,466.48

Summary

Summing it all up – Key lessons

- Start small, fail fast, prove it for yourself
- Partner with IT early, and keep doing so, they have experience you will need
- Track the benefits from the start
- Glean from the wisdom of others, business to business
- Don't automate rubbish, clean the process first
- RPA is a very good place to start the Intelligent Automation journey
- You can use RPA until the development in SAP is done.

Questions?

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