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DISCUSSION SUMMARY JULY 2022

AUTOMATION FOR GOOD: EXCLUSIVE CXO UPDATE

This article was written by Roger Camrass, Director of Research for CIONET International, and is based on the conversations held during an exclusive CXO update on 6th July. The event was sponsored by UiPath, a global leader in automation for good.

The pandemic has focused global attention on building a better social and work environment – what the World Economic Forum refers to as 'the Great Reset'. Trillions of dollars are being invested in the USA and Europe to stimulate recovery, with special focus on technology-led innovations. There is a growing belief that automation lies at the heart of this recovery. During the discussion event digital leaders from across Europe confirmed that automation can be a unique force for good. We explore here just where and how automation can contribute to recovery.

Automation is now a matter for survival

There are three elements to a comprehensive recovery plan: survival of the planet, survival of the organisation and survival of the individual.

The Planet – Politicians and industrial leaders need to take urgent steps to curb global warming if we are to avoid a three degree rise in temperature over the coming decades. In the words of one delegate, 'if you can't measure it, you can't control it'. We are witnessing an explosion of data from sensors and other remote sources. Only automation can help make sense of this data and initiate counter measures at the scale needed for survival.

The Organisation – a toxic combination of rampant inflation, energy prices, rising interest rates are placing unique pressures on public and private organisations. The war in the Ukraine has disrupted supply chains at a time when recovery from the pandemic is causing an explosion in consumer demand. But most organisations remain rigidly attached to twentieth century structures and ways of operating. Productivity has been flat for decades. Only automation can deliver the agility and growth necessary to defeat stagnation.

The Individual – for many, the pandemic has been a wake-up call that has led to 'the great resignation'. Tenure in corporate jobs has been compressed from decades to just a few years. The 'next generation' workforce is seeking purpose as well as monetary rewards. This implies a more dynamic set of career paths with the associated need for regular reskilling. Automation has the potential to eliminate dull and routine work, opening the door for more creative opportunities.

What are the prospects for automation in the coming decade?

Over the last century automation has developed its roots in manufacturing. It is rare to visit a factory today that isn't populated by robots. Equally, ERP systems have taken over much of the production planning and supply chain management. Recent advances in software as a service (SaaS) have enabled back-office tasks to be automated. However, as much of our economic activity is now in services, we continue to see a profound lack of automation in the front office.

According to UiPath, the next decade will enjoy a revolution in automation techniques based on the widespread availability of software-based robots, powered by AI and Machine Learning. Some 30% of current office jobs are highly repetitive and can be replaced by such techniques. In addition, more expert based activities can be augmented by intelligent agents. The power of such an approach is that it can be implemented 'bottom-up' rather than 'top-down'. Every line of business and member of staff can help deploy their own robots.

The prospect is that by mid-decade, digital robots will match the human workforce. This will transform productivity and enable a return to growth.

Automation for good has three primary targets

The three main targets are Employees, Organisations and Society.

Employees – To address the great resignation, organisations need to place individuals at the centre of strategy and policy. Employees are looking for meaningful jobs and an improved work-life balance. Automation can help to eliminate repetitive tasks. In so doing, resource becomes available to concentrate on value-adding tasks. Take local government and emergency services as examples. Budgetary pressures have often reduced the front-line capacity that is essential to deal with growing citizen demands. Automation of administrative tasks could expand such capacity by 50% or more at minimal cost.

Organisations – The pathway to a digital economy presupposes that traditional business can undergo comprehensive transformation. Traditional top-down, or 'big-bang' transformation programmes typically incur a 70% failure rate. A more successful approach is needed that enables individuals to improve their local environments in incremental steps. The emerging era of robotic process automation and associated low-code/no-code can bring about a quiet revolution that has a real chance of success. At the same time, automation can provide new tools to assist with

training and career development. It is time for our education system to recognise its own short comings and prepare for life-long learning.

Society and the environment – sustainability is so often spoken about but if we look beyond the words, little is happening. IT organisations are seeking to control and limit carbon emissions, but few have the data to assess current sources. Automation can help extract the necessary information and make the best choices of how to reduce emissions. Equal opportunity for employees across the globe is another challenge as educational gaps widen rather than converge. Providing mass education for billions of people is perhaps the next biggest challenge after sustainability. Again, only automation can deliver at such a scale.

What is the consensus view amongst digital leaders?

For decades IT has been the 'go-to' function for business executives seeking answers to complex problems. The recent adoption of public cloud services has gone some way towards delivering business speed and agility in the post pandemic era. But growth and productivity have eluded most organisations over the last two decades. IT alone cannot move the needle.

Delegates were vocal in their view that modern automation tools can bring about positive change for individuals, organisations and the planet. A consensus of advice was offered:

- Digital leaders can provide the tools necessary to measure current gaps in vital areas such as productivity, business resilience and sustainability
- AI and Machine Learning can help to analyse the masses of data that are now available thanks to embedded sensors and help guide interventions
- Software agents such as RPA can be deployed across the entire workforce to eliminate repetitive activities and help humans focus on value-adding tasks
- IT can address carbon emissions (around 4% of total) by accelerating public cloud adoption and reducing legacy assets.

The most important conclusion of the discussions was the need to bring business and IT closer together to solve today's macro-challenges.

About CIONET

CIONET is the leading community of more than 10,000 digital leaders in 20+ countries across Europe, Asia, and the Americas. Through this global presence CIONET orchestrates peer-to-peer interactions focused on the most important business and technology issues of the day. CIONET members join over a thousand international and regional live and virtual events annually, ranging from roundtables, programs for peer-to-peer exchange of expertise, community networking events, to large international gatherings. Its members testify that CIONET is an impartial and value adding platform that helps them use the wisdom of the (IT) crowd, to acquire expertise, advance their professional development, analyse and solve IT issues, and accelerate beneficial outcomes within their organisation.

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