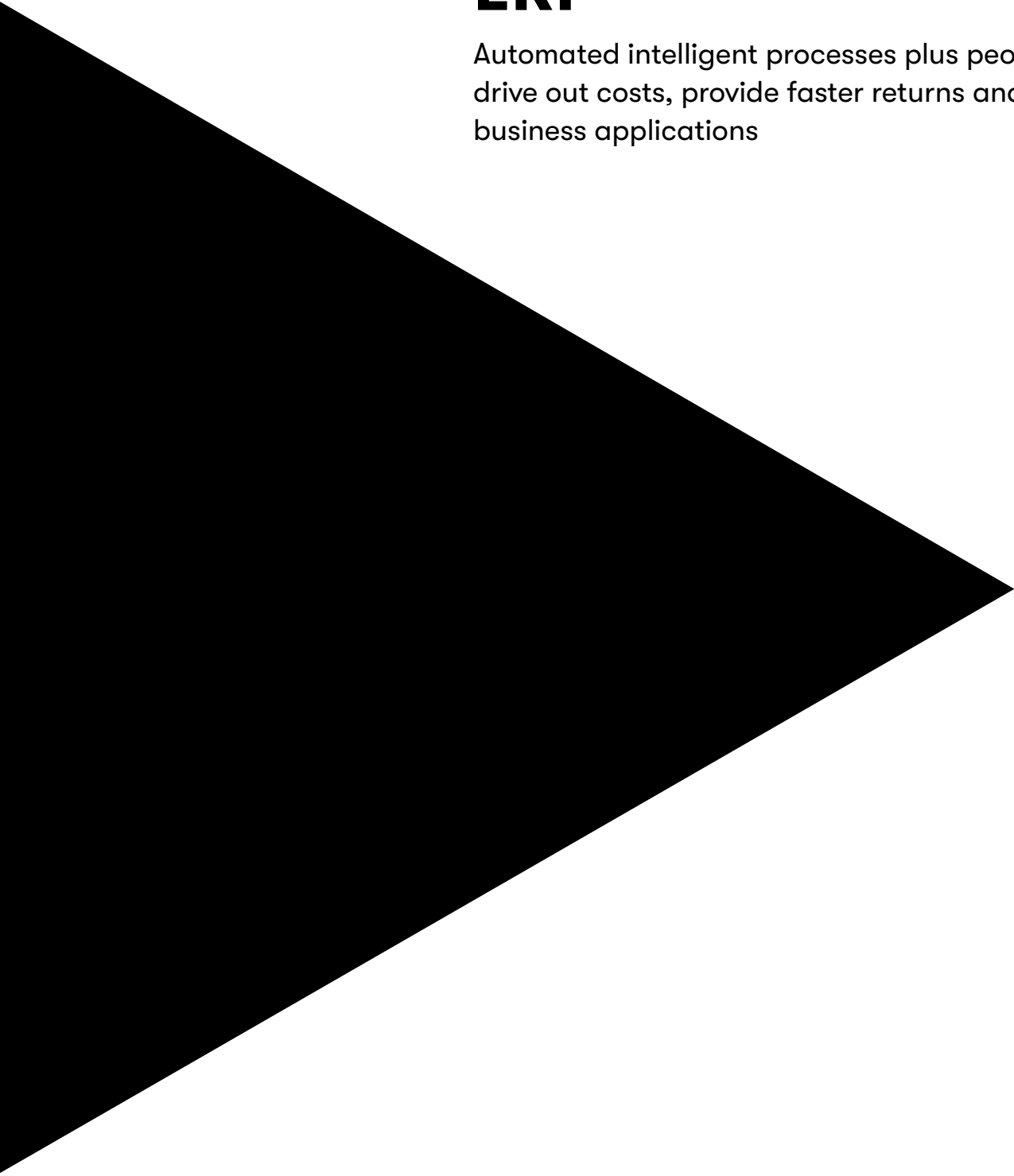


How integrated intelligent automation can modernize legacy ERP

Automated intelligent processes plus people can help drive out costs, provide faster returns and modernize business applications



There is much more to transforming enterprise resource planning (ERP) platforms than applying robotic process automation (RPA). With stringent budgetary constraints and very limited opportunities for broad transformation initiatives in today's unprecedented times of COVID-19, enterprises need to implement an integrated automation strategy that involves knowing the best and smartest ways to improve and modernize IT operations and ERP business processes. The aim is to drive out costs with faster and better ROIs compared to broad transformation, which takes longer and involves higher investments. An integrated automation strategy with the right talent in place helps achieve this objective and creates a baseline for future digital transformation.

More specifically, modernizing legacy ERP platforms begins with identifying the best opportunities for modernization and having a clear understanding of how automation will drive business value. This paper details the steps enterprises need to take when deploying an integrated approach to using automation to transform ERP and notes the benefits that can be achieved.

The promise of automation

Today, automation is being scaled at many levels in the enterprise. When combined with embedded artificial intelligence (AI), automation helps enterprises streamline repetitive tasks and reduce many elements, including human and process errors, operational risk and, perhaps most importantly, costs. At the same time, automation serves as a means to greatly enhance a company's infrastructure, technology applications, and IT operational and business processes.

Driven by technology breakthroughs — specifically in the area of process automation — a small industry has sprung up around enabling automation in the enterprise. The recent success of RPA software developed by companies such as Automation Anywhere, Blue Prism and UiPath, along with an infusion of intelligent process automation service offerings from IT service providers, has led to a raft of new options for adopting automation at a rapid pace across applications and business processes.

Still, the race to adopt automation for important enterprise programs such as ERP comes with more unknowns than knowns. Questions that need to be answered include: Where do we start? What approach should we take? How do we identify areas to adopt? What is right for our business functions? Can it work for a specific workload, platform, application? Can it work across applications? What methodologies should be embraced? And the list goes on.



Key challenges and opportunities

Automating ERP systems will require addressing many of the challenges that confront any automation effort. Even though the path to deploying intelligent process automation in legacy ERP environments is filled with challenges, it also presents many opportunities for improving business outcomes. A primary challenge is addressing key performance indicators (KPIs). This is because the flow of ERP information might have never been scaled properly or the flow of services never fully automated since there were too many disparate systems, too many manual and redundant processes, redundant resources, and so forth.

Other key challenges include:

- Today's process complexity is immense: Vast quantities of records travel through complicated ERP process paths serviced by a diverse group of users performing a broad selection of tasks.
- With an incomplete and sometimes inaccurate view of the process, it is difficult to hit business value targets; over time, processes evolve and splinter, resulting in process flows that operate substantially different from what was intended.
- Earlier automation efforts were often ineffective because spot solutions were used instead of a comprehensive, integrated approach. Decisions were typically based on human bias — what people thought the process was — rather than what the process actually was.
- It is easy to automate a repetitive task but difficult to scale and deploy enterprise-wide automations to drive and measure KPIs.

Enterprises are rapidly adopting ERP cloud solutions as part of digital transformation initiatives, but they are so heavily invested in complex legacy technology that rapid rip and replacement is seldom an option. Instead, hybrid ERP application environments have become the norm; legacy ERP systems will continue to coexist for

the foreseeable future. To advance, companies must enhance legacy ERP capabilities by embracing digital solutions such as intelligent automation, which combines RPA, machine learning, problem-solving, natural language processing, smart workflow, and cognitive agents to simplify and digitize business processes.

Modern intelligent process automation for ERP offerings provide the power of analytics and artificial intelligence (AI), lean processes, and leading automation capabilities to give a high-definition view of how business processes are performing, yielding deeper knowledge and more useful information.

Examples of ERP automation include:

1. Automation of human diagnostic and remediation tasks for prevention of issues in the environment, e.g., execution of configuration automation test automation
2. Automation of repetitive desktop tasks and transactional processes, such as “swivel chair” data entry from one system to another
3. Creation of seamless interactions between humans and technology using, for example, chat bots

Automation can help enterprises create a “best of” situation and become more competitive by enhancing legacy ERP application processes. Automating and optimizing processes help enterprises perform time-consuming tasks instantly, improve cycle times, create efficiencies and drive business outcomes. Using an integrated approach to automation — which we’ll describe below — can also help enterprises build a strong foundation on which to migrate business applications to the cloud.

Intelligent process automation: A step-by-step guide

So, what does it take to drive ERP automation and your overall business modernization strategy through emerging automation technologies and service offerings? The first step is to identify the right spots for automation. Are they on-premises, in the cloud or integrated solutions across multiple applications? Before embarking on this journey, enterprise processes automation objectives should be well-defined and understood by all stakeholders.

Automation initiatives are not just about changing processes and technology. The new integrated human/digital environment also requires fundamental changes in approaching human resources, with updated skills and responsibilities required in business functions and across the entire enterprise. Up-front planning and change management are of paramount importance to address and embrace the human side of the digital modernization initiative.

Change management should identify affected roles, and enterprises must plan to overcome resistance and identify change champions. The existing resource pool needs to be assessed to leverage employees’ expertise, experience and their desires to generate better business outcomes. Then you need to train and prepare current resources, understand the desires and needs of people to create new career paths, hire new talent and integrate new digital solutions to create a new human/digital partnership that is both operational and able to build a culture of continuous improvement.

Key steps on the journey include:

- **Discovery and planning phase.** First, enterprises need to ask, what are the ERP processes that need to be automated? Where? And why? Start with process discovery to create a comprehensive digital blueprint of all process activities to pinpoint where to apply automation. Planning is the critical step that identifies where automation must be used to drive value, defines the solution to deliver the value, and determines how to prove the value quantitatively. Planning should be based on a comprehensive digital process blueprint and be followed by a baseline, while striving to stabilize, standardize, automate, and optimize IT operational and business processes.
- **Undergo an automation assessment.** A quick assessment will help you objectively understand possible options offered by packaged software, especially in the latest SaaS products and other automation solutions for complex legacy ERP processes.

Questions to ask include:

- What are your immediate automation priorities and cost-saving opportunities?
- Do you have a process baseline to deploy the right integrated automation framework?
- Is the software automation solution right in scope for the task or process?
- How will you monitor and manage automation robots and integrated solutions?
- Do you have a business continuity plan to mitigate automation failures?
- How are you going to address organizational change management impacts?

Answers to the above questions will help you define requirements for task automation, automation of existing interfaces and process orchestration, etc. They will also help you define the needed supporting technologies such as RPA and built-in workflow and intelligent process automation platforms.

- **Use discovery tools.** These will help you understand current ERP processes and hot spots for automation, opportunities to use RPA to automate tactical tasks for quick and immediate short-term needs, and places to use intelligent process automation service offerings for comprehensive and long-term automation needs. Discovery tools will also help you identify the right tools and technologies you need to meet your specific needs.

A key consideration to help prioritize process automation is to assess how mature and stable, logical and rule-based a given process is in its current state. In general, the higher the volume, the better the results you will receive from your automation opportunities. Take into account whether the process has a lot of manual steps, if it spans multiple software tools and is not integrated, the number of full-time equivalents (FTEs) involved, and how much time and effort are required to complete the process. Finally, you need to consider what business outcomes it offers post-automation.

- **Build: Stabilize and deploy.** Enterprises need to conduct a review to assess different solutions in areas such as technology, architecture, security, and governance to determine what build, test and support options are available to automate ERP and legacy processes. The next step is to stabilize and standardize by validating the performance of each automation opportunity, then design mitigation solutions such as automations, process tweaks or immediate-term manual exception processing, if required. After that, it is time to deploy digital automation solutions to make the process faster, cheaper and error-free.
- **Run: Audit, scale up or down.** As automations are deployed and run, the process, event data and metrics can be fed back into the Process Explorer monitoring tool to provide a near-real-time view of IT operational and business processes. This helps you see the value of automations by using process performance metrics with full end-to-end visibility of operations against industry and peer group benchmarks. The information generated can be augmented with ongoing data fed directly from your active processes and digital workforce. Real-time access to manage and secure automation performance, utilization, and notifications will allow you to update scripts and add more capacity to meet changing business needs.

Benefits of automation

When implemented correctly and by using an integrated approach, automation can deliver exponential benefits to legacy ERP environments. These include better performance and streamlined IT operational and business processes, which is accomplished by connecting people, systems and robots — creating an end-to-end digital workforce.

Automation empowers power users with self-service and fosters a KPI-driven culture. It also provides increased business visibility, more agility and better control across IT operational and business processes. Another benefit of automation consists of end-to-end audit trails that help you meet your most rigorous compliance and regulation controls.

Early adopters and tech-savvy enterprises have found that business problems are not completely addressed by replacing legacy ERP or by implementing one-off technologies. Legacy ERP lacks many modern capabilities, and a complex integration environment makes it more difficult to attain some of these opportunities.

Transforming legacy ERP takes an enterprise-wide comprehensive approach to automation integration and the deployment of different technologies. RPA is a great starting point for the automation journey. However, intelligent automation should be the next logical milestone in digital modernization. Using intelligent automation to modernize ERP helps transform applications and business processes, optimize and perform against benchmark KPIs, and improve decision making across functions.

To achieve successful and effective automation, enterprises need to use an integrated automation strategy that mixes the right blend of technology, updated business processes, and people, including business and IT, as well as leadership. By using an integrated approach, enterprises can simplify, standardize, transform and automate end-to-end IT operational and business processes while creating a new human/digital partnership.

About the author

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