



## **| PERSPECTIVE**

### **FUTURE-PROOF YOUR CAPTIVE WITH RPA**

GICs or Captives have been a proven service delivery strategy for mid and large enterprises around the world for over a decade now. Maturing from just off-shore ER&D centres, GICs are now delivering the full range of business services from multiple locations globally.

The business case for first generation GICs was based on cost savings from service consolidation in low cost geographies. The resulting labour arbitrage started out delivering savings of between 50% and 70%. As the GICs matured, they moved to the next stage of evolution by driving business process improvements.

However, with this maturation came a sustained escalation in costs of GIC operations. Many GICs are large people and infrastructure intensive organisations and experience significant challenges in managing and developing people, cost of these people, cost of infrastructure and other costs. Added up, these costs have been and continue to rise at 10% to 15% annually, thereby constantly squeezing the business case for the GIC itself.

Managements have often asked the question 'how long before the cost savings are no longer significant?' This is a burning question for GIC leadership across the board.

GIC leadership has been looking for solutions to this challenge in various places, including more rational salary adjustments, moving operations to even lower cost locations, reducing cost of GIC operations by trimming employee benefits such as transportation and catering and so forth. These measures have all generally proven unsustainable and the search has been on for a more sustainable and long term solution to this challenge.

Enter RPA.

Robotic Process Automation is RPA is applying technology that enables an enterprise to setup computer based “robots” that map process workflows, interpret applications and data, communicate with other digital systems, trigger responses and execute the required tasks to complete a transaction.

RPA is now a stable set of technologies that can be effectively deployed to deliver quantum improvements in process outcome while significantly reducing the need for humans to operate the processes.

There are business specific processes in various industries that can benefit significantly from automation. You can automate several processes within your enterprise at differing levels of benefits. End to end processes such as Order to Cash (O2C) and Procure to Pay (P2P) for example, have several sub processes that can be automated.

Similarly, the ITO side of a business also has a large number of areas that can be automated. Historical implementation of multiple monitoring and management tool sets, information in silos, manual creation of integrated reports, manual monitoring itself, are all opportunities to bring about new efficiencies through proactive automation tools.

This provides a gateway to a whole new dimension of process improvement and cost savings for GIC. The business case for GICs is not only sustained but improved dramatically by deploying RPA for a slew of middle and back office processes across functions.

In fact, GICs have been the early adopters of RPA and we believe will continue to embrace RPA to deliver ever increasing benefits to the GBS business case. With RPA, the future of GICs is indeed secure for the foreseeable future.