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DIGITAL DISRUPTION IN SOURCING AND PROCUREMENT WITH INTELLIGENT AUTOMATION

Simple definition of intelligent automation.

Intelligent automation is a fully holistic approach for business transformation that lets companies start to analyse data, provide analytics on the data and deliver digital solutions to optimize business process and tasks.

Why do lot of intelligent automation projects fail or don't provide results?

Intelligent automation projects really need to be implemented systemically during the digitization of sourcing because it's a program. It shouldn't be a one-off, because you have to look at your tools and processes and how the enterprise creates value and understand where are the places that you want to go and automate, where are the places you want to stop doing things and, where are the areas that you need to change doing something?

You can take a useless process and do it faster. That doesn't necessarily mean that the outcome's going to be better. The issue is, are you attacking the right things in the correct order that's going to make the best impact?

What are the benefits of intelligent automation to the business?

There are lots of benefits to intelligent automation and that those benefits, they fall along a spectrum just like projects and companies who undertake the projects fall along a spectrum. They fall along a spectrum of both the size of the company and the complexity of the business and the operations and even the tasks or workflows that you're trying to automate.

So, there are benefits all along that complexity, size and scope spectrum. But the most significant benefits come from being able to automate repetitive, low-value tasks. These tasks may be prone to human error, but it's not about the routine job being repeated as easily by a person.

It may be that the value of the task is so low that it's just not a good return on the investment to have it being done by a person.

When is the right time to implement intelligent automation and how is the two-by-two matrix essential in the process?

To show a simple and easy to engage the process of what we should be focusing on during implementation of automation in the sourcing and procurement process, depending on what you look like as an enterprise, let's take a look at a couple of simple things with size and complexity.

Complexity can include things like risks and if you're a multinational then it can also consist of things like scope and scale. Looking at the complexity factor you can identify, what kind of company you are? Are you a small, less complex company or a large, more complex company? And so on. For example, there may be a small, less complex company that's not a start-up, but they're early in their lifespan, and they're growing very, very quickly. Usually, when there are small companies that are growing very rapidly, they don't have sound processes and really good standards.

So, what happens is they can grow very fast and end up rushing to go and support all of the increasing work that's coming their way. But they find that it drives complexity that's non-value-added and it's not sustainable as the company gets larger and larger. So that's a place where you'd be using intelligent automation to implement analytics and enable category management.

Excerpts: <https://sig.org/blog/digital-disruption-sourcing-and-procurement-intelligent-automation>