Tech Mahindra

Intelligent Automation as a Service Powered by 'Pay as You Gain'

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Introduction

Intelligent Automation has been creating a buzz for a few years now as an alternative to outsourcing. Over the past 2 years, technology has evolved from merely robotic process automation (RPA) to intelligent automation which includes a mix of technologies like RPA, Artificial Intelligence (AI), Machine Learning (ML), Natural Language Processing (NLP), Chatbots and few others that complement each other. These technologies together allow us to automate business processes to a larger extent when compared to simple RPA automations.

Our analysis established that globally only few organizations were able to replicate the practice enterprise wide and scale, and most others barely ran short sprints and lost their way for various reasons. We wish to present our point of view on key challenges in scaling of IA and a promising new commercial offering, Intelligent Automation as a Service (IAaaS), that can help organizations get over those hurdles with ease and accomplish their automation goals quickly.

The Great Barrier

While it is ideal to have an end-to-end automation that can give fast results with minor integration, it also come with it's own set of challenges such as (1) multiple platforms licensing with multiple components within (2) infrastructure setup and maintenance (3) data privacy and security concerns (4) regular maintenance and continuous improvement of automated processes etc. All these together create a large CAPEX which essentially acts as an entry barrier to start this initiative and is topped by unavoidable OpEx.

During the COVID-19 pandemic, two scenarios drove organizations towards intelligent automation:

1. As a result of the lockdown during COVID-19 the regular supply chain, finance & accounting, IT and HR functions were severely disrupted with no alternate option that could bear the load
2. Some organizations saw record traffic, like retail, e-commerce, who were not equipped to address the load and failed to secure potential revenues

In both the cases organizations realized that they could have taken a stride towards intelligent automation way before they were struck by any such pandemic. Now they are all keenly looking at IA technologies to automate maximally. **To their dismay, the CAPEX was high in a time when it was important to have cash reserves to sustain their business.**

Breaking the Barrier

CXOs across industries say that COVID-19 pandemic is prompting them to accelerate plans to invest in automation and robotics to better manage operations. This has now become 2nd biggest focus area as per few reputed analysts. However initial CAPEX, ROI, longer benefit realization cycles have become deterrent for automation adoption. Through "Intelligent Automation as a Service" we are able to remove these challenges and help customer with accelerated automation adoption.

The Concept meets Reality

"Intelligent Automation as a Service" IAaaS is a techno-commercial offering that could remove the CAPEX barrier and provide a "One Cost" OpEx model that will allow businesses to automate their processes without any hassles of managing the same. Unique advantage of the "Pay as you Gain" commercial offering lies in assuring fastest ROI as low as ONE month in some cases, contrary to CAPEX driven mode where it may take months or even more than a year just to break even.

It is evident that for all Tier-1 Intelligent Automation or RPA platforms CAPEX is high due to which most of the willing customers are struggling to accommodate this into their annual IT spend. During the current global economic situation most of them are looking to break free from the restrictions of budget.
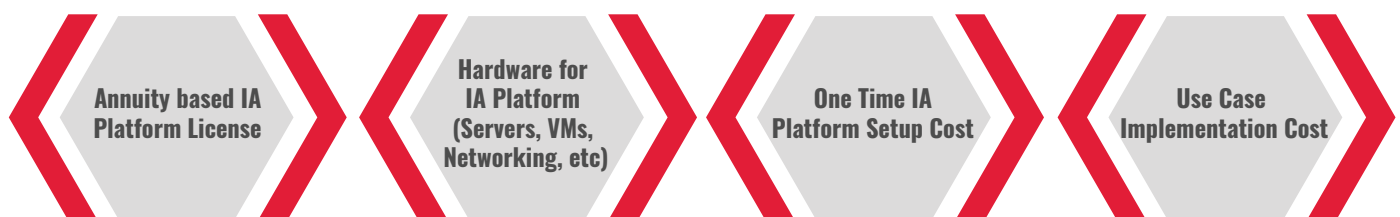
Organizations are looking at this technology as a tactical move in short term which can result in a strategic transformation which can not only sustain the processes but also contribute to upgrade of the enterprise wide IT landscape through the savings achieved without tapping into the income of the organization or any increment in the IT budgets.

IAaaS is rolled out effectively leveraging cloud native version of a Tier-1 RPA platform that has end to end capabilities of an intelligent process automation lifecycle. This includes infrastructure and licensing in addition to process automation and live BOT support within a fixed light weight monthly payout. Keeping the technology agnostic approach, other Tier-1 RPA platforms versions of IAaaS currently offers process automation and live BOT support. Inclusion of license and infrastructure is on our roadmap and would be rolled out in next few quarters.
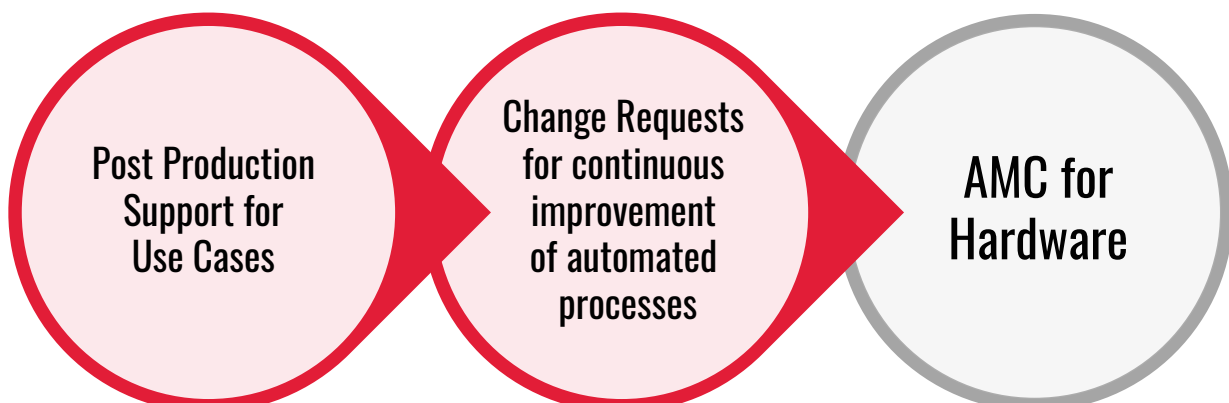
Offering

This model brings in a paradigm shift to the existing industry practice. It primarily addresses ongoing market conditions severely impacted by COVID-19 and associated economic recession. This model needs zero CAPEX from the customer.

A glimpse into typical CAPEX driven model

| Annuity based IA Platform License | Hardware for IA Platform (Servers, VMs, Networking, etc) | One Time IA Platform Setup Cost | Use Case Implementation Cost |

And post the above investments the following OpEx costs inevitably follow

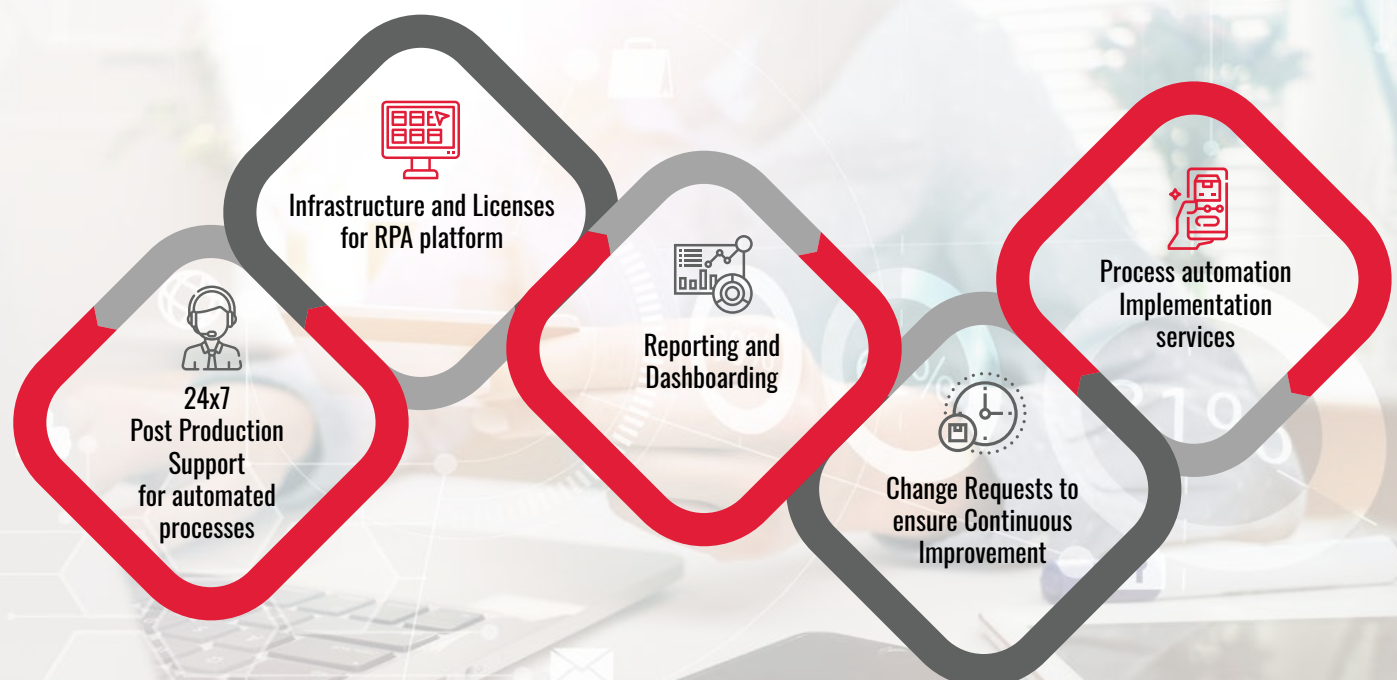| Post Production Support for Use Cases | Change Requests for continuous improvement of automated processes | AMC for Hardware |

IAaaS – The Game Changer

With the evolution of IA platforms, the definitions of Use Case complexity have also matured allowing realistic evaluations. Tech Mahindra has a Use Case complexity calculation framework that assesses processes on few parameters like, type of applications involved, decision points, business rules, data sources, etc. This allows us to evaluate the processes and categorize them under Simple, Medium and Large complexity. Utilizing our globally proven framework for complexity categorizations we have devised IAaaS which allows us to club all the services under one easy monthly payout per use case.

Pay as you Gain

- First Month Payout from budget
- Deployment at the end of first month
- Second Month Payout from budget
- Savings Realized at the end of second month
- Third month Payout from small fraction of benefits
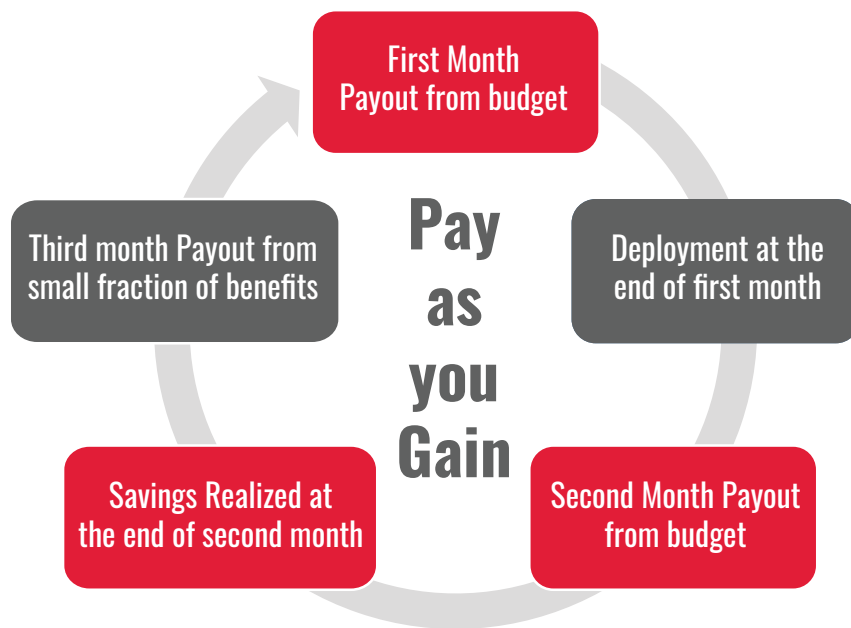
This is a "Self-Funding model" with "Pay as you Gain" concept which actually pays for itself once the automated process is in production. The budget required initially is only for 1-3 months depending on complexity of use case where after, a small part of the benefits derived from the automation, pay for the future monthly payouts.

An illustration of 'Pay as you Gain" for a Simple Complexity Use Case

The offering has following components combined as **one service under one monthly payout.**

- 24x7 Post Production Support for automated processes
- Infrastructure and Licenses for RPA platform
- Reporting and Dashboarding
- Change Requests to ensure Continuous Improvement
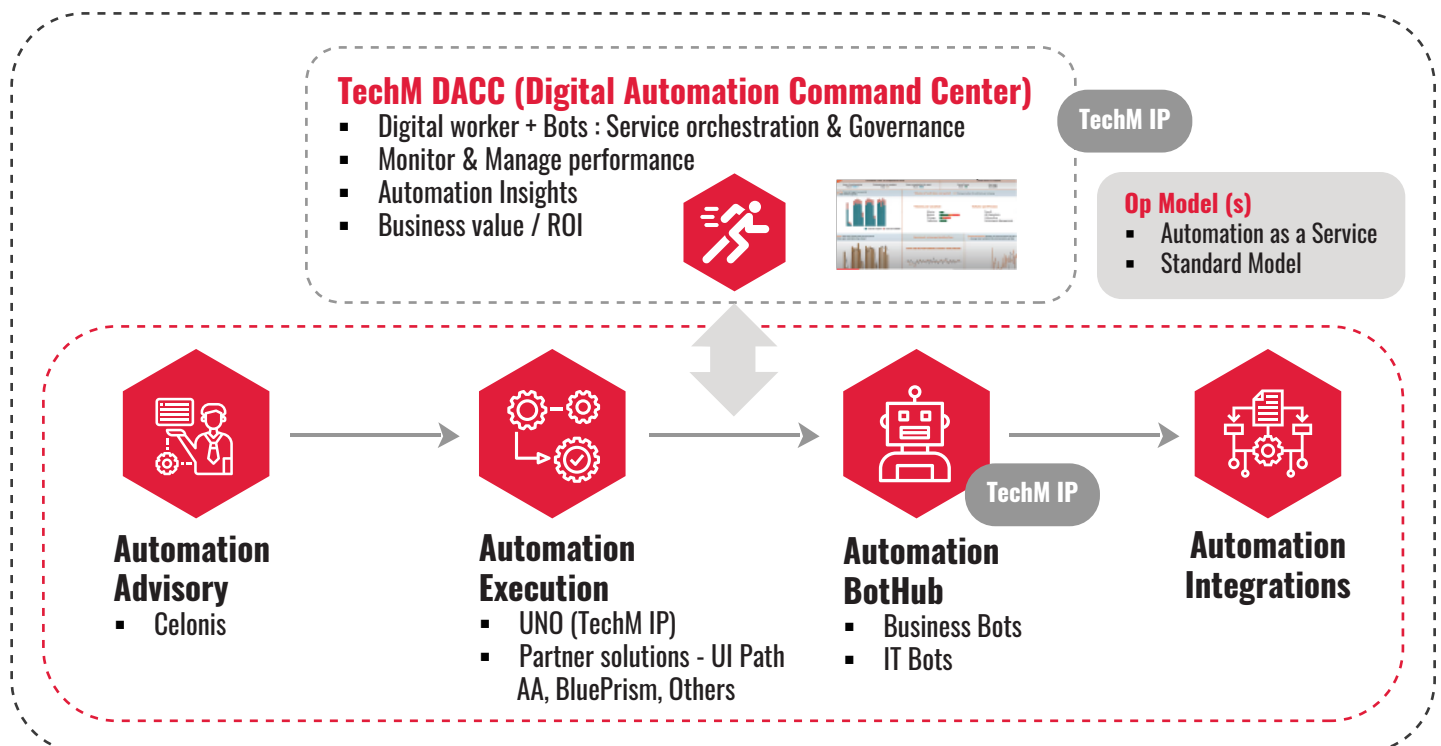- Process automation Implementation services

These services can be subscribed over three contract terms-12/24/36 months with a cost as low as USD 800 per month per use case. The maximum benefits can be reaped by a customer with contracts of 24/36 months.

Comparison between CAPEX driven model of IA delivery and Intelligent Automation as a Service

CAPEX Driven IA Delivery	IAaaS
Multiple Cost – License/Implementation/Support	One Single Monthly Payout
Heavy CAPEX	No CAPEX
Annually recurring OPEX	Small monthly OPEX
Annual License and Infra Management	No License or Infra hassle
Upfront Implementation Cost	Self-Funded Model with "Pay as you Gain"
Cost of post-production support based on service window	24 x 7 support for all customers
Fixed Budget Needed	Small monthly Payout needed for 1-3 Months
Fixed Contract	Flexibility between 12/24/36 Months with option to upgrade to longer duration
Generally, On-Prem is opted	Cloud Native
No Minimum Commitment	Minimum commitment of 5 Use Cases
Dedicated Resources for Delivery	Shared Service Model
Change Request charged additionally	Change Request Included

The Vision

A significant part of operations can be automated using Intelligent Automation which can be catered through TechM Digital Automation Command Center (DACC). It will allow Human-BOT synergy and maximize productivity. Co-worker BOTs work and adapt throughout the workflow seamlessly while human workers attend to the unexpected disruptions in the process. It also enables a central orchestration, visibility and ability to continuously improve the productivity of the process.

TechM DACC (Digital Automation Command Center)
- Digital worker + Bots : Service orchestration & Governance
- Monitor & Manage performance
- Automation Insights
- Business value / ROI

TechM IP

Op Model (s)
- Automation as a Service
- Standard Model

Automation Advisory
- Celonis

Automation Execution
- UNO (TechM IP)
- Partner solutions - UI Path AA, BluePrism, Others

Automation BotHub

TechM IP
- Business Bots
- IT Bots

Automation Integrations

Success Story

A US based Insurance Customer

Solution & Benefits	Value Proposition
▪ Central framework TechM DACC ▪ AUTOMATION Led Solution ▪ Zero CAPEX ▪ Pay Per month per use case ▪ Self-funded model ▪ Everything baked in pricing ▪ 12/24/36 monthly payout options	▪ No limitation on license ▪ RECURRING charges per month ONLY ▪ TechM ensures 24X7 support ▪ 360 Degree View & Control

Conclusion

This is undoubtedly the way forward and the future of services in Intelligent automation space. It will not only enable organizations to begin their automation journeys but also allow them to scale and eventually convert this practice into "Business as Usual". Businesses globally have witnessed the impacts of the ongoing pandemic and are looking to take a leap of faith in the BOT-Human collaboration, Intelligent Automation as a Service is just acting as a catalyst to drive everyone to the future - together.

About the Author

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We are part of the USD 21 billion Mahindra Group that employs more than 200,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, information technology and vacation ownership.

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