

PUTTING NON-VALUE-ADDED WORK ON
AUTO-PILOT



**HOW AUTOMATION SOFTWARE
TAKES YOU FROM GRUNT WORK TO GREAT WORK**

Table of contents

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How automation software takes you from grunt work to great work

1. Introduction: Why you're here	...3.
2. What is (and isn't!) value-added work?	...4.
3. Your un-automated day: Just a few examples of non-value-added work	...5.
4. The impact of automating non-value-added work	...8.
5. Steps to identifying non-value-added work	...10.
6. Solve the problem now	...11.

Introduction: Why you're here.



In today's business climate, increasing efficiency is consistently among the top initiatives, (and if you're wondering why it remains on the list, check out the Bureau of Labor Statistics' report showing that a perceived 1.8% increase in worker productivity was cancelled out by a 1.8% increase in hours worked). In light of statistics such as these, employers are motivated to find areas where they can more quickly complete (or cut out entirely) time-consuming tasks that are considered "low value."

You may not necessarily know "process automation" well, but what you definitely know well are those pervasive, time-consuming, repetitive tasks that you and your team can't avoid, yet are pained to perform. These tasks are a common denominator—things we've all done while simultaneously saying to ourselves, "there's got to be a better way to do this."

Good news to you, efficiency-seeker: there *is* a better way.

But first let's take a look at value-added work and what exactly we mean by the term.



What is (and isn't!) value-added work?

Origin of the term

While several definitions of value-added work exist, we like this one (complements of BusinessDictionary): “Activities that further the purpose of an organization by generating output that is considered more valuable by its internal and/or external customers than the inputs consumed in producing it.”

Non-value-added work, conversely, neither enhances the customer experience nor supports the business process. According to an explanation on Toolbox.com, “If the activity could be removed from the process, with no effect on the end-product or service, it’s an NVA activity. This type of work is also referred to as “waste work.”

Value-added work can apply to every industry, and every role.

While the idea of value-added vs. non-value-added work was born in manufacturing, it has grown into a concept that applies to any company in any industry. With the technological landscape expanding on practically an hourly basis, and companies clamoring to adopt efficiency-boosting technology, an interesting side-effect presents itself: in the quest to become more efficient, companies end up introducing a host of inefficiencies.

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When you think about your own organization, there are likely multiple “sources of truth” for information: CRMs, ERPs, accounting systems, marketing automation software, SharePoint or similar file storage systems, spreadsheets with customer data on disparate machines, Word documents with tabular data, internal contact sheets, and paper files in semi-organized cabinets. Combine that with multiple devices and platforms through which you access that information, and you’ve got a veritable bramble bush of business complexity.

As business complexity rises, the number of processes you automate should rise correspondingly. Without closing that “efficiency gap,” you risk increasing operational costs, losing a level of business agility, and giving your competition the opportunity to get ahead of you.

A prime way to start doing this? Automating as much of the non-value-added work in your organization as you can, and connecting systems to create a single “source of truth” for information.

Your un-automated day: Just a few examples of non-value-added work

In order to come up with a list of non-value-added employee work, it's often as simple as just thinking about your workday and what dominates you and your team's time.



HR Services

If there's any opportunity in an organization to exercise the idea of using automation to "be more human," it's in human resources. With the amount of form filling, data gathering, updating, and disseminating, and request processing, HR has their hands full and may find it difficult to find dedicated time to focus on anything other than administrative tasks. Within the spectrum of HR activities, parts of or entire processes can be automated to help free up time in HR, including:

- Payroll
- W4 management
- Time and attendance management
- Benefits administration
- Stock administration
- Education and training
- Compliance reporting
- Recruiting processes
- Personnel administration



Finance and Accounting

One area where organizations have found automation to be absolutely invaluable is in financial and accounting processes, where personnel time is better spent talking with customers and vendors, or analyzing data. Types of processes that these departments find useful (and extremely beneficial) to automate include:

- Transactional processes: Procure-to-pay, order-to-cash, record-to-report
- Value-acceleration processes: DSO, audit
- Analytics and intelligence - Tracking trends, making recommendations
- AP/AR
- Incentive claims
- Sales orders
- Collections
- Report generation



IT Services

If Gartner's prediction that IT will become the "catalyst for the next phase of innovation in personal and competitive business ecosystems" by the year 2020 is going to come to fruition, IT needs to embrace automation as a way to focus on the initiatives that require innovative thinking, and still take care of the critical organizational tasks currently consuming much of their time, such as:

- Installations
- FTP download, upload, and backup
- Server and application monitoring
- Synchronizing, deleting, and emptying folders
- File management
- Email processing and distribution
- Email-related tasks



QA/Testing

In order to push out quality products on schedule, QA teams have to automate some of their tests, a process usually done manually. While QA usually consists of people who are great coders, scripting those tasks takes valuable time. Using test automation software, QA teams can script tests automatically, and deliver superior QA up to 70% faster for tests and test activities like:

- Functional
- Regression
- Mobile
- Load
- GUI testing
- Validations
- Test documentation



Supply chain

Among the top challenges for supply chains today are determining which supply chain improvements to focus on, lagging performance metrics, and dealing with wide sweeping complexity between warehouses, manufacturing facilities, transporters, and customers. Each of these challenges can be alleviated with automation software, including in areas like:

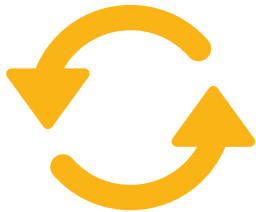
- Inventory management
- Demand and supply planning
- Quote, invoice, and contract management
- Work order management
- Freight management
- Returns processing



Other areas for automation

Processes that practically scream “automate me” reside in all corners of an organization. Thus, a company’s automation strategy should extend to also cover other critical processes such as:

- Contact center processes
- Hedge fund analytics
- Competitor pricing
- ERP automation
- Data aggregation and migration



Integration

A non-integrated business is the picture of inefficiency nowadays, with so many disconnected silos that the company starts looking like Buchanan County, Iowa. With big data trends, and lots of attention on the importance of integration systems, apps, and information, integrations—even the most complicated ones—are among the most valuable processes to automate.

- Application integration
- Data migration
- ERP integration
- CSV file imports

For each of these processes employees interact with any number of silos including SAP, PeopleSoft, CRMs, CPQ and contract management systems, ERP, ADP, and internal spreadsheets.



Rework

Perhaps the worst type of non-value-added work is rework, made necessary by errors or broken processes. According to industry statistics, 30-40% of project costs are rework. Automation is a natural error-preventer. It never sleeps, never gets distracted, can’t be confused, never takes a vacation, and is incapable of making a mistake. Its usefulness in preventing rework is truly invaluable.

The impact of automating non-value-added work

Automating non-value-added work provides 6 main benefits that translate to overarching business benefits. (Hint: these also are great ways to assess the efficiency and effectiveness of your various processes, and whether or not they're contributing to or eating up value).



1. Manual hours saved annually

Allowing talented, knowledgeable employees to spend their time on non-value-added tasks prevents them from being able to use their skills to the fullest, in the function you hired them to perform. Consider this case study, based on a team of 5 people in a small company. The 5 employees spent 3%, 20%, 25%, 30%, and 70% of their time respectively on repetitive tasks. After implementing an automation solution, the percentages were reduced to 3%, 10%, 15%, 15%, and 10%. With the removal of non-value-added tasks, the employees were able to reallocate their time to making better products, providing better support or services, and concentrating on customer satisfaction. The benefits in this bucket are incredibly tangible:

- Reduce overhead costs
- Grow business without increasing headcount
- Free employees to innovate and focus on value-added tasks

Business benefit: Increased business mobility and scalability.

2. Error reduction



The impact of a single error can be astronomical, affecting businesses from data cleanliness to customer satisfaction, and ultimately all the way to the bottom line. And when you connect a cost with an error, it becomes abundantly clear just how much of a problem errors create. When you automate your non-value-added work, you take the possibility for human error completely out of the equation, executing tasks perfectly every time. With error reduction, you'll also see:

- Reduced variance in process execution
- Net improvement on downstream workflows
- Increased confidence in data integrity

Business benefit: Increased business intelligence and agility.



3. Streamlined mission-critical processes

Hiccups in business initiatives can't be tolerated, and "bottleneck" has become one of the dirtiest words in business vocabulary today. Why? Because while you're hiccuping, your competitors could be enjoying the cool, refreshing water of revenue from customers that could have been yours. Automating steps in mission-critical processes gives you the opportunity to:

- Reduce execution time of processes vital to business operations
- Reduce process bottlenecks
- Improve employee morale and customer satisfaction
- Reap efficiency gains resulting in improved end-to-end business metrics

Business benefit: Improved company value proposition.



4. Improved employee experience/morale

It's no surprise that employees are more fulfilled and satisfied with their jobs when they feel they are doing work that contributes, make a difference, and provides a level of intrinsic value. Research shows that the average employee spends in the vicinity of 10-25% of his or her time performing repetitive, computer-related tasks—tasks that don't feed their creative inclinations or actually solve problems for the business. As business complexity increases and more technology is introduced into their environments, this percentage only increases, and correspondingly, so does employee dissatisfaction and potentially attrition. By unburdening employees through use of automation, you can:

- Improve quality of work
- Reduce task inundation
- Increase employee efficiency
- Decrease employee turnover

Business benefit: Improvement in productivity



5. Improved customer satisfaction

An error in a customer quote or order can be costly, particularly if you have to pay the ultimate price: losing a customer's loyalty completely. ALOM, a global leader in supply chain management, explains this concept well in one of their whitepapers focusing on shipping errors. They note that these errors that affect customers eat significantly into profits: an error rate of just 1% translates to an overall profit decrease of 7%. By automating processes that eventually could affect customers (ordering, shipping, fulfillment, support, etc.), companies can:

- Improve customer experience, perception, and rate of return
- Hedge bets for better product and service reviews
- Create positive buzz in the market

Business benefit: Improve business reputation and public sentiment



6. Better regulatory compliance

If employees are spending time checking and double checking compliance, they are not only using valuable time, but also risking introducing errors that can be impossible to reverse. (We don't even need to get into the ramifications of less-than-flawless compliance with industry, state, and federal regulations!) Suffice it to say that if you can automate tasks or processes that help ensure error-free compliance at all times, it's likely a worthwhile investment all around, particularly in terms of:

- Reduction in audit duration
- Reduced incidence of fines, delays, and restrictions

Business benefit: Streamlining and ensuring regulatory compliance

The alternatives to automating

Ask questions, including "Why are we doing this this way?"

Look for areas where there are "multiple sources of truth."

Identify processes that would be optimal to automate first. (And second. And third...)

Determine the value of automating the process

Take a good, hard look at your processes as they're currently done and ask questions like:

- Am I entering multiple silos to compile information?
- Am I spending a significant of time moving information from silo to silo?
- Are people wasting time looking for information, routing information, entering information, or storing information?
- Are there stall points/bottlenecks in my processes that are creating inefficiencies?

A major indicator of non-value-added work is if employees are required to enter multiple informational silos to complete an action. Like a technological Tower of Babel, these systems often don't communicate adequately with each other, making tasks at hand time-consuming and unnecessarily laborious. Automation is primed and ready to solve these problems, integrating systems together, and making pushing and pulling information from them happen with minimal human intervention.

It should be relatively easy to see which processes are the ones kinking up your efficiency hose. Many times, a single person in a single department notices one significant issue that prompts them to seek out an automation solution. However to get the most bang for your buck, and to make automation a strategic advantage, look for other processes that are creating bottlenecks or unnecessary amounts of work.

As you look at automation solutions, also think about how easy it will be to predict, realize, and analyze the benefit of automating a process. Automation solutions designed to scale come with tools such as built-in ROI calculators to provide this type of information readily. Using these tools you can validate process automation with actual success metrics, and prioritize automation projects accordingly.

Solve the problem now

The non-value-added work problem is one that you can actually start solving immediately. Not only does Automation Anywhere let you try its automation software for free, it also gives you an opportunity to have a trained consultant help you determine where your non-value-added work is causing the most efficiency, productivity, or cost damage.

If you'd like to discuss how you can eliminate your non-value-added work, get in touch with us. We'd love to help.