Deloitte.

Automation with Intelligence

Czech Perspective on Deloitte Study on
Intelligent Automation of Companies in 2020

Summary

Humans have always been afraid of the unknown. And yet, even as children, our curiosity inexplicably compels us to explore further afield or to reimagine our own bright but small worlds. Our preoccupation with the unknown has changed; the folklore of the Brothers Grimm gave way to authors and poets like William Blake and Mary Shelley, who gave way to the ubiquity of 20th-century science fiction. But even as nature gave way to technology, the act of creation has remained central to the unknown. Humans imagining and reimagining.

Historically, innovation and the ability to innovate is something that is very visible in the Czech culture. It is part of every industry and we can see the small innovations and optimizations on every step. This is why most Czech companies are using much newer software and hardware and are testing and trying new approaches as part of their DNA. This is usually done within the company without the use of external providers. Thus, most companies in the Czech Republic already use AI in some way. For the events

of 2020, companies were technologically ready and the move of employees to work from anywhere was rather easy for most of the back-office or administrative work. The pandemic situation provided a unique twist not seen in other countries: the perceived change in work was very small and the need for further automation did not spike greatly.

The Czech Republic picture of this year in survey does not heavily deviate from the global trends. There are two big differences, though. Firstly, the C-suite support of automation is perceived higher in the Czech Republic compared to global numbers. This is great news as this seems to be the key for successful projects. The second is the COVID-19 response: most Czech organizations adapted quickly to the changes, and prioritized heavily the automations covering the updated regulations and policies whereas globally this was only around 11%.

Realising the potential of intelligent automation

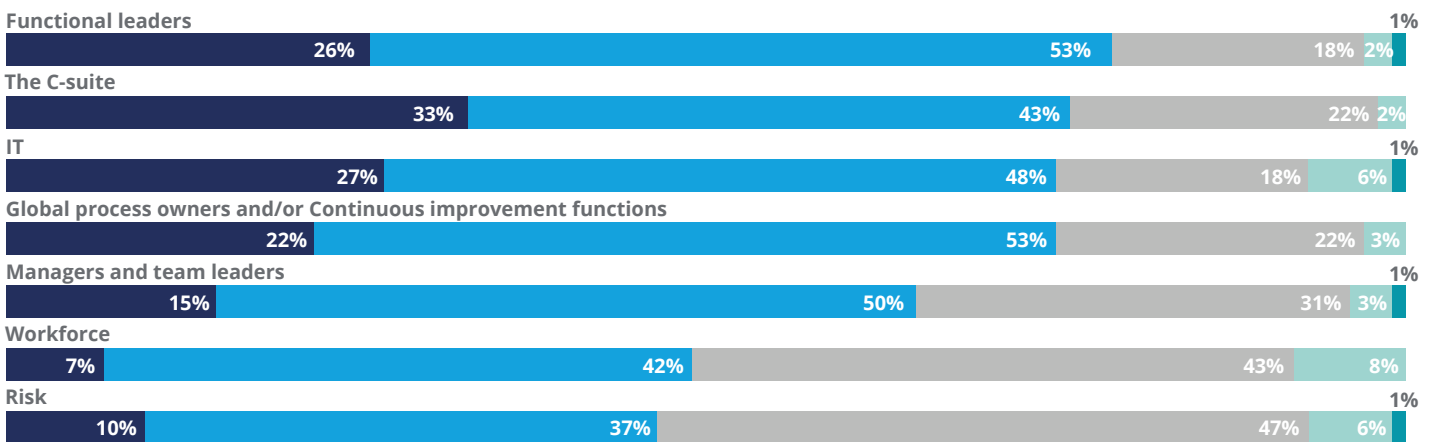In the past few years, we have seen organisations embrace digital ways of working,

and many have incorporated robotics and artificial intelligence (AI) as part of their transformation journey. Now we see a wider range of tools and technologies being adopted, including Optical Character Recognition (OCR) or Intelligent Character Recognition (ICR), Business Process Management (BPM), process monitoring and process mining.

The Czech responders do not deviate in the main findings from the global community. The biggest problem for realising the potential that Czech companies see is process fragmentation (63%), followed by lack of IT readiness (46%). In opposition to the global community, Czech companies see the costs of implement as the third, putting resistance to change down in the list.
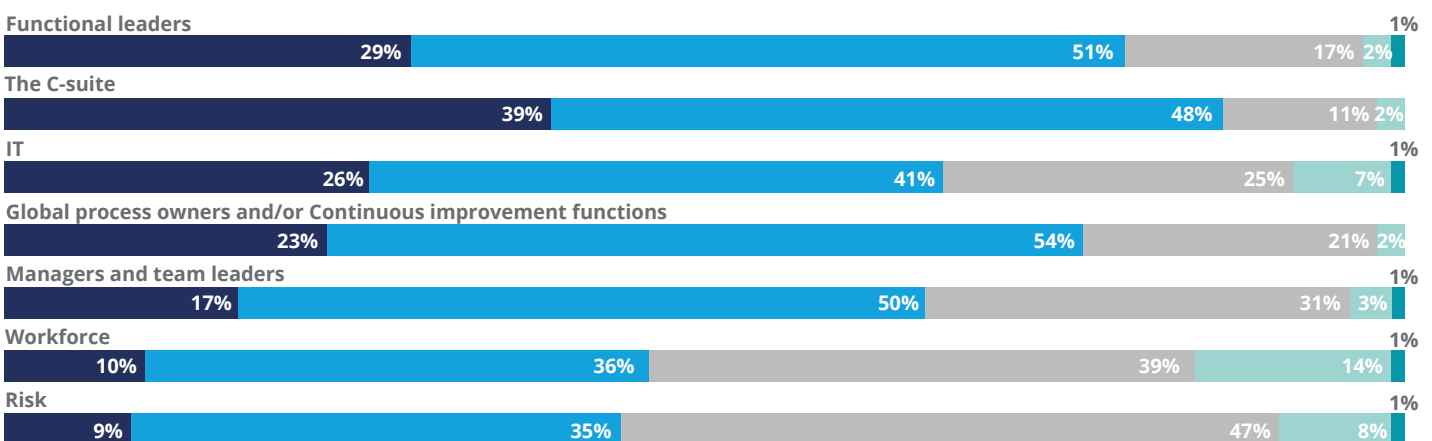
In accordance with the global community, the companies in the Czech Republic see the C-level support as very important. In that aspect, the results of the study show that the C-suite level of the support in the Czech Republic is higher than the global average.

level of C-level support of intelligent automation
Global

	Highly supportive	Supportive	Neutral	Unsupportive	Highly unsupportive
Functional leaders	26%	53%	18%	2%	1%
The C-suite	33%	43%	22%		2%
IT	27%	48%	18%	6%	1%
Global process owners and/or Continuous improvement functions	22%	53%	22%		3%
Managers and team leaders	15%	50%	31%		3% / 1%
Workforce	7%	42%	43%	8%	
Risk	10%	37%	47%	6%	1%

CZ

	Highly supportive	Supportive	Neutral	Unsupportive	Highly unsupportive
Functional leaders	29%	51%	17%	2%	1%
The C-suite	39%	48%	11%		2%
IT	26%	41%	25%	7%	1%
Global process owners and/or Continuous improvement functions	23%	54%	21%		2%
Managers and team leaders	17%	50%	31%		3% / 1%
Workforce	10%	36%	39%	14%	1%
Risk	9%	35%	47%	8%	1%

■ Highly supportive ■ Supportive ■ Neutral ■ Unsupportive ■ Highly unsupportive

Matching ambitions to reality

There is a clear difference between organisations that are piloting automations and those that are implementing and scaling their efforts. The latter are more likely to reimagine what they do and incorporate process change across functional boundaries, improving returns from automation. But in the piloting stage, organisations are more likely to automate current processes, with more limited change. The most advanced companies are transitioning away from the traditional approach of incremental, continuous improvement and re-enginee-ring of their existing processes; they are now pursuing organisation-wide process re-imagination.

The general consensus is in the methodology: 50% of organizations globally (including the Czech Republic) use the Lean approach to implement their automations. However, the number one topic amongst Czech organizations is the process and task mining. This is no surprise as process fragmentation scores as the highest problem to scale the automation. The Czech Republic is below the global average in the implementation of the process mining (12% against the global average of 20%). This can be historically attributed to the costs of such programmes.

Taking lessons from the more mature organizations: to gain scale and see the benefits of automations, re-imagination of processes is required. In this, Czech organizations fully match the global trends. The 56% of the matured companies in the Czech Republic re-imagine the processes to seize the full potential of automation.

Scope of intelligent automation strategy ambition

Global

We are automating what we do today and incorporating some process change

43%

29%

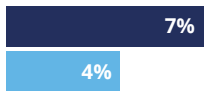**We are automating what we do today and incorporating process change across functional boundaries**

19%

33%

We are automating what we do, and we are focusing on end-to-end process change and customer-centricity

19%

33%

We do not have intelligent automation strategy in place
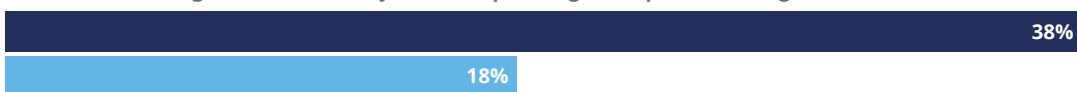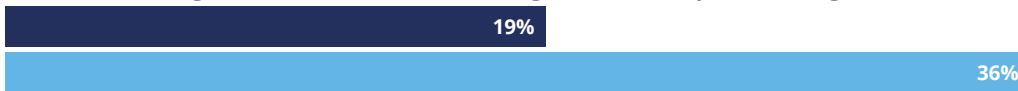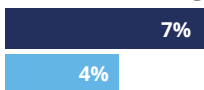
12%

1%

We are automating what we do today without fundamentally changing

7%

4%

CZ

We are automating what we do today and incorporating some process change

38%

18%

We are automating what we do today and incorporating process change across functional boundaries

24%

41%

We are automating what we do, and we are focusing on end-to-end process change and customer-centricity

19%

36%

We do not have intelligent automation strategy in place

12%

1%

We are automating what we do today without fundamentally changing

7%

4%

■ Piloting   ■ Implementing   Zdroj: Deloitte Analysis

Cloud and automation

Over the past decade, cloud has proven its value as an enabling technology supporting numerous successful corporate strategies and new business models. Cloud investments are expected to double their share of IT budgets over the next three years.

Large increases in cloud investments over the next three years will come hand in hand with the scaling of intelligent automation.

The main benefits of cloud related automation are: scalability, faster deployment, and lower cost to on-premises solutions, addressing the main barriers for automation deployment. The new clients' focus on automation-as-a-service should further enhance the deployment of automation. While this is a bold statement, the organisations in the Czech Republic are already headed down this route. Most Czech organizations (95%) are already using some (private) cloud service as a part of their automations.
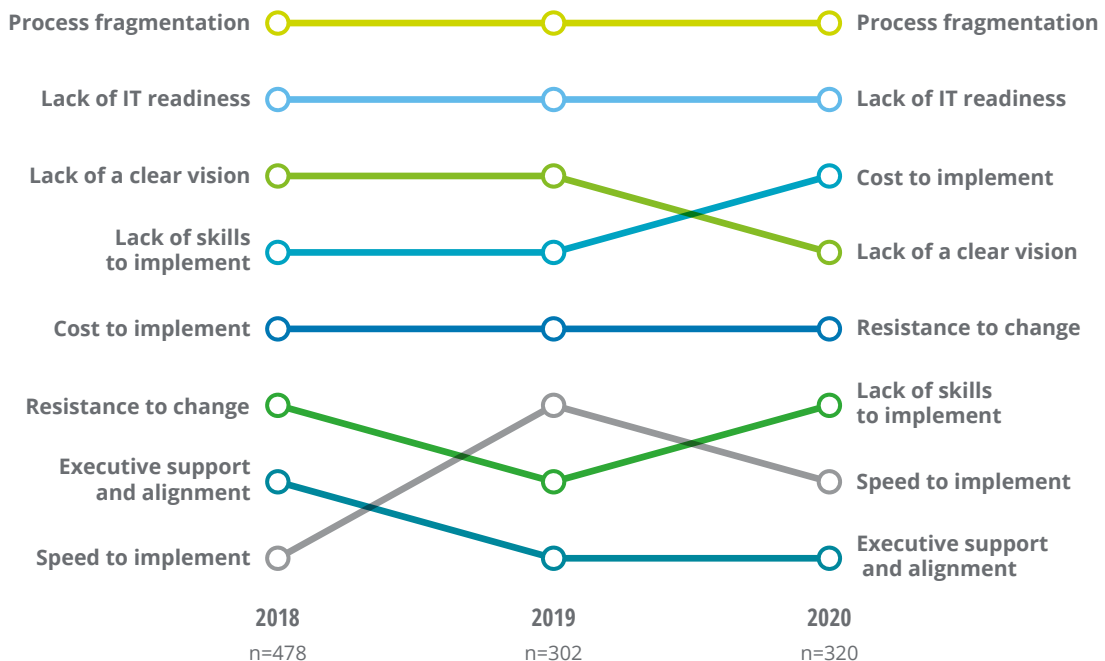
Over 40% of survey responders confirmed that their companies increased their usage of automatic process monitoring. This is also partially using cloud services (for example for visualisation of the data).

Top barriers to scaling intelligent automation
Global

	2018	2019	2020
	n=478	n=302	n=320

CZ

	2018	2019	2020
	n=478	n=302	n=320

Zdroj: Deloitte Analysis
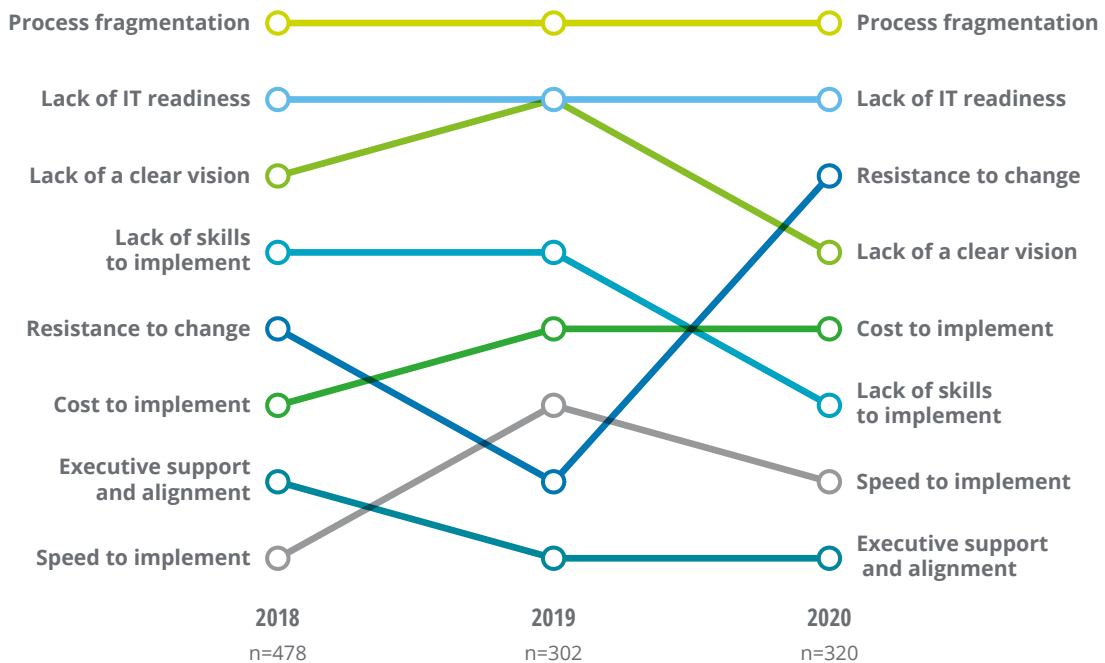
Keeping people in the picture

Many organisations are actively seeking ways to integrate automation into their teams to make the most of complementary human-machine capabilities. Deloitte uses the term 'superteam' to refer to the combination of people and automation to solve problems, uncover insights, and create value. The ambition of superteams is promising but hindered by a readiness gap.

As expected, due to the high involvement of IT in the automation strategy, the calculation of the benefits in Czech organizations is isolated and siloed more than that of the global average. More than 63per cent of the respondents of this survey in the Czech Republic have not calculated the benefits across the business and IT.

Designing the 'super jobs' will be the key achievement to be pursued in the upcoming years as automation will be spreading across the departments and teams. The surveyed companies in the Czech Republic claim more than 34% of the workforce will have to be retrained in the next 3 years.

Share of workforce needing to retrain in the next three years as a result of intelligent automation (piloting, implementing and scaling respondents)

Global
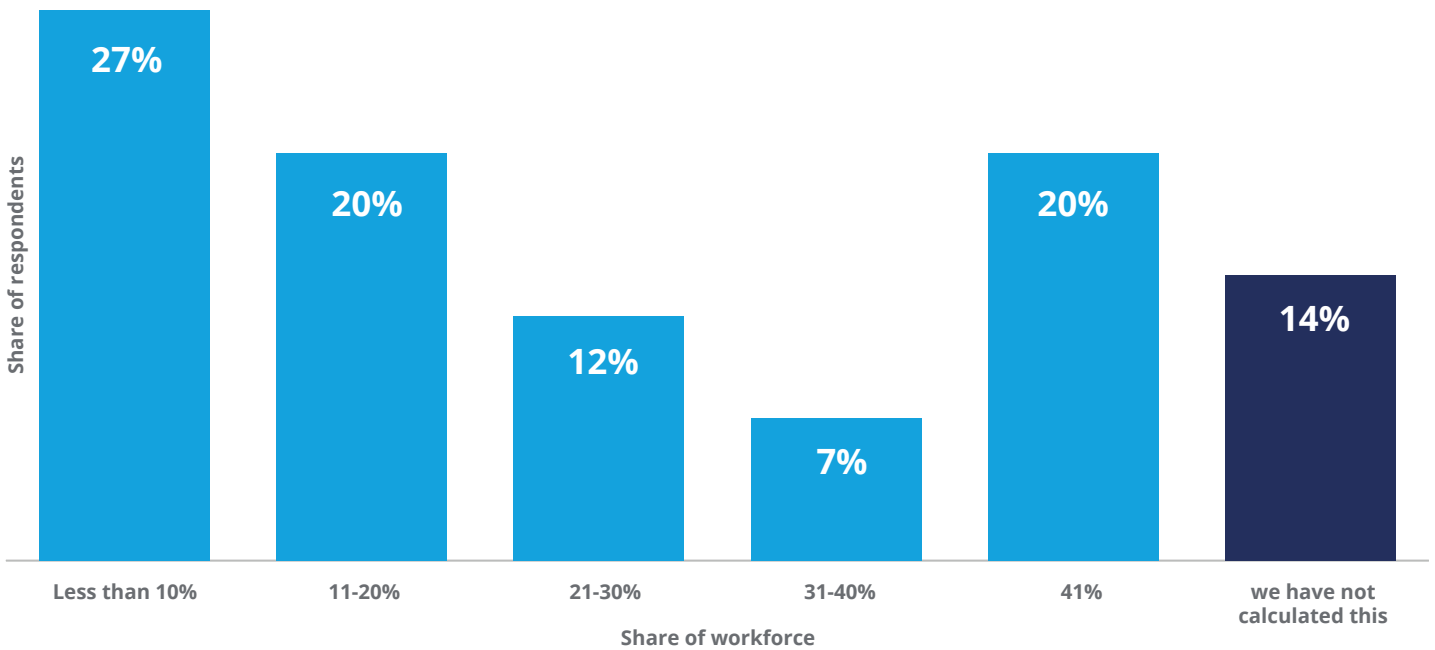
CZ
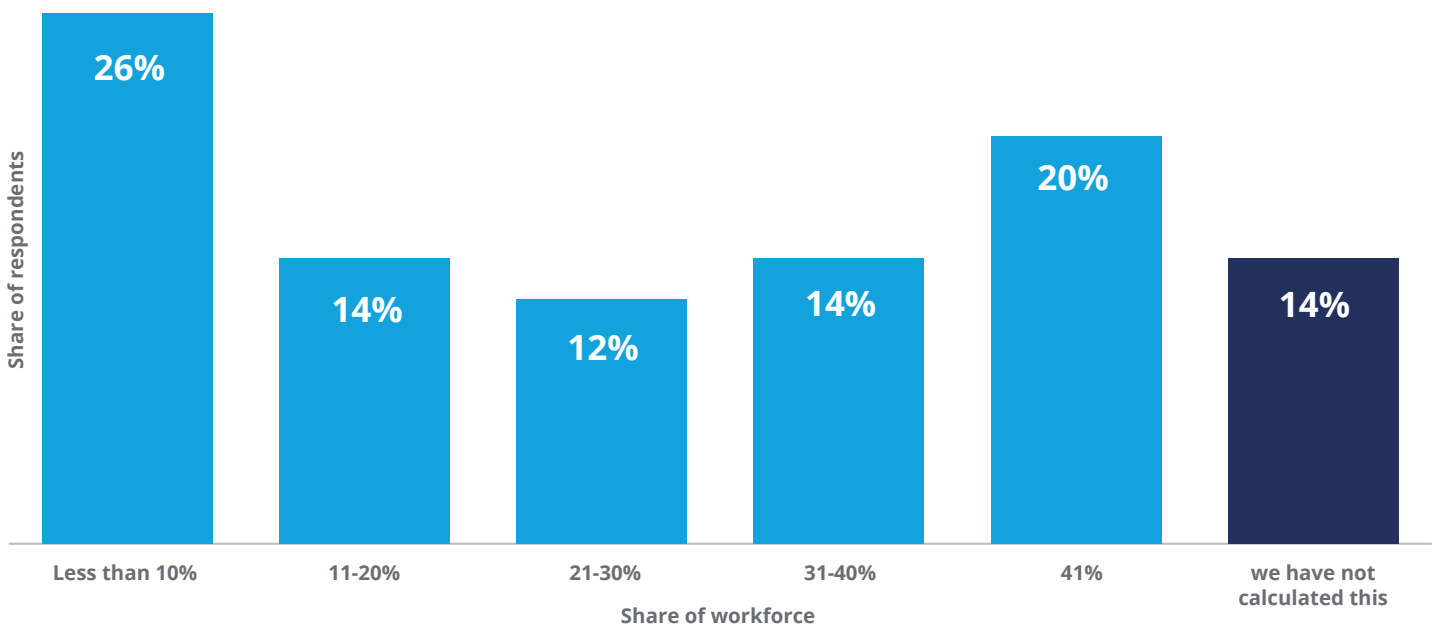
COVID-19 and intelligent automation

Most survey respondents told Deloitte their organisations are rethinking how work is done in response to COVID-19. The shift to remote working, and the reconfiguration required to provide COVID-secure worksites is expected to increase the use of automation among the workforce.

Globally, 23% of survey respondents said they have prioritised automations that improve their organisational resilience. This number is staggering for Czech organizations. More than 61% reacted to this year's events by prioritizing COVID-19 use cases, racing to the fastest possible change in the turbulent environment of constant change.

Time to develop a usecase [weeks]

Global
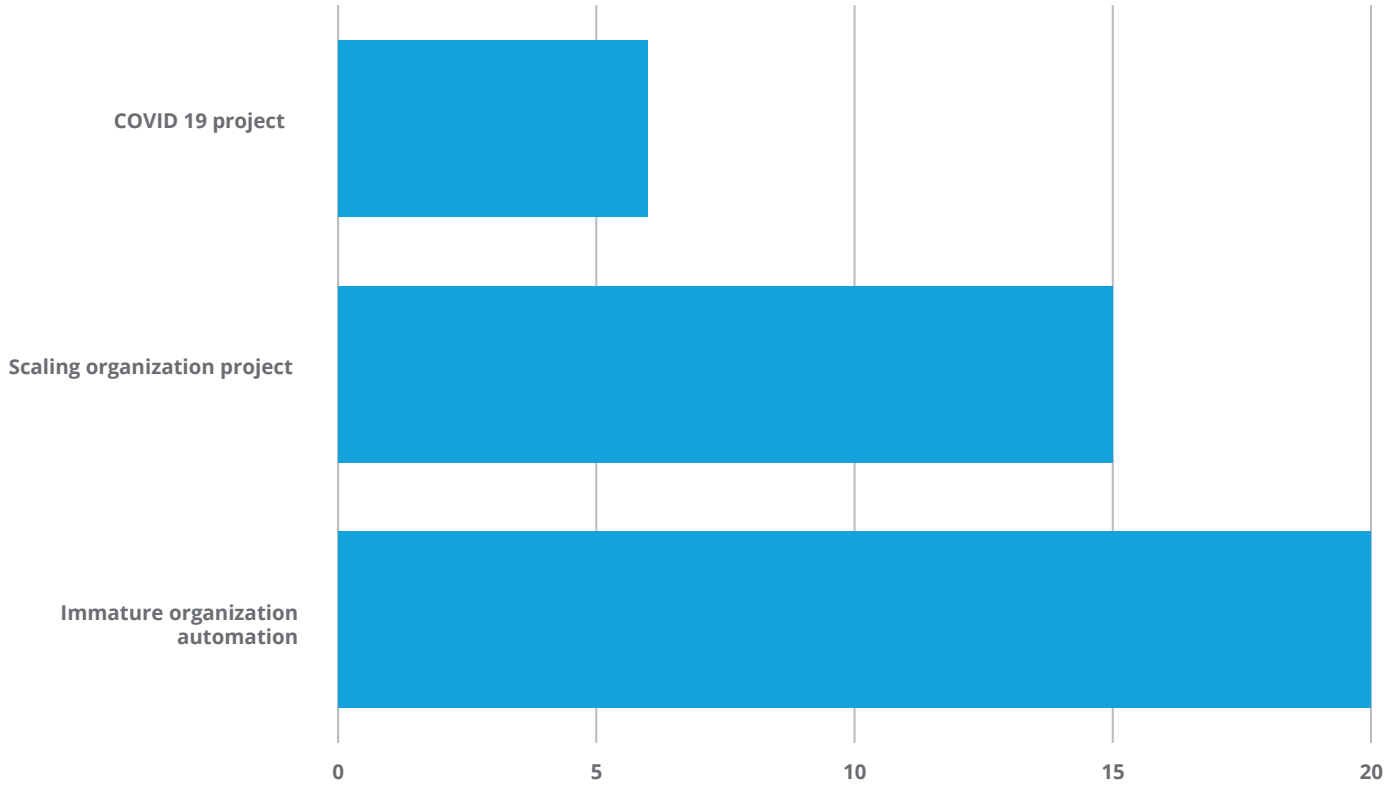
CZ
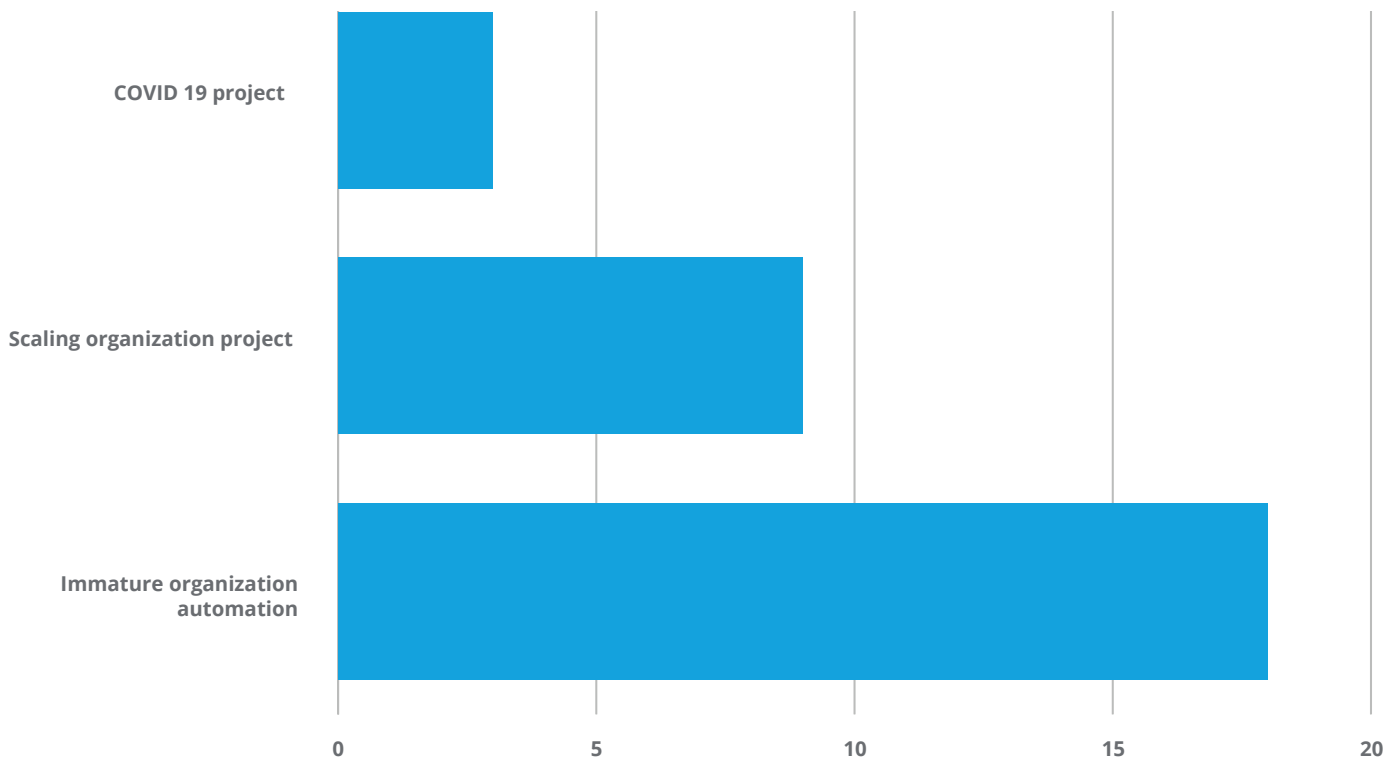
Contacts:

Jan Hejtmánek
Director
jhejtmanek@deloittece.com
+420 731 685 523

Milan Kulhánek
Partner
mkulhanek@deloittece.com
+420 737 264 130