



The many benefits of using intelligent automation to enhance ERP-enabled business processes



Today, companies can no longer afford to rely on legacy ERP systems alone to manage some of their most important business functions. Change was already in the air—and then the pandemic raised the bar, accelerating the pace of digital transformation and forcing companies to adopt new ways of working.

But there's good news: Intelligent automation can enhance ERP modernization efforts by optimizing processes by far greater levels than what an ERP can do, driving real business benefits. These benefits include reducing manual effort and intervention, optimizing the use of employee time, reducing process cycle times, increasing employee satisfaction, increasing quality, and gaining better management of operational data – all of which are fast-becoming table stakes for any business.

In a new survey of IT leaders by IDG, 86 percent of the respondents reported planning to upgrade or purchase a new ERP solution over the next 12 months,¹ creating significant opportunity for those organizations to evaluate their ERP strategy and the right approach for integrating automation. This white paper presents the IDG survey findings and details the benefits of leveraging automation for processes around ERP systems.

WHAT'S DRIVING THE ERP MODERNIZATION AGENDA?

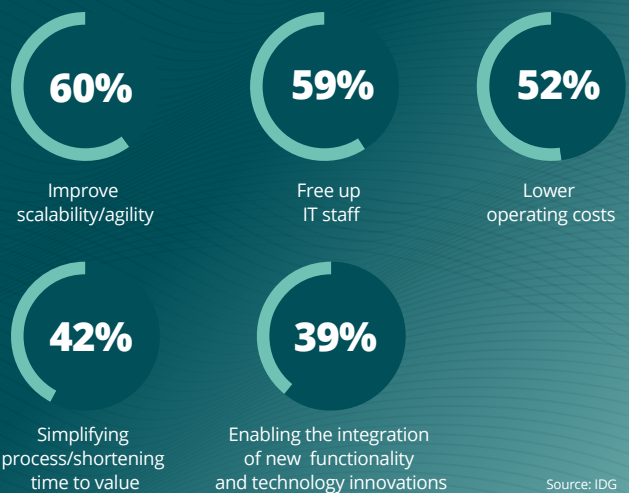
Although organizations have relied on traditional ERP systems for decades, there is more incentive than ever for modernization and optimization.

It's easy to understand why. Fluctuating economic conditions have accelerated the digital agenda for many organizations as they pivot to adjust to new market realities. Brick-and-mortar retailers, for example, are investing heavily in e-commerce capabilities to offer customers contactless transactions and greater convenience.

Similarly, manufacturers are under increased pressure to collaborate with supplier partners to enhance (or even just maintain) supply chain efficiencies. Fortunately, upgrading to a modern ERP system can help companies pivot quickly, by providing them with deeper, more precise insights into operational efficiencies. In fact, 60 percent of the survey respondents said that a modern ERP system will improve scalability and agility, greatly enhanced by the collaboration with intelligent automation solutions (see Figure 1).

Figure 1:

WHAT'S DRIVING ERP MODERNIZATION



THE STATE OF AUTOMATION

Even in these challenging times, 89% of IDG survey respondents have allocated 20% or more of their organization's IT budgets for automation strategies over the next year. And more than half (58%) report that the pandemic has accelerated their timeline for applying intelligent automation to ERP enabled business processes.

Process automation has historically been thought of as a back-office tool. It's true that highly transactional, high-volume, and error-prone back-office tasks are ideal candidates for automation, but the use of automation for front-office applications is growing rapidly. Survey respondents noted that 42% of intelligent automation was applied to front-office functions.

Consider, for example, how intelligent automation is transforming marketing and sales functions. Historically, driving marketing and sales activities required time intensive efforts to create tailored approaches to customers, and ability to go manually pull data to inform customer interactions. Automation is now simplifying this process. AI enabled automation is helping to automatically tailor marketing messages to customers and consumers based on a variety of factors, sorting through the massive amounts of data generated and captured to predict customer behaviors. The result: reduction of manual tasks (freeing workers for high-value work), a more tailored and efficient process, and enhanced revenue generation and capture.

Despite the adoption of ERP complimentary business process automation, plenty of opportunity remains for organizations to drive increased benefit. Of the 63% of organizations that leverage automation around their ERP, only 27% say their systems are leveraging "intelligent" automation capabilities- a missed opportunity to capitalize on the power of Artificial Intelligence (AI). Additionally 37% of ERP processes remain fully managed by humans, leaving significant untapped potential.

THE REWARDS OF INTELLIGENT AUTOMATION

Challenges aside, transcending the traditional boundaries of back-office and rules-based functions to implement intelligent automation can deliver enormous business benefits.

For instance, a procurement organization might spend hours manually reviewing supplier contracts to ensure they meet the most stringent regulatory and compliance standards. By leveraging intelligent automation technologies, the retailer can take advantage of "digital labor" to do the work of extracting and understanding contract compliance items.

A holistic intelligent automation solution might look like the following: An intelligent document processing tool automatically identifies the specific language in a contract that may trigger accounting implications. The tool leverages machine vision/ocr to ingest the text, NLP /Machine Learning understand and classify the text and continually improve over time, while robotic process automation automatically delivers an email to those who must review the contract and make a final determination.

¹The survey was conducted online in the United States between October 24, 2020 and November 5, 2020 among

100 ERP technology decision-makers at enterprise organizations.

A commissioned study conducted by International Data Group on behalf of Deloitte Consulting LLP, 2020.

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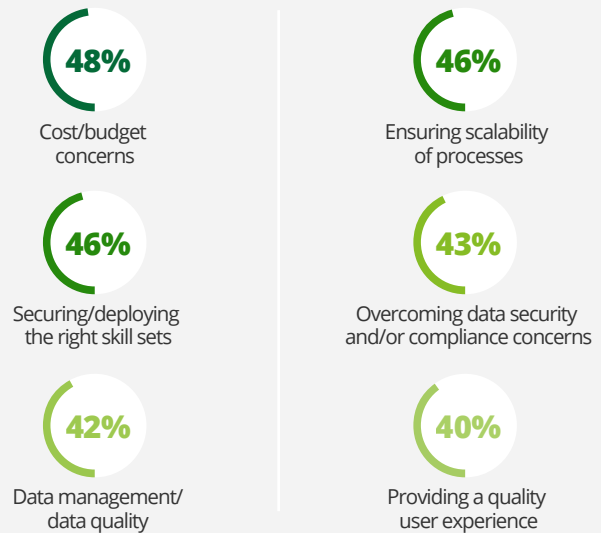
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CHALLENGES ABOUND

Organizations have found a number of factors preventing them from automating ERP enabled business processes. This includes the number one issue identified: the lack of integration of applications and data, say 55% of respondents. Many organizations are dealing with legacy systems and data, making it difficult and costly to try to automate business processes from end-to-end.

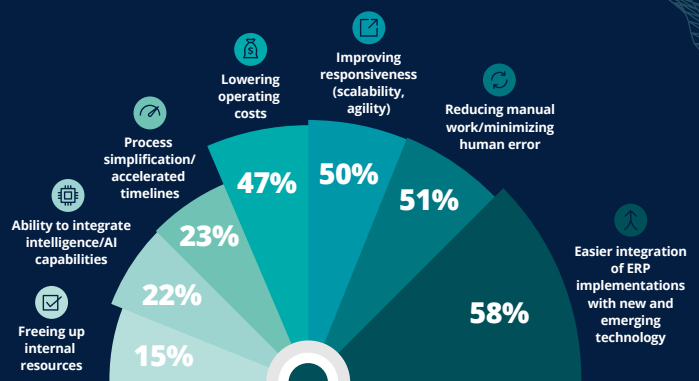
Another hindrance: organizational planning and change management, say 52% of respondents. Beyond the complexity of automating tasks across a fragmented process and system landscape, organizations are recognizing that value realization requires efforts beyond just implementation of automation.



Source: IDG

Figure 2

TOP BENEFITS OF ENHANCING ERP MODERNIZATION WITH AUTOMATION



Source: IDG

THE BOTTOM LINE

Upgrading a system's capabilities is the first step in any ERP modernization effort. Beyond that, intelligent automation can help take ERP technology to the next level by improving decision-making and augmenting human intelligence for a clear competitive advantage.

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