



## Robotics in Federal Financial Management

Process Robotics drives operational efficiencies, helps improve workforce productivity and addresses funding shortfalls

Federal organizations are under pressure to optimize their operations and reduce their manual and high labor intensive operations. OMB issued a memo on April 12, 2017 titled Comprehensive Plan for Reforming the Federal Government<sup>1</sup>. This memo instructs federal organizations to rethink how they do business. Specifically, OMB directs organizations to better leverage technology and improve underlying business processes. And that agencies should identify opportunities where adopting new technology will automate processes and can result in increased efficiency and budgetary savings. To address the OMB challenge, many Federal CFOs are turning to quick-win light software that can be inexpensively implemented in weeks and offer immediate value. Deloitte Process Robotics (DPR)<sup>2</sup> is one such tool that is already implemented across much of the federal government.

### What is Deloitte Process Robotics?

DPR is simple computer-coded, rules based software 'bots' that automate human activities for repetitive, rules based tasks. DPR uses software bots to record actions that a human takes to complete a computer-based task, and then replicates those actions at the same security setting as the

user. Bots operate in the user interface layer where they automate processes without compromising the underlying information technology (IT) infrastructure. Bots follow prescribed protocols and procedures with precision, enabling increased compliance and cost efficiencies. DPR was first deployed in the federal government in 2016 to address unfunded mandates, a shrinking workforce, and excessive contractor spend. DPR produces Digital Labor 'bots' capable of handling rules-based finance processes. From purchase requisition to funds distribution to financial reporting, DPR is able to rapidly increase and improve processing times, increase accuracy, provide a 3-5x improvement in throughput, and strengthen internal controls to support audit readiness and sustainment<sup>3</sup>.

### Why Finance?

Process Robotics is applicable to any organization that has repeatable, manual, rules-based processes—so why is the Finance function a good place to start? In today's environment, many budgets are being updated to shift funding to mission-related activities. Failing projects and

back offices are often taking the hit. The Finance function is filled with repetitive, but necessary tasks. As budgets shift from Finance to the mission and hiring freezes loom, having a Digital Finance Workforce may be the only option to maintain operations and keep the lights on for the organization.

Funds control, spend plans, accruals, audit preparation, JVs, account reconciliations, travel processing, PP&E—the opportunities for Process Robotics in Finance are vast. By focusing on finance function businesses can take the lead on solutions that can drive operational efficiencies across the enterprise, and offer a real answer to the question "how can I do more with less?"

Two simple questions can help determine if you should use Process Robotics:

The most often asked question is 'Can I use DPR on my processes?' There are two simple diagnostic questions to determine applicability of DPR to your business challenge:

- Is the process a computer-based task that a human can do?
- Is the process rules-based?

If you answered 'yes' to these two questions then you should consider using DPR. Answering yes then leads to thinking about where DPR could be applied in Finance. We have built bots for various financial processes to include:

- Budget Forecasting, Planning and Execution processes
- Billing and collections, accounts receivable
- Allocations, Reconciliations, and year end closing
- Financial and external reporting
- Invoice payments and payment tracking

Once you have determined that DPR can be used, then the conversation shifts to the business case for using DPR. DPR has been implemented in the federal government to handle financial management processes, such as Funds Distribution, within weeks and has an average payback period of less than a year.

### Key considerations to implementing Process Robotics in Finance Operations

As federal agencies begin to embrace Digital Labor capabilities, such as DPR, there are four key financial considerations that should be addressed by CFOs.

### Getting Started...

**First**—Don't overthink: Sounds simple, but most put too much thought into the decision. Just reach out and start the

conversation. You will likely find that that conversation leads to an understanding of the capability, which leads to ideation sessions on how it can be applied, which leads to a pilot project that can be implemented in weeks. At that point, don't be surprised if it becomes contagious and there is growing support for a 'bot'!

**Second**—Be open-minded: Innovation can be both a positive and scary thing. Positive in that innovation, such as DPR, can be really powerful and rewarding when implemented correctly. Scary in that innovation can be disruptive and costly when done incorrectly. To help make this a positive, powerful and rewarding business decision, it's important to find a trusted partner with a track record of successful implementations. Talk to your fellow government executives to understand their experience and leverage that to select the right business partner.

**Third**—Involve the right people: Get key decision makers involved early in the process. Process Robotics can benefit all organizations across the enterprise. If possible, you should bring your leadership in early, partner with your CIO, get buy-in from your CTO, pull in the Mission-side. One of the most common delays in the deployment of Process Robotics is lack of education. Communicate early, often, and to the right people.

## Conclusion

DPR can be an effective solution not only for automating repetitive processes, but also for improving an entity's processes subject to audit and contributing to effective financial management. Bots not only follow prescribed protocols and procedures with precision, but they also capture and maintain complete audit trails and automate reporting to strengthen the audit process. Demonstrated benefits for the finance organization include access to more audit data in a standardized, reliable, and consistent format and automated reporting that enables the workforce to focus on analysis and decision making (vs. manual data collection and consolidation).

### 4 Key Considerations in Implementing DPR in Finance Operations:

01. Having access to the right data and safe guard data security
02. Improving data accuracy by elimination of error introduced by manual data entry
03. Eliminating wait-time and increase speed to timely transaction processing and reporting
04. Embed regulatory business roles to increase compliance with Federal Regulations

Figure 1: 4 Tenets of Financial Management

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<sup>1</sup> Reforming the Federal Government: <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2017/M-17-22.pdf>.

<sup>2</sup> Deloitte Process Robotics paper: <https://www2.deloitte.com/us/en/pages/public-sector/articles/process-robotics.html>

<sup>3</sup> Federal Audit within a Digital Labor Environment <https://www2.deloitte.com/us/en/pages/public-sector/articles/federal-audit-for-robotics.html>

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