Case Study

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Implementation Decision of Robotic Process Automation

Anjan Kumar Swain[1]

[1]Professor, Information Systems Area, Indian Institute of Management, Kozhikode, IIMK Campus PO, Kunnamangalam, Kozhikode, Kerala 673 570, India;
Email - akswain@iimk.ac.in, Phone Number - 0495-2809246

Implementation Decision of Robotic Process Automation

This was the first few days of Ms. Suman joining as the Chief-Finance Officer (CFO) in a relatively large company with a turnover of 500 crores. She could realize that the company is following the conventional paper-pen based auditing process, which is tedious and consumes lot of their man hours. Fortunately, Suman has had a good experience on implementing an automated process known as Robotic Process Automation (RPA) in the previous company and due to which the company saved at least 20% on their audit expenses. She was quite sure that RPA implementation in the present organization can befit the company and streamline the existing accounting practices followed there. She started exploring on producing a proposal for the implementation of the RPA in the present organisation in line with the implementation completed in her previous company.

RPA implementation involves costs associated with its development, maintenance and infrastructure setup. Normally, the opportunity of implementing RPA is assessed and then the software development process is initiated. The software development involves planning, design, development, testing and deployment of the final software. In addition to the expenses on these heads, there will be additional expenses on consultant hiring, tools and technologies and their configuration with the existing system. Some other operational expenses incurred afterwards in post-installation stage of the RPA like validation and verification of applications, and any changes incorporated due to that, regular and preventive maintenance, employee training and hiring etc. These figures are given in Exhibit I. Negative values in the exhibit indicates that many units prior to the start of the project. Licensing and storage costs are included in the hosting cost.

The RPA tools when used for audit need to extract invoices effectively and intelligently from invoices of varieties of types and forms. Also it may be needed to merge or in some occasions split a file, so it must be equipped with these facilities. Presence of many different files which are changing constantly in size, shape and numbers need to be tracked and managed properly. This facility is required to be part of the RPA software. Bar-code and QR code reader are must for inputting data to the system.

 With the implementation of the RPA there will be an overall savings of between 40 to 80%. You need to take a decision to whether to go for the implementation of the RPA in the organization. But the major challenge is to analyse the situation under uncertainty in the implementation and cost recovery. Take necessary assumptions on analysing the situation.

Exhibit I

	Expenses in Rs.	Time of Investment from 0th week	Time Required
Consulting	(3000-20000)per hr	0	96-120 hrs
Training	(50000-1,00,000) per hr	-5 weeks	18-30 hrs
Hosting Costs of bots	(10000-200000) per month per bot	16-24 weeks	----
Miscellaneous	(2000-5000) per month	16-24 weeks	----

Research Office
Indian Institute of Management Kozhikode
IIMK Campus P. O.,
Kozhikode, Kerala, India,
PIN - 673 570
Phone: +91-495-2809238
Email: research@iimk.ac.in
Web: https://iimk.ac.in/faculty/publicationmenu.php