

2020 REPORT

The Real State of Automation Progress



Insights into closing the digital maturity gap

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INTRODUCTION

Companies Understand the Impact of Digital Transformation

Companies across industries understand that to remain competitive in today's digital landscape, digital transformation is more than just a recommendation — it's a requirement.

To make digital transformation a reality, companies must automate processes that fuel operational efficiency as well as the achievement of both short- and long-term organizational goals. Business leaders are encouraged and excited by automation's potential to make jobs easier and more valuable, and 57% of companies surveyed by McKinsey say they've begun piloting automation processes. But organizations face challenges to scale these efforts.

While automation efforts have become standard business practice for achieving meaningful transformation, there's less clarity about where these efforts stand.

Different businesses and stakeholders report different challenges in reaching automation maturity, from budgetary concerns to effective change management solutions. Without consensus, it's difficult for decision makers to identify a path forward.

But leaders aren't powerless against digital innovation stagnation. With the right tools, strategies and organizational structure, leaders can — if they haven't already — execute smooth digital evolution journeys that result in engaged workforces, company growth, higher market share and value, cost savings and a new competitive edge.

Methodology

To understand the state of digital transformation and the scaling of automation across enterprises, Catalytic conducted a cross-industry survey of 600 enterprise C-suite leaders*, department directors and managers, including dedicated automation leaders.

Catalytic wanted to know

1

Where do businesses see themselves compared to competitors in terms of maturity of automation efforts?

2

How equipped are companies — and specific departments — to take process automation to the next level?

3

Who is involved in making decisions about automation? Does this vary between departments/companies?

4

What's holding companies back from reaching automation maturity?

* All respondents work at companies with more than 250 employees and belong to statistically notable cross-departmental subsets in automation & IT, finance, human resources, operations and procurement

INSIGHT

The big takeaway

While all departments see the potential in automation, organizations need to rethink roles and responsibilities.

Most companies rely heavily on IT departments to drive automation without engaging managers and directors across other departments, limiting the scope of implementation and confining organizations to incremental — not transformational — change.

Key Findings

Enterprise overreliance on centralized models for automation hinder them from reaching maturity.

IT bottlenecks — the biggest enterprise challenge to reaching digital maturity — indicate a need to distribute automation efforts across organizations.

The workforce feels optimistic about the potential automation holds to make jobs easier.

Most enterprises have put automation plans into action, but some of their deployment strategies create roadblocks and a lack of consensus.

While C-suite leaders feel optimistic about their organizations' automation progress, managers tell a different story.

C-suite leaders rate the maturity of their organizations' automation as much farther along than their managerial counterparts, highlighting the need for more communication and collaboration across hierarchies.

Companies must reimagine the roles individuals play in the automation conversation.

Automation leaders are prioritizing upskilling beyond IT to prepare for the workforce of the future — yet automation initiatives remain centralized, contributing to the lack of department-specific confidence in automation skills.

INSIGHT

Structure of automation initiatives:

Centralized: Process is owned and implemented by a dedicated IT team.

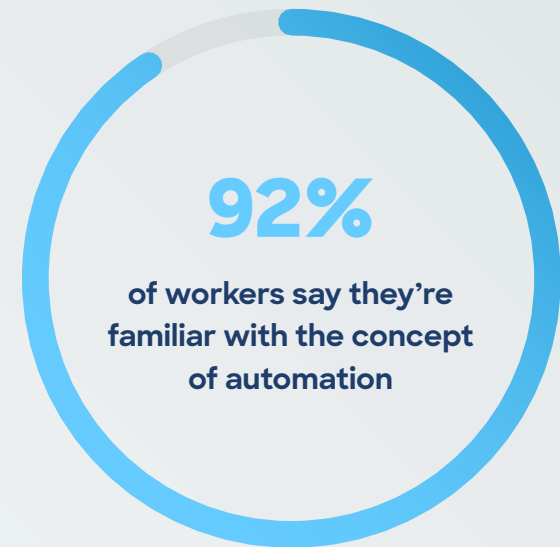
Distributed: Responsibilities are distributed across departments and carried out by business users with IT providing centralized governance.



SECTION 01

Understanding Doesn't Lead to Implementation

Automation is no longer a conversation that's held by the C-suite behind closed doors. Employees across roles are familiar with automation and are hopeful it can make their jobs easier. Access to meetings about the what, who and how of automation, however, remain dependent on factors like organization size and position within a company.



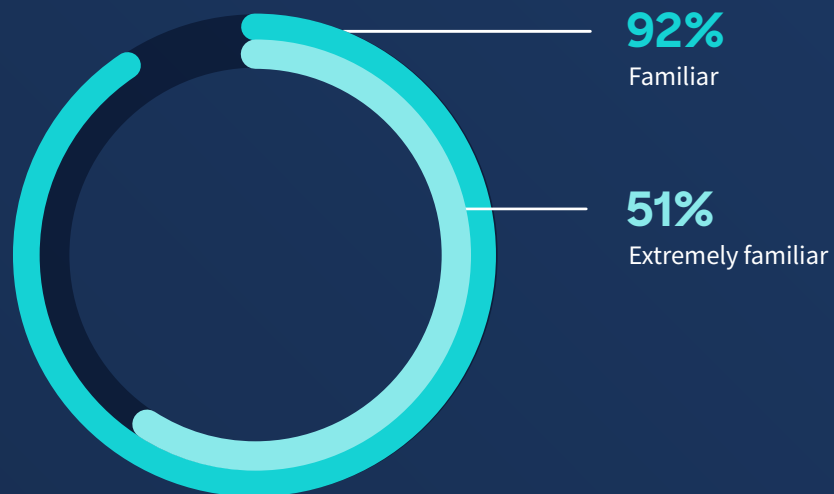
Job positions have an impact on automation ownership

The concept of process automation has taken hold for enterprise managers and above across enterprise departments. The degree of familiarity, however, is imbalanced across organizations. Familiarity increases as you ascend the corporate ladder — particularly those who say they're extremely familiar.

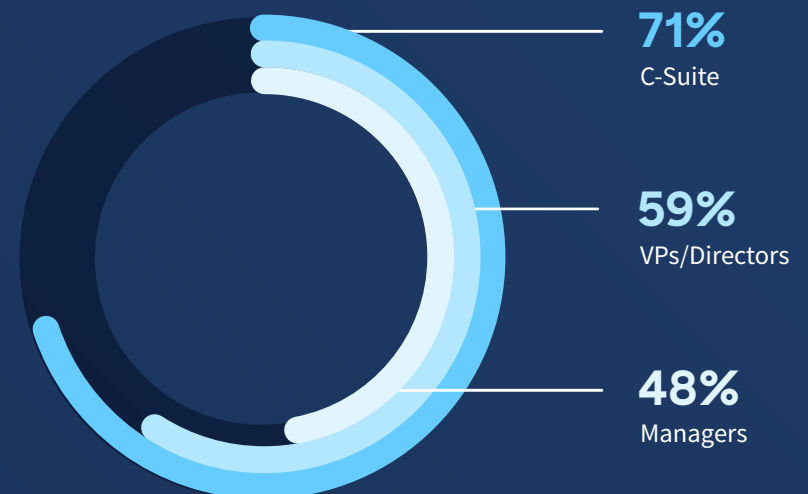
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Only 41% of managers say they are extremely influential in decision making.

Degree of familiarity with process automation overall



Positions extremely familiar with process automation



The conversation looks a little different when we go a step beyond awareness. The notable majority of managers and higher-ups cross-departmentally (89%) say they're plugged into process automation decision making at their enterprise. Again, participation in decision making increases as employees move up in ranks.

But just being a part of the conversation doesn't necessarily lead to holding authority when it comes down to purchasing a new tool or building an implementation strategy. Only 41% of managers say they are extremely influential in decision making, meaning there could be more room to involve frontline employees in decision making and implementation — whether that's through introducing a low-code platform that allows business users to automate their own departmental processes, or bringing in frontline employees to scope out automation projects.

Positions plugged into process automation

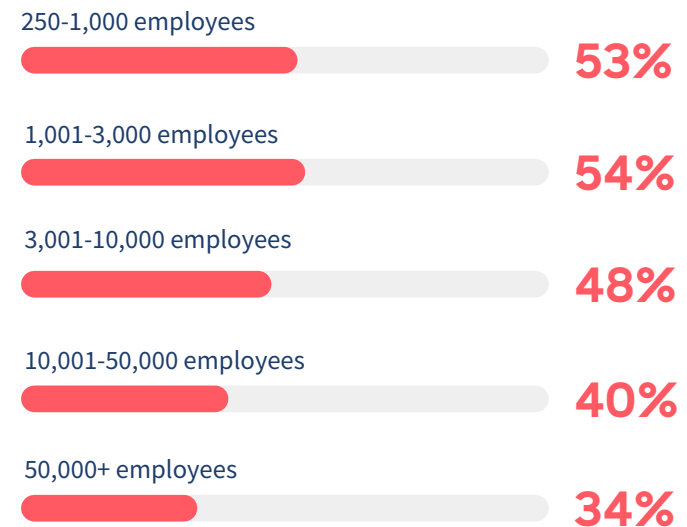


INSIGHT

Organization size determines who's automating

As expected, managers at smaller organizations are more likely to deal with automation decisions directly than those at larger firms.

Managers who are plugged into automation conversations



The workforce is ready to automate – and get involved

Despite frequent articles pining about the ways automation tools will result in major layoffs, workers' views have evolved to identify the potential for new technology to support rather than replace a workforce. The vast majority of respondents are optimistic automation will make their jobs easier (93%).

Employees who aren't as sure about automation's potential tend to know less about what it entails. The more familiar people are with automation, the more they see its potential to make their jobs easier. That means the more enterprises work to educate their frontline about key concepts and benefits of automation, the more optimistic they'll become about its potential – and the less worried they'll be about it taking their jobs.

“

51% of all respondents think automation will make their jobs significantly easier.

Employee familiarity with automation drives optimism about its benefits

Optimism when **extremely familiar** with automation



Optimism when **somewhat familiar** with automation



Optimism when **mostly familiar** with automation



Optimism when **extremely unfamiliar** with automation

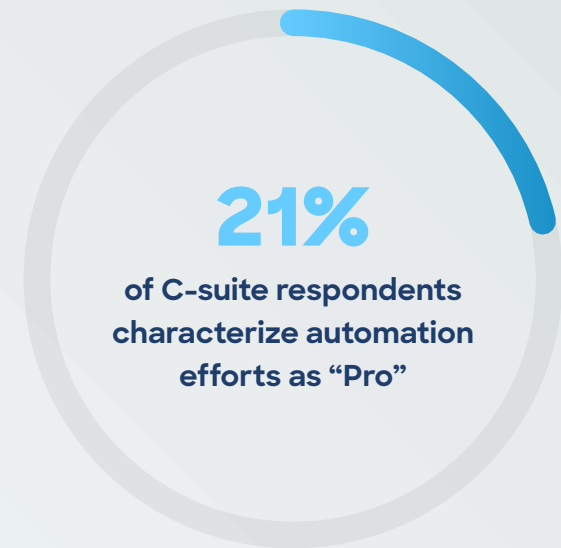




SECTION 02

Scaling Automation Efforts Enterprise-wide

Although most companies successfully pioneer pilot projects and roll out grand plans for digital transformation, many leaders see projects fall apart when they move to scale at the enterprise level. Perceptions about the organization's progress paint a rosier picture than reality, but some leaders are genuinely breaking through the walls — often due to key differentiators such as company size and the structure of automation efforts.



A rosy view from the top

It's important for automation initiatives to come from the top. But even though C-suite leaders make the aspirational decisions about automation, they aren't involved with the day-to-day, frontline challenges of implementing change.

Only 9% of enterprise leaders we surveyed characterized their companies' automation efforts as being at the "Pro" level or agreed that, "Automation solutions are optimally deployed and configured organization-wide, working seamlessly with humans to drive peak value." So, while a majority of leaders (79%) feel confident enough in their enterprise's automation efforts to

characterize them as either "Intermediate" (pilots underway) or "Advanced" (scaling up organization-wide), there is still work to be done across the board to level up these efforts.

Enterprise leaders' (managers+) characterization of automation efforts



* Pilots underway

** Scaling up nationwide

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Top challenges to advancing automation initiatives

- 1 IT bottlenecks/delivery timeframes
- 2 Reliance on legacy technology
- 3 Budgetary restrictions

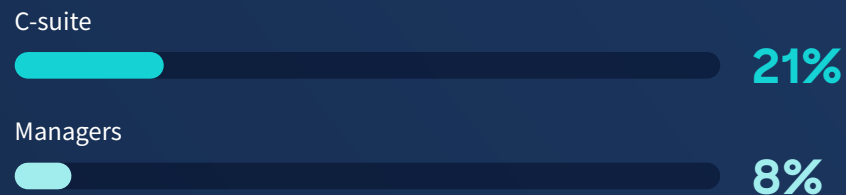
The C-suite is much more likely than managers to characterize automation efforts as “Pro,” indicating that perhaps their view from the top is a little clouded and aspirational, and once you get to the ground level — where most managers do their jobs — you see a less rosy picture because you’re faced with the frontline challenges of practically realizing a process automation vision. This means that even when companies introduce new costly automation technology, it’s not always integrated in a meaningful way.

Similar to the C-suite, a company’s automation and IT leaders — groups at the forefront of decision making — feel satisfied with their efforts. Perhaps because they’re rating their own work, automation managers tend to rank their companies’ maturity with regard to tech/automation more highly than respondents overall.

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When companies introduce new costly automation technology, it’s not always integrated in a meaningful way.

Automation maturity rating: “Pro”



Automation maturity rating: “Ahead of peers”



Are smaller organizations ahead of the curve on new tech adoption?

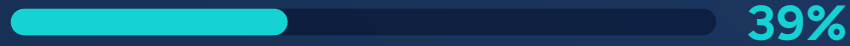
They think so. Leaders at smaller organizations are more likely to rank their organizations as significantly ahead of industry peers in terms of adopting new tech. Small companies' belief that they are ahead of the curve could indicate that they see automation as a strategy for achieving competitive advantage against larger peers. Managers at small companies are more likely to deal with automation decisions directly than those at larger firms, implying there's more cross-company involvement — and since there are fewer processes to automate, less data and fewer tools to integrate, agile digital transformation may simply be easier in small organizations.

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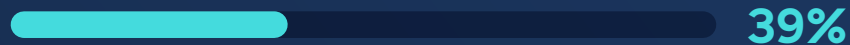
Managers at small companies are more likely to deal with automation decisions directly than those at larger firms.

Employee belief that their organization is significantly ahead in new tech adoption based on number of employees

250-1,000 employees



1,001-3,000 employees



3,001-10,000 employees



10,001-50,000 employees



50,000+ employees



Unique approaches to automation can make all the difference

The vast majority of organizations surveyed take a centralized approach to automation. Decisions and the implementation of automation are owned by a single dedicated team — generally a combination of IT and C-suite leaders. It's much less common for organizations to distribute efforts across departments and teams.

But companies taking a distributed approach feel more confident with their automation approach. Organizations with distributed implementation strategies to automation were most likely to consider their automation efforts as significantly ahead of industry peers.

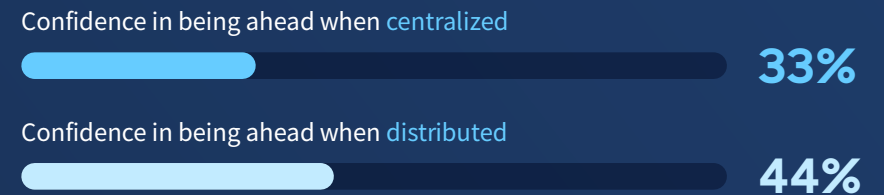
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Companies taking a distributed approach feel more confident with their automation approach.

Structure of automation efforts



Employee confidence in their organization being significantly ahead of its peers based on structure of automation efforts



Most automation leaders (69%) say automation and digital transformation initiatives have delivered a higher ROI than expected, regardless of how their companies opt to structure the journey. But those who use a distributed approach to automation are more likely to perceive the ROI as much higher than expected. This approach may lead to better reported outcomes because

the distribution of ownership for process automation across an organization mitigates problems related to IT bottlenecks and a lack of confidence across departments, in addition to allowing for a more efficient and organic transformation process.

Percentage of automation leaders who rate ROI of automation as much higher than expected based on structure of automation efforts



INSIGHT

FORRESTER

Research from Forrester's Q2 2019 Global Robotic Process Automation Services report

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Sustainable governance also requires a broad view of automation. This includes a cross-business and cross-technology operating model with clear accountability and governance that embraces RPA as well as more intelligent forms of automation. More than 90% of those implementing RPA have yet to achieve this level of enlightened governance.



SECTION 03

Siloed Automation Efforts Create Inertia

One main differentiator between organizations with sophisticated automated processes and those struggling to get past the starting line is the extent to which workplaces feel they have alignment across departments. When people feel they're on different pages than leadership or other teams, it's challenging to overcome core issues that plague any digital transformation initiative. With more team members involved, breaking down barriers becomes a possibility — and so does digital maturity.

Fewer than 1/3

say their department is extremely skilled at handling automation

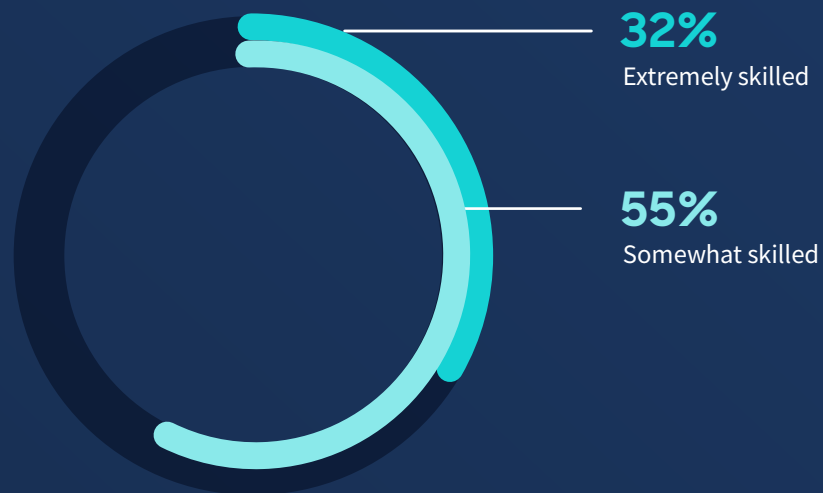
Teams don't know where to go next

Within organizations, there's a lack of consensus about how to take automation efforts to the next level. This is true across departments and roles. Fewer than one-third of respondents characterize their department's staff as "extremely skilled" when it comes to "seamlessly adopting automation-driven solutions."

“

Most department leaders do not feel their department is optimally skilled to handle its implementation.

Employee confidence in their skills in automation



Upper level confidence in employees being extremely skilled in automation



The tech disconnect

IT teams are very confident their department has the expertise to achieve the company’s automation goals (96%). Others aren’t so sure. The vast majority of enterprise leaders from each of the five departments we surveyed are optimistic that automation has the potential to make their jobs easier. But with the exception of IT, most department leaders do not feel their department is optimally skilled to handle its implementation.

This could be because today’s most commonly used platforms are accessible only to developers, leading to long backlogs for automation requests that prevent meaningful outcomes.

Optimism about automation making jobs easier



Feel their department has skills to seamlessly adopt automation tools



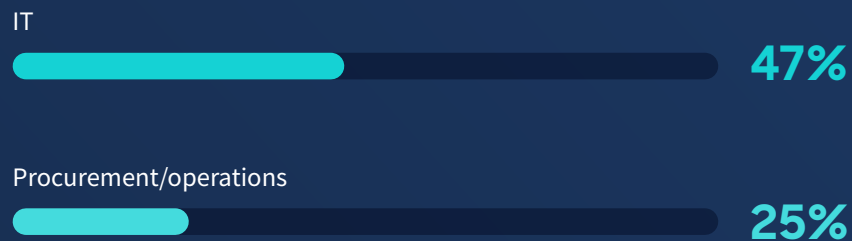
But at the same time, IT isn't blind to the challenges of automation. IT perceives major challenges and is more likely than any other department to rate challenges to automation as "extreme."

More specifically: For each of the 8 challenges our survey asked about, IT gave the highest percentage of "extreme challenge" responses, usually by 10 percentage points or more. In a noteworthy example, 47% of IT respondents rated IT bottlenecks/delivery timeframes an extreme challenge. That's 22 percentage points higher than the departments with the next highest share of extreme responses — procurement and operations.

Just over 50% of IT respondents feel their department has the skills needed to seamlessly implement automation. Even when the awareness and confidence is there, the IT bottleneck comes into play. As automation efforts scale, the traditional responsibilities of IT personnel are becoming outdated. Teams no longer have the capacity to simultaneously maintain day-to-day business processes and implement hundreds of individual automation workflows.

Expecting a small IT team to perfect automation solutions for departments they're not part of lends itself to frequent mistakes and lack of buy-in from specific departments.

IT – the department most likely to rank bottleneck/delivery timeframes as an extreme challenge



Responding to IT's challenges

Achieving a fully scaled automation plan — in which all employees feel their time is spent producing valuable work instead of completing routine office work — won't be possible without rethinking roles within your organization. Enterprises must prioritize tapping into other parts of their businesses and enabling end-users outside of IT to create their own solutions. Positioning managers to identify and implement automation solutions that work for their teams solves this disconnect and helps IT focus on different components of their jobs.

Most companies use a combination of internal developers, external consultants and business users to automate. In addition to helping keep costs predictable and contained by eliminating consultant fees, etc., keeping digital transformation efforts in-house as opposed to exporting work to third parties is crucial, as external consultants skyrocket costs through consulting fees, etc., and lack a holistic understanding of your team and the proper solutions.

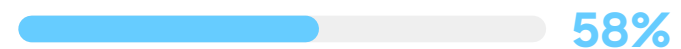
Automation leaders who prioritize upskilling employees outside of IT to prepare their workforce for automation



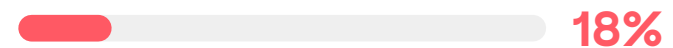
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Business users accelerate automation

Respondents who agree companies are significantly ahead when **over 40% of processes** are automated by business users



Respondents who agree companies are significantly ahead when **under 40% of processes** are automated by business users



Companies that rely primarily on business users to automate processes are much more likely to rate their companies as “significantly ahead of peers” in terms of automation efforts. Allowing more members of the workforce to participate in the process also helps distribute workflows more readily. Younger employees want to help promote digital transformation. But even though they’re plugged into conversations about automation at their companies, for Gen Z, there’s a gap between interest and influence.

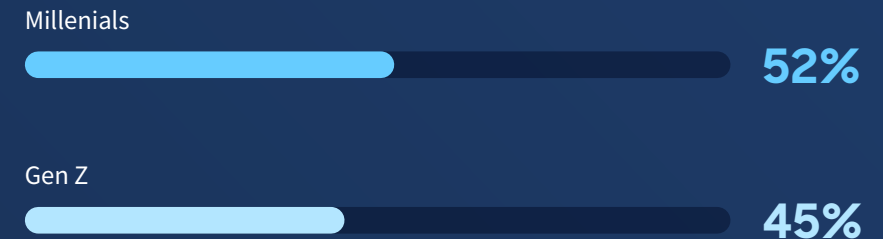
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Enterprises must prioritize tapping into other parts of their businesses and enabling end users outside of IT to create their own solutions.

Respondents who say they’re “extremely plugged in” to conversations about automation



Respondents who say they’re “extremely influential” in decisions about automation



Rethinking roles

Integrating automation in a meaningful way requires businesses to reimagine who uses digital technology across an organization — and how they use it.

The C-suite leader

Take charge as visionary leaders, encouraging buy-in from employees and creating long-term automation goals. But leave the brass tacks to frontline employees and trust them to take charge of implementation.

The IT director

By removing themselves from the weeds of every change request, IT directors can become a support system for managers and provide strategic oversight and governance over automation projects, auditing them to ensure they're optimal and secure.

The manager

Managers in each department need to take automation projects on and build time into their teams' workloads — with guidance from IT. Each department is different, and understands the role of automation and how it can improve their workflow differently.

The frontline employee

Frontline employees know their own workflows best and with proper education on the benefits of automation, should be the individuals identifying and communicating to managers the tasks that are suitable for automation.

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...the cost savings gained from automating a single process can be used to fund department-wide automation.

The automation leader

Deploying automation at scale requires more than deep knowledge of automated processes; it also demands a truly collaborative mindset and an ability to break down cross-departmental silos with a clear and understandable vision — and the right tech to support it.

The non-IT department director

Directors need their fingers on the pulse of progress within their departments, providing an important bridge between C-suite leaders and frontline employees. They ensure projects are carried out safely and with larger organizational goals in mind.

By involving more individuals in your digital transformation journey and allowing them to test, fail and try solutions on a small scale, you can catalyze a chain reaction for automation. When just one employee automates a single process using a no-code solution, the cost savings gained from automating a single process can be used to fund department-wide automation, which then funds enterprise-wide scaling.



SECTION 04

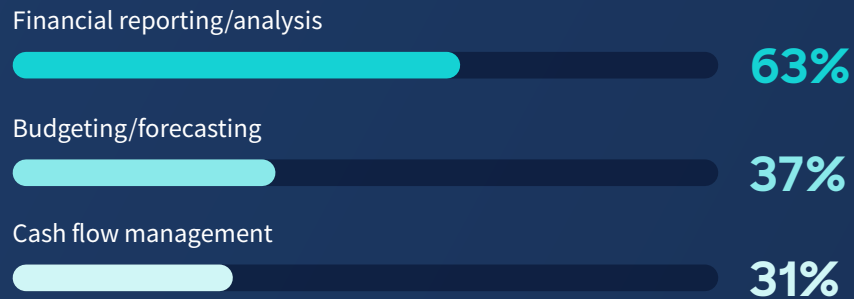
Top Priorities Across Lines of Business

Employees across enterprises see automation as a way to free up time to focus on higher-value tasks. We asked employees which 3 tasks they'd spend more time on if automation freed up 40% of their time.



Where would your employees be spending their time saved from implementing automations?*

Finance



Human Resources



*Employees were asked to pick up to 3

INSIGHT

Challenges to deployment

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Getting the funds to make it happen and making it OK with our clients.

“

We don't have the appropriate budget to support a change.

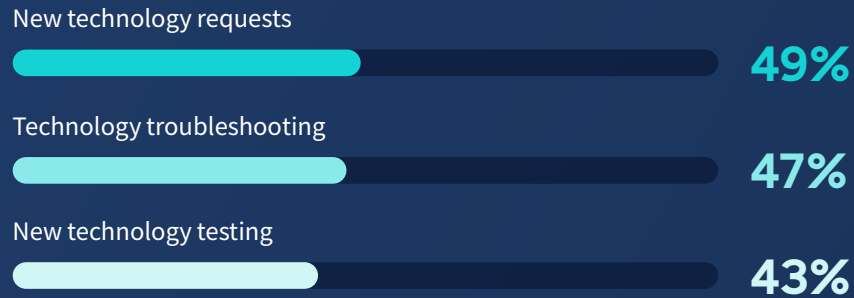
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There are too many processes to automate quickly and effectively.

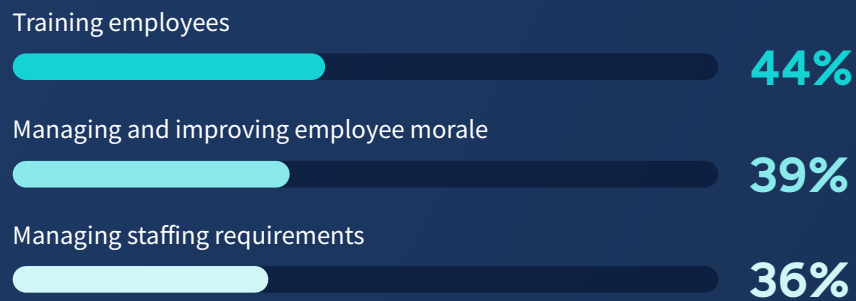
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Prioritizing against other initiatives that tap into the same resources and budget.

IT



Operations



Procurement



*Employees were asked to pick up to 3

INSIGHT

Challenges to deployment

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Financials of talent acquisition and integrating old tech with new.

“

It's hard to find time to complete these types of projects due to conflicting priorities.

“

Getting past the 'we've always done it that way' mentality.

“

It's hard to convince current employees that it will be beneficial and not harmful to their job.

Top 5 departments in which transformative solutions have been deployed*



The top 7 departments that have seen the most impressive outcomes as a result of automation and digital transformation initiatives*

- 1 Customer service
- 2 Operations
- 3 IT
- 4 Procurement
- 5 Marketing
- 6 Accounting/Finance
- 7 HR

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Top processes to automate

- 1 Entering and updating data in systems
- 2 Working in spreadsheets and creating reports
- 3 Tracking progress on projects and following up with people

*Employees were asked to pick up to 3



SECTION 05

Building an Action Plan

Reimagining roles when organizations are equipped with tools that can only be used by developers isn't possible. Decentralizing automation requires the right tools. Catalytic enables this process by equipping companies with technology that makes it simple for end users to automate processes. The accessible platform is a low-code solution, which means that employees only need to have an idea of how their workflow could improve to begin making those changes.

There are thousands of processes ripe for automation in any business — IT can't do it on its own anymore. Using low-code development tools allows IT to broaden its reach and amplify larger-scale projects targeting a whole organization, while business users perform the heavy lifting within their departments.

3.7%

of the average company's headcount reside in its IT department. That means building automations outside of IT gives you 27x more people-power to scale

Automation for all: 3 top-down action items

Moving the needle on innovation requires the elimination of barriers to business-user adoption and distancing yourself from centralized control of technology, creating an “and” rather than “or” process between IT and other departments. Catalytic’s strategic journey is proven to make real digital transformation impact last.

1. Optimize employee efforts and skill sets

IT only represents 3.7% of the average company, and is most effective at providing oversight and governance for projects. When business users deploy their own projects and shift their roles for the future of work, you have 27x more resources to scale, eliminating bottlenecks and requirement gaps, while upskilling employees.

3. Take a collaborative approach

The decentralized model delivers greater impact by doing more with the resources you already have. Through workshops and training, Catalytic helps you unite technical governance with community-driven automation building for self-sufficient growth and limitless innovation.

“

Moving the needle on innovation requires the elimination of barriers to business-user adoption.

2. Succeed through self-service

Catalytic wants you to become your own tech experts, providing the resources, guidance and tools for a strategic journey that will set your business up for self-service — the only way to achieve real transformation. This community-driven change is what most digital transformation initiatives are missing. Why? They’ve never had tools that were easy enough to enable it, until now — with Catalytic. Companies like Bosch and the Mayo Clinic have each automated over 35,000 hours of work using Catalytic tools.



Next-generation digital process automation for large-scale digital transformation

The combination of decentralized efforts and Catalytic's technology helps automation become an ongoing process that's a collaborative effort across functions, a means to achieve bigger things than naming automation as an end goal.

Catalytic's platform transforms the way work is done with automated workflows that connect people, data, and systems. The end result is a faster, leaner, and digitized business with employees focused on more meaningful work.

Proven by customers like Bosch, Dentsu Aegis Network, Mayo Clinic and UL, Catalytic is unlocking up to 5x returns, improving customer experiences and increasing competitive edge for companies globally.

With Catalytic...

- 71% of builders are non-technical users, enabling democratization with technical COE governance.
- On average, it takes 7 hours to build a process.
- For every 1 hour spent building, gain 26 hours of time savings.
- Customers typically build more than 50 automations within the first 6 months, reaching scale and impact quickly.

Ready to break through into the future of digital innovation?

Visit Catalytic.com

Learn more