



# Robotic Process Automation powers up financial sector firms



# Introduction

Robotic process automation takes the robot out of the human; the definition from London School of Economics' Professor, Leslie Willcocks encapsulates what smart organisations look to achieve.

Robotic process automation (RPA) is not intended to replace people – but to free them from the mundane, augmenting them and giving them more time to invest in truly value adding work. Intelligent application of RPA can also help a finance firm manage its regulatory and compliance obligations ensuring issues such as Know Your Customer and Anti Money Laundering rules are followed properly.



For finance sector businesses, particularly mid-tier firms which are challenged by both larger traditional rivals and digitally fueled disruptors, the impact of Robotic Process Automation (RPA) can be profound.

Research from the McKinsey Global Institute estimates that 40 per cent of finance activities can be fully automated, a further 17 per cent mostly automated.

Early RPA initiatives often strapped what amounted to large software macros across existing pieces of work. Yes there was benefit – but the full value of RPA is realised only when organisations embrace it in concert with a review and optimisation of their business processes.

Blumark is a specialist enterprise content management and business process consultancy established in Brisbane in 2008. Partnering with IBM and Hyland OnBase, the company works with clients across Australia and New Zealand to optimise workflow and content processes for businesses in banking, insurance, engineering, resources, utilities and education.

Step one is to examine existing business processes and identify opportunities for optimisation.

As technology analyst Gartner famously noted about automation, there's no point in paving the cowpaths.

Mark Grimes, Blumark managing director, explains that; *"We specialise in providing case management solutions – anything that hangs around a specific entity – a customer, a loan, a claim. We bring together all the unstructured information alongside the structured information, then layer workflow on top of that to allow organisations to make the best decisions."*

*"The benefit of RPA is that it removes many of the repetitive, mundane tasks that are currently preventing people from making good decisions more rapidly."*

Grimes says that the time savings vary according to how RPA is deployed and the issue being addressed – but that time savings of 40 per cent are typical.

There are further savings available. Gartner says RPA routinely costs a third of the price of an offshore employee and a fifth of the cost of a local employee. However, most enterprises don't replace workers – instead they redeploy them to value-adding tasks because routine processes are automated.

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# Business Ally

One second tier financial services institution – a mutual – which has worked with Blumark to deploy IBM's Case Manager is using the platform for document and workflow management to provide lender support.

Like many mutuals the organisation faces a challenge around management of legacy information systems.

IBM Case Manager acts as an ally by providing bank employees with persistent access to critical information, workflow tasks and important analytics.

Working with Blumark the mutual identified all the documentation and workflow around the management of a loan, captured that information in a single location, and then automated the workflow management.

Documents are verified automatically, the settlement is tracked, as is the management of the loan conditions, because the system becomes a single view repository and workflow orchestrator throughout the life of the loan.

The bank is now looking to extend its use of process automation, particularly around manually intensive tasks, such as cheque dishonouring. The mutual is now automating what had previously been a manual process involving staff performing checks to see if a customer had funds in other accounts to cover the cheque. The platform handles 80 per cent of all dishonoured cheque queries with just 20 per cent going to bankers for exception management.

RPA has not only accelerated bank processes but injected conformity and consistency into those processes. It's helped automate what were previously quite clunky manual processes and introduced efficiencies.

The increased efficiency is particularly important for the bank as it looks to leverage the New Payments Platform for fast, data rich payments. It also helps meet customer expectations around accuracy and currency of information.





## Clear Impact

According to Mark Grimes the impact of RPA means that; *"Out of the box we would be expecting to get a 40 per cent minimum increase in productivity."*

Add in process optimisation and streamlined workflow and the impact can be even greater.

*"This allows organisations to increase the growth of their business without increasing the number of people. It's about doing more with the same – and there's a reduced requirement to outsource some functions,"* because of enhanced productivity.

Kuah Ann Thye, a digital business automation specialist working with IBM across Asia Pacific, says that when applied to loan processing RPA can have significant impacts.

*"The loan processing cycle is a complex choreography of human, document and channels. The turnaround time can be a few days,"* he says.

RPA can help collect information and manage the processes needed to acquire a customer, open an account, process a loan application, manage the acceptance or rejection, provision an account for approved loans, and then manage the collection processes for loan repayments.

Refining the process and then automating much of the information gathering, verification and collating into a single repository to provide a full view of the customer is an important way to optimise the process. The key business driver for RPA is the search for a competitive edge.

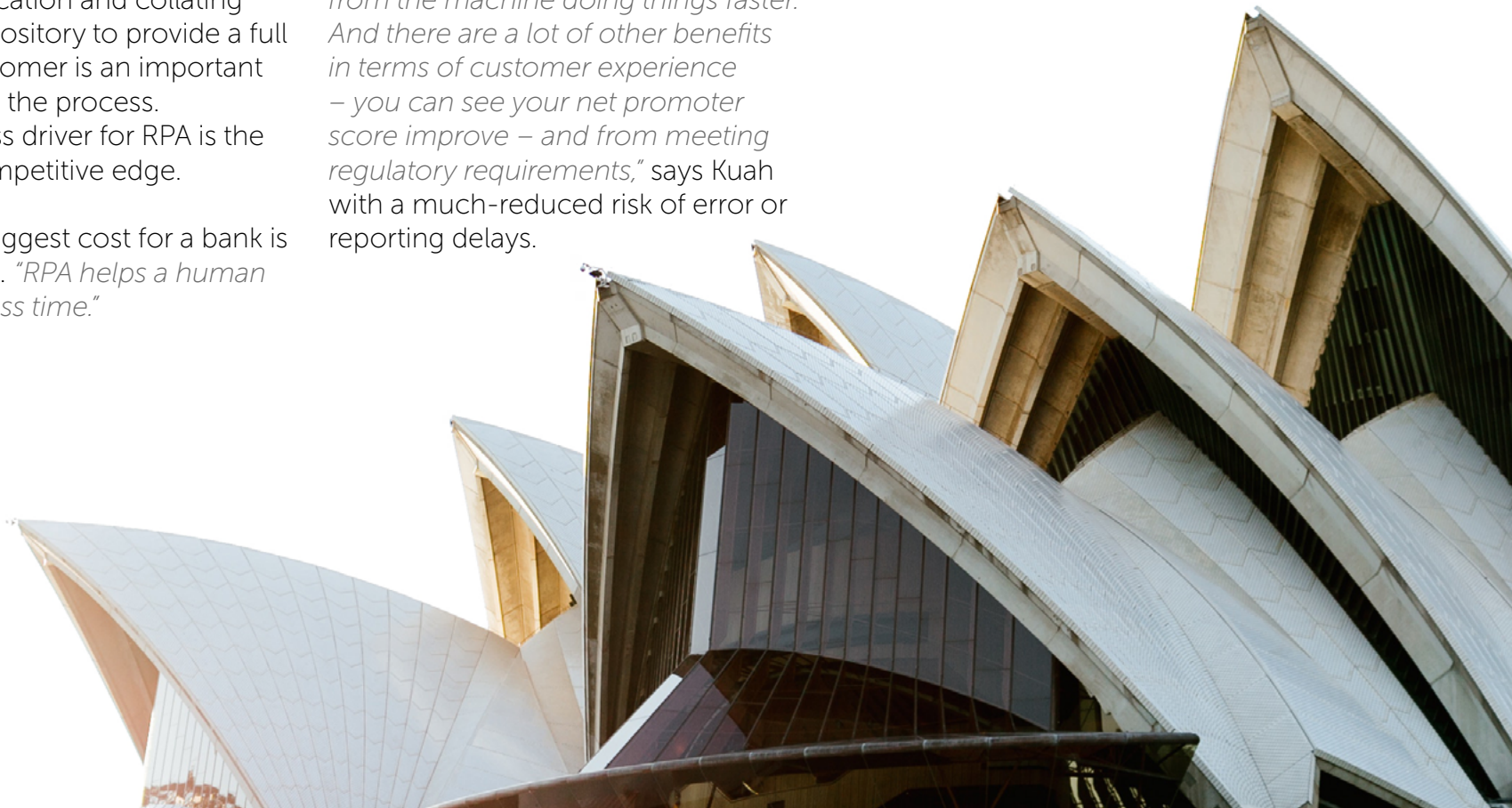
Kuah says the biggest cost for a bank is the human cost. *"RPA helps a human do more with less time."*

Instead of tying up expensive knowledge workers doing swivel-chair reports – cutting and pasting information from different systems, verifying its accuracy, and cleansing the data – RPA handles the report generation and verification automatically, freeing the employee to make faster, better informed decisions.

*"The return on investment comes from the machine doing things faster. And there are a lot of other benefits in terms of customer experience – you can see your net promoter score improve – and from meeting regulatory requirements,"* says Kuah with a much-reduced risk of error or reporting delays.

But he acknowledges that implementing RPA is not a shrink-wrap software exercise, and it's important to work with a partner that can analyse current business processes, optimise them, and then deploy solutions to automate content management and workflow.

That's where Blumark comes in says Mark Grimes.





# Optimised Solution

To ensure that the optimal solution is deployed Blumark spends time with clients to understand their business and map out the new processes. It then prototypes the solution, delivering iterations which can be tested and refined by the business.

Typically the first prototype is up and running within 12 weeks. Depending on the complexity of the process and degree to which RPA is deployed it can take 3-12 months for a full program to be developed, tested and deployed.

*"What we need is to understand the data model – what information is required as part of the loan process or part of a claim – then use a key identifier to interrogate the legacy system automatically and claw back all that data and put it into the right place in the case," says Grimes.*

*"In the old world – prior to RPA the ability to extract information from legacy systems was particularly difficult. Most legacy systems don't have an API or easy way to access the data secured inside of them. The advent of RPA allows organisations to view data stored in a green screen or legacy application and extract it at the application layer rather than at the deeper database layers through a series of screen scraping techniques."*

RPA and Enterprise Content Management solutions can also be deployed to take data from third party applications outside of the bank's own network.

The Royal Commission has thrown into sharp relief what can happen in financial services when proper process is not followed and people work with incomplete or inaccurate data.

According to Grimes, RPA ensures that there is a reduced risk of error and a clear audit capability associated with decision making.

*"RPA can eliminate incorrect data entry and human error which can sometimes lead to non-deliberate bad decisions and allows us to be far more rigorous in proving what happens in terms of custody of the entire end to end process. We still have humans involved in the decision of whether a loan is granted or not, while eliminating the data entry errors and improving the compliance of the data integrity."*



# Conclusion

According to Grimes one of the long-lasting benefits of RPA is that it overcomes the often disjointed nature of content and process in financial services firms.

*"Many of these businesses have had repositories of content and workflow orchestration tools. They've had people that are keeping process in their head to manage the end to end outcome that is typically being done in spreadsheets or some homegrown database application."*

*"The lightbulb moment is when they see all the key data required to make a decision in a single view and then on top of that the relationship between that customer and other relationships they've had with the bank," he says.*

It's a lightbulb moment, that when combined with RPA leaves a firm switched on and ready for action.





# About Blumark

Blumark ® is one of Australia's leading Case Management and Process Improvement specialists, assisting organisations with the difficult task of managing business processes and content in an efficient and cost effective manner.

Combining deep domain expertise with leading edge technologies including IBM FileNet, OnBase and IBM RPA, Blumark deliver innovative Case Management solutions designed to improve the way organisations combine, and use their content and data while increasing efficiency and reducing costs.

Working across a range of industries Blumark supports the way organisations do business, minimising change management, ensuring compliance, and empowering knowledge workers.



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