Cygnet Infotech
IT is about you

FASTER FINANCE

The Automation Guide for Future-ready Financial Institutions

#TECHNOLOGYFIRST

"Today, RPA is a key pillar of sleek and agile operations that will fortify BFSI sectors' market positions by driving

Efficiencies

Seamless Integration

Preventing Fraud

Increasing ROI

Regulatory Compliance

Boosting Speed to Market

Bolstering Financial Performance

CONTENTS

INTRODUCTION
RIDING THE RPA WAVE

> The global Banking, Financial Services, and Insurance (BFSI) robotic automation market is expected to grow at a CAGR of 75% and is expected to reach USD 835 million by 2020.
>
> **- MarketsandMarkets Analysis, December 2016***

Digital Transformation may seem like a daunting task at first for several enterprises. Legacy systems are deeply woven into core business operations. At times, any changes made to this architecture might prove risky if not prohibitively expensive.

However, adopting disruptive technology doesn't always disrupt existing legacy systems. It enables employees to work efficiently within their existing enterprise ecosystem while facilitating the platform for long-term innovation.

RPA is a great alternative to start your Digital Transformation because it is largely non-disruptive. It is implemented as an additional layer on top your existing framework. Now it's easy to overcome the barriers of achieving operational efficiency, enhanced performance, and flexibility at an enterprise level.

That is why, over the last few years, RPA has been gaining prominence across industries, particularly in financial services. It has shown tremendous potential with possibilities to bring benefits by automating financial business processes. Many financial institutions are still reluctant to embark upon their digital transformation journey due to legacy processes and systems.

The Financial Institutions business processes are excellent places to start out with digital transformation. Legacy processes such as purchase orders, invoices, expense statements and even cheques, to name a few, are still managed using physical paper. Additionally, using disparate technology platforms that lacks integration capabilities can make operations increasingly inefficient.

GETTING THE BASICS RIGHT

Robotic process automation is a software bot which emulates the human execution of repetitive, high-error prone, low judgment or compliance-needy tasks. It acts as a virtual workforce controlled by the business operations team. These software bots can interact with an in-house website, application, user portal, database etc. to automate processes using a pre-defined set of business rules.

RPA IS RECOMMENDED FOR TASKS THAT:

- Are rules based and need decision flows to alter dynamically
- Are consistent, with the same step being performed repeatedly
- Are template-driven, required to enter data in specific fields in a repetitive manner
- Are manual and structured in nature
- Needs interaction with multiple applications in an "non-invasive" manner

THE THREE PHASES OF AUTOMATION

Basic Robotics Process Automation

Rules Engine + Screen Scraping + Work flow

- Macro-based applets
- Screen-level data collection
- Workflow automation
- Vision type building blocks
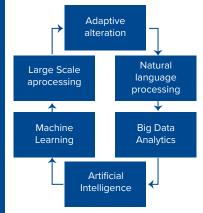- Process mapping
- Business process management

Enhanced process automation /Machine learning

Processing of unstructured data and bas knowledge

- Build-in knowledge repository
- Learning capabilities
- Ability to work with unstructured data
- Pattern recognition
- Reading source data manuals
- Natural language processing

Cognitive automation

Adaptive alteration

Large Scale aprocessing

Natural language processing

Machine Learning

Big Data Analytics

Artificial Intelligence

- Artificial Intelligence
- Natural language recognition and processing
- Self-optimisation /self learning
- Digesative of super data sets
- Predictive analytics /hypothesis generation
- Evidence-based learning

NAVIGATING THE LEGACY WITH RPA

RPA drives and impressive Financial Impact

> " The average financial firm spends US $ 60 million per year on KYC, customer due diligence and client on boarding.
>
> **- Thomson Reuters, Know your customer survey** "

Many financial service providers are still dependent on legacy systems and processes. As operational efficiency and profitability is becoming increasingly difficult to master, financial service providers are finally waking up to the idea of a 'digital workforce.' The idea of a digital workforce enables humans and software bots to work in collaboration for better results.

The RPA aspect looks after routine tasks delivering speed-to-market. It reduces overhead costs while the human element can focus on risk mitigation, better customer service and delivery.

RPA implementation within business processes can automate high-volume, rule-based tasks by introducing a virtual workforce of "robots". Moreover, CFOs can deliver a competitive advantage by automating operating procedures that increases efficiency and productivity with higher ROI.

SOME OF THE KEY CHALLENGES IN FINANCE THAT RPA CAN MITIGATE:

Increases Cost Efficiency Rapidly

Enhances capabilities of finance in providing business analysis and insights

Allows skilled resources to drive higher value

All these factors combine to deliver the single greatest attribute any service provider needs – faster and superior customer experience.

BEFORE & AFTER RPA

EXPLORING THE POSSIBILITIES

Here's Real-world Use Case To Understand The Enormous Potential of RPA In Finance:

WITHOUT RPA

A new customer wants to open a bank account, many banks follow the manual process of filling forms. This leads to delays, unexpected manual errors, takes longer time to resolve complaints and service delivery resulting in a sharp decline in user experience.

In addition, manual approval and verification of KYC (Know Your Customer) regulations often take days for user identification. This results in loss of revenue while piling up additional costs in acquiring new customers.

WITH RPA

With automation in place, bank's employees are facilitated with a digital workforce. When customer wants to open a bank account, data capturing, and verification process hardly takes a few minutes. The entire mechanism operates in a streamlined manner while allowing bank employees to focus on customers understanding their grievances and resolving their issues instead of working on tedious repetitive tasks.

Automated systems ensure that there is no discrepancy in data reporting. It ensures there are no customer complaints left unaddressed whether they are related to unmatched balances, incorrect charges, or other similar issues. This way the digital workforce augments the bank staff with the ability to solely focus on customer service and innovation.

RPA is ready to transform the face of the financial sector, all while enabling the workforce to contribute towards positive societal change.

BEFORE | AFTER

Person Retrieves documents

RPA bot monitors new documents

Validates documents data

Converts documents image into machine readable text using OCR software

Check regulatory compliance

Extra and classifies data

Person performs validation checks

Updates data in he system

Validates data and performs compliance checks based o rule-based algorithms

Updates internal systems

TYPICAL CHALLENGES

FACED BY FINANCIAL INSTITUTIONS

Financial Institutions and Enterprises face several challenges while managing high-volume transactional processes, along with improving speed, volume and quality of service. Here we list down some typical challenges they routinely face:

Tasks Need Repeated Manual Calculation	**Require an Electronic Trigger**	**Chances of High Error Rates**
Data Intensive Operations	**Repetitive in Nature**	**Time and Cost Pressure**
Increased Regulatory Requirements and Scrutiny	**Staffing & Management of Resources**	

RISING TO THE
CHALLENGES

Automating Processes in Financial Institutions

RPA can successfully rise to the challenges in executing business processes within Financial Institutions. This covers everything from procurement to payment, accounts receivable, general accounting, tax, treasury and compliance and financial planning, analysis right up to reporting. If you are on the lookout to drive RPA led digital transformation for your F&A function here's a quick look at what you can accomplish:

PROCURE TO PAY

- Purchase-order entry and delivery
- Vendor verification with setup
- Vendor master-data management
- Vendor statement reconciliation
- Accounts payable accrual
- Compliance Audit
- Payment processing and more

ACCOUNTS RECEIVABLE

- Sales order entry
- Customer data management
- Billing/invoicing
- Credit risk management
- Dispute verification and resolution
- Chargeback management

GENERAL ACCOUNTING

- General ledger and subledger reconciliations
- Bank reconciliations
- Inter-company reconciliations
- Manual journal entries
- Reclassification journal entries
- Fixed asset accounting

TAX, TREASURY AND COMPLIANCE

- Data aggregation for tax liability
- Convert data to tax basis
- Complete tax return workbooks
- Prepare tax returns
- File tax returns and payments
- Tax accounting entries

FINANCIAL PLANNING, ANALYSIS AND REPORTING

- Trial balance and balance sheet
- Profit and loss
- Cashflow
- Variance analysis
- Management reports
- Statutory/regulatory reports

WELL-FITTING

RPA MEETS FINANCE

RPA is non-invasive in nature. It can automatically increase the return on investment when implemented on your legacy IT framework and architecture. There's a lot at stake in finance with higher risks and sensitive data involved. RPA can help stay on-track with your existing strategies provided you have meticulous clarity on the execution of the business processes.

THERE ARE SEVERAL BENEFITS THAT RPA CAN OFFER INCLUDING:

SEAMLESS INTEGRATION

RPA has the capability to connect the discrete legacy systems adopted by various financial institutions. Moreover, without hampering current system, it enables making these systems communicate quickly and effortlessly overcoming the challenges of slow M&A decisions in financial industry

TRANSPARENCY

Transparency is a key differentiator in the financial sector. Due to manual errors whether knowingly or unknowingly, it hampers operational performance and management decisions. RPA implementation ensures improvement in operational transparency. It also provides relevant insights on statistics and performance curves to both management and customers.

SCOPE OF INNOVATION

RPA transforms complex and tedious banking and financial processes into flexible and agile ones. It enables employees to design innovative and tailored solutions for their customers, thereby increasing profitable revenues.

FRAUD PREVENTION

RPA provides 100% accuracy in detailed auditing and BI analytics while ensuring authorized access to stakeholders. Its real-time process monitoring empowers financial institutions to control operational risk in the form of fraud or inaccuracies.

INCREASED REVENUE

BFSI sector can increase their profit margin by embracing innovative and disruptive technology such as RPA. By doing that, CFO, and other chief executives can focus on continuous process improvement.

REGULATORY COMPLIANCE

RPA supports all compliance regulation processes. It can process detailed and error free auditing by automating processes and analytics. Financial institutions can lower the cost of regulatory compliance, standardize processes, and eliminate the need for manual data entry and verification processes.

TRANSFORMATION

By leveraging RPA, financial institutions can benefit from a virtual workforce that can provide better customer service and respond like a human employee in lesser time. This in turn allows employees to focus on other value-added activities turning into faster processes.

COST OPTIMIZATION

Automating repetitive operations in various functions such as accounts receivable, accounts payable, financial planning and analysis, procure to pay etc. optimizing overall costs, improves profitability while boosting employee productivity.

IMPACT ON BOTTOM LINE

RPA enhances process execution allowing for error reduction, 100% accuracy and 24x7 execution. That has a significant impact on the business bottom line empowering transformation agility while optimizing their operational costs.

BEST PRACTICES TO IMPLEMENT RPA IN FINANCE

The appetite to implement RPA across the lines of financial processes is gaining momentum among financial institutions. CFOs are hungry to gain a competitive advantage, drive business growth and enhance customer experience. However, before committing to this positive change, it is crucial to consider these key implementation practices for the successful implementation of intelligent automation technology.

EXAMINE CURRENT BUSINESS MODEL FOR AUTOMATION FEASIBILITY:

Financial processes are mostly covered with the high volume of back-office tasks and documentation. To perform these tasks, financial institutions have deployed legacy systems to work effectively. However, financial institutions must examine and analyze current business infrastructure before considering RPA implementation to ensure the current placed systems are not affected.

CONSIDER PROOF-OF-CONCEPT/PILOT

There are various financial processes ranging from account management & loan documents, customer application forms and other day-to-day transactions that involve plenty of paperwork. Before taking a head-dive into automating these processes, it is imperative to deploy RPA on a couple of processes to start with - ideally to automate them and review, verify and analyze the outcome of the implementation. A pilot allows any enterprise to identify key challenges within the process so that subsequent automation can proceed smoothly.

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DEVELOP THE RPA ROAD MAP

Following the outcome of the RPA pilot, it is essential to identify business areas across front, middle or back office suitable for automation. Analyze each process and prioritize according to the importance and that can reap substantial benefit. With each process mapped in detail, the enterprise can design a clear and transparent transformation plan to achieve expected results while saving costs, turnaround time with increased accuracy.

PREPARE FOR RPA IMPLEMENTATION

Time to Act! The implementation team must analyze and eliminate any gaps between existing processes and the RPA implementation process. It is important to ensure that each step of implementing RPA enables successful automation of processes with seamless workflow integration.

Post implementation, the financial institution should be able to scale up or scale down the automation workforce in real-time basis at minimal cost. The RPA implementation service provider must ensure control management and security. They also need to provide training support to end-users for operational continuity and customer satisfaction. The result of your RPA implementation exercise will always be a high-performing transformative Enterprise.

IMPLEMENTING RPA WAY FORWARD WITH CYGNET

You need a catalyst that accelerates your RPA adoption. With a holistic approach for RPA implementation supported by an agile implementation framework, Enterprises can now reap the benefit of faster time-to-value.

At Cygnet, we advocate a new way to implement RPA - what we call our 'Technology First' approach. The key is to democratize RPA solutions with a scalable architecture. This efficiently augments digital operations of institutions, radically reducing handling time while providing superior user and customer experience.

Many companies have achieved superior business process optimization with Cygnet's intelligent RPA solutions developed through a 100% agile approach.

RPA experts at Cygnet meticulously create customized scalable architecture that accelerates business outcomes. Cygnet Infotech stays connected with the clients throughout the RPA journey ensuring a seamless transition.

RPA IMPLEMENTATION

- Cognitive Automation using AI/ML
- Bot Development
- Workflow Orchestration and Governance
- Rollout Validation and Planning
- Business Continuity and Scaling

RPA CONSULTING

- Identifying Processes
- Identifying Optimization Approach
- Automation Rollout Roadmap
- RPA & OCR Tools Identification

AUTOMATION MONITORING AND SUPPORT

- Bot Management
- Failure, Disaster Recovery and Risk Management
- Opportunity Discovery and Management

WORKFLOW AUTOMATION & DESIGNING

- Mapping Manual Processes to Automation
- Classifying Intervention Models
- Automation Architecture Design
- Custom Framework Design

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ABOUT CYGNET

Cygnet Infotech is one of the most trusted names in the IT space delivering technology solutions to global clients across 35 countries. Born out of a vision to create software development company where quality, innovation and personalized services trump low cost, makeshift solution, Cygnet partners with its client to help them transform into high performance businesses.

Cygnet has deep industry and business process expertise, global resources and a proven track record in delivering innovative technology solutions. Cygnet can mobilize the right people, skills and technologies that improves business performance.

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We Have 1000+ Technology Enthusiasts Working with Global Brands

We Have Delivered 2000+ Enterprise-Class Solutions & Products

Our **100% Agile Approach** Creates Value

We Are **"Technology First"** Company

We Have **Deep Industry and Process Knowledge**

We Help Clients to **Digitize, Scale and Transform** into High-Performance Business