

blueprism[®]

RPA IN THE APAC FINANCIAL SERVICES SECTOR

**An analysis of implementation
and awareness of Robotic
Process Automation (RPA)
across key APAC regions**

blueprism.com





Abstract

This research **analysed the levels of awareness and implementation (both current and future) of Robotic Process Automation (RPA) amongst mid-senior to senior individuals** working within the APAC financial services industry.

Between September and October 2021, we surveyed **802 individuals** with **8+ years experience**, working in financial services organisations within the key APAC markets of **India, Hong Kong, Singapore, Malaysia, and Australia.**

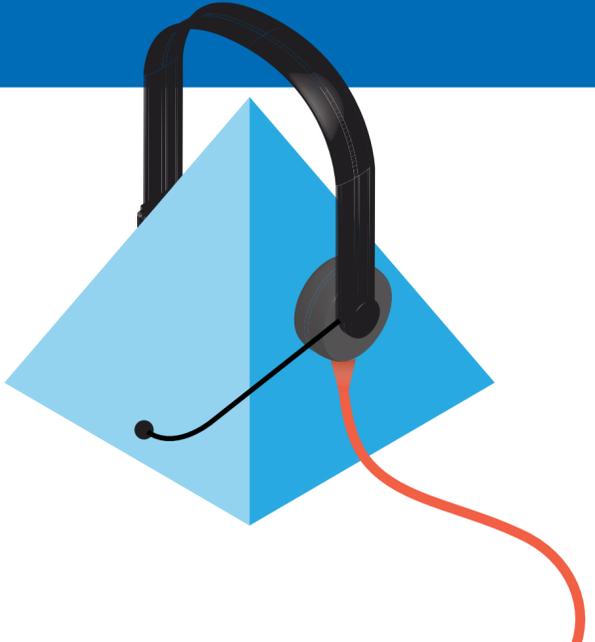
The report highlighted that **RPA has gained popularity and is generally well-regarded across the APAC financial services industry.** However, use of RPA does vary in scale and there are some misconceptions related to RPA that suggest more education is required.

While those who are using RPA are reaping the benefits, the use of RPA adoption **remains largely a tool to improve efficiency and cut costs**, rather than being fully realised as a true catalyst for driving digital transformation and elevating business performance.



Contents

- 1. Introductions4
- 2. Survey Methodology5
- 3. Key Insights.....8
- 4. Conclusion..... 24



Introduction

Robotic Process Automation (RPA) is emerging as a key enabler in the automation segment. The RPA market has proved to be one of the **fastest-growing software markets globally**.



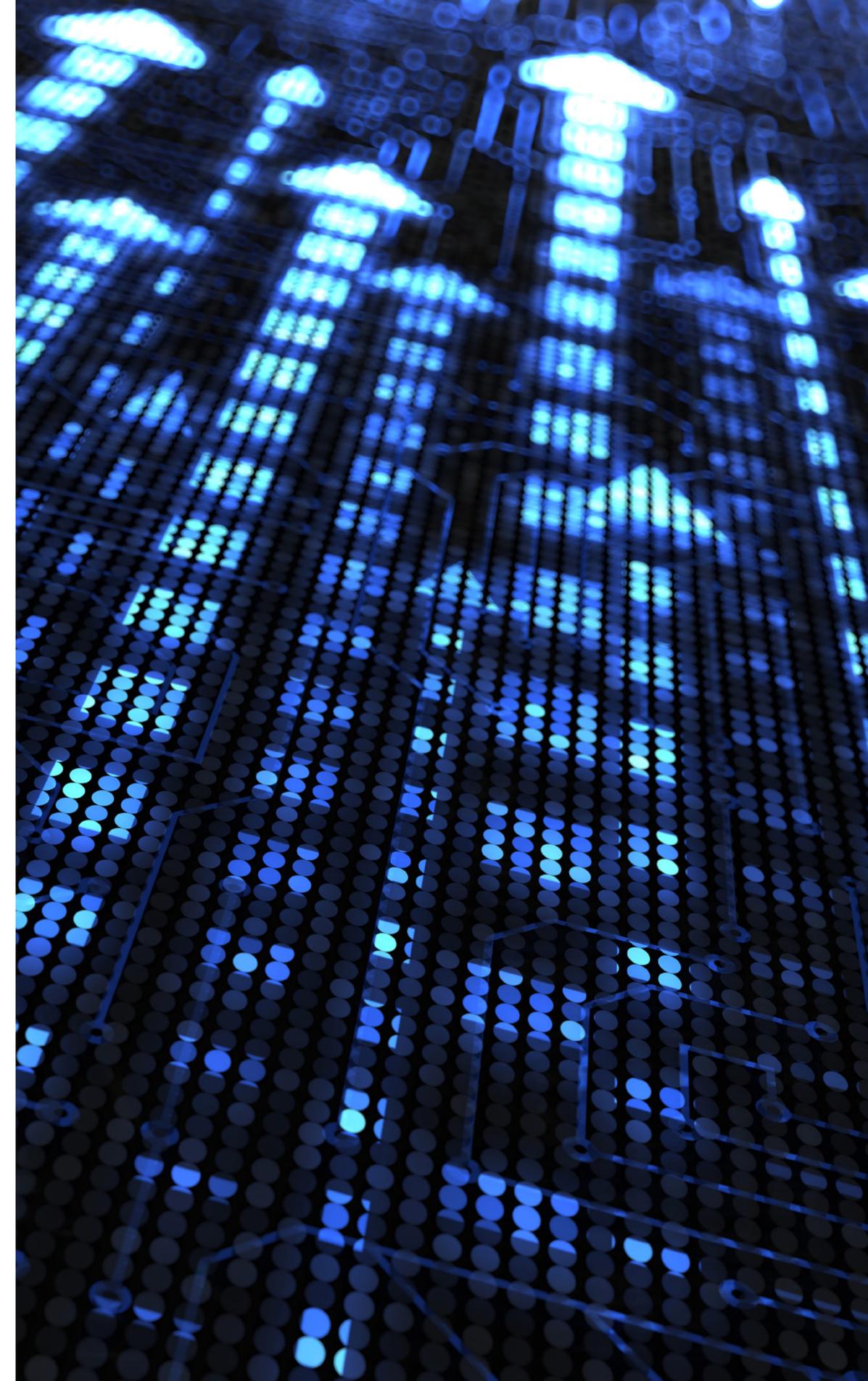
The overall revenue of the global market was **USD 2.9 billion in 2019¹** and is expected to reach **USD 10.3 billion by 2023**.

RPA is playing a key role across industries by helping organisations **reduce costs, achieving operational efficiencies** with the highest quality of output, and **enhancing customer satisfaction**.

RPA adoption and maturity across APAC varies in scale and by sector. This survey was commissioned to take a deeper look into how RPA is viewed and used by the region's financial services organisations.

As financial services markets across the world race to recover from the pandemic, the level of understanding and adoption around RPA may impact the competitiveness of businesses. While there is a consensus among business leaders that RPA drives business agility and resilience, we believe that more can be done to help businesses apply RPA effectively and scale digital workforces.

¹ <https://www.statista.com/statistics/740440/worldwide-robotic-process-automation-market-size/>



Survey Methodology

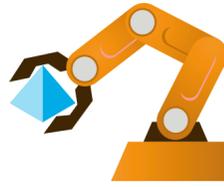
We surveyed **802 individuals** with **8+ years experience**, working in financial services organisations, within the key APAC markets of **India, Hong Kong, Singapore, Malaysia, and Australia.**

The survey was conducted between September and October 2021.

After collecting the data through an online survey, each of the data points has been analysed, and key findings extracted.



Definitions



Robotic Process Automation

Robotic process automation, or RPA, refers to the software that enables digital workers to carry out step-by-step tasks or business processes within your existing systems and applications, much like a human would. A critical building block for intelligent automation, RPA coupled with AI technology is no longer restricted to common back-office processes and now enables digital workers to use advanced cognitive automation capabilities to handle exceptions, variations and problem solving with little human intervention.



Artificial Intelligence

The term “Artificial Intelligence” (AI) describes the capability of a machine to imitate intelligent human behavior, or the simulation of intelligent behavior in computers. Matched with intelligent robotic process automation, artificial intelligence enables businesses to analyze, categorize and extract unstructured data, not only making it functional but also improving the output of complex automated business processes.



Intelligent Automation

Intelligent Automation (IA), sometimes referred to as intelligent systems, links artificial intelligence, the simulation of human intelligence, with the capabilities of RPA, the simulation of human actions, to enable the expansion of automation capabilities. Backed by intelligent automation, digital workers can easily integrate with other cognitive technologies like computer vision, natural language processing, and machine learning, to expand the number of processes that can be automated, from the semi-structured such as financial services invoice processing, to the unstructured such as email triage.

Respondent Overview

802 respondents*

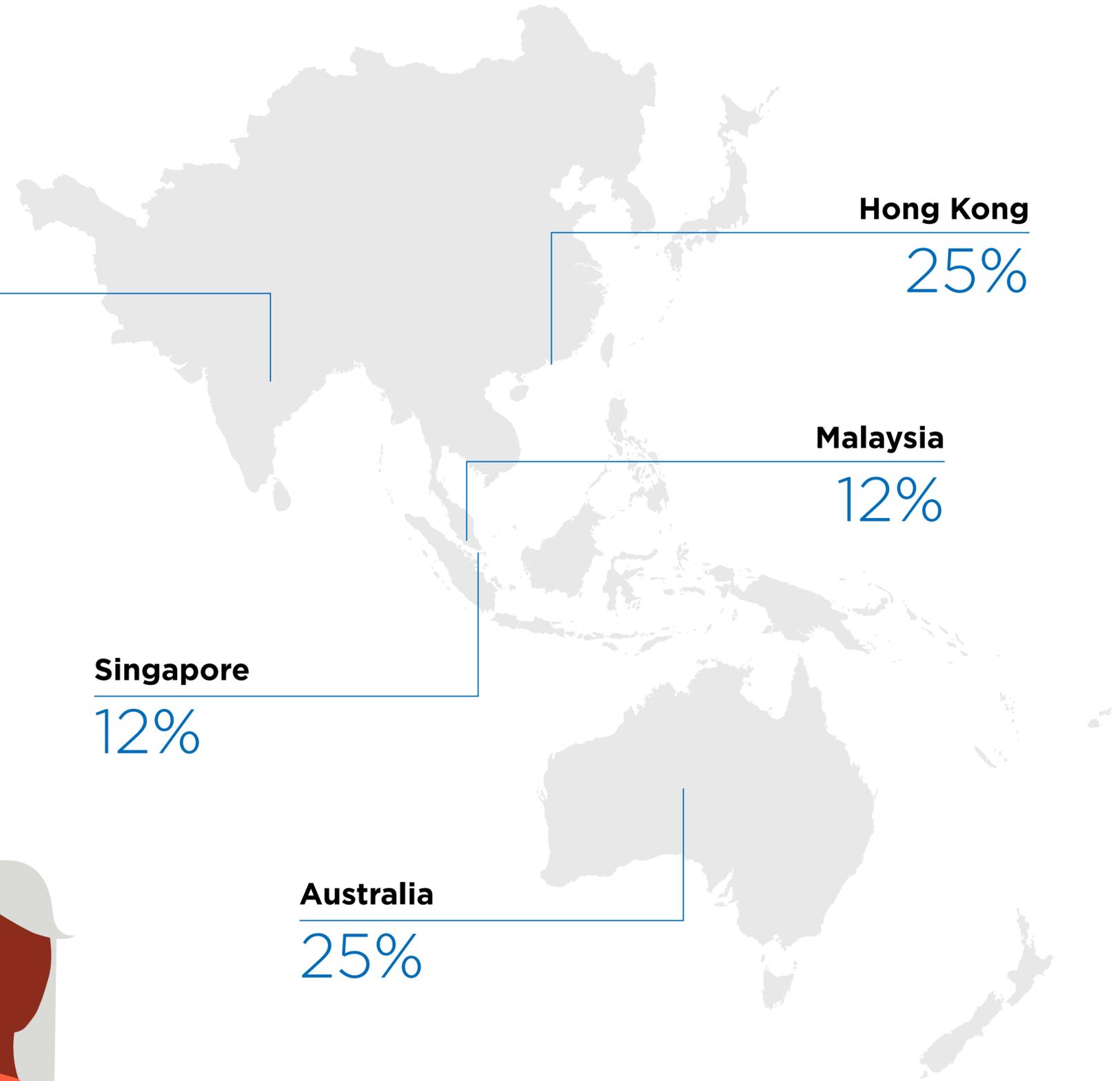
India
25%

Hong Kong
25%

Malaysia
12%

Singapore
12%

Australia
25%



*Please note that some percentages may not add up to 100% due to the rounding up of figures.



Key Insights

INSIGHT 1

RPA Awareness and Adoption

How familiar are you with Robotic Process Automation (RPA)?

Unaware



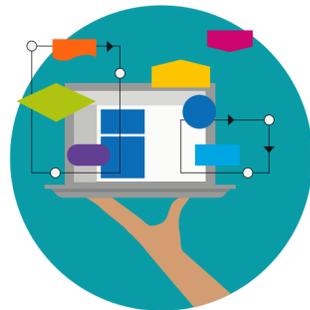
Slightly familiar



Familiar



Extremely familiar



55% of respondents are familiar with the terms Robotic Desktop Automation (RDA) and a Digital Worker



53% of respondent organisations are currently using RPA solutions and technologies

Of the remaining 48% not currently using RPA

Planning to do so within the next six months



Planning to do so within the next twelve months



No, not planning to do so



Unsure



INSIGHT 2

Current use of technologies and RPA challenges

Aside from RPA, the top four technologies currently being used by the respondents' organisations are:



Organisations had encountered the following challenges when either discussing the possible implementation of an RPA programme or deploying an RPA programme:



In-depth insight: Should security be a concern?

Striking the right balance between business agility and security management is critical for every organisation. However, **62% of respondents citing “security and data privacy concerns”** as a challenge when discussing or implementing RPA, shows that more education is needed around RPA for decision makers in the financial services sector.

Achieving total confidence in RPA requires an automation platform that is easy to use, yet still strictly adheres to the high compliance and security standards that the industry demands. **Failure is not an option within the financial services sector**, resulting in the incurrance of huge fines and even imprisonment. It's an understatement to say that the stakes are high.

The majority of RPA solutions have been built to address this concern. The built-in, security credentials of Digital Workers means that they're **trusted to operate within the most demanding enterprise environments**. Although Digital Workers are run by business users through a collaborative platform, they still operate within the full governance and security of the IT department.

In addition, the introduction of RPA has actually been shown to **reduce security issues within organisations, particularly in the new world of hybrid work**.

Digital workers can be trained to identify tasks to send to relevant individuals along with the minimum data required. Once the human worker has decided on next steps, they can **call on a digital worker to complete the task on their behalf** and therefore do not require remote access to multiple systems. Access to data is then tightly controlled so that only information required for each task is available – improving data security significantly. Every click is recorded so that if there is a breach of any kind, it is easy to trace it back to source and dealt with easily and quickly.

Rather than create security issues, RPA can help organisations to manage them – **even in the toughest regulatory environments**.



INSIGHT 3

Why implement RPA?

Reasons why organisations had implemented RPA

Unable to find employees to undertake or complete tasks



To reduce errors



To reduce costs



To allow workers to concentrate on higher value tasks



To increase efficiencies/speed within the organisation



95% of organisations who had implemented RPA said that it has improved overall business operations.

RPA can have a **transformative effect on businesses**, and it seems that the financial services sector is no exception.

From **increasing speed** and **efficiency**, to **freeing up employees** to concentrate on higher value tasks and upskill themselves, RPA has a host of benefits for today's financial services workplaces.

INSIGHT 4

Perceived benefits of adopting RPA

Current RPA users were asked what they thought were the benefits associated with adopting RPA within an organisation

Essential to remain competitive



Increased accuracy and quality of output



Catalyst for driving digital transformation



Reduction in manpower/burden of administrative personnel



Cost and time savings



Cost and time savings are the top perceived benefit of adopting RPA in an organisation, indicated by **50% of respondents**

Reduction in manpower/ burden of administrative personnel was the second benefit associated with adoption of RPA, noted by **24% of respondents**



INSIGHT 5

Examining automation budgets and investment into RPA



US\$713,000 is the average budget for automation/digital transformation for the next year

82% of their budget would invest an average 50% of in RPA within the next two/three years

50% of organisations would invest an average of 38% in RPA from next year's total automation budget

Future priorities by functions

44% of respondent organisations currently leverage RPA in their finance departments and 34% in their IT departments

The majority of respondents (26%) noted that their organisations will likely leverage RPA in the next 2/3 years within the finance department

This was followed by 23% each in IT and sales and marketing, and 18% who would leverage RPA within their customer service teams

In-depth insight: **Which departments can benefit from RPA?**

Spending on RPA will form a key part of the intelligent automation and digital transformation budgets of many of the financial services leaders we have surveyed.

RPA has become one of the key technologies in helping financial institutions **remain competitive in an increasingly digital and highly regulated world**, predominantly by taking over the increasing number of rule-based and repetitive tasks. It is therefore no surprise that data and process-driven departments like IT, marketing and customer services, along with finance, were the departments noted by respondents as being key targets for RPA support.



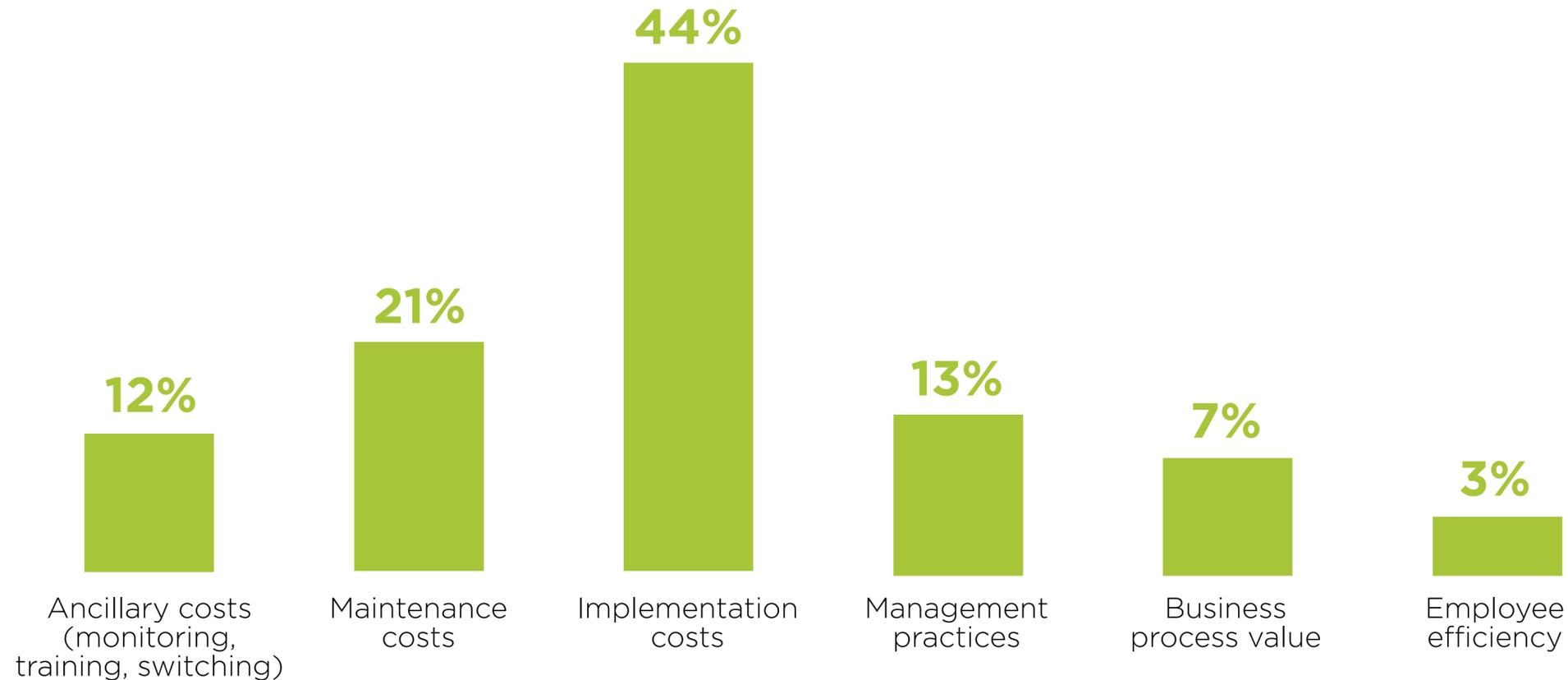
Firms have begun to realise that by intelligently automating certain tasks, employees can better focus on work that requires uniquely human capabilities such as creativity, strategic thinking, and cognitive abilities. A 2021 report from Gartner notes **“one way to think about the finance transformation RPA brings is to imagine how it will change the role of finance professionals.”**

Across all departments, those who might have previously spent time filing and executing reports, or analysing data, **will instead now monitor the robots within the RPA system** and fine-tune the processes. From there they are ultimately able to enhance the organisation’s opportunity to innovate, by spending more time making high-level decisions.

INSIGHT 6

What factors are important when considering RPA?

Respondents were asked what factors were important to their organisation when considering and setting budget for RPA



Overall, "cost" was a key factor when considering RPA, reported by

77% of respondents

In-depth insight: **Looking beyond initial costs**



Consider that the cost of implementing such a solution is small change for many financial services organisations, yet a report from Knowledge Capital Partners¹ noted that “automation technologies could contribute an additional \$US1 trillion annually in value across the global banking sector - through increased sales, cost reduction and new or unrealised opportunities”.

Looking specifically at compliance teams within asset management firms, RPA has been implemented to search through various internal banking and document management systems, and external, third-party services, to extract any information and collate it into client records. It also helps to **monitor team emails and other messages to identify any new requests**, then populate, prioritise and process these details so that compliance teams are up to date on their reporting. In cases where the information is unavailable or inconsistent, **RPA alerts the compliance team so they can handle the case manually.**

Following the implementation of these workflows, asset management firms based in APAC have reported substantial cost savings associated with external consultants and extensive internal operational efficiencies.

SOURCE:
1. Knowledge Capital Partners: “BECOMING STRATEGIC WITH INTELLIGENT AUTOMATION”, April 2021

INSIGHT 7

COVID-19 and the future of RPA



88%

of respondents indicated that their organisation already had RPA solutions and technologies in place, pre-COVID-19

87%

of respondents currently using RPA agreed that the future growth of RPA is promising



We asked respondents who did not have RPA technologies and solutions present in their organisation pre-COVID-19 about why their organisation felt the need to introduce RPA solutions and technologies during the COVID-19 pandemic:



9%

Reduce manpower/burden of administrative personnel



16%

Increase accuracy and quality of output



16%

Increase cost and time savings



29%

Enhance operational efficiency



31%

Manage remote working needs



In-depth insight: **Supporting the hybrid workplace**

The majority (88%) of current RPA users had already realised the benefits that RPA solutions and technologies could bring to their organisation even before the pandemic hit. For those who hadn't, the challenges of remote working **were the catalyst for introducing RPA into their organisation.**

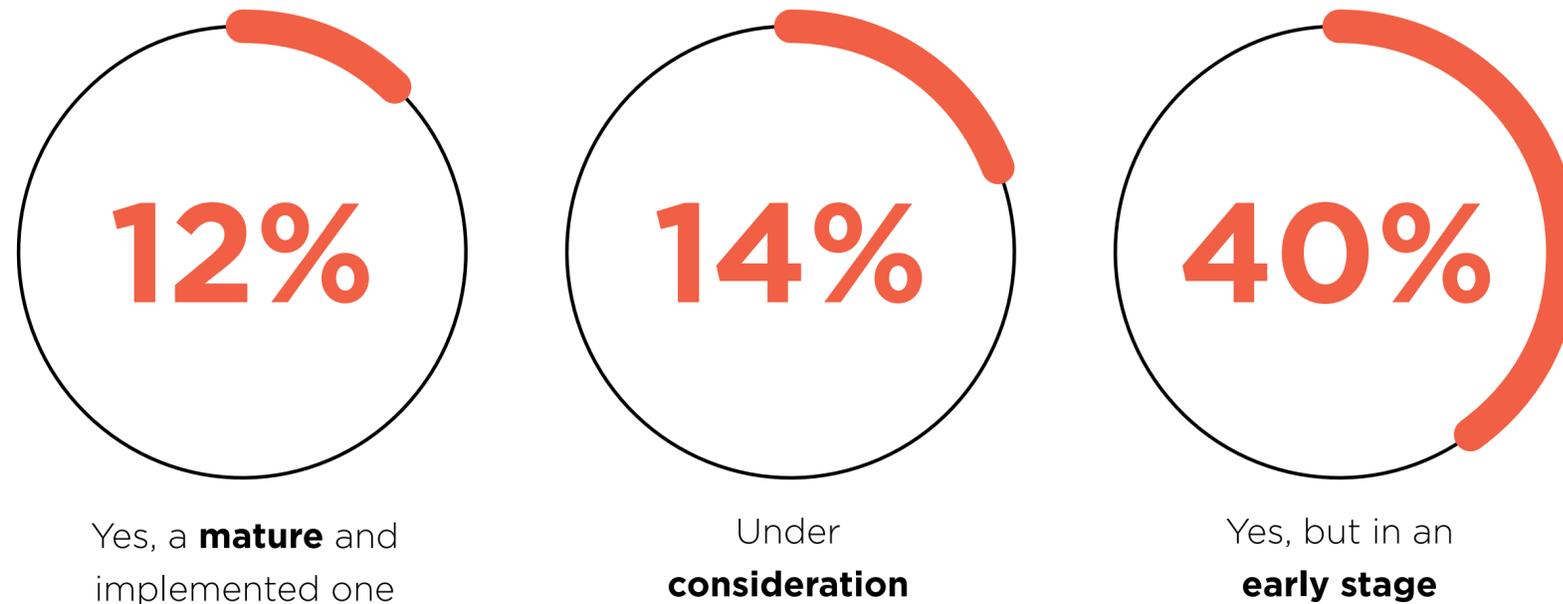
With hybrid working now established as the ongoing new normal for many within the financial services sector, **a new level of risk has been introduced within organisations.** Automation can mitigate this significantly through things like auditability, restricting access to data types and even handling the data without human intervention.

Managing security risks and preventing breaches as we continue to work between home and the office is necessary for the sake of employees and customers. Considering intelligent automation to **reimagine processes that reduce data security risks** is a good place to begin.

INSIGHT 8

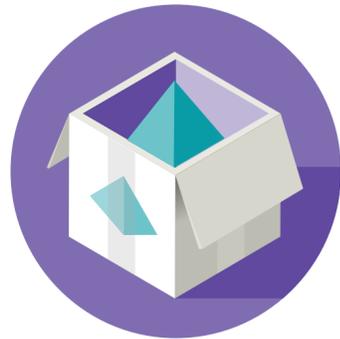
Automation strategy and future adoption of RPA

We asked respondents who aren't yet using RPA whether their department has an automation strategy



INSIGHT 9

Barriers to RPA implementation



Among the 47% of respondents indicated that their organisation is not currently using RPA

17% believe that RPA is too complicated, or they didn't know how to leverage it

30% were happy with their current technology set up and concerned about the risk of implementing RPA in the organisation

14% of respondents are not interested due to the perceived cost of implementing RPA the risk of implementing RPA in the organisation

In-depth insight: **Go big or hunker down?**

Of the **47% of organisations** who had not implemented RPA, **30% felt that their current technology set up is sufficient** to suit their current needs and were concerned about the risks of implementing RPA. Looking at these responses, It is **crucial to assess potential business value that is being left at the table by these organisations** if digital transformation strategies are not implemented or scaled quickly enough.

A previous study commissioned by Blue Prism¹ found a stark difference between **businesses that “went big” with their digital transformation strategy** by continuing to invest heavily in automation and digital technologies, and those that “hunkered down”. The study found that without strategic investment in automation and digital transformation, the competitiveness of businesses that “hunkered down” will **degrade seriously and possibly irreversibly over the next five years**, when compared to businesses that “went big”.

For an organisation to maintain a competitive edge, it is essential to have senior executives that view digital technologies as **strategic, transformative, and tools that provide support for long-term organisational change**. These leaders are driven by big-picture views of what the business needs and what technology can enable, and they also focus less on traditional ROI analyses.

SOURCE:

1. Becoming strategic with Intelligent Automation, Knowledge Capital Partners, March 2021 (commissioned by Blue Prism)

INSIGHT 10

Examining automation budgets

Despite these organisations not yet implementing RPA, respondents had clarity on their organisation's automation and digital transformation budget



US\$698,214

would be the **average budget** for automation/digital transformation for the next year



52% of organisations

would invest an average of **50% in RPA** within the next two/three years

55% of respondent organisations indicated that they are likely to use RPA in the next 2-3 years

Out of which **27% of respondents** are highly interested in leveraging RPA within their finance department

This is followed by **customer service (25%)** and **sales and marketing (22%)**



Conclusion

Forrester's **'Predictions 2022: Automation'** report stated that 'five percent of the Fortune 500 will adopt automation fabric to fuel extreme innovation. It's obvious that the benefits of automation are being recognised across all sectors.

When it comes to the future of RPA technology and solutions within the financial services sector in APAC, the outlook is similarly very promising. While our research shows strong adoption of RPA pre-pandemic, **the COVID-19 pandemic has significantly boosted the growth of RPA technology** within organisations shifting from traditional ways of working, towards the use of automation.

Within financial services organisations, **finance, IT, customer support, and sales and marketing are the top four departments** who are highly interested in, or already, using RPA. Cost and time savings, and reduction in manpower or administrative burden, are the two primary benefits experienced by the organisations, **helping to free up employees to concentrate on more skilled tasks.**

We can see that RPA has gained popularity across the industry but still, there are some gaps that require more attention, such as the **absence of skillful resources who can operate RPA-based operations; the belief or misconception that RPA is complicated to leverage; and the feeling that it is expensive to implement and maintain.** Initiatives are therefore needed to educate those who aren't yet using, or not planning to use, RPA.

While we have seen RPA adoptions across multiple global industries rise at tremendous speed, this report shows that **RPA adoption in the APAC financial services industry varies in scale and there is still some way to go before it reaches RPA maturity.** Within the region, the use of RPA adoption remains largely a tool to improve efficiency and cut costs, rather than a catalyst for driving digital transformation.

However, the strong growth of RPA adoption bodes well for the competitiveness of APAC financial services organisations overall as they **begin to accelerate their digital transformation efforts** to compete on local, regional and global levels.

A 2021 report from Forrester noted that **"automation is a critical last-mile enabler supporting transformation at multiple levels: tasks, processes, entire functions, and even the business model itself"**². As the awareness of the tangible business benefits of RPA solutions and technologies increases, we can expect to see significant improvements in business agility and resilience within the APAC financial services sector.

1. Predictions 2022: Automation, Forrester, October 28, 2021

2. Automation Is The New Fabric For Digital Business, Forrester, June 16, 2021

