

blueprism®

EXECUTIVE SERIES #2

The Power of Three

How to benefit from the great reset

Building the roadmap
to enterprise-scale
intelligent automation
in financial services

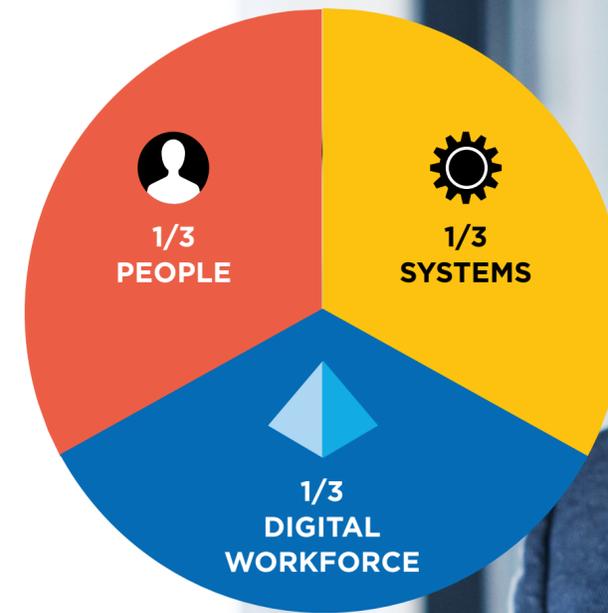


Introduction

The global financial services industry has its biggest-ever opportunity to reimagine how it operates. **This great reset of an entire sector will see more people working remotely; faster and more widespread digitalization of platforms and processes;** and an accelerated adoption of intelligent automation.

In the first edition of our Executive Series, *The Power of Three: Building the New Operating Model*, we described how organizations in the financial services sector are beginning to evolve into three essential and powerful components: **one-third people, one-third systems and one-third digital workforce.** Human ingenuity and creativity will give financial services institutions the competitive edge they need—but the digital workforce will prove to be the next step in productivity beyond robotic process automation.

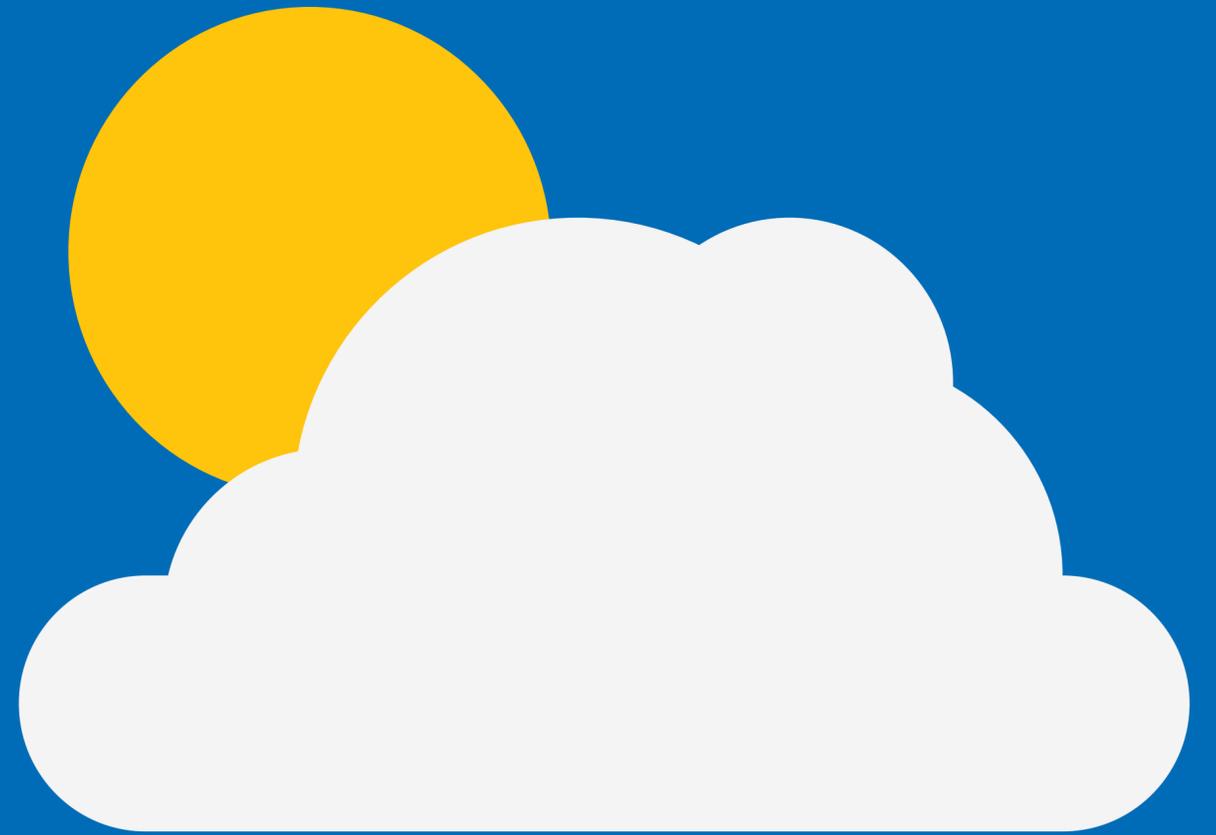
The next issue to address, underpinned by our research with **550 financial services professionals**, is the projected outcome that will result from resetting operating models. **In large part, this outcome will come as a result of answering the following questions.** What will the adoption of the three-thirds approach allow financial services organizations to do that they couldn't before? How can they adopt automation at scale with a top-down mandate? Where are the barriers? What is the roadmap that they can follow to move from a tactical to a strategic approach?





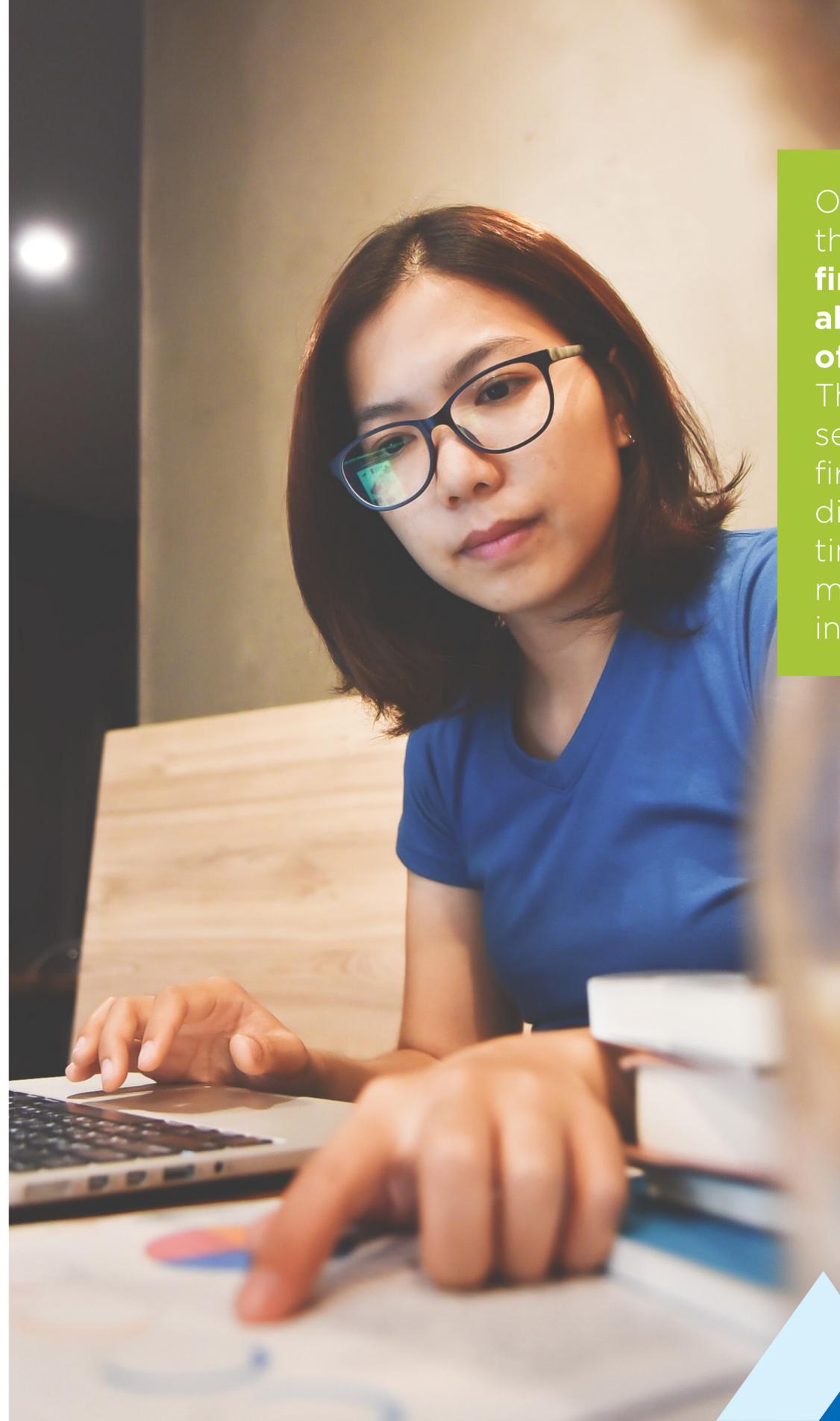
SECTION 1

The founding principles of the new operating model



Mobilizing flexibility and resilience

The pandemic showed how quickly financial institutions have been able to scale processes and operating models when they needed to. Many have used intelligent automation to offer customers payment holidays or granting small business loans, for example. **The challenge now is to adopt intelligent automation that enables enterprise-grade change right across the organization**, not just to improve the basic efficiency of individual processes that often operate within a single business function.



One of the greatest advantages of the three-thirds model is that it **helps financial institutions become better able to withstand the uncertainties of business and socio-economic life.** This flexibility extends into known seasonal peaks and troughs, because firms can increase the number of digital workers they employ at busy times, such as when new saving or mortgage products are launched, or insurance products renewed.

Financial institutions were given a mandate during the pandemic to help customers through the difficulties they were facing, and the expectation from consumers and government alike is that this arrangement will **continue as they provide personalized care to guide customers back to economic stability.** To play this role, financial institutions will need digital workers to provide them with extra resources, which will give organizations the time back into their day to make it possible.



Monmouthshire Building Society

Monmouthshire Building Society has taken its first steps in rolling out Blue Prism's turnkey cloud platform for a change program that could see as many as 170 processes improved through intelligent automation.

With automation partner Codebase8, stage one fully automates the end-to-end mortgage borrowing process, onboarding new brokers and networks within 24 hours and paying broker commission more frequently, which equates to more mortgage applications and more business.

Stage two automates some of the heavy manual processes undertaken by the underwriting team, including assessment of application forms, documents, affordability verification, ID verification and instructing valuation reports.

Stage three will automate the assessment of valuation reports, producing mortgage offers and uploading offers to broker and solicitor portals. By minimizing the amount of physical mail, it will also strengthen the Society's green approach among members and Society colleagues.



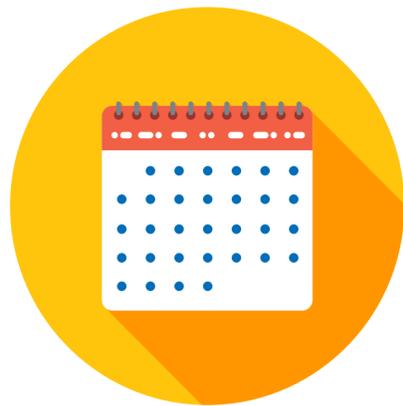
Dawn Gunter, COO of Monmouthshire Building Society, explains,

Our use of digital workers means we're able to expand the mix of products we can offer to our changing member base via our broker network, allowing us to grow a lot faster. Importantly, our people are excited by the changes we are implementing. They clearly see the potential this has for serving our stakeholders better than ever. In fact, we are seeing healthy competition among business teams to get their processes to the top of the stack for intelligent automation rollout.



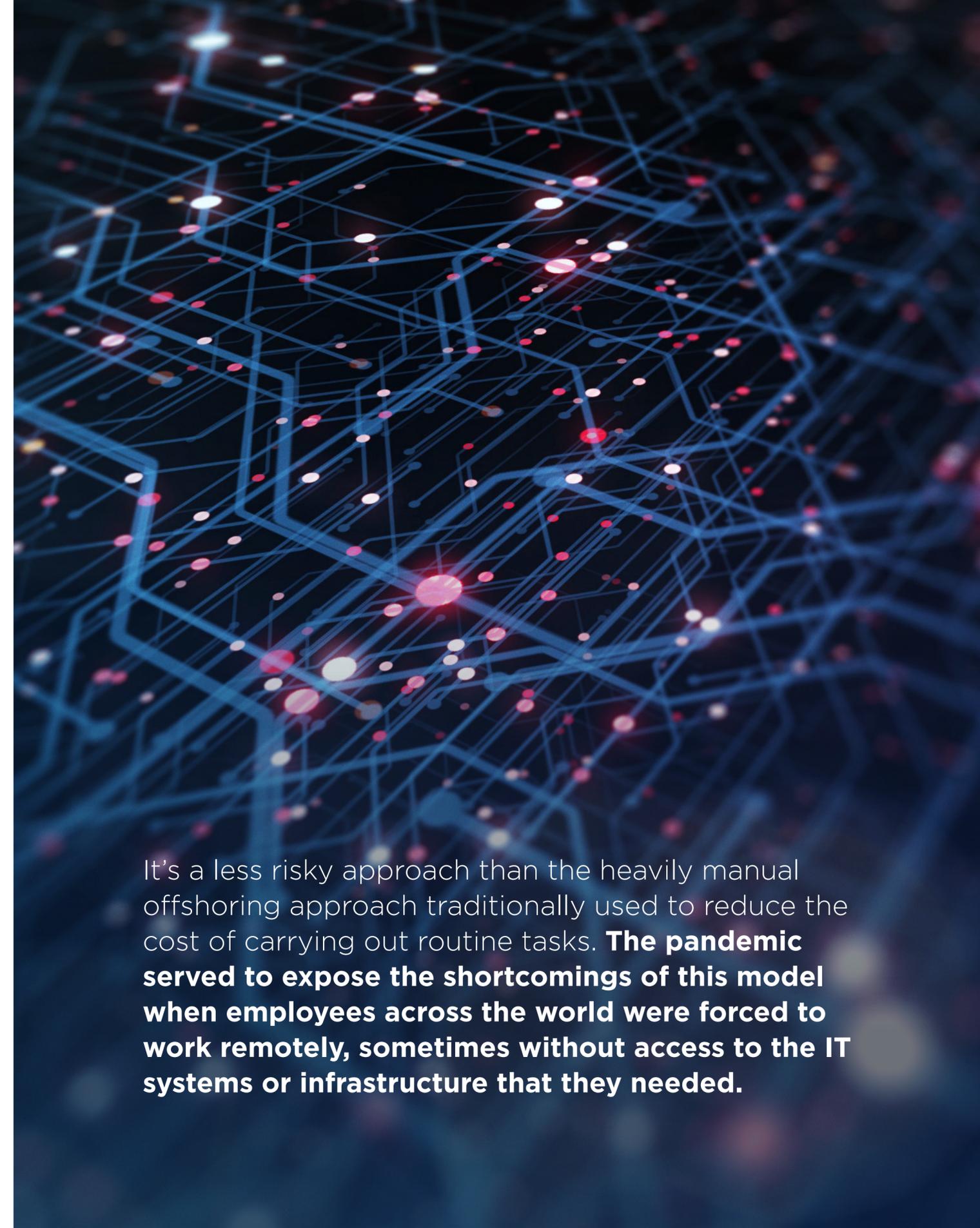
Reducing **operational risk**

In contrast to humans, **digital workers do not get bored with routine work or make mistakes.** A digital worker can carry out tasks simultaneously and complete fields in a loan application automatically.



It does this according to the rules that govern the process—
not based on personal judgement—
24/7, 365 days a year.

Many banks use intelligent automation **to conduct compliance checks at levels of detail and continuous monitoring** that would be unrealistic for a human worker to perform, for example.



It's a less risky approach than the heavily manual offshoring approach traditionally used to reduce the cost of carrying out routine tasks. **The pandemic served to expose the shortcomings of this model when employees across the world were forced to work remotely, sometimes without access to the IT systems or infrastructure that they needed.**

Releasing humans from mundane work

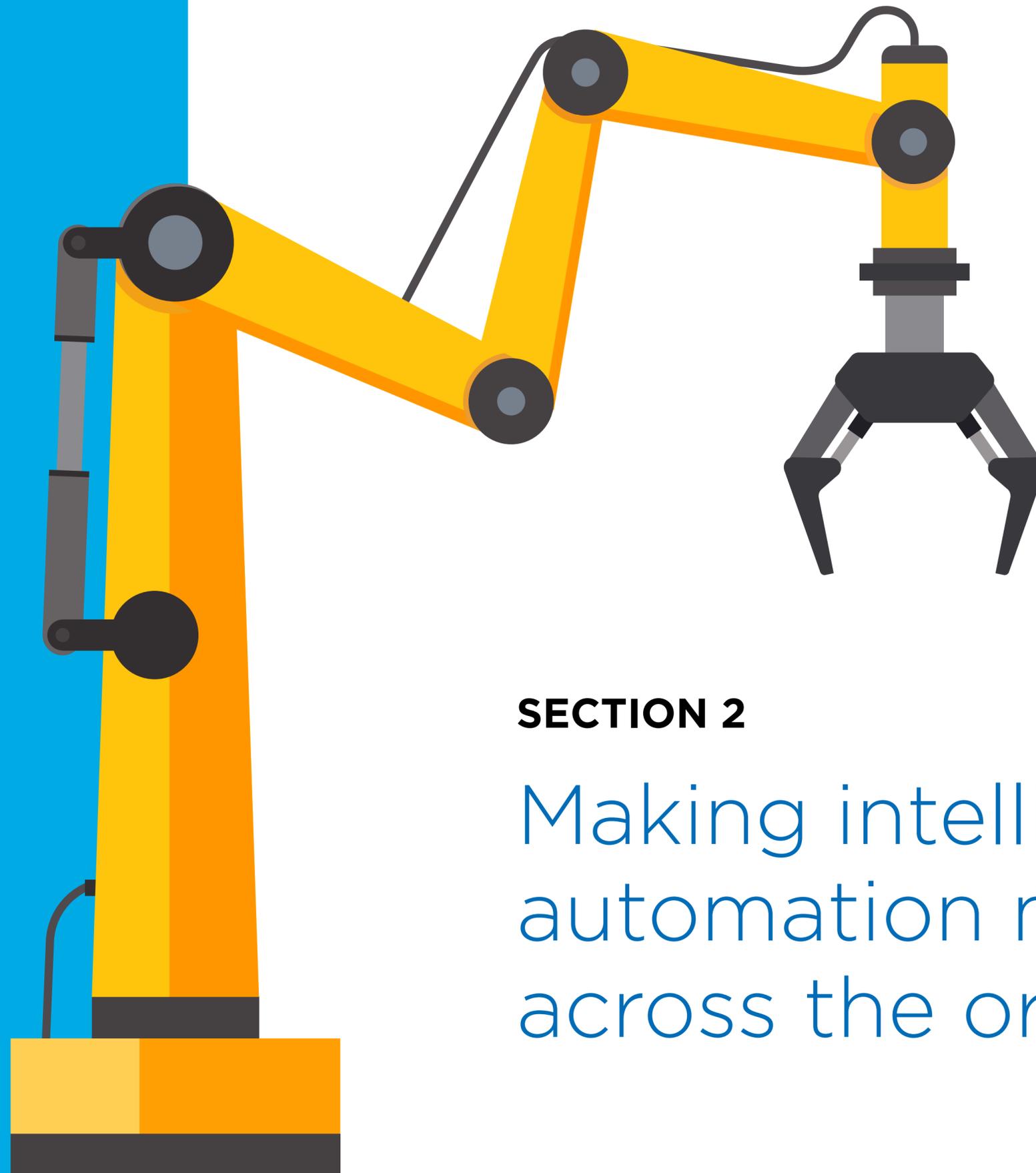
Our research uncovered a relatively **optimistic attitude toward headcount growth in the next 12 months**, despite the economic uncertainty created by the pandemic and other forces.



Almost six-in-10 (58%) of respondents said their team headcount would grow in the year ahead.

However, the demand that was building before the pandemic struck for skills in areas, such as **data analytics and digitalization will continue to accelerate**. As McKinsey Global Institute stated in its report, *The Future of Work After COVID-19*¹, occupation transitions may increase by as much as 25% by 2030. Requirements in the U.S. for science, technology, engineering and mathematics (STEM) professionals will **grow by 24% in the same period, while demand for office skills will fall by 17%**.

Competition for the 'new' skills will be strong, but **automation means there's now an opportunity to release existing employees from work that can be undertaken by digital workers**, leaving humans to focus on customer-facing work that increases customer value and revenue. The emphasis for humans will be on innovation that is **constantly learning based on new insights; solving problems and directing continuous process improvements for execution** by digital workers; and nurturing relationships by applying empathy to impact customer experiences.



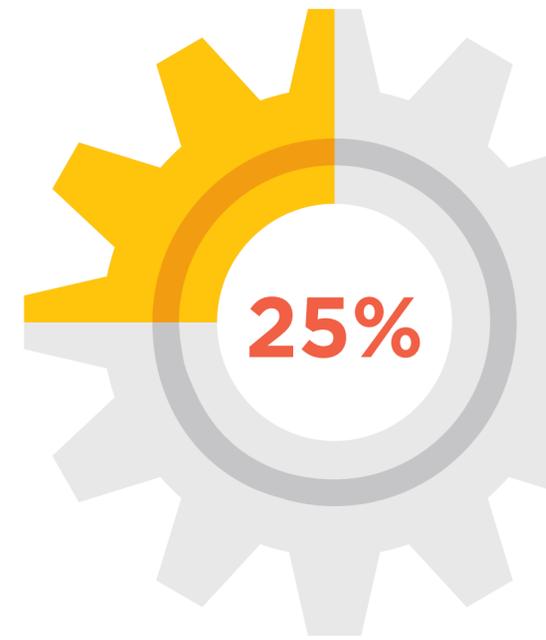
SECTION 2

Making intelligent automation mainstream across the organization

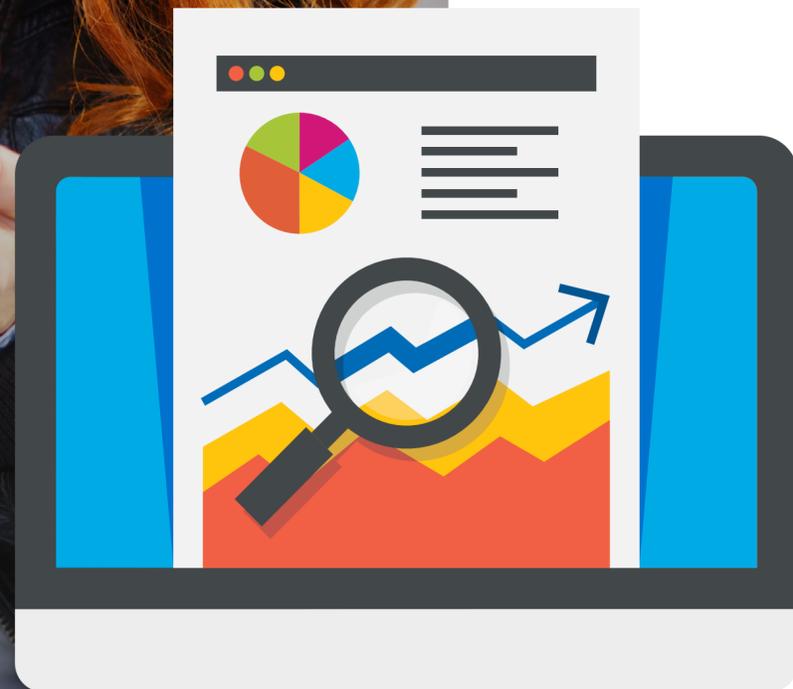


In the early days of automation, the emphasis was on existing processes, and often only automating 25% of each process.

Now some leading organizations are adopting a top-down, strategic methodology rather than a tactical approach. Although many financial services companies are successfully adopting automation at scale, many are stuck in experimental mode or deploying automation within silos, so a change of thinking to break down barriers is required.



This often means starting to think about not just re-mapping processes but designing new processes with digital workers at their heart and reimagining existing ones. Moving tasks to a team of digital workers means business rules can change as and when they need to, without attracting additional IT costs and taking years to complete.



To compound even more value, all automated work is being hugely multiplied by organizations across their businesses. **People can not only centrally design, draw and 'publish' processes that digital workers automate, but share, improve and reuse these automated assets anytime, anywhere, with zero coding required.**

As research firm Knowledge Capital Partners writes in its report *Becoming Strategic with Intelligent Automation*², leaders in this area are already doing this by 'integrating RPA with advanced cognitive technologies that can manage, for example, unstructured data, analytics, and probabilistic decision-making. Usage has included efficiency ('doing things better') but the focus has moved to effectiveness ('doing the right things') where much greater value is found.'



Eric Tyree, head of AI and research at Blue Prism agrees that it's **important to take a strategic overview of work and then assign relevant tasks to human and digital workers**, taking careful note of inefficiencies in tasks that can be eliminated altogether.

“Artificial intelligence is all about allowing digital workers to do stuff that humans can’t,” he says. **“For example, automated trading can happen at a speed and scale impossible for humans to achieve.** Also, digital workers can learn from human responses to exceptions, such as fraud in card applications, so they continue to get better at what they do. And organizations learn from managing change on a rapid basis, which means improvements are compounded over time.”

John Hindle and Leslie Willcocks added to this point in a paper titled, Intelligent Automation in Banking³, explaining, **“Prescient banking executives we are researching understand two things: the strategic opportunities offered by intelligent automation; and how automation can drive the twin engines of compound growth and combinatorial innovation.”**



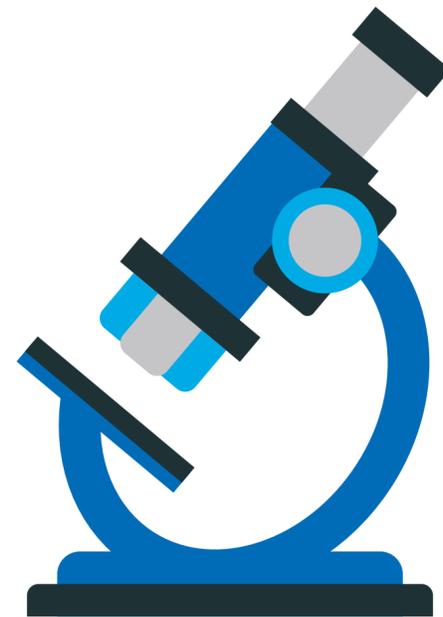
SECTION 3

Research Findings

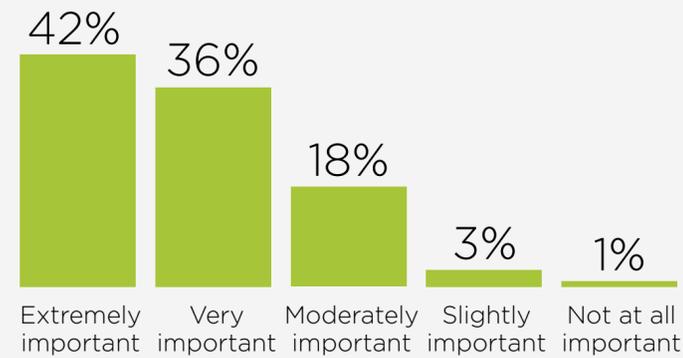


Automation plays an important part across all aspects of work in financial services

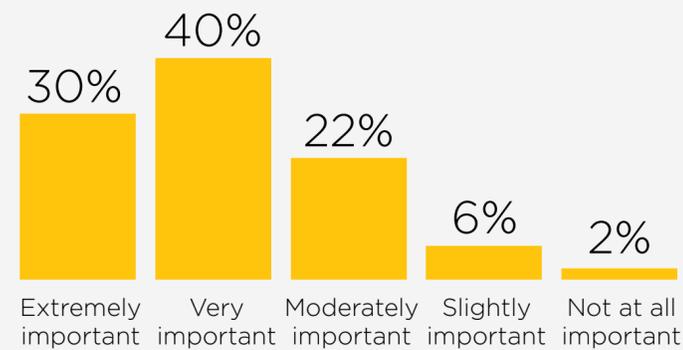
Looking in detail across different tasks undertaken by financial services professionals, it's clear that the importance of automation is a work in progress. Low hanging fruit such as the **reduction of manual work in re-entering data and checking customer information** are currently more highly valued overall than improving collaborative work internally or with third parties.



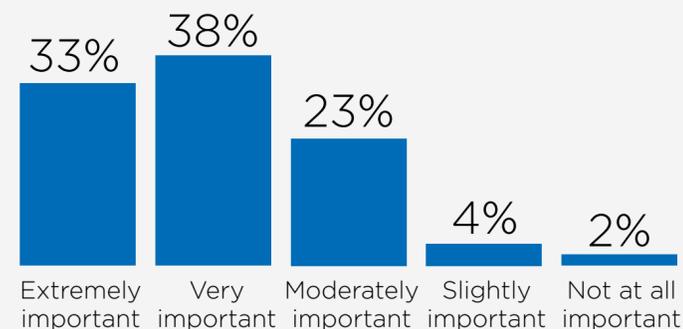
Reduces manual work such as re-entering data



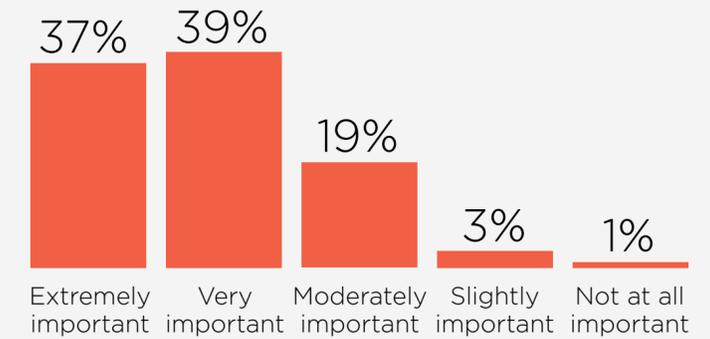
Improves speed in decision-making such as issuing funds or opening accounts



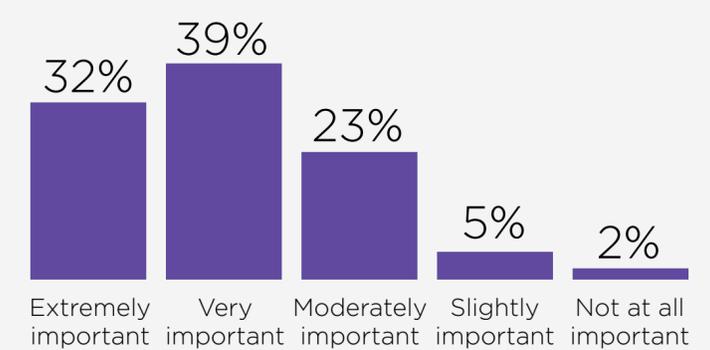
Improves collaborative working across different teams and departments



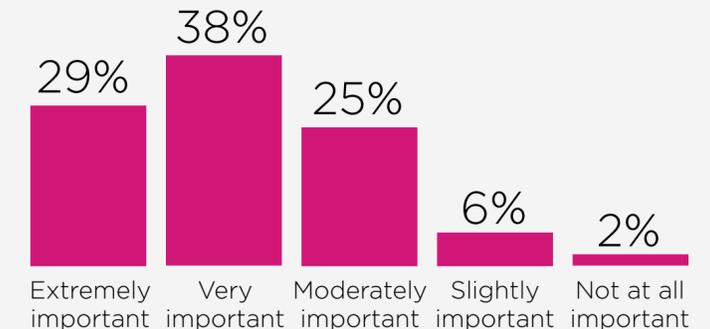
Speeds up processes such as checking customer data from internal and/or external sources



Frees up time to undertake more customer-facing work

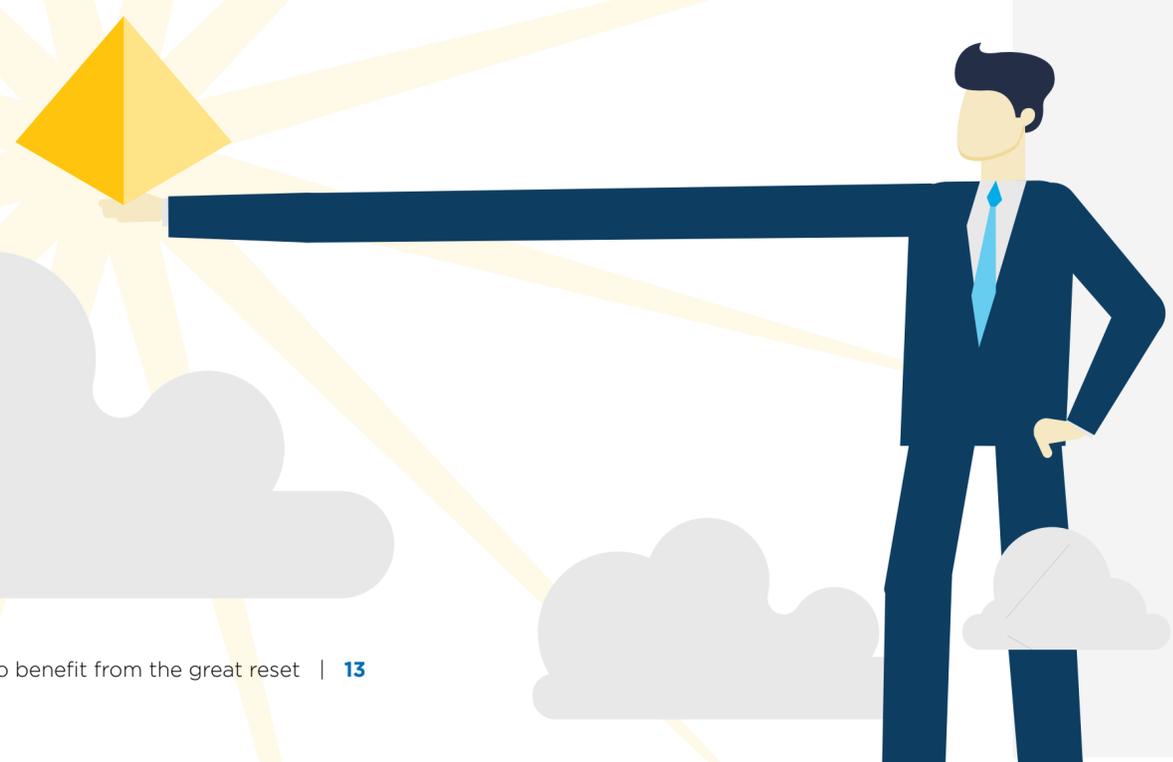


Improves collaborative working with third parties



Despite the benefits of automation, **financial services organizations are still finding it difficult to scale**

While respondents understand the value that automation brings, there is still a gap for some financial institutions between understanding how it could help deliver better customer services and/or working more collaboratively with colleagues to make it happen. **Just 12% of respondents said they have a technology platform that enables them to re-design customer-facing processes without altering back-office systems; 16% said they could use a technology platform to re-design collaborative working processes.**



5%

Don't know

12%

It's very easy - we have a technology platform that enables us to redesign processes without altering back-office core systems

33%

It's relatively easy - we can communicate with the IT team to redesign the process



How challenging is it for you to **improve the service you and your team deliver** to customers through automation if you identify a better way of handling a process?

16%

It's very difficult - I have to approach senior management, who will then speak to IT to design the change

35%

It's relatively difficult - communication with IT can sometimes be complex and time-consuming

3%

Don't know

16%

It's easy - we have a technology platform that enables us to redesign processes without altering back-office core systems

35%

It's relatively easy - we can communicate with the IT team to redesign the process



How challenging is it for you and your team to **improve the way you collaborate with colleagues** through automation if you identify a better way of handling a process?

15%

It's difficult - I have to approach senior management, who will then speak to IT to design the change

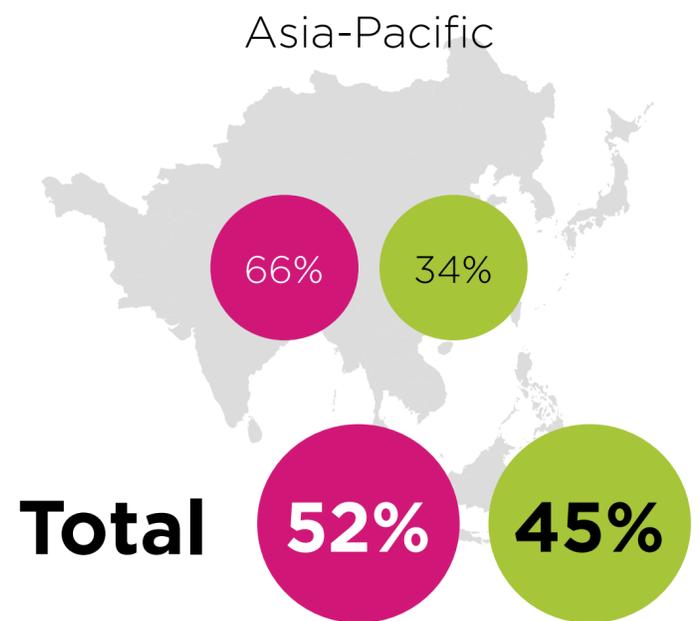
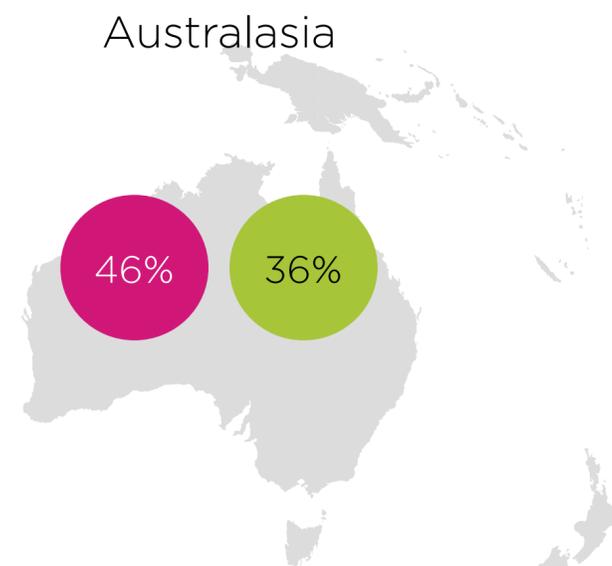
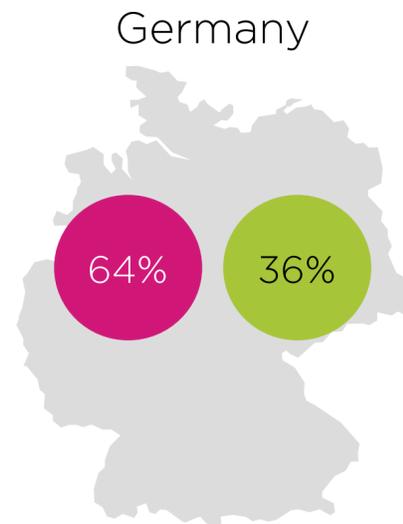
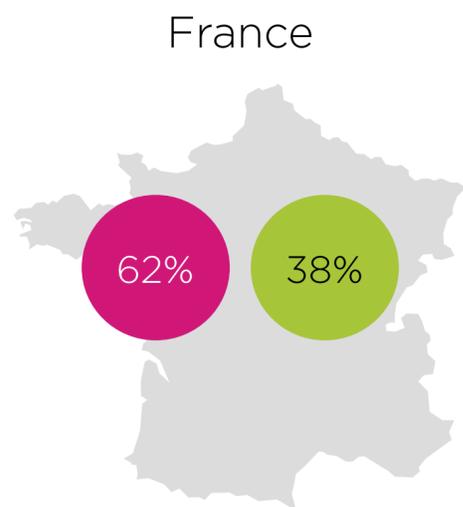
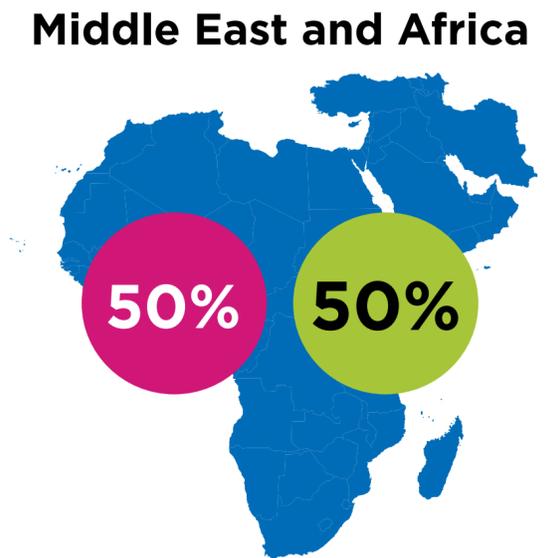
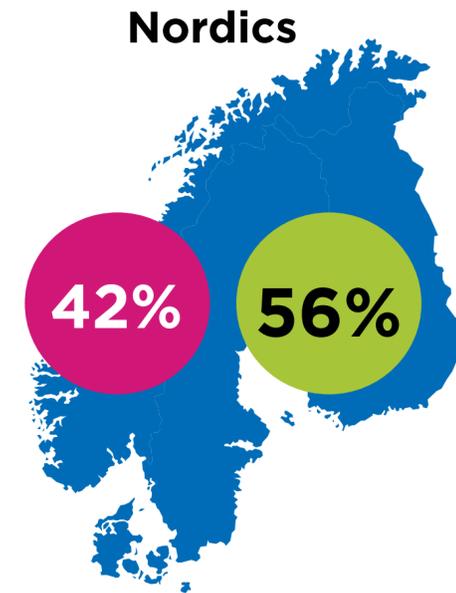
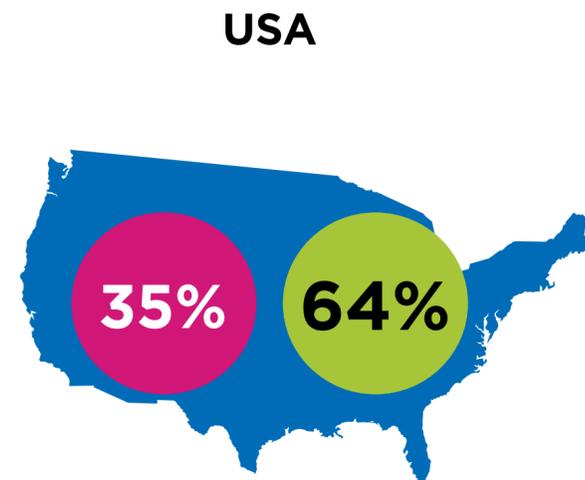
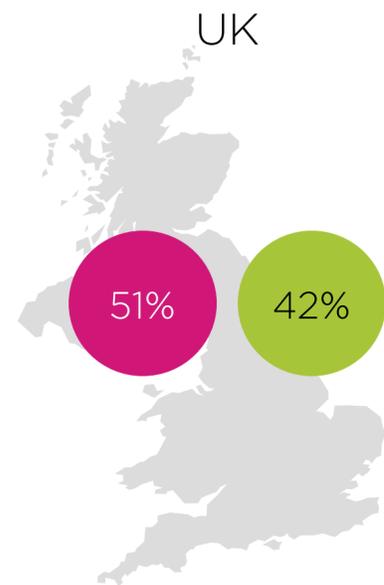
31%

It's relatively difficult - communication with IT can sometimes be complex and time-consuming

International comparison suggests financial institutions in the U.S., Nordics and Middle East and Africa are taking the lead in scaling customer-facing processes

How challenging is it for you to improve the service you and your team deliver to customers through automation if you identify a better way of handling a process?

● All difficult % ● All easy %



How challenging is it for you and your team to improve the way you collaborate with colleagues through automation if you identify a better way of handling a process?

● All difficult % ● All easy %

USA
35% 64%

UK
39% 53%

France
42% 56%

Nordics
44% 54%

Germany
66% 34%

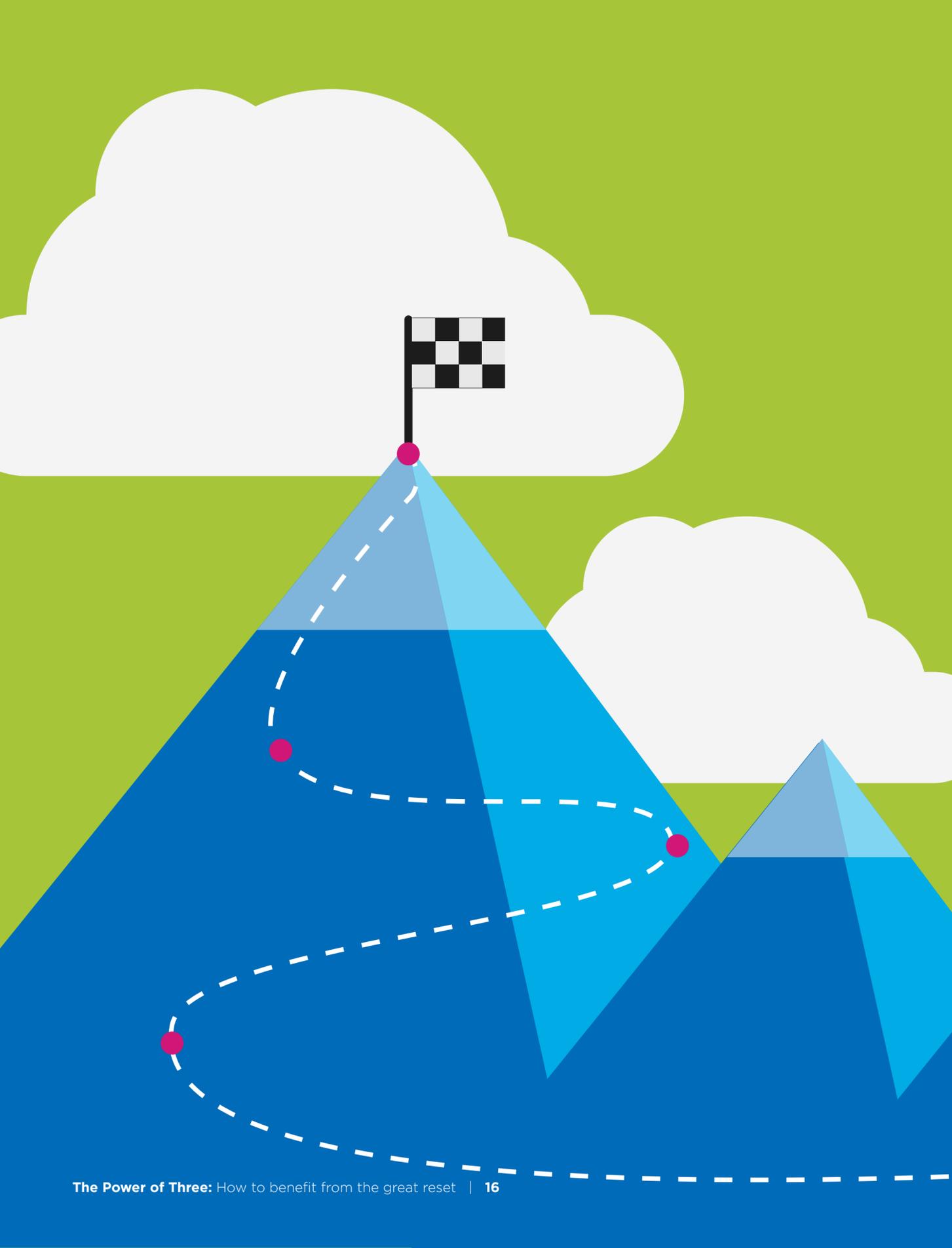
Asia-Pacific
60% 40%

Australasia
38% 54%

Middle East and Africa
48% 52%

Total 46% 51%

Financial institutions in the U.S. also lead the way in flexing collaborative working models through automation.



SECTION 4

Making a clear pathway to top-down, strategic intelligent automation

It's increasingly clear that the type of leaders or prescient banking executives described above are those who see a bigger picture from the benefits they can gain from intelligent automation. At Blue Prism, **we believe this type of senior-level buy-in is vital to success**, along with three other interlocking factors: a strong governance model, a cloud-first approach and customer centricity.

Senior-level buy-in and vision is **mission critical to avoid staying in tactical mode**

While it's tempting to address the need for short-term fixes by applying intelligent automation to the low-hanging fruit of poor processes, **this will not add the most significant value over time.**

Knowledge Capital Partners reports that, "What is noticeable and distinctive about those who 'go big' is that they have senior executives who see digital technologies as strategic and transformative; they provide sustained support and resources for long-term organizational change; they see technologies, including automation, not as discrete tools, but instead as comprising a digital platform enabling new business relationships with customers, ahead of their competitors. **And, importantly, they appoint credible, influential champions who are held accountable to make it happen.**"



Emily Bristow, head of Customer Success EMEA at Blue Prism, concurs that a **C-level mandate and vision are the most important elements in the successful implementation of intelligent automation.**

"If you don't have an idea of what you want to achieve, you aren't going to be as impactful as you could be and under-ambitious, piecemeal tactics either fizzle out or stay small.

"Of course, the world around us changes, but that doesn't mean you shouldn't plan. The vision for your automation team will evolve and adapt and that's ok."



Strong governance: The Blue Prism Robotic Operation Model (ROM®)

The Robotic Operating Model (ROM®) is Blue Prism's industry-leading approach to **successfully deliver maximum business benefits through the scaled deployment of intelligent automation.**

It's a roadmap that has been developed following more than a decade of experience and knowledge of deploying Blue Prism at scale in countries and industries across the globe.

There are 7 foundations of the ROM®



Vision

Create a vision for your digital workforce based on organizational strategy and goals, that support long-term intelligent automation success



Organization

Define the organizational design that best supports delivery of your RPA capability and aligns with your corporate strategy and culture



Governance and Pipeline

Assess and select processes to build a sustainable automation pipeline and implement governance for a controlled and secured digital workforce



Delivery Methodology

Define the optimal delivery approach and embed policies for rapid and efficient automation in a structured, controlled and repeatable manner



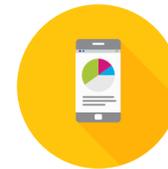
Service Model

Support operational processes while defining the management, reporting, scheduling and referral handling processes for business as usual



People

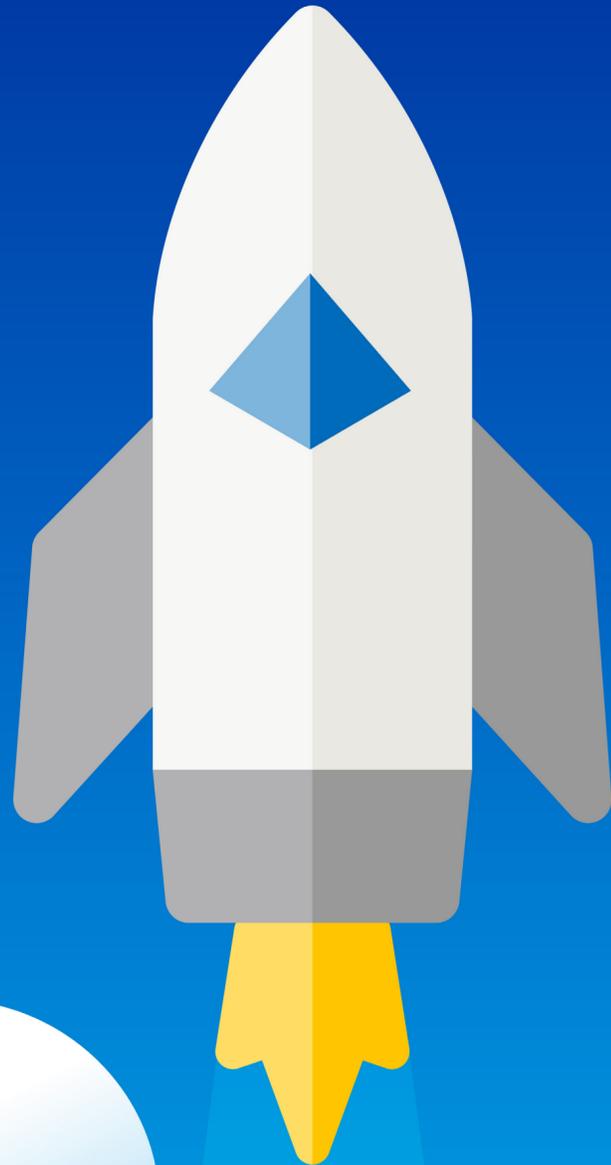
Build teams with the appropriate roles and skills to help build and run a successful digital workforce



Technology

Define a highly scalable technical architecture and the associated growth strategies to generate maximum business benefit

The ROM® has been designed to integrate fully with an organization's existing change management systems, thereby removing the need for additional procedural and governance obligations.



Adopt a cloud-first approach where possible

While corporates can make a choice between on-premises, cloud and managed intelligent automation solutions, a cloud-first approach brings many benefits. Purna Doddapaneni, head of Bain & Company's Automation Center of Excellence says* that these include speed to implement and speed to value with pre-built solutions that are already available on the cloud; plus, a consistent environment to ensure stability and scalability.

“In our experience, automation journeys have traditionally started off in an ad hoc manner, either in a function or in a business unit, and solutions were not set up for the type of scale program you can achieve with cloud,” Doddapaneni explains. “Another benefit we have seen is lower total cost of ownership for the whole cloud solution, including licensing and implementation.

“And minimal to no additional resources are needed to manage and maintain the automation platform, if you have to do fixes, upgrades, patches or maintenance. **The easier option that we have seen for most of our clients, where there's one licensing model for the automation solution that can be applied to multiple business cases.** They are not having to manage multiple automation, technologies, licenses, or updates across different solutions. One final benefit, which I feel is a critical factor for cloud is the reusable and repeatable model.”

Source: <https://blueprism.souder.fm/episode/how-intelligent-automation-in-cloud-new-norm>

Looking at transformation through the lens of the customer not operations

Some of the best advantages currently being seen by leaders are significant improvements in customer-centricity. Freed up from completing low-value tasks, banking professionals have the time and space to achieve three things:



Communicate with customers and find out what would make their lives easier and better



Apply data analytics to understand why and when customers become dissatisfied with the service they're being offered



Improve sub-standard processes by collaborating with digital workers

In essence, banking professionals can be empowered to look with a new lens at what will drive customer satisfaction and higher Net Promoter Scores (i.e., the likelihood that a customer will recommend a service to friends and family). **That may not be enough to simply make current approaches faster or more efficient, but rather a whole new process needs to be introduced based on automation and collaboration instead.**

For example, instead of making customer onboarding quicker by digitizing documents to share serially between different teams, banks could think about how to carry out all checks on the customer in parallel, so decisions can be taken almost instantaneously.

Human and digital workers blend and multiply outcomes

A major Canadian bank adopted a new value-oriented, purpose-driven management philosophy of increasing organizational agility and improving customer experiences. A key focus involved transforming disjointed operating processes on an end-to-end basis but from the customer's perspective. This went far beyond simply tweaking existing systems and processes for incremental improvement and cost reduction. Accordingly, the automation business case was based on increasing the value of the bank's services as measured by customer metrics—retention rates, service expansion, and improved net promoter scores—rather than “simply doing bad things faster.” Taking an agile approach, aided by design thinking, the bank realized that a unified customer data structure was a critical requirement for improving service experience. It integrated front-end artificial intelligence and machine learning tools with its Blue Prism platform to capture, structure, and curate existing customer data in a shared repository supporting multiple service lines. In addition to efficiency savings estimated at more than 200% from the ability to access and use previously trapped data, the bank also estimated a 400% gain in enterprise effectiveness measured by increased customer retention and revenues from broader services integration.

Conclusions

The need to evolve and adapt to change will become more important in the uncertain future that lies ahead. The three-thirds model, fueled by AI and intelligent automation, will help financial services organizations learn how to scale processes, release human resources that can be used for higher value work, and improve customer experiences as a result. But while banking professionals understand the logic and benefits of automation, their working environments aren't currently set up to enable change.

This is where the next stage in intelligent automation will be realized, and more of the value released. The key that makes the biggest step change in success is ensuring that any transformation effort begins with the reimagining and redesign of key work/processes prior to digitization and automation. As McKinsey writes: there is a 40% increase in success when companies redesign prior to automating.

Eric Tyree believes that a new breed of HR manager will be needed to apportion work to the resource that can carry it out the most effectively. "What requires thinking, and what requires pulling data from multiple sources to fill out forms and support decision making?" he asks. "Which work can be eliminated and how can human and digital workers operate most effectively together? These are the questions organizations will need to ask themselves very soon if they are to stay relevant."

Methodology

This report is based on independent research undertaken with a total of **550 banking professionals at the senior manager level** and above involved with back-office operations split across the **USA, UK, France, Germany, Nordics, MEA, Asia and Australasia** by PollRight, between December 2020 and January 2021. Australasia covers Australia and New Zealand, while Asia Pacific covers Hong Kong, Singapore and India. Please note that some percentages may not add up to 100% due to rounding and excludes 'don't knows' from the analysis.



About Blue Prism

Blue Prism is the global leader in intelligent automation for the enterprise, transforming the way work is done. At Blue Prism, we have users in over 170 countries and more than 2,000 businesses, including Fortune 500 and public sector organizations, that are creating value with new ways of working, unlocking efficiencies, and returning millions of hours of work back into their businesses. Our intelligent digital workforce is smart, secure, scalable and accessible to all; freeing up humans to re-imagine work. To learn more visit www.blueprism.com and follow us on Twitter [@blue_prism](https://twitter.com/blue_prism) and on [LinkedIn](https://www.linkedin.com/company/blueprism).