The role of robotics in the bank of the future

Document management in the digital age can be a source of great efficiency gains for financial institutions but achieving it requires a willingness to invest in futuristic technology. With the right service provider, robotics and artificial intelligence can become a seamless part of the workflow, Future Banking speaks to Swiss Post Solutions CEO Jörg Vollmer (far right) and Michael Neuberg (near right), director global solution design banking, about where those technologies fit in today’s banks.

“Some bank customers use traditional channels but more are moving to ebanking and mobile applications. Back-office systems are not prepared for that complexity. Even if you have a digital front end, the back-office work is still legacy or relies on manual data entry. Increasing compliance requirements adds yet more complexity and has a tremendous impact on the workload,” he remarks.

“For customer onboarding alone, there might be 100 full-time employees. Not only is speed improved but also quality, as Michael Neuberg director global solution design banking at SPS explains.”

“We have firm evidence that RPA can lower the cost of serving customers, increase operational efficiency and improve quality by eliminating human errors, as SPS has several customers where RPA pilots are already running,” he says. “Ideally, you should focus on processes with high volumes or high average handling times to get very good business cases. Within our projects, we could see that up to 75% of manual process steps could be replaced by intelligent automation or RPA. This free capacity can be used for more complex processing activities.”

We have firm evidence that RPA can lower the cost of serving customers, increase operational efficiency and improve quality by eliminating human errors, as SPS has several customers where RPA pilots are already running.

“Another advantage of RPA is its rapid scalability and process stability on a stable cost base. The challenge we often face is getting detailed information on the full business process, including exceptions. Often, not all process steps are firmly documented and are only known to some specialists. An outside-in view often helps in asking the right questions and obtaining all relevant information,” he adds.

RPA works extremely well with structured information. Core systems and cutting-edge technology Document management is the sweet spot of SPS, and the company has a keen eye on the diverse and increasing range of technologies in this space. Its insight helps it to formulate the best method for implementing cutting-edge technology for specific clients in the banking space. Not only can it help banks use the technology to address their initial document management needs, but it can also help them to ensure that the benefits of these systems permeate all processes where they can deliver efficiency gains.

“Traditional retail banks are all facing the same challenge: their legacy systems have been overrun by rapidly changing customer behaviour and digitalisation like smartphone apps, internet banking or other data interfaces. Integrating all the new upcoming requirements to the legacy systems often takes up expensive and scarce IT resources. This challenge hits more or less all core processes of a bank. Driven by the new requirements of customers and regulators, the products and processes are constantly changing. Just think about the number of tax changes in different countries or new products that are launched each year,” notes Neuberg.

“With competencies across the whole process chain – input, processing and output – our strength is in shaping the best RPO solution as a strategic partner together with the customer and advising on which solution is best fitted to respond to any particular challenge. Instead of suggesting that one tool fits all, SPS uses its core competences to analyse and recommend how to get the best outcome whether by applying technology like AI or RPA, or by rightshoring a part of the process chain, and possibly a combination of all of those things,” he adds.

“If a bank is loath to invest in the complete reworking of its core systems, but still wants to use the latest technology to meet the challenges of a dynamic and increasingly competitive landscape, then help is at hand.”

“Competition is hard, especially in the low-interest and low-margin environment we are at the moment. Banks have to deliver an improved customer experience and identify ways to reduce costs. This requires better integration of front and back office, and an improvement in end-to-end processes,” says Vollmer.

The pace of change will only accelerate and banks need a service provider that can deliver not only the full range of technologies but also the ability to offshore manual processes.

“Some bank customers use traditional channels but more are moving to ebanking and mobile applications. Back-office systems are not prepared for that complexity. Even if you have a digital front end, the back-office work is still legacy or relies on manual data entry. Increasing compliance requirements adds yet more complexity and has a tremendous impact on the workload,” he remarks.

“For customer onboarding alone, there might be 100 full-time employees. Not only is speed improved but also quality, as Michael Neuberg director global solution design banking at SPS explains.”

“We have firm evidence that RPA can lower the cost of serving customers, increase operational efficiency and improve quality by eliminating human errors, as SPS has several customers where RPA pilots are already running,” he says. “Ideally, you should focus on processes with high volumes or high average handling times to get very good business cases. Within our projects, we could see that up to 75% of manual process steps could be replaced by intelligent automation or RPA. This free capacity can be used for more complex processing activities.”

We have firm evidence that RPA can lower the cost of serving customers, increase operational efficiency and improve quality by eliminating human errors, as SPS has several customers where RPA pilots are already running.

“Another advantage of RPA is its rapid scalability and process stability on a stable cost base. The challenge we often face is getting detailed information on the full business process, including exceptions. Often, not all process steps are firmly documented and are only known to some specialists. An outside-in view often helps in asking the right questions and obtaining all relevant information,” he adds.

RPA works extremely well with structured information. Core systems and cutting-edge technology Document management is the sweet spot of SPS, and the company has a keen eye on the diverse and increasing range of technologies in this space. Its insight helps it to formulate the best method for implementing cutting-edge technology for specific clients in the banking space. Not only can it help banks use the technology to address their initial document management needs, but it can also help them to ensure that the benefits of these systems permeate all processes where they can deliver efficiency gains.

“Traditional retail banks are all facing the same challenge: their legacy systems have been overrun by rapidly changing customer behaviour and digitalisation like smartphone apps, internet banking or other data interfaces. Integrating all the new upcoming requirements to the legacy systems often takes up expensive and scarce IT resources. This challenge hits more or less all core processes of a bank. Driven by the new requirements of customers and regulators, the products and processes are constantly changing. Just think about the number of tax changes in different countries or new products that are launched each year,” notes Neuberg.

“The related IT changes or manual workarounds costs the financial industry a huge amount of money each year and often without additional revenue. These costs can be reduced by implementing the required business logic and rules out of state-of-the-art technology like RPA and AI embedded in the existing IT landscape. Also, the fast evolution of the IT landscape, the increasing number of transactions and the digitisation game mean that a bank must ensure to keep potential fraud. RPA can help here. It can be used for automated controls based on transaction data received from the legacy system,” he adds.

Work together for success

Vollmer and Neuberg firmly believe that what banks need to ensure they get the best out of new technologies is not a vendor but a partner. The pace of change will only accelerate and banks need a service provider that can deliver not only the full range of technologies but also the ability to offshore manual processes.

310x541 to 540x661

The pace of change will only accelerate and banks need a service provider that can deliver not only the full range of technologies but also the ability to offshore manual processes.