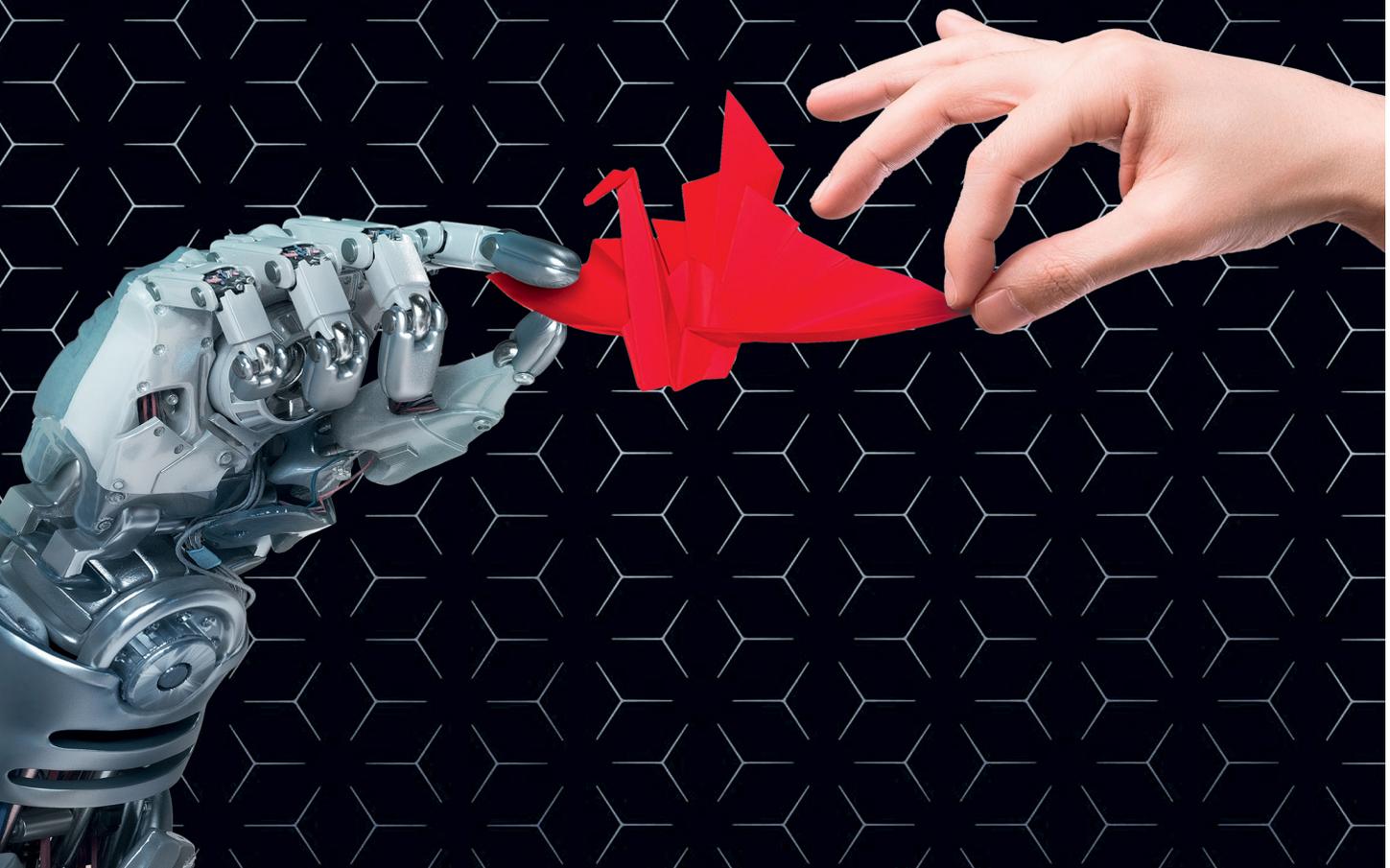


WHITEPAPER

Putting the right Streamline and Automation strategy in place for Redress



Introduction

The role and expectations of the Financial Services industry in society has fundamentally shifted over the last decade with an increased focus on consumer protection, corporate culture and ethical decisioning.

This has been driven through a combination of increased regulatory scrutiny, changes to consumer behaviours and the need to adapt traditional business models as a result of the technology revolution.

Key to success in this new and complex landscape is embedding a data-driven operating model that drives ethical decision-making, individual accountability and the consistent delivery of fair consumer outcomes. In practice this continues to be a genuine challenge for the Financial Services industry, especially when applying this to customer Redress which cost the UK Financial Services industry £4.8bn in 2018.

Delivering customer redress effectively is far from easy. A successful redress programme requires a high level of practical and tangible experience to enable organisations to be able to effectively foresee and navigate these challenges.

In this paper Sopra Steria's Business Process and Automation experts discuss how you can put the right streamline and automation strategy in place. The suggestions made and processes identified will help banks, building societies and insurance organisations to deliver the right redress programme outcomes for their businesses and the customers they serve.



Understanding the redress challenge

It is widely recognised in the UK Financial Services market that the PPI 'scandal' provided a welcome demonstration of consumer empowerment.

However, for organisations looking to support and satisfy their customers, it also provided the stark impetus for many financial services organisations to 'lift the lid' on their internal redress function, and examine how their redress approach could better protect customers, reduce harmful product selling, and simplify the process itself.

Sopra Steria acknowledges that this journey, whilst multifaceted, is often hampered by a number of fundamental factors. Our experience, and our clients inform us that poor data access and quality, an inflexible structure, a finite skilled workforce, and increasing regulatory scrutiny are all factors organisations need to address to ensure they consistently deliver, now and in the future, fair outcomes for their customers, whilst reducing the significant cost of doing business.



Figure 1 - Key industry Redress Challenges

It is also evident to us that the redress function struggles to keep costs contained, utilise its skilled resources as effectively as they can be, make informed decision quickly, and to simplify what can often be a 'traditional' and inflexible process. Whether as an exercise in itself or integral to a transformation or change programme, Sopra Steria helps financial services organisations to examine their existing redress function and re-imagine, shape, and run the underpinning processes through the business lens of process automation.

Process Automation has been firmly in the business spotlight recently. Its fundamental tenets of Streamlining and Automation align strongly with the redress challenge. Sopra Steria's approach to Process Automation has been developed from the recognition that historic and organically grown internal processes such as redress can, over time, become incomprehensible, inefficient, and costly to maintain.

We support our clients by helping them to build a Process Automation Strategy, which simplifies those processes, ensuring that they are lean, fit for purpose, and address core business aspirations and objectives. We then work with our customers to automate at pace the new model to accelerate information gathering, reduce rework, improve accuracy and transparency, and free up resources to take on more strategic and value add work.

In our experience, establishing a Process Automation strategy across an organisation’s redress function can accelerate many of the challenges business face:

Poor Data Access & Quality	Agility/Flexibility	Scale & Execution at Pace	Regulatory Scrutiny
Provision of access to and consolidation of RGD and file reviews	Reduce re-work through reusable assets	Augmentation of redress workforce	Transparency and auditable output and decision making
Elimination of output variations	Management of simple and complex scenarios side by side	Decoupling of resource costs from process volume	Compliance and risk issues through errors
Identification of exception paths	Scaling resources to match business needs	Always on – Predictability, dependability and service continuity	Consistent application of rules
Improved continuous learning			
Introduction of Actionable insights			

Process Automation is not a new concept nor is it the “silver bullet” to an organisations’ redress challenge. However, Sopra Steria strongly argues that financial service organisations must consider and position it as a vehicle to deliver value fast, accelerate the redress timeline, improve quality, and utilise key data assets.

Where does streamline and automation fit into your redress approach?

Sopra Steria's process automation redress approach, 'Vision to Value', provides our customers with a methodology and tooling set that injects rapid value and fashions future change.

Collaborating with business stakeholders, the approach focuses on re-imagining and optimising the redress function through simplification, then realising tangible benefits by automating the new model.

Define through Strategy

'Vision to Value' enables our clients to develop a future proofed and continuous change roadmap by assessing their redress business to gain a holistic view of opportunities to drive efficiency and improvement.

Re-imagine through Simplification

Organic growth and the speed of regulatory change has led the redress function to operate on a complicated process landscape. Many financial services organisations operate in silos, meaning the creation of inefficient processes, and the prevention of benefiting from enterprise improvements.

'Vision to Value' takes a holistic approach and, through the creation of a realistic business case, identifies opportunities for redesigning the redress process. This approach helps to eliminate inefficient processes, reduce duplication, create commonality across the function, and identify areas that can be further improved through Automation tooling.

Shape through Automation

Redress is a complicated area, reliant on disparate information sources, hampered by significant manual effort, and manned by expensive SMEs undertaking rote activities over significant periods.

'Vision to Value' identifies opportunities to introduce Robotic Process Automation to reduce the cost of business; access, consolidate, and publish information quicker; improve quality and accuracy over time; and provide opportunities to redeploy capacity onto higher value work.

The approach also looks to the future through the introduction of emerging technology such as Machine Learning and Intelligent Analytics. By exploring these technology areas organisations can harness the data they have and look to improve decisions made through continuous modelling.

Building the business case for streamlining and automation in your redress programme

Sopra Steria's experience informs us that the redress function is ideally placed to benefit from Process Automation.

We understand that with increased regulatory scrutiny, an inherent inability to scale and execute at pace, a model lacking agility and flexibility, and poor data access and quality, the redress function often finds itself behind other areas in their organisation already deeply involved with the Digital agenda.

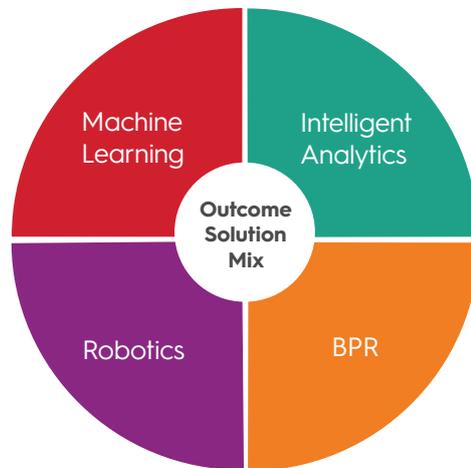
However, this should not be the case. Sopra Steria's 'Vision to Value' approach, methodology, and tooling provides the vehicle for financial services organisations to harness the power of simplification and automation. By harnessing simplification and automation principles they will be able to deliver tangible outcomes, reduce operational and redress costs, and enable change at pace and scale.

Building a strong business case for Process Automation is vital. Streamlining and process automation can deliver many benefits, but as with any technology, investment risks must be accounted for as well. Sopra Steria can provide support and guidance to our clients in developing the business case under our redress 'Vision to Value' approach.

With investment budgets limited within many financial services organisations, our experience informs us that it is advantageous for the redress function to build a Process Automation Roadmap. By building a Process Automation Roadmap, you can map investment to outcomes iteratively, allowing initial successes to build confidence and insight. Once proven more investment to scale and repeat across the function and organisation can be made.



Solution - BPR & Automation



Business Outcomes

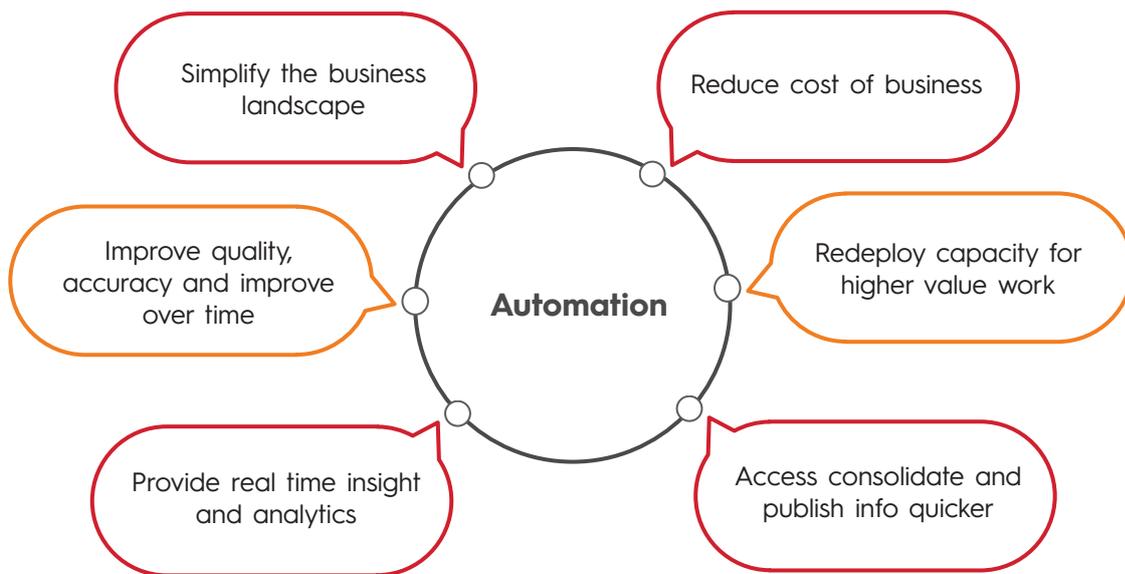


Figure 2 - How streamlining and automation can help deliver successful redress outcomes

Typically, the redress function will initially focus on routine work. For example the deployment of software robots to rapidly access and consolidate RGD and File Review information, or to inject more accuracy into Data profiling. The benefits this brings includes the ability to redeploy valuable SMEs onto work that is of strategic importance, provide sufficient impetus to continue the Process Automation programme, and examine more complex activity, such as modelling and sampling.

With an iterative Process Automation Roadmap of change, the redress function can provide investment payback within typically 2 to 3 months. The redress function can then invest further in streamlining and automation tools as and when required.

Why should you use Sopra Steria's streamline and automation tools and processes for redress

Sopra Steria has a significant track record in guiding financial services customers through their end-to-end redress journey.

We understand each financial services organisation is unique and a 'one size fits all' approach to redress is not the answer. When you engage with Sopra Steria to help overcome your redress challenges we take the time to identify your unique aspirations, objectives, and challenges, and to produce realistic outcomes using the most effective means possible.

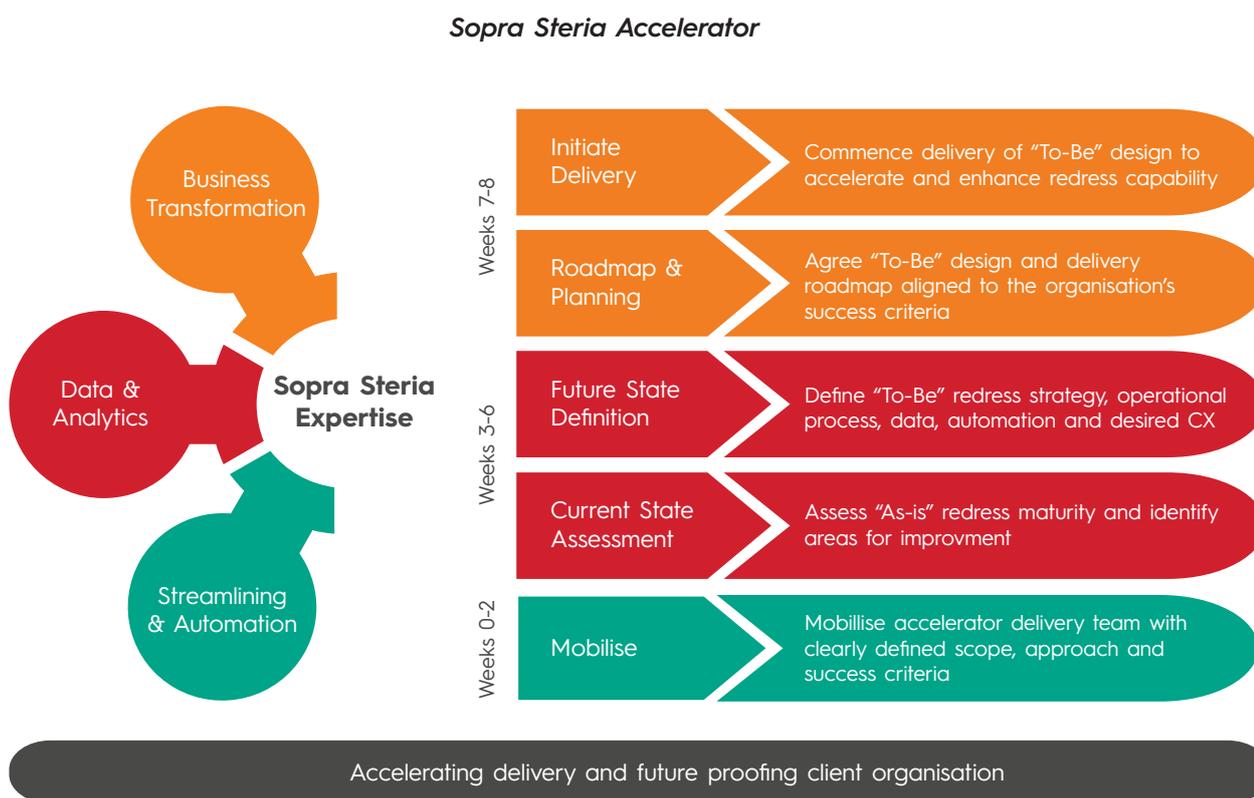


Figure 3 - Sopra Steria's Redress Accelerator process

Our redress 'Vision to Value' approach allows business stakeholders to re-evaluate and re-examine their processes, and re-imagine and optimise through simplification.

By taking a discovery first approach, value can be potentially realised without the need to introduce technology. The benefits of a discovery first approach is that processing time later in the programme of work will be significantly reduced through rationalisation, optimisation, and simplification.

A natural outcome of the simplification exercise is the identification of opportunities to automate. Whilst we encourage our customers to consider the value of 'traditional' Rules Based Workflow methods to, for instance, standardise questions and decision criteria (e.g. Pay v Do Not Pay), the prevalence for introducing Robotic Process Automation in the last few years has been transformative. We have developed our 'Vision to Value' approach to harness the power of software Robots, a shift from traditional methods organisations can significantly benefit from if looking to improve quality, improve accuracy, access and publish information quicker, and decouple resource costs from process volume.

The redress function is no different. For instance using Robotics to accelerate information gathering and consolidation for Data Profiling, allowing expensive SMEs to focus on Exception Paths, instantly scaling to match demand, and effectively improving Auditability and Regulatory Compliance by providing transparent and accurate reporting to the Regulators within set Timescales.

However, this is only the start of the Process Automation journey. With the future of the redress function evolving to look for opportunities to transfer Decisioning from Human to Intelligence engines, improve Risk control frameworks, and to continually learn and refine from experience, our 'Vision to Value' approach provides a mechanism to incorporate emerging technology such as Machine Language, at our client's own pace.

Sopra Steria recognises that the redress function has significant pressures to optimise Customer Journeys, to reduce cost of business, and to provide improved experiences for SMEs, customers and Regulators alike. The 'Vision to Value' approach from Sopra Steria offers a business led, technology enabled approach, using existing insights and cutting-edge technology to support organisations through this journey.



Why Sopra Steria for redress?

Sopra Steria's 'Vision to Value' approach to Process Automation can give financial services organisations confidence in their redress programmes:

We have lived and breathed redress – Our customers value our experience, they welcome our ability to inject real-life insight, and recognise we have lived through similar pain points to themselves.

We know how to Simplify and Automate your existing business – Business Transformation and change is what we do. Supporting clients to grow and remain relevant is our mission.

We see Pace and Value as inseparable – Investments realised quickly and often lead to rapid adoption, value at scale, and outcome industrialisation.

We are valued Technology Partners – Whether software Robots or emerging technology such as Machine Learning or Intelligent Analytics, we partner with the best in the market.

We support and empower – Our customers appreciate a long-term partner ethos and desire to hand back knowledge and ability to them.

Final Thoughts

As we have identified in this paper introducing Process Automation into the redress function will make a significant difference to business processes, ethical decision making and speed of resolution to customers who need to be compensated.

As part of a larger redress programme, or as a Continuous Improvement initiative, Sopra Steria recommends that financial services organisations inject Process Automation into their redress DNA in order for them to fully realise the value of the people, processes, and data they have nurtured for many years.

By working with a wide range of financial service customers we have developed a set of tools and methodologies to enable a 'Vision to Value' approach. We know what works, where risks may be hiding and how an effective redress function should work. In summary, our recommendation to financial services organisations for redress is to keep it simple in terms of process, understand what your business is responsible for and act with a customer first frame of mind. The key points the reader should take away from this paper are:



Simplify what you have first

Many financial services organisations jump straight into automating their existing processes and models. Sopra Steria would challenge this approach as ever changing market demand and business models alter the way organisations must operate to stay competitive.

Redress functions recognising that a continuous journey of improvement is fundamental to consistently deliver fair outcomes to their customers, should initially focus on simplifying their operation. Over time this function will almost certainly have developed into a reactive and cumbersome operation, ripe for streamlining and the removal of redundant and duplicated process.

Sopra Steria's 'Vision to Value' provides our clients with a tried and tested approach for tackling this challenge head-on, injecting opportunities to be a leaner and more agile redress function now and into the future, and ultimately laying the foundations for Automation.



Automate to reduce cost of doing business

If you are an organisation looking to remain relevant, or whose growth levers are daunting in today's market climate, then automating for now and the future is not just compelling, but in Sopra Steria's experience, obligatory.

Whether accelerating the capture and collation of data, enabling expensive SMEs to focus on more valued work, providing the regulators with accurate and transparent information, or injecting an 'always on' mentality, automation needs to be part of the redress function's DNA.

Sopra Steria's 'Vision to Value' approach provides our clients with a clear and practical Automation pathway for achieving these successes. Whether utilising Robotic Process Automation, or improving decisioning through emerging technology such as Machine Learning, our tried and tested approach will support the redress function on this journey now and into the future.

Sopra Steria has invested heavily into Process Automation, as we truly believe it is valuable and relevant to our clients today and in the future. We fully acknowledge that redress is a complicated and critical function, with ever changing demands, and always-present scrutiny. 'Vision to Value' offers a simple and practical approach for redress to simplify its operation, and use that foundation to Automate for change.

For more information about redress best practices and how Sopra Steria can help your financial services organisation achieve its redress objectives please visit www.soprasteria.co.uk or email PSComms@soprasteria.com and one of our redress experts will contact you.