



FINANCIAL SERVICES



Lean Process Automation for Financial Services

*Virtualising the workforce -
the next generation of back office efficiency*

Providing a new and key component to Business Process Services by combining Lean techniques with robotic process automation, to create an optimised virtual workforce.

Financial Services market challenges

Financial Services companies are finding themselves being challenged on many fronts, including increasing regulatory scrutiny and control, more demanding customer expectations and legacy system inefficiency. Regulators are seeking increasing transparency on risk and liquidity and are requiring greater capital coverage. Customers are becoming increasingly vocal in communicating dissatisfaction – often over social media – and expect service across an increasing number of digital channels. And the IT landscape is dominated by silo legacy systems that are inflexible, inefficient and ineffective for meeting the challenges presented by digital customers.

To meet these challenges, companies are being forced to adopt innovative methods and technologies, and need to devote greater resources to these strategic initiatives, whilst looking for new ways to increase efficiency and reduce costs. Sopra Steria's Lean Process Automation (LPA) can help clients meet these objectives.



McKinsey reported in 2013 that Automation and in particular White Collar Automation was going to be one of the top 5 drivers of change globally

In 2014, Everest Group published a report on the Service Delivery Automation Market:

"The next wave of cost savings is gathering pace and is focused on replacing manpower with technology in service delivery. Our research shows that service delivery automation is the next big trick – one that promises cost savings, while also creating other benefits such as reduced errors, faster operations, and 24x7 coverage."





How can Sopra Steria's Lean Process Automation help?

While outsourcing has proven to be an effective strategy for gaining competitive advantage in Financial Services, the introduction of new levels of automation opens up even greater opportunities to optimise operations, reduce costs and increase flexibility. Importantly, this also allows organisations to free up workers to focus on higher value and customer facing roles, leading to improved customer satisfaction and staff morale.

In recognition of this market shift, Sopra Steria has partnered with Blue Prism (Gartner 2013 Cool Vendor), the leading developer of Enterprise Robotic Process Automation (ERPA) software, to offer companies a pioneering service **to expedite the delivery of their core processes more efficiently, accurately and cost-effectively.**

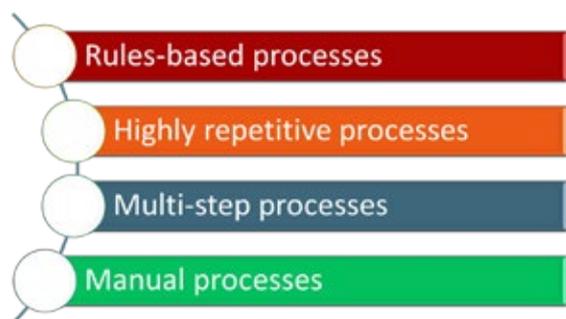
Sopra Steria's Lean Process Automation provides a virtual workforce of 'Robotic FTEs', configured to interface with existing IT applications to perform manual, rules-based back office tasks at a reduced cost and at unprecedented speed and accuracy. This virtual workforce, controlled by business users, delivers consistently high quality, lean and efficient transaction processing, in line with organisational security policies, with up to 24/7 operation. The Management Information (MI) available through automation of the processes concerned, provides deep insight into the business process transactions, which then allows highly informed business decisions to be made.

In 2014, Gartner stated:
"We are now at a stage where machine intelligence will lead the optimal form of creative destruction in business and IT services."

Reaping the benefits of Lean Process Automation

Process automation efficiencies are often achieved in business functions involving customer on-boarding, service provision and departures. However, any business area featuring a high volume of manual, highly repetitive, multi-step and rules-based tasks is a strong candidate for LPA.

Figure 1: The principles of LPA



Some examples of these business areas include:

1. Customer on-boarding

- **Sale of insurance / banking products** - automating customer data capture and adherence to compliance and rules of sale.
- **Registration of sales leads** - automating the allocation of qualified leads into the customer service outbound call queue.

2. Customer service

- **Customer complaints** - automating the payment protection insurance remediation process.
- **Claims processing** - automating the instruction of third party assessors.
- **Policy updates** - on renewal, automating the migration of third party fire and theft policies to comprehensive policies, or perhaps the introduction of new compulsory excess levels.

3. Customer departures

- **Direct debit** - automating cancellations and account closures.
- **Debt management** - automating the referral of bad debt accounts to third parties.

Case study: The Co-operative Bank

1. Process automation speed and efficiency

On average, using the manual processes, staff could close an average of 12 accounts per hour. The automated process can close around 200 accounts per hour. Furthermore, automation has removed any backlog of accounts waiting to be closed.

The bank is also now processing 99% of loan applications on the day they are keyed in, resulting in fewer delays for the customer.

2. FTE savings and resource displacement

"We exceeded our FTE savings target by 25%. So far, we have been able to release staff as each process went live and the project has enabled us to move a significant number of FTEs away from manual roles and into customer facing positions."

- Business Systems Manager

3. Improved customer service and experience

"We're now able to resolve most customer queries in one phone call, our staff now spend more time dealing directly with customers and our Service Level Agreements can be maintained and guaranteed. Overall, the project has enabled us to improve the experience that customers have with The Co-operative Bank."

- Business Systems Manager



Benefits

Business

a. Customer focus

- Customer Satisfaction - automation brings “right first time, every time” to customer related processes - reducing complaints and the associated rework, resulting in increased customer satisfaction scores, sales and revenue.
- ‘Know your customer’ - increased knowledge of your customer through enhanced MI to track behaviours, allowing more effective identification of cross-selling opportunities and ‘next best action’ decisioning.
- Enhanced analytics and incisive insight into areas such as Underwriting and Pricing Data.

b. People management

- Management of peaks and troughs - can address seasonal peaks in demand without the need to take on temporary staff and associated costs, improving business agility.
- Removal of staff attrition and re-training costs - through migration to virtual workforce.
- Improvement of staff morale and motivation - can redeploy or move staff up the value chain for more strategic, longer term benefits and added value.

Regulatory and compliance

- Enhanced process controls and data quality - tighter data governance.
- Every process step is recorded with the ability to report through MI - essential for regulatory compliance.
- Detailed analytics - improvements in risk, fraud and compliance reporting.
- Automated preparation of reports for regulatory authorities - information is accurate and produced in timely fashion.

IT

- Faster, more accurate throughput - cut data entry costs by up to 70%, with a virtual FTE costing as little as a ninth of an onshore FTE.
- Extending the life of legacy systems through the use of non-invasive technology - helping IT to stretch budgets.
- Improved data quality - removal of human errors in processing, so data is right, first time.
- Secure, managed and scalable environment - without the need for end-user computing or Grey IT.

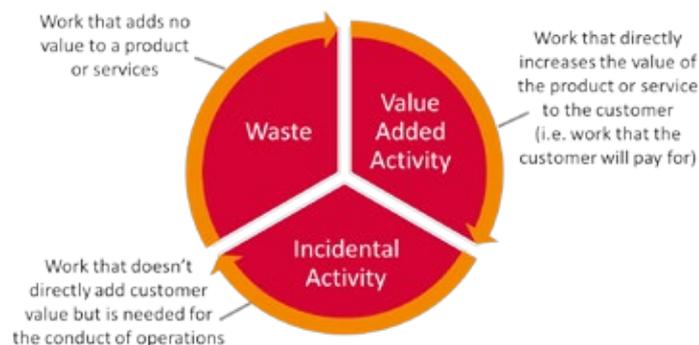
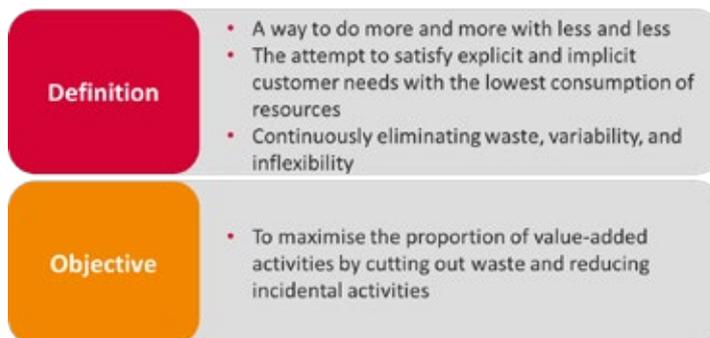
What makes us different?

Sopra Steria's Lean Process Automation combines our award winning Business Process Services (BPS) expertise with Blue Prism's ERPA technology, to achieve increased efficiency and profitability through:

- Our specialist domain knowledge - we have more than 40 years' experience working in Financial Services across the top 10 European banks and leading insurance companies.
- Our 'Enhanced' Lean process re-engineering capability: ensuring your business has an embedded continuous improvement culture.
 - > Previously, Shared Service Centres / Centres of Excellence and service providers have sought to industrialise the common business processes through various methodologies (Lean, Six Sigma) and with BPM tools.
 - > Lean Process Automation takes this a step further by grouping 'common' processes and creating repeatable, renewable and transferrable automated business process modules for operation by the virtual workforce.
 - > For example, an automated business process module can be created to acquire information for new company starters, which could also be applied to the similar process of onboarding new customers.
- Our high end process consultancy, methodologies and frameworks, to ensure that clear operational benefits are derived.
- Our IT change and delivery capability for wider systems integration requirements.
- Our ability to remain scalable and flexible, and deliver rapid realisation of benefits, to meet changing business challenges and demands.
- Our approach to making best use of existing systems, experience and expertise without the need for costly investment in IT tools and lengthy projects.



Figure 2: Sopra Steria's Enhanced Lean



Next steps

To find out more about the opportunities for your business to benefit from our Lean Process Automation service offering, contact us now at:
LPA.uk@soprasteria.com.

We will be happy to quickly provide an early view of the potential value using our assessment method. This approach can identify the potential return on investment, operational savings and efficiencies that can be achieved from the implementation of LPA.



About Sopra Steria

Sopra Steria, European leader in digital transformation, provides one of the most comprehensive portfolios of end to end service offerings in the market: Consulting, Systems Integration, Software Development and Business Process Services.

Sopra Steria is trusted by leading private and public organisations to deliver successful transformation programmes that address their most complex and critical business challenges. Combining high quality and performance services, added-value and innovation, Sopra Steria enables its clients to make the best use of information technology.

Sopra Steria

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