

The business case for Robotic Process Automation within the financial services sector

Robotic Process Automation or RPA has become the new technologically driven revolution and, as with all revolutions, it has its supporters and its critics. From major IT companies to large consultancies, they are all experimenting on new ways that Robotic Process Automation will help transform high volume, resource intensive processes that are repetitive and manual. Supporters put among the benefits of Robotic Process Automation improvements in quality, operational efficiency and cost optimisation. Critics rave about the impact on the labour market.

But for the financial industry, and indeed for any other highly regulated industry, Robotic Process Automation is more likely to save jobs rather than hack them. The reason is simple; the cost of a mistake in such environments may cost millions of pounds in damages and fines. Banks, insurers, traders and other financial services institutions are constantly facing demands for auditability, security, data quality

Garth Hinkel of Business Systems outlines the main applications of RPA within financial institutions

and operational resilience. Robotic Process Automation allows them to meet these demands and achieve significant operational efficiency.

These are the main applications of RPA within financial institutions:

Systems testing

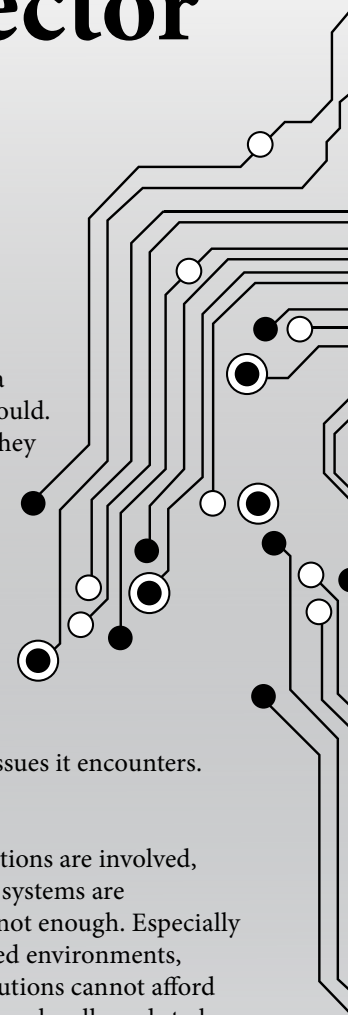
The most basic function of Robotic Process Automation is that it replicates the actions of a human being interacting with the user interface of a computer system. Now how many such systems within a financial institution need to be checked and fully functional if not 24/7, at least at the beginning of each working day? PCs, turrets, telephone devices and recorders just to name a few. What if this is a multi-national institution? For the IT Director this means working with a 'follow-the-sun' model of service assurance, backed up by detailed continuity plans.

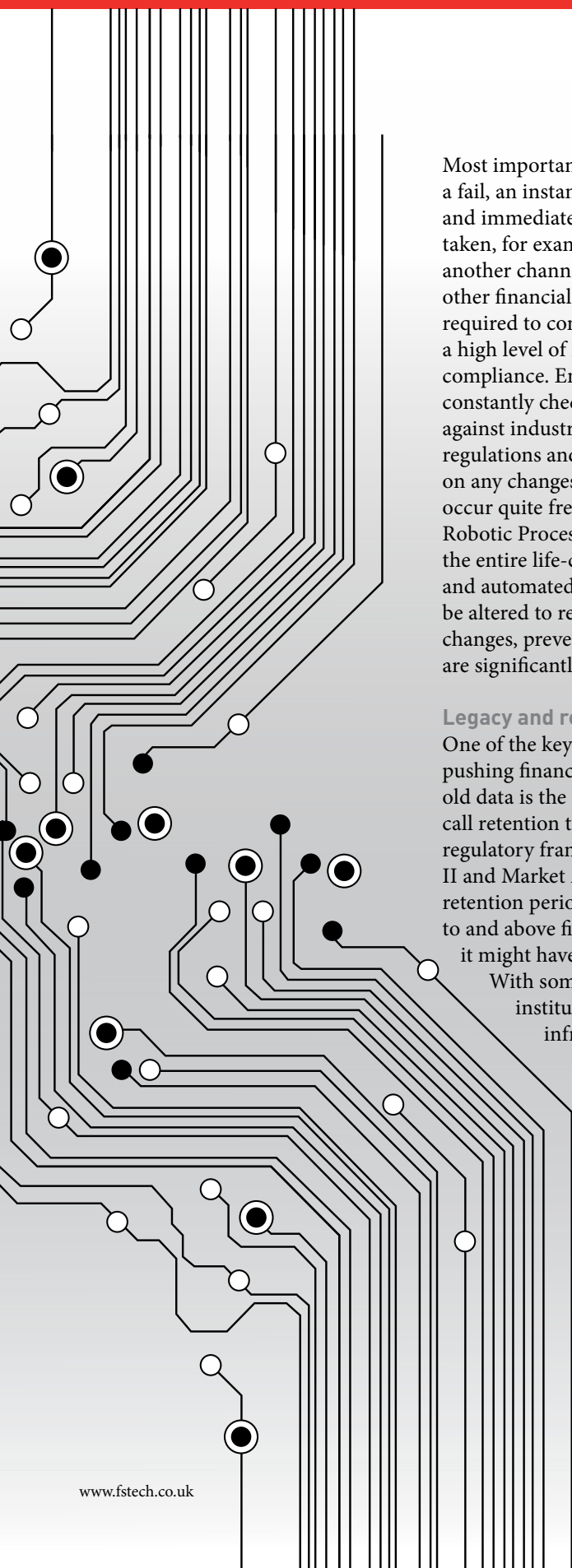
A Robotic Automation solution will automatically test the designated systems to an agreed schedule, in

the same way a human user would. It will ensure they are running and ready for the day's business, every day, without any human input and will report back instantly any issues it encounters.

Recording

Where transactions are involved, testing that all systems are operational is not enough. Especially within regulated environments, financial institutions cannot afford any setbacks – each call needs to be recorded, according to policy, 24/7. With Robotic Process Automation not only can they ensure that everything is up and running at the start of the day, but also that all systems perform according to standard and the recordings are of set quality.





Most importantly, if there is a fail, an instant alert is triggered and immediate action can be taken, for example moving to another channel. Banks and other financial institutions are required to constantly maintain a high level of regulatory compliance. Employees must constantly check information against industry and government regulations and also stay up to speed on any changes, which can and do occur quite frequently. Because Robotic Process Automation handles the entire life-cycle of a recording, and automated processes can easily be altered to reflect regulatory changes, prevention and compliance are significantly facilitated.

Legacy and retrieval

One of the key drivers that is pushing financial services to extract old data is the increasing data/call retention times required by regulatory frameworks like MiFID II and Market Abuse Directive. Data retention periods are increasing up to and above five years, where before it might have been just six months.

With some of the financial institutions maintaining infrastructures dating back several decades, a main concern is the many, now legacy, systems that have been deployed throughout the years to support their growing operations. Financial IT professionals struggle to connect the

numerous legacy systems being used in order to manage and retrieve the information needed. And given the massive number of mergers and acquisitions in the financial world, this problem only magnifies. One of the greatest benefits of Robotic Process Automation is the ability to integrate with and bridge these legacy systems, creating a much more uniform approach to data management and retrieval. Robotic Process Automation helps you get hold of that information when you need it for legal investigations, voice analytics or trade reconstruction projects. Even on old, degrading hardware or tapes, Robotic Process Automation can support high volume data extraction by leveraging existing applications.

Easy to deploy

A Robotic Process Automation solution interacts with individual systems in the same way a human user would, which means that it does not involve any complex integration. It sits alongside the existing infrastructure, easily managed by IT and business users.

At the end, the business case of Robotic Process Automation for the financial services sector becomes almost self-evident. It leads to dramatic cost savings, reduced process cycle times, increased productivity and 100 per cent accuracy.



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