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How RPA can revolutionize the BFSI Sector

Whether it is reducing the claims errors, validating loans, improving working capital or preparing account reconciliations – RPA can be deployed across front, middle and back offices at banks and financial institutions. Also, picking the appropriate operating model and the right implementation partner as per the organization's needs is very significant.

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Amid the ever-changing digital landscape, contests from [FinTech](#), and constantly evolving customer needs, the BFSI industry needs to transform their models and operations in ways that the financial world has barely begun to envision.

"Automation" is likely to bring an optimistic shift in the banking, finance and insurance sector, helping enterprises remain competitive, optimize costs, and boost their performance. According to [Gartner](#), IT spending by banking and investment services firms is forecast to grow 6.1% in 2022 to \$623 billion worldwide.

Increasing expenses, scarcity of talented assets, outdated banking experiences, data breaches, and onslaught of regulations are some of the major challenges imposed within the banking, finance and insurance sector. To stay on top of these challenges, BFSI must leverage the immense benefits of [RPA](#). [Robotic Process Automation](#) is a software-based automation technology that performs routine work with greater efficiency than human beings. RPA allows the processing of vast information with higher speed, accuracy, and cost-effectiveness. Not only this, with RPA these institutions can easily automate high-volume workflows, track critical accounts, perform security checks and even enhance customer experiences. A [Forrester](#) report informs that Robotic Process Automation market is likely to grow to \$22 billion by 2025. RPA for BFSI is a digital automation wave that ought to be attuned for future success.

RPA benefits in BFSI

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- Cost and Time-saving

Maintaining a lot of data consistently is draining and monotonous, yet RPA can automate the processes like document extraction and indexing in seconds with much efficiency. Banco Popular, a financial services conglomerate based in Puerto Rico, employed RPA to identify and robotize 19 high-volume macro operational processes, which in turn helped them improve the quality of the services offered to their customers and drive enormous cost-savings.

2) Integrates with existing IT Infrastructure

One of the advantages of RPA solutions is that they can integrate easily with the existing IT infrastructure with no or minimal changes. Banking, finance and insurance institutions can easily implement RPA in their current infrastructure and automate rule-based tasks, configuration backups and time-intensive processes at a granular level. This helps banks and financial service providers to drive greater efficiencies and generate enterprise value with reduced turn-around-time.

3) Better Regulatory Compliance

Banking, finance and insurance organizations face a daunting challenge when meeting stringent compliance regulations. By robotizing rote and routine tasks, RPA helps address some of the key imperatives of regulatory compliance. Top flight banks can utilize the power of RPA to handle reconciliation, fraud and risk, quality assurance processing, regulatory monitoring, and compliance reporting.

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Key Applications

Mortgage Origination

It is a process-driven and tedious work for both customers and banks. According to [The Mortgage Reports](#), banks require roughly 45-60 days to finish the entire cycle. RPA solutions can do this with a predefined set of objectives including loan inception, checking reports, monetary comparisons, and quality control with more proficiency and can shorten this period drastically.

Customer Onboarding and [KYC](#)

Customer Onboarding and KYC are overwhelming processes that each bank needs to go through by principally examining every single document. RPA can make this process simple and efficient by capturing the information from KYC records and using optical character recognition techniques to populate banks' client database with verified details, thereby, reducing the on-boarding times.

Report Generation

Banks, financial and insurance service providers need to plan budget reports and keep an accurate track of information such as income, liabilities, fiscal summaries, and expenses. However, these reports are tedious to compile and often consume big chunks of employees' time. RPA with [Natural Language Processing \(NLP\)](#) capabilities can gather and organize information from varied sources and help build insightful error-free reports.

Anti-money laundering

According to the United Nations, financial institutions incur around 2 to 5% of global GDP, or \$800 billion to \$2 trillion US dollars for Anti-Money Laundering (AML) compliance. RPA bots can track customers' ongoing and past transactions and record suspicious patterns for timely reporting to support the necessary action.

According to Forbes, RPA in integration with new-age technologies helps employees deliver consistently great customer service. Consider a scenario where a customer reports a fraudulent activity on their credit card to a bank employee. RPA-powered solutions enable the bank employee to trigger a series of workflow to resolve customer's problem in a jiffy. This prevents the customer from being bounced from one employee to another to rectify the issue. The multi-faceted technology is helping global banks detect and terminate suspicious activities including card thefts, impostor scams and much more.

Conclusion

Banks, Financial Services and Insurance institutions can benefit immensely by implementing RPA solutions, particularly today when they are fighting various internal and external challenges. RPA has the potential to accelerate regular operations while keeping employees engaged in important and productive tasks. Whether it is reducing the claims errors, validating loans, improving working capital or preparing account reconciliations – RPA can be deployed across front, middle and back offices at banks and financial institutions. Also, picking the appropriate operating model and the right implementation partner as per the organization's needs is very significant.

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