

Enhancing automation in Financial Services Organisations

Digital transformation, using enterprise content management and business process automation to optimise productivity, reduce costs and ease compliance.



Using automation tools to transform the financial services back-office.

South African financial services organisations - from small financial advisors and boutique wealth management firms to JSE-listed banks and insurance groups, are under growing pressure to reduce their operating costs, while enhancing the value they offer to their clients.

As these organisations have grown, so has the complexity of their business processes and the cost of their back-office infrastructure. An increasingly strict and complicated regulatory environment compounds the challenges they face in delivering world-class products, services and advice, while ensuring ongoing sustainability and profitability.

While some institutions provide customers with electronic tools and self-service channels to manage their accounts or access services, many have not yet fully addressed the manual, paper-intensive nature of processes such as on-boarding new customers, know-your-customer/anti-money laundering (KYC/AML) compliance or verifying signatures.

Digital transformation technologies such as enterprise content management (ECM) and business process automation (BPA) offer financial services institutions a way to streamline paper-driven processes, drive costs down, comply more easily with regulatory imperatives such as records retention, and improve collaboration in the business.

The leaders in financial services recognise that such technology is a long-term investment that generates growth and higher profitability. In addition to driving costs down in the business and speeding up processes, ECM/BPA technology can enable financial institutions to spend more time adding value for clients and improving customer engagement.

Use cases for digital transformation in financial services

Agile financial services firms are reassessing their operating models to ensure that they are optimised for today's business environment. A robust ECM and BPA solution supports this goal by bringing efficiencies to nearly any process that involves the capture, processing, management, sharing and storage of documents, including:

- Client applications
- New account forms
- Quarterly and annual statements
- Fund confirmations
- Client contact documentation and advice records
- Email and written correspondence
- Portfolio allocations
- Quotes
- Contracts
- Compliance documents such as KYC/AML forms
- Internal documents such as employee contracts or expense claims

The ideal solution should include: document imaging capabilities that enable the firms to go paperless; records management automation that lowers the cost of compliance; and workflow functionality that allows an organisation to automate standard business processes.

ECM tools enable organisations to capture, store, secure and access information by:

- Making it simple to capture or export documents into a standard electronic format (such as TIFF or PDF), whether they originate on paper or in a digital format.
- Storing documents in a centralised electronic repository.
- Organising documents in a logical manner, so that authorised employees can easily search for and retrieve documents from any mobile device or computer.
- Archiving old documents as non-editable files so that the business no longer needs to store years of paper records at a great expense.

BPA, an important component of the ECM solution, automates time-consuming administrative tasks such as populating metadata fields, filing documents, creating new folders and transferring documents between employees. BPA also eliminates the need for paper-specific tasks like making photocopies and gathering handwritten signatures.

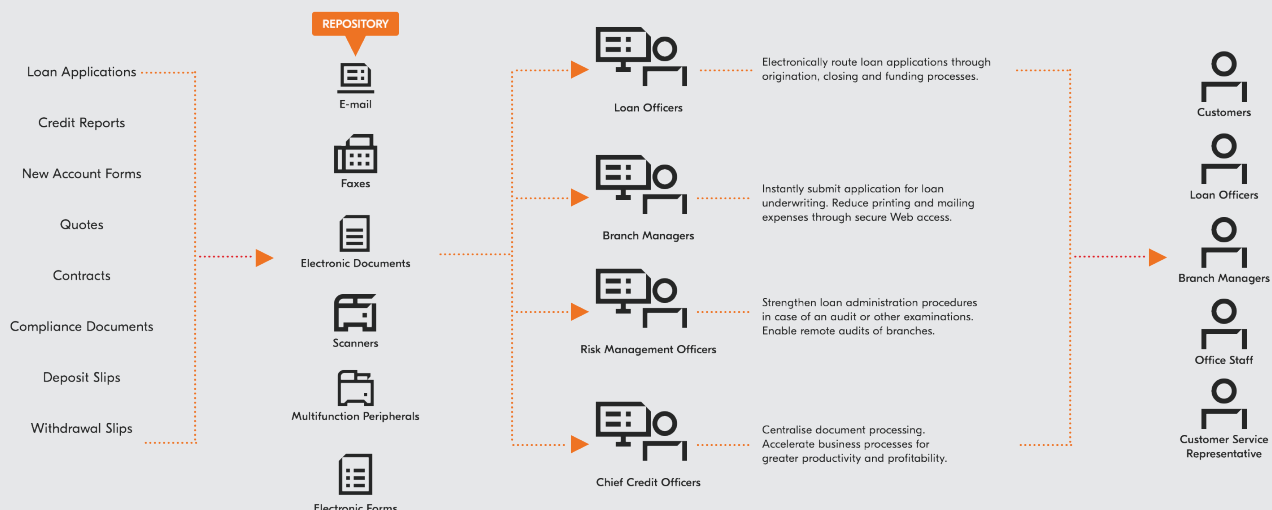
Together, these automation tools enable financial companies to build a high-functioning infrastructure that delivers a superior level of service to customers, internal stakeholders, and external stakeholders such as auditors, business partners and regulators. This is all possible without compromising on work quality or compliance imperatives.

Benefits of automation for financial services organisations

The benefits of Digital Transformation using ECM/BPA technologies are numerous and multifaceted:

Increase Efficiency at Every Step

[Reduce Errors] > [Increase Security and Control] > [Provide Instant Access to Information]



- Answer customer inquiries faster, with instant, direct access to information from any branch.
- Accelerate loan processing with workflow automation.
- Simplify compliance in line with regulatory requirements.
- Maximise space available for revenue-generating activities.
- Protect client and transaction records with comprehensive security.
- Use audit trails to provide complete accountability and transparency enterprise-wide.
- Intergrate content management with applications that enable remote capturing and other business-critical applications.

Productivity wins

Digital Transformation enable organisations to increase their productivity by speeding up the time taken to retrieve, manage, file and share documents and information. Digital Transformation delivers substantial and measurable time savings and efficiency improvements:

- Automate transactional processes, including new account opening, transaction approval, exception handling, client reporting and compliance review, among others.
- Automate back-office processes such as contract management, hiring, and accounts payable processing.
- Automatically route information for review and approval, for example, send client quotes to a supervisor for sign-off.
- Use business rules to automate document retention and destruction, decreasing the amount of time involved in complying with recordkeeping regulations.
- Identify, classify and catalogue documents without manual processing. A good ECM solution will offer high-volume capture tools that enable batch scanning and document processing, together with categorisation of unstructured data.

Cost-savings

Automation technologies enable enterprises to take many of the expenses of managing and storing paper out of their business, including printing, paper, courier and storage costs. Though several laws mandate financial services organisations to retain certain records for certain periods in specific formats, the Electronic Communications and Transactions Act allows for many of these to be stored in a secure, tamper-proof electronic format. Even if paper records must be retained for several years, the originals could be archived offsite rather than in the company's offices.

Enhanced collaboration

People throughout the business have access to a central database, even if they work at geographically dispersed sites. That means they can work together in real-time, without waiting for documents to be emailed or couriered. They can securely capture, view and act upon mission-critical content from anywhere in the world using the most popular mobile platforms or a web browser. Managers can participate in review and approval processes even when they're out of the office.

Reduced risk of non-compliance

As South Africa's regulatory landscape evolves, financial services firms are finding that keeping up with the latest rules and regulations is taking more of their time and energy. ECM/BPA simplifies compliance by strengthening document and data security, as well as providing audit trails:

- Automating document management decreases the work involved in enforcing compliance in the workforce. Firms can, for example, systematise processes so that advisors and agents cannot progress from one step of the process to the next without meeting the necessary rules or conditions.
- With documents stored in a secure electronic repository, there is less risk of confidential documents being tampered with or misplaced.
- White-out or black-out redactions can protect the most sensitive information from unauthorised users.
- Secure logins mean only authorised users can access documents.
- Good systems will offer user-based security, protecting entire folders (such as human resources or tax information), subfolders (such as client tax information) or individual documents.
- Digital archiving streamlines disaster recovery planning by ensuring critical information can be accessed in the event of significant business disruptions or natural disasters.

Enhanced accuracy

Automation means better exception management, plus fewer data entry errors and lost files. Organisations can prevent errors by automatically identifying, classifying and filing documents.

Better client and employee experience

Giving sales and service reps instant access to information enables them to deliver better customer service and to be more responsive to client needs. It also boosts agent and advisor job satisfaction by relieving their administrative workload and empowering them to focus on value-added tasks and work.

Smoother audits

With an ECM/BPA solution in place, a firm can provide external auditors or regulators with instant access to timestamped, immutable customer and transaction records.

Refocus on activities that add value to the business

Financial services firms that automate paper processes can focus their attention on customer services and strategic growth rather than on managing reams of paperwork.

Integration with enterprise systems

A world-class ECM/BPA solution will offer easy integration with customer relationship management systems, email applications, portfolio management solutions and other tools in use at financial service firms. That means agents and advisors can manage most interactions and documents through a single screen, further streamlining processes and document management.

Five steps to automation - success

Automation will only be successful if it is backed by a solid plan of execution. Here are five steps that an organisation can follow to ensure successful stakeholder, department leader and end-user adoption of ECM and BPA tools and solutions:

1. Choose someone to own and champion the project
2. Get business-wide buy-in
3. Understand current processes and pain-points
4. Process mapping
5. Training and change management

Conclusion

Throughout the average financial services organisation, there are opportunities to streamline paper-intensive processes that impede efficiency, detract from the customer experience, and complicate regulatory compliance. Following process mapping, the deployment of the ECM solution is designed to be executed efficiently, and by getting content and processes under control, financial services organisations can elevate productivity, responsiveness and profitability, no matter their size, thereby achieving rapid return on investment (ROI).

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