

RPA AND AI ANALYSIS: THE FINANCE INDUSTRY



CONTENTS

Page 2 - Overview

Page 3 - What the current picture looks like

Page 6 - How Can Companies Overcome These Challenges?

Page 9 - Is Artificial Intelligence The Next Step?

Page 13 - Key Takeaways

Page 14 - About the RPA and AI summit

OVERVIEW

While technology has been a driver of change in the finance industry, it has stopped short of disrupting it entirely. Aside from cryptocurrency companies – like Bitcoin – technological improvements have been incremental rather than radical. The physical bank remains antiquated, built on an infrastructure that almost goads new institutions to challenge the status-quo.

Due to this, there has never been more pressure on finance institutions to embrace technology and empower their workforce through new technologies, and Robotic Process Automation (RPA) is at the forefront of this.

RPA – despite its name – is computer coded software. It can automate mundane, repetitive tasks, and free humans to work on more strategically pertinent roles. Our data suggests that RPA is still nascent, with 81% of companies across all industries yet to implement it. It's a similar story in the finance industry.

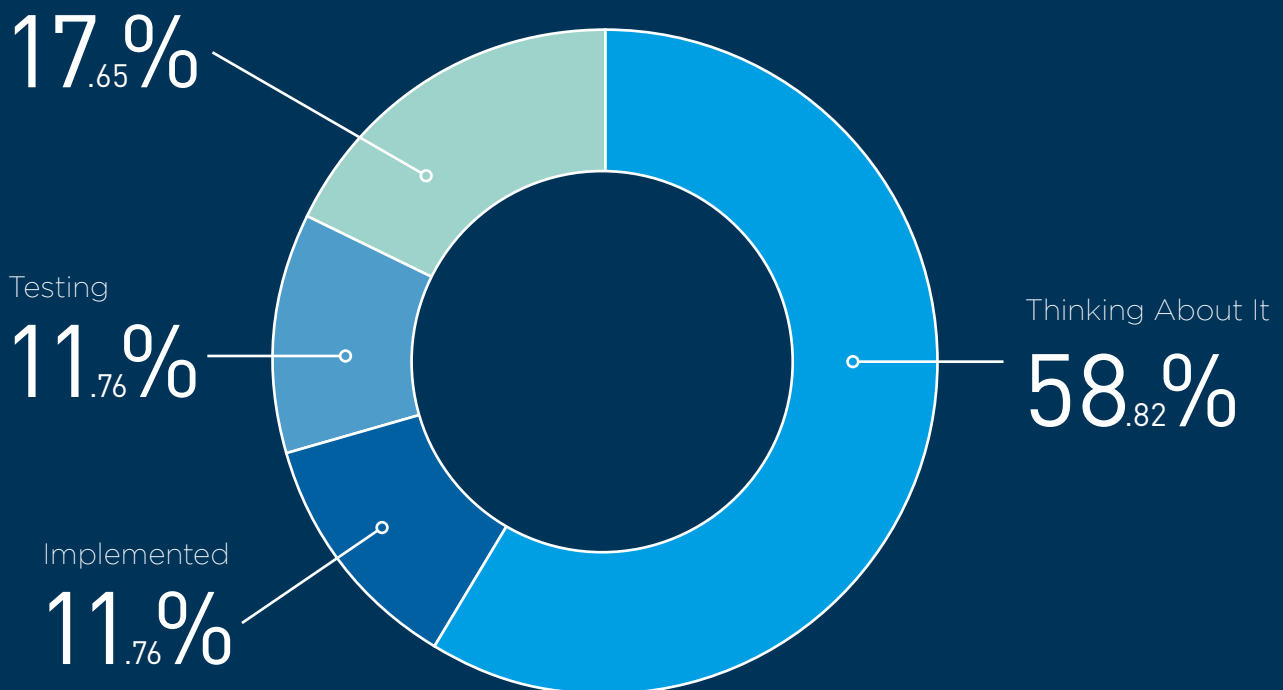
Our survey identified that 59% of finance companies were 'thinking about' RPA – with decidedly fewer – 12% – at the implementation phase.

WHAT THE CURRENT PICTURE LOOKS LIKE

Where are the companies at in their RPA implementation process

As mentioned before, our data indicates that RPA adoption is far from widespread in the finance industry; a surprising finding considering the advantages it can bring. Financial services institutions operate in a highly regulated industry; where there is considerable pressure to adhere to security and data quality protocols. In May 2016, for example, the Qatar National Bank was hit by a hack which saw 1.4 GB of sensitive data leaked. While it is unclear how the data was obtained, it demonstrates how vulnerable banks, in particular, are to hackers, and why such stringent regulations are in place.

Implemented and Expanding



The main challenges in RPA deployment

There was no consensus regarding the main RPA challenges. Our survey highlighted budget availability, competing investments, FTEs fear of job losses and a lack of support from IT as the main barriers. The presence of the first two implies that while certain companies are looking at RPA seriously, it isn't necessarily a priority. There will always be short-term issues for finance companies to solve, but we believe that automation's capacity to reduce human error and decrease costs makes it an important investment opportunity today.

In terms of the concerns surrounding job losses, often considered the main challenge facing RPA adoption, there has been a lot of press given to the potential for robotics to cause widespread job losses. Certain science editors have even implored the human-race to find new meaning in their lives, as robots make even the most cognitive tasks defunct in the coming decades. This, especially in the short-term, is not true. And it will be up to senior management to reassure their workforce that this is not the case.

FTEs Fear Of Job Losses

11.76%

Budget Availability

17.65%

IT Not Supportive

23.53%

Competing Investment

23.53%

Lack Of Resources To Allocate To This Project

17.65%

Management Not Convinced Of Its Value

5.88%

HOW CAN COMPANIES OVERCOME THESE CHALLENGES?

The key to implementing RPA

According to our survey, it's all about finding the right team, with the right skills, with 62.5% stating this. This shows how important people are in the RPA implementation process; almost ironic given the negative press surrounding the space's potential to displace people's jobs.

Choosing the right vendor was also identified by a smaller proportion as an important aspect of RPA implementation, as was obtaining customer support. As mentioned before, however, finding the right team, with the right staff, was overwhelmingly cited as the key to successfully implementing RPA.

Customers' Support

12.5%

IT's Support

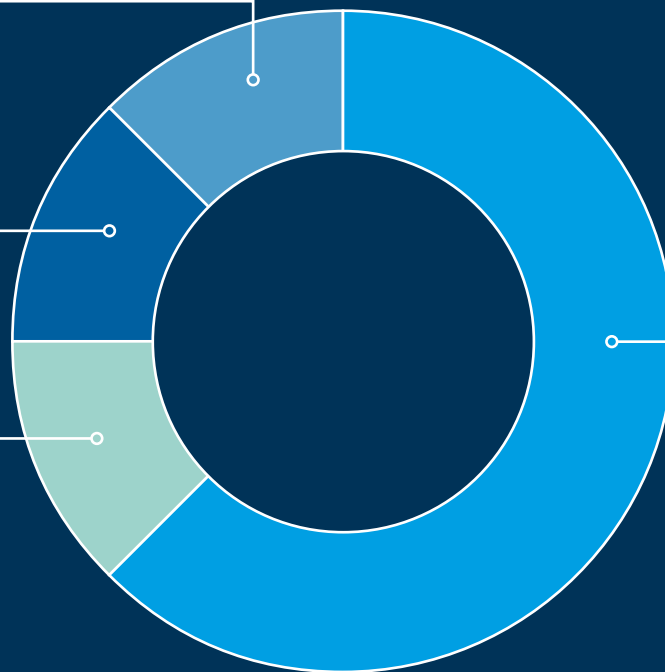
12.5%

The Right Vendor Partner

12.5%

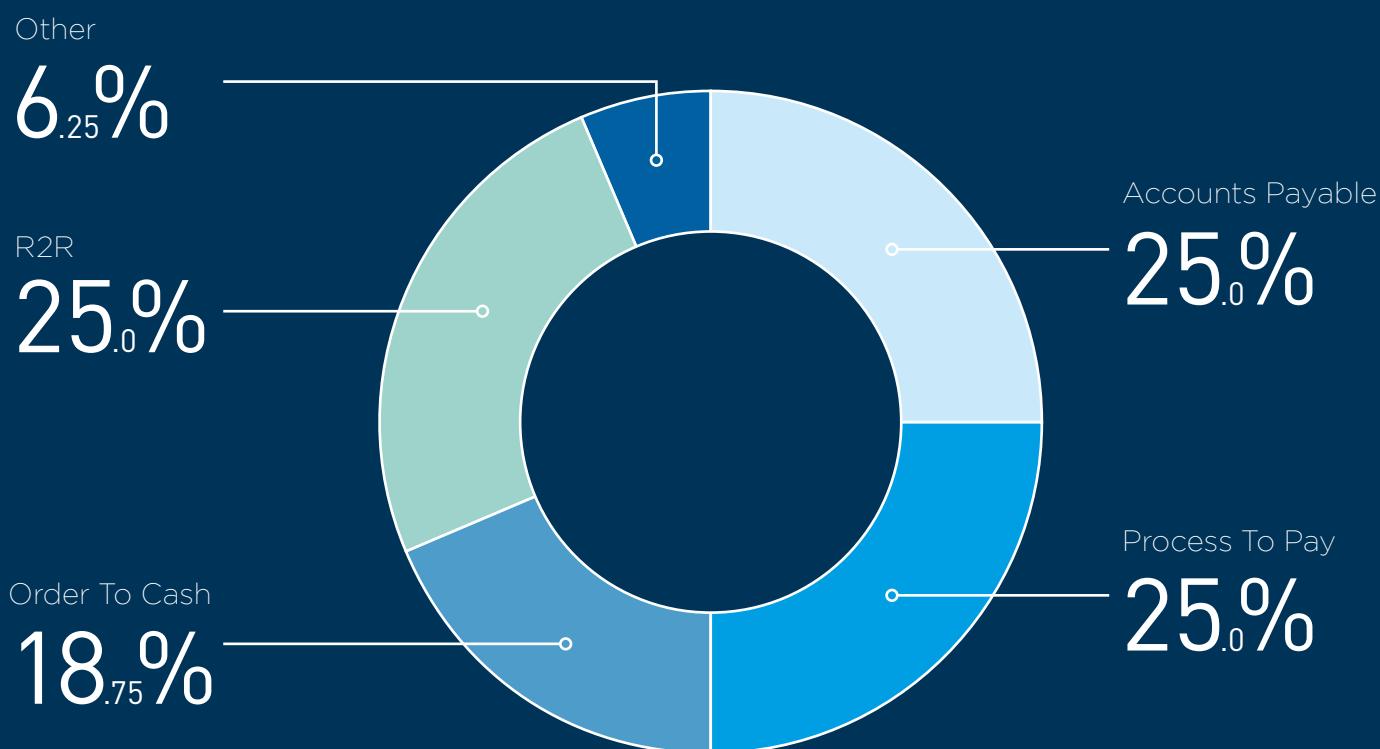
The Right Team With The Right Skills

62.5%



What processes are set to be automated?

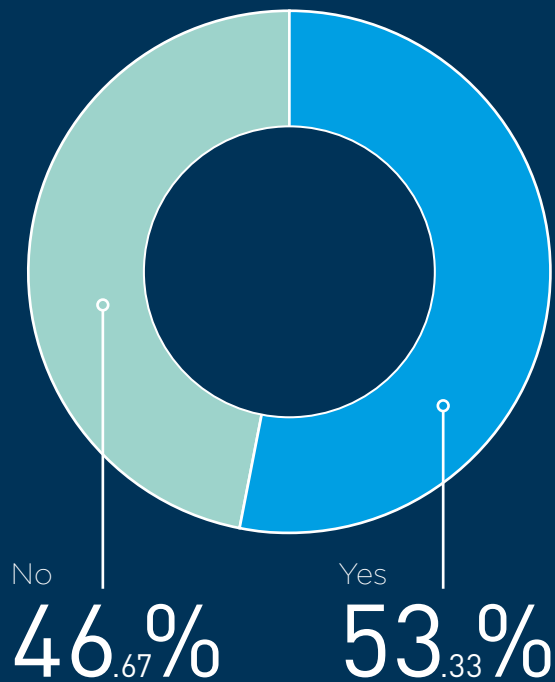
The three main functions identified by the finance industry as the most primed for automation were accounts payable, orders-to-cash and purchase-to-pay. This is very much in line with wider industry trends, with these functions topping our industry-wide research too.



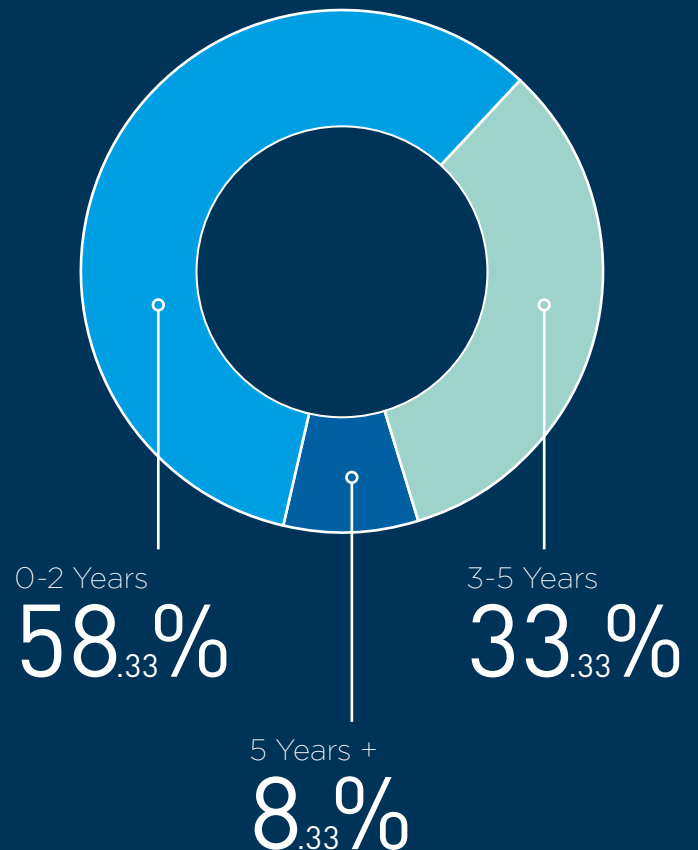
IS ARTIFICIAL INTELLIGENCE THE NEXT STEP?

The proliferation of regulations in the finance industry since the 2008 crisis has seen many institutions step up their employment of compliance officers. The regulatory landscape remains as unpredictable as ever, but with the use of Artificial Intelligence, it's possible for companies to improve efficiency, cut costs and make better use of their workers' time. In this section, we analyse how AI is affecting the finance industry.

Do you have a plan for Artificial Intelligence?



When do you think your company will implement Artificial Intelligence?



With many finance institutions still looking to implement RPA, it might seem like we're getting ahead of ourselves to think about the implications of Artificial Intelligence (AI). Our data, however, suggests that the majority of companies – 53.33% – have a plan for AI – with 58.33% believing that it could happen in the next 0-2 years. Far fewer, 8%, stated that AI would take more than five years to implement. Interestingly, not a single company stated they didn't think Artificial Intelligence was going to affect their company moving forward.

The main challenges in Artificial Intelligence deployment

Competing Investments

13.33%

IT Not Supportive

13.33%

Budget Availability

20%

Management Not Convinced Of Its Value

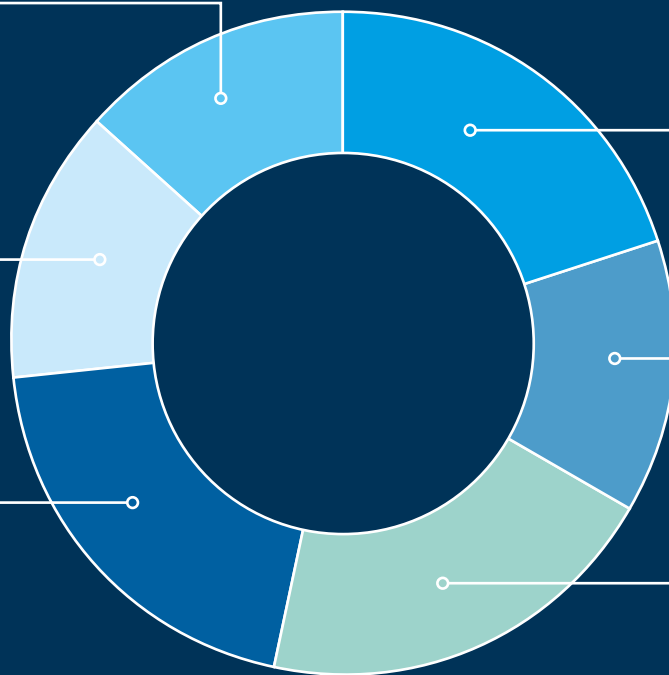
20%

There Are Other More Important Challenges

13.33%

Lack Of Resources To Allocate To AI

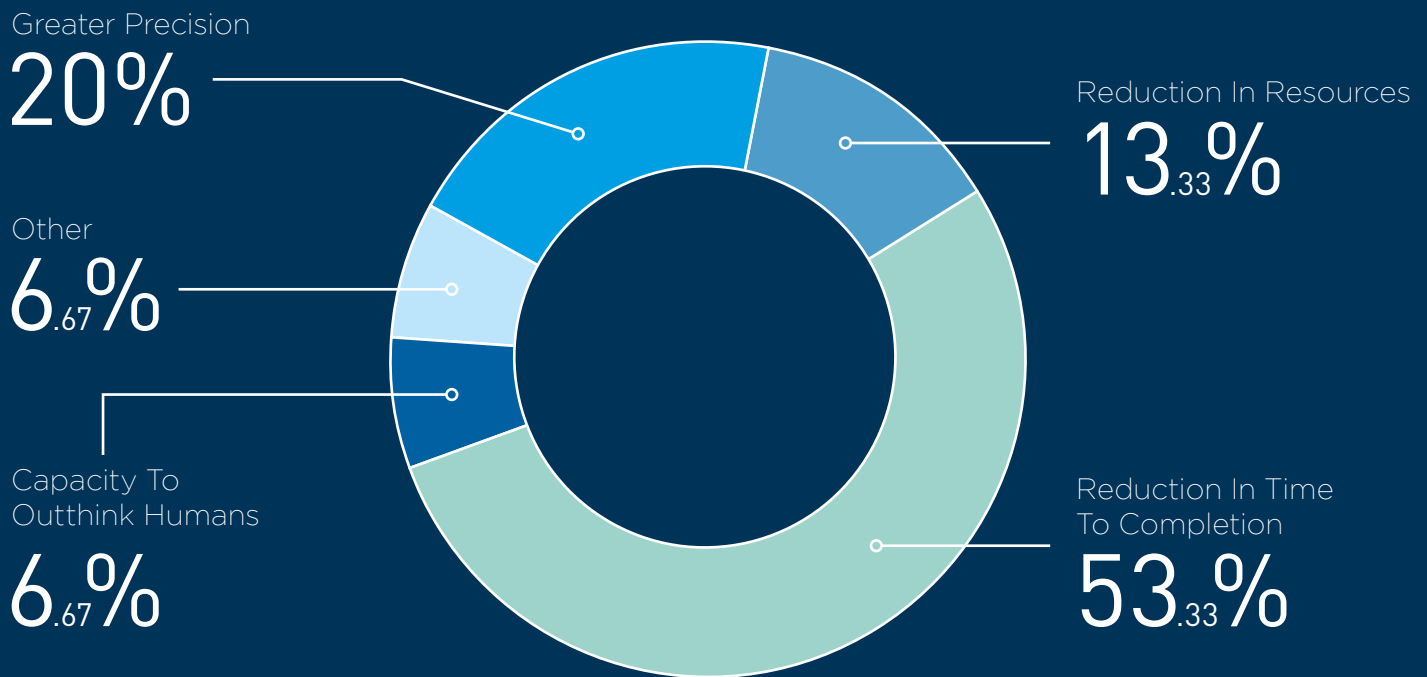
20%



The finance industry remains undecided about the main challenge facing Artificial Intelligence implementation.

As the graphic shows, budget availability, a lack of resources to allocate to the AI project and management not being convinced of AI's value were deemed the most significant, but they were closely followed by the competing investments and management not being convinced of its value. This lack of consensus indicates that either companies aren't sure about the challenges that lay ahead, or that RPA implementation differs drastically from finance institution to finance institution. If this is the case, RPA vendors will have to take this need for variation into consideration when devising solutions.

AI's main advantage



There were a number of advantages highlighted in the survey, but the majority stated that a reduction in time to complete a task was the main one, with 53.33% stating this.

Increased efficiency has been talked about as the main driver of AI, and it seems that our audience concurs. AI – can be used to do more complex tasks than RPA, and free humans to do more important, strategic tasks. The difference between RPA and AI is that the latter has the capabilities to complete more complex tasks.

Also mentioned were greater precision, reduction in resources and the capacity to 'out-think' humans.

KEY TAKEAWAYS

Takeaways

- Robotic Process Automation hasn't been implemented by the majority of finance institutions
- Job losses aren't the main issue when it comes to RPA and Artificial Intelligence
- Companies are thinking about Artificial Intelligence

Why it's important

- 58.82% said they we still thinking about RPA, and just 11.76% said they had implemented it
- Our research indicates that people are an essential part of RPA/AI and will continue to play an important role in the enterprise
- Our data suggests that 58.33% have a plan for AI, and many of them feel that it could come into play in the next 0-2 years

FOUND THIS INTERESTING?



Building on the ground-breaking success of RPA & AI Summit 2016, PEX Network and SSON is proud to bring you the RPA & Artificial Intelligence BFSI World Summit, to provide a true peer to peer platform with a precision focus on practical and specific challenges for the BFSI industry. You'll learn from real life insights and examples from a ground-breaking speaker panel that include: Wells Fargo, UBS, LV=, Morgan Stanley, AXA, Deutsche Bank, RBS, Barclays and many more!

Combining scores of practical end-user case studies, multiple conference streams surrounding human workforce augmentation across the front and back office, and over 15 hours interactive sessions and networking, this is your one-stop shop for ensuring you build the value-adding, scalable, intelligent processes that meet your business needs, today and tomorrow.

Delivered in association with:



About the author



This report has been authored by Simon Barton, the portal's Editor. Barton has been working with process excellence professionals throughout his career, interviewing industry leading figures and providing his own opinions on the space's development.