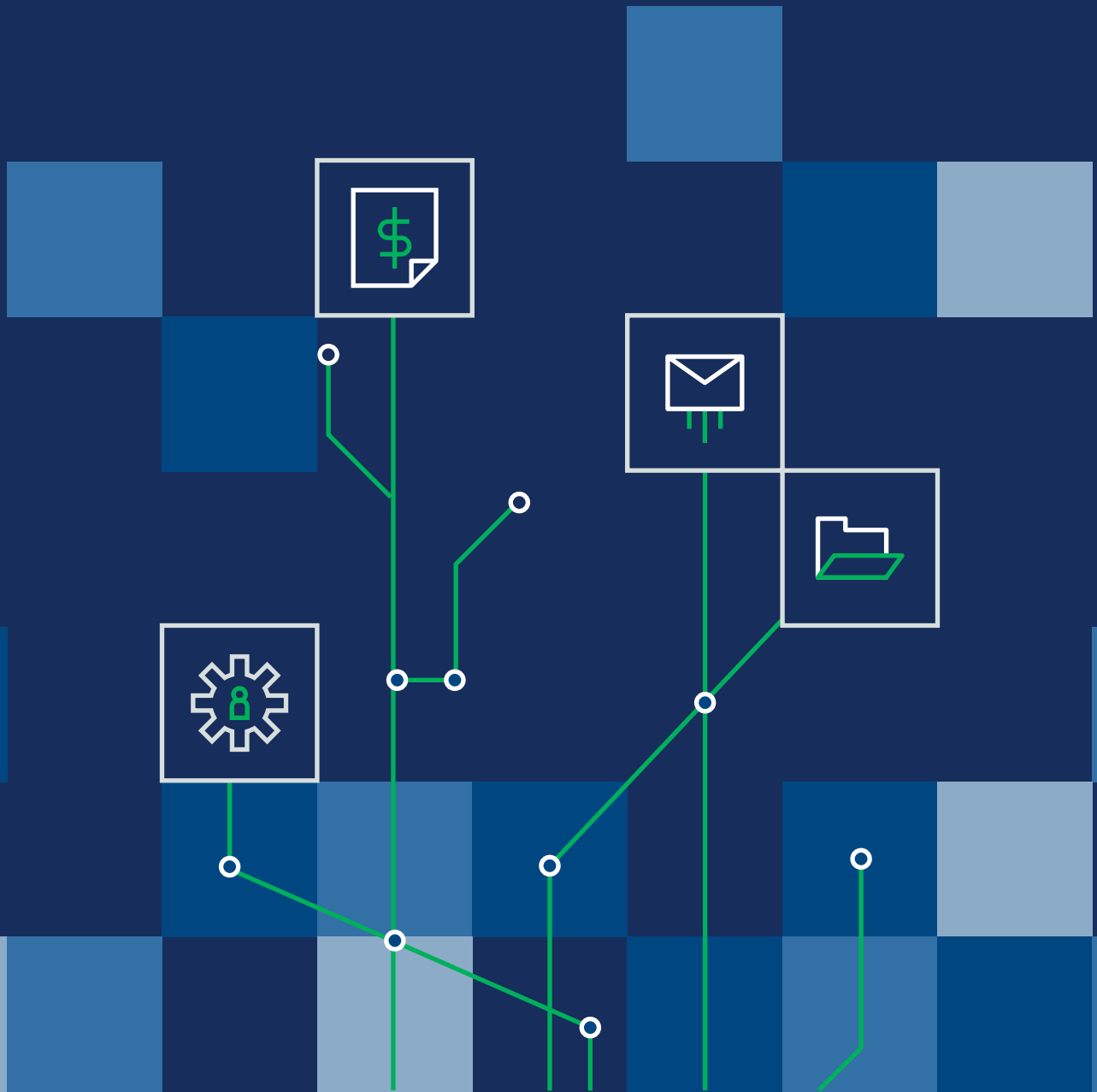


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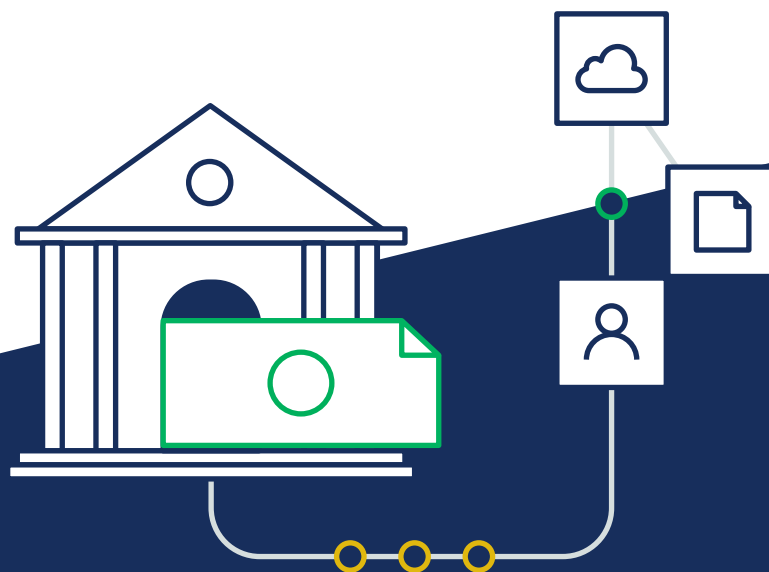
Top 5 Use Cases to Kickstart **Digital Transformation** in Financial Services



Overview

Banking, financial services and insurance (BFSI) companies must begin embracing data-driven decisions and operations. Customer experience initiatives are key to attracting and retaining customers over their entire lifecycle with an organization, and financial institutions can make the most impact by modernizing their technology.

Today that means digitization and digital infrastructures where data has to be easy to capture. The top five use cases to begin this transformation are in new account opening, customer onboarding, accounts payable, mailroom, records digitization and compliance.



New Account Opening and Customer Onboarding

01



Consumers have thousands of options for financial services. It's essential to provide a streamlined digital customer experience (CX) that will attract and retain them.

Accounts such as checking/savings, brokerage, credit, tax preparation, insurance, loans or others, regulations and internal policies require detailed identity verification. Traditional processes for this involve high volumes of complex documents and heavy manual processing. That slows onboarding.

A digitized process in this area captures and processes all documents and files required after customers submit documentation or files via their phone or browser. The system captures, classifies and extracts data to complete onboarding. And with AI, organizations gain access to searchable, relatable data from this process. This allows for a personalized user experience and, for the organization, a faster, more efficient and complete Know Your Customer (KYC) program can enhance security against money laundering and other risks.

Such a process also presents a great opportunity for follow-up sales. Each of these documents contains information that has the potential to be a major asset, such as age, region, income range and spending habits. Intelligent software learns to identify specific fields on different types of documents and can be trained to recognize documentation required for a particular product.

Accounts Payable

02



Sorting and jumping from physical mail, emails, electronic documents, PDFs, scanned images, Excel spreadsheets and a multitude of ERPs isn't easy but can in the long run save time and money. Research shows that the average starting point for processing invoices manually is \$12 – and missed errors or exceptions can raise the cost to \$100.

State-of-the-art artificial intelligence (AI) understands and processes invoices faster, reducing cycle times while boosting accuracy with proprietary data extraction and classification. Accelerated and reliable capture and extraction also mean more that invoices are paid on time and compliance is easier to maintain.



20X faster with automation

Ephesoft's platform, for instance, can automate accounts payable, accounts receivable and other financial document processing, eliminate efficiency barriers and free staff for more important, less tedious, tasks. The automated process is more than 20X faster than humans on-premises and even faster when deployed in the cloud or in a hybrid cloud environment.

Our customers report:

Avoiding costly human errors and bringing **invoice processing costs down to an average of less than \$3 each** will impact the company's bottom line.



600%

more invoices processed per day

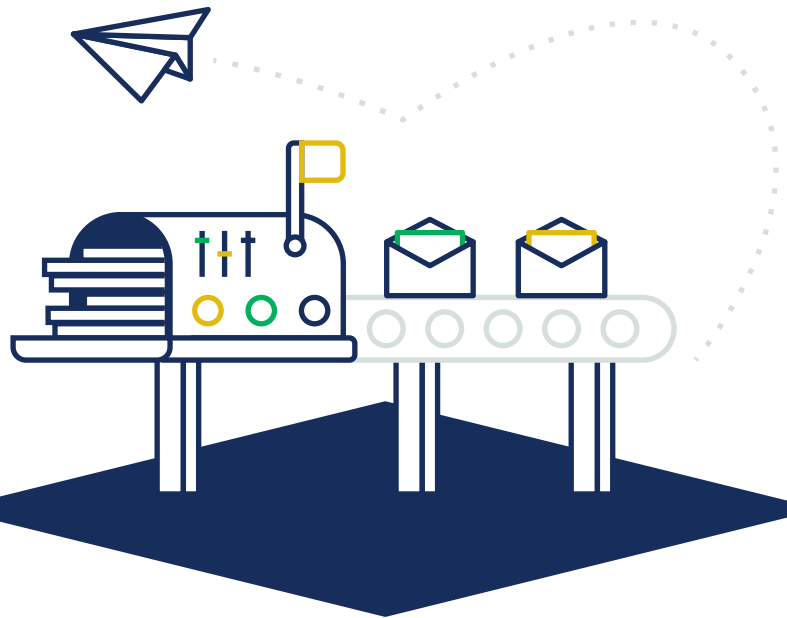


36

seconds to process an invoice

Mailroom Automation

03



The importance of the automated mailroom is being realized by the financial services industry. This part of organizations – where labor has historically been all manual – is changing as the amount of electronic correspondence increases. In fact, on average, the volume of incoming information will grow from X to 4.5X in the next two years.¹



↑ 4.5X incoming information in next 2 years

Multi-function devices can now digitize incoming paper mail. But the underlying labor-intensive processes for content identification, indexing and workflow routing hasn't evolved.

Displacing this manual workflow model is mailroom automation driven by a set of processes powered by AI or robotic process automation (RPA). RPA systems are programmed to replicate routing tasks, clerical capture and learn to recreate those actions based on aspects of the task, information collected, content sources and other processes. According to the [Institute for Robotic Process Automation and AI](#), the potential savings of an RPA tool can reduce labor costs 20-30%. However, to make RPA successful, a complete set of structured data is needed to complete the tasks.

Extraction of information becomes key: For example, using data extracted by intelligent document processing (IDP) tools like Ephesoft, which is based on full-text analysis of document content and supervised machine learning, will extend the capabilities of the RPA tool by providing a more complete picture of the information being processed and enriching capabilities beyond mailroom automation to other functions of the organization.

1. AIIM, 2020, State of the IIM Industry 2020: Are You a Digital Transformation Leader or Follower?

Records Digitization

04



Physical records, archives, files and documents are typically housed in warehouses or filing cabinets and are not searchable – often referred to as unstructured data – for their maximum potential for such products as the above areas of financial services as well as for loans, financial documents, audits, compliance, archives, customer files and other types of documents. Manual processing takes too long and new privacy regulations intensify risk for non-compliance and increase potential human processing errors.

Once a document is digitized, AI-powered technology automatically captures, classifies, extracts, validates and exports the data into a workflow system or document management application. The process takes the unstructured data and turns it into structured or searchable data. Advantages include acceleration of processing (and subsequent analysis and decision-making); reduction of physical storage space costs; greater searchability; and enhanced compliance requirements are just a few.

Compliance

05



With continual updates and new regulations to protect privacy and maintain security, financial services companies need a way to ensure compliance as they start any digital transformation initiative. This holds true for Payment Card Industry Data Security Standard (PCI DSS), Personally Identifiable Information (PII) data compliance, which must be met to support GDPR and privacy laws. BFSI companies must have a way to train the system to find sensitive information and then have the ability to redact it in order to prevent data leakage or loss of sensitive data.

In order to meet privacy and security frameworks, an IDP solution can overcome these obstacles to improve compliance. IDP's impressive accuracy rate – up to 99.9% – makes it the ideal solution for handling any compliance-related document or those that include sensitive PCI or PII information.

While IDP eliminates the need for humans to manually find, review, classify, redact or handle any of the data included documents, it minimizes the risk of exposing sensitive information to outside parties. In addition, IDP can help streamline and maximize the accuracy of regulatory reporting. For financial services companies that have or are looking to implement RPA or analytics applications, having aggregated anonymous datasets will also increase compliance.

The need for compliance is growing:



Next Steps

Transitioning to a data-driven organization requires setting a goal for the initiative – the tighter focus the better, especially as it relates to improving CX – and then identifying and building a cultural framework comprising everyone involved in the initiative.

Buy-in from management is critical, and a solid plan for an operations team is a good step for securing that. A recent **IBM report** spotlighted these key roles:



An executive sponsor who owns the success of the project and champions it to other stakeholders.



The project manager who ensures communication between all the different players and keeps the project on schedule.



The business analyst analyzes the data and likely generates reports, tracks various trends and identifies patterns in the data.

The right intelligent document processing partner or vendor is important. With such rapid advances in technology, more companies are selecting best-in-class and point solutions with smaller, more agile organizations, as recently mentioned in the **Harvard Business Review**. Any type of partner, however, must share the organization's values and goals.

Financial services must land and expand with digitizing information and data. The customers in this field are the best sources of revenue and future growth if the industry learns how to process, store and use data intelligently.