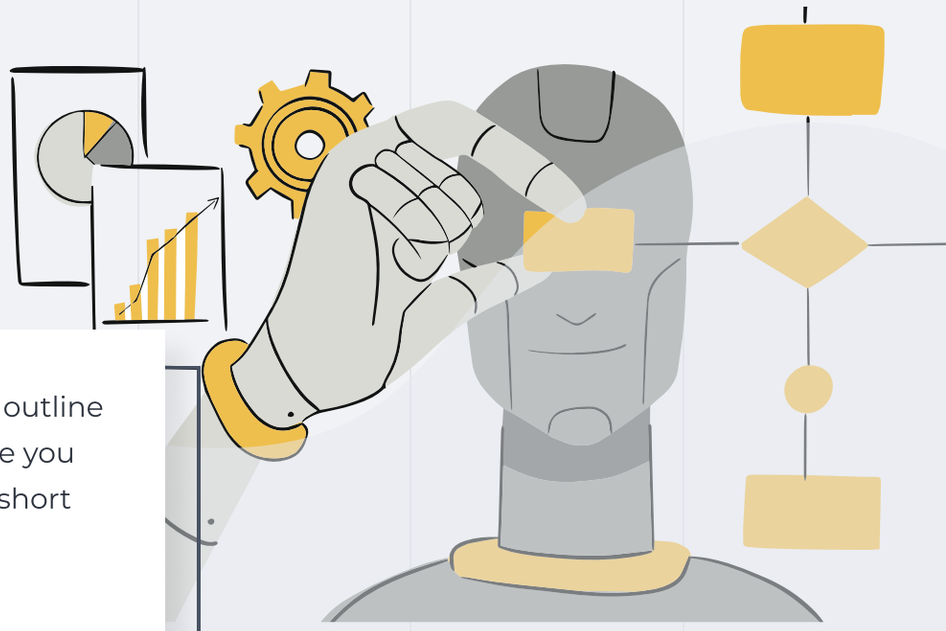
RPA in Finance: Infographic

Finance adopting robotic process automation (RPA) is a natural process, and it's picking up steam.



We have prepared an infographic to outline the details of this process. But, before you look at it, we recommend reading a short introduction, so you get an overall impression of the technology.

What Is RPA

RPA is all about robots. But not the kind you have seen in sci-fi movies. RPA bots are software or pieces of code that take on repetitive tasks for you. Among many things, they can:

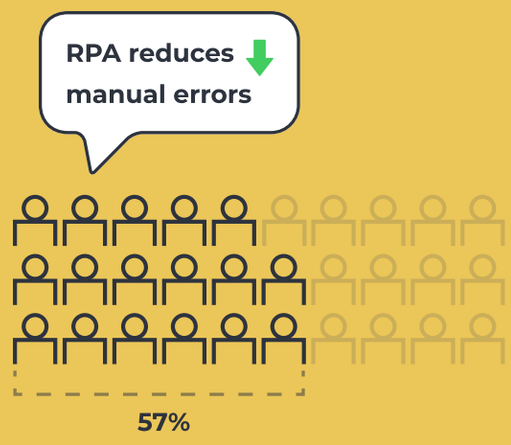
- extract and insert data;
- talk with new customers, get data from them and process it;
- check customer backgrounds;
- read and assess resumes;
- send documents, protocols, etc. to new employees;
- generate, download and email invoices;
- download bank statements and connect them with specific customer accounts to validate transactions and generate financial statements;
- generate forecasts;

- “write” reports.

Why Use RPA

1

The tasks delegated to RPA are repetitive and mundane. When done manually, they wear people out, leading to errors. But bots do not make human errors, which means RPA makes processes more accurate while freeing up people’s time and speeding things up. **In fact, 57% of Forrester’s 2019 survey respondents said that RPA reduces manual errors.**



Given that finance relies heavily on repetitive tasks, you can imagine how much RPA can do to improve this sector.

2

But why free up employees’ time, you may ask. The same survey shows that **60% of RPA adopters have been able to refocus their staff towards tasks that require strategic thinking only available to humans.**

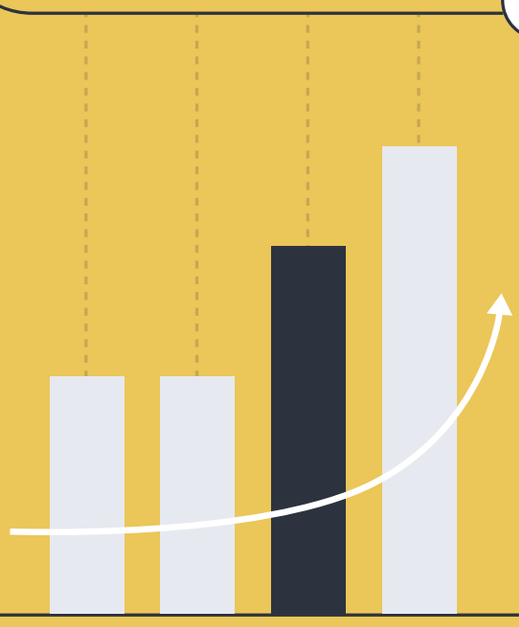
3

Furthermore,

86% of respondents have boosted employee efficiency, **57%** have improved customer service,

57% got employees more engaged and

67% now better understand their customers.



Those benefits are universal, and finance enjoys them as much as any other industry.

The Specifics of RPA in Finance

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Most studies look at RPA in finance as part of the wider automation trend. Indeed, RPA is often used alongside techniques like artificial intelligence (AI), machine learning (ML, an AI technique), optical character recognition (OCR), process mining and others. Some researchers prefer looking at them as parts of a whole, while others study them separately.

It's also important to know that analyses and forecasts for RPA tend to uncover trends that apply to most industries, more or less. Therefore, some numbers are true to finance as well as other sectors.

We looked at the latest studies and tried to paint a holistic picture in the infographic below. It aims to show how RPA changes finance, what challenges it faces, how to use it and what its future looks like.

If you need help adopting RPA, **write to us**. Elinext has developed automation software for financial organizations and automated financial processes for companies in other sectors (see case studies).

CONTACT US

RPA Application Areas in Finance

/ 01.
Loan processing

/ 02.
Account opening/closure

/ 03.
Customer request processing

/ 04.
Fund transfers

/ 05.

/ 06.

/ 07.

Know-Your-Customer (KYC)

Card management

Forecasting

/ 08.

Financial reconciliation

/ 09.

Document flow

/ 10.

Quality assurance

/ 11.

Budgeting

Leading RPA Companies

blueprism
xerox
IPSOFT
UiPath
CELATON
AUTOMATION ANYWHERE
REDWOOD
NICE
PEGA
VERINT

Financial Organizations Using RPA

DBS
BANK OF AMERICA
Allstate
Danske Bank
Deutsche Bank
UnionBank
AXA
Nordea
CHASE J.P.Morgan
AXIS BANK
BNY MELLON
OCBC Bank
SMFG

Key Figures for RPA in Finance

Current Use and Plans

24% of finance executives anticipate more spending on robotic process automation (RPA). (Gartner, 2020)

52.8% of accounting professionals are seeking to automate their processes. (Deloitte, 2018)

51% of banking, financial services and insurance in Canada used RPA, which is more than any other sector. (SSON Analytics, 2018)

22.8% said they were either implementing it or planned to do so. (Deloitte, 2019)

3.6% of organizations said they had adopted RPA for financial operations.

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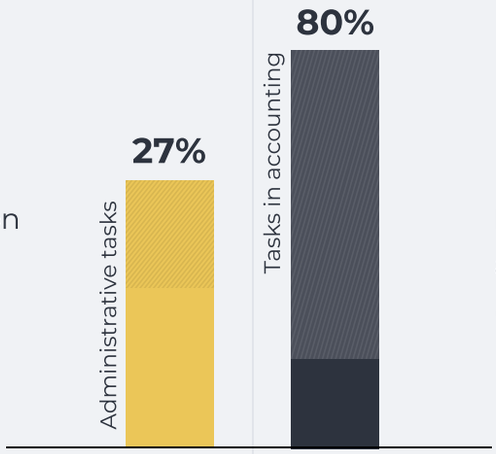
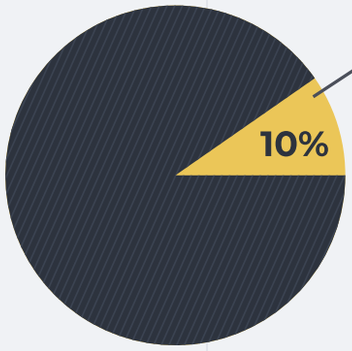
Potential

RPA can help an organization **automate up to 27% of administrative tasks.** (McKinsey, 2019)

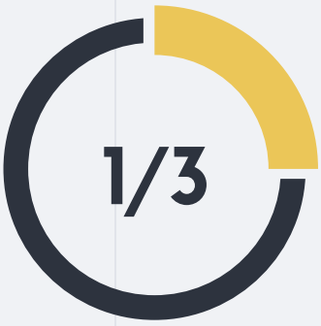


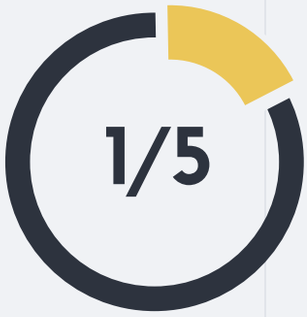
RPA can automate tasks in accounting by up to 80%. (IDC, 2019)



Compliance is the main area of RPA, which accounts for **about 10% of banking costs.** (International Banker, 2017)

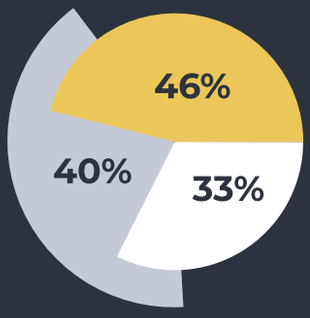
RPA costs **one-third** of the amount **of an offshore employee** and **one-fifth of an onshore employee.** (Gartner, 2020)





One bot can displace up to 30× the work of a human FTE.

Intermediate Results



- **46% of financial organizations** claim RPA has helped them **increase productivity.**
- **33% have been able to grow revenue.**
- **40% have reduced costs.**

Protiviti, 2019

Case Studies

W&W Gruppe, a German financial service provider, has been able to **automate 56 processes, allocate 150,000 tasks to bots and save 1.5 hours per reimbursement document.**

Fitch Ratings automated data transfer in 500 fields and freed 15% of its staff's time using RPA.

American Express used RPA **to reduce card member attrition 4 times, boost customer satisfaction 3 times and increase card member spending by 10%.**

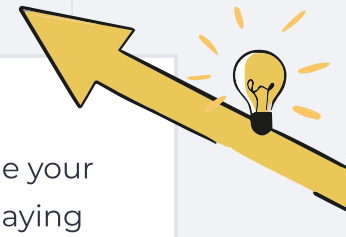
Challenges of Adopting RPA in Finance

Challenge

45% of representatives of leading financial organizations said **employee resistance to adoption has been the main challenge to introducing RPA.** (ACCA, 2018)

Solution

Plan in advance and change your organization step-by-step, laying the groundwork for RPA adoption.



Legacy infrastructure thwarts RPA adoption in finance. Up to 43% of banks in the USA use COBOL, a programming language invented in the 1950s. (Reuters, 2017)

Adopt bank-as-a-service: an ecosystem-based approach using cloud technology and open APIs.

Process standardization and change management are among the main challenges at the early stages of RPA adoption by banks. (Deloitte, 2018)

Appoint a change manager who will outline automation rules and see that all participants, from top management to regular employees, comply with them.

46% of financial organizations are lacking RPA adoption specialists. (Protiviti, 2019)

Outsource RPA adoption to a company that specializes in it.

Most Frequent Mistakes in RPA Adoption

- Underfunding
- Insufficient staff training
- Automating wrong processes

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Tips for Adopting RPA

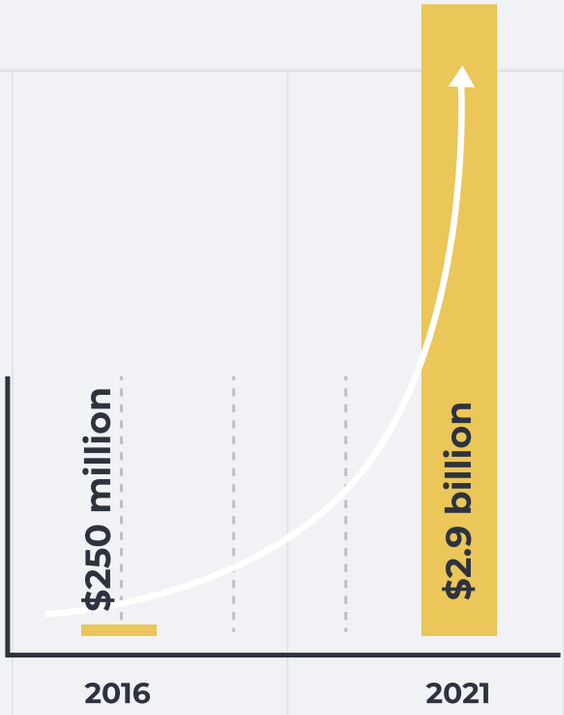
- Automate processes with the end user in mind.
- Start with simple processes; analyze and gradually raise the bar.
- Work in iterations, studying feedback from all parties involved.

- Underestimating the complexity
- Unclear legal regulation of automation

- Outline your expectations clearly.
- Make automation releases and upgrades part of the daily routine.

How to Choose an RPA Provider

- Check if they have certification in RPA.
- Inquire into their experience in the field.
- Learn about their data privacy policies.
- Find out whether they only write code or manage the project from A to Z.



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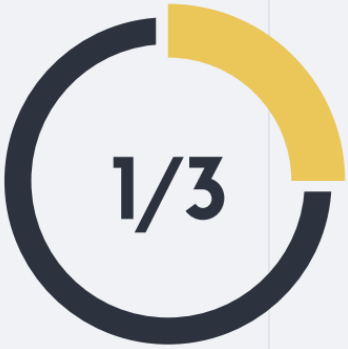
Forecasts for RPA

RPA demand is expected to top $2.9 billion in 2021 (compare this to $250 million in 2016). (Forrester, 2017)

The global RPA market was valued at $1.40 billion in 2019 and is expected to reach $11 billion by 2027, growing at a CAGR of 34% from 2020 to 2027. (Grand View Research, 2020)

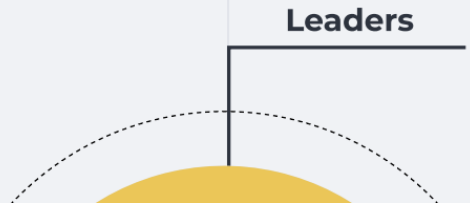
2019 2023 2027



More than one-third of businesses are projected to boost RPA with artificial intelligence in 2021. (Forrester, 2020)

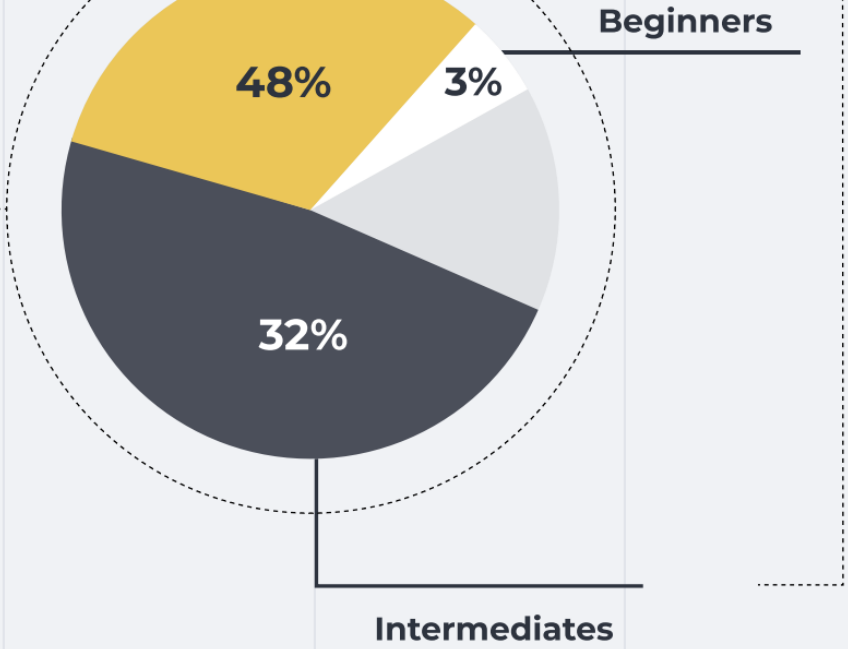
Companies will invest $2.4 billion in RPA until 2022.

$2.4 billion



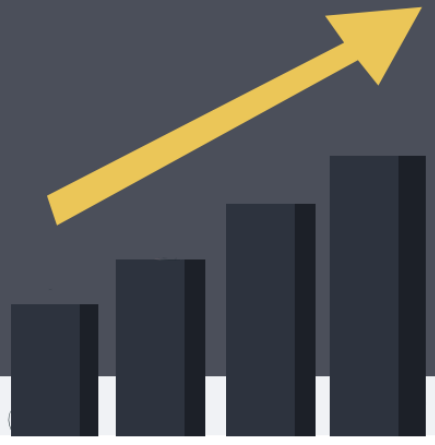
Companies by the level of RPA adoption

% of processes expected to be automated in 2021



The Main Trend All Studies Agree On

RPA will be increasingly integrated with other advanced technology (e.g. artificial intelligence) for better results.



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