



# Process automation for crisis survival!

**T**he speed at which companies implement their digital strategies is often too slow and does not keep pace with the structural shifts that affect their industries. Successful disruptors move quickly from concept to scale. The global pandemic has forced many companies to rapidly accelerate their digital agenda to support the new ways of work for employees and the evolving demands of customers.

Traditionally investments in new and enhanced software applications are generally made to bolster the business outcomes of core processes. For example, billing systems are essential in telecommunications companies. Similarly claims and policy administration systems underpin the business of insurance companies. Placing customer needs foremost, these systems underpin the B2C relationship, particularly the ongoing interactions and associated transactions that link customers to products and services. Expenditure on new and improved digital channels is often given priority as these systems improve the customer experience and generate revenue. Investment in systems and portals for agents, intermediaries and suppliers are also often made if the business case yields a positive return.

*'Investment in software applications generally favours processes that directly generate revenue and improve the customer journey. The Covid-19 crisis has highlighted the misalignment in systems spend which prejudices critical internal processes that remain dependent on key specialists.'* – Quantimetrics<sup>[1]</sup>

## Key person dependency risks

With these specialists working from home, a radical new way of work is required to maintain the flow of the critical information that they produce. Examples of such information are business performance packs that are consumed by board members and investors. They also generate payment schedules for partners in their supply chain such as the percentage of premiums that insurers pay to their reinsurers. In addition, they provide information to regulators (see side box).

Finance specialists who are responsible for production of reports, often under tight deadlines, and want to control the mechanism for delivery of these outputs, have resorted to their own or user developed applications out of necessity. These resources, who are often graduates in commerce or related disciplines, are well versed in Excel which has become the de facto standard for these 'shadow IT systems'. Not only is there key resource dependency, but these home-grown solutions pose substantial risk, particularly when relied upon by company boards and finance departments. They are prone to

error, their workings and results are difficult to check, they lack documentation, are not scalable and lack audit trails. Now there is the added security concern of working outside of the corporate network. As such, these processes are often flagged 'red' on corporate risk registers, with disastrous consequences if they yield incorrect results. Examples abound, such as duplicate payment of commissions or incorrect tax deductions on investment funds. Nevertheless, spreadsheet solutions persist from year to year as most IT departments don't have the bandwidth or budget to replace them.

## Automation liberates specialists so that they have time to think add value

Fortunately, with the advent of intelligent hyper-automation technologies, experts who are responsible for complex processes that have often remained predominantly manual can, be liberated to apply their skills to more value adding and creative activities. The cherry on the top is that intelligent automation technologies can preserve the corporate knowledge inherent in the spreadsheets and augment them with

### Regulatory Reporting

Another example of inefficiency and dependency on experts to perform tedious yet critical work is that of regulatory reporting, which is mandatory in many financial services companies. Skilled staff often struggle to produce the reports and data submissions required accurately and in a timely manner when using spreadsheet-based manual processes. Even though these reports may only need to be submitted quarterly or even less frequently, the fallout from getting these wrong can be significant. This can include impacts on the company's reputation and time-consuming follow-up questions from the regulators.

The source data for these reports is often fragmented and growing in volume. Further, human error creeps into manual processes resulting in erroneous data being fed into the report thereby requiring costly rework or follow up.

Using hyper-automation, the automated process will collect, validate and cleanse data. Reports can then be automatically prepared and sent to one or more people for review and approval. The data contained in the reports can then be converted to format such as XBRL for direct submission via the regulator's portal. The source data, workpapers and information that is submitted can be stored, is available for other purposes, and can be accessed, if required, via online dashboards.

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enterprise standard of governance and auditability. Some tools also provide rock solid security as they are hosted on the most advanced cloud platforms like Azure.

According to a recent Economist Intelligence Unit Report, such 'automation is coming to be seen as a technology initiative of strategic importance to the organisation'. Hyper-automation goes beyond the linear mechanisation of 'the way things have always been done'. The new imperative for finance specialists is to provide advanced insights and analysis faster and with less effort. Hyper-automation tools increase the agility and responsiveness of specialist teams by eliminating disconnected data and manual processes.

Hyper-automation makes sure financial teams have their data up-to-date and centralised in real time. Finance teams can spend more time offering strategic decision-making advice with insights gleaned from automated reports. Automation improves accuracy and enables CFOs to have live-data reporting, to identify risks and opportunities immediately and enable fast decisions using the most current data. With less time wasted on low-value manual tasks, employees can carry out more strategic work, thereby increasing job satisfaction, motivation and output. Subject matter experts need to engage fully and buy into the automation initiatives. They retain responsibility for running, monitoring and maintaining their processes.

According to McKinsey, 'Now is the time to reassess digital initiatives - those that provide near-term help to employees, customers, and the broad set of stakeholders to which businesses are increasingly responsible and

those that position you for a post-crisis world.'

**Technology to run mission critical processes with enterprise security from home**

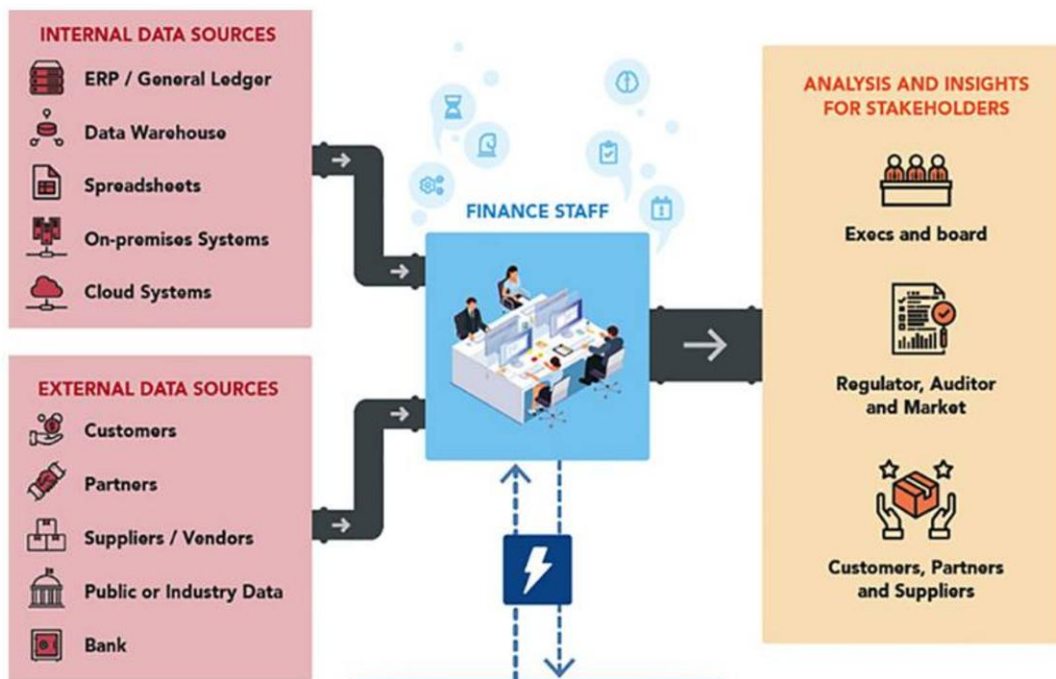
What if key resources responsible for critical month end processes are quarantined or if specialist teams continue to work remotely from each other? Hyper-automation tools mitigate key person dependency and provide a 'mobile' platform for remote execution of critical processes. These technologies provide the ability to map processes, combine data from disparate sources and perform the manipulations and transformations of the data according to the 'recipe' provided by the specialists. They also provide mechanisms for electronic sign-off and approvals all with transparent audit trails.



Automation will continue to augment how people work moving forward, so it pays to invest wisely in these types of tools. If you have yet to adopt automation, you're already behind the curve. If you've been proactive in adoption, then to stay ahead of the curve you need to

continue to find ways to further reduce manual dependency and then to use machine learning for processes to 'self optimise'.

The current crisis has forced companies to accept and thrive on the flexibility brought through remote working. Continuing to maintain and then boost productivity as some return to the office, will be dependent on automating more manual work, and to exploit the capabilities of new technological innovations. ■



[1] www.quantimetrix.net