



CLIENT LIFECYCLE MANAGEMENT

The benefits of
digital automation
(Robotics Process
Automation)

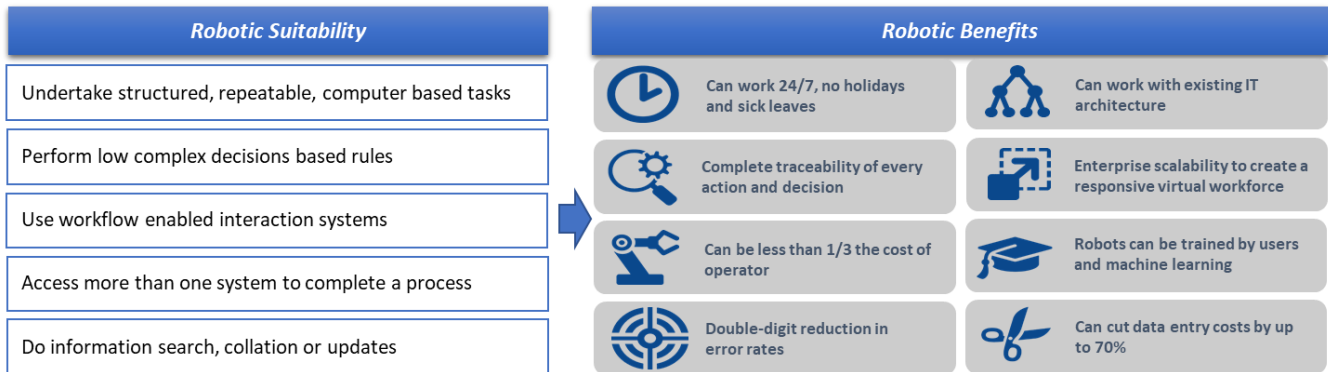
Talan[★]

Client Lifecycle Management (CLM) processes have numerous opportunities for Robotics Process Automation (RPA). This paper outlines a number of these opportunities in use cases.

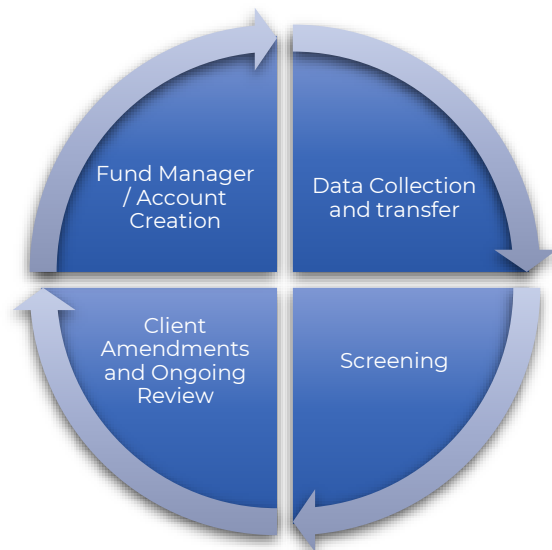
EXECUTIVE SUMMARY

Client Lifecycle Management has seen constant increase in complexity and requirements over the last 5+ years, leading to significant increases in cost from a personnel and technology perspective. Combined with the increased regulatory and risk burden, this creates opportunities where Robotic Process Automation (RPA) can be introduced significantly reducing these costs and the potential for error and risk.

RPA is part of an evolution that has developed over the previous decade with now a development of sophisticated enhanced technology.



RPA is essentially automation software which replicates tasks and activities by interacting with technology and systems as humans would. This includes internal and external systems and databases, workflows and also common market enterprise software.



Digital automation is possible across the full spectrum of the client lifecycles. Industry view derived directly from the CLM and KYC operations of leading banks highlight such opportunities for reducing manual effort and time.

Essentially where there is a repetitive, manual and non-value adding tasks, automation is possible.

USER STORIES

1: Data Collection & Transfer

A key component of Client Lifecycle management for financial services organisations is the collection and distribution of data. Information collected during the client lifecycle often needs to be provided to additional systems. These updates are made at various points: New client Onboarding, Amendments and Periodic updates.

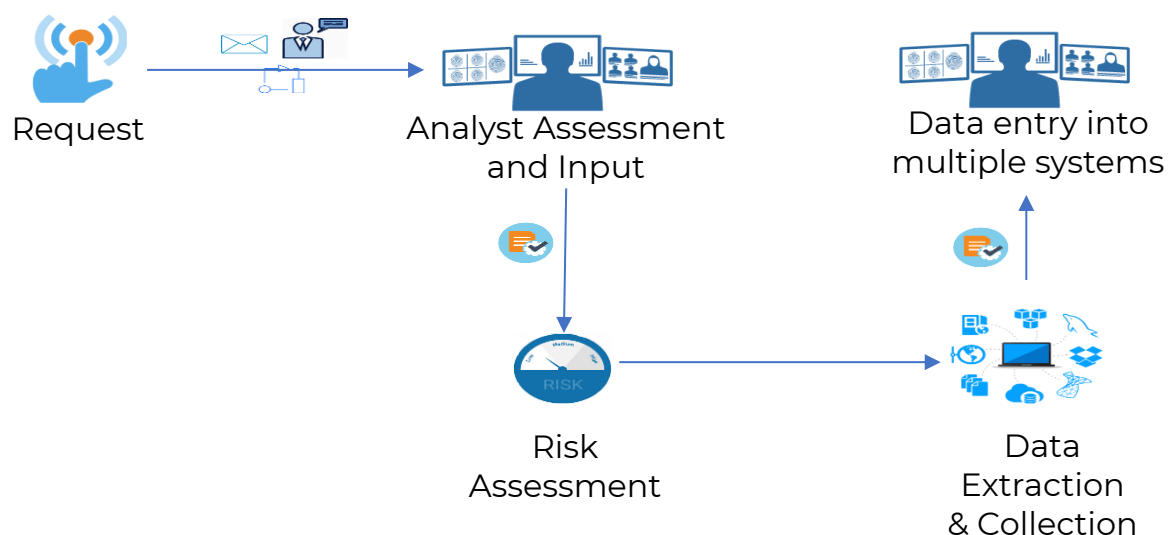
A large amount of this data is collected manually requiring individuals to log in and out of multiple public data sources and internal data stores, copying and pasting data and then physically inputted into workflow tools and client databases.

Replicating the rules and logic that humans use to interact with the internal and external sources will allow RPA to undertake tasks quicker, with lower error rates 24 hours a day. Implementing RPA to automate these high-volume, low complexity tasks can not only ensure optimal resource utilisation but also to improve employee productivity. Personnel will be focused on exception management rather than the repeatable tasks of data collection and allowing staff to focus on higher value activities.

There are often feeds in place to transmit common data and typically this data is transferred across and downstream to internal systems. Usually, data is manually updated across the various systems by a group of users and then reviewed by another user to validate the accuracy. In certain cases, reconciliations are developed to ensure the data between the systems is the same.

The manual inputting of data can be replicated by robotics with an additional process that can be established to validate the information. This reduces a significant amount of effort throughout the lifecycle and can lead to quicker turnaround times for new clients as well as a reduction in error rates. In some circumstances, the need for reconciliations can be reduced or removed.

The automation of the collection and transfer of data can be tackled independently of each other, and like all objectives broken in to macro strategies.



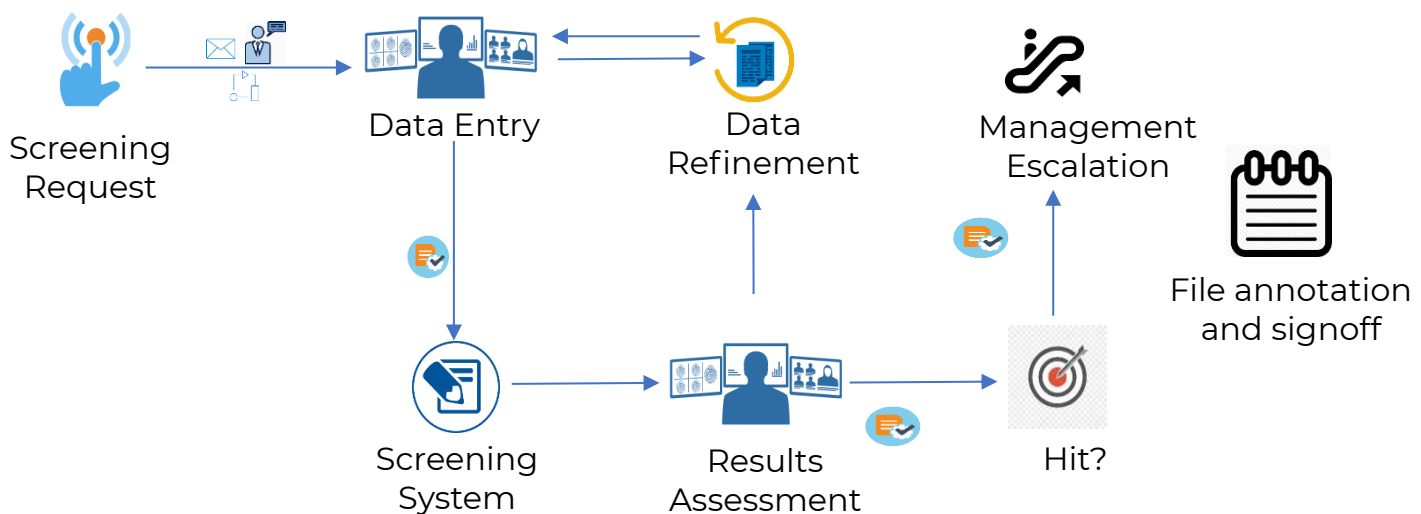
2: Screening

Screening of clients and related parties is an activity that takes place during new Client Onboarding, Client amendment, periodic review and for some client types on a daily basis. It is a critical step in determining and validating the risk of a customer and any related parties for that organization.

Searches are often performed manually using external sanctions and criminal databases, as well as for negative media news. Often news engine searches will be undertaken by the analysts using a preferred internet search engine.

The process is a repeatable task which requires a user to copy and paste the same data into numerous search databases and engines and then analyse the results to determine if additional actions are to be undertaken.

Automation of the searches reduces the manual effort and the potential for keying errors.



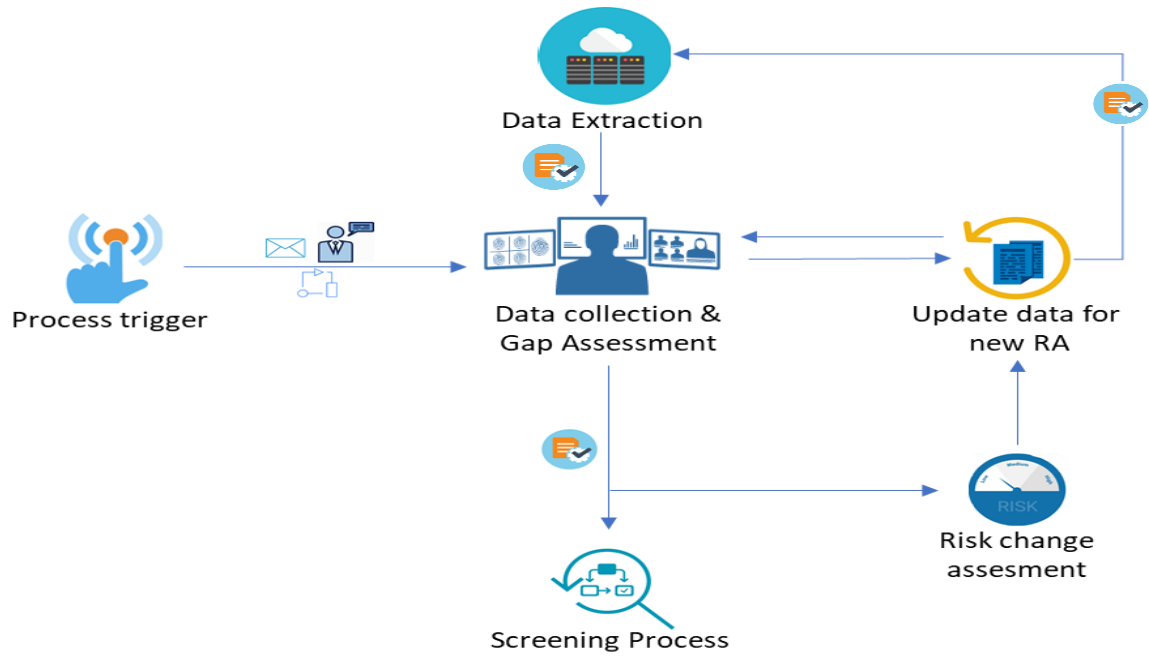
3: Client Amendments & Ongoing reviews

The management of a client profile is a constant process, requiring regular maintenance and updates which has constraints on resource.

These generally fall into the following scenarios;

- Amendment to client entity
 - Address changes
 - Ownership Change
 - Change of controller, i.e. new director

These changes normally follow a similar process flow with a user manually processing and updating information in internal databases and workflow tools, as well as extracting information from external sources. The information is validated and then entered into the CLM system to reflect any changes. This process requires multiple manual steps that RPA can automate.



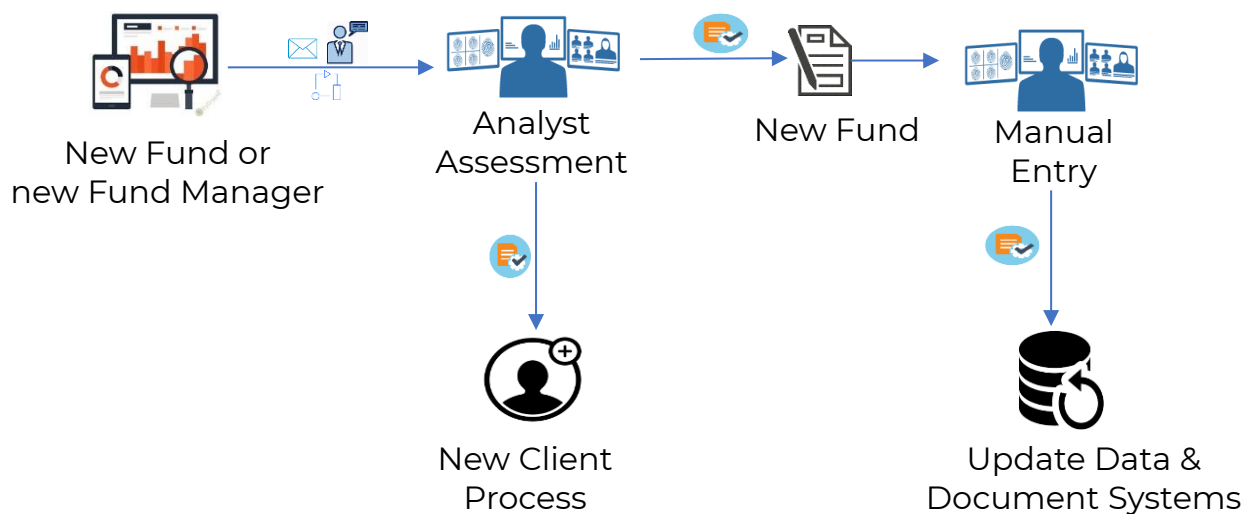
4: Approved Fund Manager, Fund and account creation

The creation of fund accounts is a manually intensive process, which a number of technology solutions have been unsuccessful to improve. A number of global fund managers have thousands of accounts related to their funds and sometimes require all of these accounts to be created, even if there is no trading relationship with that fund. They require the accounts for speed of trade settlement if the fund does trade, as the Funds Managers have concerns around the creation time for a number of large organisations.

The creation process for these accounts usually relates to 2 issues;

1. The ability to link thousands of records to a parent manually.
2. System limitations with lag time with thousands of linkages across the database tables.

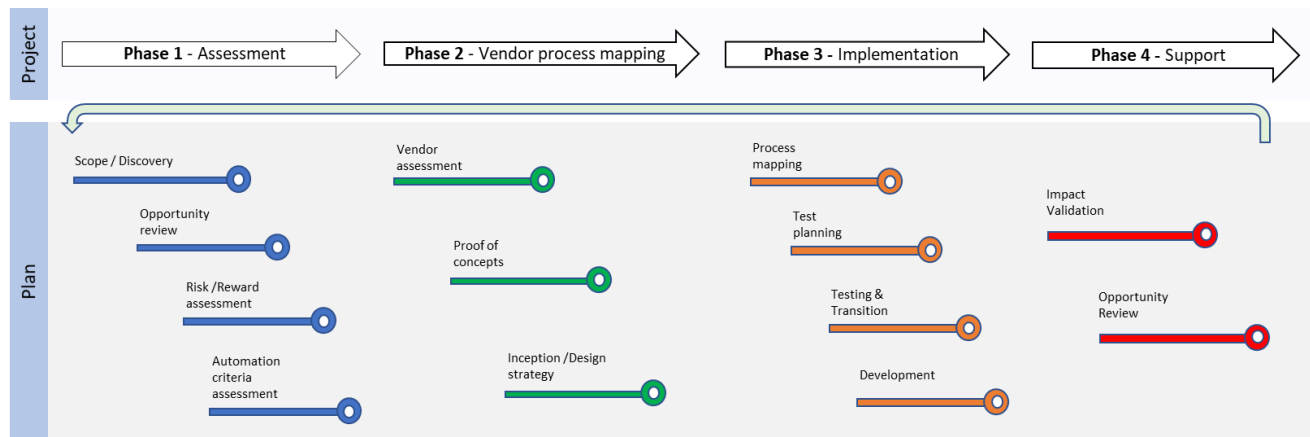
RPA can assist with the first scenario by replicating the manual processes undertaken to link the records and reduce the overhead of creation and maintenance of this data.



IMPLEMENTATION APPROACH

To determine appropriate automation solutions for scenarios, an opportunity assessment should be conducted and appropriate RPA vendor identified. A simple calculation can be undertaken weighting the importance of identified opportunities to your organization and a score can then be established for each process and scenario with the best potential return.

Once the scenarios are identified, an assessment of the different RPA vendors are taken to identify which one meets the technology solutions of the organization, after which detailed process mapping will be to identify potential efficiencies in the process.



TALAN FRAMEWORK

Talan is in a unique position to support our clients no matter where they sit on their journey with RPA. Talan offers an objective advisory and consultancy service to identify candidate processes for RPA automation. Talan applies its tried and tested Opportunity Assessment framework to create business case that delivers maximum value. In addition, Talan also provides expertise with pre-built framework to help with RPA Tool Selection

AUTOMATION BEYOND RPA

Smart automation or Artificial Intelligence (AI) technologies are enabling efficiencies to go to a level beyond what RPA has to offer. Machine learning engines that work on historic data to provide better decisioning capabilities; Natural Language Processing engines that read documents and make meaningful insights; Optical Character Recognition and biometric capabilities that consume and verify customer information/ identity – all are beginning to play a part in the client onboarding and KYC operations.

A good example of this is in reference to the screening flow mentioned in this document, where data and decisions can be used to assist the machine in learning how to reduce false positives that require processing or exception management. This information can be used to improve the RPA solution via programming or by linking the RPA and Machine Learning tools together.

ABOUT TALAN

In the UK, Talan helps banks and financial services firms in their Client Lifecycle Management functions covering client onboarding, KYC, CDD, credit & legal review, account set-up and maintenance. Talan provides end-to-end consulting, operational and technology services in CLM space. The functional coverage spans across business lines (capital markets, corporates, SMEs) and functions (new to bank onboarding, legal entity maintenance, on-going review/ remediation).

Talan has been working with many of the Tier 1 banks in Europe providing CLM services, focused on both operational efficiency and regulatory compliance relevant to the geography. In most of these engagements Talan has seen significant traction in RPA and other smart automation initiatives aimed towards operational efficiency. The points of view and Talan's frameworks referred to in this document are derived from the industry experience on the topic.

For more than 15 years, Talan advises companies, supporting them and executing Agile transformation projects in France and abroad. The group mainly interacts with big companies' technological transformations, more precisely in areas such as Big Data, IoT, BlockChain and Artificial Intelligence.

Talan's staff have strong methodological, technological and sectoral expertise, developing and aiding our clients toward the same end: sustainably improved performance. This expertise are disseminated among complementary hubs: advice (Talan Consulting), solutions (Talan Solutions), technological development (Talan Labs), operational support (Talan Operations) and a nearshore development center (Talan Shore).

The group, headquartered in Paris, has several subsidiaries in France (Amiens, Lille, Lyon, Montpellier, Nantes, Rennes) and abroad (Canada, United States, Luxembourg, Morocco, United Kingdom, Switzerland, Singapour, Spain, Tunisia). At the end of 2018, Talan will reach revenues of 210M€ for 2000 employees. The group plans to recruit 900 new employees worldwide in 2019.

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