Intelligent Automation (IA) in Finance

The future of work is changing, are you prepared for what’s coming?

NASC
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Agenda

01 Market overview
02 Sector issues and trends
03 IA outcome pillars
04 IA in Finance
05 How to get started
06 IA journey and lessons learned
IA is revolutionizing “work”... but is only the beginning
Organizations are becoming more “efficient” as they use automation to “do things differently” but breakthrough performance will be achieved by using intelligence to “do difference things”

We stand on the brink of a technological revolution that will fundamentally alter the way we live, work, and relate to one another.

“Just as machines made human muscles a thousand times stronger, automation software will make the human brain a thousand times more powerful...augmenting professionals, offering them expertise and assistance.”

- NewYorker.com

30 – 40% of existing business process services are likely to be impacted by RPA

“60% of organizations over $1 billion in annual revenues have begun their intelligent automation journey. By 2022, IA adoption, in some form, will have reached 85%”

- Gartner, 2018
Megatrend Issues in State and Local, and Education
The future of work is changing, are you prepared for what’s coming?

What is your **biggest** megatrend issue?

**Citizen expectations**
Citizens expect digital experiences as the norm. Paper, long lines, and duplicative processes are dissatisfactory.

Key considerations:
- Is ‘Digital’ on the Governor’s agenda?
- Where are the greatest outlets to increase citizen expectations?

**Retirement cliff**
Today and even more in the next five years a significant amount of talent will retire

Key considerations:
- How will we get the work done?
- What tribal knowledge will we lose?

**Outdated systems landscape**
Multi-decade old systems are not able to adequately meet today’s requirements

Key considerations:
- What personnel risks do we have for process and system support?
- What is the cost of humans utilizing dated technology?

**Attracting the next generation workforce**
Mismatch between the expectations of new talent in the workforce and open jobs

Key considerations:
- How can we backfill the open jobs?
- How can we get the work done and focus on doing different things?

**Large transformation projects**
Recently, expensive, large enterprise systems and consolidation of core business activities

Key considerations:
- What opportunities are there to more quickly reinvest savings?
- What project activities are repeated over and over?
Business outcomes or purpose for how success will be measured is much broader than just ‘efficiency’

- **Improve efficiency**
  - FTE productivity
  - Freed up FTE capacity
  - Cost avoidance
  - Reduced contingent and contract labor
  - Non-FTE $ savings

- **Optimize performance**
  - Improved accuracy
  - Better predictability
  - Billing support
  - Fewer cycles
  - Less downtime
  - Increased reach

- **Sustain trust**
  - Increased testing/audit coverage
  - Compliance reporting
  - Less fraud incidents
  - Contract compliance %
  - Non-FTE $ savings

- **Enhance experiences**
  - Improved citizen, employee and vendor satisfaction scores
  - Increased retention
  - Recruiting hires to offers percentage
  - Increased sales

- **Generate revenue**
  - Cross-selling
  - Increased $/order
  - # new services
  - Increased velocity

**Potential Success Metrics**
Example Use Cases – Finance and related operations

Most organizations have hundreds of sub-processes that could be improved with automation (the following list is not meant to be exhaustive)

**Improve efficiency**
- Billing/Invoicing/cash applied
- Account and bank reconciliations
- Payroll processing
- Benefits administration
- Compliance reporting
- Help desk automated assistant
- Self service IT training and compliance reporting
- Contract renewals and issuance
- State Auditor disbursement, invoicing, and home valuations
- State Security penetration testing
- FP&A data support
- Payments processing with Document Intelligence
- Recruiting and candidate routing
- Onboarding and offboarding
- Attended automation of customer data for Agents on demand
- Voice to text for Agent notes
- Vendor set up and management
- Prepopulating Forecast

**Optimize Performance**
- Cash forecasting
- Product price optimization
- Report ongoing comp/headcount against approved budget
- Competitive salary analysis
- Education and training
- Automated system migration, testing and training
- Application training and best practices
- State income tax apportionments
- Contract terms comparisons
- Tax incentive scenario analysis
- Contact center reporting
- Stock out forecasting
- Strategic sourcing
- Data aggregation and reporting
- Stock out forecasting
- Candidate sourcing
- Smart email advisor
- Predictive financial forecasting

**Sustain Trust**
- Contract compliance
- New Contract generation
- Fraud detection analytics
- Expense auditing
- Compliance reporting
- Time and attendance management and testing
- Identity and access management and testing
- Software request approvals
- GRC and GDPR reporting
- Customer/Employee profile and data consolidation
- GRIR matching and testing
- New customer credit checks
- Automated pricing approvals
- GRIR Clearing
- Cyber monitoring and reporting
- Automated advice
- Sentiment analysis
- Contract key word review
- Repeat caller analysis

**Enhance Experiences**
- Employee expense and commission approvals
- New customer and vendor set-up and credit approvals
- On time payments processing
- PTO information and tracking
- Application training and best practices
- Employment verification
- Compliance reporting
- Contract renewals and issuance
- Agent matching
- Supplier qualification and set-up
- Employee virtual assistant
- Benefits administration
- Mailbox monitoring and service ticket processing
- Employee virtual assistant
- 24x7 product information
- Predictive call analysis
- Vendor payment agent assistant
- Social media monitoring, reporting and response
- Social media monitoring/reporting

**Generate Revenue**
- Automated customer segmentation analysis
- Competitive salary and contractor rate analysis
- License monitoring and retirement of unused licenses
- System consolidation and retirement to eliminate maintenance fees
- Contract price audits
- New product/upgrade offers
- State Auditor disbursement, invoicing, and home valuations
- Benefits pricing analysis and negotiation reporting
- Customer set-up and credit approvals
- Tax incentive scenarios
- Sentiment analysis
- Stock out forecasting and automated moves
- Computer vision restock

Note: "Yellow" highlights represent "next generation" use cases
Gartner Market Research
Strong evidence of RPA transforming Finance

**Gartner Finance Savings**

“Robotic Process Automation can save finance departments 25,000 hours of avoidable work annually”.

The article equates repurposing hours to the equivalent of $878,000 annually.

- Gartner 2019
## How RPA can eliminate the “day to day”

RPA benefit estimates in Finance

<table>
<thead>
<tr>
<th>Manual processing with little subjective judgement</th>
<th>FTE reallocation of hours</th>
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<tbody>
<tr>
<td><strong>Data input</strong>&lt;br&gt;Extracting data from several applications and reading emails, files, folders, SharePoint, etc.</td>
<td>60% - 80%</td>
</tr>
<tr>
<td><strong>Data Output</strong>&lt;br&gt;Sending data obtained from execution of the process with pre-defined format and distribution channels (email, file transfer, web-based, etc.)</td>
<td>60% - 70%</td>
</tr>
<tr>
<td><strong>Reconciliation</strong>&lt;br&gt;Understanding and combining data retrieved from several applications (e.g. cash reconciliation, bank reconciliation, system to system reconciliation)</td>
<td>60% - 70%</td>
</tr>
<tr>
<td><strong>Data quality management</strong>&lt;br&gt;Measuring data quality and testing consistency (e.g. batch monitoring, availability, mapping, and integrity check)</td>
<td>50% - 60%</td>
</tr>
<tr>
<td><strong>Reporting and dashboard</strong>&lt;br&gt;Implementing dashboards and generating reports</td>
<td>40% - 60%</td>
</tr>
<tr>
<td><strong>Business rules</strong>&lt;br&gt;Applying business rules (such as bookkeeping, amortization themes and cost reallocation) on the basis of formalized principles and guidelines</td>
<td>40% - 50%</td>
</tr>
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Typical IA journey – stage gates
A journey varies in approach, but is commonly made up of six major stages

1. Identify opportunity areas / business case
   Review business unit functions and processes. Create business case and timeline

2. Create a governance model
   A model defines the governance, standards, success criteria, and overall purpose of IA

3. First IA pilots
   Begin industrialized usage of IA by automating processes identified as highest priorities across multiple outcomes

4. Additional IA technologies
   Leverage skills of IA team and experience from early deployments to broaden skills into other technologies and functions

5. Digital workforce
   IA is treated as a normal part of business, included in strategy, budgeting and operations management in ways similar to how staffing models are handled.

6. Additional Deployments
   Execute roadmap for IA with multiple “sprints” or deployments per quarter. Deliver additional value by bundling solutions and building internal skills
Define purpose and measures of success
Activate multiple functions or business units. Then define the “business outcomes” or purpose for automation and how success will be measured.

View technology as an “enabler” not a goal
IA is a constellation of technologies that can work independently or collaboratively to help an organization enable business outcomes.

Understand the journey is long …
Most organizations have hundreds of subprocesses that could be improved with automation.

Realize the return on investment often requires process and role changes
Bundling automations by major businesses function allows end-to-end process change and value capture.

A balanced implementation approach is key to success
To achieve your short- and long-term objectives, it is important to keep ideation, governance, and technology in sync with each other and not let one capability get too far ahead of the others.
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