

# Optimizing banking business processes through automation

*Enable process and operations transformation that can realize cost savings and revenue growth*



## Highlights

- Provides an advanced, pre-integrated software solution that helps automate and streamline business processes
- Rapidly deploys the solution—in three to nine months—to help reduce time to value and limit impact to business operations
- Helps reduce operational costs by increasing process efficiency and enabling continuous process improvement
- Applies operational and technological capabilities to implement a cohesive multichannel interaction strategy and enrich customer experience

Banks and financial services institutions around the world are still struggling to recover from the recession. To achieve competitive advantage and revenue growth in today's turbulent economic conditions, financial services institutions like yours must consider four critical factors: *efficiency, visibility, speed and customer experience*. You need to eliminate inefficiencies in your business processes, gain visibility into your operations and process environment, reduce your processing cycle time, and provide an integrated and enhanced experience to your customers across channels.

But—like many of your industry peers—you may be relying on disparate, inflexible and manual processes, risking not just inefficiencies, redundancies and customer dissatisfaction but high operational costs as well. Implementing business process automation and enabling system-wide integration can help make your processes more efficient. However, transitioning to an integrated, automated operational environment can be a challenge if your current environment is based on complex and outdated technologies.

You need to transform your operational environment by taking advantage of the benefits of analytics, business process management (BPM) and business rules technologies. In an operational

environment powered by BPM and a rules engine, you can more easily automate business processes; enable paperless workflows and streamline operations—and achieve a long-term reduction of operational costs.

## A pre-integrated software solution

IBM Financial Services Automation and Analytics Asset (FSAA) is a pre-integrated software solution designed to enable process and operations transformation through process reengineering and automation. Our solution helps you run more efficient, standardized business processes, designed to significantly reduce processing time and costs. FSAA also helps reduce the high operational costs that can result from inefficient processing, duplication of efforts and even human error.

With our solution, you can reduce end-to-end processing times by up to 80 percent through parallel workflows, cycle-time optimization and automation of manually intensive tasks, and consequently improve banking process efficiency and customer service quality.<sup>1</sup> The subscription-based deployment model helps you reduce IT cost and bring down IT investments. Our solution allows you to take an incremental approach to optimizing and reusing business processes across banking applications, and thereby reduce redundant interfaces and consolidate services and components. FSAA uses a rule-based, event-driven, service-oriented architecture that helps deliver flexibility, supports multichannel enablement and facilitates scalability.

*FSAA can help reduce cycle time of application processing from 3 weeks to 18 minutes.<sup>2</sup>*

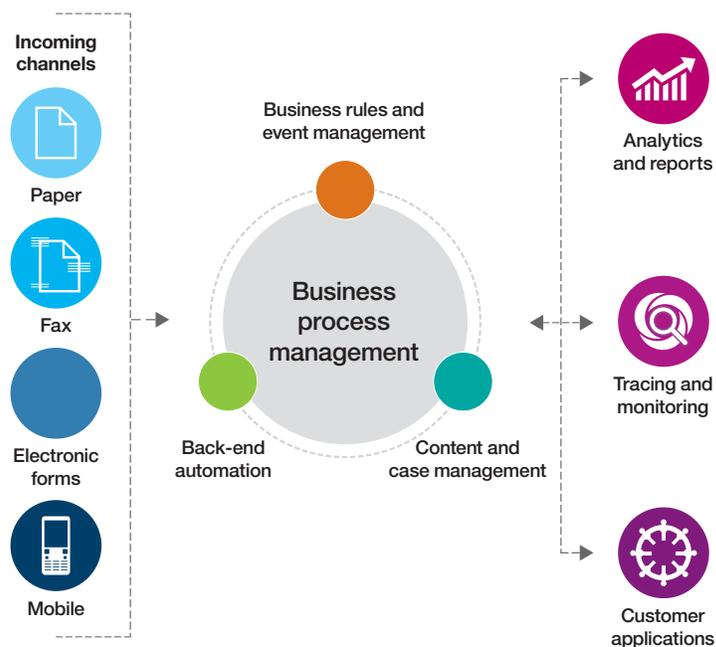
## A more automated, transparent operational environment

FSAA helps enable automation of banking processes by improving and interconnecting core banking workflows, defining consistent business rules and logic, and analyzing and predicting performance. Our solution supports automation through:

- Digitization to support paperless processing across the front, middle and back office
- Use of business process and rules management to execute common financial services workflows
- Near-real-time and historical process monitoring
- Integration capabilities, to near seamlessly “push and pull” data from client applications

## A more strategic reduction in operational costs

By enabling process optimization and continuous process improvement through FSAA, you can take a more strategic approach to reducing your operational costs. Our solution helps you reduce paper-based and manual processing—replacing paperwork with digitized documents through optical and intelligent character recognition (O/ICR)—and enable straight-through processing to help you achieve up to 20-50 percent reduction in process costs.<sup>3</sup> FSAA also provides end-to-end process dashboards and near-real-time insights to support process optimization.



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IBM Financial Services Automation and Analytics Asset (FSAA) offers multiple features and capabilities:

- Helps enable straight-through processing
- Creates an audit trail with detailed process reporting to help provide a comprehensive snapshot of the process including activities, systems and participants
- Provides digitization to help enable paperless processing across the front, middle and back office
  - Converts paper forms and handwriting to electronic data
  - Uses electronic forms to migrate from paper and fax
  - Provides mobile apps to submit paper and e-forms; mobile dashboards
- Uses robust business process and rules management to execute common financial services workflows
- Enables near-real-time and historical process monitoring
  - Business dashboards, insight and key performance indicators
  - Operational process metrics, service-level agreements
  - Operational staff performance management
  - End-to-end transaction audit
- Provides integration capabilities to near seamlessly “push and pull” data from client applications
  - Traditional integration methods using IBM® WebSphere® adapters and enterprise serial bus
  - Unobtrusive method with “On the Glass” techniques
- Enables rapid automation and multichannel enablement of financial services processes
- Establishes a growing library of pre-defined process assets including Know Your Customer (KYC), payments and account opening

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## An enhanced customer experience

Our solution applies both operational and technological capabilities to help enable cross-channel, system-wide integration and improve customer experience. Using leading-edge technology and analytics, we can integrate your front and back office systems—for example, integrate customer and product information with back-office operations—to help reduce redundancies, inefficiencies and errors that may arise while executing banking processes. FSAA also supports multichannel enablement,

allowing you to provide your customers the option to submit and process forms through multiple channels—fax, web, email, scan or mobile.

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Case study:

### A leading Mexican bank partners with IBM to establish a unique client-focused banking model in Latin America that will drive the bank's growth

#### The problem:

The bank wanted to understand customer needs better and offer superior service to their 20-million customer base. The bank aspired to improve their operating efficiencies, drive additional revenue and become a market leader.

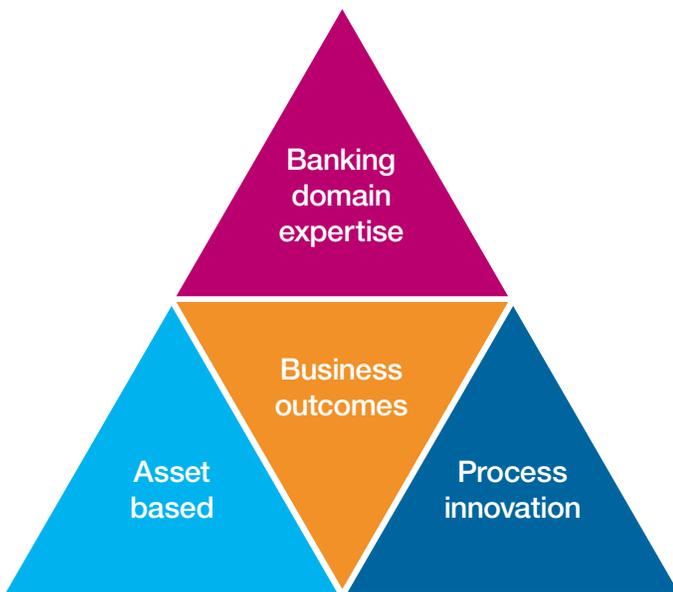
To achieve these goals, the bank sought a solution that would help them measure and manage product, process, and people efficiencies. They wanted a partner to help reduce the significant amount of manual work involved in asset deployment. They also realized implementing analytics would improve decision making and performance management.

#### The solution:

The customer partnered with IBM for FSAA implementation to reduce manual workload, enable branch optimization with near-real-time performance management and planning. The banks introduced smarter outcome-based interaction with embedded analytics to improve customer acquisition, enable cross sell of products, drive workforce optimization, and improve self-service. Additionally, IBM® Emptoris® E-Sourcing can help the bank manage indirect spend, under procurement.

#### The benefits:

- Will help generate US\$160-200 million of additional revenue by assets
  - Improve efficiency by 30-40 percent
  - Reduce loan origination time by 40-60 percent
  - Save US\$110-130 million in indirect spend saving
  - Reduce US\$140-180 million in operational costs for branches
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### Why IBM?

We combine our deep banking industry expertise with our robust technology and analytics assets to deliver specialized processing and operational capabilities to banks and other financial services organizations. IBM delivers committed business outcomes—our success with the Enterprise Process Innovation Continuum (EPIC) methodology and asset-based solutions helps us to better commit contractually to measurable business outcomes for our clients. We offer FSAA on a subscription-based model, and help you to significantly reduce capital investment and risk. Our solution uses market-leading process automation and management platforms from IBM, and helps you build quality into your processes and develop best practice designs.

### For more information

To learn more about IBM Financial Services Automation and Analytics Asset, please contact your IBM representative or visit the following website: [ibm.com/services/process](https://ibm.com/services/process)



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<sup>1</sup> Based on IBM client data, actual results may vary

<sup>2</sup> Based on IBM client data, actual results may vary

<sup>3</sup> Based on IBM client data, actual results may vary



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