ALL STAR
SOFTWARE SYSTEMS

A Guide to Automating Business Processes in Banking and Financial Institutions

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Introduction

Most financial institutions have automated anywhere from 25 to 40% of their business processes using Optical Character Recognition (OCR) and Workflow software. Therefore, there is much room for additional automation that would drive down costs, eliminate manual key entry and improve the customer experience. Augmenting traditional data capture (OCR) and workflow solutions with Robotic Process Automation (RPA) will fill the process gap and allow banks to automate additional front office and back office processes, thereby gaining competitive advantage.

The purpose of this guide is to provide an overview of why banks and financial institutions should continue to automate processes in order to stay competitive

Why Automate?

Banks and Financial Institutions need to stay competitive, reduce operational costs, meet compliance regulations and attract and retain customers. In order to remain competitive, institutions need to:

Improve operational efficiency

- Process automation reduces the time it takes to achieve a task, the effort required to undertake it and the cost of completing it successfully. Automation not only ensures systems run smoothly and efficiently, but that errors are eliminated and that your best practices are constantly leveraged.

Reduce turnaround and business cycle times

- Workflow automation allows companies to define and streamline their business processes. Eliminate unnecessary tasks and realign process steps to optimize the flow of information throughout your lending, branch operations, compliance and risk, portfolio management trading, corporate finance and research departments.

Reduce Operational Cost and Achieve Consistency

- Manual tasks take time. They have to be performed linearly by humans who are prone to errors and who are unable to consistently perform to the highest standards. Automation reduces the number of tasks you and your employees would otherwise need to do manually. This frees up your time to work on items that add genuine value to the business, allowing you to be more innovative and increasing your employees' levels of motivation.

Measure KPI's

- Sustained business success is dependent on developing and implementing a superior strategy. Retaining your competitive advantage requires that you constantly monitor, evaluate and modify that strategy - all of which are dependent on access to timely and accurate business data. Automated processes are controlled by defined workflows which consistently operate accurately and within your defined timeline. Automation provides the trifecta of requirements for successful measurement.

Organizational Considerations

Getting Ready to Roll Out Organizationally

In order to achieve success, your organization needs complete buy-in from all levels starting with the support and sponsorship from the C-level. The C-level needs to articulate the strategy, goals and objectives of automating. It is a best practice to form cross functional teams that are focused on achieving their specific goal that is aligned to the corporate goal.

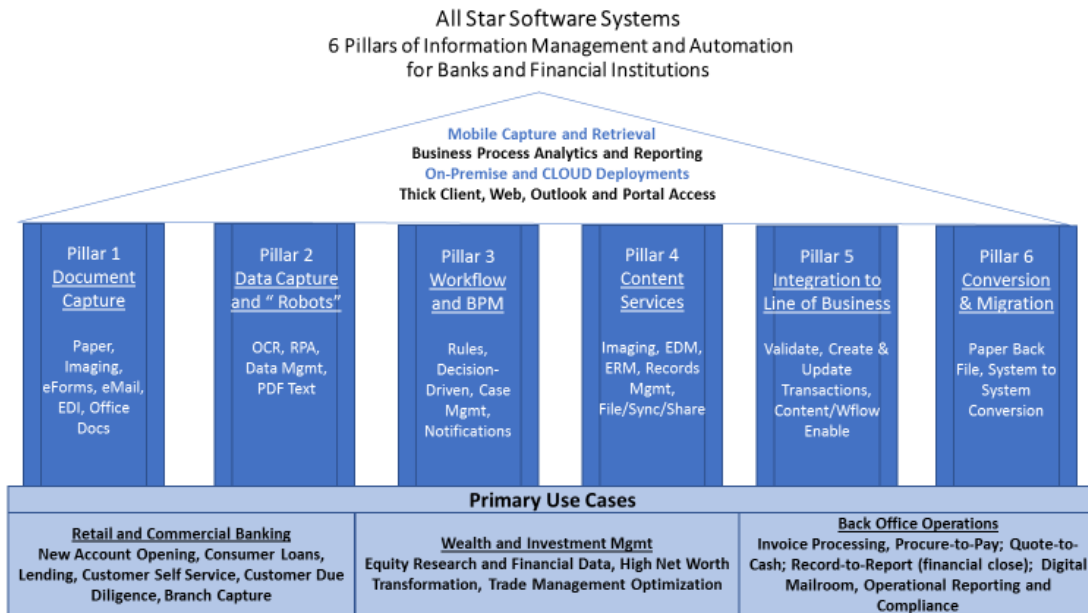## Prioritizing Internal Opportunities to Compete

What are your organizational goals? Are you looking to retain customers, are you looking to reduce operational costs? What are your competitors doing and how will you react to their new initiatives?

When identifying and prioritizing opportunities to automate, look to build a plan driven by meeting customer, competitive and regulatory demands. Rank each opportunity based on organizational readiness, potential impact on financial and operational results, potential ROI, amount of manual data entry saved and redundant tasks that can be eliminated.

Selecting a Platform for Now and the Future

As organizations go through the evaluation process to select software providers to meet their requirements, we believe the best practice is to select an end-to-end solutions provider who can bring to the table multiple best of breed solutions in both RPA and OCR/Workflow.

As needs change, your provider should have a full-spectrum of solutions that meet your automation needs. We classify it as the 6 pillars, such as: Document and Data Capture, Workflow and Business Process Automation, Content Services, Integration to Line of Business Applications, Backfile Conversion and System to System Migration. Below is a summary of key use cases and the technologies that drive automation at financial institutions.

All Star Software Systems
6 Pillars of Information Management and Automation
for Banks and Financial Institutions

Mobile Capture and Retrieval
Business Process Analytics and Reporting
On-Premise and CLOUD Deployments
Thick Client, Web, Outlook and Portal Access

Pillar 1 Document Capture	Pillar 2 Data Capture and "Robots"	Pillar 3 Workflow and BPM	Pillar 4 Content Services	Pillar 5 Integration to Line of Business	Pillar 6 Conversion & Migration
Paper, Imaging, eForms, eMail, EDI, Office Docs	OCR, RPA, Data Mgmt, PDF Text	Rules, Decision-Driven, Case Mgmt, Notifications	Imaging, EDM, ERM, Records Mgmt, File/Sync/Share	Validate, Create & Update Transactions, Content/Wflow Enable	Paper Back File, System to System Conversion

Primary Use Cases

Retail and Commercial Banking	Wealth and Investment Mgmt	Back Office Operations
New Account Opening, Consumer Loans, Lending, Customer Self Service, Customer Due Diligence, Branch Capture	Equity Research and Financial Data, High Net Worth Transformation, Trade Management Optimization	Invoice Processing, Procure-to-Pay; Quote-to-Cash; Record-to-Report (financial close); Digital Mailroom, Operational Reporting and Compliance

Key Front Office and Back Office Use Cases

Retail and Commercial Banking

New Account Opening

New account openings are unavoidably information-intensive. Customer data pours in from multiple channels and devices, and in multiple formats. If your processes are manual, you face a threefold disadvantage—rising costs due to operational inefficiencies, customer dissatisfaction resulting from lengthy, cumbersome tasks, and risk of regulatory noncompliance fines. This is the challenge facing the more than 70% of banks that do not have an end-to-end digital onboarding process.

Deploy an automated account opening solution that streamlines processing to onboard customers faster, accelerate your time-to-revenue, and speed responses to audits through centralized files, documentation and business process automation. Most importantly, you will have taken a critical step: providing an engaging onboarding experience that builds loyalty to your business for the long term.

Consumer Loans

Consumer lending has a reputation for being paper-intensive, and many borrowers dread the mounds of paper forms awaiting their signature. But technology and new legislation are changing both the customer experience and operational efficiency with paperless processes, digital signatures, mobile capabilities and back-office automation and compliance.

Revolutionize your antiquated, paper-laden traditional lending process with a solution that streamlines loan processing, provides proactive, omnichannel assistance and communication to customers and avoids costly follow-up loops. Not only will you originate and close loans faster and with greater efficiency, compliance and security, but you'll elevate your customers' experience to a new level of long-term value.

Lending

Has a reputation for being paper-intensive as well. An average of 500 pages are generated per application—and that doesn't even count loan servicing documents. Modern borrowers (and brokers) don't want to deal with mounds of paper, and considering the risks of lost documentation, costly data entry errors and compliance violations, neither should you.

Revolutionize your antiquated, paper-laden traditional mortgage process with a solution that actively engages borrowers and lenders in a collaborative, accurate and transparent environment that includes both customer self service and assisted service options. Not only will you originate, close and service loans faster and with greater efficiency, but you'll elevate your customers' experience to a new level of long-term value.

Customer Self Service

Today's mobile-first consumers are unlikely to have the patience to stand in line at a branch, enter information repeatedly or wait days for an application approval. However, the systems running many banks weren't designed for the speed and intuitive self-service options required to satisfy customers.

Accelerate banking transactions and customer onboarding by empowering your customers to open an account or apply for a loan via their method of choice. Customers can use their mobile device to snap a photo of an ID or document, a check for deposit or a card for account funding, as well as use a tablet at a branch kiosk. By embracing a digital self-service/assisted-service model via a single, open platform, you build customer loyalty while driving revenue.

Customer Due Diligence

Financial institutions must find better ways to comply with increasing regulations to avoid fines and damage to their reputation and bottom line. The challenge is three-fold: meet the compliance requirements of Customer Due Diligence (CDD), including Know Your Customer (KYC) and Anti-Money Laundering (AML) checks, while delivering an omnichannel customer experience and process efficiencies. Failure to do so can have serious consequences; for example, Deutsche Bank was recently fined for serious anti-money laundering control violations.

Eliminate manual task burdens on your employees by deploying solutions that increase customer satisfaction. Drive even greater value via an agile, open digital transformation platform, and take your compliance efforts to the next level.

Branch Capture

For banking customers, the ease of doing business is a core driver of satisfaction. When customers come into a branch, they expect your technology to keep pace with the digital revolution. When you have to send documents to a central location for scanning, extraction, verification and routing to business processes, you delay everything from loan closings to funds availability.

Transform your customers' experience and your operational efficiency with a branch and teller capture solution that will enable your financial institution to keep pace with the rapidly-changing digital banking environment. Not only can you provide superior customer service with on-the-spot processing, faster access to funds and proactive document verification, but your operating costs will be lower with digital delivery and a secure audit trail for compliance.

Wealth and Investment Management

Equity Research and Financial Data

While traditional Business Intelligence (BI) and Information Management data is critical for making investment decisions, your competitive advantage lies in integrating real-time web and proprietary data on market and customer trends and leveraging investment analytics to uncover insights even in typically opaque markets. A wealth of information on the web—from corporate actions and operational data to macro news—provides up-to-the-second information and metrics used to support predictive trend analysis, but manually collecting the quantity and quality of information you need to make smart investment decisions is nearly impossible.

Automate and scale the acquisition of financial data and equity research with an integrated platform that feeds real-time data directly into your business intelligence and analytics solutions. Deliver thoughtful, insightful and differentiated research and make sound and timely sell-side and buy-side investment recommendations. The unprecedented accuracy, quality and timeliness of research that supports big data, smart data and complex research initiatives will eliminate time-consuming manual work and ultimately enable more profitable investment decisions on behalf of your company and clients.

High Net Worth Transformation

Wealth managers and investment firms hoping to attract high-net worth clients face time and cost pressures—both from their potential customers and from self-service and direct-to-consumer (D2C) platforms seeking to gain market share. It can take up to 40 days for a firm to onboard a high-net worth client; this is problematic for digitally savvy consumers who have no patience for delayed time-to-revenue.

Reduce client inertia and automate your onboarding and customer communications processes through an open, flexible platform that allows high-net worth customers to engage with your business via the channel of their choice. Eliminate information silos and drive efficiencies, while helping your firm avoid the financial and reputational consequences of regulatory noncompliance.

Trade Management Optimization

Post-trade services are important after any trade, whether the parties trade over an exchange or over the counter (OTC), and whether the trade involves domestic or international securities. And since markets and prices move quickly, transactions must also be executed quickly, which raises your risk of costly errors.

Automate your global trade management, including financial message handling, transaction matching and reconciliation, to speed processing, reduce risk and drive efficiencies. Whether you are the buyer or seller of securities, you can improve trade process transparency, monitor performance and handle exceptions quickly, while ensuring data security and compliance. Deploy the solution together with a digital transformation platform for even greater operational benefits.

Back Office Operations

The highest value back office operations opportunities to automate processes are typically financial processes such as procure to pay, quote to cash and financial close. Below is a description of the typical process with areas of opportunity to automate. You may want to start automating a portion of the total process before tackling the complete process. This way you can learn and improve the deployment the second time around.

Procure-to-Pay Automation Gaps

Quote-to-Cash Automation Gaps
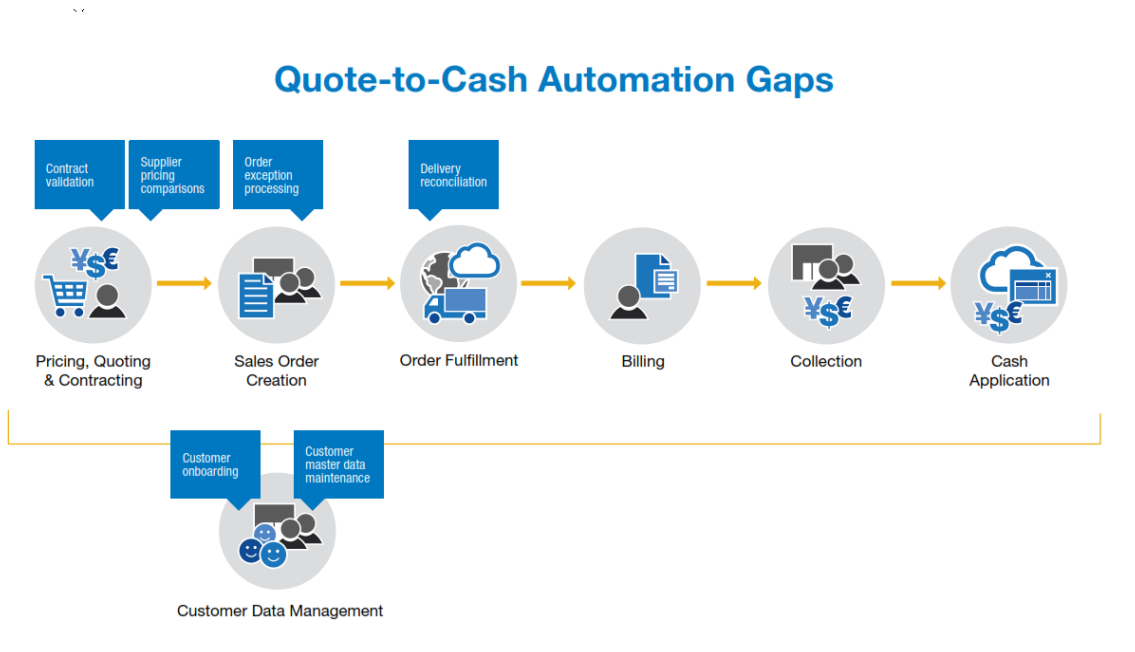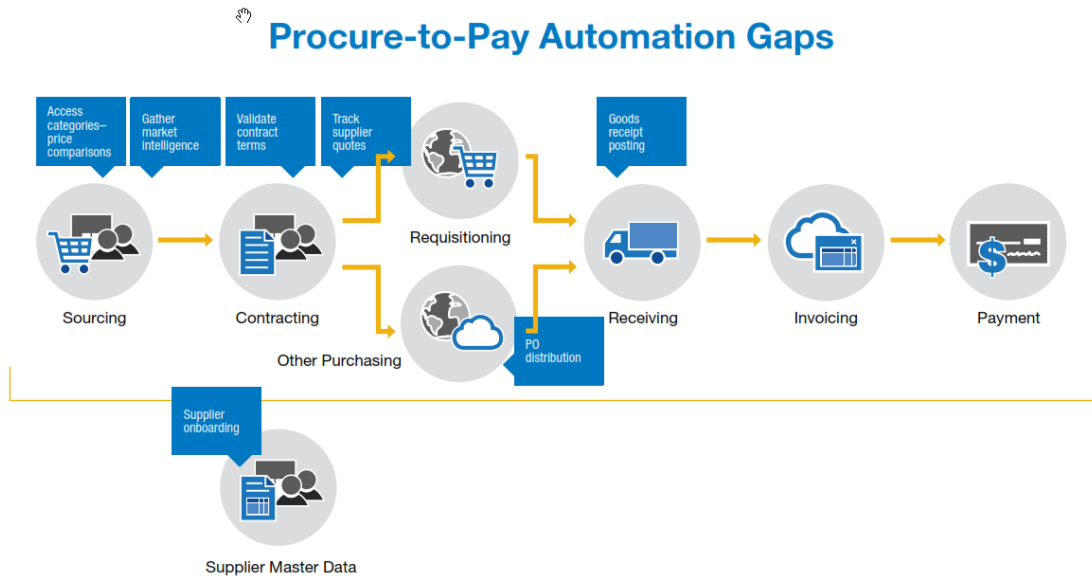
Record-to-Report Automation Gaps
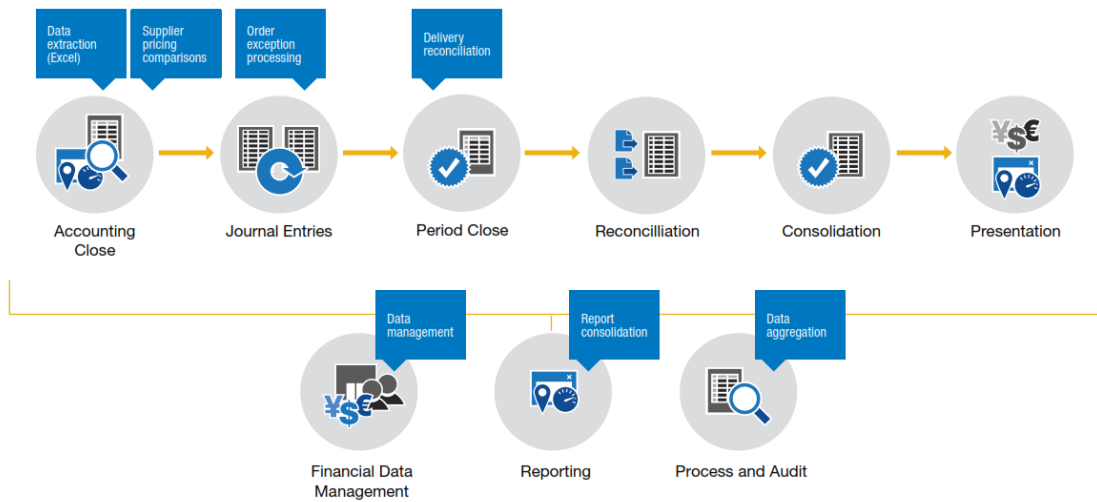
Digital Mailroom

While the optimum flow of information is one of the best ways to increase profitability and improve service levels within your bank, the different document types and the sheer volume you receive likely create challenges in gathering and disseminating information quickly and accurately. Imagine your bank's underwriting department is waiting for a customer document to approve a mortgage loan. The customer sent the fax successfully, but it cannot be located; the results of this inefficiency are potential lost revenue and risk of regulatory non-compliance fines.

Deploy digital mailroom automation software to streamline the capture of incoming mail—including paper, email, fax, or at the Point of Origination (MFP, web portal or mobile/tablet device)—and deliver structured electronic information to your bank's business systems. Track, review and modify information at any point in the process via analytics dashboards; digital mailroom automation software can enhance decision-making based on real-time information to increase throughput and revenue generation.

Operational Reporting and Compliance

Today's financial services organizations are struggling to comply with regulations including Customer Due Diligence (CDD), Know Your Customer (KYC) and Bank Secrecy Act (BSA)/Anti-Money Laundering (AML). Many banking officials across Europe and the U.S. are significantly increasing spending around compliance requirements; a key challenge is that much of the data needed to ensure compliance resides outside your bank, making it difficult to aggregate and integrate into your internal processes.

Ensure the consistent application of banking business rules and regulatory compliance standards through an integrated process automation solution. Automatically acquire, enhance and deliver the precise data required from any internal or external source. You will save your bank time and money by avoiding repetitive tracking and reporting activities, and reduce your risk of noncompliance fines.

What is RPA and OCR?

RPA

Robotic process automation is the application of technology that provides the ability to configure software or a "robot" to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses and communicating with other digital systems.

OCR

Optical Character Recognition (OCR) is a technology that provides the ability to convert different types of documents, such as scanned paper documents, PDF files or images captured digitally into editable and searchable data.

These technologies are very employee engagement friendly. By combining these technologies, organizations are now able to automate end-to-end processes with no major gaps, thus, improving the customer experience and supporting compliance requirements.

Appendix A- All Star Software Systems Profile

Company Overview

All Star provides solutions that automate business processes. Our solutions capture inbound information (paper, fax, email, edocs, eForms etc), extract pertinent data (eliminating data entry into line of business systems), automate the approval and exception processing of that information and allow users to retrieve it instantly.

Our philosophy is to work with customers becoming a vital part of their team from the beginning. Just as an architect draws a plan before a foundation is laid, All Star Software Systems works to understand your needs before constructing a solution.

The investment we make in our customers is mirrored only by the investment we make in our own 'All Stars' - the staff at All Star Software Systems. Every All Star Software Systems employee is a trained professional for all of the products provided in our solutions.

All Star Software System's long-term goal is to be a premier process automation integrator in North America, providing our customers with the finest quality products and services that result in the ultimate returns on our investments for our customers.

Company Core Values

All Star runs its business based on a few precious core values. All Star's owners past experience working for a manufacturer of document management software gave them invaluable experience working with hundreds of companies like All Star who were resellers and integrators of that product. It is this experience that taught the owners what companies like All Star should and should not do. The below core values are based on that experience.

- All Star provides the best software and services for a reasonable price.
- Our implementations will be performed with an unparalleled level of detail.
- Every All Star employee has a passion for success.
- Winners do what others don't want to do or only talk about doing.

Company Philosophy

There are some simple principles All Star uses when designing a solution. Those principles are:

- Understand our client's processes with a focus of improving or eliminating the "pain points".

- Create a solution based on the customer's needs.

- Design solutions leveraging a customer's existing investments.

- Understand which tools are the best in the ever-changing technology world.

- Provide exceptional value.

All Star Software Systems does not impose a solution that is not consistent with your goals. Rather, the All Star Software Systems solution will complement the company strategy, its goals and long-term plans. We are your strategic ally working with you to create a solution to address existing and future requirements.

Solutions

In keeping with our philosophy, All Star Software Systems does not sell "products." All Star Software Systems sells "solutions" utilizing tools proven in the process automation industry. Our solutions focus on needs in specific business areas. Rather than diluting our efforts and expertise in numerous markets, we focus our efforts on developing industry specific solutions in select markets.

Products

All Star Software Systems evaluates a variety of products pertaining to process automation including; workflow, imaging, data extraction, robotic process automation, eForms, content management, output management and enterprise fax technology. All Star approaches our vendor selection no differently than our customers evaluate different vendors. All Star chose its products based on; functionality, point and click configuration capability, scalability and integration capabilities. In keeping with the All Star Software Systems philosophy, the tools selected are "All Stars" in their respective product silo.

Once a product is selected, All Star Software Systems ensures all technical and sales personnel are technically trained and certified by the vendor. This guarantees every All Star employee is an expert with the products we sell, implement and support.

Product Representation

All Star is an authorized, fully trained value added reseller of the following products…

Scanners

- Epson
- Panasonic
- Canon
- Kodak
- Fujitsu

Software

- Hyland
- Kofax
- Readsoft
- Brainware
- Palette
- Oracle
- Open Text
- Biscom
- Microsoft

Applications and capabilities supported by above products include:

- Workflow
- Data extraction
- Robotic process automation (RPA)
- Imaging
- Document storage and retrieval
- Electronic reports management (formerly referred to as COLD)
- Document revision control
- Analytics
- Paper forms and eForms processing
- Fax capture

ERP Integration

All Star has integrated the above products with over 30 line of business systems including:

- SAP
- Oracle – EBS, JDE, PeopleSoft
- Workday
- Lawson
- Microsoft Dynamics – GP, NAV, AX
- Infor

Services

Professional Services

All Star's staff of highly skilled technicians and developers help maximize investments starting with the planning and implementation stages and followed by training and on-going support. The knowledge of our employees, their business experience, their professional services skills and their core values are what set All Star Software Systems apart from the rest.

Our standard project phases for every implementation are;

- Application Analysis & Design
- Installation
- Configuration
- Scripting and Integration
- Testing
- Training
- "Go Live" Support
- System Documentation
- Custom User Guides
- Project Management

Support

All Star Software Systems provides support for all the products we sell and implement. In general, a support contract includes the following items:

- Phone & email support (Help Desk)
- Remote support (VPN/Terminal Services)
- Onsite maintenance (in case the problem cannot be solved via Help Desk or Remote services)
- Periodic onsite maintenance and end user interaction
- Software updates from manufacturers
- Onsite update installation and testing

The goal of All Star's system support is to provide a generous contract in order to provide proactive support rather than just reactive support. All Star's goal is to keep your system running smoothly and trouble-free.

All Star support is available Monday through Friday, 8:30 AM to 5:00 PM ET (not including company holidays). Access to Help Desk personnel is available via a dedicated phone number and email address. A Help desk technician will respond to a request within two hours of initial contact.

ECM Migration Services

All Star Software Systems has extensive knowledge of many content management systems in the industry. As such, we can offer assistance in migrating from one system to another or simply converting your data to ASCII text or ODBC database and your images to PDF or TIF files.

All Star Software Systems has developed specific applications to automatically extract information from an existing content management system and port data directly into the new content management system. This creates the opportunity to convert the data in batch mode which can be an automated process.

Delivery Philosophy

The computer press is full of headlines on IT projects that have failed due to being over budget and/or substantially delayed. When IT projects gets out of control it is a major source of embarrassment to the customer and the supplier.

We believe that controlling risk is a major contribution to the success of a project. Our delivery methodology and philosophy has the principal aim of reducing the project risk and ensuring that we do not contribute to these headlines.

All Star has highly trained IT professionals that are experienced in deploying business process automation systems. The key areas within the delivery philosophy are as follows:

Strong Project Management

All projects are allocated an experienced Project Manager who is ultimately responsible for the delivery of the system. Over the years, All Star has cultivated an experienced pool of Project Managers who are capable of managing the delivery of a wide variety of projects. Many of these systems are mission critical to the customers' business.

Methodology

Methodology Elements

- Incremental implementation phases for improved project control.

- Rapid deployment of a base solution in the initial implementation phase. This will provide a foundation for understanding the technology and validating the definition of subsequent implementation phases.

- Knowledge transfer - Educate end user and administrative resources with product knowledge and related technologies during the Solution Definition and initial Solution Development phases of a project.

Methodology Steps

- Solution Definition – analyze requirements; define detailed scope and conceptual design, infrastructure and application architecture; and define phased implementation plan – all detailed in a 'scope document' – the primary deliverable from this phase.

- Solution Development – set up infrastructure; install and configure software; set up applications and processes; development, integration and testing of system; project management; and technical knowledge transfer.

- Solution Rollout – end-user training; implementing the solution at user workstations and the transition from paper-based to automated workflow processes.

- Solution Extension - 'continuous improvement' process; identify 'extensions' and enhancements to the solution to improve benefit realization.

Organization and Communication

Effective communication is crucial to the delivery of a complex project enabling seamless teamwork between customer and the All Star project team. Our fail-safe approach is to recommend that two channels of communication are available at all times. The primary channel of communication on a "day to day" basis is between the respective project managers of the customer and the project team. A secondary, more senior level of communication is crucial for escalation and taking a broader picture of the objectives at a Project Board level.

We also believe in a more integrated approach to the sales and implementation process. Having separate sales processes to that of project implementation processes causes a separation during project kick off. We believe in a more integrated approach where each "salesperson" has a technical background and is an integral part of the project team. The proposal is turned into a project document by the sales engineer and this document is reviewed in detail during the project kickoff meeting (sales and services team members are a part of this meeting). Once this meeting is complete, the project document is updated and the project is handed off to the project manager.

Consistent Architectural Design

All Star has the philosophy of being a learning organization. Constantly reviewing experiences learned from previous and existing projects to improve the design and implementation of new and existing systems. This feedback originates from the project implementation teams and the customer support organizations. All Star project managers ensure that this feedback is incorporated into the architecture of all new and existing systems and that there is a process of constant improvement.