Respond, Recover, Thrive
Channel Islands Advisory digital transformation webinar series

8 June 2020
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- Introducing your team today
- Recover and Thrive through digital transformation

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- Introduction to RPA
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Introduction
Our digitally themed webinars focus on **Recovery as a journey** highlighting how having a clear digital strategy in place is more important than ever.

OUR WEBINARS SUPPORT FIVE IMPERATIVES WITHIN “RECOVER” TO GUIDE THE BUSINESS FROM “RESPOND” TO “THRIVE”

1 – Understand the Required Mindset Shift

2 – Identify and Navigate the Uncertainties and Implications

3 – Embed Trust as the Catalyst to Recovery

4 – Define the Destination, and Launch Recover Playbook

5 – Learn From Others’ Successes

**Future of Work**

True Voice

**Resilient Leadership:** Business Recovery from COVID-19

RPA – scaling and digital roadmap
CBS – Building digital workflows

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Shaping the Future through Digital Business

1 JUMPSTART THE RECOVERY TO ENSURE SCALABILITY

Support & enhance workforce experience for collaboration

- Accelerate your digitised workplace!
- Ensure workforce is equipped & trained to handle the new virtual environments
- Ensure virtual connections are created across the org & collaboration tools are effective
- Consider emerging tools & resources for managing stress & mental health, amid the lack of physical & social interaction

Secure technology supporting the new work environment

- Security & availability of systems are under significant stress
- e.g. remote traffic has overwhelmed VPNs; systems have been exposed; choked access control; hacked collaboration apps; phishing emails
- Tech leaders need to test current & proposed solutions in a variety of operating environments
- This may mean switching vendors, offering different alternatives, & creating policies that are potentially more restrictive for remote work...
- Offer reliable, scalable tools & focus on managing risk & ensuring resilience

Construct monitoring “command centres” for strategic response

- Leaders must monitor the effectiveness of response actions & anticipate future needs
- “How do I know when we’re ready to recover?”
- Consider co-creating “command centres” to provide real time visibility, proactive alerts, prescriptive insights, & self-driving execution
- Leverage technologies & partners to analyse data
- Use the insights to make near-term decisions & craft organisational strategy & planning - ready to power up!

Produce a playbook for future disruptions

- This is not the first health crisis that the world has faced & will not be the last
- More immediately, leaders need to prepare for a potential second or third wave
- As organisations assess risk and develop mitigation plans during the response phase of this crisis, leading practices & techniques are emerging
- The recovery effort should document lessons learned & strengthen business continuity planning & dependencies
Shaping the Future through Digital Business

2 STABILISE BUSINESS OPERATIONS FOR FUTURE READINESS AND RESILIENCE

The world will ultimately reopen for business. While agility necessarily trumped elegance in the heat of the moment, the recovery phase will see long-term resilience take higher priority.

Leaders - in recovery mode - will have to stabilise and strengthen many of the solutions and processes rushed into place.

Consider being more strategic about deployment, developing the support infrastructure around solutions and processes, and fully understand the impact across their organisations and partner networks.

IT Architecture
Create a resilient IT architecture

Automation
Scale automation pilots

Sensing
Establish a sensing function

Funding
Reallocate tech funding for agility

Assets
Keep an eye on your assets

People
Get to know your people, inside and out

Digital Innovations
Enhance digital innovations and presence

Customer Support
Post-modernise customer support operations

Trusted Ecosystem
Build a trusted technology ecosystem

Stabilise business operations
for future readiness and resilience
As organisations recover, it is essential to cast an eye on the future competitive landscape, considering which changes wrought by the crisis will constitute a “next normal.” Those leaders able to get ahead of these shifts will help their organisations thrive in the long-term.

**3 POSITION TO THRIVE LONGER TERM BY SHAPING THE “NEXT NORMAL”**

**Human-Centered Design**

Reimagine customer experience by focusing on human-centered design.

Leverage technology that better intuits human behaviours and responds more appropriately.

Combine AI, human-centered design techniques, and technologies (currently being used in neurological research).

Leveraging human-centered, emotionally intelligent platforms to recognise and use emotional data at scale is one of the biggest, most important opportunities for companies going forward.

**Physical & Digital Worlds**

Bridge the physical and digital worlds to deliver new value.

Rapidly evolving simulation and modelling capabilities, better interoperability and IoT sensors, and greater availability of tools and computing infrastructure are closing the chasm between the physical and digital worlds.

Tech leaders need to consider how they’ll incorporate digital twin technologies* to design new services, drive growth in existing markets, and ensure their organisations stay ahead of their competition.

**Trust**

Establish trust as a core business value and a differentiator.

Technology disruption represents an opportunity to gain or lose trust. Consider the ethical ramifications of technology use.

Approach trust not as a privacy, compliance, public relations issue, but as a business-critical goal.

Reflect on the trust gained and or lost during the crisis and adjust your practices, such as client experience, transparency, data usage and retention.

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* e.g., advanced simulation, new sources of data, interoperability, visualization, instrumentation, and new platforms.
Intro to Robotic Process Automation
The growth of RPA

**Facts and figures**

Organisations already combining **RPA** and **AI** as part of their strategy report a **9% INCREASE IN REVENUE**.

The number of organisations that have implemented intelligent automation at scale has **DOUBLED OVER THE PAST YEAR, FROM 4% TO 8%**.

Executives estimate that intelligent automation will provide their organisations an average **COST REDUCTION OF 22%** over the next three years.

Executives expect to **INCREASE WORKFORCE CAPACITY BY 27%** by adopting intelligent automations that increase productivity.
What is Robotic Process Automation (RPA)?

**Introduction**

- Robotic Process Automation (RPA) is a way to automate repetitive and rules-based processes.
- RPA software, commonly known as a ‘robot’, is used to capture and interpret existing IT applications to enable transaction processing, data manipulation and communication.
- The robots typically use dedicated logins to interact with different applications and systems in the same way as human teams.

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**R&CA Robots are...**

- Computer coded software
- Programmes that replace humans performing repetitive rules-based tasks
- Cross-functional and cross-application macros

**R&CA Robots are not...**

- Walking, talking auto-bots
- Physically existing machines processing paper
- Artificially intelligence or voice recognition and reply software

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What can robotics do for me?

Understanding the benefits

Efficiency and Quality
- Streamlines, standardises and optimises processes, improving quality and reducing costs
- Perform with a high degree of accuracy and operate 24x7 leading to high-throughput of tasks

Scalability and expertise
- Processes can be rapidly automated, reducing reliance on recruitment to handle workload spikes
- Process automation helps to engage talent by freeing up capacity to develop new competencies and build expertise

Insourcing and control
- Opens new doors for insourcing processes by providing greater control over your service delivery model

Governance and compliance
- Platforms are secure, audited and managed within an IT corridor of governance
- Automation enables improved quality/consistency of data, that can result in better analytics, insights and increased revenue

Competitive advantages
- Leverage investment in existing applications with low integration costs
- Provides high potential ROI which can be utilised to drive critical initiatives

Automating a process with robotics is typically 1/3 of the cost of performing the process offshore or 1/9 of the cost of keeping the process onshore.
The role of RPA

RPA in the wider scale transformation strategies

RPA projects can deliver automation of sub-processes or activities within **weeks rather than months** and they use a non-invasive approach that works with the existing user interface and security model to minimise the IT change impact.

**Typical use cases**

- **Deliver rapid process improvement** as a component of a transformation programme
- **Integrate new apps/web/self-service portals with legacy systems**
- **One off processing** due to a regulatory change, remediation activity or data migration
- **As a first step towards end-to-end automation** with AI and Cognitive tools
- **Document processing and communication** (Invoice processing, on-boarding, customer management)
- **Back office / Offshore data entry tasks** can be automated as “low hanging fruit”

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Continuum of automation
RPA, cognitive automation and AI

There is a range of technologies available to drive efficiency and effectiveness, but the market is still emerging.
RPA Implementation approaches

Organisation and infrastructure

Organisational structures

Centralised

- Central team owns most capabilities
- Central control drives alignment with objectives, but limits ownership and engagement of business and can create bottlenecks

Hybrid

- Some capabilities centralised (e.g. strategy, vendors) with others federated (e.g. opportunity identification and development)
- Seeks to balance different priorities

Decentralised

- Each area establishes an approach to meet their specific needs and builds a resource pool
- Local needs can be catered for but at the expense of consistency and economies of scale

Infrastructure approaches

On premise

- RPA environment hosted on servers in company’s existing data centre

Company cloud

- Software can be implemented into an organisation’s existing cloud environment

Automation managed services platform

- RPA provided as a service based off automation managed services platform e.g. DARA
Getting started
Identifying candidates for RPA
Selecting the right opportunities

The following process evaluation criteria are typical indicators of a good candidate for RPA.

<table>
<thead>
<tr>
<th>Process Evaluation Criteria</th>
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<tbody>
<tr>
<td><strong>Number of systems used</strong></td>
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<td>Process should typically require employees to access one or multiple independent systems</td>
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<td><strong>Transaction volume</strong></td>
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<td>Processes should have a high number of transactions which are labor intensive, time-consuming, or has high-cost impact errors</td>
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<td><strong>Prone to errors</strong></td>
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<td>Manual activities in the process today result in errors due to human operator mistakes</td>
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<td><strong>Process predictability</strong></td>
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<td>Process needs to be defined in terms of a set of unambiguous business rules</td>
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<td><strong>Rules based exceptions</strong></td>
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<td>Simpler processes with little exceptions in delivery</td>
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<tr>
<td><strong>Manual work involved</strong></td>
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<tr>
<td>Process should have little automation support today and large amounts of manual work</td>
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RPA opportunities can be sourced through a variety of means, the most common of which are shown below.
## Sourcing opportunities

### Example heatmap – asset servicers

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</thead>
<tbody>
<tr>
<td>Prepare annual financial statements</td>
<td>Manage affiliated trust consent</td>
<td>Manage accounting &amp; reporting</td>
<td>Manage (FATCA/CRS) services</td>
<td>Manage corporate governance</td>
<td>Manage关联交易 programmes</td>
<td>Manage debt issuing programmes</td>
<td>Monitor cash-flows</td>
<td>Manage board meeting services</td>
<td>Manage Co Sec services</td>
<td>Manage establishment of trusts</td>
<td>Manage establishment of SPVs</td>
<td>Manage communication with regulators</td>
<td>Manage ATM services</td>
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<tr>
<td>Manage Banking and accounting</td>
<td>Manage compliance services</td>
<td>Manage compliance queries</td>
<td>Process investor queries</td>
<td>Manage IPO and listing services</td>
<td>Manage corporate governance and compliance</td>
<td>Manage regulatory services</td>
<td>Verify asset ownership</td>
<td>Manage Co Sec services</td>
<td>Manage trust administration</td>
<td>Manage KYC/ODD services</td>
<td>Manage corporate trusteeship</td>
<td>Manage trust services</td>
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<tr>
<td>Manage (FATCA/CRS) services</td>
<td>Manage regulatory services</td>
<td>MCycle reporting</td>
<td>Manage corporate governance</td>
<td>Manage M&amp;A transactions</td>
<td>Process investor documentation</td>
<td>Manage corporate compliance</td>
<td>Manage statutory registers</td>
<td>Manage real estate admin.</td>
<td>Manage Claims and administration</td>
<td>Manage MRO/MLCO and supporting functions</td>
<td>Manage trust services</td>
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<tr>
<td>Manage Trust &amp; Custody reporting</td>
<td>Provide independent non-executive directors</td>
<td>Manage FCA regulatory services</td>
<td>Prepare investor communications</td>
<td>Manage Specialist Co Sec services</td>
<td>Prepare Board and Committee terms of reference</td>
<td>Manage corporate governance</td>
<td>Manage statutory registers</td>
<td>Manage Trust and deposit</td>
<td>Manage the management of trusts</td>
<td>Manage trust and protector services</td>
<td>Manage trust services</td>
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<tr>
<td>Prepare consolidated financial forecasts</td>
<td>Manage statutory services &amp; reporting</td>
<td>Process fund subscriptions, redemptions and distributions</td>
<td>Investor specific reporting</td>
<td>Manage compliance with applicable laws and regulations</td>
<td>Monitor the effectiveness of the control environment</td>
<td>Monitor the effectiveness of the control environment</td>
<td>Manage trustee and protector services</td>
<td>Manage man Co administration</td>
<td>Manage special purpose vehicles</td>
<td>Manage expert witness services</td>
<td>Manage risk and compliance services</td>
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<tr>
<td>Manage NAV calculations and investor reporting</td>
<td>Manage listing services</td>
<td>Prepare cyclical investor reports</td>
<td>Prepare periodic investor reports</td>
<td>PFS and website management</td>
<td>Monitor the effectiveness of the control environment</td>
<td>Monitor the effectiveness of the control environment</td>
<td>Tailor compliance reviews and board reporting services</td>
<td>Manage PFS and website management</td>
<td>Manage special purpose vehicles</td>
<td>Manage investor relations services</td>
<td>Manage regulatory services</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Manage tailored consolidated financial reporting</td>
<td>Manage broker services</td>
<td>Prepare periodic investor reports</td>
<td>Prepare periodic investor reports</td>
<td>PFS and website management</td>
<td>Monitor the effectiveness of the control environment</td>
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### Digital Technologies include:
- Digital workflow, RPA (Robotic Process Automation), Cognitive Automation and Artificial Intelligence (Chat Bots, Virtual Assistants, Optical Character Recognition, Sentiment Analysis, Natural Language Generation etc.), Intelligent Document Management, Analytics, and e-signature applications.

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Lessons Learned from Deployment
It’s not about the bots

Key criteria are required to drive successful and sustainable deployment.

- **Process Transformation**: Don’t automate for the sake of automation, and seize every opportunity to eliminate, simplify or standardize processes from the start.
- **Continuous Improvement**: Leverage RPA performance data and process insights to reduce process exceptions and harmonize processes over time.
- **Leadership Commitment**: Actively engage leaders in automations so they see the benefits for their operations and champion adoption.
- **Workforce Realignment**: Reconfigure the work, refocus and retrain your talent to focus on higher value tasks, and integrate digital workers in day-to-day operations.
- **Benefit Realization**: Look for benefits beyond headcount reduction and be “laser” focused on tracking the benefits.
- **Rapid Scaling**: Be ambitious about realizing the potential benefits of RPA, starting with initial process changes and taking a “think big, start small” approach.
Where to start
Commencing your RPA and AI journey

Discover the opportunities
- Perform a discovery exercise over the business, a region, office or department
- Understand what viable RPA and AI opportunities exist
- Determine the business case

Conduct a pilot
- Create your first robot – start simple but think big
- Allows the organisation to better understand the technology
- Provides a means of securing wider business buy-in and funding
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