

Digital Times Call for a Digital Workforce

The global pandemic and consumer preferences are driving aspects of our lives to be more digital, creating a groundswell of people seeking more meaning from their work.

How then are banking, financial services, and insurance leaders expected to succeed in these demanding digital times? Hiring a digital workforce, which operationalizes AI-driven technologies targeted directly at key operational needs, offers an opportunity to apply the most impactful technology and yield optimized business outcomes.

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Too much work, not enough workers, and traditional tech approaches aren't a solution ”

Realities of our Digital Age

Where are we today? Put simply, there's too much work, not enough workers to go around, and traditional tech approaches don't answer today's digital needs.

Too much work to do

The drive for growth fuels corporations, generating a constant need to acquire more customers, along with growing the relationship with the current customer base. But that growth typically creates a lot of work. Each new customer demands attention and are more than willing to take their business elsewhere if they don't receive the experience they expect, indicated by attrition affecting 30–50% of corporate banking customers.¹ A satisfied (and referring!) banking customer may well be up to 8x more profitable than an unsatisfied customer.² Acutely aware of the need to enhance the customer experience (CX), 75% of the top 50 global banks are undergoing some form of CX transformation.³

Plus, regulations also increase the level of work here. Banking customers must not only be onboarded, but adherence to Know Your Customer (KYC) laws obligates verifying identification, articles of incorporation and the like. Financial transactions must be executed

in compliance with Anti-Money Laundering (AML) requirements, such as sanctions checks. On average, American banks with more than \$10 billion in assets annually spend nearly \$30 million on financial crime compliance operations⁴ — costly from financial and speed perspectives, yet mandatory for business.



Not enough workers

Increasing workloads are coinciding with a slimmer workforce. Bank of America CEO Brian Moynihan assumes a staffing shortage already, anticipating a labor market without enough people working.⁵ Barclays lost 11% of its workforce in 2021 in voluntary departures, nearly double its 6% of 2020⁶; HSBC reported almost 13% in 2021, up from nearly 8% in 2020.⁷ The Great Resignation is clearly upon us.

A key driver of this shift within the operations of Financial Institutions (FIs) is often the work itself. A professional mission to fight financial crime

sounds courageous and altruistic, but the tactical reality of copying, comparing, and keying data from copious customer documentation is overly mundane in nature. This type of work can play into what researchers have dubbed as “bore-out” or being “bored...to the point [work feels] totally meaningless”⁸ with boredom driving 20% of recent job departures.⁹ Employers must address this poor employee experience (EX) otherwise they will be increasingly challenged in finding people to hire.

Traditional tech approaches aren't a solution

Technology is how humanity increases its productivity, but access to technology doesn't assure improvement. For starters, tech teams tasked with implementing technology are often backlogged: sometimes by 3–12 months, with more than half of new applications procured or developed outside IT.¹⁰

But maybe more importantly, the technologies themselves have had limits. “Expert systems” were in vogue in the 1970s and 1980s but for decades this approach has been considered a colossal failure due to the inability to codify all business logic into a set of rules.¹¹ Still, many business leaders have recently turned to robotic process automation (RPA) as a technical savior, despite it following a similar rules-based approach with well-established limitations¹². But even more challenging than organizing the business logic algorithmically is the limitation that comes with handling non-structured data. With 80–90% of corporate data contained in unstructured formats¹³ such as documents and emails, a rules-based approach doesn't apply.



Digital Transformation Difficulties

Digital desires are not new, leading to the broad discipline of Digital Transformation. High on this innovation agenda is automation and artificial intelligence¹⁴ but, “70% of digital transformations fall short of their objectives.”¹⁵ What is getting in the way?

Processes and people are already optimized

A common approach to process improvement is to set technology aside and adjust the process and people first. It’s a good — and really essential — starting point, but the overall value is limited. Standardizing processes and remote management (e.g., outsourcing) have a vastly smaller impact than an approach involving automation.¹⁶ If the processes and people are already

optimized, major improvement really requires technology.

Tech can fall short of promised value

The choice of technologies is staggering (see a sampling below). Crunchbase tracks data on over 1 million private startups and other companies¹⁷ attempting to alter some piece of their industries. For BFSI operations, whether for the back office or front office, many types of tools offer promise, yet also leave value trapped in operational inefficiencies.

For example, RPA has been an industry favorite, with RPA software revenue estimated near \$2 billion per year.¹⁸ However, nearly half of RPA projects fail,¹⁹ with countless organizations using RPA for simpler tasks unable to scale to

high-value processes — particularly because of its lack of applicability when the data and process aren’t fully structured. Document processing technologies, such as intelligent document processing (IDP) or optical character recognition (OCR) focus on structuring the unstructured data, yet at a minimum they typically need other technologies (like RPA) to get the data to its final destination. That doesn’t even address limitations in managing a reasonable depth and breadth of use cases, particularly those within BFSI lines of business.

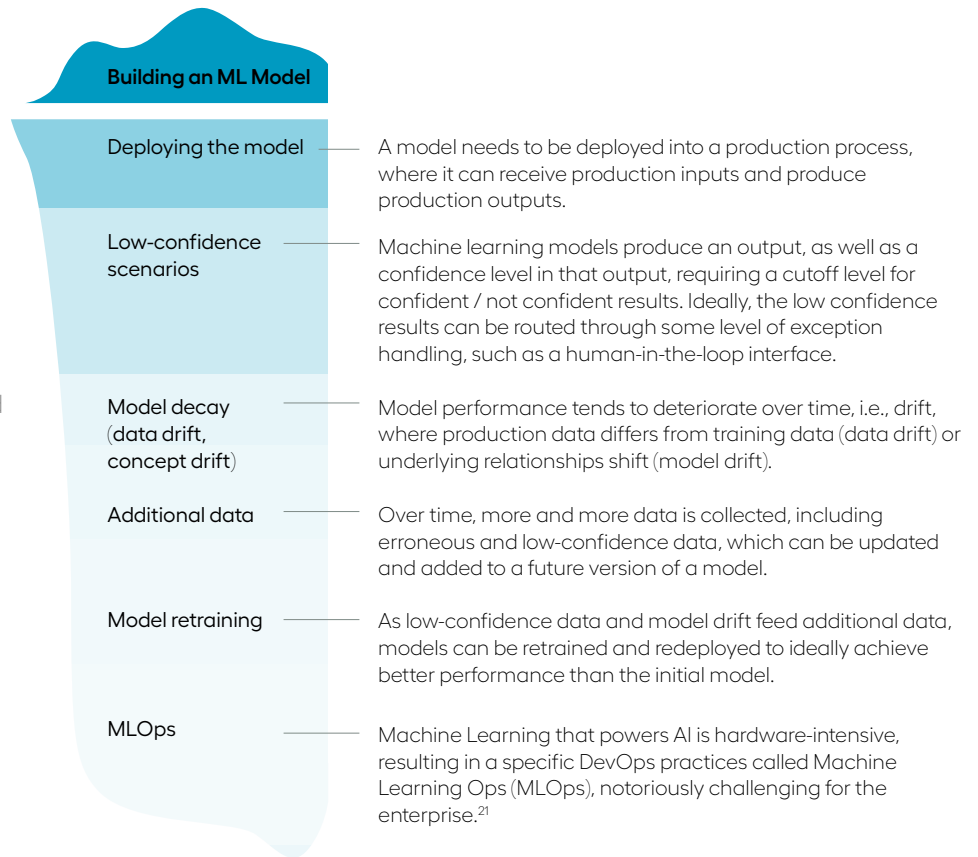
Each capability gap requires manual effort or additional tools to create a complete solution, which increases complexity and often erodes the overall value.

Technology	Promise	Limitations
Robotic Process Automation (RPA) / Robotic Desktop Automation (RDA)	Replicate all mouse-click and keystroke work performed by ops staff caused by legacy systems lacking APIs	<ul style="list-style-type: none"> Data is often not structured Vendor focus skewed towards the CFO office processes Applications and processes change, requiring more maintenance than expected
Intelligent Document Processing (IDP) / Optical Character Recognition (OCR)	Convert semi-structured (e.g., invoice, payslip) and unstructured data (e.g., news article, contract) into a structured dataset that can easily be incorporated into operational processes	<ul style="list-style-type: none"> Requires additional tools (e.g., RPA) to receive data and input into core systems Pre-built models often lack the ability to calibrate to specific orgs and LOBs Focus is often on the extraction of data, neglecting adjacent doc processing needs such as classification and prioritization
Business Process Management (BPM)	Structuring of enterprise processes, incorporating API calls, manual tasks, etc. to execute business processes	<ul style="list-style-type: none"> Lack ML-powered AI innovations and capabilities Weak time-to-value Poor ease-of-use
Point Solutions	Solutions to specific business problems, with a strong historic presence as the solution of record	<ul style="list-style-type: none"> Minimal applicability across the rest of the line of business Lack ML-powered AI innovations and capabilities Manual work often remains
Named Entity Recognition (NER) Packages	Identify names of people, organizations, and locations with pre-built models that can easily be called by other tools	<ul style="list-style-type: none"> Performance is limited to the data set leveraged to train it, which may not be well-aligned to the process needing it Inability to self-retrain the dataset based on data within the actual process



AI success is more than building a model

In line with projections such as, “AI could contribute up to \$15.7 trillion to the global economy in 2030, more than the current output of China and India combined,”²⁰ organizations are rapidly trying to innovate with AI. They often start small: Find and label some data, experiment with various algorithms, and test the effectiveness of the trained models. Maybe they have a strong model; maybe they need to iterate a bit more. Regardless, these experiments leave companies far from reaping the benefits of AI. There are far more steps required than just building an initial model, listed in the table on the right. These considerations and more can accrue considerable technical debt²², proving AI is much more than a simple “bolt-on” to legacy tech.



Buy, Build, or Hire

The age-old enterprise IT question: build vs. buy? We’d also propose a third approach: hire.

but the conglomeration quickly becomes a monster to build, maintain, and control.

Buy your way to Frankenstein

The Frankenstein masks at Halloween are of course based on the classic novel²⁴ in which a scientist assembles a creature from old body parts, bringing an uncontrollable monster to life. Many automation leaders take this same approach to assemble their needed capabilities by procuring and “gluing” disparate tools together. Maybe an RPA purchase is extended with OCR and IDP tools, to dig into document processing. Possibly a point solution or two gets added to solve specific issues. Each tool requires its own procurement process, its own piloting and testing journeys, and integration with the existing tools, as well as analytics and reporting contained independently from the other parts. Yes, each individual solution is proven on its own merits,



In this continual “buy” scenario, teams incrementally invest in new tools and solutions, often achieving only small (if any) incremental value over a multi-year timeline. It can feel safe to tiptoe into a full solution, but this approach typically avoids solving the big problems, in favor of focusing on the issues that are easy to pilot, limiting the possibility of accruing significant value. Low risk, low reward, if you will.

BYOP, Build Your Own Problems

Rather than buying and piecing together tools, some IT departments take the opposite approach and build their own tools. Why buy a platform generalized for the industry when you can code it

yourself to specific requirements? Especially when dealing with AI, cloud platforms, Python, and other approaches can make it seem easy to get started in building models, despite neglecting the data, quality, infrastructure, and other challenges — problems that must be solved on the path to Production. Yes, bespoke solutions can create a perfect fit for your company’s individual needs, but the time and cost to build the supporting capabilities can make this approach more troublesome than valuable.

If the Frankenstein-seeking “buy” approach is low risk, low reward, build-your-own is the opposite: a high-risk, high-reward initiative. It requires a big upfront investment of tech and skilled personnel. The large initial cost is hoped to be offset with a high reward, and while success is possible, accrual of high value is likely to also require a significant time horizon.

Hire an AI-Led Digital Workforce

As a third option, consider hiring AI-led digital workers to work with your real-world teams. As pre-built automation solutions, this digital workforce eliminates the need for manual copy/paste and

keystroke tasks for handling documents and navigating legacy systems. As packaged automation solutions, these workers incorporate industry best practices and necessary technical capabilities to create end-to-end applicability. When the task at hand includes mindlessly clicking through a decades-old system and keying-in data, these workers execute flawlessly. If a step in the process requires a thoughtful deciphering of data fields, material relevancy of text, or other decisions, these workers perform efficiently. When the work requires escalation to human colleagues, the digital workers can collaborate and learn for the next time.

Because these AI-led solutions are well-defined and proven, they offer the lower risk of the “buy” scenario yet deliver the value of the “build” approach in timelines much shorter than both a full buy or build. Smaller, more linear investments for AI are, thus, not just recommended²⁵ but possible, generating immediate value.

Get Started with an AI-Led Digital Workforce

WorkFusion’s AI-enabled Digital Workers augment traditional teams through regular “human in the loop” interactions and with support from the WorkFusion Network, a powerful AI cloud nexus.

Meet the Digital Workers:



Evelyn

Sanctions & Adverse Media Screening Analyst

Analyzes and investigates sanctions alerts regarding entities, individuals and securities. She also searches and reviews databases and media sources to determine relevance of alerts and whether mentions are potentially adverse, compiling facts and records from investigations for compliance and internal audit trail.



Tara

Transaction Screening Analyst

Analyzes and investigates payment alerts generated against sanctions screening lists originating from free-format SWIFT and FUF messages. She scans internal systems, commercial databases and the public internet; gathers data; and records evidence, compiling facts for compliance and internal audit to ensure adherence to regulatory policies for customers and transactions.



Casey

Customer Service Coordinator

Engages with customers for required information on account opening and other key processes via email. This worker evaluates and responds to service inquiries across different communications platforms; routes inquiries among internal departments to address customer requests and obtains internal approvals when needed; and enters orders, opens cases, or completes customer-related tasks in internal systems.





Darryl
Customer Due Diligence Program Analyst

Captures and interprets ownership and legal structure information for customer onboarding or Know Your Customer (KYC) refresh initiatives. He also provides quality assurance reviews of documents against customer records.

Kendrick
Customer Identity Program Analyst

Analyzes and investigates payment alerts generated against sanctions screening lists originating from free-format SWIFT and FUF messages. She scans internal systems, commercial databases and the public internet; gathers data; and records evidence, compiling facts for compliance and internal audit to ensure adherence to regulatory policies for customers and transactions.

Ilana
Insurance Underwriter

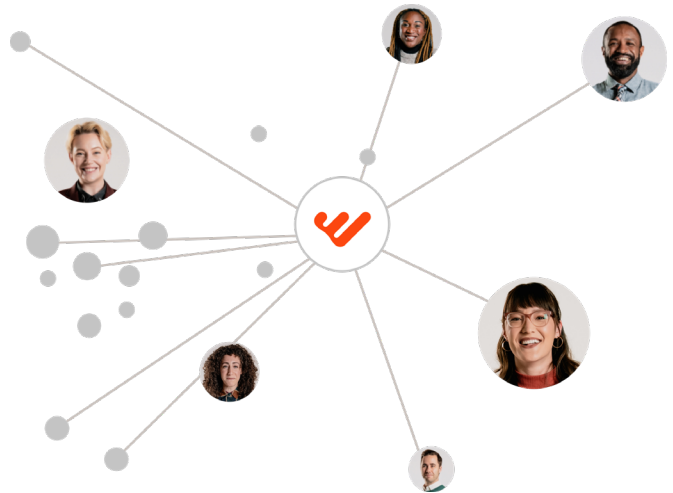
Collects, reviews, and analyzes new business applications across commercial lines. She also qualifies accounts according to company guidelines; researches property locations for prior coverage and losses; obtains additional information to determine coverage needs; and enters quotes in quoting and rating system.

It's a very powerful team, yet that's just a starting point. These workers will continue to improve with more skills and increased automation abilities and will soon be joined by more digital colleagues.

Power and scale your Digital Workforce

WorkFusion's digital workers are only part of WorkFusion's powerful approach to automation.

WorkFusion Enterprise provides one platform for an unlimited digital workforce. Customers can build or modify a Digital Workforce with a no-/low-code approach, leveraging pre-built steps and workflows for core processes and pre-trained models for complex unstructured documents. Each digital worker can collaborate with real-world peers through human-in-the-Loop (HITL) to handle one-offs and exceptions via the intuitive user-friendly interface, while teaching your Digital Workers how to handle new cases. Further, digital workers can be monitored with robust Analytics tools, tracking progress, automation rates, and process-specific KPIs.



WorkFusion Network operates as the power of one, amplified by the power of many. Customers receive steady improvements with network effects. As Digital Workers learn on the job, the WorkFusion Network accumulates knowledge, enabling all Network participants to share and improve, while still maintaining scrupulous security and data privacy. As part of the Network, Digital Workers receive continuous updates, resulting in higher accuracy and broader model coverage. Customers also have access to industry benchmarks. WorkFusion Network aggregates performance results, allowing customers to compare their performance to industry benchmarks. This enables customers to answer questions like “How well is my Digital Worker doing compared to other Workers doing the same task at other companies?” or “Do I need to label more data and train my Digital Worker to perform at the industry standard or am I already there?” And, customers are able to avoid ‘cold start’ problem with Solution Catalog. Discover and employ more Digital Workers with our Solution Catalog, a library of ready Digital Workers as well as their critical components, such as ML models, connectors, workflows, etc., all available for you to build your own Digital Workers using the no-/low-code approach.



Digital workers for a digital age

Work won't cease to exist in a digital era, but people don't need to do all of it. The modern enterprise has growing customer and employee demands that are typically best addressed with technology-infused approaches. But the solution lies not in throwing tech at the problem but in absorbing technology into the way an organization executes its work.

The right technology unlocks trapped value of the organization, enabling further growth. For BFSI, digital workers incorporate AI to solve the document-heavy operations work that otherwise would pile up without enough of a human workforce to solve. Experienced, skilled digital workers put automation in motion, empowering organizations to achieve the business outcomes their customers require, employees expect, and stakeholders demand.

¹BCG: [How Banks Can Close the Back Door on Attrition](#)

^{2,3}McKinsey: [Managing a customer-experience transformation in banking](#)

⁴LexisNexis Risk Solutions: [True Cost of Financial Crime Compliance Study](#)

⁵Fortune: [Bank of America's CEO gets real about the labor shortage: 'We don't have enough people now' and those who quit aren't coming back](#)

⁶Barclays: [Annual Report 2021](#)

⁷HSBC: [Annual Report 2021](#)

⁸BBC Worklife: [The damaging effects of 'boreout' at work](#)

⁹Robert Half survey results: [Find your job boring? You're not alone. Here's what to do about it](#)

¹⁰Economist Intelligence Unit and Appian: [IT's changing mandate in the age of disruption](#)

¹¹Journal of Operational Research Society (1985): [Why Expert Systems Fail](#)

¹²Forrester: [Use the Rule of Five to Find the Right RPA Process](#)

¹³Gartner: [Working With Semistructured and Unstructured Datasets](#)

¹⁴Gartner: [2022 CIO and Technology Executive Agenda: A Banking and Investment](#)

[Perspective](#)

¹⁵BCG: [Flipping the Odds of Digital Transformation Success](#)

¹⁶Gartner: [Three Steps to Hyperautomation](#)

¹⁷Crunchbase: [Company Search](#)

¹⁸Gartner: [Worldwide Robotic Process Automation Software Revenue to Reach Nearly \\$2 Billion in 2021](#)

¹⁹EY: [Five design principles to help build confidence in RPA implementations](#)

²⁰PwC: [Sizing the prize – What's the real value of AI for your business and how can you capitalise?](#)

²¹Gartner: [Understanding MLOps to Operationalize Machine Learning Projects](#)

²²Skulley et al (Google): [Hidden Technical Debt in Machine Learning Systems](#)

²³Gartner: [Quick Answer: How Should I Decide Whether to Build or Buy AI Capabilities?](#)

²⁴We know: Frankenstein is the doctor, not the monster: [Frankenstein \(SparkNotes\)](#)

²⁵Davenport and Ronanki (HBR): [Artificial Intelligence for the Real World](#)



Curious to learn how Digital Workers can help you?

Connect with us
to find out.



WorkFusion is the leading provider of Intelligent Automation solutions for Fortune 500 enterprises, banks, insurance, and financial services firms. WorkFusion AI-enabled Digital Workers, supported by the powerful WorkFusion Network, help increase workforce capacity, enhance customer satisfaction and ensure ongoing compliance. Learn more at workfusion.com.



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