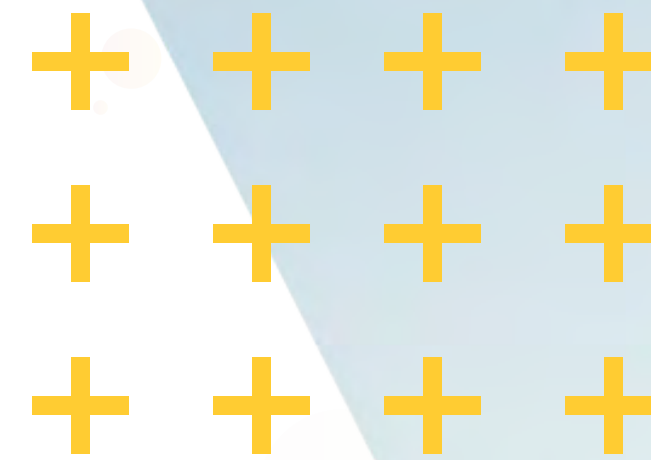HSBC

HYPERAUTOMATION: AT HSBC

Hyperautomation is a key enabler for HSBC to deliver the digital enterprise and transform customer experience by intelligently orchestrating and streamlining complex business processes.

§sas | Microsoft

BEYOND AUTOMATION

As a global bank, HSBC sees a future where cross-border payments are as fast and secure as domestic ones, and where technology supports compliance, efficiency and customer experiences.[1] Digitisation at scale is a core component of your corporate strategy, and your ambition is to deliver 'faster, easier and more secure banking' for the digital world.[2]

You're already applying AI, including natural language processing (NLP), machine learning and data analytics to a number of business functions, from improving contact centre experiences to detecting financial crime.

The use of robotic process automation (RPA) also helps to remove 'monotonous day-to-day tasks that don't add value to client interactions and relationships – freeing staff up to manage exceptions, focus on more in-depth analysis or work more closely with clients.'[3]

However, disparate systems, fragmented data sources and departmental silos are continuing to cause operational inefficiencies and friction during the customer journey.

Hyperautomation offers a solution to this. The industry buzzword, coined by Gartner in 2019, is a step change from the process-driven 'if this, then that' approach to automation – which is often too simplistic to manage the complex nuanced banking processes of the real world.

[1] www.hsbc.com/news-and-media/hsbc-news/technologys-role-in-the-future-of-finance
[2] www.hsbc.com/who-we-are/purpose-values-and-strategy/our-strategy
[3] www.business.us.hsbc.com/en/insights/innovation-and-transformation/robotic-process-automation-in-commercial-banking#:~:text=Employees%20assume%20right%20away%20they,the%20middle%20of%20a%20process
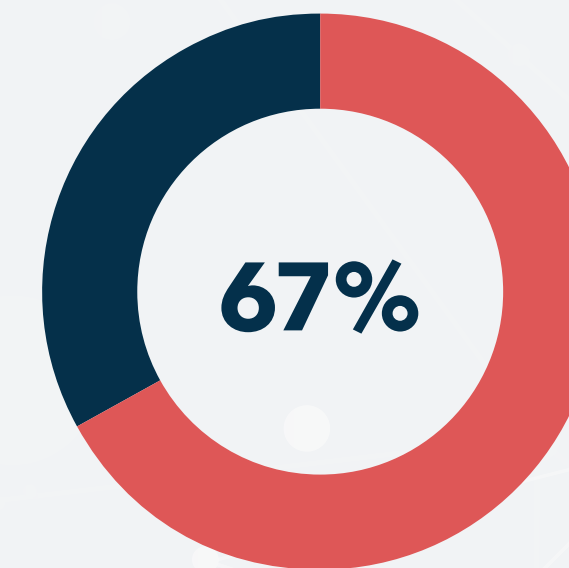
1 BEYOND AUTOMATION ❯

While many organisations are already taking the process-driven approach, hyperautomation enables data-driven decision-making that can lead to even more operational, and other, efficiencies.

It brings together digital operating systems, workflows, RPA, and AI to deliver high value autonomous processes through intelligent decisions.

As businesses continue their automation journey, we're seeing the hype for hyperautomation take hold across banking and other sectors. However, turning that hype into tangible results for you and your customers will require you to embed intelligence at the core of every workflow. That's why SAS and Microsoft are partnering to help banks deliver the digital enterprise through autonomous processes and intelligent decisioning.

In this eBook, we'll explore how SAS Intelligent Decisioning and the Microsoft Power Platform combine to provide a low-code hyperautomation platform. Our ready-integrated solution not only helps you to introduce intelligent automation quickly, but also ensures that all decisions are auditable and explainable – enabling you to win the confidence of business users, customers and regulators alike.
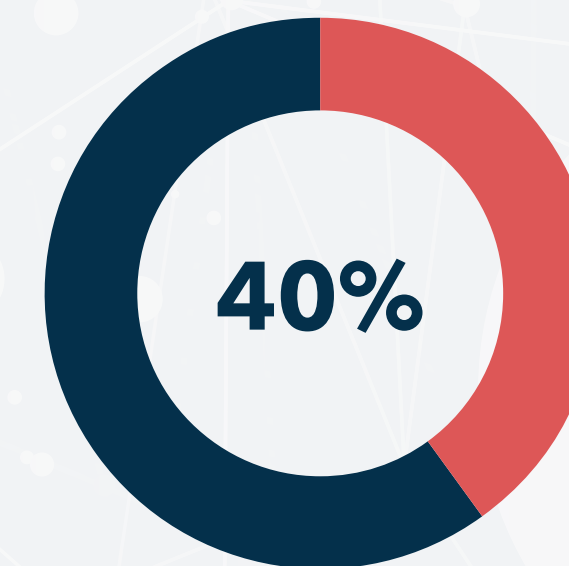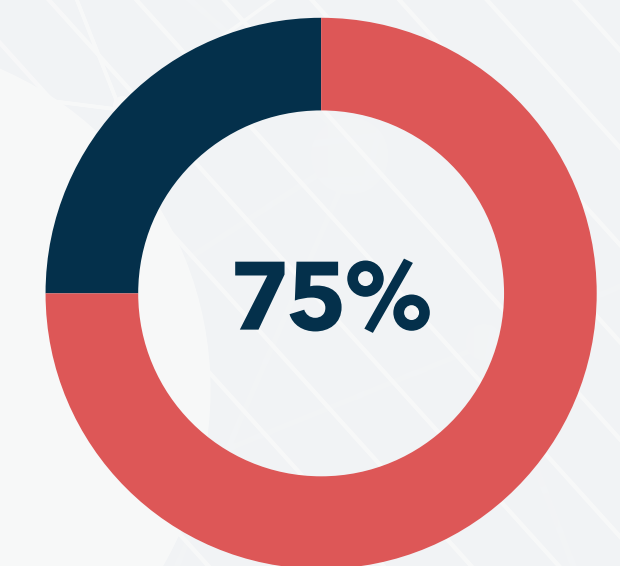
67% of customers now primarily engage with their bank using digital channels
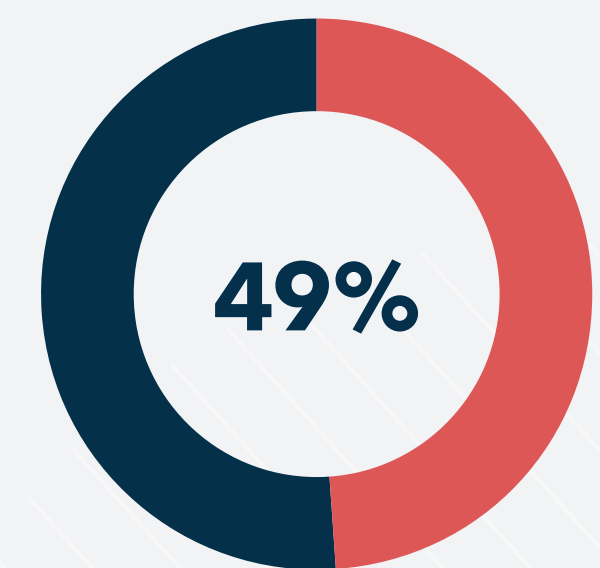
49% of customers trust banks' automated customer service tools such as AI chatbots

40% of customers prefer using an automated customer service tool over a human if it provides faster, more convenient service

75% of customers would consider switching to another provider that can offer faster customer service

AN APPETITE FOR AUTOMATION

WHAT DOES HSBC NEED?

Today's customers expect interacting with their bank to be just as seamless as making a purchase from an online retailer; they have very little tolerance for slow processes or unresponsive service. To meet these expectations, HSBC will need to deliver true digital transformation—which will require them to move beyond automating simple, linear workflows and begin integrating AI-powered decision-making into every process.

That's challenging because the most important and valuable banking processes, such as customer onboarding and mortgage and loan applications, are complex involving multiple steps and branching out at potentially dozens of decision-points. An automation solution must be able to cope with this complexity by integrating data from many sources and analysing it in real time to drive intelligent decision-making.

Banking's rigorous regulatory environment also makes it vital for automated processes to be fully transparent and auditable. This is important from a customer experience perspective too: if an automated process makes a decision that affects your relationship with a customer, they will expect you to be able to explain that decision.
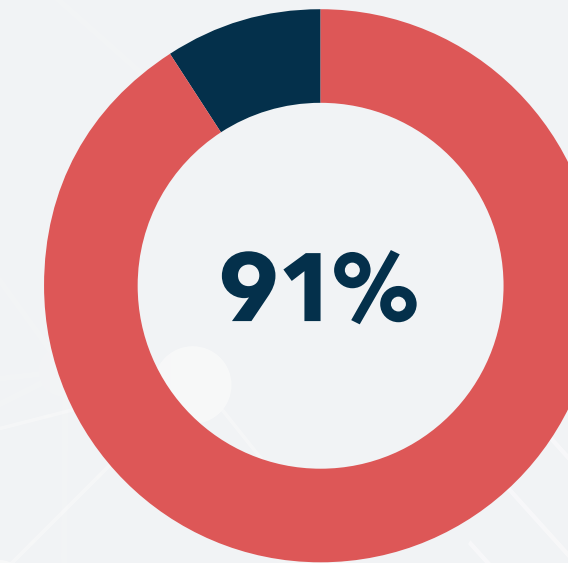
HYPERAUTOMATION IN PROSPECT
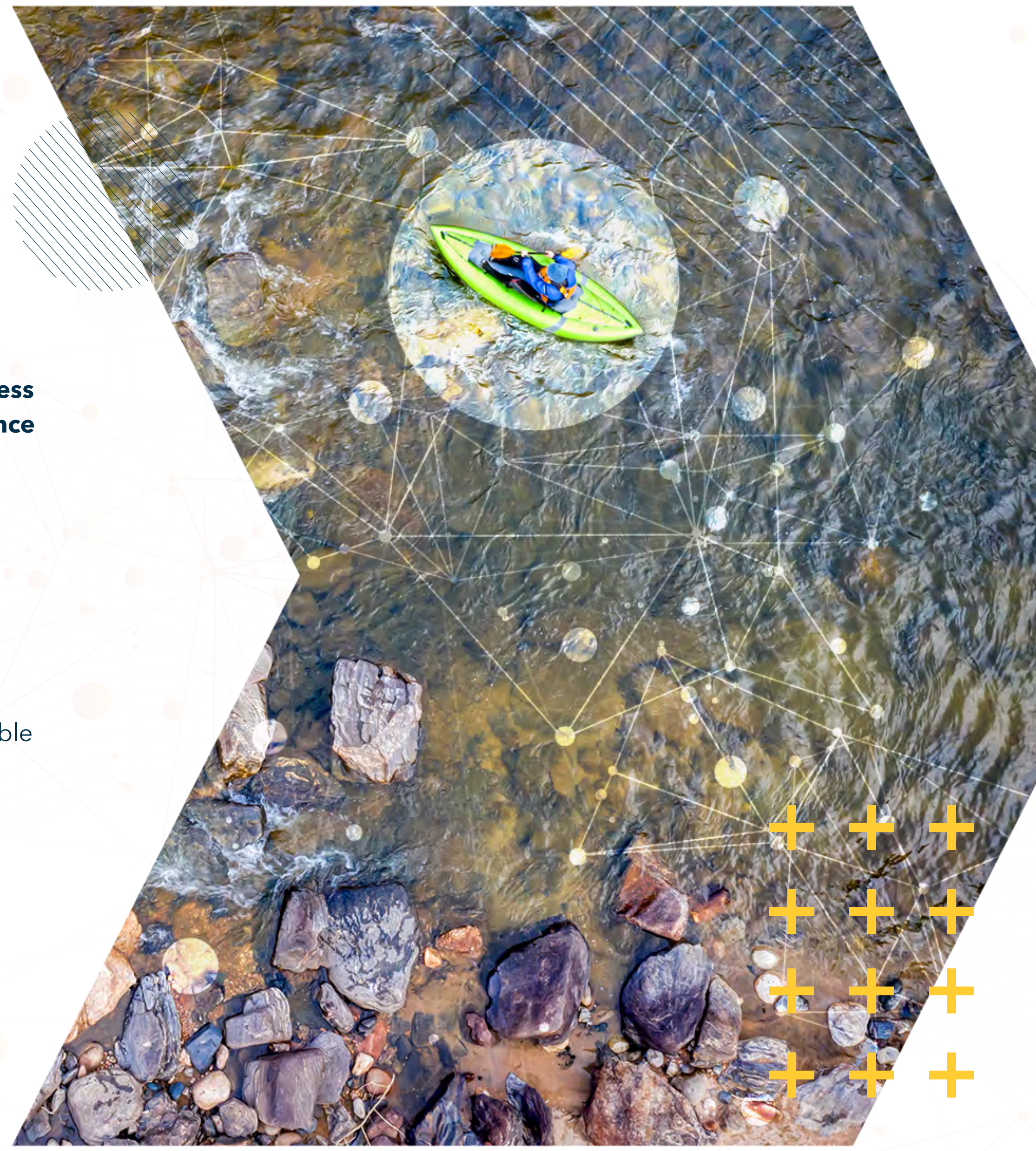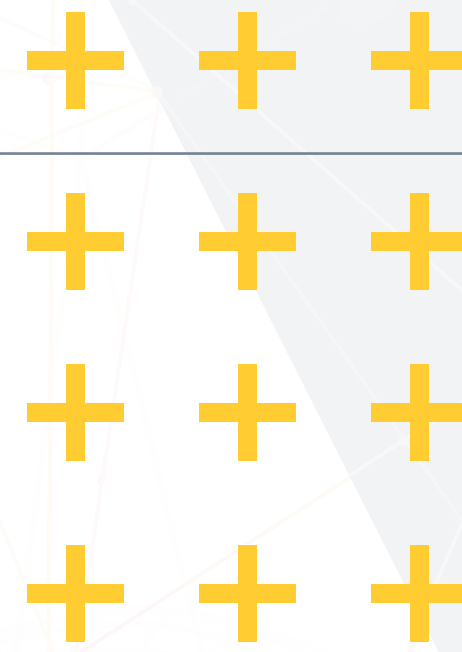
Finally, banking processes are constantly evolving as customer needs change and automation solutions need to be able to evolve with them. Traditional approaches to automation are expensive to maintain because developers need to rewrite, re-test and redeploy hundreds of lines of code to handle even the most trivial process change.

For hyperautomation to deliver a real step-change, it must free the business to develop and deploy automated processes themselves, without deep technical support, and at the speed of business. Leveraging low code options makes this more accessible across the business, whilst at the same time ensuring appropriate levels of governance to satisfy both customers and regulators.

91%

of the C-suite are convinced that hyperautomation will have benefits for their business
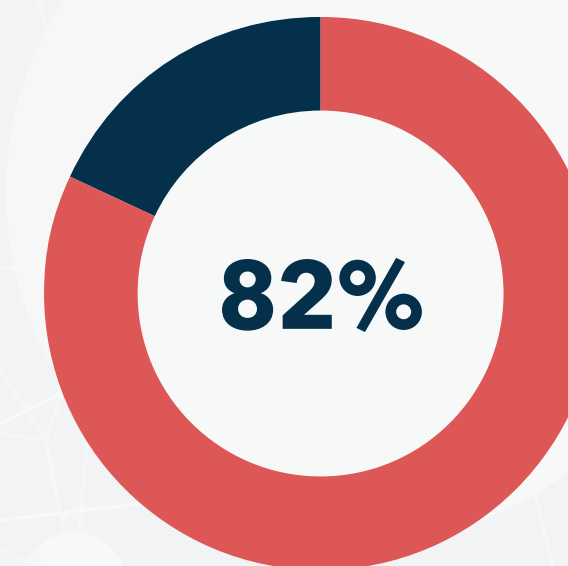
82%

of businesses believe hyperautomation will be an important topic in the next 12 months

WHAT CAN HYPER AUTOMATION DO FOR HSBC?

HELP CUSTOMERS GET THE MONEY THEY NEED QUICKLY AND SAFELY

» Loan and mortgage applications can often take weeks to process in complex cases and require multiple checks and validations to ensure the credit offer is in line with what the customer can afford and the bank's risk appetite.

» SAS has recently helped one bank use hyperautomation to increase straight-through processing while making more informed lending decisions, reducing its mortgage approval process from 30 days to just three. This means customers can get the money they need faster, and the bank expects to unlock a predicted return on investment of £250 million over the next three years.

MAKE THE BEST FIRST IMPRESSION

» Typically, the first significant interaction a customer has with your bank is when they apply to take out their first product with you. Onboarding new customers with minimum complexity and friction is vital to providing a good customer experience, but handling documentation for proof of identity and address, plus additional checks for know your customer (KYC) and anti-money laundering (AML), can be a complex, highly manual process.

» Hyperautomation allows the bank to automate the extraction of relevant information from these documents and combine it with data from Open Banking and fintech services to streamline these journeys.

PROTECT CUSTOMERS FROM FALLING VICTIM TO FRAUDSTERS

» The increase in digitisation has provided more avenues for fraudsters who are looking to access funds illegally. Banks need to leverage the data they have to quickly identify suspicious activity—but manual and inefficient processes caused by silos across the organisation limit the agility with which banks can detect and counter fraudulent activity.

» Hyperautomation can help to embed fraud modelling and risk scores into every business process, moving beyond transaction-level analysis to identify suspicious behaviour, track potential fraudsters and automatically block or query their activities to prevent losses before they occur.

CREATE REWARDING CUSTOMER RELATIONSHIPS

» Banks have huge quantities of customer data, but siloed departments and processes often prevent them from turning this into relevant contextual insight. Even when banks can identify dissatisfied customers who are likely to churn, or vulnerable customers who might fall into financial difficulties, they struggle to surface these insights at scale and use them to drive the right engagement at the right time.

» Combining existing customer insight with real-time context allows banks to better understand the customer's current state and take an intelligent course of action. Hyperautomation allows banks to leverage this as part of customer journey processes to take the most appropriate course of action. For example, collections engagements have clear processes that need to be followed but if that is combined with consumer channel preferences and other insight, better outcomes can be achieved for the bank and customer.

HOW DOES HYPER AUTOMATION HELP?

By combining traditional automation tools with AI, it's possible to scale up beyond simple linear workflows and embrace the full complexity of your processes.

> **Understand the customer experience.** Instantly capture information from digital interactions, video, audio, images and documents by leveraging data with computer vision, machine learning and natural language understanding.

> **Eliminate manual workflows.** Use business process orchestration to define, coordinate, monitor, and audit complex branching workflows and manage long-running processes, with automatic retries and exception management in case of unexpected issues.

> **Automate processes efficiently.** Avoid costly changes to legacy systems by using RPA to enable programmatic control and execution of linear workflows involving multiple front- and back-office services without building direct integrations.

> **Make intelligent automated decisions.** Apply business rules and predictive models to all available data for automatic decision-making, extending the scope of automation to the most complex use cases.

> **Empower business process owners.** Accelerate automation adoption by empowering business process owners with low-code interfaces that enable them to design, deploy, and refine automated processes without support from IT.

> **Embrace the wider fintech ecosystem.** Scale seamlessly and integrate with external applications and data, such as specialist fintech services and Open Banking APIs with always-on, always connected cloud platforms.

THE SAS AND MICROSOFT ADVANTAGE

While many technology companies are eagerly jumping on the hyperautomation bandwagon, SAS and Microsoft are uniquely positioned to deliver real value beyond the hype by seamlessly combining intelligent decisioning, analytics lifecycle management, responsible AI, low-code/no-code platforms, and industry expertise.

With intelligent decisioning at the core of every workflow, banks can more effectively manage complex customer journeys, providing a real and sustainable source of competitive advantage.

³ https://www.sas.com/en/whitepapers/operationalizing-analytics-111317.html

ENTERPRISE DECISIONING

SAS Intelligent Decisioning acts as the central brain that empowers banks to integrate automated decision-making and decision support into all automated processes. It provides access to a comprehensive range of advanced analytics tools and techniques, from traditional statistical modelling to forecasting and optimisation, machine learning and deep learning—allowing application of the right tool for the job.

ANALYTICS LIFECYCLE MANAGEMENT

Building the right model is only the first step— banks also need to be able to train, test, deploy, manage, and retrain it. Analyst firms estimate that firms only fully deploy up to 50% (Gartner) of their models, while SAS research has discovered that 44% of models take more than seven months to deploy.[3] SAS is a leader in operationalising AI, helping banks get models into production faster and keep them accurate, unbiased and fit-for-purpose as business and customer needs evolve.

RESPONSIBLE AI

To meet the expectations of customers, and regulators, hyperautomation initiatives must be designed to ensure fair and ethical decision-making, especially when vulnerable customers are involved. Every automated process build needs to be fully auditable, and every decision made during that process must be explainable. SAS and Microsoft offer a unique, end-to-end governance model for responsible AI-powered hyperautomation.

LOW-CODE/NO-CODE PLATFORMS

Most traditional RPA and AI tools are developer-focused, requiring deep technical expertise to code automation scripts and machine learning models. Microsoft provides the ability to build hyperautomation flows with Power Automate and Power Apps—and embed SAS Intelligent Decisioning technology within them using intuitive no-code and low-code software. This puts hyperautomation in the hands of process owners, reducing the pressure of maintaining developer-written code, whilst also delivering technology to support the composable enterprise.

INDUSTRY EXPERTISE

With years of experience in helping banks address decisioning and automation challenges, SAS and Microsoft are already trusted partners to many leading banks. By building on existing investments, relationships and expertise, SAS and Microsoft can help clients accelerate their adoption of hyperautomation—in many cases, delivering meaningful improvements in weeks, not months.

PROVING THE CONCEPT: THE AI BANK

To demonstrate how banks can harness the power of hyperautomation, SAS has developed a state-of-the-art proof-of-concept platform known as the AI Bank.

The platform shows how banks can implement hyperautomation using a microservices architecture that integrates legacy systems, third-party fintech APIs, and Open Banking data, creating a complete solution for automating sophisticated customer journeys from end to end.

In the background, the solution automatically logs every event that occurs during each customer journey and enables real-time analysis—so every decision is transparent and explainable. Process owners can even click through to review the decision flow, make appropriate edits using a no-code interface, and redeploy the changes for immediate training and testing prior to deployment. This type of model update currently takes most banks months to execute; the AI Bank can deliver it in a matter of minutes.

	TRADITIONAL PROCESS	AI BANK PROCESS
ONLINE LOAN APPLICATION	50 SCREENS	5 SCREENS
TIME TO CASH	5 DAYS	3 MINUTES
FTE SUPPORT REQUIRED	100%	20%
LOAN AGREEMENT SIGNATURE	SIGNED IN BRANCH	ONLINE E-SIGNATURE
PROVISION OF DOCUMENTS	HARD COPY	ONLINE UPLOAD
OPERATIONALISING AI MODELS	6 MONTHS	30 MINUTES
WIN RATE	10%	33%

NEXT STEPS ON YOUR HYPER AUTOMATION JOURNEY

Leading banks are already working with SAS and Microsoft to build hyperautomation into their business models and unlock significant competitive advantage.

By accelerating both the routine aspects of business processes and the decision-making that guides them, hyperautomation finally gives HSBC the tools it needs to deliver digital transformation that is more than skin-deep.

End-to-end intelligent automation, can help banks meet customer demands, increase employee satisfaction, as well as meet regulatory requirements faster, more cost-efficiently, and with the full confidence that processes are responsible, reliable, and robust.

To learn more about how SAS and Microsoft can help your bank see beyond the hype and realise the full potential of hyperautomation, reach out to us today, email: **Jane Bond, Engagement Lead, Banking at Jane.Bond@sas.com** or search **SAS Hyperautomation.**