# BANKING ON DIGITAL, WITH A NEW OPERATING MODEL

Abstract

Infosys BPM helped define a new operating model driven by analytics, artificial intelligence, and machine learning, for a rising bank aiming to be among the best banks in the world.

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Infosys BPM's client is a global banking and financial services company with a strong presence in the APAC region, and is one among the largest banks in Australia. It has more than 40,000 employees in over 30 countries around the world and is part of the Fortune 500.
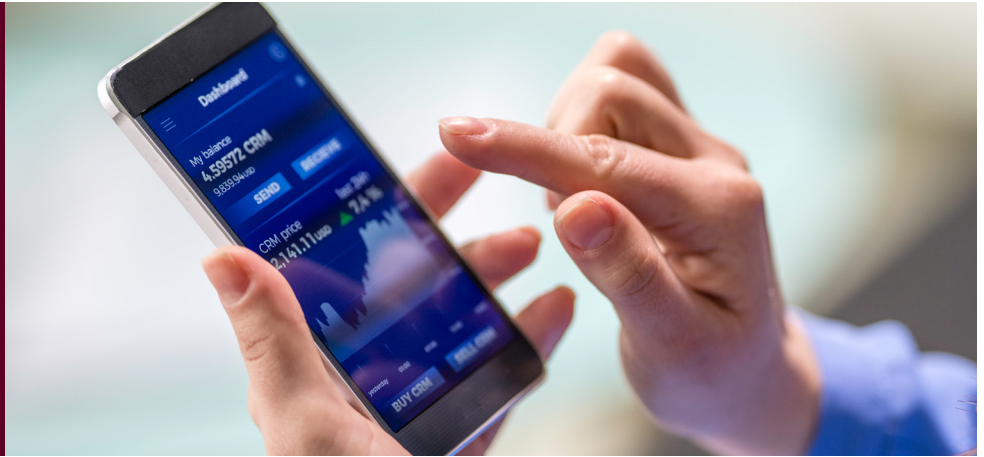
Challenges hindering agility

The client's group services which includes reconciliations, payments, and anti-money laundering operations faced multiple operational challenges.

Processes were operating at full utilization with little ability to scale and add value as the business became more agile. Further, the staff were over-invested in manual processing with minimal involvement in insight generating activities. The technology landscape also had limited capabilities for presenting useful insights to management, and the situation was compounded by an organizational structure that made it difficult to share approaches, templates, and techniques across streams.

Aspiring to be one of the best banks in the world, the client wanted a more agile and robust operating model for group services which would be both cost-effective, and deliver best-in-class services. Towards this end, the bank tasked Infosys BPM with designing a model that would leverage economies of scale and utilize analytics and machine learning for insights on newer ways of working.

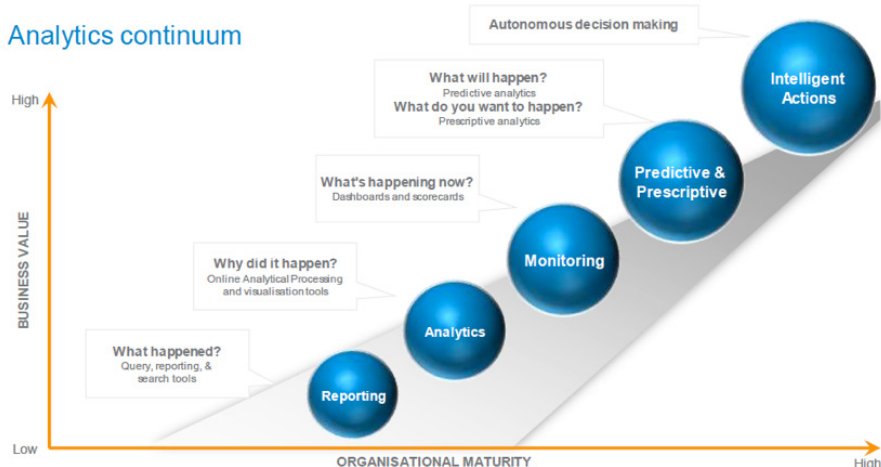## Group command center for better decision making

The Infosys BPM team conducted thorough assessments of the bank's core service functions, including payments, reconciliation, and anti-money laundering. These walkthroughs gave an in-depth understanding of the operations from the perspective of processes, systems, automation, performance metrics, and people across the multiple global locations of the banks operations.

Based on these assessments, the Infosys BPM team recommended multiple options for the target operating model that included assisted transformation, advisory, and outsourcing. The new operating model recommendations to achieve best-in-class services incorporated various levers such as standardization, consolidation of operations, organizational re-alignment, use of shared services, and increased automation.

More importantly, the team recommended creation of a command center that would use analytics coupled with artificial intelligence and machine learning to deliver value driven intelligence to the organization. The command center would help move processes up the analytics maturity continuum, with real-time data enabling leaders to better deal with ambiguity and proactively make the needed decisions.

Analytics continuum

High

BUSINESS VALUE

What happened?
Query, reporting, & search tools

Why did it happen?
Online Analytical Processing and visualisation tools

What's happening now?
Dashboards and scorecards

What will happen?
Predictive analytics
What do you want to happen?
Prescriptive analytics

Autonomous decision making

Reporting

Analytics

Monitoring

Predictive & Prescriptive

Intelligent Actions

Low

ORGANISATIONAL MATURITY

High

The team also made several transformation-oriented recommendations. These included:

- Creating an exception hub, by segregating reconciliation activities into 3 levels of activities to drive process and cost efficiencies by capturing economies of scale and enabling standardization

- Automation of high volume, non-straight-through processing (STP) payments

- Optimization of AML/suspicious alerts to reduce false positive alerts and improved compliance

The bottom-line

Infosys BPM's operating model redesign provided the client with a best-practice approach to achieve a step change in the decision making for group services, and consistently create delightful customer experiences and products for the customers.

The business case for the changed model of operations provided potential savings of between $46-$55 Mn over a period of three years, depending on whether the client opted the assisted transformation or the outsourcing option.

Using the power of analytics, Infosys BPM enabled the client to make the best use of their data to leapfrog the market through innovation and progress towards the vision of being among the best banks in the world.

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