

RAISING THE STAKES FOR BACK AND MID-OFFICE PROCESSES

NICHOLAS HACKING, DIRECTOR OF SALES AT ERI BANCAIRE ADDRESSES THE NEED OF RAPID, LARGE-SCALE PROCESS AUTOMATION IN THE BACK AND MIDDLE OFFICE FOR PRIVATE BANKS TO ENSURE HIGHER EFFICIENCY AND BETTER SERVICE QUALITY - ULTIMATELY, GAINING A BIGGER AND MORE PROFITABLE CUSTOMER BASE THAT ALL BANKS ARE DREAMING OF.

Many banks have been focusing on enhancing their customer-facing, front-end operations with cutting-edge digital solutions. But only some of them have had the foresight to recognise the need to rationalise tasks that were previously manual and paper-based by automating and streamlining the middle- and back-offices.

Yet automation of these banking processes will play a key role in today's rapidly-changing market environment, predicts Nicholas Hacking, director of sales at ERI Bancaire.

To do this effectively, he says banks need to focus on three key areas: reducing the manual components as far as possible, driving a new way of thinking, and dealing with legacy systems.

MANPOWER SHORTAGE

Inevitably, manual processing is costly and slow, and can lead to inconsistencies as well as human error.

However, some banks are so focused on servicing customers that they can ignore the automation needs from an operational perspective. "Many banks say they don't have the bandwidth to deal with everything, but compliance

and other issues will keep coming and can't be ignored," says Hacking.

Automating the entire banking process brings significant productivity gains and frees up manpower for higher value-added tasks, he adds.

MIND-SET CHANGE

Given the strong performance banks enjoyed before 2008, most did not have to think about changing their processes. The post-crisis era, however, is all about lowering costs to match shrinking margins.

Further, with regulators and consumers alike demanding greater transparency, and with the rise of social media and data-related requirements, Hacking says bank leaders must start to take a different approach. "Right now, banks have to cope with FATCA," he says. "Soon, the EU will have a similar initiative and Asia will follow suit, too."

It is to be expected that banks have various legacy systems to deal with when it comes to automation. But the key questions for creating process automation, related to whether banks should go for a strategy of total replacement or minor adjustment, say



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Hacking, and if they should build in-house or outsource.

Either way, the decision should be based on the approach that benefits customers the most. "Clients expect banks to deliver services. This is all they care about. Everything is real-time now, if the banks don't get something right, customers see it immediately." ■