WorkFusion

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.

Kyle Hoback
Director, Market Enablement
WorkFusion

> 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 operations[4] — 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 2020[6]; 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 limitations[12]. 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 formats[13] 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 intelligence[14] 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 companies[17] 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.

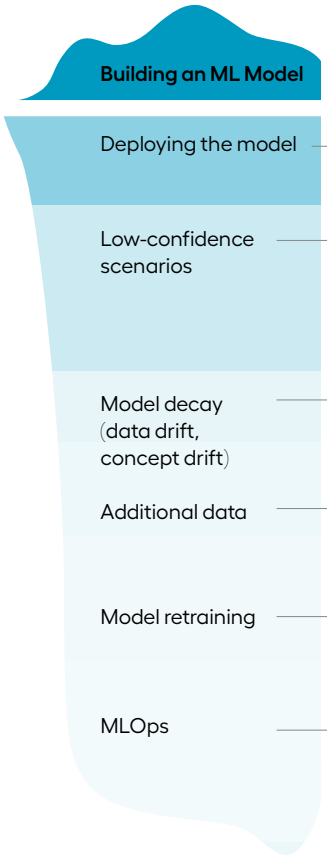
For example, RPA has been an industry favorite, with RPA software revenue estimated near $2 billion per year.[18] However, nearly half of RPA projects fail,[19] with countless organizations using RPA for simpler tasks unable to scale to high-value processes — particularly because of its lack of applicability 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	▪ 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	▪ 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	▪ 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	▪ 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	▪ 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 debt[22], proving AI is much more than a simple "bolt-on" to legacy tech.



Deploying the model	A model needs to be deployed into a production process, where it can receive production inputs and produce production outputs.
Low-confidence scenarios	Machine learning models produce an output, as well as a confidence level in that output, requiring a cutoff level for confident / not confident results. Ideally, the low confidence results can be routed through some level of exception handling, such as a human-in-the-loop interface.
Model decay (data drift, concept drift)	Model performance tends to deteriorate over time, i.e., drift, where production data differs from training data (data drift) or underlying relationships shift (model drift).
Additional data	Over time, more and more data is collected, including erroneous and low-confidence data, which can be updated and added to a future version of a model.
Model retraining	As low-confidence data and model drift feed additional data, models can be retrained and redeployed to ideally achieve better performance than the initial model.
MLOps	Machine Learning that powers AI is hardware-intensive, resulting in a specific DevOps practices called Machine Learning Ops (MLOps), notoriously challenging for the enterprise.[21]

Buy, Build, or Hire

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

Buy your way to Frankenstein

The Frankenstein masks at Halloween are of course based on the classic novel[24] 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, but the conglomeration quickly becomes a monster to build, maintain, and control.

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 Agents 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 AI Agents 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 recommend[25] but possible, generating immediate value.

Get Started with an AI-Led Digital Workforce

WorkFusion's AI Agents augment traditional teams through regular "human-in-the-loop" interactions.

Meet the AI Agents:

Evelyn

PEP Screening Alert Review

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

Payment Sanction Screening Alert Review

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.

Kayla

KYC

Kayla is an AI Agent that automates KYC activities for customers onboarding and KYC Refresh. By automating the data collection and analysis of Customer Due Diligence (CDD) and Customer Identity Program (CIP) activities, Kayla helps financial institutions get through reviews more quickly, avoid onboarding delays, conduct periodic reviews more efficiently, find material data events outside periodic schedules, and even facilitate RFIs with customers.

Isaac

Customer Due Diligence Program Analyst

Isaac is an AI Agent that automates AML Transaction Monitoring (TM) alert review and streamlines case investigations. By reducing the manual effort of analysts and investigators, Isaac helps financial institutions speed up work while improving consistency and quality, avoid backlogs, and strengthen compliance.

Edward

Enhanced Due Diligence (EDD) /High-Risk Reviews

Tired of the endless hours spent on high-risk customer investigations? Edward, your AI Agent for Enhanced Due Diligence (EDD)/ High-Risk Reviews, is here to help. He automates rigorous information gathering, streamlines transaction analysis, and drafts reports, significantly reducing your time and effort – allowing your analysts to more easily spot risks.

Evan

AI Agent for Adverse Media Monitoring

Evan is a pre-built AI Agent focused on automating adverse media monitoring. Evan sifts through troves of potential negative news articles and clears away the noise from false positive alerts, while prioritizing potential areas of risk. This vastly simplifies a key part of Customer/Vendor Onboarding and KYC/KYV Refresh, as well as other uses like counterparty analysis of payments and remediations.

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 AI Agents

WorkFusion's AI Agents 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 AI Agents how to handle new cases. Further, AI Agents can be monitored with robust Analytics tools, tracking progress, automation rates, and process-specific KPIs.

AI Agents 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, AI Agents incorporate AI to solve the document-heavy operations work that otherwise would pile up without enough of a human workforce to solve. Experienced, skilled AI Agents put automation in motion, empowering organizations to achieve the business outcomes their customers require, employees expect, and stakeholders demand.

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Curious to learn how AI Agents can help you? Connect with us to find out.

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