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TECHNOLOGIES

The Transformative Effect of
**Robotic Process
Automation** on the
Financial Services Sector

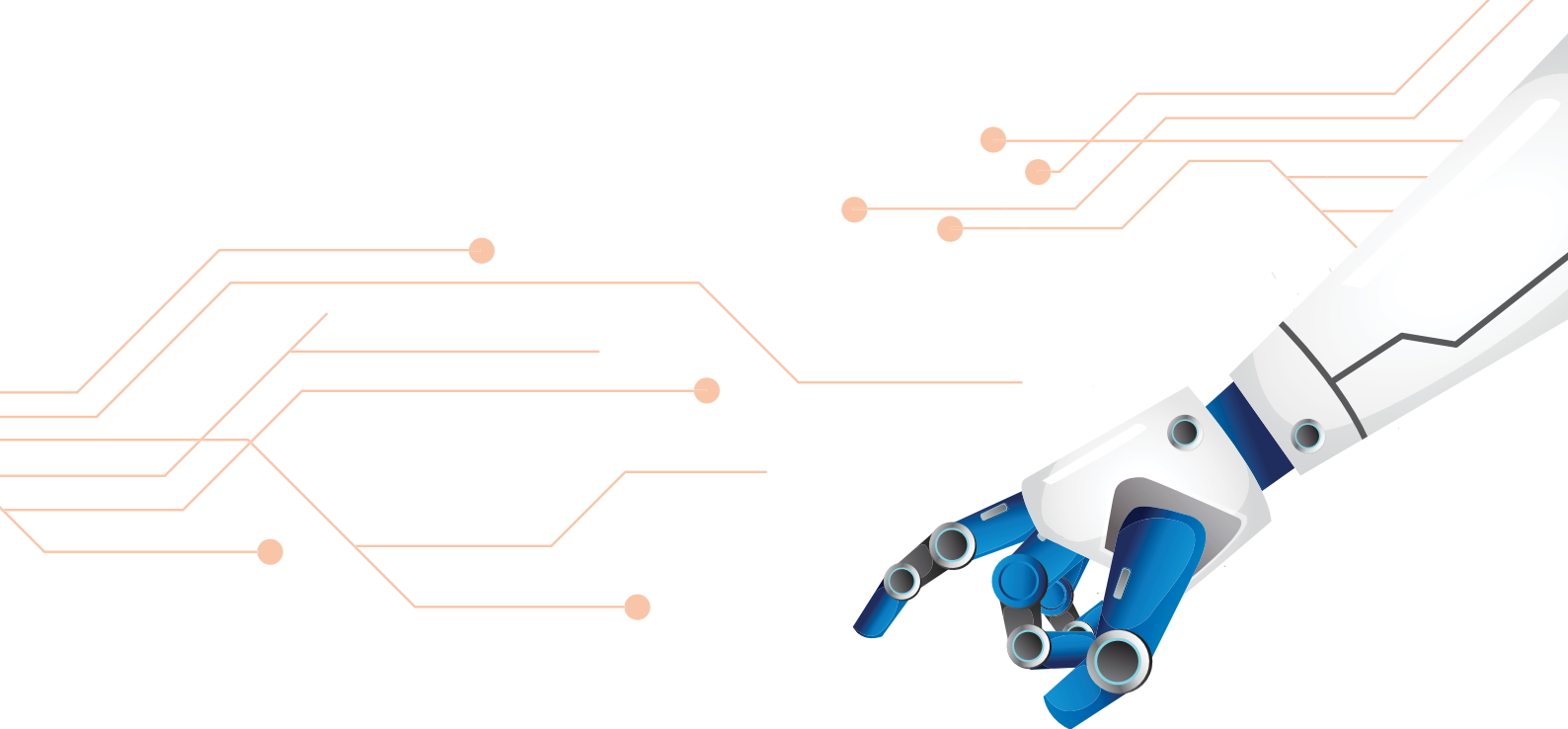


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What is Robotic Process Automation (RPA)?

Robotic Process Automation (RPA) combines technologies including rules engines, workflow, and screen scraping, and uses them simultaneously to automate processes and operations traditionally performed by humans. The software supplied as part of an RPA solution enables robots, or “bots”, to perform this physical labor, digitally. RPA is relatively affordable and easy to implement, making it an ideal digital gateway for helping organizations transition into highly-automated, or even artificial intelligence-enabled, enterprises.

Basic RPA is recommended for:

- Automating repetitive, structured transactional processes carried out by humans.
- Enabling automation of human tasks without costly system integration.
- Interacting with multiple applications in a “non-invasive” manner.

How Does RPA Benefit Finance And Accounting (F&A) Enterprises?

CFOs face several challenges including reducing overall costs while managing high-volume transactional processes; supporting decreasing margins; improving the speed, volume, and quality of the information they provide; and delivering insights that add value to their business.

Many F&A processes are still based on high volumes of repetitive, routine human tasks; automating these using RPA solutions helps CFOs facilitate faster, smoother operations and boost the efficiency of their F&A processes. RPA may be a key differentiator in delivering a competitive advantage now, but it may soon become standard operating procedure, and even a key to survival for enterprises in the future.

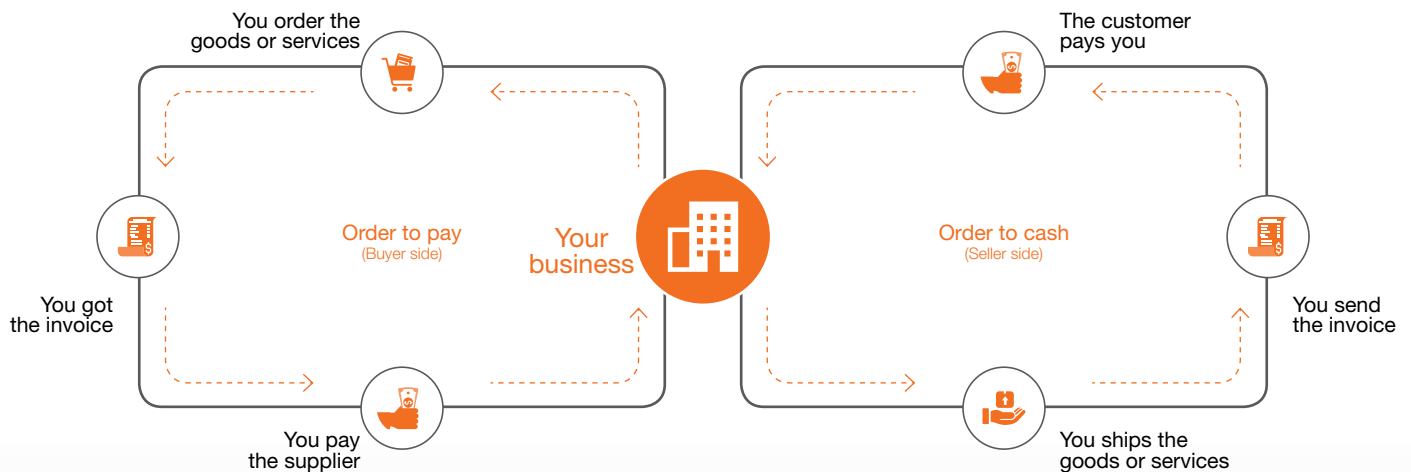
More Highlights of RPA In F&A

- RPA solutions are cost-effective and result in minimal disruptions in process timelines when compared to other major IT platform updates. This is why many enterprises in the Finance sector have already begun implementing these solutions.
- RPA gives humans more time to focus their efforts and attention on more important tasks by assigning their repetitive tasks to bots.
- RPA can even be developed to mimic human actions and handle interfaces and user interfaces just as a human employee would.

Current Trends In F&A Process

The diagram below is a basic visual representation of Procure-to-Pay (Order-to-Pay) and Order-to-Cash (Quote-to-Cash) business processes. Not shown in this diagram, is the Record-to-Report process which is important for reconciling accounts, managing intercompany transactions, and maintaining detailed accounting master data for auditing and regulatory purposes.

RPA adds value and improves efficiency in all three of these business processes.



Procure-to-Pay (AP) Processes and RPA

Supplier onboarding

Traditional process:

Many companies use e-commerce portals to streamline e-invoicing, but onboarding new suppliers is still a manual process.

Current RPA trend:

Using RPA processes to launch a bot to assess new suppliers for address validation, credit scores, and tax data improves the efficiency of the e-commerce tools already being used.

Portal queries

Traditional process:

Enterprises often engage with suppliers via portals without well-defined integration; members must log in and out of portals to copy and paste data to and from systems.

Current RPA trend:

A bot connects to all portals and automatically gathers or posts information (either at preset times or as part of a defined workflow), minimizing human errors and providing more accurate information more quickly.



Price comparisons

Traditional process:

When working with several suppliers to source a specific product with fluctuating prices, finding the best real-time pricing information is a time-consuming task and it can be difficult to find accurate results.

Current RPA trend:

A bot that's able to adapt to changes in websites and maintain continuous access to pricing catalogs quickly and easily finds the best and most accurate pricing information.

Market intelligence

Traditional process:

Assessing suppliers' credentials on a periodic basis to ensure they meet expectations is a tedious manual task that one could easily fall behind on.

Current RPA trend:

A bot delivers a full report at any time, on time, every time.

Contract terms

Traditional process:

Validating vendor contract data to ensure compliance with contract terms for invoicing purposes is a time-consuming manual task.

Current RPA trend:

A bot easily and automatically assesses contract data and terms and flags any compliance issues before invoicing takes place.

Matching

Traditional process:

For most enterprises, a three-way match is performed manually; personnel matches invoice to purchase order, and again to goods receipt. This leaves much room for human error and very little time for handling any discrepancies.

Current RPA trend:

Bots perform this matching procedure earlier in the end-to-end process to highlight any issues regarding payment, goods, or tax amounts, and assist in resolving these issues more quickly.

Payment processing

Traditional process:

Despite batch processing, enterprises still run pay cycles manually. People carry out the repetitive tasks of setting up pay cycles, waiting for payments to load, and producing output files.

Current RPA trend:

Bots handle these processes whenever clients need to run their pay cycles, while considering the dates of previous cycles and the types of payment runs. Pay cycles, remittances, and reconciliations are all automated which saves on overall costs and labor.



Order-to-Cash (AR) Processes and RPA

Supplier price comparisons

Traditional process:

When quoting a client, comparing supplier prices manually is a time-consuming exercise, and it can be difficult to find the most accurate pricing information.

Current RPA trend:

A bot analyzes and compares pricing for different suppliers, finds the most accurate data and the best deal, and delivers this information quickly and easily.

Order exception processing

→ Business exceptions

Traditional process:

These occur when data or inputs don't conform to business or application criteria; these "rules" are part of a process that can be automated.

Current RPA trend:

Business exceptions give enterprises control over their processes by limiting what bots are able to do. If a bot picks up a business exception, an employee will have to step in. This ensures that operations are carried out quickly, but also accurately.

→ System exceptions

Traditional process:

These occur in technical situations and system-based events like when applications don't respond, or systems crash. These exceptions handle the unknown and events that there are no "rules" for; they ensure cases are handled safely.

Current RPA trend:

When applications are non-responsive or systems crash, the current task will usually be cancelled and flagged, and the bot will move on to the next task. If the bot has many failed attempts, the process can be stopped by an employee who will address the error before starting up again and allowing the bot to continue.

Delivery reconciliation

Traditional process:

Reconciling delivery notes with purchase orders to validate against shipments is an expensive and time-consuming manual task.

Current RPA trend:

Bots check and approve matching orders automatically, only alerting employees if and when there are any exceptions or errors.

Customer onboarding and master data maintenance

Traditional process:

Similar to the suppliers in the AP cycle, new clients have to be manually assessed, onboarded, and have their data checked and updated regularly; it's a time-consuming manual task.

Current RPA trend:

A bot quickly, easily, and accurately assesses new clients and provides regular detailed reports and automatic updates. Not only is this automated onboarding process valuable for the enterprise, but clients are impressed with the efficient and pain-free interaction too.

Record-to-Report (GL) Processes and RPA

Many GL processes are already automated, but RPA makes these automations even more intelligent. GL RPA solutions with advanced automation capabilities enable employees to focus their time and energy on more important tasks that will improve their job satisfaction and add value to the business.

Supporting financial close

Traditional process:

A financial close report is manually compiled using data from several systems, departments, and employees throughout an enterprise before it's converted into financial files and is sent off for review by regulatory bodies. Compiling this report is a very tedious and time-consuming task.

Current RPA trend:

Bots easily and accurately access the data required for this report and then automatically compile the report, freeing up employees' time for other more important tasks.

Data extraction for accounting close

Traditional process:

Every transaction throughout an enterprise is recorded in journals which then need to be manually consolidated and reconciled.

Current RPA trend:

Bots easily access all the necessary information regarding transactions and very quickly reconcile this.

Data management

Traditional process:

Financial and operational data reports are critical in all enterprises. But compiling these reports on a regular basis is extremely time-consuming and labor-intensive which means that these reports can't be compiled as often as they perhaps should be.

Current RPA trend:

Bots automatically collect all financial and operational data and compile these reports so that executives receive more regular and accurate information regarding their business.

Conclusion

Overall, the affordability and easy implementation associated with RPA makes it the perfect transitioning tool for companies wishing to move into a more automated landscape. If these bots are capable of performing digital tasks that replace costly and sometimes inefficient manual labor, it's clear why RPA is increasing in popularity across the board.



ABOUT iOPEX

iOPEX is a new-generation business services provider offering optimized IT management services. We are process innovators focused on extracting the best out of the investments you have already made. At iOPEX, we help you realize that golden ratio where your technology and business are in complete synergy, making your company greater than the sum of its parts. Founded in 2009, the demand for our specialized optimization services has helped us grow to over 1,600 employees in eight years.

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