Automation and optimization: digital labor at Credit Suisse

Youssef Chihi, Uday Singh and Yatin Chhabra share their expert knowledge with KPMG in this interview.

What are the key drivers for pursuing digital labor initiatives at Credit Suisse?

At Credit Suisse, we are on a multi-year journey to digitize our processes front to back and have successfully implemented advanced technologies, such as process automation, robotics and machine-based learning. The primary drivers for pursuing these initiatives are improved time to market, enhanced process controls, increased focus on value-adding tasks, increased uptime for example 24 / 7 availability and increased overall efficiency.

From your viewpoint, what is the scope of digital labor at Credit Suisse?

The scope for digital labor opportunities cuts across all business divisions and support functions of the bank like Risk, Finance and Operations. Initially, increased focus was put on mid- / back-office types of activities or processes that are highly repetitive and manual-labor intensive. A mix of existing such as scanning tools / workflow engines, etc. and new solutions such as robotics process automation, desktop automation, machine-based learning, etc. were brought into the bank to tackle the first waves of digitization initiatives. We are now at a stage where we have built up the necessary expertise and feel confident in scaling up and industrializing the delivery of these types of initiatives for example the Ops Digitization program for Swiss Universal Bank, Negative News and Name Screening for Know-Your-Customer processes. In addition, we are continuously looking for additional areas to apply these advanced technologies. So our scope really covers the entire bank.

What, according to you, are the major challenges in adopting digital labor technologies in an organization?

Good question! We believe there are several major challenges in the adoption of digital labor technologies. Firstly, it is about creating the necessary buy-in from the organization. Sponsorship and awareness at all levels of the organization is key and needs to happen up front in order to anticipate how to deal with any risks, concerns, reluctance to change, etc. It is equally important to clearly articulate what the robot is and what it is not. Secondly, it is about addressing the risk aspects linked to digital labor technologies. Working side by side with IT, Security and Risk teams in the early stages is a key success factor. Another major challenge is the risk of implementing robots in the wrong way. The key is to look at a process, review and streamline it before adding any of the automation solutions on top of it. Putting a robot on top of a bad process is still a bad process.

What is the time-to-value horizon for investments in digital labor and what is your organization's risk appetite for digital labor implementation? How did you overcome the risks?

The current focus for Credit Suisse is on digital labor initiatives where the entire lifecycle from design to implementation can be completed in a relatively short amount of time (12–18 months). From a risk perspective, the expectation is that the implementation of digital labor will enhance controls and improve the risk profile while providing increased uptime / coverage.

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Can you share a few examples of how digital labor is harvested or is being planned to be implemented in Credit Suisse?

We can share a few representative examples from various processes across the bank. For instance, as part of the KYC (Know-Your-Customer) compliance check, Credit Suisse needs to screen the names of all potential clients for negative news. Negative News and Name Screening (NNNS) is a key step of the client-onboarding process as it involves checking clients against global databases for negative news related to fraud, anti-money laundering and other risk areas. Front-office and compliance resources (e.g., conducting online searches, manually copying and pasting, performing manual checks) currently perform these checks manually. We have initiated a Process Automation and Robotics project that aims to automate many manual rules-based repetitive tasks that Compliance Officers perform, thus allowing them to focus on more high-value activities that require judgment and expert knowledge (such as the in-depth investigation of cases or alerts by reviewing the collected documentation).

Additionally, there is a strong momentum of robotics-related projects being initiated at Credit Suisse in the Operations domain. Historically, the Operations division has consisted of legacy systems and silos where a substantial amount of work is performed manually and involves paper-based forms. Despite significant improvements in the past to increase processing efficiency, there are still significant opportunities for automation, especially in report production, script automation, product-onboarding and finally making the office truly paperless. In our Swiss Universal Bank, the front-to-back digitalization effort focused on digitizing processes to increase straight-through-processing (STP) with paperless operations, thereby greatly reducing manual handling and improving error rates. The effort is on track to digitize more than a hundred operations processes including online-banking onboarding, client-agreement production, rent deposits, product processing and address changes. The initiative is a significant contributor to the bank's strategic digitization plans. Through the integrated front-to-back digitization program, the Operations division is able to offer an enhanced customer experience while enabling the bank to act on new opportunities for growth.

Within the Finance domain, a robotics project related to Legal Entity Standard Reporting (LESR) focuses on the automation and optimization of processes related to regulatory and MIS reporting. The idea is to optimize sequencing and workload balancing, increase processing speed and arrive at 24-hour uptime. The effort is being implemented as we speak and will benefit all business divisions.

Besides the described projects, we are making headway in using cognitive technologies for advanced automation solutions. One example is an intelligent contact center solution. Such an intelligent contact center will enable a more direct channel for internal and external customers to solve their operational inquiries that does not depend on time or location. It will also provide a more interactive and immediate user experience when communicating with or within the bank whilst improving quality control, thus reducing operational risk. The technology based on supervised machine learning enables efficient information finding, contextualized-information display and the re-direction of this information to the right functional expert, thus allowing our customer service representatives to focus on high-value-adding activities for example issues that require greater context and human interactions to resolve.

What have been the results from the early stages of implementation of digital labor in your organization? To what extent have these met your expected business outcomes?

The initial results were very promising and achieved the expected business outcomes. This resulted in further scaling and industrialization going forward. Of course, we are still in the early stages but we are very excited about the new opportunities being identified.

Which elements of your operating model needed to be tuned to align with the digital labor program?

Currently, it is the business divisions and support functions that are pushing the implementations within their areas. This makes sense because this allows them to ensure that their process expertise is closely linked to the actual delivery and management of the robots. At the same time, the Central IT Strategy & Architecture team are acting as a competence center, focusing on selecting the right solutions for the bank, setting minimum standards and controls and providing support. As we continue to ramp-up digitization and identify additional opportunities, new avenues are being explored to further fine-tune our operating model.

How does Credit Suisse address the topic of governance for digital labor? We have observed that organizations have focused on the change management aspect too; how has Credit Suisse addressed this?

Change is very important in any transformation and running a digitization initiative is no different. Having said this, one thing that needs more attention and consideration is the speed of the change. Robots and other advanced technologies are being implemented at a much faster pace than traditional system transformations. Also, communication with employees is central to this effort. Employees need to be taken on the journey, and we must continuously explain why we are working on such initiatives. Our workforce is the key to our success, and it is important to communicate that all digitization efforts will result in more value-adding, that is, more interesting jobs in the future.

As far as managing digital labor is concerned, a strong governance framework is required to prevent any risks and outages. Just like employees, robots still need supervision and monitoring.

What three pieces of advice would you give to organizations embarking on the digital labor journey?

First, focus on the process rather than on the tool. Pick apart the process from the beginning to its end, re-engineer it and then select the right technologies in consideration of this. Don't forget to look at all the advanced technologies already on the market rather than just limiting yourself to what you already have. Second, establish a small core team of digitization experts that can create the needed awareness across the organization.
Third, go after the low-hanging fruit first. Repetitive tasks are a perfect target, thus freeing up employees to focus on more interesting / value-adding tasks. While doing this, do not forget to talk to your employees. In fact, the approach should be 'communicate, communicate, and communicate' to get all employees on board. You will see: soon you will have the employees themselves demanding digital labor as opposed to the company having to defend it.