Automation: Taking Back Control From Excel and Email Anarchy

If your firm relies on homegrown tools like Excel and email to coordinate tasks, track status and transfer information, your business could be at risk of inefficiencies, or much worse. Here, we explore how business process automation can transform your operating model.

Over the years, we have worked with global organizations ranging from single-family offices to sovereign wealth funds, wealth managers to OCIOs, insurance firms to pension funds, and hedge funds to asset managers. What has been the one constant? Cottage industry solutions, often housed in Excel, attempting to bring efficiency and organization to daily, weekly, or monthly tasks that have been elevated beyond their original intent and become part of the production process. Even more problematic is orchestration and task management by email.

These efforts have all started with the best of intents but become points of risk or failure and are almost invariably undocumented. Equally puzzling to the outside observer is seeing repetitive manual tasks being carried out by highly skilled analysts, detracting from the time that they can spend in their value-add roles. All too often, the analyst team has been reduced to button pressers and data wranglers. Thankfully there are options to tackle these widespread challenges, and with the right tools, the power can be in the hands of business users with only minimal assistance from IT. Enter the world of business process and robotic process automation.

Most of us have heard of robotic process automation (RPA) but may have dismissed it as a technology tool, or something irrelevant to our situation. We would urge us all to take a second look. Let's break down the terminology before diving in. What is the difference between business process automation (BPA) and RPA?

Robotic Process Automation (RPA): RPA was originally introduced by companies handling a lot of data in rules-based tasks across multiple systems and is sometimes described as the automation of 'swivel-chair' type tasks. For our purposes, we can think of it as the automation, from end to end, of a single task. This might include replication of mouse movements and keyboard inputs across one or many programs and is entirely rules-driven.

Business Process Automation (BPA): Sitting at a more strategic level and leveraging the tactical RPA solutions, we have business process automation, also referred to as workflow automation. The key differentiator between RPA and BPA is that BPA can require judgment inputs, collaboration, and decision-making. While both RPA and BPA have automated, rule-driven elements, BPA extends to include team members' input mid-process. This might be through forms, reviews, approvals, decisions, judgment calls, etc. Rather than automating individual components of a larger task, BPA orchestrates the flow of tasks across the activity.

BPA can enhance collaboration, avoid communication breakdowns, and allow a greater degree of transparency and accountability across teams. While BPA is used for the orchestration of activities, it also provides a "window to the process" where you can see where the task is in the flow and pinpoint areas that require attention or cause delays. BPA combined with RPA drives more efficient operations where the sub-tasks like data entry or extraction have been automated. Not only can well-implemented BPA/RPA enhance accuracy, but it can also free up valuable team members and allow them to focus on the activities that their specialized knowledge and skill sets bring to the table.

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BPA's true power comes to light when combining frequent, multi-step tasks across systems and teams to provide reliable results with quicker turnaround times. Let's consider a few of the onboarding activities by an asset management firm for a new client. Some can proceed in parallel, some need to be sequential.

- CRM system information (Client, Contacts, etc.)
- AML/KYC processing
- Contract management
- Mandate requirements
- Document management
- Reporting requirements
- Legal/Compliance review and setup
- Account setup (Trading, Compliance, Accounting, Performance, Reporting, Invoicing, etc.)
- Account funding and reconciliation
- Custodial interfacing
- Performance and Reporting Delivery and validation
- Verification and check-in with client
- Post-live activities

Coordinating the events and approvals across this process is often a series of spreadsheets, emails, checklists, and phone calls that frustrate even the most patient of clients and staff. By applying BPA to these processes, data can be consistently leveraged, and the process streamlined to allow for greater visibility and access – not just to one instance but across multiple parallel onboarding activities. This in turn supplies status to all inflight activities and lets firms respond to bottlenecks in real-time.

As with all technologies, there is the challenge of implementation. Modern BPA offers low-code/no-code platforms, which empower business users to create and maintain solutions. While IT departments or external consultants are often deployed for initial implementation, the long-term ownership should remain with the business. For all benefits, from operational efficiency to cost and risk reduction, RPA and BPA both have some limitations. They need to be deployed against appropriate use cases and not regarded as a silver bullet to solve all challenges. Once in place, there is a need for monitoring and maintenance to make sure the workflow stays on track and determine whether certain tasks require human intervention.

If tools like Excel and email are driving your business workflows with little or no visibility and frustration around where and how tasks are progressing, it is time for a change. RPA and BPA tools continue to advance and provide greater levels of integration, visibility, and ease of use allowing enhanced workflow automation as companies require more complex and scalable solutions. Firms should consider where and how these capabilities are applied. Once implemented, the gains to an organization are significant from the reduction in time spent on task management to an increase in overall firm capabilities.

HOW MERADIA CAN HELP

When it's important to improve efficiency and minimize risk, Meradia brings a comprehensive toolkit to solve business and technology challenges including proven methodologies and skills to:

• Develop an automation proof of concept exercise and plan for broader rollout.
• Identify appropriate vendor partners, tools, and platforms.
• Integrate and transition to production.

Mick Cartwright, CIPM is an Enterprise Data Management and Performance Measurement expert with over 20 years of experience in the asset management industry. As Meradia's Enterprise Data Management practice lead, Mick helps clients challenge the status quo and identify opportunities to transform systems and processes. His background in data governance includes business transformation projects across the front, middle and back office.

Tim Jager leads Meradia's Client Experience practice and helps firms realize the full benefits of optimized operations. With over 30 years of industry experience, Tim excels in aligning business and technology teams to a common purpose. He has a proven history of delivering strategic, transformative projects on time and within budget, including enterprise architecture, data management, data transformation, system design, global trade flow management, post-acquisition integrations, global system conversions, custom design and development and third-party integrations.
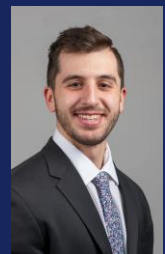
Byron Derti supports Meradia's consulting team through vendor selections, system implementations, and business transformations, among other projects. Byron has a strong background in data analysis as well as Power BI. He helps clients navigate the complicated vendor landscape and identify best-fit solutions.

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