



IDC Research Identifies Key Learnings from 10 Early Adopters of Robotic Process Automation (RPA) in the Asia/Pacific Financial Services

Early Indicators Point to a Reduction of 50% - 90% in Turnaround Time

SINGAPORE, April 19th, 2018 – IDC Financial Insights latest report titled *Robotic Process Automation in Asia/Pacific Financial Services: Key Learnings from 10 Early Adopters* identifies the top early adopters of Robotic Process Automation (RPA) as seen in Asia/ Pacific (excluding Japan) banks and insurance companies. The report highlights a list of financial services institutions (FSIs) such as ANZ Bank, DBS Bank, OCBC Bank, UOB, ICICI Bank, ICICI Lombard, and Prudential Life Assurance; and their early success in adopting Robotic Process Automation (RPA) initiatives. The report also details an early assessment of the benefits and drawbacks of RPA that banking and financial service institutions need to consider ensuring RPA deployments are done right and deliver quickly on their promise.

Michael Araneta, Associate Vice President of IDC Financial Insights Asia/Pacific, says, "Aside from the 10 early adopters, we note of many more implementations at the pilot stage in 2018, with other FSIs fervently waiting to take their first step. We expect continued growth in the next 2–3 years as more institutions appreciate the overall quick-to-realize benefits, more use cases are presented in the market, and better and advanced product propositions are made available by RPA vendors." Apart from cost savings and fast implementation time, these institutions can reduce the turnaround time to complete a process significantly – early indicators point to a reduction of turnaround time by 50% – 90%.

Based on the evaluations of the first deployments, the report also shares the following benchmarks. It also includes a list of the top 30 processes that Asia/Pacific FSIs mostly prefer in their early stages of automation.

- FSIs can achieve costs savings in the range of 30–60%. However, actual numbers would ultimately vary based on the cost base, the market, the business process itself, the investments needed to support RPA, and so forth.
- The implementation time required is also short, usually ranging from six (6) to 12 weeks.
- Based on IDC research, technology buyers can recover their initial RPA investment ("break even") anywhere from 10 months to two (2) years.

Majority of the RPA deployments until now are at the basic level of automation. "The real game changer for FSIs will be the use of cognitive RPA, where cognitive technologies and advanced analytics are combined with RPA. With its ability to deal with data from multiple and disparate sources, cognitive RPA can deliver by designing and launching on-demand, usage-based products that align with current market expectations," says Sneha Kapoor, Senior Research Manager at IDC Asia Pacific.

"IDC Financial Insights expects that 25% of Asia/Pacific banks and insurance companies will deploy cognitive systems for intelligent decision making, increased automation, and improved operational efficiencies, to deliver contextual, personalized, and value-centric customer experience by 2020," adds Kapoor.

Next-generation security will also gain attention, as these systems can monitor activity in real time and capture "bad actor" transactions even if they are outside of the rules-based or heuristic capabilities of other fraud prevention systems.

The Institute for Robotic Process Automation defines RPA as the application of technology that allows employees in a company to configure computer software or a "robot" to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses, and communicating with other digital systems. IDC further defines RPA as a software code that automates and assigns standardized, rules-based, repetitive, and high-volume processes involving several interoperable systems — which were traditionally executed by humans — to a robot. To a certain extent, RPA can be described as human-defined decision making, where rules are created by humans, with these rules determining the triggers, process flows, and activities to complete a business process.

The IDC Perspective: Robotic Process Automation in Asia/Pacific Financial Services: Key Learnings from 10 Early Adopters (AP43545718, February 2018) is part of IDC Financial Insights' report series on automation in financial services. For more information on this report, please contact Michael Araneta maraneta@idc.com, Sneha Kapoor snehakapoor_ext@idc.com or your IDC account manager. For media queries, please contact Tessa Rago trago@idc.com or Alvin Afuang aafuang@idc.com.

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Figure 1



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