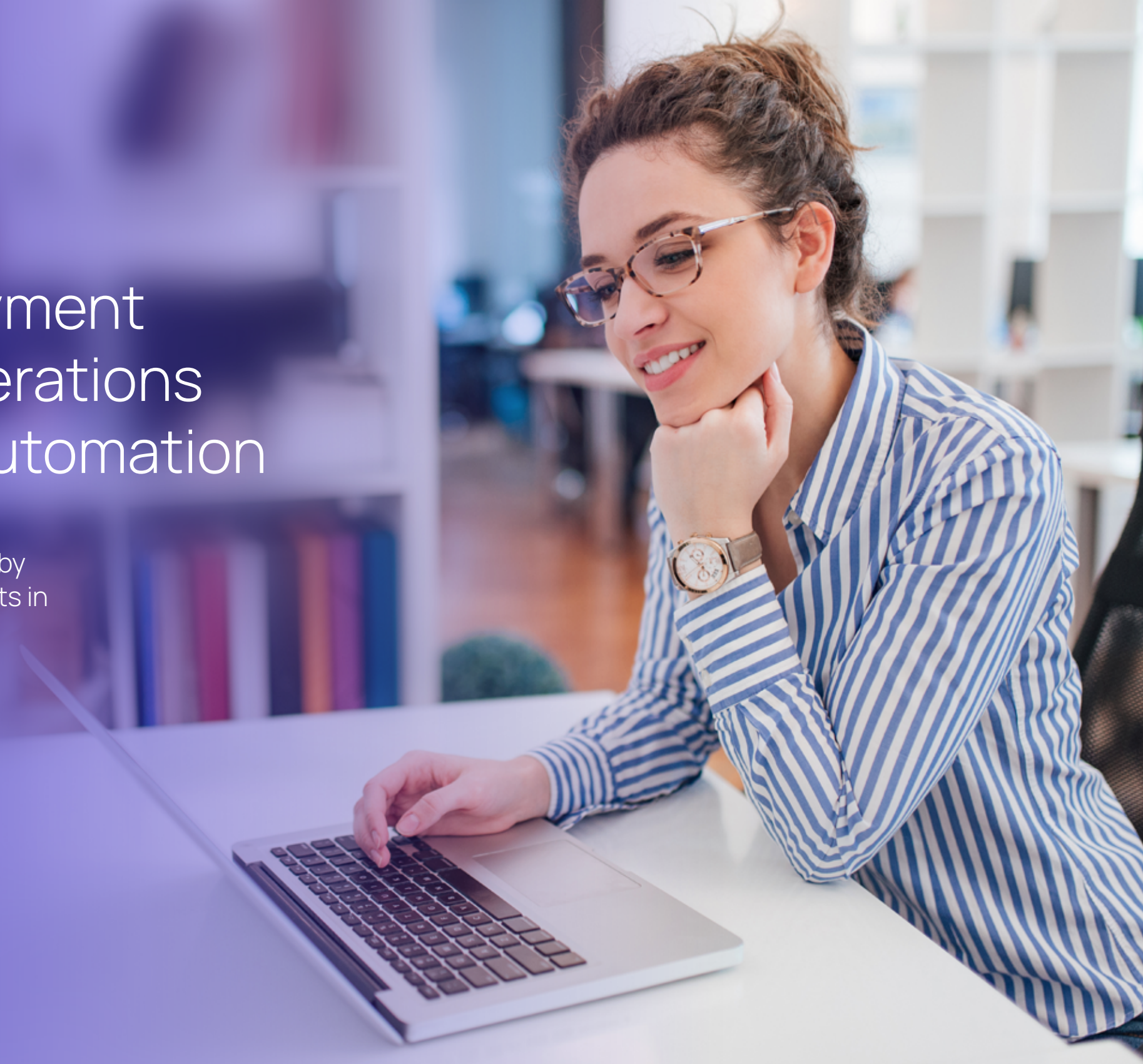


HEXAWARE

Transforming Payment Investigation Operations with Intelligent Automation

How Hexaware enabled day-1 benefits by enhancing efficiency and reducing costs in payment investigation processes

Case study



Client

| Client

Challenge

Solution

Benefits

Summary

Our client is a global bank with a presence in over 150 countries. With financial transactions surpassing \$2.5 trillion and operations across various regional hubs in the Americas, Europe, and Asia Pacific, the bank was keen to explore robotic process automation to make its operations lean and meet performance standards.

\$2.5 trillion+
in financial transactions



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The problem faced by the client

The bank had outsourced its payment investigations operations to a prominent business process services company. While the service delivery had been consistent and in line with contractual obligations, the bank realized that within the conventional financial framework, the service provider had little incentive to proactively innovate for the client's benefit. This reluctance stemmed from the fact that such innovation could lead to losses within the existing high full-time equivalent (FTE)-based pricing model. Consequently, there was minimal emphasis on implementing advanced automation or digitalization of deliverables by the vendor.

The predicament was exacerbated by rising transaction volumes and growing complexities, resulting in a notable surge in processing requirements, time consumption, and associated costs.

This, in turn, had an adverse impact on client relationships, as operational glitches became frequent due to issues like sub-par quality, incomplete documentation, and stringent turnaround time (TAT) adherence.

Furthermore, the existing processes were not optimized adequately, and there was a dearth of an innovative and scalable model to expedite benefits and mitigate risks.

What the client needed

The client's vision was to cultivate strategic advantages that would be crucial for their long-term competitiveness.

They sought to adopt state-of-the-art intelligent automation platforms as part of their technological transformation journey.

Additionally, there was a pressing need for a technology-enabled transformation roadmap within their payment investigations business to gain a competitive edge in the market.

The client faced challenges stemming from **limited innovation** within their outsourced payment investigations operations, exacerbated by rising transaction volumes and operational inefficiencies. They needed to strategically enhance competitiveness through advanced automation, technology transformation, and a more efficient approach in the payment investigations business.



Solution

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The implementation of Hexaware’s digital managed services engagement model transformed the way cross-border payment investigations were carried out. This change resulted in significant and accelerated improvements in cost and efficiency, with Hexaware absorbing the financial risks associated with automation.

Key solution highlights:

Operational redesign was achieved through automation and ‘bot-ification’ of rule-based manual processes. What had previously been a manual operation that required 107 FTEs was transformed into an integrated team of 59 FTEs and 15 bots. Through this approach, Hexaware paved the way for exponential and cost-effective growth by breaking the linear correlation between volume, effort, and cost. Key steps in this redesign are explored in detail below.

Assessment and Planning:

- Conducted a comprehensive assessment of the current operating model.
- Collaborated with the client’s business operations and IT stakeholders to formulate a digital roadmap.
- Established criteria for selecting tasks/processes to automate based on factors like stability, scalability, risks, and complexity.

Standardization and Documentation:

- Standardized and documented processes to identify variations.

Process Optimization and Automation:

- Optimized processes through automation and eliminated non-value-add elements.
- Increased automation progressively while maintaining an optimal man-machine ratio.
- Customized and deployed leading robotic process automation (RPA) platforms and created reusable robotic components.
- Introduced 15 bots as the bank’s inaugural digital workforce in the payment investigations process, ensuring they worked in tandem with human employees.

Staffing and Role Allocation:

- Retained tasks requiring decision-making and judgment-based handling with a slimmed-down team of 59 FTEs.

Change Management and Transition:

- Initiated the digital managed services (DMS) model as the first step towards digital transformation.
- Established a change management control center to coordinate with the client’s change management committee and sponsor.
- Agreed mutually on change management processes and protocols to address transition and implementation challenges, ensuring minimal disruption and optimal outcomes.

The 15 bots performed various activities across diverse processes to modernize the payments investigation operations. Their functions encompassed attaching payment queries, exceptions, and reconciliation attachments, conducting duplication checks, recording case notes, and processing refunds while sending notifications/messages to the client. By doing so, the bots streamlined the operations and transformed manual operations into an efficient, intelligent, automation-driven approach, leading to cost savings.

Based on the results, the client positioned Hexaware as a challenger alongside larger service providers within their partner ecosystem. We have since conducted a thorough analysis of more than 200 processes within the realm of commercial banking. Our recommendations include over 150 ideas for enhancing productivity and efficiency, all fueled by the principles of digital transformation.

Using our proprietary **Digital Managed Service Model**, the client was guaranteed various business benefits, including TCO reduction from day one and a promise to absorb all the risks during the automation journey.

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- Achieved approximately 48% reduction in the total cost of operations (TCO)
- Generated savings of \$7.95 million for the bank through the reduction of 48 FTEs from day 1 of the engagement
- Effectively managed an additional 30% surge in volumes through the implementation of a scalable man-machine model
- Realized an increase of 27% in the team’s daily productivity
- Pioneered the introduction of bots in the global commercial payment and investigation operations
- Fostered a culture centered around customer experience and digital innovation
- Implemented outcome-based pricing for optimal cost-effectiveness

Hexaware’s solutions resulted in **substantial cost reductions and productivity enhancements** and played a pioneering role in integrating bots into global payment and investigation operations. This transformational journey also fostered a customer-centric culture in the client’s operations and drove digital innovation through innovative pricing models.

Optimizing Operations and Efficiencies: Implemented Solutions and Outcomes

Problem Statement	Implemented Solution	Benefit
Overlap of processing steps between the pulling and message-loading teams, leading to duplicated efforts. This was followed by checks for duplication and updating before the process moved to the investigations unit, increasing the average handling time (AHT) by 45 seconds per case.	Both teams were merged to eliminate duplication of work.	A time savings of 45 seconds per case resulted in a monthly total of 200 hours saved. Also, a notable 27% increase in daily team productivity.
Utilizing the snipping tool for capturing and attaching screenshots from various applications extended the processing time by 30 seconds.	The snipping tool was replaced with a ‘copy and paste’ option for faster operations.	Reduced the time spent by 30 seconds per case for 830 eligible files, translating to a monthly savings of 152.16 hours.
A two-step procedure for releasing payments to banks prolonged the cycle time and led to increased rework.	Eliminated the payment posting step to streamline the process.	Realized time savings of 9 minutes per case for 1182 eligible files, resulting in a monthly time savings of 177.3 hours.
Teams frequently engaged in manual follow-ups with respective inquirers.	Enabled a ticker option within the application for automated follow-ups.	Resulted in time savings of 2 minutes per case for 7923 eligible files, equating to a monthly savings of 264.11 hours.
Investigators had to send separate case status emails to inquirers.	Improved efficiency by including the inquirer in email communication.	Saved 2 minutes per case for 5784 eligible files, leading to a monthly time savings of 192.80 hours.
Flawed parsing logic resulted in incorrect autoloading of cases, burdening the investigation team.	Real-time correction of defects improved the process of loading incoming messages into cases.	Reduced the need for 2 full-time equivalents (FTEs).

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Our client, a global bank with extensive international operations, faced challenges in its payment investigations operations due to operational inefficiencies, limited innovation incentives, and a lack of optimized processes. The bank sought strategic advantages to boost its competitiveness.

Hexaware's implementation of a digital managed services engagement model led to a paradigm shift in the bank's payment investigations. Through a meticulous process, we streamlined operations by automating tasks, integrating bots, and optimizing processes. This significantly reduced costs and enhanced efficiency, breaking the linear correlation between volume, effort, and cost. The result was a streamlined, customer-centric operation poised for exponential growth.

Key business benefits were achieved, including a remarkable 48% reduction in total operating costs and \$7.95 million in savings from the elimination of 48 FTEs. Additionally, the implementation of a scalable man-machine model allowed the bank to handle increased volumes effectively. The integration of bots marked an industry first, while a culture of customer experience and digital innovation was fostered. Through outcome-based pricing, Hexaware demonstrated a commitment to optimal cost-effectiveness. Overall, the bank's transformation through Hexaware's innovative solutions established it as a strong challenger in the global marketplace.

Hexaware transformed the manual operations of the payment investigations function for a Fortune 50 global bank into a collaborative man-machine model. This innovative approach **increased agility, effectively addressed cost concerns, and elevated customer experience using intelligent automation.** Consequently, the bank was equipped to scale its payment investigations operations more efficiently and compete in a digitally demanding marketplace.

About Hexaware

Hexaware is a global technology and business process services company. Our 27,000 Hexawarians wake up every day with a singular purpose; to create smiles through great people and technology. With this purpose gaining momentum, we are well on our way to realizing our vision of being the most loved digital transformation partner in the world. We also seek to protect the planet and build a better tomorrow for our customers, employees, partners, investors, and the communities in which we operate.

With 40+ offices in 19 countries, we empower enterprises worldwide to realize digital transformation at scale and speed by partnering with them to build, transform, run, and optimize their technology and business processes.

Learn more about Hexaware at www.hexaware.com.

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