



Budapest 19 - 21 October 2016

Brave New World for Finance?
Low Interest Rates · Regulation · Capital Markets Union

DIGITIZATION NEEDS AUTOMATION EXPERIENCE AND PROFITABILITY

Dr. Joachim Degel, Budapest, October 20th 2016

PROCESS DEFINES SOLUTIONS. BGK.

AGENDA



- ▶ BGK. Who we are.
- ▶ Challenges for the financial industry.
- ▶ Digitization. In a nutshell.
- ▶ Automation and its fundamental role in digitization.
- ▶ Experiences. Live insight and “do’s and don’ts”.
- ▶ Profitability. Impact on costs.

BGK. WHO WE ARE.

BGK advises on and provides solutions for the processes and IT systems of the European financial service industry for over 20 years.



BGK. BETTER LESS.

The most things get better when they reduced to their essentials. This is also true for IT and processes in the financial service industry.

Simplification and standardization from BGK helps to focus on the basics – and the future.



CHALLENGES FOR THE FINANCIAL INDUSTRY

Competition.
New players
with different
rules.

Revenues.
The business
model is under
attack.

Bermuda triangle:

Different challenges – same
result: Some will disappear

Regulation.
Being a bank/
building society
gets expensive.

CHALLENGES FOR THE FINANCIAL INDUSTRY



Future: sine qua non

Drop costs by implementing industrial processes.

Increase market quality by delivering customer oriented services and products.

Obey regulatory guidelines by implementing technical rules.

Digitization: Bridging the gap.

Deliver customer oriented products with less costs and in line with regulation.

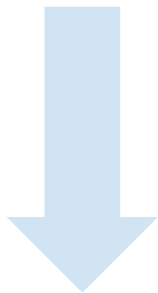
DIGITIZATION. IN A NUTSHELL

Let's go for a definition of digitization.

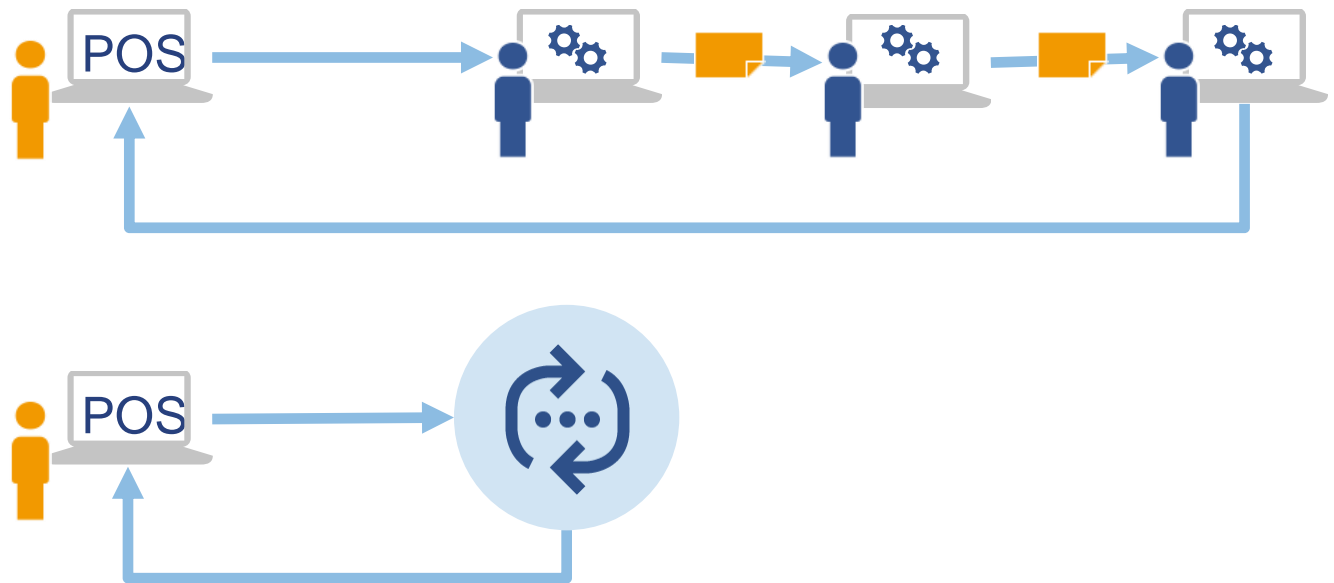


„Digitization represents the transformation of analogous values into digital data, which can be processed by a computer (e.g. robot).”

Analogous process



Digital process

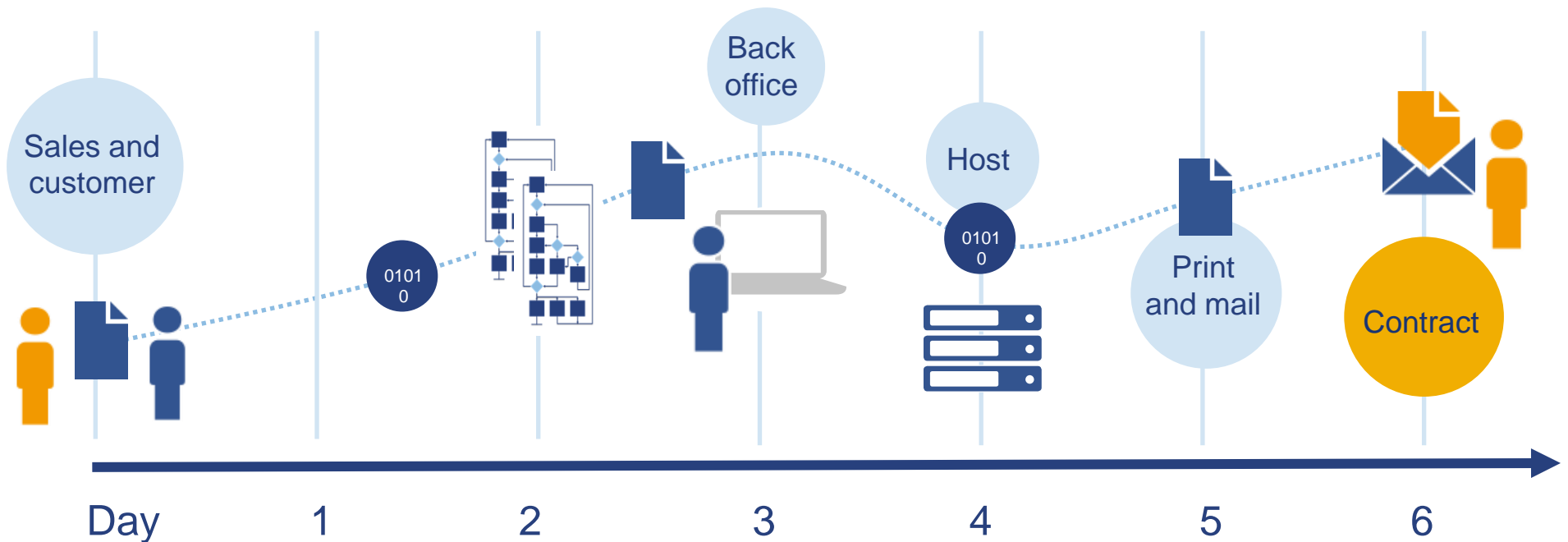


From hands-on to digitized processes.

AUTOMATION AND ITS FUNDAMENTAL ROLE IN DIGITIZATION

The “old school” process is a mix of different ways to deliver inputs and communicate: Online, hands-on, paper, etc..

Problem: It takes days to complete the process and costs lot of resources.

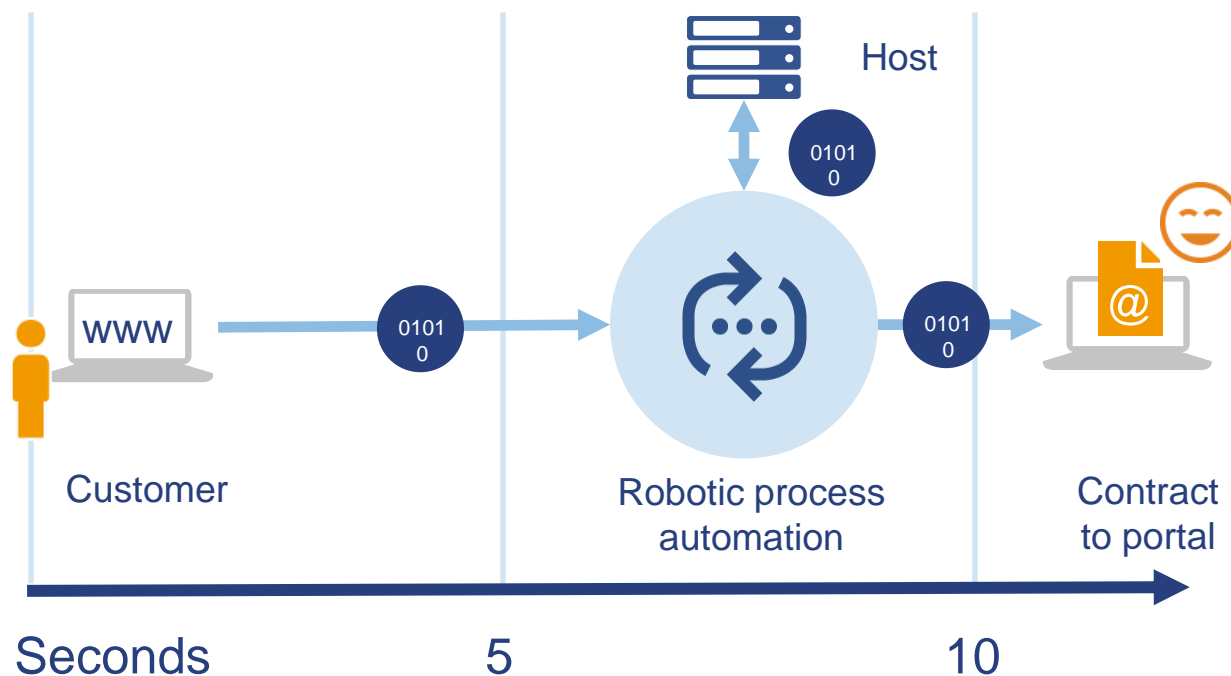


From POS to contracting: 6 days.

AUTOMATION AND ITS FUNDAMENTAL ROLE IN DIGITIZATION

A digital end-to-end process works with electronic inputs and electronic communication only.

Benefit: It takes seconds and a minimum of resources, because a robot can fulfil all tasks.



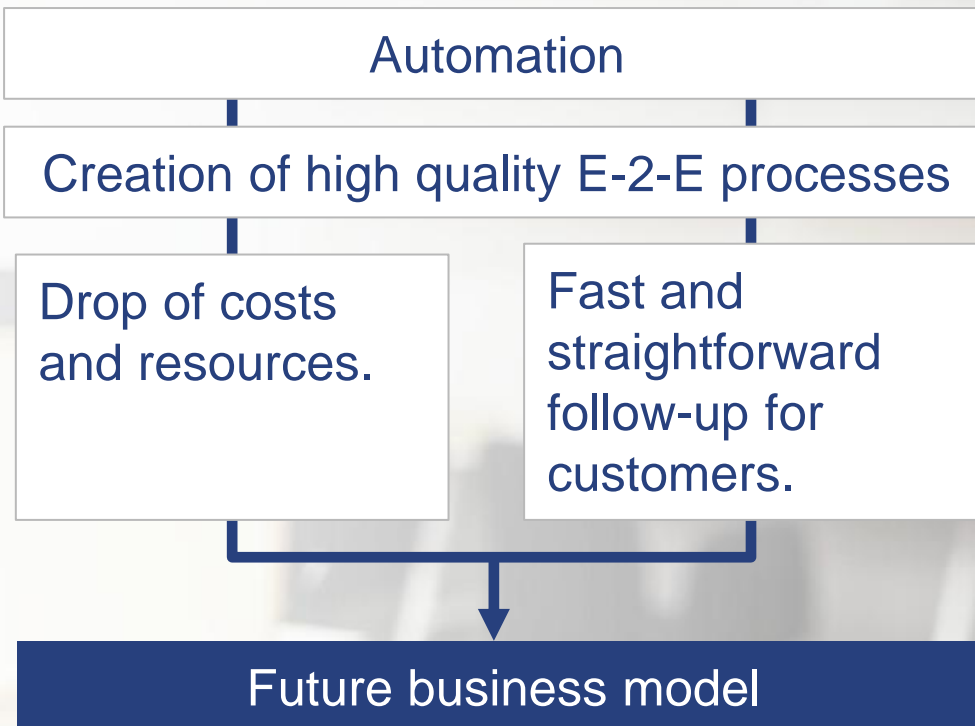
RPA – Robotic Process Automation:

- Almost everything a human can do is done by a robot.
- Decisions are made within a rule set to high quality standards and inline with regulation.

From POS to contracting: 11 seconds

AUTOMATION AND ITS FUNDAMENTAL ROLE IN DIGITIZATION

Automated processes are fundamental to digitized business models, because they are the only way to deliver high quality and resource friendly end-to-end solutions.



EXPERIENCES.

First of all: Automation works out!

Fundamenta 
Lakáskassza *Alap, amelyre építhet*

E-2-E advisory and
acquisition of building
saving contracts



Eine Auszeichnung von geldinstitute
in Zusammenarbeit mit dem ProcessLab der
Frankfurt School of Finance & Management

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 **wüstenrot
württembergische**

E-2-E blank loan including
automated pay-out.



Eine Auszeichnung von geldinstitute
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EXPERIENCES.

Credit register: The “hands-on” process done manually.

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13.03.2015 12:08:23 Aufgerufene URL: https://csvirtel-itu.ww-intern.de:41222/w2h/API3270.xml+BGKNS0?USER=UN7RRM&PASSWORD=XXX&APPL=BOST7IM
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5 min.

EXPERIENCES.

Credit register: The same process done by a robot.

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13.03.2015 12:08:23 Aufgerufene URL: https://csvirtel-itu.ww-intern.de:41222/w2h/API3270.xml+BGKNSO?USER=UN7RRM&PASSWORD=XXX&APPL=BOST7IM
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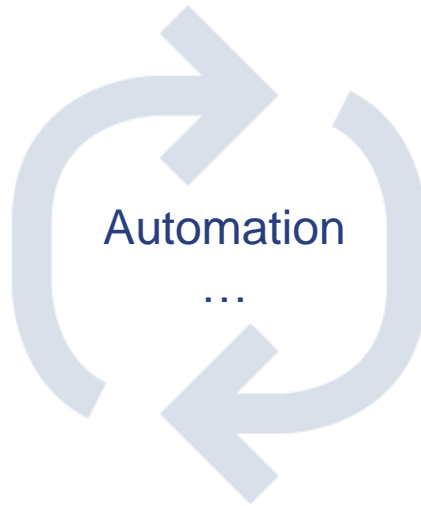


1 sec.

EXPERIENCES

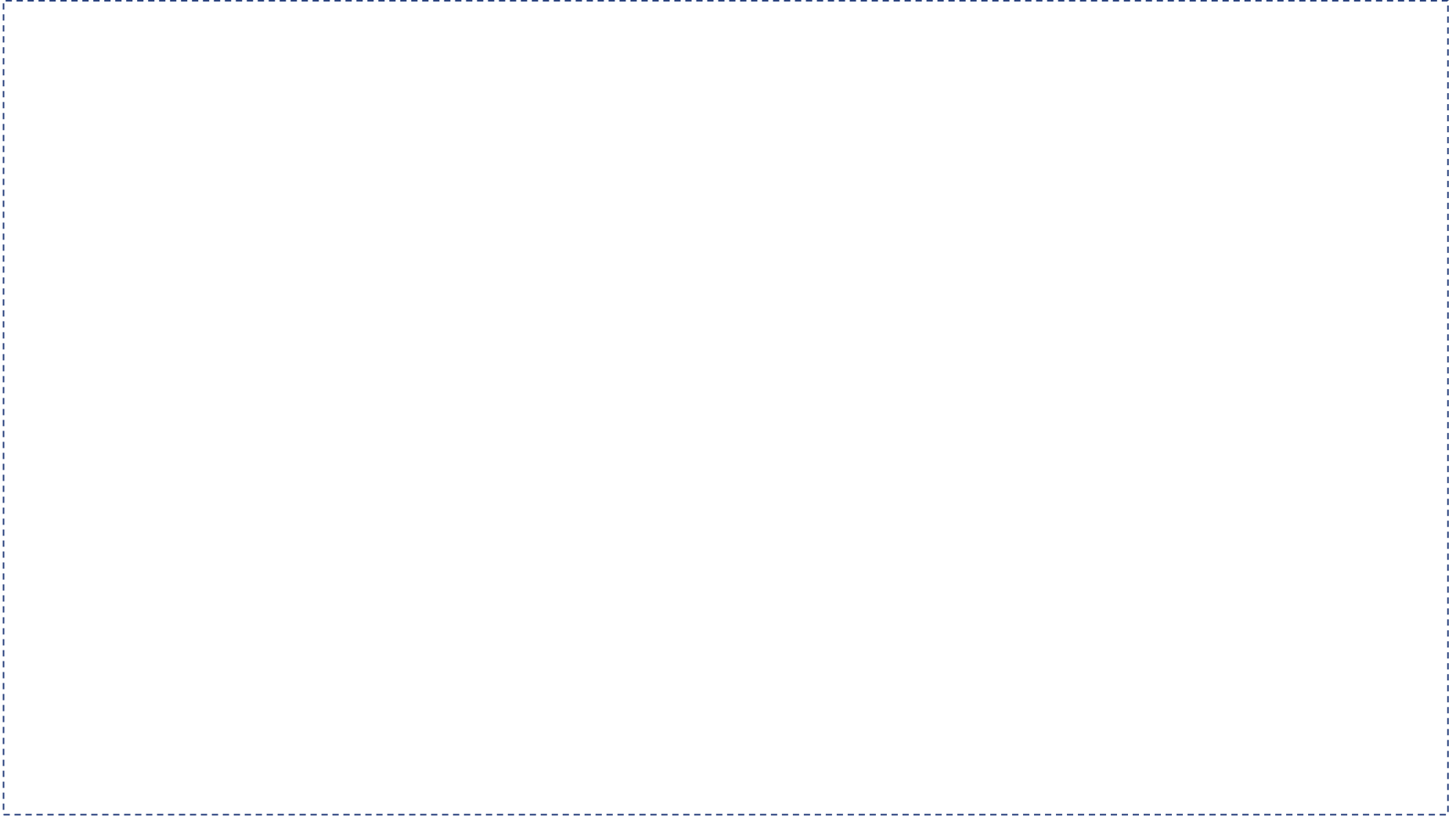


- ▶ ...works with every back-end system, even with legacy systems.
- ▶ ...can be implemented very fast and within months.
- ▶ ...changes processes from POS to back-office significantly and boosts profitability.



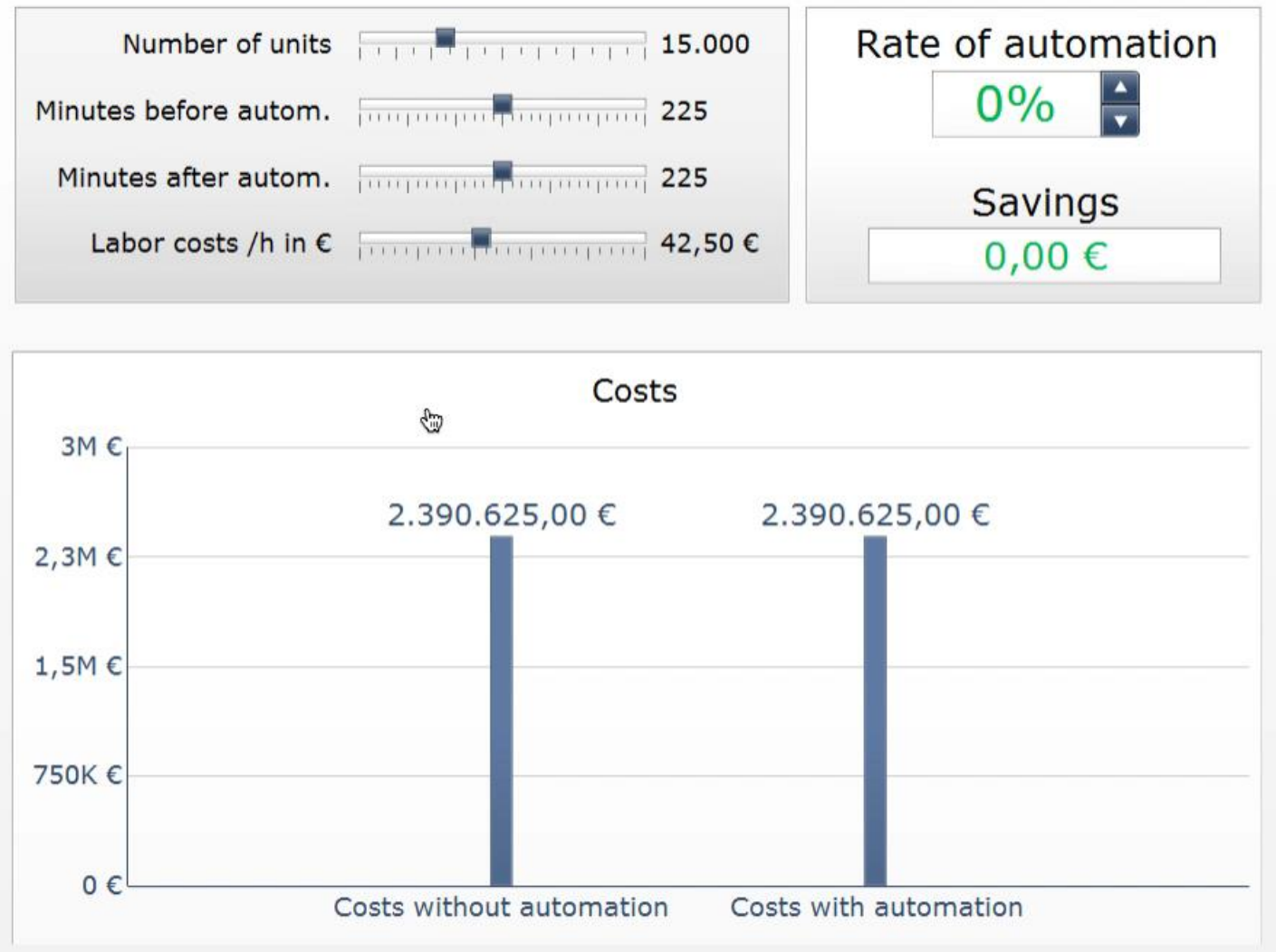
- ▶ ...must not be integrated in core-systems – it gets way to complex and expensive.
- ▶ ...will not efficiently work with edge cases – focussing on 90% of the business is the target.

EXPERIENCES



PROFITABILITY

Automation allows quick and significant cost drops – even if the processes are not totally automated.





THANK YOU!

PROCESS DEFINES SOLUTIONS. BGK.