Quick Q&A

ON INTELLIGENT DOCUMENT PROCESSING

with Cheryl Chiodi

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BAI POWERING SMART DECISIONS.

Entire treasure troves of valuable customer information, both digital and paper, remain trapped in everything from metal filing cabinets to social media posts. The data in those documents has enormous potential. It could help protect a financial institution from fraud or enable it to personalize its product and service offerings. But new methods, including intelligent document processing (IDP), are extricating trapped data. It's a development that heartens Cheryl Chiodi who works closely with financial institutions to overcome their content and process challenges. She is an author and speaker on financial services trends, delivering keynotes at industry events including MoneyLive, Transform Finance, and others for the Wall Street Technology Association, the International Quality and Productivity Center and the Taiwan Academy of Banking and Finance.

1 How much of a financial institution's data is trapped in unstructured formats like email, contracts, social media posts, PDFs and images?

Some reports indicate as much as 80% of a financial institution's data is unstructured. That number is growing at a staggering rate – perhaps by as much as 55 to 65% a year. Because unstructured data comes in so many different formats like audio, video, email correspondences, social media postings, photos, images and more, financial institutions can easily become overwhelmed by the amount of unstructured data they have.

2 What's the problem with keeping data stored on paper documents?

Paper is hard to secure, making it vulnerable to security breaches. Think of the nightmarish images of Post-it notes stuck on employees' monitors, perhaps containing account numbers, passwords or even Social Security numbers. When data is stored on paper, it's not searchable or cross-referenceable, making it almost impossible to act upon. Manual documents pose a high risk for banks because they can include omission errors and errors of inclusion. Paper is also susceptible to natural disasters like fires and floods, as well as nefarious human activity like theft or sabotage. However, IDP allows banks to systematically focus on residual risk exposures by improving document processing, accuracy and speed while significantly reducing human error.

3 Personalization is banking's Holy Grail. But what's keeping the industry from achieving its quest?

Personalization is incredibly important in banking, which aims to deliver valuable services and products based on a customer's experiences with the financial institution. It's based on insights derived from the customer's historical data that's used to provide a host of services that affect customers' financial future.

When banks move from being product-focused to being customer-focused, they build the value of their offering and ultimately their brand. They're no longer at risk of commoditization. They delight their customers, transforming them into loyal advocates. Personalization relies on the ability to use data and analytics to drive all engagement with the customer.

But what's holding it back are the historic issues of legacy data and siloed data residing in disjointed systems. That challenges financial institutions to create personalized offerings and communicate consistently across every channel. The goal of personalization is ensuring that customers only receive offers suited for their specific needs in the channel they prefer.

4 How can IDP help risk officers meet Know Your Customer (KYC) requirements designed to ensure the accuracy of customer accounts?

KYC improvements can only be made when financial institutions have a clear understanding of their current processes. They must first address how and where interactions engage processes and use suspicious content. Once understood, financial institutions can monitor, alert and predict outcomes to reduce compliance risk. IDP can establish the authenticity of documents from the moment they enter the workflow, enabling banks to identify and understand their clients' identities, beneficiaries and business relationships. That reduces business risk by avoiding illicit transactions.

With IDP, financial institutions can reduce costs and errors from manual data entry and inaccurate capture tools. That simultaneously improves operational excellence and the customer experience.

5 What role does AI play in content intelligence?

AI is critical to understanding documents. With AI, financial institutions gain access in a fast and simple way to data that was historically locked in content. AI can make existing processes smarter by delivering cognitive skills that read, understand and extract insights from documents. This has been particularly true in the past 18 to 19 months amid the pandemic that has forced many financial services employees to work remotely. And that has exposed certain limitations of robotic process automation (RPA) technology, prompting financial institutions to think of new ways to accomplish previously manual processes. It's also put more pressure on intelligent automation to create transformative business value.

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