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Robotic Process Automation & Regulatory Compliance

Does RPA Replace Traditional Automation?

The market, and the marketing, is full of excitement about new technologies. Buzzwords such AI, Machine Learning and Robotic Process Automation (RPA) are becoming ubiquitous, but exactly how they will improve processes and free your business in areas as risk management and compliance isn't always clear.

To be sure, these technologies offer great opportunities to eliminate repetitive tasks or automate many decisions that currently rely on human intuition, but when and how to deploy them against business challenges can be confusing. Today, we will consider Robotic Process Automation for compliance and how it differs from traditional automation.

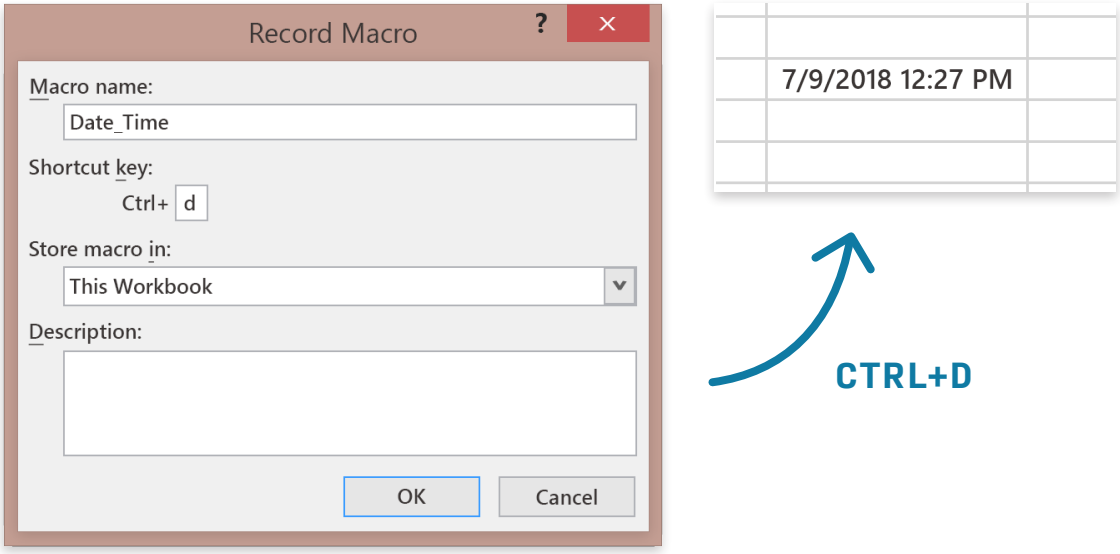
Is RPA like a Macro?

RPA is the synthetic replication of a repeatable task that would typically be completed by a real person. This is a comparable concept to the macros often used in popular software applications such as spreadsheets and in legacy AS400 systems to repeat a series of keystrokes, but with important differences. Macros can often be recorded by a proficient user, but sometimes a small amount of programming is required.

For example

In MS Excel, we can create a simple macro to populate a cell with the date/time in text format. We do this by "recording" the keystrokes [ctrl+;], [space], [ctrl+shift+;], moving the cursor and placing a ['] in front of the result to convert the numerical values to text, then pressing [enter]. By assigning this macro to a shortcut key, the human effort is now reduced from 5 keystrokes to one.

However, if we want this macro to run automatically when something happens (for example when changing another cell) instead of when we click [ctrl+d] then we need to write a short subroutine in the visual basic code behind the spreadsheet.



Macros are helpful, but have some limitations

1. Without some coding skills, they can only provide limited automation
2. They are recorded and created differently according to the syntax of the application
3. They can only operate in one application

RPA solves the limitations of Macros

As robots are essentially synthetic users, mimicking a human and even having their own unique user IDs, they can be trained to replicate tasks exactly as a person might, including copy/paste actions and moving across multiple applications. RPA is also, once the robot is installed, trained entirely through a user interface – no coding required.

So now if we want to automate a task, we just need a human user to train the robot to copy their actions.

For example
A customer of a large bank calls in to change their address. The bank stores customer information, including addresses, in a web-based CRM in an AS400 system for bank accounts, another AS400 system for credit card accounts, an internally built case manager for customer service and in a separate database used to power the on-line banking application. The customer has three accounts and one credit card.

A customer service agent would potentially need to open several applications for 4 different accounts and make the edit to change the address. We can imagine that this has two problems

1. Time taken and;
2. Opportunity for error in either missing one of the databases or in making a keying error so that not all the addresses are identical.

Once trained, an RPA robot can replicate these actions without error, and in a fraction of the time that a human could.

Can I use RPA for KYC and AML?

With the potential to replicate the manual tasks completed by humans, RPA offers lots of easy ways to streamline KYC. Potential use cases include:

- Copying a client's name and other details from one system, completing data entry into a KYC workflow to creating a new KYC investigation
- Opening a website, executing a search and copying the results into a KYC workflow
- Opening the user interface of compliance point solutions, recreating the search that a user might execute and copying the results back into a KYC workflow
- Capturing documents, screen shots and attaching them to investigations
- Capturing account and transaction details from core banking systems, copying these over to a case management application for potential SAR investigation and filing.

On the surface, RPA could be an easier approach than using the range of REST, JSON, XML and other well- developed API integration technologies. However, as is often the case with technology, the real answer lies not on the surface, but underneath qualifying factors.

Strengths of RPA

REPLACES TEDIOUS, TIME-CONSUMING MANUAL TASKS

Many internal systems do not lend themselves to API integration

- AS400 systems
- Legacy back office solutions for account management
- Legacy case management and workflow solutions

When direct integration is not an options, RPA can automate the opening, search, retrieval or updating of information in these systems as robots can replicate the tedious, time consuming tasks often done much more slowly by an analyst or agent.

RPA IS TIRELESS AND WORKS 24/7 TO EXECUTE TASKS

Unlike people, who get tired, irritable and make mistakes, robots can work around the clock to execute repetitive tasks that don't require thinking and follow basic, pre-defined rules. For example:

- When "Chatbots" interact with Customers online, they receive specific requests, execute queries and return specific information – no tone of voice required. So "what's the balance of my checking account" will always return the balance of your checking account – no mistakes, no transposed account numbers and "no 5 minutes until my shift is over" lack of enthusiasm.

RPA IS NON-INTRUSIVE/NOT INTEGRATED WITH EXISTING TECHNOLOGY

It does not require any changes to the applications being automated, it is simply taught through a GUI and then repeats the tasks. To the applications being accessed, the robot does not appear any differently than a real person

- Once robots are installed, the person training them does not need to know any code – they just use a user interface to train their robot.

RPA IS GREAT AT AUTOMATING ROUTINE TASKS

- People dislike mundane tasks, making it difficult to hire or retain people in roles with a great deal of this activity
- For a straightforward task such as copying a new address from one system, where the data is always in the same place, to another where the data always goes to the same place, RPA is fast, accurate and complete. It doesn't miss a step or make keying errors

Limitations of RPA

Unlike API solutions, RPA is not a data integration

- RPA cannot read unstructured data; it can copy it but other technologies are then required to convert this to data. APIs are written to exchange data, documents or both and can also handle the parsing of data attributes to the correct fields in the receiving application.

RPA is not bi-directional

- An API can "poll" another system or data source to ask if new or updated data exists, then pull that data into a process if necessary. RPA cannot ask a question and then decide, it can only follow pre-defined rules to replicate tasks.

RPA cannot make choices

- In KYC research, analysts will often need to decide which content to select and which to discard. For example, a news search will often yield hundreds of articles. An API can be programmed to bring back those with the highest "score" only, while a robot cannot select – it can only repeat the copying and import for each article.
- Identity data is even more challenging. Consider a search of a business registry or a commercial data provider for a business with a relatively common name. There will likely be many candidates that somewhat match, but only one will be the correct record. This selection is typically done with a "match score" or probability. RPA cannot select based on a match score.

RPA does not work at the speed of data

- API technologies link systems directly, transmitting vast quantities of data in seconds or less. RPA always mimicks the interaction of an individual user, so just like a human, one robot can only execute one transaction at a time. It is therefore also limited to the speed of the web site/application interface.

RPA is... a robot

- Which is often prohibited by web sites and publishers in their T&C's and who often go to increasingly creative lengths to add techniques such as captcha and image recognition to make sure the user is a real person with cognitive capability. Robots also tend to handle pop-up and dialogue boxes poorly, as they require a decision and response.
- Many publishers and registries have a "Paywall" where the user must login and either use a credit card, a stored payment or access a pre-paid balance to obtain documents. This is especially common at publishers and business registries.
- Web sites, external point solutions and other applications change with some frequency, whether the changes are minor or involve complete revision of the way the user interface behaves, these will cause the robot to fail and need to be re-taught.
- Web sites are all different, so the robot must be trained for each unique site or application that it will be required to search.

So what is the best approach to KYC and Compliance?

The answer in this case is simple – it depends on systems and sources required, and most likely, the best KYC workflow solution will incorporate both integration and robotic technologies – as well as human insight.

	ROBOT	API
Follow basic, static rules	✓	✓
Automate update of legacy internal systems	✓	×
Automate retrieval of documents from static systems	✓	×
Replicate manual, mundane tasks that change little	✓	✓
Execute one activity at a time	✓	✓
Execute thousands or activities simultaneously	×	✓
Obtain and copy documents	✓	✓
Obtain data	×	✓
Ask for updates	×	✓
Make decisions on information received	×	✓
Keep data synchronized across systems	×	✓
Collect data from sources with API options	×	✓
Collect data from web sites with Captcha or other	×	✓
Collect data from sites with "paywall"	×	✓

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