

The Deloitte logo is positioned in the top left corner. It consists of the word "Deloitte" in a white, sans-serif font, followed by a small green dot. The background of the entire slide is a dark blue, textured pattern of hexagons that recede into the distance, creating a sense of depth and digital connectivity.

Deloitte.

Salone dei Pagamenti 2020

Hyper Digitalization of Payment Processes

Milan, 5 November 2020

Who we are



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Manager

servicenow.

Agenda

— **Background**

— **Application**

— **Q&A**

Why are we talking about Hyper digitalization of Payment Processes?



INCREASING COMPLEXITY

(big data, complex ecosystems with fintech, ...)



REGULATORY CONSTRAINTS

(holistic view of transactions)



PERFORMANCE MEASUREMENT

(Post Covid processes monitoring)



DECREASING MARGINS

(need to optimize underlying processes)

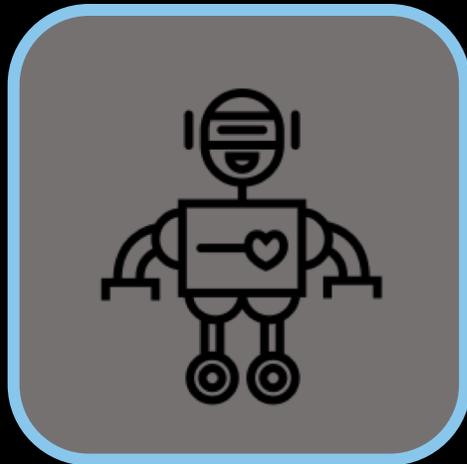


CUSTOMER NEEDS

(frictionless and 24/7 digital requests)

How is Deloitte facing these market trends?

**INTELLIGENT
PROCESS
AUTOMATION**



**DIGITAL PROCESS
MANAGEMENT**



Top independent research firms defines Deloitte as the market leader in Intelligent Process Automation

40%
Insurance



more than **350**
Automated Processes
in the Italian Financial Industry



60% Banking &
Wealth
Management

- Explore (Process selection)
- Deliver (E2E automation)
- Run (Application Maintenance)
- Bot reselling
- Training

E2E
support



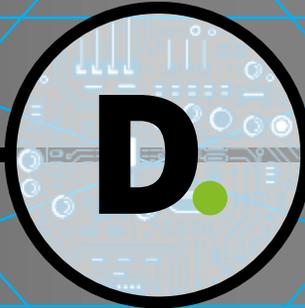
20 Financial Services
Clients



Deloitte
Global
Network



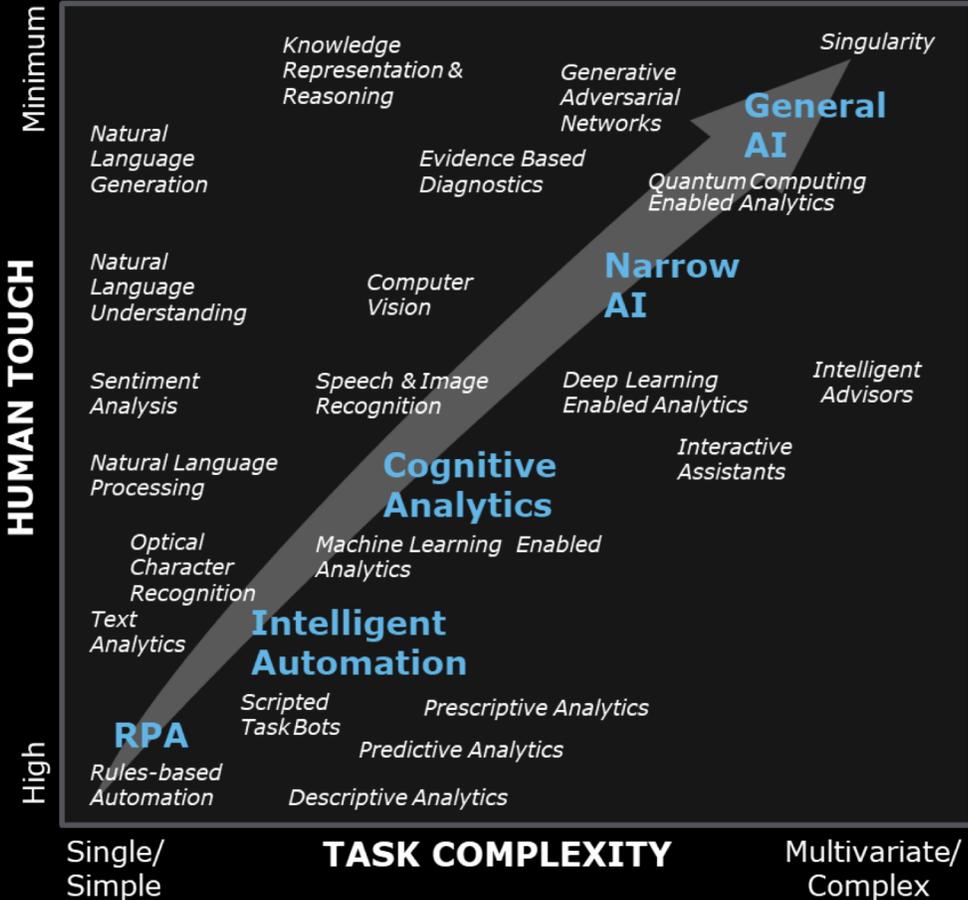
Partner of a leading
banking client with more than
100 automated processes



Trusted relationship with innovative and technological partners

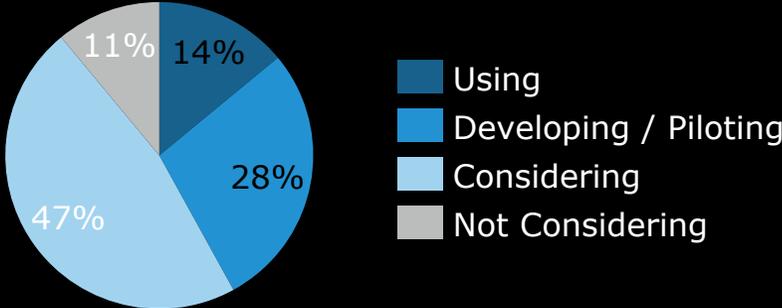


Companies are moving from solutions based on pure RPA to Intelligent Automation (IA) and Cognitive Analytics in order to overcome market challenges



Different players are starting to use Cognitive Solutions integrated with Robotic Process Automation

% of FS Players using cognitive software(*)



The introduction of **Cognitive capabilities** is a **fundamental enabler for scaling automation**: It allows to extend the automation to e2e processes that are not strictly rule based

The **adoption** of an **Intelligent Automation Platform** comprehensive of **different modules** (eg. RPA, NLP, Intelligent OCR, Digital Discovery tool, Task Manager tool) is **fundamental** in order to **scale up** the **Organization's automation journey**

Companies take several advantages from automating processes combining AI and RPA within Intelligent Process Automation Wave

The **Intelligent Automation** facilitates and simplifies the way of work, bringing additional benefits in the organization

From **RPA**....



Speed of processing

Robots can process transactions at a much **faster pace** than humans can



Improved accuracy and flexibility

Automation can significantly **reduce errors** otherwise introduced by manual effort and can facilitate the management of peaks and valleys



High availability

Robots are available for work 24/7 and there is no absenteeism



Shorter payback

Benefits start flowing within a short period of time from deployment. Payback is typically less than a year

...to **Intelligent Automation** benefits



Making process more efficient

Optimize the efficiency of a process or function – for example preventing fraud, identifying defective products or personalizing advertising placement



Improving Data quality and decision making

Trust the liability of decisions and actions made by Artificial Intelligence systems to improve business performance



Enhancing existing products and services

Take advantage of the possibility of obtaining valuable insights from the abundance of data to improve performance of existing products and services



Making employees more productive

Enhance the ability of individuals to accomplish tasks or enable them to do something they typical could not – as forecasting demand or drawing out new customer insights

Within payment industry Deloitte has already implemented specific automations

Process	Description	Main Achievements
Charge Back	The robot collects from systems all fraud cases for which is possible to open a charge back request filling automatically the scheme form	<ul style="list-style-type: none">- High Fte saving- 96% of cases managed by the robot
Fraud Management	The robot collects all the required information in order to manage the dispute and after processing activities performed by the user proceeds to the dispute closure on systems	<ul style="list-style-type: none">- Process speed up 2X- Increased user experience
Card Block	The robot is engaged through different channels in order to apply card blocks required by banks that is raised after a litigation	<ul style="list-style-type: none">- Fully automated process- Cases management within one hour
Servicing Fraud Management	The robot collects the cases and dispatch them to the dispute team user. At the end of the day the robot proceed to the case closure on systems	<ul style="list-style-type: none">- Increased user experience- Direct interfacing with external systems
Plafond Increase	The robot collects all the information received via e-mail from clients and according to specific deterministic rules proceed to the plafond increase or not	<ul style="list-style-type: none">- Fully automated process- Cases management within one hour

Lesson learned from our experience



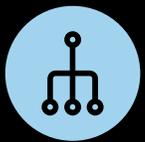
Have a clear and focused **Intelligent Process Automation strategy** **acknowledged** by **all levels** and, moreover, have a **strong commitment** of the **top management**



Managing stakeholders expectations, because **Intelligent Automation** solutions (eg. Machine learning, Algorithm continuous improvement) needs more **fine tuning after Go-Live** compared to **Pure RPA** solutions



Bring a **cultural change** creating a **new mindset** where a **digital workforce** can **supports business processes** when needed



Intelligent Automation projects must have a strong **cooperation** between **Business** and **IT**, in order to have a **clear guidance on processes** and an **appropriate skill mix**



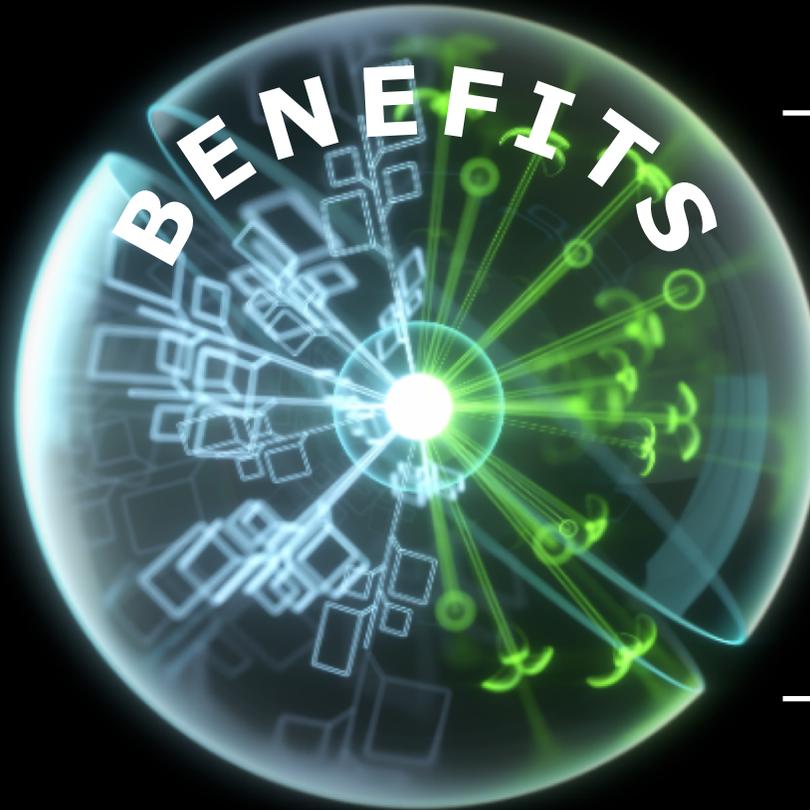
Pure RPA software can easily interact with old legacy systems but in order to enable Intelligent Automation adoption inside the organization it's important to **evaluate** also the **readiness of IT infrastructures**



Digital Process Management | Respond to market changes in the best possible way

WHAT IS IT

DPM tools are used for automation, measurement and optimization of business processes; they use workflow and collaboration to provide meaningful metrics to business leaders.



EFFICIENCY

DATA EXPLOITATION

SECURITY

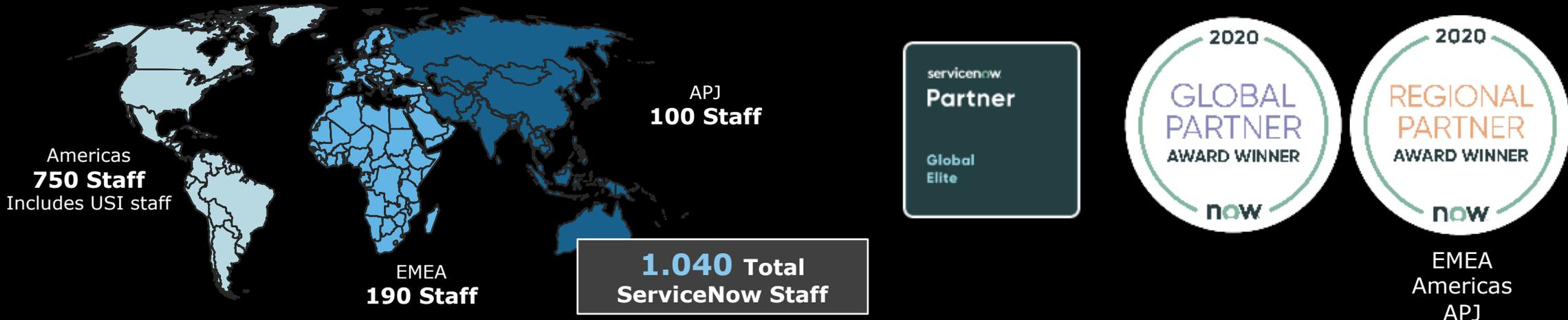
TRACKING

Deloitte on ServiceNow... at a glance

Deloitte is recognized for delivering high quality and innovative projects on ServiceNow

DELOITTE'S ServiceNow PRACTICE

- **Global Elite partner**, maximum partnership level
- **Over +940 CIS Certifications**, focused on ITSM, ITBM, CSM, HRSD, GRC/IRM, ...
- **Customer Satisfaction Score 4.59 out of 5**
- **5 ServiceNow Partner Awards** for demonstrating overall excellence in delivering a transformational solution that enabled significant client business value



Your trusted, strategic partner

Gartner

A leader in:*

- 2020 Magic Quadrant for Enterprise Low-Code Application Platforms
- 2020 Magic Quadrant for the CRM Customer Engagement Center
- 2020 Magic Quadrant for IT Service Management Tools
- 2020 Magic Quadrant for Software Asset Management Tools
- 2020 Magic Quadrant for IT Risk Management
- 2020 Magic Quadrant for IT Vendor Risk Management Tools

FORRESTER®

A leader in:

- The Forrester Wave™: Value Stream Management Solutions, Q3 2020
- The Forrester Wave™: Governance, Risk, and Compliance Platforms, Q1 2020
- The Forrester Wave™: Enterprise Service Management, Q4 2019

Our customers⁽¹⁾

~80%

of Fortune 500

97%

Renewal rate



94% of employees say this is a great place to work



~\$3.5 Billion⁽²⁾

(1) As of Q4 2019

(2) FY19 total revenue reported on January 29, 2020



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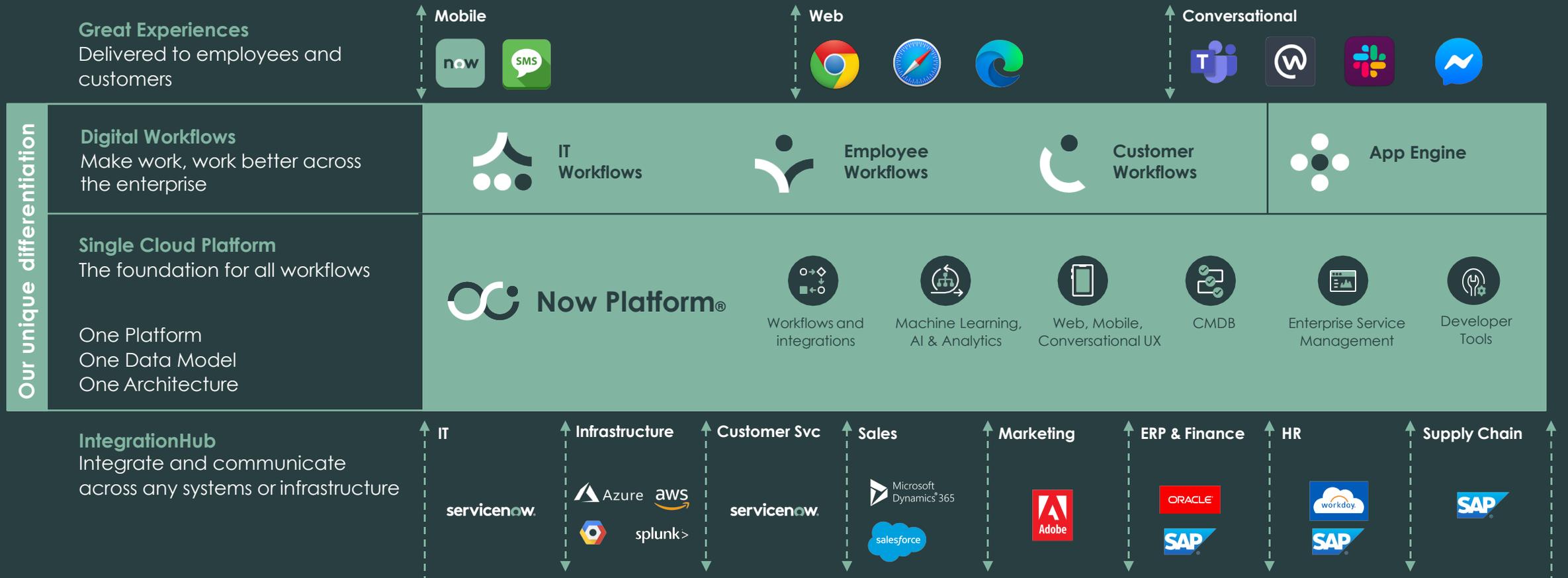
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*Sources: Gartner, Magic Quadrant for Enterprise Low-Code Application Platforms, Paul Vincent, Yefim Natis, Kimihiko Iijima, Jason Wong, Saikat Ray, Akash Jain, Arjun Leow, September 30, 2020; Gartner, Magic Quadrant for the CRM Customer Engagement Center, Brian Manusama, Nadine LeBlanc, June 4, 2020; Gartner, Magic Quadrant for IT Service Management Tools, Rich Doherty, Keith Ardes, Mark Cleary, October 6, 2020; Gartner, Magic Quadrant for Software Asset Management Tools, Ryan Sletani, July 23, 2020; Gartner, Magic Quadrant for IT Risk Management, Krishnu Prasad, Brent Fredovich, Claude Mondy, August 11, 2020; Gartner, Magic Quadrant for IT Vendor Risk Management Tools, Joanne Spencer, Edward Weinstein, August 24, 2020; The Forrester Wave™: Value Stream Management Solutions, Q3 2020, Christopher Condo, July 15, 2020; The Forrester Wave™: Governance, Risk, and Compliance Platforms, Q1 2020, Alla Valente and Renee Murphy, March 9, 2020; The Forrester Wave™: Enterprise Service Management, Q4 2019, Forrester Research, Inc., Charlie Betz, William McKeon-White, October 10, 2019.

Behind every great experience is a great workflow

The Now Platform is the “platform of platforms” for digital transformation

Connect people, functions and systems to drive innovation, increase business agility and unlock productivity



The impact extends from engagement to back office

Retail bank customer



Branch manager



Call center agent



Third-party supplier



Service owner



Operations manager



IT helpdesk



Engagement

Poor, disjointed experiences for customers and employees, many of which result from paper- or email-based processes



Middle office

Unstructured processes touching multiple functions and systems managed through people, email, and chat



Back office

Antiquated, siloed systems of record that are difficult to connect to processes, query, and extract data from

What we hear from other banks:

Manual processes make things harder at every turn.

There are so many silos, I **can't get end-to-end visibility**.

Our **legacy systems** don't talk to one another... or scale.

Regulatory and compliance complexity takes up a lot of time and resources.

High level architecture: Financial Services Operations

Financial Services Applications

Financial Services Data Model



now. Financial Services Operations

Card Operations

New Card Request Decrease Credit Limit
 Close Credit Card Block Credit Card
 Increase Credit Limit Unblock Credit Card

Payment Operations

Payment in Error Beneficiary Claim Non Receipt
 Debit Approvals Claims

Future Applications

Banking Insurance Wealth Management

Customer Data

Checking accounts Mortgage accounts
 Saving accounts Deposit accounts
 Credit card accounts Investment accounts
 Loan accounts

Transactional Data

Checking transactions Deposit transactions
 Saving transactions Investment transactions
 Credit card transactions Payment transactions
 Loan transactions

Reference Data

Stock exchanges
 Financial institutions

Retail Banking

Industry-aligned Banking Data Model

Commercial Banking



Banking Service Framework



Case Management



Customer Central



Omnichannel Engagement



Communities



Agent Workspace



Case Playbooks



Workflows and integrations



Predictive Analytics



Knowledge Base, Service Catalog



Machine Learning, Artificial Intelligence



Web, Mobile, Conversational UX



Developer Tools

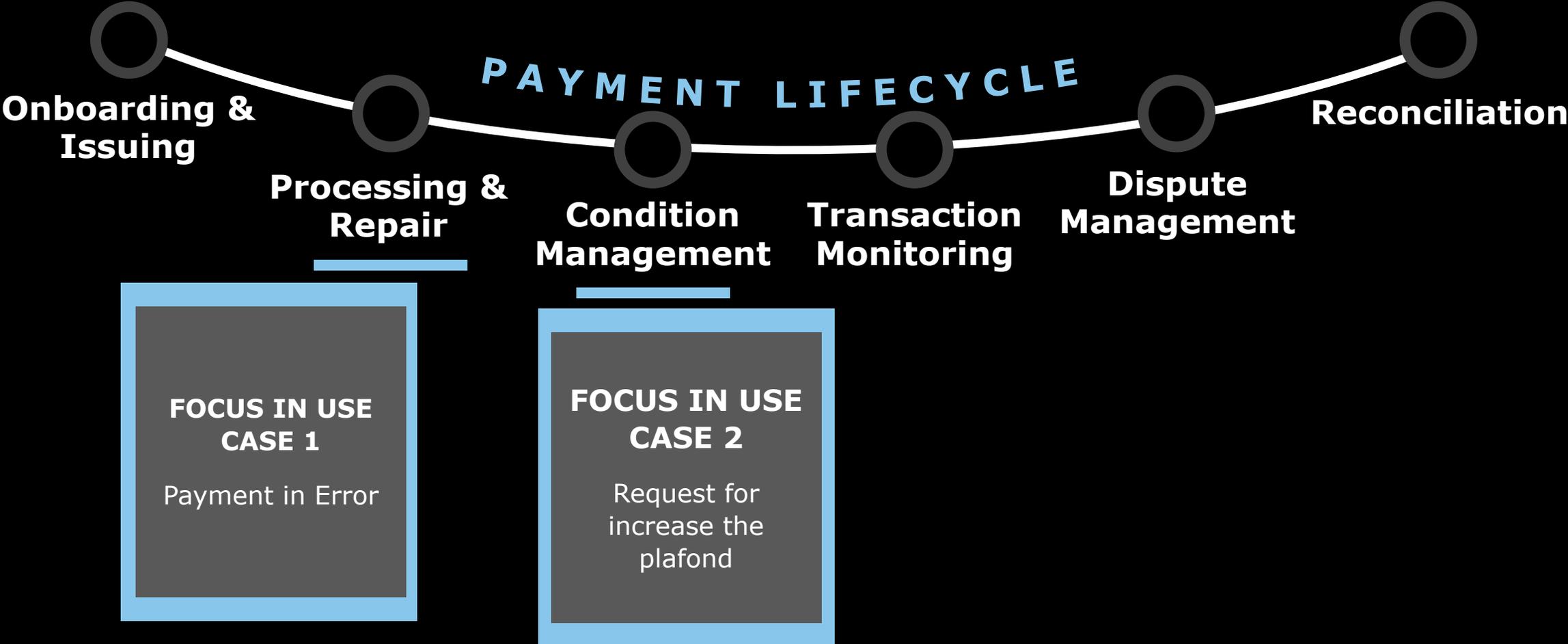
Agenda

— Background

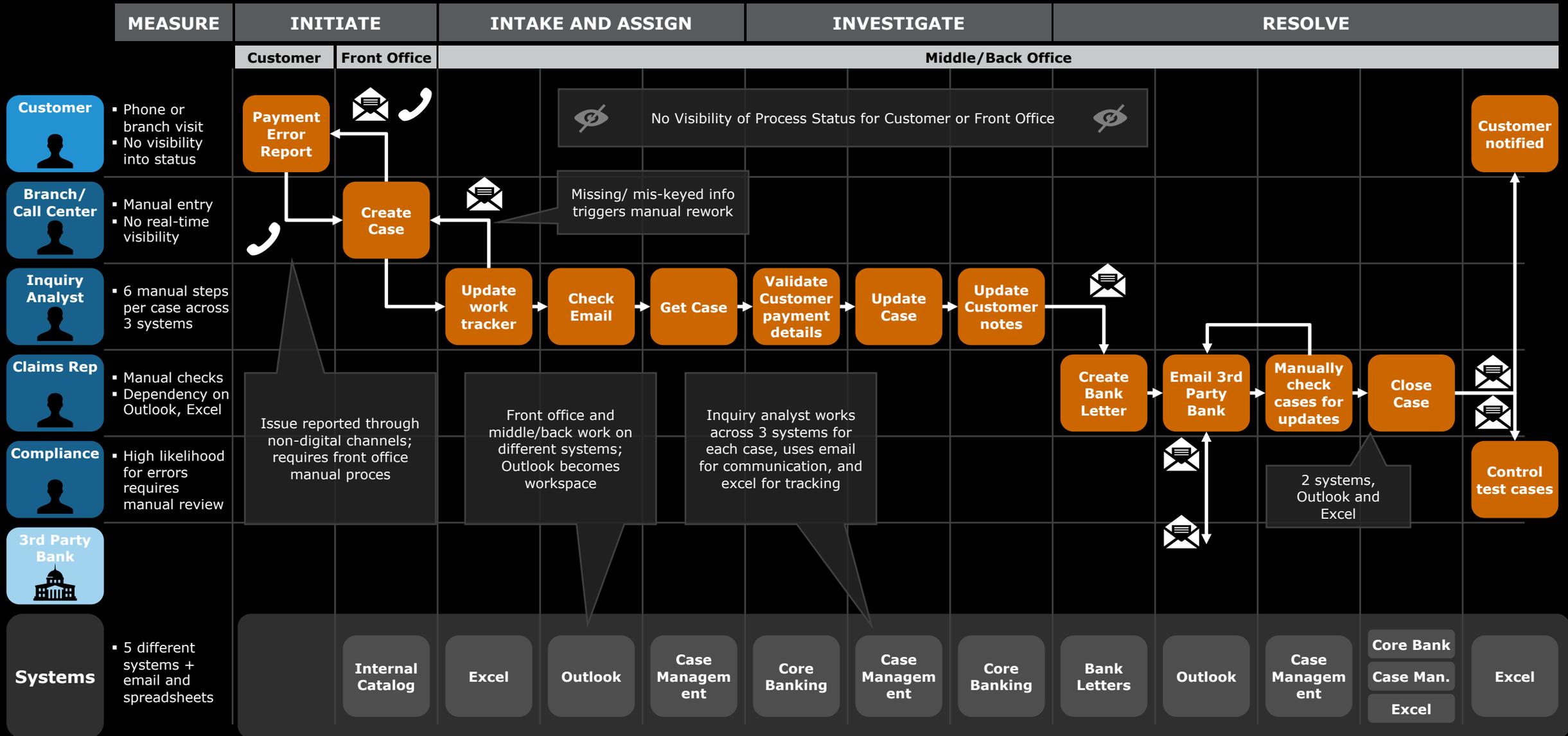
— Application

— Q&A

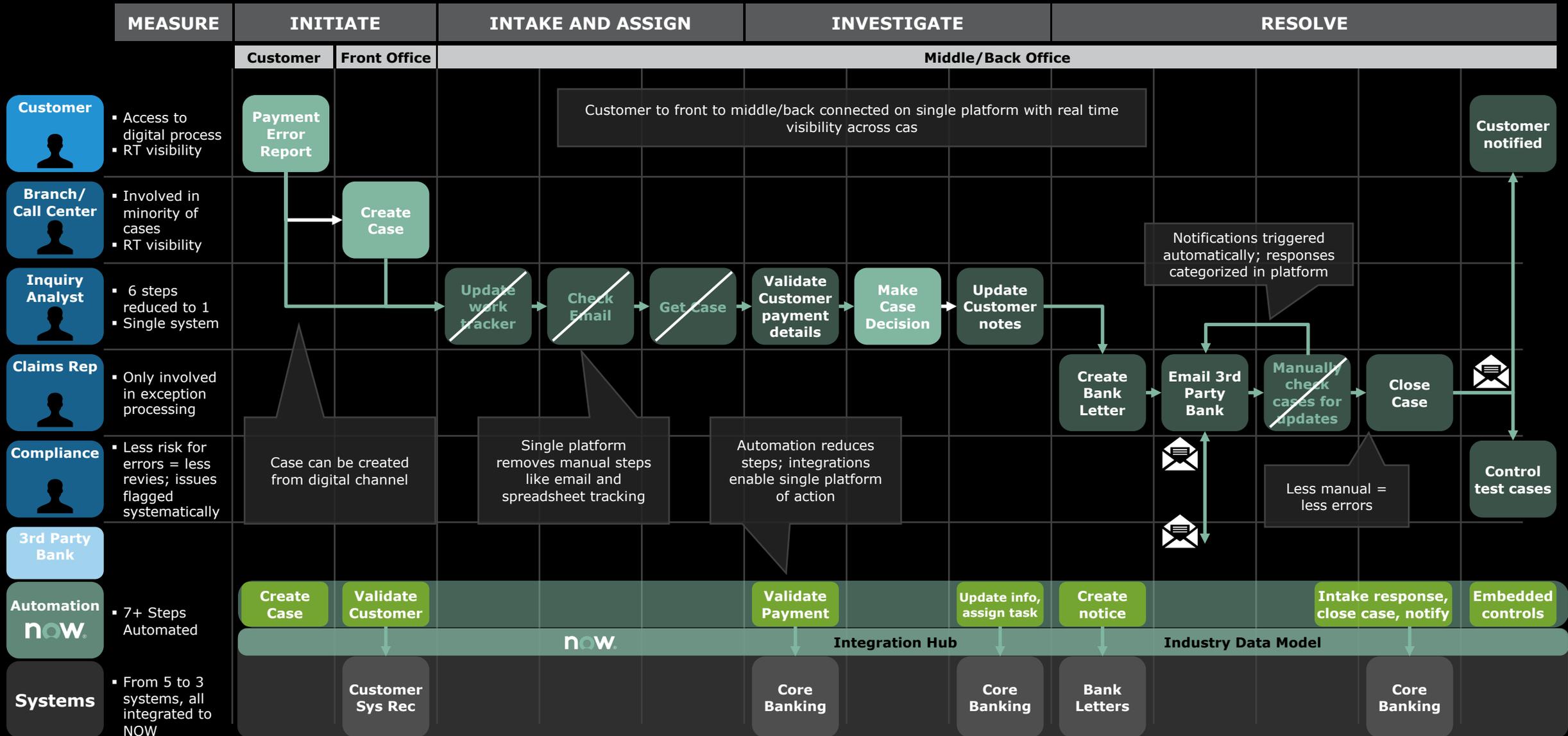
Application in Payment Lifecycle processes



Use Case 1: Payment in Error | Before



Use Case 1: Payment in Error | After



Use Case 1: Payment in Error | Tangible cost and time savings

TANGIBLE COST AND TIME SAVINGS

Number of manual steps

From **16** to **2**

 **88%**

Number of spreadsheet/
email steps

From **7** to **0**

 **100%**

Cost per payment error
request

From **\$19** to **\$8**

 **60%**

Initiation Day (Next Day
to Same Day)

From Day **1+** to Day **0**

 **50%**

Use case 2: Request for increase the plafond

1. REQUEST

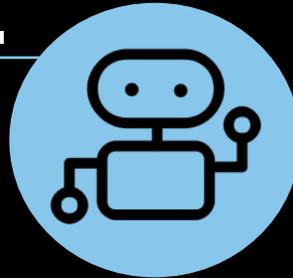
1.



- The **user** requests through the **digital channels** (Online banking, app, email..) to **increase** the plafond;
- The request reaches the **Bank's systems**

2. ANALYSIS

2.



- The BOT **automatically** starts the checks in order to evaluate the request
- The BOT **collects the information** needed (E/C, salary amount, retirement..)

3. OUTCOME

3.



- If the checks are positive, it **approves automatically** the requests
- If some data are missing, the BOT **notifies** the **ServiceNow team** (back office)
- The user **receives** the outcome of the evaluation (checks positive or negative) through SMS or email

BENEFITS

- **Automation** of the request according to **criteria** predefined by the bank
- Decrease in **manual activities** (Cost reduction)
- **24/7** service availability

Use case 2: Transaction rejected and automatic request

REQUEST

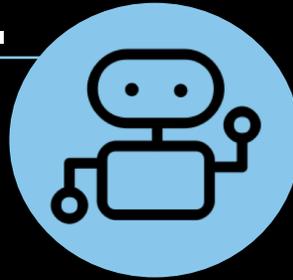
1.



- The user **tries to** pay using the credit card but the transaction exceeds the plafond

ANALYSIS

2.



- The transaction denied awakens the **BOT** that understands **automatically** this error and checks the possibility of **granting** an temporary increase of the plafond

OUTCOME

3.



- If the outcome of the checks is positive, the BOT approves the **temporary** increase of the plafond
- The **user** receives an SMS or email **confirming** the increasing
- The BOT **notifies** the **ServiceNow team** (back office) the activity done

BENEFITS

- **Reactive customer support** (ticket evasion times, notifications, ...)
- **Automate** the classification of tickets based on priorities
- **Improve** the end **customer experience**



Technologies and mindset of organizations are too slow, too siloed and unable to meet the **dynamic digital expectations** of employees and customers today.

Reactivity, flexibility, and efficiency are the key words for the **evolution** of the Payment Operating Model

Agenda

— Background

— Application

— Q&A

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