Future of finance: Autonomous Banking

Pulkit Midha, SVP Global Operations shares his views on 'driverless moment' of banking

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Driverless cars may still be an experience that masses await. However, the driverless moment of banking, essentially 'Autonomous banking' is not far off!

Come to think of it, the tech disruptions have enveloped the banking industry the world over. Right from the traditional to the online banking, and then from mobile banking to digital banking followed by the wave of pre-Covid and post-Covid era, BFSI domain has been consistently widening and enriching its tech premises to adjust to new realities. The time is ripe to take a step beyond the 360-view of bank customers and make it a 'real time' phenomenon. Just like varieties of 'tech assists' are at the fingertip of the driverless car traveler in the real time, imagine yourself to be assisted and delivered the banking related services in the moment of truth – just via your fingertips!

In a recent report, Forrester defines Autonomous Banking as "algorithm-driven services that make financial decisions or take action on a customer's behalf". Simply put, it envisions a system where the banking services are intelligently automated by *reassembling, rearranging and reorienting* their tech stacks to intelligently design customer journeys and anticipate customer needs better. In other words, BFSI adopting a 'Zero Ops Model' and delivering services with no human intervention in real time!

Rise of Autonomous Banking

The global autonomous finance market was valued at US$ 14.57 billion in 2021 and is expected to grow by 16.8% by 2030. India's banking sector is set to be a

major contributor to this growth because of a number of reasons including a high Fintech adoption rate of 87% as opposed to the global average rate of 64% and having the highest implementation of emerging Artificial Intelligence use cases. Other technologies that have expedited the *"driverless moment of banking"* include no code/low-code design technologies, Robotic Process Automation (RPA), AI & ML, and other emerging concepts like cognitive computing, Deep Networks, Natural Language Processing (NLP) and Semantic Technologies. There is also a rising interest in this ecosystem. In a survey, 87% of business leaders from the BFSI ecosystem said that autonomous finance will soon be critical for top performers in the industry.

As a concept, autonomous banking will enable banking organizations to not just future-proof themselves, but reinvent customer expectations, by introducing a completely non-complex, user-friendly system to customers. Apart from that, it will automate multiple processes such as sending reminders, making investment decisions and creating the most convenient credit packages in a personalised form.

So how can this be achieved?

Bank tech stacks are powered by an intelligent, *algorithm-driven technological ecosystem that makes use of AI & ML, predictive analysis and cloud computing.* Banks are also flooded with wide array of customer data, ranging from buying habits/patterns, financial goals, and risk tolerance level etc. The implementation of autonomous service delivery enables banks to streamline the management, quality control, and utilization of data logs. This data when mined can offer variety of customer insights and can be leveraged to improve multichannel marketing accuracy, provide proactive solutions and advisory services for customers and employees and so much more!

As India witnesses a gradual increase in autonomous banking, banks are integrating their systems with tools that offer augmented real-time and predictive insights, effortless compliance and greater flexibility in developing financial strategies. As the core of autonomous banking is powered by self-learning technology, it has enabled banks to enhance business processes, functions, and workflows through automation. This will build a positive customer experience, further boosting the industry's growth.

Implementing the right Technology Architecture

Indian banks use more than 500 applications to run their systems and processes. This calls for a structured, streamlined and if possible, a unified window for overseeing the stack. Most important, is the speed! The speed with which bank gets this information and the speed of processing this information is make or break factor for delivering a transformative customer experience (CX). By investing in data structures that integrate AI and ML into enterprise business programmes to produce interactive data visualisations and real-time insights, they will develop a single, holistic view of the customer.

While customer experience is crucial, it is also important to improve the employee experience. The support teams should have the tools to effectively manage the data and customize experiences for millions of customers. Customers need to be empowered by being given larger opportunities for self-service—through chatbots and personalised ads, for instance. Moreover, support employees have to be armed with relevant information in the real time! With the right suite of _composable_ _tools powered by shape-shifting architecture_ for both customers and employees, autonomous banking offers a 'total experience' (TX) to all of the bank's stakeholders.

Further, a robust technology infrastructure, can help banks save costs on resources simply by automating mundane, repetitive processes, and allow employees to function on more meaningful, productive tasks. Additionally, banks should incorporate application programming interface (API)-driven technologies, to seamlessly integrate the accessibility of their services with multiple third-party platforms, allowing them to expand the reach of their services.

Autonomous Banking is the Future

Financial products and services are soon becoming autonomous and experts believe that Autonomous banking is the path-breaking future for the BFSI industry. It not only helps banks by boosting customer engagement, acquisition and retention but will ultimately impact the bank's ROI and bottom line. Taking a step back and relooking at the tech challenges on the way to this driverless moment of banking will help the banks to pin-point the existing tech-stack challenges in their customer journeys.

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