Modernize your legacy processes with low-code intelligent automation

By Cliff Gerber,
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While the regulatory agenda has dominated operations and technology spend ever since the 2008 crash, emerging technologies aimed at automation, rationalization and simplification have changed the end-to-end trade life cycle.

Many firms have reduced back-office touchpoints, removed operational risk and added controlled, auditable processes, by leveraging low-code intelligent automation (IA) platforms (e.g., Pega, Appian, Outsystems, UIPath, Unqork).

Spreadsheet-based activities or end-user computing (EUC) used for tasks such as client onboarding or fixing trade breaks have become industrialized with low-code IA tools, making platforms scalable and adaptable to new regulations. According to a recent Gartner **survey**, this trend is likely to continue and by 2025, 70% of new applications developed by enterprises will use low-code or no-code technologies (up from less than 25% in 2020).

Can you afford **not to modernize?**

However, despite firms' best efforts manual practices still exist, as certain legacy processes are too expensive or too difficult to upgrade. Regulatory remediation often requires quick-fix solutions that, invariably, end up as permanent features of the technology ecosystem. Discretionary budgets are shrinking as firms seek to remain compliant, overlooking investments that could drive new revenue, optimize existing processes, or reduce total cost of ownership (TCO).

Financial services organizations are now at a unique junction of economic, industrial and technological innovation. While many banking and capital markets firms are getting on with their low-code automation journey, less farsighted companies are just getting started. In a recent Harvard Business Review survey, only **41%** of respondents said their organization employs IA to a significant extent, indicating room for greater adoption.

Welcoming change

For the business and technical reasons shown below, now is the time for banking and capital markets firms to fully adopt low-code automation and AI capabilities, by selecting a suitable low-code application platform (LCAP). And then setting up a cross-enterprise LCAP center of excellence and focusing on two or three key use cases for immediate implementation.

1. **Preparing for the next wave of changes:** If an organization still has manual trading and risk management processes, how can it meet new BCM regulation and industry changes? Global regulatory agenda items such as T+1 Accelerated Settlement will cause firms to take an in-depth look at existing, time-consuming manual trading processes. Regulators have expressed greater interest in reporting accuracy (e.g., CFTC Rewrite) and auditability, in an effort to understand the interconnectedness of financial markets. Further initiatives such as crypto regulation, open banking and environmental sustainability, are largely greenfield spaces that should be built to scale with low-code intelligent automation practices kept front of mind.

    Additional pressures such as rising inflation and the global economy are set to leave trading revenues flat for 2022 and 2023. Organizations will apply pressure to reduce TCO, headcount and operational risk. Therefore, now is the time to invest in low-code automation implementations to realize these cost savings over the next several years, leaving your organization leaner and better able to cope with future headwinds.

2. **Delivering change quickly:** Front office and business stakeholders have increasing demands on their time. Engagement with a technical team on software or project delivery is not seen as core to their value proposition. Setting up processes and frameworks via low-code automation **removes repetitive tasks**, while providing both **more control** to business users and greater flexibility to **deliver agilely** and offers a distinct competitive advantage over competitors. Also, increased competition from LCAP firms has allowed financial services organizations to drive price reductions and proofs of concept that can be used to gain stakeholder buy-in, kick-off implementations and show immediate value before attempting to solve more complex enterprise problems.

3. **Hiring talent:** Engaging local resources to maintain bespoke manual processes makes little sense in this economic environment. In the war for talent, employees are looking for work on new and exciting technology. **Maintaining low-code automation platforms can be achieved with decreased headcount from low-cost locations** while more expensive resources are focused on more strategic revenue-driving activities.

4. **Emerging trends and new technologies:** With technological progress in both cloud computing and advanced analytics, nearly every BCM process can be improved by low-code intelligent automation. Integrating analytical capabilities (e.g., client buying patterns and monitoring interactions) with workflow tools can provide powerful capabilities for front-office sales teams, including accelerating the sales cycle. Top firms are already harnessing their data and using machine learning and natural language processing to differentiate themselves from their competitors.

Setting new standards

In order to reap these benefits, Luxoft recommends that firms establish a low-code intelligent automation center of excellence that helps business leaders envision new opportunities, set standards and best practices, and share information with stakeholders. While it's important to adopt low-code automation quickly, firms still need to proceed carefully. Organizations should first map out where they want to go, assessing existing capabilities and current challenges. They can then perform a gap analysis, highlighting the difference between current capabilities and the demands of the most challenging solution the organization might take on. Finally, firms should select a meaningful, but achievable, first-target use case that shows tangible benefit to business and technology stakeholders.

While the initial planning work might seem daunting, initiating and integrating IA in the right manner will enable the organization to weather today's volatile environment, while preparing for the inevitable next wave of change.

If you'd like to discover how Luxoft can help your firm navigate your low-code intelligent automation journey, visit **luxoft.com/services/intelligent-automation** or contact **financialservices@luxoft.com**. We'd welcome the opportunity to go over the benefits you can expect in your unique situation, and the excellent business potential going forward.
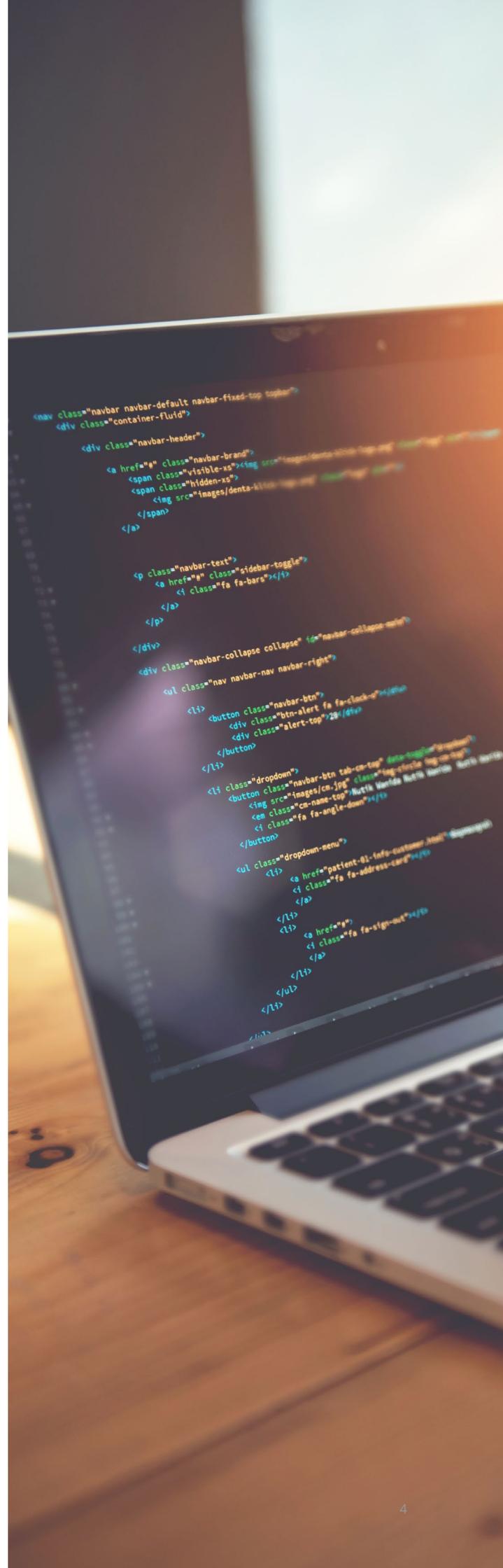
About **the author**

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Cliff has over 15 years' experience driving operational and technology solutions for the world's largest banks. He has led numerous highly complex business, regulatory and technical projects, and has been responsible for the entire software development lifecycle in onshore and offshore environments, from planning through to testing and deployment. He has also supported multiple global banks in complex submissions and responses regarding their financial, operational, and technical capabilities to various banking and capital markets industry regulators.

About Luxoft

Luxoft is the design, data and development arm of DXC Technology, providing bespoke, end-to-end technology solutions for mission-critical systems, products and services. We help create data-fueled organizations, solving complex operational, technological and strategic challenges. Our passion is building resilient businesses, while generating new business channels and revenue streams, exceptional user experiences and modernized operations at scale.

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