



Automating the Back Office is Critical, Too

by [Steve Brown](#) performance employees

Summary: Don't just automate tasks to make your customers' lives easier — automate your institution's back-office operations as well. Not only will you create more efficiencies, reduce errors and save costs, but you will also free up your employees for higher-level tasks. You can also better coordinate with the sophisticated automated solutions you're offering to customers. We delve further and offer three tips to get you started.

Who's your favorite robot? Karel Capek [coined the word, "robot,"](#) in his 1921 play about fictional killer robots, "R.U.R.", or "Rossum's Universal Robots". Fast forward to the '60s when the world's first "intelligent" robot came to existence when Silicon Valley-based SRI International introduced "Shakey." Today, robots can be found in your home, work, and even outer space! One thing that robots are exceptionally good for is automating processes — think of an assembly line at a car manufacturer. Automated processes are getting a lot of attention in the financial services world, too, but mostly for customer-facing solutions. But what about the back office?

"Community bankers are embracing innovation like never before — with impressive results," says ICBA's chief innovation officer Charles Potts. "But with so much emphasis placed on customer-facing products and technologies, innovating back-office operations can fall to the bottom of the priority list. ICBA sees things differently. We believe operations is the 'engine' that drives every aspect of banking and, ultimately, the bottom line."

Automating laborious manual back-office processes greatly increases efficiency, reduces human errors and ultimately saves on costs. Automating simple tasks in particular gives staff more time to devote to higher-level tasks that can bring additional value to the institution. Finally, back-office processes that are intrinsically connected to automated, customer-facing solutions should also be automated and integrated into a more holistic system for better results.

"As 74% of bank operations leaders say that [customer experience is their top strategic priority](#), it is imperative that banks address their back-office issues," says one industry consultant. With hundreds of back-office processes to monitor, the typical retail bank has a heavy burden, especially when they start thinking about making changes to enhance the customer experience. But that doesn't mean the start of streamlining your back-office automation processes has to feel like pulling teeth.

Here are three tips to make your back-office digital transformation journey more successful:

1. **SWOT and gap analyses.** Conduct a thorough analysis of your institution's operational strengths, weaknesses, opportunities and threats to determine where you can get the most automation bang for your dollar. Determining gaps in your manual back-processes that wreak havoc on your efficiency ratio or worse yet, are prone to routine human errors, is also prudent to identify where automation might be critical.
2. **Start with low-hanging fruit.** It's good to have a quick win when embarking upon the back-office transformation journey, to bolster the business case and also to generate greater buy-in across the

- organization for more complicated automation endeavors down the road. Choose a single process that is less risky to experiment with, or one that is currently pretty costly, or one that hinders customer experience.
3. **Partner with a trusted provider, like PCBB.** Many of our products can assist your institution in your quest to be more efficient by streamlining your back-office operations. Ask us how we can make your work simpler and enhance your bottom line.

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ECONOMY & RATES

Rates As Of: 07/27/2022 05:45AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	2.55	0.83	2.49
6M	3.01	0.50	2.82
1Y	3.06	0.27	2.67
2Y	3.07	0.11	2.33
5Y	2.89	-0.16	1.62
10Y	2.79	-0.22	1.28
30Y	3.02	-0.16	1.12
FF Market	FF Disc	IOER	
1.58	1.75	1.65	
SOFR	Prime	OBER	
1.53	4.75	1.57	

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