Capgemini's **Cognitive Document Processing** for Lending

Accelerate your document processing

> *According to the research from **Fenergo**, more than a third of banks lose customers because of inefficient or slow onboarding, costing US $10 billion in annual revenue.[1]*

The paper challenge

Today's lending landscape is highly dynamic and competitive. With customers having a lot of choices, ensuring a frictionless and near real-time lending experience remains a key challenge for most lenders. Often a poor application experience ends in abandonment, sending would-be borrowers looking for alternatives.

Lending companies have been trying to improve the experience through web- and mobile-based application processes for years. However, their process of checking customers' creditworthiness often results in poor customer experience. To check and assess the risks, lenders need to collect multiple customer documents ranging from credit reports, proof of identity, proof of address, etc. to current liabilities like tax bills and policy documents. The Commercial lending process gets even complicated where lenders need to collect company contracts, trust documents, and several more complex legal documents.

These documents are often received in paper form or electronic images of paper documents, generated by different sources like government and private agencies. Also, customers submit documents over different channels like physical mail, email with attachments, web, or mobile uploads.

For lenders, processing these documents, often done manually, can cost a lot of time, resulting in their employees investing significant time and efforts away from core tasks like underwriting and customer engagement. Traditional ways of extracting the required information from these documents like "key from image" also add to the turnaround time for customer requests. With customers demanding near real-time and more personalized experience, making real-time decisions with utmost accuracy is critical to lenders' success.

> " *Customers demand a more comprehensive and personalized banking experience, but banks struggle to deliver a delightful last-mile experience. Many customers do not report positive experiences across many banking interactions – especially when it comes to complex or high-involvement areas, such as applying for a loan/mortgage. More customers applying for a loan on mortgage describe the process as friction-filled versus those who see it as a positive (Refer Fig 1)."*
> *– Capgemini's World Retail Banking Report 2019*

[1] https://www.fenergo.com/company/news/press-releases/poor-customer-experience-costs-financial-institutions-$10-billion-per-year.html

Figure 1: Customer experience and friction across banking interactions (%), 2019
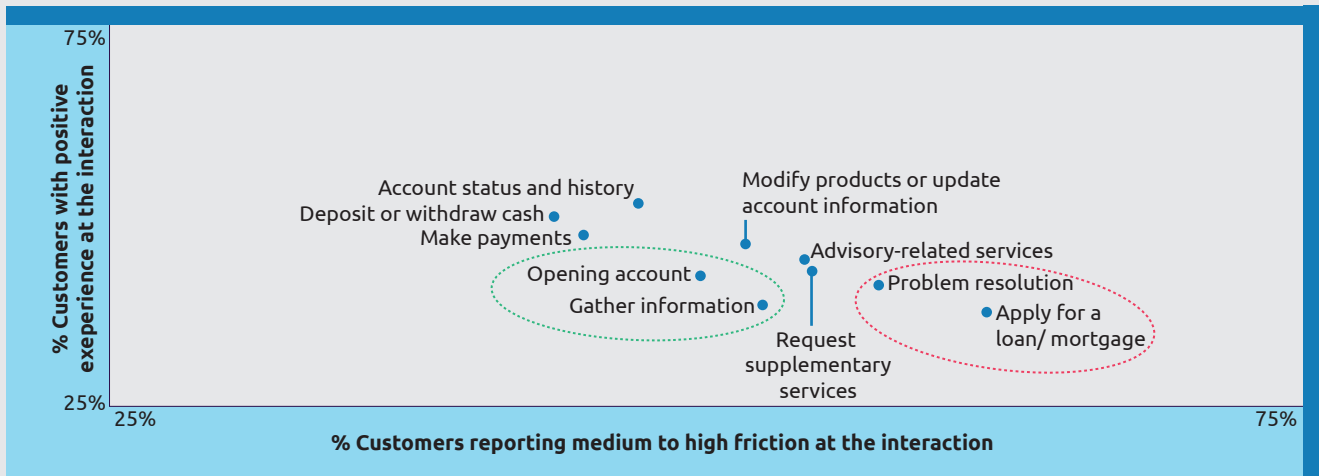
Questions asked : X axis - For each banking interaction listed, rate the level of friction or difficulty you experienced with your primary bank in the last 12 months, where 1=Very low friction or difficulty and 7=Very high friction or difficulty.

Y axis - How satisfied are you with the services provided by your primary bank of the interactions listed, across different channels? Rate on a scale of 1-7, where 1=Extremely dissatisfied and 7=Extremely satisfied.

Source: Capgemini Financial Services Analysis, 2019; Capgemini Voice of the Customer Survey, 2019.

The automated solution

The answer to the paper challenge is an end-to-end automated solution that ingests, classifies, and evaluates documents rapidly, securely, and at a reduced cost. Capgemini's **Cognitive Document Processing** is a fully managed solution powered by industry-leading algorithms coupled with machine learning and artificial intelligence (AI) for improved accuracy. It evaluates the type, state, and relevance of your documents, preparing them for classification, data extraction, and secured access. The solution recognizes different document types like machine printed, handwritten with cursive writing, structured, semi-structured, or densely populated. With the help of dictionaries, predictive data models, and data transformation processes, the information quality is improved before it is fed into downstream systems for quicker outcomes.

By automating previously people-only tasks, Capgemini's Cognitive Document Processing delivers a range of benefits that include:

- **Enhanced operational efficiency** – automate the import, processing, and organization of your documents to ensure the rapid delivery of information leading to 40–60% cost savings

- **Improved customer experience** – reduced processing time helps drive Net Promotor Score (NPS). Short origination cycle time can be a key differentiator for the lenders in the market

- **Increased information quality** – enhanced accuracy of data extracted, ensuring downstream systems store good data that is checked against industry standards dictionaries

- **Enhanced agility** – Improved reaction time for new documents, templates, or changes in volume vis-à-vis the traditional approach which takes longer

- **Accuracy of decisions** – by extracting information beyond what is needed to simply drive the lending process, lenders can now run analytical and predictive models to improve their decisions and unlock future opportunities

- **Reduced carbon footprint** – reduced paper use across the customer lifecycle can establish more sustainable business practices

Furthermore, our solution employs best-in-class technology including machine learning to maximize automated extraction of information from unstructured documents, bundled with an efficient business process to provide expected outcomes for our clients. Some of the key features include:

- Support for both machine-printed and handwritten documents

- Industry databases as dictionaries for improving data quality

- Continuous improvement with machine learning and exception handling with feedback loop

- Image cleanup features using industry-leading algorithms

- Easy integration with industry-standard data structures and services

- Standard and custom data validation rules

- Ready connectors for leading business process management (BPM), customer relationship management (CRM), robotic process automation (RPA), and other core platforms

- Highly scalable and secure cloud environment

- Add on features for predictive analytics, document management, and outbound communication

Figure 2: Cognitive Document Processing
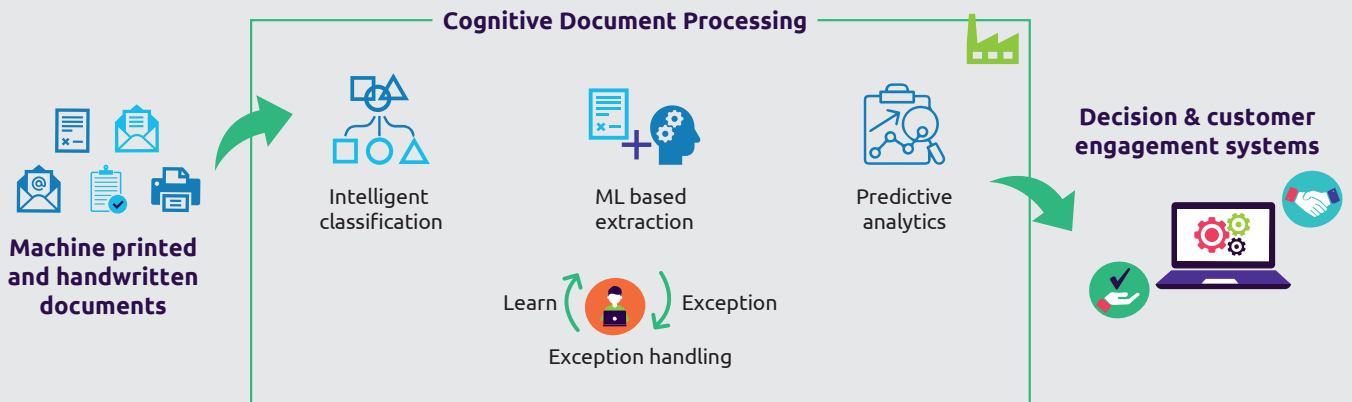
Cognitive Document Processing in lending

The lending industry processes many types of documents to arrive at important and timely decisions in processes such as credit underwriting, adjudication, onboarding, and servicing. Some of the use cases where Cognitive Document Processing can bring value to lenders are:

- **Originations** – structured information can be extracted from documents like identity proofs (e.g. license copies, passports), proof of residence, tax filings, credit reports, and other supporting documents to quickly complete the application process

- **Underwriting** – with context-based recognition and predictive analytics, additional information can be extracted from unstructured documents to assist underwriters make informed decisions

- **Onboarding** – information from documents submitted throughout the onboarding journey can enable straight-through processing

- **Servicing** – processes like changing address, adding beneficiaries and insurance details can be accelerated by auto extracting information from forms and declaration pages

- **Risk assessment** – for commercial loans, lenders can extract information from annual tax filings and financial reports of companies to assess the risk and proactively monitor the health of the credit

Why Capgemini

Capgemini's Cognitive Documentation Processing solution is a part of Capgemini's Intelligent Automation initiatives. This initiative involves intelligent document extraction, artificial intelligence (AI), Robotic Process Automation (RPA), and business process optimization applied together to achieve business objectives.

Capgemini is a globally recognized service and solution provider in the Intelligent Automation space. We partner with leading automation vendors to deliver the best-in-class intelligent automation solutions to hundreds of banks, insurance companies, and other financial institutions. We help our clients automate processes, reduce manual handling of documents, increase straight-through processing, and improve customer experience to reduce the overall cost of operations and increase customer satisfaction.

Cognitive Document Processing is offered with a flexible pricing model, on a case-by-case basis depending on:
- *Usage volumes*
- *Scope of integration with your systems*
- *Type and complexity of documents*
- *Expected quality service levels*
- *Additional services like predictive analytics, document retention, etc.*

About
Capgemini

Capgemini is a global leader in consulting, digital transformation, technology and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year+ heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. Today, it is a multicultural company of 270,000 team members in almost 50 countries. With Altran, the Group reported 2019 combined revenues of €17billion.

Learn more about us at

www.capgemini.com

To know more about this solution or set up a solution demonstration, email us at banking@capgemini.com.

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People matter, results count.