



**unqork**

# **Transforming Transformation in Financial Services**

Overcome manual process-driven risk with no-code

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## TL;DR

- The manual tasks, processes, and workflows that underpin most financial services firms are inherently risky from a transparency, control, and governance point of view
- While under increasing pressure to transform, banks, asset managers, and other financial institutions face a number of development challenges from cost and complexity
- Although digital transformation can sometimes be hard for complex, highly regulated industries like finance, no-code makes it easy to take a modular approach to digitization

While the finance industry has embraced cutting-edge tech in certain areas (algorithmic trading, for example), some key processes are still overly reliant on human intermediation for key processes and checkpoints—making them more susceptible to errors and poor-quality data.

Global teams share sensitive files via email. Financial institutions often rely on end-user computing (EUCs) applications powered by decades-old technologies like [Excel](#) and SharePoint for critical processes ranging from reconciliations and forecasting to reporting (including regulatory reporting) and customer management. In many cases, to bridge the gap between disparate legacy systems, data is even manually cut-and-pasted from one user platform to another.

Research suggests that nearly one-in-five (17%) of [financial services organizations](#) still rely entirely on manual processes for data reconciliation. More than one-third (34%) of financial institutions, meanwhile, depend on [manual workflows](#) for general, day-to-day operations.

Regardless of the purpose they serve, manual, non-optimized processes foster a number of risk-promoting challenges:

### **Insufficient governance and control**

By making it difficult to govern through consistent oversight, manual workflows that unfold across a variety of teams and systems around the world also make it challenging for financial organizations to optimize, organize, and maintain centralized control over their processes. Furthermore, disparate risk and control libraries connected by manual checkpoints inhibit the scaling of processing risk data incident management.

### **Lack of transparency and auditability**

Manual processes impede operational transparency and reduce visibility into numbers and performance for regulators, auditors, and internal compliance departments. Non-transparent processes can also lead to suboptimal decision-making in both evaluating and responding to risk.

Not only have nearly 70% of leaders reported making a significant business decision based on inaccurate financials, [manual accounting](#) processes, and controls (driven by dependencies on spreadsheets and other alterable files), but these can also be a significant factor in fraud.

### **Fraud and financial crimes**

Fraudulent activity in all its many forms is one of the [fastest-growing](#) and costliest risks faced by financial institutions. When workflows across multiple systems are powered by opaque, manual tasks<sup>1</sup>, it impedes companies' abilities to effectively identify, investigate, and mitigate issues.

One 2020 [fraud study](#) revealed that for every dollar of fraud loss, U.S. financial services and lending companies incur an average of \$3.78 in costs (up 12.8% over the previous reporting period)<sup>2</sup>. Nearly one-third of [identity fraud](#) victims, meanwhile, say their financial services providers did not satisfactorily resolve their problems, while 38% closed their accounts because of lack of resolution at the financial institution where their fraud occurred.

<sup>1</sup>Some banks are still operating the same way they did 20 years ago, in a very manual and analog environment, which leaves even the highest-asset banks susceptible to high-level [fraud attacks](#). This includes using traditional, namely static or rule-based, approaches to identify and flag fraudulent transactions for further manual investigation.

<sup>2</sup>Organizations are losing around 5% of their annual revenues to [fraudulent activity](#). Given that banking-industry revenues amount to trillions when combined, the sheer extent of funds being seized by criminal activity cannot be underestimated.

## Human error

It goes without saying that processes reliant on manual tasks, documentation, or data entry are inherently riskier and potentially costlier from a [human error](#) perspective than automated procedures. Disjointed, non-digitized processes bog down workflow systems, increase people-time budgets, elevate security concerns, and mask control issues—making them fundamentally more expensive in competitive and reputational terms.

A recent inquiry into the Commonwealth Bank’s unexplained loss of tape drives containing the personal financial histories of up to [20 million bank customers](#) in 2016, for example, has revealed deficiencies in internal access controls and privacy procedures which Australia’s largest bank must now take steps to address.

## Lack of resilience

As the old saying goes, the only constant is change. With that in mind, one of the great competitive differentiators of the future will be the ability to quickly adapt to disruptions of any size or scale. This resilience is often hindered, however, by manual processes (like manual-reliant spreadsheets for example) that can’t be easily integrated into existing systems, or easily updated without breakage.

Adaptability is further complicated by disparate risk and control libraries, the challenge of processing risk data at scale, and manual processes that get in the way of efficient incident management.

Case in point: India’s explosive back-office worker lockdown in March 2020. This pandemic-inspired event left many of the world’s biggest banks and insurance companies scrambling to process client requests and applications amidst a raft of access, privacy, and security concerns—and is a perfect example of a reliance on manual processes reducing the ability to adapt.

As a means to fix many of the problems inherent in manual processes, digitization has long offered a viable way for financial services companies to increase transparency, develop greater resilience, and improve risk management.

The question is not “if” an institution should transform, but “how best to achieve it?”



## Why the lag in digitization?

Despite prioritizing certain areas of digital transformation, financial institutions [trail behind others in digital maturity](#).

In many cases, financial institutions remain reliant on manual processes as part of the follow-the-sun strategies from a previous technological era that allowed them to move high-volume tasks (dependent on email and Excel) to the most cost-effective locations.

Whatever the reason that keeps firms relying on processes from a past technological age, their hesitance to transform further is understandable for a number of reasons:

### **Money is serious business**

Although financial institutions must contend with a growing number of challenges—including the mitigation of financial risk while staying agile, responsive, and competitive—they also have to be thoughtful and deliberate about the changes they make given the sensitive data they deal with.

Mistakes can prove costly from both a money and brand point of view. Retail bank TSB learned this the hard way in 2018 when lack of proper testing and other platform migration errors left [1.9 million customers](#) unable to access their online accounts for several weeks, resulting in hundreds of millions of dollars' worth of compensation payouts, fraud losses, and other expenses.

### **Legacy systems leave many moving parts to consider**

At least some of the reliance on manual processes in finance is directly attributable to disparate legacy systems, which can be difficult and costly to replace or update using traditional code-based means.

The pandemic, however, was quick to expose weaknesses in the processes and systems used by the majority of [financial services](#) firms—and has only solidified the point that continuing to rely on legacy code (like COBOL for example) is nothing short of a [disaster waiting to happen](#).

### **Transformation is hard and expensive**

The challenges of full-scale digitalization are especially apparent in complex, highly regulated industries like financial services. It's partly because they're so low on the DevOps list of strategic priorities, for example, that EUCs and other manual processes persist in finance—perpetuating human intermediation, errors, and poor-quality data, while remaining resistant to proper oversight and auditability. Opaque global systems and rigid, disjointed risk management processes, meanwhile, further complicate transformative efforts.

According to a joint [innovation in banking report](#) from Infosys Finacle and industry organization Efma, the three biggest challenges for firms undertaking digital transformation are time and cost of implementation (71%), system integration (66%), and the legacy technology landscape (62%). At the same time, it's more important than ever that finance-driven companies transform and overcome challenges like these since, as Efma's chief executive John Berry explains, "Even the most innovative players are now facing strong competition from tech companies and fintechs, and must continuously innovate to stand out."

According to McKinsey, not only are appropriately automated processes less error-prone, digitization is a potent lever for achieving a well-executed, end-to-end [risk-function transformation](#) that can decrease costs by up to 20% while improving transparency, accountability, and employee and customer experience.

Digitization also permits institutions to “embed automated real-time (or near-real-time) risk controls within core processes so they can reduce control failures and make far more efficient use of resources.”<sup>3</sup>

Clearly, digital transformation is key to managing and mitigating risk in finance; the only question is how to achieve it.

## No-code makes transformation easy

No-code is a new class of application development technology that enables complex, regulated organizations like [financial services](#) firms to build enterprise-grade software without writing a single line of code.

By removing the need to work in a code base, no-code platforms make it easy to transform many of the manual processes that contribute to risk in finance via:

- ✓ Streamlined client-facing and internal applications
- ✓ Improved oversight in digital operations
- ✓ Enhanced [risk management](#) across the financial services landscape

As the first and only enterprise-grade no-code solution, Unqork doesn't just facilitate **process digitization**—it promotes [process optimization](#) by allowing global workflow and digital processing to unfold on a unified platform. It makes it easy for firms to:

### Re-platform EUCs

Even if your firm is unwilling or unable to eliminate [end-user computing](#) applications from workflow, no-code provides a way to quickly and easily digitize and re-platform EUCs into robust applications that are transparent, scalable, and auditable.

By removing the need to manually export, transform, and upload data into another system, no-code Unqork lets you optimize manual processes (and combat operational costs) while also diminishing risk.

By using Unqork's scalable framework to reduce their reliance on legacy systems and spreadsheets, for example, one leading financial firm was able to digitize, automate, and transition 75% of their EUCs from various platforms while dramatically decreasing errors, boosting regulatory compliance, and improving productivity by 40%.

<sup>3</sup>The transformation of [operational-risk management](#) especially, says McKinsey, offers institutions compelling opportunities to reduce operational risk while enhancing business value, security, and resilience.

## Achieve cohesive digital operations globally

Process and ecosystem fragmentation often means leaders have limited real-time visibility into metrics and trends. Fortunately, no-code applications allow financial institutions to organize and manage crucial business processes across sprawling ecosystems of global teams and disparate systems.

With Unqork's [Digital Operations HQ](#) solution, for example, operations teams can reduce risk by addressing long-existing challenges around exception handling and workflow management.

Some financial firms have used Unqork's Operations HQ accelerators to successfully digitize end-to-end operations in just months—while reducing manual processes by 80%, enabling full STP (straight-through-processing) in 90% of automated activities, and achieving 35% annualized costs savings for all impacted processes and teams.

## Get more proactive about risk management

Financial services firms share an ongoing need to measure, mitigate, monitor, and report non-financial risks<sup>4</sup>—even if they're relying on decades-old technologies like Excel and email. By streamlining risk and control identification, assessment, monitoring, and remediation processes, no-code solutions enable greater transparency and compliance while decreasing reaction times.

Because Unqork quickly makes the processes integral to [business risk management](#) more flexible and effective, it enables your firm to:

- ✓ Elevate risks to be handled in real time
- ✓ Achieve full auditability and transparency around activity management and compliance reporting
- ✓ Immediately reduce the risk of potentially expensive and/or cumulative errors

With real-time dashboards, the capacity to automate data gathering and cross-checking, and proactive, automated alerts to prompt mitigation workflows when necessary, Unqork supports the efficient, [streamlined KYC](#) (know-your-client) processes that are so key to helping financial institutions stay compliant and avoid costly fines (a notable point, given the 88% jump in new account fraud that occurred between 2018 and 2019 alone).

The financial leaders of tomorrow will be those firms that can digitize their processes most thoroughly, and adapt their infrastructure most rapidly around shifting customer needs and business challenges.

By allowing the digitization of manual processes to happen faster, at a lower cost, and with significantly fewer bugs than code- or low code-based approaches, Unqork empowers financial firms of all types to build scalable, secure, complex, compliant, custom applications with unprecedented speed and flexibility.

<sup>4</sup>According to Deloitte, there is a growing recognition of the need to enhance management of [Non-Financial Risk](#) (NFR). Many of the largest risk events in recent years have stemmed from NFRs such as conduct and cyber risk, rather than from traditional financial risks.

## Future-proofing financial services with Unqork

Leading financial services organizations around the world are using Unqork to quickly and flexibly apply the benefits of digital transformation, remove manual process-driven risk, and increase resilience.

The same speed that lets you build fast with Unqork, lets you make changes equally fast—enabling you to [future-proof your organization](#) by engineering around industry-wide and firm-specific business challenges.

You'll find it much easier, for example, to stay resilient around rules, regulations, and corporate policy changes.

While incorporating alterations or modifications into code-based digitized workflows can be slow, cumbersome, and expensive, because it's so quick to make changes with Unqork, you won't have to rely on opaque, disruptive manual fixes and workarounds that contribute to risk by impeding process efficiency and transparency.

Your organization will also benefit significantly from using Unqork's no-code applications and integrations to overcome the costly inertia and code-dependency that keeps so many banks and other financial institutions reliant on legacy systems.





## Final Thoughts

The [future of finance](#) is being driven by a challenging, dynamic environment where regulatory matters are becoming increasingly rigorous and complex, competitive pressures and market forces continue to grow, and data and systems require ever-more-vigilant protection.

By lagging behind other industries in embracing modern technology—and continuing to be overly reliant on manual processes to fill in gaps and connect vast technology ecosystems—financial organizations not only perpetuate challenges like these, they invariably disseminate risk.

The good news, says McKinsey, is that digital transformations offer promise that goes beyond risk. But while “some financial institutions have begun or even completed (especially in Asia) full-scale transformation efforts, others are still considering when, where, and how to begin”.

With Unqork, financial firms don't need to feel pressured into replacing or updating manual processes wholesale: they can take a modular approach to digitalization.

By making it easy to apply intelligent, digitized solutions that reduce costs, secure and unify workflow, and enhance compliance, Unqork's no-code, enterprise-grade application platform can help you manage and mitigate risk while achieving operational efficiency as part of a wider digital transformation initiative.

Ready to find out how no-code Unqork provides financial services organizations with the flexibility and speed they need to supercharge their digital transformation journey?

Contact us and let's [set up a demo](#).



## Unqork: The world's first no-code enterprise application platform

The leaders of tomorrow will be the organizations that can digitize their processes most thoroughly and adapt their infrastructure most rapidly around a wide variety of shifting challenges. With no-code, companies are empowered to build scalable, secure, complex, compliant, custom applications with unprecedented speed and flexibility.

That's why many of the most innovative players in healthcare and beyond are partnering with Unqork, the first enterprise no-code development platform specifically designed for the world's most complex and regulated industries. Our platform represents an entirely new paradigm that optimizes every aspect of enterprise development through:

### A unified SaaS platform

Unqork is a completely unified SaaS platform, which means it provides all the components and capabilities related to crucial areas like **compliance** (up-to-date regulatory and enterprise rules engines for FATCA, CRS, UK CDOT, Dodd-Frank, EMIR, and MiFID II, etc.), **security** (native encryption both in transit and rest, custom RBAC capabilities, and crowd-sourced penetration tests), and **application management** (SDLC governance, application versioning, and module management)<sup>5</sup>.

### A visual UI

Applications are built via an intuitive, visual User Interface (UI) featuring drag-and-drop components representing user-facing elements, backend processes, data transformations, third-party integrations, and a growing library of industry-specific templates.

### Enterprise-grade standards

While there are several business-area-specific or consumer-level no-code systems on the market, Unqork is the only no-code platform designed specifically to build scalable healthcare applications with industry-grade security and privacy functionally baked in (e.g., adherence to all HIPAA security standards, encryption of data in transit and at rest, automatic back-up, enterprise-strength disaster recovery, cloud instance isolation, robust access and integrity controls, multi-factor authentication, and more).

While Unqork is a SaaS platform, our customers operate in single-tenant environments, which means there is never a mixing of client data between Unqork customers.

Unqork takes on the “heavy lifting” of development and frees companies to shift their focus and resources towards building operational efficiencies, perfecting the user experience, and enacting long-term strategies. By tapping into the power of Unqork’s no-code application platform, organizations can realize:



**Accelerated speed-to-market:** No-code automates many high-volume development tasks so new applications can be built and deployed much faster. In many cases, applications that would take months or years to reach the market can be built in a matter of weeks, or even days.



**The elimination of legacy code:** Code becomes legacy nearly instantly. With no-code, organizations only need to be concerned with building business logic; even if there is a technical change, the platform handles all that on the backend.



**Ease of updates and maintenance:** Large enterprises can spend up to 75% of the total technology budget maintaining existing systems. One of the reasons is the complexity of making a change in one area requires changes throughout the process. A no-code platform automates many of these cascading tasks and therefore reduces the complexity of making changes.



**Business agility:** Whether it is a pandemic, new or changing regulations, or disruptions of a smaller scale, no-code can provide organizations with a way to address events quickly.

**Curious about how no-code can be applied within your organization? Get in touch to schedule a demonstration from one of our no-code experts.**

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## Enterprise application development, reimagined

Unqork is a no-code application platform that helps large enterprises build complex custom software faster, with higher quality, and lower costs than conventional approaches.

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