HYPER-AUTOMATING OFICIOS TO REDUCE OPERATING RISK

OFICIOS FOR
BBVA LEGAL SERVICES

DATAPOINT EXTRACTION, VALIDATION
AND NORMALIZATION

BBVA MX
OMNITIVE MIDP CASE STUDY

BBVA

ORKID
unlock infinite

Executive Summary

CHALLENGE

Automation of oficio processing to assist financial institutions in Mexico efficiently deal with government requests. It involves manually classifying oficios, plus extracting and validating tens of datapoints, with the aim of acting upon requests to, for example seize assets. Annually, 4.3 Mill oficios are manually processed to support communication with government agencies involving the extraction of some 233 Mill datapoints across 30 Mill pages. This requires 1,905 FTES providing specialized technical knowledge, which costs the industry an estimated $66 Mill including fines. The status quo is error prone, limits scalability and growth, complicates operations, and imposes delays, and fines.

SOLUTION

We deployed Omnitive MIDP to classify oficios — i.e., Especiales, Aseguramientos, and Regionales — read and extract datapoints, and validate outcomes, ensuring accuracy and compliance. Particularly valuable was the ability to automatically validate and normalize the extracted information against the repository made available by the Comisión Nacional Bancaria y de Valores (CNBV).

RESULTS

Our solution reduced the time required to process oficios by 97% or 30x, effectively from 30 minutes to just 1 minutes. It features 100% data extraction accuracy, as per the agreed SLA. The specific cost associated with oficios processing was reduced by 87% or 8 times. BBVA saw a boost in processing speed and a reduction in errors, enabling them to respond faster to government requests, thereby reducing operational risks and costs, while mitigating reputational risks.

The Client

BBVA is a global financial services group founded in 1857. The bank is present in more than 25 countries and has a strong leadership position in the Spanish market. It is the largest financial institution in Mexico and counts with leading franchises in South America and Turkey. BBVA employees 115,615 persons. In 2022, BBVA posted net attributable profit of $6.42 billion.

Annually, the legal services team in BBVA Mexico receives some 180,000 oficios. These are official communications informing on an administrative action related to a procedure. It is the most common administrative correspondence document. Oficios demand speedy and accurate attention, failure of which leads to fines. The operations team at BBVA Mexico is tasked with manually classifying the different types of oficios, extracting the data contained, normalize it, and validate it against the structured provided by the Comisión Nacional Bancaria y de Valores (CNBV) before any action can be taken.

COMMITTED TO DELIVERING INNNOVATIVE SOLUTIONS

BBVA has always leveraged technology and data to offer its customers a unique value proposition. Notably, some of the core strategic pillars of the bank firmly rely on digitization to capture people's behavior, and innovation to exploit new technologies that play a critical function in the transformation of the economy.

BBVA

THE NEXT STEP WAS HYPER-AUTOMATING OFICIOS TO REDUCE OPERATING RISK

With this project BBVA had the clear goal in mind to improve operational efficiencies to reduce risks and improve customer service while avoiding fines. To do so, they were eager to adopt not just advanced technologies, but best in class hyper-automation solutions.

Transforming the front

Transforming the back

Evolving IT architecture and systems

Onboarding new technologies

Becoming an agile AI-driven organization

The Challenge

AUTOMATION BECOMING INDISPENSABLE FOR COMPLIANCE

Since the start of BBVA' digital transformation, automation was a strategic pilar of their strategy. With increasingly complex operations and ambitions to continue dominating the Mexican market, both, improved efficiency, and cost reduction very much depended upon successfully adopting and deploying superior technology.

The firm needed to increase its response capacity, particularly with respect to urgent notifications, to avoid fines and reputational damage. A solution able to automate the accurate processing of oficios, was a must to improve response times while reducing errors, improve quality of information and service quality. In a nutshell, to reduce operational risks.

Oficios would normally be processed by a team of professionals. Depending on the type of oficio, up to 90 datapoints, would need to be available, requiring manual identification and extraction. A single oficio would therefore normally take up to 30 minutes to process. Particularly relevant was to respond within the provided timeline to avoid penalties and safeguard the reputation of the bank.

$2.76 Mill yearly cost

**180,000 oficios 9.8 Mill datapoints**
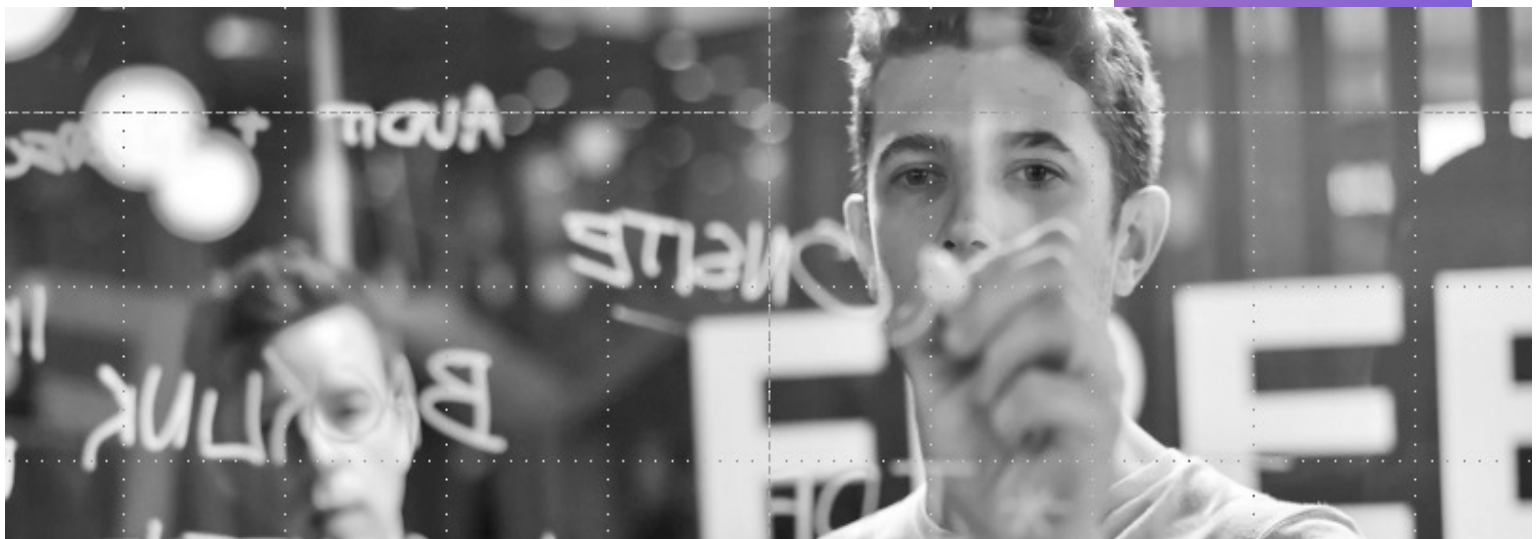
HYPER-AUTOMATION CREATES OPERATIONAL EFFICIENCIES KEY TO STAY AHEAD

BBVA was looking for an innovative digital solution that would help realize improved performance and efficiencies while minimizing costs and errors. Specifically, that meant processing 18,000 oficios, extracting 9.8 Mill datapoints. Specialized and costly human talent, commanding legal and administrative knowledge, handled the process end to end ensuring accuracy and compliance.

On aggregate, BBVA looked at 160,000 hours of labor annually, equivalent to almost $ 2.76 Mill in cost — inclusive of fines — or 80 FTEs.

There was no choice, BBVA had to increase its digital capacity and fully embrace hyper-automation.
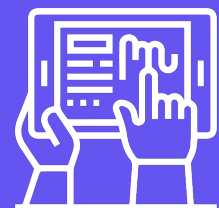
80 FTEs or 160,000 hours of labor

The Market Opportunity

HYPER-AUTOMATION TO REDUCE OPERATING RISK

Oficios:
4.3Mill / year

Associated staff head count:
1,905

FTE cost:
$65.7 Mill

In 2022 BBVA and other financial institutions, manually processed some 4.3 Mill oficios. These are the most common type of official administrative correspondence informing of an action related to a procedure. They must be action upon swiftly to avoid hefty fines.

At first, oficios need to be manually arranged, and– depending on complexity –, on average 54 datapoints extracted. A standard oficio has typically around 7 pages and can take up 30 minutes to fully process It includes particulars on the type of government agency sending it, the recipient, date, numbering, description of the matter at hand and requests to be undertaken, all in free text.

In short, to process 4.3 Mill oficios annually, 30 Mill pages must be individually processed, and some 233 Mill datapoints extracted. These are not small numbers, and substantial manpower is employed to complete these tasks.

"HYPER-AUTOMATION IMPROVES THE WAY WE WORK, HELPING ACHIVE MORE, FASTER "

Currently, oficios processing in Mexico requires 1,905 staff, equivalent to 3.8 Mill hours of labor yearly. Assuming a fully loaded FTE cost of $30k, the industry is spending around $66 Mill yearly on staff costs alone.
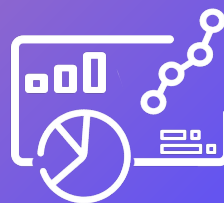
BBVA and the industry in general, were ready to embrace hyper-automation to go above and beyond with very clear goals: processing oficios faster and with better quality to avoid fines, free resources and improve process quality. In a nutshell, reduce operational risk.

Hours of labor:
3.8 Mill / year

Pages:
30 Mill / year

Datapoints (Avg):
54 / oficio

Datapoints:
233 Mill / year

The Process

A COLLABORATIVE PROCESS FROM START TO FINISH

The project begins with a collaboration to discover a detailed problem statement and opportunities for AI-driven hype-automation. The scope of the deployment is then carefully planned with contractually guaranteed outcomes. Various iterations of training using customers' data corpus and algorithmic AI constructions are built into Omnitive MIDP. Once ready, the system is deployed to extract real and usable data, which is continually evaluated together with qualitative feedback to develop the best possible system.

Discovery	Scoping	Training	Development	Output	Evaluation

The Solution

100% AUTOMATION OF OFICIO PROCESSING

BBVA had planned a detailed workflow, fully integrated with existing systems, aimed at automating 100% of oficio processing. Omnitive MIDP was the cornerstone of this project. Firstly, Omnitive MIDP cleansed and de-skewed files as needed, to improve extraction accuracies. Next, MIDP would classify oficios according to the categories provided (i.e., Especiales, Aseguramiento y Regionales). Following, all key datapoints are extracted ensuring correctness. Finally, once normalized and validated, the data is made available to the legal teams to act upon the corresponding oficio as appropriate. At any time, areas of potential risk were highlighted and flagged to BBVA's legal team to perform compliance checks.
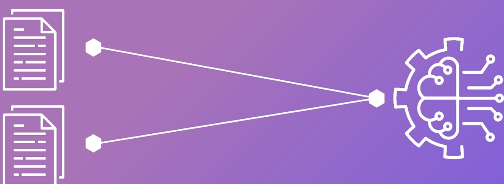
DOCUMENT TYPES

- Oficios

KEY FEATURES

DOMAIN-SPECIALISED KNOWLEDGE

ORKID worked with the customer's subject matter experts to nail domain-specific knowledge (i.e., legal and regulatory concepts) so that the system could interpret and comprehend complex linguistic structures consistently.

FLEXIBILITY IN LANGUAGES

ORKID was able to ensure that the system would handle complex cognitive tasks in a foreign language, Spanish, with unparalleled accuracy.

THE INTELLIGENT BUILDING BLOCKS OF OMNITIVE MIDP

ORKID's approach to multi-modal document processing brings in multiple intelligent tools for maximum accuracy and reliability, yet with a user-friendly focus. For BBVA, deployment was further conducted in stages. This gave the company greater control over the development process and allowed ORKID to perfectly tailor the solution to their requirements, down to the smallest detail.

CONVERSION AND CLEANING

De-skewers and noise removers improve image quality. Optical Character Recognition (OCR) then converts free-form text characters into machine-encoded text.

DOCUMENT CLASSIFICATION

Documents are sorted into pre-defined categories.

INTELLIGENT EXTRACTION

MIDP understand and interprets text contextualizing like a human, only faster, extracting the required key pieces of information.

VALIDATION

Extracted information is normalized and validated to ensure the highest levels of accuracy and compliance.

The Results

UNLOCKED SHORTCUTS IN PRODUCTIVITY AND GROWTH

Omnitive MIDP transformed the previously expensive manual workflow into a leading-edge automated solution. Total processing time for the oficios processing was cut by 97%, to just 1 minute, inclusive or all needed compliance checks. Total operating costs were effectively reduced by 87%, or 8 times. These metrics were delivered alongside a 100% accuracy rate in document classification and extraction. Consequently, BBVA experienced a decreased in processing errors leading to lower operating costs and operating risk, while mitigating reputational risk and improving overall quality of service.

Overall extraction accuracies of oficios was at an outstanding 100%.

| 87% reduction in processing time | 100% extraction accuracy | 8X total cost reduction |

HARNESSED MACHINE INTELLIGENCE TO AUTOMATE OFICIOS

The automation of oficios posed a highly complex and stake bearing cognitive task. Omnitive MIDP was able to excel. It successfully mastered highly complex legal and regulatory terminology to flawlessly extract data from oficios and make it available to the legal time to take the necessary actions timely.

The solution's accuracy marked a significant improvement from the prior highly inconsistent and error-prone manual process. Extracted data often had to be reviewed multiple times imposing delays on timelines and response to actions demanded by government bodies, such as seizures of assets. Omnitive MIDP created a much more compliance friendly workflow, including an alert system to immediately identify errors.
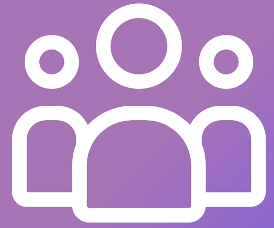
$233 Mill spent annually on staff to manually extract and apply information from oficios in Mexico.

End-to-end automation of oficio processing.

MARKET PIONEERING SOLUTION TO REDUCE OPERATIONAL RISKS

Working with ORKID, BBVA implemented a 100% automated oficio processing solution end to end. Omnitive MIDP cloud deployment, seamlessly integrated with BBVA' back-end workflow and core business model.

Processing at lightning speed and accuracy, BBVA's legal teams could act upon notifications within seconds of receiving oficios, thereby elevating service quality through technically superior solutions. BBVA was consequently able to reach perfect alignment with their long-term objectives while maintaining minimizing operating risks and avoiding fines.

VALUE PROPOSITION:
PUSHING THE LIMITS OF AUTOMATION

ORKID's Generative AI-powered hyper-automation solution pushed the boundaries of traditional automation in complex tasks requiring experience, skill, and training. It effectively integrated the necessary domain knowledge to excel. The reduction in processing times and ability to understand unstructured texts, helped deal with asset seizure notifications in a timely and accurate fashion, avoiding human intervention.
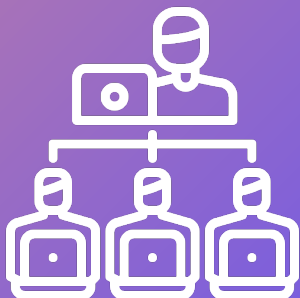
More importantly, the extreme accuracy generated stability and predictability in an otherwise fallible manual process. This intelligent solution helped advance innovation, delivering substantial savings in specialized staff work hours and overhead costs, while also enhancing productivity. It impressively reduced the time require to file process oficios to just 1 minutes and the associated costs by 8 times, which helped reduce operational risks and improve quality of service.

What's Next

CONTINUOUS ENHANCEMENT COMMITMENT

ORKID and BBVA continue to collaborate closely in a long-term partnership. The collaboration entails close analyses of performance metrics and continuous algorithmic refinements to improve performance.

NEW DIGITAL MILESTONES

ORKID and BBVA are planning to subsequently deploy projects in other parts of the business and geographic locations to leverage the full potential of hyper-automation.

Soon the solution will be extended adding the ability to process other types of oficios. Other applications of the technology are also being explored now. BBVA also has strong visions to digitally expedite its services further in new divisions and applications. Both firms are committed to transforming the industry and bringing the benefits of hyper-automation to all parts of the bank in Mexico and other countries.
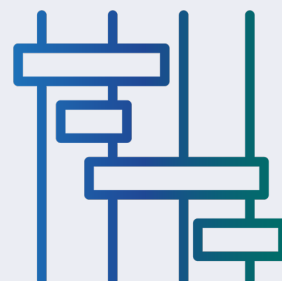
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