

Case Study

広島銀行

Japanese Bank Accelerates Business Process Re-Engineering and Digital Transformation With Automation From Kofax

Local Japanese banks are currently facing decreased workforces, low interest rates and different industries entering the financial industry, all while responding quickly to customer needs. To overcome these challenges, Hiroshima Bank has addressed workstyle innovation and digital transformation in their mid-term plan with the introduction of Kofax RPA™. As a result, the bank has successfully reduced about 20,000 hours for about 30 business operations annually and improved the customer experience. The bank has been promoting their work style innovation as a “regional comprehensive service company that continues to grow with local customers.”

30

Deployed robots

Reduction

of approximately 20,000 hours for
30 business operations annually

Achieved

a significant reduction in manual
tasks for the department of central
administration and audit

Work Like Tomorrow.™

KOFAX

Case Study



About Hiroshima Bank

www.hirogin.co.jp

Hiroshima Bank was founded in Onomichi city, Hiroshima Prefecture as the 66th National Bank in 1878 (the era of Meiji 11). Since then, the bank has grown mainly in the prefectures of Hiroshima, Yamaguchi, Okayama and Ehime for more than 140 years and now has 151 domestic branches, 12 branch offices, and representative offices in Bangkok, Singapore and Hanoi. The bank deposits 7,338.4 billion yen and loans of 6,313.7 billion yen (as of September 30, 2019). Its management vision is to build reliability as Hirogin Group, connected by strong trust with the local community. The new head office building is scheduled to be completed in the spring of 2021.

Products in Use

Kofax RPA™

Focus

Operational Efficiency,
Digital Transformation,
Customer Experience

Challenge

In their medium-term plan formulated in 2017, Hiroshima Bank described “reform of the profit structure based on value-added business originated from customer needs,” “promoting work style innovation and creating an organizational culture full of challenging spirit,” and “active commitment to regional revitalization.”

“The reason why we have created the medium-term plan is because the business environment for regional financial institutions like us has become more challenging than ever due to low interest rates and different industries entering our financial services’ industry in addition to the decline in population and number of business offices. Furthermore, with the rapid change in customer behavior as digital technology advances, there are situations where traditional business models need to be changed radically” says Kazuma Yabuki, Director of Digital Strategy Department.

“Kofax has large financial customers including several megabanks in Japan, major life insurance and major credit sales. One of the major reasons we selected Kofax is that Kofax has an install base of about 600 companies overseas, including the Department of Defense and major enterprises in the United States.”

Mr. Kazuma Yabuki, Director, Digital Strategy Department, Hiroshima Bank

The Digital Strategy Department was newly established based on the medium-term plan and has been working on three pillars: creating new regional businesses, promoting the utilization of data and thoroughly improving operational efficiency using digital technologies. Mr. Yabuki is mainly responsible for promoting collaboration with fintech companies and RPA.

To explain the reason Mr. Yabuki worked on RPA, he said “One of the three pillars in the medium-term plan is to promote work style innovation. The goal is to provide high-value-added services for customers by eliminating inefficient tasks or outdated work styles thoroughly such as “paper”, “seal”, “meetings”, and “hard-copy of materials”.

Hiroshima Bank also approaches work style reform from three aspects: “reform of the corporate culture,” “reform of the system,” and “business reform.” Among these, the bank is actively promoting the use of digital technology to reform their business. The bank is working to utilize digital technology and address their work style innovation, digital transformation and the improvement of the customer experience. According to Mr. Yabuki, headquarters concluded the best method is to robotize the office process and introduce RPA .

KOFAX

Case Study

Solution

In 2017, Mr. Yabuki started comparing RPA tools by collecting information and decided to select the best RPA solution based on five criteria: “Providing enough support in Japanese in Japan,” “Providing high performance at a reasonable cost with functionality and scalability,” “ease of development with an intuitive UI and no programming needed,” “Install base recognized at any Japanese financial institutions,” and “system configuration should be server type.”

As a result, Hiroshima Bank selected Kofax. Mr. Yabuki pointed out that Kofax has a support team in Japan, and Kofax RPA is functional, scalable and allows them to develop with only the UI for ease of operability. In terms of install base, there are many financial institutions, such as several mega banks in Japan, major life insurance companies and major credit sales organizations using Kofax. Additionally, there are about 600 customers outside of Japan, including the Department of Defense and major enterprises in the United States. Mr. Yabuki also said one of the other reasons for selecting Kofax was that the system configuration was a server type, which is a license system not associated with a personal computer or a user, but calculated costs according to the number of robots running at the same time. Another deciding factor was that he was able to minimize the investment by increasing the utilization rate through scheduled management.

What Mr. Yabuki emphasized most here was the importance of Kofax’s system structure. “Considering the large-scale deployment of RPA in the future, the cost of licensing becomes more expensive because the desktop type needs to be installed into each PC so it will be more difficult to grasp the “stray robot” that each person creates without permission. It’s easy to understand if it’s a server type, and we can do smooth governance. In addition, we can centralize our development and operational know-how and minimize the cost of education to develop skills.”

Hiroshima Bank conducted a trial to see what RPA could do and what characteristics RPA has before moving to migration. Mr. Yabuki said it has only been about half a year since he started collecting the information on the introduction of Kofax RPA.

“Kofax’s RPA licensing structure is calculated by the number of robots running at the same time, so schedule management can increase utilization and minimize the investment required.”

Mr. Kazuma Yabuki, Director, Digital Strategy Department, Hiroshima Bank

Results

Thanks to Kofax RPA, Hiroshima Bank was able to achieve their business reform goals. Hiroshima Bank introduced Kofax RPA for their point service’s registration task. Their point service is called a “total point service” which grants customers points for each transaction, and various services and benefits can be obtained according to total points earned. In the past, Hiroshima Bank assigned the headquarters operator to manually extract customer transaction data, then register and confirm services. But now, the bank has replaced this manual effort with RPA, realized time savings and became confident about the effectiveness of RPA.

“We can utilize the time saved by RPA for improving our services, such as better understanding each customer’s needs and proposing the best services for individual customers.” says Mr. Yabuki.

In addition, he could see efficiency improvements in checking and confirming various applications and services at the foreign exchange department and the loan office intensive department as well as data management at the audit department. As a result, Hiroshima Bank was able to save approximately 20,000 hours at about 30 operations in total annually.

“We believe that the reduced time will be effective in improving the customer experience and promoting work style reforms, such as deeper communication with customers, development of new services, or reduction in working hours. As a result, Hiroshima Bank can become a ‘regional comprehensive service company that continues to grow with local customers.’”

Case Study

Mr. Yabuki said he was able to clarify the “secrets to success” of their RPA implementation, such as “defining the operations that can introduce RPA and estimating the ROI of development and operation.” He was able to gain this information thanks to support from Kofax as well.

“Our KPI to introduce RPA was to thoroughly improve efficiency in order to promote work style reform, to make the most of the time saved, and to build a system that can provide high-value-added services to customers. In the end, we were able to improve staffing as scheduled and reduce time. There were many unexpected situations in the development stages, but Kofax supported us firmly every time. We are very happy with Kofax.”

Regarding the future, Mr. Yabuki concluded, “Understanding the importance of setting KPIs, we would like to make further use of Kofax RPA to provide high-quality services for our customers and realize further business improvement.”

“Kofax has a support team in Japan and can support us in Japanese. Of course, the manual is also in Japanese, so it’s also a big advantage for us to be able to understand quickly.”

Mr. Kazuma Yabuki, Director, Digital Strategy Department, Hiroshima Bank

[Read more stories of success from our global customers at kofax.com](#)

Work Like Tomorrow.™

kofax.com

© 2020 Kofax. Kofax and the Kofax logo are trademarks of Kofax, registered in the United States and/or other countries. All other trademarks are the property of their respective owners.

July 7, 2020 9:47 AM

KOFAX