Poste Italiane: Back Office Process Automation Program

Overview.

As a company with 160 years of history, a network of over 12,800 post offices, approximately 128,000 employees, 536 billion euros of financial assets, 35 million customers, and a revenue of over 11 billion euros, Poste Italiane S.p.A is an integral part of Italy's economy and plays a key role in supporting the country's future growth and modernization. The company's activities have a significant impact on the country in terms of gross domestic product, tax revenue, employment, and household income.

Poste Italiane's digital, physical, and human assets make it Italy's largest infrastructure company. It is unparalleled in Italy in terms of size and capability, with a guaranteed presence throughout the country enabling the provision of postal logistics, savings and payments, insurance, and digital communication services.

Poste Italiane's customers are diverse, in line with the company's multi-business approach. They include retail customers in the banking sector and the business sector (which covers small economic operators, professionals, small and large companies, and public administration) as well as occasional retail customers looking for non-contracted services like shipping and postal.

In 2021, the Poste Italiane launched its 2024 Sustain & Innovate Strategic Plan. The plan sets out how the company is reaffirming its position as a strategic provider of infrastructure and services that play a key role in Italy's modernization. The project will support transitioning citizens, businesses, and public administrations toward the digital economy by simply, transparently, and reliably providing a wide range of quality services that improve the lives of citizens and the competitiveness of companies.

The challenge.

The Poste Italiane Customer Operations division manages customer service activities for the entire company (both business and retail) and processes cases related to activating services and billing.

Previously, Poste Italiane's Customer Operations division was spread across 85 different sites, serving six lines of business. And many of Poste Italiane's processes were paper-based and fragmented, with packages often rotating between specialized operators' desks.

> "Digitizing Poste Italiane's processes and becoming paperless were the key drivers for a transformation that could support a new digital economy. Through our partnership with Appian, we have seen significant improvements in the way we do our business, reducing lead times by at least 25% and the pressure on resources by 45% in some parts of the business, while still achieving the same outcomes.

Mirko Mischiatti, Group Chief Digital, Technology and Operating Officer, Poste Italiane

Poste Italiane wanted to shift from a "view by case" approach to a "view by customer" one. To achieve this, they needed to revise their business processes to control the end-to-end processing status of each customer.

Poste Italiane was seeking a solution that would reduce the complexity of processing cases by digitizing and streamlining their workflows. They aimed to reduce case processing times and automate tasks for individual operators to allow them to handle multiple operations.

Extending the customer-centric view to all the products and services in the portfolio and improving processing times in terms of both quality and speed would break down the company's boundaries and extend access to services for citizens and businesses.

However, Poste Italiane needed to balance their ambition to implement new solutions with the need to:

- Equip operators with better IT tools.
- Avoid interventions on vertical legacy systems that would require excessive costs and implementation times.
- Ensure records management and seamless monitoring of each customer's case during the transition.

Poste Italiane needed an agile automation platform that would be easy to implement, quick to adopt, and that would have a very low impact on the existing application landscape. Their ideal platform would meet the following business objectives:

Industrialization: Realizing a "digital desk" on which to implement, track, and monitor all Poste Italiane's back-office processes with the aim of achieving continuous improvement, cost containment, and productivity increase.

De-specialization: Driving the de-specialization of back-office operators by using robotic process automation to interact with legacy systems (creating a hybrid workforce) to increase flexibility and better manage work peaks.

Business agility: Adopting an IT platform aimed at increasing agility by enabling faster, lower cost, and lower risk project paths and business processes.

The approach.

Poste Italiane's ambition was to move from being a case-focused organization to a customer-focused organization.

Globally, companies and leaders are focusing their efforts on creating company-wide vision and culture for digital. They're aiming to transform business models and core operations through a seamless blend of human

> The thing that makes me most proud of my work is being able to tell my mother that my activities would also improve her life as well as that of her friends, relatives, and all the Italians who access our services.

Antonio Forino,
Head of Corporate
Application Solutions
and Integration Tests,
Poste Italiane

expertise, robotic process automation (RPA), artificial intelligence (AI), and supporting technologies. So, that's the approach Poste Italiane took in implementing the Appian platform.

Appian solution.

Poste Italiane began collaborating with Appian in 2018, following being awarded a tender to support the digital transformation of all back-office processes.

At a high level, Poste Italiane appointed Appian to help them digitize their processes and become paperless to achieve the objectives of their 2024 Sustain & Innovate strategic plan.

They had four main goals: improved back-office operations, seamless customer service, a high quality customer experience, and operations governance and transformation. It was important for Poste Italiane to see improved service and efficiency in all these areas and keep customer satisfaction at the forefront.

Poste Italiane met their goals by using the Appian Low-Code Platform with a separate robotics solution, which together they called the Digital Desk (Appian + Robotics solution).

The Appian platform sits on top of legacy systems, simplifying operators' work by automating certain tasks and giving them a single, unified interface and system to work with. From an operator's point of view, the Appian platform made it possible to create a decoupling layer with the rest of the legacy systems, bringing information into one view, unifying information distributed over several systems, and standardizing and automating the functionalities necessary to carry out daily activities.

In addition, Poste Italiane adopted robotic process automation—orchestrated by Appian automated processes—to disintermediate backend management. This critical architectural element allowed Poste Italiane to make the user experience completely transparent.

At the same time as they adopted the Digital Desk, Poste Italiane launched a campaign titled "War on Paper"—and today, the exchange of paper between their front and back offices has been nearly eliminated.

The complete digitization of processes enabled Poste Italiane to have full control over the main business flows *(like Parcels contract activation or Bank Account activation)*, to enable automatic 'reassignment' mechanisms among operators, and even across different offices *('breaking down geographical barriers')*, to effectively manage workloads and, most importantly, to be fully aware at any time of the status of each Customer's request.

The review of business flows has led to an increase in efficiency, even at times of intense demand, and as a consequence a significant reduction in the overall. processing time with a relevant improvement in service levels for customers and an improvement in the Customer Satisfaction Index.

Luigi Migliaccio,
Group Chief Customer
Operations Officer,
Poste Italiane

Some of the automated processes.

Treasury - Small Municipalities	Management of the activation process of treasury accounts for small municipalities.
Internal Fraud Management	Internal Fraud Management Process. Enables the fraud detection from the Back Office side and refund management.
Search Securities	Management of the search process for securities on all Poste Italiane's ledgers.
Inheritance Management	Inheritance process management, starting from the report contracts, the management of the statement of claim and the settlement of the heirs.
Liquidity Decree Case Management	New application for the processing of cases related to the "Liquidity Decree" issued by Italian Gov't to support businesses, artisans, self-employed and professionals.
Schools - Treasury	Management of the activation process of treasury accounts for schools.
Energy Contract activation	Implementation of the process for managing the activation of services in the Energy field.
Fiber Activation	A number of process steps have been automated as part of the Fiber service activation process.
RC AUTO (Car civil liability)	Implementation of the process for document validation related to motor liability quotes.
Activation Postal Contracts (OUP)	Implementation of the process for Back Office validation of documents associated with new Postal contracts.
Activation CC (Checking Account) Business	Implementation of the process for document validation related to CC (checking account) activation requests.
EcoBonus	Implementation of the process for validating requests for credit assignment.
Disallowance case management	As part of the application developed on "Digital Desk" to support the Back Office in the processing of Disallowance cases.
Online Sales Postepay Digital	Realization on Digital Desk of a building block for the realization of Back Office controls on the online sale of Postepay Digital (payment card, with multiple services).
Poseidonia - Back Office procedure for Online loans	Implementation, on Digital Desk, of a new process for the management of Back Office side check, for OnLine loan requests.
Litigation Management and integration with TELEFORUM	The initiative involves the automation of the litigation management process on the Back Office side, coming from the legal department.
Golden Funnel	As part of the Business customers, an application will be realized on "Digital Desk" to manage (confirm or reject) requests for marketing of multiple items, to be purchased in the UP (Ufficio Postale=Postal Office).

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The benefits.

With Appian, Poste Italiane customer services agents can now handle fraud analysis and case management using a single platform with an intuitive interface. Appian also has auditing capabilities that allow Poste Italiane to easily control and monitor their processes end to end—including tasks automated with robotic process automation.

The Appian platform saves Poste Italiane back-office staff time and effort previously lost to switching between legacy systems, and their customers receive better, more efficient service. It has also reduced Poste Italiane's cost to serve—the majority of their documents are now digitized, and lead times have been reduced by at least 25% for main products.

By adopting the Digital Desk, Poste Italiane has seen these benefits:

- Reduction in case processing time.

- Standardized and streamlined operations and service management model.

- Improved integration architecture.

- Opportunities for continuous improvement.

Additionally, the Digital Desk solution allowed Poste Italiane to switch from a "view by case" to a "view by customer" approach resulting, for newly created digital services, in a 45% reduction in required resources compared to areas not supported by Appian.

Reduction in case processing time.

With Appian, Poste Italiane achieved their goal of reducing case processing time. Here's one example: for inheritance processing services, case handling time decreased from over 30 days in 2018 to just 8 days in 2021. Credit declarations were also reduced from about 15 days in 2018 to about 7 days in 2021. Production efficiency (number of inheritance cases per operator/year) increased by 70% in that timeframe, too. Here's another example: the activation time for postal contracts was previously 20–30 days, but with the Appian solution, it is now less than 8 days in 95% of cases.

Poste Italiane achieved these time savings by delegating interactions with complex systems to RPA bots, tracking all processing states, orchestrating workflows, and having a rapid and effective intervention capacity. In some instances, results have significantly exceeded expectations (e.g., Securities Search).

> With the operational start-up of the first implemented service, we have clearly seen the realization of the expected potential operational efficiency.

Antonio Forino, Head of Corporate Application Solutions and Integration Tests, Poste Italiane

Standardized and streamlined operating and service management model.

The changeover to the new platform has enabled Poste Italiane to standardize its operating and service management model and gain an ability to respond to internal customers that was previously unthinkable.

The CIG (Cassa Integrazione Guadagni) service (equivalent to Wage Integration Fund) was a major achievement in this area. The Italian government asked Poste Italiane to take over the CGI service, with a very short timeline—with Appian, the design, implementation, and go-live of the management process for the service took just four weeks, including training operators, which was carried out remotely with live meetings recorded and distributed.

Without the Digital Desk solution and Poste Italiane's new organizational approach, it would have taken weeks just to design the operating model and define the SLAs (x days for retrieving cases, y days for the registered mail of service, z days for processing and returning them to the customer offices, etc.) for this process.

Operators across Poste Italiane have expressed their appreciation for how the Appian platform simplified their daily work.

Improved integration architecture.

A key factor in the success of this implementation was the ability of the Appian platform to integrate with legacy systems, paired with robotic process automation.

Over time, Appian and Poste Italiane worked together to evolve the integration architecture, exploiting the evolutionary path of the legacy platforms. This approach led to constructing an API layer that Appian leveraged for service and real-time integrations to replace the "asynchronous" robotics interfaces. Today the reference architecture for the management of pre-sales and sales processes is all service based, providing the end customer benefits such as reduced time spent managing requests and improved status monitoring/awareness.

Continuous improvement.

Poste Italiane is currently considering how to make another leap forward in their capacity for correct and efficient processing with standardized solutions for managing user requirements.

"We are continuing to adopt Appian on further Customer Operations processes, but we are receiving strong interest from other business functions, colleagues are asking us for a solution such as the Digital Desk to manage their activities. The scope is therefore growing, for example by integrating the back office of postal services on the Appian platform."

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Addition digital transformation opportunities Poste Italiane is continuing to explore with Appian include:

- Streamlining the accounts payable end-to-end process, including the purchase request process, to offer better visibility and user experience with ERP systems integration.

- Conducting a human resources review of internal processes that support Poste Italiane employees.

- Improving/industrializing the SW development in association with Appian customer services. This would include incorporating automatic deployment and documenting SW development guidelines.

- Engaging with Appian Community and participation in the Appian Process Mining Kickstart program.