

# Concept Note for Vendor Onboarding Automation

## Executive Summary:

Vendor onboarding is often complex, time-consuming, and prone to data inaccuracies, human error, and compliance risks. Additionally, the manual process requires large teams and is susceptible to fatigue, leading to further inaccuracies, attrition, and retraining efforts. Our Gen AI-based Vendor Onboarding Automation solution leverages intelligent automation to address these challenges by automating data extraction, validation, and workflow management. This approach reduces onboarding time by 50% while improving data accuracy and minimizing the reliance on human intervention.

The solution provides a centralized platform for end-to-end vendor management, from document submission to final approval, ensuring a seamless, efficient, and compliant process. By automating routine tasks, enhancing flexibility in adapting to new business rules, and enabling transparent communication with vendors, organizations can focus on strategic growth while maintaining compliance and operational efficiency. Depositories, in particular, can capture a higher market share by deploying such advanced Gen AI technology, reducing time to market (TAT) to onboard new companies, validate changes & updates for existing organizations and operational overheads.

## Objective:

Automate Vendor Onboarding process through a GenAI based intelligent document extraction, RPA and workflow automation solution. This solution enhances operational efficiency, reduces manual errors, addresses human-related challenges (fatigue, training, attrition), and ensures compliance by leveraging Gen AI-based technologies.

## Business Needs:

- Ensure accurate and consistent data validation across multiple regulatory and government portals to maintain compliance and data integrity.
- Implement a scalable solution that handles increasing vendor volumes and adapts to evolving regulatory requirements.
- Provide real-time insights into the onboarding process with a centralized system for managing discrepancies and follow-ups, reducing onboarding time (TAT).
- Reduce human involvement in mundane tasks to prevent errors caused by fatigue, attrition, and the need for continuous training.

## Current Challenges Faced by Depositories

1. **Inconsistent Data Validation:** Manual cross-verification across multiple portals (government, regulatory sites) is time-consuming and prone to errors. Large teams are required for these repetitive tasks, leading to high operational costs.

2. **Human Fatigue and Attrition:** Continuous manual processing over long periods leads to employee fatigue, which increases the risk of errors. Attrition in teams handling these tasks adds the burden of training and retraining staff.
3. **Fragmented Communication:** Discrepancies identified during the process often require manual notifications and follow-ups, resulting in extended onboarding cycles.
4. **Compliance Risks:** Manual checks and validations may not always align with regulatory requirements, creating potential risks for non-compliance.

### **Proposed Solution:**

Our Gen AI-powered Vendor Onboarding Automation solution offers an end-to-end automated process for managing vendor onboarding, integrating advanced document processing, business rule validation, and workflow automation capabilities, which help alleviate human-related challenges.

### **Types of Documents Involved in the Process:**

The vendor onboarding process involves various documents, such as the Vendor Onboarding Form, financial statements like balance sheets, and tax return statements in formats like PDF or Excel. Essential certificates, including the Certificate of Incorporation and GST Certificate, as well as business licenses and regulatory permits, ensure vendor qualification.

Legal documents, such as signed contracts, outline the terms and conditions between the business and the vendor. Identity proofs (PDF or image format) and bank details, including canceled cheques (JPEG/PNG), are required for verification. Additionally, company profiles or brochures provide an overview of the vendor's operations, history, and key personnel, supporting a thorough assessment during onboarding.

### **Key Features:**

1. **Automated Document Extraction:**
  - An OCR (Optical Character Recognition) bot extracts information from all supporting documents submitted by vendors, such as registration forms, financial statements, and certificates.
  - Extracted data is validated against the details filled in the application, ensuring consistency and reducing errors.
2. **Workflow Automation for Verification:**
  - A flexible rule engine applies business rules to validate vendor information, including company identification, share capital, board member details, and other regulatory requirements.
  - New business rules can be easily integrated with minimal time and effort, making the platform highly adaptive to changing compliance and operational needs.
3. **Human Intervention Minimization:**

- Gen AI automation reduces the dependency on large human teams by handling repetitive tasks, ensuring consistent accuracy and efficiency.
  - By removing mundane tasks, the system helps in reducing employee fatigue and the need for constant retraining, lowering operational costs and improving overall team productivity.
4. **Automated Discrepancy Management:**
    - Any discrepancies identified are automatically flagged and routed to the respective team members for resolution.
    - Notifications are sent to the vendors to address discrepancies, and the application is re-assigned for further processing once corrected.
  5. **Seamless Integration with External Systems:**
    - The solution supports API-based integration with external portals and internal systems to facilitate smooth data exchange and document retrieval.
    - Web scraping and UI automation handle cases where API integrations are unavailable, ensuring comprehensive data validation across all required platforms.
  6. **Comprehensive Exception Handling:**
    - An Exception and Error Handling module is built into the solution to manage cases of discrepancies, incomplete documents, or any process errors.
    - The system automatically moves flagged applications into an action dashboard for further review and resolution.

#### **Benefits:**

- **Higher Market Share Capture:** Depositories can leverage the speed and accuracy of Gen AI platforms to handle larger volumes of vendors efficiently and meet regulatory standards faster, giving them a competitive edge.
- **50% Reduction in Onboarding Time:** Streamlines the entire vendor onboarding process through automation, reducing time spent on manual verification and approval by half.
- **80% Improvement in Data Accuracy:** Minimizes errors and discrepancies by automating document extraction and cross-verification across multiple portals.
- **30% Lower Operational Costs:** Decreases costs associated with manual processing and follow-ups by automating routine tasks.
- **100% Compliance Assurance:** Ensures full adherence to regulatory standards through consistent and automated checks across all required documents and portals.

#### **Flexibility & Scalability:**

The solution's flexibility allows it to scale effortlessly as vendor volumes grow, and new business rules can be incorporated swiftly to meet evolving regulatory demands. This adaptability enables organizations to remain agile and compliant.

## **Implementation Approach:**

### **1. Initial Integration:**

- Establish integration with the client's portal and databases via secure APIs.
- Configure the OCR and document extraction modules to process different types of documents submitted by vendors.

### **2. Business Rules Configuration:**

- Define and configure business rules tailored to the client's specific requirements for vendor onboarding.
- Ensure cross-verification logic aligns with industry standards and regulatory needs.

### **3. Workflow Automation Setup:**

- Develop and deploy bots to handle various steps of the verification process, including data extraction, validation, cross-portal verification, and discrepancy management.
- Implement an automated notification system for communication with vendors.

### **4. Testing and Validation:**

- Conduct extensive testing to ensure all integrations and automation workflows function correctly.
- Validate the solution against real-life onboarding scenarios to ensure accuracy, compliance, and efficiency.

### **5. Deployment and Training:**

- Deploy the solution in the client environment and provide training sessions for end-users.
- Offer ongoing support and monitoring to ensure smooth operation and address any issues promptly.

## **Conclusion:**

Our Vendor Onboarding Automation solution significantly reduces the time and effort required for vendor onboarding while enhancing data accuracy and ensuring compliance with industry regulations. By leveraging intelligent automation, this solution enables businesses to onboard vendors efficiently, maintain regulatory adherence, and focus on strategic growth opportunities.