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GEN AI AND FINANCE: OPENTEXT AND TCS ON THE FUTURE OF BFSI

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GEN AI AND FINANCE: **OPENTEXT** AND **TCS** ON THE FUTURE OF BFSI

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As Gen AI reshapes the banking, financial services and insurance sector, *OpenText* and *TCS* are helping firms unlock its transformative potential

The banking, financial services and insurance (BFSI) sector is in the midst of a technological revolution, with artificial intelligence (AI) offering the potential to reshape operations, customer experiences and business models.

At the forefront of the industry's transformation are OpenText, a US$6bn software company specialising in information management, and Tata Consultancy Services (TCS), a global IT services leader with over 600,000 consultants worldwide. Built on decades of collaboration, the partnership between the two companies aims to unlock the full potential of generative AI (Gen AI) and other advanced technologies for BFSI firms. But what exactly does this AI-driven future look like for banks, insurers and other financial institutions? And how are OpenText and TCS working together to turn AI ambitions into practical, value-generating solutions?

How AI is transforming the world of finance

While Gen AI has sparked renewed interest in the potential of artificial intelligence, analytics has been mainstream in the BFSI sector for some time and will continue to play a crucial role.

"WE HAVE THE MANTRA OF BRINGING THE AI TO THE DATA AND NOT THE OTHER WAY AROUND. THAT WAY YOU DO NOT LOSE CONTROL"

LARS ROSSEN
SVP & CHIEF ARCHITECT,
OPENTEXT

The step forward that Gen AI promises lies primarily in process efficiency and personalisation – areas where decision-making involves numerous data points.

Today, the adoption of AI in the BFSI sector is being driven by two primary forces. As Babu Unnikrishnan, Chief Technology Officer for BFSI Americas at TCS, explains, the main drivers for AI adoption among BFSI firms are enhancing customer experience and innovation, as well as optimising cost and operational efficiencies.

With 27 years of experience in leadership roles, Unni is responsible for developing technology strategy and driving co-innovation with TCS customers. Here, he highlights the transformative potential of AI across various financial services.

"Financial institutions will be able to go beyond standalone interventions and intersperse AI into larger banking value

LARS ROSSEN in

TITLE: SVP & CHIEF ARCHITECT

COMPANY: OPENTEXT

LOCATION: DENMARK

Lars Rossen drives the OpenText technical strategy and the shared components and engineering services in OpenText.

Lars oversees OpenText's hyperscaler and platform strategy and associated platform architecture, as well as UX strategy, performance engineering, DocOps and internationalisation programmes. He drives the standardisation of delivery of products based on the IT4IT standard.

Lars chairs the board of the Open Group standard organisation. Lars holds a Ph.D. in computer science, as well as an MS in Engineering, and an MBA. Lars was awarded the Fellow title in HP after defining the IT4IT standard and co creating the HPE Cloud System Strategy.

Lars Rossen
SVP & Chief Architect,
OpenText

streams and customer journeys," he notes. "For example, infusing AI capabilities will result in hyper-personalised campaigns, non-intrusive KYC, advanced needs analysis, fraud management and anti-money laundering, significantly enriching customer experience and engagement."

As Lars Rossen, SVP and Chief Architect at OpenText explains, the potential impact of AI – particularly Gen AI – extends far beyond these use cases.

With his role overseeing the ecosystem architecture and platform architecture of OpenText's entire portfolio, Lars describes how AI can be integrated into existing information management systems.

"Large language models have the potential to significantly transform BFSI business processes. In the insurance industry, for example, the ability to efficiently collate information and generate insights will help everyone

PRADEEP KAMALANABHAN

TITLE: **GLOBAL HEAD, ECM**

COMPANY: **TCS**

LOCATION: **UNITED KINGDOM**

Pradeep Kamalanabhan is the Global Head of TCS's Enterprise Content Management (ECM) practice. Pradeep is a technology professional with more than 23 years of experience in the information, content & data management domain across sales, pre-sales, delivery, consulting, customer relationship and partner management. In his role as the Practice head, Pradeep manages the end-to-end delivery of ECM services from GTM Initiatives and Solutioning, up to successful implementations.
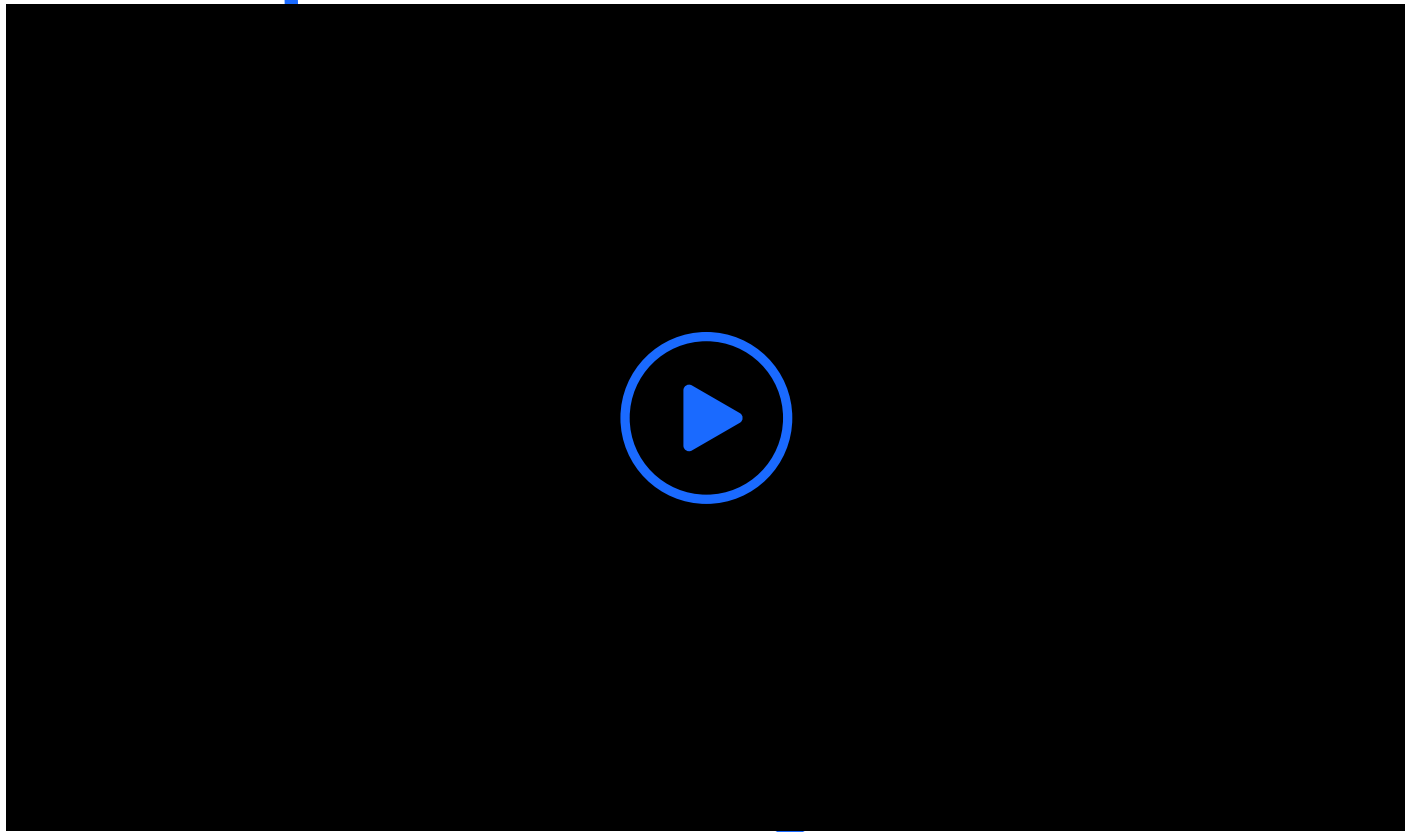
from agents and brokers to underwriters and claim handlers," he says. "But it's important to understand that Gen AI is not the only solution and other statistical and machine learning algorithms will significantly help the entire BFSI industry."

Meanwhile in capital markets, the combination of traditional AI and Gen AI is opening up new possibilities. Pradeep Kamalanabhan, Global Head of TCS's Enterprise Content Management practice, has more than 23 years of experience spanning sales, pre-sales, delivery, consulting, customer relationship and partner management, providing him with a unique perspective on how AI can transform various aspects of financial services.

"EVEN IN THIS ERA OF AI, THERE'S NO SUBSTITUTE FOR HUMAN CREATIVITY, EMPATHY AND STRATEGIC THINKING"

PRADEEP KAMALANABHAN
GLOBAL HEAD, ECM
TCS

"A combination of AI and Gen AI will bring in new capabilities such as knowledge management, content mining, summarisation, content generation and synthetic data creation," he highlights. "These capabilities can be leveraged to enhance customer experience and transform business models."

The power of partnership

While the potential of AI in finance is immense, realising this potential requires more than just advanced technology; it demands a deep understanding of the BFSI sector, extensive implementation expertise and a comprehensive approach to information management. The partnership between OpenText and TCS brings together unique strengths that set it apart from other industry players.

Founded in 1991 in Ontario, Canada, OpenText brings to the table over 40 years of experience in helping customers tackle complex information management challenges. As Lars puts it: "We have the advanced software and AI solutions BFSI customers need," with its offerings including not just AI capabilities, but also the underlying information management systems that are essential for effective AI deployment. With well-curated content one of the secrets to success in AI-driven solutions, OpenText's expertise in content management is a key differentiator.

TCS, on the other hand, contributes its vast experience in IT services and consulting, along with its deep knowledge of the BFSI sector. Its overall breadth of experience in the marketplace allows TCS to tailor AI solutions to the specific needs

"PEOPLE WILL FUNDAMENTALLY SHIFT FROM DOING WORK TO TRAINING INTELLIGENT MACHINES AND REVIEWING THE WORK DONE BY MACHINES"

BABU UNNIKRISHNAN
CTO, BFSI AMERICAS,
TCS

of financial institutions, underscoring its comprehensive understanding of the BFSI sector's intricacies and challenges. Pradeep explains: "TCS has more than two decades of experience implementing a wide range of enterprise content management, customer communication and digital experience solutions on OpenText products."

This combination of OpenText's technology and TCS's implementation expertise creates a powerful synergy. "Together, TCS and OpenText provide proven expertise combined with deep contextual knowledge to enable business growth, operational efficiency and a competitive edge for enterprises across verticals worldwide," Pradeep says.

Navigating the challenges of AI adoption

But despite the enormous potential of AI in finance, its adoption is not without challenges.

One of the primary concerns is around ethical and responsible AI use. As Pradeep

BABU UNNIKRISHNAN

in

TITLE: **CTO, BFSI AMERICAS**

COMPANY: **TCS**

LOCATION: **INDIA**

Babu Unnikrishnan (Unni) is the CTO for Banking, Financial Services, and Insurance (BSFI) Americas at TCS. In this role, he is responsible for developing technology strategy, designing and delivering strategic digital programs, and driving co-innovation with TCS customers. Unni also formulates differentiated industry solutions and cross-industry initiatives, leveraging emerging technologies and new ways of working. With 27 years of experience in leadership roles, Unni has led a number of successful digital initiatives, driving immense business value for customers. His areas of interest include future digital architectures, applied AI, open data, multi cloud, core systems modernisation and modern software platforms. An ardent proponent of continual learning, he believes in leveraging technology as a pragmatic differentiator in translating strategy to execution.

points out: "BFSI firms must establish guardrails to mitigate biases and ensure transparency in AI-driven outcomes": particularly important in an industry where decisions can have significant financial and personal impacts on customers.

Security and privacy represent another major challenge. The BFSI sector deals with highly sensitive financial and personal data, making data protection particularly critical. "It is important that solutions preserve the data protection that is already built into the underpinning information management systems," Lars comments. "This is one of the reasons we have the mantra of bringing the AI to the data and not the other way around. That way you do not lose control."

Unni, meanwhile, highlights the need for specific controls to secure customers' personally identifiable information (PII) based on geography-specific regulatory mandates. He also emphasises the importance of capabilities such as data traceability, real-time threat detection and response including preventing prompt injection attacks, role-based access controls, and appropriate guardrails throughout the value chain, in addition to the existing traditional security controls.

Beyond these technical challenges, BFSI firms also face organisational hurdles, from a lack of IT readiness and the need for talent development and training to cultural shifts required within organisations to fully embrace AI. As Pradeep notes: "Scaling adoption and consistently leveraging the capabilities to build enterprise-grade solutions will mandate changes to IT infrastructure to ensure readiness."

The human element in an AI-driven future
As AI capabilities continue to advance, much has been said about the future role of human workers in the BFSI sector.

However, as the executives highlight, AI is set to augment, rather than replace, human capabilities.

Unni envisions a shift in the nature of work: "In the short term, firms will need to equip employees with LLM-specific techniques like prompt engineering, advanced retrieval-augmented generation (RAG) approaches, and contextual fine-tuning. In the longer term, people will fundamentally shift from doing work to training intelligent machines and reviewing the work done by machines. This will ultimately free up time for higher value-adding activities that

demand creativity, empathy and critical thinking, which will create new roles and opportunities."

This shift towards a hybrid workforce – where humans and machines constantly improve each other – will require continuous retraining and upskilling. "Upskilling in data science is key," Lars asserts. "Gen AI lives on data, so you need people who understand what data you have and what quality it has. This is a business problem, not an IT problem, so you need to upskill the business as much as IT."

Pradeep reinforces this point, citing findings from a recent TCS study: "Even in this era of AI, there's no substitute for human creativity, empathy and strategic thinking. Our study found that 63% of BFSI companies think human creativity and strategic thinking will remain essential to their competitive advantage."

The path to AI implementation

For BFSI firms looking to implement AI solutions, the executives offer several key pieces of advice. First and foremost, they emphasise the importance of getting started. As Lars puts it: "The technology is there and your competition will use it, so dive in."

However, diving in does not mean going it alone. Both Lars and Pradeep stress the importance of finding the right partners. "I would strongly suggest to both get a technology partner like ourselves and an implementation partner," Lars says. "Firms should look for a partner that understands their business needs and

has a broad range of experience in their chosen project," Pradeep adds.

When it comes to choosing specific AI projects, Lars advises taking a strategic approach. "Brainstorm on where you think AI can help and get a quick validation with some experts," he suggests, cautioning against expecting AI to magically solve longstanding business problems: "If you have a business problem you are not good at solving, then Gen AI is not going to magically solve it."

The future of AI in BFSI

Looking ahead, AI is set to become an increasingly integral part of the BFSI landscape. "Given AI's potential to add complementary value, it will become mainstream in the BFSI industry," Unni predicts. "Going forward, BFSI firms will increasingly leverage composite AI technologies – both predictive and Gen AI – for disruptive transformation."

This mainstreaming of AI will involve a shift in how the technology is used. As Unni explains: "This will entail a shift in how AI is used – from leveraging it tactically to design point solutions for specific use cases to utilising it to drive knowledge-driven decisions and innovation. This, in turn, will reimagine entire value chains and transform the way BFSI firms do business."

Pradeep adds that future AI implementations will increasingly focus on innovation and revenue growth. "In our recent survey, we found that as many as 88% of BFSI pace setter companies – those that enjoy greater financial success

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than the others – are more focused on using AI to spur innovation," he notes.

However, at a time of widespread AI hype, Lars injects a note of realism. "Right now, everyone wants to have an AI strategy, but we are also reaching the point of disillusion; it is not as easy or as magical as it looked like 12 months ago," he says. "I expect that a lot of realism will happen over the next 18 months. There are already a good set of practical solutions you can buy and implement, but the real job of understanding your data and cleaning your data will lead to a lot of new insight and hopefully cool solutions that create value for the industry."

By combining OpenText's advanced information management and AI solutions with TCS's deep industry knowledge and implementation expertise, the two companies are well-positioned to help financial institutions navigate the complexities of AI adoption and unlock its transformative potential.

The road ahead will present challenges, from ensuring ethical AI use to managing cultural change within organisations. But for those BFSI firms willing to embrace AI and partner with experienced guides like OpenText and TCS, the rewards could be substantial. As Unni concludes: "This will reimagine entire value chains and transform the way BFSI firms do business." ◖

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