



Automation rids fraud and waste

Client story



Client
A U.S. State

Sector
State and Local Government

Project
Intelligent automation with IBM Watson®



Client challenge

Charged with verifying the accuracy of payments for numerous oil and gas leases, a state agency faced the same challenge every year: it could manually examine only a small percentage. With limited staff and legislative caps on the number of employees it could hire, the agency needed to augment its capabilities to meet the volume demands. A combination of artificial intelligence, intelligent automation, and enhanced data and analytics was the only scalable approach that would allow the agency to achieve 100 percent reconciliation and compliance. And the stakes were high: the contracts represent significant revenue that helps fund public education in the state.



Benefits to client

To help ensure that there was compliance with the terms and conditions of each contract, KPMG and its alliance partner, IBM Watson, developed a solution expected to:

- Automate exception reporting so that what took a year to do can now be handled overnight
- Deployed IBM Cloud to better enable the agency to implement digital solutions seamlessly
- Expand across the agency to other related business processes to produce further savings
- Accelerate disaster recovery efforts by expediting property damage assessments and eligibility determination for storm victims in the state

Utilizing IBM Watson, KPMG measurably reduced the error rate and created millions of dollars of savings annually for the client.



KPMG response

KPMG was introduced as a strategic advisor to the state agency by our alliance partner, IBM. Given our existing relationship with the state, teaming with IBM Watson came naturally. In fact, the agency's CIO said the KPMG and IBM Watson teams worked seamlessly to help the agency meet its business needs without expanding its staff.

KPMG's unique breadth brought together a multidisciplinary team to work alongside the agency to facilitate a rapid and comprehensive response. Our team included:

- KPMG professionals with an in-depth knowledge of the specific industry as well as a thorough understanding of the terms and conditions of the leases, many of which are more than 100 years old.
- Data scientists from KPMG's Lighthouse for Advanced Data and Analytics, who assimilated disparate sources of structured and unstructured data and configured it for IBM Watson.
- IBM Watson, AI that combines machine learning capabilities with sophisticated technology that can mine your data for insights. Rather than face the capacity constraints of the employees who can review leases to find a certain percent error rate, IBM Watson can look at all the leases and focus only on actionable anomalies that produce cost savings.
- KPMG's digital enablement team to offer insights on the impact of implementing IBM Watson as a cloud solution.
- State and local government and federal Advisory professionals to leverage KPMG's experience in implementing intelligent automation in local, state and federal agencies.
- KPMG's CIO Advisory professionals to help the CIO successfully navigate IT transformation and innovation.

With the breadth and depth of these resources working on their behalf, the agency can more efficiently and effectively review the data and maximize the state revenues that fund education. For the KPMG account team, this objective also aligns with our higher purpose: not only to leverage the technology that enables transformation but to create better lives for our fellow citizens.



KPMG insights

Believe in the art of the possible

Artificial intelligence, intelligent automation, and data and analytics are much more than gee-whiz technologies, so it's important to understand their capabilities. Intelligent automation, for example, is not likely to eliminate jobs as much as technology will handle low-value tasks so that people can focus on more high-value work. With demands on government agencies only increasing – but without the corresponding headcount – these advanced technologies can give agencies the ability to scale their operation to meet increased demands.

Leverage alliance partners to help keep you up to date

Alliance partners bring a wealth of insights and intelligence that you can access through workshops and one-on-one meetings to help you harness technology to create greater business value.

Challenge yourself

Be willing to examine some of your processes to find the hidden nuggets you had never thought about before where it would make sense to deploy artificial intelligence, intelligent automation, and data and analytics.

If you are interested in learning more about this case study, or if you are experiencing similar issues, please contact us.

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