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Zero Ops in Practice

How Banks, Wealth Managers, and Insurers Can Harness AI to Transform Operational Performance

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By Vivek Sarma, Lukas Haider, Joe Khoury, Bobby Browning, and Shana Srikaruna

Zero Ops in Practice: How Banks, Wealth Managers, and Insurers Can Harness AI to Transform Operational Performance

In the financial industry, longstanding attitudes to operations are reflected in three simple maxims: keep it lean, keep it cheap, and don't let it slow the business.

But in today's ultra-competitive markets, that way of thinking misses the point. Financial institutions that prioritize back office transformation are significantly outperforming their peers—from managing costs and serving clients to marshaling the resources to fund growth.

From banking and wealth management to insurance, the operating model setting leaders apart is Zero Ops, a three-pronged approach to modernization built on straight-through processing, real-time prioritization, and agentic AI. Effectively implemented, Zero Ops produces 15%–25% cost savings in the first cycle and even bigger revenue gains.

In this paper, we make the case for a pivot to Zero Ops and show what it takes to get there. We highlight the upsides of partial or full automation and the game-changing impacts of AI, which have accelerated dramatically over the past 18 months. At the same time, we know that not all institutions come to the table with equal needs. The highest levels of urgency sit with operationally complex institutions that do not have the scale to offset inefficiencies. At these firms, the strategic case for action is too strong to be ignored.

The core bet: Institutions that see operations as a strategic priority rather than an efficiency target will outperform.

Incremental Change Has Failed

Numerous institutions have worked to transform their operations, but few have fully succeeded. More often, digitization has touched some customer-facing operations but left many processes on paper and in the hands of humans. Lean programs have reduced waste but failed to transform underlying architecture. Robotic process automation (RPA), meanwhile, has automated individual tasks but made little impression on straight-through processing (STP) rates, because underpinning systems are poorly designed for the task.

The cumulative impact of recent efforts is operations that are better but far from perfect. In the banking industry, common unsolved challenges include unowned client journeys, branch dependent processes, and manual document handling that drives high rework rates and low first-time-right scores. Across functions, operational friction slows deal workflows. Life insurers often run operations that are data intensive, judgment dependent, and document heavy; all areas in which automation initiatives often hit a ceiling. Underwriting, for example, continues to be burdened by unstructured data, manual evidence reviews, and slow cycle times. Claims processing is routinely fragmented and requires multiple repetitive forms, as well as being decision heavy and opaque to claimants. Distribution often relies on campaign-driven activation, rather than real-time opportunities.

Many FI leaders are clear that their operations are not where they need to be, but they are less clear on what that is costing them, both in terms of direct budget and the strategic options they are missing. Examples include high and sticky cost-to-serve, which limits pricing flexibility, slows product launches (with process complexity compounding on every launch), and creates stuttering innovation cycles, due to fragmented, manually-intensive systems. Client trust also suffers, amid snail-paced turnaround times, repeat document requests, and opaque processes at moments that matter.

The flip side is just as compelling. Institutions with superior operations (high STP rates, a programmable back office that enables capacity management in real time, and AI-led processing) can price more aggressively, serve clients more effectively, and redirect the capacity freed by automation to higher-value activities—including relationship management, exception handling, and complex advisory.

By 2030, automated processing will require 75% less human effort and businesses will be built around customer journeys, rather than product lines. Institutions building toward that model are establishing leads that will compound over time.

How Agentic AI is Changing the Game

In BCG’s 2024 paper [Forging a Programmable Back Office with Zero Ops](#), we discuss how banks can work toward lower FTE numbers in operations. That vision is based on the potential for innovation in three distinct operating zones—full straight-through processing for standardizable work, step-level routing for files that need targeted human intervention (light ops), and multi-functional agile teams for work that requires end-to-end human ownership (agile ops). [\(See table: Three Versions of Operational Transformation\).](#)

We showed how institutions can bring these zones together through a programmable back office, using a smart queuing algorithm to route files in real time, based on customer priority, service-level agreements (SLA), and business needs.

Just eighteen months ago, best practice in adopting the three-zone approach was to leverage rules-based automation and robotic process automation (RPA). But this hit a ceiling when workflows involved judgment, unstructured data, or complex multi-step orchestration across systems.

Now, agentic AI has changed the equation. An agentic system can observe its context, plan a course of action, execute horizontally, and adapt when something changes. That capability extends the automation frontier into tasks such as underwriting evidence analysis, claims coverage determination, commercial loan documentation preparation, and investment management monitoring. Put another way, the Zero Ops target state is now achievable across a far broader range of processes than it was in 2024, and faster. [\(See table: Where Zero Ops Can Make a Difference\).](#)

Three Versions of Operational Transformation

Zone	How It Works	What It Covers
Zero Ops	Full straight-through processing with no human touch. Digital-first workflows with automated verification at every step.	60–70% of retail banking volumes; up to 90% for simple consumer lending; standard policy servicing; routine claims for straightforward products.
Light Ops	Files assessed step by step. Only the specific step that needs human review is routed to an agent—not the entire file. SLA set to match the effort required.	Complex onboarding; AML flags necessary review; non-standard insurance evidence; mortgage applications with exceptions.
Agile Ops	Multi-functional teams with shared end-to-end accountability. Sales, credit, and operations work together on the same files, rather than passing them between siloed functions.	High-net-worth lending; contested claims; complex commercial deals; cases where relationships and processes need to move together.

Zero Ops can be applied to institutions of all sizes, but the stakes vary. Large-cap banks and insurers have scale advantages that help them navigate operational underperformance in the short term. Their cost bases are large enough to absorb inefficiencies, while their brand and distribution advantages provide insulation from competitive pressures. Moreover, larger budgets give them options. For them, Zero Ops is a competitive opportunity; early movers generate compounding advantages.

For mid-market banks and insurers, the calculus is more urgent. They carry roughly the same operational complexity as large caps, but lack the scale to absorb the costs. Common headwinds include manual operations by default, disconnected core systems, and a lack of controls at the point of entry, which means errors only surface late in the process. Often real-time transaction visibility is non-existent. In addition, they face more competitive exposure from both digital-native challengers and large caps.

The good news is that Zero Ops is genuinely modular, meaning institutions do not need to transform everything at once to generate value. A focused diagnostic on one or two business lines, a clear opportunity sizing, and a well-sequenced program can deliver meaningful wins within six months and on a reasonable budget.

Where Zero Ops Can Make a Difference

Dimension	Incremental approach	Zero Ops approach
Scope	Function by function—digitization in one area, RPA in another, lean programs elsewhere	End-to-end customer journeys, with operations redesigned around the whole flow
Architecture	Tools layered onto existing fragmented systems	Built on simplified, integrated, and standardized foundations
Talent model	Same roles with new technology	New jobs, performance metrics oriented to outcomes rather than activities
Technology approach	Point solutions bought function by function	Deliberate build/buy across the stack—buy commodity, build differentiation
Outcome	Better, but bounded—process improvements that hit a ceiling	Structural change that compounds, with each cycle, making the next faster and cheaper

The Value at Stake

The financial case for Zero Ops is compelling. We consistently see fully executed programs capturing 15%–25% of the addressable cost base in the first program cycle, including a meaningful share within 12 months. But even then, the greater value is in structural change, which compounds in ways that one-time cost initiatives do not. Below are some key value dimensions:

Direct Cost Savings

Operational costs are where programs typically start. Effective levers include:

- reducing FTE intensity through automation of standardizable work,
- eliminating the rework and reprocessing that comes from low first-time-right rates,
- eradicating management overheads associated with fragmented, siloed operations, and
- cutting the technology debt that accumulates when each product line maintains its own systems and processes.

In retail and commercial banking, the addressable opportunity in these areas typically represents 20%–30% of the operations cost base. In life insurance, where manual processing intensity is often higher, the cost burden is similar and sometimes even heavier.

Higher Revenues and Faster Growth

The revenues business case is harder to quantify but often more significant in practice. For example, in the insurance industry, faster underwriting and onboarding directly boost conversion rates. More STP reduces cost-to-serve, which opens the door to previously marginal segments. And the capacity freed up by automation can be redirected toward relationship management, cross-sell, and complex advisory work.

After deploying agentic underwriting, one leading North American insurer saw a 35% improvement in its submission-to-bind ratio, leading to a positive revenue outcome. Agentic underwriting also sharpens decision making through more consistent risk selection and better-calibrated reserves, creating balance sheet benefits that sit outside direct costs and conversion rates.

Compliance and Financial Integrity Benefits

Operational diagnostics in life insurance and banking can surface issues including unclaimed funds, undetected payment failures, general ledger (GL) posting errors, and intake fraud due to limited validation upfront. All create risks and inefficiencies.

At one mid-market life insurer, manual claims handoffs had compounded over years: unclaimed funds sitting on the balance sheet, payment fraud caught only at year-end audit, and a GL posting backlog that the finance function estimated would take nearly a year to clean up. None of this is unusual; it reflects common realities when manual operations outgrow the controls around them.

The Compounding Strategic Advantage

Institutions that have moved furthest on Zero Ops are achieving significant multiplier effects. Each cycle of the program, from process simplification to automation and then AI deployment, creates a foundation that makes the next cycle faster and cheaper. The institutions that started early are now deploying agentic AI on top of operating models they have already simplified and standardized. Conversely, slow adopters are applying agentic AI to fragmented, manually intensive systems, which limits both the speed and the depth of what automation can achieve. The gap is not just the cost. It is the trajectory.

Institutions that have moved through full execution on Zero Ops consistently identify 15%–25% of their addressable operations cost base as capturable in the first program cycle—alongside revenue impacts from faster cycle times and improved conversion rates that often outweigh the direct cost savings.

Making it Work in Practice

Decision makers in banking, wealth management, and insurance face similar but distinct challenges in converting Zero Ops theory into practice. Below are some key strategies and case studies for each:

Banking: Commercial and Retail Opportunities

The most effective solutions run on twin tracks—process redesign that generates quick wins within six months and automation/AI deployment that builds longer-term capabilities.

Zero Ops delivers its full potential when it operates on a foundation that has already been simplified. Institutions that centralize operations first, remove product-siloed structures, and redesign work around end-to-end customer journeys are best placed to deploy at scale. Conversely, those that start with fragmented, manually-intensive architectures are attempting the equivalent of building castles on sand.

One major North American bank launched a Zero Ops program across commercial banking and mortgage operations, conducting 15+ cross-functional working sessions to reveal more than 100 pain points, including 75+ in commercial cash management and banking journeys and 25+ in mortgage operations. Areas of particular manual intensity included new-to-bank onboarding and set-up, loan funding, document generation, and payment fulfillment.

The program delivered savings within six months and identified a run-rate opportunity of well over 20% of the operations cost base across 30+ prioritized initiatives. The bank then transformed its operating model to remove product-siloed verticals. It built a back office organized around customer journeys and deployed workforce management software to enable real-time capacity utilization across teams.

The dynamics in banking extend to wealth management, but must take into account more diverse client bases and acute relationship sensitivity. That said, the journey redesign and centralization logic still applies. Wealth managers can consolidate commoditized AML/KYC, accounting opening, fee processing, and document handling, while enhancing workflows focused on relationship quality through AI-generated client reports, automated suitability assessments, and advisor co-pilots.

Life Insurance: Where Agentic AI is Moving Fastest

AI solutions already in production include adaptive questionnaires, medical evidence ingestion agents, and triage systems. At one North American insurer, these have cut underwriting submission-to-quote times from 23 to 5 days, with a corresponding 35% improvement in its submission-to-bind ratio. At broker level, the difference is even starker, sometimes reducing quote times from more than a week to just a few hours.

Claims processing has shifted from manual execution to outcome supervision, with AI handling intake, coverage determination, and settlement calculation, while human reviewers focus on complex cases. The right framing is not AI replacing underwriters or claims adjusters but those people supervising AI at a scale that was previously impossible.

The same logic extends across the full life insurance value chain: distribution orchestration triggered by life events rather than campaigns, in-force management that is proactive rather than reactive, and investment management that uses ML proxy models for ALM recalibration. Together, these come together to create a recalibrated target operating model.

A Practitioner's Guide: What the C-Suite Needs to Get Right

The institutions that have generated the most significant and durable results from Zero Ops programs share a common set of organizational characteristics. Six stand out:

1. Take a Firm Grip on Leadership

Scaled transformation requires the CEO and board to treat it as a strategic priority. This means setting an ambitious target, providing air cover for uncomfortable decisions, and staying visibly engaged. The activity analysis that drives organizational redesign, where senior leaders sit in working sessions to defend every role and function line by line, only works when scrutiny comes from the top. Without that, the program gets scoped down to avoid disruption and delivers a fraction of its potential.

Zero Ops also requires close COO involvement. The COO must be present, willing to make unpopular calls, and prepared to hold the line when business lines push back. Programs that deliver results are led by COOs who treat diagnostics as the basis for decisions, rather than as negotiating positions.

The COO also owns what happens after quick wins. Indeed, the first wave of savings is the easy part, because the value is most visible. The harder work is in the second and third waves, where changes are more structural and resistance can be higher. Keeping the program at the right level of ambition requires sustained COO ownership.

2. Plan For the First 100 Days

Take 100 days, starting with a four-to-eight-week diagnostic that produces board-ready answers to the questions that always comes first: where are we relative to peers, what is the realistic prize, and what are the two or three things we must do first?

A well-run diagnostic produces outputs that anchor the rest of the program: a journey-level view of operational pain points and value at stake, a directional sense of where manual efforts are highest, opportunity sizing by lever, and a sequenced roadmap of initiatives.



Operations has always been where financial institutions go to protect margin. Zero Ops is where they go to generate it.

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3. Move Fast to Implement Quick Wins

Following the diagnostic, companies should be able to land quick wins within 90–120 days. These are typically process-based changes that do not require significant technology investment. They include removing manual steps, simplifying decision rules, and reorganizing teams around journeys rather than products. Effectively implemented, these can fund the next phase and, more importantly, build internal conviction.

At many institutions, we expect the full run rate to accrue over 12 to 24 months, as automation and AI deployment layers are built on top of process and organizational foundations. The relevant variables are how quickly leaders make decisions on structure, how willing they are to end low-value activities, and whether the transformation office has genuine authority.

Best practice is to take a modular approach. A single business line is a valid entry point for institutions of any size. Ideally, the scope will widen as value is demonstrated and appetite grows.

4. Treat Talent as Seriously as Technology

About 70% of sustained transformation success comes down to people. Operations staff are adjusting not to a new system but to entirely new jobs. Middle managers need to own new ways of working. These changes require investment in targeted upskilling, role redesign, and sustained management reinforcement that is proportional to the technology spend.

Structural enablers matter as much as cultural enablers. Performance oversight needs to shift from activity-based to outcome-based. Vital indicators include STP rates, first-time-right rates, SLA adherence, and exception resolution times. New roles need genuine job descriptions and career paths. And the governance rhythm must create accountability. Sustainable programs embed the new operating model into performance management, rather than simply focusing on how work is organized.

Finally, successful programs embed change management as a core workstream, with dedicated resourcing, a named owner, and milestones tied to the broader transformation roadmap.

5. Sequence the Foundations

Zero Ops works best when sequenced. Start with centralization to break product silos and pool capacity, de-layer the organization to remove management overheads, and rebuild workflows around customer journeys end-to-end, so that processes can be optimized as a whole. Only then, layer on automation and agentic AI. (See table: A Common Sequencing Pattern).

The leadership discipline is to hold the line on this sequence even when the pressure to lead with AI is intense.

6. Be Deliberate About Building or Buying

When it comes to construction, the right cut is rarely “all build” or “all buy”, and much is task dependent. Vendor platforms are advancing rapidly in document extraction, intake automation, and routine claims and underwriting workflows. For these tasks, building internally typically means slower deployment and higher costs.

The case for building applies where the capability is differentiating, such as in proprietary risk models, institution-specific decision frameworks, or producing integrated views that combine data across business lines with internal context that vendors don’t have. This is what makes the operating model unique. The discipline is to make this cut up front: buy the foundation, customize on top, build in-house where differentiation lives.

A Common Sequencing Pattern

Foundation	What it does
Centralize	Breaks product silos and pools capacity Start with centralization to prevent duplication of automation across silos
De-layer	Removes management overhead from fragmented structures Must happen after centralization but before journey redesign. Otherwise, the operating model will carry the cost of layers built around silos that no longer exist
Redesign journeys	Reorganizes work around end-to-end customer journeys rather than product lines Must precede automation, or processes cannot be optimized as a whole, and handoffs stay hidden inside the workflow
Automate	Streamlines workflows that are now structurally sound Without sound processes, automation makes the wrong processes faster
Introduce agentic AI	Extends the automation frontier into judgement- and document-heavy work Without the other foundations, agentic AI inherits every handoff and exception in the underlying workflow

The Bottom Line

Given the technology is maturing, the playbook is proven, and the competitive impetus is real, there should be no question over next steps. The real dilemmas are timing and ambition. Institutions that move in the next 12 to 24 months will establish a structural cost and operating advantage. Conversely, those that favor incremental change will find the gap widening.

For large-cap institutions, Zero Ops presents a strategic opportunity to extend their advantage. For others, we believe it is a strategic necessity. But the lack of scale that makes inefficiency more painful is the same factor that creates opportunities. With the starting point further from the frontier, a focused, sequenced approach can deliver more immediate impact and more significant long-term gains.

About the Authors

Vivek Sarma

Managing Director and Partner
Toronto, Canada
Sarma.Vivek@bcg.com

Dr. Lukas Haider

Managing Director and Senior Partner
Vienna, Austria
Haider.Lukas@bcg.com

Joe Khoury

Managing Director and Partner
Miami, USA
Khoury.Joe@bcg.com

Bobby Browning

Project Leader
Chicago, USA
Browning.Bobby@bcg.com

Shana Srikaruna

Consultant
Toronto, Canada
Srikaruna.Shana@bcg.com



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