



# Moving Money without the Manual Processes

*A Bank Systems & Technology*  
Editorial Perspectives TechWebCast  
Co-Sponsored by FileNet and Bearingpoint

Thursday, May 3rd, 2007  
9 AM PT / 12PM ET



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## Our Distinguished Panel

- Kathy Burger, Editorial Director, Bank Systems & Technology
- Mary Pilecki, Senior Analyst, Forrester
- Michael E. Case, Jr, Managing Director, BearingPoint



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## Agenda

- Key trends, business drivers, in banking – strategic focus, IT budget considerations.
- Streamlining processes, increasing automation.
- Challenges and opportunities in money movement.
- Solutions in action – electronic capabilities, achieving STP.
- Interactive Q&A; follow-up.



## Realities & Imperatives Facing Banks

- No disputes about IT's role as partner in driving/enabling banking strategies – including facilitating growth, improving service, performance (good/bad news?).
- 2007 bank IT budgets grow – modestly (single digits); resource maximization, more doing more with less.
- Governance, process, transparency, accountability, metrics – today's SOP ... Balanced with more regulatory, RM complexity.



## What Are the Implications?

- Focus on removing costs, inefficiencies – as strong as ever (last month's Citigroup announcements) – but not an end in and of itself.
- Gain flexibility, robustness, integration, interoperability, openness ... without increasing complexity (simple, ha!).
- Legacy/core systems transformation.
- Infrastructure/architecture must support all the above, plus multi-channel, new products, resilience/security.



## Drilling Down – Key Areas of Focus

- More banks strive for enterprise everything (payments, risk, fraud prevention, etc.) – how to reap benefits?
- Balance drive for product innovation (growth, revenues) with needed focus on process; BPM takes hold?
- Getting to STP in payments, loan origination, core processes – not optional, customers expect it.
- Competitive advantage – customer loyalty/retention + operational/process efficiency.



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# Streamlining Financial Services Processes

**Mary Pilecki**  
Senior Analyst  
Forrester Research

May 3, 2007



# Theme

Customer centricity and  
streamlining processes  
are common goals

# Agenda

- Current trends in Financial Services
- Industry challenges
- Example: Account Opening

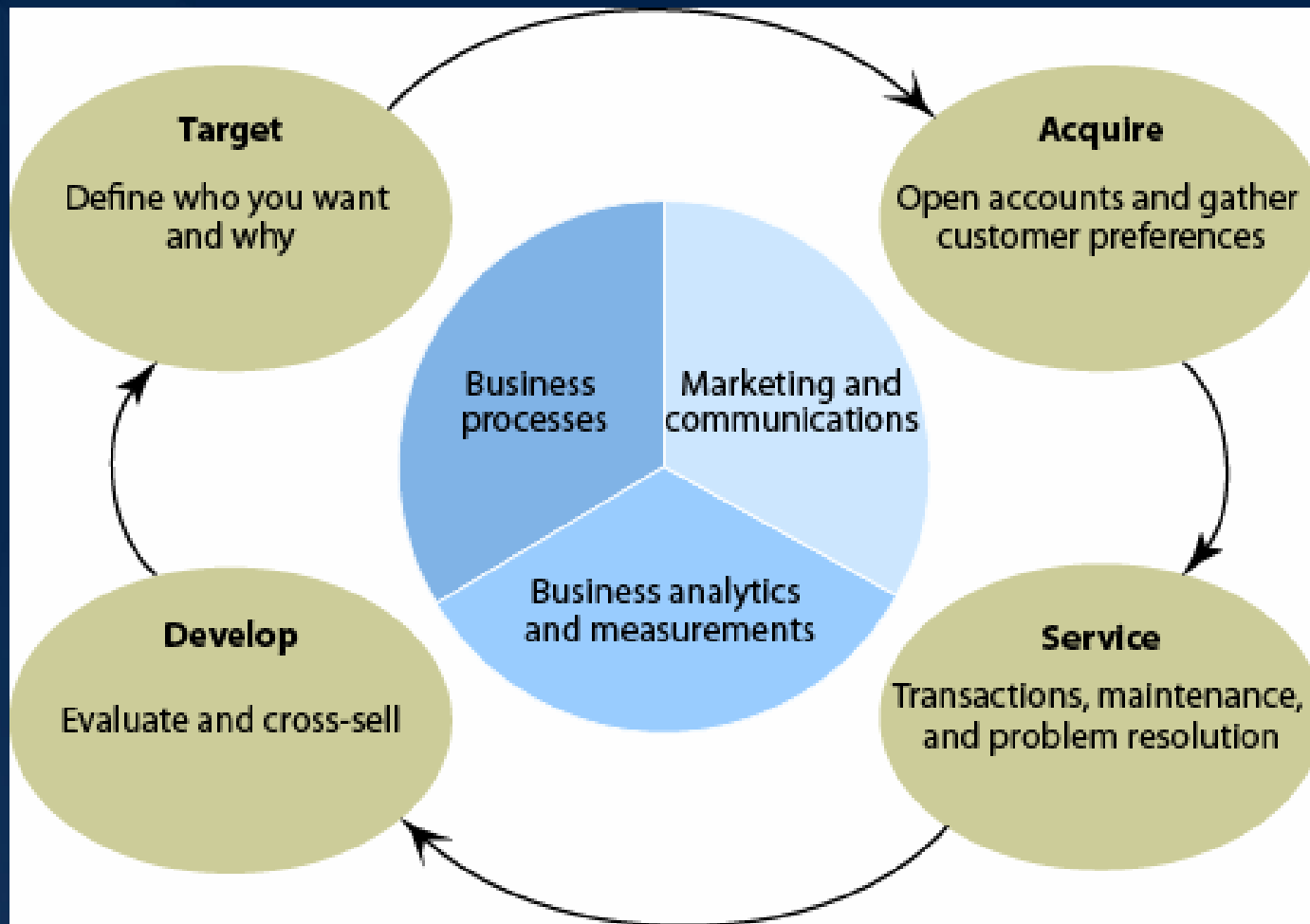
# Agenda

- **Current trends in Financial Services**
- Industry challenges
- Example: Account Opening

# What are the key trends in Financial Services?

- Financial institutions face broader competition
  - » Foreign entrants
  - » Non-bank entrants
  - » Battle for retirement dollars
  - » M&A market continues to add complexity
- Consumer behavior is changing
- Focus on processes and customer centricity to drive revenue and retention
  - » Efficiency
  - » Improved customer experience to help grow share of wallet
- Available technology is ahead of adoption

# Customer Life Cycle

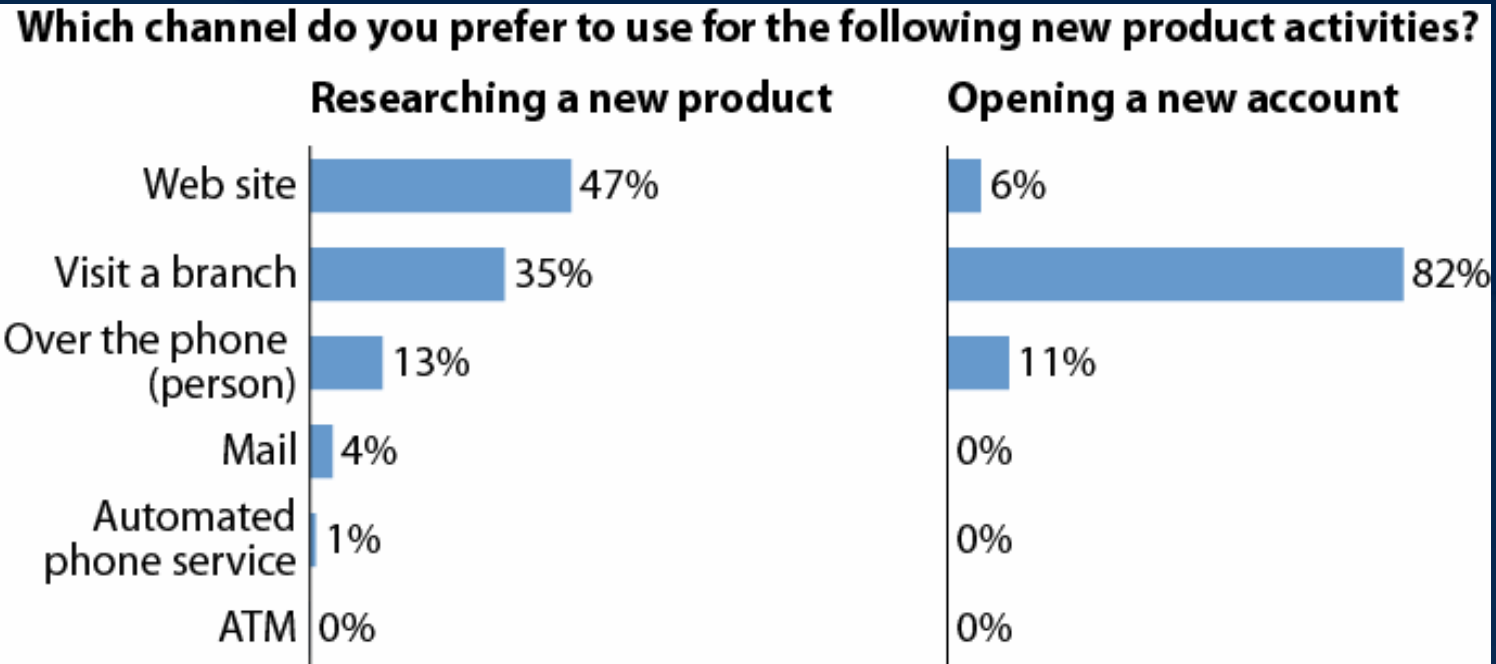


Source: January 9, 2007, Best Practices "Customer Retention Is A Process, Not An Event"

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# Consumers prefer to research online, but buy in person

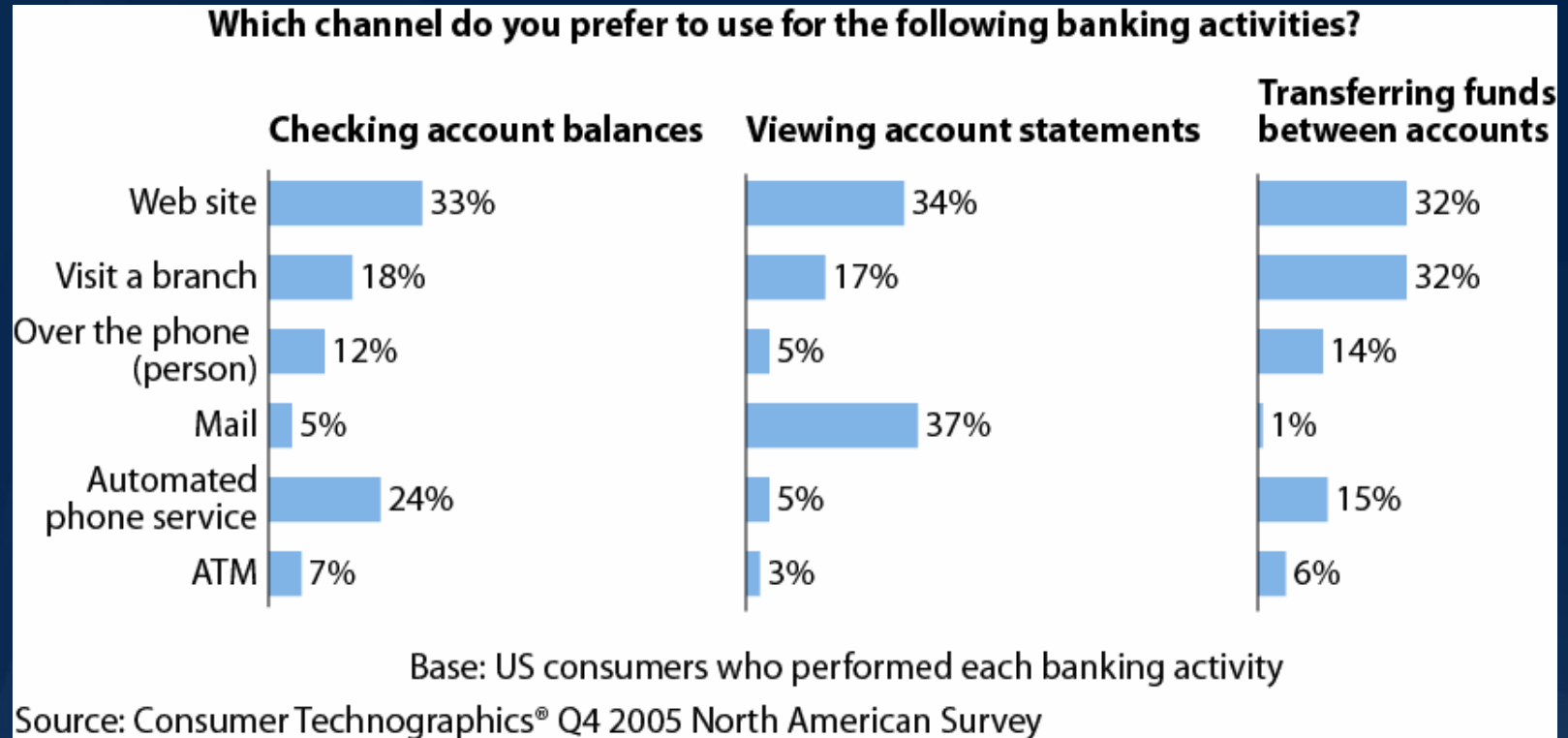


Base: US consumers who performed each new product activity

Source: Consumer Technographics® Q4 2005 North American Survey

August 2006, TRENDS “Consumer Preferences For Banking Channels”

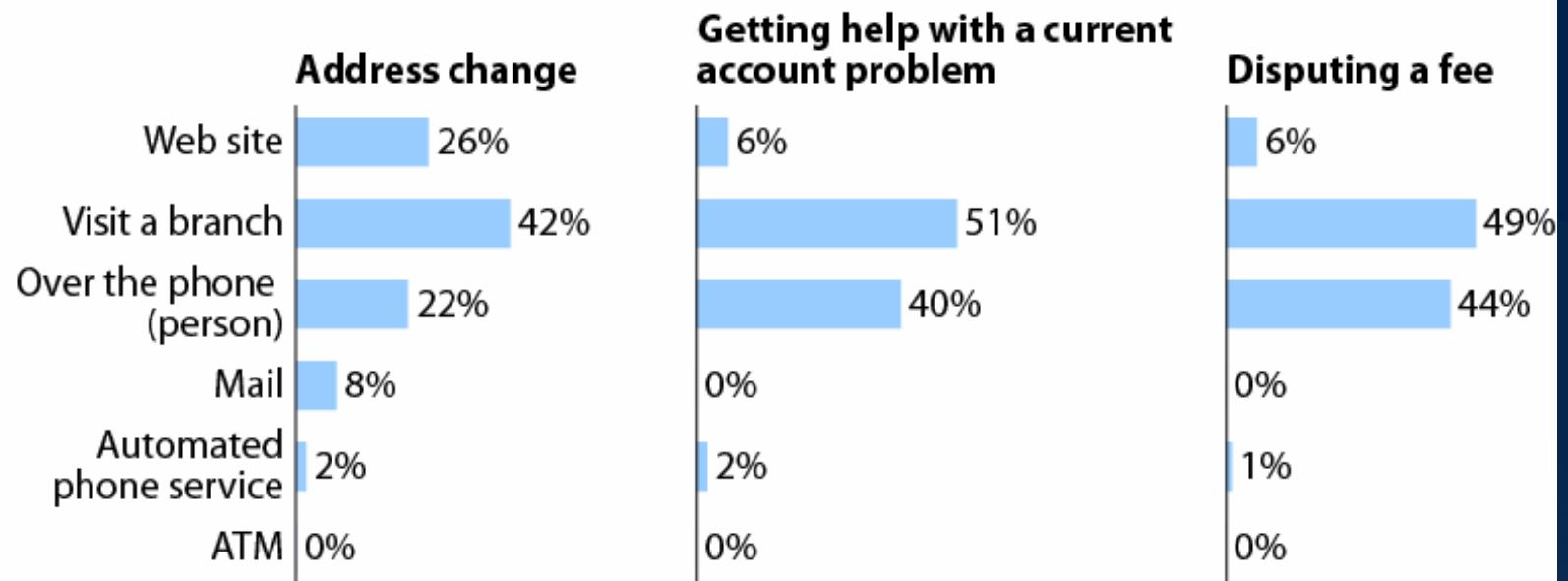
# Consumers prefer automation for simple tasks



August 2006, TRENDS “Consumer Preferences For Banking Channels”

# Consumers prefer human contact for service issues

## Which channel do you prefer to use for the following service activities?



Base: US consumers who performed each service activity

Source: Consumer Technographics® Q4 2005 North American Survey

August 2006, TRENDS “Consumer Preferences For Banking Channels”



# What drives future purchase intent?

Forrester calls it *Customer Advocacy*

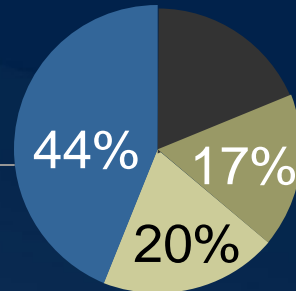
The perception that the firm does what's best for its customers, not just the firm's bottom line.

# Consumers define advocacy differently

“To demonstrate advocacy, it’s important for financial firms to . . .”

## Human-focused

- “Have employees who live up to the values portrayed in ads”
- “Have friendly and helpful service reps”
- “Take time to listen to my problems and concerns”



## Product-related

- “Clearly explain their products and services”
- “Tell me when it’s a bad idea to buy their products”
- “Acknowledge rates and promises of competitors”

## Operational

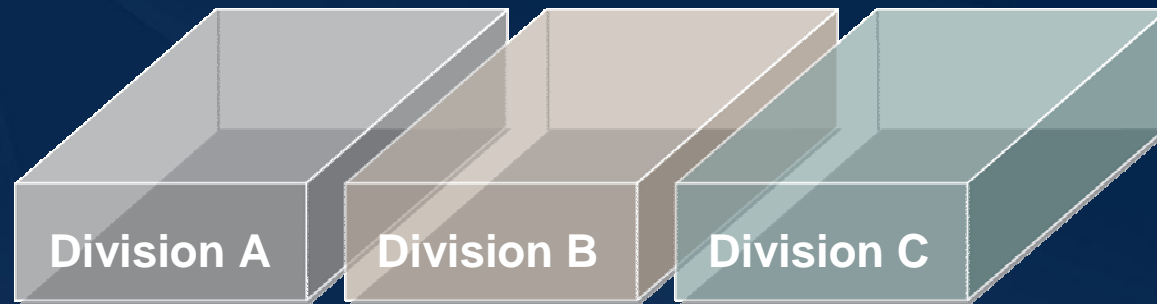
- “Respond quickly to my inquiries”
- “Alert me to account changes or issues”
- “Rarely or never make mistakes”

Source: Forrester’s Consumer Technographics® December 2005 North American Study

# Agenda

- Current trends in Financial Services
- **Industry challenges**
- Example: Account Opening

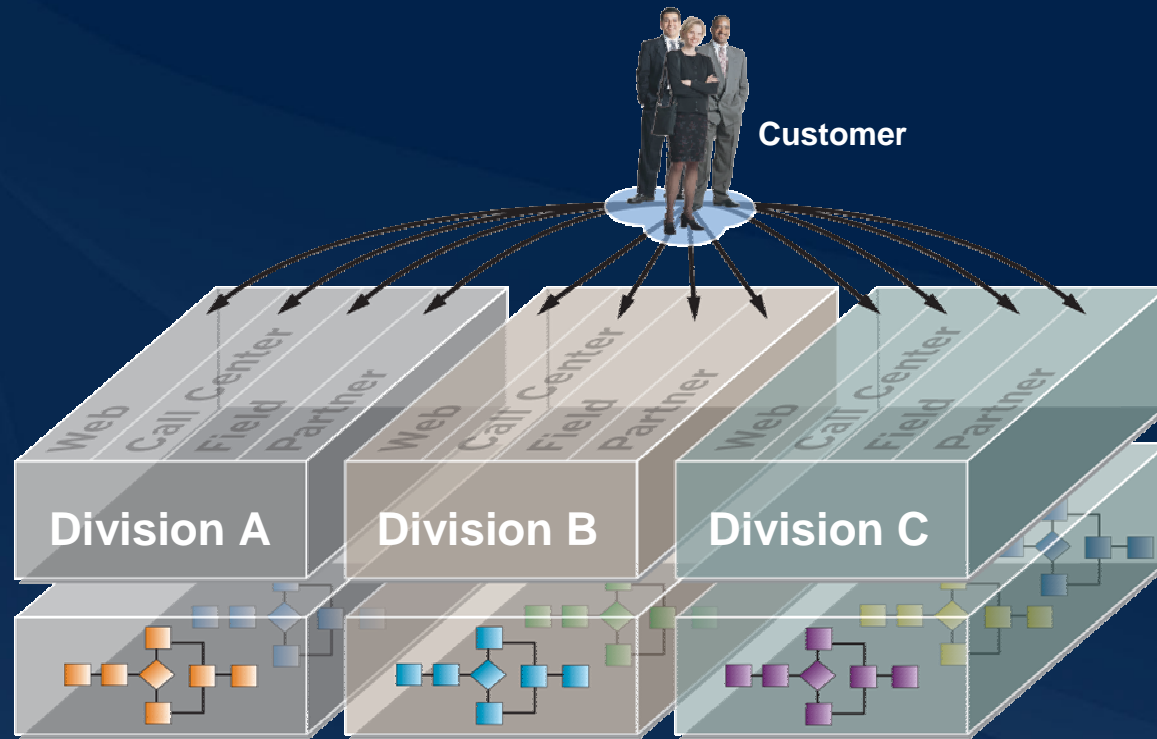
# The problem: product-focused divisions



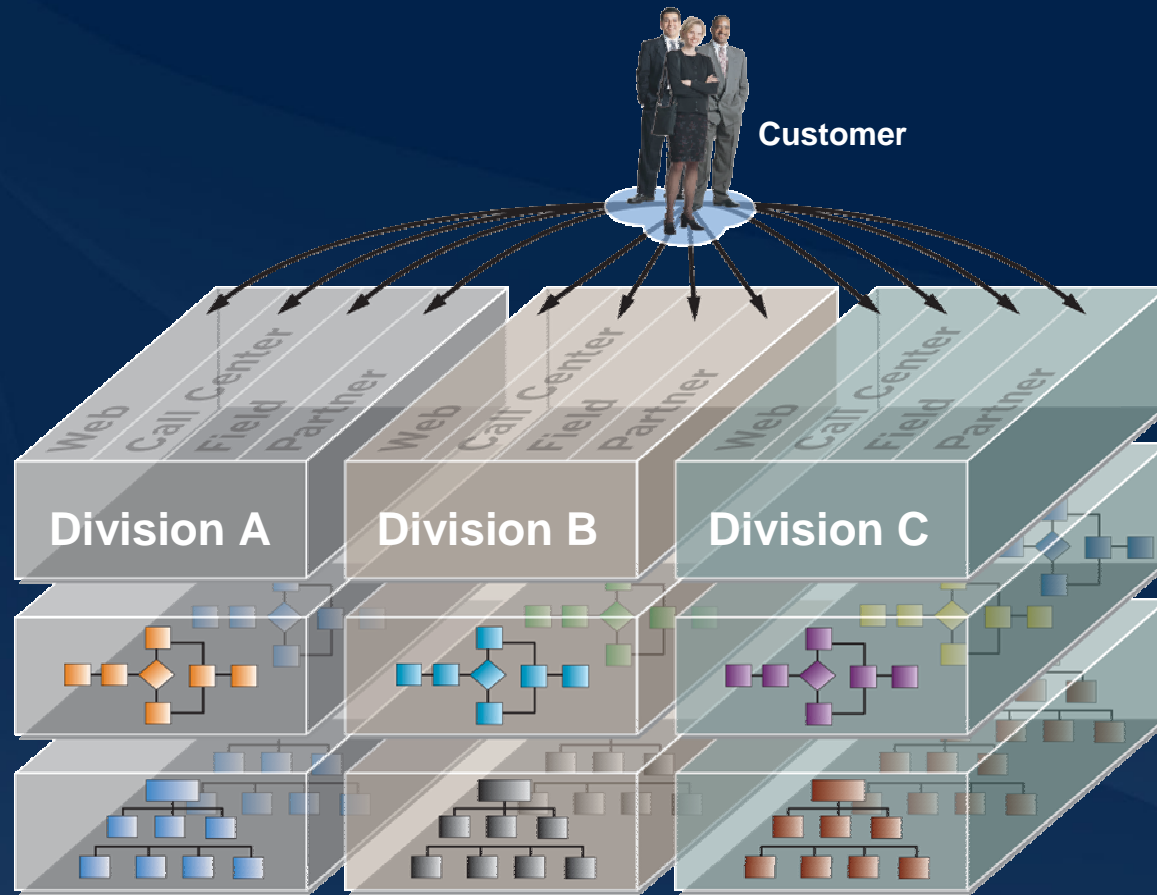
# Disconnected channels



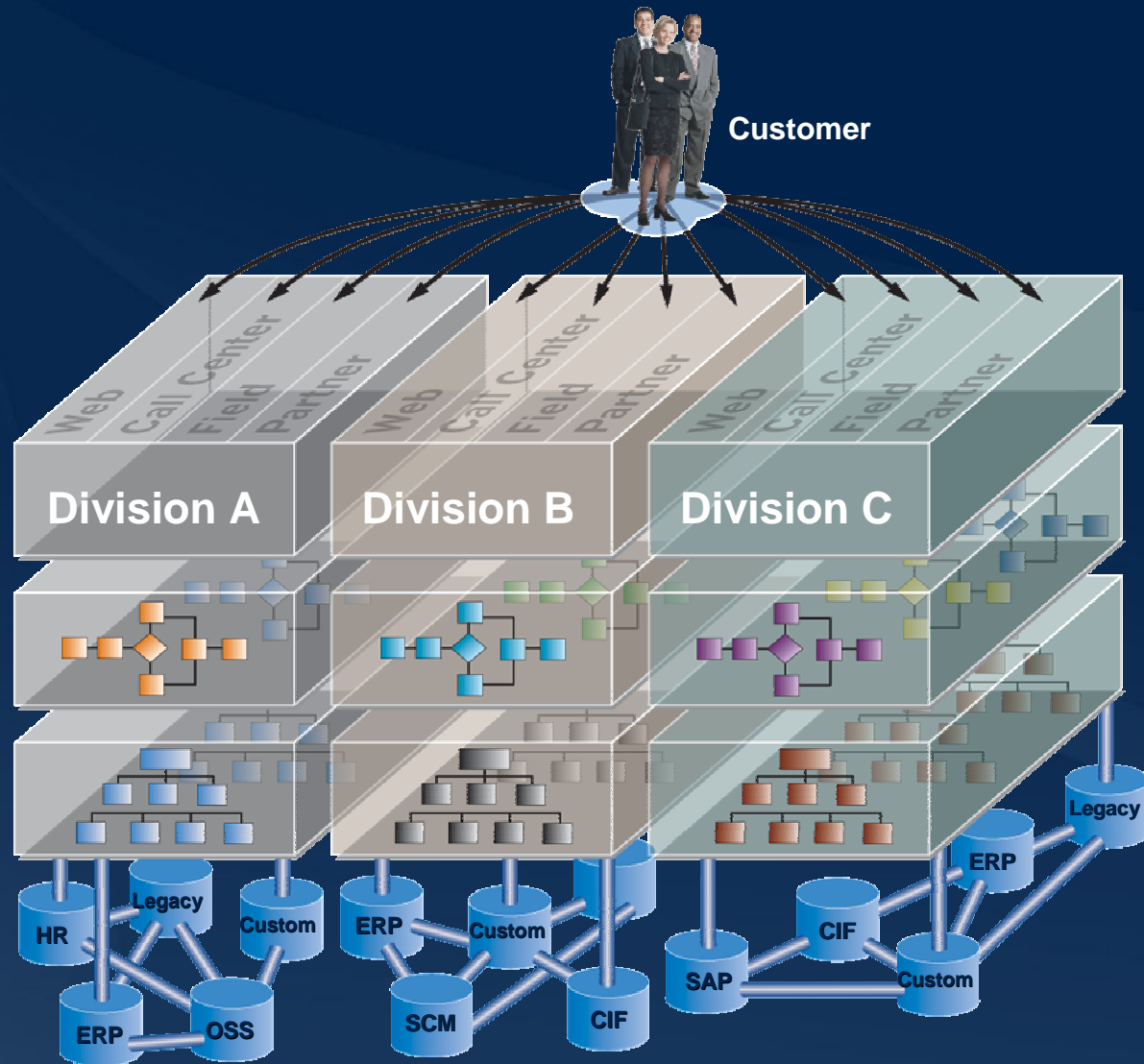
# Inconsistent, inefficient business processes



# Lack of real-time business and customer insight



# Applications not integrated

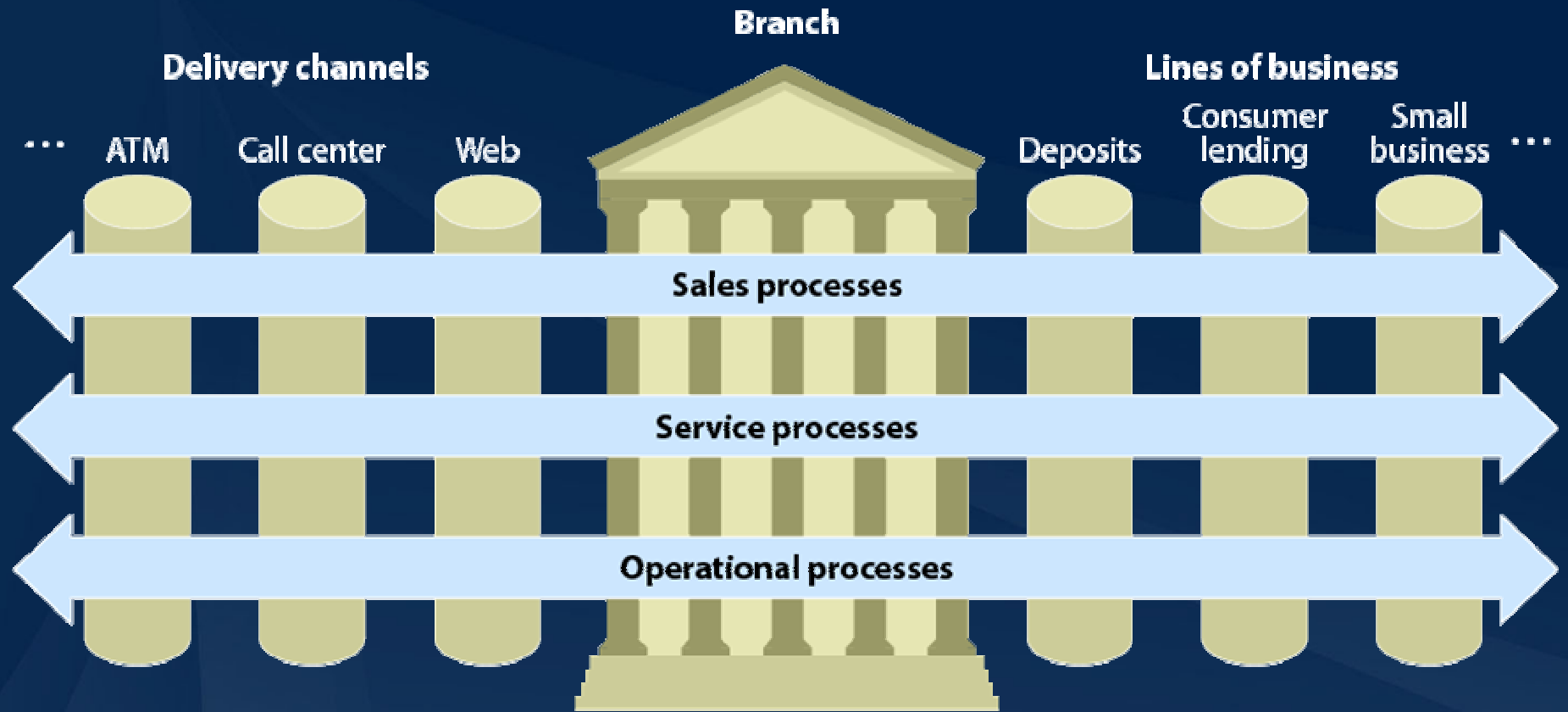




# The goal: the customer-driven enterprise



# FSIs must integrate experiences across channels and products



Source: March 30, 2006, Best Practices "Bank Branches Need A Process-Centric Makeover"

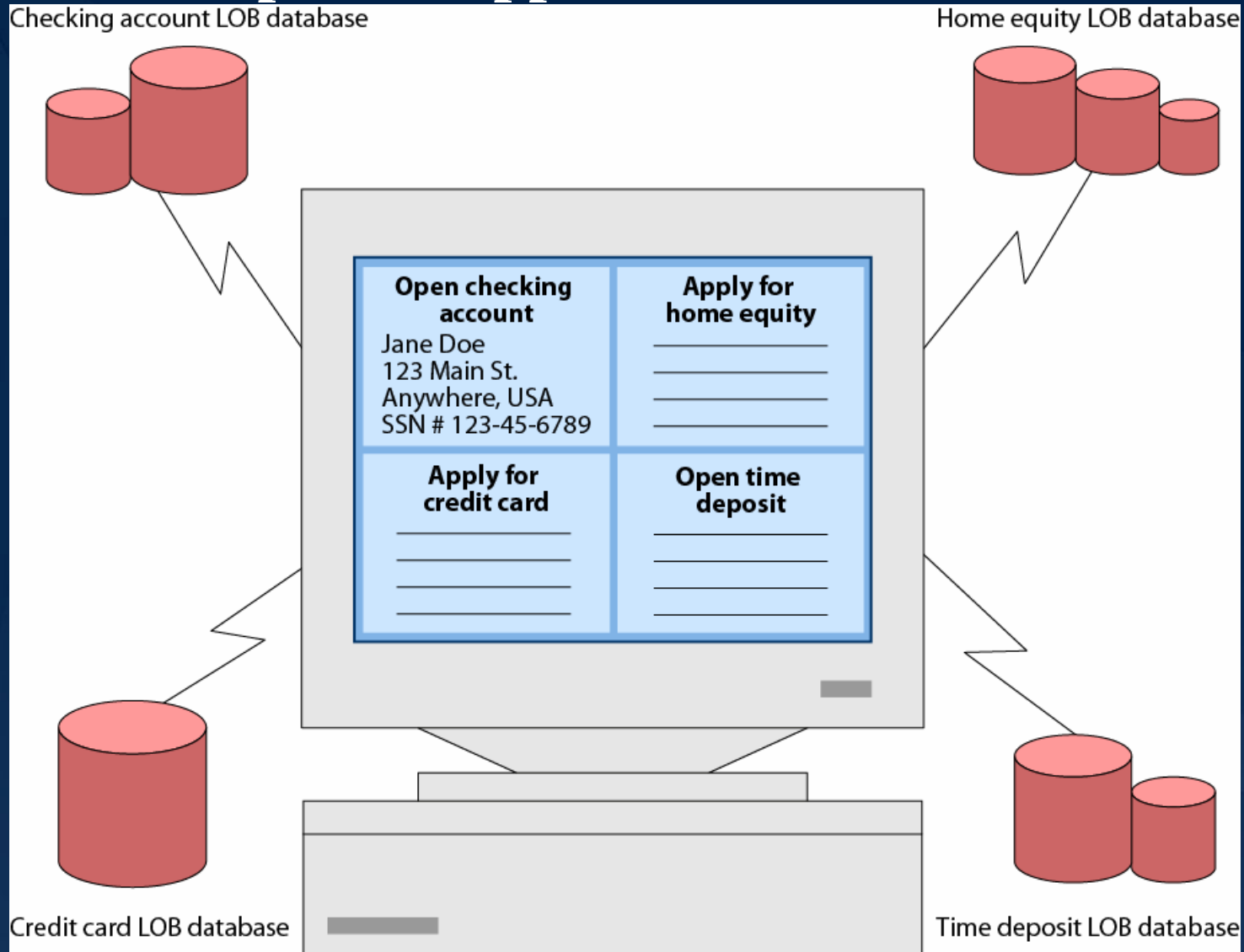
# Agenda

- Current trends in Financial Services
- Industry challenges
- **Example: Account Opening**

# What's wrong with account opening?

- Firms don't "know" their own customers
- Multiple processes invite errors
- Inconsistent product information creates confusion
- Paper applications turn off applicants
- Technology applications fall flat across the channels

# Sales Representatives Need To Reenter Data Across Disparate Applications



# Universal enrollment

- ▶ A single, dynamic process for collecting required data for new accounts — across all lines of business and products.

# Universal enrollment simplifies completing new product applications

## Today's approach

Multiple product applications

Redundant data

Cross-selling requires time

Multiple apps, multiple UIs

Redundant disclosures

Individual LOB processes



## Universal enrollment

Single enrollment process

Data requested once

Cross-selling faster & easier

Single user interface

Disclosures presented once

Portable among LOBs

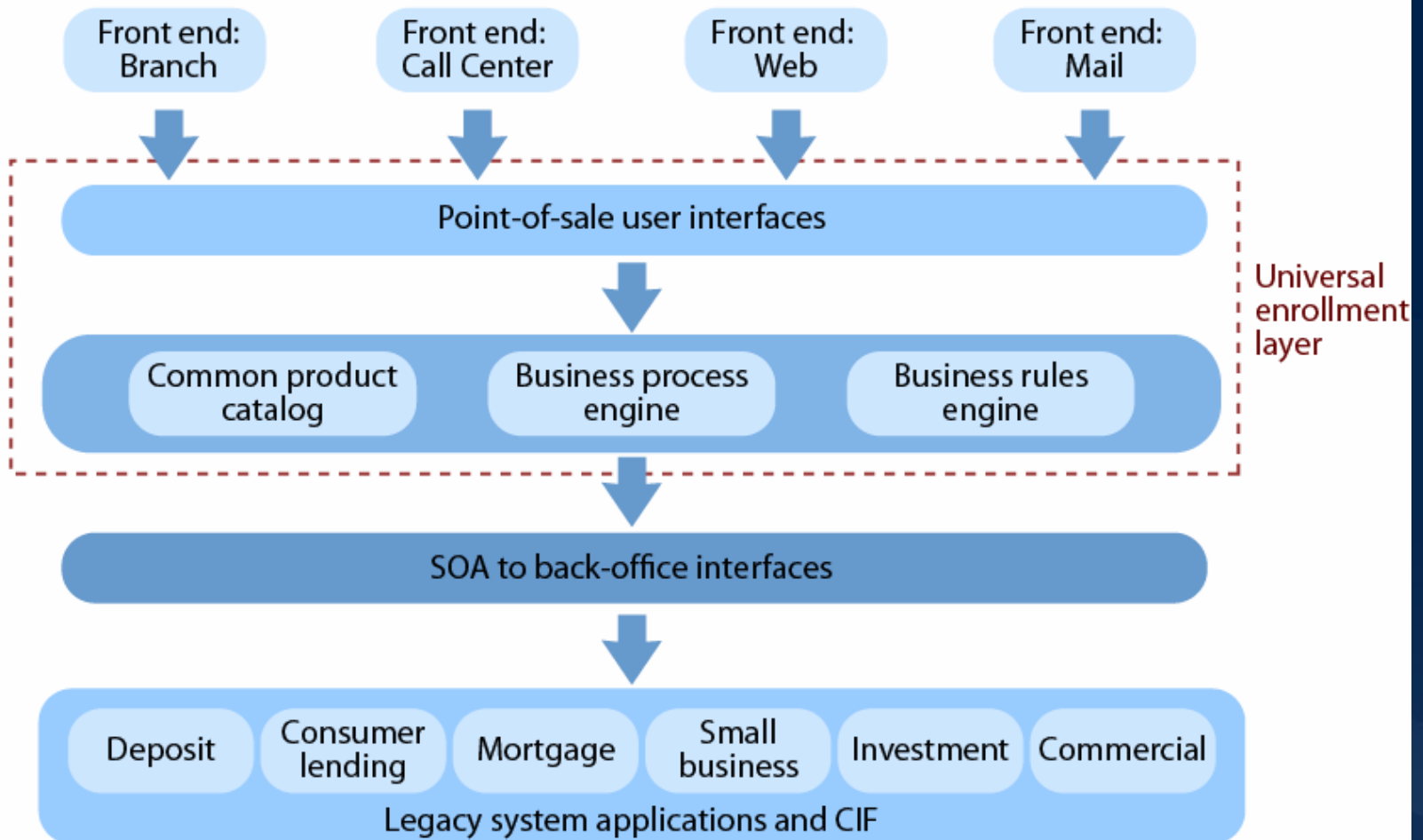
# Technology elements required for universal capture

- Common product catalog
  - » Single repository of attributes, rules, and interfaces tied to a database of products
- Business process and rules engines
  - » Guided processes
  - » Rules configure the data elements required
- SOA layer
  - » Enables modular access to multiple LOB legacy systems



# Technology Stack

## Sample tech stack for account opening



October 2006, Best Practices “Financial Institutions: Fix Account Opening”

# Recommendations

To streamline processes, start by:

- Raising process ownership to an executive level
- Evaluating processes from the customer perspective
- Enlisting customer-facing staff members
- Adopting a BPM tool

# Thank you

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[www.forrester.com](http://www.forrester.com)

# Selected bibliography

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- October 4, 2006, Best Practices “Financial Institutions: Fix Account Opening”
- August 17, 2006, Trends “The Banking Channel Popularity Contest”
- July 7, 2006, Trends “The Financial Services Survival Guide”
- March 30, 2006, Trends “Bank Branches Need A Process-Centric Makeover”
- August 1, 2005, Forrester Big Idea “Customer Advocacy: The Secret To Loyal Financial Services Customers”

# Poll #1

What priority has your organization set for improving business processes for efficiency and simplification in 2007?

- Highest priority over all other business strategies
- Very high priority (in the top 5 strategies for 2007)
- High priority
- Average priority
- Low priority
- Not on the priority list at all

## Poll #2

What priority has your organization set for improving compliance procedures in 2007?

- Highest priority over all other business strategies
- Very high priority (in the top 5 strategies for 2007)
- High priority
- Average priority
- Low priority
- Not on the priority list at all

## Q&A

- Kathy Burger, Editorial Director, Bank Systems & Technology
- Mary Pilecki, Senior Analyst, Forrester
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## Resources

[http://www.filenet.com/English/Industry\\_Solutions/Financial\\_Services/](http://www.filenet.com/English/Industry_Solutions/Financial_Services/)

<http://www-935.ibm.com/services/us/index.wss/industry/imc/a1000043>

<http://www.enterprisecontentmanagement.techweb.com/>



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