

Optimize the efficiency and cost of account opening processes.



Highlights

- Help maximize the speed of account opening by delivering a seamless interface and enhanced collaboration capabilities to clients and staff
- Help improve operational efficiency and responsiveness by sharing a common account opening process and content repository across the bank
- Help minimize operational costs through electronic forms that simplify data capture and eliminate errors
- Help lower risk and your exposure to fraud through the automated processing of credit offers to customers

Account opening inefficiencies hamper efforts to attract customers and cut costs

Driven by customer expectations and competitive pressures from market leaders, banks are reassessing their delivery and customer management strategies. By eliminating inefficiencies, they are able to reduce costs and attract and retain customers. In particular, account opening processes represent a substantial opportunity to improve the productivity of a critical customer-facing process — while driving down costs.

Across the phases of an account opening process — presale, application, verification, and fulfillment and activation — banks are experiencing major issues that make it difficult to achieve their business objectives. First, redundancies and dispersed systems complicate banks' efforts to improve both customer service and account opening closure rates. As banks have grown — especially through mergers and acquisitions — they have multiple IT systems that often duplicate cross-enterprise functions.



*According to analysis of a global bank's activities by the IBM Institute for Business Value, 20% of the bank's total development and processing cost base was for account opening and 22% was for account maintenance.**

The clearest example is customer information. Today, banks usually keep this data in various formats on many different systems across organizational silos. That makes it difficult for banks to respond quickly and in a consistent way to customers — or to leverage a more complete view of the customer to facilitate marketing efforts that would help optimize closure rates.

Inefficiencies throughout account opening processes unnecessarily raise transactional costs. The source of these costs can include:

- High administrative costs for storing and managing paper-based documents.
- Multiple, complex and poorly designed forms that cause high error rates when input from paper to computer.
- Slow and redundant manual processes.

Opening new accounts requires identification documents, application forms, credit documents and more. High costs are only one problem associated with storing and managing paper-based documents. Additionally, these inefficient processes have a substantial negative impact on employee productivity, as well as on the bank's abilities to respond quickly and accurately to customer inquiries and to capture customer information across the enterprise.

To address these challenges, a number of banks currently deploy point solutions that only target one account opening hot spot or another, such as online forms that capture customer data and document scanning. Such point solutions lack the end-to-end capabilities and interoperability that banks of all sizes need to optimize customer service, minimize operational costs and address numerous regulations and legislation for securing customer information and business documents.

Banks are seeking solutions that provide interoperability, ease of use, security and multichannel enablement across the entire account opening process. Essentially, solutions that can deliver real business value and help banks differentiate themselves from their competition.

Leverage IBM's banking industry expertise to transform your account opening process

IBM solutions for the banking industry bring together the extensive IBM portfolio of hardware, software and high-value services — and its wide network of Business Partners — to address the most prevalent challenges for clients in the industry. IBM solutions and banking industry experience help

each client accelerate its progress in becoming an On Demand Business — so it can respond with flexibility and speed to virtually any customer demand, market opportunity or external threat.

Creating business processes with a *service orientation* has emerged as the best way to achieve that flexibility and speed, as well as agility and resilience. Service orientation takes everyday business applications and breaks them into individual business tasks, called services. These services can then be shared with other departments within your company, integrated with your trading partners and exposed directly to customers to create new or modified business processes. As a result, you have the flexibility to easily respond to changing market requirements. And because these services can tie together existing enterprise resource planning (ERP), human resources (HR), customer relationship management (CRM) and supply chain systems from leading vendors such as SAP, Oracle, Siebel and JD Edwards, there is no “rip and replace” required. Furthermore, these services can be used across multiple processes — rapidly, easily and consistently — to help drive improved time to value and reduced costs.

IBM software, a key building block of the IBM solutions for the banking industry, is vital to employing a service orientation strategy. It helps our clients achieve business flexibility by enabling them to model, assemble, deploy and manage business processes for today's on demand business environment.

IBM account opening for banking is a set of integrated components that helps banks automate, integrate and accelerate the process for opening new accounts. It supports the following solutions for banking: multichannel transformation, customer insight, core systems transformation, and risk and compliance.

IBM account opening for banking helps banks optimize the efficiency and cost of each phase of account opening, as well as of the entire account opening process — from initial customer contact to fulfillment. Solution components can be integrated into a bank's existing environment. These best-of-breed technologies are highly secure, reliable and scalable, and are proven in the marketplace.

IBM account opening for banking can enable banks to:

- Establish a unified view of customer account information across multiple channels.
- Leverage customer information to deliver the role-specific information and tools that staff need.
- Automate manual workflow processes to help speed account opening and minimize costs.
- Optimize the efficiency and effectiveness of every phase of account opening — including presale, application, verification, and fulfillment and activation.

“By transforming our business processes to give employees real-time, electronic access to a common repository of comprehensive information, the bank is now meeting our very high standards for customer responsiveness.”

— **Jana Bulkin,**
Senior Consultant for Archive and Workflow Solutions, HypoVereinsbank

Derive substantial value from business information

IBM account opening for banking includes IBM DB2® Content Manager software, which captures, manages and stores customer account information in a common repository, across the phases of account opening. DB2 Content Manager software enables banks to leverage their information to transform the account opening process. Customers and employees can access the same electronic documentation. Furthermore, customers can select their preferred channel through which they access account information — helping banks to optimize customer satisfaction.

Establishing a common repository of information can also help banks speed the account opening process by enabling employees to be highly productive. Tellers and other customer-facing staff can respond rapidly to customer requests when they can search and retrieve customer account information easily and quickly. The software also helps personnel collaborate on customer information across diverse applications, business processes and geographic boundaries to quickly resolve customer problems and speed account opening.

To help banks optimize the account opening process for audits, IBM facilitates management of account opening documents throughout their life cycle — in accordance with internal policies and external compliance regulations.

Drive productivity by providing role-based information and tools to employees

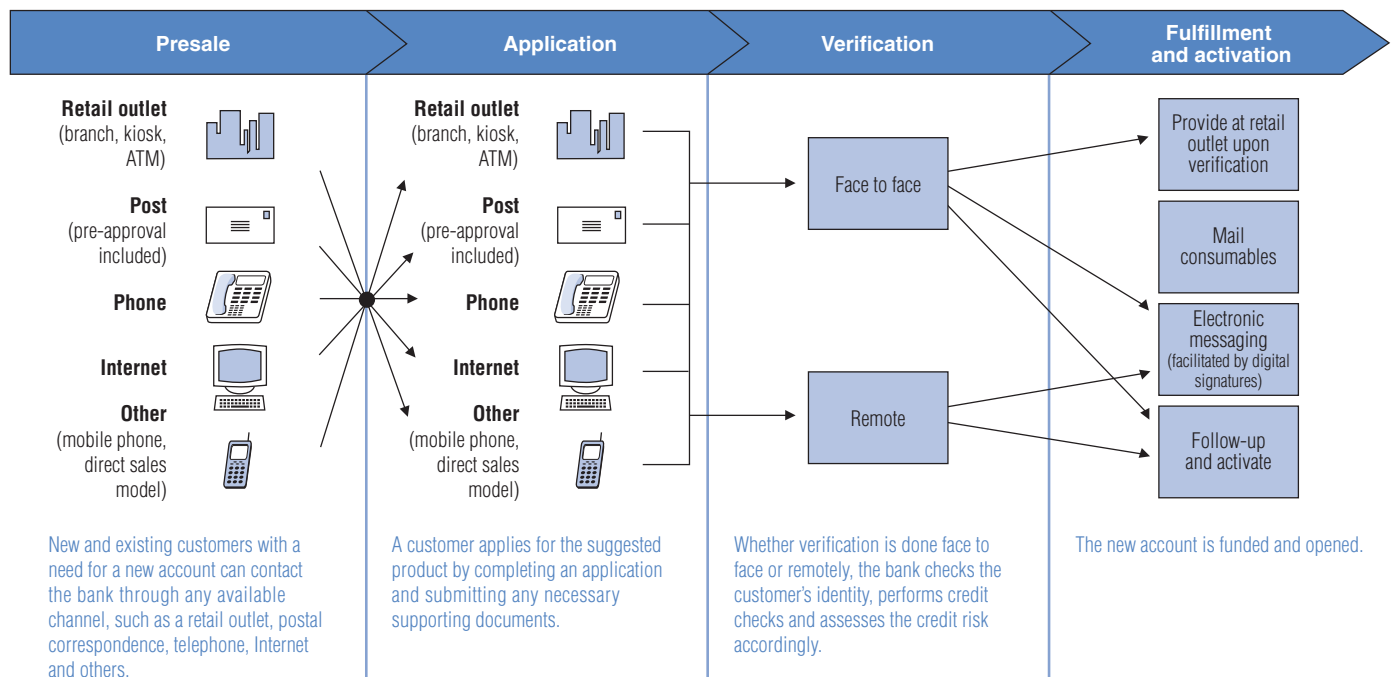
Deploy IBM software for banking to give the appropriate, customized functions to the different personnel within the bank — including tellers, platform officers and branch managers. With this capability, banks can optimize staff productivity by:

- Minimizing the time employees spend looking for information.
- Automating workflows that route customers through the account opening process.
- Capturing additional data that the bank can leverage for its up-selling and marketing efforts.

Integrate workflows end to end across account opening

IBM account opening for banking includes IBM software that helps banks deploy an integrated account opening solution. The keys to achieving an integrated solution are workflow and business process management capabilities across all phases of account opening.

Four phases of a basic account opening workflow



Source: IBM Institute for Business Value analysis.

These capabilities automate previously manual processes. Examples include:

- Running parallel bank processes that have many approvers, so that not everyone has to wait while an approval form sits in one person's "in" basket.
- Process workflow that helps banks address regulatory compliance obligations.
- Process modeling and monitoring to help optimize costs, performance and project risk.

Because IBM software integrates with applications and Web services across the enterprise, banks can optimize workflows while leveraging their existing account opening software, hardware and Web services.

Optimize processes in every phase of account opening

Typically, account opening can be divided into four distinctive phases — each of which is addressed by IBM account opening for banking:

Presale

During the presale phase, banks can use IBM account opening for banking to optimize the product and service offers they make to customers. By leveraging the power of the IBM Banking Data Warehouse combined with marketing and sales applications from Siebel — an IBM Business Partner — banks can:

- Make the right offer to the customer at the right time in the right channel.
- Automatically target specific products based on customer needs.
- Leverage real-time insights to make intelligent decisions that drive sales.
- Create positive first impressions with customers.

Application

To help simplify and speed the application phase, IBM account opening for banking enables banks to replace paper forms with electronic forms — and thereby optimize the capture, management and storage of customer account opening information.

DB2 Content Manager software integrates with electronic forms technology from IBM Workplace™ Forms to help banks automate data capture. These integrated offerings work both in the branch and through customer self-service channels to enable banks to:

- Use common application forms enterprise wide.
- Store the digitized information in a centralized repository of customer information.
- Help minimize error rates — by prepopulating existing customer information — and abandonment rates, by simplifying the form-filing process.

- Dynamically personalize forms based on the data entered.
- Rapidly validate the accuracy of data and provide immediate feedback to the customer when information needs to be corrected.

With DB2 Content Manager software, bank loan processors, branch tellers, call centers and other authorized staff can enjoy cross-organizational visibility into customer account information — including application forms and supplementary documents such as employment verification faxes, salary letters and much more.

Verification

Specialized software from select IBM Business Partners can be integrated with IBM account opening for banking to help banks simplify application analysis, make precise decisions by leveraging customer information data sources, analyze bank-defined credit policies and automate workflow management. As a result, banks can:

- Mitigate credit risk and bad debt.
- Make optimal initial offers.
- Minimize fraud losses.
- Automate approval of credit applications from low-risk customers.

Fulfillment and activation

Fulfilling a product is often where customer satisfaction is won or lost. Banks must create loan documents, dispense funds or checks, and more with speed, accuracy and real convenience for the customer.

To achieve these goals, banks can leverage the IBM software, in combination with Siebel solutions, to automate notification of account activation and follow-up correspondence. They can proactively reach out to customers to make sure they received all deliverables and understand how to activate and use the product or service. Banks can also monitor and track account usage to help ensure that subsequent marketing and sales campaigns are effective.

Extend the value of existing systems

Further modernize and extend the value of an investment in existing applications with the IBM Rational® Software Development Platform. This platform provides a comprehensive solution to assess and revitalize banking applications and systems — thereby further aligning IT with bank needs, strategy and mission. An organization can use the IBM Rational Software Development

IBM account opening for banking helps banks:

- ✓ Address both the workflow requirements for the account opening process and the workflow required to successfully integrate the solution across the entire enterprise.
- ✓ Minimize operational costs.
- ✓ Facilitate customer acquisition and retention.
- ✓ Maximize customer satisfaction.
- ✓ Support efforts to adopt a service orientation with flexible, reusable, extensible business capabilities.

Platform to discover assets within existing portfolios, determine the steps needed to modernize portfolios and then revise, extend, preserve, migrate, integrate and build applications. The IBM Rational Software Development Platform includes IBM Rational and WebSphere® Studio software, a shared set of proven best practices and industry-leading services.

Business Partners help further leverage IBM software capabilities

IBM account opening for banking is complemented by applications and services provided by our IBM Business Partners — including the hundreds of Business Partners specializing in service orientation — helping to make this solution a world-class foundation for successful efforts to drive efficiency and reduce costs. Working in partnership with our clients, IBM and IBM Business Partners can help meet the needs of today's banks.

For more information

IBM is unique in its combination of unmatched banking industry experience, deep service orientation skills, unparalleled Business Partner network, and software and technology product excellence — and as a result is a clear leader in service orientation. We can help you get started with service orientation, whether for the enterprise, a departmental initiative or a single project. IBM is the ideal partner for banks seeking to meet the challenges of delivering consistent, seamless customer service — across channels, in alignment with customer needs and in ways that differentiate the bank from competitors; standardizing, automating and integrating processes to streamline operations and help minimize costs; and helping reduce risk and exposure to fraud, identity theft and regulatory fines.

To learn more about IBM account opening for banking and other banking industry-specific offerings, contact your IBM representative or IBM Business Partner, or visit ibm.com/software/industries/banking



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**"Unlocking the value of account opening with component business modeling." IBM Institute for Business Value executive brief. July 2004. Page 5.