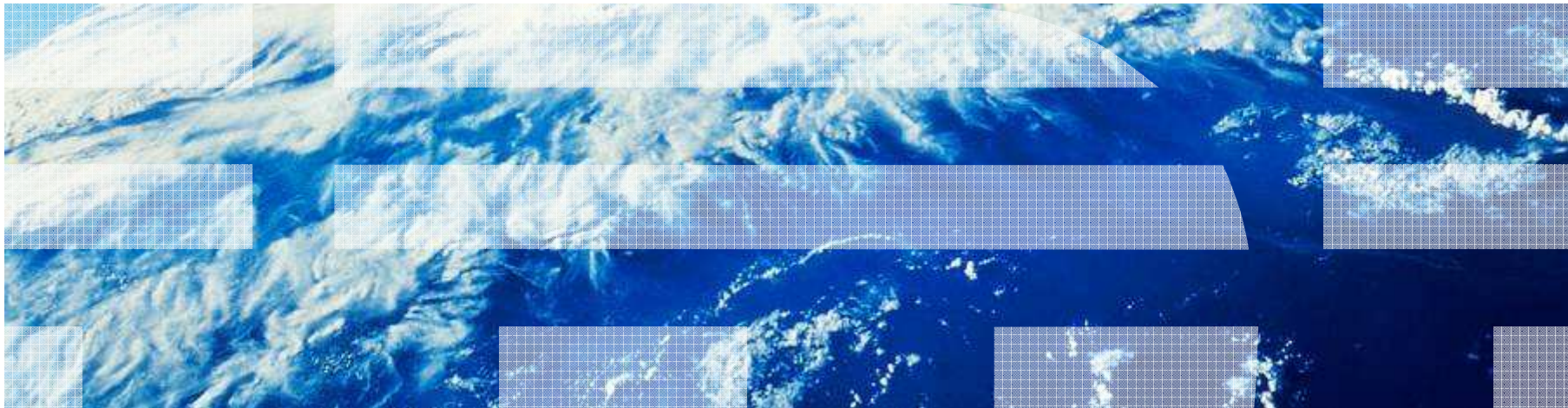# Advanced Case Management
Warsaw
September 2010

Alan Horton-Bentley
Director Industry Marketing
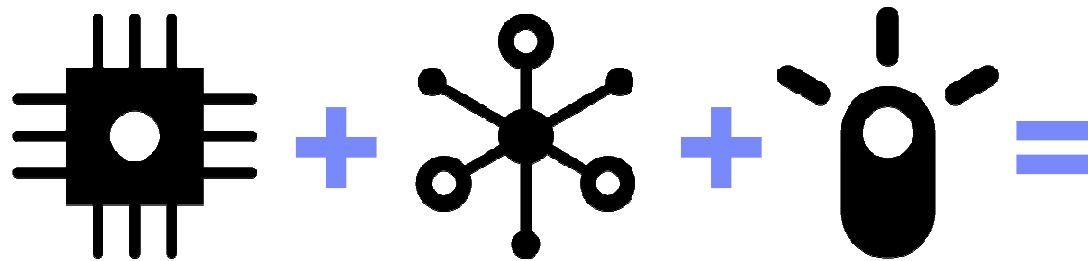**Banking & Financial Markets**
IBM Software Group

Agenda

- **The Traditional Benefits Of ECM In Banking And Financial Services**

- **Why focus on Case Management?**

- **The IBM Case Management Solution**

Smarter Planet

Smarter Solutions

**An opportunity for financial services
to think and act in new ways.**

**Increase client
centricity and develop
new intelligence to
improve business
performance.**

**Rethink business
models and simplify
architectures to
optimize costs while
becoming more agile.**

**Achieve smarter
integrated risk
management—
optimizing financial
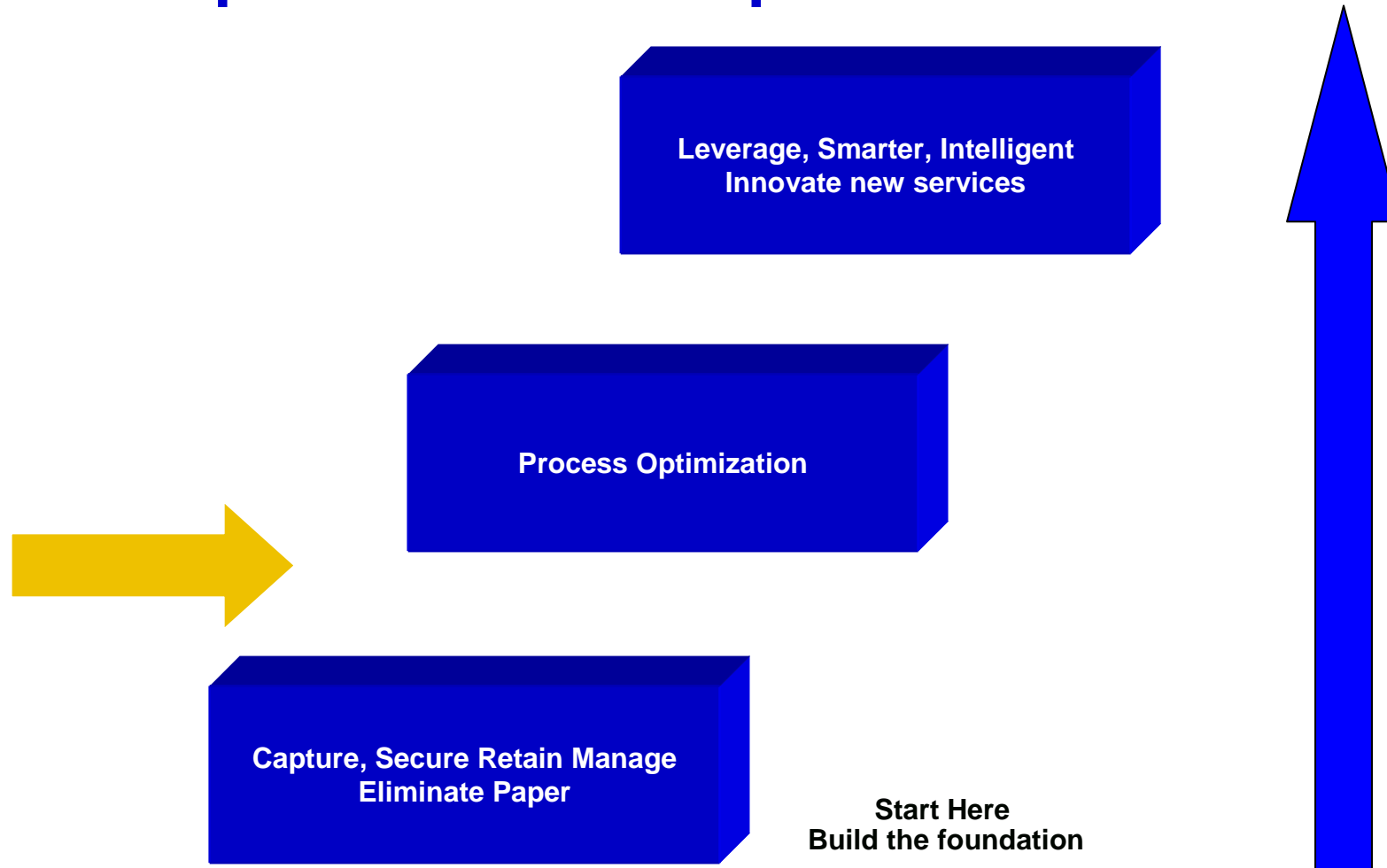and operational risk.**

Why Is This Important To You?

**Best Practices
we have been
there before, we
know the problems**

*IBM ECM Banks &
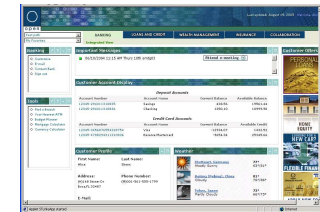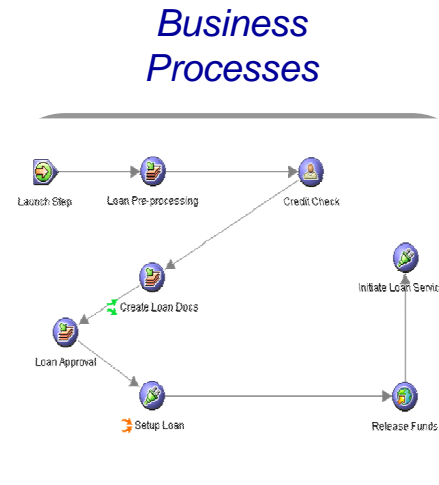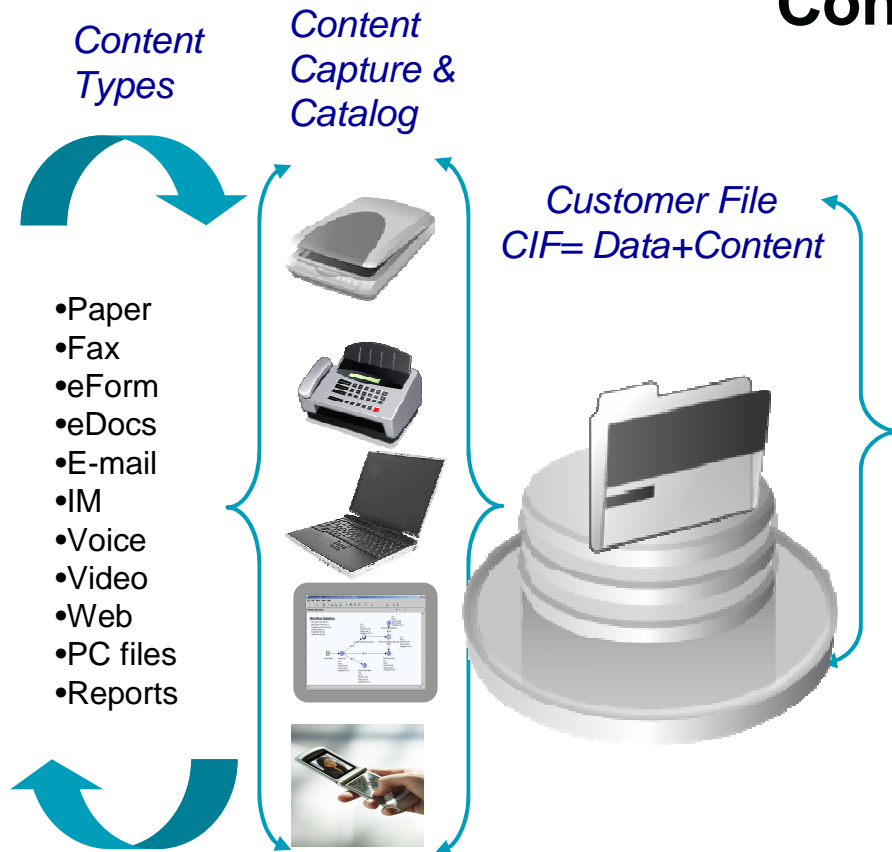FM Customers 1440
Institutions*

**24 of the TOP 25
Global Banks**

- ABN AMRO Holding
- BNP Paribas
- Bank of Montreal
- Barclays Bank
- Bank of Scotland
- Banc One Corporation
- BB&T
- Citigroup Inc.
- Commonwealth Bank of Australia
- Commerzbank
- Credit Suisse
- Confederation Nationale
- Deutsche Bank
- GreenPoint Bank
- MBNA Bank
- Royal Bank of Canada
- Rabobank Group
- Standard Chartered
- State Street Corp.
- The Bank of New York Melon
- TD Bank
- Wachovia
- Washington Mutual
- World Savings Bank
- Woori Bank Korea

- Advance Bank
- Affinbank
- Bank Bruxelles
- Bank of East Asia
- Bank of Tokyo-Mitsubishi
- Bank Itau
- BNP Paribas
- CIBC
- Chinatrust Commercial Bank
- China Construction Bank
- Dah Sing Bank
- First Pacific Bank
- Fortis Bank
- EGG / Funds Direct
- GMAC/RFC
- GE Capital
- Investors Bank & Trust
- Overseas Chinese Banking Corporation
- Malayan Banking
- Mellon Bank
- M&T Bank
- Mizuho Corporate Bank
- PNC
- Thai Farmers Bank
- UBJ Japan
- United Overseas Bank

4

ECM Implementation Steps…

Leverage, Smarter, Intelligent Innovate new services

Process Optimization

Capture, Secure Retain Manage Eliminate Paper

Start Here Build the foundation

Intelligent capture – VITAL to all applications…

Content – not just paper!

Content Types

Content Capture & Catalog

Customer File CIF= Data+Content

Business Processes

- Paper
- Fax
- eForm
- eDocs
- E-mail
- IM
- Voice
- Video
- Web
- PC files
- Reports

- **Regulation**
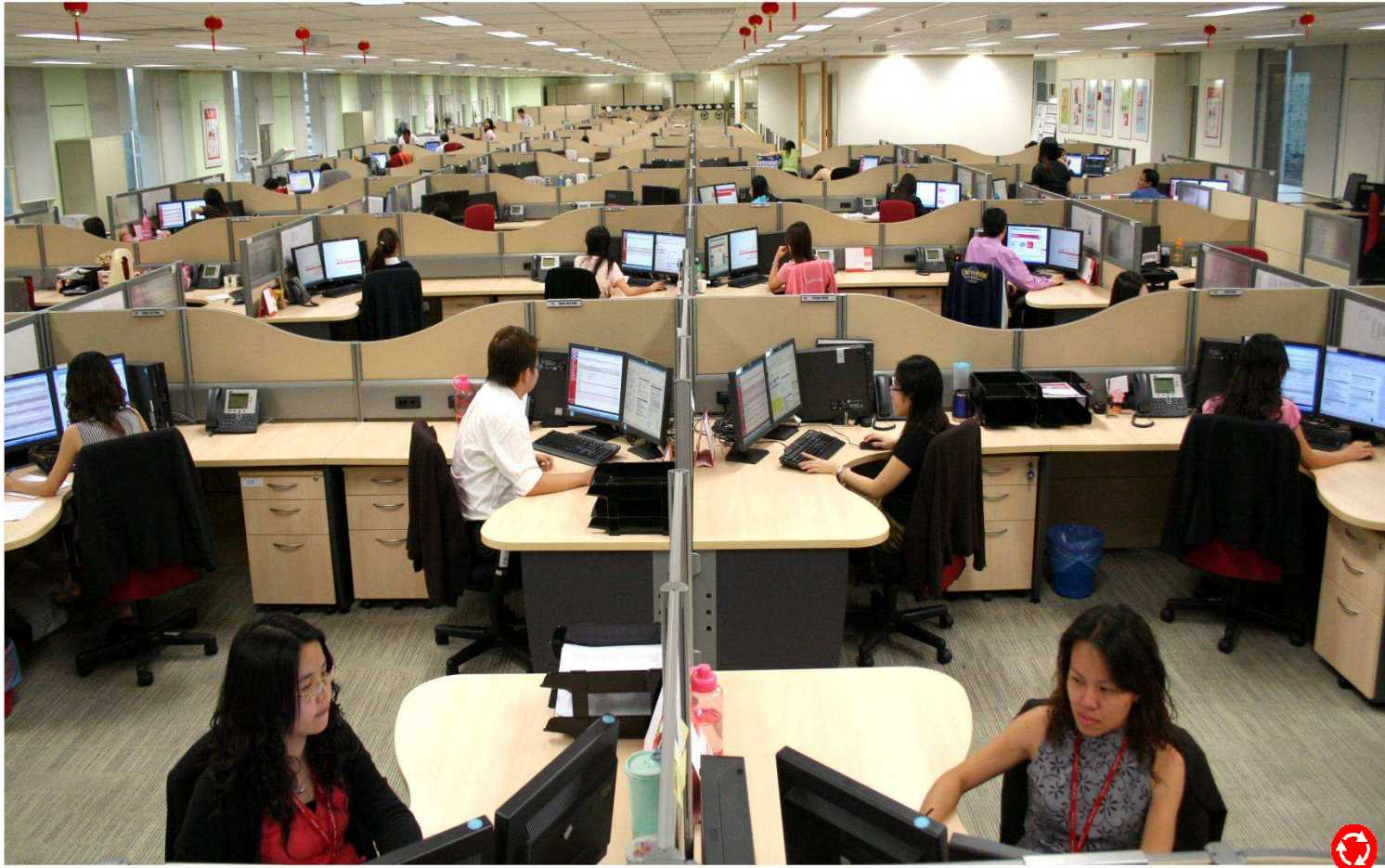- **Standards**
- **Optimization**
- **Best Practices**

BEFORE – Long Wait Times – At The Speed Of Paper…

Paper driven Processes

After - Paperless, Reduced Cycle Times…

Customer Information Foundation…

Paper

Collection & Archive

Documents / Files / Media

Classification

E-mail

Office

Search / Discover

Case Management

Enable Collaboration

Process

Reports

Statement Report Mngt

Transaction Streams

Records Management & Governance
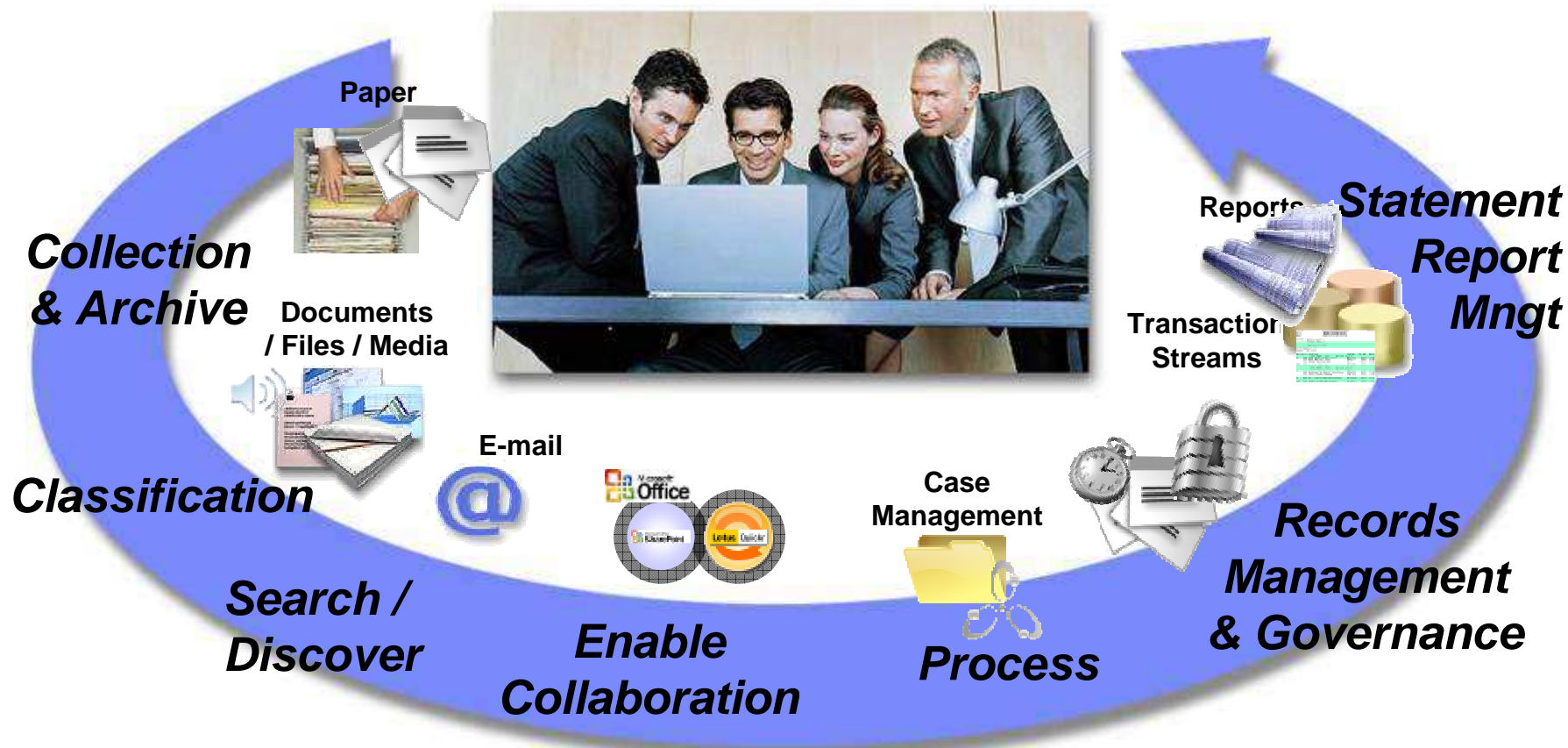
"Enterprise Content Management (ECM) is the technologies used to capture, manage, store, preserve, and deliver content related to organizational processes. ECM tools and strategies allow the management of unstructured information, wherever that information exists." **Source:** www.aiim.org

Zurich Deutschland

ZURICH

Objectives

Improve customer service and specialist productivity
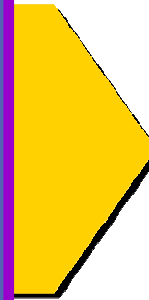
Find solution that would enable competitive advantage and long-term growth

FileNet Solution

Reduced document retrieval time by
83%

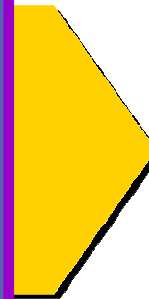**Increased productivity by**
12%

Future-proofed technology

"…FileNet has proved to be the right decision for today's business challenges."
Raphael Lamskemper, Zurich Service GmbH

Information Is The Key to Optimize Business Performance…

Leveraging unstructured information for strategic advantage?

Three Major Areas within Data Continuum

Structured Data	Semi-structured Data	Unstructured Data

"Systems Data"

Relational databases

Spreadsheets

Flat files in record format

Multidimensional databases

Legacy databases:
• Hierarchical
• Mainframe

XML Docs

RSS Feeds

EDI Docs

transaction content

prose content

"Content"

E-mail

Web Logs

Word processing files

Web Pages

Multimedia

Content Management

Document Management

Taxonomies, Ontologies

Voice recognition

Instant Messaging

Wikis

85%

ECM Proven Value In Banking…

- **New Account Opening**
- **Mortgage Lending**
- **Consumer Lending**
- **Commercial Lending**
- **Student Lending**
- **Credit Card Processing**
- **Records Management (R&C**
- **Loan Sale Transfer**
- **Trust Administration**
- **eMail Archiving**

Value

1. *Paper Reduction*
2. *Process Improvement -BPM*
3. *Reducing Cycle Times - STP*
4. *Improved Customer Care*

IBM ECM and BPM adds significant process improvement value…

BEFORE

AFTER
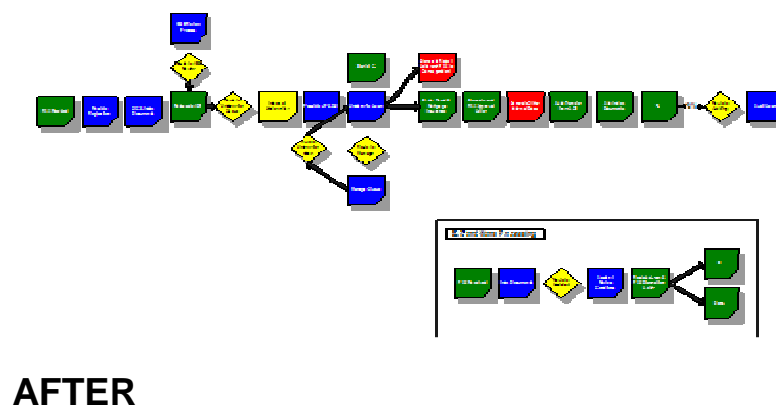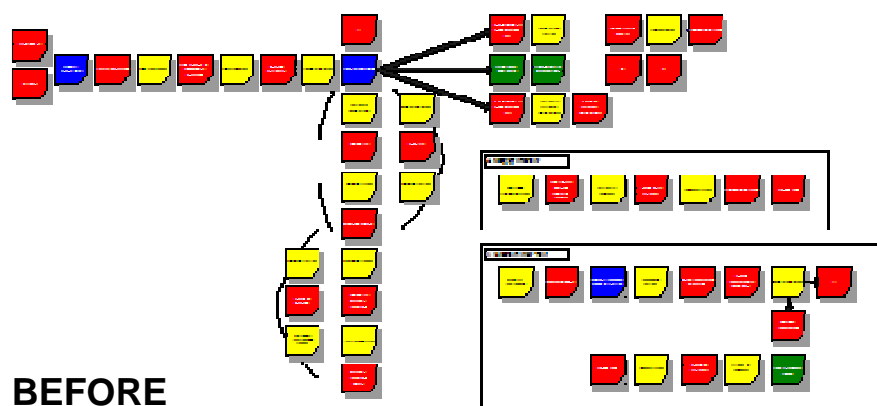
Inefficient processes:

■ (red) Red - Requires human intervention

■ (yellow) Yellow - Wait Time

Efficient processes:

■ (blue)
■ (green) Blue - Semi-automated activity

Green - Fully automated activity

Institution's Goals

Increase profit margins by 7%

Improve customer retention by 4%

Grow market share in Asia to 18%

Innovate new service models

Drive common processes and standards

OCBC Bank

Results and Benefits

Client Need:
Implement cross-border activities **such as account services, trade finance, and credit card applications between the bank's Singapore and Malaysia operations.**

Solution
FileNet P8 framework robust, highly scalable and highly-adaptive common framework that adopted the Workflow Imaging (WFI) architecture.

Key to Success
Establishing a COE *(Center of Excellence)* **from the outset to drive standards, guiding principals, methodologies and reuse.**

- *Realized a staff cost savings of $2.3 million*

- *Reduced Business Process Cycle Times from 3 days to 4 hours*

- *Effective Team Collaboration & Communication. Improved staff engagement and productivity*

- *With this new FileNet system in place, OCBC was be able to rapidly solve new and emerging business problems*

- *With the COE in place the bank would be able to start new business solutions without significant software cost analysis.*

- *OCBC would also be a role model on how a Singapore bank can establish itself as a regional leader, playing a key role in how technology is used to differentiate itself in the marketplace.*

TD Banknorth…

Approving loans hours – not days

Business challenge:

- TD Banknorth wanted to **reduce its paper-based** loan approval process. **optimize business processes for competitive advantage**.

Solution:

- Working with IBM Business Partner Lighthouse, TD Banknorth implemented an IBM ECM P8 solution

Benefits:

- **Reduced expenses through the consolidation of multiple filing centers and off-site storage of paper**

- **Reduced travel associated with loan review, audit and compliance functions**

"We can now close residential mortgages within 24 hours of receiving an application. This has been a tremendous contributor to our success."
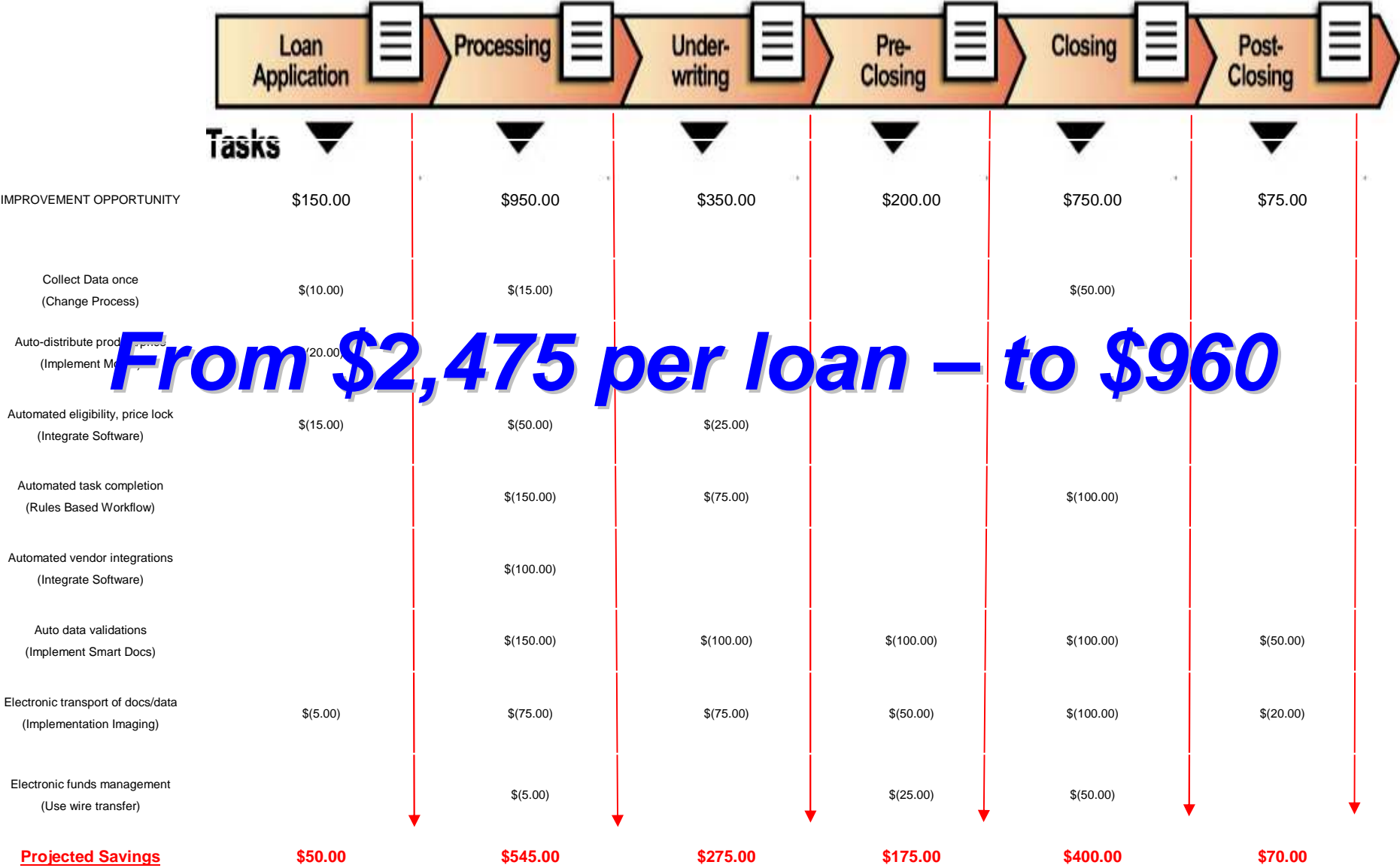
— *Cindy Dufrane, Senior Vice President, TD Banknorth*

Solution components:

- IBM Content Manager OnDemand

- IBM FileNet® P8

TD Banknorth

IMP14030-USEN-00

Substantial cost reduction by streamlining processes…

	Loan Application	Processing	Under-writing	Pre-Closing	Closing	Post-Closing
IMPROVEMENT OPPORTUNITY	$150.00	$950.00	$350.00	$200.00	$750.00	$75.00
Collect Data once (Change Process)	$(10.00)	$(15.00)			$(50.00)	
Auto-distribute prod... (Implement M...)	$(20.00)					
Automated eligibility, price lock (Integrate Software)	$(15.00)	$(50.00)	$(25.00)			
Automated task completion (Rules Based Workflow)		$(150.00)	$(75.00)		$(100.00)	
Automated vendor integrations (Integrate Software)		$(100.00)				
Auto data validations (Implement Smart Docs)		$(150.00)	$(100.00)	$(100.00)	$(100.00)	$(50.00)
Electronic transport of docs/data (Implementation Imaging)	$(5.00)	$(75.00)	$(75.00)	$(50.00)	$(100.00)	$(20.00)
Electronic funds management (Use wire transfer)		$(5.00)		$(25.00)	$(50.00)	
Projected Savings	**$50.00**	**$545.00**	**$275.00**	**$175.00**	**$400.00**	**$70.00**

From $2,475 per loan – to $960

Mortgage Banking Association

REGIONS

Broader Business Challenge

Standardize, streamline and automate the end-to-end operational processes

Business Challenge
- Average time to book a loan is 11 days
- Difficult to answer customer inquiries as to where loan is in the process – Help Desk responsiveness
- Four exception reporting systems are deployed with two consolidated reports for loan officers with varying formats
- The presence of errors in the exception clearing process
- Issues with image retrieval – indexing
- Timeliness in lien release

Business Drivers
- Regulatory issues (data privacy, process governance, etc)
- Advanced Basel-II certification
- Expansion to international markets
- Shorten time to market
- Improve efficiency of Credit & Risk Scoring
- Data mart and data warehouse consolidation → Cost
- reduction

Client Benefits
- Reduce overall time to process a loan – from 11 day avg to 7 days
- Improve the processing efficiency Equip the management teams with the information required to effectively manage their teams – e.g. pipeline and operational performance metrics
- Develop single exception identification, tracking, clearing and reporting application
- Review and refine imaging/retention standards and policies

Broader Solution
- FileNet,
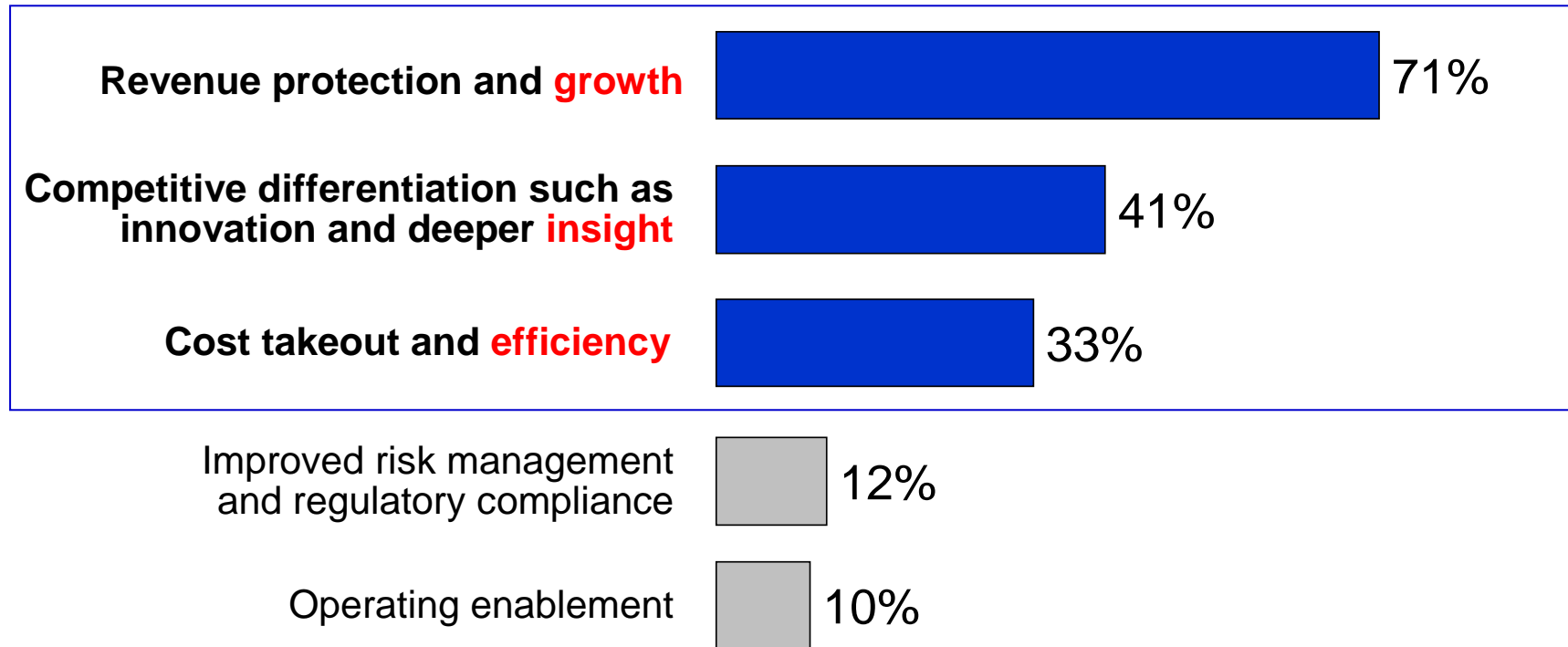- Imagine Solutions
- GBS Services
- iLog

Agenda

- **The Traditional Benefits Of ECM In Banking And Financial Services**

- **Why Focus On Case Management?**

- **The IBM Case Management Solution**

Breakaway Survey Results…

Main Business Objectives Over Next Two Years

Revenue protection and growth — 71%

Competitive differentiation such as innovation and deeper insight — 41%

Cost takeout and efficiency — 33%

Improved risk management and regulatory compliance — 12%

Operating enablement — 10%

Source: Breakaway Survey (prerelease), August 2009. Question 2 – "What are the main business objectives of your enterprise over the next two years? Please select up to two." Chart shows percent of organizations selecting the objective

IBM is hearing from its financial customer…

Customer Retention

We need for growth

Sell more products
per customer

Intelligent risk
controls & management

We need to drive
cost efficiencies

Globally Compelling Objectives…

☐ **Growth and Profitability** *- sell more products per customer via intelligent marketing programs, product bundling, pricing and product innovation.*

☐ **Operational Efficiently** *– consolidate and optimize front & back office processes and delivery systems.*

☐ **Reduce Credit & Operation Risk** *– access to, and monitoring of, a complete timely and accurate view of the customers' information.*

Case Management Impacts Them All

Delivery cost – Versus optimum cross selling & relationship building opportunities…
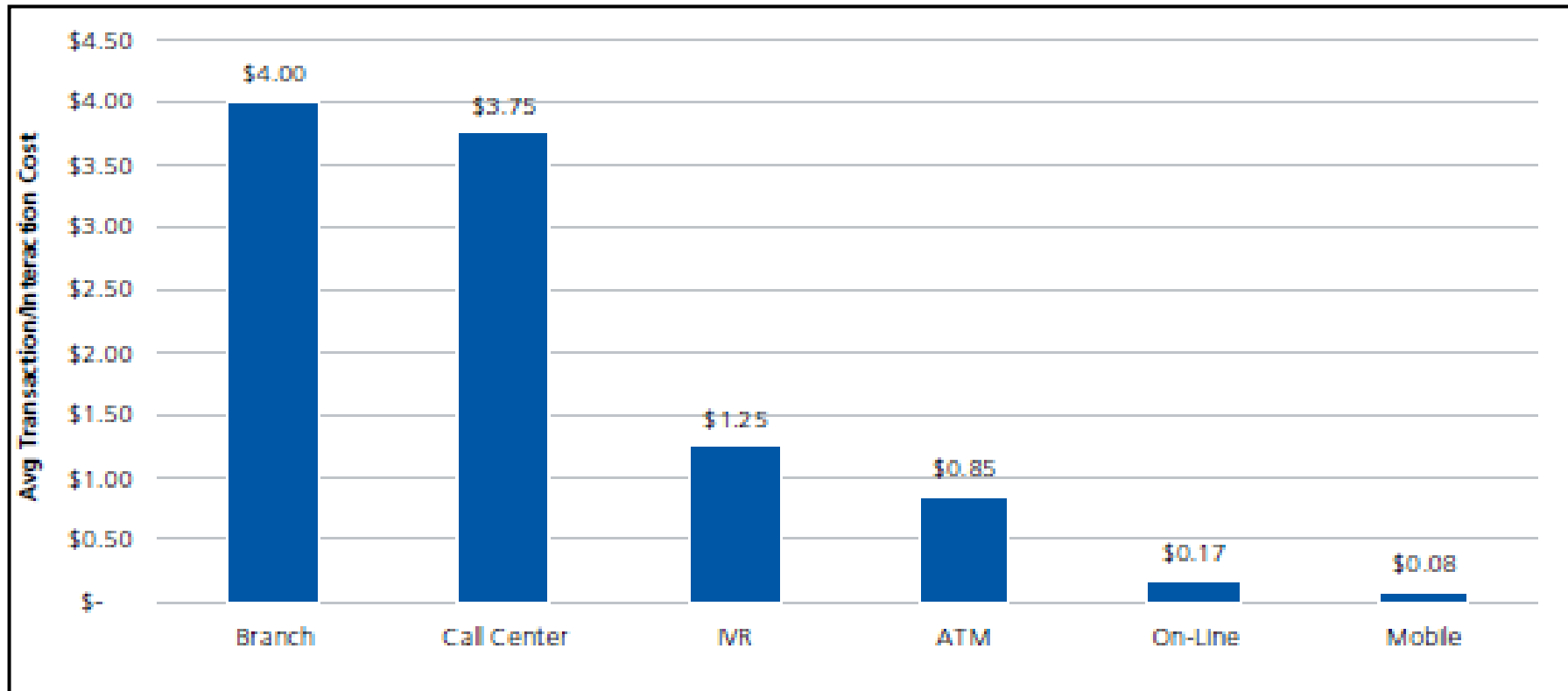
Driving customer behavior to the low-cost channel may make sense, yet the real objective is increase revenue opportunities.
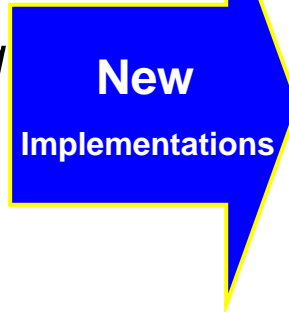
Celent Report, March 2010

ECM solutions are evolving…

Solution Evolution

Line Of Business Solutions:
- Account Origination
- Mortgage Loan Processing
- Consumer Lending
- Commercial Lending
- Credit Card Processing
- Trust Administration
- Compliance
- Records Management

Proven Value!

New Implementations

New ECM Applications

Shared Services Smarter Solutions
- **Case Management**
- Single New account Opening
- Single Credit File
- Exception Processing
- eDiscovery
- Paper Elimination
  - Intelligent Capture
  - Electronic Safe Deposit
  - Customized Communication
  - eInvoicing
  - Supply Chain

Banks Need To Knows Its Customers Better…

Business Challenge

- Incomplete analytic understanding of the customer for marketing activities
- Requirement for a strategic platform to deliver operational customer information over time
- Need to return value to the business in shortened timeframe

What's Smart?

- Providing data integration, quality and master data functionality to manage an analytical understanding of customer information

Smarter Business Outcome

- Gain a rapid understanding of customer information across multiple lines of business
- Increased effectiveness of marketing campaigns and mailers
- Increased accuracy in customer segmentation and profitability analysis

Master Content Management services that enables the sharing of customer data across lines of business for holistic customer views and analytics.

Customer
Experience

Organic
Growth

Reduce
Attrition

Cross
Sell

Compliance

Risk
Management

Green
Banking

New
Products

Improved Information Quality For A Single View Of The Custom

Agenda

- **The traditional benefits of ECM in Banking and Financial Services**

- **Why focus on case management?**

- **The IBM Case Management Solution**

Case Management: What Is New?

December 28, 2009

Dynamic Case Management —
An Old Idea Catches New Fire
by Craig Le Clair and Connie Moore
for Business Process & Applications Professionals

"Next-generation case management requires a different mindset

… this new case management will be a huge departure from the workflow/imaging solutions of old and will be based on predictive analytics, business rules, and social collaboration, in addition to core BPM and ECM functionality…"

FORRESTER® Making Leaders Successful Every Day

Customer Satisfaction Issues…

**Issues that involve significant downside risk or loss of revenue and damage to the customer relationship.**

Examples - Customer always directly Involved :
- Loan Fees Disputed
- General fees
- Credit information dispute
- Disputed credit denial
- Fraudulent activities
- Customer records disclosure
- Service complaint
- Lost wallet
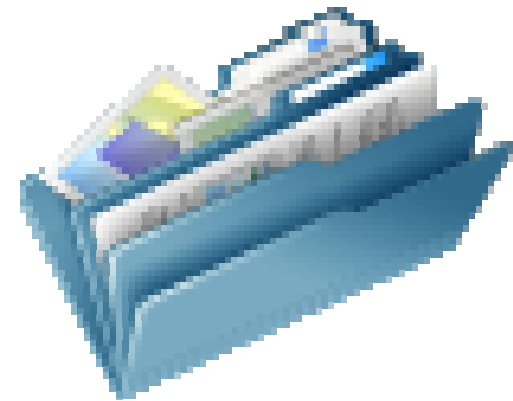
How are they impacted?

Opportunities to get smarter
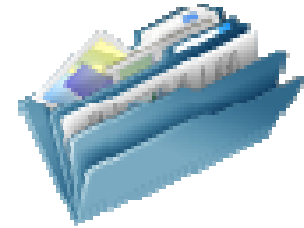
- **Credit Decisioning**

  No unified access to all LOB case management history

- **Risk management**

  Lack of visibility enterprise standards

- **Customer Care**

  Delays or conflicting standards for resolving a case

- **Customer Retention**

  Decisions based on a single LOB, not the overall customer relationship

- **Growth – cross sell and up sell**

  Disputes impacting the relationship being made worse due to the lack timely access to all of the information

- **Compliance**

Compelling ROI to be found?
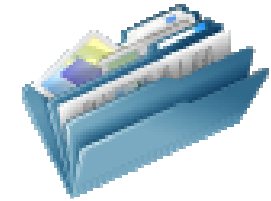
Use of analytics to render the process intelligent, proactive and predictive, resulting in:
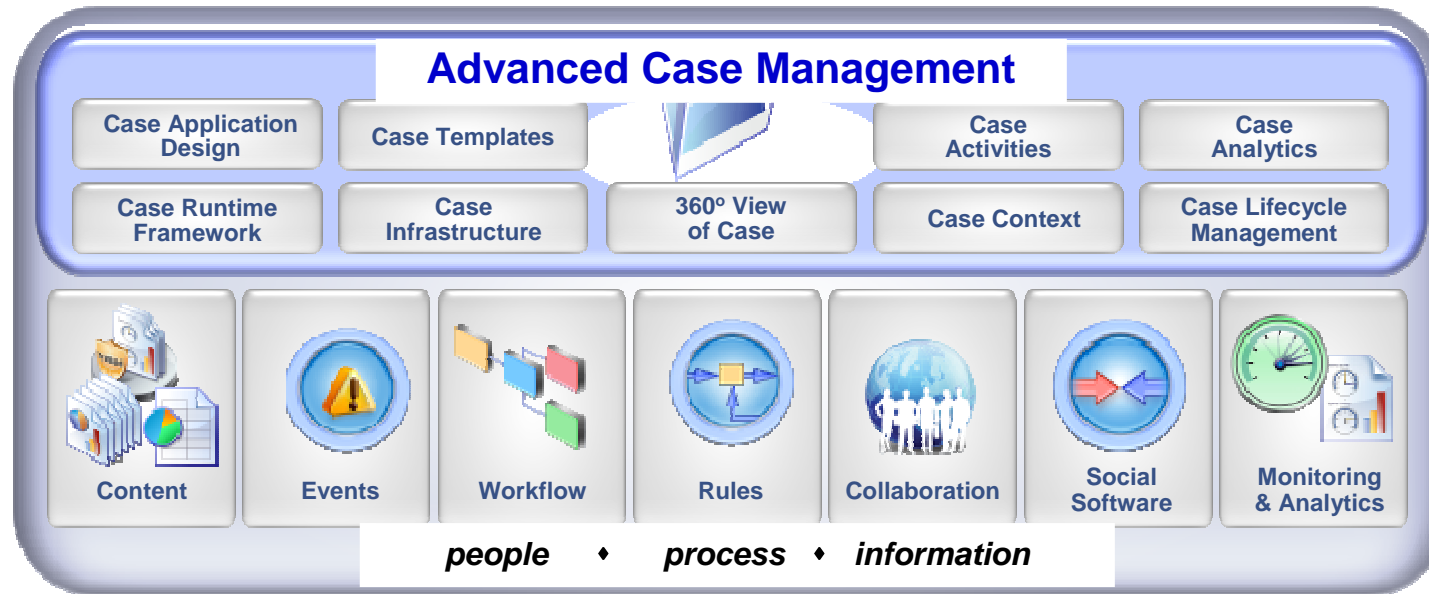
- Identifying flaws in the business process resulting in the eliminating cases

- Avoid customer replacement costs

- Avoid loss of revenue of a standard customer

- Improved credit decisioning

- Optimized processes resulting in improved contact/help desk, first call resolutions

- Reduced compliance violations

New generation of banking and financial services solutions platforms will include…

**That requires unique capabilities from…**

- Content management
- Business process management
- Collaboration tools
- Social software
- Business rules
- Analytics

Optimizing case management across LOB…

Advanced Case Management

Case Application Design	Case Templates		Case Activities	Case Analytics
Case Runtime Framework	Case Infrastructure	360º View of Case	Case Context	Case Lifecycle Management

Content	Events	Workflow	Rules	Collaboration	Social Software	Monitoring & Analytics

people ◆ *process* ◆ *information*

- Unites information, process and people
- Delivers optimized case outcomes through analytics, rules, collaboration and social computing
- Supports work management of structured and unstructured activities
- Delivers trusted information to the case

- Manages and governs entire case lifecycle
- Provides extensive ecosystem of partners delivering case management solutions
- Shortens time-to-value with better tools, out-of-the box solutions, and templating capabilities
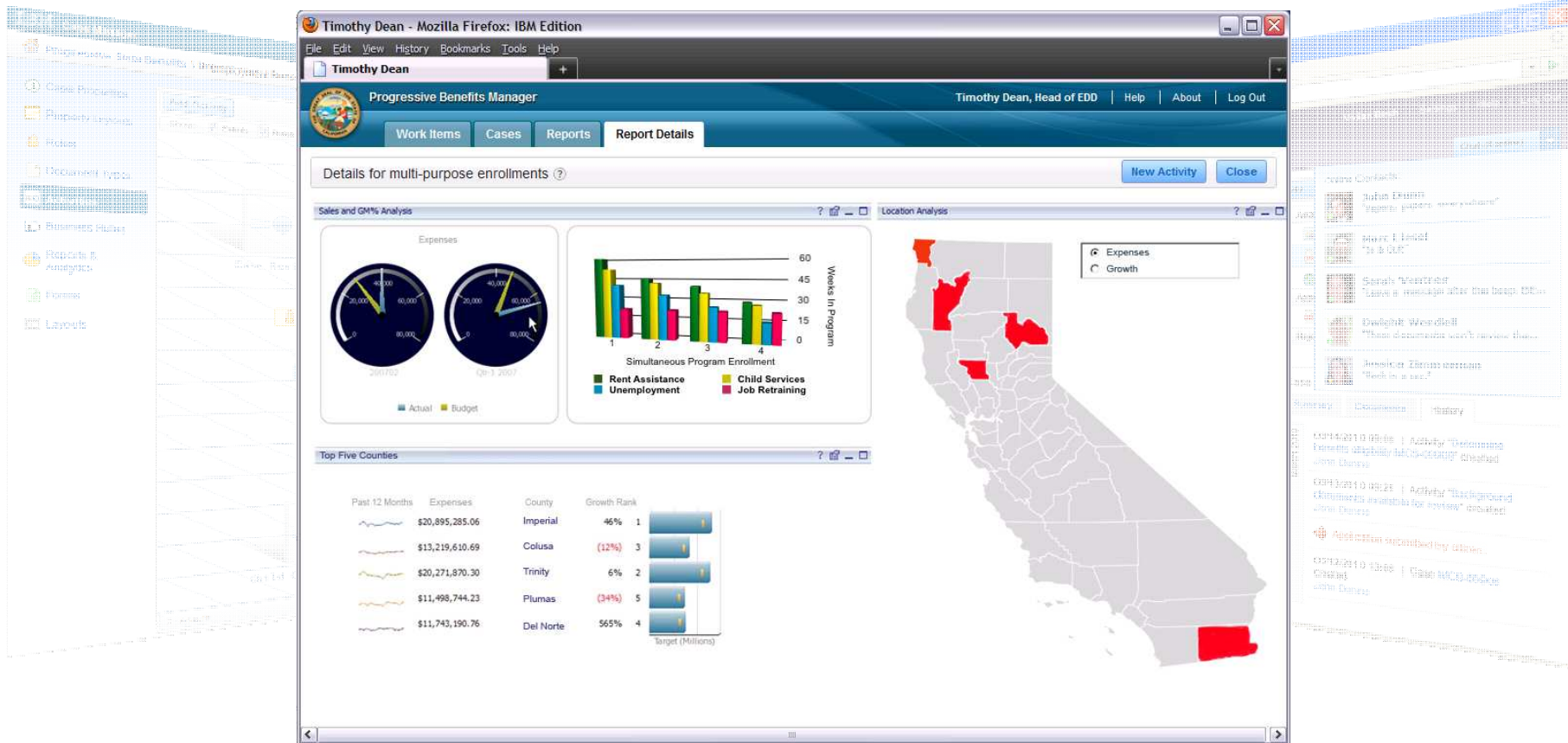
Advanced Case Management User Experience
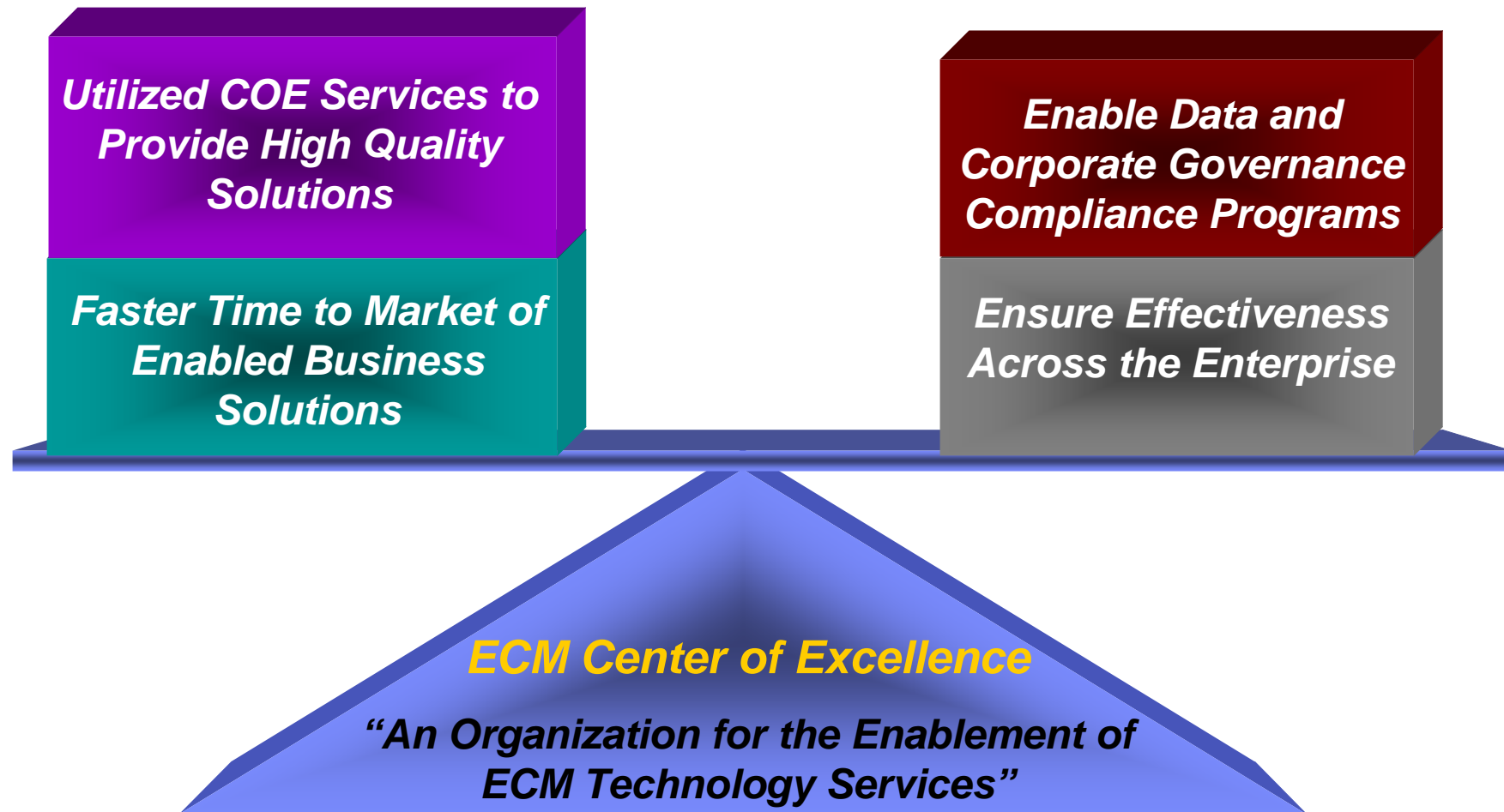compelling and attractive UIs uniting business and IT

to drive better case outcomes

How to get started?

- 1st Establish a COE (center of excellence)

- 2nd Assessment against proven ECM deployments

- 3rd Build a road map to an enterprise architecture

Our customers can help guide you via round tables and one-on-one collaboration – IBM can help establish these contacts

ECM Center of Excellence - Goals

Utilized COE Services to Provide High Quality Solutions

Faster Time to Market of Enabled Business Solutions

Enable Data and Corporate Governance Compliance Programs

Ensure Effectiveness Across the Enterprise

ECM Center of Excellence

"An Organization for the Enablement of ECM Technology Services"

The COE Value Proposition…

- **Speed to Market and Reduced Process Cycle Time**
  - Consult to keep each group from "finding their own way" in the solution
  - Jump start idea generation for the business solution and the technology implementation
  - Expertise to drive business process improvements

- **Resource Reuse**
  - Center of excellence resources
  - Hardware and software infrastructure
  - Services and common components
  - Making the most out of the investment

  Having an internal group with the required skills to champion ECM technology has proven to be a great benefit to the Enterprise.

  Scott Flemming, Vice-President
  Wachovia Corporation

- **Reduce Risk**
  - Leverage experienced resources and proven methodologies to help guarantee successful solutions.
  - Assist customer resources who may not have experience designing and implementing solutions
  - Better positioned to support corporate and data governance

What does a Design Authority do?

- **Develop and Deliver the Application Design**
  - Balance complexity with need
  - New versus re-use
  - Adequate is good enough

- **Reusability of design**
  - Reuse and repeatability is a (business) structural problem not a technical problem - What, How, Where, Who, When, Why
    - It's not about code and it's not about SOA.
    - There is no point in building reusable modules unless the business will reuse them.
  - TOP DOWN ⇨ Design Authority!

- **Need to know what you have**
  - Need visibility across the business requirements
  - Need visibility of existing artifacts
  - Need a common approach across projects
  - TOP DOWN with some bottom up ⇨ Design Authority!

Project Excellence…

- **Operates within an overall Program Management / Governance framework**
  - All projects should adhere to the same principles
    - Execution, quality, rigor, interdependencies

- **It's more a style of execution than a learned skill ...**
  - Good Project management skills can be largely independent of underlying platform
  - Need to have key players with experience of the underlying platform
  - Membership from Design Center of Excellence should carry throughout execution of the project ("Is what is being built what was intended, and how …..")

- **Key team members**
  - Application Designer, Developer Team Lead, Platform Technical SME's, business SME's.

Operational Excellence…

- **Solution Centric – not technology centric**
  - Knowledge of the operation of the application.
  - What software and what platform does what and in what sequence.
  - If something is not working – at what point is it going wrong?

- **End-to-end issue management and timely escalation**
  - Issues logging
  - Resolution capturing
  - Standard Operating Procedure updates

- **Single point of contact with vendor support organizations**
  - Periodic and planned configuration, capacity and related 'health checks'
  - Periodic status meetings –pro-active planning of upgrades / updates

Assistance? IBM can help!
Our customers can help

A wealth of experience of implementing IBM ECM Technologies worldwide has developed a breath of proven consulting services:

- Establish an ECM Program
  - Program Management Services

- Building an Enterprise Organization to enable the ECM Technology
  - Building a COE organization Service Offering
  - Staff Augmentation Services
  - Mentoring Services

- Deploy the ECM technology
  - Enterprise Planning and Design Services
  - ECM Implementation Services
  - ECM Platform Services

Questions and Thank You…

Alan Horton-Bentley

Global Industry Marketing
Banking Industry and Financial Markets
IBM Software Group

619-507-1520