



Multichannel banking:

Provide personalized service that differentiates your bank.

- > MAXIMIZE CUSTOMER SHARE
- > IMPROVE MARKETING CAMPAIGN PERFORMANCE
- > DRIVE OPERATIONAL EFFICIENCY
- > MAINTAIN SECURITY AND CUSTOMER TRUST





Satisfy consumer demands across all banking channels

The 20-something crowd loves your bank right now, because you just released the coolest banking Web site around — and it's accessible from a variety of mobile devices. But the baby boomers may be unhappy because you haven't yet catered to their need to have a unified view of all of their accounts, whether online or on paper. They want a single statement that combines different types of personal and corporate account information, helping them optimize their finances. Combine these challenges with competitive pressures from huge, universal banks that are reaching into every niche market and attracting customers who prefer the convenience of one-stop shopping. Finally, add the difficulty of dealing with unprecedented growth in fraud incidents and security breaches. Sound familiar?

For more information on this solution, including demonstrations and customer case studies, visit ibm.com/banking/flexibility





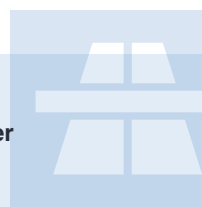
Today, banks constantly face two challenging and often conflicting goals: containing costs and growing revenues. For example, as banks compete by offering lower prices, or even eliminating fees on traditional transactions, customers demand even better and more competitive products — available seamlessly across channels. In fact, the ability to offer seamless services across channels has increasingly become as much of a differentiator as the offerings themselves.

Yet, banks often find that they lack the channel integration and total customer view that clients expect. For example, customers will complain if their automated teller machine (ATM) transactions are not immediately visible on the Web site. Or they'll become frustrated when contact center employees are not aware of personal information they recently updated on the Web. To drive better customer retention and loyalty, channel integration issues must be addressed.

To enhance your image as a bank that's easy to do business with, you must find a solution to help you support a unified multichannel strategy. In this way, you can differentiate your bank by seamlessly providing services across channels — delighting customers at every transaction. By integrating customer information across channels and then leveraging that information with advanced customer insight, you can create new revenue opportunities with existing customers. You'll accomplish this by knowing each of your customers better, creating more targeted products tailored to individual needs and driving more effective marketing through each and every channel your customers choose to use.

Turn the page to learn more about how your bank can:

- > Help maximize customer share by improving customer service across all touch-points.**
- > Help improve marketing campaign performance with more targeted, attractive offers and promotions.**
- > Drive operational efficiency by sharing information and processes across the bank while enabling customer self-service.**
- > Sustain your image as a trusted and secure financial services provider.**





Leverage IBM's banking expertise to transform your approach to managing channels

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 organization, 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 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.

Because a truly multichannel infrastructure shares processes across each channel and integrates information across departments, it not only improves efficiency and lowers costs, it also facilitates broad implementation of policies that address customer security, fraud and identity theft concerns — bolstering your image as a trusted and secure financial institution.

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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.

Leveraging IBM's proven banking industry expertise and its strengths in software and open industry standards, you can give clients a seamless experience across various

channels, including ATMs, mobile devices, branch offices and the Web. The results? When you unite sales, service and fulfillment processes across the bank, you can foster hard-to-earn customer loyalty and drive new revenue opportunities with each transaction by effectively tailoring customers' experiences and highlighting the most appropriate product offers. And you'll be able to promote new levels of customer self-sufficiency to help enhance your operational efficiency.

IBM's solution for multichannel banking can help you:

- Win and retain customers across channels by providing prompt, personalized service during each customer interaction.
- Benefit from enhanced marketing campaign performance by creating appealing, targeted offers and promotions.
- Enhance efficiency by sharing common back-end processes and functionality as you promote new levels of client self-service.
- Establish and maintain trust among clients by helping maximize security of your financial services.



Boost customer share with more effective, personalized service

Today, banks offer more products through a wider variety of channels than ever before. Consequently, customer relationships have also become increasingly varied and complex. Whether new products or channels have been acquired or created in response to competitive pressures, the reality is that all too often, customer information is dispersed across separate business systems.

When banks lack an integrated view of their business relationships with each customer, they also lack the ability to differentiate themselves by providing individualized, tailored service. This is the type of total service today's discriminating customers want — the type that old-fashioned neighborhood banks used to provide. Customers want products that meet their individual needs to be available where and when they want to do their banking.

Consider a scenario in which a banking client calls the contact center to request a line of credit. Because the agent is only working within the personal loans application, she may not realize the client also has a mortgage with the bank and has a significant amount of equity available that could be used to refinance or open a line of credit. Even if the agent has this information at hand, she may not be enabled to suggest the best — and most profitable — product for the client. That's

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just one example of why banks need to consolidate customer information across channels and across product lines.

To build an image as a friendly bank that excels in providing knowledgeable, personalized service, you can use IBM software to effectively integrate your products and channels. Then, you can empower customer service agents by giving them in-depth, unified information about each customer and account. Using IBM WebSphere® Customer Center software, you can build a single, comprehensive view of customers by pulling information from multiple applications across your bank and consolidating it in one easy-to-access place. You can even combine WebSphere Customer Center

with analytic software from select IBM Business Partners to provide additional insight on the best options to offer customers, regardless of the contact channel they choose. As a result, tellers, customer service agents and other bank employees can view consistent transactional customer information in real time where and when it's needed — and provide thoughtful, consistent service each and every time.

For example, using a solution based on WebSphere Customer Center, the agent assisting the client who requested a line of credit

would have known from the start about the customer's home equity. As a result, she could have offered the customer a better financing option that would have included the added advantage of a tax write-off. At the same time, her recommendations would reduce the likelihood that the client would look elsewhere for a different option.





Obtain a consolidated view of customers



Raise marketing campaign performance with appealing, well-targeted offers

To ensure successful and efficient marketing campaigns, it's crucial that you understand your customers' needs by having access to detailed information about their buying behaviors, interaction history, income levels, relevant habits and customer relationship status. But developing this customer insight is not easy, especially if you need an integrated view of information that currently resides within channel-specific applications and databases.

In fact, you may find you also need to combine all of your customer information with information from external sources. Without truly integrated and flexible channels, attaining this consolidated information to drive effective insight can be slow, costly and frustrating.

Perhaps your vice president of marketing wants to design a new campaign to drive sales of a highly profitable specialty credit card linked to an airline's frequent flyer program. The campaign is costly, so he wants to limit his reach to just those prospects who are most

likely to buy. Yet, your bank's technique for isolating appropriate prospects is less than ideal, requiring time-draining manual intervention.

Using IBM WebSphere integration software and an industry data warehouse model such as IBM Banking Data Warehouse, your vice president can get a consolidated view of customer data from multiple places — internal sources like retail banking and credit card systems, plus the airline partner's data and even externally purchased information. By putting this information together and analyzing it with select IBM Business Partner software, your bank can fine-tune its campaign targets to achieve the greatest possible odds of success.

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Increase operational efficiency and enable more client self-sufficiency

As banks counter competitive pressures by waiving or discounting traditional fees that are charged for services like checking or online transactions, they are under even greater pressure to increase operational efficiency. For a true multichannel bank, this means sharing services across channels to avoid redundancy and reduce costs.

Certainly, most banks have a variety of redundant processes that could offer potentially significant cost reductions if they were streamlined. For example, whether a customer opens a savings account, a line of credit or a new credit card, he uses a basic account open process. As part of this process, the bank captures standard information, like address, phone number and occupation. Traditionally, each application and channel handles this process separately, resulting in duplication and maintenance costs.

WebSphere integration software from IBM can help you eliminate these redundancies in order to lower costs and drive efficiency. Using IBM WebSphere Process Server, you can design a workflow to manage the account open requirements for all departments and, at the same time, share already captured account open information across the bank. By offering the information across multiple channels as a shared service, you not only help improve efficiency; you also help optimize customer satisfaction. For example, you can prepopulate fields in IBM Workplace™ Forms with basic customer information as a way to speed transactions.



Another way to improve satisfaction while increasing operational efficiency is to offer customers more self-service options. Because WebSphere integration software is based on open industry-standard formats, it makes it easier and more secure for you to extend new types of self-service transactions to the Web. With IBM Workplace Forms, you'll be able to build dynamic forms that change course depending on the customer's input. The software also utilizes advanced security features to help make transactions safe and keep anyone from tampering with them.

Maintain an image as a trusted and secure bank

As computer technology advances, so do the volumes and sophistication levels of intrusion attempts at financial institutions. While most banks have implemented access control at a business unit level to protect unauthorized access to sensitive business systems and customer data, many lack the ability to apply this control quickly and consistently across the bank and to proactively adapt to new intrusion threats as they appear.

Think of a bank trying to enhance operational risk management so that it will comply with Basel II requirements. It is slow and difficult to implement security protection policies, because the bank needs to execute those policies through each of its unique business systems — in each channel and for each business unit. It would be much more efficient and effective if the bank could provide its chief risk and security officers with a single point for controlling compliance across the bank.

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With IBM's solution for multi-channel banking, banks can institute policy-driven intrusion protection and have those policies implemented across the bank. IBM Tivoli® Access Manager software allows you to centralize the management of authentication, access and audit policies for a range of application types, across multiple channels. So you have control from a single point over who accesses which applications or data. And because the solution helps you rapidly identify who accessed which application — and when they did it — you can simplify and strengthen your efforts to comply with security regulations.* When you use Tivoli

Access Manager software in combination with IBM Entity Analytics Solutions, you can also leverage advanced relationship analytics to evaluate exposures even more accurately and precisely. To augment this capability from an operations management point of view, IBM Tivoli Identity Manager also provides a centralized solution for automating user and identity provisioning for clients.

Thoroughly plan process changes — and adjust implementation as needed

When you use a service oriented approach to optimize the business processes involved in multichannel banking, you can obtain the flexibility and responsiveness needed to bring innovative products, services and strategies to market. But successfully improving your processes depends on having a good plan and diligently tracking your progress. As many as two thirds of process implementations fail to produce the expected benefits because their true impact is not known prior to execution.**

That's why IBM offers industry-leading tools to help your staff plan, monitor and adjust the implementation of process changes. Leverage easy-to-use tools that help your teams:

- Easily reuse, create, modify and collaborate on process models.
- Simulate and analyze the impact of processes before implementation.
- Enable your IT team to quickly create supporting applications by leveraging your process models.
- Monitor and optimize processes by specifying key performance indicators during process design.



Business Partners help further leverage IBM software capabilities

IBM software for multichannel 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 initiatives to drive both efficiency and revenues. Working together with our clients, IBM and IBM Business Partners can help meet the needs of today's bankers.

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 resource for banks seeking to meet the challenges of retaining customers in a fiercely competitive market; driving efficiency through cross-bank sharing of processes and information; and fostering an image as a trusted and secure financial services provider.

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**Omar A. El Sawy, *Redesigning Enterprise Processes for e-Business*, 2001.

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