Experience Orchestration

Cater to the changing needs of your customers

WHITEPAPER

Written by Stephen Pritchard

About the Author

Stephen Pritchard is a journalist for over 21 years, he now works as a broadcast presenter and producer, as well as as a writer. Stephen's main beats include technology, telecoms, science and the environment — as well as areas of broadcasting, the public sector and management — in video and audio, in print, and on the web.

Introduction

Satisfying customers, satisfying the stakeholders

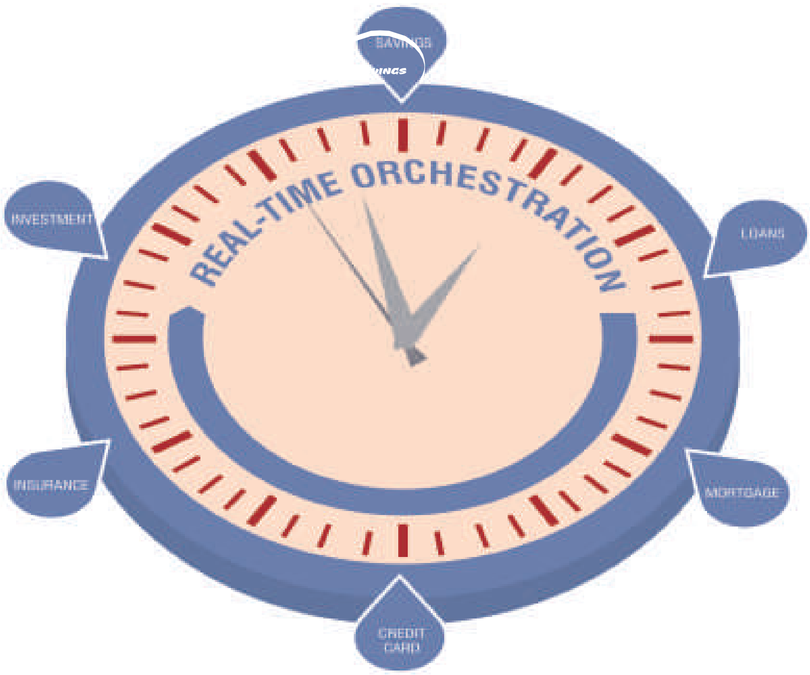
In banking, customer service is too often seen as poor. Certainly, retail financial services trails a long way behind the market leaders in retail, hospitality, or telecom, when it comes to customer service.

Poor customer service is a result of weak knowledge of the customer, or an inability to take a customer-centric approach to service. Banks hold extensive information on their retail customers, but struggle to bring together the knowledge they do have. The impression this gives – often, quite wrongly – is that the bank knows little about the customer, and cares even less.

At the same time, banks face the challenge of improving customer loyalty, improving margins, and meeting regulatory requirements. This makes churn among customers ever more expensive for banks.

A failure to cross or up-sell appropriate products is leaving potential revenues untapped. A failure to know the customer can lead to poor service, or worse, conlict with the regulators and large inancial penalties.

But tying together the data banks hold on customers – customer experience orchestration – offers swift and effective solution.



The Challenge

Only rarely do most banks have the benefit of a single, integrated platform covering the front and back voice. Commonly, a bank's offering, and customer base is the result of acquisitions as well as internal development.

The challenge in financial services is that data on customers is only rarely in a single system. Banks maintain a rabbit warren of multiple systems, including systems of record and transactional systems, customer service systems, account management and marketing systems. These, in turn, need to tie into equally critical back-oice systems, including those that the FSI firm operates for pricing, risk management, or underwriting.

Banks' systems are likely to have its own parameters for risk, credit limits or pricing. Different systems may hold different records for one single customer. These can even differ in material ways, such as different fields for critical information about a customer's identity, such as their address. This can lead to confusion, missed sales opportunities and at its worst, expose the bank to fraud.

Banks have, traditionally, addressed these issues by creating new customer service offerings, customer relationship, or account management systems, which draw data from the underlying transactional systems of record and present them to bank staff. And banks increasingly need to extend this out to customers, through branches, through internet and mobile banking applications, and even out to social media.

Closing the service and capability gap

Most banking customer service systems work by polling other systems for data; they are not, directly, transactional. The underlying systems of record may, themselves, be batch-based; others may record transactions in real-time. The result is that customer relationship systems hold data that is out of date, or is an amalgamation of a customer's activity, sampled at different times.

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This gives a false picture of its customer relationships, and its risk. A transaction could, for example, appear as a debit in one part of the bank's system – perhaps from a checking account – and yet not appear as a credit at the time the systems are polled, even though the funds have been transferred to the client's brokerage account at the same bank. Or a bank may draw erroneous inferences from a client drawing down their savings account, by failing to spot the funds have been used to pay down the mortgage. In reverse, the risks may be greater still: a bank may believe a customer is a better risk than they really are, because the human agent viewing the transaction history and data is not given the full picture.

Conventional systems lack the "360 degree" view of the customer, and struggle to provide clear information to staff about the customer's preferences and prior behaviors, and track record

Even the best banks cannot give the best service, if they lack one version of truth about the customer, when that customer calls, and if they lack real-time information. It is of little help to the frustrated customer that the transactions will be reconciled overnight in the bank's systems of record. Nor does it help if customer service agents have to resort to manual work arounds, to ind the information a customer wants.

Closing the service and capability gap

CRM in inancial services is not operational. Instead it provides a static picture of the customer. Conventional systems lack the "360 degree" view of the customer, and struggle to provide clear information to staff about the customer's preferences and prior behaviors, and track record. Those systems fail to help the bank maximize the revenue opportunity, and give the customer what he or she wants, by selecting the next best offer that is appropriate to their needs and circumstances. Nor do they help to fulill that critical regulatory requirement - Knowing Your Customer.

Moving beyond a siloed, or product-centric, approach beneits both the bank, and the customer, and helps to fulill that critical regulatory requirement, Know You Customer. The customer beneits from a more tailored, and more appropriate offer, based on their relationship with the bank, their track record, and their needs. Loyal – and profitable – customers will benefit from better pricing. And, if banks implement customer experience orchestration well, customers should ind they are being sold products they want, and not those they do not need.

Rewarding Real Time experiences

From the bank's point of view, customer experience orchestration should allow for a better concentration of effort, on the best customers, and on offering those customers the best products. But it should also help banks to extract value from each interaction, as well as reducing risk. By investing in a data-driven solution to managing the customer experience, banks should develop a better understanding of that all important customer relationship and the customer's transactional histories.

Creating such links was time consuming and expensive. But cheaper hardware and faster database technology now allows banks to build virtual links between systems without touching the underlying data in systems of records, and without re-engineering banking platforms.

This lets banks make connections between systems – and products – that in many cases were just not possible before, and to create that all-important single view of the customer in almost real time.

Only with view of the customer that is accurate in real time – driven by real data – will the bank have the full picture of the customer and a far better idea of what that customer wants. Banks, too, should be able to create genuinely attractive product bundles and give customers attractive pricing, even re-pricing products in near real time, in response to the markets.

Above all, customer experience orchestration allows the bank to form an accurate view of the lifetime value of the customer, and ensure that the customer receives the right offers and pricing for their stage in their life. This need not be expensive. The return on investment in customer experience can be under one year, with some banks saving $1bn a year in reduced revenue leakage alone. We may never see the return to the sector's appetite for renewing and upgrading entire core banking systems. But with the technology available today through customer experience orchestration, banks can enjoy many of the benefits, without the cost and risk. Above all, customer experience orchestration allows the bank to form an accurate view of the lifetime value of the customer, and ensure that the customer receives the right offers and pricing for their stage in their life. This need not be expensive. The return on investment in customer experience can be under one year, with some banks saving $1bn a year in reduced revenue leakage alone. We may never see the return to the sector's appetite for renewing and upgrading entire core banking systems. But with the technology available today through customer experience orchestration, banks can enjoy many of the benefits, without the cost and risk.

Good Orchestration

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Full View

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Use of technology

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Case Study

AA Large South African bank

One of the largest South African banks wanted to improve its customer retention, and increase revenues, especially by bundling products.

The bank wanted to become South Africa's one stop shop for financial services, in a market where competition is growing, and customers tend to buy financial products from several different banks.

But the bank faced several, common, challenges. It was losing potential revenues, and faced high overheads. Its systems were inflexible, it took too long to develop new products, and customer satisfaction was low.

They started by installing Xelerate, so it could build up a genuine, 360-degree view of customers, as well as build better profiles of their requirements.

Armed with this information, the bank could then create targeted product "bundles" and better pricing. Special offers would encourage customer loyalty.

The results were both rapid, and far reaching. The bank reduced its lead time to market for new products from up to a year, to as little as two months. It rationalized 30 legacy systems, cutting IT costs by 70 per cent in the process. The bank gained 100,000 new customers, and generated US$3m of additional revenue.

Above all, a simpler, better-priced offer means that customers are now happier with the bank, and willing to put more of their business its way.

A large British Bank

The merger that created this banking group was one of the largest in the history of financial services. The bank handles 30m personal and business accounts, making it a significant player in the competitive UK banking market.

The merger that created the group, though, required the bank to scale up to accommodate a much larger customer base. The bank had to do this, whilst absorbing an increased volume of transactions, matching billing cycles – and syncing up a shorter batch window as a result – and without creating system instabilities. The bank's IT team had just a week to carry out the migration.

By using Xelerate, the bank was able to move 20m retail and 350,000 commercial accounts, integrate business rules from both banks, and move billing information from ive different sources to Xelerate.

SunTec™

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About SunTec

At SunTec Business Solutions, we help our clients increase the lifetime value of their customer relationships through effective revenue management and real-time customer experience orchestration. With a legacy of deployment in over 60 countries, SunTec is a trusted partner to some of the world's leading banks and digital and communication service providers. Headquartered in India, we have our offices in the USA, UK, Germany, UAE and Singapore.

With a team of highly skilled individuals and our innovative product development models, we help our clients remain at the forefront of cutting edge technology. A stable, mature and flexible product suite, Xelerate continues to develop with the market. With insights from our industry experts, a robust future-ready roadmap and seamless integration with any ecosystem, it is one of the most effective products to leverage.

For more information, please visit us at www.suntecgroup.com

If you wish to explore further on how SunTec can help you cater to the changing needs of your customers, please drop us a mail at contactus@suntecgroup.com and we will get in touch with you

You can also call us on:

US – Tel: +1 724 749 5699 | UK – Tel: +44 20 7220 3030 | Germany - Tel: +49 (0) 69 50 50 60 | UAE – Tel: +971 655 760 30 |
Singapore – Tel: +65 6829 2139 | India – Tel: +91 471 2539 600

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