



Advanced Case Management for Financial Services: *New Tools for Managing Business Content*



F R O S T & S U L L I V A N

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INTRODUCTION

Financial services firms are facing a new set of challenges and risks. In an increasingly global, mobile and connected world, customers can come from anywhere—and they can leave in a heartbeat. But they are also interested in consolidating their banking wherever possible, and they expect the companies with whom they do business to leverage Big Data, analytics, mobile, cloud and other technologies to improve the customer experience, identify new and desired products, and streamline their financial services. Smart firms can take advantage of this new reality if they are properly organized to do so.

Until now, most banks have managed clients in a relatively ad-hoc fashion, many still slogging along with manual, paper-based processes. While most banks have added online and mobile banking capabilities, there remain the slow, error-prone processes of on-boarding new clients, approving a mortgage loan, and servicing high-net-worth customers. Often, the quality of these interactions varies from branch to branch, even employee to employee. Customer experience is impacted when siloed processes encounter an exception, missing data, or some other obstacle. Clearly, financial institutions that are still executing processes manually or mired in static business processes are not able to deliver the accuracy, flexibility and focus on the customer that is demanded today.

However, banks are waking up to new opportunities. A handful of industry leaders have shown that new systems of engagement can put structure around the entire customer relationship, and vault companies that use them past the competition. Systems that encompass mobile, online and more traditional branch operations for a 360-degree view of the customer can significantly improve customer satisfaction by removing siloed business processes. With increased agility, banks can create new business models to target new and existing clients and increase revenues.

Financial service firms need to manage a growing number of variables. They require solutions that understand business content; integrate a variety of people and processes; comply with a daunting list of regulations; safeguard against fraud; and retain the flexibility to respond to changes as they happen—for customers and the overall business environment.

What they are finding is that a unique set of capabilities called Advanced Case Management (ACM) can help them meet all these challenges. ACM unites content, people and process in a seamless solution, one that can adapt to conditions that rarely stay static. It begins as a System of Record, which enables a bank to gather and store all the business content required to open an account, apply for a loan or build a complex investment portfolio—securely, with full reporting and audit capabilities. It's also a System of Engagement that unites branch personnel, decision-makers and exception processors for seamless collaboration toward rapid and accurate business results, even when processes are unpredictable and changing. And finally, it becomes a System of Insight, an environment that provides a complete view of each customer account, history and preferences. With content analytics and other data-mining tools, users can gain deeper understanding of customer sentiment and identify patterns that might signify fraud.

This paper will address the benefits of case management software for financial services companies by focusing on the need to contextually connect people, data and processes to deliver successful business outcomes. It will outline the need for such software in an increasingly regulated and competitive marketplace; discuss the benefits of putting structure *and* flexibility around traditionally siloed and often ad-hoc processes; highlight several key use cases; and offer best practices for selecting the right technology for a financial services organization.

UNDERSTANDING CASE MANAGEMENT FOR THE FINANCIAL SERVICES INDUSTRY

With the advent of Big Data and analytics, as well as integrated data management, communications, and collaboration technologies, business practices are changing for the better. With a global, always-on economy expanding the customer base, opportunities abound—but so do challenges, since keeping customers loyal, and upselling and cross-selling to them, is more difficult and complicated in a world in which the cost of switching is non-existent. This new reality should serve as a wake-up call to financial services firms, which can see significant benefits from adopting new technologies to support key business processes.

While most financial services companies have clear processes in place for meeting government compliance requirements and supporting customers who call into a contact center, few have embraced tools to standardize routine actions that can make or break a customer's experience—and determine whether he does more business with the organization in the future. Most financial services firms still rely on manual, ad-hoc processes to on-board new customers; service mortgages and other loans; collect, organize and store customer data in a way that enables up-selling and cross-selling opportunities; and ensure that information is sent to the right people at the right time, enabling better decision-making and ultimately driving the bottom line.

By leveraging case management software to put discipline and structure around key banking processes, including managing high-net-worth customers and institutional investors, firms can be confident that every employee is following best practices and taking full advantage of data-driven opportunities as soon as they arise. Case management software also allows users to follow and even create processes for improving the customer experience; route all necessary information to the best available people in real time; follow best practices for a successful outcome; and allow managers and other parties to review key business processes at all steps along the way.

Financial services firms are grappling with increased regulation—but that also creates opportunity, since all the data they are required to collect can be analyzed and acted upon to improve business outcomes.

Using software to support and manage routine but poorly defined banking processes can dramatically improve cases in which the goals are clear but the specific steps needed to meet them are ill defined; access to data, policies and best practices information is key to success; and tacit knowledge separates successful encounters from those that don't deliver the desired results. Using case management software, companies can also capture, organize, analyze, store and ultimately act upon structured and unstructured data, yielding benefits today and into the future.

By putting structure around common banking services, companies can leverage a full set of data, documentation, decision points and audit trail—all of which are stored in one place. End users can access information and analytics to make better decisions, within the context of the case at hand. And line-of-business (LOB) and compliance managers can audit standard business processes at any time, ensuring that all interactions meet any necessary industry, regulatory and legal requirements.

Five Ways Case Management Software Improves Financial Services

- Drives key banking processes with real-time contextual information
- Enables automated processes driven by pre-set rules
- Delivers flexible options for managers and end users
- Puts structure around previously ad-hoc processes
- Makes it easy to audit and replicate best practices

USE CASES

Case management software can help financial services firms put clear parameters around a wide variety of business functions, while also allowing for flexibility in the face of changing circumstances.

New-Client On-Boarding Relationships are created (or lost) during “moments of truth,” and the most important may be the initial onboarding phase. Banks need to gather and take care of sensitive financial data, often for entire families, and application forms can require multiple signatures and verification steps that might involve proofs of address, employment and income. Manual processes take too long, have key gaps, and can leave customers grumbling about service quality. Opening an electronic case and rapidly populating it with documents and content provides important safeguards, initiates processes much faster, and can identify missing signatures and content before the customer leaves the branch. While all financial services firms have standard processes for getting customers set up with a new account, most focus on the regulatory requirements without looking to the possibility of building a long-term relationship. By collecting and analyzing key customer data, and by maintaining the relationship using contextual information at the right time and place, companies can answer common questions before they arise, measure satisfaction, and drive new business.

Loan Origination (including mortgages) Applying for a loan, especially for a house, is a wonderful opportunity to engage a client long term and build a reputation as an institution that helps people realize their dreams, but not if the experience is tedious, complex and time-consuming. That’s where ACM can streamline the process of gathering the key data and documents required for approval, assuring all content is in “good order,” and providing loan approvers, inspectors and other decision-makers with visibility into all the relevant information they need to act quickly and decisively. By putting policies in place that govern the customer relationship in context, banks can better compete for a customer’s business for the original loan, and then convert follow-up opportunities to expand and deepen the relationship. Suddenly, a mortgage customer might also open checking and savings accounts, sign up for a credit card, refinance a car or student loan, or even use the bank’s investment services.

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A Singapore bank is using IBM Case Manager to change the way it processes customer transactions. The results: 25% reduction in the time and effort to perform international wire transfers, and 46% reduction in time and effort to process new credit cards.

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Wealth Management High-net-worth clients expect to be treated like VIPs, but in a traditional system, it's left to their personal banker to determine how to do that. Case management software ensures that all valuable clients are treated in a consistent way, based on pre-set parameters. The software also allows for flexibility, so that a client with \$200,000 in investments will be treated differently than one with \$2,000,000, but both will feel “special” compared with run-of-the-mill depositors. Case management tools can help advise client-facing personnel on investment suggestions and measure results based on other clients' and bankers' experiences; it can also manage less-tangible metrics, such as when to place a phone call or send an email to a client, and even when to ratchet up the attention with an in-person meeting, lunch or invitation to a special event. Case managers can even use the system to enter detailed information about the client—including family relationships, real estate holdings, favorite vacation destinations, and preferred sports teams, restaurants and other entertainment activities—for a truly personalized experience.

Institutional Investors Institutional investors require a different level of service from their consumer counterparts. They certainly hold a lot of clout, but they are doing a job—and they expect to be treated not so much as a client but as a trusted and respected partner. That requires a different approach, one that can be codified in a case-management system through rules-based policies and procedures that ensure their relationship with the organization remains a strong priority. Understanding an institutional investor's job requirements and the pressures put upon them is the first step. But it's also important to understand the needs of the investor's own constituents, whether they are employees of his own organization, or a large group of consumers with money in a specific fund. Is the investor building wealth for an organization, like a university endowment? Is he responsible for growing 401K accounts? The answers will determine the advice your own case managers give, as well as the nature of the relationship management itself.

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A retail bank in Denmark uses IBM Case Manager to treat every customer as a unique business case. The results: 55% improved customer interactions, and 10,000 new customers with no increase in staff.

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Complex Customer Service Financial institutions have unique challenges when it comes to running a contact center. Most callers aren't “browsing”; they have a specific need, often brought on by a changing life event, and they want accurate information quickly to help them make a decision. Or, they have a clear complaint or concern that they worry—often correctly—will seriously impact their lives. But they are also often uneducated when it comes to more complex financial decisions, especially compared with the other purchases they make in their day-to-day lives. This creates an opening for the organization to take the role of trusted advisor, which can lead to meaningful revenue opportunities down the road.

Fraud Investigation and Management One of the best uses for case management software in the financial services industry is to help manage fraud investigations. Whether a customer is concerned about credit-card or identity theft, or he himself is under investigation, financial services firms will benefit from putting clear, strict policies and procedures around the process. By getting access to all necessary data and documentation from all structured and unstructured sources, and updated throughout the management of the case, employees can analyze the information they need to determine the truth. Case histories and dashboards allow for real-time notifications and checklists, and their actions can be documented and audited for compliance purposes throughout the process.



Union Bank is using IBM Case Manager to design customer-centric processes for rapid, efficient response times. The results: a 360-degree view of the customer that has cut processing times from days to minutes and reduced workflow automation deployments from weeks to days.



WHAT TO LOOK FOR IN A CASE MANAGEMENT SOLUTION

Business content is at the heart of every organization, and financial institutions need to understand that business content includes important emotional touchpoints for people: life savings, home and shelter, long-term security and dreams. This is why business content must be securely cared for, accurately maintained, and available on demand when a customer requires it. Decisions are made and actions are taken based on business content—which means the better the data, and employees' access to it, the better the outcomes will be. Financial services firms ready to deploy case management software should consider a vendor with a long tradition in enterprise content management (ECM), since that is the foundation for any business-process improvements.

A Case Management Solution Should...

- Deliver a shared-services platform across the enterprise for all solutions where business content is driving outcomes.
- Let users build and re-use templates as the basis for multiple solutions.
- Drive outcomes by gaining insights into business content.
- Maximize the value of an ECM system, across the enterprise, with content-centric workflow solutions.
- Enable collaboration between IT and the LOB to meet both technical and business requirements.
- Drive successful outcomes with a streamlined, 360-degree view of the customer, in the context of the business process.
- Give knowledge workers the flexibility to decide the right next step, based on expertise and insights from the business content.

First off, of course, a case management solution must enable clear and well-defined business processes. These may come from the vendor and/or business partners with specific expertise in select verticals or horizontal use cases (such as HR, sales and customer service), or they may be designed by the customer's MIS and LOB managers. Either way, you'll want a solution that makes it easy to reuse process parameters so that you can leverage best practices across the organization without having to constantly reinvent the wheel.

But just as important as process definition and improvement is the need for flexibility. A good case management application will allow employees to add tasks as needed, and then make it easy to incorporate those new steps into the process going forward as appropriate. It will also deliver the right information to the right people at the

right time, regardless of where it resides. This is critical for managing customer-related issues that fall outside the scope of repeatable, predictable patterns.

A case management solution should also help users capture all relevant information and analyze it for the task at hand; collaborate with colleagues, partners and even customers as needed, in real time and offline; and improve decision-making by letting users take action, and then reporting on the results. Ideally, the solution will also make it easy for LOB users to create highly customized tools specific to their needs, without requiring input from IT. It should be fast to deploy, simple to manage, and truly scalable so that businesses can see the promised return on investment as quickly as possible.

Finally, a case management solution should support an ECM strategy by adding several key capabilities, including search, analytics, curation, assessment, and classification—and it will do so in a context-based environment, so that every action or task is created and acted upon according to the specific needs of the process, customer or engagement at hand. The resulting benefits should impact IT, LOB users and the enterprise overall.

Snapshot: IBM Case Manager

- A business-friendly design environment lets line-of-business users create case-related solutions.
- It gives knowledge workers the flexibility to decide the right next steps based on their expertise and the insights they gain from the business content.
- Users can quickly modify and redeploy the solution as business needs change.

CONCLUSION

Financial services firms face a wide array of challenges and risks in today's increasingly competitive global marketplace. Customers can come from anywhere, but they demand personalized care in order to stay and give more business to any given organization. At the same time, they want the companies with whom they do business to tailor offers to their needs, get in touch proactively when appropriate, and manage the customer relationship to maximize their own returns.

Until now, most banks have managed clients in an ad-hoc fashion. But by putting structure around common banking processes, such as loan initiation, customer on-boarding, high-net-worth and institutional investors, and fraud investigation, financial services firms can ensure compliance while also driving customer satisfaction, leveraging up-sell and cross-sell opportunities, and improving the bottom line. Case management software makes the process simple to set up, and by choosing the right software, firms can ensure their employees meet key metrics and benchmarks while also allowing as much flexibility as possible.

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