

The Mythical Customer Record in Financial Services

The Value of a Unified Client Record and Why It's So Elusive

Your clients expect their service provider to have easy access to a complete, unified record of all their information, as well as their current financial products and services. Without that, how can your firm anticipate needs and address issues? And further, regulators are raising the bar, expecting Financial Services firms to understand their customers true and true to mitigate risks early and take action in the moment as risks are evidenced across segments, products, and geographies.

Unfortunately, the reality is that an easily accessible unified customer record rarely exists. Staff must log into multiple systems and spend a lot of time creating a complete client view before each meeting. That's time not spent face-to-face with the client, understanding their needs, proposing relevant products and solutions that help grow the firm's revenue. And, without a unified customer record, there are big risks: staff inefficiencies, lost growth opportunities, and customers going to the competition for better insight and better service.

Financial Services executives recognize the value in unifying customer information and have been trying to achieve it for years. But the possible paths to doing so all have had significant challenges, largely keeping the goal out of reach. Putting the information in the hands of relationship managers, on their mobile devices, while they sit with individual clients has been nothing more than a pipe dream.

New technology exists today that makes the goal of a unified customer record very obtainable, even on any type of mobile device. Financial Services firms that are ready to adopt it stand to gain considerable ground from their competitors.

WHY THE FINANCIAL SERVICES CUSTOMER RECORD IS A MYTH

The idea of a complete customer record is simple. There's even an industry term for it—Customer Information File or “CIF.” It's so simple and basic that your clients can't understand why you don't have that one single record that shows everything about their relationship with your firm. Many things prevent that unified customer view. Here are a few:

- The siloed nature of a financial institution with information organized by products and geographies, not customers
- New business units with their own, separate, stand-alone information systems
- Mergers that lead to separate IT systems running in parallel
- New system upgrades that require rip and replace initiatives that break prior integrations

Until recently there have been only two approaches for a financial services institution to have a complete unified customer view. The first is one mega information system on which everything runs. That's only practical for smaller institutions that can purchase off-the-shelf applications designed to have this coverage. Even then, they often must modify their practices and procedures to fit the way the software works; it's too expensive to get the software vendor to make changes to accommodate their unique practices.

The second approach? Continually run system integration projects to connect disparate (and ever-changing) systems so they can appear as one, unified system to the end user. These types of system integration projects generally have a poor record of success due to the complexity of getting many different applications to work together. These projects also take a lot of time and resources; they are never quick fixes, often prioritized lower as the inevitable shift in priorities occurs.

Neither of these approaches solves the problem for financial institutions, no matter their size. In particular, either approach leaves a larger financial institution without true insight into their customers. This is a challenge for firms with multiple lines of business, where the greater number of products, variables, and relationship touch points make it even worse in certain segments. How many times have you felt embarrassed when a client knows more about their relationship with your firm than you do?

THE COSTS OF NOT HAVING A UNIFIED CUSTOMER RECORD

Almost all large financial institutions struggle with the problems noted above. They have always lacked a true, unified client record so this is a “business as usual” situation. Because none of their competitors have a unified customer record, they barely acknowledge the pain of this situation.

It's worth taking a step back and imagining a firm that has a unified record and one that does not. The one with a unified record would:

- Better spot cross-sell and up-sell opportunities, leading to a greater share of wallet and revenue growth
- Reduce risks, as an alert in one area of a customer's activity would spread automatically to her other products, reducing losses and improving compliance across products and geographies
- Have happier customers who refer their friends because they are served better, as everyone they contact at the firm has their full information immediately

- Be able to charge more for services because customers value the relationship more highly
- Have greater employee satisfaction, especially among relationship managers who don't spend lots of time gathering information and providing it to others within the firm

The one without the unified customer record constantly struggles to catch up to the one that does. But for them it will be like trying to run a race with their shoes tied together:

- Lots of information silos across multiple systems
- No automatic ability to pull together all information on any customer
- No true knowledge of customer behavior, activity, or needs across more than a single product
- Disappointed customers that flee for better service
- Wasted time and money spent by employees searching for information rather than just applying it

POSSIBLE PATHS TO THE UNIFIED CUSTOMER RECORD

If yours is a small firm, you might be able to have a unified customer record if you run all of your IT systems through one single application. There are companies that create off-the-shelf software to run a complete financial services operation, depending on the segment. Rarely do these solutions fit your complete needs. That leaves you with the choice of either trying to get the software vendor to modify the software (which is expensive and comes with ongoing maintenance issues), or modifying your operations to fit the software's capabilities. Going with off-the-shelf software is a big strategic choice as it makes you dependent on a particular vendor and limits your ability to introduce new products and capabilities. But it is one way to have a complete customer record, assuming the software package does a good job of assembling the record.

If you're a larger institution that has core information split across multiple IT systems, there are few good options to get a unified customer record. Most major IT system development efforts have "improving access to customer information" as a stated goal. But, rarely does a firm attempt to overhaul its IT approach and put all operations on one system, which is truly what's needed for a unified customer record. Rates of failure with very large scale development efforts like this are particularly high, so the odds of achieving a unified customer record with this type of project are very low.

The next best alternative is to integrate different systems that contain portions of the complete customer record. Direct integrations between different systems are usually challenging and costly. Rarely does the goal of unified customer data appear in a particular situation that affords an easy-to-quantify return on investment (ROI) which is usually required to get this effort to rank over other IT projects. Given the possibilities above, it's no surprise that a unified customer record—or anything close to it—is so elusive.

WHERE A COMPLETE CUSTOMER RECORD IS MOST VALUABLE

If you had a complete customer record, when and where would it be most useful?

Being able to pull it up on a computer screen is very helpful for employees in call centers and others who often sit in front of a computer. Average call times decrease as employees find what they need immediately without the need to hunt through several systems.

But what about your relationship managers and others in the field who aren't often sitting in front of their computers? This is the group that can most directly impact client satisfaction and drive new business. They need to have that complete customer record on their mobile devices so it is accessible whenever it needs to be.

For a small firm, an off-the-shelf package to run all operations might come with some type of mobile access. If it does, it will likely be limited in functionality—might only run on iOS or Android, but not both—and won't be able to integrate with any other processes. The all-important team that spends all time in front of customers won't benefit much from this approach.

For the larger institution trying to create a unified customer record through integration, adding mobile becomes a completely separate development effort, not likely to be high on the priority list. And, when (if?) it's delivered, probably won't support all platforms.

THE APPLICATION PLATFORM APPROACH TO A UNIFIED CUSTOMER RECORD

There is a new class of technology that makes it far easier than ever before to have a unified customer record. It provides that record in the same interface on computer desktops as well as all mobile devices. It also makes the record the central point for taking any number of process-based actions to advance work activities for that client. It's the Appian Application Platform.

Appian accelerates the pace of business and IT, enabling intelligent business operations through a modern work platform to increase awareness, create knowledge, and drive action. Appian's market leading Business Process Management (BPM)-driven platform seamlessly integrates work automation with data management, native mobility, and collaborative engagement capabilities. And, it's all included. Appian is available on premise and in the cloud or a hybrid of both, with complete portability between environments.



Appian Records embrace a “data-first” design model that brings enterprise data navigation, orchestration, collaboration, and reporting to a new level of ease. Through a single collaborative interface, business users can easily manage, access, and update the data they need to do their jobs—no matter what IT system that data actually resides within. In addition to enabling better-informed decision making, Records also eliminates the fractured, time-consuming work style of constantly switching between many applications just to complete informed business actions.

CASE STUDY: ONE BANK'S PROJECT TO CREATE A UNIFIED CUSTOMER RECORD

A large bank with hundreds of branches and multiple lines of business including retail, commercial, and wealth management recently embarked on a project to create a unified customer record. Watching them

chase down the ultimate source of information for every data element in the record was enlightening and provided a better understanding of just how big a challenge this is for financial institutions.

Here’s an overview of all the key pieces of data in their customer record and information on the IT system where each piece resided:

	MAINFRAME	LEGACY CRM	PRODUCT OPERATIONS	LOAN DATA	CALL CENTER	DOCUMENT REPOSITORY	NEWS FEE
Customer Entity Info	●	●		●			
Related Entities		●	●				
Customer Contacts		●					
Current Products and Services			●				
Deposit Balances	●						
Commercial Loan Info				●			
Bank Team Contacts		●					
Inbound Help Call Requests					●		
Outbound Calls to Customer		●					
Customer Inquiries for New Products		●					
Profitability Analysis			●				
Latest News							●
Customer Documents					●		

The first challenge that jumped out was the number of different discrete data elements that made up their ideal customer record. The bank had A LOT of information on their customers within their IT systems, both data (e.g. contacts), as well as internal analysis (e.g. profitability information). But putting this information to use was a challenge. The key information was spread across multiple IT systems with each needing to be navigated separately.

The second challenge was the state of the existing systems. Most were old legacy systems lacking modern interfaces. To generate a complete customer record, a user would spend hours accessing each system (assuming the proper permissions) and extracting the necessary information by hand. Few, if any, bank employees were familiar with all of the interfaces for these systems which were old, complex, and disparate.

We tested a few example cases to ensure we could unify information from all of these systems and found that a specific “customer” on one system didn’t always directly match to the same defined “customer” on another system. Sometimes this was due to having repetitive information across multiple systems. Other times it was due to “orphan” data that could not be easily linked. Having information on related entities and subsidiaries helped somewhat, but it didn’t answer every problem instance. The information was clearly dirty, creating further challenges.

This bank was able to create a unified customer record, pulling all of the information from the table above into Appian through integration Smart Services created in Appian for each system. The unified customer record is now the core of a series of new work process applications that greatly increase the efficiency of the bank's relationship managers, allowing them to spend more time with their clients, and less time focused on finding the right customer information.

CONCLUSION

Financial Services is largely about 'Service.' Clients look to you to provide the financial products they need to make their businesses and their lives run smoothly. This is a natural invitation to a close advisory relationship. Relationship managers should be in a privileged position to understand clients' individual circumstances with access to their financials. But relationships take a hit or even fall apart without a complete view of a customer's account. Without it, spotting problems early is luck, and the lack of full knowledge that would allow promotion of related services results in opportunity lost.

All of the information about your customers exist within your IT systems...somewhere. But, unless it can be put at the fingertips of a relationship manager—on a mobile device while they are sitting across from the client—it might as well be buried in a file cabinet in the your back office.

Having a unified customer record has been a major IT challenge from the beginning of time for most large financial services institutions. But technology changes quickly, and the Appian Application Platform removes the barriers to achieving the unified customer record and can become your hub for a full range of processes that help you better serve clients and grow new business.

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Appian

Appian delivers an enterprise platform for digital transformation that is changing the financial services landscape. Powered by industry leading Business Process Management (BPM) and Case Management capabilities, Appian's low-code approach can radically accelerate the time it takes to build and deploy powerful, modern applications,

on-premises or in the cloud. The world's most innovative financial services institutions use Appian to revolutionize their customer experiences, transform their business operations, and master global risk and compliance.

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