

Transforming the Financial Customer Experience with BPM Software

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Executive Summary

“Customer centricity” is the Holy Grail for financial services institutions (FSIs) as they look to drive growth amidst fiscal constraint and economic uncertainty. A customer experience that exceeds expectations means less churn, more cross- and up-sell opportunities, enhanced brand image and increased word-of-mouth referrals. Achieving real customer centricity requires that FSIs examine and optimize a variety of core operational processes to make them more efficient, effective, manageable and adaptable. Customer service processes are only one part of the equation. On-boarding, loan origination, new product introduction, payment and other financial processes are just a few of the core operational areas with significant customer experience impact.

This paper will explain how financial services institutions can modernize their processes and infrastructure using Business Process Management (BPM) software. It will also illustrate how doing so can create nimble, adaptive, customer-centric organizations that are best-positioned to capitalize on new growth opportunities, while overcoming existing industry challenges.

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Introduction

Driving growth in this period of economic uncertainty requires that financial services institutions (FSIs) innovate their end-to-end business to optimize customer centricity and the customer experience. This involves complete customer lifecycle case management, from acquisition to on-boarding and servicing. It also includes other core business processes (such as the speed and effectiveness of new product introductions, customer and asset risk management and regulatory compliance) that ultimately impact brand value by lowering quality, speed, responsiveness and efficiency.

The global recession has brought hardship, but it has also brought an opportunity to re-examine broken practices and ineffective policies. By doing so, FSIs can uncover new ways to delight and retain existing customers, rise above the competition, and grab new market share. At the same time, economic conditions have imposed increased burdens – most notably, constrained human and capital resources, and more stringent regulatory accountability. These issues will continue to confront financial institutions for the foreseeable future.

Both seizing opportunity and overcoming on-going challenges will require financial services executives to examine and improve the underlying processes that drive the business. Process improvement efforts lead to new levels of visibility into how effectively (or not) the business functions in meeting customer and market requirements. Based on that insight, new and optimized processes that drive business performance can be implemented. A focus on process efficiency and adaptability allows financial institutions to streamline transactions, efficiently develop new products, and provide flexible customization capabilities for customers.

Two fundamentals are required for high-value and rapid process improvement: effective Business Process Management (BPM) as a leadership discipline, and a powerful yet easy-to-use BPM suite software platform to actualize business strategy through automated and enforced business procedures and policies.

According to Forrester Research analyst Jost Hopperman, “Tomorrow’s platforms need to help firms quickly add a new channel or class of mobile devices, establish true cross-channel capability, and support new target geographies on short notice. Future platforms must also help firms change a financial services product or support an entirely new class of products while also supporting end-of-day processing in real time and coping with the latest set of new regulatory requirements.”¹

When Hopperman talks about new platforms to “manage cost, support flexibility, and reduce time-to-market,” he is essentially describing a BPM platform. He continues that financial firms “want forward-looking technology and architecture — as a tool for flexibility — to improve business process automation, help cope with regulatory changes, and provide real-time views into information.”² Advanced BPM software is that technology.

¹ Forrester Research, “Financial Services Firms Again Seek To Renew Their Application Landscape,” Nov. 8, 2010

² Ibid.

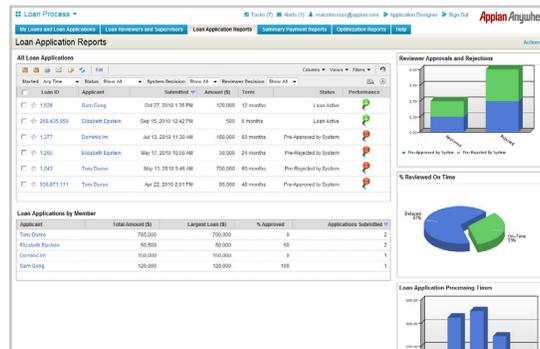
Driving End-to-End Transformation

An advanced BPM suite can help uncover new avenues for accelerated growth, increased efficiency and competitive differentiation. It is also a critical “must-have” to avoid being pulled backwards by sluggish performance, poor customer service and regulatory red tape.

BPM software creates an agile organization that is aligned to deliver product and service excellence, and that responds quickly to change. BPM software can transform virtually any core process for a financial services company. Just a few examples include:

Customer Acquisition

Success in this arena requires getting an appropriate product in front of the right customer at the right time, without breaking the bank. BPM software can provide integrated analytics combined with an optimized

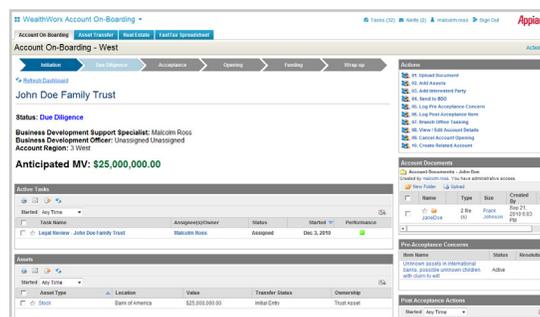


Make better, faster decisions with integrated analytics and tools designed for the Web and social networking.

process framework, enabling customer acquisition campaign managers to make better, faster decisions that increase outcomes. New customers are increasingly available through mobile and social media channels. A BPM suite that supports popular mobile devices and interoperates with social technologies like Facebook and Twitter makes these emerging acquisition avenues easier to tap.

Customer/Asset On-boarding

Disparate enterprise systems and multi-channel communication have made strict enforcement of on-boarding policies more difficult to maintain. New regulations related to Know



Smoothly on-boarding customers while analyzing risk and ensuring compliance is required in today's fast-paced and ever changing business world.

Your Customer (KYC) and other risk management requirements are creating a more complex on-boarding scenario. A BPM suite can drive a customer-centric on-boarding experience that creates a strong positive first impression. Visibility into activities and their status can be shared among employees to increase efficiency, and directly with customers to keep them informed on status, next steps, and ultimate resolution. A BPM technology platform with natively-integrated content management also provides an accurate and readily-available audit trail for real-time reporting purposes, complete with all documentation and associated process data around decisions, discussions and hand-offs.

Service Request Management

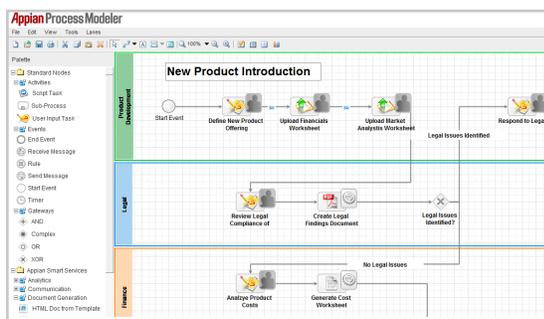
When customers contact their financial institution with a problem or a question, it is imperative that their issue be resolved, or their question answered, as quickly and effectively as possible. These service requests can come from multiple channels and often require involvement from multiple people and systems across Customer Service, Finance, Sales, Legal, and potentially other departments. BPM software makes sure the right data is put into the right hands at the right time to make the best business decision and close request cases efficiently. It also allows customers be part of the process by checking their own status and next steps.

Financial Disputes and Exceptions

The internal financial operations of an FSI are a prime target for process improvement, particularly any area involving disputes and exceptions. ERP systems are not good at handling exceptions, so they are typically managed manually – and slowly. The longer high-volume and/or high-price invoice disputes sit, the more likely they will result in write-offs. A BPM system is ideal for exception management, immediately identifying excpetions, routing them appropriately for review and decisions, and keeping on-track through status alerts.

New Product Introduction (NPI)

Delivering new products to market is the life-blood of competitive differentiation and market share in financial industries. Financial services organizations must constantly innovate their offerings to attract fickle customers and support cross-sell and up-sell growth strategies. BPM aligns the many moving parts of research & development by enforcing a rigorous, disciplined and policy-based process. It speeds process hand-offs between individuals and teams, and maintains development schedules through alerts and escalations. It also increases effective collaboration through real-time presence and easily accessible trails of associated notes and documentation.



Accelerate new product introductions and grab the competitive advantage. Appian BPM Suite includes an easy to use modeling tool for rapid business process development.

Compliance & Risk Management

Compliance and overall risk management are an increasing burden for financial organizations. From Sarbanes-Oxley and Basel II, to Know Your Customer (KYC), Anti Money Laundering (AML), and Combating Financial Terrorism (CFT) legislation (and undoubtedly, more to come), it is no surprise that Forrester Research would predict: “This year the financial service industry will sleep with one eye open waiting for new regulations to surface.”¹ A BPM platform can improve a financial firm’s ability to prove compliance and manage risk by providing visibility into process efficiency and variability. BPM

¹ Forrester Research, “Trends 2010: North American Retail Banking eBusiness and Channel Strategy,” Feb. 5, 2010

also enforces process consistency and gives assurance that all proper procedures were followed and completed appropriately.

Financial Case Management

Case management is a powerful approach for improving individual customer interactions, and optimizing value across the lifetime of a customer relationship. The

successful resolution of a customer support issue or closing a sales opportunity can be accelerated if all pertinent interactions and documentation are easily accessible via a case folder. New opportunities to surpass a customer's service expectations, or up-sell new financial products, can also be surmised through a single, complete view of the customer. A BPM platform with integrated content management creates an "electronic briefcase" that integrates all customer interactions and related documents across all products. Alerts and escalations keep customer-impacting processes moving according to set thresholds and KPIs. Comprehensive analytics and reporting deliver a view of the customer across all products and interactions, enabling the positioning of additional products and services.

The screenshot shows a web form titled "Risk Assessment Screening Form" within the Appian Anywhere interface. The form is divided into several sections: "Project Details" with fields for Name, Project ID, Description, Manager, Sponsor, Project Category, and Asset Value; "Project Timeline" with Start and Delivery Date pickers; and "Evaluation needed" with a checkbox and explanatory text. A "SEND TO CASE" button is at the bottom.

Improve your ability to prove compliance and manage risk by providing visibility into process efficiency and variability.

Why Appian BPM for Financial Services?

In order to be an effective driver of transformation, a BPM software suite must possess six key attributes:

- **Extreme ease-of-use:** Business users must be empowered to drive process improvement efforts without heavy reliance on IT. Otherwise, real-time process optimization will be dependent on IT response times.
- **Simple interfaces:** Leveraging modern social technologies provides a familiar experience that drives user adoption and improves effective collaboration.
- **Comprehensive functionality:** The suite must have native integration of all required components. If not, integrations, maintenance and upgrades will cause significant overhead.
- **Universal access:** Access to all suite components must be available through nothing more than a web browser, with no client-side downloads or plug-ins.
- **Native mobility:** To reach customers where ever they are, and to fully leverage the increasingly-mobile workforce, a BPM suite must support today's most popular mobile devices.
- **Flexible deployment:** The cost and time benefits of cloud computing are impossible to ignore. With that said, financial organizations deal with highly sensitive data that they (or their customers) may want held behind a firewall. A BPM suite should offer both on-premise and cloud delivery, with easy migration between these environments as desired.

The Appian BPM Suite delivers all of the above, enabling financial organization business users to drive process improvement. Appian combines comprehensive capabilities with a simple and seamless user experience, universal access and flexible delivery on-premise or in the cloud. Using the best of social media interface design and native support for popular mobile devices, Appian extends process participation across the organization. Simple drag-and-drop modeling with zero coding puts the power of process improvement in business users' hands. Through easy migration of the entire suite between on-premise and cloud deployment, Appian delivers value more quickly, with no up-front cost and minimized risk. Appian's powerful native integration of process, analytics, BAM, content management, security, collaboration and more simplifies maintenance with no hidden license fees, a la carte components or complex integrations.

“We selected Appian as our BPM partner to gain better control and more efficiency from key business processes, improve compliance initiatives, and support our efforts at continuous process improvement.”

– John Jarrett, Director of BPM, AGF Trust

The areas where process improvement will yield the greatest value vary from one institution to another, depending on which as-is business processes present the most hurdles to agility, speed, collaboration and responsiveness.

Regardless of the starting point, FSIs that modernize their processes and infrastructure on an advanced BPM suite software platform will be best-positioned to capitalize on new growth opportunities by:

- **Responding** faster and with greater accuracy to customer issues
- **Identifying** and collaborating around cross-sale opportunities
- **Accelerating** speed to market with new products and services
- **Streamlining** new account and asset on-boarding
- **Improving** customer and asset lifetime case management
- **Enhancing** integrity and timeliness of customer information

In addition, BPM software delivers significant compliance and risk management value through enhanced process consistency and real-time information access, as well as streamlined processes, audit trails and detailed reporting.

Leading financial services institutions around the globe trust Appian to drive their organizational transformation. Representative customers include AGF Trust, AXA Investment Managers, Breckinridge Capital Advisors, CIGNA Life Insurance New Zealand, Clayton Holdings, CME Group, Crawford & Company, Edward Jones Trust Company, EFG Financial Products, Federal Reserve Bank of New York, GenRe, Jordan Dubai Capital, Manulife Financial, Surrenda-link Investment Management, TransUnion Interactive, and more.

About Appian

Appian is the global innovator in enterprise and cloud-based business process management (BPM) software. Appian's combination of simplicity and power provides everything business users need to drive transformational process improvement – on the desktop or via mobile devices.

Commercial and government organizations around the globe use Appian to increase agility and collaboration, and accelerate business performance. Appian empowers more than 3 million users from large Fortune 100 companies, to the mid-market and small businesses worldwide. Appian is headquartered in the Washington, D.C. region, with professional services and partners around the globe. For more information, visit www.appian.com.

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