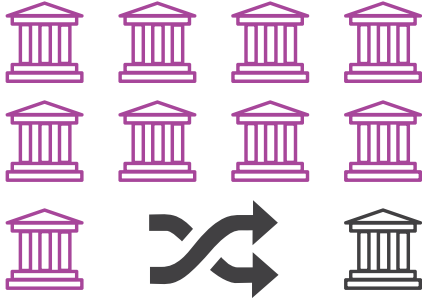


DIGITAL INITIATIVES FOR CORPORATE BANKING GROWTH



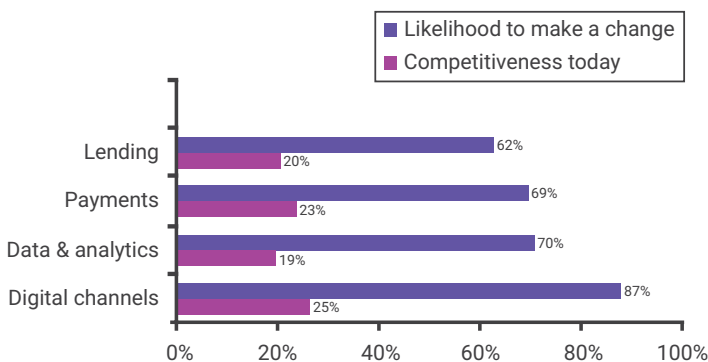
Only one in five corporate banks had an enterprise digital strategy in 2015. In 2017 it is a top priority, with high revenue and efficiency potential. But which digital initiatives hold the greatest potential and why?

90% of corporates would consider switching banks

(Source: Pega)

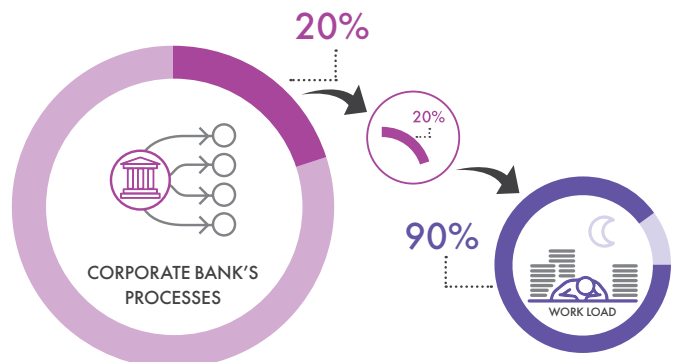
DATA IS THE NEW CURRENCY BUT OPERATIONAL BARRIERS PERSIST

Digital channels and data analytics the major competitive levers



(Source: CEB 2016)

Typically, less than 20 percent of a corporate bank's processes account for 90 percent of the work load



(Source: Finastra ROI analysis)

THE ROI OF DIGITALISED RELATIONSHIP BANKING

A focus on digital lead generation and "next product to buy" A.I. tools

- Boost client penetration and cross sell
- Double digit revenue growth

(Source: McKinsey)



One omni-channel platform for RMs to more easily tailor recommendations

- ~3 new leads per client
- >85% clients see improved relationship

(Source: McKinsey)



Digital onboarding to reduce time and complexity

- >30% cost reduction
- >90% reduction in onboarding time

(Source: McKinsey; Finastra client ROI analysis)



Digital credit processes for E2E automation, standardisation and consolidation of lending

- 30-40% cost reduction
- Reduce time to cash to <1 day
- Reduce operational risk

(Source: McKinsey; Finastra client ROI analysis)



DIGITALISING THE CORPORATE BANKING SALES ENGINE

Corporate banks must embrace digitalisation to enrich client conversations, empower cross-selling, streamline onboarding and transition from the role of cash services provider to that of strategic advisor.

Today, the digitalisation movement has touched almost every aspect of our lives.

Ben Singh-Jarrold, Strategist – Corporate Banking, Finastra, takes a look at the impact digitalisation is having on the way front-line staff in banks do business with their corporate clients.

“Digitalisation ruthlessly exposes inefficiencies in relationship banking, as it has in every industry from publishing to taxis,” said Singh-Jarrold.

Tweet this:

“90% of large corporates say they would consider switching banks to work with different providers.”

“90% of large corporates say they would consider switching banks to work with different providers that are capable of delivering the integrated, omnichannel service they receive in other spheres. Banks can no longer count on what used to be very ‘sticky’ business.”

Finastra client engagements reveal that on average bank relationship managers only spend around 30% of their time on client facing activities.

“Corporates value quality of service and time to cash above all other criteria but without feeding the bank sales engine with the insights across the business to better advise customers, or answer basic transaction queries, client satisfaction is falling. Inefficiency impacts the ability to expose the data a Relationship Manager needs,” said Singh-Jarrold. Aggregated views of the customer relationship support revenue growth through more effective up- and cross-sell.

With less than 20% of a corporate bank’s processing accounting for 90% of its work there are a lot of quick wins. Digital front ends enhance client self-service and enable more relevant client engagements across products and channels. The next frontier is to actively improve lead generation and empower the sales force. Dashboards that flag high revenue potential clients should also deliver RMs with a view of risk exposures and credit utilisation to inform strategic advice.

It is easy to see what the customer gets from digitalisation, but what about banks?

Tweet this:

“Banks that can digitalise commercial routines and industrialise the front-office benefit from lower operational risk, increased margins and deeper relationships with corporate clients.”

“Banks that can digitalise commercial routines and industrialise the front-office benefit from lower operational risk, increased margins and deeper relationships with clients,” continued Singh-Jarrold. “The insight unleashed by turning offline processes into actionable information turns the RM into a high performing sales engine that can leverage deeper data and automated business intelligence. This means improved product penetration, greater productivity, and a reduced cost-to-serve through multichannel banking. A.I. opens up a world of data driven sales recommendations, based on client cashflows, credit and behaviour.”

Tweet this:

“Artificial intelligence means corporate banks can activate data driven sales recommendations based on client cashflows, credit and behaviour.”

“When you consider that RMs spend 70% of their time navigating the organisational complexity of a bank to answer client requests, client self-sufficiency means bank staff can be more effective. They can focus on providing advisory services that support a CFO or treasurer’s own desire to be a strategic advisor to their business.”

Digitisation must happen across two axes, Singh-Jarrold states.

“For corporate banks to harness the power of digital they need to aggregate data horizontally across the business, and for each client relationship. The second axis is automation of the end-to-end process allied with common workflows across product silos. This is the baseline for data transparency, faster decision making and enhanced risk management and reporting.”

Empowered by greater customer insight and faster processing, decisions that at one time may have taken weeks will only take a fraction of that time. Delivering a higher and more responsive level of customer service also enables traditional financial institutions to hit back at disruptive financial services providers that are growing their market share thanks to promises of transparency and more instant financial services gratification.

“Faced with complexity, information islands and increasing volumes of data, banks must consider a more connected platform approach to power a single client experience and aggregated, real-time views of the customer, the market and risk. Finastra is delivering on that vision with best-of-breed solutions to digitalise end-to-end transactions, allied with cross business digital channels, business intelligence, payments and risk management solutions. This is all available on a modular platform for a step-by-step approach to digital transformation,” concludes Singh-Jarrold.



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