Operational Excellence Is Driving Transformational Success in Banking

Operational excellence is at the heart of transforming the retail bank’s issues of disconnected customer and employee experiences, siloed legacy applications, and inefficient back-office processes into a modern and efficient operation that delivers superior service throughout the customer life cycle.

Strategic Priorities of Operational Excellence in Banking

Enhancing customer experience requires a strategic approach that focuses on:

1. Improving the customer’s experience from information gathering and research, account opening and onboarding, and servicing the customer throughout the customer life cycle
2. Enhancing the employee’s experience in both the middle-office and back-office operations, creating a more agile workforce
3. Integrating all strategic priorities into an environment where risk management can be easily and cost effectively applied without negatively impacting experience
Achieve Operational Excellence By...

Reducing Costs

- 59% of banks surveyed are using Software as a Service (SaaS) for enterprise solutions, with 23% more saying they plan to use SaaS within the next 12 months

Deepening Customer Relationships

- 77% of consumers seek a deeper relationship with their bank
- 42% of those under the age of 35 are immediately looking to have a deeper relationship compared to 22% of those over the age of 55

Creating Digital Trust and Stewardship

- In 2020, banks will comprise 65% of financial services enterprise risk management spend

Source: IDC’s 2019 Consumer Banking Channel Preference Survey

Essential Guidance

Improve Customer and Employee Experiences

- Customers and employees today have their experiences shaped by digitally native and often siloed solutions. Banks need to create an experience that mimics these solutions while adhering to changing regulatory concerns, protecting the customer, and creating similar experiences for end users as well as the front office, preferably on a single platform.

Enable Agility in the Front and Middle Office

- Inefficient front- and middle-office processes prevent the bank from maximizing revenue, attracting new customers, and keeping existing ones. Process optimization and cloud solutions can enable operational efficiency and agility. Process optimization uses robotic process automation (RPA), machine learning, and AI to eliminate process friction and smooth out manual and time-disconnected workflows. Cloud-based solutions increase speed and agility and reduce cost in operational processing.

Drive Governance, Risk, and Compliance (GRC)

- Establishing an integrated suite of GRC applications that is transparent and reliably meets business objectives, addresses risks, and satisfies compliance requirements is critical. Banks need to invest in tools that help GRC staffs automate tasks involved with IT governance, risk management, and regulatory compliance to create efficiencies and reduce overall risk. Disconnected processes around data privacy, cyber security, and AML/KYC must be linked through common procedures and technologies to protect the organization, increase customer satisfaction, and build well-functioning, efficient teams.