Reimagining banking operations

It’s time for a more connected and efficient front, middle, and back office.
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Introduction

Unprecedented levels of disruption are rippling across the banking industry.

Recent events have given new meaning to “unexpected disruption”—creating a chaotic business environment for every single industry. There’s new urgency to how, when, and where banks service customers’ needs, adding new stress to changes that have already been underway for some time.

Escalating complexities across the front, middle, and back office are hampering banks’ abilities to deliver truly exceptional experiences. Highly manual processes and disjointed legacy infrastructure limit employees’ ability to quickly respond to customers and resolve issues, creating frustrations for customers and employees alike. The shift to an increasingly remote workforce is only exacerbating these problems.

Transforming what happens behind the scenes—where the majority of an institution’s workforce sits—will be crucial to dictating future success. To win over customers, banks must create more seamless, resilient processes that enable employees to work more efficiently and respond to customers faster. It’s time to shift focus beyond the front office to fix how the rest of the institution operates.

Few banks are true leaders in terms of customer experience.

Even for institutions ahead of the curve, typically only one-half to two-thirds of customers rate their experience as excellent.

Transforming banking operations

How do banks overcome the major hurdles that make work inefficient and slow—to digitally transform their operations?

ServiceNow® has been working in partnership with leading banks to examine their core operations, identifying work processes that are complex, disconnected, and have led to poor customer experiences. And we’ve designed a single solution to tackle those challenges: Financial Services Operations.

Financial Services Operations transforms how work gets done inside banks. It works with existing systems to serve as a bridge that connects the front, middle, and back office—resolving the biggest problems to deliver true transformation.

<table>
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<th>The Past</th>
<th>The Future</th>
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<td><strong>Manual Processes</strong></td>
<td>Banks operate without automation, relying on inefficient tools (email, documents, and spreadsheets).</td>
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<td><strong>Disconnected Systems</strong></td>
<td>Users must manually log into many disparate systems to get what they need.</td>
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<td><strong>Lack of Visibility</strong></td>
<td>Stakeholders have no visibility into the status of inquiries due to manual processes.</td>
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<td><strong>Complex Compliance</strong></td>
<td>Regulatory compliance requires manual intervention and tracking, resulting in fines.</td>
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<td><strong>Poor Experiences</strong></td>
<td>Employees don’t have what they need to be effective, delaying customer support.</td>
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Financial Services Operations

Financial Services Operations has pre-built applications designed for loan, payment, and credit card operations with out-of-the-box workflows, access roles, and designated workspaces for key roles.

It transforms how information flows and how work gets done by:

**CONNECTING**
- siloed systems across the front, middle, and back office

**DIGITIZING**
- operations from customer engagement all the way to the back office to respond to customers faster

**AUTOMATING**
- loan, payment, and card processes to reduce processing times

**IMPROVING**
- visibility into customer service requests and statuses

**REMOVING**
- bottlenecks so work can get done across different functional areas faster

It’s easy to scale its embedded capabilities quickly— or build and configure additional capabilities—since Financial Services Operations is built on top of ServiceNow’s Now Platform® and a robust financial services data model.

“About 40% of time in global operations is spent on servicing client accounts, including answering queries. As we develop systems to better direct those requests, we will spend less time searching for answers and more time responding to client needs.”
Creating a more cohesive approach to serving customers

Financial Services Operations reduces the complexity of work. It provides employees with a single system of engagement that aggregates insights across systems of record, manages processes end-to-end, and enables collaboration in real time across departments. Employees spend more time serving customers, and less time on low-value activities.

Financial Services Operations connects the entire enterprise from customer engagement to the back office. A single platform gives the middle/back office a centralized way to manage a variety of tasks, from customer-facing requests to payment exceptions to system alerts.

With Financial Services Operations, revolutionary changes happen to workflows that:

• Increase customer satisfaction and strengthen loyalty
• Improve productivity
• Reduce operating and compliance costs

HIGHLY SATISFIED CUSTOMERS ARE

2.5X more likely to open new accounts/products with their existing bank.

Source: Rewriting the rules: Succeeding in the new retail banking landscape, McKinsey, February 2019
Transforming loan operations

The way that different types of loan service requests are managed across the institution is frustrating for everyone involved. Disconnected systems impede internal collaboration. Manual processes create inefficiencies and duplicative work. Visibility into the status of requests is poor.

You need a better way forward to help reduce rising loan servicing costs, especially as non-performing loans increase. Financial Services Operations enables the faster resolution of loan servicing issues. A single systems of record provides real-time visibility into loan servicing tasks, improving collaboration between departments and providing better transparency for customers. Digitized workflows streamline requests for information and documentation, creating less duplication and greater efficiencies.

Transforming payment operations

Resolving payment inquiries and investigations quickly and accurately is imperative—both from a regulatory and customer relationship standpoint. As digital payment technologies gain a stronger foothold, pressures are only escalating to close issues fast. But disjointed systems and manual communications still drive how the middle and back office works, slowing progress slow and making it difficult to track what’s happening.

With Financial Services Operations, payment team members have a digital workspace where they can view all cases in one place, and manage tasks, such as researching payment errors and filing claims. Key financial account and transaction information is automatically populated for every transaction, allowing for a single system of action and significant automation.

Transforming card operations

Card operations runs workflows across many functional areas using manual, inefficient processes. Financial Services Operations simplifies how work gets done, providing out-of-the-box capabilities for managing credit card service requests, such as a new card; credit limit increase or decrease; block or unblock card; and close card.

Each type of service request has a dedicated workflow that triggers specific tasks. Requests are automatically routed to the appropriate employees in the back office. Real-time updates are accessible via each team member’s dashboard, helping address customer requests faster. The complexity is erased, with no extensive email trails or outdated spreadsheets changing hands.

An inside look

Banks today are still heavily reliant on email and spreadsheets to get work done. The high administrative burden leaves a large margin for error that creates poor customer experiences. Financial Services Operations changes this traditional approach, providing out-of-the-box workflows for loan, payment, and credit card operations. All requests and tasks—from customers, branches, contact centers, third-party banks, and regulators—are digitized and intelligently routed to the right area, enabling everyone to move more quickly to better serve customers.

USE CASE

An inside look

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Looking to the future

Reducing the complexities of operations is only the beginning. By connecting previously fragmented processes and identifying opportunities for automation, financial institutions can break down silos and work more efficiently across teams to complete requests and resolve issues permanently. With ServiceNow, financial institutions have the opportunity to rethink how they operate, leveraging a single system of action across all applications and processes. And, from guided setup to graphical workflows, ServiceNow is designed to make configuration easy while delivering powerful capabilities that modernize, accelerate, and transform IT and operations service delivery.

The advantage of standardized, efficient workflows has enormous potential for other complex processes not only within banks, but also insurance companies and wealth management firms. Financial Services Operations' sophisticated, industry-specific data model enables ServiceNow customers and partners to extend capabilities to automate processes across teams.

Its easy integration with legacy systems, new technologies, and other ServiceNow solutions create endless opportunities. For instance, when Financial Services Operations and Integrated Risk Management work together, institutions can embed real-time controls into workflows and provide better visibility into risk and compliance issues across the institution. And, when Financial Services Operations and IT Service Management work together, institutions can proactively and automatically alert employees across the financial institution of system issues that may impact their ability to service their customers and set appropriate expectations.

Financial Services Operations is a game-changing step to accelerate your institution's vision for more efficient, resilient, customer-oriented operations.
About ServiceNow
ServiceNow (NYSE: NOW) supports the digital transformation of financial institutions of varying sizes and types around the globe. With one platform, we partner to future-proof their business in an era of rapid transformation and new market dynamics.

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