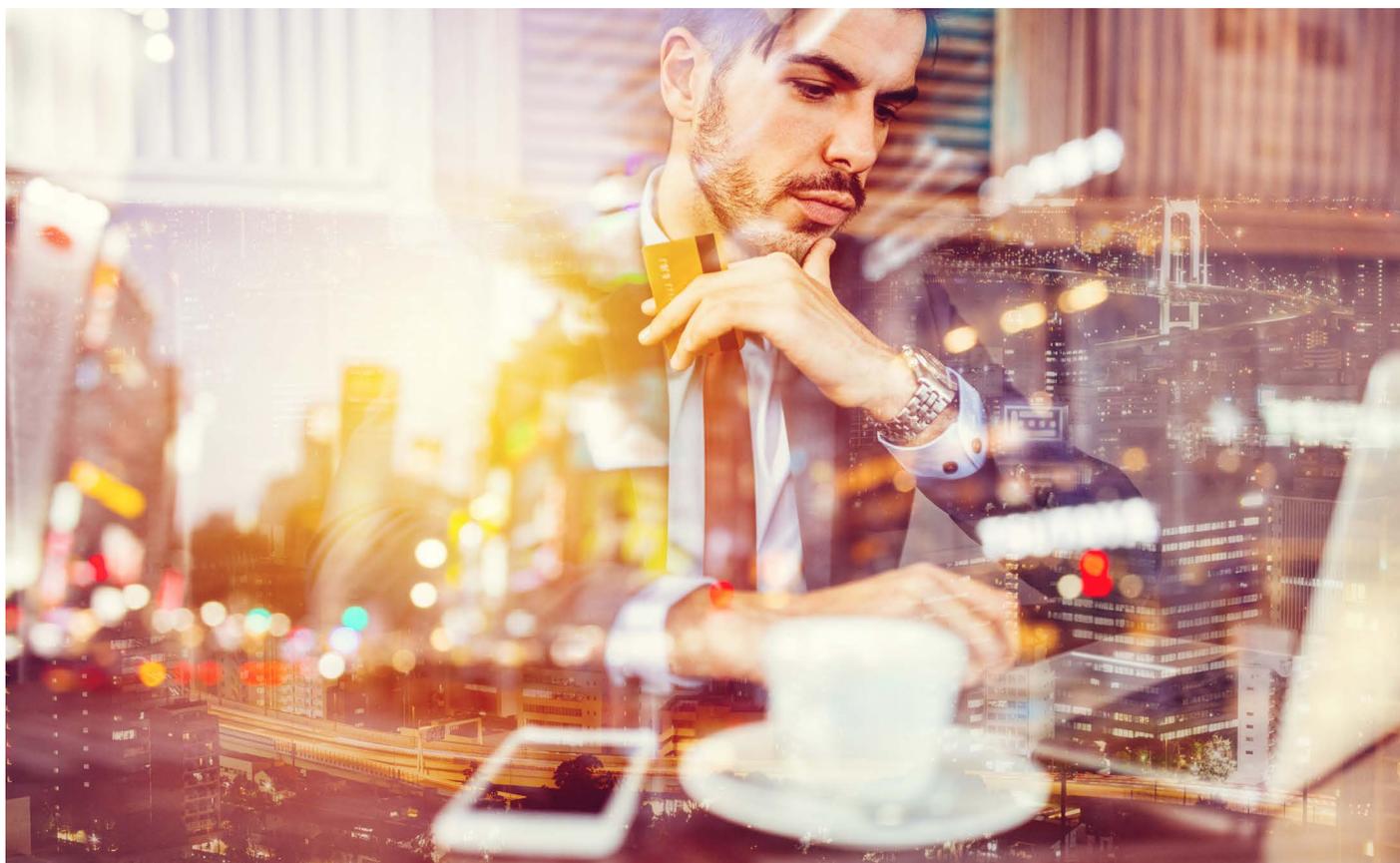




**GENERATING BANKING AND FINANCIAL SERVICES IMPACT**

# Is your onboarding off-putting?



Why are financial firms stuck in this mire? The short answer: Many are hampered by legacy processes, including standalone onboarding systems. That's where the case for automation—and true digital transformation—is strongest.

It's tough being a financial institution these days. Regulations are daunting. Compliance costs are escalating. And at a time when customer is king, cumbersome onboarding and Know Your Customer (KYC) procedures can turn potential clients right off for good.

Worse, those who do endure the onboarding process are often frustrated—and no wonder. Talk about pain points. Mistakes make a bad first impression, yet because most client onboarding is manual, errors abound. Then there's the sheer inefficiency of outdated methods: An estimated 25% of client records are either duplicates or inactive.

Leaders know their institutions must change. They really do. They recognize that transformation will help them develop long-term, robust relationships with their clients. It's just that many are having a hard time figuring out what levers to pull to execute transformation efficiently.

The key is to take a holistic view of the customer through client lifecycle management (CLM). That calls for redesigning processes to deliver a strategy spanning the full client lifecycle—the best way to harness the benefits of digital through the middle and back office. The result? Improved customer experience, cost efficiency and agility—all of which drive business growth.

## CLM 101

These days, customers expect a flawless digital experience—and they get it with companies that provide innovative CLM. CLM is a great strategy for improving your interactions with clients, propelling

profitability as you do. Effective CLM programs operate in real time and can help eliminate manual breakpoints as they integrate data patterns across the entire enterprise. But to outdo competitors, firms must stock their digital arsenals with the latest CLM developments. That's the way to keep pace with client expectations in a sustainable way.

Some of the basic components of CLM:

### End-to-end workflow: The leader of the band

Key to effective CLM is the workflow component. Think of CLM workflow as the conductor of an orchestra, handling and coordinating a wide range of elements. These include:

- Prospecting
- Customer onboarding
- Client identification
- Due diligence/KYC procedures
- Contract negotiations
- Customer set-up and product implementation
- Maintenance and profile updates
- Off-boarding

And when workflow harmonizes with rules-engine and a data integration tools, it can manage changes to regional, product and client requirements in a timely, consolidated way.



Figure 1: Regulation and compliance calendar

## Artificial Intelligence (AI): Machine learning so you don't have to

If you want to dazzle your customers with efficiency, Artificial Intelligence (AI) is a great means of doing that. Any company that collects data can access AI—and it will help you make more profitable, real-time business decisions, to boot. One aspect of it? Machine learning—AI that allows computer systems to learn from human decisions. It then goes beyond to uncover patterns in complex data, learn from past behaviors, and even predict future outcomes. Machine learning can adjust and improve on all the complex interactions involved in each phase of the customer lifecycle.

AI is also learning to “talk,” so to speak, through Natural Language Processing (NLP) and Natural Language Generation (NLG). These technologies assess vast amounts of data and generate text-based outcomes. If you've ever scanned material, you've used an earlier version of NLP. This next generation can analyze unstructured records and extract key texts, such as legal documents, using an outbound communication application.

## Robotic Process Automation (RPA): More bang for the bots

Another big boon to onboarding? Robotic Process Automation (RPA). RPA is the name for so-called “bots”—software programs that don't require human input. RPA systems are great mimics: They imitate what people do when they interact with IT systems such as ERPs, workflow, and databases. The good news is that RPA can be integrated easily with existing IT, delivering productivity by replacing human effort to complete the task.

Put workflow, AI and RPA together and soon we'll be seeing true convergence and orchestration as never before across the front, middle and back office. That's going to promote real-time data flows and rapid decision making.

Typically, businesses digitize their CLM using one of two approaches. You may want to consider which is right for you.

Global Robotic Process Automation (RPA) Market, 2016-2021

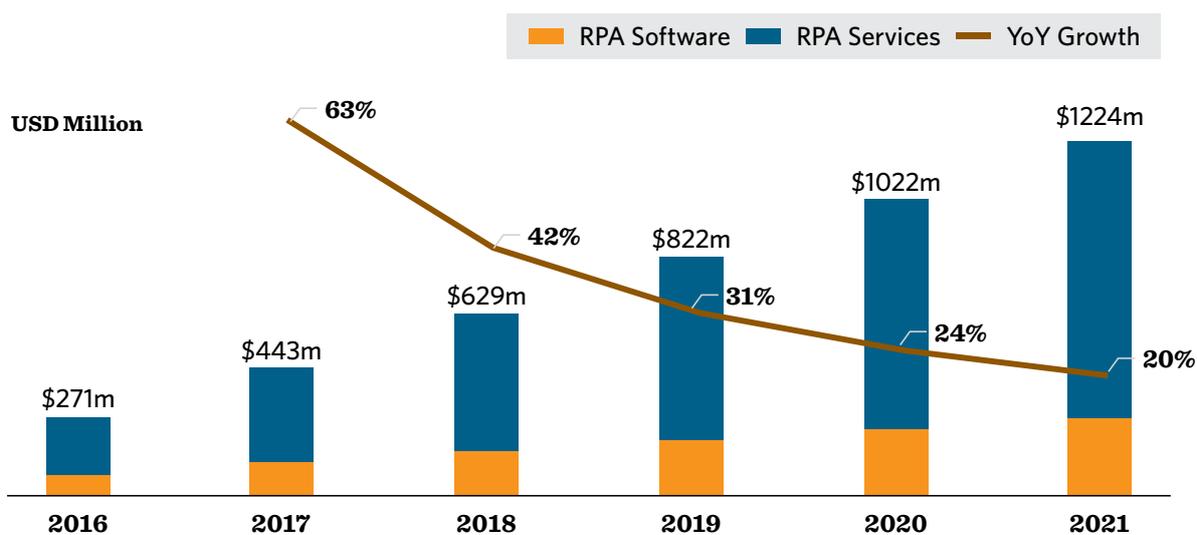


Figure 2: RPA Market by HfS Research

## Top down—the end-to-end approach

If you choose this tactic, implementing a workflow tool is the first step. Here's the right order to make it successful:

- **Choose the right workflow tool**—one that is dynamic and customizable
- **Re-structure your processes** to align with the base state of the workflow tool to minimize customization and save time and cost
- Next, **apply an appropriate a mix of robotics and machine learning software** to each sub-process to further drive efficiencies

Follow those steps and you'll find that you'll enjoy faster turnaround, optimum process efficiency and provide much better customer service.

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### End-to-end approach:

- *Choosing the right workflow tool*
  - *Re-structuring the processes*
  - *Applying robotics and machine learning*
- 

### Fragmented processes

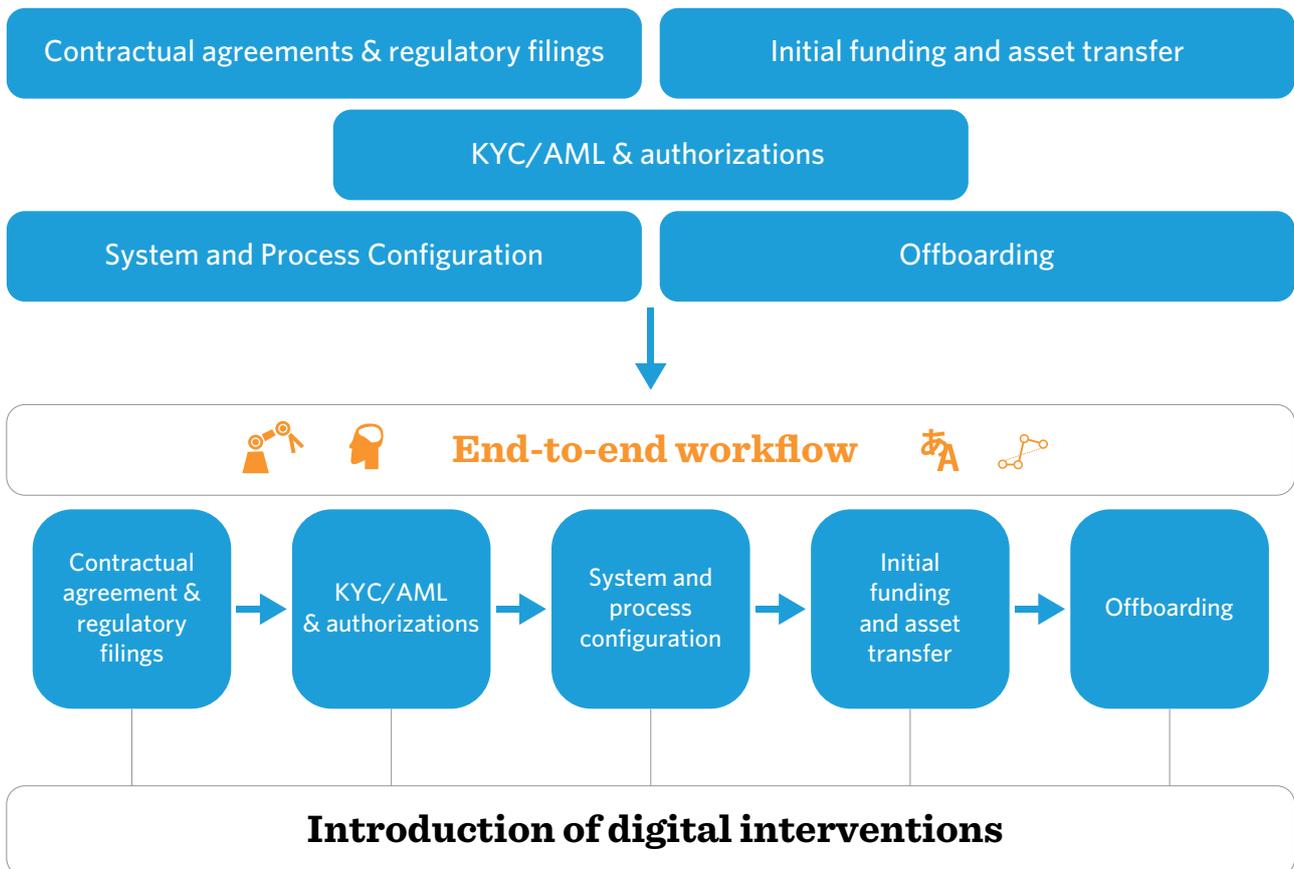


Figure 3: Introduction of an end-to-end workflow to orchestrate the process

## Bottom up—digital point solutions

Granted, it's not always practical to introduce a new CLM workflow tool. Maybe the budget isn't there or it the firm already has some workflow tools in place. Perhaps undertaking a massive change can seem daunting.

Yet even under these conditions, you can still make headway. You just need to tailor your solutions to meet your need. That means applying digital to each sub-process.

First, you need to determine whether you want to re-structure your processes or just streamline them—and that takes some thought. If you decide to forego streamlining in favor of introducing digital

solutions, implementing the appropriate tools in each subsequent sub-process is the way to go. You won't get the orchestration that an end-to-end CLM tool offers, but you will get the most out of your existing processes.

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*Streamlining a processes or introducing a workflow tool may not always be possible and requires a massive change but applying digital to each subprocess will get the most out of the existing processes.*

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### Fragmented Processes

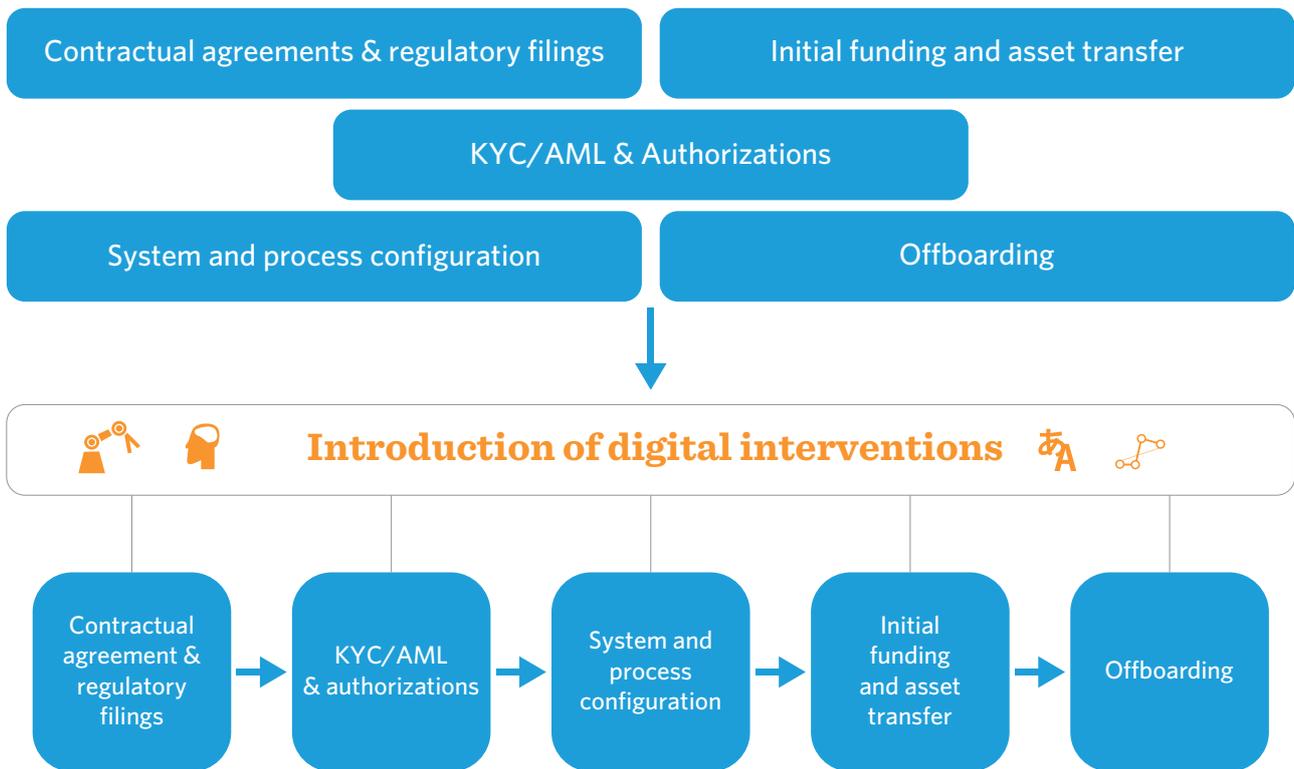


Figure 4: Application of digital solutions for each sub-processes for tailored benefits

## Are you ready to take the CLM challenge?

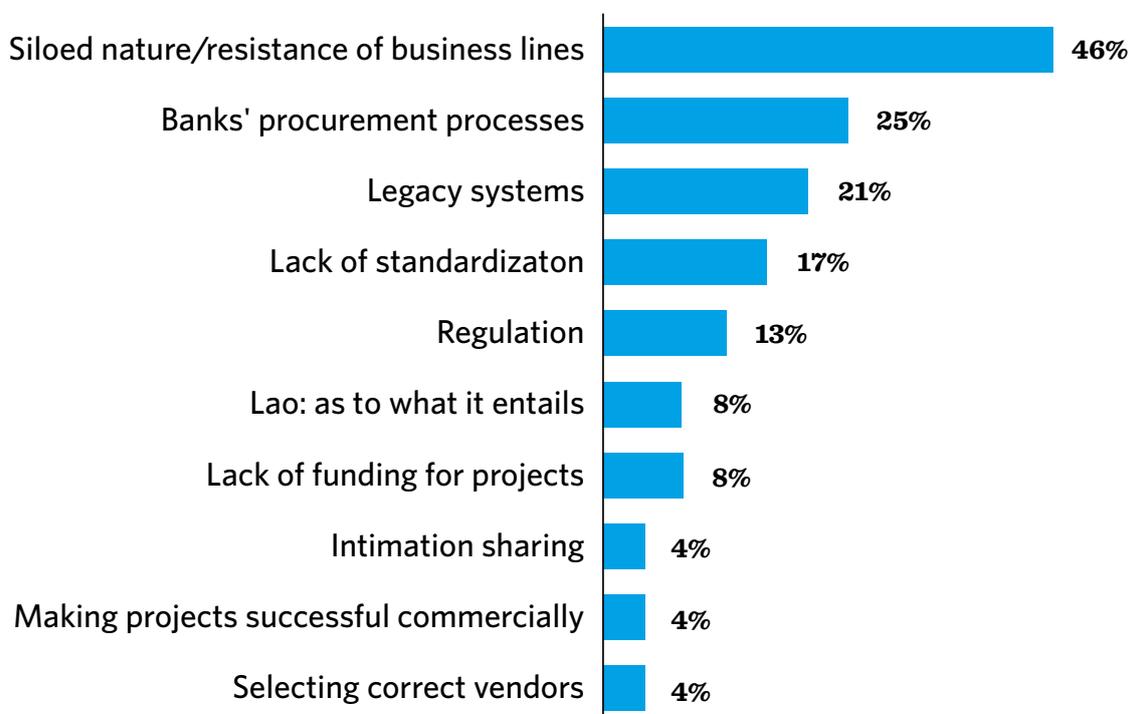
For all the benefits CLM promises, it can be a challenge to implement. CLM is a new tool, after all—and as the study cited here shows, the culture of financial institutions often makes it hard for them to evolve. Here’s what you may face:

- **Resistance to change:** Half the battle is to be open to new ideas and approaches. Firms that aren’t won’t recognize the benefits of CLM or will fail to implement CLM quickly enough
- **Legacy systems:** Archaic legacy processes, platforms and systems often leave little scope for maneuvering, making large-scale change a challenge
- **Resources:** Deploying the right technology, people and tools when introducing CLM can be expensive

and may delay the decision to implement

- **Where to start:** It can be intimidating not knowing how to begin—and with no clear-cut answer, you might be inclined to hesitate
- **Client onboarding issues:** The documents you need for onboarding have never been more complex and varied. Firms need to manage and refresh complete audit trails and ensure event-driven reviews

We repeat: it’s tough being a financial institution today, facing a double-edged challenge. On the one hand: rigorous regulatory requirements. On the other: customers want—and deserve—digital self-service, faster transactions and an all-over rich experience with the firms they place their trust in. Businesses no longer have a choice in the matter. They must use every device available to keep pace with these demands.



Source : <http://aitegroup.com/report/innovation-capital-markets-not-just-dog-and-pony-show>

Figure 5 : Biggest challenges regarding innovation in capital markets

## Frequently asked questions

### **What should I expect for productivity gains and ROI?**

The expected productivity gains and ROI could potentially be significant and in a short time frame. However, this can vary based upon the processes, maturity, current efficiencies, operating model, technology, standardization, and overall complexity.

### **How long to implement?**

Digital solutions can take as little as about 2 weeks to a few months. The complexity of the process is the main factor, however once implemented, the solution can be immediately be leveraged.

### **Why now?**

Technology advancements, computing power, security, reliability, scalability, and speed of implementation in combination with low costs have made the application of these technologies to business process possible.

### **Will the bot go rogue?**

NO. The bot is more secure than a human. It will only execute exactly what it is programmed to do. Additionally, it doesn't store data, won't leave passwords out, paste company or customer data in personal emails, etc.

### **When should I get IT involved?**

Early. Though this is a business application, IT needs to have knowledge of the solution for access, governance, and organizational dynamics.

### **Who owns it?**

Digital solutions are implemented as-a-service. The IP of the specific process is owned by the client. The ownership and accountability can have a number of models; including a center of excellence (COE) that orchestrates the RA portfolio and other digital technologies.

*This point of view is co-authored by **Jon Wood**, who leads the development of Genpact's regulatory Client Lifecycle Management (CLM) service line for Europe and APAC, and **Avinash Chugani**, who supports the development and growth of Genpact's CLM solutions and service line, and domain delivery to clients.*

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## About Genpact

Genpact (NYSE: G) is a global professional services firm focused on delivering digital transformation for our clients, putting digital and data to work to create competitive advantage. We do this by integrating lean principles, design thinking, analytics, and digital technologies with domain and industry expertise to deliver disruptive business outcomes – an approach called Lean Digital<sup>SM</sup>. We deliver value to our clients through digital-led, domain-enabled solutions that drive innovation, and digital-enabled intelligent operations that design, transform, and run clients' operations. For two decades we have been generating impact for clients including the Fortune Global 500, employing 77,000+ people in 20+ countries, with key offices in New York City, Palo Alto, London, and Delhi.

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