

The Evolution of Customer Communications Management

How banks can use customer communications management as a cornerstone for a modern digital publishing capability



People matter, results count.

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1. Introduction

Over the past five years, nearly every bank and financial services firm has made an investment in customer communications management (CCM) to try to keep up with the ever-changing digital landscape. From the emergence of new technologies and channels like smart phones and social media to the unprecedented demands for speed and responsiveness of Millennials born in a digital world, the way banks and financial institutions communicate with customers has changed forever and banks must adapt to these new customer expectations.

These changes impact all areas of customer service for banks, from the platforms and processes to customer servicing staff. Since these constant changes have become the new reality, banks and financial institutions must find a way to transform current CCM systems into agile, fast-moving digital publishing platforms and get the most out of their investments, all while fending off emerging competition from non-banks who are much more nimble in communicating with customers.

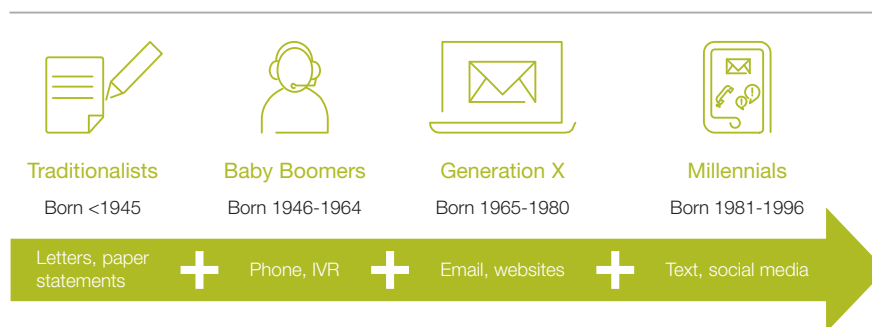


2. Is Content Still King?



The demands of Gen X and Millennial banking customers have emerged as very different from earlier generations. Financial institutions have moved beyond phone and print into web, social media, kiosk, mobile, and SMS. These digital communication channels have become critical points of engagement, not just to deliver one-way communications but to fully engage with customers.

Exhibit 1: The evolution of customer communications by generation



Source: Capgemini analysis 2016, The generations defined, Pew Research Center, March 19, 2015. <http://www.pewsocialtrends.org/2015/03/19/comparing-millennials-to-other-generations/>

For many years, content has been at the center of customer communications for IT and marketing alike; after all, Content was King. However, this speaks to the way banks deliver information to customers in a broadcast model. It doesn't address the two-way, 720 degree interactions inherent to the impact of social media.

“With content growing at exponential rates with duplication rates in the double digits the value of any piece of content has inherently been reduced – simple supply and demand economics. Evolving or changing the content to preserve its syndication or to adapt to channel, device, or journey is simply more important. The new king of content is Change.”

Christian Cole,
Global head of
Digital Publishing & Collaboration
Capgemini Financial Services

While digital disruptions are still occurring across the financial services industry, one thing has become clear: customers want to hear from their bank in the way they choose, when they choose. This level of flexibility is not easily available in most financial institutions, especially when customer communications are siloed in different departments, often using different desk top publishing tools or other CCM systems which may or may not talk to each other. Or when different department handle different channels: one for print communications, another for web, and others for social, mobile, and marketing. The likelihood of consistent messaging and an aligned customer experience let alone journey is simply impossible.

So while content is still important and core to any solution, it's become even more important to have a flexible ability to change and evolve content. The ability to change customer communications on the fly for each customer is the new reality. It's no longer about what you have to say and what channel you want to use; today banks need to adapt to whatever channel, message or frequency each customer wants.

3. Reevaluating Your Path to Digital Communication

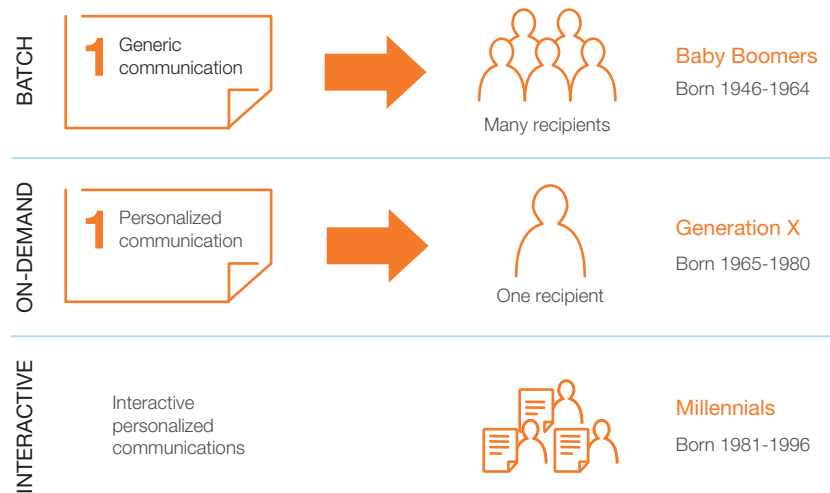
“Banks need to shift from having the ability to send a million statements in a single batch to being to send a million batches of a single statement.”

Christian Cole,
Global head of
Digital Publishing & Collaboration

While many financial services institutions have invested in CCM platforms, it’s unclear if they’ve achieved the full value from those systems. For example, has your bank adapted publishing processes and operations to meet a change-centric digital world of communicating and engaging with customers? Has your bank achieved a 720 degree view of customers? Are your communications tailored to each customer and providing consistent messaging based on preferences across mobile, social, print, and web? For many financial firms, the answer to these questions is No.

Cost savings have always been the promise of digital and certainly the basis of any business case to make the investment in a modern CCM platform. Having the ability to natively manage documents and generate within a variety of digital and print formats reduces costs and dependencies on existing print-centric operations. Through CCM platforms, most organizations have seen their print operations improved by consolidating the print outputs, adding the ability to household, and optimizing postage by sorting and bundling functionality. But these are only the first steps towards true digital publishing.

Exhibit 2: Expectations for communications vary by generation from batch processing to a fully engaged and interactive experience



Source: Capgemini analysis 2016

Separate teams and multiple CCM instances still exist within banks and financial organizations to address the demands of different businesses.



Print volumes remain high while the overall volume across different channels is dramatically increasing. Attaching a PDF to an e-mail or having the ability to produce a single document on demand may answer the Baby Boomers' call for digital but falls short of Gen X and Millennial expectations. In fact, our annual *Retail Banking Voice of the Customer Survey* shows that Millennials have a lower customer experience index, by as much as 8 percentage points, than other age groups regardless of region¹.

To measure digital readiness, banks need to start with print operations. Can you measure print volumes by department, type, and customer, not just by the batch or processed but also as staged throughout the day? Do your authoring or initiating systems include both expedited print delivery options and reliable digital delivery?

Bringing traceability to print will create a departmental awareness which aligns to key business case assumptions. More importantly, this traceability lets you calculate the baseline cost of communication or output to each department now. Once you have a baseline, you can value content and understand the cost of changing it on and for any of your channels—print or digital. Without simplifying printing processes, the advent of digital has only meant CCM environments have become increasingly complex. And for many banks, this means it's become increasingly inefficient and costly.

Putting aside the costs for a moment, let's revisit what CCM was supposed to mean to the customer experiences for your banking customers. Increasing wallet share, reducing call volumes, improving customer acquisition and retention—these were all goals for digital communications. Print was going to pay for the journey to digital, and digital was going to transform the business. But many banks have become lost on the path.

Now more than ever, CCM is a cornerstone to providing an engaging, positive, and digital customer experience. The question is, is your bank prepared to become truly digital ready?




¹ 2015 Retail Banking Voice of the Customer Survey, World Retail Banking Report 2015, Capgemini and Efma

4. Knowing Your Customer Communication Capabilities

Assessments, hype cycles, and maturity matrices aside, the question remains: are you reaching your customers where, when, and how they want so they continue to be your customer? Banks can't provide communications in pieces where channels and functions have separate strategies and outputs. You must offer customer communications over all available channels with integrated content and communications from your entire organization.

Sample Checklist: What is success for your customer communications capability?

- 
- Our customers can opt of print
 - We can produce band white, color, and/or duplex for any customer
 - We can e-mail a PDF
 - We can provide a link within our portal that takes customers directly to their document
 - We can send an SMS to customers informing them that their document is available with REPLY options
 - We can pre-fill forms for our clients
 - Our customers can digitally sign
 - We can put promotional and personalized messages on our documents
 - We keep track of what message went to which client on which date
 - We can progress our statement based messaging month to month
 - Our customer service staff can access everything that we send our customers
 - We offer channel preferences to our customers

Today's leading CCM platforms are bringing a more powerful and flexible set of outputs to provide for responsive experiences over all your channels—print, web, mobile and social—to meet expectations of all customers, from Baby Boomers to Millennials. The CCM platform vendors have made the investments to respond to this challenge by offering new digital outputs including transformational XML, HTML5, and OfficeX as well as stronger options for secure delivery over electronic, mobile channels, and middle and front office applications. With more secure delivery options, banks and financial institutions can better meet regulatory requirements for privacy and security.

Customer communications with Millennials doesn't mean abandoning print, nor the publishing processes around print. In fact, the founding principal of modern CCM is design once and produce multiple flavors personalized to a specific customer. The key to unlocking the potential where print pays for digital is in updating and adapting your print-based operations for new digital ones.

The incremental steps can be as simple as adding capabilities from the Sample Checklist to serve as a foundation within your bank's modern CCM operations. Next step digital maturity for CCM can include:

- On demand and interactive communications
- Reliable delivery to device
- A 360° view of your customer
- A 720° view of your customer
- Journey mapping
- Search-based buying
- Omni-channel experience
- All-channel experience

This huge shift in scope is daunting to many print teams and operators and many will feel threatened. But after five years of *over*investing in CCM platforms at a pace of every 16 months or faster, the questions remain: Why is a new platform needed? Why is it purchased? How does an increased license cost, infrastructure, skill, and operational needs translate into savings or simplification?



5. The CCM Paradox: Print Must Lead the Way to Digital

“Print was going to pay for the journey to digital, and digital was going to transform the business. But many banks have become lost on the path.”

The challenge to move to integrated digital publishing is two-fold, counter-intuitive, and cross-organizational.

Challenge 1: The print team and their operations are core to your future digital strategy

Banks must establish and embrace the fact that print is core to your future-facing digital strategy. This means investing in several key technical capabilities and operating realities including:

- End-to-end print integrity and audit
- Extend end-to-end to mean more than just print but also e-mail, application, and device delivery
- Inventory, classify, and categorize customer communications and forms
- Consolidate legacy output tools – not modern CCM just yet
- Stage everything always (e.g. ESB and service catalog)
- Build a service catalog

The counter-intuitive component here is that you are in fact asking printing to lead the way into digital. Budget stakeholders within the business are averse to investing in print just as IT stakeholders lack the data to properly justify why maintenance and hygiene projects should be funded.

But in reality, any print operational team working with modern CCM tools has been designing and testing natively in digital for years. That’s right—CCM starts everything digitally and also produces print. The leap is not that large for the upstream requesting and downstream fulfillment but that may mean more software. Remember, the challenge is more complex with higher volumes and at a greater frequency of change. It should not be any surprise that incremental tools will be essential to a truly digital solution.

Challenge 2: Separate print, web and mobile teams, tools and budgets must merge into digital publishing operations

The next step is to look across the organization to bring digital to your print team. Most banks and financial institutions already have a web, mobile and social teams. The fundamental challenge is to bring these functions together to enable integrated customer communications.

To get there, the print team must think big and digital (not just print). The web, mobile and social teams must learn that producing is **not** production processing. Merging these teams, their tools, and most importantly their budgets into a new digital publishing team will allow banks to focus on a key founding principal: No content we create is king but rather the processes and services built for constantly changing the content are king.



Beyond optimizing your platforms, consolidating capabilities, and simplifying your processes for publishing there remains the other half of any business case made for investing in CCM: impacting the customer experience. Whatever we are putting into the boxes, blanks, and briefs will change not just regularly but constantly. In an integrated customer communications system, production pipes will reach all the way to the bank's front and middle office applications and the Facebook, Twitter and Gmail accounts of your recipients.

The next call to action lies with business and marketing departments to establish journey maps which provide a definition around the new digital experience and points of customer engagement including print. This will serve as the table of contents for any digital service catalog which the IT teams must create while informing the content authors and design teams of channel agnostic and specific requirements.



6. Getting the Most from Your Customer Communications

Remember, today content is no longer king—change is king! A fundamental shift like this doesn't just mean updating old equipment or increasing staff. It means taking a fearless look at every aspect of your business—digital communication strategy, operating model, integration of business and IT functions, and how you measure success. Here are some questions you should be asking.

Is your digital publishing strategy fragmented?

Many banks have at least two distinct customer communication strategies: one for print and one for online and increasingly new ones for mobile and social. If your customer communication strategy is fragmented, then your CCM platform is not living up to its full potential but more importantly your customer experience is disjointed. If you have two, three, or more teams or tools doing very similar things, it's almost impossible for the bank to speak with one voice across all the channels. And when the quality of communications goes down, the cost to communicate goes up.

It is not enough to create a separate strategy for each channel. To communicate with Baby Boomers to Millennials, your bank must continue to use traditional channels while new channels will emerge, such as wearables and smart homes enabled by the Internet of Things. The key today is to integrate your efforts across all channels. The digital world is constantly evolving so your publishing strategy needs to be nimble and flexible enough to adapt as things continue to change. Change is king but managing your costs are key!



Exhibit 3: How much do banks know about what customers are thinking across channels?



Source: World Retail Banking Report 2015, Capgemini and Efma

Is your operating model outdated?

A print-centric operating model can no longer be your standard for customer communications. The print support models of most banks and financial services firms are fast becoming roadblocks, preventing companies from getting the maximum benefit from newer, more agile and profitable channels and losing customers along the way. As banks begin to transition to a multi-channel communication strategy, IT departments are being stretched to support both the old and new. A simple mind shift question to ask is whether your ability has successfully shifted from sending a single batch of a million documents or statements to being able to send a million batches of a single statement or letter. Getting past this step will lead you quickly down the path to interactive and cross channel communicating – which is Digital.

Exhibit 4: The journey to interactive personalized communications



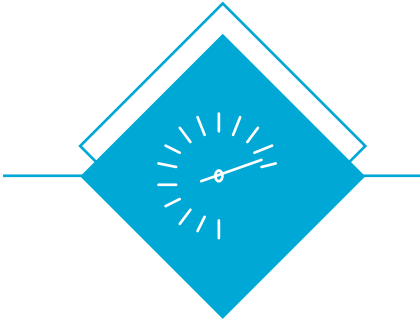
Source: Capgemini analysis 2016

If your operating models includes separate teams for each channel—print, web, mobile and social—you are missing the point. In the traditional software development lifecycle, each application to each channel would become a separate project, encompassing schedules using weeks or months as their building blocks. You can no longer afford to wait for the old development cycles. Your customer communications must be far more nimble and responsive to your customer demands and needs creating an operational model that supports all your channels build not only content types but on changing content.



Are you using multiple legacy systems?

The average CCM today is made up of multiple, aging systems. The business often generates correspondence using an array of different tools and platforms, and the IT department struggles to support as many of them as they can. These different systems often can't talk to each other, which means IT must maintain the same content and information in multiple places. In addition, many of the legacy platforms in current use are increasingly announcing end-of-life termination of support.



Moving faster

In a changing digital environment, time to market is a primary factor. Time to market is often now measured in days or hours. Banks need to increase the speed they comply with regulations, send out marketing materials, or release product information. Multiple aging systems, insufficient staff, lack of a sound multi-channel strategy and other roadblocks can all lead to a sluggish reaction to market demands, making the bank ill prepared to meet or beat competitors, delight customers, or minimize costs.

7. Four Keys Enablers for CCM Transformation

Most banks and financial institutions already have the tools needed to be successful in CCM today. It's not about changing your current CCM system—it's about unlocking your system's full potential and realizing the ROI that you expected to achieve. It's about taking a hard look across all your departments, and reconsidering your strategic divisions. The key is how you operationally organize and execute the day-to-day management of change, here are some key stepping stones to consider.

1: Develop a strong communication strategy

- Create a strategy to communicate consistently across all the experiences you provide for engagement with your customers: web, mobile, branch, mail, phone, social media, paper, etc.
- Understand and remember the preferred delivery methods and interests for each customer
- Demonstrate clearly that you understand each individual customer and the experience they want
- Design content to be used in more places, for more customers, that can speak to customers differently
- Make sure your cross-selling efforts to increase wallet share are fine-tuned and on target

2: Update your operating model to fit a strong digital communication strategy

- Consolidate your print and online teams into one focused unit which understands that the measure of success is your ability to change channel and content interchangeably and constantly
- Break down your silos, drive out legacy costs, and concentrate on strategies that provides services that support customer communications across the organization
- Make sure your teams are organized for an integrated channel view so your communications are consistent across the entire spectrum of customer engagement

3: Establish a digital publishing process

- Deconstruct your current publishing processes and move to simplify while retaining value of investments already made around printing while adding in critical gaps required for digital
- Extend the view of print upstream to requesting application **and** users but also downstream inclusive of secured and reliable delivery
- Integrate the teams that manage the content that will travel along all pipes, including the new ones
- Include the authoring events in digital production





4: Reduce legacy systems and consolidate the rest

- Recognize that creating a digital platform does not mean creating a single platform. The solution will and must be hybrid to address the complex and constantly changing concerns of digital
- Set an operating principal to reduce maintenance and fulfillment costs
- Make decommissioning a priority
- Consolidate disparate systems for correspondence, statements, and notices to achieve significant postal savings, maintenance savings, and single platform efficiencies
- Look across all your departments and examine all your processes to maximize an integrated effort that crosses all channels

8. Balancing Out the Costs and Savings to Achieve Integrated Digital Customer Communications

With a truly digital-enabled CCM, your bank will achieve three key advantages: higher customer satisfaction, higher revenue, and reduced costs. The reduced costs and higher revenue can pay for upgrading your digital capabilities. For example, removing inefficiencies will generate cost savings which can be used to pay for transforming your CCM.

The cost impacts of your current state

The current state of your CCM can seriously impact your ROI and increase your costs in a variety of ways:

- Maintaining multiple legacy systems can drive maintenance costs through the roof and fail to take advantage of single platform efficiencies
- Continuing archaic fulfillment practices increase fulfillment costs including postal costs
- Maintaining print volumes while other channel outputs increase cuts into cost savings considerably
- As much as 75% of the IT budget for most financial services firms is still focused on core business processes while those servicing customers and partners or enabling smart phones and smart devices are growing exponentially
- An unrealized CCM can hinder a firm's ability to plan cost reduction on a rational and productive basis, necessitating instead tactical, reactive, and frequently limited actions
- Keeping pace with marketing and compliance changes often requires IT to run formal projects which are slow and costly and create a backlog of changes



The cost savings from transformation

Once you transform your CCM you will realize further cost savings and be able to:

- Respond cost-effectively to customer demands from an increasingly sophisticated and mobile base
- Reduce maintenance costs, one of the largest IT costs
- Lower fulfillment costs through multi-channel and consolidation, including paper, postage, and local fulfillment
- Increase postal savings including sorting and house-holding
- Gain the advantages of single platform efficiencies such as hardware environments and tool sets

About the Author

Christian Cole is a Vice President and Global Head of Capgemini's Digital Publishing & Collaboration practice within the Financial Services Strategic Business Unit. With 19 years of experience in enterprise content management and communications management systems, he manages a team of over 300 global professionals who deliver digital publishing solutions for financial services clients. His expertise spans banking, credit cards, and investments; general, property & casualty, and life & annuity insurance; and health payer and provider insurance.

Prior to joining Capgemini, Christian served as worldwide solutions manager for HP and SAP building solutions for claims correspondence, loan processing, smart meter messaging, sales proposals systems, and CRM marketing, sales, and servicing analytics based applications .

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