Building the Digital Bank

Digital now plays a key role in how customers expect to interact and transact with their banks. Having experienced personalized digital relationships in other aspects of their lives, banking customers have come to expect the same from their bank, interacting anywhere and anytime they choose.
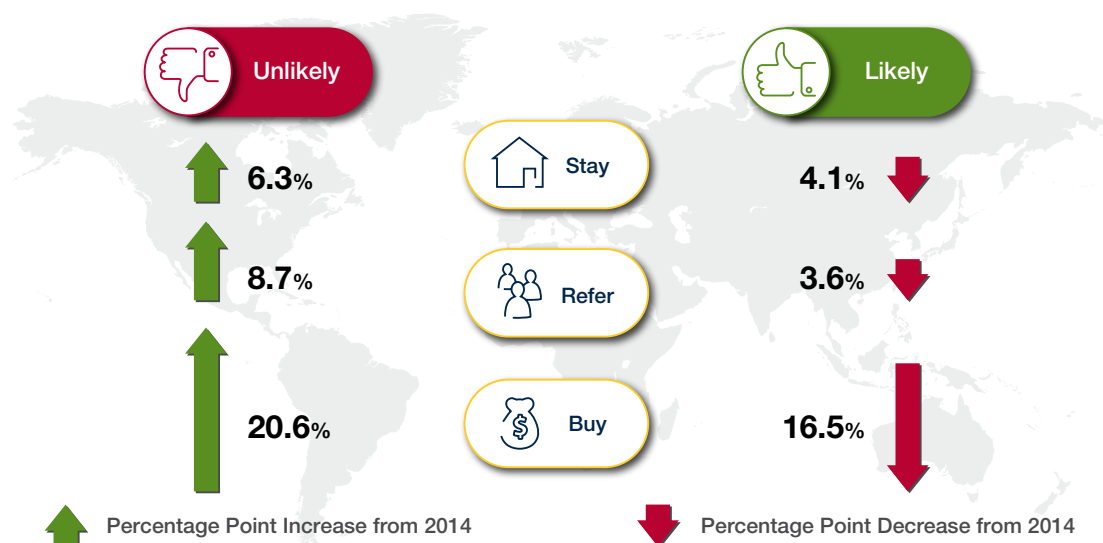
Intuitive Design and compelling customer experiences driven by efficient business processes are essential to maximize end user engagement and optimize digital investments for the financial institution.

While most banks have already begun their digital journey, keeping pace with digital consumers is a challenge. According to Capgemini and Efma's 2015 *World Retail Banking Report*[i], customers that are likely to leave their banks is up anywhere from 4% to 12% since last year. Customers unwilling to make referrals rose over 9% in some regions, and the unlikelihood to purchase a second product increased as much as 25% in Western Europe. Accelerating the digital capabilities of today's banks and launching new innovations has become paramount in stabilizing and growing productive customer relationships.

Aiming to deliver a unified and seamless customer experience, banks are evolving from providing basic account-based services to more enhanced contextual and personalized digital services. These services are enabled with advanced social, mobile, analytics and cloud solutions. Cloud-based solutions help banks provide 24/7 services, and build portable, scalable, and agile solutions. Advanced analytics enable banks to understand their customers as individuals rather than accounts, and use predictive analytics to service customers based on their lifestyle and preferences. Innovations in mobile technology and smart phones enable banks to simplify their services on mobile devices, as a convenient channel providing a host of self-servicing facilities to customers. Yet, no amount of social media, mobile services or cloud-based infrastructure will make a difference if banks cannot leverage that technology to innovate and ultimately improve business performance.

Likelihood of Customers to Stay, Refer, and Buy from Their Primary Bank, 2015

Unlikely		Likely
↑ 6.3%	Stay	4.1% ↓
↑ 8.7%	Refer	3.6% ↓
↑ 20.6%	Buy	16.5% ↓

↑ Percentage Point Increase from 2014   ↓ Percentage Point Decrease from 2014

i   World Retail Banking Report, Capgemini and Efma, 2015, https://www.worldretailbankingreport.com/
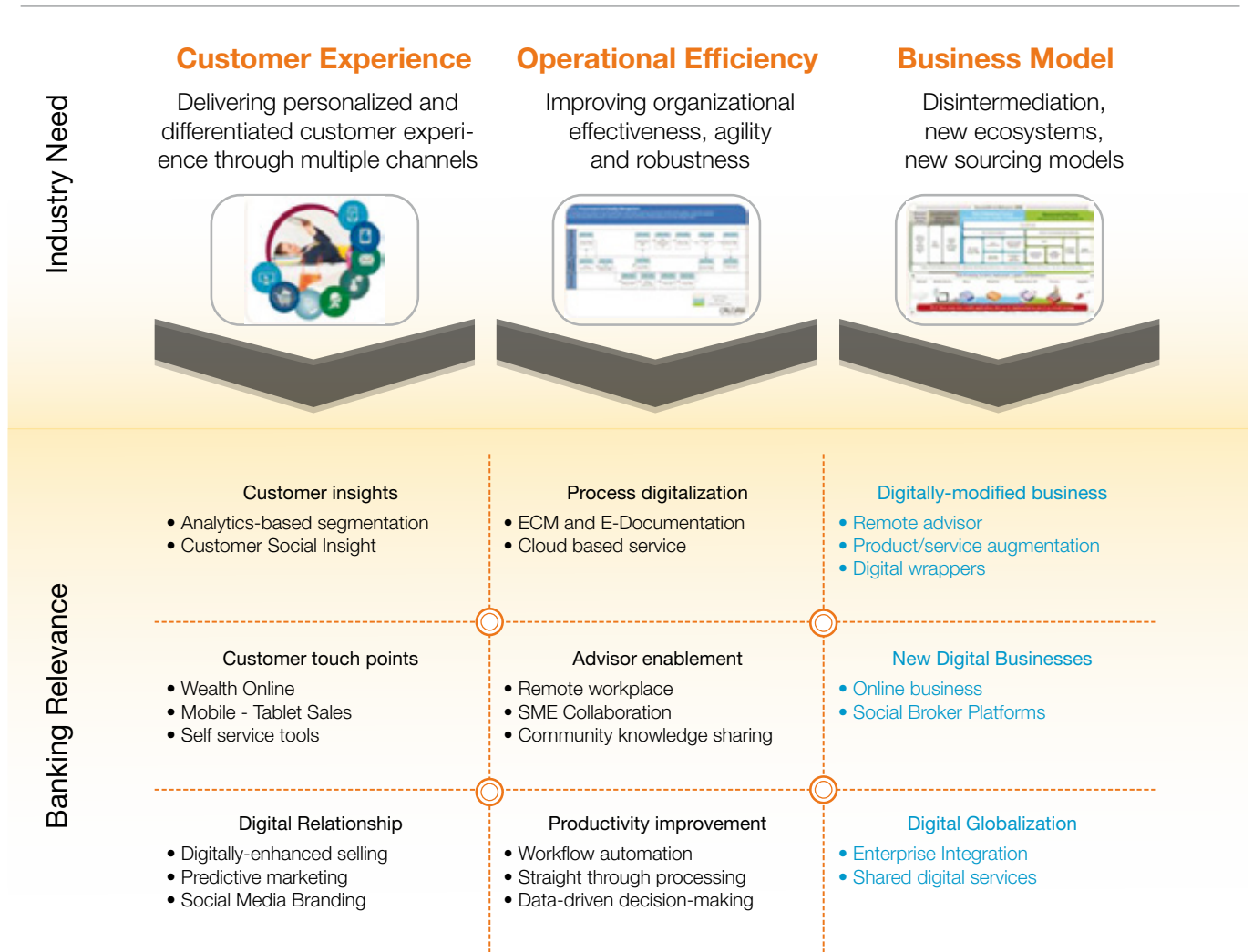
There is now a need, more than ever, to have an inseparable connection between new technologies and the business processes to deliver a robust yet agile digital system that simplifies and engages the customers in all his needs.

Digital banking also involves the establishment of a digital workplace for the banks employees through optimized business processes, content management, digital channels, and customer relationship solutions. This typically requires upgrading both front- and back-end technology platforms to fully scale digital capabilities. While the benefits that digital front-end solutions bring are clear, often banks fall short of upgrading back-office systems to enable future sustainability. And, while digital channels offer flexibility and agility, there are also aspects of vulnerability that can put the customer and the bank at risk. Strengthening digital systems with adequate monitoring and security measures is critical as threats mature along with the digital channel.

Digital is about how technology can help you work differently

Industry Need	Customer Experience	Operational Efficiency	Business Model
	Delivering personalized and differentiated customer experience through multiple channels	Improving organizational effectiveness, agility and robustness	Disintermediation, new ecosystems, new sourcing models

Banking Relevance			
	Customer insights • Analytics-based segmentation • Customer Social Insight	**Process digitalization** • ECM and E-Documentation • Cloud based service	**Digitally-modified business** • Remote advisor • Product/service augmentation • Digital wrappers
	Customer touch points • Wealth Online • Mobile - Tablet Sales • Self service tools	**Advisor enablement** • Remote workplace • SME Collaboration • Community knowledge sharing	**New Digital Businesses** • Online business • Social Broker Platforms
	Digital Relationship • Digitally-enhanced selling • Predictive marketing • Social Media Branding	**Productivity improvement** • Workflow automation • Straight through processing • Data-driven decision-making	**Digital Globalization** • Enterprise Integration • Shared digital services

Capgemini's Digital Services

Capgemini helps banks manage their customers and channels in new, innovative ways and empower the workforce to deliver better value to customers as well as the organization. Banks can then leverage Digital to redefine their existing business processes and the value those processes deliver. We have a proven ability to operationalize the banks' digital vision into a fully executable Digital Transformation that delivers measurable results.

Our services for digital transformation fall into four general categories: Customer and Worker Digital Place; Next-gen Customer Relationship Management (CRM); Customer & Enterprise Business Process Digitization (BPM); and Enterprise content management (ECM) & unified customer communications management (CCM).

1. **Customer and Worker Digital Place** – Our digital solutions help customers seamlessly connect with the right banking executive so that services can be experienced in-branch or in self-services through any channel, anytime, anywhere. Digital workforce enables banks to provide efficient and effective customer service and collaborate in real time to optimize sales and operational efficiencies. Some of our specific solutions include:

   - *Banking Portal and Mobility Solutions* – The increasing number of devices and growing need for mobility are significantly impacting banks web applications and user interface management, creating great expectations among customers and employees and these have to be managed despite significant IT budget constraints. Technology evolution and convergence will enable IT organizations to more efficiently manage their user applications while lowering costs. Capgemini helps banks build a consistent and seamless user experience across devices and situations, with support for mobility and disconnected usage. We are skilled in leveraging both out-of-the-box development platforms such as Backbase Customer Experience or Adobe Experience Manager and bespoke solutions development using Web Oriented Architecture patterns and technologies. Our portal capabilities include web information portals, rich internet applications, role-based portals, knowledge portals and portal consolidation. Our mobile banking solutions help banks address customers and digital workforce needs. Mobile customers can experience a plethora of account management services, investment portfolio management, transaction services and a host of services. For the digital workforce mobile solutions enable application extensions on mobile/tablet devices, sales force automation, marketing campaigns, collaboration and productivity applications are supported by a bring your own device (BYOD) service platform.

   - *Capgemini TRIVEO© to equip advisors for long-term client relationships* – TRIVEO© is a unique customer selling tool and approach that enables Financial Services (FS) firms to enhance customer intimacy to develop long-lasting relationships, increase advisor efficiency and significantly improve sales. With TRIVEO©, the advisor and the customer become active partners and create a comprehensive and shared vision of the customer's financial situation, identify areas of potential, and finally define ways to develop and protect the customer's wealth. TRIVEO© gives managers and their sales teams more accurate information and indicators from digitized client

Capgemini is ranked as a leader in the The Forrester Wave™: Mobile Enterprise App Services Providers — Large Providers, Q1 2015

According to Forrester, leaders in the full-service mobile enterprise application service provider category "combine development skills with design and test skills, and back it up with business consulting chops and prebuilt IP in the form of configurable apps, development and testing frameworks, and high-velocity delivery approaches... the firms that scored top marks in our evaluation were able to balance the broad demands for skills"[ii]

ii The Forrester Wave™: Mobile Enterprise App Services Providers — Large Providers, Q1 2015 by Liz Herbert and Jeffrey S. Hammond, March 4, 2015

interviews that improve the predictability of sales. TRIVEO© is supported by the TRIPOD, an interactive framework representing all components of the customer's wealth in a single view. It can run on desktops and tablets, locally with the advisor and the customer side by side, remotely with the client at home, and with the client alone on the Internet.

- *Odigo for personalized, experience-driven customer interactions* – Odigo is a Cloud-based, unified access solution that handles and distributes customer contact via any channel to the right parties within your organization, the first time. It allows customers to originate a transaction in one channel and take it forward in another, which, in some cases, might be a self-service functionality. Fully Cloud-enabled and configurable, Odigo provides banks with a unified, integrated platform for interacting with clients, while personalizing client interactions, providing more value-added services, and ensuring accurate selling of their products. Self-service IVRs and natural language services reduce unnecessary human interaction and increase routing efficiency in customer handling. All customer information is available to relationship managers in real time, improving productivity. For more than 190 organizations, Odigo is at the heart of a multi-channel customer contact operation that enhances customer experience while making operations more efficient and cost-effective.

2. **Customer relationship management (CRM) modernization and transformation** – Next-Gen CRM lays the foundation for sales and marketing automation, social CRM, customer analytics, tailored offer catalogs, more effective service and cross selling for the digital business. Capgemini can help banks implement, upgrade and maintain innovative CRM solutions that enable FS firms to exceed customer expectations, increase profitability by controlling cost, and improve sales and marketing ROI through greater effectiveness. Our systems implementation spans business processes and gap analysis, design and prototyping, process automation and process re-engineering, data conversion and cleansing, configuration, deployment and system integration, performance and load testing. We help FS firms enhance their base application from both a technical and a business perspective. Capgemini's methodology and upgrade offerings include strategies tailored to meet unique needs from business process impact assessments to instance consolidation, interface conversion and comprehensive application upgrades. Application maintenance and support ensures applications are performing as planned and infrastructure is in place to support business growth in the digital world.

3. **Business Process Digitization** – Although digital spend in middle- and back-office is typically seen as an investment in process simplification , its impact on customer experience is under-estimated. According to a research study by Capgemini Consulting, 60% of negative customer experiences emanate from the back-office. Without higher levels of maturity in the middle- and back-office processes, banks will lack the necessary agility to remain competitive in meeting customer needs. Capgemini helps banks build intelligent business processes to be more agile, deliver faster and contextual decisions, as well as achieve substantial cost savings. We help banks build solutions by leveraging technologies such as complex-event processors, dynamic case management, process intelligence, analytics powered and real-time decision engines, social media integration to shorten product origination and service fulfillment cycles, enable continuous improvement and improve the efficiency of products and services.

4. **Enterprise content management (ECM) and customer communications management (CCM)** – Capgemini helps banks build smarter, future-ready enterprise content and communication systems enabling them to capture, manage, share and leverage content to gain business insights in real-time and at reduced costs. Solutions include image and e-document management, inbound and outbound customer communications management, e-records management and cloud-based correspondence management, including consolidation of ECM systems and implementation of shared service models that result in ~100% uptime.
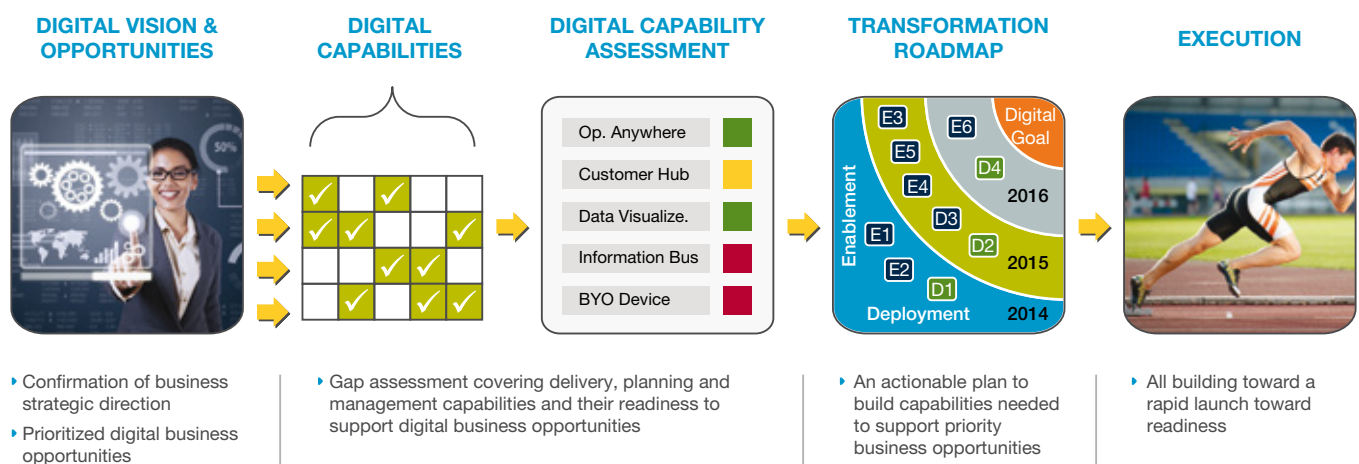
Capgemini's Digital Readiness Assessment

Preparing for digital transformation means linking business opportunities with capabilities and ensuring readiness. Critical questions for CIOs and CTOs to address include whether the organization is prepared to deploy and support digital capabilities and how various solution alternatives compare in terms of priority, timeframe and cost. Capgemini helps CIOs and CTOs understand, plan for and manage their firm's digital journey through an established Digital Readiness Assessment supported by a specialist practice team. The process is strategically focused, beginning with the bank's critical digital plans and aspirations.

Guided by Capgemini's Technovision Digital Research we help firms clarify and translate these plans and aspirations into essential and required digital-enabling capabilities. Our TechnoVision ideation is a rich set of building blocks for helping clients understand digital trends and harness their potential. We leverage TechnoVision to connect digital aspirations to the digital capabilities that businesses will need to realize them. Firms can then assess these target capabilities relative to their readiness to support the strategy across relevant domains (e.g., architecture, application development and information security). The assessment forms the basis for a systematic transformation roadmap, with a business-aligned and results-oriented path to readiness (Figure 1).

Figure 1: Capgemini's Digital Readiness Assessment, Supported by Digital Specialists

DIGITAL VISION & OPPORTUNITIES	**DIGITAL CAPABILITIES**	**DIGITAL CAPABILITY ASSESSMENT**	**TRANSFORMATION ROADMAP**	**EXECUTION**

Digital Capability Assessment legend:
- Op. Anywhere
- Customer Hub
- Data Visualize.
- Information Bus
- BYO Device

Transformation Roadmap: Enablement / Deployment — E1–E6, D1–D4, 2014, 2015, 2016, Digital Goal

‣ Confirmation of business strategic direction
‣ Prioritized digital business opportunities

‣ Gap assessment covering delivery, planning and management capabilities and their readiness to support digital business opportunities

‣ An actionable plan to build capabilities needed to support priority business opportunities

‣ All building toward a rapid launch toward readiness

Proven Capabilities and Strong Alliances Accelerate Business Value

Capgemini blends deep business and digital technology experience with strong relationships with best-in-class digital technology vendors to accelerate business value for our clients.
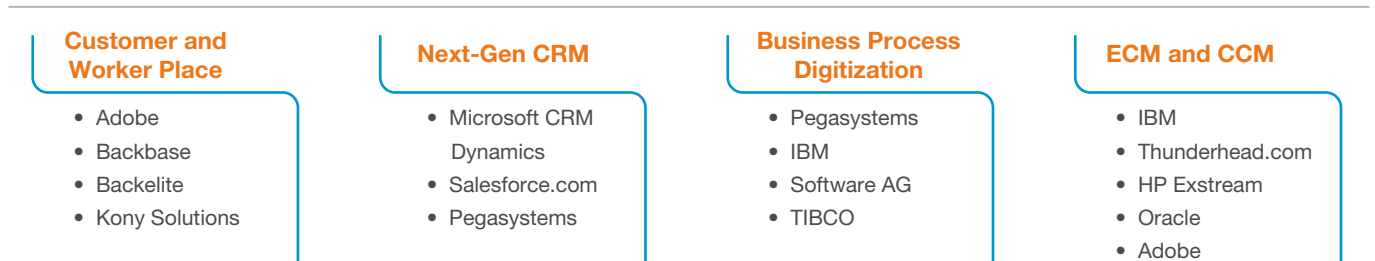
Banking expertise

Capgemini brings to our clients a deep knowledge of the banking industry and the business processes. We have extensive experience with both front and back end bank processes (such as branch transformation, best-in-class process automation and re-engineering, digital front office, automated tellers, credit loyalty programs, sales enablement and enterprise content management) that improves the speed and effectiveness of digital transformation. We have over 20 years of advisory and technology experience with banks, delivering more than 1,000 projects in the banking industry. We currently serve eight of the top 15 banks[1] and six of the top 10 consumer finance companies and have been named a Top 25 Enterprise Technology Vendor by American Banker's Financial Insights since 2005.

Strong alliances with digital technology vendors

Capgemini collaborates with leading vendors across all of our digital solution areas to bring the best technologies and expertise to each client situation (Figure 2).

Figure 2: Capgemini Collaborates Closely with Best-in-Class Technology Providers

Customer and Worker Place	Next-Gen CRM	Business Process Digitization	ECM and CCM
• Adobe • Backbase • Backelite • Kony Solutions	• Microsoft CRM Dynamics • Salesforce.com • Pegasystems	• Pegasystems • IBM • Software AG • TIBCO	• IBM • Thunderhead.com • HP Exstream • Oracle • Adobe

Capgemini has been named as Pega partner of the year 2015

Digital transformation thought leadership, methodologies and accelerators

Entrenched in working closely with global banks and FS organizations, Capgemini has built banking use cases and a repository of reusable frameworks and process accelerators that decrease time to market while reducing risks and costs for our clients. For example, our Rapid Design Visualization for user experience (UX) prototyping and simulation reduces user experience rework by up to 50% and accelerates time to market by up to 20%. We also leverage our FS User Experience framework and banking portal framework.

To be effective with better, faster and more sustainable results, different units of the bank need to participate in the process from the start, and leaders need to visualize the TO-BE (future) state and establish concrete steps toward it from day one. Our Accelerated Solutions Environment is designed to speed the value creation of collaborative journeys and deliver what would otherwise take many months using traditional methods.

1 Ranked by revenue; Forbes "The Global 2000" for 2013

Capgemini's FS Insights & Data Innovation Greenhouse provides a collaborative facility in which Capgemini assists clients in looking two or three steps ahead, harnessing disruptive technologies in order to bring about innovative and rapid change to the ways they do business. This incubator model gives companies a greater degree of certainty of potential outcomes for ideas without needing a full-fledged pilot, and allows ideas to be refined or discarded before significant investment is made. The joint nature of the co-innovation model also means that costs and risks inherent in any innovation process can be shared.

Finally, Capgemini's Technovision provides deep insights into digital technology trends and that are shaping today's digital landscape. Combining these insights with extensive knowledge of all aspects of information technology and proven transformational capabilities places Capgemini in a unique position to help businesses plan and successfully execute their digital journey.
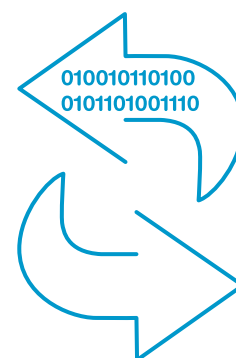
Embracing Digital to Differentiate and Improve Business Performance

In FS, differentiation rarely comes from products. Instead, distribution and the customer experience are key differentiators, and thus key areas for digital investment. Banks need to provide a consistent, highly responsive, multi-channel experience tailored to customer needs and supported by efficient, smart front and back office processes. Capgemini helps banks understand, plan for and manage their firm's digital journey. By undertaking the right digital initiatives aligned to the banks strategic objectives, banks can create more personalized customer interactions, achieve lean and cost effective operations, and provide new ways to go to market and increase customer intimacy.

IN PRACTICE: Driving Digital Transformation at a Leading Dutch Bank

A leading bank wanted to simplify its IT landscape while optimizing client intimacy and establishing itself as a premier online bank in the Netherlands. The bank worked with Capgemini to guide the bank's business and IT teams through its digital transformation. Leveraging our on-shore and off-shore model, Capgemini migrated the bank to a Backbase portal environment and Backbase CMS solution.
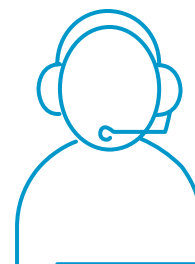
The team created a combined open and closed Internet banking environment and an employee portal environment and guided the bank towards a mobile strategy. The bank now has a Backbase Portal Manager environment managed by the business and is phasing out its costly legacy CMS solution, developing new business value at a sustainable pace and competitive rates.

IN PRACTICE: Optimizing Customer Service at a European Bank

A large national bank with more than 10,000 employees and 400 branches implemented the Odigo Voice Portal and Outbound Notifications. Contact center resources are able to focus on high value interactions while new automated services with speech recognition drive appropriate transactions to self-service. The bank has logged more than three million minutes per year of self-service Interactive Voice Response (IVR) in areas that bring the greatest efficiency including authentication, credit card activation, branch locators and account balances. It has also recorded

more than 600,000 SMS providing stock market alerts, balance threshold alerts, security access code notifications and other time sensitive messages. Of greatest significance is the impact that improved customer service has had on the caller's experience. The bank now offers modern, fast and simple interactions through a single Toll Free Number entry point of contact and speech recognition. Qualification and allocation ensure that callers are routed to the right destination whether that is self-service, IVR, branch or contact center.

A leading French bank wanted to enhance banking services in its branches and ease the process for scheduling of customer-advisor meetings. Prosodie-Capgemini collaborated with Backelite on the design, construction, and operation of three aspects of the New Definition Branch: the banking services screen, the reception terminal, and the applications on the touch screens and tablets. Services were designed to personalize the relationship between the customer and the bank through digitalized operations enabled by the touch-screen kiosks. Customers can access the services in new branches using multimedia technologies such as product films, and simulation on loans or insurance products.

IN PRACTICE: Transforming Mobile Banking for Real-Time and Secured Services

A leading bank in the UK wanted to provide a mobile banking application for all major operating systems (iOS, Android, Blackberry) across more than 15 countries. Capgemini collaborated with the client for end-to-end product development and implementation, and developed a multilingual cross geography Mobile Banking Application which offers advanced features such as security tips, and a single app for checking, saving, credit, and foreign currency accounts. The mobile application was built and deployed for branch staff across various geographies, and an unstructured supplementary service data (USSD) feature was deployed to enable mobile banking services in non-Internet zones.

How Can Digital Help Me Work Differently?

Opportunities for digital integration exist across the value chain. These questions will help you consider the best possibilities for your bank.

- How can I use digital to increase my understanding of customers and improve the customer experience?
- How can digital help me generate greater return from sales and marketing?
- How do I embed digital across all customer touch points?
- Where are the best opportunities to improve performance through process digitization?
- What are the right digital investment priorities for enhancing workforce communication and collaboration?
- How and where do I best use data to facilitate decision-making?
- How can I use digital to flavor my products and services?
- How can I create new digital business models, products and revenue streams?
- What opportunities exist through digital to redistribute decision authority or share services?

![Capgemini — CONSULTING.TECHNOLOGY.OUTSOURCING]

Banking | the way we do it

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Get started today

by visiting us at **www.capgemini.com/banking** or
contacting us at **banking@capgemini.com.**

About Capgemini

Now with 180,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion. Together with its clients, Capgemini creates and delivers business, technology and digital solutions that fit their needs, enabling them to achieve innovation and competitiveness. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at
www.capgemini.com

People matter, results count.