

## Straight-Through Processing – the digital transformation of customer experience

Client experience shows that Straight-Through Processing can increase sales by up to 30%, reduce fulfilment times by up to 80% and achieve cost savings of up to 20%.

Leading organisations are now adopting digital technologies in ways that increase sales by up to 30%, reduce fulfilment times by up to 80% and bring cost savings of up to 20%. This opportunity (or threat for those that fall behind) comes from digitising every aspect of the customer experience, from sales to customer service.

Capgemini's Straight-Through Processing (STP) solution is a proven way to do this. It replaces physical and paper-based activities with digital ones so that customers can complete any transaction or interaction in a single channel, without manual intervention. To customers, organisations that can provide this unified end-to-end experience become the providers of choice.

### The case for change

Recent research by Capgemini and MIT<sup>1</sup> shows that companies are feeling mounting pressure from customers (as well as from competitors and employees) to speed up their adoption of digital technologies. Customers increasingly expect to transact business via telephone, store, branch or mobile in a consistent, seamless way, and increasingly demand conveniences like immediate transactions and rapid delivery. They strongly object to cumbersome processes that get in the way, such as having to provide paper documents to prove their ID.

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<sup>1</sup>Digital Transformation – A Road-Map for Billion Dollar Organizations, MIT Center for Digital Business and Capgemini Consulting, 2011



Customers increasingly expect post-sales service to be available 24x7

**The solution: Straight-Through Processing**

In this demanding environment, old world operators with traditional processes are already losing customers to competitors who have defined and implemented STP.

The financial services industry coined the term “straight-through processing” to describe the ability to complete an entire transaction (such as a trade) electronically without the need for manual intervention. To Capgemini, STP is relevant to every customer-facing organisation. It is about:

- “making the physical digital”, that is, automating tasks that are currently at least partly manual and/or paper-based
- amalgamating separate steps into a seamless process that can take place in one channel

**Elements of Straight-Through Processing**

STP uses digital technologies to transform four key areas, all of which directly or indirectly affect the way the organisation interacts with customers:

- **Customer authentication and fulfilment**
- **Real-time offer decisioning**
- **Secure messaging**
- **Business process modelling**

**Customer authentication and fulfilment**

Particularly in the financial services, retail and public sectors, customers are often asked to provide physical proof of ID in a branch or by post before they can complete a transaction.

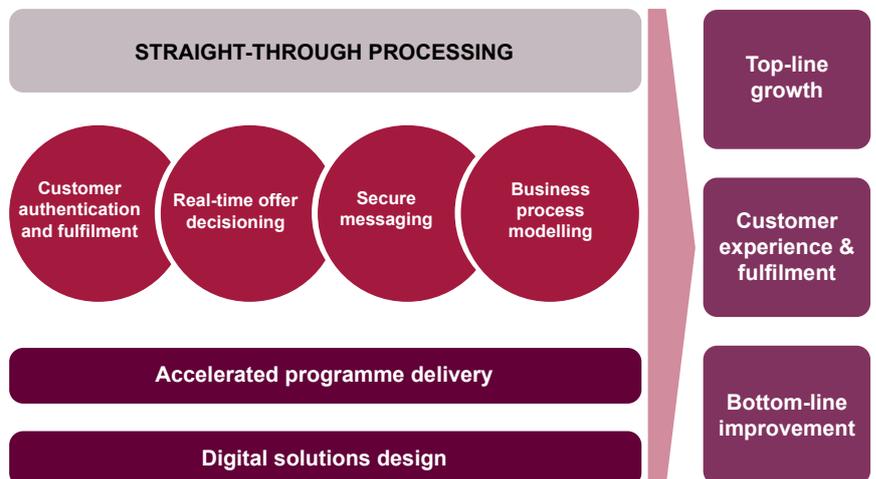
Instead, companies can now authenticate customers online, using a variety of accredited information sources, internal and external. Real-time authentication creates an uninterrupted customer journey, where the whole transaction can take place in a single channel. Fulfilment times are drastically reduced.

**Real-time offer decisioning**

Many trusted data service providers in the “digital ecosystem” offer information about individuals’ histories, behaviours and preferences. A single data source gives only a one-dimensional view, but there are now “digital aggregator” solutions that combine data from multiple sources into a rich, real-time view of the customer.

A “real-time offer decisioning engine” is a piece of software that uses this aggregated customer data to identify the best and next-best offers for a given individual at a specific point in time. This ensures that customers

**Capgemini’s Straight-Through Processing solution**



receive only relevant offers, improves sales, cross sell/up sell and servicing, and also reduces organisational exposure to default or fraud risks.

**Secure messaging**

Customers increasingly expect post-sales service to be available 24x7. Digital messaging is the most affordable way to meet this expectation. Secure, confidential digital messaging solutions are available, and can automate key outbound and inbound customer communications via virtually any medium: SMS, email, digital lockboxes, live chat, FAQ support, PDFs, letters, mobile apps or social media.

As well as satisfying customers, secure messaging saves money by eliminating calls to contact centres, paper-based processes and postage costs.

**Business process modelling**

A digital strategy needs to benefit the organisation in the future as well as the present. Technology must be flexible enough to adapt as the business evolves its operating models, introduces new products and services, or responds to market changes.

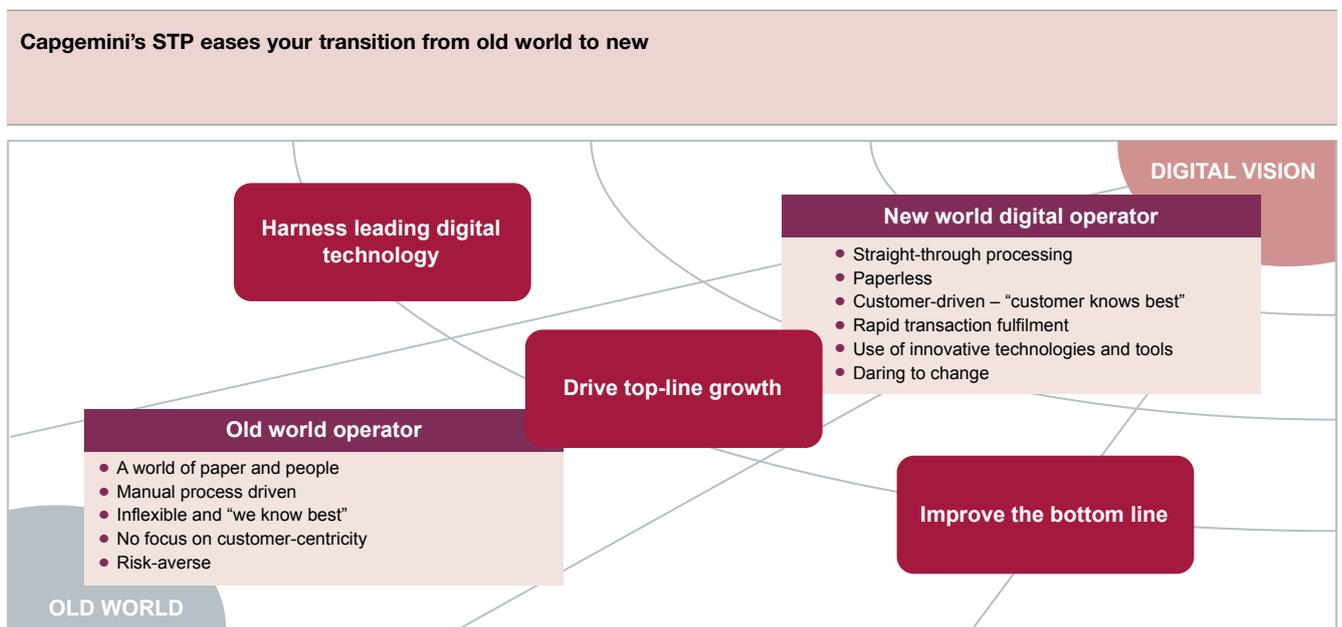
Old world technology typically featured “hard-wired” process models, so that process change took months, if not years. Today, business process modelling makes it possible to reconfigure processes in days.

A business process modelling toolkit creates business and customer scenarios using visual prototypes. Any required changes can be clearly articulated across the end-to-end customer process, and the benefits of change can be mapped. This approach can dramatically reduce the time taken to implement a change, making the organisation more agile.

**Case study: major financial services company**

Capgemini has worked with one of the world’s largest financial service organisations to achieve digital transformation. In collaboration with the client, we used STP techniques to implement a new world-class multichannel sales platform and associated business operating model. Application of digital technologies has yielded major financial benefits through sales uplift, cost savings (from operational efficiencies and removal of paper-based activities) and customer experience improvement. The client is already realising tangible benefits worth several million pounds.

**STP brings a triple opportunity: top-line growth, bottom-line improvement and enhanced customer experience**



## Why Capgemini?

Capgemini is at the forefront of digital transformation for our clients. Our combination of business and technology implementation expertise, plus digital alliance partners, positions us uniquely to meet your needs.

For us, STP is more than a theory – a number of our clients are already achieving major benefits from it. We can help you transform your business rapidly and safely to realise STP's triple opportunity.

### STP benefits: the triple opportunity

#### Top-line growth and profitability

- Sales increased by up to 30% through improved conversion rates and effective offer decisioning
- Reduced customer churn

#### Bottom-line improvement

- Accelerated adoption of paperless processing
- Reduced use of manual processes
- Cost reductions of up to 20%

#### Enhanced customer experience

- Fulfilment time reduced by 80% or more e.g. from several weeks to one day
- Improved, seamless multichannel sales experience
- Detailed analytics for decision support



## About Capgemini

With around 120,000 people in 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2011 global revenues of EUR 9.7 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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