Tomorrow’s Banking Today with Capgemini Connected Banking

Next generation of innovative, flexible and highly customer-centric banking experience
Over the past few years, it’s become clear that bank customer expectations are changing significantly. Their interactions with other merchants and, particularly, with digital-native companies such as Amazon and Apple have reset both consumer and commercial expectations of banks. Customers are insisting banks provide easy, convenient, and contextual banking anywhere at any time.

To stay ahead, banks must make themselves central to customers’ lives, using analytics to deliver natural, intuitive and intent-driven experiences, and value-added products and services. By using analytics to predict what customers need and want, banks can provide those things in the most personalized way, at the time they want and in the channel they prefer.

Banks are taking digital actions, addressing front-end parts of the banking value chain such as mobile payments or customer self-service. But these innovations aren’t sufficient. Digital front-end capabilities require equally nimble mid- and back-office solutions capable of rapid evolution. Otherwise, banks bogged down with old and inflexible legacy infrastructure can fall short of achieving the agility they need, and experience costly operational inefficiencies.

“The fundamental principle of experience-led banking is that every transaction the bank has ever done is used to inform the next transaction and to provide information to the consumer.”

—John Schlesinger, Chief Enterprise Architect, Temenos

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“More than 75% of banks’ IT budget goes towards maintaining ageing IT systems.”


“Many banks still use decades-old banking platforms; these can result in business limitations that create serious, if not threatening, barriers to success. …If they fail to implement this transformation, banks will find themselves moving at low speed — and will find it hard to win, serve, and retain customers.”

—Jost Hoppermann’s Blog, Forrester, November 6, 2014
Don’t Create, Curate

Today a bank’s new product introduction can take months due to the need to modify and deploy legacy systems for each new product. Scaling technology – both hardware and software – is costly and time consuming to size, approve and deploy. With each change to a decades-old platform comes the risk of introducing unanticipated issues that could threaten the entire production environment. As digital-savvy competitors such as Apple Pay, Google Wallet, Venmo, and SmartyPig step boldly into the financial services sector, banks must move aggressively to reengineer their legacy end-to-end infrastructure to deliver the experience-led banking their customers demand.

For banks trapped in a complex legacy-systems environment, the prospect of replacing legacy platforms is daunting. It’s time-consuming, expensive and fraught with risk. But what if there were a better way to provide the entire spectrum of banking services? There is: instead of creating a new solution, curate it. Adopt a pre-built, end-to-end ecosystem of best-in-class systems to reduce time, cost and risk as well as increase flexibility and agility. Then, rather than consuming vast resources with lengthy technology transformation, you can focus energy on differentiation, customer insight and engagement models.

“Commonwealth Bank of Australia said moving storage to the cloud cut costs in half. Expanding technology has also become easier and cheaper; while before it took the bank eight weeks and several thousand dollars to stand up a new server, now it takes eight minutes and 25 cents to do the same thing in the cloud, making the bank much more responsive to changing customer demands.”

—“Some Banks Are Heading to The Cloud – More Are Planning To.” Forbes, June 26, 2014
Embracing Innovation with Capgemini
Connected Banking

As a faster, cheaper and easier alternative to lengthy, risky and costly legacy systems replacement, Capgemini Connected Banking represents a revolutionary step forward in providing banking services throughout the value chain. Capgemini’s platform is a hosted, scalable ecosystem of banking products and services based on T24™. Built with proven, ‘leader in class’ industry products and services, this is next generation banking without the costly infrastructure. It’s flexible, utility-based or hosted model is fully scalable and designed for today’s varying investment appetites.

An intuitive and highly differentiated banking platform, Connected Banking empowers banks to provide fully integrated, personalized, digital customer experiences across all channels powered by strategic insights and analytics.

The next generation of customer-centric banking services

Connected Banking is centered on a single value proposition: deliver the best connected banking experience a customer can have, regardless of digital or traditional channels, or entry point for banking services. We help banks deliver a digitally enriched customer experience, supported by personalized, customized and tailored offerings that cater to each individual customer’s direct needs and we do it at every step of the value chain from first contact to pricing and payments, from front-end interfaces to fully integrated back-office systems.

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**Connected Banking in Practice: Natural Language Voice Recognition**

Mary uses her smartphone to call her bank. She is greeted by a digital assistant, enabled by natural language voice recognition. Mary says she would like to check her account balance and is asked to provide a password. She responds, “My voice is my password” and the system’s voice-based authentication approves her security.

The digital assistant proceeds to report her checking and savings account balances and reminds her that a credit card payment is due soon. Mary says, “I would like to make my credit card payment.” Once Mary clarifies which account to debit, the payment is processed and the account balances are adjusted. Mary completes the call satisfied that her needs have been met quickly, easily and securely.

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**Connected Banking in Practice: Account Opening**

Liz wants to open an account for her minor son with her bank. On her way back home office, she starts filling up the form on her smartphone. Meanwhile, she received an important call. She does not get time to complete the form before she gets home. At home, she opens her laptop and continues where she left off. Once she submits the form, she receives an instant message that the account has been opened and she can choose to upload the document or drop these at the branch.

Liz is happy and satisfied that her banks saves her valuable time and takes into consideration her convenience.
Through powerful customer analytics, bank representatives can seamlessly access every piece of customer or institutional information necessary to proactively structure new client-specific products, address needs and effectively respond to customer demands. By monitoring customer touchpoints such as mobile, Internet and social media, banks can map customer preferences and services. Using this data, banks can quickly react and tailor an offer just to that individual in real-time while he or she is transacting with the bank. Customer-specific needs such as special product pricing, features, discount levels and loyalty levers can be adjusted “on-the-fly” by an online advisor; the offer can be either pitched proactively to a customer the next time they log in or sent via an automated e-mail trigger. In this way, banks are now able to market to customers individually, truly serving the “Segments of One”.

Capgemini Connected Banking enables banks to tailor user experiences with customer-centric features and to implement advanced security features such as biometrics and natural-language voice recognition. New-product creation, improved decisioning, faster pricing and digital-payment processing are some of the additional capabilities of this integrated digital-applications platform.

The platform helps banks support the performance expectations of customers with integrated and seamless, straight-through-processing (STP) functionality connecting front-, middle- and back-office operations. Connected Banking is architected to deliver on the promise of customer-centric service.

“A cloud-based system of shared IT infrastructure operates at much higher levels of capacity utilization, which effectively makes the system up to 12 times cheaper to run.”

—John Schlesinger, Chief Enterprise Architect, Temenos

1 “The customer segment of one” refers to banks’ desire to create a unique, natural, intuitive, and intent driven customer experience for each individual customer.
An Ecosystem of Market-Leading Systems

Designed based on the principles of flexibility, scalability, and openness, Capgemini Connected Banking can be deployed as either a utility-based or hosted-service model. This option provides banks with the flexibility to implement a solution that best meets their unique needs.

At the heart of the platform is TEMENOS T24™, which serves as the core banking solution for retail, corporate, trade finance, wealth management and Islamic banking capabilities. T24 is a complete front-to-back-office solution that incorporates customer relationship management, data analytics, channel integration, loyalty programs and loan origination as well as general ledger, billing, pricing, and payments processing. T24 employs a modular service-oriented architecture so banks can deploy and integrate the required functionality aligned to support the processing needs of their business operations.

T24 is complemented by state-of-the-art, pre-integrated banking solutions for fraud, KYC (know your customer), AML (anti-money laundering), cards, payments, omni-channel customer-experience management, decisioning, arrears and complaints, and regulatory compliance. Numerous leading providers of best-in-class solutions comprise our partner ecosystem, including Experian, First Data, HID Global, SysArc Informatix, Lombard Risk, BAE Systems, Microsoft, Aptean and FundTech. Capgemini Connected Banking is orchestrated as an end-to-end, highly flexible, and secure digital-applications ecosystem to give banks a fast, low-cost, scalable way to address legacy issues.
Exhibit 1. Strong digital channel capabilities supported by flexible, adaptable, and real-time core

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<th>Payments</th>
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<td>Multichannel call routing</td>
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Core Banking Temenos T24™

Regulatory & Compliance
Integrated regulatory reporting
- FSA compliant reports
- Mortgage lending & administration returns
- Retail mediation activities returns
- Dodd-Frank, FATCA, Basel III & other regulatory reports
- European Banking Authority & prudential regulation authority reports

Fraud, KYC & AML
Real-time online platform for fraud management
- Payment fraud, first party fraud
- Deposit fraud: checks & direct credits
- Card & insider fraud

ID & V Security
- Multichannel authentication
- Device & multifactor authentication
- Authentication policies & governance
Driving Dramatic Benefits to Both Top and Bottom Line

For banks competing in a digital world, Capgemini Connected Banking is a platform for both growth and cost optimization. Through its ecosystem of pre-configured solutions, Connected Banking can support a customer-focused banking experience cost-effectively. Banks are able to predict what the customer wants and deliver incrementally more responsive and personalized digital user experiences with each interaction (Exhibit 2). Providing a relevant experience results in greater customer loyalty, a larger share of wallet, improved spreads and overall growth.

Connected Banking also provides the agility that accelerates time to market. The flexibility and easy configurability of the platform across front-, middle- and back-office operations expedites the development and introduction of new products and services, and it empowers business users by removing the need to rely on technology teams to implement changes. These features make it possible for banks to deliver personalized and tailored products and services in a few hours instead of weeks or months.

As a pre-integrated ecosystem of solutions, Connected Banking start-up is quick. Its modularity minimizes the need for customization, and it accelerates the bank’s transformation to a customer-centric, experience-led business. The multi-tenant nature of the platform provides horizontal and vertical scalability to support new entrants to the industry, as well as established banking institutions.

Exhibit 2. Best connected banking experience while reducing cost to serve

6 ways banks can save costs with Connected Banking

1. Lower cost of operations due to increased user and IT productivity and reduced technology cost
2. Reduced upfront costs and IT capital investment due to cloud-based platform and pay-per-use model
3. Affordable storage and processing capability from optimal provisioning
4. Less resources required due to Connected Banking’s open standards-based integration which allows for easy “plug and play” capability
5. Technical resources aren’t needed to run the technology
6. Less investment required to maintain compliance with regulatory standards since Capgemini and our ecosystem partners are continuously making their own investments in regulatory expertise and functionality
Delivered in a Secure Model that Fits Your Needs

Based on the bank’s preference, Connected Banking can be delivered as a secure private cloud service or on a hosted basis. Consumption-based, operational-expense-aligned pricing is structured per module, per account and is linked to growth. Clients can also choose to run their own platform.

As cloud providers increasingly invest in security, a well-implemented migration to the cloud can result in higher levels of security than an in-house system. Through our chosen cloud provider, Capgemini Connected Banking gives our clients access to industry-leading levels of security, data protection and compliance processes. This Capgemini solution meets a broad set of international and industry-specific compliance standards including ISO/IEC 27018, ISO/IEC 27001:27002:2013, PCI DSS, CDSA, CJIS, CSA CCM, FDA 21 CFR Part 11, FERPA, FedRAMP, FIPS 140-2, SOC 1, and SOC 2 as well as country-specific standards. Adherence to the strict security controls these standards mandate is audited through rigorous third-party assessments, and customers can verify the implementation of many security controls by requesting audit results.
Connected Banking Puts You Ahead of the Game

Connected Banking provides a platform to carry banks far into the 21st century, and Capgemini has the right experience to deliver it. Our capabilities span the full banking value chain, helping us stand apart from traditional core-banking providers. We are the only provider with a fully tested and implemented solution.

Working with a single provider like Capgemini—a proven, global systems integrator—that has control over all components of design, implementation and ongoing management helps banks implement the solution they want quickly and with less risk. With a clear vision of a future influenced by disruptive technologies, a deep understanding of financial services and a proven global delivery capability, Capgemini can cost-effectively accelerate your journey to experience-led banking.

A Case for Connected Banking

A multinational UK bank needed a scalable, customer-centric solution capable of supporting their business processes across multiple jurisdictions. Following a 3-day Advanced Solutions Environment workshop, the bank selected Capgemini to implement a Connected Banking solution. We have been able to configure and prove this framework in a Model Office environment that demonstrated some of the integrated capabilities of the platform within 4 – 8 weeks thereby building understanding and confidence in the solution. The bank’s ultimate goal: to decommission its legacy core-banking systems, reducing operational costs and gaining the agility needed to deliver the next generation of innovative, customer-centric banking services.”

Exhibit 3. Proven expertise to accelerate your transformation journey

Customer-centric banking experiences and customer journeys require innovation to drive intelligent multichannel banking; socially “engaged” banking. Plus they require data and the financial and non-financial ecosystem to support it. Talk to us about a new way to attain and offer innovative, Connected Banking services for your customers.
You can now gain first hand experience of Connected Banking capabilities by requesting for a product tour.

Register here and we will show you how we are helping banks build world-class platform to deliver truly customer-centric banking service.

For more information, please contact us at banking@capgemini.com or visit us at www.capgemini.com/connectedbanking

About Capgemini

With more than 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 2015 global revenues of EUR 11.9 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

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