Banking strategy consulting

Strategy consulting helps companies transform the way they do business. We help our clients achieve competitive advantage through a fusion of business, customer and technology strategies and an explicit linkage of critical issues to actions and results. We bring our clients the resources of IBM Global Services, the largest services company in the world, and the first-hand operational experience the IBM Corporation has gained over the course of its ten-year transformation.

Below is an example of our insights and work in the banking industry.

LAUNCHING A SUCCESSFUL WEALTH MANAGEMENT EXPERIENCE

The Issue:

Caught between retail and private banking, a number of mass affluent online offerings are given second priority. The result is typically an accumulation of piece parts built on top of a traditional retail banking Web site. The launched product can be a watered down, non-competitive site that does not have adequate links to a bank’s relationship managers nor expected tools, content, and functionality.

Our Perspective:

First, the online channel should complement the offline advisor of the client relationship. Second, a mass affluent online experience needs to start with a systematic look at the bank's unique needs, the definition of the specific requirements for this segment, and the careful management of the build and releases to ensure what gets delivered is what was envisioned.
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Case in Point:

A major multi-national bank had spent over a year and in excess of US$10M to build a website for its customers. The review across functionality, usability, content and design demonstrated that the customer experience would be lacking in all dimensions. The bank needed to realign the customer's online experience with its original vision of the offering.

A joint IBM-bank team launched a new wealth management service, starting initially with a competitive analysis of its planned online offering. The team then worked to establish the value proposition, detailing over 100 online needs of the mass affluent segment and drafting a new set of business requirements. The new goals were to:

- Enhance the advisor to customer relationship
- Deliver expected 'must have' functionality, tools and content
- Provide a seamless easy-to-use experience, and
- Support the wealth management brand.

Parallel to supporting the web site launch, the team worked with the wealth management executives to identify, scope, size, and roll-out offline support linked to the online experience. They mapped over 150 interaction scenarios where an online event triggered an offline task in call centers or operations centers. Finally, the new vision requirements were then documented for operational and IT teams to build out the remaining capabilities.

Consequently, the bank re-launched a competitive mass affluent offering on-time and integrated with its offline efforts.

BACK TO BASICS IN RETAIL BANKING

The Issue:

As banks roll out more services, offers and products, a customer's experience can become more time consuming and confusing. It can become difficult, if not impossible, for a staff member to articulate why a customer has to
answer certain questions, fill out specific forms, or follow certain steps. Customers who feel overburdened will, over time, move to a channel or competitor that has a cleaner and easier to follow process for requesting and using a bank's services.

Our Perspective:

Banks need to analyze their base processes, challenge beliefs and history over how to serve a customer, and create a vision for a streamlined experience. This vision should be translated into very specific actions that will simplify the steps, communication and collateral given to a customer. Implementing a simpler process for customers should lead to parallel results of lower costs for the bank, as well as a better experience for bank staff.

Case in Point:

One of the largest European retail banks had an ongoing commitment to growing branches and had historically not opened accounts through other channels like call centers or online. Over the last few years, as it rolled out new services, customer satisfaction scores had dropped.

A joint IBM-bank team developed a vision and detailed definition of a new account-opening process across all channels. We defined the minimum sets of questions (legal, business, and marketing) to be part of a new customer deposit account-opening process. The set of questions was then used to define other cross-selling efforts such as opening savings, credit card, and loan accounts. The team tested the current experience with in-branch interviews in a number of cities and built prototypes of the envisioned experience across branches, call centers, post and the Internet.

For each step in the account opening process, they created a vision of streamlined customer experience and business processes for each channel. The bank's CEO and senior team adjusted the vision and the bank is now in the process of implementation.

The bank is now tracking the success of their new plans against anticipated benefits to the customers and to the branch. Expected benefits to the bank include:

- Lower attrition rates due to improved customer and employee satisfaction
- Less paper dependence
- Reduction of average staff time involved in opening accounts
- More consistent processes across branches and brands
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- Reduction of branch system screens by 75%
- New metrics to target.

Expected benefits to the bank’s customers include:

- Two-thirds reduction of in-branch time to complete applications
- New collateral that more clearly explains process
- New choices to open accounts over the phone, via post or online
- Overall improvement in experiences/interaction with bank and satisfaction with services.

Additional links

Multiplying business value: The fusion of business and technology
Consultants have long proclaimed the need for strategic alignment between business and IT: Set your business strategy, and then determine how technology can help. Unfortunately, traditional alignment approaches invite risk and leave opportunities untapped. Higher returns can be achieved through a higher degree of strategic alignment - the fusion of business and IT.

Closing the performance gap: Back to basics for the U.S. banking industry
Banking institutions across America show a striking dichotomy in terms of stock performance. Those that remain at the top of the charts display strategies and attributes that consistently garner shareholder value. A recent study by the IBM Institute for Business Value suggests that while their methods may vary, these leaders share three distinct strategies.

Weathering the economic downturn… while moving ahead
While the economic downturn has hit some sectors and geographies harder than others, almost every business has felt its impact. At the same time, economic uncertainty elicits different reactions from different firms. Some organizations simply tread water, while others move ahead of competitors. As executives rethink their business strategies, they should consider a variety of approaches -- including some that are not immediately obvious given today’s uncertain economic climate.