

Banking

Banks face a challenging business environment with international competition, greater regulation and a struggling economy. They must respond by becoming more agile and adaptable—while also reducing costs.

Banks must address three key imperatives: clients, agility and risk while differentiating themselves by optimizing client channel interactions, delivering user-centric offerings and turning clients into advocates. By streamlining operating models, modernizing IT, and reducing the IT/business disconnect, banks can become more agile and continue to drive down costs. To combat risk, banks must continue to improve governance models and ensure comprehensive, accurate and timely data.

Inflexible, complex operations and siloed data can make addressing these elements difficult. Systems and applications are interlinked to support enterprise processes, yet are often one-off direct connections between back-end data and business processes. With this approach, banks can't adapt easily to change and suffer at the bottom line.

Differentiate from the Competition

Banks can address these challenges and differentiate themselves through business model innovation and business process optimization. IBM BPM powered by Smart SOA™ can help business

50%
of customers would give
their bank only two
chances to fail before
considering a change
in banks.*

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and IT collaborate to bring high-demand offerings quickly and cost effectively to market. Using BPM, banks can automate manual processes and share or reuse existing processes across lines of business to capture best practices, speed implementation and make client business transactions simpler. IBM BPM also gives banks the flexibility to adapt quickly to new banking regulations, minimizing the impact of change to the consumer.

Automate, Optimize and Integrate Processes

BPM enables you to:

- Implement a unified business process flow across all channels, allowing customers to use multiple channels to conduct business
- Automate the account opening process to cut costs and increase application throughput
- Adapt the payment process to modify supporting applications without extensive programming
- Monitor to identify payment process breakdowns, react quickly and reduce manual intervention
- Gain timely insight into potentially fraudulent activities and take action before they become problematic

By developing an automated account opening process the retail banking division of a large international bank was able to reduce its staffing costs by 40 percent, its archival and rejection costs by 25 percent and its turnaround time from seven days to three. With the bank's newly compacted 38-step process, employees can now handle 54,000 applications per month, which is a 100 percent increase over previous levels.

Automate Key Decision Points

IBM ILOG Business Rules Management Systems (BRMS) add decisioning capabilities throughout core processes and across lines of business. Banks can add intelligent decisioning capabilities to key loan and credit decisions such as pre-qualification, underwriting, eligibility, pricing, risk analysis, credit grading and cross-sell. They can also reduce costs while maintaining service levels. BRMS can help banks react faster to fraud while reducing false positives. It can also automate the financial value chain in the Payments, Anti-Money Laundering (AML) and Fraud Detection processes.

Speed Time to Value with IBM Banking Industry Accelerators & Frameworks

The IBM Banking Content Pack offers prebuilt banking assets to accelerate delivery of BPM-based projects using banking standards such as International Organization for Standardization (ISO) 20022, Single Euro Payments Area (SEPA), and

Business Process Management

www.ibm.com/bpm



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National Automated Clearing House Association (NACHA). With the Banking Content Pack, leverage a library of offerings to meet your unique business needs in: Core Banking, Payments, Customer Care and Integrated Risk Management. Utilize extensible Mortgage Refinancing and Corporate Payments solution scenarios that serve as starting points for Proofs of Concepts and solution implementations. The IBM Banking Content Pack is a core offering of the IBM Banking Industry Framework.

The IBM Banking Industry Framework helps you build a configurable, industry-specific software platform to deploy solutions faster and at lower cost and risk. This framework can help you migrate to a more strategic and flexible technology architecture that is aligned with the needs of your business, one project at a time. Increase your competitiveness by taking advantage of a structured approach that combines best-in-class banking software assets, repeatable software patterns and IBM Business Partner offerings to improve customer care and insight, integrate risk management and deliver efficient payments systems and core banking transformation.



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Reference:

* "Delivering a better branch experience",
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Finance online. Published by SPG Media Limited
http://www.erfonline.com/vendorsolutions/erf002_014_brickstream.htm

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