

## Help maximize customer base and revenue. Optimize the efficiency and cost of account opening processes.



### Highlights

- Help deliver real business value with an integrated solution that transforms the account opening process
- Minimize operational costs by replacing paper-based manual processes with electronic forms that simplify data capture and eliminate keying errors
- Maximize responsiveness to customers and business productivity by leveraging a common content repository
- Manage risk and exposure to fraud by automating application processing and making the right credit offers to the right customers
- Optimize costs and performance throughout deployment and ongoing operations by modeling and monitoring account opening processes
- Maximize the speed of account opening by delivering a seamless interface and enhanced collaboration capabilities to clients and staff

### Account opening inefficiencies hamper efforts to attract customers and cut costs

Driven by customer expectations and competitive pressures from market leaders, banks are reassessing their delivery and customer management strategies. By eliminating inefficiencies, they are able to reduce costs and attract and retain customers. In particular, account opening processes represent a substantial opportunity to improve the productivity of a critical customer-facing process — while driving down costs.



*According to analysis of a global bank's activities by the IBM Institute for Business Value, 20 percent of the bank's total development and processing cost base was for account opening and 22 percent was for account maintenance.\**

Across the phases of an account opening process — presale, application, verification, and fulfillment and activation — banks are experiencing major issues that make it difficult to achieve their business objectives. First, redundancies and dispersed systems complicate banks' efforts to improve both customer service and account opening closure rates. As banks have grown — especially through mergers and acquisitions — they have multiple IT systems that often duplicate cross-enterprise functions.

The clearest example is customer information. Today, banks usually keep this data in various formats on many different systems across organizational silos. That makes it difficult for banks to respond quickly and in a consistent way to customers — or to leverage a more complete view of the customer to facilitate marketing efforts that would help optimize closure rates.

Inefficiencies throughout account opening processes unnecessarily raise transactional costs. The source of these costs can include:

- High administrative costs for storing and managing paper-based documents.
- Multiple, complex and poorly designed forms that cause high error rates when input from paper to computer.
- Slow and redundant manual processes.

Opening new accounts requires identification documents, application forms, credit documents and more. High costs are only one problem associated with storing and managing paper-based documents. Additionally, these inefficient processes have a substantial negative impact on employee

productivity, as well as on the bank's abilities to respond quickly and accurately to customer inquiries and to capture customer information across the enterprise.

### **Leverage industry-specific software from IBM to optimize account opening processes**

To address these challenges, a number of banks currently deploy point solutions that only target one account opening hot spot or another, such as online forms that capture customer data and document scanning. Such point solutions lack the end-to-end capabilities and interoperability that banks of all sizes need to optimize customer service, minimize operational costs and address numerous regulations and legislation for securing customer information and business documents.

Banks are seeking solutions that provide interoperability, ease of use, security and multichannel enablement across the entire account opening process. Essentially, solutions that can deliver real business value and help banks differentiate themselves from their competition.

IBM solutions for banking bring together IBM's extensive portfolio of hardware, software and high-value services — and its wide network of partners — to address the most prevalent challenges for clients in the industry. IBM solutions and banking experience help our clients accelerate their progress in becoming an On Demand Business — so they can respond with flexibility and speed to virtually any customer demand, market opportunity or external threat.

IBM Workplace™ and WebSphere® are key software building blocks of the IBM solutions for banking. IBM Workplace helps transform the way banking works — making people more

productive by enabling them to make well-informed decisions and take targeted actions, rapidly. And IBM WebSphere delivers business flexibility through information and process integration, and IT infrastructure optimization.

IBM account opening for banking is a set of integrated components that helps banks automate, integrate and accelerate the process for opening new accounts. It supports the following solutions for banking: multichannel transformation, customer insight, core systems transformation, and risk and compliance.

IBM account opening for banking helps banks optimize the efficiency and cost of each phase of account opening, as well as of the entire account opening process — from initial customer contact to fulfillment. Solution components can be integrated into a bank's existing environment. These best-of-breed technologies are highly secure, reliable and scalable, and are proven in the marketplace.

IBM account opening for banking can enable banks to:

- Establish a unified view of customer account information across multiple channels.
- Leverage customer information to deliver the role-specific information and tools that staff need.
- Automate manual workflow processes to help speed account opening and minimize costs.
- Optimize the efficiency and effectiveness of every phase of account opening — including presale, application, verification, and fulfillment and activation.

### Derive substantial value from business information

IBM account opening for banking includes IBM DB2® Content Manager software, which captures, manages and stores customer account information in a common repository, across the phases of account opening. DB2 Content Manager software enables banks to leverage their information to transform the account opening process. Customers and employees can access the same electronic documentation. Furthermore, customers can select their preferred channel through which they access account information — helping banks to optimize customer satisfaction.

Establishing a common repository of information can also help banks speed the account opening process by enabling employees to be highly productive. Tellers and other customer-facing staff can respond rapidly to customer requests when they can search and retrieve customer account information easily and quickly. The software also helps personnel collaborate on customer information across diverse applications, business processes and geographic boundaries to quickly resolve customer problems and speed account opening.

*“By transforming our business processes to give employees real-time, electronic access to a common repository of comprehensive information, the bank is now meeting our very high standards for customer responsiveness.”*

— Jana Bulkin,  
Senior Consultant for Archive and Workflow Solutions,  
HypoVereinsbank

To help banks optimize the account opening process for audits, IBM facilitates management of account opening documents throughout their life cycle — in accordance with internal policies and external compliance regulations.

### Drive productivity by providing role-based information and tools to employees

Deploy IBM Workplace software for banking to give the appropriate, customized functions to the different personnel within the bank — including tellers, platform officers and branch managers. With this capability, banks can optimize staff productivity by:

- Minimizing the time employees spend looking for information.
- Automating workflows that route customers through the account opening process.
- Capturing additional data that the bank can leverage for its up-selling and marketing efforts.

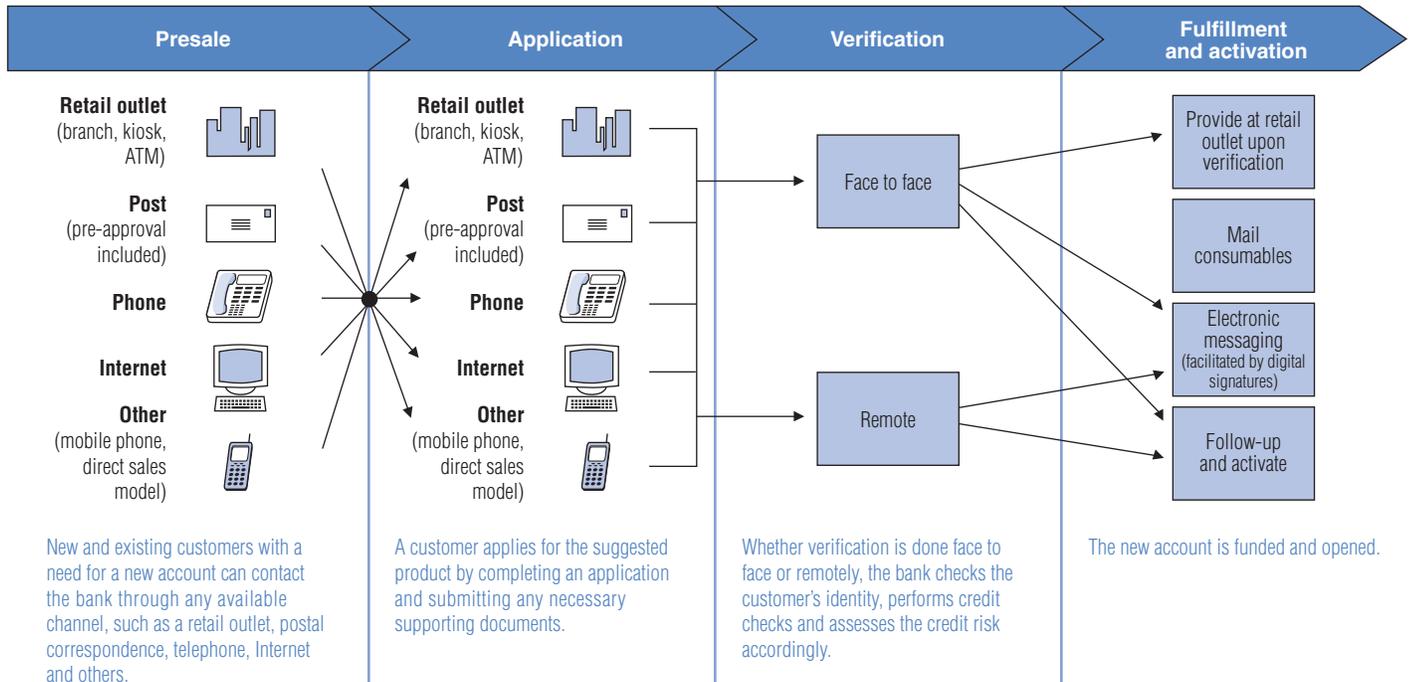
### Integrate workflows end to end across account opening

IBM account opening for banking includes WebSphere software that helps banks deploy an integrated account opening solution. The keys to achieving an integrated solution are workflow and business process management capabilities across all phases of account opening.

These capabilities automate previously manual processes. Examples include:

- Running parallel bank processes that have many approvers, so that not everyone has to wait while an approval form sits in one person's “in” basket.
- Process workflow that helps banks address regulatory compliance obligations.
- Process modeling and monitoring to help optimize costs, performance and project risk.

## Four phases of a basic account opening workflow



Source: IBM Institute for Business Value analysis.

Because WebSphere software integrates with applications and Web services across the enterprise, banks can optimize workflows while leveraging their existing account opening software, hardware and Web services.

### Optimize processes in every phase of account opening

Typically, account opening can be divided into four distinctive phases — each of which is addressed by IBM account opening for banking:

#### Presale

During the presale phase, banks can use IBM account opening for banking to optimize the product and service offers they make to customers. By leveraging the power of the IBM Banking Data Warehouse combined with marketing and sales applications from Siebel — an IBM Business Partner — banks can:

- Make the right offer to the customer at the right time in the right channel.
- Automatically target specific products based on customer needs.
- Leverage real-time insights to make intelligent decisions that drive sales.
- Create positive first impressions with customers.

### **Application**

To help simplify and speed the application phase, IBM account opening for banking enables banks to replace paper forms with electronic forms — and thereby optimize the capture, management and storage of customer account opening information.

DB2 Content Manager software integrates with electronic forms technology from Adobe and PureEdge — both IBM Business Partners — to help banks automate data capture. These integrated offerings work both in the branch and through customer self-service channels to enable banks to:

- Use common application forms enterprise wide.
- Store the digitized information in a centralized repository of customer information.
- Help minimize both error rates, by prepopulating existing customer information and abandonment rates, and by simplifying the form-filing process.
- Dynamically personalize forms based on the data entered.
- Rapidly validate the accuracy of data and provide immediate feedback to the customer when information needs to be corrected.

With DB2 Content Manager software, bank loan processors, branch tellers, call centers and other authorized staff can enjoy cross-organizational visibility into customer account information — including application forms and supplementary documents such as employment verification faxes, salary letters and much more.

### **Verification**

Fair Isaac Capstone® Decision Manager can be integrated with IBM account opening for banking to help banks simplify application analysis, make precise decisions by leveraging customer information data sources, analyze bank-defined credit policies and automate workflow management.

As a result, banks can:

- Mitigate credit risk and bad debt.
- Make optimal initial offers.
- Minimize fraud losses.
- Automate approval of credit applications from low-risk customers.

### **Fulfillment and activation**

Fulfilling a product is often where customer satisfaction is won or lost. Banks must create loan documents, dispense funds or checks, and more with speed, accuracy and real convenience for the customer.

To achieve these goals, banks can leverage the IBM software, in combination with Siebel solutions, to automate notification of account activation and follow-up correspondence. They can proactively reach out to customers to make sure they received all deliverables and understand how to activate and use the product or service. Banks can also monitor and track account usage to help ensure that subsequent marketing and sales campaigns are effective.

### IBM account opening for banking helps banks:

- ✓ Address both the workflow requirements for the account opening process and the workflow required to successfully integrate the solution across the entire enterprise.
- ✓ Minimize operational costs.
- ✓ Facilitate customer acquisition and retention.
- ✓ Maximize customer satisfaction.
- ✓ Support efforts to establish a service oriented architecture with flexible, reusable, extensible business capabilities

### Extend the value of existing systems

Further modernize and extend the value of an investment in existing applications with the IBM Software Development Platform. This platform provides a comprehensive solution to assess and revitalize banking applications and systems — thereby further aligning IT with bank needs, strategy and mission. An organization can use the IBM Software Development Platform to discover assets within existing portfolios, determine the steps needed to modernize portfolios and then revise, extend, preserve, migrate, integrate and build applications. The IBM Software Development Platform includes IBM Rational® and WebSphere Studio software, a shared set of proven best practices and industry-leading services.

### IBM Business Partner applications for the banking industry complement the offering

Applications provided by the extensive network of industry-focused IBM Business Partners complement IBM account opening for banking. Examples include branch-teller, campaign and offer-management, and scanning and image-capture applications. Together with its industry partners, IBM can deliver a solution that helps banks effectively optimize service and profitability.

### IBM services help address account opening requirements

IBM offers exceptional services — from business strategy to IT infrastructure implementation. Resources include:

- IBM Business Consulting Services, with thousands of financial services practitioners who understand banking business drivers, processes and workflows.
- IBM Financial Services Solution Centre, which distills years of client-engagement experience into best-practice processes and data model definitions.
- IBM Software Services, which can rapidly adapt tools to client-specific implementations.

### For more information

For easy-to-implement software that helps banks make the most of account opening, count on IBM. To learn more about IBM account opening for banking and other offerings for the banking industry, including case studies and more detailed information about offering components, call your IBM representative or IBM Business Partner, or visit [ibm.com/industries/banking/multi-channel](https://ibm.com/industries/banking/multi-channel)



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\*\*"Unlocking the value of account opening with component business modeling." IBM Institute for Business Value executive brief. July 2004. Page 5.