| | Introduction |
|---|---|
| 1 | Banks are not in the business of managing physical currency, they are in the business of managing information about money.  To remain competitive, banks must continuously become more innovative and efficient. Despite their best efforts, banks often still lack trusted information for real time decision making, because silos of information remain.   Merger and acquisition activities continuously compound the problem of information silos. |
| 2 | Financial institutions are facing a series of challenges that limit their ability to address customer care.<br>• Consumers are becoming increasingly more powerful<br>• The industry is consolidating through mergers and acquisitions<br>• Regulations are increasing<br>• Differentiation from competitors is becoming increasingly difficult<br>• Margins are shrinking; new areas of revenue are required<br>Effective enterprise customer service is paramount<br><br>Companies Quantify the Impact of Bad Customer Data:<br>➢ 66% indicate profitability of company was negatively affected by poor information quality<br>➢ 75% indicate bad customer data quality is harming customer service, quality and loyalty<br>➢ 52% identified integration of diverse systems as a major source of inaccurate information |
| | **Business Problem** |
| 3 | Industry leaders understand the intensifying customer care pressures and are defining new requirements and demonstrating success such as:<br>• A move from a current state with little or no access to customer data, or data is old and inaccurate, to a state with instant access to accurate, up-to-date consumer information<br>• Changing from an incomplete view of the customer, in application silos, to a complete view of customer information throughout the enterprise<br>• Shifting from customer care that is not differentiated across customer segments, to customized care and offers based on the customer segment<br>• Adjusting from insufficient accountability in information workflow to prioritization and automation of critical updates to increase efficiency |
| | **Business Challenges** |
| 4 | Because organizations store their data in silos, you don't have a consistent view of the information across the enterprise. If Jane Smith, a regular web customer calls the contact center she is a total unknown to the representative. The data warehouse and other enterprise systems do not have an accurate view of Jane and are unable to target her with effective marketing campaigns |
| 5 | Solving these problems isn't a simple task, there are many challenges that exist, such as:<br>• Decreased effectiveness of traditional marketing channels<br>• Rising consumer investment education<br>• Retention of profitable customers<br>• Capture additional wallet share – cross selling<br>• Privacy Regulations<br>• Rising Consumer Expectations<br>• Ability to provide accurate and complete data to financial  advisors<br>• Improve efficiency and reduce costs<br>• Improve multi-channel integration |
| 6 | Success in addressing these problems can be measured in various ways. |

| | |
|---|---|
| | • It means having the ability to provide a comprehensive single view of the customer requiring persisted data with enterprise accessibility<br>• This may require tools and methods to evaluate, transform, federate, cleanse, match and standardize data. And,<br>• To do all this, you need a framework for financial industry specific enterprise data and process models |
| **Solution** | |
| 7 | IBM's Customer Care for Financial Services Information Solution provides a single view of the customer and enables Banks to deliver top quality customer care. At the core of the IBM Customer Care for Banking Solution is a flexible framework that is designed to deliver rapid return while providing a roadmap for the future. Drawing on unique IBM capabilities in Master Data Management and coupled with deep financial services industry expertise, the framework brings together a comprehensive combination of technologies and implementation services to support transformation. This solution helps enable banks to achieve business benefits such as increase revenue and wallet share, reduce merger and acquisition time and costs, improve customer service and retention, achieve privacy and Know Your Customer compliance, gain operational efficiencies and improve insight for marketing campaigns.<br><br>The major components of the solution include:<br><br>IBM Information Server is a platform that helps you derive more value from the complex, heterogeneous information spread across your systems. It does for information what the application server did for eBusiness, providing core services that can be called on to handle difficult integration and management tasks in a repeatable and reliable way. It provides a single layer of shared services that feed trusted enterprise information to all the people, processes, and applications that need it.<br><br>Information Solution enablers, such as Master Data Management, help with a robust set of capabilities for defining and synchronizing critical master information on products, customers and accounts and providing this information as a service to drive business operations and insight.<br><br>Information Solutions offer Financial Services industry-specific process, service and data models to help customers understand information in context and focus on critical business problems |
| 8 | IBM WebSphere Customer Center is a core component of our Information Solution Enablers and provides current, accurate and complete customer data to all systems and channels. It manages the complete 360 degree customer view, and is capable of being the system of record – full transaction processing and business logic capabilities while enabling new customer centric strategies such as life and other event oriented actions<br><br>IBM WebSphere Customer Center includes:<br>• Pure services oriented architecture (SOA) with over 480 business services: such as "Get" customer, "Add" customer, and "Update" phone number<br>• A Complete Customer Profile: managing the current, accurate and complete customer view<br>• Privacy and security management, which controls granular access to data and business services<br>• Data Quality Management, including duplicate customer processing, data validation, data cleansing & standardization, and,<br>• Event Management, event detection & event notification, |
| 9 | The master customer record provides the current, accurate and complete customer data to all systems and channels. It contains more customer information than needed |

| | |
|---|---|
| | by any one system. It enables deep customer understanding, and aligns customer data between the different applications while maintaining specific views to different business units. Everything about Jane Smith is known and kept current using business services and integration with enterprise systems. |
| 10 | IBM's Financial Services industry model portfolio, a key piece of Information Solutions, enables business users to easily scope and customize their own requirements. It facilitates step-by-step business focused development and roll-out while delivering regularly updated business, technical and regulatory content.<br><br>This model also offers an open technology platform for any application or integration solution, and manages definitions and standards in complex IT environments. |
| 11 | Banking Data models define database structures necessary to provide management with analytical reports that contain the business's key performance indicators such as customer profitability and campaign analysis, and deliver necessary pre-built statutory and regulatory reporting templates, such as Sarbanes Oxley and Basel II and Know Your Customer. |
| 12 | Banking Process models describe and orchestrate the most important step-by-step processes (including workflows, activities and triggers) within a bank, ranging from front to back office functions, such as sales and marketing management, channel integration with core systems, payments, lending, and HR administration. |
| 13 | Banking Service models enable business and IT to agree upon the scope of services to be developed and deployed within a services-oriented architecture. Specifically, they enable the capture of business requirements, and the identification of appropriate service definitions that form the entry point into an underlying integration infrastructure. |
| **Why IBM** | |
| 14 | What makes IBM's Customer Care for Banking Solution unique? IBM's differentiated value is:<br>    Demonstrated Expertise<ul><li>We have solved these business problems for some of the world's largest, most complex financial services firms</li><li>Large # of financial services deployments/customer references prove our capabilities</li></ul>    Depth & Breadth of Financial Service Knowledge & Assets<ul><li>At the intersection of business and technology, IBM's financial services process and data models, business consulting expertise and integrated information management software provide a portfolio unmatched in the industry</li><li>Pre-built components accelerate ROI and leverage best practices</li></ul>    Market Leading Products<ul><li>Analysts such as Gartner's Magic Quadrant and Forrester place IBM Information Server and WebSphere Customer Center as the leaders in their market segments</li></ul>Master Data Management is a set of disciplines, applications and technologies and you need a partner who uniquely understands the holistic collaborative, operational and analytical aspects of master data.<br><br>With IBM's Customer Care for Banking Solution you can create a competitive advantage for your organization with<ul><li>Deeper understanding of customers and suppliers</li><li>Ability to quickly change business processes to meet market demands</li><li>Ability to create information-intensive analytic-based solutions</li></ul> |

| | |
|---|---|
| **Conclusion** | |
| 15 | <ul><li>Intensifying Customer Care pressures are pushing our clients to a tipping point – they need to transform</li><li>Financial Services leaders embrace this, are defining the new requirements, and are demonstrating success</li><li>Achieving transformation requires a broad set of capabilities, and a combination of technology & expertise</li><li>Clients are looking for a trusted advisor to help them through the transformation, and are turning to IBM.</li></ul> |
| 16 | <ul><li>See how the model works by viewing the various use cases.</li><li>See what benefits other companies have seen by viewing the following references.</li><li>For more information, please visit our web page:</li></ul> |
| **Use Cases** | |
| 18 | Customers experience consistent treatment across all touch points<ul><li>the business services provide every customer interaction point with the complete view of the customer</li><li>Jane is now viewed and treated equally across channels</li><li>And Service Improves…</li><li>Jane is immediately routed to an agent who exclusively deals with high value customers</li><li>"Did you know you qualify for a preferred customer promotion?"</li><li>"Would you like me to send that to your home address?"</li></ul> |
| 19 | Common business services for key enterprise-wide customer processes such as account changes (name, address, etc) provide efficiencies<ul><li>When Jane updates her home address via the web channel</li><li>the solution's Update All Party Addresses business service is invoked</li><li>Updates all appropriate customer home addresses<ul><li>Jane's address and all members of her household</li><li>And in all authorized systems</li></ul></li></ul> |
| 20 | Without customer care solutions up-sell opportunities can be lost<ul><li>Residence changes and other life events often represent significant and known revenue opportunities</li><li>Yet without a customer care solution there is no enterprise wide ability to recognize and communicate such events</li><li>No sales actions are taken…<ul><li>E-mail campaign</li><li>Outbound telephone call</li><li>Web offers</li></ul></li><li>Results in missed revenue opportunities</li></ul> |
| 21 | Event Management triggers a solicitation to drive new sales opportunities<ul><li>An address update comes in from the call center</li><li>The Event Management component monitors for home address changes</li><li>Establishes "Residential Move" as a life event</li><li>Checks Customers Privacy Preferences</li><li>Determines to notify e-mail marketing system to send e-mail solicitation</li></ul> |
| 22 | Reduces time and costs to integrate data and processes after a Merger or Acquisition with:<ul><li>SOA - 480+ business services</li><li>Comprehensive and extensible data model</li><li>Privacy & security management</li><li>Data quality management</li><li>Life event management</li></ul><ul><li>Together enable the most rapid realization of M&A strategies</li></ul> |

| | |
|---|---|
| | • Gives organizations the opportunity to integrate only customer data and avoid full scale system consolidations |
| 23 | Using Privacy and Security Management delivers the right information to each user and system<br>• the customer care solution ensures each user and system has access to the appropriate information<br>• When the web site invokes the Get Party Service the customer data returned is filtered by the Privacy & Security System<br>• When Carol in the contact center accesses Jane's customer record she sees a different view based on her entitlements |
| **References** | |
| 24 | |
| 25 | A large US regional bank<br>• Needed the ability to store ATM customer preferences without significant costs<br>• Needed a foundational application to replace their existing core banking Customer Information File system<br>• Needed the ability to integrate with the Banking Data Warehouse and with the existing Customer Information File system for Basel II compliance<br>The Financial Customer Care Solution:<br>• Created a consolidated customer profile and enable customer-centric processing<br>• Managed "new" customer preference data that wasn't managed in the current Customer Information File<br>• Replaced the legacy Customer Information File to reduce maintenance costs while preserving existing application interfaces |
| 26 | A large US insurance company<br>• Needed a single and consistent source of client information for data quality improvement and once and done processing<br>• Needed an enhanced ability to effectively data-mine/target market<br>• Needed to efficiently support enterprise initiatives that require a customer-centric approach such as Consolidated Statements, Bank eService, Privacy Act etc<br>The Customer Care solution helped achieve the following benefits<br>• Increases sales opportunities was 25% of business case (examples of savings were: increased cross-selling and tailored offers)<br>• Customer service was 10% of business case (examples of savings were: eService, once and done transactions, and client preferences)<br>• Client management was 15% of business case (examples of savings were: decreased compliance liability and client info at point of sale)<br>• Cost reduction was 50% of business case (examples of savings were: service differentiation, reduced mailing errors, consolidated mailings and email capabilities) |
| 27 | A large regional European bank required to<br>• Pursue a strategy focusing on the needs of its customers<br>• Enable a 360 degree view of the customer<br>• Needed to increase share of wallet per customer and reduce costs<br>By implementing a customer care solution the bank was able to<br>• Enable greater sales efficiencies for up-sell, cross-sell, product bundling and the ability to respond quickly to changes in the business<br>• Increase the effectiveness of marketing campaigns<br>• Reduce the manual effort associated with compliance for corporate and business standards. |

| 28 | A large multi national bank required to |
|---|---|
| | <ul><li>Provide a holistic enterprise view of the customer</li><li>Reduce complexity within current customer environment</li><li>Reduce IT spend within current legacy Customer Information Files</li><li>Provide infrastructure strategy that enables integration of future acquisitions</li></ul><br>The Financial Customer Care solution enabled them to<ul><li>Reduce IT costs by replacing existing infrastructure</li><li>Provides a federated enterprise view of the customer to all lines of business</li><li>Improve customer satisfaction and retention, and aids cross-selling activities to grow share of wallet</li><li>Provide functionality to absorb customer data from future acquisitions</li></ul> |
| 29 | A large US insurance company set corporate objectives to streamline customer care with<ul><li>A comprehensive, single view of the customer to maximize their business</li><li>A central and single system of record for enterprise opt-out processes</li><li>Operationally manage customer master data for 'add' and 'update' capabilities in lines of business</li><li>To reduce operating costs</li></ul><br>The results obtained after successful implementations were:<ul><li>Can easily integrate new business environments as its organization grows with mergers and acquisitions.</li><li>The improved access to critical data will also help improve employee productivity and increase the accuracy of key business operations.</li></ul> |
| Screenshot Scenarios | |
| 1 | We will now take you through a real example to show how Customer Care solutions can streamline the operations for a new loan application and help improve customer service. A complete view of customer information and a more efficient account opening process will help to cut down the processing time, accelerating delivery of the product to the customer. Our clients who have implemented this type of Customer Care Solution have typically experienced a 50 to 75% reduction in processing steps and dramatically improved delivery rates.<br><br>Having a consistent, holistic view of customer information in real-time, at your fingertips and at all customer facing touchpoints can also provide insight and opportunities for financial services representatives to provide customers with relevant cross-sell and upsell offerings. This enhances revenue for the firm as well as satisfies customer needs and improves satisfaction. In this case, Alice Sheen is being offered a personal loan promotion. |
| 2 | An existing customer, Alice Sheen, applies for a loan on-line. The Customer Care Solution, by accessing a customer data hub which includes customer information from all types of applications across the enterprise, is able to obtain all of Alice's relevant customer information for this application in real-time.   Based on her profile and past history the Customer Care solution presents the client with the most appropriate choices. The customer is automatically approved for a $30,000 Home Improvement Loan or a $10,000 Debt Consolidation Loan. |
| 3 | The next step in the process is the manual review of the documents by the credit analyst. The customer's drivers license is on file in the customer data hub, stored as unstructured content and is current whereas this is typically a paper -based process in |

| | |
|---|---|
| | most financial institutions today. If the customer applies for a pre approved loan this is the only verification required |
| 4 | Alice Sheen however has applied for a $35,000 Home Improvement Loan that exceeds her pre- approved limits. The automated business process engine flags this and has requested employment and salary verification. A notification is then sent to the customer electronically. |
| 5 | The customer faxes in the letter which is scanned by the bank and stored as unstructured content. The relationship management enables the document to be linked to the client Alice Sheen and the information is added to the customer data hub to be accessible enterprise-wide in real-time to all channels. The Customer Care Solution allows for once and done processing meaning the client will not have to provide the same information, multiple times to different departments of the financial institution, greatly improving client satisfaction |
| 6 | The entire operation is governed by the solution components - the data, process and service model. The workflow triggers the activities that need to be accomplished as the process moves on to its end state, in this case loan approval. This simple example is one of the ways financial institutions can transform customer care to gain a competitive advantage. |