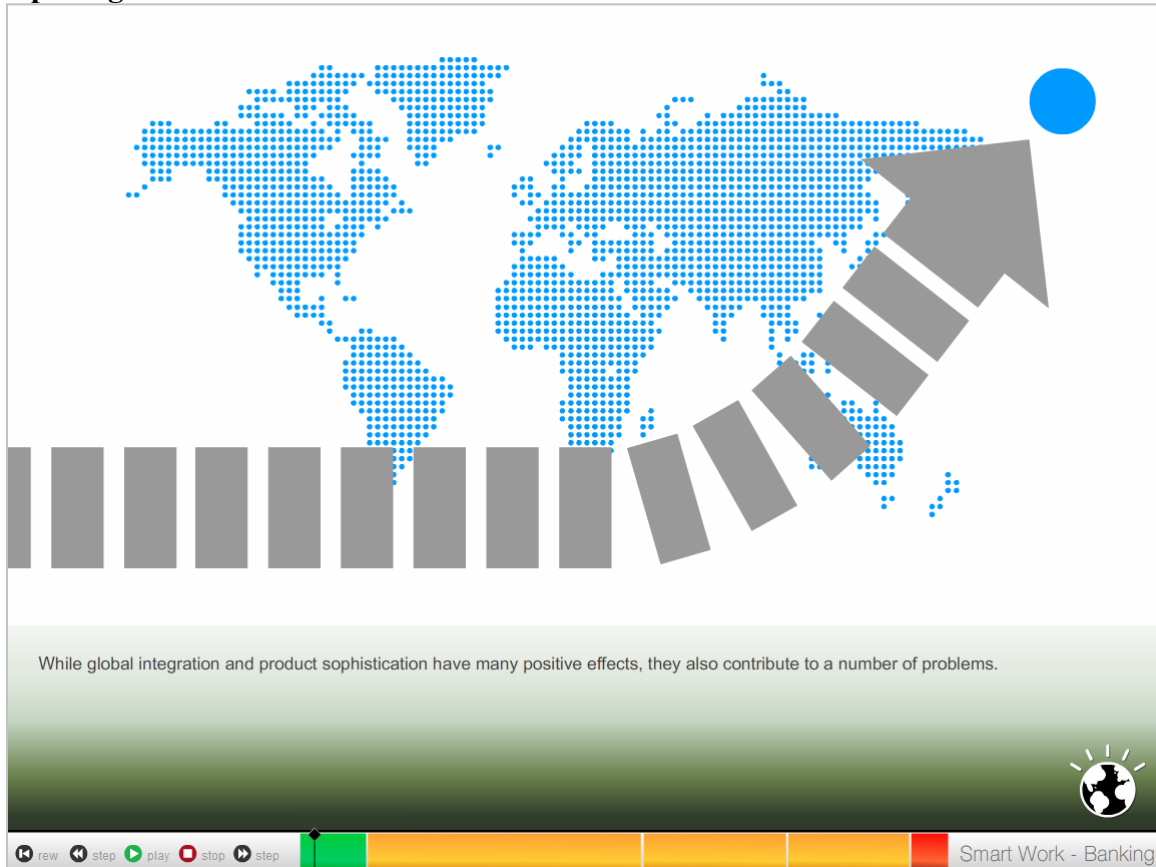## Working Smarter in Banking Scenario Demo Transcript

Opening/Introduction:
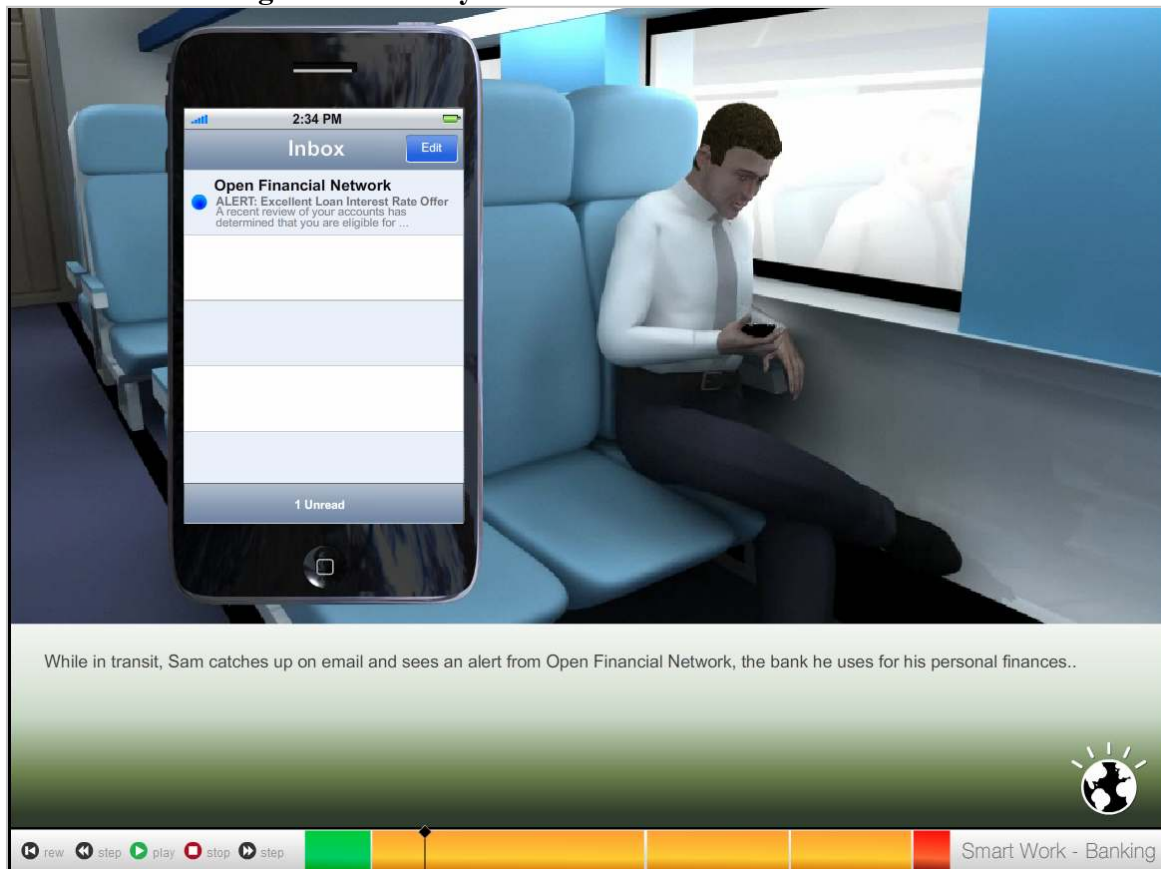

While global integration and product sophistication have many positive effects, they also contribute to a number of problems.

rew   step   play   stop   step   Smart Work - Banking

The recent economic crisis has shown how interconnected and highly complex the global financial system really is. While global integration and product sophistication have many positive effects, they also contribute to a number of problems. Customers are demanding tailored products and services, greater access and responsiveness, and increased transparency from their financial institutions.

The following scenario shows what is possible when a bank leverages people, process, information, and technology to improve the customer experience.

1.0 Mobile Banking for Smart Payments:

While in transit, Sam catches up on email and sees an alert from Open Financial Network, the bank he uses for his personal finances..

Sam arrives in China on a business trip to meet with potential new suppliers for his growing business. From the Shanghai Pudong airport, he heads to the high-speed maglev train station to reach his hotel downtown. At the ticket kiosk, he selects his destination on the touch screen and pays for the fare using his smart phone enabled with RFID technology.

2.0 Cross Selling from Personal Banking to New Loan Offering:

While in transit, Sam catches up on email and sees an alert from Open Financial Network, the bank he uses for his personal finances. He is preapproved for a business term loan.

Open Financial Network is able to offer timely, targeted new products based on his customer profile and account permissions. In addition, the bank's marketing system is embedded with the latest business rules and government regulations to ensure compliance with consumer protection oversights.

From his mobile portal, Sam sees an address & phone number for a local branch in Shanghai because of embedded location awareness in Sam's GPS-enabled phone. In addition, he notices a link to launch an instant chat with a Loan Specialist for immediate support. The system senses, routes, and assigns a local English-speaking specialist who is trained in US business loans to Sam. He taps on the link to initiate the instant messaging window and gets a response from Dave within a minute.

After a brief messaging exchange, Sam and Dave agree that a quick call would be more effective. Sam taps on the displayed number in the chat window to start a call with Dave.

3.0 Account Opening for Loan Origination:

Dave addresses all of Sam's inquiries with in-depth knowledge and thorough response. Sam decides to proceed with the loan. He enters his secured keycode as an electronic signature to accept the preapproved loan and submits it on his phone.

Once submitted, the system initiates the account opening process for loan origination.

Sam's existing customer profile with Open Financial Network is updated with new data. The system generates a completed electronic loan application form and emails Sam a PDF as confirmation.

4.0 Loan Underwriting for Loan Origination & Arrangement:

The Underwriter, Laura, receives Sam's loan application in her portal, which provides her with all the pertinent information so she can focus on providing quality loan services to her clients.

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The system already pulled and validated Sam's information with an approved underwriting decision. It also cross-referenced the application with business rules from Open Financial Network as well as state, federal, and international regulatory requirements to confirm that it conforms with account opening, anti-money laundering, and lending prerequisites. Laura reviews his loan application before she completes and approves the loan application.

5.0 Business Monitoring for Operational Oversight:
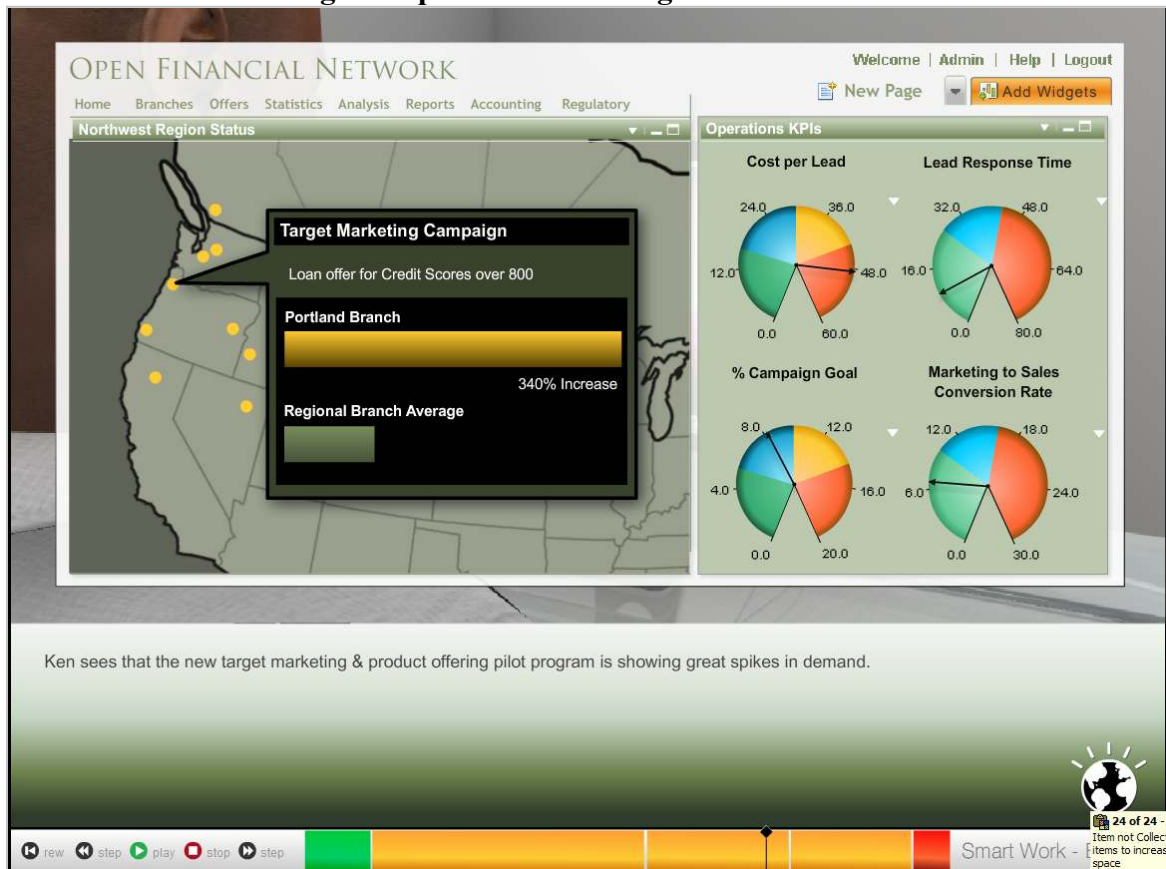
Ken is the Regional Manager for all Open Financial Network bank branches in the US Northwest region. Once Laura submits the new approved loan, it triggers an update on Ken's dashboard. This personalized dashboard allows Ken to monitor the business with an aggregate view of the performance of his branches. Ken could also drill down to the individual branch level to check key performance metrics.

Ken sees that the new target marketing & product offering pilot program is showing great spikes in demand. Ken decides to expand the scope of this pilot to a few other metro markets in the Northwest region.

6.0 Fraud Alerting for Risk Management:

With information based on Sam's transaction history as well as his current location in Shanghai, Open Financial Network will authorize select merchants and transactions while blocking further fraudulent attempts.

Sam arrives in Shanghai and heads for his hotel. Across the globe, there is a suspicious transaction from a merchant Sam has never visited. The verification process fails and Sam's credit card account is automatically placed on heightened automated monitoring. With information based on Sam's transaction history as well as his current location in Shanghai, Open Financial Network will authorize select merchants and transactions while blocking further fraudulent attempts.

Sam receives an alert on his phone about this unauthorized transaction along with recent approved transactions. He is given an opportunity to review, confirm or change the updated fraud prevention setting, such as duration of his trip and additional places he plans to visit.

Because of this, Sam is able to complete his trip successfully. When he returns home, there will be a replacement card awaiting activation and a short note thanking Sam for his continued business.

Closing:

Dynamic product bundling, streamlined payment processing, optimized lending, and real-time fraud alerting are just some examples of how IBM helps banks work smarter. Let's build a smarter banking experience together. Please visit ibm.com/smartwork for more information.