



IBM Software Group

Retail banking services – delivered anywhere

*IBM WebSphere® Portal
Solutions for Retail Banks*





Banking Industry Trends

Changing marketplace dynamics

are causing banks to restructure their business portfolio to become more profitable and are driving the need for business flexibility

Banks are using the customer interface

as a primary focus of innovation and are driving IT investments to support this

Banks continue to go for scale

while universals and niche players squeeze the middle

Regulatory burdens intensify

– overall risk and compliance may influence as much as 50% of banking IT spending

New technologies enable

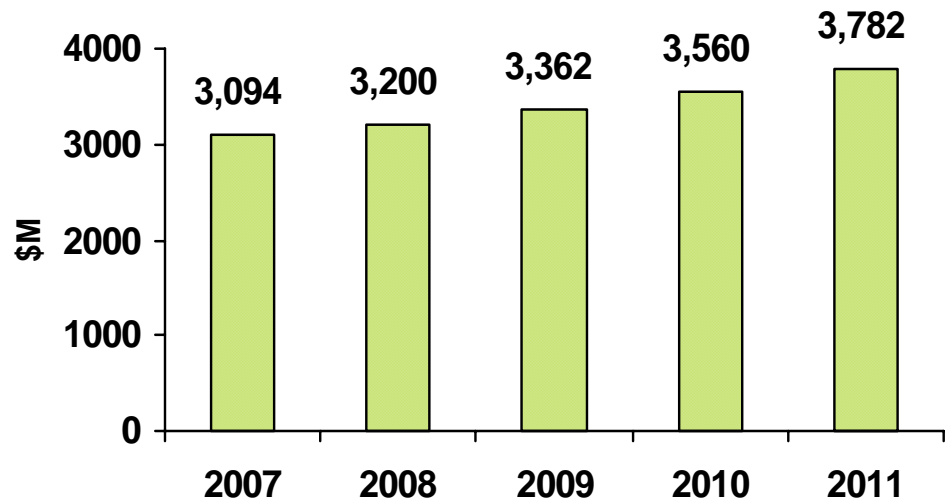
increased specialization, more focused and effective decision making and greater levels of efficiency

Workforce and demographics

dictate new approaches for banks



Banking Industry Software Expenditures

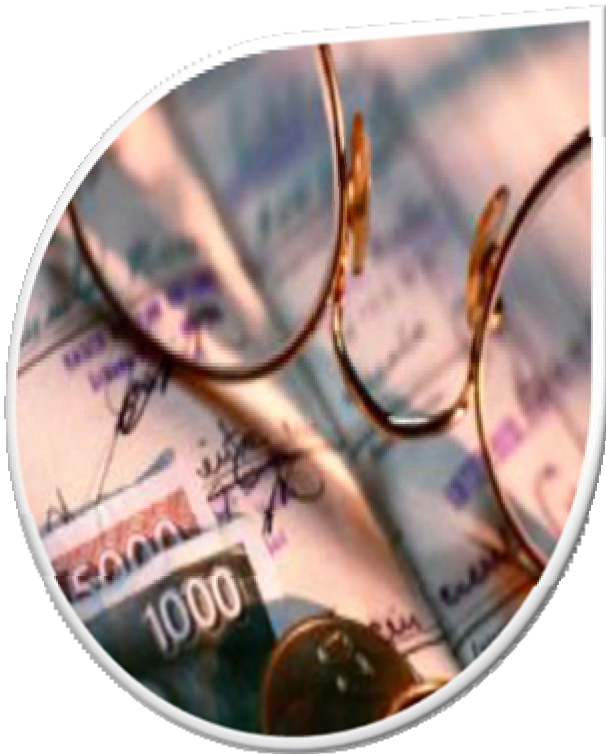


Industry	AGR% 07	AGR% 08	AGR% 09	AGR% 10	AGR% 11
Banking	8.4%	3.4%	5.1%	5.9%	6.2%





Common Retail Banking Strategic Objectives



Drive organic growth

A shifting and highly competitive landscape includes traditional and non traditional institutions (e.g., retailers, wireless operators, auto companies); exploring growth outside domestic markets

Standardize inflexible technologies

Integrate antiquated and inflexible front and back office technologies in a cost effective manner; MA integration

Improve enterprise risk management

Managing financial risk: credit risk, liquidity risk, concentration risk, through data / process flows for financial controls, reporting, consistent data architecture;
and security risk: implementing new solutions, external entry points, legal risk, theft

Meet regulatory demands

Auditing, reporting, data privacy
Basel II, SOX, AML, KYC & TTM policies

“Having long rested on a foundation of trust, traditional products, and resilience, financial services institutions are being awakened by tectonic forces altering the industry landscape.”

Source: Guillermo Kopp, Tower Group 2007



Common Retail Banking Imperatives



Meet Evolving Customer Expectations

- Deliver retail banking offerings to where the customers are: on next-generation phones, PDAs, mobile devices
- Maintain brand loyalty as customers diversify more and tend to be less attached to one or few Financial suppliers
- Understand their entire relationship and operate seamlessly across all customer contact points and interactions

Improve Product Offerings

- Keep pace with innovative offerings and products from non-banks (e.g., PayPal, Prosper.com, Yodlee.com, Mint.com)
- Achieve differentiation and profitability through improved customer experience and innovative offerings
- Gain competitiveness through improved efficiency and optimized processes

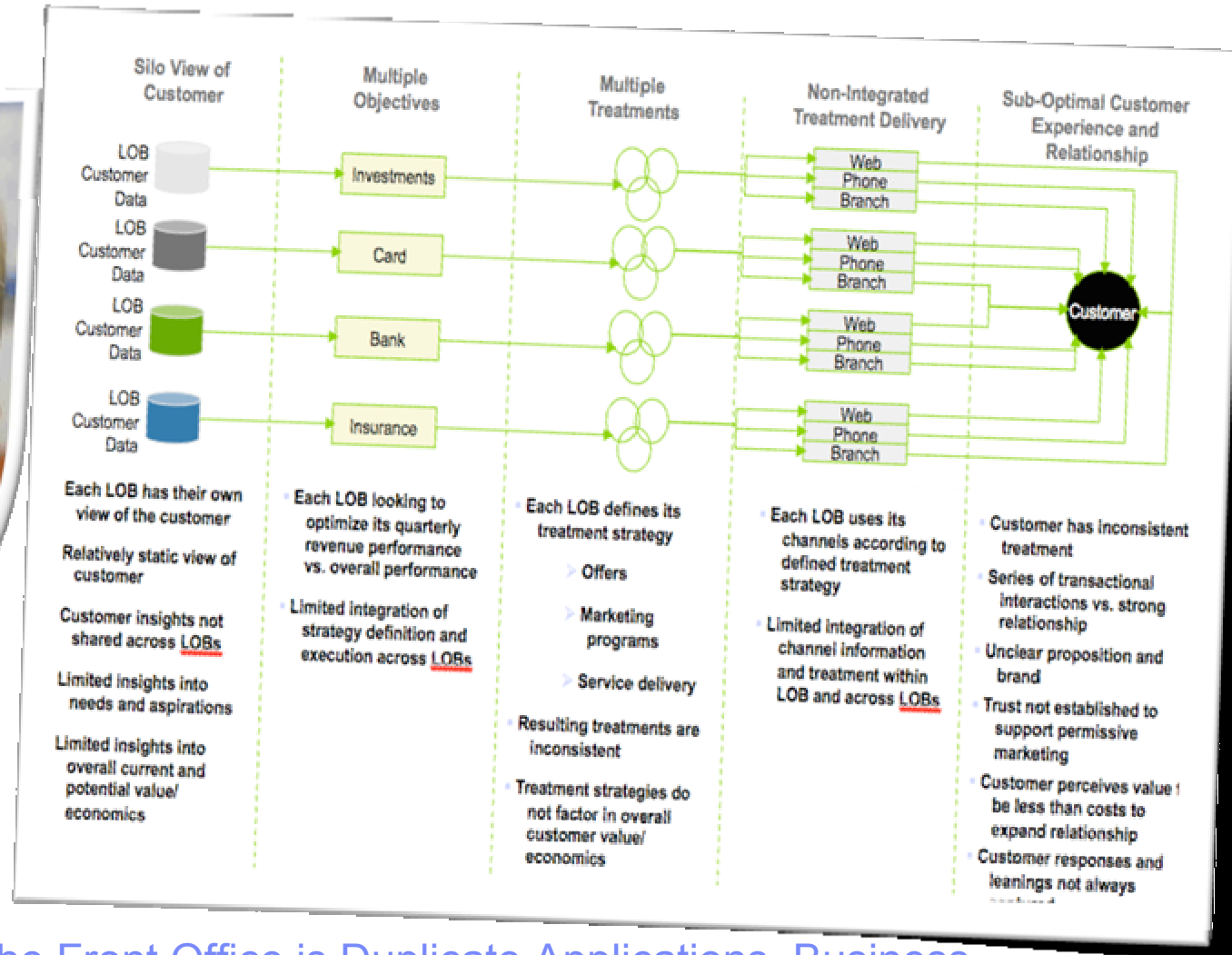
Maximize Technology Investments

- Streamline application infrastructure for efficiency and reusability
- Integrate enterprise information for ready access to lines of business
- Simplify network infrastructure and administration
- Balance risk, security and compliance

*Source: Consensus of analyst reports and IBM IBV



Challenges



The Basic Problem in the Front Office is Duplicate Applications, Business Processes, and Customer Data across LOBs, Products, and Channels... Leading to a Negative Customer Experience and Relationship





People – the critical element of any financial institution



How do banks choose to empower employees?

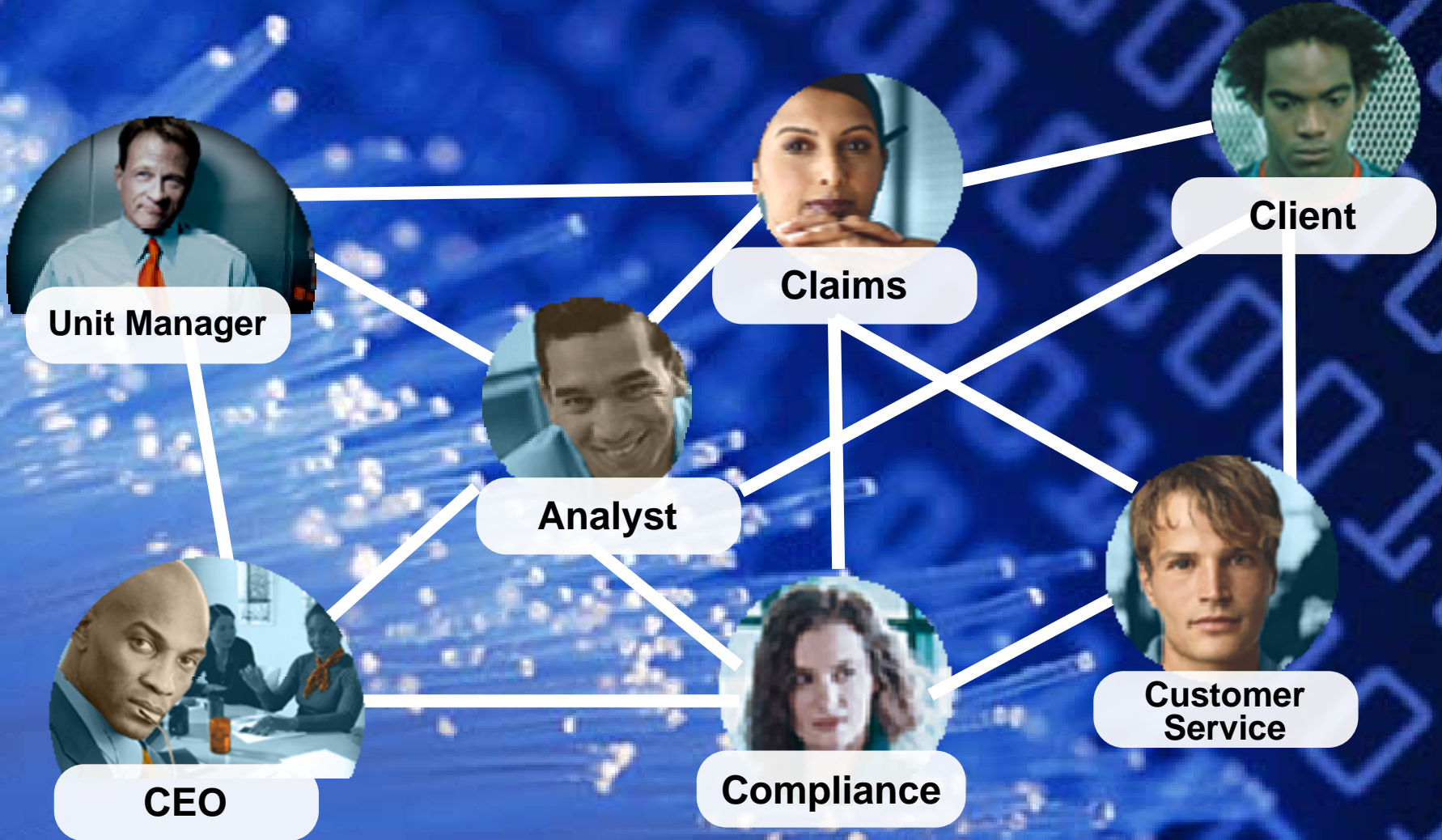
- Bank Tellers
- Customer Service Reps
- New Account Reps
- Financial Analysts
- Investment Counselors
- Claims Adjusters
- Loan Officers
- Risk Analysts

And bank customers?





Integrated data delivery is the key





Innovative Banks are using Web 2.0 & Social Software to Better Connect with Customers and Employees

Web 2.0 has significant hype and buzz in the industry.

Customers are regularly coming to IBM asking how we can help them innovate using this ‘technology’ (built in to the newest releases of Portal and other products), but also the ‘social’ aspects of connecting people and communities.



Customers are using Web 2.0 to create new and expanded relationships with customers and provide a greater overall experience.

Early entrants have used blogs to communicate directly with (potential) customers about product development and improvements; provide real-time voice-video chat with SME’s via online banking, and to educate them on (higher value/profit) products and offerings...

Web 2.0 and social software tools are being deployed inside of banks (just like IBM) to increase employee productivity and efficiency, and provide better customer service



Integrated Desktops are on the Agenda of Most Banks

- An Integrated Desktop solution allows your customer to deploy one common infrastructure for role-based access across bank employees (branch teller, branch manager, contact center) and even to your customers via branch kiosks and online banking.
- An integrated desktop allows the bank to focus on serving customers consistently across channels via enterprise business processes and not channel application transactions.
- Instead of having a limited customer view based on a channel application, the integrated desktop allows all customer, relationship, product, and channel data to be used to serve the customer better for the intended interaction, but also to provide greater levels of service and drive higher cross/up-sell rates .
- The Integrated Desktop solution works very well for customers who are looking to reduce their license volume on Microsoft (Windows and Office).
- *Primary WPLC components to be leveraged include: WebSphere Portal, Lotus Expeditor, Symphony, Forms, Connections, Quickr, ActiveInsight, Sametime*
- *This complements many existing MDM, BPM, ECM, SSO projects.*

The screenshot displays the IBM Workplace integrated desktop interface. The main window is titled 'My Work' and contains several panels:

- Inbox:** A list of messages with columns for name, modified time, and status. Recent messages include 'Out of the office' from Sean Ferrell and 'Please let me know' from Douglas Star.
- Client Details:** A section for a specific customer with contact information (12809 Sycamore Lane, Bridgewater, NJ 08807) and a recent communication log.
- Accounts Mix Overview:** A table showing account details for various products like Preferred Checking, Money Market Advantage, Savings Platinum, Visa Gold, and 180 day CD.
- Calendar:** A monthly calendar view for April showing events like 'Strategy Review' and 'Lunch with Investors'.
- Relationship Mix:** A bar chart showing revenue trends for different account types across quarters (4Q02, 5Q03, 6Q03).
- Documents for Review:** A list of pending documents such as 'Strategy Review Slides' and 'Technical Taskforce Report'.
- Contacts:** A list of contacts including 'Megan Grupp', 'Charlie Notting', 'Bob Morris', and 'Denise Shay'.
- Revenue Scorecard:** A small bar chart comparing actual revenue against a target.

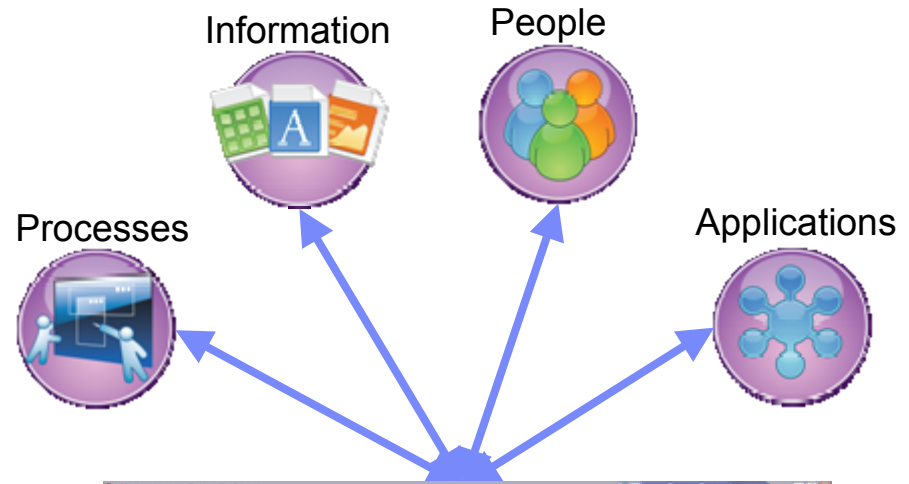


What is a Portal?

por-tal (pôr'tl, pōr'-) *noun* *
An entrance or a means of entrance

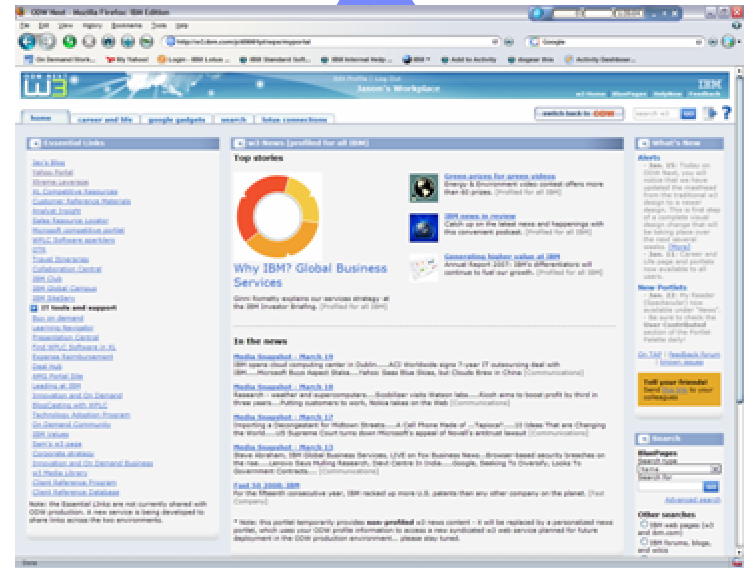
■ A Portal is a...

- ▶ single, unified Web interface to personalized *information, applications, processes* and *people* – in the context of each user's unique profile.



■ A Portal software product is a...

- ▶ complete portal framework & tools that eases/speeds the delivery of high value portal sites.



* The American Heritage® Dictionary of the English Language, Fourth Edition. Houghton Mifflin Company, 2004. 20 Mar. 2008.





Portal addresses the needs of Retail Banks

- ▶ Customers / Internet Banking
- ▶ Tellers / CSRs
- ▶ Financial/Risk Analysts
- ▶ Loan Officers
- ▶ Payments / Back Office

WebSphere Portal

Composite application and integration services



Through

- ▶ Customer-service gateways
 - Teller / ATM systems
- ▶ Evaluation information aggregation
 - Financial offerings
 - Investment opportunities
- ▶ Back-office process consolidation
 - Payment processes
 - Auditing
- ▶ Hot-button dashboards
 - Event notification
 - News aggregation

Accounts Mix Overview

Key	Account Number	Account Name	Current Balance	Last Update
Yellow	234786-2999-200-1289	Preferred Checking	\$3,400.00	1/3/2005
Blue	100292-2777-001-2001	Money Market Advantage	\$27,865.00	10/20/2004
Pink	100201-2001-100-2992	Savings Platinum	\$6,500.09	12/20/2004
Light Blue	4356-2992-2999-0000	Visa Gold	\$12,345.00	1/2/2005
Purple	200202-2992-277-3553	180 day CD	\$63,090.78	7/8/2004

Relationship Mix

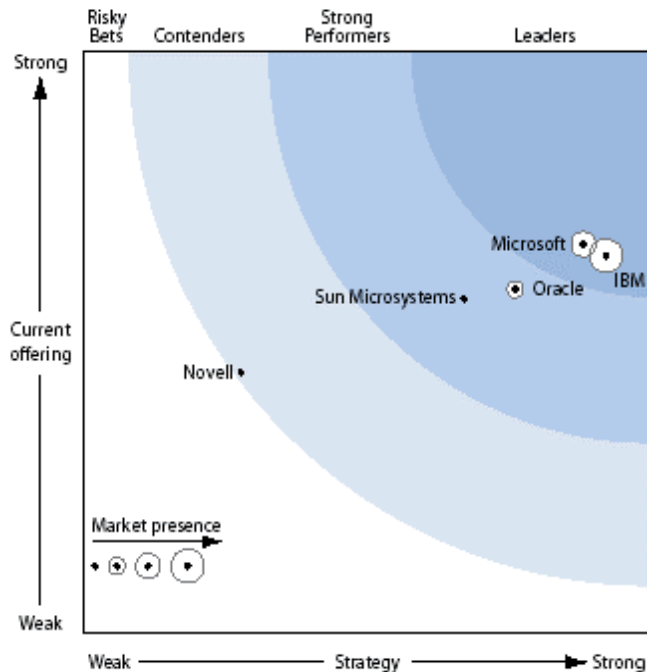
Bar chart showing revenue for 4/20/2003, 5/20/2003, and 6/20/2003. The Y-axis ranges from \$0 to \$70,000.00. The chart compares Target (yellow) and Actual (purple) revenue.



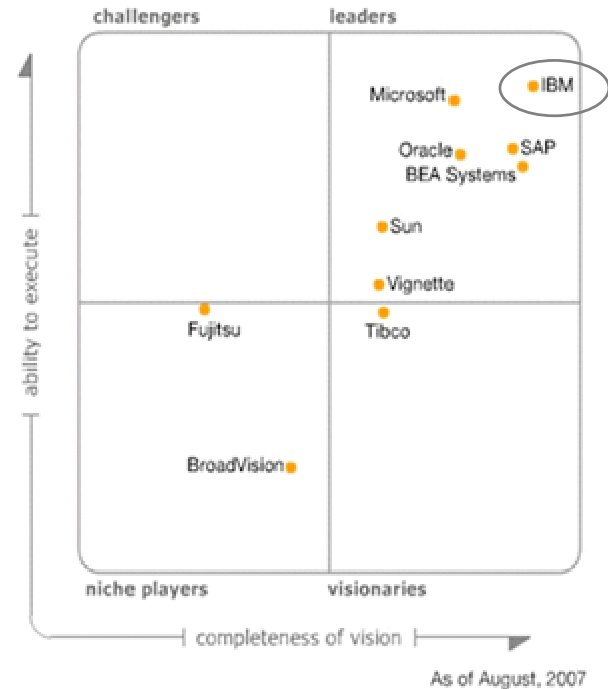


IBM is the portal and collaboration market leader

Figure 3 Forrester Wave™: Collaboration Platforms, Q2 '06

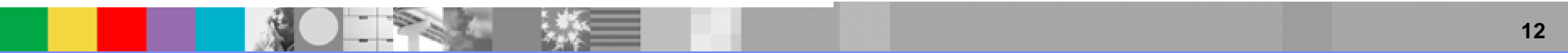


- **Solutions** - We most often start with a Lotus play (documents/email), but need to converge towards unified communications view (start with Sametime).
- **Services** – IBM Global Services have a set of offerings that help clients better understand where collaborative & Portal technologies can make a difference in the organization
- **Thought Leadership** - Regulatory issues often slow the progression of collaboration in FSS, we can help our clients overcome their fear.



Source: Gartner (August 2007)

Source: Forrester Research, Inc.






Portal Example: HSBC – Global Customer Service



- Personalized content based on account level and usage
- Regionalized content delivered to over 40 countries/languages
- Scalability to meet increased demand
 - > 50K concurrent user capacity at one site alone
- Portal supports lines of business:
 - Personal Financial Services
 - Corporate Banking
 - Payments
 - Insurance
 - Premier
 - Stock Trading


Under Pressure?
With your own Relationship Manager, sorting out your finances is fast and convenient. So you can make the most of your free time

[▶ Learn more](#)



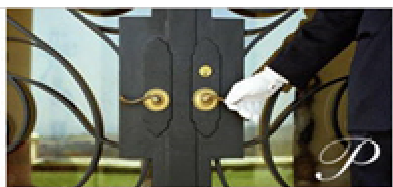
Mr Parsons, you're important to us
so we'd like to offer you your own Relationship Manager

[▶ Learn more about Premier](#)




if you upgrade to Premier
you'll benefit from the advice and insight of your own Relationship Manager

[▶ Learn more about Premier](#)




as one of our best customers
are you making the most of the rewards available to you?

[▶ Show me](#)



Mr Fray,
we're developing new online services **exclusively for Premier customers**, so we'd really appreciate your feedback

[▶ Go](#)



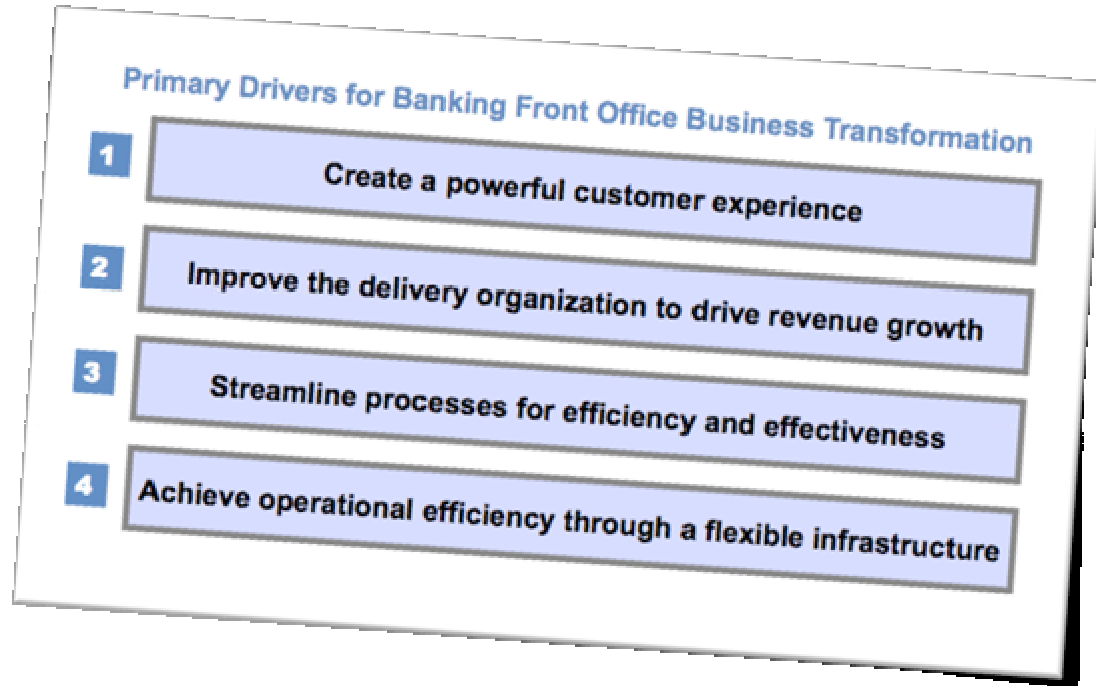
<http://www.hsbc.com>





Customer Centric Solutions Focused on 4 Areas...

- **Portals & Integrated Desktops**
- **Web 2.0 and Advanced Collaboration**
- **Electronic Forms**
- **KPI Dashboards and Scorecards**



- Other Retail Banking Initiatives**
- Branch Design and Layout (1,2) ; Sales & Advice (1,2)
 - Web 2.0 & Social Connections (1,2) ; Dynamic Marketing (1,2)
 - Integrated Communications & Collaboration (1,2,3) ; Desktop Integration (2, 3)
 - Business Process Management (2,3) ; Business Dashboards (2,3)
 - Teller Efficiency & Renewal (3) ; Multi-Channel Architecture (3)
 - Paperless (3) ; Infrastructure Solutions: Remote, Virtualization, Monitoring (4)





Portal Example: Zagreb Bank – Enabling Growth



WebSphere Portal

- **Increasing sales**
 - ▶ Cross-selling to existing customers as well as attracting new customers
- **Reducing the amount of time spent educating staff**
 - ▶ Enabling the bank to add new staff quickly as its business grows
- **Increasing the number of concurrent users**
 - ▶ Accessing customer relationship management (crm) software, supporting rapid business growth.



- Investment banking
- International financing
- Corporate & Retail Banking
- Corporate financial services
- 6,600 employees
- Over 7,000 corporate borrowers
- Over 100,000 corporate depositors
- More than one million retail depositors

<http://www.zaba.hr/>

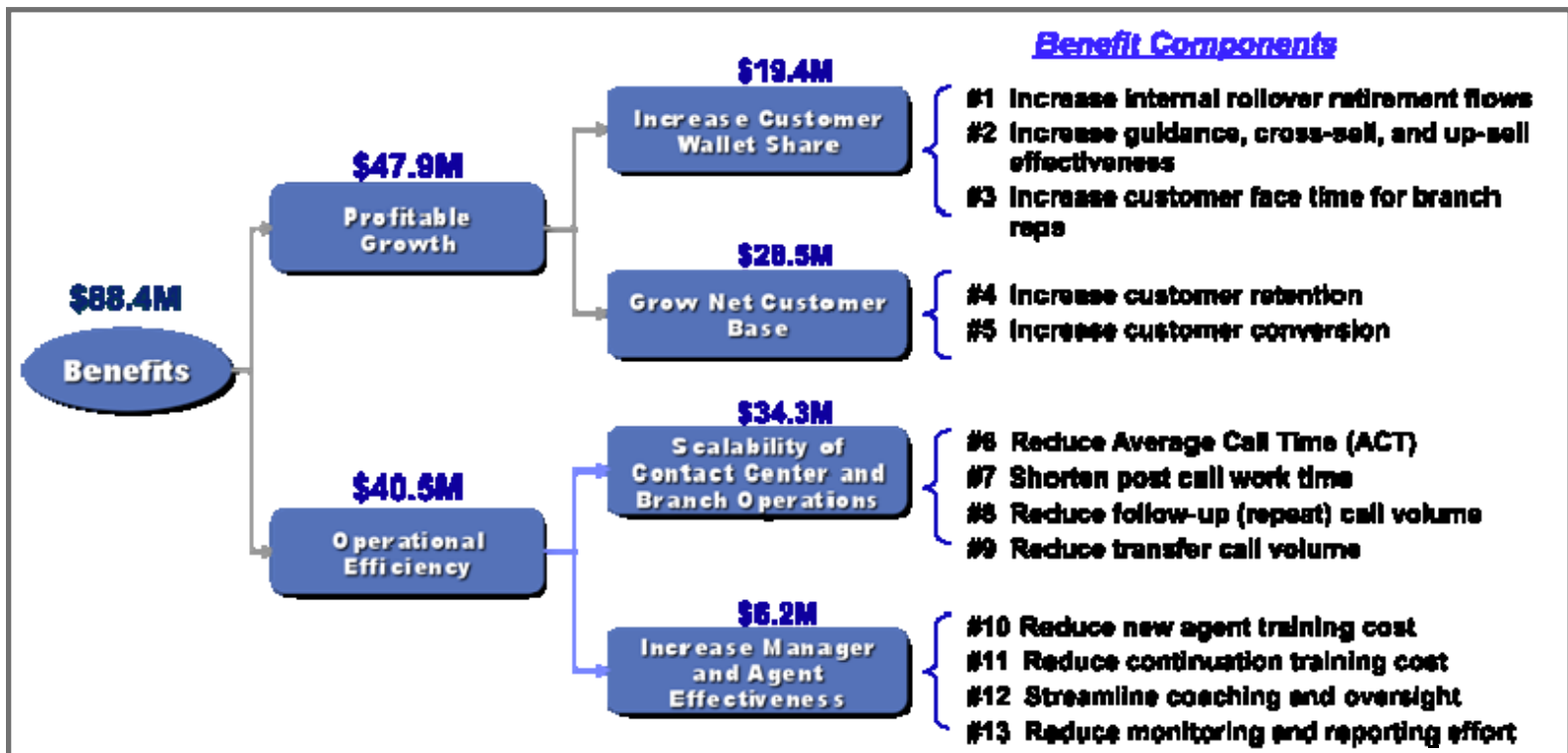




The Business Value of an Integrated Desktop

A BVA was recently done for a US discount mutual fund broker to demonstrate and quantify the business value that could be achieved by implementing an Integrated Desktop along with advanced collaboration, KPI scorecards, a consolidated customer view and enterprise business processes....

...the business value for this project was validated at \$88M annually.





The Business Value of Paperless Forms

Banks are continually looking for ways to improve operational excellence and provide products and services to customer quicker...and with fewer human errors.

Business Process management and paperless strategies are a top priority for all institutions. For years, we have seen banks automate back-end systems integration with P2P, then EAI, and now with SOA...but, the actual processes (and especially the originations) have remained manual and paper-based.

While there are numerous reasons for this - including regulatory in some cases - we now see firms fully embracing and complementing their ECM and BPM strategies with electronic forms (and electronic signatures) enabling real business transformation. This shift leads to both improved customer experience, and a reduction in operation expense.

Lotus Forms enables the forms to be part of the actual business process – with intelligent business rules and built-in workflow. All necessary data is pulled and auto-populated from the necessary back-end systems, decreasing the time, complexity, and possibility for errors.

When offering product bundles and cross-sell / up-sell products, removing the complex and redundant forms for each product, significantly drives up the customer conversion rate of those offers.



Portal Example: Rabobank – Data Consolidation

The screenshot displays the Rabobank International Trading Application interface. At the top, there's a navigation bar with 'Rabo Treasury Web' and a search bar. Below this, there are several data tables. The first table shows 'FX spot rates' with columns for currency pairs (EUR, GBP, CAD, AUD, NZD, SEK, PLN) and their respective rates. The second table shows 'FX spot forward' with columns for currency pairs and forward rates. The Rabobank logo is prominently displayed in the center of the interface.

- Rabobank became the first bank in its market to integrate financial data sources into a centralized, customizable portal.
- Based on software from IBM and IBM Business Partner Virgil, the portal enables staff to provide faster, more accurate advice, and it allows customers to track relevant data in real time via the Web.
- Financial market data in real time, combined with analysis

Supporting new connections

Rabo Treasury Web



Online Services

→ **Real Time Market Information (password required)**

Access to real time market data, financial news & Rabobank treasury research.

→ **RaboDealAssist (smartcard required)**

Log in to RaboDealAssist for Foreign Exchange Spot, Forward and also Money Market transactions.

→ **RaboTreasuryReports (smartcard required)**

Log in to see your transaction details and your mark-to-market positions online.

→ **Visitors Area**

See what RaboTreasuryWeb can do for you. Here you'll find our delayed rates, examples of research, news and more!

GLOBAL PRESENCE. Global Financial markets is a focused counterpart. We operate across the globe from main branches located in London, New York, Singapore, Tokyo and Utrecht.

WORKING WITH YOU. We work together with key customers, offering a specific range of chosen products and services that jointly meet our customers' needs.

<http://www.rabotreasuryweb.com>

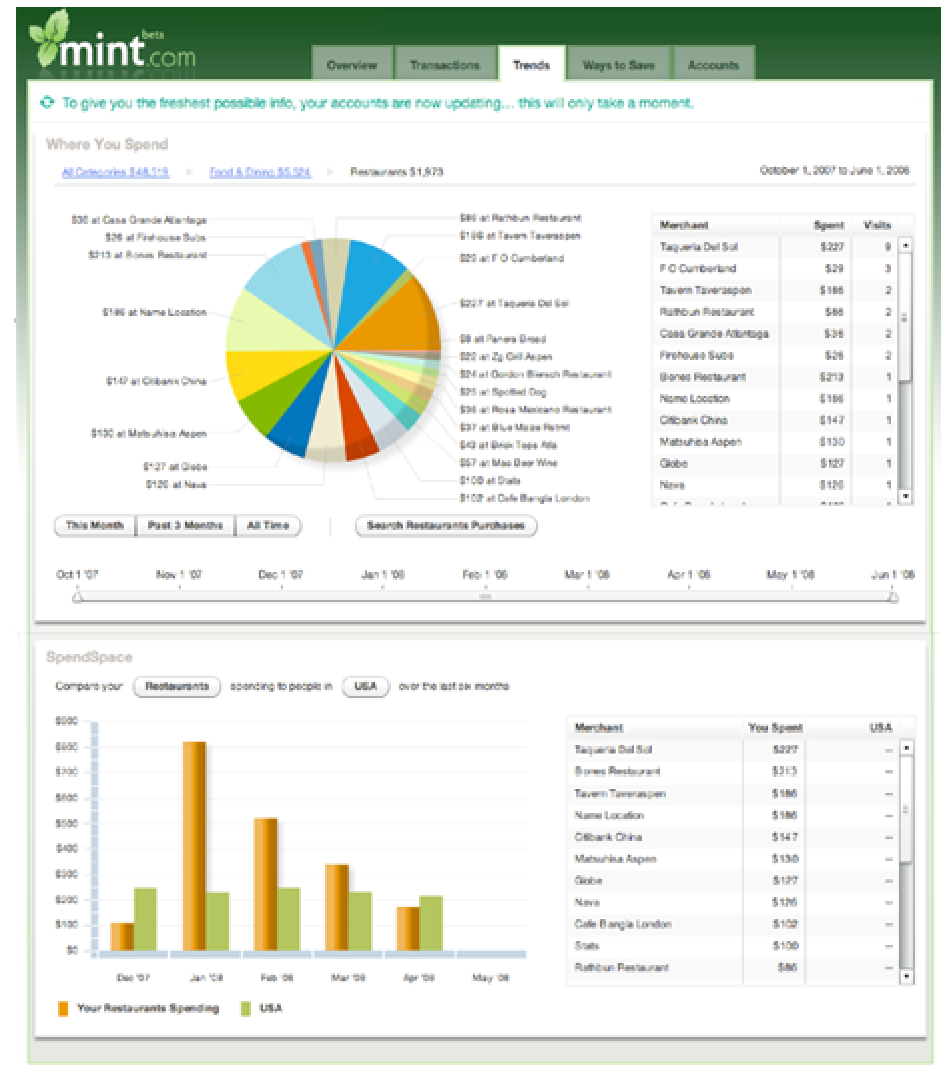




Banks are Tapping Customer Interest with Web 2.0....

More advanced uses include combining data mining and warehousing across customer profiles, products, and transactions to promote obvious and non-obvious relationships amongst consumers, and between consumers and merchants.

Lotus Connections (*Profiles, Communities, Activities, Dogear, Blogs*) recently had the most successful software product launch for IBM. Additionally, Connections and Quickr have been architected so they run as plug-in services in other user tools (Portal, Expeditor, Sametime, Outlook, Sharepoint....) --- even the Integrated Desktop...





Web 2.0 in the Banking Workforce - Demographics & Expectations

Older workers (Age 50 +)	Mid- career workers (Age 35 – 50)	New generation (born after 1980)
Growing as % of workforce	Shrinking as % of workforce	Growing as % of workforce
Hold the wisdom and intellectual capital of the organization	Essential source of professionals and middle managers	Critical to long-term viability and innovation
Traditional approach to technology, collaboration, organizational loyalty, and rewards	Tech savvy but not “native speakers”; mixed approach to collaboration, loyalty, and rewards	Technology is 2 nd nature; more interested in peer / interest groups than organizational identity; think work should be fun and fulfilling



Capture their knowledge before they retire



Relieve their stress and increase effectiveness



Grew up Digital



IBM WebSphere Portal V6.1 - The Web 2.0 Portal



**New Web 2.0
features for
increasingly
Web-savvy
users**

1 Set up your site
By adding new pages
Lorem ipsum dolor sit amet, consectetur adipiscing elit. Suspendisse neque dolor, nonummy ac, elementum ac, laetitia quis, erat. Ut mattis imperdiet enim. Sed in justo. In hac habitasse platea dictumst. Vestibulum ac tellus eu leo accumsan posuere.
[Read more about managing pages.](#)

2 Modify your theme
Theme Customization 101
Want to change the settings such as navigation structure of the pages in your site?
of this can be done from one location while
pages document. Vestibulum ac tellus eu leo
to learn more about managing the content on your site, click here.

3 Add new content
Adding and Managing your content
Catalog consectetur adipiscing elit
pages document. Vestibulum ac tellus eu leo
to learn more about managing the content on your site, click here.

- **Exceed user expectations** with latest Web 2.0 features for a richer, more responsive user interface
- **Respond quickly to new business opportunities** with faster, easier and more flexible reuse of Web-based assets and existing IT investments
- **Reduce deployment costs, complexity and maintenance** with more robust site and performance management capability



WebSphere Portal

– Delivering Exceptional User Experiences



- Broadest, most comprehensive vision
- Proven Ability to execute on that Vision
- WebSphere Portal lowers development costs and improves time to market over “build it yourself” strategy (*IDC Portal Buy v. Build, Dec 2007*)
- Choice and Flexibility
 - ▶ Standards based implementation
 - ▶ Wide choice of WCM, document mgt, security, dev tools, etc
 - ▶ Worldwide Customer and Market experience
 - Translated and supported worldwide
- Deepest and widest services capability – ISSL, GBS/GTS, Partners – of any portal vendor in the business.
 - ▶ This intellectual property cannot be matched.
- **Portal Accelerators**
 - ▶ Collection of line of business oriented solutions speed time to value
 - ▶ Intellectual Property from thousands of customer engagements help you solve your business needs faster



For More Information...

- WebSphere Portal
 - ▶ www.ibm.com/websphere/portal
- Portal Accelerators
 - ▶ www.ibm.com/software/lotus/portal/value
- Web Portal Solutions
 - ▶ <http://www-01.ibm.com/software/info/people/wpsearch/index.jsp>
- IBM Dashboard KPI for Banking
 - ▶ <http://www-01.ibm.com/software/brandcatalog/portal/lotus/details?NavCode=1WP10019H>
- IBM Banking
 - ▶ <http://www-03.ibm.com/industries/financialservices/doc/jsp/indseg/banking/index.jsp>
- IBM Financial Markets
 - ▶ <http://www-03.ibm.com/industries/financialservices/doc/jsp/indseg/financialmarkets/index.jsp>





धन्यवाद

Hindi

多謝

Traditional Chinese

ขอบพระคุณ

Thai

Спасибо

Russian

Gracias

Spanish

Dziękuję

Polish

Thank

English

شكراً

Arabic

You

Obrigado

Brazilian Portuguese

多谢

Simplified Chinese

Danke

German

Grazie

Italian

Merci

French

நன்றி

Tamil

ありがとうございました

Japanese

감사합니다

Korean

