



Digital Process Automation for Retail Banking

Outstanding customer service at optimum cost through omni-channel, customer-centric processes

Companies must make underlying systems and processes that were once considered "back-office" accessible in order to turn data into insights and respond to customer needs in moments, rather than hours or days.

—Koplowitz et al. Traditional BPM Gives Way To Digital Process Automation. Forrester, February 24, 2017.

Traditional banking cultures are often rigid, siloed, and risk averse. Meanwhile, customers look forward to their banks becoming simpler, quicker, more integrated, and more personal.

Digital leaders are leveraging technologies such as digital process automation platforms to re-think the customer experience—not only to better meet customer needs but to also lower their own costs and increase efficiency. The best banks are now fully seizing these opportunities and capitalizing on them. Those that fail to act will be left behind.

TIBCO's solutions helps retail banks implement better processes that are aligned with the new business drivers of the digital economy. Ideal processes share some common characteristics described here.

CUSTOMER CENTRICITY FIRST

Digital processes put the customer at the center of the universe.

IT USED TO BE AUTOMATION ONLY

In past decades, use of process platforms was commonly limited to back-office automation, aimed at improving:

- Control—Bring order to the chaos
- Standardization—Make sure the process is done the same way everywhere
- Traceability—Provide full audit capabilities
- Efficiency—Enable shorter cycle times, reduced need for resources
- Quality—Reduce errors and improve consistency

The business drivers were efficiency, productivity, costs control, and compliance.

THE CUSTOMER IS AT THE WHEEL

Banks need to adapt their processes—and their organization—so that they meet the customer's agenda, not the other way around. Where automation is like a daily commute, digitalization is a road trip, and the customer is no longer the passenger, they are the driver.



Innovation
Cut costs & do more with less



Agility
Increase responsiveness & lower cost to change



Compliance
Avoid penalties for violations



Transparency
Improve traceability & justify outcomes

IT USED TO BE ABOUT INTERNAL PROCESSES

It was also mostly a bank's internal processes that were targeted and implemented. In most cases, the customer wasn't represented in the process models, wasn't interacting with the application directly. The expectation was a refined, lean, and scalable process.

NOW IT'S ALL ABOUT THE CUSTOMER

The days of seeking stable and repeatable processes are over. The world has changed, and what used to happen in the back-office, is often now in the hands of the customer on their mobile: making a payment, applying for a loan, purchasing a product, changing an order, etc.

Banks need to re-think their processes, wrap them around the customer, understand the customer experience with the bank, leverage the events or non-events that compose customer journeys, and respond to customers in seconds, not hours or days. To achieve this speed and agility, banks need to adapt their processes, and their organization, so that they meet the customer's agenda, not the other way around. Where automation is like a daily commute, digitalization is a road trip and the customer is no longer the passenger, they are the driver.

Today, flawless process execution is not only required, it is the foundation for digital process automation.

DIGITAL CHANNELS

Digital channels, especially mobile, are growing rapidly worldwide. Customers increasingly prioritize the digital availability of products and services when choosing a bank. Banks need to onboard the customer as a primary persona of their processes and enable:

- Self-service for both raising requests (creating cases) and tracking progression of their applications
- Omni-channel support allowing the customer to use a bank service however they want. Sometimes, when a customer starts a process on mobile or online, subsequent physical contact with a financial advisor in the branch at key moments is a catalyst for increased lifetime value of that customer.

PERSONALIZED SERVICE

Consumers continue to demand personalized service. It's obviously very important for wealth management services where customers with high income and spending want to feel special. But it is also true of digital consumers across all lines of business, and especially those who use multiple channels (digital and face to face). These patrons usually have higher income, more assets, and consume more products. They also have higher expectations and are more challenging to serve.

CONNECTED AND EFFICIENT

Historically, certain back-offices were responsible for dealing with requests from their assigned front-office branches only. This model isn't great for efficiency because it requires comprehensive skill sets in every back-office and doesn't adjust well to irregular volumes of work coming from assigned branches.

A centralized team of experts is favored for achieving increased efficiency using more skills-based routing and fewer person-specific assignments. Managing the workforce with a high degree of granularity, as supported by TIBCO's workforce management capabilities, is a key enabler for this transformation.

OPTIMIZED ORGANIZATION

Digital processes are still supported by people. Achieving great customer outcomes requires that the organization, front to back, line up and demonstrate operational excellence. It includes minimizing redundancy and waste, leveraging resources that contribute most to success, and developing a smart, highly efficient workforce. Banks are generally organized according to:

- Distribution, a network of branches (aka the front-office)
- Production, a set of processing centers (aka the back-office)

Usually, the workforce in these organizations is large and somewhat complex: several geographies, teams, roles, skills, and authorization levels. The business challenges inherent in the global workforce addressing the global pool of work:

- Ensuring work is performed by a skilled resource
- Dealing with irregular volumes coming from the branches
- Ensuring proper prioritization, empowering operational managers to change priorities
- Tracking management objectives
- Anticipating skill shortage, optimizing resource assignments

Business drivers for meeting these challenges:

- Customer satisfaction
- Operational efficiency, FTE savings
- Adaptation to frequent organizational changes

DECOUPLING THE BACK-OFFICE FROM THE FRONT-OFFICE

Historically, certain back-offices were responsible for dealing with requests from their assigned front-office branches only. This model isn't great for efficiency because it requires comprehensive skill sets in every back-office and doesn't adjust well to irregular volumes of work coming from assigned branches.

WORKFORCE OPTIMIZATION

Processing teams are by design under capacity, but generally, organizations strive to become leaner. A centralized team of experts is favored for achieving increased efficiency using more skills-based routing and fewer person-specific assignments.

Organizational transformation is a journey. It doesn't happen overnight, and technology must be used to enable change at the speed of the possible. Managing the workforce with a high degree of granularity, as supported by TIBCO's workforce management capabilities, is a key enabler for this transformation.

- Skill-sets are explicitly defined and associated with business tasks.
- Work distribution strategies are defined based on skill-sets (individual assignments, dynamic group assignment), not on location.
- The concept of a single work pool is supported.
- Individual users have access to a subset of the global work pool based on their skills and privileges.
- A global priority is defined for each work item within the pool.
- To optimize a desired outcome, prioritization scenarios can be defined with analytical tools, such as TIBCO Spotfire®.

Benefits include:

- Global visibility into the work backlog and resources capacity for each level of the organization, resulting in better anticipation of shortage scenarios or re-prioritization needs.
- The system delivers the most important work to each user, rather than the user having to pick an item of his choice, resulting in better outcomes for the enterprise and its customers.
- While teams may continue to exist, load balancing is implicit and doesn't require so much escalation.
- Global priorities can be changed by team leaders and business managers in real time based on the daily business priorities that may be changing even intraday.

Intelligent dashboards help operational managers answer top-level questions:

- Do I have enough resources to process the work?
- I know I am short of resources, how can I optimize and what should I prioritize?
- Do I meet my commitments and objectives (internal or external)?

Key capabilities provided to meet these objectives include:

- Measure: Monitor the situation in real time (the work backlog compared to the available resource pool)
- Predict capacity to anticipate shortage scenarios
- Optimize resource allocation using techniques such as operational research solvers, for example LPSolve, to maximize outcome

Workforce management is a continuous cycle. The operating resources are constantly being optimized for the current situation and workload, which is an entirely new way to approach banking operations and processes.

NEW DRIVERS IN THE DIGITAL ECONOMY

Digitalizing processes is about addressing new challenges, using front-office technology, and putting customer interactions at the center. New tactics:

- Innovation—Disrupt your market (before others do)
- Speed—Prototype your business strategies and fail fast
- Differentiation—Of either your services or your customer interactions/experience
- Growth over time—Follow agile methodologies



Innovation
Experiment to create
innovative digital products
& services



Differentiation
Deliver compelling
customer experiences



Speed
Introduce new products &
services faster



Growth
Optimize operations with
processes prepared for
rapid evolution

NEW PERSONAE IN THE DIGITAL ECONOMY

New change agents arise now, focused on using the new tactics to drive bank transformation. Technologies have evolved to enable these people with the right tools.

RISE OF THE KNOWLEDGE WORKER

Digital Business is knowledge-worker centric. The roles of these workers is broadening, because, by automating much of the back office, they have been empowered to become more skilled. They can make a real difference in the customer experience using their knowledge to make fast decisions.

TIBCO takes a data-centric approach to digital processes. Pretty much anything can become a context, a “case.” Case data is a way of defining a container for data that you want to manage towards a goal—onboarding a customer, administering a claim, responding to a complaint, processing a loan request.

Case data has its own lifecycle outside of any process. It likely has stages or states and will eventually reach a goal or final state. It may store information as it is collected by a knowledge worker, or it may reference external data, such as customer information in a CRM or other data in other systems. The knowledge worker will supplement and review this information to help drive the case towards the goal, typically by running small fragments of processes.

This is how the knowledge worker can compose the journey on the fly, by reviewing data at each stage and selecting the chosen process fragment from those available (based on who they are, what they can do, and the current case context).

THE RISE OF THE CITIZEN DEVELOPER

Innovation and speed, new tactics of the digital economy, are often also hard to achieve in banking with traditional organizations, unless new change agent personas arise: the business or citizen developer.

Citizen developers may work in IT, or in a business line, team, or organization. Foremost, they are problem-solvers with the drive and determination to engage in application development even though they lack traditional coding skills.

- They aspire to create a better way to work. They know the challenges that get in the way of productivity, and they envision solutions that would improve efficiency.
- They have new ideas on how to delight customers and grow revenues, but they need a way to quickly go from idea to operational app in minutes not months.
- They desire to advance their skill-set on an ongoing basis, grow personally, and impact the business in a greater way.

However, at the same time, there’s a lot of frustration. Their skillsets are not really adequate for using the current technical tools. IT gets in the way, processes and systems are too inflexible, delays are common — resulting in their inability to drive change as they would like.

The drive and power of these citizen developers should be harnessed through low-code development — such as with TIBCO Cloud™ Live Apps that provides an intuitive and easy to use platform to rapidly create, update, and share smart business apps. TIBCO® Live Apps lets a business or citizen developer build a smart app in minutes and turn their ideas into production, enabling:

- Innovative apps
- Rapid application development and delivery
- Tactical good-enough apps
- Fast modernization of old applications
- Low-cost testing of new business ideas and concepts

HOW TIBCO SOLUTIONS ARE HELPING BANKS ON THEIR DIGITAL JOURNEY

TIBCO's solution delivers a persona-centric, hybrid, application development platform addressing the full spectrum of business applications, from high control (mission critical, highly integrated, customized, IT governed) to high productivity (essential features, just enough customization) to support innovation and speed. It provides capabilities to support:

- Case management
- Process, work distribution, and workflow management
- Integration with systems and devices
- Low-code application development
- Modern user interfaces including mobile
- Operational monitoring and analytics
- Process performance analytics

Supporting products include:

- TIBCO ActiveMatrix® BPM (Business Process Management)
- TIBCO Cloud™ Integration
- TIBCO Cloud Live Apps
- TIBCO Spotfire® visual analytics

TIBCO ACTIVEMATRIX BPM

With a platform to build enterprise scale applications by designing visual models, instead of coding, ActiveMatrix® BPM helps you address differentiation and growth over time. Its case structure holds all process artefacts: cases, actions, states, forms, work distribution, processes, business rules, and others. All elements are easily traceable and auditable, and can be quickly and easily changed by dropping in new micro-flows or automation as the need is discovered. Apps can then deliver immediate ROI by tracking and managing cases. This is clearly a much more attractive approach than a long investigation/process mapping/build cycle.

TIBCO CLOUD INTEGRATION

TIBCO Cloud Integration was created to help keep every part of your business integrated. Now, users can seamlessly connect cloud-based services and on-premises applications, and easily model, create, test, and deploy custom APIs. These integration and API services can easily be deployed and exposed for incorporating into a Live Apps business app configured by a knowledge worker or citizen developer.

TIBCO CLOUD LIVE APPS

TIBCO Cloud Live Apps delivers a distinctive user experience that empowers citizen developers to build fully functional business applications from a web browser in minutes. Five easy-to-answer questions is all it takes to create applications from the ground up. This gives users the ability to jump right in and start describing a solution to a business problem in plain language, and if needed, compose underlying services defined in TIBCO Cloud Integration, for example, risk assessment, customer segmentation, or document generation.

TIBCO SPOTFIRE

Analyzing case data with Spotfire can bring understanding about the best way to progress a case in a given scenario. Besides supporting self-service reporting, Spotfire allows operational managers to monitor dashboards to assess activity on cases, processes, organization, and data and make better decisions about improvements given this context.

CASE MANAGEMENT SOLUTION ACCELERATOR

The Case Management Accelerator is a “quick start pack” for building case management applications based on ActiveMatrix BPM case models and patterns. It is provided free of charge and consolidates many human years of expertise acquired through hundreds of successful deployments. This accelerator will help you achieve better:

- **Agility:** Enabling users to focus on solving the business problem and modeling the use case by creating and deploying case data and case action models using a no-coding visual notation.
- **Innovation:** Enabling users to prototype business use cases using the provided generic case management sample application to create and progress cases (instances) in a business friendly interface.
- **Time to market:** Enabling users to speed up the design and development of the target case management application by using Case Management Accelerator projects as a starting point and extending the templates, with access to full sources.

WHERE TO GO NEXT

- Read how [ING Turkey](#) has increased sales and customer and market share.
- Hear how [ABN AMRO](#) has led a successful transformation focused on transforming the mobile banking journey.
- Watch how [First Citizens Bank](#) has enhanced products for customers and created efficiencies to serve them better and faster.
- Get started and build your first [smart app](#) in minutes.



Global Headquarters
3307 Hillview Avenue
Palo Alto, CA 94304
+1 650-846-1000 TEL
+1 800-420-8450
+1 650-846-1005 FAX
www.tibco.com

TIBCO fuels digital business by enabling better decisions and faster, smarter actions through the TIBCO Connected Intelligence Cloud. From APIs and systems to devices and people, we interconnect everything, capture data in real time wherever it is, and augment the intelligence of your business through analytical insights. Thousands of customers around the globe rely on us to build compelling experiences, energize operations, and propel innovation. Learn how TIBCO makes digital smarter at www.tibco.com.

©2017 TIBCO Software Inc. All rights reserved. TIBCO, the TIBCO logo, ActiveMatrix, Spotfire, and TIBCO Cloud are trademarks or registered trademarks of TIBCO Software Inc. or its subsidiaries in the United States and/or other countries. All other product and company names and marks in this document are the property of their respective owners and mentioned for identification purposes only.

11/28/17