

The journey toward integrated digital asset management

It's time to take the first step



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Introduction

As the financial services sector slowly emerges in this post-crisis regulatory landscape, the concept of conduct risk is becoming increasingly important with regulators. They are now starting to implement regulations into the consumer welfare and experience area of financial services, aimed at protecting consumer rights, expectations and customer experience elements of purchasing financial products. The problem is that nobody can agree on what this means and what the scope boundaries are, as they seem to blur between general consumer protection regulations and risk to customers of failing process controls of providers. Consumer product marketing for financial products and services is a good example, as marketing messages encourage customers to purchase peace of mind or a particular functional capability.

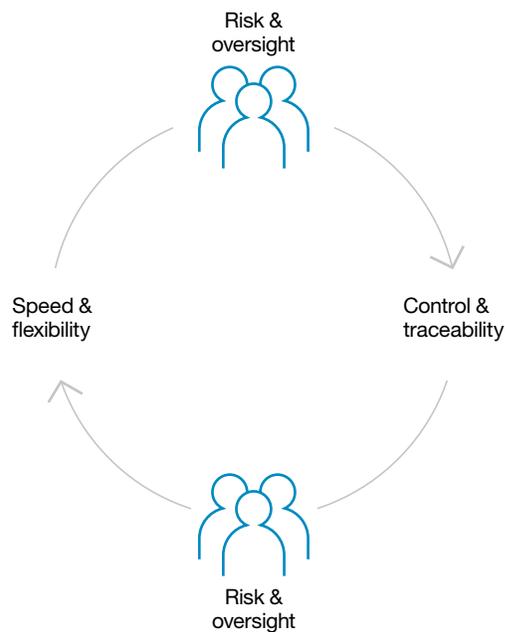


Figure 1: CRISP-DM—Cross Industry Standard Process for Data Mining, an iterative approach to data science.

Source: IBM GBS

The growth of the digital landscape

As the switch to digital continues to gather pace exponentially, marketing in this regulated landscape grows increasingly complex. Marketing messages advertise product capabilities and offers across an ever increasing set of digital and traditional channels. Intense regulatory scrutiny classifies each message as an asset that needs to be drafted, approved, managed and archived to ensure compliance, irrespective of its outbound channel to market used. Digital asset management is the mechanism and tooling that enables organizations to digitally manage an asset through their lifecycle. This scrutiny extends the compliance requirement throughout the supply chain and into the contextual environment that the marketing messages are received by the consumer. Examples include web page designs, email templates, videos, policy and claims documentation, terms and conditions, marketing campaign offer content, direct mail designs, call center scripts, marketing and data briefs.

This compliance responsibility of the digital asset management process¹ across an asset lifecycle presents a number of operational challenges to financial services organizations; for example:

- These operational requirements create competing stakeholder objectives with Risk (Business Oversight) keen to maintain compliance while Marketing are keen to build and maintain market share quickly.
- The compromise is a difficult balancing act between speed to market opportunities and the need to maintain reputation and manage risk. As complexity grows so does this tensions between competing objectives and the threat of more nimble competition.
- The approvals cycle for each asset stage, must be clearly

auditable for any specific asset content version that any customer could potentially view, irrespective of channel. These approval activities (within the relevant stakeholder community), must ensure a strong and clear separation of duty to avoid a conflict of interest. This creates huge manual overhead to manage, leaving a stark choice between speed to market and risk compliance.

- Organizations are required to be able to provide documented evidence, for example an audit trail with specific versions, showing who authored, reviewed and approved each asset and version of an asset. This must be the specific version of the asset that a customer views during the purchase decision process, in the context of the vehicle (for example, a webpage) in which they would have viewed it. All this information has to be stored in an easily accessible format for submitting to regulators.
- The increasingly competitive environment intensifies rivalry across ever-increasing number of channels; new competitors and aggregators demand an improved understanding of customers and the market. Organizations need to respond by accelerating and expanding marketing activities while remaining as cost competitive as possible.
- Marketing is becoming increasingly sophisticated as organizations need to respond to new technology, emerging channels, disruptive upstarts and dis-engaged customers. Leading organizations are responding to the challenge by developing omnichannel marketing capabilities to engage specific customers across a combination of channels. They're using marketing strategies that include multi-wave, multichannel campaign strategies with increasingly dynamic creative content to capture the existing and new customers

alike. This is attractive as it drives the opportunity to point consumers to the lowest cost channel where they can interact and purchase goods and services. Real-time personalization is within the grasp of many, and when incorporating geo-spatial analysis and event-driven activities this becomes increasingly attractive to customers. But it's increasingly difficult to manage at an operational level. Increasingly complex offer attributes across a range of different channels drive a need to retain and store this ever growing volume of assets. These operational challenges will be manually intensive to manage activities within the campaign management lifecycle, and while it will impact the operational costs of marketing, it provides a step change in capability.

- Today, organizations are struggling to efficiently manage their assets with these competing priorities across multiplying channels, straining the managerial overhead of manually intensive legacy tools and business process workarounds. Version control and communication rapidly become point to point activities as various asset types, associated approvals and specific screenshots, need to be stitched together to meet compliance and marketing deadlines. Tools and business processes begin to creak under this strain and lead to problems such as continued rework, publishing without approval or canceled mailings. This adds cost and risk to the bottom line. Investment cases for large expensive enterprise solutions are difficult to articulate and even more challenging to win budgetary approval, so the departments of the CMO and the CROs are increasingly caught in an uncomfortable, compromising balancing act of competing objectives.

Risks' holy grail is of interest to marketing

The vision to a solution for all these current operational challenges is a closed-loop asset management lifecycle process whereby all assets can be tracked and managed within an asset approval system. This system is also linked to the web content management and campaign management tools to manage outbound marketing channels such as web, email and direct mail. This Digital Asset Management solution prevents the nightmare scenario of implementing a customer facing change, be it a marketing message or campaign outside the review and approval process. Hence, it minimizes the reputational risk of releasing inaccurate information contrary to customer protection regulations.

This solution has the potential to satisfy both stakeholder communities and the wider organization as it primarily provides the opportunity for both communities to efficiently work together in the same direction while enabling a satisfactory conclusion to both sets of objectives.

The Chief Marketing Officer (CMO) benefits in three main areas:

1. Faster time to market–Due to improved communication capability across various marketing teams and suppliers, clear linkage between campaign content and approved assets, reduced wastage and rework with suppliers
2. Increased confidence of regulatory compliance despite increasing marketing activities–With an understanding of the single repository of approvals with audit trails and specific examples of assets.

3. Operational efficiency–Provides the ability to free up marketing resources to concentrate on higher-value activities. Instead of workflow based activities to manage relevant content through the internal organizational approval processes, this creates the headroom to focus on Campaign Strategy, Communications plans and Offer Strategy areas to drive organizational revenue.

The Chief Risk Officer (CRO) would be very interested in the following areas:

1. Single repository of approvals with audit trails and specific examples of assets
2. Clear reduction in risk opportunities in the asset management process
3. Improved coordination between various risk departments thus providing the organic scale to manage increased workloads.

A business case is the traditional channel to articulate and quantify the operational and strategic cost benefits. Our experience reveals that the results are:

1. Reduction in the intensive manual and fragmented processes that increase the risk of unintended compliance issues
2. Avoidance of negative publicity about publishing inaccurate asset content,
3. Reduced risk of increasing cost to serve ratios through increased inbound call volumes on service or mis-sale related issues
4. Decreased volumes of complaints leading to reduced headcount requirements,
5. Greatly reduced time to market timescales for new campaigns, improving market agility and improving brand image.

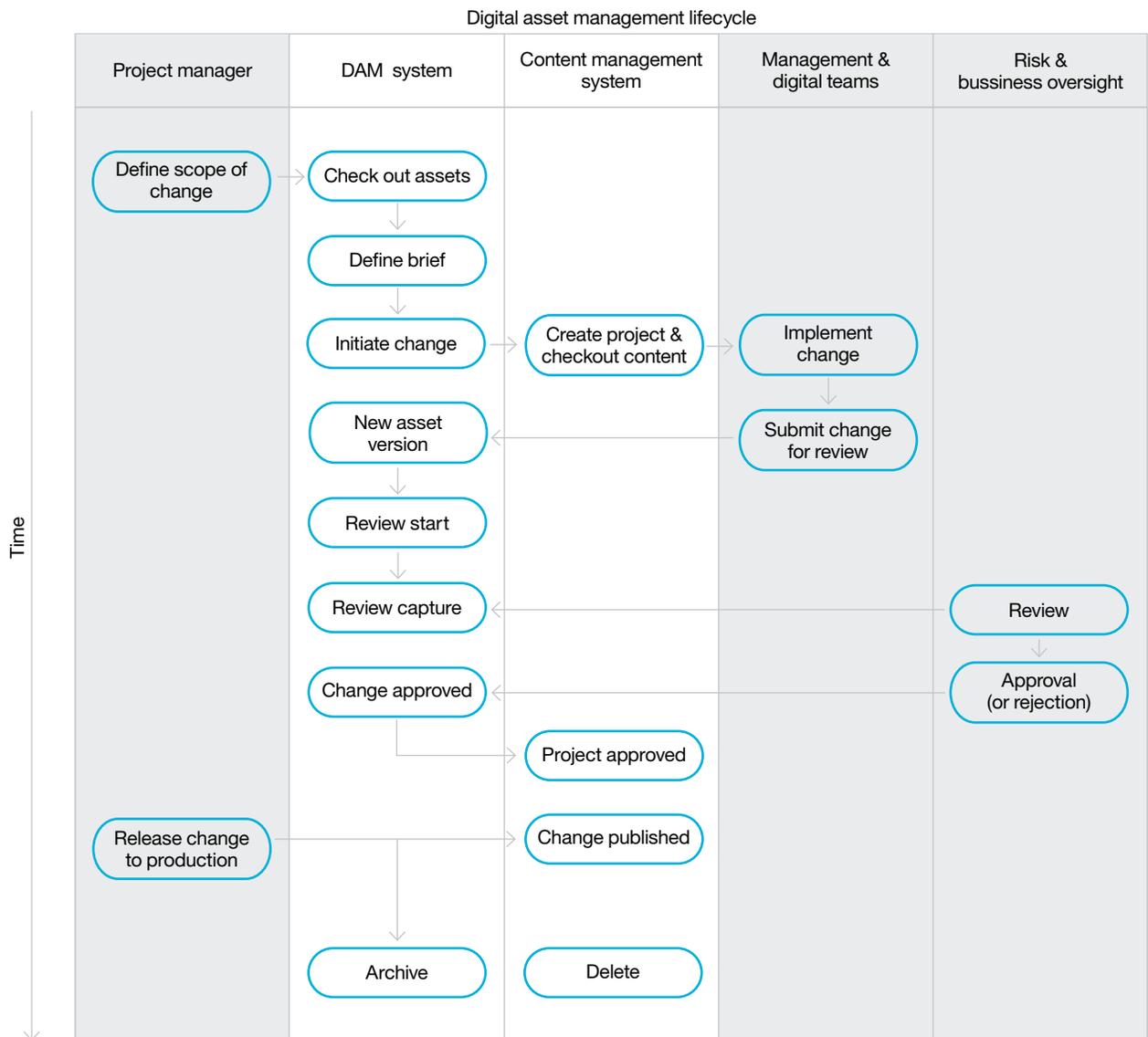


Figure 2: Asset lifecycle management is critically important to ensure compliance with FCA regulations.

Source: IBM GBS

The asset lifecycle is important

The asset lifecycle is important because an organization operating under FCA regulation needs to be able to prove and report on every step of the asset lifecycle.

The accompanying diagram shows a simplified end-to-end business process of an asset change management process of digital assets managed inside, that is, a Content Management System (CMS)². Key to the change management process is the Digital Asset Management System (DAMS).

The DAMS system contains all current assets managed by the organization (there are typically more asset types beside web content, for example, templates, terms and conditions) along with all of their versions and track record of reviews, rejections and approvals. Change is typically defined and started in the DAMS system. Change definition consists of briefly describing what needs to happen and which assets will need to be modified or created. Corresponding assets are checked out in the DAMS system and a new project is automatically created in the CMS system checking out all identified web pages or web content items.

The change is implemented by the digital team and after internal quality assurance changes are submitted to the DAMS system for review and eventual approval.

Business oversight, product management, risk and other internal teams are notified about a new review workflow request. Review stakeholders review all newly submitted asset versions; their review comments and approval or rejection decisions are recorded in the DAMS systems. This information is accessible and can be used to provide an audit trail of responsibilities. The tool enables several iterations between reviewers and the change team, should there be any amendments needed.

Eventually, after a successful approval of the change, a project in CMS is marked as approved and the project manager can release implemented changes into production.

- All steps are controlled by a master workflow in the DAMS
- Change is described and initiated from the DAMS, not in the source system (CMS)
- Source system (CMS in this case) cannot initiate standard change on its own; it is part of overall process
- The change management process is automated and integrated across various systems
- DAMS system contains version history of managed assets along with all review comments and granted approvals or rejections

Such an integrated process provides a wide range of organizational stakeholders with the capability to initiate change and approve change to various assets quickly and efficiently. It provides confidence in an organization's compliance to the FCA regulations.

Simplified business process for a Content Management System

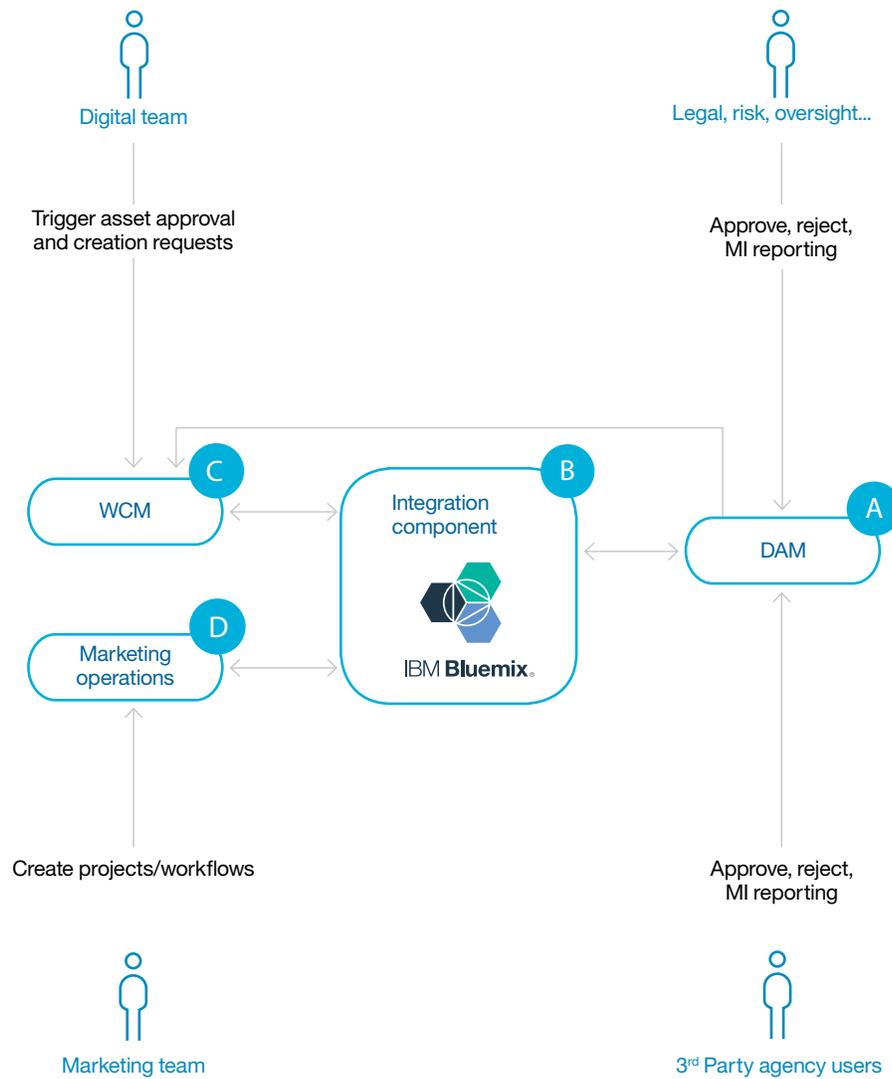


Figure 3: A standardized process ensures all stakeholders remain appropriately involved.

Source: IBM GBS

The journey of a single step

Liao Tsu once said, “A journey of a 1000 miles begins with a single step.” In this case, this step would be to ensure stakeholder agreement on the current operational challenges, the expected business benefits and the scale of the ambition for a technology-agnostic solution. Once the decision is made, there are a number of preparatory steps that IBM would recommend,

1. The first step in the journey of any organization within this space would be to understand, document and simplify their processes around the management of the digital asset lifecycle across your organization. This could be an audit of current business processes and approval workflows for digital asset lifecycle activities, as usually processes have evolved to take into account technological obstacles or interpretation of regulatory requirements.
2. Establish a clear and agreed view of the scope and breadth of the stakeholder community to manage, review and approve the asset lifecycle. Once established, this would involve reviewing the roles, challenges and objectives of each of the stakeholder groups. What are the current pain points of the process? What is the organizations’ risk appetite? What is the digital strategy in the medium term, and does this require a more nimble process yet still be compliant? Finally, establishing a clear and agreed owner/sponsor within the C-Suite stakeholders would help clarify any competing and conflicting organizational objectives.

3. The drafting of a single set of agreed and detailed requirements outlining how the tool should support and enable the agreed business process for the management of these assets, while taking into account the need to future-proof and remain compliant. Does the tool need document version control, and does each version of the asset need to have display and edit functionality?
4. Finally, as mentioned in the previous section, a business case should be drafted and maintained to outline and manage the identified business benefits and costs of the tool. Ideally it will focus on operational benefits to the same extent as compliance risk.

These steps will ensure that the journey of a thousand miles starts on a firm footing and in the agreed direction.

The technical overview

The following architectural diagram outlines the specific components used within this solution proposition and illustrates where different business users will interact with different areas within the solution:

A: Asset Management System (DAM)—Contains all asset versions in its asset store and supports various asset lifecycle management workflows (for example, to manage changes of web pages developed and provided by IBM WCM. DAM is software as a service cloud based solution.

B: Integration component (IC)—Implements API calls orchestration between the systems to avoid changes on package solutions. It listens/observes workflow changes happening inside DAM and decides when this need to propagated into WCM or Marketing Operations. Events can be of various types (such as new project, project approval or rejection, deletion of assets.)

C: IBM Web Content Manager (WCM)—Manages development of brochureware web pages. Used by the digital team. To cooperate with DAM an abstract concept of a web page had to be introduced which groups contain items a page consists of. DAM assetID is stored on each WCM web page as a link reference. Standard change projects are triggered from DAM.

D: IBM Marketing Operations (MO)—Manages marketing campaign planning and execution. Uses DAM (via IC) to trigger creation and approval of a campaign brief or any other types of briefs used during campaign lifecycle, such as email or SMS templates.

Client Case Study

IBM has recently implemented an integrated asset lifecycle management solution for a general insurance company. The solution involved integration of IBM ExperienceOne marketing suite (campaign management) and IBM Web Content Manager with a 3rd party digital asset management system which is available as software as a service (SaaS). Integration has been implemented leveraging existing APIs of those systems and deployed as an *integration component* on the IBM Bluemix platform. Compared to the legacy solution, it generates a number of major procedural improvements:

- All changes are captured. It is not possible to deploy a change without review and approval taking place
- There is a reduction of the number of errors, as asset versions needed for the review and approval process in the AMS are captured automatically and do not need to be uploaded manually
- Coordination of the various stakeholders is improved during the review and approval process.

The general consensus of users is that avoiding manual page capture and upload of captured pages for approval into the DAM tool significantly increases productivity while reducing room for error. Thus, the solution is hitting the sweet spot from the perspective of both users and regulators.

Summary

The marketing landscape within regulated environments is growing increasingly complex as regulations tighten, yet competitive rivalry intensifies. This can be regarded as a threat by some, but an opportunity for others who want to understand their customers and how they purchase goods and services. As operational cost budgets come under scrutiny, it is imperative that organizations efficiently manage their marketing assets lifecycle to build sales while maintaining compliance. A sensible objective would be to increase sales, and build marketing capability while achieving operational cost savings. The journey to this goal may be far less difficult than you think. It's time to take the first step.

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5. *Conduct risk explained: fix the systems or pay the fines*, Banking Technology (www.bankingtech.com/182841/conduct-risk-explained-fix-the-systems-or-pay-the-fines)

For more information

1. IBM Web Content Manager (ibm.com/software/products/en/ibmwebcontmana)
2. IBM Bluemix (ibm.com/cloud-computing/bluemix)



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- 1 Asset management functional capabilities should not be confused with traditional document management functional capabilities. DAMS doesn't have change tracking within versions, as say MS Word, but is a tool to store different versions for review.
- 2 CMS—where a content is created, updated and published



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