

Driving change at financial institutions

Five guiding principles that propel investment in new technology



Like so many other businesses, financial and banking institutions today find themselves at a crossroads. Systems that used to work well for managing customers and employees are suddenly unable to keep up with the rapid pace of change. Many are realizing the time has come to transition to a new way of running the organization that's more cost effective and delivers the data needed to make more informed decisions.

In 2013, more than half of consumer bank interactions around the world took place through online or mobile channels, according to Bain & Company customer surveys. When you include ATMs, the share of electronic, digital interactions exceeds 85 percent today and could hit as high as 95 percent by 2020.

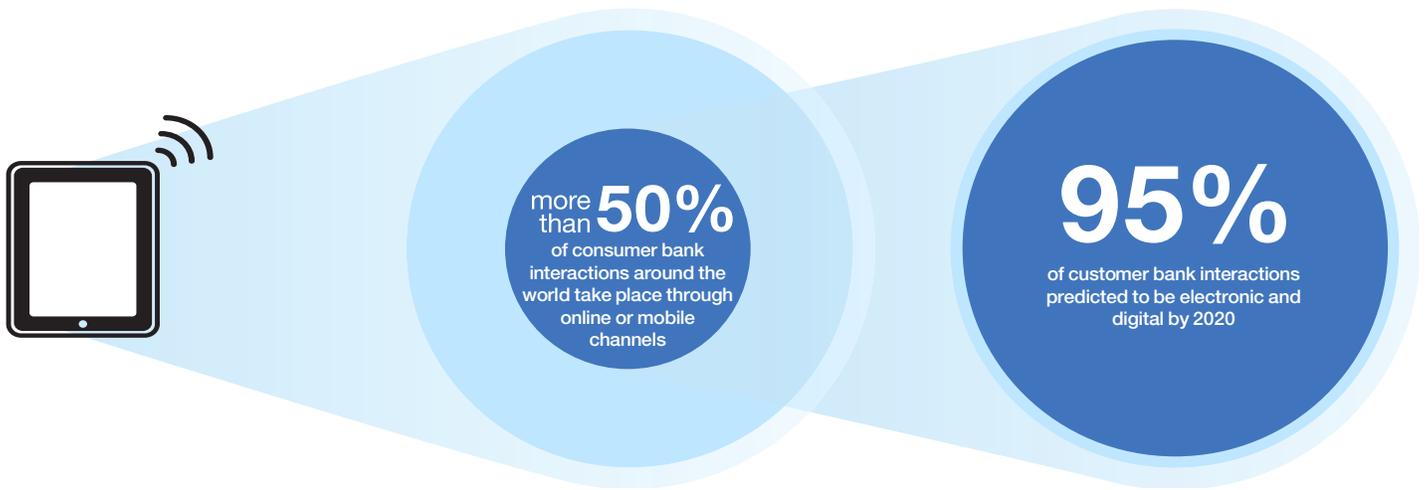
The human resources and finance departments of those companies are following suit, bringing operational management online and to the cloud, through services like what Workday and IBM® Workday Consulting Services provides. What are the guiding principles for making such a shift? We spoke with leaders at three financial institutions to find out.

Employees come first

For the team at Mountain America Credit Union, “People Helping People” is more than just a marketing slogan—it’s the overriding mission behind everything they do. So when the company, which is based just outside of Salt Lake City, Utah, realized its multiple tools and systems weren’t helping them manage their 1,300 employees, they looked into an alternate solution that would streamline processes, be less manual and improve the employee experience.

“Mountain America is much more about the employee than anywhere else I’ve worked. They’re more interested in developing employees and finding a future for them. The bottom line isn’t the only focus, like I’ve seen in other companies. The culture here is about keeping the employees happy, because if the employees are happy, then the members are happy,” says Matt Whitney, Mountain America’s HRIS manager.

At Eaton Vance, an investment management firm based in Boston, giving the same level of service to employees that it does for clients is important. That extends to its human resources processes and systems, and was one of the leading reasons why it made the move to Workday in 2015. “We have six core values organizationally; two are excellence and customer focus,” says Mark Burkhard, the firm’s vice president of human resources. “We want to provide the same high level of service to our employees that we strive for in serving our clients. We think Workday will provide much better reporting, operational efficiency and more information to our employees.”



Change won't always be easy

Many financial firms have been running their business the same way for many years, and they have processes in place that are an entrenched part of the culture. No matter how positive or necessary the deployment of a new technology is, convincing others that it's the right thing to do takes care and attention.

This was the case at PineBridge Investments in New York. According to Siegy Adler, the firm's vice president of application support, part of their due diligence involved taking a look at what other companies in the financial services sector were doing, so those who had concerns internally could feel more at ease. "We had multiple meetings with Workday architects and members of the security team just to vet their model and make sure that people were comfortable here," he explains. "There's always a risk to go to a new system, but I think we were in pretty good company."

Similarly, at Eaton Vance, Burkhard got out ahead of the rollout, involving people across the company early on. "We were told that if people aren't ready for the change, and if the change management piece isn't handled well, then the whole thing could get derailed. So we did a lot around change management, whether it was user acceptance testing, or just communications about what's going to change in people's world. With Workday, we did a lot of presentations, both in Boston and in our subsidiaries, about the system to educate people and allow them to hear the changes they can expect," he explains. "As a result, I've been very pleased with the acceptance and, really, the positive feedback we've had on the system."

The new tool should be able to handle your needs

At PineBridge, as at other financial companies, bonuses are a key component of compensation, and that cycle lasts several months. “It’s a very intense use of HR resources, but Workday provides the tools to facilitate that,” Adler says. “By ‘tools,’ I mean it has extremely robust reporting.” PineBridge was able to configure a compensation grid, which it distributes to managers who are responsible for proposing bonuses, merit increases and promotions—allowing it to use data to its advantage.

Over at Mountain America, Whitney explains how any new tool needs to be scalable in order to handle the constant consolidation in his world, and make any new employees feel at home quickly. “In the credit union world, there are many mergers going on. We’ve merged with other credit unions, we’re opening up new branches and we’re trying to expand our footprint. That growth is something that is a little bit more unique to us,” he says. “So, if we’re bringing in new employees... they need to learn all the tools they use to serve our members, including the financial systems and the sales systems. There’s so much for them to learn all at once—we have to make it something that’s intuitive and that makes sense, so we can teach them the culture and systems all at once.”

In addition, the tool needs to accommodate the high turnover in financial institutions. “A common challenge for financial institutions is a high amount of turnover among our part-time tellers,” Whitney continues. “We’re always grappling with how do we keep this culture and how do we keep the employees engaged and wanting to stay here. We want to help them understand that there’s a future career for them here, that there’s a path to follow to improve themselves and that working for Mountain America can be a long-term thing, rather than just thinking they will work here for the next two years then move on to the next best deal. As we grow and have that part-time turnover at the same time, we’re trying to improve how we engage employees and how we help them to stay, realizing there’s a future here.” And tools like Workday can help with this because managers can determine where the turnover is, identify performance trends and develop succession plans accordingly.

Don’t ignore data security and other regulatory risks

“When you’re a public company, like we are, transitioning from a manual process environment to the automated workflow functionality of Workday, you need to make sure your processes incorporate a ‘second approver’ to mitigate risk,” explains Burkhard. Eaton Vance worked with a consultant on an initiative that put controls in place that gave the company a high degree of comfort with business process design and functionality.

All of the financial services companies interviewed for this guide explained that they contract much of the regulation and security work to a third party. For example, at PineBridge, extra care was taken during the deployment to make sure everything met their regulatory guidelines. “One of the areas we were very careful about was to make sure that the security configurations within Workday met our internal control requirements—and it did pass those tests, so we were okay with that,” Adler reports.

Focus on the bottom line

As in any other business, making a strong case for adopting a new technology at a financial institution is an involved process, where the benefits need to be proven beyond increased efficiency and overall employee satisfaction. “Obviously, it’s a big investment. You need to get support from the executive team that the system provides stability and operational efficiencies, and will provide employees with more information,” Burkhardt explains. “The Management Committee trusted the due diligence process we went through to move to Workday.”

Similarly, at PineBridge, the case was made once the company saw the financial benefits. “With the best-of-breed solution that we put together, from a financial perspective, we were actually saving the company money,” Adler explains. “It was a much better application with better controls. So, it really was not that much of a challenge to make the business case.”

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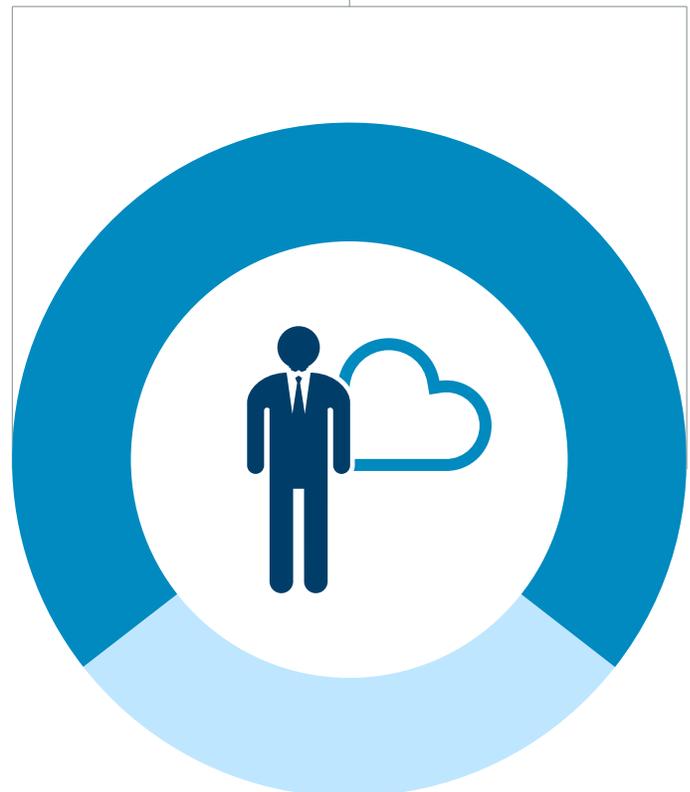
—Siegfried Adler, Vice President of Application Support, Pine Bridge Investments

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more than **71%**

of financial services executives are moving key IT functions to a cloud-based solution, according to a survey by PricewaterhouseCoopers





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