

# Embrace Advanced Case Management Capabilities for a Seamless Customer Experience

By Melanie Turek, Vice President of Research, Frost & Sullivan

## INTRODUCTION

Frost & Sullivan recently invited select companies to participate in a new and unique thought leadership forum—a Virtual Think Tank on Embracing Advanced Case Management Capabilities for a Seamless Customer Experience. The executives who contributed their opinions and insights hail from a wide variety of name-brand companies:

- Ramesh Cirani  
*AVP, Lead Engineer*  
**Deutsche Bank**
- Kyle Markland  
*Chief Strategy Officer*  
**Bethpage Federal Credit Union**
- Chris Fawbush  
*Disruptive Business Technologies*  
**IBM**
- Sylvester Obasogie  
*IT Operations Manager*  
**CIBC Mellon**
- Tom Fishow  
*VP, Project Management*  
**State Employees Credit Union**
- Aisu Owens  
*Sr. Desktop Analyst*  
**CIBC Mellon**
- Michael Green  
*ACM Team Lead*  
**IBM**
- Kenneth Schmidt  
*Technical Systems Architect*  
**Ameritas Life Insurance**
- Chinmay Kommuru  
*Sr. Consultant, Strategy & Operations*  
**Cigna Corporation**
- David Wakefield  
*VP, IT*  
**W&R Corporate LLC**

According to Frost & Sullivan research, the majority of companies in the financial services sector are not yet embracing case management software to automate key business processes. **But they should be.** By putting structure and discipline around routine tasks—including client onboarding, loan origination, and customer relationship management—Advanced Case Management (ACM) software ensures all employees follow best practices every time, reducing the likelihood of loss and improving revenue and outcomes.

We discussed a number of themes relating to this topic, including:

- The processes for onboarding new clients
- The challenges of loan origination
- Fraud identification, investigation and management
- Designing a beneficial customer relationship management system

## Welcome to the Mobile Workplace

Financial services firms are facing a new set of challenges and risks. In an increasingly global, mobile, and connected world, customers expect the companies with which they do business to leverage Big Data, analytics, mobile, cloud, and other technologies to improve the customer experience.

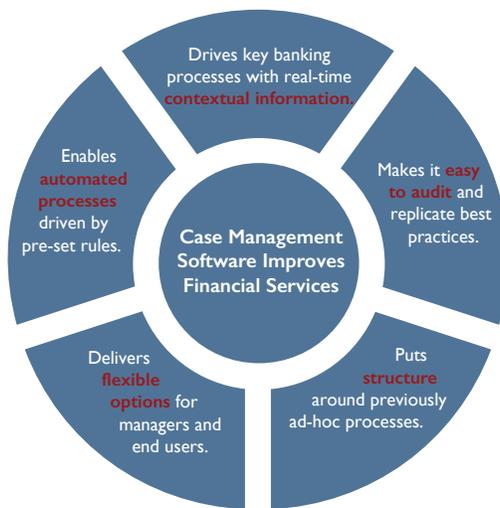
Unfortunately, most banks and insurance companies still manage clients with manual processes, which often vary from branch to branch or employee to employee. But a handful of industry leaders have shown that new systems of engagement can put structure around the entire customer relationship and deliver a clear competitive

advantage. Banks and insurers can also leverage ACM to better market ancillary services to new and existing clients, driving loyalty and increasing revenues.

By uniting content, people, and processes, ACM software helps users adapt to changing conditions without sacrificing their companies' best practices. This typically involves three components:

- *System of Record*, which gathers and stores all the business content required to open an account, apply for a loan, or build a complex investment portfolio securely, with full reporting and audit capabilities.
- *System of Engagement*, which unites branch personnel, decision makers, and exception processors for seamless collaboration and accurate business results.
- *System of Insight*, which offers a complete view of each customer account, history, and preferences, which, when coupled with analytics, can help users gain a deeper understanding of customer sentiment and identify patterns that might signify fraud.

Frost & Sullivan convened a panel of executives to discuss the benefits of case management software for financial services companies by focusing on the need to contextually connect people, data, and processes to deliver successful business outcomes.



### New-Client Onboarding: Room for Improvement

Most of the participants in our calls admitted that their processes for onboarding new clients are not

always well defined and could benefit from more automation. Sometimes, it varies even within a single organization, depending on the type of client or business unit involved.

"It does vary across the different lines of businesses," acknowledged a community bank SVP. "From a retail perspective, it's pretty automated: the account is opened and then we have what we call the '15-, 45-, 90-day process,' in which we do follow-ups on the new accounts—did they get their checks, their first statements, and so on, and finally at 90 days we actively cross-sell them on other products and services. But complex commercial customers require more. We have a checklist that has been created by our cash-management business. But there is a lot of manual tracking today. We're in the process of developing a system to provide us with a 30-day-out calendar, outlining the things that need to be done in the next 30 days based off the client and when we brought them onboard. Automation would really improve that."

Others see value in automation around regulatory issues. "There are all kinds of rules and regulations that you have to go through, so we're trying to automate as much of that as possible and try to speed up that onboarding process," said Schmidt. "That includes things like background checks. And then, the goal is that it will feed into our agency-management system."

Some firms feel pretty good about where they are now, but they recognized the need for improvement. "Monitoring provides us with the information that we need to look at it from the back end and make sure that we have the appropriate documentation and paperwork on file. The manual process we use now works, but it could always get better, and we always see room for improvement," said a bank executive.

Others have found that moving their offerings online brings its own challenges. "In dealing with the online market, we are experiencing identity theft, where people can pass all the prerequisite software questions, but they're actually frauds. So that's one thing that we're watching very closely," said Markland. "We've created a universal banker at the front line, and anytime we bring on a new customer, we take them through all our digital offerings and help sign them up at the time that they open their accounts, so that they're at least

more familiar with that process. And then we use the CRM system to track them, and for follow through and additional sales opportunities.”

“From our perspective, it is mainly an issue of authentication, to make sure users are not compromised. We always take that into consideration when we’re trying to onboard new clients,” agreed Owens.

Green noted that analytics can really help with the necessary vetting in the onboarding process, and then they can be used to drive revenues later on: “Analytics can be used upfront to help weed out the real from the frauds as early on as possible. And then you can apply other sorts of analytics to real customers to identify what their requirements are, or what requirements people similar to them have, so that you can provide the appropriate upsells and really streamline the onboarding process.”

“Technology plays a huge role across the board, because we want to create that automated yet seamless experience,” agreed Kommuru. “What customers really want is a seamless, accurate, and quick experience wherever they are.”

*“It’s important that we don’t miss a step, that we don’t miss providing service excellence, which is one of our core values to our clients. If we could automate that initial onboarding through that first 45 days, to me that is where the real value lies. If you have a lot of missed opportunities during that first 45 days it’s very hard to overcome.” –SVP at a community bank*

### **Loan Origination — Finding Closure and Opportunity**

Many of the financial institutions we spoke with have a wide variety of loans on offer, and the system for origination and tracking differs depending on the type of loan and the type of client.

One of the biggest areas for improvement is around speed—getting a loan approved quickly, so the bank can lock in the client and start making money that much faster. “Today we’re averaging a 40-day cycle. Our goal is to move that to 30 days and then to 21,” said a community bank SVP. “Only then can we truly feel like we are best in class in mortgage production. We’re working on an online system that will automate the application process and help shrink those times.”

Others are focused on the customer experience. “One of our priorities for 2015 forward is that we really want to reinvent the loan process,” said Markland. “So that instead of it being driven by our loan-origination systems or our internal processes, it’s really driven by the member experience, and what they want to go through to generate a loan. So we’re trying to find ways that we can more effectively communicate our expectations of the customer, and then provide them information along the way about where we’re at with their particular loan application.”

*“Regulations are changing pretty much constantly; that’s one thing that you can guarantee will always be the case. So, you’re never at 100% where you want to be. I think we have a pretty good handle on it, but there’s always room for improvement.”*  
–Bank executive

### **Fraud Identification and Management are Great Places to Start**

All financial services and insurance companies deal with fraud—and while each manages the risk differently, all are eager to find better ways of identifying, tracking, and investigating such abuses.

“We have a fraud manager who monitors activity on a manual basis, where she has to get law enforcement involved, reach out to the customer, that type of thing,” said a bank executive. “And then on the reporting side, we use case management software any time that we go to a formal investigation. When we open up a case, we’ve got all of the documentation within that system.”

“We have a centralized area that handles anything to do with fraud,” said Markland. “Then, from there we have standard protocols on how every potential fraud is managed, from notification to closing the file at the very end. It’s something that we’ve been trying to stay on top of, not only because of the market we’re in, but because we wanted to have a better system and process in place whenever we went to a more digital play in certain markets.”

Analytics, especially when coupled with ACM, can deliver real value in fraud investigations. “Automatically having the system trigger a case file and leveraging the power of ACM to pull all the information we have around that customer, and around potential other fraud instances that

could be associated with that customer, is a real benefit,” said Green. Having all the structured and unstructured information, as well as the documentation, and then bringing that all into one place so that someone could very quickly try and determine if there’s a fire or if it’s just smoke—that’s critical to this process.”

*“With ACM software, every single action is tracked. So when somebody opens the file, when someone opens the document, when someone makes a change to a document—it’s all maintained in an audit trail. You can identify irregularities and then see who is associated with those irregularities. That allows you to develop internal investigations, and I think that leverages the technology in the best way.”*

– Michael Green, ACM Team Lead, IBM

### Customer Relations Also Benefit from ACM

Most participants didn’t think about ACM as a customer service tool—until they started looking at other ways to leverage the contextual analytics such software can deliver.

“We have information that’s maintained in different silos, and being able to leverage it for Big Data is sometimes quite difficult,” said Green. “And then, going outside the organization to find data that is residing in other places and bring that to build out your data model, these are challenges that a lot of organizations are going through. But we all appreciate the benefits of sharing information across organizations and departments, and are moving toward that.”

But many companies see the value of contextual data mining to personalize the customer relationship. “For us, it’s really about tracking

customer behavior, and then looking to understand what we can do to make sure that we’re relevant to that member, by providing products and services at a time when it makes logical sense for them to do business with us,” said Markland. “It really revolves around how we can get to know more about them at any given point in time to maintain the concept of relevance with them.”

Other organizations see ACM as delivering a more complete view of the customer. “We’ve got multiple contact points, whether they’re calling into the contact center or they’re going directly through an advisor,” said Wakefield. “Eventually, we’d like to get to a 360-degree view of the customer, but that’s a fairly lengthy journey. It’s a significant effort, one that I don’t recommend taking lightly.”

“First and foremost, data is imperative,” agreed Kommuru. “Not only do we need to understand data interaction across all our customers, but also, what do they value the most? That is the lens that we tend to take across our organization—to quantify the things that they value the most and make sure that we’re aligned across those areas. It’s about structuring our services toward improving the outcomes that they’re looking to achieve.”

*“For us, it’s got to be about us sticking with a consistent process to onboard a member, and ensure that we have all their proper documentation and follow up. That way we’ve got a good handle on the data and analytics, and we can make relevant offers to existing and new clients.”*

– Kyle Markland, Chief Strategy Officer, Bethpage Federal Credit Union

### Conclusion

Financial services firms are operating in an increasingly competitive, highly regulated global marketplace. Customers demand relevant, personalized experiences; they expect the companies with which they do business to design offers to meet their specific needs.

Until now, most banks and insurance firms have managed client-related business processes in an ad-hoc manner. But by using ACM tools to put structure around common processes, such as loan initiation, customer onboarding, fraud investigation, and customer care, financial services and insurance firms can ensure compliance while leveraging up-sell and cross-sell opportunities, and improving customer loyalty.