



THE FIVE 2020 GOALS FOR INSTITUTIONS SERIES

GOAL #4

Digitalising client relationship management with cloud solutions

Digitalising client relationship management with cloud solutions

Your clients may start the loan application on one device, switch to another and then complete the processes wherever they are. Such clients submit data and documentation that may have previously been submitted through various channels. Client information is stored in separate locations spread across your organisation making the collection of such information onerous, alongside standardisation of data and verification of documents. As a result, the process of obtaining a loan can be extremely tedious and time-consuming, which may cause long wait times for approvals and a negative client experience.

Replacing paper-based processes that are prone to errors and lack security of fully digital forms is becoming a necessity of a business. In addition, there are regulatory requirements of Know Your Customer (KYC) and Anti Money Laundering (AML), which require personal client information to be shared and identity to be proven. Additional information about your clients – who they are, their behaviour and professions – allows for the personalised communications delivery, offers increased conversion, and builds loyalty.

How can a financial institution go beyond initial onboarding and take a lifetime view of the clients? It would entail performing data refreshes, due diligence, and use the centralised data to support regulatory obligations, as well as revenue generating opportunities.

Fully automated, seamless, and efficient process that enhances client onboarding experience through digitalising client relationship management

Client relationship management has become increasingly indispensable to retain the clients' attention throughout the onboarding process. The use of cloud-based core banking platform can introduce synergies across the client lifecycle leading to greater efficiency and productivity of your employees managing client relationship, whether from the head office or in the field.

Digital onboarding experience

Onboarding represents the first client interaction for the financial institution and will set the tone for the entire relationship. A move from a lengthy, paper-based and inconvenient process to a smooth and genuinely omni-channel client experience would be a true game changer, not to mention it could potentially save significant process cost.¹

¹ <https://www2.deloitte.com/content/dam/Deloitte/lu/Documents/technology/lu-digital-onboarding-financial-services-digital-natives-112017.pdf>

Onboarding in financial institutions quite often is limited to the very first interaction with new clients, such as collecting their personal and business information, or filling out a loan application. The inadequacy or absence of KYC standards can subject financial institutions to serious client and counterparty risks that can result in significant financial impact to the business, as well as the need to divert considerable management time and efforts to resolving problems that arise. On the other hand, clients expect convenience and quality of service delivery.

A cloud-based core banking system that offers a fully digital onboarding process enables financial institutions to realise greater operational efficiencies. This expedites client onboarding and simultaneously accelerates client data remediation and enrichment process to ensure compliance efforts. A good technology solution that enables Client Due Diligence (CDD) can help financial institutions assess money laundering risks with a better identification mechanism. This mitigates client-related risks as a strong first step to achieve a streamlined onboarding experience. Moreover, it also avoids unnecessary re-routing to physical channels by dealing within the web interface, mobile devices, and other channels.

In addition, identifying *potential clients* (a feature digital systems can offer) should be fully digitalised across channels. With the ability to identify potential clients, your loan officers can record key client information in the system in early stages to facilitate the onboarding of new clients or trigger marketing campaigns with data collected from all sources into a single client profile.

For existing clients, with such enriched and up-to-date profiles, organisations gain a deeper understanding of their financial needs and habits. Equipped with such details, you have the option to create tailored communications by triggering SMS directly from the system to clients for notifications, such as loan approval, disbursement, deposit, withdrawal, repayment reminder before instalment due date, birthday greetings, etc. Digital onboarding can also be a new opportunity to help existing clients start using new products and services. Institutions are hence empowered to use automated messaging triggered by an action to support revenue generating and marketing campaigns through upsell and cross-sell opportunities as clients move from prospect to purchaser.

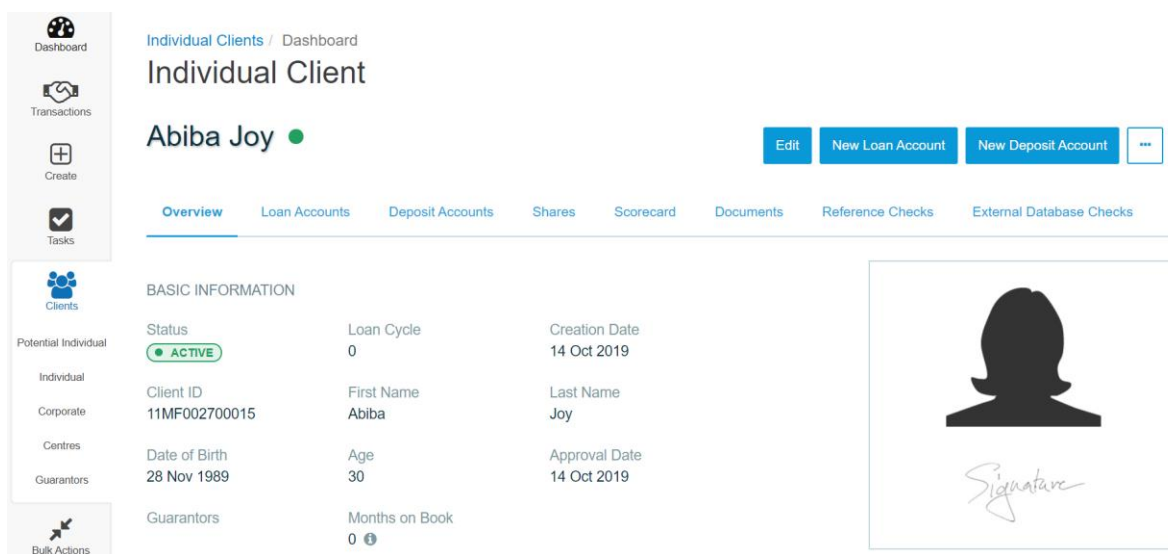
Client-centric design

To respond to the challenge of adapting to the era of the customer, organisations must be able to do three things: deliver a 360° view of the customer across the lifecycle, fight fraud without compromising the customer experience, and break traditional business constraints to serve today's non-traditional customer.²

Is the client data stored in separate locations spread across the whole organisation? Is it possible to view all relevant information in a single page? Core banking systems with client-centric management functions help in complementing the physical client relationship effort by automating client touch points; it ensures the ability to capture client data during the

² Experian – Winning in the Customer Era <http://www.experian.ae/en/winning-in-the-customer-era/index.html>

relationship management process. An efficient digital onboarding process reinforces your organisation’s client-centricity while taking care of critical operational risk mitigation procedures. This implies making the process of opening an account seamless for clients and employees. i.e., service providers. Creating a 360 degree client view solves the problem of siloed and/or duplicate data – a side effect of organisations adding new channels that hold information separately without proper data integrations. A client dashboard consolidating every piece of information such as client profile, picture, signature, account information, documents, reference checks, etc. in one centralised location improves user experience (UX) with intuitive navigation. For clients, the system should be able to involve clients in a dialog across branches and services with streamlined digital experience, e.g. banking managers gain easy access to real-time client dashboard to follow up with clients and provide relevant information. Connecting all data dots yields more complete and multi-dimensional client profiles.



1 The client dashboard of Instafin – Oradian’s cloud-based core banking system

Document management

Financial institutions have tried to reduce paper usage in recent years yet managing paper-based documentation stays a major challenge for them. Paper documents can be mixed up, ruined, or lost if they cannot be scanned and stored electronically in the system; meanwhile, the cost of non-compliance is exceptionally high, and your organisation may be subject to regulatory sanctions or monetary damages. Without a centralised and automated data management approach, you might run into situations of contacting your clients repeatedly for missing or additional documentation that might have been acquired in the past, culminating in an overall negative client experience. Cloud-based core banking system equipped with a single repository for storage and management of different types of documents related to clients and accounts enables operational efficiency and productivity. Each document can be made mandatory as part of the loan approval process, enabling financial institutions to distribute specific responsibilities according to role-based access rights that strengthens teamwork. All documents related to clients should be made available in the system, reducing greatly the risk of losing sensitive documents as well as streamlining the approval process. For example, a fully digital document management

function improves the efficiency of the regulatory evidentiary process for compliance and the quality of the work of credit officer without impacting client experience across the loan approval process, reducing the time between application and disbursement and limits the risks of fraud.

Conclusion

Technology is a key enabler for effective client relationship management, and cloud solutions are crucial for running a financial institution. The spread of client-centric relationship management features being available in the systems has revolutionised financial service delivery to increase outreach to end-clients. This also empowers decision makers with more visibility over the client relationship management process by giving them data and useful information. Digitalising client onboarding experience with cloud solutions help financial institutions streamline the end-to-end client lifecycle management and assessment of risk as part of the KYC, AML and CDD process. Digitalisation will allow organisations to create a frictionless customer journey with lower costs compared to manual procedures that involve multiple handovers across channels. The commitment to achieve client satisfaction is no longer a dream but meaningful and easy to actualise with the use of client-centric core banking solutions in the cloud.

About Oradian

Oradian is a financial inclusion company serving financial institutions in remote, hard-to-reach communities. Using insights from our community of customers, Oradian builds a cloud-based core banking system that financial institutions plug into to access best practice and efficiency. Their global community is made up of over 80 financial institutions in 12 countries serving over 4 million end-clients.