

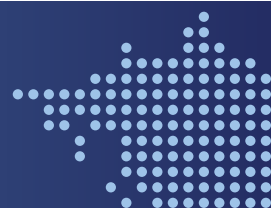
# Realizing Digital Banking's Potential



**axxiome**  
proven global expertise

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## The need to digitize is not new – most banks are digitizing to some degree

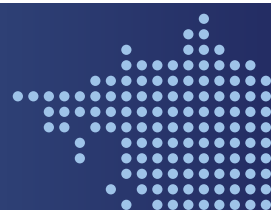
There is no shortage of stories and news of the need for banks to become digital; customer demands and emerging technology have prioritized digitization as a hurdle for banks to tackle for the past few years. In fact, it's more unlikely to come across a bank that has not started digital efforts, than to find one that has.

Banks are rolling out apps, e-wallets and various online tools to meet these digital challenges. Every few weeks or so, it seems that another bank is launching an innovation center to show their commitment to break free of the rumour that banks are going the way of the dinosaur.<sup>1</sup>

While there is no dispute that these front-end digitization efforts are indeed important for customer attraction and retention, banks that consider digitization only from a front-end perspective will continue to be constrained by their legacy systems and manual processes in the backend and back office. Research indicates that “More than 86 percent of banks’ digital roadmaps are designed primarily to enhance customer experience, with just 14 percent focused on process automation”.<sup>2</sup> What this means, is that while banks may be able to satisfy their customer expectations of digital, they do so at a very high price of maintaining their overtaxed systems that struggle to keep up.



<sup>3</sup>Source: [cdn.playbuzz](https://cdn.playbuzz.com/)



## Digitization efforts must include an end-to-end scenario

To improve digitization efforts, banks must look to solutions that provide integration and an end-to-end banking scenario. Currently, many banks lack digital agility and a 360 customer view due to their siloed systems. They are missing capabilities, such as fast-time to market, cross selling, API-driven architecture (micro-services), guided processes and simplified screens (smart data), all which hinder the omni-channel experience. They lack automated workflows and processes, which slow down operations and increase operation costs.

While these are all backend and back office related problems, they are problems that ultimately impact the frontend and customer experience. Research has found that “60% of customer dissatisfaction sources originate in the back office”.<sup>4</sup>

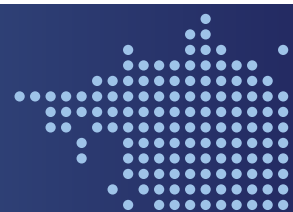
With a flexible process layer that is well integrated to the banks legacy environment, banks can react quickly and build processes and workflows on top of the process layer to better serve the digital demand.

### Removing the siloes

Banks that are looking to improve their customer experience should start with addressing their siloed systems and consider a system that allows for more agility. “An agile IT platform is central to the digitization of banking operating models”.<sup>5</sup> Not only does having an agile architecture make for faster deployment and flexibility when regulations and markets demand it, but it is also important for customer experience. Siloed systems and restricted data across systems means that a customer must provide the same standard information every time they sign up for a new product or service, and it often also means that a customer requires various logins and passwords just to access all of their information.

### Leveraging omni-channel capabilities

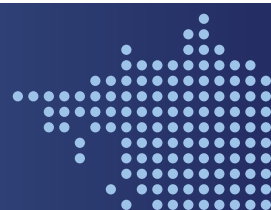
Much like the topic of digitization, omni-channel readiness is another area that banks are racing to accomplish. Most banks accomplished multi-channel a few years back, meaning that customers had choices in how they interacted with the bank, whether it be via branch, phone, internet or mobile. Now the demand has shifted to omni-channel, meaning that they want the same experience, regardless of the channel they choose, and they want to be able to seamlessly switch between channels, even before finishing the task at hand. Some banks are getting there on the omni-channel front; however, others are struggling to offer omni-channel capabilities regardless of device type, or they have focused on online and mobile channels, but still lack in providing service offerings and/or financial advice across all channels.<sup>6</sup> By leveraging omni-channel to its full potential, banks will have multiple opportunities to engage with customers beyond branch visits, they will gain better insight into their customers’ preferences, and in doing so, better achieve customer loyalty.



### Automating processes

Despite the growth and popularity of online and mobile banking where transactions seem to happen instantaneously, the back offices of banks are still bogged down by manual processes and extraordinary amounts of paper trails. Research has shown that “automating back offices can help banks realize 30% cost savings”.<sup>7</sup> Not only does automation help control costs, it is timelier and less prone to error than tasks performed by humans. Most banks realize that there is room to improve their existing processes, however, there is usually a lack of internal resources who can implement such automated processes.<sup>8</sup> Working with an external vendor can help identify processes that can be changed from manual to automated, and speed up day-to-day banking operations for the bank and for their customers.

By utilizing a platform that provides a process layer and integrates with the backend system, banks can improve their digital offerings and benefit from simplified operations, both of which will improve the customer experience.



## How to integrate?

Banking legacy systems and architecture have suffered many changes and patches over the years, and have most likely grown tactically as the business put pressure on their IT to be able to launch new products to the market.

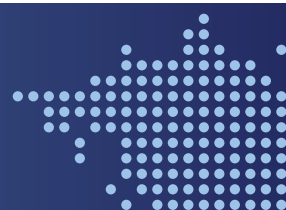
These changes and patches have led to complex layered systems that make even the smallest of changes an uphill battle to implement. Systems are siloed, often undocumented, and there is always the risk of uncertainty in not knowing how implementing a change on one part of the system will affect the rest of it.

## Integration considerations

One of the key factors that a bank should consider when implementing a solution to integrate with the backend is how it will affect the other operations. It is important to select a platform that focuses on simplicity and agility, rather than one that will add another layer of complexity to the system, so that banks can quickly adapt as they offer new services and keep up with regulatory demands.

Choosing a platform that allows for real-time integration with several core banking components will increase productivity within the bank's operations and enhance the overall customer experience. In addition to this, by selecting a platform that has automated, optimized processes the bank will be able to boost their business volume, increase efficiency in their day-to-day banking, and reduce errors that result from manual processes. Research indicates that, "In the wake of increasing compliance, shrinking margins and the evolving customer demands, banks can expect digitization of processes to be a major lever to improve productivity and reduce costs".<sup>10</sup>

As there seems to be no signs of technology slowing down, banks must act quickly to stay competitive – they must also choose a solution that allows them to have flexibility in the future so that they can keep making the required changes, while having minimal disruptions to their systems. By selecting the right platform, banks will be able to optimize their digital offerings and shift their focus from the burdens of backend challenges, to where it matters – their customers.



## The solution

With all of these considerations in mind, Axxiome has developed a platform that has an extensive set of standardized, out-of-the-box processes that enable banks to deliver true omni-channel services to their customers, lower costs, and increase profitability.

Axxiome Digital was developed by business and technical experts with functional process experience, long-term technical skills and who understand the challenges that banks are faced with today. The solution was designed to be simple, with a flexible framework so that the bank has maximum agility for digitizing their operations and can enjoy rapid time to market with their offerings. Integrated to the banks legacy environment, Axxiome Digital acts as a single point of integration and provides business services to all UIs and channels.

Axxiome Digital provides flexibility for future system regulations and new market trends. With Axxiome Digital the bank will get optimized processes, which help to boost the business volume through guided workflows with simplified screens. Axxiome Digital will enable the bank to increase competitiveness through services focused on the customer's preferences that will provide simplified, customer-centric banking. Unlike other platforms, Axxiome Digital features a flexible framework with capabilities and extensive process content.

### ABOUT AXXIOME

Axxiome is a global solutions provider for the financial services industry with operations in Europe, North America, Latin America, and Asia Pacific. Axxiome excels in linking legacy banking platforms with modern solutions and is considered a leader in banking and insurance transformation projects across the globe. Axxiome's professional consultants are experienced in technical and advisory services and bring innovation and knowledge to customer projects.

To find out more about Axxiome visit:  
[www.axxiome.com](http://www.axxiome.com)



## Resources

- <sup>1</sup> <http://thinkdifferentgroup.co.uk/news/jurassic-bank-banks-will-go-way-dinosaurs/>
- <sup>2</sup> <https://www.bcgperspectives.com/content/articles/financial-institutions-operational-excellence-retail-banking-2015-digital-banks-human-touch/?chapter=4>
- <sup>3</sup> <http://cdn.playbuzz.com/cdn/07009dcb-a03a-4ac9-8305-6df48f0aae6c/2d4dbc49-781f-45d4-87b5-c3f4b01f521a.jpg>
- <sup>4</sup> [https://www.capgemini-consulting.com/resource-file-access/resource/pdf/backing\\_up\\_the\\_digital\\_front26\\_11\\_0.pdf](https://www.capgemini-consulting.com/resource-file-access/resource/pdf/backing_up_the_digital_front26_11_0.pdf)
- <sup>5</sup> <https://www.atkearney.de/documents/856314/5701823/Going+Digital+-+The+Banking+Transformation+Road+Map.pdf/d2b1ac56-e302-4b80-83a6-6cbd0003947a>
- <sup>6</sup> [https://www.accenture.com/t20150721T131239\\_\\_w\\_\\_us-en/\\_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub\\_18/Accenture-New-Era-Banking-Strategy.pdf#zoom=50](https://www.accenture.com/t20150721T131239__w__us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub_18/Accenture-New-Era-Banking-Strategy.pdf#zoom=50)
- <sup>7</sup> [https://www.capgemini-consulting.com/resource-file-access/resource/pdf/backing\\_up\\_the\\_digital\\_front26\\_11\\_0.pdf](https://www.capgemini-consulting.com/resource-file-access/resource/pdf/backing_up_the_digital_front26_11_0.pdf)
- <sup>8</sup> <http://www.mckinsey.com/business-functions/business-technology/our-insights/automating-the-banks-back-office>
- <sup>9</sup> [https://www.capgemini-consulting.com/resource-file-access/resource/pdf/backing\\_up\\_the\\_digital\\_front26\\_11\\_0.pdf](https://www.capgemini-consulting.com/resource-file-access/resource/pdf/backing_up_the_digital_front26_11_0.pdf)

