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Nuovi Modelli Operativi a servizio del cliente: esperienze sul campo
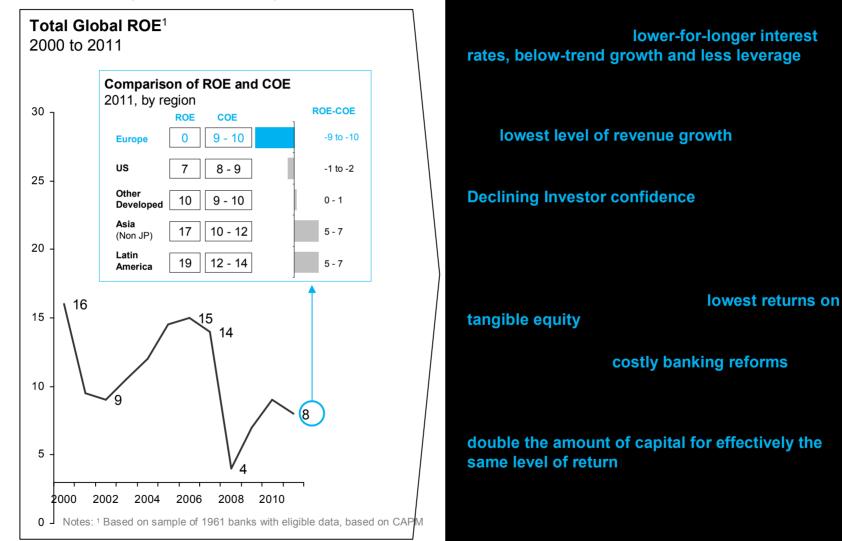
ABI Dimensione Cliente

Roma 10 Aprile 2013

Il cattivo andamento reddituale impone scelte drastiche di revisione dei modelli operativi, in particolare in Europa
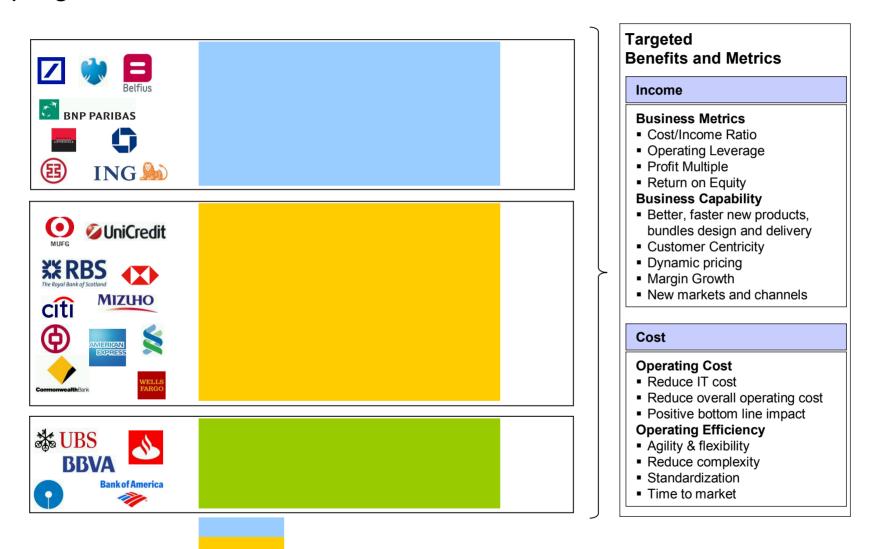
Total Global ROE[1]
2000 to 2011

Comparison of ROE and COE
2011, by region

	ROE	COE	ROE-COE	
Europe	0	9 - 10		-9 to -10
US	7	8 - 9		-1 to -2
Other Developed	10	9 - 10		0 - 1
Asia (Non JP)	17	10 - 12		5 - 7
Latin America	19	12 - 14		5 - 7

16
9
15
14
8
4

2000 2002 2004 2006 2008 2010

Notes: [1] Based on sample of 1961 banks with eligible data, based on CAPM

lower-for-longer interest rates, below-trend growth and less leverage

lowest level of revenue growth

Declining Investor confidence

lowest returns on tangible equity

costly banking reforms

double the amount of capital for effectively the same level of return

Source: Analyst reports, Thompson Reuters, McKinsey

Le principali istituzioni finanziarie mondiali hanno intrapreso programmi estensivi di trasformazione e modernizzazione

Targeted Benefits and Metrics

Income

Business Metrics
- Cost/Income Ratio
- Operating Leverage
- Profit Multiple
- Return on Equity

Business Capability
- Better, faster new products, bundles design and delivery
- Customer Centricity
- Dynamic pricing
- Margin Growth
- New markets and channels

Cost

Operating Cost
- Reduce IT cost
- Reduce overall operating cost
- Positive bottom line impact

Operating Efficiency
- Agility & flexibility
- Reduce complexity
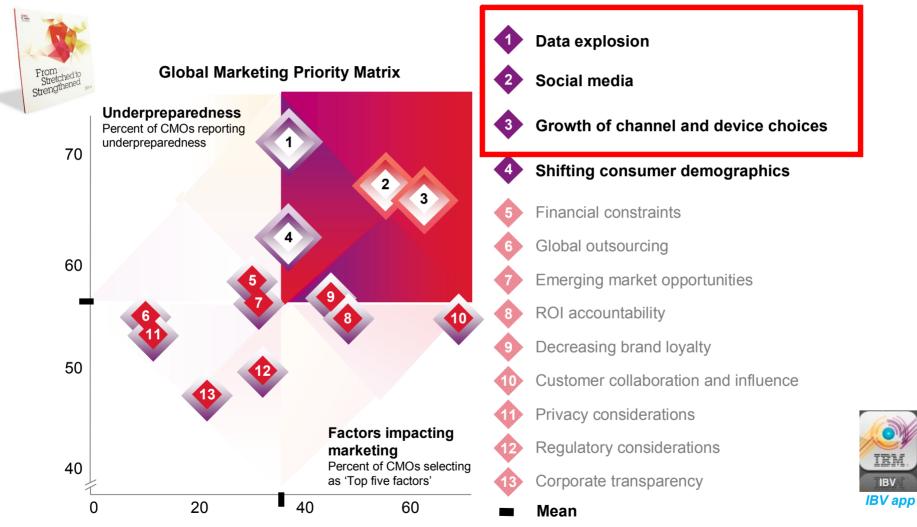- Standardization
- Time to market

Questi programmi di trasformazione comprendono aree differenti, con investimenti e benefici attesi estremamente rilevanti

Focus of transformations

Operating Model Transformation
- Core vs. Commodity
- Enterprise shared Services
- Business de-coupling and divesting
- Excellence in execution

Focus on the Customers
- Insightful fine grained analytics
- Optimizing channel interaction
- Sophisticated self servicing
- Outreach through social media

Technology Modernization
- Standardize, Consolidate & De-Duplicate
- Renovate and/or replace
- Information agenda driven & Cloud based business models
- Separation of architectural concern

Integrated Risk Optimization
- Predictive modeling
- Insightful analytics
- Pre-emptive fixing vs. reacting

Organizational Transformation
- Culture
- Objective performance criteria
- Decisive decisions
- Good to great – people foundation

Benefit Targets

- Operating cost reduction: **$2b-$8b**
- Cost to Income Ratio: **< 45%**
- Operating Leverage: **> 6x**
- Non Interest Income to Operating Income : **> 50%**

Transformation Play Across 25 Tier 1 Banks

Scope (vertical axis), Budget (horizontal axis)

- 1-2 areas: $300m — 12
- 2-3 areas: $600m — 20
- 3-4 areas: $1b — 8
- >4 areas: >$1b — 6

1 – La percezione di impreparazione è diffusa, con particolare accentuazione dei temi legati ai DATI, al SOCIAL ed ai CANALI

Global Marketing Priority Matrix

Underpreparedness
Percent of CMOs reporting underpreparedness

Factors impacting marketing
Percent of CMOs selecting as 'Top five factors'

1	**Data explosion**
2	**Social media**
3	**Growth of channel and device choices**
4	**Shifting consumer demographics**
5	Financial constraints
6	Global outsourcing
7	Emerging market opportunities
8	ROI accountability
9	Decreasing brand loyalty
10	Customer collaboration and influence
11	Privacy considerations
12	Regulatory considerations
13	Corporate transparency

■ **Mean**

IBV app

on

2 – La priorità è conquistare la fedeltà e il supporto attivo dei clienti attraverso una CUSTOMER EXPERIENCE "superiore"

IBM
IBV

IBV app

Banking
Priorities for managing the shift toward digital technologies

Global

Enhance customer loyalty/advocacy	66%	67%
Design experiences for tablet/mobile apps	64%	57%
Use integrated software suites to manage customers	57%	56%
Monitor the brand via social media	57%	51%
Use social media as a key engagement channel	54%	56%
Measure ROI of digital technologies	52%	47%
Analyze online/offline transaction analysis	50%	45%
Develop social interaction governance/policies	37%	37%
Monetize social media	28%	29%
Gain comprehensive visibility of supply chain	15%	24%

Source: Q12 What are your priorities for managing the shift toward emerging digital technologies? (Select top five.) n=216

3 – Il modello operativo target è incentrato sul cliente e sui suoi bisogni e comportamenti

The Banking business model has changed: Product Centric to Customer Centric

Yesterday

Rapid Change

Today

Customer · Customer · Customer

Customers

LOB 1	LOB 2	LOB n
Operations	Operations	Operations
Technology	Technology	Technology

- Customer Behavior
- Time to market
- Technology Adoption
- Fast Rate of Change
- Mergers & Acquisition
- Industry Regulations
- Cost containment
- Globalization
- Fragmented operations

Geo n
Geo 2
Geo 1

LOB 1 · LOB 2 · LOB n
Op. · Op. · Op.
IT · IT · IT

Worked well in simplistic world

Short term band-aid approach increased complexity and operational risk in delivering next generation change

Customers demanding consistent, anytime and anywhere relationship for all of their buying and paying needs

4 – Il punto di partenza non è la tecnologia, ma una nuova segmentazione della clientela

Nationwide

Nationwide Goal

- The aim was to establish the 3 year vision for our next generation Internet Bank, aligned with our goal of creating a more sophisticated online sales, distribution and service channel.

Integrated Approach

- We used IBM's Accelerated Visioning Methodology which enabled us to establish not only ways of creating a more engaging online experience for customers but also the implications for Nationwide in terms of our use of technology and the business framework needed to sustain the Internet Bank

Key project activities

- Analyze current customer experience by channel, **identify pain points and limitations**

- Design of the new target customer **segment "personas"**

- Map customer expectations and behaviors (based on voice of the customer research) to illustrate how **cross-channel capabilities will enable the desired future state**

- Identify specific areas for enhancements and innovations based on specific **brand position and customer needs**

- Assess current **technology infrastructure and systems** with a view to what's required to support the desired future-state customer experience

- Develop a **high-level Roadmap and Business Case** for achieving the ideal cross-channel customer experience

4 – La segmentazione deve tenere in considerazione il ciclo e lo stile di vita del cliente, senza trascurare le dimensioni della profittabilità e della propensione all'utilizzo della tecnologia

Segment 1: Mature Affluent

- Existing segment but need to increase acquisition
- Active internet users but appreciate the personal touch and security of the CLIENT
- Have money to invest - need to be convinced brand has the product range
- Want online education and tools and reassurance of staff expertise on hand

Segment 2: Young Savers

- Existing segment which represents large minority of the current customer base
- Low value today -challenge is to migrate them to lower cost channels to move them to profitability
- Need to be convinced IB is easy and more convenient than going into a branch

Segment 3: Professional Families

- Existing segment but need to increase acquisition
- 2* value segment in due to dormancy or lack of products held - these are 5* customers at other banks
- Need to be convinced has the product range to meet their financial needs. Internet savvy and will shop around for the best deal

Segment 4: iPod Generation

- Acquisition segment - young workers, students, first time account holders
- Channel of choice is internet/phone, propositions should be based around this
- Pipeline for future profitability - attracting the next generation of profitable customers
- Need to be convinced CLIENT is 'cool' enough as a brand and in touch with their lifestyle

Internet usage (High / Low) vs Customer profitability (today or future potential) (Low / High)

Segment 4, Segment 1, Segment 3, Segment 2

4 – L'esperienza utente viene ridisegnata funzione per funzione sulla base delle caratteristiche del cliente

Feature Map Poster

Key: ● Unchanged Feature   ■ Modified Features – Major Rework   ▲ Modified Features – Minor Rework   ◆ New Feature   * Browser Based Message   ^ P&P

FG1 – Account Summary
- ◆ Change welcome message
- ▲ Change theme

FG3 – Payments cont.
- ● View cancelled Direct Debits
- favourites
- avourite
- avourite
- a CHAPS or SWIFT transfer *^
- money ^
- an incoming standing order ^
- counts

FG6 – Customer Management cont.
- ■ View logon activity
- ■ View servicing message
- ■ View offers
- ● View products
- ▲ View account
- ◆ View messages
- ■ Search content
- ▲ Search help
- ● Make complaint *
- ● Provide respon

FG8 – Account Management cont.
- ■ Register for payment of interest gross (R85 form) ^
- ■ Amend Direct Debit for credit card
- ● Close account ^

FG9 – Customer Messaging
- ● View inbox
- ● View sent messages
- ● Read message
- Com

FG10 – Onboarding
- ◆ Onbarding wizard
- ■ Onboarding demo

FG11 – Application Management
- ▲ Apply for home insurance
- ■ Configure home insurance product options
- ● Get home insurance quote
- ▲ Save home insurance quote
- ■ View saved home insurance quotes
- ■ Email home insurance quote to self
- ■ Delete a quote
- ■ View applications
- ▲ Save application
- ■ Resume application
- ● Pay with card
- ◆ Pay with Direct Debit

FG3 – Payments
- ● Pay a bill
- ● Send money to someone
- ▲ Transfer money between my accounts
- ▲ Create regular payment
- ■ View all outgoing payments
- ● View regular payments
- ● Amend regular payment
- ● Skip next payment
- ● Cancel payment
- ● Cancel regular payment
- ● Re-instate regular payment
- ● Amend future payment
- ● View cancelled payments
- ● View Direct Debits
- ● Cancel Direct Debits

- home insurance schedule details
- ■ Check product's T's and C's
- ● Add party to an account ^
- ● Apply for overdraft
- ● Increase overdraft
- ● Decrease overdraft
- ● Order new credit card
- ● Increase credit card limit
- ● Decrease credit card limit
- ◆ Renew ISA
- ● View bond maturity options
- ● Reinvest bond
- ● Switch current accounts ^
- ● Request a copy of a cheque *
- ● Request salary transfer form ^
- ● Request pay in slip ^
- ■ Open e-Product
- ● Close e-Product *
- ● Request Direct Debit form ^
- ● Transfer credit card balance from another provider

- endar
- ◆ View graphs
- ● View previous statements
- ● Download statement
- ● Print statement
- ■ View paperless documents
- ■ Manage paperless documents

FG6 – Customer Management
- ● View customer details
- ● Change address *^
- ● Change name ^
- ● Change phone number *
- ● Change email address
- ■ Manage marketing preferences
- ● Report lost/stolen item
- ● Order new card reader

This feature map does not detail the full scope of R3. It is a view from a user's perspective.

Based on Use Case Catalogue v2.0.0

Project deliverable sample

5 – L'implementazione richiede la revisione del modello operativo e dei processi, non solamente della tecnologia

New Operating Model   **New Tech Architecture**   **Roadmap**

6 – A livello tecnologico, è importante definire i GAP rispetto allo stato attuale

1. Customer Segment Priorities	2. Develop Solution Strategy by Segment	3. Conduct Prioritization & Governance	4. Prepare Channels to Receive Solutions	5. Define Campaign Tactics and Triggers	6. Optimize Customer Files And Distribute to Channels	7. Execution: Delivery And Fulfillment	8. Report, Measure and Analyze	9. Stakeholder Feedback Loop and Governance

1. Customer Segment Priorities
- ☐ Data Platform Design
- ☐ Data Platform Integration
- ☐ Data Governance
- ☐ Data Governance and Compliance Routines
- ☐ Data Platform Integration and Data Governance
- ☐ Data Governance - Education and Communication
- ☐ Data Governance & Data Platform D...
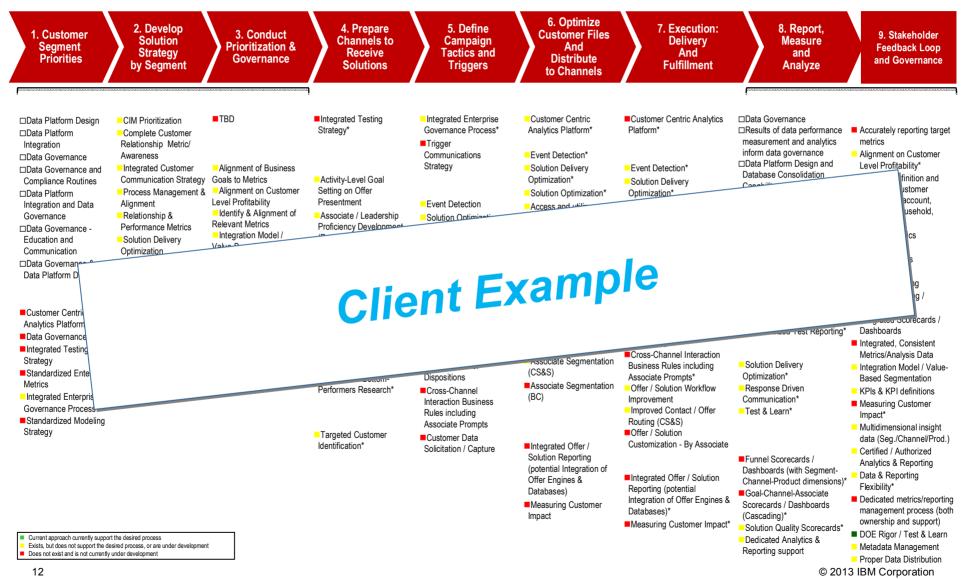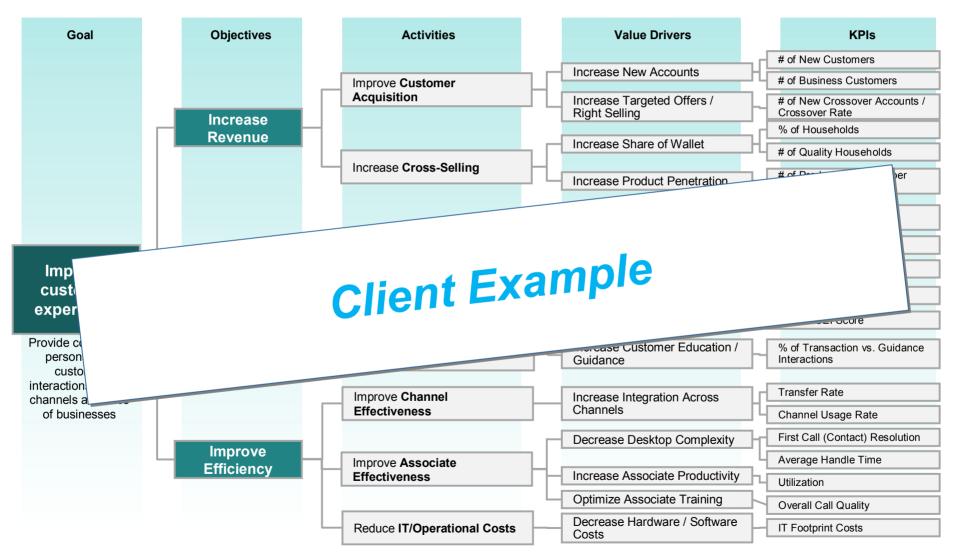- ■ Customer Centric Analytics Platform
- ■ Data Governance
- ■ Integrated Testing Strategy
- ■ Standardized Enter... Metrics
- ■ Integrated Enterpris... Governance Process
- ■ Standardized Modeling Strategy

2. Develop Solution Strategy by Segment
- ■ CIM Prioritization
- ■ Complete Customer Relationship Metric/ Awareness
- ■ Integrated Customer Communication Strategy
- ■ Process Management & Alignment
- ■ Relationship & Performance Metrics
- ■ Solution Delivery Optimization

3. Conduct Prioritization & Governance
- ■ TBD
- ■ Alignment of Business Goals to Metrics
- ■ Alignment on Customer Level Profitability
- ■ Identify & Alignment of Relevant Metrics
- ■ Integration Model / Value...
- ...Bottom- Performers Research*
- ■ Targeted Customer Identification*

4. Prepare Channels to Receive Solutions
- ■ Integrated Testing Strategy*
- ■ Activity-Level Goal Setting on Offer Presentment
- ■ Associate / Leadership Proficiency Development...
- Dispositions
- ■ Cross-Channel Interaction Business Rules including Associate Prompts
- ■ Customer Data Solicitation / Capture

5. Define Campaign Tactics and Triggers
- ■ Integrated Enterprise Governance Process*
- ■ Trigger Communications Strategy
- ■ Event Detection
- ■ Solution Optimizati...
- Associate Segmentation (CS&S)
- ■ Associate Segmentation (BC)
- ■ Integrated Offer / Solution Reporting (potential Integration of Offer Engines & Databases)
- ■ Measuring Customer Impact

6. Optimize Customer Files And Distribute to Channels
- ■ Customer Centric Analytics Platform*
- ■ Event Detection*
- ■ Solution Delivery Optimization*
- ■ Solution Optimization*
- ☐ Access and utili...
- ■ Cross-Channel Interaction Business Rules including Associate Prompts*
- ■ Offer / Solution Workflow Improvement
- ■ Improved Contact / Offer Routing (CS&S)
- ■ Offer / Solution Customization - By Associate
- ■ Integrated Offer / Solution Reporting (potential Integration of Offer Engines & Databases)*
- ■ Measuring Customer Impact*

7. Execution: Delivery And Fulfillment
- ■ Customer Centric Analytics Platform*
- ■ Event Detection*
- ■ Solution Delivery Optimization*
- ...zed Test Reporting*
- ■ Solution Delivery Optimization*
- ■ Response Driven Communication*
- ■ Test & Learn*
- ■ Funnel Scorecards / Dashboards (with Segment-Channel-Product dimensions)*
- ■ Goal-Channel-Associate Scorecards / Dashboards (Cascading)*
- ■ Solution Quality Scorecards*
- ■ Dedicated Analytics & Reporting support

8. Report, Measure and Analyze
- ☐ Data Governance
- ☐ Results of data performance measurement and analytics inform data governance
- ☐ Data Platform Design and Database Consolidation...

9. Stakeholder Feedback Loop and Governance
- ■ Accurately reporting target metrics
- ■ Alignment on Customer Level Profitability*
- ...finition and ...ustomer ...account, ...usehold, ...ics
- ...ng ...ng /
- ...ated Scorecards / Dashboards
- ■ Integrated, Consistent Metrics/Analysis Data
- ■ Integration Model / Value-Based Segmentation
- ■ KPIs & KPI definitions
- ■ Measuring Customer Impact*
- ■ Multidimensional insight data (Seg./Channel/Prod.)
- ■ Certified / Authorized Analytics & Reporting
- ■ Data & Reporting Flexibility*
- ■ Dedicated metrics/reporting management process (both ownership and support)
- ■ DOE Rigor / Test & Learn
- ■ Metadata Management
- ■ Proper Data Distribution

Client Example

Legend:
- ■ Current approach currently support the desired process
- ■ Exists, but does not support the desired process, or are under development
- ■ Does not exist and is not currently under development

7 – E' importante identificare i KPI del programma di trasformazione

Goal	Objectives	Activities	Value Drivers	KPIs

Increase Revenue

Improve **Customer Acquisition**
- Increase New Accounts — # of New Customers / # of Business Customers
- Increase Targeted Offers / Right Selling — # of New Crossover Accounts / Crossover Rate

Increase **Cross-Selling**
- Increase Share of Wallet — % of Households / # of Quality Households
- Increase Product Penetration

Imp... cust... exper...

Provide c... person... custo... interaction... channels a... of businesses

Client Example

- Increase Customer Education / Guidance — % of Transaction vs. Guidance Interactions

Improve Efficiency

Improve **Channel Effectiveness**
- Increase Integration Across Channels — Transfer Rate / Channel Usage Rate

Improve **Associate Effectiveness**
- Decrease Desktop Complexity — First Call (Contact) Resolution
- Increase Associate Productivity — Average Handle Time
- Optimize Associate Training — Utilization / Overall Call Quality

Reduce **IT/Operational Costs**
- Decrease Hardware / Software Costs — IT Footprint Costs

e darsi obiettivi ambiziosi

Value Tree

Goals	Activities
Acquire New Customers	▪ Develop competitive products and pricing ▪ Improve Market/Geographic Segmentation ▪ Geographic Expansion / Market Research ▪ Leverage Existing Markets for other LOBs ▪ Diversify across Industry Value Chains ▪ Improve Ease of Doing Business ▪ Provide Sales Training and Support
Deepen Customer Relationship	▪ Improve Customer Segmentation / Analysis ▪ Improve Customer Experience ▪ Retain Customers meeting desired Profile ▪ Identify Cross-Sell Opportunities ▪ Provide Value-Added S...
Reduce Losses	...ted credit risk profiles
Manage Costs Via Improved Insights	▪ Improve Business Management, Reporting ▪ Optimize Cost to Serve ▪ Align to Strategic Objectives ▪ Reduce Process Complexity
Manage Analytical Costs	▪ Reduce Analytical environmental operational costs

Representative Benefits

Improved Return on Marketing Investment

Improve-ment	Business Areas	Annual Net Benefit
25%	Customer Marketing Events Identification	$50M to $75M
10%	Campaign Analysis Effectiveness	$20M to $30M
10%	New Product Value Proposition	$50M to $75M

Improved Customer Treatment

Business		
		$25M to $50M
Additional significant business opportunities		$10M to $15M

Improved Productivity

Improve-ment	Business Areas	Annual Net Benefit
50%	Analysts time in Data Acquisition	$5M to $10M
20%	New Product Development Cycle	$15M to $20M
10-15	Additional significant business opportunities / events	$50M to $75M

Client Example

8 – L'atteggiamento verso l'innovazione distingue le aziende leader da quelle sottoperformanti

Industry model innovation

Revenue from new sources

94% more

35%

18%

Creating entirely new industries

48% more

46%

31%

Moving into different industries

37% more

26%

19%

Outperformers
Underperformers

Summary

1. La percezione di impreparazione è diffusa, con particolare accentuazione dei temi legati ai **DATI**, al **SOCIAL** ed ai **CANALI**

2. La priorità è conquistare la fedeltà e il supporto attivo dei clienti attraverso una **CUSTOMER EXPERIENCE "superiore"**

3. Il modello operativo target è incentrato sul **cliente** e sui suoi **bisogni** e **comportamenti**

4. Il punto di partenza non è la tecnologia, ma una **nuova segmentazione della clientela**

5. L'implementazione richiede la **revisione del modello operativo e dei processi**, non solamente della tecnologia

6. A livello tecnologico, è importante definire i **GAP** rispetto allo stato attuale

7. E' importante identificare i **KPI** del programma di trasformazione

8. L'atteggiamento verso l'**innovazione** distingue le aziende leader da quelle sottoperformanti