

Le Advanced Analytics come Opportunità per la Trasformazione Digitale della Banca lungo la Value Chain

8 Aprile 2016

 **accenture**digital

High performance. Delivered.

Agenda

Analytics
market
trends



Analytics
business
applications
for banks



Analytics as
managed
services



Accenture
experience in
delivering
analytics services



How to jumpstart
your analytics
journey



Contacts



Market disrupting trends and technological advancements are changing the Analytics paradigm

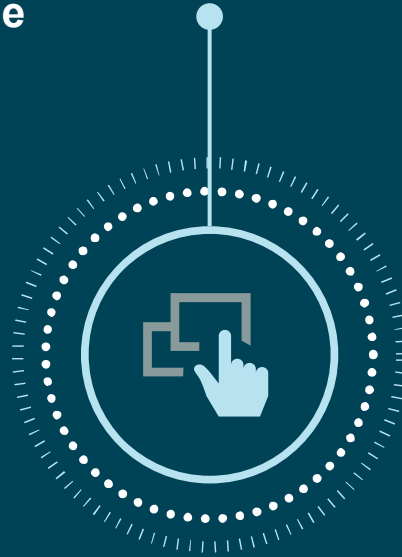
Democratization: business user, part-time analyst, data scientist



Increasing number of use cases involving **big data**, **streaming data**, **real time**



User experience: not a tool anymore; ease of use is a key feature



Actionability: production more than exploration; asset-based approach; “app-ification,” connection with business process

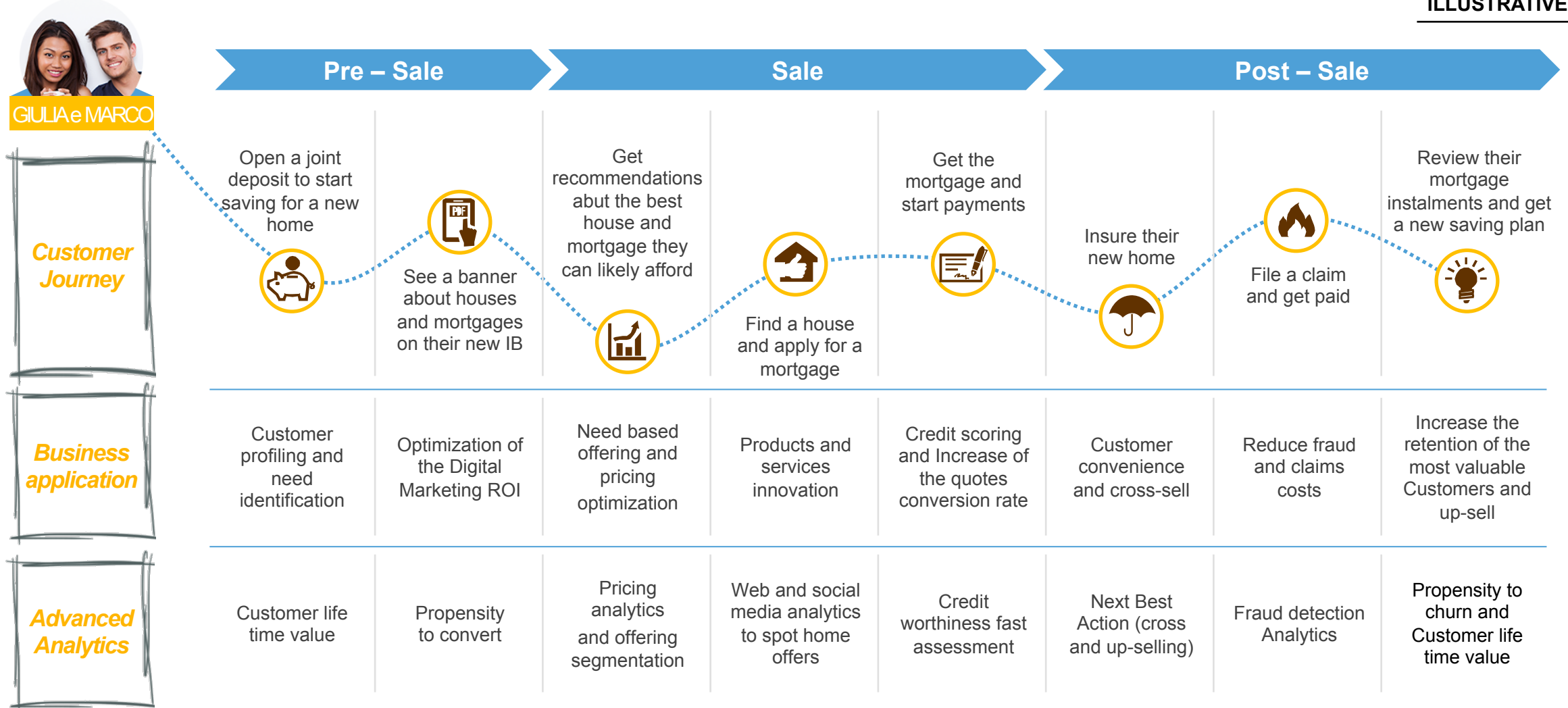
Use Case is key



Bank can leverage advanced analytics throughout all of their value chain, for example supporting customers along home buying journeys

Example of Advanced Analytics integration along the mortgage Customer Journey

ILLUSTRATIVE



... all the way to improving the performers and outcomes of their operations, human resources and finance departments

Comprehensive view of potential Advanced Analytics applications along the bank value chain



... achieving tangible business benefits (1/2)

German bank

€22 million in additional revenues through analytics enabled trigger-based marketing

Facing new competitors, including direct banks, a German bank wanted analytics systems to get closer to customers. Accenture helped the bank implement a solution that **suggested best offers in real time, yielding €22 million in additional revenues for the private banking group in the first year.**

... achieving tangible business benefits (2/2)

Top 5 US bank

\$27 million saved through big data and analytics initiatives

A leading North American financial institution has seen the transformative effects of big data play out in several areas of its operations. As multiple online banking applications struggled to perform real-time analysis on incoming data, a new architecture was implemented that will seamlessly scale as volume continues to grow. A new **credit card data warehouse reduced storage management costs**, enhancing service to the bank's hundreds of millions of card holders. Multiple data sources, terabytes of volume and other challenges drove a complete data transformation of its consumer analytics platform.

To date this effort has **saved \$27M per year in licensing fees and operating expenses**, which have been repurposed into strategic customer analytic initiatives (e.g. real time decisions, machine learning) to enhance the customer experience.

Deploying effective analytics requires the right mix of human, organizational and technological capabilities



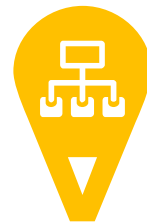
Human capital
dedicated skill set



... and 6 directly related to **analytics**¹:

- # 2. Statistical analysis and data mining
- # 6. Storage systems and management
- # 8. Algorithm design
- # 12. Marketing campaign management
- # 15. Data engineering and data warehousing
- # 23. Business intelligence

→ Find the right people



Processes & Organization
operating model

Organization



Center of Excellence,
supporting all the
business functions

vs.



Analytics embedded
into every
business function

Processes



Structured process to

- Define business and analytics priorities
- Take action on analytics insights
- Continuously develop the organization analytical approach

→ Integrate & Organize effectively



Technology
right investments

13

Main analytics technology vendors identified by Forrester Analytics Wave, plus a varied landscape of niche and specialized players²



Proprietary vs. Open Source Solutions

17%

CAGR of the Big Data & Analytics market till 2026³, with new solutions continuously under development

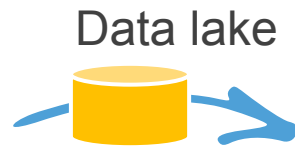
→ Navigate a volatile landscape

... and leveraging analytics as a managed service can accelerate the achievement of business results, minimizing the investments costs

Advanced Analytics managed services model

Bank HQ

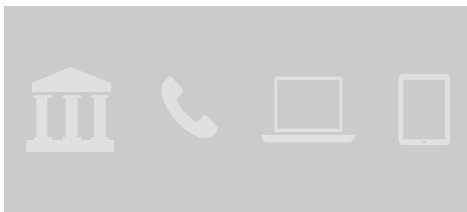
- Marketing
- Operations
- Risk
- HR
- ...



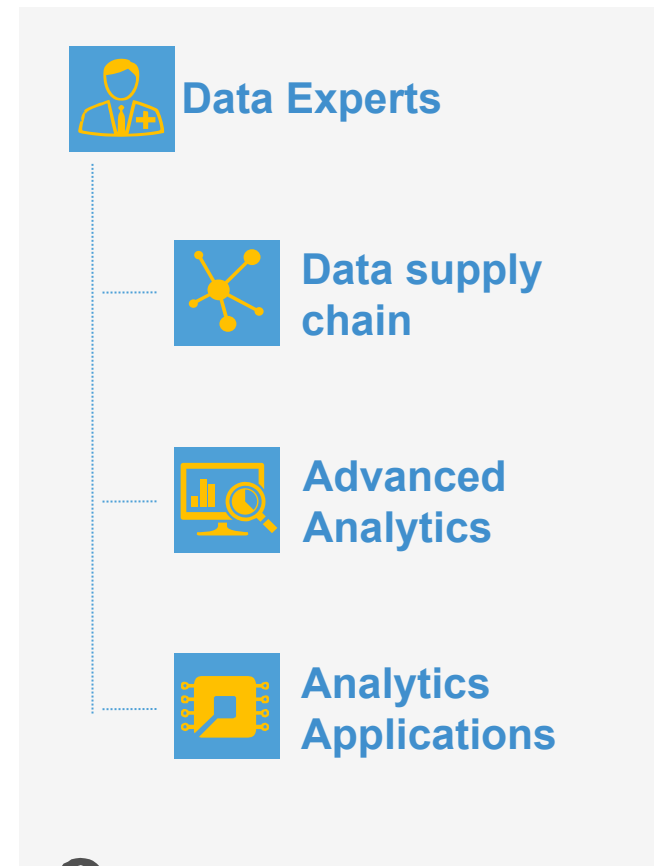
Actions



Bank Channels



Analytics managed services



 Focus in the following slide



Managed services advantages

▼ **No** large **capital investment**

▼ **Scale** as you grow

▼ Pay **only** for **what you use**

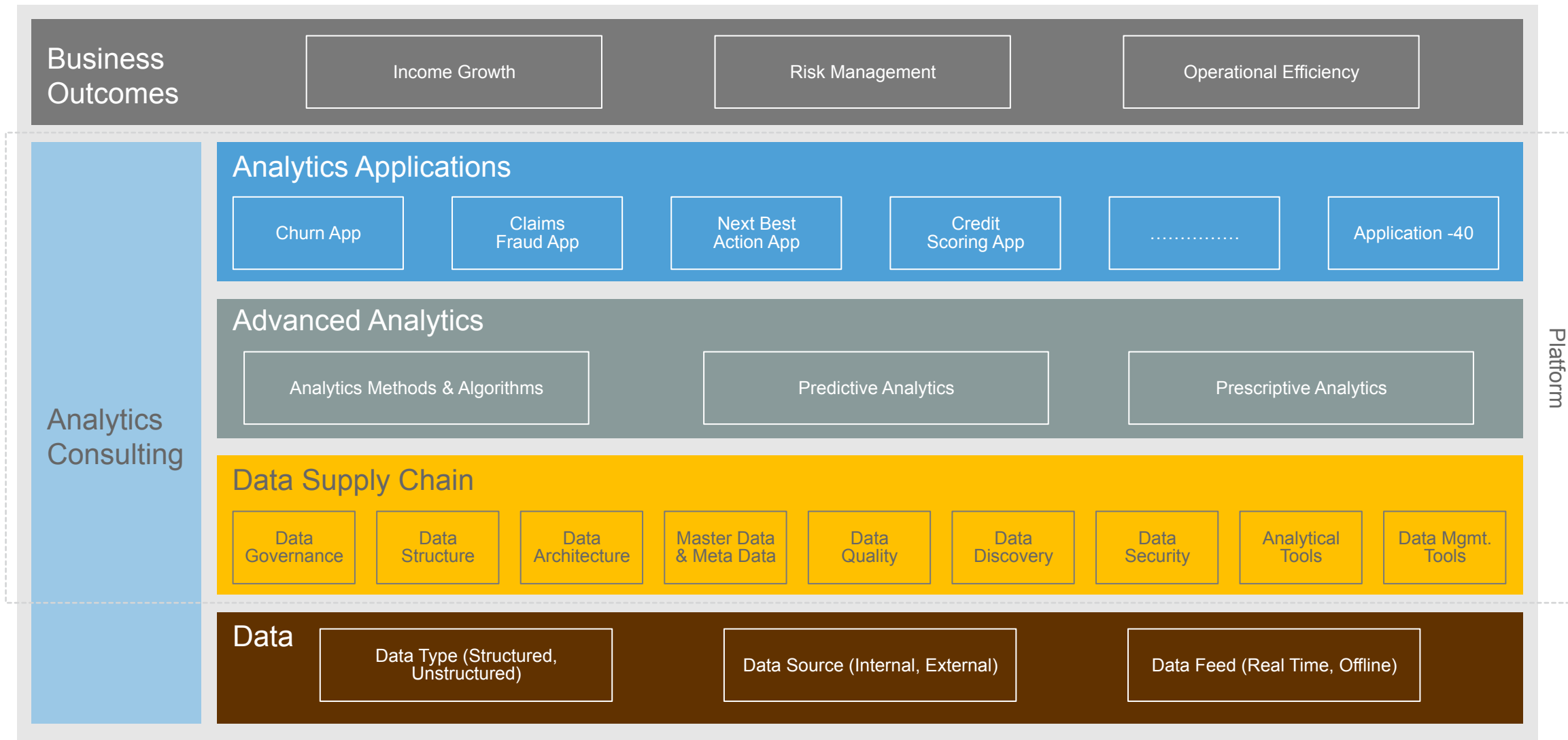
▼ Turn it **on and** turn it **off**

▼ **Dedicated experts**

▼ Continuous **innovation**

▼ **No** technology **lock-in**

Accenture Analytics Managed Services encompass the whole analytics supply chain: from data gathering to insight delivery, fully integrated with the bank's systems



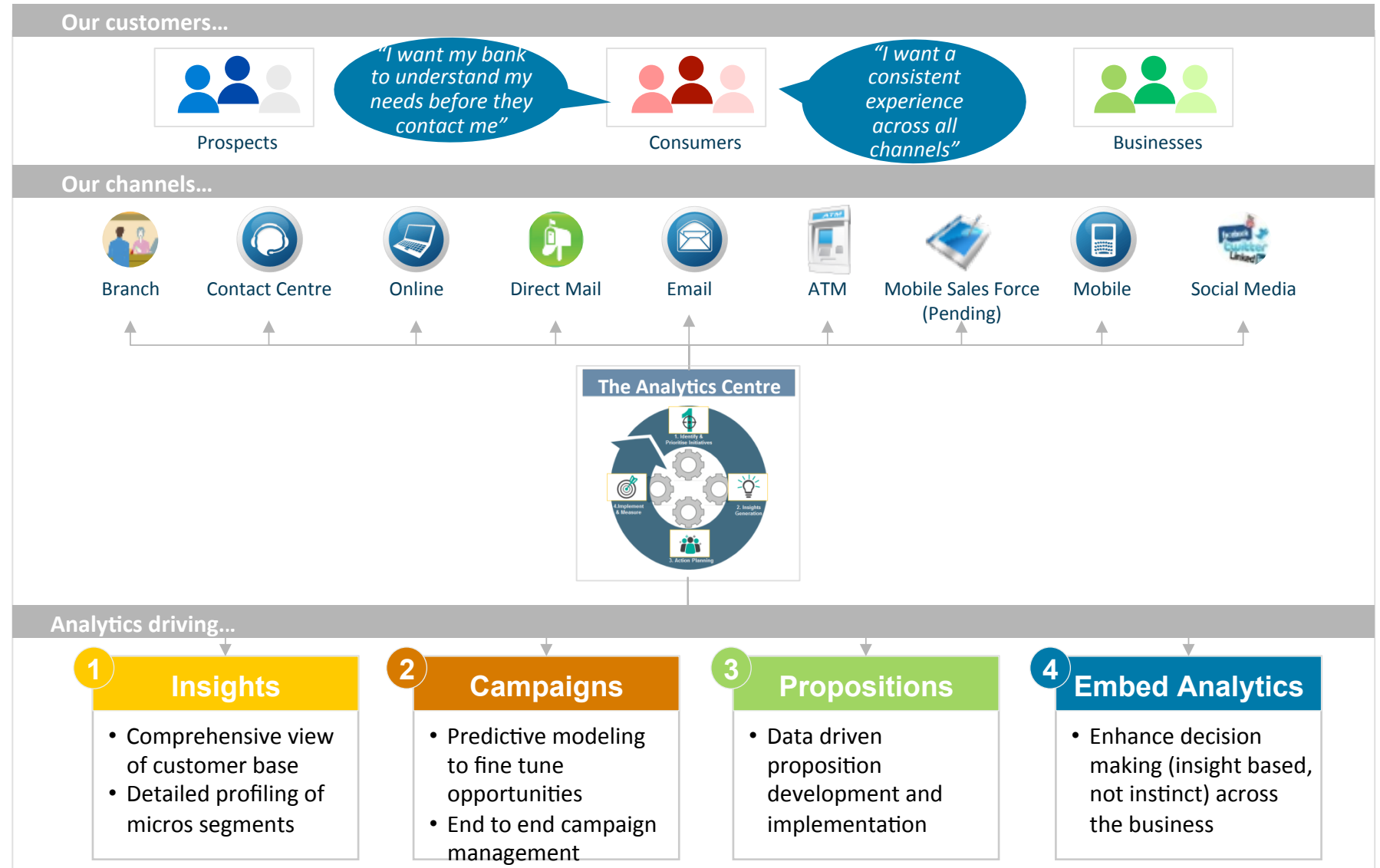
Success story (UKI)

How the Bank industrialized Analytics



Model

Accenture established an Analytics CoE at the heart of the business to drive how we think about, engage with and serve our customers (who, what, where, when)

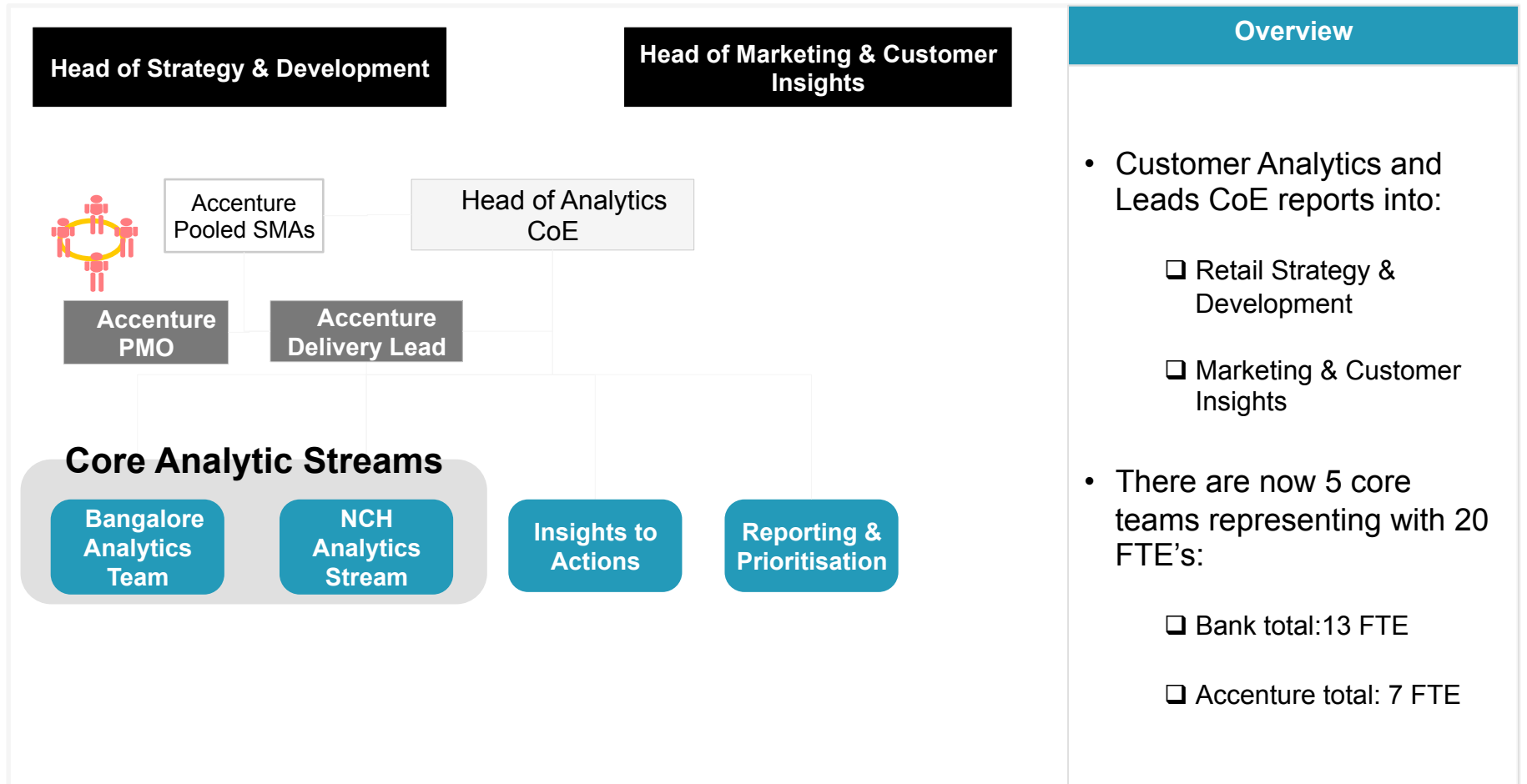




Model

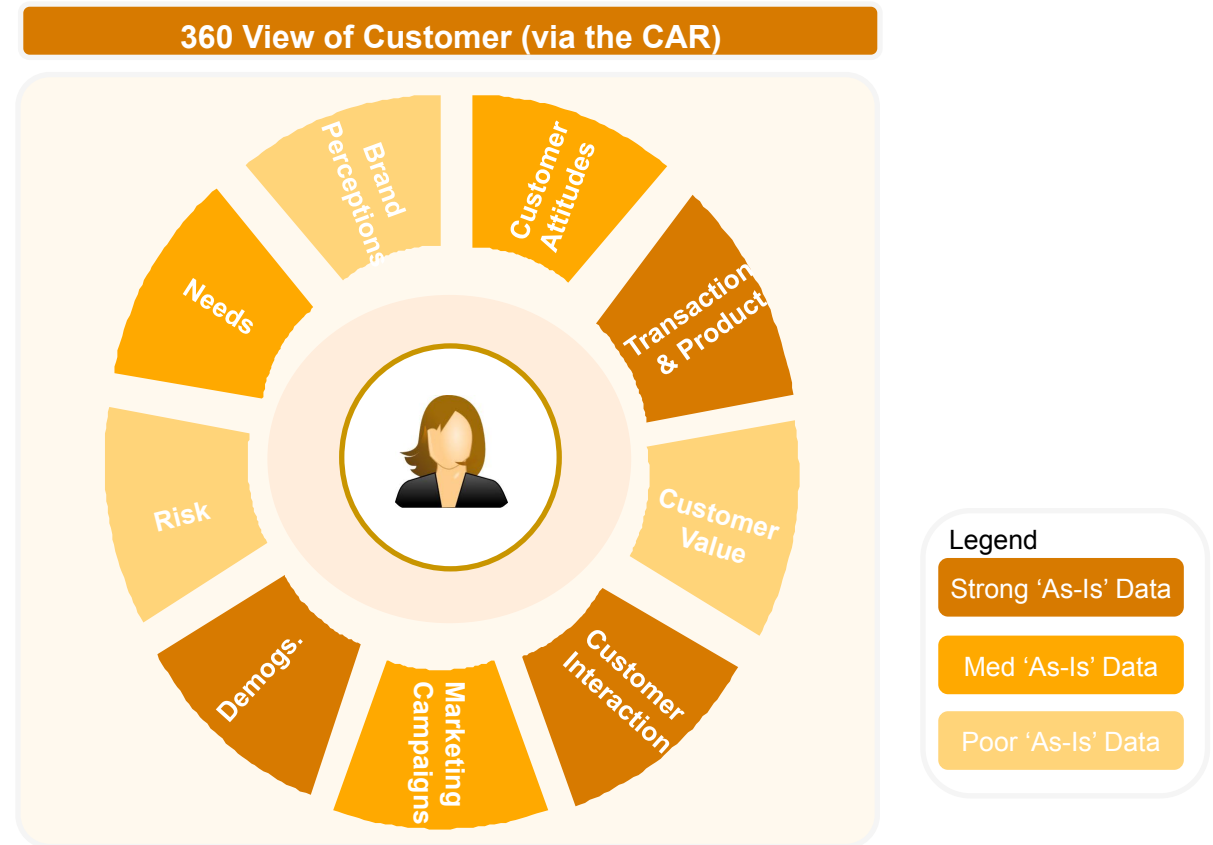
The CoE includes both Accenture and Bank's resources, working as a team to support business functions

The Analytics CoE has two key reporting functions: Retail Strategy and Marketing & Customer Insight and provides support to other enterprise functions



Leveraging Accenture Analytics assets...

- 1 We use the 'CAR'* structure to consolidate available data sources into a single customer view...



*Note: CAR denotes the 'Customer Analytic Record', a patented Accenture asset



...to target opportunities based on needs

Detailed profiling of sub-segments supports opportunity identification

Demographic	Behaviour	Behaviour	Scale	Characteristics	Profile
Early Professionals 	Mobile Transactors 	High Savers 	Population: 24k APH: 2.7 Premier: 9%	% w/Credit Grade >=4: 6% Avg. Dep. Inv & CR Bal: €10.2k Avg. Lending Balance: €5.6k Curr. Acc. Holding: 88% Channel Usage: 2.3	<ul style="list-style-type: none"> Predominantly mid 20's Strong penetration across deposit products 100% B365 Online & Phone registered Higher than avg. time on books for Early Professionals Over 40% paying fees High deposit balance, high transaction frequency and value

Detailed Profiling

Product Profile	Current A/c	Savings A/c	Term Deposit	Life	Credit Cards	Protection	Home Ins	Loan	Mortgage	Pension	Leasing
	77% 73%	93% 54%	34% 4.3%	1% 2%	26% 10%	0% 5%	2% 5%	0% 8%	0% 12%	3% 7%	3% 6%

Balance Analysis €'000s	Current A/c	Savings A/c	Term Deposit	Life	Credit Cards	Protection	Home Ins	Loan	Mortgage	Pension	Leasing
	2.7 3.0	22.3 7.6	49.3 66.0	22 30	1.0 -1.3	NA NA	NA NA	0.6 32.5	13 164	NA NA	NA NA

First Purchase	Current A/c	Savings A/c	Term Deposit	Life	Credit Cards	Protection	Home Ins	Loan	Mortgage	Pension	Leasing
	50% 69%	43% 23%	0% 6%	0% 3%	3% 5%	0% 0%	0% 3%	0% 2%	0% 1%	1% 0%	3% 0%

Channel Analysis	Average TX per Customer per 6 Mths			
	Branch	ATM TXs	B365	Av DDs & SO's
	3.3 3.6	15 20	20 5.2	€1.3k €0.6k

Value Metrics	Fees	Weighted Av. Interest	Credit Grade Analysis	
	Av. Fees	Deposits & Cr Balances	Median Grade	Over Gr. 4
	€50 €35	1.6% 0.2%	4 2.7	4% 6%

Premier Customers
Population: 2.2k
Salary > €100k: 67% 1.5k AUM >€50: 79% 1.7k AUM: >€100: 40% .9k AUM >€500k: 3% 69

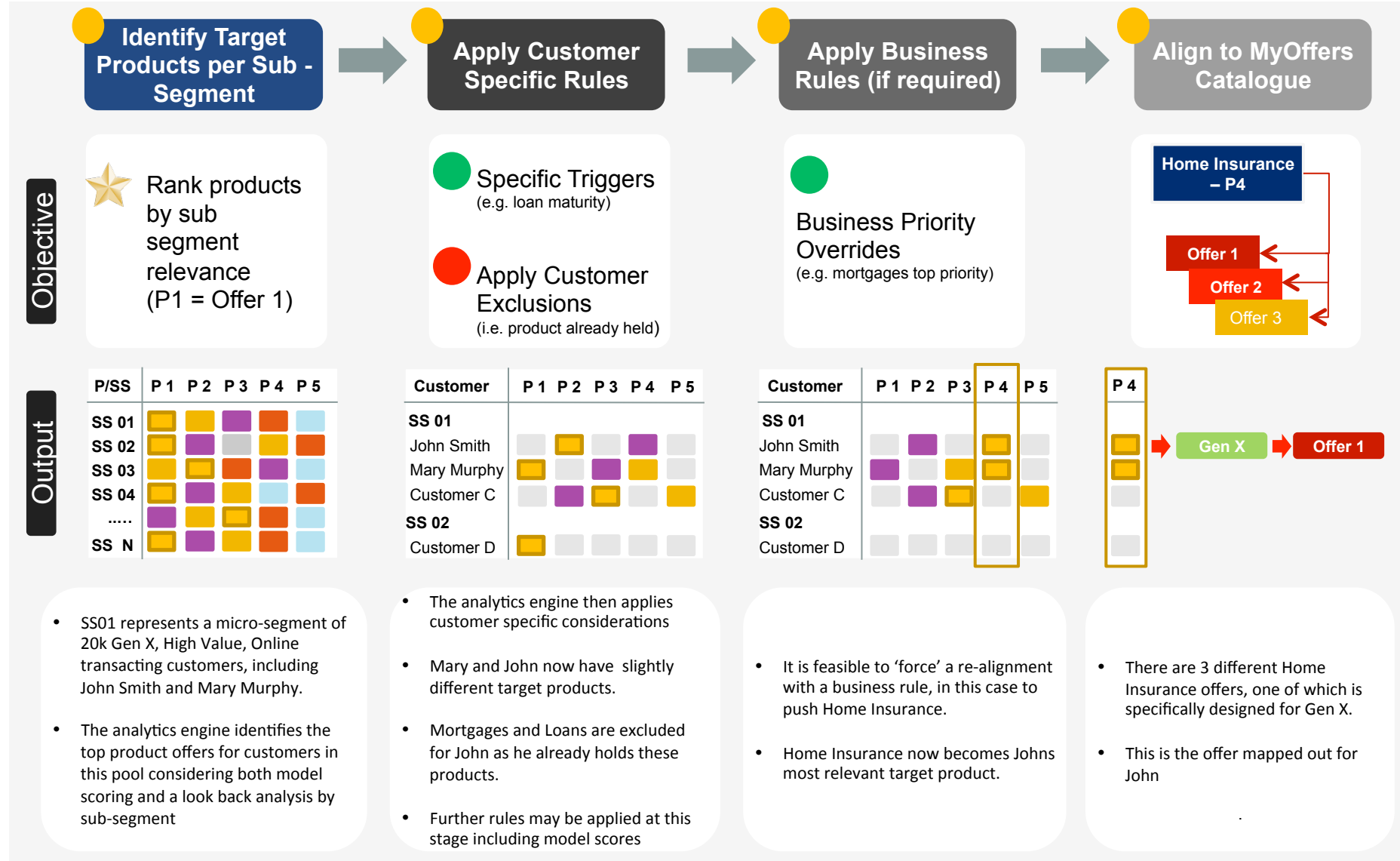
Legend: Sub-Segment Metric (red circle), Core Base (grey)

Campaign Initiatives		
Initiatives	Channel(s)	Status
Term Deposit Cross Sell		
Home Ins Cross Sell (mortgage likely elsewhere)		Planned
Lending Opportunities – Financial Needs Review		Planned



Campaigns management

Now driving Next Best Offer across digital channels

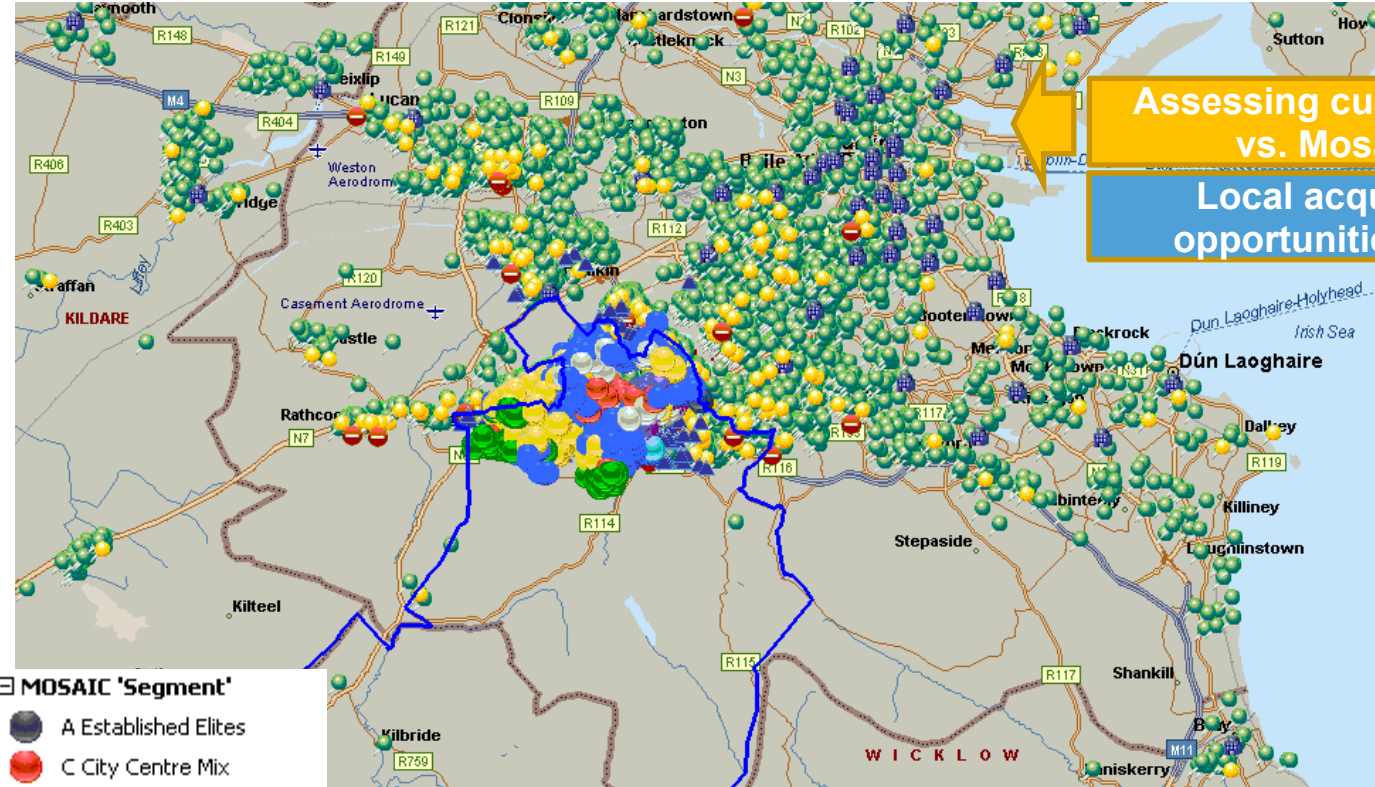




Campaigns
management

Expanding
capability to
include external
data
Using Geo
coding to
support local
market planning

Targeted hunting with localised acquisition initiatives

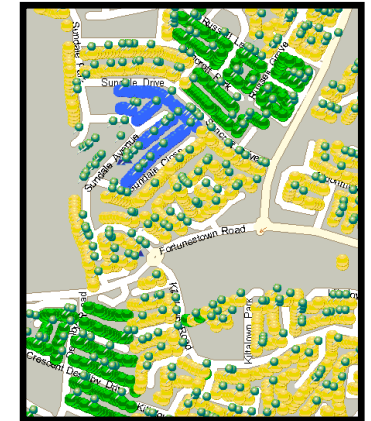


Assessing customer penetration
vs. Mosaic segments

Local acquisition hunting
opportunities and initiatives

MOSAIC 'Segment'

- A Established Elites
- C City Centre Mix
- D Struggling Society
- E Poorer Greys
- F Industrious Urban Fringe
- G Careers & Kids
- H Young & Mortgaged
- I Better Off greys



Accenture Analytics Managed Services

Accenture scalable capabilities give banks access to dedicated innovation and delivery centers to manage the full outsourcing of analytics needs

Accenture Advanced Analytics capabilities

36,000+
Digital professionals 

 **20+** Years of advanced analytics experience

 Technology alliances with **100+** market leaders

 **1,300+** Data Scientists


 **70** Clients from Fortune Global 100

 **425+** Patents and patents pending for data and analytics-related content





23+
Accenture Innovation Centers including
5 Advanced Analytics Centers


- Athens
- Bangalore
- Barcelona
- Beijing
- Buenos Aires
- Chengdu
- Chicago
- Dublin
- Gurgaon
- Johannesburg
- Kolkata
- Madrid
- Melbourne
- Milan
- Mumbai
- Murray Hill
- San Jose
- Shanghai
- Singapore
- Sophia Antipolis
- Tokyo
- Toronto
- Warsaw

 **56** Offices and operations from which Accenture serves clients

Targeted acquisitions Selected examples

 Advanced analytics software platform provider that specializes in **easy-to-use analytics applications** and Data Scientists

 Advanced analytics provided as a **service based on a proprietary platform** (Aqua)

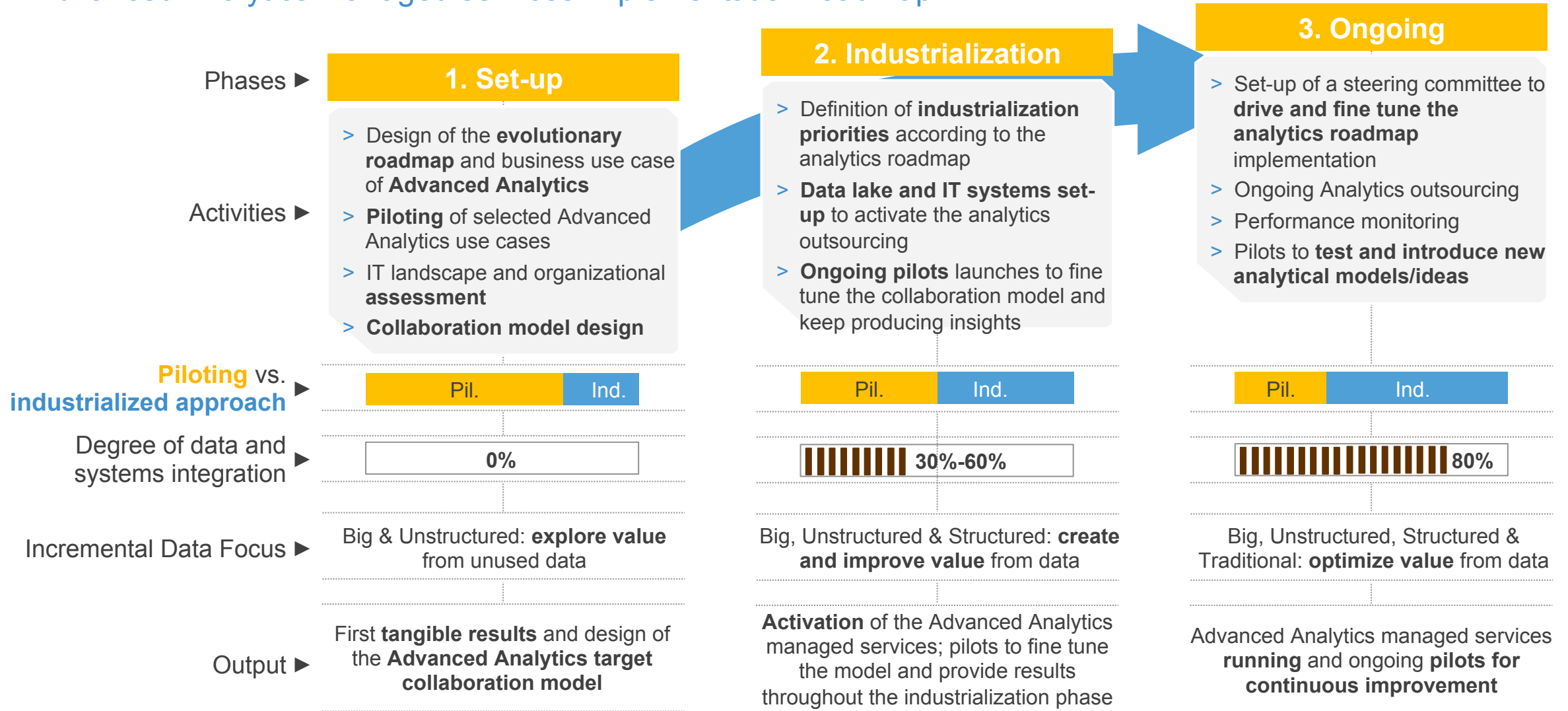
 Advanced analytics services and solutions provider that specializes in supply chain and logistics

Partnerships

 **Massachusetts Institute of Technology** **Accenture and MIT's Operations Research Center** are jointly conducting research and developing **new business analytics solutions** to help organizations make more informed decisions, solving some of the most challenging problems faced by today's global companies.

Advanced Analytics managed services can be implemented in a fully agile way, from the initial piloting phase to the full outsourcing of the Bank's analytics needs

Advanced Analytics managed services implementation roadmap



... while ensuring both Data Privacy and Security

Advanced Analytics managed services Security Framework



Network Infrastructure

Guard access for cloud and infrastructure security

Focus Areas

Cloud security architecture, network isolation/subnet, security groups, firewall, penetration and vulnerability management, OS hardening



Identity & Access

Define roles and privileges on the platform to data, tools, and applications

Focus Areas

Identity management, access management, directory services, authentication / SSO, ACL, AD, LDAP, authorization



Application Security

Configure and monitor application-level security for cloud applications

Focus Areas

Application security, source code security, WAF



Data Security

Protect data in motion, at rest, and how it is being used to handle client-sensitive data

Focus Areas

Data encryption, SSL, SFTP, data masking, tokenization



Security Event Management & Governance

Ensure and support security process and policies

Focus Areas

Audit trails, alerts, logging, monitoring, malicious attack detection, compliance, reporting, SOC, SLA reporting, SA plan, CM plan, DR/BC plan

Contacts



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