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The mythical customer record in commercial banking.

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Commercial banking clients expect their relationship manager to have easy access to a complete, unified record of all their information and their banking products and services. Without that, how can their relationship manager anticipate needs and address issues?

The reality is that an easily accessible unified customer record rarely exists. Relationship managers have to log into multiple systems and spend a lot of time to create a complete client view before each meeting. That's time not spent face-to-face with the client understanding their business and proposing new products and solutions that would grow the bank's revenue. The cost to the bank includes staff inefficiencies, lost growth opportunities, and accounts that go elsewhere for better insight and service.

Banks recognize the value in unifying customer information and have been trying to achieve it for years. But the possible paths to getting it have all had significant challenges, largely keeping this goal out of reach. Putting the information in the hands of a relationship manager on their mobile device while they sit with a client has been a pipe dream.

New technology exists today that makes the goal of a unified customer record very obtainable, even on any type of mobile device. Banks that are ready to adopt it stand to gain considerable ground from their competitors.

Why the commercial banking customer record is a myth.

The idea of a complete customer record is simple. There's even an industry term for it – Customer Information File or "CIF." It's so simple and basic that our clients can't understand why we don't have that one single record that shows everything about their banking relationship. Many things prevent that unified customer view. Here's just a sample:

- The siloed nature of a banking organization with information organized by products and not customers.

- New business units that have their own separate non-integrated information systems.

- Mergers that lead to separate IT systems running in parallel for a short (or long) time.

- New system upgrades that require "rip and replace" that break prior integrations.

Until recently there were only two approaches for a financial services institution to have a complete unified customer view. The first was to have just one mega information system that everything ran on. That's only practical for smaller institutions that can purchase off-the-shelf applications designed to have this coverage. Even then they often have to modify their practices and procedures to fit the way the software works as it's too expensive to get the software vendor to make changes to accommodate their unique practices.

The other approach was to continually run system integration projects to connect disparate (and ever changing) systems so they can function as one unified system to the end user. These types of system integration projects generally have a poor record of success due to the complexity of getting different applications to work together. These projects also take a lot of time and a lot of resources so they aren't quick fixes and often get prioritized lower as emergencies crop up.

Neither of these approaches solves the problem for banks, no matter what their size. In particular they leave the larger

financial institutions in the worst position in terms of true insight into their customers. This is a challenge on the retail side, but the greater number of products, variables, and relationship touch points make it much worse in commercial banking. How many times have you felt embarrassed when a client knows more about their relationship with your bank than you do?

The costs of not having a unified customer record.

Almost all large financial institutions struggle with the problems noted above. They have always lacked a true unified client record so this is a "business as usual" situation. Because none of their competitors have a unified customer record, they aren't recognizing the pain of this situation.

It's worth taking a step back and imagine a bank that has a unified record and one that doesn't. The bank that has a unified record would:

- Be able to better spot cross-sell and up-sell opportunities, leading to a greater share of wallet and revenue growth.

- Reduced risks as an alert in one area of a customer's activity would spread automatically to their other products, reducing losses and improving compliance.

- Have happier customers who refer their friends because they are served better as everyone they contact at the bank has their full information (without having to comb through multiple IT systems to piece it together).

- Be able to charge more for services because their customers value the relationship.

- Have greater employee satisfaction, especially among relationship managers, as they don't spend lots of time gathering information and providing it to others within the bank The bank that lacks the unified customer record will constantly be struggling to catch up to the one that does. But for them it will be like trying to run a race with their shoes tied together.

Possible paths to the unified customer record.

If you're a small bank, you might be able to have a unified customer record if you run all of your IT systems through one single application. There are companies that create off-the-

shelf software to run a complete banking operation. Rarely do these solutions fit a bank's complete needs. That leaves the bank with the choice of either trying to get the software vendor to modify the software (which is expensive and comes with ongoing maintenance issues), or the bank can modify its operations to fit the software's capabilities. Going with off-the-shelf software is a big strategic choice as it makes the bank dependent on a particular vendor and limits the bank's ability to introduce new products and capabilities. But it is one way to have a complete customer record, assuming the software package does a good job of assembling the record.

If you're a larger bank that has core information split across multiple IT systems, there are few good options to get a unified customer record. Most major IT system development efforts have "improving access to customer information" as a stated goal. But rarely does a bank attempt to overhaul its IT approach and put all operations on one system, which is truly what's needed for a unified customer record. Rates of failure with very large scale development efforts like this are particularly high so the odds of achieving it with this type of project are very low.

The next best alternative for a bank is to integrate different systems that contain portions of the complete customer record. Direct integrations between different systems are usually challenging and costly. Rarely does the goal of unified customer data come in a particular situation that affords an easy to quantify return on investment (ROI) which is usually required to get this effort to rank over other IT projects. Given the possibilities above, it's no surprise that few banks have a unified customer record or anything close to it.

Where a complete customer record is most valuable.

If you had a complete customer record, when and where would it be most useful?

Being able to pull it up on a computer screen is very helpful for employees in call centers and others who are often sitting in front of a computer. This would definitely shorten average call times as employees won't need to hunt through several systems to find what they need to help the caller.

But what about your relationship managers and others in the field who aren't often sitting in front of their computers? This

is the group that can most directly impact client satisfaction and drive new business. They need to have that complete customer record on their smart phone or tablet.

If you're a small bank using an off-the-shelf package to run all your operations, it might come with some type of mobile access. If it does, it will likely be limited in functionality, might only run on iOS or Android and not both, and won't be able to integrate with any other processes at the bank. Your all-important team who spends all their time in front of customers won't benefit much from this approach.

If you're a larger bank trying to create a unified customer record through integration, adding mobile becomes a completely separate development effort that is not likely to be high on the priority list and when delivered probably won't support all platforms.

The modern work platform approach to a unified customer record.

There is a new class of technology that makes it far easier than ever before to have a unified customer record. It provides that record in the same interface on computer desktops as well as all mobile devices. It also makes the record the central point for taking any number of process-based actions to advance work activities for that client. It's the modern Work Platform from Appian.

Appian accelerates the pace of business and IT, enabling intelligent business operations through a modern Work Platform that increases awareness, creates knowledge, and drives action. Appian's market leading Business Process Management (BPM) Suite seamlessly integrates work automation with data management, native mobility and collaborative engagement capabilities. Appian is available on premise and in the cloud, with complete portability between environments.

Appian Records embrace a "data-first" design model that brings enterprise data navigation, orchestration, collaboration, and reporting to a new level of ease. Through a single collaborative interface, business users can easily manage, access, and update the data they need to do their jobs – regardless of what IT system that data actually resides within. In addition to enabling better-informed decision making,

Records also eliminates the fractured, time-consuming work style of constantly switching between a variety of applications in order to complete business actions.
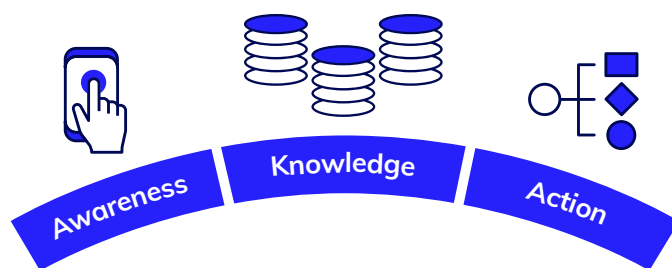
Case study: One bank's project to create a unified customer record.

A large bank with hundreds of branches and multiple lines of business including retail, commercial, and wealth management recently embarked on a project to create a unified customer record. Watching them chase down the ultimate source of information for every data element in the record was enlightening and provided a better understanding of just how big of a challenge this is for financial institutions.

The table on the next page shows an overview of all the key pieces of data in their customer record and information on the IT system where each piece resided.

The first thing that jumped out to us was the number of different discrete data elements that made up their ideal customer record. The bank had A LOT of information on their customers within their IT systems, both data (e.g. contacts) as well as internal analysis (e.g. profitability information). But putting this information to use was a challenge. The key information was spread across multiple IT systems, and each needed to be navigated separately.

The second thing that we noticed was the state of the existing systems. Most were old legacy systems lacking modern interfaces. To generate a complete customer record, a user would spend hours accessing each system (assuming they had the proper permissions) and extracting the necessary information by hand. Few (if any) bank employees were familiar with all of the interfaces for these systems which were old, complex, and not unified.

	Mainframe	Legacy CRM	Product Operations	Loan Data	Call Center	Document Repository	News Fee
Customer Entity Info	●	●		●			
Related Entries		●	●				
Customer Contacts		●					
Current Products and Services			●				
Deposit Balances	●						
Commercial Loan Info				●			
Bank Team Contacts		●					
Inbound Help Call Requests					●		
Outbound Calls to Customer		●					
Customer Inquirer for New Products		●					
Profitability Analysis			●				
Latest News							●
Customer Documents						●	

We tested a few example cases to ensure we could unify information from all of these systems and found that a specific "customer" on one system didn't always directly match to the same defined "customer" on another system. Sometimes this was due to having repetitive information across multiple systems. Other times it was due to "orphan" data that could not be easily linked. Having information on related entities and subsidiaries helped somewhat, but it didn't answer every problem instance. The information was clearly dirty, creating further challenges.

This bank was able to create a unified customer record, pulling all of the information from the table above into Appian through integration "Smart Services" created in Appian for each system. The unified customer record is now the core of a series of new work process applications that greatly increases the efficiency of the bank's relationship managers, allowing them to spend more time with their clients.

Conclusion.

Commercial banking is a service business. Clients look to their bankers to provide the financial products they need to make their businesses run smoothly. This is a natural invitation to a close advisory relationship.

Bankers should be in a privileged position to understand their client's business since they have access to their financials. But relationships take a hit or even fall apart when a banker lacks a complete view of the customer's account. Without it they can't spot problems early, and they lack the full knowledge that would allow them to promote related services, helping the bank increase its business.

All of the information about a customer exists within the bank's IT systems… somewhere. But unless it can be put at the fingertips of a commercial relationship account manager – on a mobile device while they are sitting across from the client – it might as well be buried in a file cabinet in the bank's back office.

Having a unified customer record has been a major IT challenge from the beginning of time for most large banks. But technology changes quickly and Appian's modern Work Platform removes the challenge to the unified customer record and turns it into a hub for a full range of processes to help better serve clients and grow new business.

Learn more at appian.com
Contact us at info@appian.com