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Banking Analytics
The three-minute guide

Industry Series

Don’t squint. Select the full-screen option to view at full size.

Why it matters now

Use data to tame volatility

The world of banking has encountered unprecedented change over the past few years, and there's no reason to think it's going to subside any time soon.

Every quarter brings new questions. How will changes in banking laws and regulations affect profitability? Which stress scenarios should be considered? Who are currently the "high-value" customers? What customers have the highest potential for revenue growth?

Increasingly, data is seen as a valuable asset for banking leaders looking to successfully navigate this volatile environment.

How do you make sense of all that data? For many in banking, business analytics is the answer.

Why banking analytics?

The next level

Harnessing the power of data with analytics is not a new concept to the banking industry. In fact, the industry is widely considered to be a pioneer in the field of analytics.

Analytics should be a part of every major initiative, in areas ranging from customers and risk to finance, workforce, and supply chain. Just as important, analytics is most powerful when it's not run as a series of mutually-independent programs.

Of course, along the way many banks have primarily developed deep, unconnected pockets of analytics expertise within their organizations. Today, the challenge is to develop analytic strengths that span the organization—not just pockets of expertise aligned behind single business lines.

Furthermore, banks need to harness both external and internal data from structured and unstructured sources. That's why analytics has taken on renewed importance recently.

The benefits

Analytics can help:

- Increase the ability to address and monitor regulatory compliance
- Increase transparency and understanding of risk exposures to manage the business more effectively
- Develop a risk-adjusted view of performance
- Manage fraud effectively
- Measure customer and product profitability
- Identify “high-potential” prospects and customers
- Improve the ability to target products and services to prospects or customers
- Enhance specific elements of the offer—product, pricing, channel
- Allow senior management to make informed operational decisions

What to do now

Prioritize the areas of focus

Identify where data and analytics can have the greatest impact and obtain leadership engagement from the start (e.g., Customer, Risk, Finance).

Streamline your data

Provide an integrated view of high quality data vs. siloed pockets across products and lines of business (e.g., Single View of the Customer, Aggregated Risk Exposure by Product).

Integrate with decision management systems

Analytics insights aren't worth having if they don't lead to smarter decisions. Fortunately, these insights can be plugged directly into decision management systems.

Fight for talent

Finding the right talent (statistical modeling, little data and 'Big Data', functional depth) is one of the biggest challenges. Develop a talent plan that builds on both existing internal talent and external sources.

Make connections

Your organization probably already has developed pockets of analytics excellence. A smart plan for connecting teams across the organization can bolster existing strengths and foster new ones.

Time's up

It’s okay to start small

Rebooting and refocusing your bank’s analytics capabilities can seem daunting, but it doesn’t have to be that way. Many banks start with a small project and expand from there.

And if you’d like some help along the way, let’s talk. Deloitte has helped some of the world’s largest and most successful banks focus their analytics efforts to enable smarter decision-making across the organization. To learn more about how to get your analytics initiative off to a smart start, please contact:

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