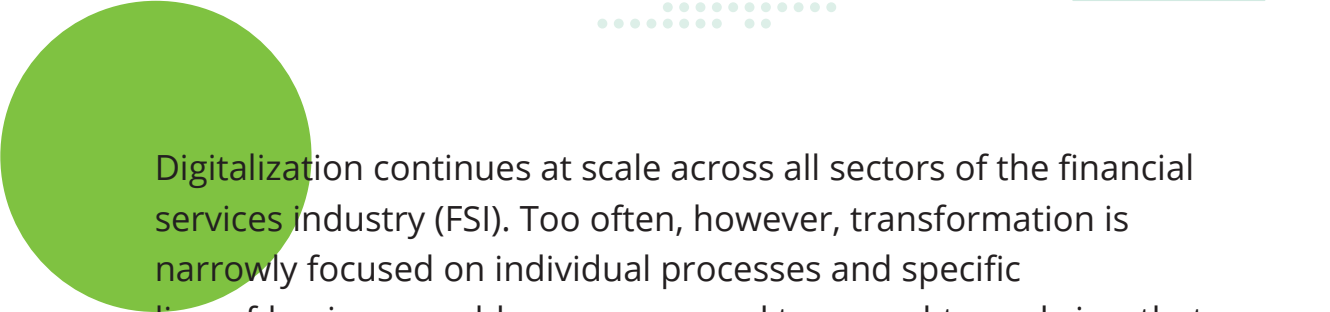


ENTERPRISE WORKFLOW APPROACH
POWERS FINANCIAL SERVICES

GROWTH AND PRODUCTIVITY

Adopting an enterprise approach to streamlining workflows is more critical than ever for the financial services sector






Digitalization continues at scale across all sectors of the financial services industry (FSI). Too often, however, transformation is narrowly focused on individual processes and specific line-of-business problems as opposed to an end-to-end view that advances the objectives of the larger enterprise.

In many financial services companies, digital workflow transformation advances through individual efforts aimed at solving highly siloed business challenges. IT departments typically drive such initiatives, sometimes with limited collaboration with business stakeholders or the exponential value gained from a strategic partnership between the CIO and COO.

Addressing the challenge as a series of separate or loosely coupled initiatives is a shortsighted approach to digitalizing workflows and achieving end-to-end transformational value. Financial services companies can find themselves hamstrung by point solutions that address the unique needs of some business functions without meeting the requirements of the greater enterprise. Without end-to-end visibility and streamlined workflows, financial services companies face significant obstacles in their quest to advance productivity, innovate new ways of working, and deliver better customer experiences.

“ IT-led transformation has created disparate solutions, built by bespoke business units, using disparate data sources to solve siloed problems, ”

says Travis Budisalovich, ServiceNow financial services offering lead and principal at Deloitte Consulting LLP. “This is in direct contrast to what is actually desired by CIOs and COOs that covet a flexible enterprise platform with standard, scalable workflows, business rules, and data capabilities.”



The business challenge

Given the current business climate, an enterprise approach to streamlining workflows has become all the more critical. Volatile global economic conditions have increased pressure on profitability and growth across every FSI sector—a scenario now exacerbated by the uncertainty surrounding the worldwide COVID-19 pandemic. At the same time, increasing regulatory pressures require FSI companies to examine systemic risk on an enterprise scale, which is well beyond the limited lens of stovepiped business domains and siloed processes.

Across all sectors of the financial services industry, the traditional high-touch nature of relationship-driven transactions is being supplanted by standard portfolio algorithms that automate many processes and eliminate dependence on any one individual's insights to make business decisions. Machine learning, artificial intelligence (AI), and other digital technologies are ushering in game-changing efficiencies and business insights, but they can also be highly disruptive, prompting firms to continuously reevaluate their talent mix as well as existing patterns of work.

Ramped-up merger and acquisition activity over the last few years has also added to the challenge. Newly combined entities are typically dependent on a collection of one-off legacy systems that don't talk to each other, which translates to many manual processes and handoffs to share data and collaborate. A lack of integration exposes companies to more data inaccuracies and miscommunications that can open the door to customer dissatisfaction and even regulatory risks, either of which can seriously impact financial performance and corporate standing.

The expectations of an increasingly digital-savvy customer base have also raised the bar. Customers who are used to highly personalized and engaging digital experiences in their personal lives are demanding the same streamlined and custom engagement in their professional interactions. This increases pressure on financial firms to elevate their digital offerings by creating innovative customer experiences that differentiate and provide advantage in a highly competitive and rapidly changing market sector.

Deloitte has been rapidly driving innovation with ServiceNow to apply a first-of-its-kind "platform of platforms" to help manage end-to-end business processes and streamline cross-functional workflows. In addition, the combined solution can enable seamless data sharing and is designed to deliver the enterprise-wide visibility that is essential for maximizing value from digital transformation investments.



THE POWER OF DELOITTE AND SERVICENOW ADDRESSES COMPLEX FSI CHALLENGES



Banking

CHALLENGE:

The banking sector is confronting an array of challenges, from the proliferation of fintech companies and technologies to a fast-evolving risk and regulatory climate. Shifting demographics and changes to the nature of work are driving a wave of disruption that calls for new processes and heightened investments in technologies that can drive digital transformation.

At the same time, banking institutions are grappling with aging infrastructure, which has led to technology sprawl and siloed operations. The result: rising technical debt, operating inefficiencies, and increased risk.

SOLUTION:

Modernizing, standardizing, and integrating enterprise services can help companies achieve a connected, digitally enabled workforce. By syncing up disparate processes and technologies through enterprise services and workflows, banks can simplify and standardize internal operations to reduce costs and risk. This approach also enables greater flexibility to differentiate external transactions to support the unique needs of the business and its customer base.

Consider, for example, complaints and allegations management (CAM), an important set of workflows in regulated industries for capturing, managing, and investigating negative customer feedback. Typically, such events have impact beyond customer service, requiring triage from myriad departments and, in some cases, reporting to industry regulators. Manual processes and siloed systems make it difficult to effectively manage complaints and allegations at an enterprise level, putting banks at risk for regulatory sanctions, litigation, fines, and reputational damage.

An Enterprise Complaints Management approach, leveraging ServiceNow, can streamline and integrate the end-to-end process, thereby eliminating workflow redundancies and accelerating the speed of resolution. The system monitors customer interactions to enhance regulatory compliance, leverages structured and unstructured data analytics to more quickly identify potential issues at an enterprise level, and delivers early warnings of systemic problems enabling preemptive versus reactive actioning.

Another example of how ServiceNow can help integrate and automate disparate processes can be seen with customer onboarding. An enterprise workflow built around ServiceNow facilitates onboarding by reducing the handoffs between disparate functions, including Know Your Customer (KYC) processes, creating a seamless connection between front, middle, and back office operations to provide an enhanced customer experience. The opportunities for improvement are even greater with corporate customer onboarding where much of the burden for gathering documents and information is placed on the customer.



Insurance

CHALLENGE:

The insurance industry is challenged to maintain profitability amid maturing markets and volatile economic conditions all while reinventing products, operations, and business models through new technologies.

A large amount of spending remains earmarked for the maintenance of legacy systems, which can impede the ability of insurers to modernize. Applying new workflow technologies to legacy and administrative systems of record can greatly reduce technical debt and break down barriers to growth. “Insurers want to differentiate and innovate by digitizing and operationalizing analytics, AI, and other advanced technologies,” says Larry Danielson, Deloitte Consulting LLP principal and ServiceNow insurance offering lead.

SOLUTION:

Enterprise workflow technologies can transform the underwriting process by reducing the number of administrative and data gathering steps. Multiple, disconnected systems can be made seamless to the user by implementing an enterprise layer that ensures an end-to-end, frictionless workflow. This will help create more time for underwriters to focus on risk assessment rather than information assembly. The ability to tap into the latest analytics models bolsters underwriting productivity while improving risk assessment capabilities. The broker-underwriter experience may also benefit from shifting focus away from administrative tasks to customer needs.



Investment Management

CHALLENGE:

Margins in the investment management sector are strained amid continued fee pressure, volatile economic conditions, and increasing costs of regulatory compliance. Many firms continue to rely on legacy processes that struggle to meet the expectations of digitally-savvy clients and of business leaders that increasingly need agility, speed, and data-driven insight to set the direction of their firms. Inorganic growth and historical underinvestment in platform modernization, especially for middle and back-office functions, adds data disparity and operational silos. This can result in an over-reliance on manual processing, and inconsistent product, client, and other master data. The overall impact is strained efficiency, increased risk, and additional time and complexity in financial, regulatory, and client reporting.

SOLUTION:

An enterprise approach that can bring multiple functions, lines of business, and third-parties into an end-to-end workflow creates operational efficiencies. For example, firm-wide Assets Under Management data is consolidated in a more automated and controlled way using workflow across platforms to conform data, consolidate results, gain approvals, and maintain audit trails to streamline reporting, accelerate insight and improve risk management. Client onboarding, a key inflection point in the overall client experience, is facilitated via more automated processes and a single entry point, helping to mitigate client frustration and bolster application conversion rates. Client-facing teams can respond more nimbly to client reporting and communications expectations.

Product development can also benefit from this approach. Improved coordination across product strategy, investment teams, legal, regulatory, marketing, distribution, and operations helps accelerate time to market for new and custom products.



Leading practices for CIO/COO alignment

To reap the potential benefits of enterprise workflows driven by ServiceNow, it's critical that CIOs and COOs align around a shared objective of enterprise-wide performance improvement. Business and IT can no longer operate as separate entities with minimal interaction—both functions need to be in lockstep to leverage digital technologies to improve client interactions and help ensure organizational profitability.

“It's critical that business drivers and tech enablement are handled as part of the same conversation—not a handoff between the two groups, ”

says Anthony DeAngelis, principal, investment management and real estate at Deloitte Consulting LLP. “For many firms this is a cultural shift. Legacy organizational dynamics need to be broken down and reconstituted.”

To help improve business/IT alignment, organizations should:



Develop a clear strategy and key business objectives, including prioritization of individual initiatives



Constitute cross-functional teams charged with specific priorities and tasked with delivering on a shared vision

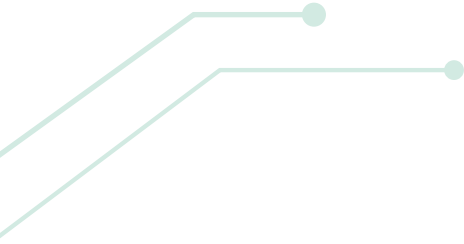


Leverage resources from IT, business, and HR to address critical change management issues related to new ways of working



Evaluate existing in-house skills and assess what additional competencies and talent are required for future efforts





Facing volatile economic conditions, financial services companies should foster more cohesive business and IT alignment to promote the enterprise-scale digital workflow transformation required to modernize their business.

The bottom line



For more about how ServiceNow can save time and free up resources for your financial services organization, visit

<https://www2.deloitte.com/us/en/pages/about-deloitte/solutions/servicenow.html>

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