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Modernizing treasury management onboarding to drive bank profitability

As market conditions focus renewed attention on increasing commercial deposits and client expectations continue to rise, banks cannot ignore the importance of treasury management onboarding in driving fee-based revenue.

Treasury management products and services have long been recognized by banks as tools to deepen relationships and create "stickiness" for existing customers. Depository services, including treasury management, contribute more than 23% to the commercial banking industry's total revenue and are critical differentiators in attracting commercial and corporate deposit balances.[1]

In recent years, the 30+ new and existing treasury products that generate this revenue are becoming increasingly technical and complex to implement. Coupled with increased competitive pressures and rising client service expectations, banks are continually challenged to do more with less. And yet, the dated approaches and tools used to support treasury clients, particularly for new product onboarding, remain noticeably unchanged.

It is critical that banks reconsider their approach to treasury management onboarding and servicing to drive profitability and client satisfaction, without sacrificing internal efficiency.

Based on work with leading banks, we identified seven trends across the onboarding process to improve customer satisfaction, grow market share, and improve speed to revenue.

Personalized, advice-driven service

Treasury clients have a wide array of needs and represent different values to banks, yet all yearn for an experience that feels personal and relevant to their business.

Today, most treasury onboarding processes are aligned to serve internal bank departments rather than the client itself, forcing clients to navigate repetitive, disjointed activities across client onboarding, deposit account opening, loan origination, and treasury onboarding. Providing a singular treasury onboarding and servicing experience, or one that is siloed from other commercial functions, does not generally result in high client satisfaction or maximize bank resources.

1. Client segmentation: One size does not fit all

Clients are frequently segmented into small business, middle market, and industry verticals to approximate their value and complexity and to determine the appropriate type of onboarding support. Industry-specific and higher-value clients utilize a broad array of complex treasury products and consistently add new accounts and services. Smaller clients typically use standard product sets and don't require the same level of day-to-day support.

As bank technology continues to advance, client segmentation should be further refined to provide more tailored client support. For example, a company whose day-to-day transactions indicate frequent international wires and rapid growth warrants a higher level of bank support today; proactively recommending features or products will better meet anticipated client needs and maximize bank value. It is important to consider client segmentation and truly look at product/service usage, trends, and predictive analytics to derive key insights and provide value-added advisory services.

2. Holistic, integrated commercial processes

Focusing on a client's full set of needs and not just its treasury requirements is critical for designing a seamless onboarding experience. Banks are redesigning the client journey to better overlay treasury requirements with those of client onboarding, deposit account opening, and loan origination.

Assessing the client experience for consistency is a critical first step. Is the client required to use different document upload or e-sign tools between lending and treasury? Is the client required to log in to two separate portals? Are the same documents being requested if they are setting up multiple products simultaneously?

It is important to "walk in your client's shoes" and connect the dots across experiences to make it feel higher touch and personalized. Consider methods to improve data and documentation sharing to reduce distinct client outreach requests and ensure only net-new asks are being made of the client. Add tools to better orchestrate the identification and authentication of beneficial owners, authorized signers, and primary administrators to allow individuals to complete their respective setup tasks within the process in parallel rather than sequentially. For example, allow a primary administrator to begin identifying zero balance account (ZBA) structures and target balances before the corresponding deposit accounts are opened. Once opened, the setup of the treasury product can begin immediately rather than engaging the primary administrator at that time and waiting for the setup details.

Increased client autonomy and convenience

Bank support for treasury clients has historically been a multiday process with the exception of money movement or fraud-related incidents. Treasury clients are limited in the actions they can complete without involving a bank representative (e.g., password resets) and are frequently constrained to only phone and email interactions during bank hours. Particularly for smaller clients who are generally busy during bank hours running their businesses, this can result in frustration and extended resolution times as they work to be authenticated and routed to the correct bank team, provide required paperwork, and wait for their request to be completed.

3. Self-service capabilities

Client requests that are high volume, high urgency, and/or revenue generating are top candidates for self-service capabilities. Opening new commercial deposit accounts for an existing client and adding them to existing services (high volume), updating primary administrators after an employee leaves or temporarily increasing wire limits to support the payout of employee bonuses (high urgency), and adding new remote deposit capture (RDC) options (revenue generating) are the types of requests clients are seeking to control themselves without bank employee intervention.

Self-service capabilities can be provided directly within treasury product applications (e.g., entitling non-admin users) but are also now being offered within bank digital channels (chatbots and client portals) that integrate with source applications via application programming interfaces (APIs) to provide straight-through processing.

4. Expanding available channels: Chatbots and digital portals
While chatbots and client portals are prevalent in lending and retail banking, typically only the largest US banks have these channels as meaningful options for treasury. Expanding usage of these channels and incorporating artificial intelligence-enabled functionality limits dependence on sales and service teams for routine support inquiries and provides entry points for client self-service capabilities. These tools allow clients to conduct their banking when it is most convenient for them regardless of bank hours.

Banks must also focus on ensuring clients are directed to the appropriate method of support. Large multinational corporations may be less inclined to use a chatbot or explore a product offering via a client portal dashboard, but those may be the optimal engagement tools for the owner of a local small business.

Improved speed and transparency

For requests that continue to require direct bank intervention, banks must accelerate turn times and provide greater visibility throughout the process. Banks commonly average more than eight business days to open commercial deposit accounts and activate the client's first treasury service. For some, this process can extend beyond five weeks resulting in lost revenue for each day spent activating the product. These lengthy turn times will likely feel increasingly slow as other industries (and other areas of the bank) continue to provide near real-time support and more transparency regarding process expectations and status updates.

5. Reduced handoffs
Frequently, banks utilize multiple teams/departments to complete onboarding and servicing requests. Generally, this results in a slower and less transparent process with negative effects on both the client and employee experience. Some of the most common examples seen today include the handoff between sales and onboarding/fulfillment teams, as well as the transition between deposit account opening and other treasury onboarding teams.

While some degree of handoff/transition will always be required within the onboarding and servicing processes, banks continue to invest in workflow tools and updates to operating models/roles and responsibilities, as well as employee training to increase efficiency.

6. Investing in the employee experience
Today's treasury employees support greater client complexities and more advanced products than ever before. Navigating transmission, file translation, and API requirements are now commonplace, yet the tools and trainings bank employees are provided remain unchanged and outdated. As a result, many banks have indicated they are seeing high turnover in certain treasury roles, and training new employees can frequently take a minimum of six months before they become effective.

Banks that recognize the monetary and reputational benefits of an upgraded treasury onboarding process are beginning to develop talent plans that include a mix of upskilling current employees and changing the skill sets hired for. Teams continue to enhance training programs to focus on continuous education, industry accelerators, and paths for career development—all with the goal of reducing new employee ramp-up time and reducing turnover to avoid the loss of critical talent.

Additionally, banks are reinventing the sales model and upskilling sales associates to ensure they are effective in an in-person, virtual, or hybrid working environment.

7. Setting expectations and providing status updates
A common complaint of treasury clients (and many treasury sales colleagues) is the lack of understanding and transparency regarding where they are in the onboarding process. Common questions include: What are the current or upcoming action items to finalize onboarding? What is the target onboarding completion date? Who is responsible for the next call to action?

Banks should develop clear and proactive client communication standards. Small efforts such as preconfigured communication templates, reminding clients of outstanding items before they are due, and outlining client expectations up front all reduce time wasted on ad hoc status updates and lower client stress. This is especially true for products with higher instances of client delay and abandonment rates, such as positive pay, which requires clients to provide sample files prior to activation. For larger, multi-month implementations, project managers are being introduced to the client, holding weekly status calls, publishing detailed onboarding plans, and facilitating internal bank check-ins to ensure these requests remain on schedule.

For banks developing treasury capabilities within client portals, this visibility can be automated and embedded. Two of the most-considered portal features include near real-time status trackers and interactive lists of current, past due, and upcoming activities required to complete onboarding.

In this environment leaders should put an emphasis on improving the treasury onboarding experience through personalized advice-driven service, increased autonomy and convenience, and improved speed and transparency. Investments in these areas can lead to improved client and employee satisfaction and sustained profitable growth.

Contacts

Lauren Holohan
Principal, Deloitte Consulting LLP
lholohan@deloitte.com

Jim Delbridge
Principal, Deloitte Consulting LLP
jdelbridge@deloitte.com

Elizabeth Dysko
Senior Manager, Deloitte Consulting LLP
edysko@deloitte.com

Jacob Novich
Senior Manager, Deloitte Consulting LLP
jnovich@deloitte.com

Erin Davis
Manager, Deloitte Consulting LLP
erindavis4@deloitte.com

Endnote

1. IBISWorld Industry Report, *Commercial Banking in the US*, November 2023.

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