



Front Office Empowerment

A discussion.

White Paper

Front Office Empowerment

A discussion



There’s an opportunity to do something different. You can leverage technology to deliver much faster onboarding times than those previously considered best-in-class.



Over recent decades the goals and ambitions of financial institutions have changed. With the arrival of challenger banks, many are looking to strengthen their competitive advantage to build or even just maintain market share, whether that be through new acquisitions or retaining the existing customer base. This puts a sharp focus on the bank’s ability to empower their front office to a) grow the business, and b) deliver a market-leading customer experience.

This whitepaper combines industry thought leadership with findings from iMeta’s Front Office Empowerment Survey to unpack the key challenges faced by those in Front Office roles. It then explores recent developments that seek to solve some of these current issues. Can the utopia of uninterrupted focus on driving revenue, delighting customers, and scaling your business ever be achieved? Let’s find out.

Front Office Empowerment:

What is it and why are we talking about it?

01

Let's begin by considering the masthead statements around what and why.

For those in the Front Office these should come as no surprise and are by no means meant to be exhaustive given the expanded roles and responsibilities the Front Office now covers.



WHAT?

Driving sales to meet or exceed targets

Creating a seamless customer experience

Prioritising clients based on revenue generation for the bank

Minimising time to revenue

Driving efficiency gains to increase sales capacity

WHY?

Build greater market share

Attract and retain customers

Increase profit margins

Reduce costs

Competitive advantage gained by continuous innovation

...resulting in greater revenue for the bank

What We Expected: iMeta and Industry View

02

1. iMeta

Ben Marsh, CEO at iMeta Technologies, shares his views on where the industry is at today and what his expectations are for the future.

Over the last thirty years or so we have seen remarkable professionalisation of the industry. The structures in which we operate have become ever more rigid in terms of oversight, governance, regulation, and constraints on how people and organisations conduct themselves. Over time there has also been an abstraction of the fundamental building blocks of the industry, particularly operationally. Technology has added a multitude of layers, with that underlying function becoming more and more abstracted as time goes on.

There is now a laser focus on the regulatory frameworks in which we operate, with KYC (Know Your Customer) being a particularly relevant example. We are also seeing other examples of strengthened legislative frameworks that govern the way we operate in financial markets, such as the European Banking Act come into play, forcing contractual flow-down between regulated organisations and their suppliers, and the ever-increasing focus on ESG (Environmental Social Governance). This demands increased transparency and more rigid structures from all elements of the ecosystem.

With increased regulatory requirements, the volume of new business that can be onboarded is restricted by capacity challenges as workload increases. While costs are expected to be cut by the business, there are also demands to increase revenue and grow market share. On top of this, the Front Office is seeing caps put on their pipeline of work to manage the capacity challenges. This begs the question: How do we increase capacity to enable further revenue growth?

There are two ways of tackling this, as we see it. You either aim to automate as much of the onboarding process as possible, reducing headcount, or you seek to optimise the inflow of deals into the pipe using global prioritisation, and re-using data of existing clients looking to onboard a new product, for example. We think you can achieve both. This results in a continuous deal flow and wider pipeline that leads to increased revenue, whilst simultaneously cutting costs through automation and standardisation of processes.

2. Industry

An independent view from Mark Bands, Partner at Aurora.

Reflecting the sentiments expressed by iMeta, the simultaneous demands on the Front Office for cost-cutting alongside the relentless drive for wallet extension have created a melting pot of exasperation in the Front Office.

The seemingly straightforward solution to increasing revenue is to grow your customer base by acquiring new customers. Firms can achieve this by offering additional products while also expanding their geographic footprint. Equally, additional revenue can be achieved by securing a larger share of your existing customers' business, by selling them additional products and services, and/or by securing their patronage in even more geographies.

While this sounds relatively straightforward from a business perspective, executing against these strategies has proven and continues to be difficult for most financial services institutions. The reasons for this are multi-fold, however, from a Front Office perspective, the dichotomy of customer expectations vs current capability remains the critical focus.

Sophisticated global corporates expect multi-channel, multi-product global onboarding in a domain where Client Onboarding capabilities remain sorely lacking. Surveys have consistently shown that banks lose a meaningful amount of corporate business due to inefficient onboarding and business extension services. In recent years up to circa 80% of banks surveyed admit that poor service continues to cost them corporate business.

Current onboarding capabilities suffer from a complex combination of maladies that include:

- A lack of process architecture that enables operational coherence across front, middle and back offices
- Clunky or even absent priority and capacity management, tracking of case progress and clear communication between the actors in the onboarding process
- Inaccurate and inconsistent data, stored in multiple places and owned by different parties (for example, Legal Entity information), hinders the timely and accurate completion of onboarding processes.

The implementation of an automated Client Onboarding and Lifecycle Management platform cannot solve all onboarding issues with a magic technological bullet. However, recent success stories have shown that there is significant hope for those frustrated in the Front Office if they can champion and sponsor the implementation of one of the very capable RegTech platforms now available in the market. This is because these initiatives have organically provided the impetus for a broader programme of strategic transformation that, out of necessity, reaches out over the entire ecosystem of people, process, technology, regulations, and data.

Closing the loop then on the crux of the Front Office challenge, if holistic CLM transformation, centred around a technology solution, provides the ability to offer seamless onboarding across multiple jurisdictions and multiple products, it follows that it will also provide significant long-term wallet extension for financial institutions, due to customer growth and existing customer retention/product expansion.



Front Office Survey Insights

03

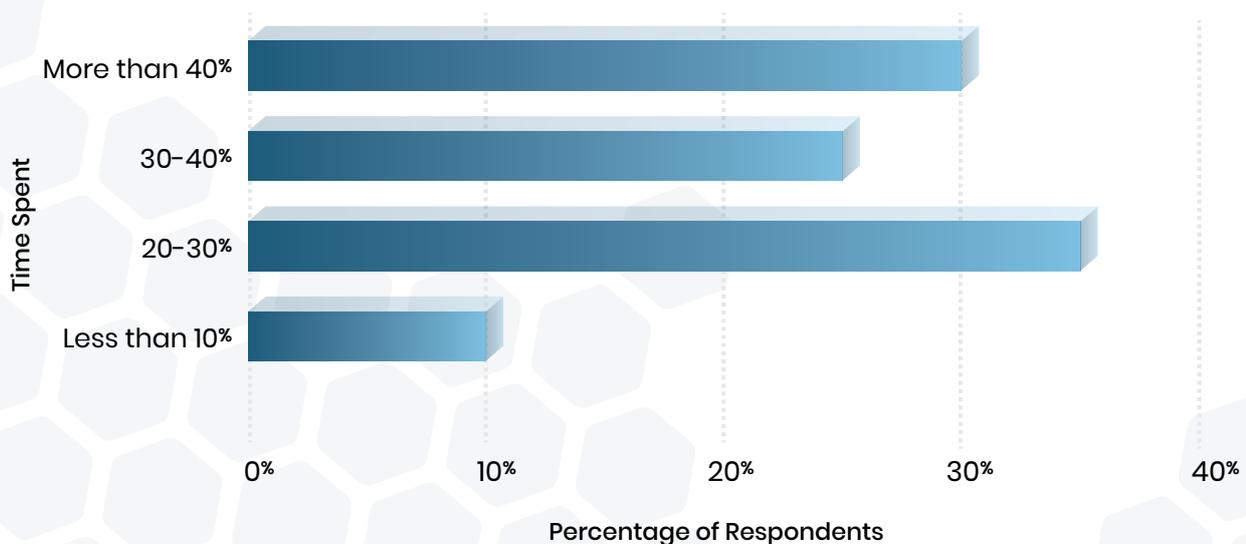
Who we surveyed

Emerging from the Covid-19 pandemic, iMeta reached out to Front Office professionals at a variety of financial institutions and across multiple functional areas, to get their views on the challenges, opportunities, and expectations for the future of the Front Office. The survey highlighted several key areas that require focus to free up the time of Front Office workers and enable them to drive revenue for their organisation.

Challenges in the Front Office

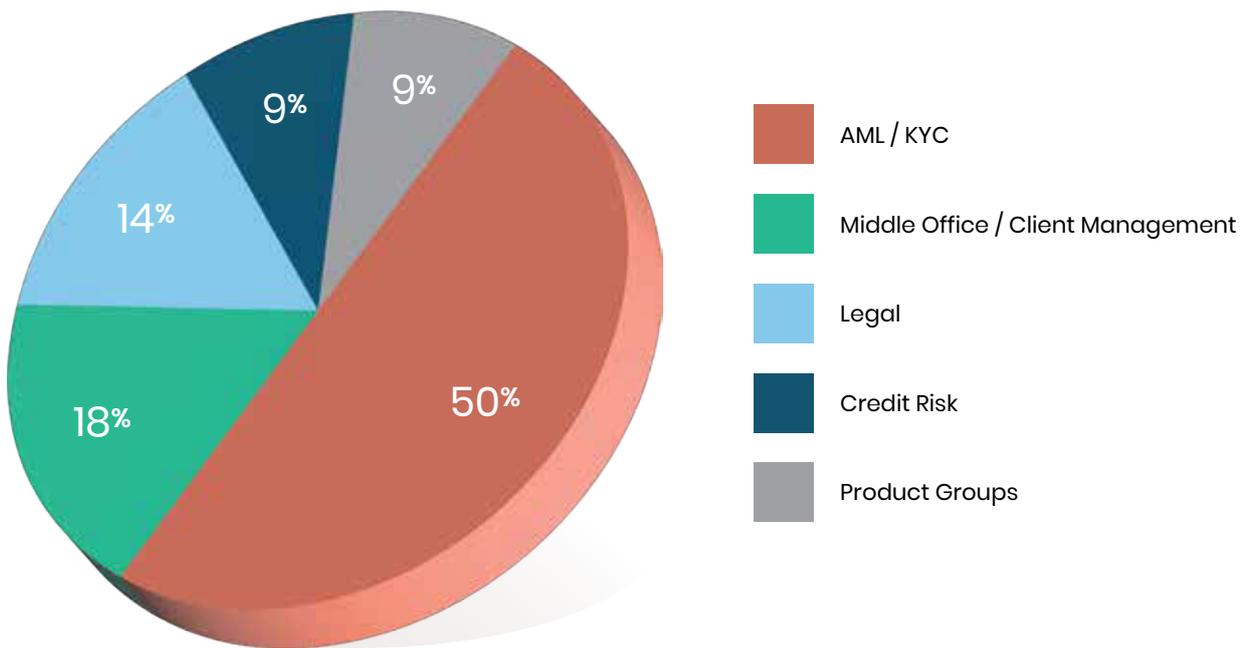
Those working in the Front Office sit directly between the customer and the organisation. This often means that they're the first person the customer calls when something goes wrong, forcing Front Office and Relationship Managers to be drawn into a world of operational processes to ensure an expected level of customer experience and delivery. This was evidenced by iMeta's survey, which found that nine out of ten Front Office professionals spend more than 20% of their time on admin, KYC, onboarding and fixing broken processes. Over half (55%) of respondents spend more than 30% of their time on these processes and nearly a third (30%) spend more than 40% of their time on them.

9 out of 10 front office professionals spend more than 20% of their time on admin, onboarding & KYC



Moreover, when asked which areas and functions cause them the greatest headache and day-to-day roadblocks, 30% of respondents said end-to-end onboarding times cause them the greatest headache, while the function causing the biggest roadblocks sits with AML & KYC.

AML / KYC causes the greatest day-to-day roadblocks for the Front Office.



The survey found that if the respondents could regain the time spent on admin, 50% of them would spend it on widening and deepening existing client relationships, helping to drive up revenue for the business. Herein lies a significant opportunity for these organisations to streamline processes to not only reduce costs in the Back Office but also drive revenue in the Front Office.

The impact of poor service

Poor service is often linked with long onboarding times, repeated back and forth with the client, and miscommunication of requirements, which can open up the organisation to reputational risks. The ability to onboard in under two weeks has often been quoted as being best-in-class by the likes of McKinsey, which is also backed up by our survey. 40% of respondents believe 'less than 2 weeks' is 'good' in terms of onboarding timeframes, with only 7% believing 'less than 1 day' fell into this category. On the other end of the spectrum, 20% of respondents told us onboarding in 'less than 3 months' is a good timeframe. In a world where FinTechs are onboarding clients in minutes rather than months, some organisations are in danger of falling behind as client expectations increase.

This is evident in the feedback received from customers by our respondents, which highlights issues with ambiguity, lack of visibility of document requirements and timescales, and lengthy onboarding processes.



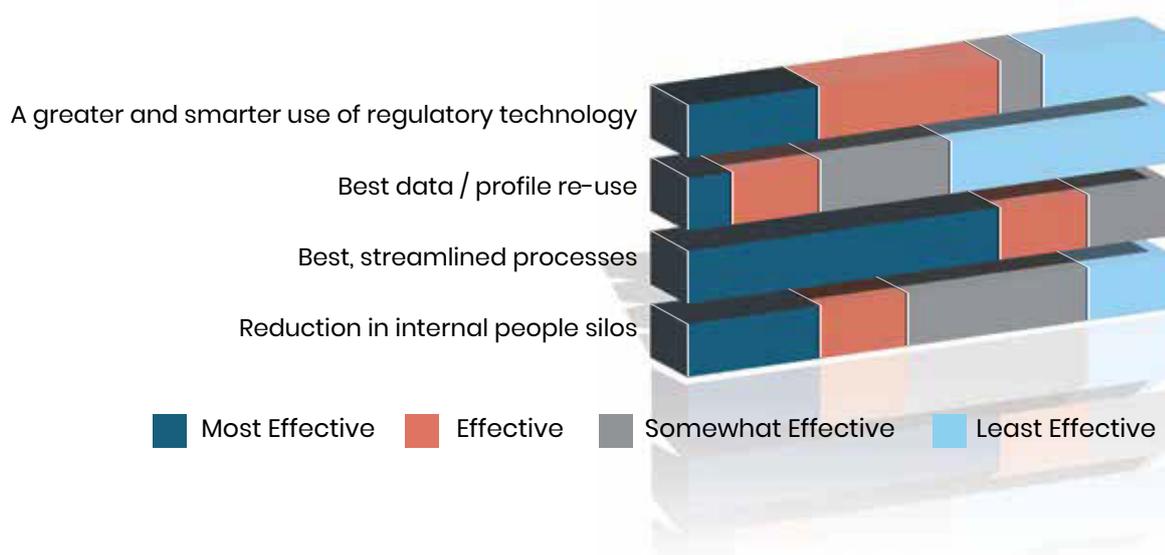
We received sudden requests for documentation which the bank had not previously asked for, leading to delays in transaction processing.



Capacity and pipeline management

As mentioned earlier, an ability to free up the capacity of the Front Office to enable them to widen the pipe and drive more revenue for the business is a top priority for many of our respondents, however, they cited several other restrictions holding them back. The top three are strong competition from the market, underlying processes and the capacity to onboard. They also overwhelmingly told us that introducing the 'best streamlined processes' would be the 'most effective' way of overcoming these hurdles to widen the pipe and generate greater opportunities for more sales.

Best, streamlined processes are the most effective way to widen the pipe and generate greater opportunity for more sales



Future expectations

Going forwards, clients are going to expect more from Financial Institutions. FIs need to ensure their house is in order by streamlining internal processes to improve the onboarding experience for their customers, free up capacity of the Front Office to drive more sales, and critically, hold onto their market share. One of the key areas where FIs can find efficiencies is through the creation of a global policy and single view of the customer, and by enabling documentation to be re-used across the organisation and the onboarding process. Less onus will then be put on the customer in terms of document requirements and duplication of work will be removed for internal teams. 40% of respondents to the survey believed re-use of documentation would be the 'most effective' method of making a difference to them and their customers. In reality though, just solving this one part of the puzzle will not solve everything. Greater and smarter use of technology will also be critical in streamlining processes, as will clear strategies around people, process and data.

Observations and Key Takeaways

04

From a Front Office perspective, customer onboarding is a make-or-break capability because it has a direct impact on customer growth, contentment, and retention. More importantly, customer onboarding is also the front door to both ongoing and increased customer revenue. Here are a selection of observations and key takeaways:

1

There is a mismatch between the client's expectations and the financial institution. FIs need to expect more of themselves and their technology partners when it comes to creating a rapid and seamless onboarding experience.

2

Automation and efficiencies are key to not just cost-saving, but also to improving the customer experience and driving revenue growth for the organisation.

3

Document and data re-use is just one piece of the puzzle. For the greatest benefit to their organisation and the customer, Financial Institutions must take a holistic approach to empowering their Front Office, with clear strategies around technology, data, policy, processes, and people.

4

An empowered Front Office spends less time on admin and getting involved in broken onboarding processes, and more time widening and deepening client relationships.

5

There is an opportunity to go above and beyond industry norms and expectations, stand out from competitors, and actively grow market share as a result of exceptional customer service.

Why engage iMeta in the Front Office...

iMeta delivers accelerated, real-time onboarding journeys for customers; providing an accurate, single view of customer data throughout the Financial Institution, and ensuring firms always remain compliant with their KYC and AML regulatory requirements.

Our Client Lifecycle Management (CLM) technology enables rapid engagement with customers in a compliant way whilst simplifying operational processes.



From onboarding to off-boarding and everything in between; our trusted software helps regulated organisations deliver a first-class customer experience whilst meeting their regulatory and compliance obligations.



75%
of SME business
onboarding
in less than
5 minutes



Standard
CDD
in under



20x
increase in client
onboarding
capacity

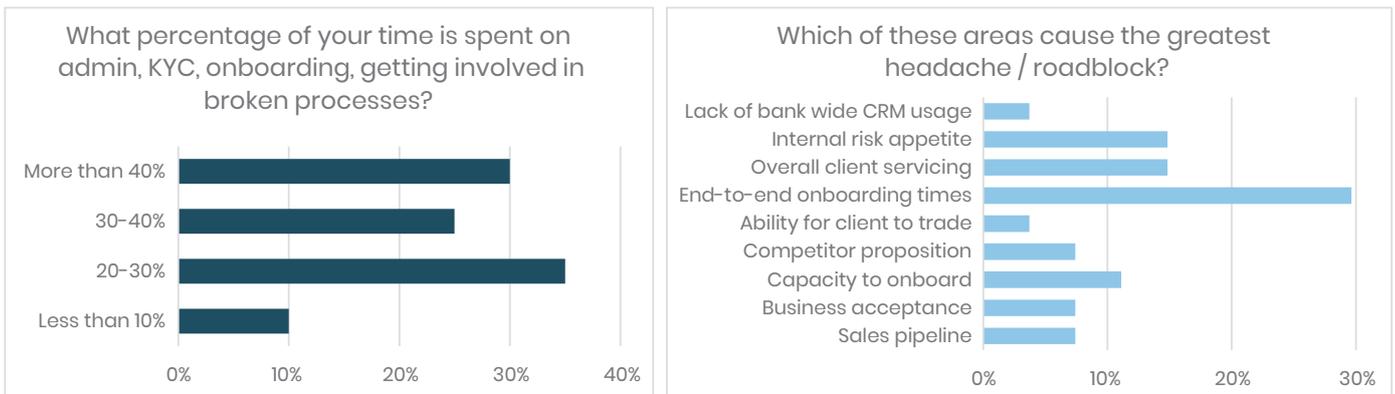


Front Office Survey

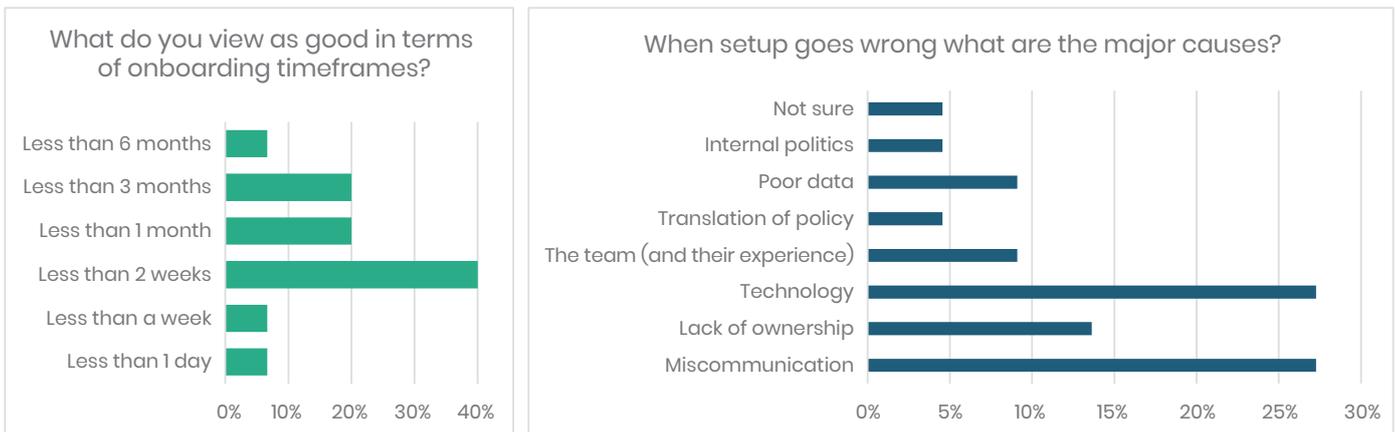
Firstly, we asked people to tell us about themselves and their organisation...



We then asked about the challenges they are facing...



Next, we explored how poor service impacts the organisation...



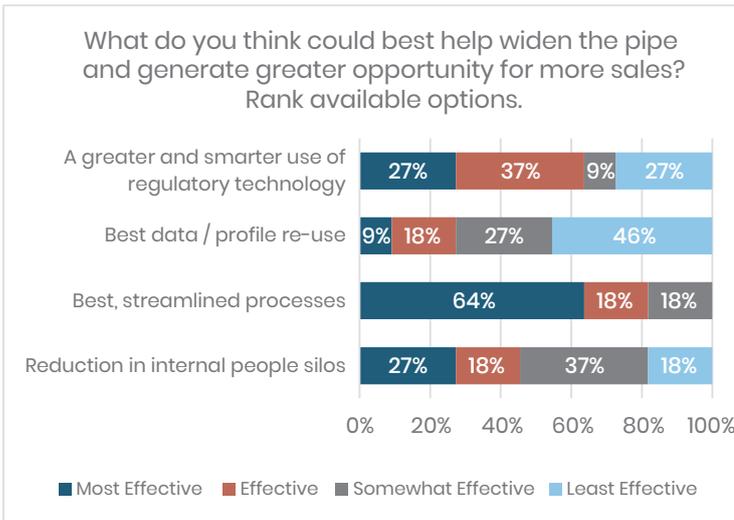
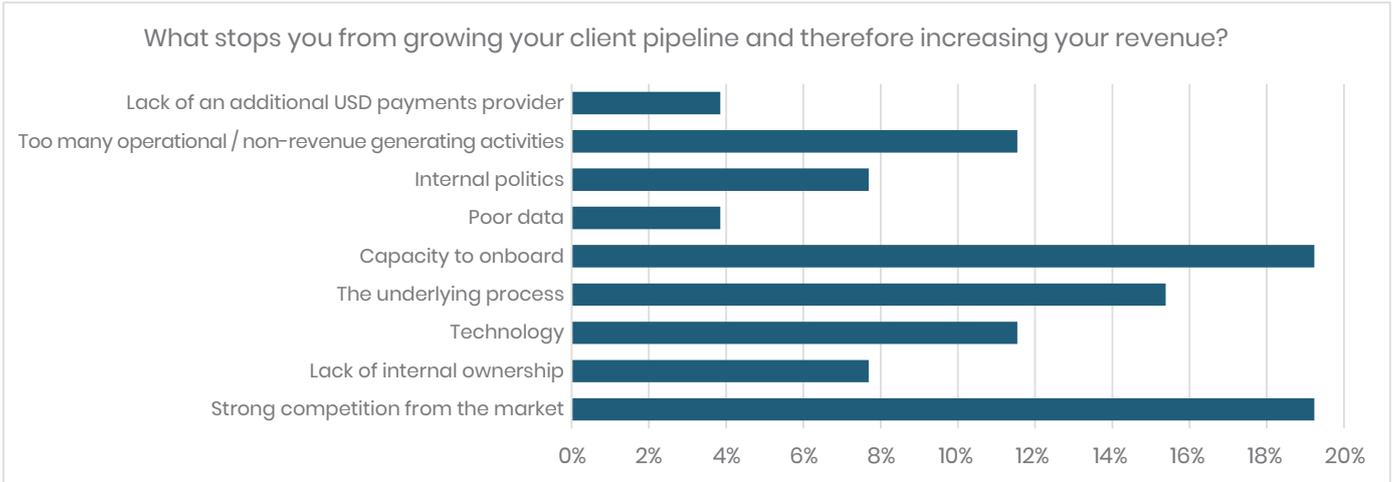
If you've had any feedback from customers about the onboarding / setup process, what did they tell you?

“There is little understanding about how long certain procedures we need to carry out, actually take. We are unable to manage our clients expectations because our organisation cannot provide guestimates.”

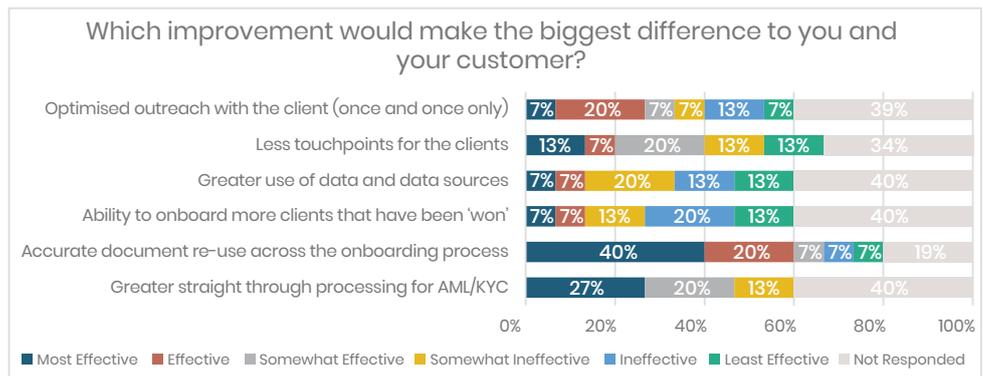
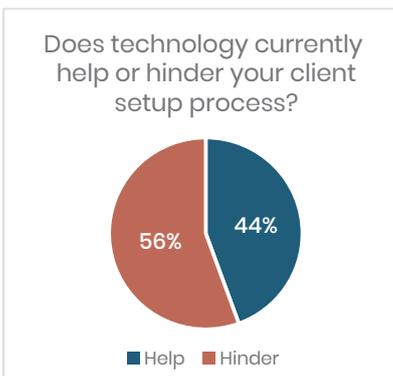
“Sudden requests for documentation which the bank had not previously requested leading to delays in transaction processing.”

“Lack of clear checklist for all documents required from the customer upfront.”

We asked about the capacity available to manage the pipeline of work...



Finally, we looked into the Front Office's expectations for the future...



Contact Us:

enquiries@imeta.co.uk

INTL +44 2380 763984



iMeta.com