

Back to the future

While most banks appear to have adapted to the internet age, many are still struggling to optimise their back-end systems. *Future Banking* talks to Joerg Vollmer (left), CEO of **Swiss Post Solutions**, and Michael Neuberg, director for global solution design in banking at SPS, about efficient customer data management, the threat posed by fintechs to traditional institutions, and the likely post-GDPR landscape.



“Most retail banks are investing in state-of-the-art digital front ends like websites and apps to attract customers by offering digital, innovative and highly automated services,” says Jörg Vollmer CEO of Swiss Post Solutions (SPS), one of the world’s leading document management and business process services (BPO) providers. “The reality often looks different; especially in big institutes, old legacy IT systems are storing and processing the relevant data, but struggling to smoothly interact with the new digital front ends. This makes end-to-end (e2e) processing for a better customer experience difficult.

“Each project targeting at e2e processing from a digital front-end to the back-end systems is challenging. To implement these changes expertise in handling structured and unstructured data is key. A major topic is how to optimise processes that depend on legacy IT.”

It is SPS’s mission to support companies on their journey to digital transformation. Its outsourcing services – ranging from mailroom services, multichannel inbound processing and banking back-office processing services to multichannel outbound communication – help to take the pressure off banks’ back-end systems.

“Our roots are in document management,” explains Michael Neuberg, director for global solution design in banking at SPS. “In the past few years, however, we have increasingly moved into the provision of end-to-end business process outsourcing services with banking expert knowledge and latest technologies such as Artificial Intelligence. Today, our banking services support more than 100 banks across the globe on their digital transformation journeys.”

Above all, SPS sees itself as a strategic digital transformation partner for financial institutions, offering end-to-end solutions to whatever problems a bank might encounter in optimising their front and back-end processes.

“We possess a critical advantage over our competitors, in coming from that document management background,” says Vollmer. In addition to its capacity to conduct multichannel input and output processing, SPS is capable of streamlining core working areas of the bank, including the management of customer onboarding, master data maintenance, payments, securities, credit and loans.

“This knowledge and capability enables us to increase

customer experience and reduce costs by optimising the whole end-to-end process, instead of just looking at some parts of the value chain,” continues Vollmer, spotting areas of improvement in the bank over and above merely handing over the tools for a bank to rectify the problem and leave them to it. Instead, the broad overview of services that SPS provides can more accurately be compared to consulting.

“When we’re talking to our clients, we always say, ‘We do not have an out-of-the-box solution,’” says Neuberg. “The problems encountered in digital transformation are always different at every bank that we speak to. “It depends, ultimately, on their maturity level, the services they provide, the infrastructure that they maintain and the IT systems that they use. Where we come in is in pinpointing the problem and working on a solution based around that.

“SPS makes a difference by providing end-to-end services, combining business process services with multichannel customer communication services and handling structured and unstructured data, as well as physical or digital documents.”

Defying obsolescence

This flexibility is increasingly important as fintechs continue to demonstrate their effectiveness in providing complex financial services, such as payment and mortgage processing. Most of the buzz surrounding their emergence has a simple cause: legacy IT systems at banks simply aren’t up to scratch. That, in the end, only serves to slow them down.

“When we are talking about customer experience, it’s all about speed,” says Vollmer. Guaranteeing that requests are responded to quickly and accurately requires some measure of automation in back-end systems. The main obstacle to this, however, is that so much of the data stored by banks is unstructured. Automation requires that this information – often contained within perishable paper forms – should be digitised.

To achieve this, SPS is turning to a combination of robotic process automation (RPA) and AI. By deploying its intelligent automation, the company is capable of processing unstructured data in the form of customer correspondence and emails automatically. “The AI component in combination with our BPO services unleashes a huge potential in processing unstructured data,” says Vollmer. “It’s a big change compared with where we were ten years ago, when we were very much focused on RPA.”



GDPR will have radical implications for the storage, use and dissemination of customers' personal data.

Most recently, it has yielded significant results for banks in the UK struggling to automate credit card applications. "Information is coming in, which is then extracted," explains Neuberg. "We then apply different rules according to the document presented – checking addresses, for example, or credit reference information – and if everything's all fine, the customer's application is approved and the printing of the card is initiated."

SPS has also been busy demonstrating its ability to streamline payments processing services for a large bank in France. "They're looking for solutions that will accelerate their digital transformation," says Vollmer. "That starts with looking at ways of boosting positive interactions with their customers by offering them more services."

"We're helping them to automate client queries, starting with business customers but with an eye toward rolling it out to the institution's retail customer base as well."

BPO is, of course, another area in which SPS particularly excels. "We strongly believe that by adding competence on the end-to-end value chain, and looking at it from a customer perspective, that we can obtain more efficiencies, and enhance customer experience, for all of our clients," explains Neuberg.

That this is not achieved in more financial institutions is, again, down to the fact that so many of their back-end systems have not been sufficiently optimised. Vollmer explains that the processes are often highly fragmented, internally, and across external providers, resulting in big obstacles for a true e2e optimisation.

Vollmer remembers a case where SPS was working with a large global bank. "They still had a lot of paper-based processes," he says, recalling a process wherein a great many documents were scanned only after they had passed through the hands of each relevant employee.

"We're now turning this around by scanning the documents at the very beginning and using the extracted data for more efficient processing," explains Vollmer.

Data woes

The threat posed by competition from fintechs in the marketplace poses a real, if somewhat abstract, challenge. Any concerns about an innovative rival banking app, however, should pale into

comparison when it comes to the new requirements placed upon banks by the General Data Protection Regulation (GDPR).

GDPR will expand consumer rights surrounding the storage, use and dissemination of their personal data. In anticipation of customer enquiries about what information is held about them by the bank and how it is used, financial institutions desperately need to organise what data they have – and fast.

"On the one hand, banks are concerned that their archives simply aren't fit for purpose, because there is so much personal data stored in paper formats that they simply do not know about," says Vollmer.

Transparency from the start

Getting prepared to answer customers about what exactly the bank knows about them means converting what is, in many cases, contained within pile upon pile of anonymous cardboard boxes into data that can be read and analysed by digital systems.

"You need to know about each specific instance of customer data coming in," says Neuberg. "At SPS, we're able to extract that data, and hand it to a bank's workflow processing for their digital archives to absorb. That way, we can ensure transparency in data management from the very beginning of the process, and ensure that when customers request information on what data the bank holds on them, that the institution can inform them."

The advent of GDPR only underscores what has long been a principle at SPS: that any optimisation process has to be planned with the customer in mind. "By combining the most effective technology with our process expertise and global delivery capabilities we can process data more efficiently and cost-effectively than before," says Vollmer.

With this kind of services banks are enabled to connect a customer centric digital front-end with highly effective mid- and back-office services improving customer experience and process efficiency and thereby keeping the ship on course amid an increasingly turbulent marketplace. ■

Further information

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