MODERNIZING THE BACK-OFFICE

Digitizing Financial Services with Low Code Platforms

Banks today operate between two distinct worlds of back-office and front-office operations. While most digitization efforts focus on the front-end, back-office processes have a monumental impact to the business and need to be considered to achieve digital transformation goals.

By giving more focus to automating and digitizing back-office processes, banks can improve operations, customer experience, as well as data quality and accessibility.

The Impact of the Back Office

On average, retail banks today have between 300 and 800 back-office processes to manage and monitor. These processes leave the front and back-office staff to deal with redundant tasks, excessive manual processing, and slow response times. Yet, most banks disproportionately work to solve these issues as they relate to the front-end.

While banks focus on front-office digitization, back-offices still heavily rely on manual, paper-based activities, resulting in:

- Slow end-to-end processes
- Degraded customer engagement
- Increased cost-basis of products

In order to improve customer experience, reduce operating expenses, and better compete with niche fintech players, banks need to ramp up digitization efforts aimed at back-office processes. By taking full advantage of automating back-office processes, banks will generate an improvement of more than 50% in productivity and customer service.

RETAIL BANKS TODAY HAVE BETWEEN 300 AND 800 BACK-OFFICE PROCESSES TO MANAGE AND MONITOR

AUTOMATING BACK-OFFICE PROCESSES CAN IMPROVE PRODUCTIVITY AND CUSTOMER SERVICE BY 50%[1]
– MCKINSEY RESEARCH

1 Automating the Bank's Back Office, McKinsey Research

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Back-Office Manual Processes Thwart Good Customer Experiences

Hundreds of manual, disconnected, paper-based processes and siloed data sources leave banks unable to bring new offerings to market quickly, delay response times, and create disjointed customer experiences. To meet today and tomorrow's customer expectations, banks must transform their back-office to deliver what people expect.

In order to improve customer satisfaction and adoption of new products, banks must:

- Standardize, simplify, and automate product-related processes from beginning to end to reduce customer friction
- Improve response time by reducing time spent across data gathering, risk, and compliance processes
- Leverage insights across disparate data sets to drive better, personalized offerings to customers

Poor Data Accessibility and Quality

The Customer Information File (CIF) or Customer Information System (CIS) has been used for years to attempt to link important customer data. Yet, many banks have core processing systems (mortgage, credit card, and brokerage) that are not linked into the CIS/CIF. Additionally, studies show that up to 25% of data in an average bank's CIS/CIF is incorrect. All of this leads to poor data quality. Further, the lack of access to data creates a loss in critical insights --- which may result in privacy violations that can cost up to $10K per incident, or poor decision making that results in lost customers and decreased profitability.

2 2018 North America Banking Operation Survey, Accenture
3 2018 North America Banking Operation Survey, Accenture

57% OF CONSUMERS SAID OPENING A BANK ACCOUNT SHOULD TAKE NO LONGER THAN ONE HOUR[2]
— ACCENTURE

47% OF CONSUMERS SAID A MORTGAGE APPLICATION SHOULD TAKE NO LONGER THAN ONE DAY[3]
— ACCENTURE

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According to a recent Accenture study:[4]

- 70% of participants felt that improving the quality and accuracy of data was their biggest challenge
- 69% felt that maintaining the quality of data as it changes was a problem
- 69% named improving their ability to detect and track changes to data as a particular challenge
- 69% of banks believe that their operations hold trapped value (data and/or capabilities) that is not currently being accessed

In order to improve data quality, accessibility, and to harness the full potential of customer and transaction data residing in operational systems, banks need to digitize processes and automate access to customer data. In turn, bank operations will shift to become more intelligent with a circumspect view --- enabling leaner processing and quicker, insight-led decision making.

TrackVia: Making Digitizing the Back-Office Easy and Attainable

When embarking on a back-office automation project, the sheer volume of processes and complexity can be overwhelming. The good news is that banks can approach automation systematically by leveraging low-code platforms like TrackVia as an attainable first step along the digitization path.

Forrester, a leading industry analyst firm, defines low-code solutions as, "Platforms that enable rapid delivery of business applications with a minimum of hand-coding and minimal upfront investment in setup, training, and deployment." Low-code solutions like TrackVia provide banks with an simple and fast way to build custom applications with little-to-no help from IT.

READ HOW STEARNS LENDING USED TRACKVIA TO STANDARDIZE, SIMPLIFY, AND AUTOMATE PRODUCT-RELATED PROCESSES TO REDUCE ITS ASSET SALES CYCLE TIMES AND INCREASE PRODUCTIVITY IN ITS POST-CLOSING PROCESSES.

By building custom applications to digitize back office processes with TrackVia, banks can improve back office operations to increase efficiency to improve customer experience.

IMPROVE BACK OFFICE OPERATIONS

TrackVia provides a technological springboard for speeding up the pace of application development and deployment. Because TrackVia applications are easily and rapidly adjusted, banks can ensure that operational technology can always keep pace with evolving markets, customer needs, regulations, and the like.

5 https://www.forrester.com/report/The+Forrester+Wave+LowCode+Development+Platforms+Q2+2016/-/E-RES117623
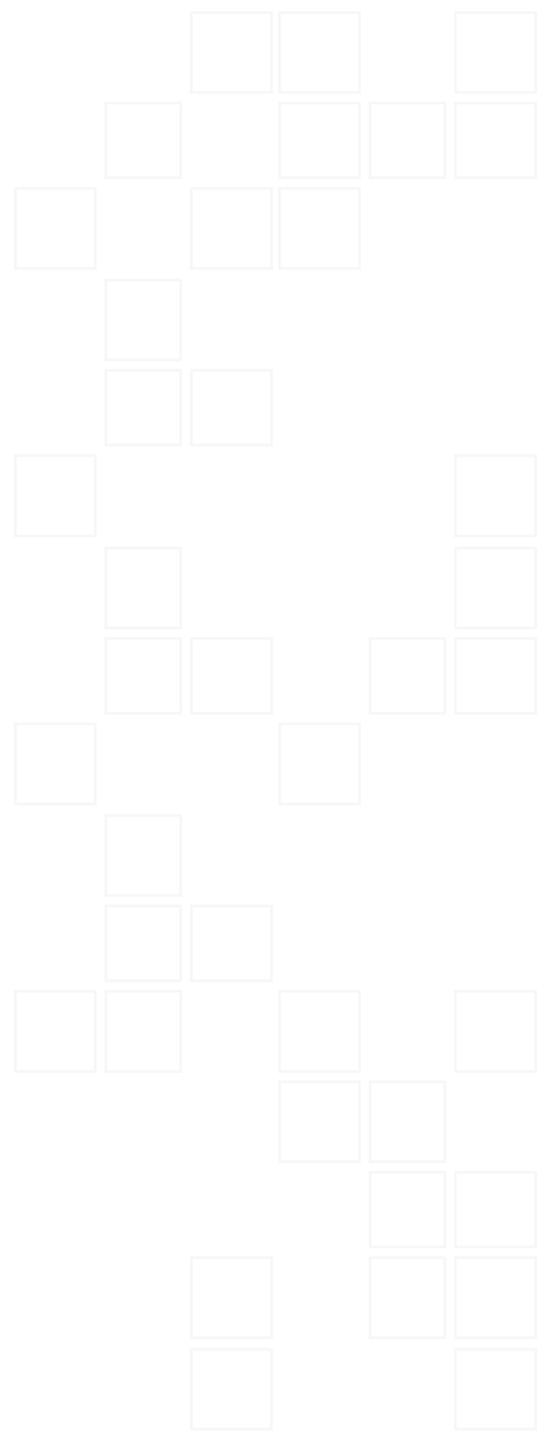
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Ultimately, by digitizing processes with custom applications, banks can be agile and accelerate their speed of improvements and performance. Digitizing manual processes allows back-office employees to be more productive, operations to be streamlined, and customers to be better served.

IMPROVE DATA ACCESSIBILITY AND QUALITY

TrackVia allows back office employees to give access to data across departments, as well as collect, edit, and view data in a standardized manner. This means back-office employees can work with more accurate data and management can gain real-time reporting. This leads to data-driven decision-making at every level of the bank. Further, increased visibility and control within the back office allows banks to shift their problem-solving mindset from reactive to proactive.

INCREASE EFFICIENCY TO IMPROVE CUSTOMER EXPERIENCE

Automating back office operations with TrackVia applications means that the manual, inefficient processes once used to complete work can be left behind. Digitizing outdated processes enables back office employees to be more productive and efficient with their work. It also allows previously disjointed or uncoordinated processes to be streamlined — allowing work to seamlessly flow from one step to the next — across various teams and departments. This eliminates delays and inefficiencies resulting in improved customer experiences.
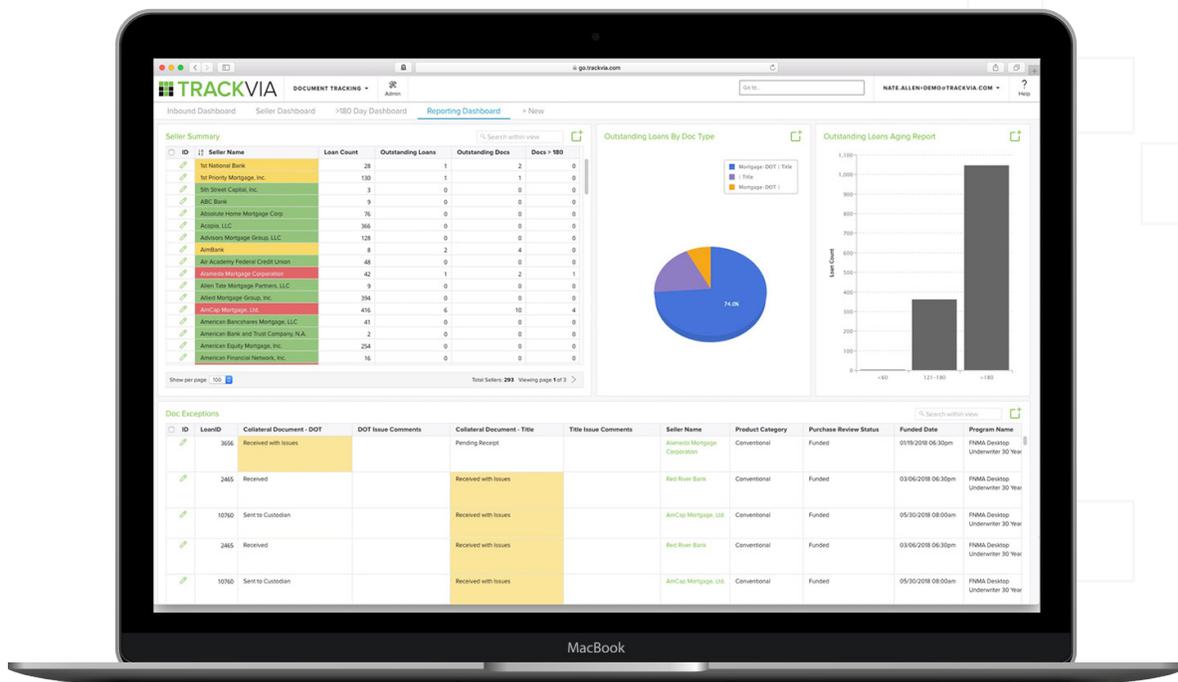
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TrackVia: The Leading Low-Code Workflow Platform

TrackVia is a fast, easy, and cost-effective way to transform banking business operations. With little-to-no help from IT, banks can integrate systems, centralize data for greater insights, and digitize and simplify complex processes across multiple business units and locations.

LEARN MORE ABOUT DIGITIZING YOUR BACK OFFICE WITH TRACKVIA TODAY

TrackVia helps banks to quickly and easily digitize back office processes. **Contact us today** to learn how TrackVia can help your bank.

TrackVia®, the leading workflow platform, helps companies build applications that improve on-time performance and reduce costs. TrackVia offers operations leaders the fastest and easiest way to build powerful applications that are business led and IT approved. Companies like Pacific Union Financial, Stearns Lending, Fifth Third Bank, and Dow Venture Capital rely on TrackVia to digitize their operations. Learn more at **www.trackvia.com**.

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