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CELENT MODEL BANK 2015

US BANK CASE STUDY

Jacob Jegher and Stephen Greer
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This is an authorized reprint from a Celent report profiling Model Bank initiatives. This excerpt was prepared for Wipro Technologies, but the analysis has not been changed. For more information about the full report see www.celent.com.

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CASE STUDIES IN DIGITAL BANKING

US BANK: ONLINE SELF-SERVICING PLATFORM

US Bank is a Minneapolis-based bank and wholly owned subsidiary of US Bancorp, a financial services holding company servicing a wide variety of verticals like consumer and business banking and wealth management services, national wholesale and trust services, and global payments services.

US Bank is the fifth largest bank in the US, with around \$364 billion in assets, and a network that spans more than 25 states, more than 3,000 branches, and more than 5,000 ATMs. The bank has been recognized by a number of publications over the years. It ranked first in the Privacy Trust Study for Retail Banking done by Ponemon Institute for four years, ranked first in customer satisfaction by Consumers for Banking Reform for four years, and last year was ranked third in customer service by the Temkin Group.

Table 1: US Bank Snapshot

THROUGH 12/31/2014	US BANK
YEAR FOUNDED	1850
COMPANY SIZE	Assets: \$364 billion Employees: 65,565
HQ LOCATION	Minneapolis, MN
BRANCH COVERAGE	Branches: 3,081 ATMs: 5,100

Source: US Bank

US Bank has been at the forefront of digital functionality over the last few years, meeting the expectations of their customer base by focusing on designing a best in class digital channel experience. The bank was recognized each of the last two years by Celent's Model Bank program for their mobile efforts.

Consumers are increasingly demanding an “anytime, anywhere” banking lifestyle that allows simple and direct access to services no matter where they are or through what device they choose to interact. In order to satisfy customer demands, US Bank decided to embark on an initiative to completely redesign its online self-servicing platform. The new platform promotes simplicity, responsiveness, intuitiveness, and ease of use. Customer experience is enhanced by providing a consistent user experience across customer-facing channels, while standardizing processes and leveraging data collection to enable more direct customer service propositions.

The self-service channel transformation has been a success for the organization, including branch sales effectiveness, higher self-service usage, and cost reductions. US Bank credits three aspects for the initiative's success:

1. Customer-focused process design.
2. Planning for strong performance and customer use of multiple devices.

3. High degree of cross-functional collaboration.

Part of the effort was to drive self-service use by optimizing the experience across these channels. The project started with the online banking channel, and then moved to mobile web and mobile banking apps.

Opportunity

US Bank wanted to completely redesign and rebuild the sales and marketing website, the application platform, and the online self-service platform. The vision was to create a state of the art online service experience providing consistent process, user experience, and a single application to support both the online and mobile platforms. This would allow US Bank to reduce servicing costs and enhance the customer experience, as well as bring consistency across consumer-facing applications, achieving an omnichannel view.

The existing platform had a number of drawbacks including the following:

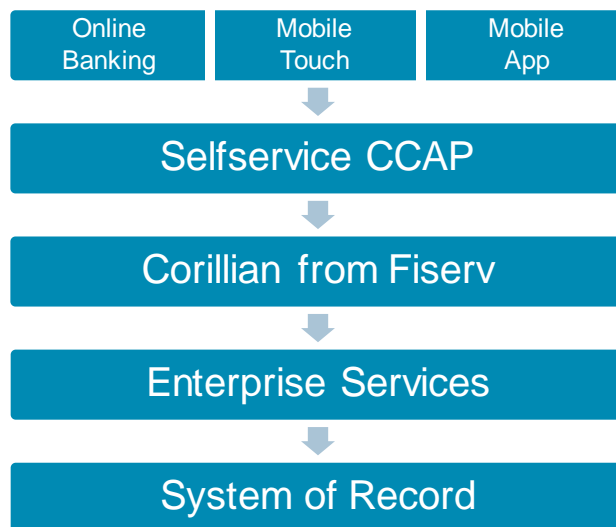
- Multiple applications and platforms for servicing different channels, increasing the cost and creating an inconsistent customer experience.
- Lack of a 360-degree view of customer interaction on the servicing channels to better understand customer issues.
- Limited ability to explore the capabilities of self-servicing channels to improve customer experience, provide immediate access to various servicing functions, and track customer issues effectively in order to define next best actions for sales and marketing.

Solution

The bank engaged Wipro to design and build the platform. The objective was to make it the foundation for omnichannel servicing and provide advanced analytics for “next best action” responses for all channels. The bank describes the philosophy as “Anticipating the customer needs and exceeding the customer expectation throughout the customer interaction process across all channels.”

The service website (CCAP) enables a “Bank Anywhere” concept by providing capabilities for managing customer information, setup and account maintenance, card activation, personalized alerts, card activation, and more. The data store collects and captures data from all customer interactions, giving bank personnel a 360-degree view of the client and a foundation for “next best actions.”

Figure 1: Architectural Diagram

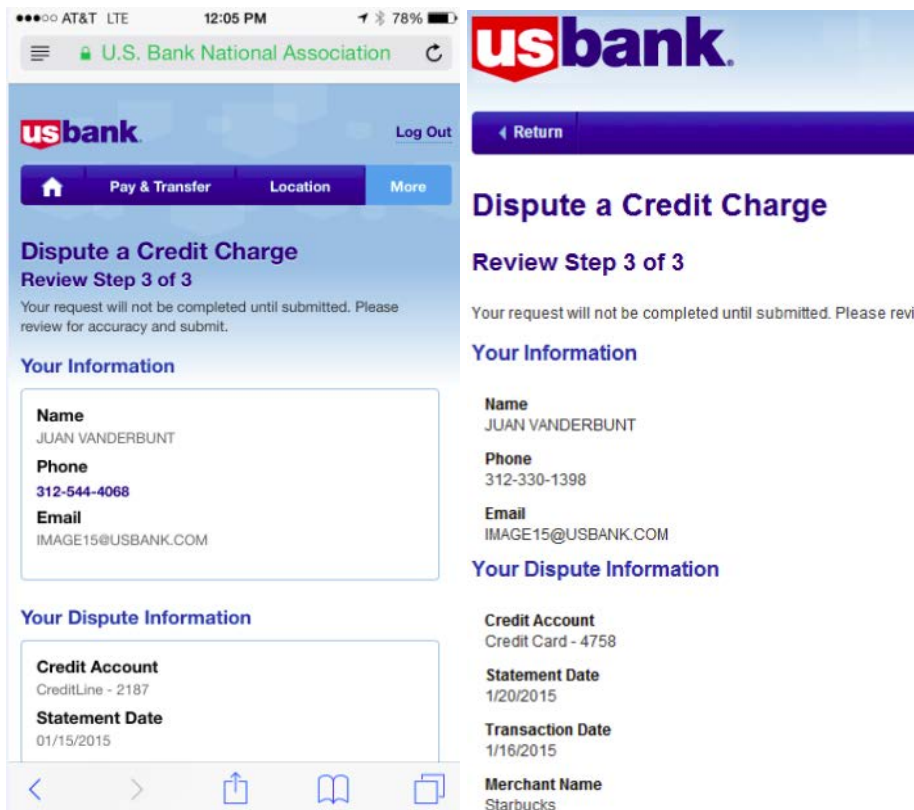


Source: US Bank

Wipro's partnership allowed US Bank to craft a wider vision and then leverage a responsive web application on other channels to enable complete parity across all touch points. The US Bank online channel team and the internal technology organization played a major role in development. The outcome for the bank has been positive, including:

- A single platform for providing users the ability to self-serve needs in all channels.
- Design decoupled from the core product providing the agility to address evolving market needs.
- A common servicing platform supporting multiple channels with capabilities to move to others in the future, such as branch or call center.
- Enabling advanced analytics to capture customer interactions and decide “next best actions” across various channels, as well as capture state of customers’ emotions, increasing offer acceptance rates.
- Enhanced security with multifactor authentication and reduced errors in processing servicing requests.
- The ability to view the customer’s past and current interactions across all servicing channels, enabling proactive follow-up and enhanced feedback.
- API-based modeling to enable support of social and other external channels on the platform.

Figure 2: Omnichannel Experience between Online and Mobile



Source: US Bank

The program was completed over a period of nine months with a team of 34-42 FTEs. US Bank, however, needed to change the business across the entire enterprise, as every line of business acted with their specific customers in mind, limiting the effectiveness of the organizationwide scope of the initiative. The bank needed to go through every process across the entire company to find where commonalities existed, and where they could address similarities and differences in the processes. Some of the biggest hurdles to climb included:

- Process maps across channels. This was mitigated by considering the best fit process where customer touch points can be measured and improved
- Decoupling the user experience from the product. Architecture and the design team completely decouple the UI from the product, enabling the team to build the responsive app.
- Timeline of the roll out. The online platform and the capabilities rollout were not aligning, and the project team changed to a 45-day release schedule with incremental releases of capabilities.

Results

For US Bank, transforming the self-servicing channel has enabled them to transition towards being a more customer-centric and digital institution. This brings the bank closer to the promise of omnichannel banking.

Table 2: Success Metrics

CATEGORY	METRIC
VOICE CHANNEL USAGE	23% decrease
SELF-SERVICE USAGE	34% increase
CUSTOMER TOUCH POINTS FOR A SINGLE ISSUE/CASE	7% decrease
VOICE/BRANCH CHANNEL USAGE FOR CAPABILITIES LIKE ACTIVATE CARD, CUSTOMER PROFILE CHANGES, ACCOUNT UNLOCK, ETC.	40-55% decrease
AVERAGE COST OF VOICE CHANNEL	7% decrease

Source: US Bank

In the future, the bank hopes to leverage the platform to drive “next best action” capabilities. Combining analytics and data under a single platform with a 360-degree view of the customer interaction across the entire enterprise will enable US Bank to explore an array of contextual applications that will utilize the base platform they’ve created.

LEVERAGING CELENT'S EXPERTISE

If you found this report valuable, you might consider engaging with Celent for custom analysis and research. Our collective experience and the knowledge we gained while working on this report can help you streamline the creation, refinement, or execution of your strategies.

SUPPORT FOR FINANCIAL INSTITUTIONS

Typical projects we support include:

Vendor short listing and selection. We perform discovery specific to you and your business to better understand your unique needs. We then create and administer a custom RFI to selected vendors to assist you in making rapid and accurate vendor choices.

Business practice evaluations. We spend time evaluating your business processes. Based on our knowledge of the market, we identify potential process or technology constraints and provide clear insights that will help you implement industry best practices.

IT and business strategy creation. We collect perspectives from your executive team, your front line business and IT staff, and your customers. We then analyze your current position, institutional capabilities, and technology against your goals. If necessary, we help you reformulate your technology and business plans to address short-term and long-term needs.

SUPPORT FOR VENDORS

We provide services that help you refine your product and service offerings.

Examples include:

Product and service strategy evaluation. We help you assess your market position in terms of functionality, technology, and services. Our strategy workshops will help you target the right customers and map your offerings to their needs.

Market messaging and collateral review. Based on our extensive experience with your potential clients, we assess your marketing and sales materials—including your website and any collateral.

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March 2015

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Celent Model Bank 2015: Part 5: Case Studies of Payments Innovation

How One Bank Changed a Nation: A Case Study of Commercial Bank of Africa's M-Shwari Initiative
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