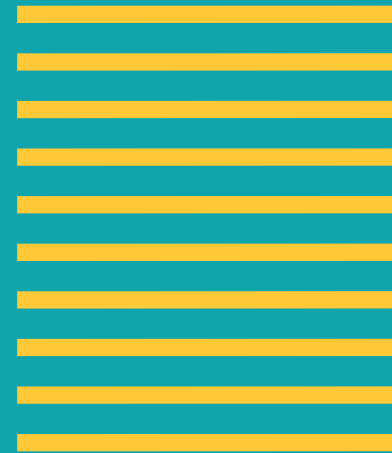# Banking operations: Enabling scalable success with a low-code approach

Banking operations need an upgrade

Banks around the world are increasingly focused on providing best-in-class, customized services that promote lasting trust, growth, and success. However, banks are unable to successfully meet customer and client expectations due to outdated legacy systems, siloed teams, and insufficient data quality management. Commercial banks in particular are struggling to tame a multitude of systems that don't communicate with each other and have to be upgraded individually.

Across the board, key challenges with banking operations include:

- Adjusting to the new remote and distributed workforce

- The inability to quickly reprioritize and reallocate work at any given time

- Providing the proper solutions and channels based on customer- and client-specific needs.

As a result, many banks are struggling to deliver standard services in a timely fashion, such as processing loan applications or recommending tailored services and programs based on your clients' or customers' unique needs. For commercial banks, that's manifesting in their typical white glove service becoming more and more difficult to keep up with. For retail banks, on the other hand, that means stitching together the various operational necessities of the client lifecycle efficiently – without bogging down IT with every new request. Ultimately, banking operations teams are struggling to meet the time-sensitive needs of the business.

In order to overcome these challenges and establish lasting customer/client relationships, **banks need a low-code solution** to implement modernized, robust, and strategic business operations that can support distributed teams, adjust to shifting market conditions, and seamlessly reallocate work and resources based on changing demands.

Banks that successfully deliver a cost-effective, agile servicing backbone usually have several things in common:

1. They design their processes with the customers/clients at the center, with built-in evidentiary controls and data captured within the process.

2. They build lean, industrialized processes from modular, universal components to drive reuse and standardization, all underpinned by a culture of continuous improvement.

3. They have operational teams that are high performing and empowered with strong leadership and sponsorship.

Transform.
Automate. Succeed.

There are innovative solutions and options available to banks that are ready to modernize and become global leaders in customer-centric service. With these solutions, banks can efficiently and effectively transform their businesses from the center out. To meet increasing client expectations and expedite internal processes, you will need to:

Optimize agile bank operations

Well-managed and optimized banking operations have the potential to be a strong source of sustainable competitive advantage for any bank. However, they must be built on a set of capabilities and technologies that deliver a future-state, agile workforce – one that is less siloed around product and channel, and more focused on delivering great customer/client outcomes through strong operational disciplines. Commercial banks urgently need systems that communicate with each other and are built to manage the many data exceptions relationship managers deal with. While retail banks need the ability to respond rapidly so they can be the first to deliver an offer to a customer in a competitive market, as well as provide on-time service, every time.
With strong, agile operations, banks can provide outstanding customer experiences – efficiently enabling business growth and agility, and allowing their organization to scale. It even provides teams with more flexibility to collaborate and reallocate work – despite distributed workforces.

By adopting these four key principles, banks can successfully deliver distributed, agile operations:

1. Well-defined processes, built for standardization and designed to scale.
2. Real-time insight of what's next within a process and what's required to close a case.
3. Management of large-scale complex processes by breaking them down into simpler steps.
4. Delight customers and clients by anticipating potential issues and resolving them before they even realize.

Automate for future growth

A common trend across banks is that their business processes are built on legacy systems that are stuck in the past. These systems are often so ingrained throughout all functions that it may seem daunting to make any changes or upgrades. Where do you start? What options are out there? What will actually work? Is this worthwhile? Yes. Automation is the future and the future is here. For banks to succeed and grow alongside their customers and clients, they must implement automation throughout their business.

So what does that look like?

With a low-code approach, commercial banks can finally use their systems to compare data automatically. And their systems can be upgraded rapidly so they can be the first to deliver an offer to a customer in a competitive market, as well as providing on time, every time service.

Operational workflows are hindered by manual processes (built on legacy tools) and the costs associated with these outdated processes are unnecessary and wasteful. Automation will eliminate tedious time-consuming tasks that hold back processes and deliverables. For example, the manual process of reviewing loan applications is extremely tedious and time-consuming. Banks need to collect these forms, review them, and then decide whether or not to approve the loan requests. And as if that wasn't already time intensive enough, if applicants don't properly fill out the form, it takes time to get back to them to correct those oversights. It is wasteful for banks to try and manage all of that via paper when it can be easily automated to ensure that all applications are properly received and filled out.

Create strong workforce agility

An agile and efficient workforce is the key to achieving true customer-centric banking. Banks with inefficient workforces are struggling to manage disparate and siloed teams. They are unable to pivot and adjust as customer, client, and market needs evolve. The organization will have trouble surviving if internal teams are always playing catch-up with each other and the industry.

By taking a low-code, agile approach, banks can prioritize the most critical work at any time to deliver on time, every time. Your customers and clients don't want to be bogged down by your internal processes. An agile approach lets you build end-to-end service level agreements that are designed around their needs.

It all adds up to busting silos and creating stronger relationships across all internal teams. And citizen developers can become nimbler in adjusting systems to evolving business needs. This all leads to cohesive and consistent messaging, faster service, and high-quality operations that are built to last.

Close Digital Gaps

If your organization has a different tool for every business function, that's a problem – especially if those systems can't communicate with one another. **It's time to close digital gaps** that are created when trying to connect and align different tools used across a single workforce. Your customers and clients don't want to feel like they're being passed from one place to another as teams hand off requests across disparate systems or departments. This creates friction each step of the way for internal teams, resulting in long wait times for the client/customer. And there is no guarantee that their request and information is being properly transferred from one step to the next as it crosses the gaps between the disparate systems.

The way to close these digital gaps is by using a standardized operations framework, with components designed for reuse, rather than individual, disconnected applications for single use cases – even if the solution must pull information from legacy mainframes or separate databases. That way, all processes can smoothly pass from one team to the next without any interruptions, creating the seamless experience clients and customers seek.

Reduce operational risk

It has never been more necessary to effectively manage the operational risk profile within banks than it is now. Expensive manual controls within processes and retroactive quality checks may do a good job highlighting problems after they have occurred, but they rarely prevent them from happening in the first place.

An important driver behind automating and uplifting banking operations is the ability to also automate compliance to the bank's policy.

Capabilities needed to achieve this include:

- Evidentiary controls built directly into the workflow so that key checkpoints in a process cannot be skipped

- Full audit log of all actions taken against a case and by whom, ensuring regulatory and policy compliance

- Ability to automate quality checks within the workflow based on defined business criteria, ensuring issues are spotted and addressed early so they don't impact the customer/client

Improve experiences

Every bank function and service is done with the customer or client in mind. It's important for banks to step back and evaluate how well they truly understand their clients' individual needs and what can be done to improve their experience. Commercial banks' white glove service requires quick, tailored responses that can be achieved through self-service or a centralized repository containing client information. Retail banks need to be able to delight their customers with a rich, intuitive, and responsive experience – on whichever channel they chose to interact with.

Customers/clients are always growing and changing, and banks need to support that every step of the way.

There are three ways to improve customer experience:

1. Process applications and supporting documents in any form and through any channel – while also providing proactive case status updates

2. Leverage real-time predictions to build differentiated and contextually optimized processes that improve and evolve with adaptive learning

3. Utilize natural language processing to automate the management of unstructured data coming from email and documents within the processes
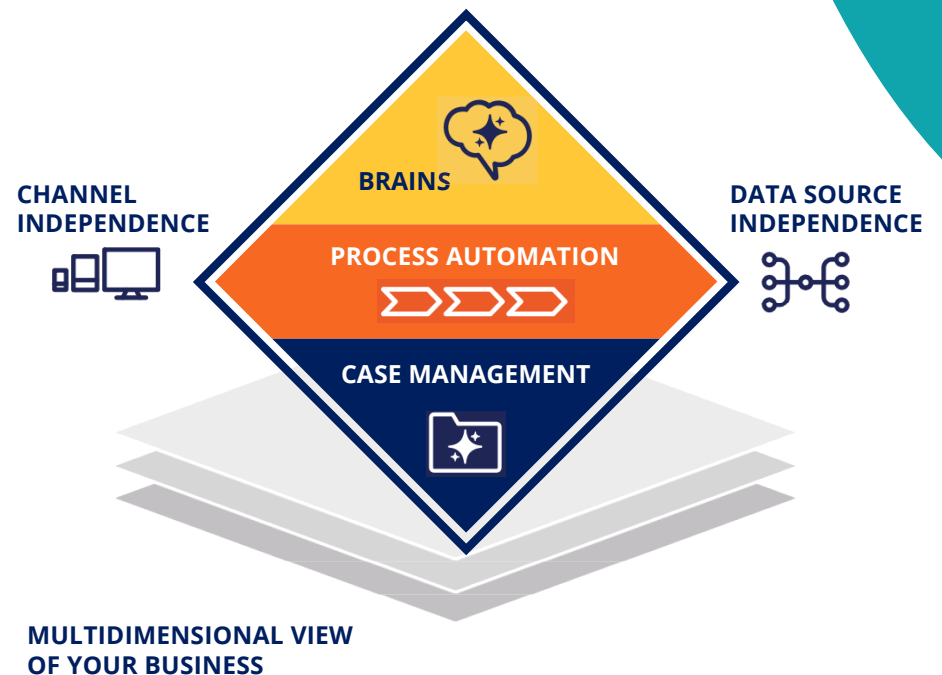
Successful customer experience ensures that banks can move and grow with their clients, establishing long-lasting trust and loyalty. Always put the customer/client first and remember that the customer-centric approach is an everchanging function that is agile and always ready.

Build better banking - with low code

We make it easier and faster for banks to simplify operational work. Our low-code intelligent automation, including advanced capabilities such as Pega Process Fabric® and process AI, operates on a scalable platform that centers technology around customer/client journeys and outcomes – to enable a distributed and agile workforce and achieve true operational excellence.

Achieve customer centricity with a Center-out approach

Pega's Center-out™ approach enables banks to put the customer first. This approach to business architecture gives your organization the ability to structure technology and services with speed – and at scale. A Center-out architecture relies on centralized intelligence, making AI and business logic available across all channels. Having all customer/client information available in real time from this centralized source helps you connect all client-facing communications, as well as connecting front- and back-end systems to easily and efficiently surface important information.

CHANNEL INDEPENDENCE

BRAINS

PROCESS AUTOMATION

CASE MANAGEMENT

DATA SOURCE INDEPENDENCE

MULTIDIMENSIONAL VIEW OF YOUR BUSINESS

Crush complex processes with Microjourneys

Break down your large, complex processes into simpler steps. Our pre-built Microjourneys® are tailored to your needs, quick to implement, and have a speedy time to value. Take your complicated loan origination process or your precise case handling needs. Pega lets you manage that Microjourney's steps and data individually so it can be adjusted quickly to adapt to the needs of the market — without waiting for unnecessary dependencies to adjust too.

Automate operations with Process Fabric and universal case

Together, Pega Process Fabric and low-code universal case are critical to the automation of banking operations. A strong servicing backbone requires two key elements:

1. **Universal case:** A common case management pattern and set of capabilities that can be used to streamline operational banking processes that may need consistent manual handling – using low code to facilitate reuse and time to value.

2. **Orchestrated banking operations:** Common intake of customer/client requests with end-to-end management of processes from intake to fulfillment – whether through self-service or assisted, via straight-through processing or manual intervention. Use Process Fabric to deliver unified worklists and orchestration of operational work.

Scale your enterprise with a unified, low-code platform

We make it easy for customers/clients by leveraging a consistent and standard approach to processes using a universal case framework. It's a low-cost, low-code, rapid-to-deploy method that is configurable to most standard operational process flows. It leverages Pega's intelligent automation capabilities to simplify processes and automate manual work where appropriate. Capabilities such as email bot, robotic process automation, and Process Fabric can all be used to improve efficiency, transparency, and close digital gaps.

This Pega solution brings intelligent automation capabilities into one unified space. Pega Situational Layer Cake™ is utilized to allow for business line and product differences where required. By leveraging this standardized enterprise approach, banks can move away from high-cost, bespoke builds and requests.

Reuse components across applications

This Pega building block will enable banks to build out of a componentized ruleset that promotes reusability and simplicity. The reusable components form the basis of the "build once, use many" approach. New features can be added to the overall ruleset as needed and this process helps banks maintain and upgrade multiple applications quickly and easily.

Build a self-enabled, low-code factory at your bank

It all comes down to low code – and giving you the flexibility you're looking for. There's no need to rip and replace your entire system – unless you want to. Change processes as needed and as you see fit, whether that's automating repetitive tasks or maintaining certain manual actions that require a human touch. Pega's low-code factory makes it easier for employees across the organization, including non-technical staff, to create applications at the speed of business. With pre-built code, even non-developers can spin up and deliver new workstreams and applications as needs arise. Citizen developers at commercial banks no longer need to wait 18 months to get their simple change processed. And IT can still maintain control, governing the process changes that are implemented system-wide, while enabling the flexibility for individual teams to make the changes they need. Deliver the best-in-class customer service you've always been known for – now in the digital era.

Who's getting it right?

Virgin Money selected Accenture as their Pega implementation partner to transform the bank's account opening processes across a number of products including credit cards, loans, business accounts, and savings.

Rabobank used the low-code Pega Platform to digitize commercial lending and leasing, automating administrative tasks for increased speed, flexibility, and efficiency.

About Pegasystems

Pega is the leader in cloud software for customer engagement and operational excellence. The world's most recognized and successful brands rely on Pega's AI-powered software to optimize every customer interaction on any channel while ensuring their brand promises are kept. Pega's low-code application development platform allows enterprises to quickly build and evolve apps to meet their customer and employee needs and drive digital transformation on a global scale. For more than 35 years, Pega has enabled higher customer satisfaction, lower costs, and increased customer lifetime value.

For more information, please visit us at **pega.com**