



Driving digital capabilities across the customer lifecycle

Pega case studies in Financial Services



Table of contents

- 3** Introduction
- 4** Servicing: Ameriprise
- 5** Origination: Bank Mandiri
- 6** Origination: Bavarian State Government
- 7** Marketing and Retention & Growth:
Commonwealth Bank of Australia (CBA)
- 8** Marketing and Retention & Growth: Coutts
- 9** Marketing and Retention & Growth: HSBC
- 10** Origination: İşbank
- 12** Servicing: RBC
- 13** Origination: Swedbank

Introduction

Complex processes. Manual activities. Cumbersome workarounds. Long customer wait times. While financial services firms around the world have long experienced at least one of these pain points, the COVID-19 pandemic only brought them into sharper focus.

Whether in retail banking, corporate and commercial banking, or wealth management, it's never been more important for financial services firms to:

- Accelerate digital transformation.
- Rapidly expand digital capabilities across more banking activities and channels, and connect front- and back-end systems with intelligent automation.
- Reduce manual workloads.
- Use intelligent systems to automate processing and decision making, reducing reliance on manual activities to streamline end-to-end operations and service.
- Support distributed operations.
- Provide greater flexibility to dynamically reallocate work across distributed teams with codified policies and guided processing, enabling increased leverage of the existing workforce.
- Dynamically personalize customer engagement.
- Deliver more balanced personalized communication, offers and service in real-time, based on the true next best action, understanding whether it should be focused on cross-selling, retention or service needs of the customer.

To accomplish these goals, financial services firms need a solution that provides integrated, end-to-end capabilities to get work done across the customer lifecycle and crush the complexity of existing bank processes. That's what Pega provides. Through our market-leading technology and unique center-out approach, we help financial services firms address each stage of the customer lifecycle while also creating a layer that connects them all together to get work done effectively and efficiently.

Ameriprise uses intelligent routing to deliver award-winning service automation

- Ameriprise needed to automate the resolution process for customer requests
- Pega customer service application enables automation from the call center to the back office
- The solution has reduced resolution times, improved visibility into status and saved \$1 million in the first year

The business issue

Ameriprise, a global leader in diversified financial services, needed a better way to manage the resolution of various customer requests. The organization's legacy infrastructure did not support an efficient way of automating processes, and it created manual work for call center agents and operations. The lack of self-service capabilities also resulted in non-value-add work for advisors.

While it was easy to create forms on the front end, it was difficult to automate this process on the back end. With a broad set of servicing use cases, Ameriprise needed a better way to intelligently route customer requests to the appropriate "expert" queue.

The solution

The organization used the Pega Customer Service™ solution to initiate cases and manage the resolution of various customer service requests using intelligent routing with persona-based queues.

With Pega workflow management, a single application serves over 10,000 advisors and their clients. From service associates in the contact center to back-office fulfillment, the solution enables seamless service automation and improves productivity through case management, rules, and robotics. It has improved client and advisor satisfaction through reduced resolution times.

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With Pega, we built a better client correspondence interaction. We tailored our communications.

Erik Langhus,
VP Service Operations,
Ameriprise Financial,
Ameriprise

The results

With an improved client processing and automation, Ameriprise has:

- **Been recognized by J.D. Power with Outstanding Customer Service award**
- **Achieved 50% improvement in quality by reducing defects**
- **Accrued \$1 million for first-year savings in IT support**
- **Managed coverage for 7,000-plus case types**

Bank Mandiri wins at customer experience through digital transformation in lending

- Mandiri needed to streamline its loan origination and credit processes across branches
- The bank used an integrated system to standardize processes and automate decision-making for loans, credit cards, and mortgages
- The customer-centric approach sped up loan processing and unified bank operations

The business issue

Bank Mandiri has set ambitious standards for itself in the ASEAN region. However, existing complex processes were resulting in high operational costs, a poor customer experience, and high customer churn. Loan origination processes required the use of multiple disparate systems, leading to errors and inconsistencies, and some credit requests were not supported across all branches.

To accomplish its goals, Bank Mandiri chose to focus on improving the customer experience throughout its most impactful processes (i.e., loan origination), across all branches.

The solution

Pega helped the bank to create a 360-degree customer view to support its lending processes, including new relationship tools to help manage leads, sales activities, and credit applications.

Through an integrated loan origination system, the bank standardized its loan processes and enabled straight-through processing, automated workflows, and centralized processing, as well as support for funds disbursement and audits.

The system's design enabled the bank to easily extend origination activities and automated decision-making to credit cards, mortgages, and personal, micro, and auto loans.

The results

By streamlining its loan processing and taking a unified, customer-centric approach, the bank has optimized performance in several areas:

- **Reduced loan processing time 60% to 70% across all businesses**
- **Achieved an 80% automation rate via integrated decision-making embedded into the loan process**
- **Integrated operations across the bank**

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In the first phase, we successfully designed and implemented five quick wins for the loan origination processes for credit cards, mortgages, personal loans, auto loans, and small businesses.

Bank Mandiri Executive,
Business Process Innovations,
Bank Mandiri

Bavarian State Government enables fast emergency COVID funding in days

- The Bavarian State Government faced a backlog of COVID-19 emergency funding applications
- It launched a new digital application process within five days
- The government processed over 200,000 applications and paid €230 million in two weeks' time

The business issue

The Bavarian State Government was faced with a high volume of emergency COVID-19 financial aid for self-employed workers, farmers, and small- and medium-sized companies. The government organization relied on an online web form that required applicants to complete, scan, and email documents to the application centers. It took 500 clerks to manually review the forms, input data into the system, and process the applications.

The organization was pressured to respond quickly to a mounting backlog amid errors in manual processing that were delaying payments to businesses in need.

The solution

Within five days, the Bavarian State Government used the Pega Platform™ to develop a new application and process system on a highly scalable and secure infrastructure. The solution, which digitizes the COVID aid-related process from loan application to fulfillment, uses built-in dynamic case management and data check routines to support clerks. It also automatically notifies applicants that their forms were received and payment is complete. Payment instructions are automatically transmitted to the responsible cash registers of the State of Bavaria and City of Munich.

The results

Teaming up with Pega enabled the Bavarian government to:

- **Quickly get payments to people and businesses in need**
- **Reduce manual work volumes and manual errors, relieving pressure on agents**
- **Process over 200,000 applications**
- **Pay €230 million in two weeks' time**
- **Enable clerks to work from home and process manual exceptions when required**
- **Automate the payment process**

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With this new online procedure, we will be able to speed up the processing of applications... This will help small- and medium-sized businesses get their money faster.

Hubert Aiwanger,
Bavarian Minister of
Economic Affairs,
Bavarian State Government



CBA: Meeting customers' personalized needs via next-best conversations

- CBA wanted to personalize relationships with each of its 10 million customers
- Using Pega Customer Decision Hub, the bank can intelligently suggest the next-best conversation for each customer
- CBA boosted customer satisfaction and can quickly respond to crises like the Australian bushfires and COVID-19

The business issue

One out of three Australians calls Commonwealth Bank of Australia (CBA) their main financial institution. However, competitors were catching up to the bank on net promoter scores (NPS). CBA believes that the best way to build customer relationships is by instilling trust through conversations that address the customer's specific needs, based on long-term satisfaction and customer lifetime value. To continue driving its market dominance, CBA wanted to build deeper, more personalized relationships with each of its 10 million customers, while avoiding a "hard sales" approach.

The solution

Using Pega Customer Decision Hub™, CBA created a unified platform that intelligently suggests and personalizes interactions. The system delivers next-best conversations across 18 channels, via online, mobile app, phone, or branch visits. Recommendations are AI-driven, with 200+ machine learning models running 157 billion data points. The real-time system runs in under 200 milliseconds, 24 million times a day. CBA can also launch new conversations the same day, which proved crucial during both the Australian wildfires and COVID-19 to ensure customers could access relevant support and benefits.

The results

The next-best conversation approach has generated major performance lifts for CBA, including:

- **12-point lead in NPS over the competition**
- **10X increase in lead volume**
- **3X increase in lead conversion rates**
- **2X winner of the Celent Model Bank Award (2018 & 2020)**
- **Winner of Which-50 "Best in Customer Service Innovation"**

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We just did our 50 millionth next-best conversation in-person. That is 50 million times our frontline – either our branch or our contact center staff – had an opportunity to take the next-best conversation and deliver that to our customers.

Angus Sullivan,
Group Executive,
Retail Banking Services,
Commonwealth Bank of
Australia

Coutts drives performance with a personal touch

- **Coutts needed to expand into digital channels while continuing to offer personalized service to its private banking and wealth management clients**
- **With Pega's Customer Decision Hub, the bank enabled next best actions to provide personalized offers and service recommendations**
- **Coutts improved engagement and response rates while also driving incremental revenue and income**

The business issue

As the eighth oldest bank in the world, Coutts (part of the NatWest Group) has always provided a personal touch to its private banking and wealth management clients. But increased competition, BREXIT, and changing attitudes in the British government were introducing new challenges. The bank was under pressure to reduce front-line staff costs, expand into modern digital channels and capture incremental assets from the broader customer base, all while engaging faster on topical, time-sensitive matters across channels.

The solution

Pega worked with Coutts to extend the Pega Customer Decision Hub™ already in use by NatWest. Using real-time, self-learning analytics, the bank can now use next best actions to make not just personalized offers but also service recommendations to affluent consumer and commercial banking clients over multiple channels, with advisor follow-up. When external events such as market changes, local gatherings, and public-health emergencies such as COVID-19 occur, Coutts can now make changes within 48 hours, freeing front-line staff to focus on relationships and value-add activities.

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We want to increase [assets] across our broader client base and also increase our profile in the wider market.

Camilla Stowell,
Head of Wealth & Investment Management,
Coutts (NatWest)

The results

By enabling next best actions in its private banking and wealth management, Coutts has generated major performance lifts:

- **Improved engagement by 4X**
- **Increased response rates between 4% and 27% even while reducing messages by 60%**
- **Drove an incremental £1.8B in pipeline and £1.4M in income**
- **Delivered a 35-to-1 return**

HSBC makes banking personal, locally and globally

- **Driven to deliver personalized and relevant interactions to 40 million customers at a global scale**
- **Created a global solution with Pega that allows for local personalization and real-time decisioning**
- **More than doubled the response to its customer outreach and increased revenue per contact by 265%**

The business issue

HSBC is a global bank with over 40 million customers. Its mission is to help customers take care of their day-to-day finances while managing, protecting, and growing their wealth.

The bank set a goal of delivering on customer expectations for digital and personalized interactions, while increasing the efficiency of delivering products and service offerings to customers.

A key challenge for the bank was efficiently supporting many different markets, leveraging the best practices learned from local implementations globally, and localizing for market needs.

The solution

Using the Pega Customer Decision Hub™, HSBC created a global framework to enable proactive, personal, and relevant customer interactions across channels, with real-time decisioning.

HSBC set up a center of excellence and established which functionalities were repeatable globally (such as channel integration services) and which needed to be localized.

The bank rolled out a POC (Proof of Concept) in Australia with sales-driven use cases, and then expanded the solution to 14 additional markets, with increased levels of integration, channel support (web, email, SMS), and servicing use cases.

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Personalization of these capabilities and the ability to do this at pace is extremely important, and our investment in Pega is greatly helping us on this journey.

Deepak Janakiraman,
Global Head of
Communications Hub,
HSBC

The results

With the Pega solution, HSBC has realized the following outcomes:

- **265% increase in revenue per contact, with real-time triggers**
- **350% higher positive click rate compared with generic banners on the web**
- **200% increase in email open rates**
- **120% increase in email conversion rates**

İşbank takes the time and cost out of commercial lending

- **İşbank's commercial lending processes were cumbersome and time consuming**
- **Pega Platform-based solution delivered user-friendly design, efficiency, and end-to-end orchestration**
- **Increased customer satisfaction and reduced the time needed to complete the loan process**

The business issue

Customers of İşbank Commercial Lending were dissatisfied with the limits and lines of credit that the bank could make available, as well as the bank's need for extensive collateral. The bank also had trouble updating its policies and experienced process difficulties across its product lines.

İşbank's 1,336 branches used various systems, with many repetitive data entries. Operational workloads on the sales teams were burdensome, with too many contracts requiring signatures. Underwriting and pricing processes were time-consuming, and there was no self-service option for customers.

The solution

İşbank Commercial Lending used the Pega Platform™ to provide clients with 24x7 access to capital. The platform orchestrated over 50 credit processes and 124,000 cases per day across a multitude of systems. Sales campaigns are now closely integrated with credit processes, with synchronized pricing. There is full auditability on credit application status and the next steps needed for successful completion. Complexity was greatly reduced.

The solution enables prequalification for customers with pre-approved limits, as well as "instant loans" that can be completed in five minutes. İşbank is now the market leader in Turkey in commercial lending.

The results

In addition to customers and branch users expressing high satisfaction, İşbank has realized the following outcomes:

- **40% increase in lending efficiency**
- **45% reduction in underwriting time**
- **30% reduction in time needed for pricing**
- **Number of available channels increased from one to six**

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There was a strong need for building closer relationships with our clients. Relationship Managers needed a lot of time to follow up on requests. There was extensive documentation needed with poor accuracy around collateral requirements and pricing.

Senior İşbank Executive,
Commercial Lending,
İşbank

İşbank redefines the customer experience with 30% efficiency gains across the enterprise

- Disparate systems kept İşbank from delivering speedy service and an exceptional customer experience
- Pega helped the bank centralize processes and streamline work across more than 1,300 branches
- İşbank has boosted efficiency, visibility, and productivity over hundreds of processes and millions of transactions

The business issue

İşbank – Turkey’s first national and largest private bank – strives to be the preferred bank for Turkish customers. However, disparate technology and manual processes kept it from achieving end-to-end digitization and consistent delivery of an exceptional customer experience to its 14 million customers. To sustain a competitive edge, İşbank needed an enterprise transformation program to improve operational processes and increase work efficiency.

The solution

İşbank used the case management capabilities of the Pega Platform™ to execute its enterprise transformation program. The Platform enabled business, IT and analyst teams to create a “common ground” where they could co-visualize the needed changes and interconnections among systems and processes across the entire bank. With those insights, İşbank was able to build solutions, reuse them, and even extend them to meet different needs – flexibility made possible by Pega’s technology. As a result, İşbank eliminated manual work and paper-based processes to grow its bottom line.

The results

Using the Pega Platform, İşbank was able to:

- **Streamline over 13 million transactions annually**
- **Increase efficiency 30% to 50% across 500 processes**
- **Boost development productivity 60% by consolidating over 40 legacy systems**
- **Build 14 strategic applications in less than two years**

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Within the last five years, we doubled our balance sheet without employing more people. We still kept our head count the same, but we are able to outgrow our balance sheet threefold.

Rıza Kutlusoy,

Chief Strategy Officer,
İşbank



With its new digital resolution system RBC is truly “customer first”

- Royal Bank of Canada’s disjointed systems made it difficult for reps to ensure customer satisfaction
- An enterprise service backbone built with the Pega platform now enables navigation, request routing, and enforceable SLAs
- The bank boosted productivity and lowered response times. Service reps can now manage expectations and expedite service to higher value clients

The business issue

Royal Bank of Canada (RBC), Canada’s largest bank, has always operated with a customer-first mission. Even as customer loyalty was key to growth, however, it was challenged by client requests coming from eight different geographies and multiple channels. Requests were handled by 14 service fulfillment groups, each with different systems and processes. Disjointed and complex business systems and forms made it difficult to route inquiries correctly, set response time expectations, and provide updates on existing requests. The result: duplicate requests, rework, and lower customer satisfaction.

The solution

Using Pega Build for Change®, RBC built an enterprise service backbone, enabling a digital resolution process that spans all channels and lines of business. Service reps are now guided with simple navigation, coaching tips, and step-by-step prompts, ensuring accurate information is captured at the first point of contact. Cases are routed to the right support group, with enforceable SLAs tuned for each request type, customer segment, and fulfillment group. Reps can now manage expectations and expedite service to higher value clients, boosting customer experience and creating loyalty.

The results

The Pega system has generated major performance lifts for RBC, including:

- **20% reduction in back-office headcount**
- **30-minute resolution time, down from as much as five days**
- **Zero training for most staff**
- **Support for 30,000+ users across eight regions, over 900 case types, and 14 support centers**
- **RBC named North American Retail Bank of the Year for three consecutive years**

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We were able to improve the ability for front-line staff to handle more inquiries during their first interaction with our customers and set credible client service commitments, driving higher overall customer satisfaction and per-client profitability.

Program Director,
Royal Bank of Canada (RBC)

Swedbank makes lending faster, simpler, and less costly

- Swedbank needed to simplify and shorten loan processing across its 58 partner banks
- The bank transformed its loan processes by cutting through complexity, connecting disparate systems, and automating decision-making
- Loan processing time was reduced by 90%, resulting in 40% loan funding growth while costs were reduced by 85%

The business issue

Operating in Sweden and the Baltic region, Swedbank works with 58 partner banks, all of which were using legacy platforms and disparate systems to serve customers. Loan processing was time-consuming and lengthy as a result of the underlying complex credit decisions and policy rules.

Additional challenges included long time-to-market for new products and services, systems reaching end-of-life, and loan officers with too little time for customer interactions and unable to provide adequate guidance and advice.

The solution

Pega worked with the bank on a transformation roadmap, leading to innovations across customer journeys and banking entities. We also simplified complex business rules for credit assessments, credit scoring, and pricing.

The solution encompasses over 40 integration touchpoints, including online channels, internal communications channels, and mainframe, finance, analytics, and external systems. Legacy capabilities were renewed through business services and application programming interfaces.

The Pega credit rules engine significantly shortened loan processing time through automated decision-making.

The results

Because of improvements throughout the lending process, and full adoption from Swedbank staff, the business reported the following benefits:

- **40% improvement in the number of successful loan applications, directly impacting bank-wide revenues and growth figures**
- **Boosted operational efficiency**
- **Reduced average time for end-to-end loan origination from several days to 15 minutes for automated decision cases – a 90% reduction in processing time**
- **Cut lending costs by 85%**

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The bank wanted to provide improved, fast paced and ‘always-on’ customer experience by automating and optimizing their end-to-end loan origination and service processes for all its lending products.

Senior Swedbank Executive,
Lending Transformation,
Swedbank



About Pegasystems

Pega delivers innovative software that crushes business complexity. From maximizing customer lifetime value to streamlining service to boosting efficiency, we help the world's leading brands solve problems fast and transform for tomorrow. Pega clients make better decisions and get work done with real-time AI and intelligent automation. And, since 1983, we've built our scalable architecture and low-code platform to stay ahead of rapid change. Our solutions save people time, so our clients' employees and customers can get back to what matters most.

For more information, please visit us at [pegasystems.com](https://www.pegasystems.com)

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