



PegaWorldiNspire

JUNE 9-11, 2024 | LAS VEGAS

How to Transform End-2-End Banking

Workflow and Case Management –
Improving Cost Efficient Customer Delivery

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Nordea



Nordea Is The Largest Bank In The Nordics



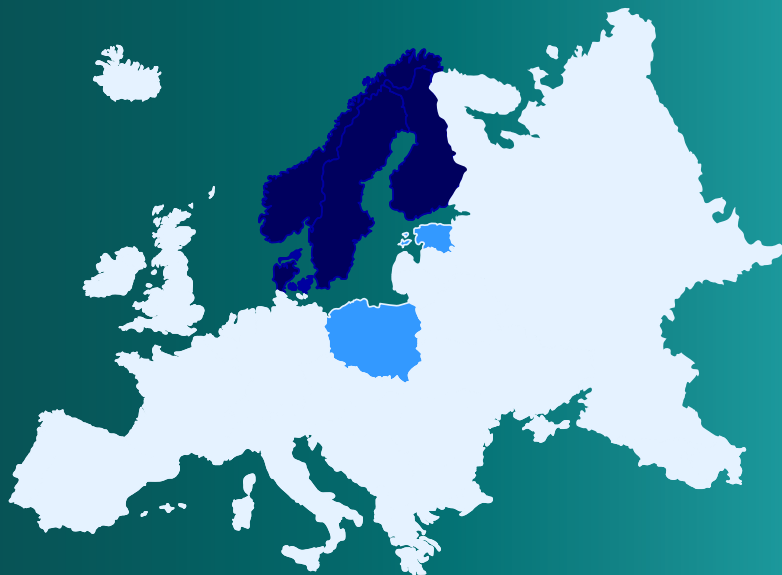
We have been realising dreams for 200 years and we strive to be a Personal, Expert and Relationship Bank

Facts About Nordea

- Nordic + Idea = Nordea
- ~10 million customers
- ~30.000 employees
- ~1.500 contracted suppliers

Key Figures 2023

- Total Operating Income: €11,7bn
- Operating Profit: €6,3bn
- Cost/Income ratio: 41,9%
- Return on Investment: 16,9%



Nordea

Our **vision** is to be the preferred partner for customers in need of a broad range of financial services

Key Priorities

Create

the best omnichannel customer experience

Drive

focused and profitable growth

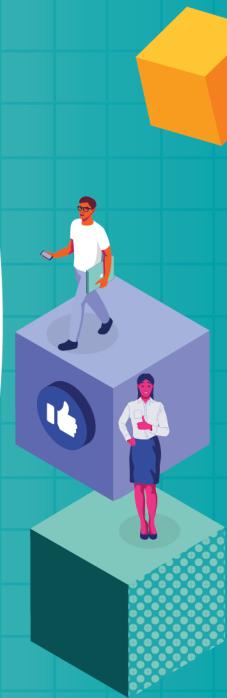
Increase

operational and capital efficiency

Key Levers Supporting Our Strategy

Digital leader

Sustainability at the core



Pega at Nordea

General positioning at Nordea

Pega has many functionalities, but at Nordea it is primarily positioned as a common Workflow & Case Mgmt. (WCM)

The introduction of a common WCM supports Nordea's key priorities and key levers

Create Omnichannel Customer Experience

WCM makes it easier for employees to track case status, backlogs, and progress

Drive Profitable Growth

WCM supports cross sales and transparency of most relevant customer offerings

Increase Operational and Capital Efficiency

WCM reduces lead time, touch time, error rates and enables increased automation



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Governing Pega through a virtual Centre of Excellence (CoE)

Balancing “one-stop-shop” versus solid anchoring in the existing line organisation



Schedule the Trains



Guide the Trains



Build the Train



Lay the Tracks

Group Business Support Service Provider (Virtual COE)

Operations

Application Owner

Financial Model

Benefit Tracking

Process Design

Portfolio Mgmt.

Contract Owner

Group Architecture

Application Governance

Platform Governance

Group Data Management

Standard Owner

Data Management

Application Design & Development

Integration Services

Quality Assurance

Common Components & Guardrails

Technology

Application Provider

Infrastructure

DevOps

IT Operations

Service Transition

Service Requester

Business Area

Customer Need

Business/Product Need

Efficiency Need

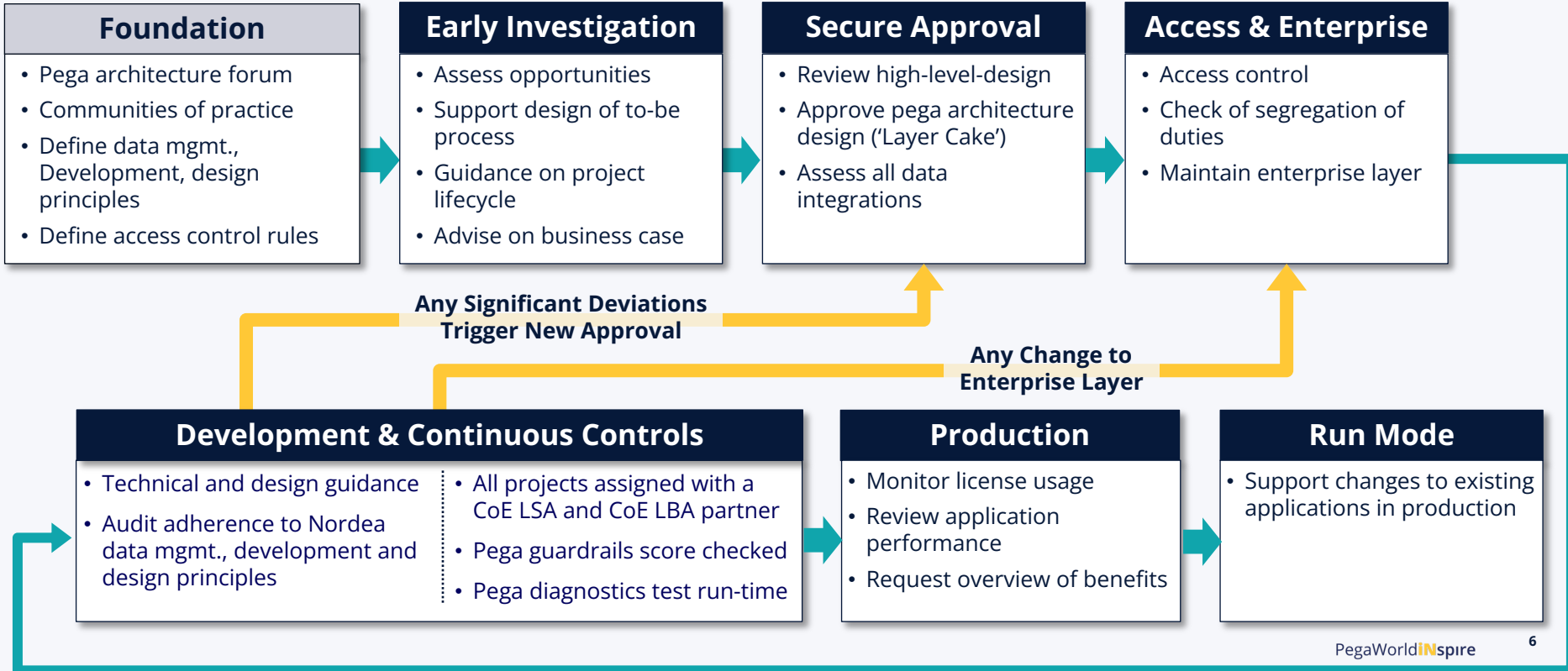
Regulatory Need



Buy the Ticket

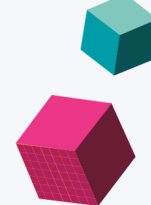
Services and Controls Provided by the CoE

Nordea has common development, data mgmt. and design principles to ensure common usage

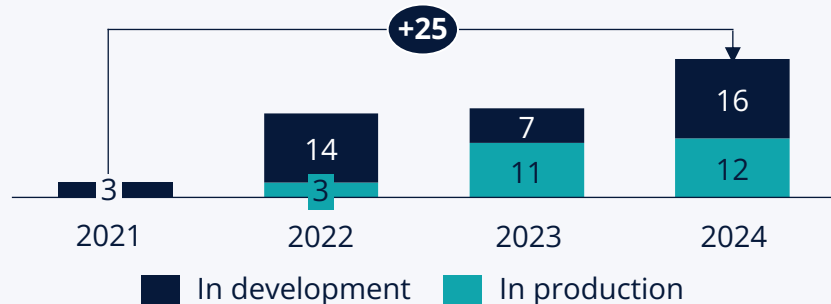


Growth of the Workflow and Case Mgmt. Portfolio

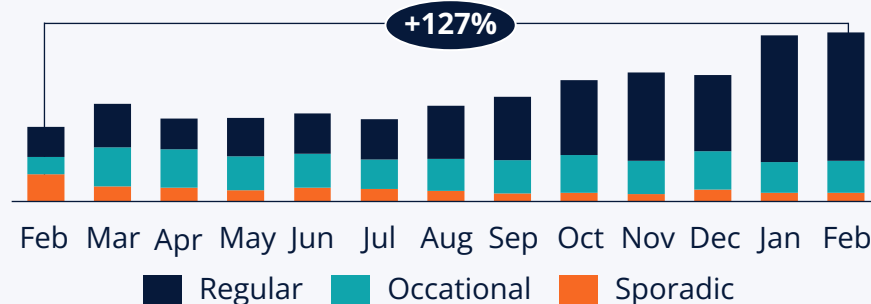
Started 3 pilots in '21, began scaling in '22-'23, and the journey continues in '24



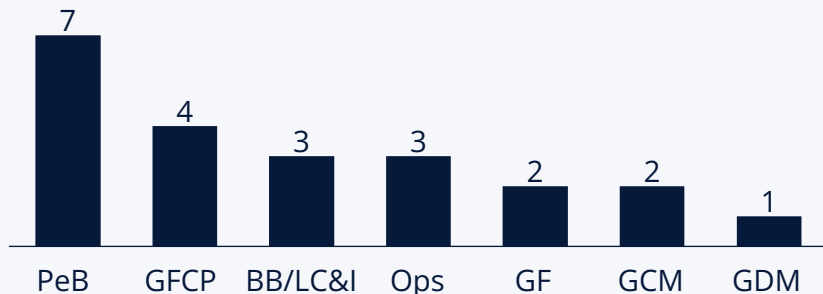
Number of Projects 2021-24



Number of Users 2023-24



Projects by Business Area 2024 (Active Dev)



Lessons Learned

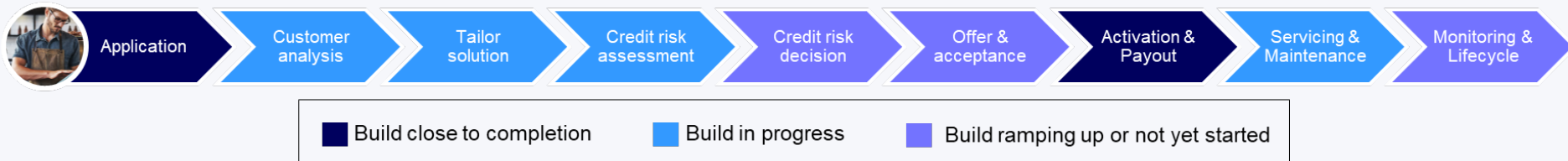
- Make sure to test Pega on different levels of complexity (small, medium, large)
- Secure a strong CoE from the start to ensure common use
- Don't underestimate time for change mgmt. (scale takes time)
- Benefits often come from two sequential elements (digitisation first and then automation/integration)
- Securing qualified Pega resources is a constant challenge

Example: Corporate Lending Process

Leveraging Pega in one of our most complicated processes



The Corporate Lending process



Breaking Down Development

- Deliver with MVP/MLP approach
- Value creation with each release
 - 10% done by 2024
 - 45% done by 2025
 - 75% done by 2026
 - 100% done by 2027

Benefits From Initial Release

5% ⇒ 35%

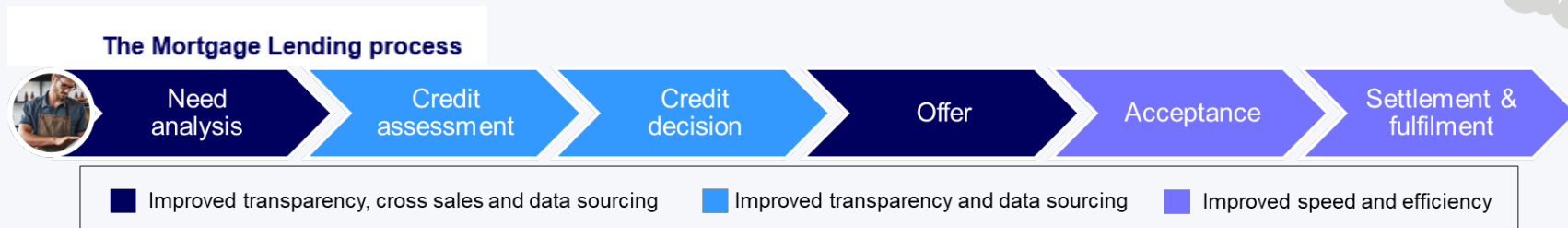
Efficiency gain steadily growing
from 2024-27

Lessons Learned

- Start with simple processes first
- Understand process & business requirements before building
- Look at E2E from the beginning
- Build simple flow first and then detail
- Involve end users from the beginning

Example: Mortgage Lending Process (Finland)

The Mortgage Lending process is a cornerstone in Nordea's offering to private customers



Breaking Down Development

- From “country specific” to “common”
- Common design but country implementation
- Building front-to-back but always looking at the E2E data flow

Benefits From Initial Release

15%-20%

Efficiency gain steadily growing from 2023-26 including cost saving, cost avoidance and increased sales

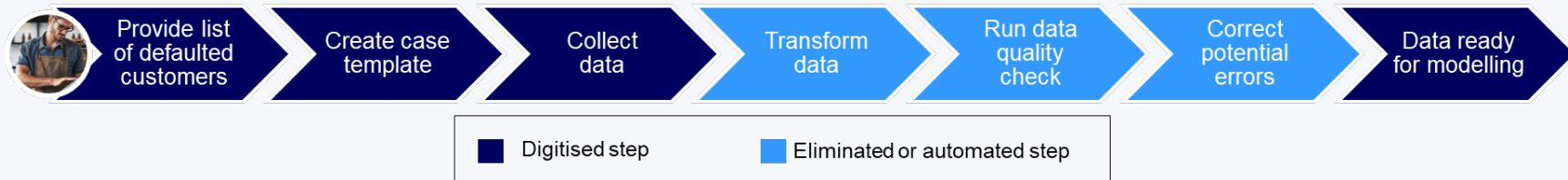
Lessons Learned

- Common high-level design can work with country implementation
- Impact is different depending on process step (not one-size fits all)
- WCM as a vehicle to go common
- WCM can support cross sales
- Do not underestimate time spent on building mgmt. information

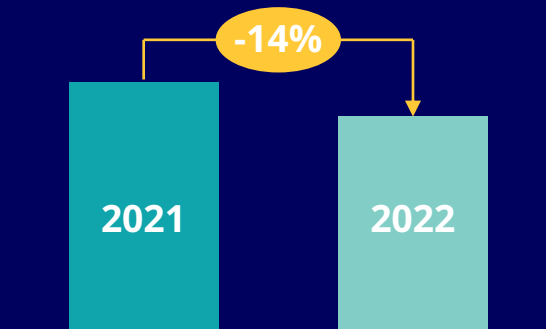
Example: Automated Recovery Data

Supporting customers at risk of defaulting is of high importance for both customers & Nordea

The Automated Recovery Data process



Decreased Delivery Time



Benefits From Initial Release

490%

Return on Investment (ROI)
including cost saving & cost
avoidance

Lessons Learned

- A lot can be done by replacing manual orchestration of workflow
- Even the simplest project can continue with new ideas for years
- Make sure to measure baseline (reference point for improvement)
- Multiple benefits can be targeted simultaneously (cost, quality, speed)

Next Steps

Continue professionalisation of Nordea's WCM governance

Enhance in-house Pega capabilities

Scale number of users

Connect individual applications to full E2E digitised value chains

Support Nordea's Business Technology Strategy

Support Nordea's Data Strategy





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