



Digital Transformation of Financial Services: Making banking personal

Differentiation for banks and insurance companies today requires more than good products at great rates. It's about solving real customer problems, says Simon Blissett, Head of Financial Services Solutions and Innovations in EMEAR at Cisco. But that demands a digital rethink.

The joy of finding and buying your first car. Accepting a place at university. Starting a nest egg with your partner. Those major life moments – unhindered by paperwork, unspoilt by admin, uninterrupted by process. Some of them good: like finding your home. Some sad: like cancelling a loved one's account whose passed away.

Through all these, your bank does the hard work for you. It takes the data it has about you, adds to it from the world of big data and informs you of what you need to know or do. It guides you through what you need to do. And it does as much of it for you as it can, automatically – for example filling in the forms for you or even removing the need for forms.

That's the future of banking. It's how banks will:

- **Stand out from the crowd of commoditised banking.** The ones that help the most will do the most business.
- **Beat the start-ups at their own game.** We [surveyed 7,200 customers](#) – and 43% said their bank doesn't understand their needs. In other industries, services like Uber and Airbnb have filled that gap. We can already see it starting in banking – with apps like Apple Pay or Splitwise. But if banks can grab the opportunity early, their customers will follow them.
- **Appeal to all generations.** Whether you're 25 or 55 – you want things to be simple, easy and elegant. It's not about age. It's about ease, convenience and hyper-relevance. People will always be people – and will follow the path of least resistance. If they're desperate for a change, they'll learn the technology.

By looking at the data they have on their customers, and building personalised apps and services, banks will also see a financial benefit. True, it's a lot to invest for slim margins, but the benefits outweigh the costs. Banks will win more business and cut their costs in other areas, like customer service (the easier you make the journey, the less people need to ring in for help). And by helping their customers, they'll also streamline their own processes.

And it isn't just about personal banking either – the same applies to business and commercial banking, too. Imagine the bank that helps a business find the perfect insurance package for their employees – and preapproves it.

But what do banks need to do to get there?

Change the thinking

When you first buy a home, your experience doesn't start when you look for a mortgage. It starts when you look for new homes – when you and the family get emotionally involved, touch the bricks, see the rooms, stand in the garden. When you weigh up what's in your budget, and how much equity and savings you have. Could a bank help you? Could it make that process easier, more enjoyable, more personal and more relevant?

Yes. But they'll need to work with other companies more than ever before. They'll need to create an ecosystem if they're going to build truly relevant, timely and personalised services. They'll need open APIs, data from other companies, and the infrastructure to link it all up. For example, to help a customer make a claim when their house gets robbed, they need to connect the customer via their tablet/smartphone to the insurer, to the claims assessor and to retailers for possible item replacement.

They can't do any of it alone. They have to start thinking about how they can share, collaborate and work together with other businesses.

And it's not just their own thinking they need to change. It's their customers' too. It's all very well having these services, but if your customers aren't technically literate, how will they know how to use it? Again the bank needs to think through how it will support the customer in this area via video connectivity, screen sharing and online support.



Figure out how you'll use the data

An email comes in or a notification pops up on your smartphone app. How do you react? If it genuinely seems to be helping you, it's normally okay.

People are happy to give their information out – as long as those companies use it to add value to the customer. It's when a company seems to be using our information for themselves that we feel creeped out, or angry.

It's all about getting that data and analysing it properly so you can give people relevant, timely and hyper-personalised information or support at the time when they actually need it.

Testing your ideas

The bigger the team, the better the testing. A small test group can find problems with your app or service – the normal way of design, development and testing via in-house teams or third party agencies. But you can take inspiration from crowdsourcing, tapping into organised crowd-sourced communities to design, develop and test your ideas – you can be more rigorous and deliver in a much shorter time.

Embed the security

When you've got open APIs and ever increasing end point devices, you're opening yourself up to increased risk of attacks. And the reality of today is that even without that added risk, you're going to get hacked. It's unavoidable. The trick is making sure that when someone gets in, they don't do any damage. And you catch them.

Thinking about what happens before, during and after an attack can help you thwart the hackers. Before: employ advanced threat analytics to know what you are defending against, and tag all your network traffic. So that when something happens, you know exactly when and where it happened and to who. During: have the analytics in place to keep an eye on your network and identify anomalies. That way, when something suspicious happens, the system raises the red flag. And after: locate where the attack is, and contain it and remediate.

Who do you turn to?

It's impossible to do it alone. At Cisco, we excel at connecting people, things and data to make you money, save you money and keep you out of trouble.

So if you want to move from 'analogue to digital', create an open ecosystem, and want to work collaboratively – we can help you too.

For more insight into the impact of deeper digitisation in financial services, read our white paper: http://cs.co/loE_FS_whitepaper