
ebankIT

DIGITAL CUSTOMER ONBOARDING

THE FUTURE OF
FINANCIAL INSTITUTIONS

01

INTRODUCTION

02

OVERVIEW: FACTS & NUMBERS

03

WHAT SHOULD FIS EXPECT
FROM UPGRADED ONBOARDING
PROCESSES?

04

MAKING NEXT GENERATION
ONBOARDING A REALITY

05

EBANKIT DIGITAL
ONBOARDING

06

FINAL CONSIDERATIONS

01

INTRODUCTION

In an age shaped by technological breakthroughs and continuous innovation, companies, industries and markets have been trying to reinvent themselves to meet the demands of fast-paced, digital-first societies.



In recent years, companies have been **hard-pressed to rethink not only their product and service offerings, but also their structure, architecture, processes, culture and mindset**. While this revolution has had tremendous impact on virtually every industry, none other was so greatly affected by it as banking.

Despite growing efforts to keep up with this evolution, the truth is that the financial industry still remains one of the top laggards of the last decade when it comes to innovation. **Recent changes in legislation and increasing requirements** from more informed, demanding customers **have disrupted the traditional financial landscape**: not only did they pull the curtain on just how far behind the banking industry is in terms

of Digital Transformation, but more importantly, they deprived traditional banks of the monopoly they had been enjoying for decades.

With new players such as neo-banks and Fintechs entering the scene and customer behavior changing drastically, financial institutions are quickly looking for solutions to update their offerings to a digital age. However, exploring new channels is much more complex than simply creating new interfaces: besides an overall review of traditional processes, banks must also quickly adapt their product portfolio to engage a digital customer who values credit cards, personal loans and ease of payment, over traditional products such as savings accounts.

As **consumers shift towards digital**, the need to drive

sales on web and mobile applications becomes a main concern for **banks, who must now engage with them from a distance**, a radical change from the time when every product subscription required several visits to the local branch. In fact, modern customers greatly **value their independence and limited time**, favoring the comfort of their homes to solve most bank-related operations, be them new product subscriptions or simple payments or transfers. As the time **of physical branches** slowly comes to an end, the ability to win customers on digital channels is an invaluable asset, made possible only through **Digital Onboarding**.

Considering that **traditional customer onboarding at local branches may take up to 12 weeks to complete** (Forrester Consulting), being highly complex and involving several departments such as front office, operations, legal, risk, compliance and more, the need to **make this process more fluid and agile** becomes clear. Furthermore, during that extended duration, clients are asked to sign and review dozens of documents on several occasions, requiring an alarmingly high number of interactions from both parts. With onboarding materializing the first contact between bank and potential clients, this is clearly not the optimal way to create strong relations and promote positive interactions, which brings us to the other fundamental aspect of client onboarding: its impact on **customer journey and experience**.

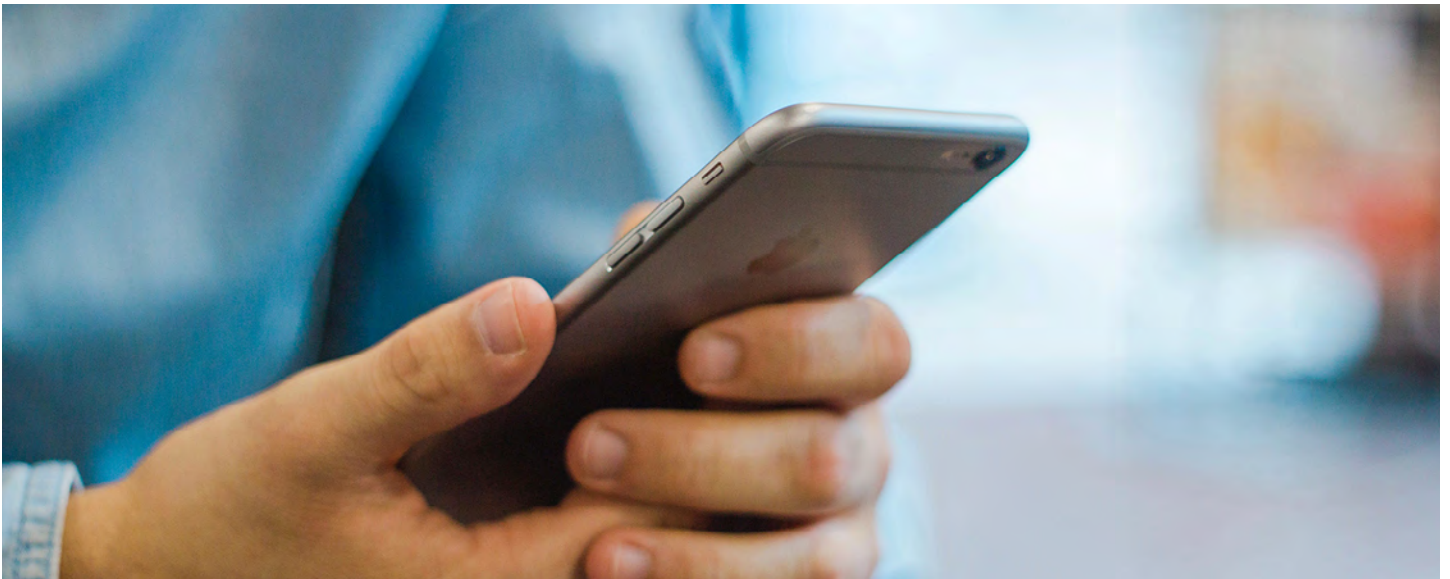
While the primary goal of optimizing Client Onboarding is winning new clients, especially in digital channels such as Internet and Mobile Banking, the truth is that as a **first interaction** these processes **greatly shape the way potential clients feel about a bank** and whether or not they will follow-up to become clients. With customer experience and satisfaction being key factors of differentiation, **providing seamless onboarding experiences** should be a top priority for most financial institutions. With the rise of digital, today's banking customers are much more demanding and prone to change, with many millennials willingly trusting their money to neo-banks or new players such as Amazon, Google or Apple, all of which deliver unrivalled focus on the customer. Furthermore, when it comes to digital channels, most banking customers have extremely high expectations for the product, service level and support, as they tend to extrapolate previous experiences from other areas, namely retail.

That being said, the vast majority of **financial institutions are falling short** when it comes to delivering a customer onboarding experience that matches the current paradigm shift and its high-level standards of service. **Digital Onboarding** has moved from being an added value offering, to a **mandatory requirement for banks** to compete in the current market and ensure their future survival. The real question now is not whether to invest in it, but just how to set **the new standard of digital onboarding through fluid, seamless, easy-to-use interactions** that allow new prospect to join the client roster, and existing ones to increase their product share.

02

OVERVIEW: FACTS & NUMBERS

The inherent complexity of traditional Customer Onboarding processes is often materialized in poor customer experience, frustration and drop-out, all of which are critical aspects in an industry with so many high-income clients.



The inherent complexity of traditional Customer Onboarding processes is often materialized in poor customer experience, frustration and drop-out, all of which are critical aspects in an industry with so many high-income clients. Banks often **compromise on client acquisition from the start, due to a series of manually-driven processes spread throughout a series of isolated, non-aligned departments.** These processes usually cost banks not only those clients' lifetime revenue, but also steep sums in operational costs. The numbers speak for themselves:



More than \$228 million
spent on client onboarding processes

(source: KPMG Report)



\$28.5 million/year
spent on Know Your Customer (K.Y.C)

(source: Thomson Reuters)

▶ Clients are contacted about **10 times** and asked to submit as many as **100 documents**

(source: Forester Consulting Survey)

▶ Client acquisition costs vary from **\$6.000 to \$25.000**

(source: Forester Consulting Survey)

▶ **\$15 billion/year** spent on regulatory fines

(source: KPMG: Transforming Client Onboarding Report)

Looking at these numbers it becomes clear banks have been actively investing in onboarding, even if not in optimal fashion. Recognizing its importance in revenue generation, differentiation and customer experience, financial institutions are now looking for solutions that will allow them to upgrade, automate and monitor their Customer Onboarding Processes. This optimization would allow several significant **improvements, be it by reducing the overall duration and number of customer interactions, allowing for remote onboarding and digital documentation, improving customer experience, mapping customer journeys and of course, cutting costs.** All of these seem extremely appealing, especially when considering that conversion rates/**completion rates range from 30% for new account openings to 10% for loan applicants** (as per 2017 Digital Banking Report).

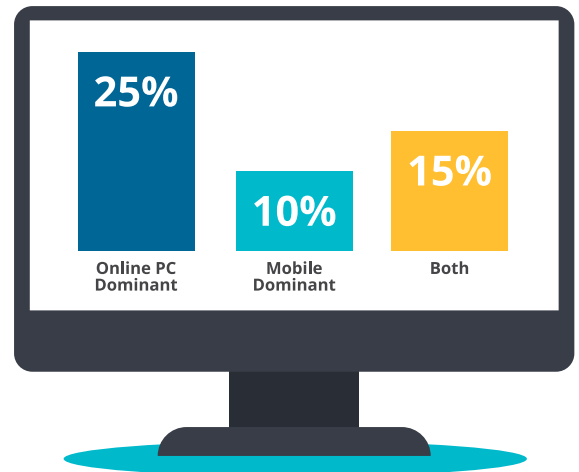
UNDERSTANDING THE NEW CONSUMER LANDSCAPE

Rethinking the onboarding process is, first and foremost a customer-driven exercise, aiming to meet their demands and digital habits, allowing for quick and seamless account opening and product subscription. Additionally, it also presents an extremely appealing opportunity for financial institutions to **reduce costs and increase revenue, all while providing the best customer experience.** Bearing this mutually beneficial dichotomy in mind, a closer look into the ever-evolving landscape of current banking clients is in order.

CUSTOMER CHANNEL BEHAVIOUR TRENDS

SMARTPHONE BANKING IS ON THE RISE

2017



2018

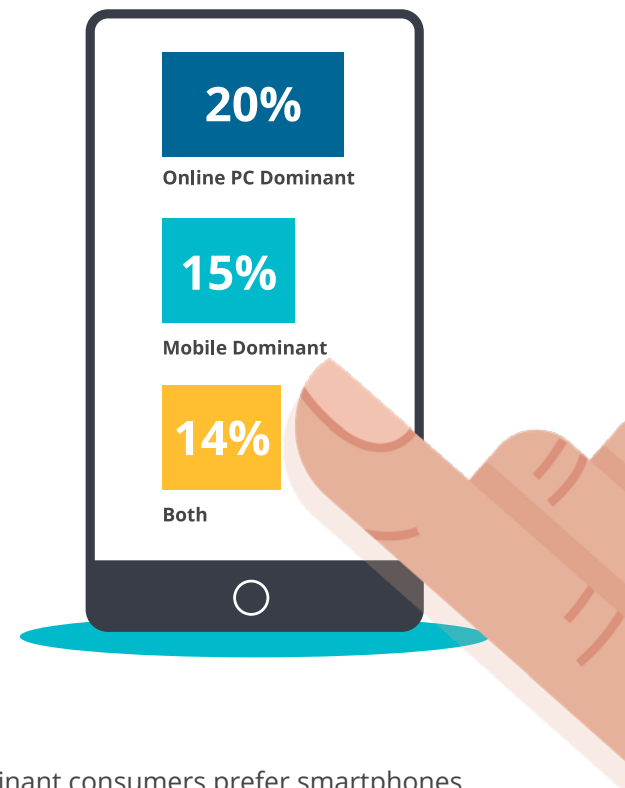


FIG. 1

Mobile-dominant consumers prefer smartphones for banking.

Source: PwC's 2018 Digital Banking Consumer Survey.

Consumer profiling has never been a consensual subject for businesses, but never has it been as relevant or challenging as in today's market. With as many as 4 generations (Baby boomers, X, Y and Z) coexisting at a given period, tracing the consumer landscape for financial institutions is becoming increasingly difficult. While it's easy to identify a generalized adoption of digital technologies in multiple areas of their lives, not all consumers resort to the same channels or use technology in the same way. Additionally, older generations are still reluctant to trust wholeheartedly in digital alternatives, especially in an area as delicate as finance, often resorting to their local branch and account manager. According to **PwC's 2018 Digital Banking Customer Survey**, omnichannel customers who favored digital channels for banking interactions independent of platform, have now evolved into **mobile focused customers** and represent about **15% of the overall landscape**. For such clients, banking is a mobile-only activity.

Similarly to what is happening in many other industries, financial institutions will have to **think mobile-first** in order to keep up with this growing trend. This mindset translates to several drastic changes for banks, who must now rethink and redesign their services, products and processes prioritizing the **mobile experience**. Understanding the modern client is a critical step for financial institutions to better adjust and meet their needs and requirements. Knowing which products are more likely to be subscribed on branches or digital channels is a fundamental aspect of optimizing onboarding processes for said products, or at least set the priority for improvement. According to PwC, when applying for loans or savings accounts 58% of customers prefer to do it at branch, with that number falling down to 43% for investment accounts and 37% for financial advisory services.

HOW OFTEN CONSUMERS INTERACT WITH BANKS BY CHANNEL

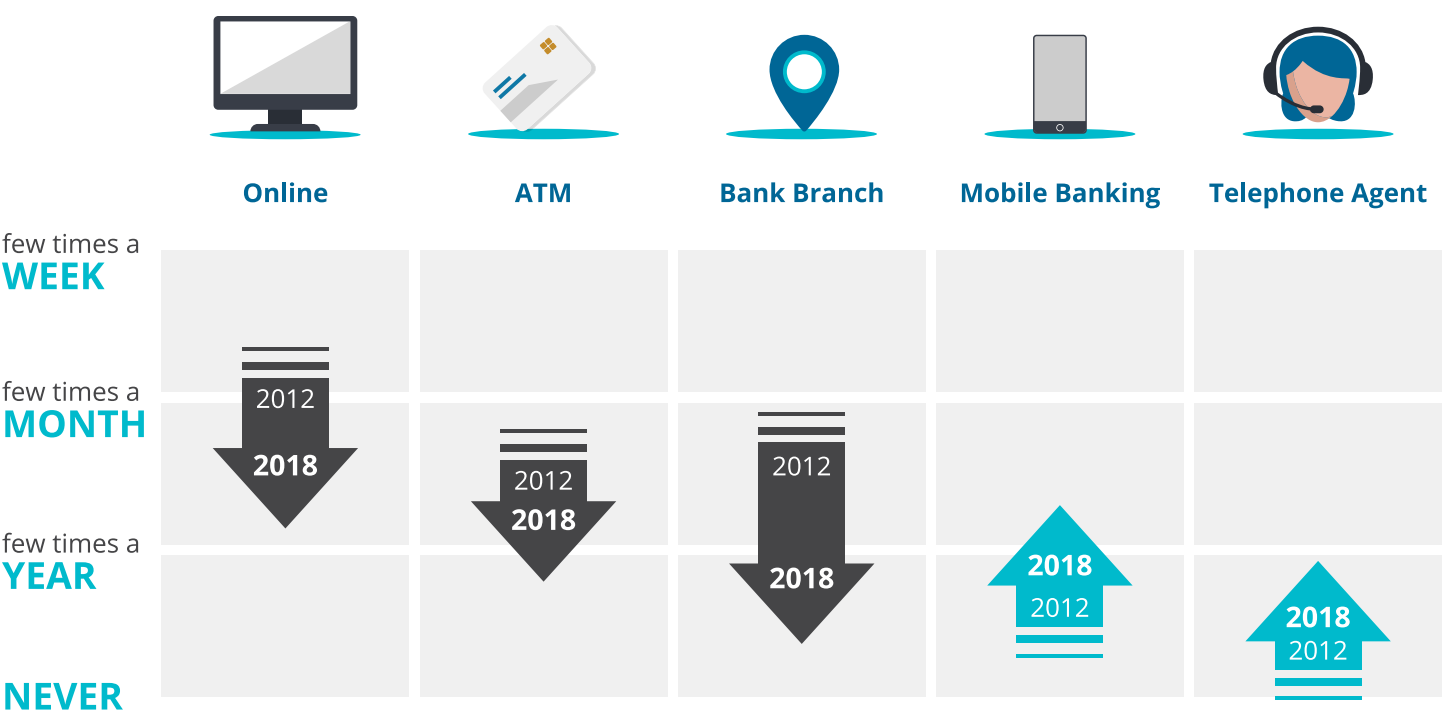


FIG. 2
The extent of user engagement varies widely.
Source: PwC's 2018 Digital Banking Consumer Survey.

03

WHAT SHOULD FIS EXPECT FROM UPGRADED ONBOARDING PROCESSES?

Undergoing the comprehensive changes in processes and structure required by new customer onboarding practices is not something to be taken lightly. Financial Institutions must carefully plan their strategy and approach to overcome challenges and successfully achieve their goals.



This strategic overview will not only allow banks to have a clear picture of the result, but also materialize questions that must be answered to create specific, measurable and attainable goals, such as “How long will the onboarding

process take?”, “How many interactions will be necessary?” or “How much can we expect to save in the long run?”. Here are some of the most valuable goals and challenges banks can attribute to optimized onboarding:

GOALS

COST REDUCTION

As aforementioned, the steep costs associated with onboarding processes are a top concern for financial institutions. Traditional processes are labor-intensive, requiring several hours and dozens of paperwork to be filled across different stages and departments, with distinct and often unaligned methodologies. The amount of hand-filled documentation and loss of information on transition between tasks, often leads to mistakes and omissions which not only compromise the onboarding process itself, but also result in regulatory fines. A well-thought workflow with fluid, optimized processes is key to drastically reduce overall duration and simplify transitional tasks while **reducing operational costs by 20%** (The Financial Brand – Being a Digital Bank Goes Beyond a Pretty App).

REVENUE INCREASE

The ability to considerably reduce onboarding times due to faster, upgraded processes, allows for quicker account funding and product subscription. Studies show that the sooner larger accounts are funded, the greater the revenue they provide, making duration a prime variable in the process. According to McKinsey, digital onboarding processes may account for **increases in revenue of up to 3%**. Additionally, banks can also capitalize on onboarding by converting clients from other banks, as new accounts often provide an **increased profitability of up to \$212/year** (2017 Digital Banking Report).

By incorporating technology and digital elements into onboarding, not only is it possible to reduce time, but also increase cross-selling opportunities and improve customer experience. Having quick access to client profiles and financial history will allow account managers to evaluate and propose the best solutions for each customer, be it manually or resorting to upselling tools like Product Wizards. By doing so, banks will be able to **boost revenue per customer by more than 50%** (The Financial Brand – Being a Digital Bank Goes Beyond a Pretty App).

COMPLIANT CORPORATE STRUCTURES

A cohesive client onboarding process with clearly defined steps and workflows, provides the foundation for better compliance. Ensuring client information is registered correctly each step of the way and made easily accessible at later stages allows for accurate audits. Such information is usually collected through established processes and questionnaires on 3 key topics: KYC, suitability and tax requirements.

Once the entire process is implemented, financial institutions become one step closer to seamlessly integrate compliance requirements into their corporate structure.

IMPROVED CUSTOMER EXPERIENCE

As the first point of contact with potential customers, onboarding has an unparalleled impact on the relation that will follow. With only one opportunity to make a great first impression, banks must go the extra mile to ensure customer experience is both stellar and sets a positive tone for all future interactions. With onboarding conversion rates as low as 30%, keeping customers pleased throughout their journeys is crucial to ensure they follow through. Providing such experiences doesn't necessarily involve extremely complex approaches, with immediacy and failproof, quality processes delivering highly satisfying results.

CORPORATE RESPONSIBILITY

Looking at it from a different angle, the digitization and automation of onboarding will allow banks to greatly decrease their dependency on paper-printed documents. This will not only revert in less paper waste, but more importantly, less use of highly polluting printing ink. Besides the considerable savings for banks, this approach further supports any corporate responsibility and environmental initiatives financial institutions may be involved in.

CHALLENGES

FINDING BALANCE ON INTERACTIONS

Being able to provide a truly omnichannel onboarding experience where customers feel accompanied and informed throughout their journey, without being intrusive, is a challenging task. Doing so involves highly optimized structures and processes that will make client information readily available on each step, thus reducing duplicate entries and information requests. Ensuring information is up-to-date and synchronized across channels, is a challenge banks must overcome to reduce customer frustration and make each interaction as valid and valuable as possible.

AGING CORE LEGACY SYSTEMS

This is a major concern across all aspects of Digital Banking, as most legacy core banking systems are now growing increasingly outdated. While some of them are still able to deliver and run efficiently, others are falling behind and have expensive running costs: in fact, a recent report shows that up to 90% of financial institutions' technology/innovation budgets are invested in supporting these systems. Being able to implement disruptive digital onboarding processes with an aging core system may pose a difficult challenge if unsupported by the right Digital Banking Platform.

CHANGING THE CORPORATE MINDSET

It's not enough to upgrade the onboarding processes if the corporate culture remains static and the existing workforce does not live by it. With years of complex manual processes and procedures embedded into the workflows of its teams, financial institutions will have to adopt employee-training programs to progressively change this mindset and ensure a smooth transition into digital. Financial institutions must understand the needs and wants of today's consumers and adapt accordingly, providing services that add value from the client's perspective and not from the institution's.

ADAPTING TO REGULATORY REQUIREMENTS

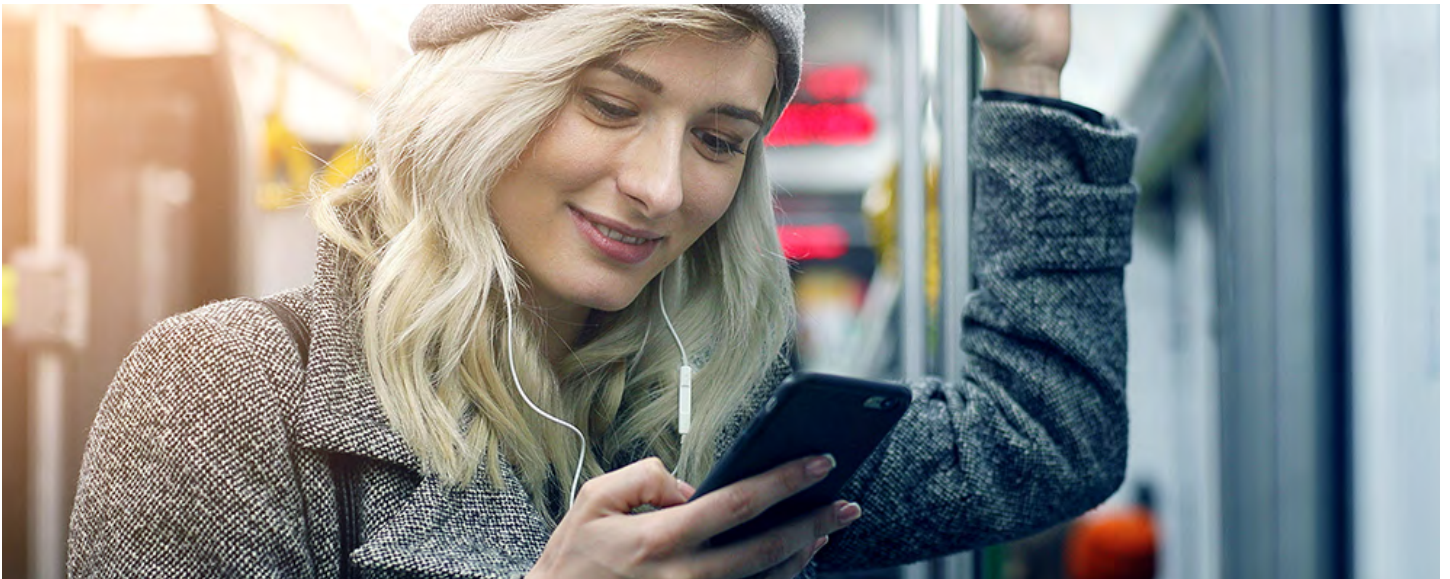
New legislations and regulatory requirements such as PSD2 (Revised Payment Service Directive), Open Banking, Anti Money Laundering Directive (AMLD) or KYC (Know Your Customer) procedures have greatly shaped the financial industry in recent years. Some of them are greatly contributing to the industry's natural evolution, such as PSD2 and Open Banking that promote new players into the business with focus on providing a wider range of better, more competitive services to banking customers. Others, such as AMLD and KYC must balance such technological advances with security and data privacy, often imposing manual authentication and recognition procedures.

Managing customer-driven company strategies such as digital onboarding, whilst ensuring compliance with a range of ever-changing regulatory requirements is one of the primary challenges financial institutions must overcome.

04

MAKING NEXT GENERATION ONBOARDING A REALITY

Having showcased the pressing need for a comprehensive change in current onboarding processes due to a multitude of factors, let's take a closer look at what to expect from next generation onboarding.



While there are significant incentives to embrace **Digital Onboarding** from a financial institutions' point of view, namely due to cost reductions and increase in revenue, the **fundamental reason** for its implementation must be delivering **unparalleled customer experience and satisfaction**.

When financial institutions place customers first and **empathize with their needs**, the entire design structure is redefined to provide better service and support. Doing so, allows onboarding processes to become quicker

and more efficient, usually by **incorporating digital elements** into the mix. For instance, the simple ability to digitize and authenticate both customer and banking documentation drastically reduces fill-in duration and allows instant access to information on future steps. Additionally, these processes **greatly impact the institution's image, increasing positive customer perception and confidence**, which ultimately translates to higher onboarding **conversion rates, increased customer retention** and up/cross-selling opportunities.

Providing this level of service requires not only the right tools, but also careful planning of both strategy and processes. Understanding which channels customers engage with throughout their onboarding, how to eliminate processual bottlenecks, the amount of information required on each step or how to optimize documentation are but a few key variables to consider. Optimizing without compromising is an essential part of successful onboarding strategies.

While a fully-digital, remote onboarding process may not be possible for all financial institutions at first, a properly implemented onboarding structure will allow for reduced number of interactions and integrated flows of information on multiple channels. For these institutions, a first step would enable customers to begin their onboarding at a local branch and finish it later in the comfort of their homes. Although this omnichannel approach seems quite natural from a customer's perspective, most banks are not yet delivering such features.

Doing so requires financial institutions to resort to **omnichannel banking platforms**, able to trace back and

integrate information from different devices, allowing customers to initiate and finish onboarding processes across multiple devices. By seamlessly connecting all banking channels, these orchestration platforms allow customers to resume ongoing processes at any stage, on any device and accessing previously filled information. The result is an integrated, positive experience that saves time, reduces costs and minimizes chances for information gaps and duplication.

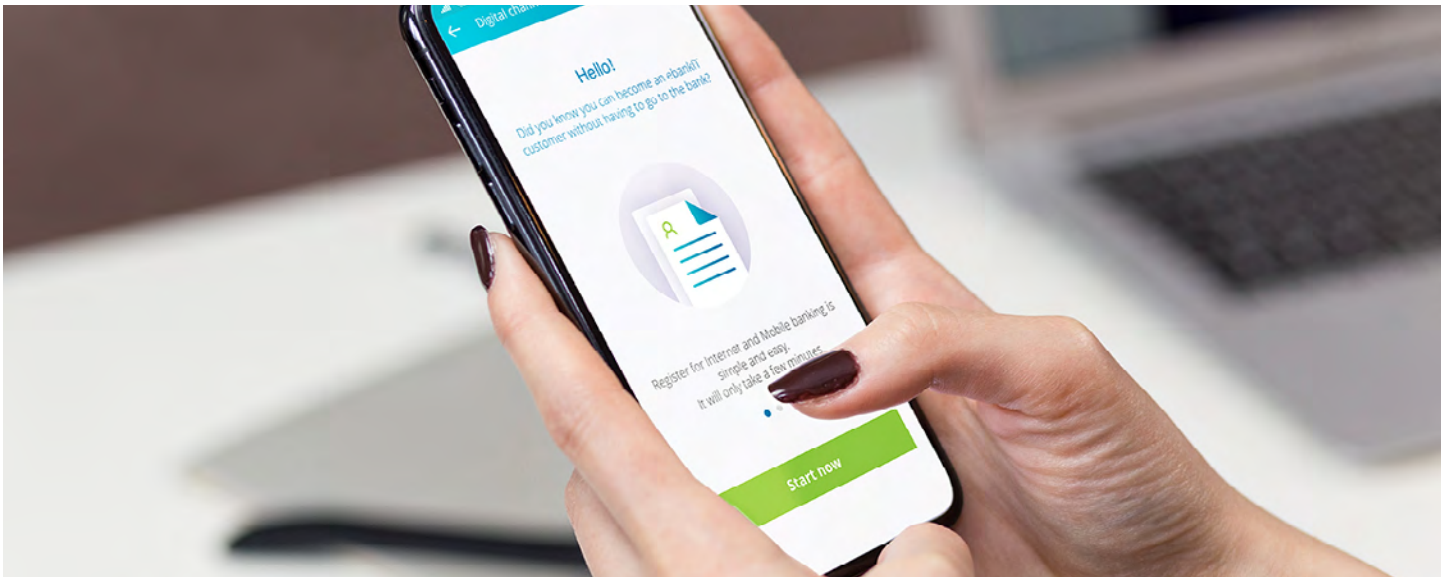
Additionally, omnichannel platforms allow process **automation** according to several criteria such as checklists for **authentication, product application eligibility or cross/up-selling opportunities**. This immediate cross-checking of documentation and requirements is a step into the future from traditional processes, where account managers would have to manually check multiple documents and would likely miss the opportunity to present other suitable products or services. Verification and approvals are also smoother and faster, as account opening becomes solely dependent on a few steps and checks, similarly to what happens in other industries.



05

EBANKIT DIGITAL ONBOARDING

ebankIT's Omnichannel Digital Banking platform allows financial institutions to bring their products and processes into the Digital Age, through a core-agnostic platform that provides a truly omnichannel experience across several readily customizable solutions.



By seamlessly integrating with virtually any backend system (core, legacy, etc.), our platform provides a powerful orchestration tool that unifies all channels under the same umbrella. Once the integration layer is connected to the core banking system, our software allows us to set up **Customer Channels** (Internet, Mobile and Watch Banking), **Frontoffice Channels** (Live Assistance, Contact Center and Branch Frontoffice) and **Backoffice Channels** (CMS, EMS and Monitoring Center). The platform also incorporates an **API Gateway**, allowing integration with third-parties apps and added functionalities.

Setting out to deliver a **true omnichannel** experience, ebankIT's solutions are natively developed for each channel. This allows not only to provide a similar experience across all of them but actually elevate this concept as each solution is optimized for a unique, differentiated customer experience on each channel.

Having identified Customer Onboarding as one of the key concerns and areas of investment of the financial industry, ebankIT has incorporated a number of optimizations and features on its Digital Banking Platform to meet financial institutions' needs and requirements.

EBANKIT OMNICHANNEL BANKING PLATFORM

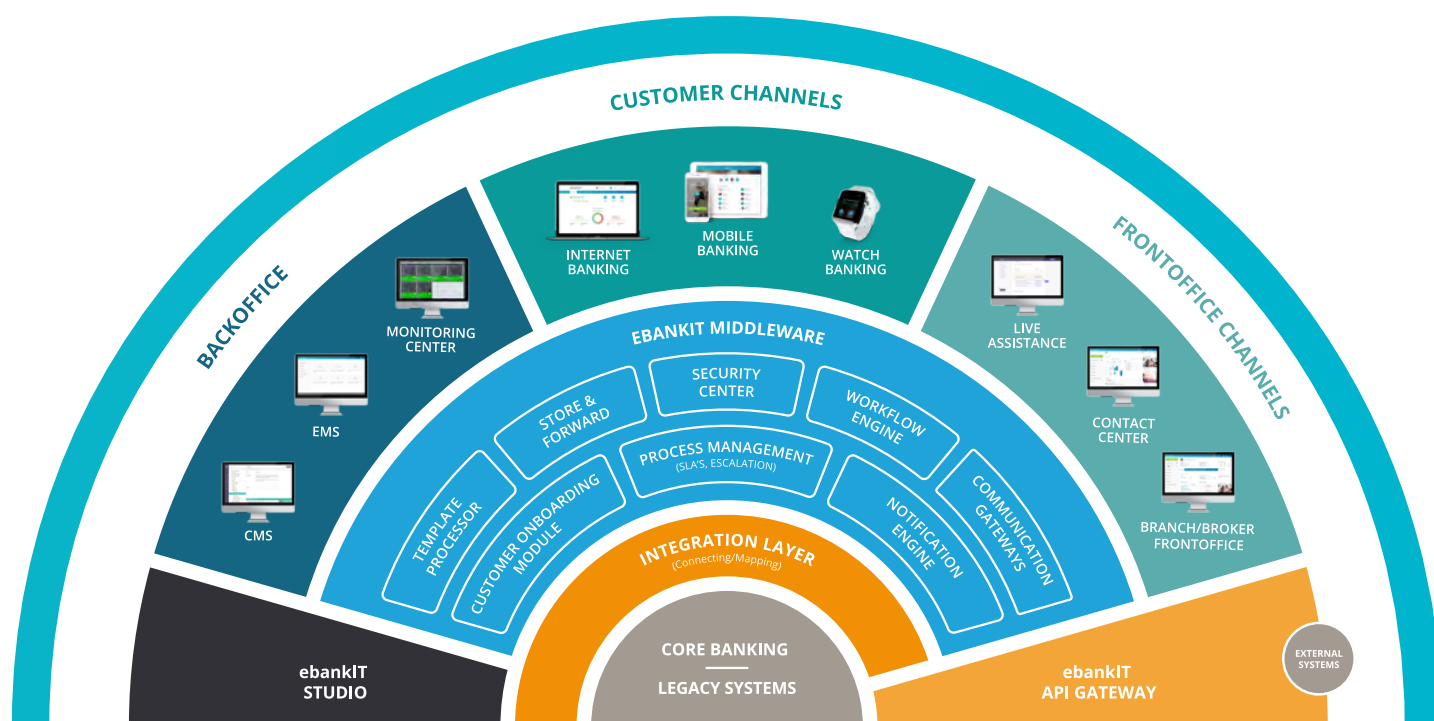


FIG. 3
eBankIT Omnichannel Digital Banking Platform - Retail, SME, Business & Corporate

MOBILE FIRST

Considering the changing consumer landscape and the rise of new client profiles such as omnidigital, whose banking interactions occur solely on digital channels, eBankIT's onboarding solution is Mobile focused. With customers increasingly favoring Mobile over other devices for most banking interactions, our Mobile App presents the perfect onboarding solution. A simple, user-friendly interface guides the customer through a fast account opening process which requires but a few steps to complete. The entire process takes place on the very same App the customer will be using afterwards, without the need for dedicated apps or webpages. Additionally, our Mobile App provides safe onboarding by integrating with the eBankIT Platform which allows creation and management of user credentials.

Narrowing down this process to essential personal information entries on a familiar interface which resembles those used by retailers or service providers, delivers a much more engaging, positive user experience. This, in turn, sets in motion a chain of events: smoother account opening processes result in more user accounts with the ability to browse financial offerings, thus leading to increased customer acquisition, product/service subscriptions and revenue.

5-STEP ONBOARDING PROCESS

Optimizing processes in a fast-paced world where immediacy is the word of order is a critical step for success. Our Account Opening process has been narrowed down to 5 simple steps across all interfaces, taking about 2 to 3 minutes to complete. It includes authentication steps where users are prompted to insert a verification code sent to their phones and at the end of the process, users are given access to the digital contract for confirmation. Our approach is to request users the minimum amount of information necessary to reach the next step.

Despite being very fast and intuitive, the account opening process can be interrupted and resumed later, on any device. This quick registration creates a digital account for potential customers, who are then able to browse and subscribe financial products and services, thus becoming actual clients. As there is usually a time gap between these two stages, this approach allows financial institutions to register the potential client on their database and adjust promotions and targeted campaigns in the meantime.

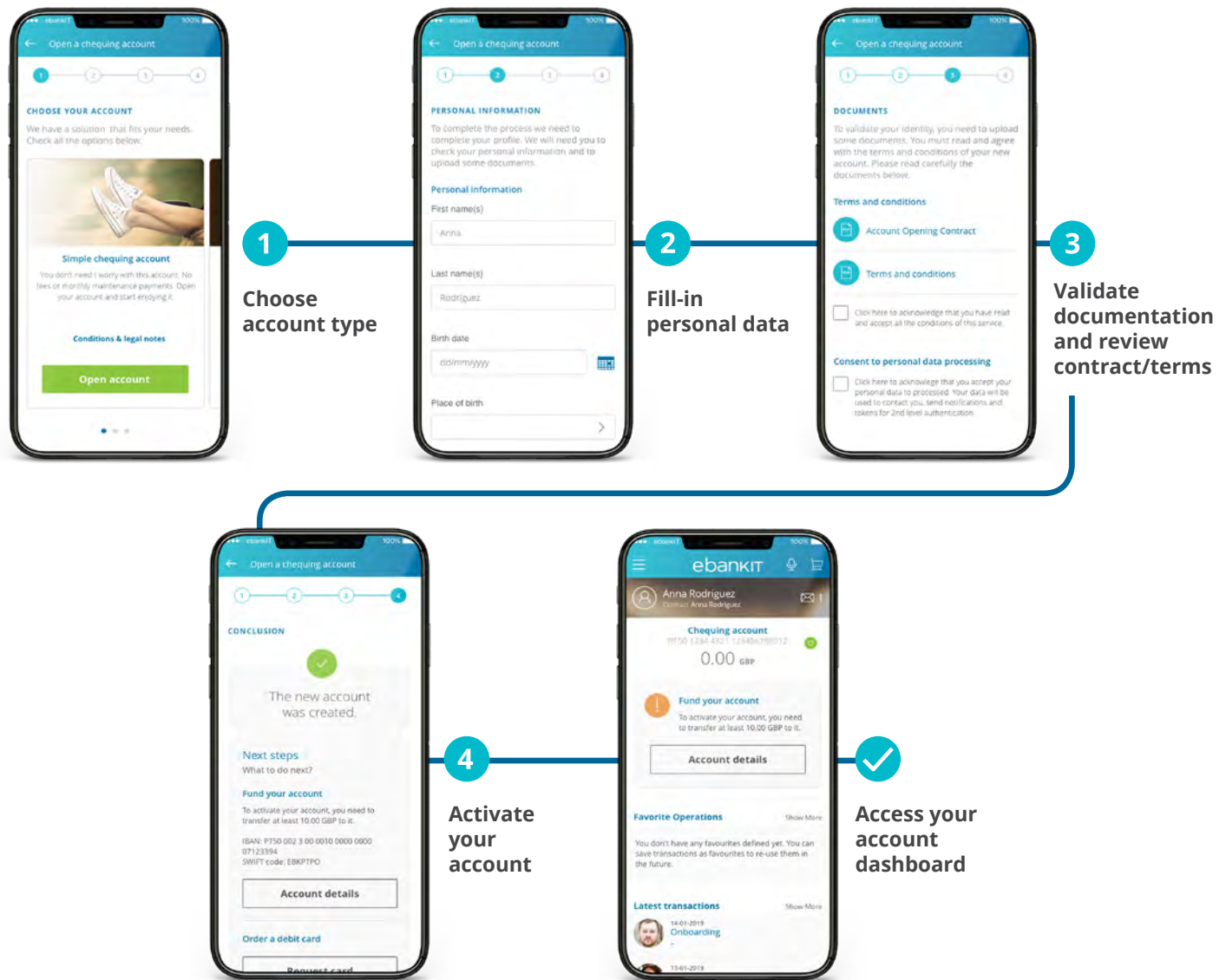


FIG. 4 end-to-end mobile onboarding solution, through user-friendly interfaces.

MODULAR AND FLEXIBLE

The ebankIT Platform presents highly customizable functionalities to specifically meet financial institutions requirements, whatever they may be. Our modular architecture translates to a highly adaptable solution where functionalities can be easily added or removed through designated modules. This allows a much more flexible approach to our client's business and environment, incorporating focused solutions on a "as-needed basis", instead of delivering an all-rounder solution with no customization and several shortcomings.

Our solution is easily adaptable to the reality of financial institutions on a global scale, adjusting to local legislations and regulatory requirements, language and, of course, company culture and internal processes.

THIRD PARTY INTEGRATION

At ebankIT we believe the future of banking is collaborative. As such, we focus on doing what we do best: creating the ultimate Omnichannel Digital Banking Platform to help financial institutions adapt and lead the Digital Revolution. Everything else? We integrate from the best.

Customer-centric strategies require financial institutions to deliver unprecedented levels of service, features and functionalities across several devices. With so many technological advances on distinct areas of expertise, our approach is to develop specific plug-ins to integrate with the leading experts on each field. By seamlessly integrating third-party applications for functionalities such as K.Y.C. authentication, biometrics, document recognition or anti-money-laundering compliance, ebankIT provides one of the most complete solutions available on the market.

This approach allows financial institutions to continuously monitor and update their onboarding processes with the latest features and requirements, through simple integration instead of investing on a new solution altogether. Doing so, will enable them to stay at the forefront of onboarding, whilst promoting unique customer experiences and satisfaction.



06

FINAL CONSIDERATIONS

Traditional onboarding, highly dependent on paper and manual processes is no longer an option in today's financial environment.



The time consuming, error-prone operations cost banks millions in customer dropouts and legal suits, besides highly compromising customer's perception and experience. The notion of going to the local branch on numerous occasions and spending countless hours filling paperwork, is outdated and utterly out of synch with customer-centric strategies.

As consumers become more demanding and digitally-driven, financial institutions are forced to deploy new strategies to engage with them across all channels of their preference. Additionally, as neo-banks and digital native FIs deliver hassle-free, digital onboarding, traditional banks must act fast to keep up with current market and customer demands. Doing so will result in increased conversion, customer satisfaction and retention rates for financial institutions.

To approach onboarding from an omnichannel perspective, banks must first map their processes and rethink their strategies with a unified solution in mind. This involves major changes to existing structures, processes, mindset and company culture, which must be

considered prior to implementation. The ability to deliver a high-end, coherent customer experience across multiple channels requires **omnichannel banking platforms**, which integrate and automate information from multiple channels into the same interface.

Through these platforms, banks can provide customers with a true omnichannel experience which allows them, among other things, to initiate onboarding processes on one device or at the branch and finish it on another device, or simply avoid going to the branch altogether and use only digital channels. In fact, by optimizing and automating processes, onboarding is now possible in a matter of minutes, by following a few simple steps.

As fintechs provide a wide range of Omnichannel Digital Banking Solutions, banks are now given the opportunity to reinvent their onboarding processes and continuously adapt to provide better customer service. After lagging behind in innovation for decades, traditional financial institutions are now given a new-found life to embrace the Digital Banking Transformation at their own pace, with the support of valuable partners every step of the way.

ebankIT

ABOUT US

ebankIT is an international company that develops a leading Omnichannel Digital Banking Platform with capabilities to enable banks and credit unions to run lean, run smart and innovate fast, helping their customers to be one step ahead at a fraction of the cost, time and effort.

Our mission is to help the banking businesses realize their full potential, strengthen customer relationship while minimizing costs and increase digital revenue. Our vision is about shaping the digital banking experience with a fast, lean, smart and innovative banking platform with out-of-the-box omnichannel capabilities.

Operating in over 20 countries, ebankIT is helping customers all over the world to transform their businesses by delivering a fast-seamless Omnichannel Digital Banking Transformation.

ebankIT has been awarded for being one of the Top 10 Global Emerging Stars in "KPMG – H2 Ventures Fintech 100" 2015/16 and was recognized by Gartner in their Market Guide for Digital Banking Platforms in 2018.

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DIGITAL ONBOARDING AT A GLANCE

Empowering the Digital
Banking Experience

[Contact Us](#)

An opportunity for financial institutions to reduce costs and increase revenue, while providing a delightful digital experience.

Investing in next-generation onboarding provides innovative solutions, improves customer engagement, and reach business goals.

Some of the most valuable **goals** banks can attribute to optimized onboarding:



COST REDUCTION

Financial institutions can expect a 20% reduction in operational costs.



REVENUE INCREASE

Implementing digital onboarding enables a boost revenue per customer by more than 50%.



IMPROVED CUSTOMER EXPERIENCE

Connected steps and workflows provide the foundation for better compliance and allow for accurate audits.



COMPLIANT CORPORATE STRUCTURES

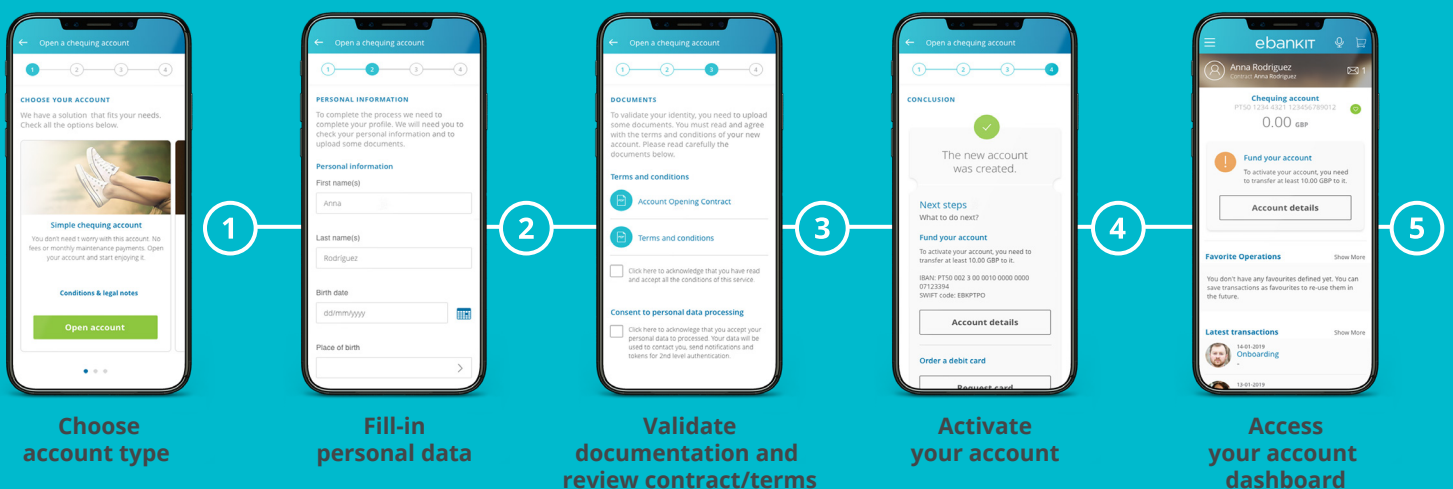
A cohesive client onboarding means an opportunity for banks to build a valuable customer experience.

Digital Onboarding at the Heart of our Solution

Page 10 of 10

To handle the Financial Institutions expectations, ebankIT has incorporated several optimizations on its Omnichannel Banking Platform.

Your Digital Onboarding Journey - in simple steps - across all devices - in under 3 minutes:



Ebankit Open API: the Future is Collaborative.