

# Accelerate **customer engagement** through AI

Avanade's Banking Accelerator is designed to increase go-to-market speed and operational agility



# The need for flexibility and speed

The current pandemic has demonstrated the need for banks to be flexible and agile.

Banks' net interest margins are slim, due to near-zero interest rates in many regions. Potential non-performing loans have generated massive rises in reserves, already leading to quarterly losses at [Wells Fargo](#), one of the largest U.S. banks. [Estimates](#) predict a revenue drop of 16% to 44% for retail banks in Western Europe alone. Banks such as HSBC, Deutsche Bank and Lloyds Banking Group are now recommencing headcount reduction programs that were initially started before the pandemic.

Due to accelerated digital adoption by all consumers banks are looking to significantly reduce their branch networks. Banks will need to reassess their customers' credit risk profiles and recalibrate their risk models using real-time information, segmenting those who can grow from those surviving on government support.

There will be a continued focus on [driving down costs and protecting profit](#) and banks will be keen to keep in place those initiatives that allowed rapid decision-making during the crisis.

Many banks struggled to [handle massive surges in customer demand](#) due to lack of investment in cloud, AI and digital services. This was not helped by the need to quickly move staff to remote working and the adoption of significantly different ways of working. Digital transformation programs are now seen as far too time-consuming and banks are looking for short-term approaches that can deliver business outcomes quickly.

To grow their business, banks need to generate deeper customer insights and greater personalized engagement. Many fintechs are not only offering superior customer experiences but targeting lucrative segments of value for the banks, especially around payments. Banks acknowledge that they need to improve both customer acquisition and retention, increase cross- and up-sell rates and simplify processes for both the customer and the employee.

For these reasons, we have developed a Banking Accelerator that is designed to help in three priority areas:

- Customer acquisition and retention:
  - Better lead management
  - Improve the customer onboarding experience
  - Reduce time for account opening
- Cross- and up-selling productivity:
  - Increase the productivity of your sales teams
  - Develop proactive financial notification
  - Help customers plan for the long term
- Process simplification:
  - Back-office automation
  - Service simplification
  - Internal efficiency

# How does the **Banking Accelerator** work?

Our Banking Accelerator is based on Microsoft Dynamics 365, Azure and Power BI platforms and has the following templates and services:

- **Industry data model:** This uses a predefined, industry relationship data model with more than 1,100 attributes, entities and templates and prewritten schema and solution documentation.
- **360-degree relationship view:** This includes 12 available views on loans, credit cards and deposits. Components are modularized to easily create new views.
- **Lead prioritization:** Apply lead and opportunity tracking, score and prioritize leads to focus on key opportunities and integrate with marketing models for targeted campaigns.
- **Onboarding:** Use processes for onboarding, review sample customer and loan application portals, and leverage the onboarding document management Power App.
- **Reporting and dashboards:** This includes predefined opportunity reporting for lending, branch and LOB managers; aggregated business data and KPIs highlight LOB performance and goal attainment.
- **AI models:** We leverage customer data and extract insight to provide a personalized experience. For example, our affinity engine allows banks to identify the best adviser to support a specific customer. Our models are used to calculate loan propensities, customer behavior analysis, lead scoring and customer lifetime value.



# Banking Accelerator example: Customer acquisition

For the three priority areas noted previously, we'll deep dive into specific themes.

For each of these themes, we'll look at the value of the activity and illustrate outcomes with KPIs. Here's an example on customer acquisition and retention:

Theme	Activity	Value	KPI
Marketing automation for sales teams	Sales teams can create marketing campaigns directly	Reduced go-to-market time for campaigns	Reduced time for a new campaign (months to days)
Lead scoring	Analyze historical data and identify best leads	Prioritize most relevant leads first	Increase conversion rate (~15%)
Onboarding	Customer information gathering	Reduce time for onboarding process	Reduce onboarding to industry benchmark (~15 minutes)
Lead qualification (LQ)	Collect more insight during lead nurturing	Improve prospect knowledge and reduce LQ cost	Customer data increases during LQ process (~2X)
Know your customer (KYC)	Capture information via mobile	Speed up ID confirmation process	Reduce identity verification (days to minutes)
Welcome/initial engagement	Use chatbot/virtual agent to welcome and engage customers	Faster onboarding and rapport	Reduce time between onboarding and profitable activity (~30%)

# An **integrated** approach

The Banking Accelerator can be applied throughout the customer journey, including operations and service:

Marketing	Sales	Service	Operations
Campaign management	Remote/virtual selling	Virtual agent/chatbot	Document management engine
Lead capture/qualification	Customer goals	Customer alert	Email preprocessing
Lead scoring	RM virtual desk	Next best action	Appointment engine
Lead assignment	360-degree view	Onboarding	KYC
Customer segmentation	Self-assessment	Service agent desktop	

In fact, the real value is in the way the accelerator enables our clients to bring all the elements of the customer journey together – from initial engagement and lead assignment to conversion through to post-sales and service management – and treat it as an end-to-end, integrated and personalized customer experience.

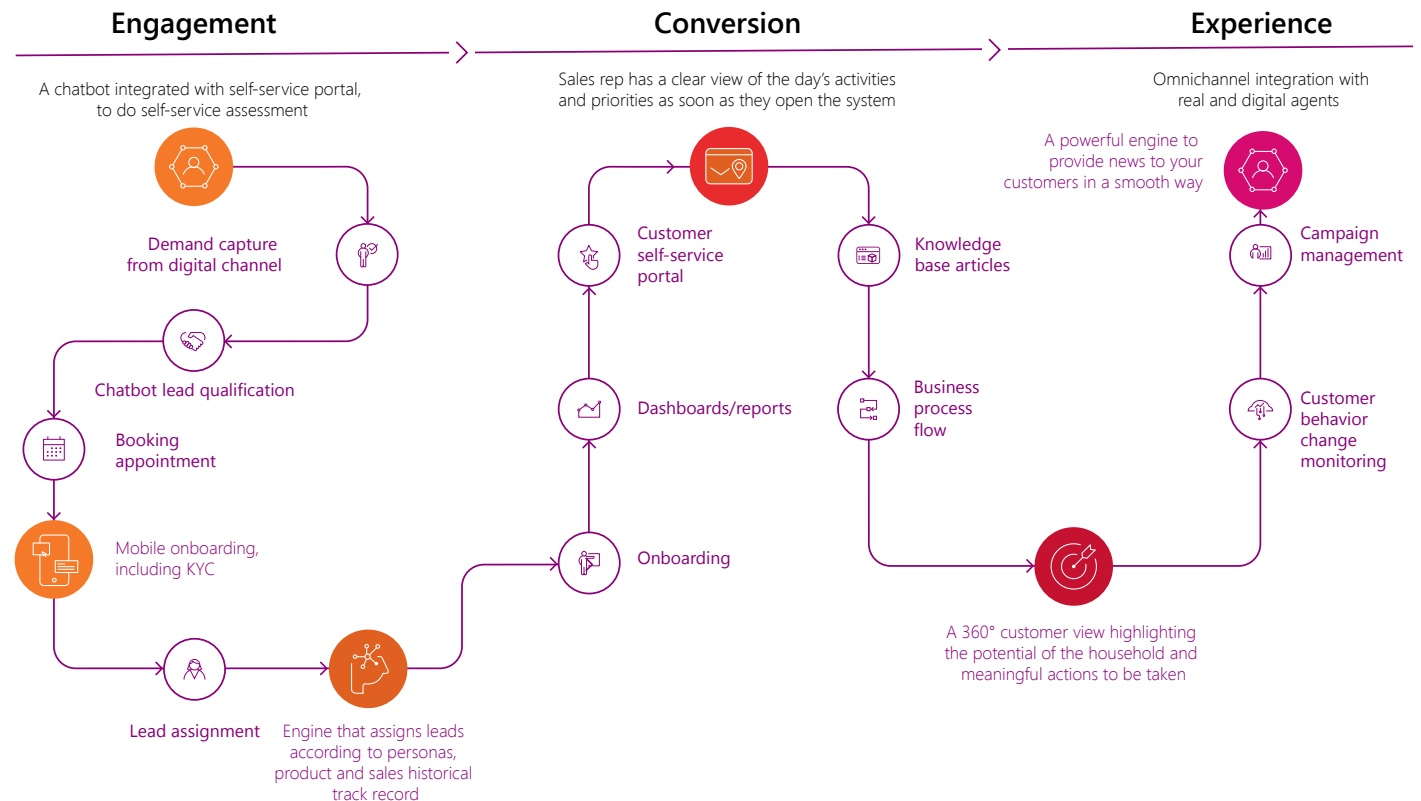
For one North American bank, the accelerator has been used to improve the mortgage journey by making the qualification process more robust and reducing “noise” in the pipeline. It has introduced capabilities such as lead management, lead scoring and opportunity management. It’s also helped with mortgage processing workflow. It will ensure the bank can increase the number of qualified investments and reduce agent attrition by providing modern tools and higher conversion rates.



# An integrated customer journey from engagement to experience

We go through a three-stage process, all on one platform:

- Use raw data from a variety of sources, such as CRM systems, transaction engines, web browsing, open APIs and social sentiment analysis.
- Aggregate information into meaningful categories using machine learning models and filter it through predictive models, behavioral analysis and frameworks such as propensity to purchase and next best action.
- Proactively suggest campaign and engagement activity, based on customer profiles, alerts, opportunities and leads, while ensuring a highly tailored approach, adopting approaches such as dynamic pricing.





# Customer scenario: Laura

Watch our [three banking scenarios](#) to better understand the ways in which customers benefit from this type of approach:

- [Jose](#): By offering real-time scenarios, you can help customers assess their risk preferences and life priorities and manage their wealth effectively.
- [Laura](#): Explore how your staff can proactively develop cross- and up-sell options with your customers.
- [Zara](#): Use digital options to execute investment advice through your relationship managers, including e-signature and post-meeting document review.

## Laura, Relationship Manager



### Assign

Laura sees Paul, an existing customer, has just opened a new account.

The system has set her next task to review Paul's information and provide a follow up call.



### Review

Laura reviews Paul's data, which includes his personal information, his historical journey with Oltiva Bank and his various accounts.



### Find

Viewing recommendations allows Laura to review suggested products that the system identifies as best for Paul, based on his profile.

Where Laura is unfamiliar with any products, she can engage with a chatbot to acquire additional information for her call with Paul.



### Discuss

Laura contacts Paul about his new account and alternative products to benefit his portfolio.

They set up an in-person meeting to discuss details.



### Decide

Along with a financial assessment to help Paul fully understand the benefits of the recommended products, Laura uses real time simulators.

This allows Paul to observe future performance and help him make an informative decision on which products to buy.

# Our expertise

We work with seven of the top 10 global banks but our client portfolio includes banks of all sizes. We have access to the most advanced Microsoft technology platforms and Accenture's global banking and regulatory expertise. We're recognized as global leaders in Microsoft services.

In the current environment we're finding that our clients want to move quickly and deliver short, outcome-based projects. We're flexible and happy to respond to your requirements. Visit [www.avanade.com/banking](http://www.avanade.com/banking) to find out more about our work.

We offer pragmatic advice combined with execution in the following areas:

- [Automation and AI](#): To improve productivity and speed up business outcomes, we're helping banks digitize processes. We apply intelligent automation and AI to deliver efficiency and deep customer insight. We can help with data management, chatbot development and even advise on conversational AI. For one bank we've helped build an algorithm-based cash flow forecasting system.
- [Cloud and IT transformation](#): To help banks manage their day-to-day IT services, we deliver a range of cloud services on Azure, trusted by 80% of the world's largest banks and 85% of Global Systemically Important Financial Institutions. We can speed up application development using an agile approach, reduce your dependency on legacy and help you scale flexibly to meet rising market demand.
- [Security](#): Working with national, regional and multinational banks we have developed expertise across a variety of areas, including digital identity and authentication, data protection, encryption, secure collaboration, incident response and cyberdefense.

- [Digital marketing, sales and service](#): Building on Microsoft accelerators, we've developed a true 360-degree customer view for many banks around the world, improving cross-selling rates and identifying next best actions. We've improved lead scoring and qualification, opportunity tracking, campaign planning and automation, personalization and onboarding.
- [Workplace transformation](#): We've developed a holistic approach, involving IT, HR and business division heads, that we call WX (Workplace Experience), specifically for [banks](#). If you need it, we've also pulled together [best practice on remote working](#) for employees, business and IT leaders.

Visit [www.avanade.com/banking](http://www.avanade.com/banking) to find out more about our work.



# Let Avanade partner with you to **rethink** your business

We can offer a variety of options:

- A one-hour video call to assess how our accelerator approach could work in your bank.
- A half-day virtual design thinking workshop to see where this could deliver ROI for your business.
- A one-week rapid prototype to develop a proof of concept that can be quickly tested.

**Contact us today** to help your organization identify the strategic bets that will make your operations more resilient and your products and services more desirable to customers. We combine business strategy, agile innovation, and deep Microsoft technology expertise to help resolve your challenges.



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## About Avanade

Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences on the Microsoft ecosystem. With 39,000 professionals in 25 countries, we are the power behind the Accenture Microsoft Business Group, helping companies to engage customers, empower employees, optimize operations and transform products, leveraging the Microsoft platform. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at [www.avanade.com](http://www.avanade.com).

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