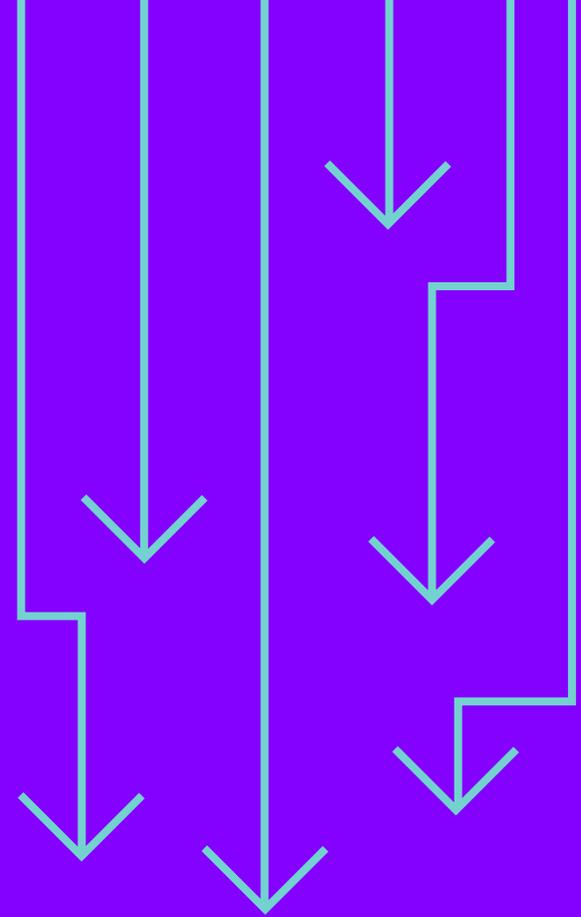
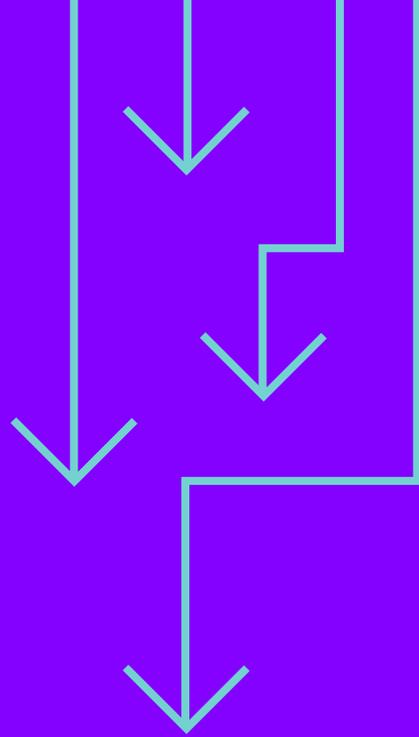


5 Competitive Strategies to Help Banks Face the BigTech Threat



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“Only 55.1% say they will stay with their banks for the next 6-months”

“Only 38.4% would refer their bank to a friend or family member”

“Only 15.9% are likely to purchase another product from their bank”

—Capgemini/Efma

Introduction

The speed of innovation is driving the future of the financial services industry. Today’s consumer wants the same level of customer experience from their banks that they get from BigTech companies like Amazon and Google. But that is not the reality for most, and the result is customer dissatisfaction that leaves the banking industry wide open to disruption.

It’s time to face the elephant in the room: What will you do when BigTech starts delivering banking services?

Disruption from BigTech is a clear and present danger to banks who stay locked into past modes of thinking in everything from customer experience to systems architecture. For financial services veterans to compete with agile, idea-led newcomers; preparation and a forward-looking strategy will be required that embodies the experience delivered by BigTech—with information rich touch points along the entire path of the customer journey.

Nuxeo recently surveyed 100 financial services institutions to determine the biggest challenges with their current information systems. In this guide, you’ll discover which modernization struggles are most common across the financial services industry as you discover how to navigate technology challenges while avoiding common, costly pitfalls.

Strategy #1: Minimize Negative Impacts From Legacy Systems



Challenge

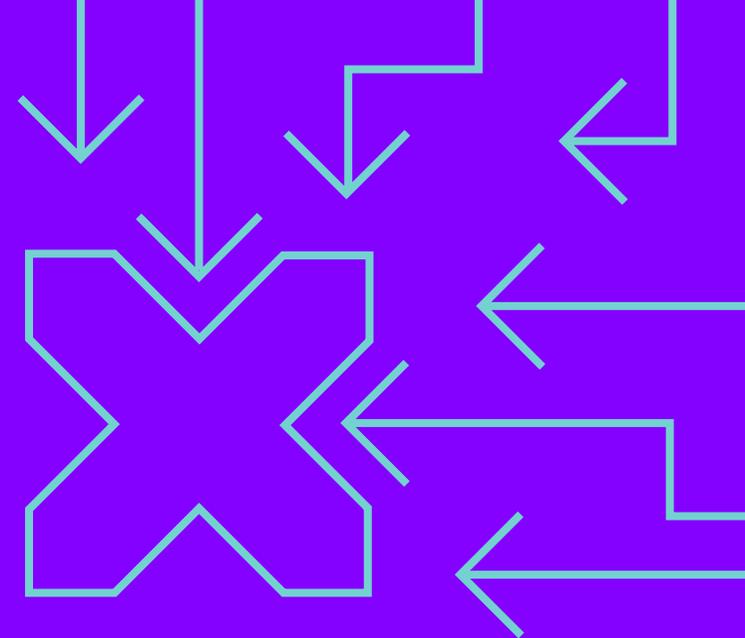
“Legacy burden”—the cost of maintaining older systems—is a reality banks have lived with for decades. Whether it’s due to point solutions, M&A activity, or simple longevity, the price of the past can be hazardous to your future.



Strategy

Choose digital, modern solutions with enough flexibility to work with the technologies of yesterday, today, and tomorrow.

Strategy #1: Minimize Negative Impacts From Legacy Systems



Banks know that legacy systems are impeding the flow of information. 75% of organization surveyed believe that getting access to information locked in legacy systems is vital, but most are unable to do so cost-effectively.

Cost of ownership is only the tip of the legacy burden iceberg.

The biggest cost of older systems comes in the form of negative impacts to customer experience:

- Slow credit approvals
- Uneven experiences across multiple channels
- Delayed dispute resolution
- Limited customer-centered product creation
- Incorrect/missing updates to customer information

Compliance requirements and high migration costs mean that legacy systems are unlikely to be completely replaced any time soon. That's why it's vital to **choose an information management solution that offers a flexible, adaptable framework**, giving you a common window into both legacy systems and leading-edge technologies alike. This enables organizations to maximize the value of current IT investments and minimize business disruptions, while strategically modernizing for the future.

Strategy #2: Get Full Visibility Across Content Silos



Challenge

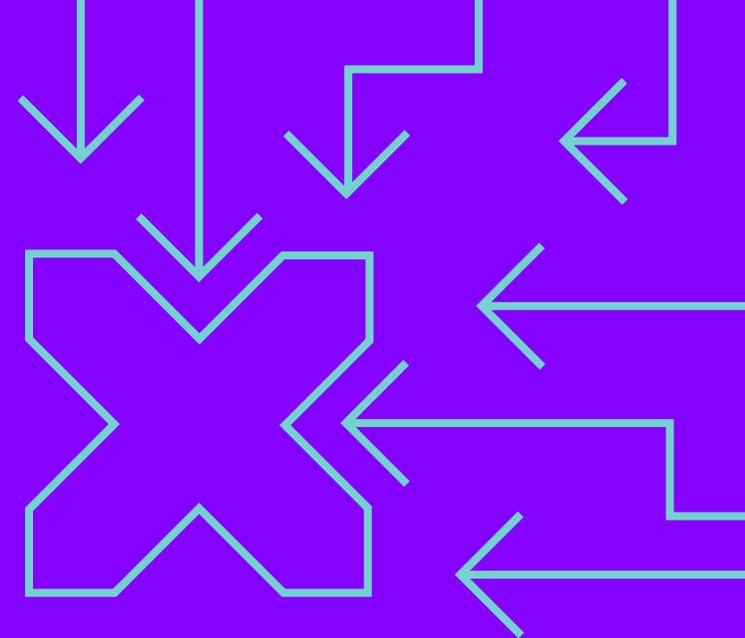
Finding information is challenging and time-consuming when it is fragmented across multiple business units, systems of record, and navigation trees. But the traditional rip-and-replace solution to this challenge is expensive, risky and can require major changes to existing workflows and user interface—in short it rarely produces the desired results.



Strategy

Manage information with a solution that allows you to connect to it regardless of where it resides giving you visibility into your entire information structure without disrupting the way your teams get work done.

Strategy #2: Get Full Visibility Across Content Silos



Different teams create and use information in different ways. This simple fact leads to extreme results in the banking industry: our survey of financial institutions indicates that **the #1 business challenge identified today is the inability to quickly search for and find information**, followed by information existing in too many systems across the organization.

Without visibility into siloed systems, it's impossible to build a unified customer view—the kind of view that can enable BigTech companies to create best-in-breed buying experiences that delight and engage consumers.

Some software vendors attempted to solve the silo problem by collecting all information in a single central repository—the equivalent of taking a wrecking ball to information silos.

These rip-and-replace projects historically had high implementation costs. Making matters worse, adoption rates

are low when information management systems require teams to change the way they generate and store information. Team members start doing end-runs around the new system so they can keep working the way they're used to, and “shadow silos” emerge wherever there is resistance to change. The result? Promised gains from the central repository never materialize.

Fortunately, information management is no longer limited by the central repository model. Information platforms that allow you to connect information from decentralized information systems, enable your teams to keep using the workflows and processes that work for them—while keeping their information visible to anyone else with valid permissions. Instead of destroying the silos, next-generation information management focuses on making them transparent and accessible to everyone in your organization.

Strategy #3: Think Small



Challenge

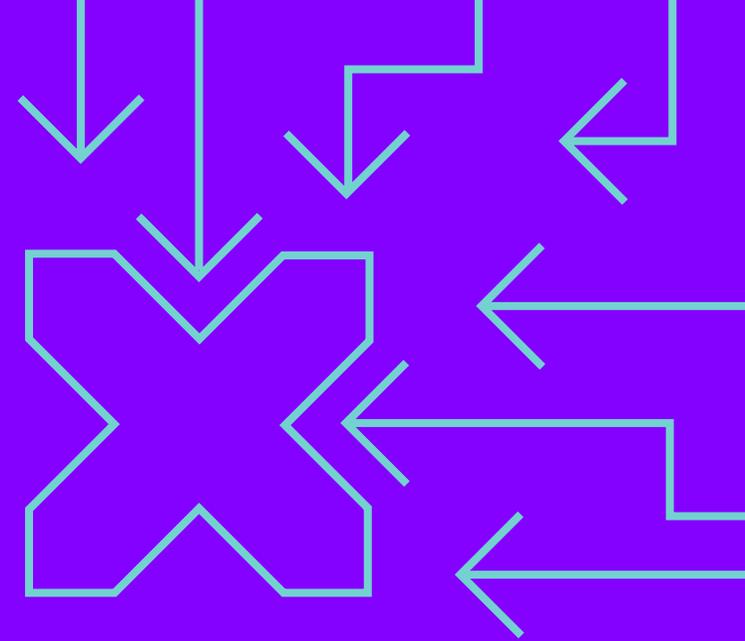
In a customer-centric digital age, banks find themselves subjected to rapidly-rising consumer demand for faster, easier interactions—while using slow-to-change, clunky monolithic platform systems that can't keep up.



Strategy

Get competitive with digital-first models that leave single-vendor solutions behind in favor of adaptable component architectures to deliver services individually.

Strategy #3: Think Small



BigTech players haven't yet made many big waves in the banking market, but the pressure is already on for banks to match the customer experience standards of new industries.

Why? Because these newer brands and industries put customer experience first, and it shows. Today's customer doesn't limit their comparison of the banking buying experience to other purchases of financial services products. Ecommerce vendors like Amazon, on-demand services like Uber, and price aggregator sites like Priceline have led to new expectations for convenience, speed, and transparency that transcend industry boundaries.

For banks, part of the problem of "keeping up with the Bezos" is structural: larger, older technology platforms are slow to change in response to changing market demands. One of the biggest business challenges identified by our survey participants: it takes too long for IT to respond to system modifications requested by the business.

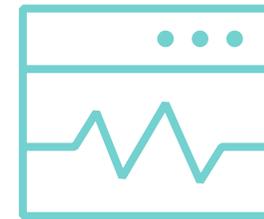
Becoming more agile and responsive is the only way to compete with companies that rapidly test and iterate improvements to customer experience. It's a goal that can be achieved by thinking about services differently: using a core platform to connect a range of small solutions for individual services instead of a heavyweight, sluggish, single application.

Strategy #4: Tame Information Chaos for a Competitive Edge



Challenge

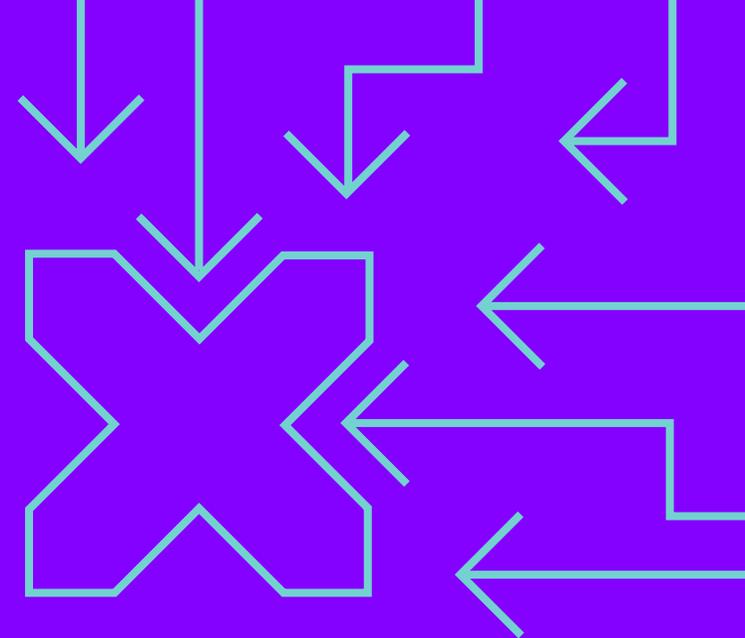
Analytics are key to unlocking the business value of data—but because banks have information in many systems that rarely communicate, they face long wait times for business intelligence requests, which quickly become too costly to allow for comprehensive analytics.



Strategy

Use an information platform that does double duty, allowing you to go beyond managing information with fully-tracked data ready to be visualized and analyzed to provide maximum insight with minimum hassle.

Strategy #4: Tame Information Chaos for a Competitive Edge



Today, banks have begun the process of incrementally shifting to a more cloud-based, micro-services oriented model for doing more with data. But clunky, on-premises legacy information systems and solutions were never designed to be delivered in this flexible, adaptable way.

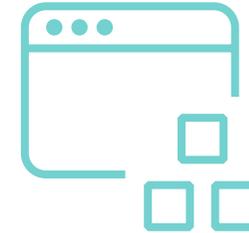
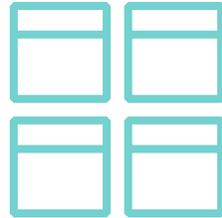
As a result, business information today is in chaos: In our survey², 79% of organizations reported that they have an inability to connect information from different systems.

Information chaos keeps your teams in the dark about what's being done elsewhere, leading to wasted effort and lost revenue. Assets exist in multiple versions in different repositories. Pieces of information that help to contextualize other data isn't stored anywhere that it can be used for that purpose. Other data ends up in "information graveyards" where it is unlikely to be accessed or altered ever again.

It's a common challenge—so common, in fact, that overcoming it could be crucial to beating out the competition. With nearly 4 out of 5 companies indicating that their data can't be connected, there's incredible value in being an early adopter of strategies for structuring and contextualizing data organization-wide.

To go the distance, banks must demand an architecture that works quickly and efficiently to sift insights from the information chaos. Imagine using data gathered during the credit analysis or mortgage lending processes to feed marketing analytics, to better target customers who have experienced major life changes with pinpoint efficiency. Create streamlined processes for moving data that lower unit costs for deposits and lending, and new products can become possible—and profitable.

Strategy #5: Prioritize Scalability for Future Growth



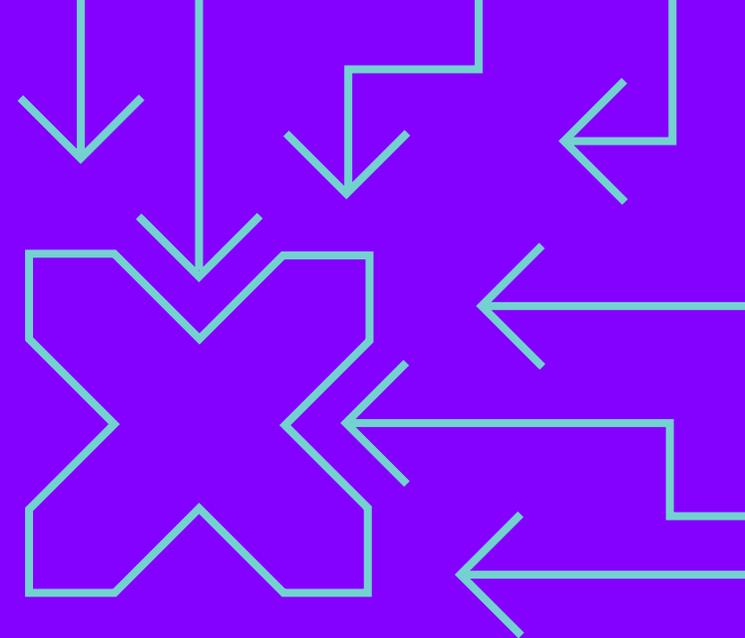
Challenge

Information — aka content and data — are related in increasingly complex ways, combining to create exponentially more information — and many systems can't scale to accommodate the rate of growth.

Strategy

When you use scalability as a primary vendor selection criterion, your information platform can become your secret weapon when competitors hit the limits of their ability to perform.

Strategy #5: Prioritize Scalability for Future Growth



An explosion in technologies for recording and analyzing information has resulted in exponentially higher volumes of content and data being created. The interrelation between knowledge types means that data and content can proliferate as they connect with one another in several ways:

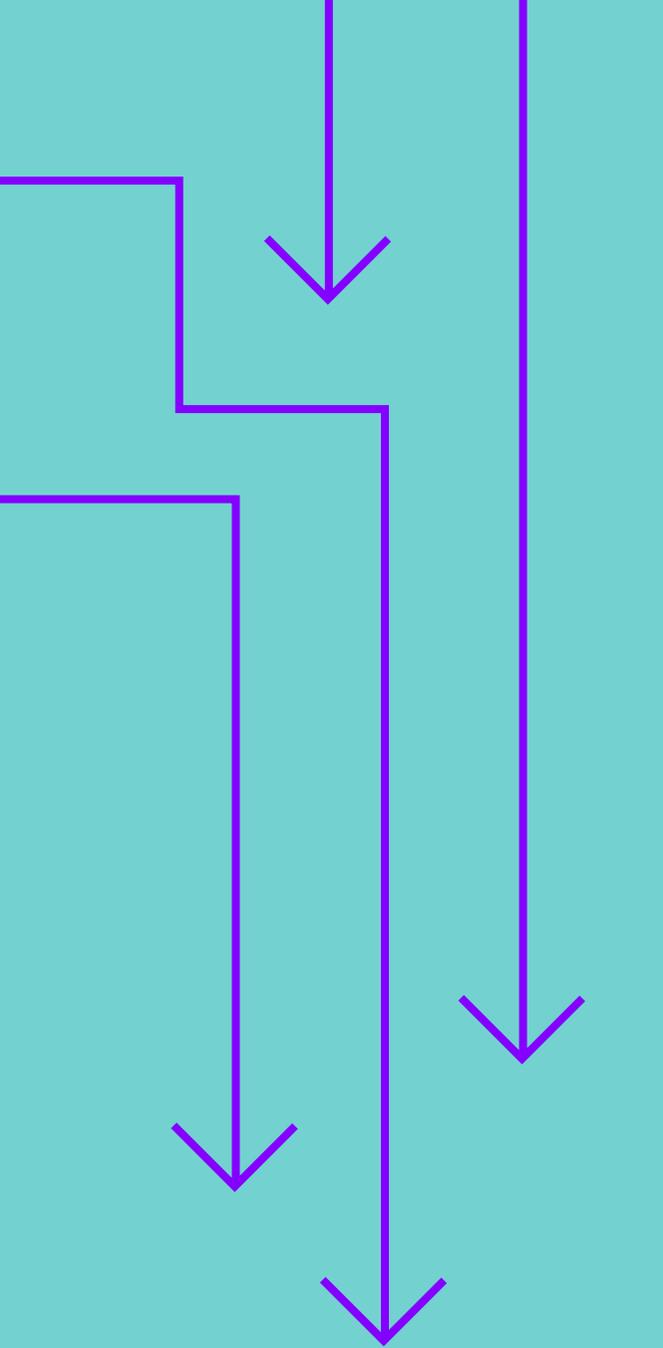
- Data generates content: Customer address (data) results in a map image (content)
- Content generates data: License plate scan (content) identifies a vehicle owner (data)
- Data generates more data: Customer name (data) generates a FICO score (data)
- Content generates more content: Signed contract (content) generates personalized documentation request (content)

These interactions expand your data stores at an accelerating pace—imagine a snowball of information rolling downhill, picking up speed and more snow until it becomes a full-scale avalanche.

The companies who engage actively and creatively with the content avalanche, rather than being overwhelmed by it, will become the competitors who emerge triumphant in the information arms race. Generating knowledge effectively in the digital age means welcoming rapid content expansion with open arms.

No one knows what kind of information will become critical to future banking success: will non-standard underwriting data be used to determine credit worthiness? Will social media and GPS coordinates lead to real-time lending? Will the expanded use of third party data dynamically change business models? Will information viewed as unimportant today become crucial tomorrow?

Whatever data becomes the Next Big Thing, it's unlikely to come with small file sizes. That's why it's critical for your content platform of choice to scale to support ever-larger stores of content, data, and the multiple types of information created when they combine.



Nuxeo Helps Banks Compete with BigTech

Nuxeo is the most modern content services platform on the market. Because we are a platform and not a monolithic system, banks can deliver or modify functionality within smaller units of work. This gives bank's a level of digital agility and speed of delivery not possible with today's legacy information systems.

Nuxeo also provides banks with a modern, uncomplicated two-step approach to application modernization. First, Nuxeo connects information across the enterprise, regardless of where it resides. This allows banks to expose the value of information hidden across the organization in disparate repositories.

This reduces risk, allows existing infrastructure to remain in place, and speeds the delivery of information-centric business applications while delivering a positive ROI.

Once information is connected, banks can begin to consolidate and sunset redundant systems that deliver limited business value, doing so at their own pace. By sunsetting redundant legacy systems, banks can experience a significantly reduced TCO.

Learn how Nuxeo is helping banks digitally transform their business, visit nuxeo.com/modernize.

**Shape the Future of Financial Services.
Modernize Your Information Systems with Nuxeo**