

EBOOK

Financial Services

The smarter way to workflow



A STATE OF TRANSITION

Leading financial institutions—from banks to insurance companies to wealth management firms—are embracing (and investing in) widespread change. The ultimate goal: shed operational rigidity and siloes to create a more nimble, intuitive, connected, and efficient organization. But getting everyone (and everything) to work better together is easier said than done.

97%

of all financial institutions are in the middle of a digital transformation.

(Source: BDO, "[2019 Middle Market Digital Transformation Survey](#)")



Read more on how ServiceNow helps future-proof financial services in an era of rapid transformation.

VIEW OUR BRIEF

Much of the industry's digital transformation to date has focused on innovation through front-office engagement channels. While this is an important step in delivering consumer-grade experiences, it alone isn't enough. Most of that experience (roughly 80%) lies in the middle and back office where servicing processes are still often disconnected.

Disjointed workflow technologies, fragmented legacy infrastructure, and manual processes impede the transformation toward coherent customer journeys. By connecting business operations front to back, financial institutions can accelerate transformation initiatives and deliver consistent, secure experiences.



CIOs and CTOs expect the forces driving digital fragmentation to intensify, requiring them to further reconsider their global business processes and talent strategies. The fallout from a more fragmented operating environment will force them to make fundamental structural changes in key operational areas including global IT architectures and cybersecurity strategy and capabilities.

(Source: Accenture, "[Digital fragmentation](#)")

THE CHALLENGE

For financial institutions' digital transformations to demonstrate value, it's critical their efforts address the major struggles facing organizations.

- ▷ Improving customer experiences
- ▷ Managing risk and compliance complexities
- ▷ Battling for talent



THE CHALLENGE

► Improving customer experiences

Managing risk and compliance complexities

Battling for talent

Improving customer experiences

Today's customer has high expectations for their financial institutions. They demand greater flexibility in how, when, and where they communicate with financial institutions. They expect to execute complex transactions remotely. They want quick answers to their questions. And they expect products and services to be more personalized to their specific needs.

[According to an Accenture survey](#), more than 75% of customers are willing to share data required for benefits, such as personalized offers, more efficient and intuitive services, and more competitive pricing.



Give your customers what they deserve: Excel at customer service. That's where ServiceNow comes in.

LEARN HOW



THE CHALLENGE

Improving customer experiences

► Managing risk and compliance complexities

Battling for talent

Managing risk and compliance complexities

Cloud technology is breaking down data siloes to give employees, agents, brokers, and vendors better access to the information they need to better serve customers. Yet, as data visibility improves and information becomes more accessible to different parties, it gives rise to new vulnerabilities to manage.

While most financial institutions' chief risk officers feel traditional financial risks are managed very effectively, only 56% feel the same about nonfinancial risks, according to [Deloitte's 2019 Global Risk Management Survey](#). And nonfinancial risks—from cybersecurity to third-party vendors to IT failures—are escalating as new systems and technologies become ingrained in operations.

Compliance costs are also rising. According to [a LexisNexis report](#), financial crime compliance costs rose 7% annually, negatively affecting productivity and new customer acquisition. Institutions must prepare for the risks and opportunities of the digital economy.



51% of financial institutions experienced a data breach in the last two years, according to the Ponemon Institute.

READ THE REPORT



THE CHALLENGE

Improving customer experiences

Managing risk and compliance complexities

► Battling for talent

Battling for talent

As operations become more digitally sophisticated, financial services institutions face increasingly fierce competition to find and keep talent with the right analytical and technological skills to lead them into the future.

At the same time, they must empower their current workforce to successfully adapt to the rapidly changing environment. Do employees have access to technology and tools that help them do their job more effectively, or do they feel weighed down and frustrated by disconnected processes and complex systems?

As financial institutions battle for the same talent as other industries, like tech, they're taking a closer look at how they can create a work environment that gives them a competitive edge.

76%

of CEOs of financial services companies believe that the skills shortage is a threat to their growth prospects. They are most concerned about the impact on innovation, rising people costs, and customer experience/quality standards.

(Source: PwC, "[Financial services talent trends 2019](#)")

THE OPPORTUNITY

Leading financial institutions are embracing (and investing in) widespread change. They're replacing operational rigidity and siloes with a more nimble, intuitive, connected, and efficient organization. They are leveraging advanced technologies, like cloud, IoT, and AI, with goals to:

- Strengthen compliance
- Transform the customer experience
- Empower employees
- Reduce operational costs



THE OPPORTUNITY

► **Strengthen compliance**

Transform the customer experience

Empower employees

Reduce operational costs

Strengthen compliance

Service continuity is critical to both customers and regulators. But visibility into emerging risks and vulnerabilities is often murky. Technology can help financial institutions gain real-time insights and act on them quickly.

For instance, cloud platforms bring together disjointed risk data. At the same time, predictive analytics can help institutions scan, identify, and resolve potential issues before customers or regulators even notice.

And, tedious, manual compliance processes can be automated to continuously monitor and trace activities, helping avoid massive regulatory fines.



THE OPPORTUNITY

Strengthen compliance

▶ **Transform the customer experience**

Empower employees

Reduce operational costs

Transform the customer experience

To keep and win new customers, institutions must continuously improve—providing more options, faster service, new products/services, and enhanced security. Advanced technologies are key to enabling their vision for the future. AI is not just re-writing the rules of customer engagement, it's also creating entirely new rules.

Consider the [growth of robo-advisors](#): the market has quadrupled over the last two years, reaching \$980.5 billion in assets under management in 2019.

At the same time, predictive analytics is taking customer relationships in new directions, creating hyper-personalized products and services to meet their changing needs. And automation is helping organizations move faster to respond to customers and resolve problems—from settling insurance claims to flagging account errors. Institutions have only just cracked the surface of what's possible.



Create differentiated customer experiences by prioritizing customer service—from issue to resolution.

DOWNLOAD EBOOK



THE OPPORTUNITY

Strengthen compliance

Transform the customer experience

▶ **Empower employees**

Reduce operational costs

Empower employees

Tools, technologies, and systems have a significant impact on how employees feel about their job. Automation can help provide lift in areas where employees feel overwhelmed or slowed by tedious tasks.

It can also help accelerate HR processes—such as onboarding new employees more quickly, or giving existing employees self-service portals where they can get immediate answers to questions.

Cloud platforms can help improve collaboration, making it easier for employees across different functional areas or business units to work together more seamlessly. The right IT infrastructure can make all the difference in impacting employees' ability to give their best.



THE OPPORTUNITY

Strengthen compliance

Transform the customer experience

Empower employees

► Reduce operational costs

Reduce operational costs

A major impetus behind the industry's digital transformation is to improve operational efficiencies and work productivity. AI can help financial institutions reduce errors and quickly detect insights that can be buried in layers of complexity across an organization. Employee frustrations are reduced as well—automating tedious tasks allows employees to shift their attention to higher-value and more strategic work. Employees can work smarter, faster, and deliver more value to the organization when supported with the right technologies.

Creating an environment in which employees feel enabled to succeed will set financial institutions apart as they struggle to retain and attract key talent—especially in highly competitive areas, like data analytics and IT.



Using AI in insurance claims management will lead to cost savings of almost \$1.3 billion by 2023 across motor, life, property, and health insurance (up from \$300 million in 2019). Operational costs savings from using chatbots in banking will reach \$7.3 billion globally by 2023 or 862 million hours.

(Source: Juniper Research, "[AI in Fintech: Roboadvisors, lending, Insurtech & Regtech 2019-2023](#)")

TAKING ACTION

With major investments going toward digital transformation, financial institutions are under pressure to demonstrate value. Too often, the approach is piecemeal and lacks a strong connection to major organizational imperatives. Consider where you need to go, and what's holding you back from getting there. While there are no universal solutions, here are a few areas where investments can have a big impact:

- Upgrade the core IT infrastructure
- Use AI to open new customer pathways
- Reduce compliance costs

25%

of investors are confident that digital transformation strategies will be effective, and less than 1% believe the plans are clear/credible.

(Source: Oliver Wyman, "[State of the Financial Services Industry report](#)")



TAKING ACTION

► Upgrade the core IT infrastructure

Use AI to open new customer pathways

Reduce compliance costs

Upgrade the core IT infrastructure

IT investments often go toward upgrading systems and integrating new tools, while the biggest problem festers: systems across the organization don't talk to one another. This slows down everything, creating problems with sharing information, reporting, and resolving customer issues.

Consider a complex issue like operational resilience. Responsibilities are spread across many different business functions—each with its own processes, workflows, and data management methods. It can be difficult to have a real-time view of the biggest priorities and vulnerabilities when information passes through so many different hands.

What if you could bring those disjointed sources together on a single platform—not replacing any existing system, but rather serving as the underlying infrastructure? Cloud platforms can connect the dots (and actions) between risk, finance, security, IT, and facilities, so everyone is operating from the same playbook at the same time—providing better insights for executive-level decision-making.



Learn how ServiceNow helps the financial services industry strengthen its foundation for improved operational resilience.

LEARN MORE



TAKING ACTION

Upgrade the core IT infrastructure

► Use AI to open new customer pathways

Reduce compliance costs

Use AI to open a new pathway with customers

Customers want to feel like their financial institutions are watching out for them. AI gives the industry the ability to deliver more relevant and highly personalized products and services to customers in their moment of need.

For instance, insurance carriers could use AI to create customized coverage for a specific item or event. Banks can use chatbots to respond more quickly to incoming customer calls and route them to the appropriate parties to provide answers.

58%

of independent advisory firms plan to invest in new technology this year. Top reasons include wanting to serve more clients (38%), reducing manual work (20%), and letting employees focus on high-value work (17%).

(Source: Schwab Advisory Services, "[How advances in fintech are helping financial advisors](#)")



TAKING ACTION

Upgrade the core IT infrastructure

Use AI to open new customer pathways

▸ Reduce compliance costs

Reduce compliance costs

With financial services institutions [paying out \\$36 billion in global fines and penalties in 2019](#), compliance weighs heavily on the minds of executives. Compliance resources are often limited and over-worked. Financial institutions must operate controls across multiple regulatory authorities and frameworks.

Although there are common, repeated controls, most organizations still treat each regulation or framework independently, performing multiple audits, redundant tests, and repetitive evidence-gathering activities. Automation can help financial institutions use resources more efficiently—reducing the time spent on highly administrative, repetitive, and complex processes, like evidence collection. Look for opportunities where you can eliminate administrative overhead, reduce your risk, or ideally both.



Learn eight simple steps for automating your GRC processes in a way that maximizes value and minimizes compliance costs.

READ THE WHITE PAPER

WHAT DOES SUCCESS LOOK LIKE?

Case studies

- › [Royal Bank of Scotland](#)
- › [Swiss Re](#)
- › [Nomura Americas](#)

SUCCESS STORIES

“We needed the flexibility and speed to deliver incremental changes with contained risk and improve the way we deliver technology services to our businesses, enabling them to deliver the best service to our customers.”

—Pete Coleman, Head of Service Delivery, Royal Bank of Scotland

Royal Bank of Scotland (RBS)

Company: Royal Bank of Scotland (RBS) is a global financial services firm with more than 20 million customers around the world.

The Challenge: RBS wanted to transform the customer experience. The first step in that journey was to reduce the complexity of its IT service management, which had become increasingly difficult to manage following rapid growth through acquisitions. The bank’s 14,000 users had 13 different IT service management (ITSM) tools and multiple configuration management databases (CMDBs). They needed to simplify and reduce the administrative time spent on change management: employees spent an average of seven hours using five or more different tools to raise a change.

The Solution: ServiceNow helped RBS simplify its IT service management, unifying IT planning, delivery, and operations. Within 10 months, ServiceNow integrated with 15 data sources to deliver a new solution to all 14,000 users. More than 50% of the controls associated with critical IT processes were automated.

The Result: ServiceNow reduced the complexity, decommissioning 10 legacy systems. The average time to raise a change and incident improved dramatically (76% and 60%, respectively). And automation saves the equivalent of 46,000 employee hours. More than 75% of users said that ServiceNow improved their workday.

[READ MORE](#)

SUCCESS STORIES

“ContactOne is not just a portal for us, it is a big enabler. It makes it super easy for employees to ask for the services they need. They don’t have to worry about the complexity—they can focus on their work and provide value to their clients. By combining everything into one service center, we can offer our employees a truly one-stop shopping experience.”

—Ashish Agarwal, Director,
Head of IT Application
Management, Swiss Re

Swiss Re

Company: Swiss Re is a global reinsurance company based in Zurich.

The Challenge: Retaining employees is a top priority for Swiss Re. They wanted to create a better working environment for employees; one way was to make it easier for them to access information. The existing system required employees to use seven different service centers to resolve business issues, negatively impacting productivity and employee NPS scores.

The Solution: With ServiceNow, Swiss Re consolidated the seven service centers into a single, centralized destination, called ContactOne. ContactOne covers 90% of its business services across the enterprise—encompassing human resources, legal and compliance, information technology, communications, global business solutions, corporate real estate, finance operations, customer experience, and digital delivery departments.

The Result: ContactOne helped the Group Operations team achieve its annual productivity aspiration of 3%. A team of just 45 service agents supports 14,500+ employees, with 66% of the 660,000+ service inquiries received each year resolved through self-service. These service agents now use some of their newly acquired capacity to create knowledge base articles to further enhance the efficacy of ContactOne. NPS for the ContactOne services jumped by 30 points in the first 18 months following its introduction.

[READ MORE](#)

SUCCESS STORIES

“We see enormous potential for compliance process automation. By automating well-designed, repeatable compliance processes, we’re giving our business the tools it needs to enhance controls and respond more efficiently to regulatory requirements.”

—Helena Odendaal Uys, Vice President, Head of IT Compliance Programs at Nomura Americas

Nomura Americas

Company: Nomura Americas is part of Nomura, a global financial services organization based in Asia. It provides retail, wholesale, and asset management services to individuals, institutions, corporations, and governments.

The Challenge: The stringent regulatory environment continues to tighten, making an overriding focus on compliance more crucial than ever. Previously, Nomura Americas only had to track material exceptions for one of its regulators, which it managed manually. But regulations changed, requiring them to track every exception and provide evidence that issues were remediated. The groups responsible for tracking exceptions span the organization, including swap trading, operations, settlements, operational control, risk management, finance, IT, and business continuity. Nomura Americas needed a scalable solution to effectively maintain compliance.

The Solution: Instead of building a custom compliance application, Nomura Americas turned to ServiceNow to help automate the compliance exception management process. ServiceNow, which already served as its IT service management platform, helped Nomura Americas more efficiently manage compliance exceptions and remediation plans while providing a complete historical record for regulators.

The Result: Using ServiceNow, each compliance exception is prioritized, tied back to the corresponding regulation, and assigned to the right owner. Owners can create complete remediation plans within the application, assigning and tracking individual actions. Once remediation is complete, owners can create and execute a test plan if needed, confirming that remediation has been performed successfully. Throughout the process, the application notifies key stakeholders and obtains appropriate approvals. It also maintains a complete historical record of exceptions and remediation activities, providing comprehensive reliable evidence for regulators. Nomura Americas is now extending its use of ServiceNow to other regional risk assessment and reporting applications.

[READ MORE](#)



GET STARTED

About ServiceNow

Globally, financial institutions of varying sizes and types rely on ServiceNow to support their digital transformation. With one platform, we partner with financial institutions to future-proof their business in an era of rapid transformation and new market dynamics.

► **For more on ServiceNow's financial services solutions, visit:**

<https://www.servicenow.com/solutions/industry/financial-services.html>

Additional Resources

Industry brief: [Future-proofing financial services in an era of rapid transformation and changing market dynamics](#)

Solution overviews: [Financial services](#)

White paper: [The financial services world of the future](#)

ebook: [5 steps to digitally transform the client experience](#)

ebook: [Customer service for financial services – Create differentiated customer experiences](#)

White paper: [Connecting IoT data to digital workflows enables true predictive maintenance](#)

Checklist: [Implementing agile security responses](#)