IBM

Highlights

- Aggregate and assimilate all types of content from across the entire organization

- Build a holistic, real-time view of each case to help reduce risk and support timely, accurate decision making in customer business interactions

- Streamline, consolidate and optimize operations through better information handling and decision making

- Use the power of business intelligence, predictive and content analytics, enterprise content management and data quality capabilities to support and automate fraud identification and investigation

Advanced case management solutions for smarter decision making in banking

Change is one of the only constants in today's financial services industry. As the industry continues its relentless journey toward executing the majority of its business transactions digitally, the volume and type of information that banks capture is growing at a breakneck pace—beyond the ability of customer-facing knowledge workers to access and assimilate. Moreover, workers have little chance of being able to access and use the wealth of information trapped in unstructured content spread over documents, email, voicemail and social media. Better and more timely decisions demand not only access to the most complete and accurate view of the customer, but tools to analyze the deluge of information and produce actionable intelligence to guide sales, marketing and case decision making in real time.

The need for better decision making is evident in the aftermath of getting it wrong—and the intense public scrutiny resulting from poor decisions. Missteps in granting credit can be costly in terms of both lost revenue and damaged reputations. In addition, today's rapidly evolving regulatory environment continues to put pressure on financial institutions to govern their information and customer-facing business processes more intelligently.

At the same time, customer expectations have never been higher. Customers will not hesitate to exercise their option to switch to another bank if they are dissatisfied with service levels or do not feel valued. Making accurate decisions about complex customer-related questions, such as whether an important commercial loan customer is a good credit risk, is critical for maintaining a good relationship and promoting organic growth. Accordingly, being able to make decisions quickly and accurately will often be the determining factor in winning or retaining a customer's business.

These new challenges have resulted in banks rethinking how they capture, leverage and manage information—especially in complex decision-making scenarios such as case management, large-ticket lending and fraud investigations. Most if not all of these challenges center on being able to provide a comprehensive, real-time, accurate view of a customer's information. Superior customer insight and the intelligent decision making that it drives help improve business outcomes and enhance overall sales performance and customer satisfaction. Better information handling and decision making can also enable businesses to streamline, consolidate and optimize their operations. Ultimately, through analytics and intelligent decision management, financial institutions can reduce costs and take a smarter approach to managing risk.

Case management defined

Most banks are familiar with the idea of "case management," having implemented such systems in their line-of-business (LOB) processes. Any question, complaint or issue triggers the bank to open a case file (which always involves a customer, either directly or indirectly).

Traditional case management centers on managing customer-related issues (such as customer fee disputes or service complaints) that fall outside the scope of normal business activities and CRM or help-desk support. *Advanced case management*, however, takes the idea further and involves more complex decision making and a wider spectrum of business operations—from fraud investigation to granting credit for wealthy clients to handling a wide array of support requests. These require the support of highly intelligent solutions that bring together and leverage a holistic view of a customer's entire history with the bank. Similarly, advanced case management solutions include advanced tools and capabilities that exceed traditional case management functionality.

These are not idle distinctions. A bank's approach to case management plays a key role in sharpening—or blunting—its competitive edge. Inefficient case management can result in revenue exposure, damage to the bank's reputation, regulatory noncompliance, legal liability, reduced growth, low customer retention and a poor-quality customer experience. In contrast, effective case management enables financial institutions to consolidate, capture and analyze all relevant customer information across the enterprise so they can make timely, accurate decisions while improving internal collaboration, reducing risk and controlling operational costs. When banks can communicate effectively with customers in real time, customer satisfaction increases.

Effective case management helps banks comply with corporate and regulatory policies, which in turn enables them to mitigate financial risk and protect their institution's reputation. Analytics can reveal the flaws in existing business processes and determine which steps should be changed to reduce future case volumes. Advanced case management practices must provide customer-facing personnel at the help desk or contact center with real-time access to all case histories, as well as proactive coaching on ways to resolve a case while the customer is engaged. In addition, effective case management can promote optimum caseworker productivity, reduce errors and improve resolution cycle times.

IBM® Case Manager software is designed to address these key challenges to help financial institutions make smarter decisions. With tools for comprehensive content management, business process management, integrated collaboration, rules and advanced analytics, IBM Case Manager offers a holistic view of each case so banks can reduce risk and make timely, accurate decisions in customer business interactions.

Use information to improve business-critical decision making

Banks are facing complex decision-making challenges in at least five key areas of business interactions:

1. **Case systems consolidation:** Banks that have multiple legacy case management systems operating across the enterprise must consolidate and quickly assimilate information—in real time—from many sources and gain a single view of a customer's case history.
2. **Wealth management:** Advisors need timely, relevant information so they can provide top-quality proactive advice and match products to high-value clients, all based on the most accurate and complete understanding of the customer.
3. **Commercial lending:** Banks' loan-granting decisions for high-dollar-value loans are predominantly ad hoc in nature. Commercial lending requires substantial due diligence and internal collaboration such as interaction between loan offices and loan committees.
4. **Fraud and illegal transactions:** Combating fraud and criminal activities globally demands the highest levels of surveillance and intelligent lead investigation. New regulations are driving the need for more extensive investigations.
5. **Wholesale banking:** Because large corporate customers interact with their bankers through teams of relationship managers, making decisions about wholesale accounts is complex and requires a significant level of collaboration. Wholesale banking is managed by highly skilled and highly compensated knowledge workers who need the most complete and accurate view of the customer's information, together with the analytical tools to extract and assimilate information to drive smarter decisions.

IBM Case Manager helps banks address complex challenges in each of these areas.

Case systems consolidation

In most organizations, case management implementations evolve over time, without any overarching architectural plan guiding the deployments. As a result, financial institutions (many of which have undergone several mergers) may struggle with several legacy acquisitions and separate LOB case management systems. This may result in redundant information silos, errors, omissions and regulatory violations.

To provide the streamlined, cohesive experience that customers expect—as well as offer relevant cross-sell opportunities and provide highly responsive advisor services—banks need a single, complete view of each customer's case history. With a unified case management solution that aggregates information from across all LOBs, help-desk personnel can better leverage accurate and complete customer case files, provide more responsive advisor services and help reduce customer attrition. Access to a complete view of the customer's case history with all LOBs can provide the incremental insight necessary to make an informed decision on whether a marginal credit application should be approved or declined, for example.

Advanced case management in action

A large retail bank in Sweden manages more than 250 different case types, so real-time insight into customer case files is critical to deliver top-notch customer care. However, a mix of outdated and custom case management applications limited the organization's growth and efficiency. The bank sought a solution that would provide easy-to-use case management capabilities for 200 back-office employees, as well as 5,000 more casual users in branches and various bank business units.

Using the IBM Case Manager solution, bank employees can manage cases through their entire life cycles. The software provides business dashboards to monitor service-level agreements (SLAs) as well as historical and real-time analytics to help manage case processing loads effectively.

With IBM Case Manager, the bank expects to reduce the costs of supporting its case management functions, enhance case transparency and improve customer satisfaction by minimizing the number of customer callbacks. Over time, the bank plans to expand its case-processing capabilities to its customers.

Wealth management

All financial institutions' growth and profitability strategies include organic growth (selling more products to existing clients) along with identifying and retaining the most profitable clients. Wealthy clients offer greater revenue potential to an institution and therefore demand the highest levels of customer service and attention. To provide the type of personalized, informed service that high-net-worth clients expect, bank relationship managers must have access to the most accurate and complete customer information, including case files, together with the latest analytical tool to render the information actionable.

Advanced case management strategies support wealth management by automating creation of a single view of each customer, including case history. By assimilating, analyzing and rendering actionable customer data while the customer is engaged, banks can capitalize more effectively on cross-selling opportunities and increase the average number of products per client. Combining case information from across LOBs with content analytics enables banks to provide high-quality advisory services and portfolio management advice. In addition, giving relationship managers a holistic view of high-value clients can help boost productivity and enhance customer satisfaction.

Commercial lending

In commercial lending, the bank that approves a loan first generally wins the business. The customer experience is largely influenced by the speed at which lending decisions are made. In addition, lending executives are evaluated and compensated based on the ratio of dollar volume to loan default. Therefore, approving loans quickly for customers with low default rates is good business for the lender and can be a significant competitive advantage.

However, as credit standards tighten, banks are required to perform more significant due diligence involving large volumes of unstructured content, including case history. As a result, approval cycles require more time to process than is acceptable. Additionally, improving the efficiency of the largely ad hoc nature of commercial lending demands the introduction of standards and business rules as well as powerful predictive and content analytics.

An advanced case management approach can augment the commercial lending processes already in place by providing federated access to all case information (see Figure 1). In combination with business intelligence (BI) and analytics tools, enhanced information access helps streamline the credit-granting process and reduce loan cycle times while enhancing credit risk management. Faster lending decisions can help improve customer satisfaction, enabling the bank to build strong long-term customer relationships and increase the average number of products per customer over time.
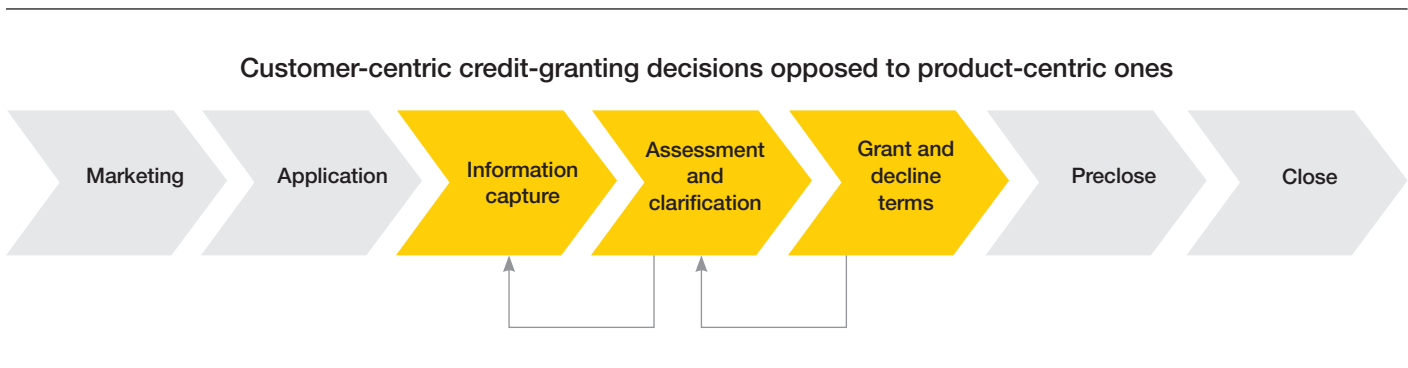
Customer-centric credit-granting decisions opposed to product-centric ones

Figure 1: Advanced case management capabilities augment existing lending processes by giving loan committees a holistic view of a customer's entire case history before a loan is approved. Note that the front-end marketing and application process and the back-end closing and processing could be left in place; advanced case management focuses on the steps where the decision is made.

Fraud and illegal transactions

Transitioning from paper-based to digital transaction processing enabled the financial services industry to achieve significant cost efficiencies—but it also exposed banks to cyber-criminals operating anywhere in the world. Today, banks must monitor transactions 24x7 to proactively prevent the many forms of fraud and illegal transactions. Ironically, trying to stay one step ahead of criminals has resulted in increased investigation volumes—confirming that fraud and illegal activity has continued to grow and circumvent the security measures banks have already taken.

Fraud requires banks to perform a thorough investigation so they can understand both the validity and scope of the fraud activities when reporting to the authorities. Advanced case management integrates BI, analytics, enterprise content management (ECM) and data quality capabilities to support and help automate traditional fraud investigations.

By enabling access to a complete view of the customer's case history in real time, together with content and predictive analytics, advanced case management techniques help financial institutions move another step closer to interdicting fraud and illegal activity at the time it occurs. This real-time detection can deliver huge financial paybacks and reputational benefits. Real-time access to all of a customer's information, combined with the power of BI and analytic tools, helps improve monitoring of suspicious activity and enables companies to more quickly report it to authorities. An advanced case management approach also facilitates high-volume transaction monitoring and surveillance with content capture, data assimilation and real-time analysis.

Wholesale banking

Large corporate customers require teams of wholesale bankers to manage their relationship with the bank. The team oversees all aspect of the client's business dealings with the bank. Because each banker must have information about the entire customer relationship, not just his or her own interactions, financial institutions need systems that give wholesale banking team members access to a complete and accurate view of all the data and content pertaining to a single corporate client.

An advanced case management approach enhances the wholesale lending processes in the same manner that it facilitates commercial lending. Along with BI and analytics tools, improved information access helps streamline the credit-granting process, shortening loan cycle times and improving credit risk management. Faster lending decisions mean corporate customers get responses more quickly, keeping them happy and helping the bank strengthen its customer relationships—which can lead to future growth as these large customers expand own their businesses.

IBM Case Manager: Unify information, processes and people

IBM Case Manager supports an advanced case management strategy by unifying information, processes and people across a bank to provide a highly intelligent solution that is designed to create and leverage a holistic, 360-degree view of a customer's entire history.

In addition to content and process management, this strategy relies on advanced analytics, business rules, collaboration and social software to help drive more successful, optimized case outcomes. Moreover, IBM Case Manager helps capture industry best practices in frameworks and templates to allow banking teams to rapidly build and prototype solutions, empower their employees and accelerate return on investment with standards-based technology. In addition, an easy-to-use, wizard-driven "interview mode" enables business users to quickly build the solutions they need.

Analyzing patterns and trends in case histories facilitates process improvement, while analyzing customer information helps to support customer-facing personnel, reduce credit and operation risk, and support fraud interdiction—all in real time. IBM Case Manager also enables comprehensive reporting and analysis through real-time dashboards.

IBM Case Manager helps banks identify and understand issues before they become problems. Banks can resolve disputes faster and more consistently to help boost customer satisfaction; improve risk management by accessing more complete information; and reduce risk and fines by swiftly addressing new compliance regulations. In addition, the software can help reduce costs by enabling the IT department to manage and support fewer point solutions.

About IBM Enterprise Content Management

IBM Enterprise Content Management software enables financial institutions to make better decisions, faster. By gaining control of unstructured information, banks can access relevant data, streamline collaboration and influence business decisions in new ways, making content a first-class source of insight. With industry-specific IBM ECM solutions, organizations can capture, manage and share content throughout its life cycle to help ensure compliance, reduce costs and maximize productivity. The IBM ECM portfolio includes a wide array of capabilities that integrate with existing systems to help banks maximize the value of information, including document capture and imaging; social content management; advanced case management; information life cycle governance and content analytics. More than 13,000 global companies, organizations and government entities rely on IBM ECM to improve performance and remain competitive through innovation.

For more information

To learn more about advanced case management capabilities available through the IBM Case Manager solution and enterprise content management for the banking industry, please call your IBM representative or visit: ibm.com/software/advanced-case-management/case-manager

Join in the conversation by visiting the worldwide IBM ECM Community at ibm.com/community/ecm