

# Intelligent Banking

PURSUIT OF PROGRESS





### **INDUSTRY OUTLOOK**

Covid-19 has accelerated the digitisation of our banking systems. With physical branches closing and cash transactions reducing, digital transactions have become crucial to the SA economy.

Alongside this, competition is increasing. Fintech companies are now providing many services traditionally in the realm of large banks: payments, lending, deposits, asset management, and even advisory services.



The Banking 2025 vision of omni-banking, modular banking, open banking and smart banking is coming even quicker than expected.

Financial intuitions need to invest in emerging digital technology to ensure they stay at pace with the changing business environment. The use of artificial intelligence, machine learning, blockchain ledgers, are no longer optional but are central to a digital strategy.

We outline how you can get ahead of your competition.





# CHALLENGES FACING THE BANKING INDUSTRY

#### **STRENGTHS**

- Well-managed banking system with effective governance structures and management systems
- Strictly enforced regulatory framework
- Well capitalised safely above the capital adequacy ratio
- Strong, healthy competition in the sector & new entrants
- A banked population of 80%
- Lower operational costs as digitization takes hold





#### **WEAKNESSES**

- The sector is dominated by the major commercial banks
- Strict enforcement of regulations turns potential clients towards the informal microlending sector
- Loyalty and reward programs are now being used more selectively
- Large operating expenses due to staff and IT costs
- Job losses as a result of physical branch closures by the major banks

#### **THREATS**

- Slow growth of the South African economy
- Increasing cybercrime activities
- An increase in bank robberies and cash-in-transit heists
- The deterioration of sovereign credit ratings
- Legislation uncertainty





#### **OPPORTUNITIES**

- Low-income earners will be attracted by innovative inclusive banking products
- Expansion of the major banks into the growing African banking market
- The expected growth of Islamic banking locally and continentally

## **BANKING INDUSTRY TRENDS 2020**



ARTIFICIAL INTELIGENCE



CRYPTOCURRENCY



BANKING AS A SERVICE

Top Banking Industry Trends 2021



**FINTECH** 



CLOUD COMPUTING



WEARABLES

# DIGITAL TRANSFORMATION IN BANKING

Banking and financial services have been slower than other industries to adopt the latest technology into their operations. A tendency to prefer more gradual change has limited the speed of digital transformation in the sector. Digital initiatives, are often launched in response to market trends and shifting customer expectations that are too big for them to ignore, such as mobile banking.

Digital transformation in banking is poised to pick up as competition from new, smaller financial entities increase and established organisations see more digital transformation success stories. Financial organisations are trying to catch up by incorporating artificial intelligence, blockchain, and other technologies. Leveraging the potential held by AI and Big Data is vital in ensuring that the customer journey involves seamless physical and digital interaction.



## Here are the 7 biggest technology trends disrupting banking and financial services:

- 1. Artificial Intelligence
- 2. Blockchain
- 3. Big Data
- 4. Robotic Process Automation
- 5. Cloud Computingg
- 6. Voice Interfaces
- 7. Cyber Security and Resilience





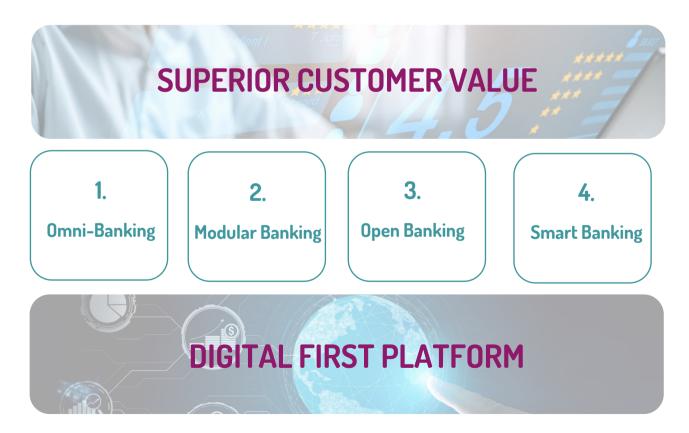
•

# BANKING OF THE FUTURE: BANKING 2025

When today's customers evaluate financial institutions, they don't compare different banks anymore, they compare experiences. Everything in their lives as consumers is better than ever, with real-time, smart digital services being delivered daily via their smartphone. Booking a flight, planning a holiday, shopping online – it's all easy, instant and seamless. Onboarding takes a few clicks and more importantly, unhappy customers can switch providers in a heartbeat.

Smart digital platforms power these superior experiences, and this digital-first model has changed the game forever. To remain competitive, banks must have the right framework in place to compete. This framework is the digital-first platform, supported by four pillars – omni-channel banking, smart banking, modular banking and open banking. Each of these four pillars is fundamental to success in the banking industry of the future.

#### **VALUE DRIVERS**



## BUSINESS TRANSFORMATION

## **VALUE DRIVERS IN BANKING 2025**





#### 1. Omni-Channel Banking

A major challenge facing banking institutions is siloed channels that are not customer or staff-friendly. A central omni-channel digital banking platform can orchestrate customer interactions across any touchpoint, delivering consistently excellent customer experience.

#### 2. Modular Banking

Modular Banking is about being agile and having the ability to create new features with minimal disruption. Modular architecture allows for innovation that is fast and in line with customer needs. The digital leaders of this world frequently introduce new features quickly and at marginal cost. They are agile enough to roll out new offerings and scale them up or down – at will. This feature is critical to banks of the future.

#### 3. Open Banking

Open banking is the system of allowing access and control of consumer banking and financial accounts through third-party applications. This allows customers to share their financial data such as their spending habits, regular payments and companies they use with authorised providers such as budgeting apps, or other banks – as long as they have given permission. The idea is that this will bring more competition and innovation to financial services which, in turn, will lead to more and better products to help customers better manage their money.





#### 4. Smart Banking

A new era of personalisation heralds the need for new skills to blend massive volumes of data from divergent systems into meaningful, actionable information. Banks will invest more in data scientists to leverage all the data they have and translate it into both customer and business value. The end goal is to leverage big data to create more efficient operations, higher profits and happier customers.

# OUR BANKING SERVICES & SOLUTIONS

#### TAKING OUR CLIENTS ON A TRANSFORMATION JOURNEY



#### **Data and Analytics**

- · Analyse and segment customer data
- Identify high risk customer behaviour
- Improve data accuracy completeness and timeliness
- Proactively forecast the probability of losses



#### **Cloud Enablement**

- On-demand self service or managed
- laaS, PaaS and SaaS models
- Public and hybrid cloud
- Multi cloud management
- Consumption based model to achieve cost and revenue alignment





#### **Modern Workplace**

- Collaboration and innovation
- · Work from anywhere, anytime
- Compliance and risk management
- Document management
- Vendor management



#### **CRM & Customer Experience**

- Unified customer view
- Insights into behaviour and preferences
- Increase cross-sell conversion rates
- Shrink sale cycles

## **OUR WORK IN BANKING**

Our Client Base of over **450** clients around the world uses Decision Inc. to power their Digital Operating Model. We work with some of the world's most admired companies to deliver Digital Transformation.

#### **SOME OF OUR BANKING CLIENTS**













# 6 BENEFITS OF DIGITAL TRANSFORMATION IN BANKING

The benefits of digital transformation in banking vary on the challenges and goals of the organisation. However, here are six of the commonest benefits across the industry.



#### 1. Improve Your Agility & Adaptability

Mergers and acquisitions are common in today's banking environment. Modern cloud-based ERP systems make it easier for banks to merge or consolidate business units since they remove the need for customised on-premise systems. Since modern cloud-based ERP systems are more user friendly, they are also easier to adopt.

#### 2. Consolidate Your Data, Applications & Processes

Consolidating legacy systems yields several benefits: a bank's overall technology stack is reduced in size and complexity, making it easier and more cost-effective to maintain; data is standardised across the organisation globally; data accuracy is improved and the need for time-consuming ETL processes is removed. After transitioning to a cloud-based HCM and Payroll system, one bank client was able to either eliminate or consolidate at least five different applications, improving operational efficiency.





#### 3. Transform Your Reporting & Analytics Capabilities

Not only is data consolidated, but it is made available in real-time, greatly changing how you approach reporting. Banks can monitor and react quickly to changing trends or identify issues earlier. Reports that traditionally would require IT to pull together and format can be done in minutes. This allows more time to be dedicated to analysis and strategy, allowing staff to have a bigger impact on business.

# BENEFITS OF DIGITAL TRANSFORMATION IN BANKING

#### 4. Achieve Compliance Efficiently

Ensure your financial management systems receive standardised financial data automatically - reducing the chances of human error. Enable auto-auditing to allow employees to spend more time on other tasks. And auto-update to the latest compliance rules seamlessly.



#### 5. Improve Retention & Talent Acquisition

A modern, cloud-based Human Capital Management aspect (HCM) improves everv of management. From sourcing new talent, automating aspects of the interview process. auicker onboarding. Modern HCMs provide a clearer picture of employee performance, provide succession planning and allow employees to self-service many of the basic HR tasks.

The biggest benefit of modern HCMs is that they allow banks to adopt effective workforce planning initiatives: allowing financial institutions to better align talent needs with overall organisational goals. It leads to a more proactive approach to hiring and managing talent that can save banks time and money.

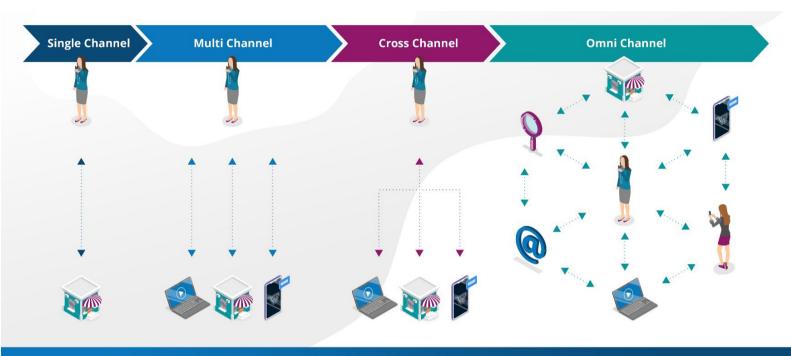
#### 6. Build a Robust Digital Core

Banks should focus their initial transformation efforts on their core business systems: financial management, HCM, and analytics. From there they can expand to other business functions, such as marketing and CRM. This builds a solid digital core and establishes a foundation for much of a bank's critical data. Other cloud platforms can be added and then connected to these systems with ease - automatically pushing data into the core applications without the need for complicated, custom integrations.



# TECHNOLOGY OPPORTUNITIES 21495 IN BANKING

#### **NEW CHANNELS AND ROUTES TO MARKET**



Moving from a single channel to an omnichannel customer experience

## Digital is creating more opportunities to engage than ever before

Customers now expect their bank to engage them on whatever channel they choose. And they expect them to be aware of all of their previous engagements so they don't have to repeat themselves.

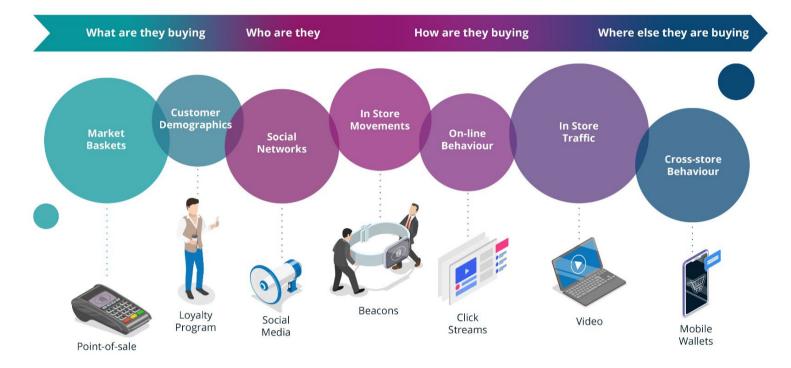
Customers are often willing to share data about their preferences and behaviours and expect banks to use those insights to deliver an even greater, personalised experience. Customer loyalty is diminishing and with customers switching to the organisation that makes their life easier.

Banks need to interact with their customers at scale but in a personal way.



# TECHNOLOGY OPPORTUNITIES 21495 IN BANKING

#### **OPPORTUNITY IN CUSTOMER DATA**



#### **Transforming Customer Data**

So much of the opportunity in banking today is locked in customer data. Successful banks can use this data to create intelligent pathways for better engagement and deliver more personalised experiences.

As Omni Channel and loyalty programs banking, accelerate it creates touchpoints to measure interaction and engagement. Using this information effectively can unlock great insights into customer behaviours, preferences and needs regarding product specifications.

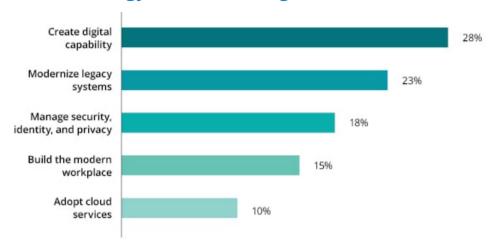
Armed with this information and an effective analytics strategy, banks can translate this information into opportunities that can drive bottom-line growth and better engagement.



# TECHNOLOGY OPPORTUNITIES IN BANKING

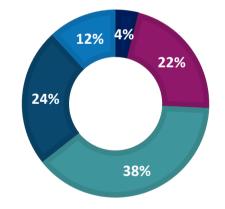
#### Plans to use Digital Technologies

Most important technology area to the organisation

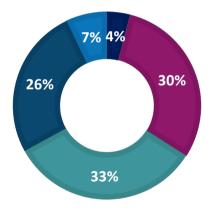


#### Plans to use Digital Technologies in the next 12 months









Trailing

**Planning** 

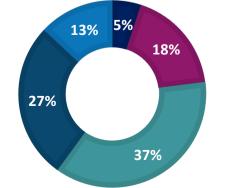
Considering use,

but no firm plans

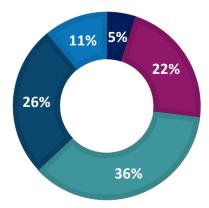
Not considering

**Fully Deployed** 

CONTAINERS, MICROSERVICES, AND SERVERLESS COMPUTING



ARTIFICIAL INTELLIGENCE, BOTS AND MACHINE LEARNING





## **ABOUT US**

Decision Inc. is a global technology and digital transformation business that helps clients to reimagine their digital future.

Help clients build Digital Businesses



We drive transformation by bringing together the technology, capabilities and knowledge needed to help organisations grow and thrive in the digital age.



Help clients transform their current business into a Digital Business





**Technology** 

We partner with the world's most innovative and relevant vendors to support our enterprise clients.

#### **Knowledge**

We leverage our research platform, Knowledge Inc. to support engagements that are relevant to industries and functions.

#### **Talent Scale**

We leverage our diverse global talent pool to support clients' technology and services needs.

#### Strategy

We provide the strategic support to develop these digital capabilities.



### Managed Services

We run the technology systems and support the business.



#### **Solutions**

We deploy our functional and industry solutions to support our clients.



#### Execution

We execute these technology platforms and support the organisational transformation.



#### Capabilities

We execute and deliver work for our clients.





## WHY WORK WITH US

Decision Inc. has built up knowledge and industry experience through various technology partnered implementations. Our role in supporting change is what sets us apart. We have a long record of successfully overcoming challenges at a number of clients, across various industries. This uniquely positions us to provide you and your workforce with a customised solution that is seamless, scalable, & constantly connected.





# OUR PRACTICE CAPABILITIES

#### 450 Clients

Europe, Asia, Australia N America, Africa

#### **4 Offices**

London, Sydney, Cape Town, Johannesburg

#### 320 People

Developers, Consultants, Data Scientists, Engineers, Analysts

Our business engages clients across these **7 Practices**. The knowledge assets and insights needed to deliver these services leverage our Knowledge Inc. platform to support our your needs.



Data & Analytics Digital

**ERP** 

**CRM** 

FP&A

Managed Services Industry 4.0 Mobility

# Our Technology Partners

Across our portfolio, we are market leaders in these technology segments and our global relationships with these technology partners ensure we are able to bring the most current insight and capability to our clients.







alteryx

















