



**How to Gain  
Competitive  
Advantage  
by Automating  
Client Onboarding**

A new business  
process management  
framework to optimize  
your client onboarding

# Contents

Business Benefits	3
How to Gain Competitive Advantage	4
Why Client Onboarding?	6
How Effective is Your Current Onboarding Process?	8
How Complex Can it Be?	9
Process Management for Service Automation	10
Case Study – Sumitomo Mitsui Banking Corporation	11
How to Build a Business Case	12
Business Case Check List	13
Conclusion	14

# Business Benefits

## Automating Client Onboarding...

- ✓ Accelerates order-to-cash flow by winning new clients, faster
- ✓ Increases revenue by cross selling more, faster
- ✓ Reduces operational costs by automating manual processes
- ✓ Decreases loss by reducing new client abandonment
- ✓ Reduces churn by improving client satisfaction and loyalty
- ✓ Increases productivity by freeing up staff and management time
- ✓ Reduces risk by more easily demonstrating compliance
- ✓ Improves quality control by standardizing global best practices

**... to gain competitive advantage**

# How to Gain Competitive Advantage

Restoring trust may be touted as the biggest test for global banks today, but it's also the greatest opportunity for their competitors. From retail customers to high-net-worth investors and corporate clients alike, banking and investment management has entered a new competitive era where customer service and managing the customer experience are clear differentiators – crucial for success.

Nowhere is it more crucial than in a provider's first interaction with a new client. As clients demand more from their customer experience, and with competition so rife, you must capitalize on your ability to on-board clients in the most efficient and effective manner.

In a market where products are perceived as comparable, it is the provider with the highest level of service and most effective onboarding process who will win more new clients and gain competitive advantage.





# Why Client Onboarding?

The process a client goes through to open an account with a bank or investment management provider is commonly known as client onboarding.

It is a client's first experience with a provider and it will establish how the relationship will develop as well as determine, for example, if they stop using their previous provider.

It is, therefore, a critical stage for a provider to engage with the client. This first interaction will set the foundations for long-term loyalty and satisfaction, as well as, reduce abandonment and increase revenue, retention and profitability through cross-selling opportunities – typically occurring during the first 90 days as a new client.



*Within the first year, client holder attrition rates reach as high as 40 percent. Half of these losses occur within 90 days after an account is opened.<sup>2</sup>*

# How Effective is Your Current Onboarding Process?

Retail and online banks usually offer standard lower cost, higher volume products with comparatively repetitive processes. These processes tend to be well-defined and highly automated by standardized, rigid, off-the shelf workflow applications that offer standardized efficiency and consistency of service.

When compared to institutional investment and wealth management providers, the value, the complexity and number of products offered, as well as the time to open an account, is significantly increased. Factor in brokers and partners and the complexity increases further.

Whereas retail accounts can be opened within minutes to hours, opening a client for more complex services can take several days, weeks and even months. This is due, in part, to the higher level of face-to-face service offered, but more often than not, these crucial first 90 days are spent on managing manual, paper-based and administrative tasks, which become costly and time consuming bottlenecks.



# How Complex Can it Be?

Client onboarding is traditionally a manual, paper-based process that often leads to duplicate data entries, inefficient processing, lack of management visibility into pipeline status, and disconnected customer service.

In addition, organizations must complete due diligence for each customer to adhere to regulatory compliance and manage risk. The inability to effectively Know Your Customers (KYC) can range from unhappy customers to expensive corporate litigation to irreparable damage to the corporate image.

But this need not be the case. Many financial service providers are using the latest technology to automate these manual processes and integrate siloed systems to win new business faster and gain a real competitive advantage.

# Process Management for Customer Engagement

While retail and online banks automate their processes with core legacy or packaged solutions, more complex processes require a different pedigree of process management solutions.

Unlike this standard, rigid software, business process management (BPM) and adaptive case management solutions offer an enterprise-wide platform and a flexible framework to build out the unique processes in your organization that differentiate you from the competition – to help you gain a true competitive advantage.

Using a new business platform that provides a client onboarding framework offers the benefit of both out-of-the-box speed of implementation and customizable flexibility to suit your unique and ever changing business processes.

# Case Study – Sumitomo Mitsui Banking Corporation

*The International Banking division of Sumitomo Mitsui Banking Corporation was faced with numerous business and technical challenges. Because they are a large, global organization, business challenges included different organizational structures and responsibilities, different data availability, different languages and time differences, and different regulatory requirements. The technological challenges included heterogeneous hardware and software environments in every location and different back-end processing systems.*

*In order to amalgamate customer data, the bank was faced with the challenge of collecting and streamlining their client onboarding. This process spans Asia, Europe, and North America and involves complying with: Know Your Customer regulations in Europe and the US – screening the customer against OFAC, MOFA and other ‘do not do business with’ lists; getting new customer information into all of the appropriate*

*sub-systems; and creating the customer entry in their customer information data warehouse.*

*The previous system was not scalable to accommodate Sumitomo’s needs and was a slow, manual process that was prone to error, which was frustrating to both employees and customers.*

*OpenText has automated and streamlined the client onboarding process, enabling Sumitomo to efficiently process new customer information, automate the Patriot Act/ Know Your Customer screening activity, and get new customer data updated – in a fraction of the time and with more accurate results than their previous manual approach. The solution now integrates OpenText with Sumitomo’s existing Patriot Act, Active Directory, and corporate portal systems to provide a seamless process flow across the organization.*

# How to Build the Business Case

If you believe there is room for improvement in your account onboarding process that will add value to the business and gain competitive advantage then your next step is to build a business case.

A business case should link your business challenges to a strategic driver or business goal. Most organizations have existing performance goals and objectives. These may be explicitly defined as Management by Objective (MBO) or as a Balanced Scorecard. Otherwise they may be more strategic in nature such as “Increase client revenue by 25%.” Often these do not have any specific process tied to them, so it represents an opportunity to identify the processes that will directly influence these objectives and show how improving the processes can improve overall business success.

Although BPM initiatives should not be forced to fit arbitrary goals, the ability to align process improvements directly to corporate objectives provides a clear and effective framework for illustrating business value and gaining executive sponsorship.

# Business Case Check List

- Can you identify areas that can be improved to save money or increase profitability?
- Can you identify the number of lost customers in the onboarding process?
- What about the time it takes and the cost of manual tasks?

Identify improvements in the process that will:

- Accelerate order-to-cash flow by winning new clients, faster
- Increase revenue by cross selling more, faster
- Reduce operational costs by automating manual processes
- Decrease loss by reducing new client abandonment
- Reduce churn by improving client satisfaction and loyalty
- Increase productivity by freeing up staff and management time
- Reduce risk by more easily demonstrating compliance
- Improve quality control by standardizing on the global best practices



# Conclusion

If you need a complex process automated to gain competitive advantage and agility and suit your ever changing business needs, then it's best to use a business process and case management solution rather than packaged software or build yourself. If you want to deploy quickly to accelerate time-to-value, then choose a business platform from a vendor that is based on a quick-start, flexible framework model – founded on best-practice from previous experience in hundreds of customer implementations.

Finally, when building a business case for BPM, align the process improvements to business drivers and goals. Think beyond this single project and look at the big picture to ensure that your project is included in larger strategic projects in your business – often with pre-assigned budget and resources to help kick-start your project. Consider the complete buyer-journey, the entire customer life-cycle and how it fits into your customer experience strategy. So choose a business process platform that can be extended beyond its immediate use as you consider the long-term, ongoing business benefits.

# About Business Process Solutions

With the focus of BPM shifting from automation to innovation and improved customer satisfaction, OpenText BPS's software suite provides the necessary solutions to retain competitive edge. With over 3,000 customers and 20 years of experience, we are recognized by industry analysts as a leading Business Process and Case Management provider. OpenText solutions provide high impact, high ROI solutions for company executives.

For details and success stories, visit  
[www.opentextbpm.com](http://www.opentextbpm.com)

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