



Digital Onboarding and Servicing

Digital Onboarding

Onboarding is the process of orienting a new customer to the business in a way that benefits in overall retention. It helps the customers become acclimated to the business and sets the tone of the relationship, hence playing a key role in any business.

In banking industry, the high level of service offered to the customers and strong messaging are two key elements to attract as well as retain them. This gains more significance due to the arrival of new players in the market who reshaped the whole landscape of service providers by digitizing processes and services including onboarding. Today, customers are more aware, less tolerant, more informed and expect a high level of services and personalized messaging from the banks. To achieve the required expectation level, the customers do not mind becoming less loyal to their current service provider, and this highlights the importance of the onboarding process.

Hence, the market forces here



Customer expectations, especially in today's era where Gen Z and millennials want everything on the go or want to be in "Always ON" mode. Their behavior is evolving and they expect faster, simpler and more flexible interactions with their service providers. Most of them drop out of the onboarding process because of the friction in the process (for ex., manual paper-work) causing frustration and abandonments of the onboarding process.



Technology maturity wherein next-gen technology plays a key role in defining any business. If the service providers continue with legacy, it is a sure turn off for the customers who are expecting easy and convenient processes that some of the new players are offering through the use of disruptive, next-gen technology.



Emergence of competition and non-traditional players in the market such as direct banks, large banks, FinTechs and so on. These new entrants are reshaping the financial market by offering great customer experience and disruptive technologies that help meet client expectations.

These market forces have led the service providers to enhance their focus on providing improved customer experience, innovating new revenue streams, lowering the cost of ownership, reducing risk, increasing agility and improving the employee experience.

Most of the banks believe that their sales operations need to shift from traditional branches to digital channels – mostly web and mobile and are driving initiatives to reach there in the next one year or so. This has major implications on how they operate. They need to put in place strong digital sales capabilities and effective onboarding processes, targeted campaigns, and customized pricing and product strategies. It involves a lot of work, mainly because of the way banks or financial services firms operate today.

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Traditional Onboarding NOW

Onboarding has always been a challenging and time-consuming process, which seriously impacts the cost of acquisition and conversion rate. The current system involves time consuming, manual processes where the information passes through a series of systems, increasing the chances of losing the customer along the way. A traditional onboarding experience involves steps such as –



Customer service representatives looking for data and filling out the forms for the customers remotely and then emailing the copies to the customers for signature. This delays the entire account opening process and causes the customer to drop off along the process.



Customers are required to physically visit a branch to confirm their identity. This delays the new account onboarding process and a visit is required to lift the restriction on making transactions.



The customer is asked to go through several steps with hardly any assistance, resulting in reduced account openings and increased customer drop offs



The onboarding process requires signing physical forms even though the account opening process can happen online

Digital Onboarding THEN

Data is the most valuable asset for any business. Digitizing means gathering this data, transforming it in the required format and transmitting it to the source through digital channels. These channels allow access of information to the required users – whenever, wherever and however they want. These ways offer simpler, faster and seamless experience to the customers through the use of next-gen technology that provide automation, agility and self-service.

An impactful onboarding solution comprises of a few key ingredients – a concerted strategy that is focused on bringing various facets of the organization to deliver what customers what, and right technological tools to take informed decisions towards smart, digital onboarding. The key drivers that lead to inclusion of these ingredients are –



Availability of data that helps get a holistic view of the customer's needs



Enriching the data in the required systems from external or other resources to reduce any friction and adhere to compliance requirements defined by regulatory bodies.

This requires leveraging artificial intelligence, machine language etc.

The idea is to focus more on self-service options such as online account opening, etc., through expanding upon the digital capabilities to embed banking experience into the whole ecosystem. There channel-specific processes should be replaced with omni-channel processes as putting in place an omni-channel architecture enables banks to have seamless interaction with the customers.

For perfect digital onboarding, some of the key processes and services that should be provided by banks to their customers include –



Digital marketing



Digital account opening



Product catalog and pricing platform



Commercial loan origination



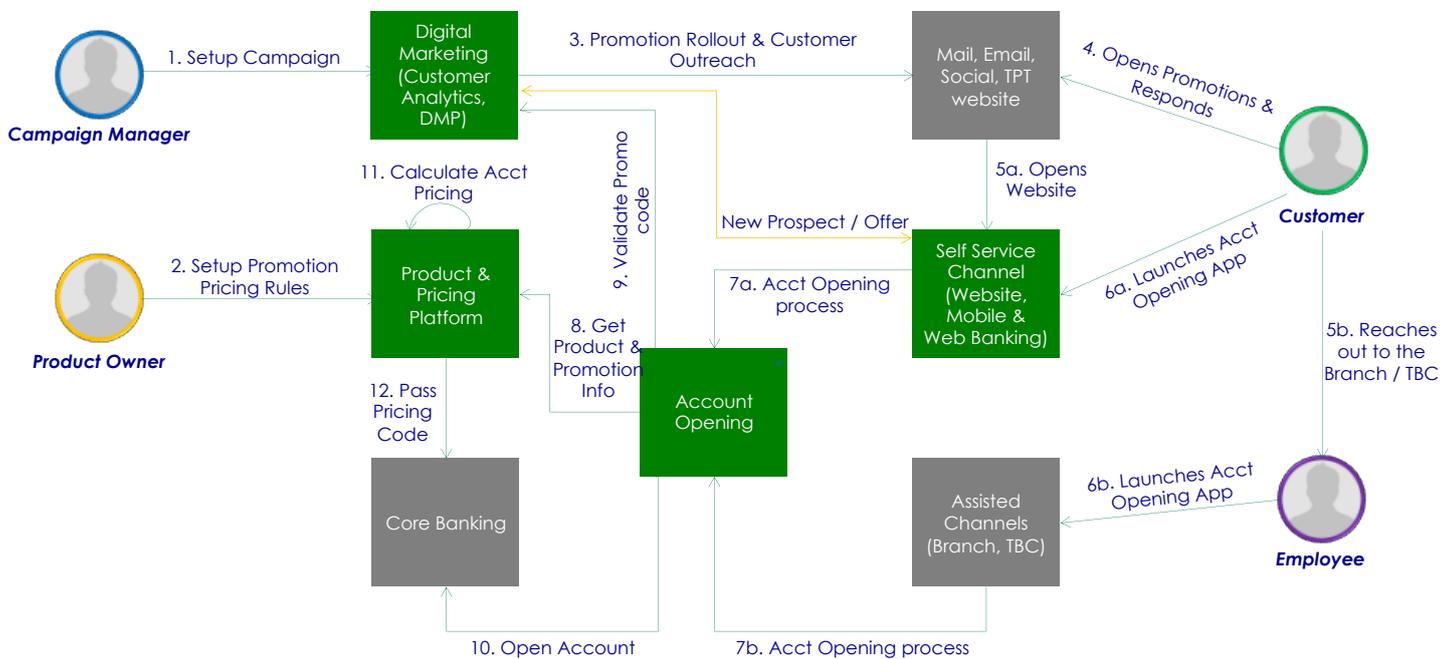
Digital loan onboarding



Next-gen mobile banking

To create that perfect, seamless experience every time, Banks should focus on providing the perfect blend of human and digital experiences; transform from traditional to mobile devices as more and more applications are being moved to mobiles; facilitate a digital transformation; offer personalized and differentiated experiences by leveraging data to understand your customers' needs. Staying focused not customer needs while applying technology to further your objectives is imperative as, ultimately it is the customer who drives your business and technology requirements. The key is to put customer at the forefront and harness the right technology to support it. Therefore, the marketing campaigns should be focused on customer, their analytics and data.

Integrated Sales to Service



Financial firms that are able to achieve this will reap rewards in terms of customer acquisition and brand perception, making it easier to upsell the brand to others in the future.

The benefits of an effective digital onboarding is clear, yet the banks are not there. All they need is right set of services and processes to be successful in today's trending market.

About SLK

At SLK Software, we recognize the speed at which the world is transforming, the impact it creates and the opportunity it offers our customers. We are at the forefront of guiding and partnering with our customers through their transformation in order to maximize its value. We believe in the power of simplification and automation as a means to offer a whole new experience.

Our Consulting Team

- SLK believes in ensuring continuous growth of customers by inspiring and empowering them to be the best in delivering solutions to meet global IT challenges. To further this mission, SLK is equipped with high quality BFSI Consulting Group supported by an experienced Business and IT research team.
- The team leverages industry experts, expert articles, analyst firms like Gartner, Forrester, IDC, Celent, Aite among others to bring you industry insights, trends, best practices and also proposes strategies for innovation and transformation.
- This research focuses on the impact of Covid-19 on Insurance services in North America and the various ways in which the industry is dealing with it.

If you want to find out more about how SLK can support your Digital Onboarding initiatives please write to xxx@slkgroup.com. You may also want to take a look at our case studies available at <<Link>> to know how other financial services companies have leveraged our Digital expertise



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