



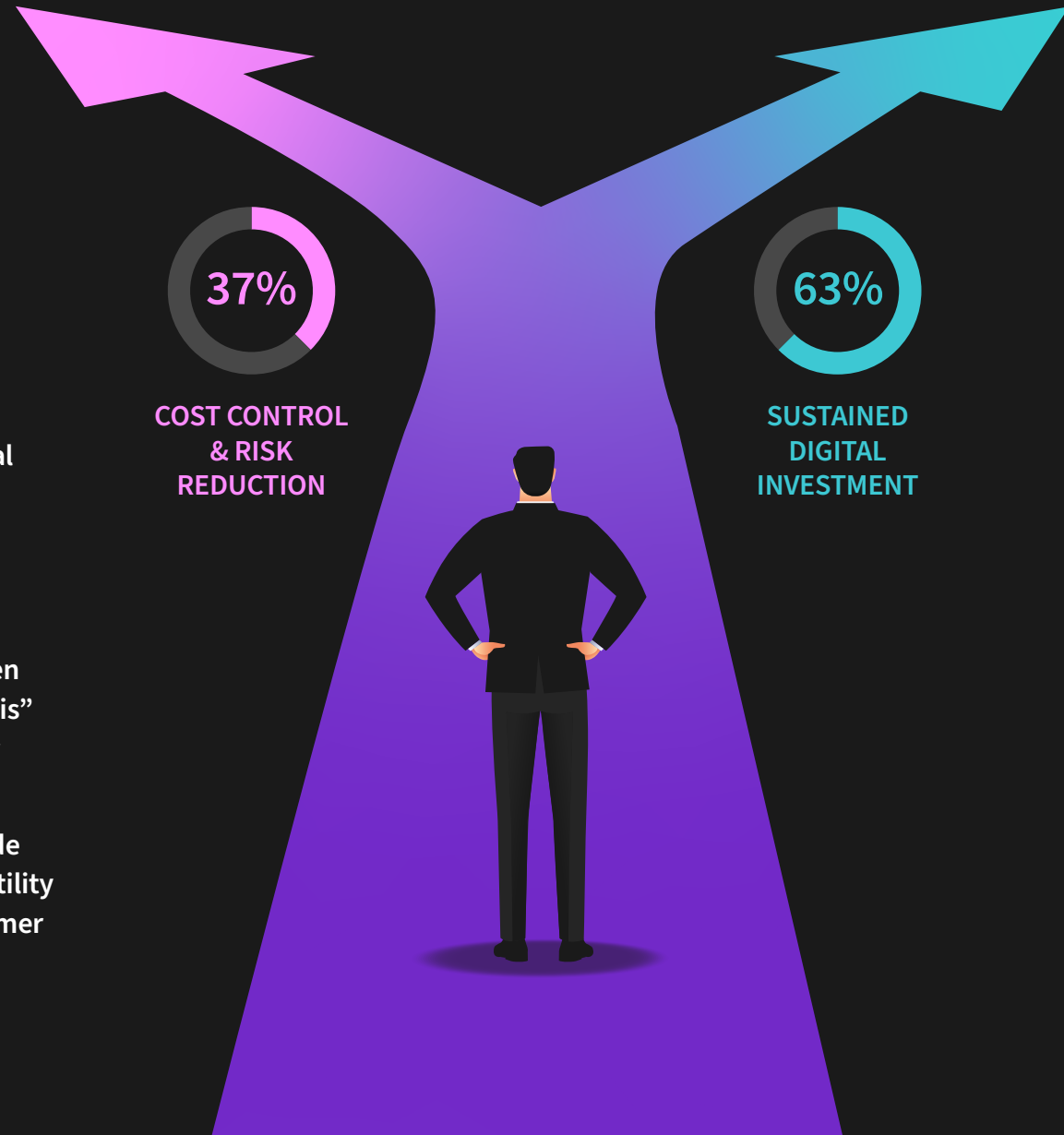
# How can banks and lenders thrive in the era of uncertainty?

## Defining the operational and digital imperatives

The uncertainty is universal. All banks and lenders face not only an ongoing and accelerating technology revolution, but also geopolitical instability and the economic aftershocks of the pandemic, including workforce disruption, inflation and rising interest rates.

MoneyLIVE's research, undertaken in partnership with Smart Communications and Salesforce, shows the industry's response is far from uniform, with a strategic divergence already evident between those seeking to limit spending in the face of an evolving "permacrisis" and those committed to digital investment to capitalize on whatever the future may bring.

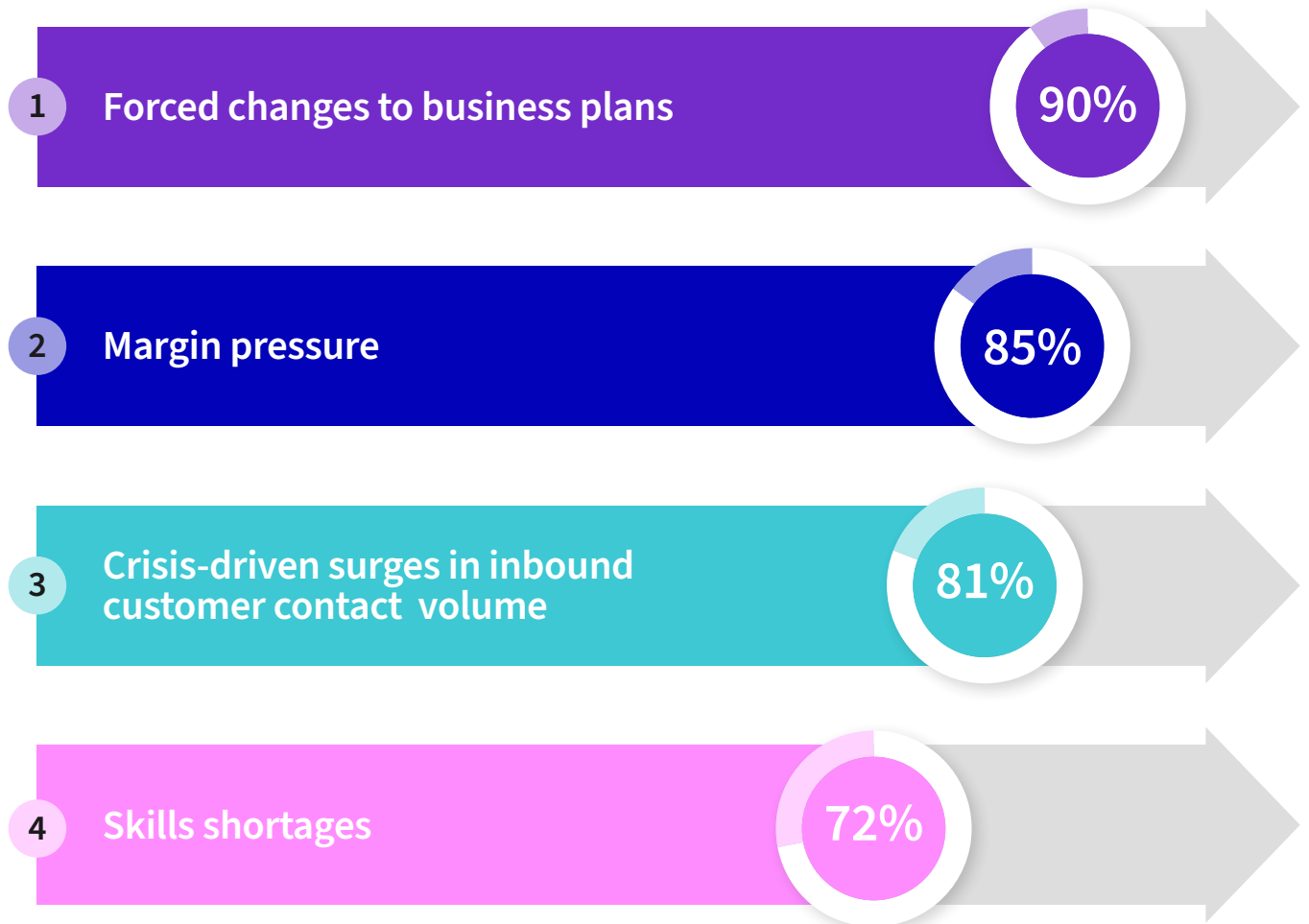
Our survey of 430 senior executives in banking and lending worldwide found two areas of clear consensus, however: Surviving market volatility requires a continued focus on achieving agility and improving Customer Experience (CX) through value-added convenience.



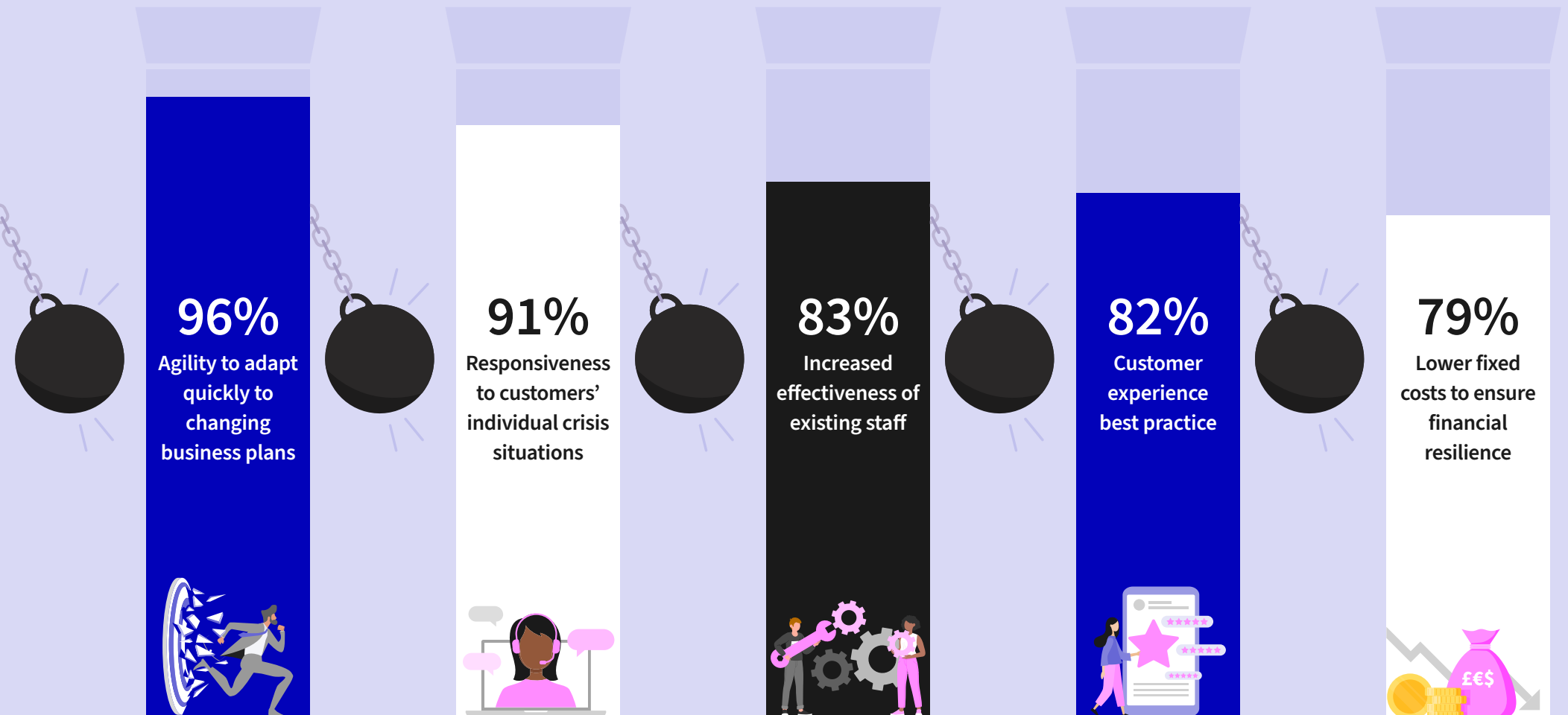


Our respondents foresee a continuing crisis over the next three years, characterized by four significant shock factors:

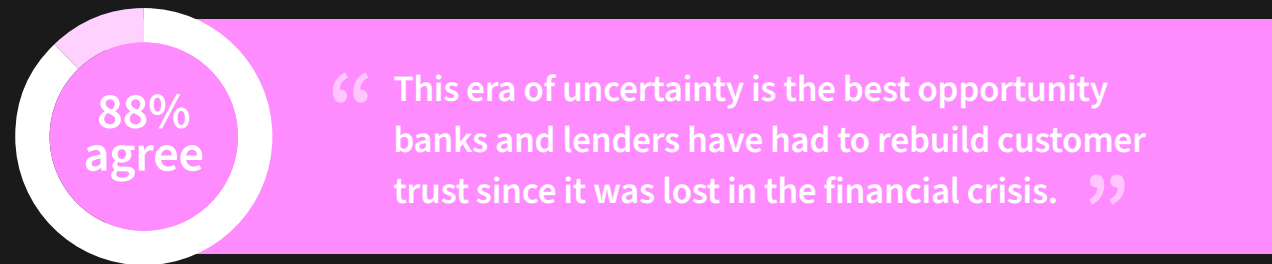
% viewing impact as likely in next 3 years



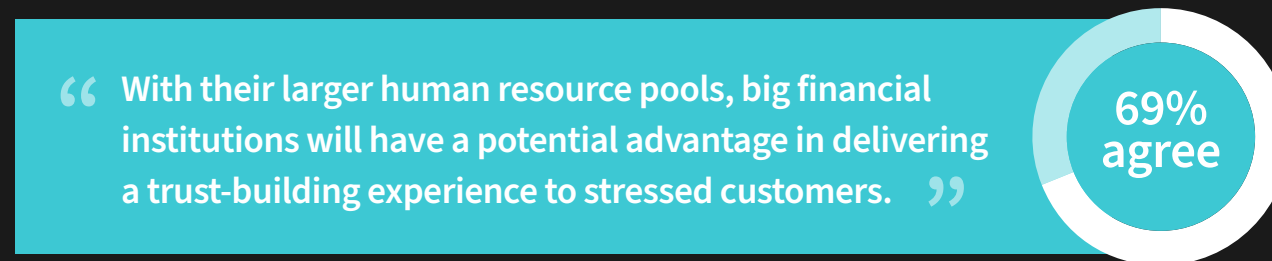
When these shockwaves hit, respondents believe five operational pillars will be “of major importance” in giving banks and lenders the resilience they will need...



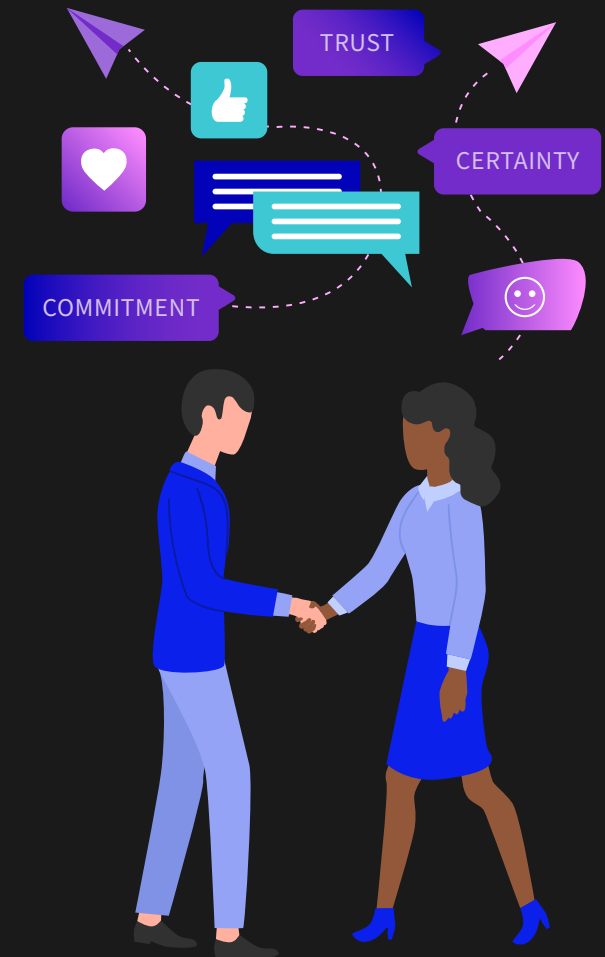
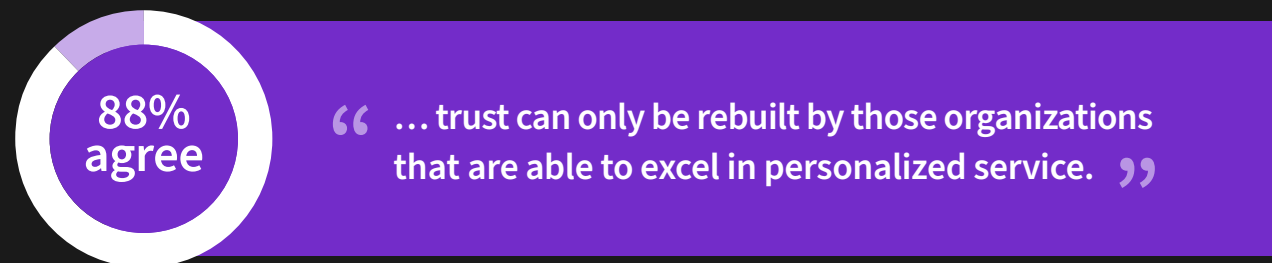
A clear majority of bankers and lenders believe that helping customers through these uncertain times presents a significant opportunity to rebuild trust:



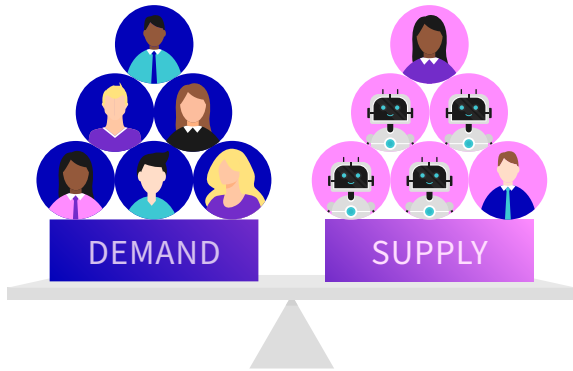
This is particularly the case for the largest banks and lenders:



But...



With skills shortages and crisis-driven surges in customer contact expected, our respondents see best practice automation as crucial to ensuring demand on customer communication channels does not outstrip supply.

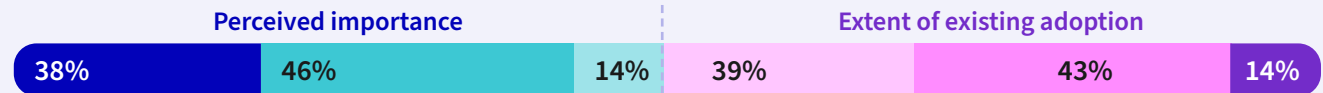


The overwhelming majority believe self-service automation and personalized, automated outbound communication, designed to pre-empt inbound calls, will be of major importance in lifting the burden on human agents and protecting the CX standards.

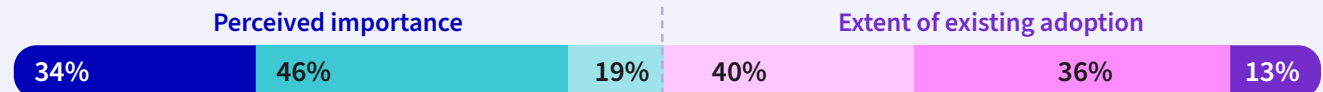
However, only a minority say their organization has optimised this approach across all business lines.

**Perceived importance vs. current practice to achieve CX excellence in the face of skills shortages:**

Reducing demands on staff time through high-quality self-service automation



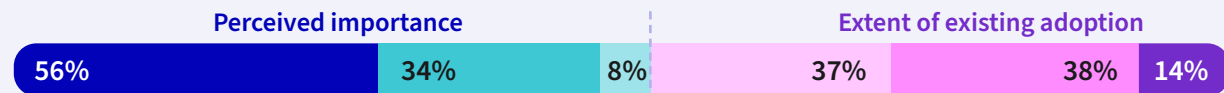
Pre-empting inbound contact with proactive, personalized and automated outbound communication



- Extremely important
- Of significant importance
- Of moderate importance
- Optimally across all business lines
- Optimally in some business lines
- To some extent but improvements are required

And when it comes to self-service customers who need help from a human agent, the capability to deliver a seamless transition from the digital to the human, without having to repeat information, is hugely important – yet only a minority of our surveyed organizations can deliver this.

**Perceived importance vs. current capability to deliver seamless transition between automated and human channels:**



- Extremely important
- Of significant importance
- Of moderate importance
- Optimally across all business lines
- Optimally in some business lines
- To some extent but improvements are required

## In the face of these pressures, it will be key to optimize the use of human agents.

Giving staff the best digital tools to aid both their productivity and adaptability, and target their efforts where they can make the biggest difference, will underpin CX success in an age of skills shortages.

However, only a minority of banks and lenders are applying best practice across the organization.



### How important will the following be to maintaining CX quality in the face of skills shortages?

Targeting human resources where it can make the biggest difference



Giving staff the best digital tools to serve customers more easily, thereby maximizing their adaptability and productivity



● Extremely important ● Of significant importance ● Of moderate importance

### To what extent are banks and lenders doing the following:

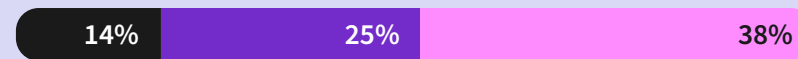
Collating and presenting all of a customer's data and real-time contact history in one place



Providing staff with AI-based help to enable them to better and more easily support customers



Using analytics to understand the customer's psychological/ emotional state and then target digital or human assistance accordingly



● Optimally across all business lines ● Optimally in some business lines ● To some extent but improvements are required

Uncertain times will require more focused and proactive help for customers, with many of our respondents predicting the rise of hyper-personalized financial management services.

This trend will come to redefine good CX in banking and lending. It will no longer be enough to minimize friction; instead, there will be an expectation of “value-added convenience” that makes customers lives easier more generally.



95% agree

“ Low-friction CX will become a hygiene factor and competitive advantage will then lie in the “value-added convenience” of personalized services that make customers lives easier more generally. ”

How likely are banks to offer the following kinds of hyper-personalized ‘value-added convenience’ financial management services in the next 3 years?

AI-generated budgeting recommendations



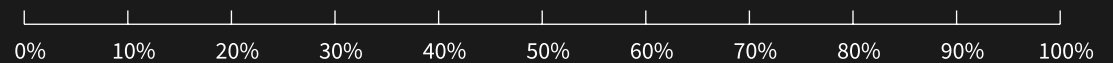
AI-facilitated personal financial management



AI-driven price checking and auto-switching services for household bills



Automated ongoing checks of the suitability of a customer’s product portfolio on their behalf as situations change



● Extremely likely ● More likely than not

Banks and lenders who move into “value-added convenience” financial management services will need to adopt cutting-edge personalization and automation, and our respondents expect them to invest accordingly.



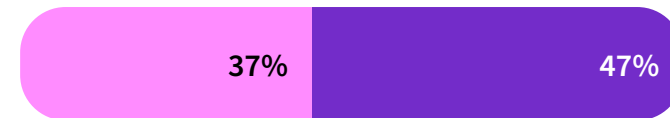
92% agree

“ For banks and lenders to offer ‘value-added convenience’ financial management services will require a level of hyper-personalized, automated digital self-service maturity that many institutions have yet to achieve. ”

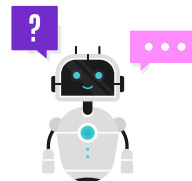
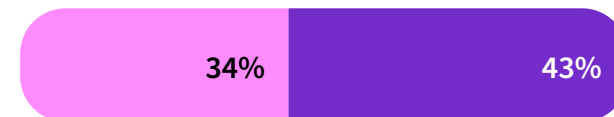
In the next 3 years, how likely are banks to invest in the following automation and personalization strategies required for “value-added convenience” financial management services?



Capturing new data sets to better understand changing customer needs



Digital forms that adapt in response to the customer’s answers so as to create a more conversational experience



AI-prompted questioning designed to deepen understanding of the customer



AI-prompted conversations that guide customers through important decisions



● Extremely likely ● More likely than not

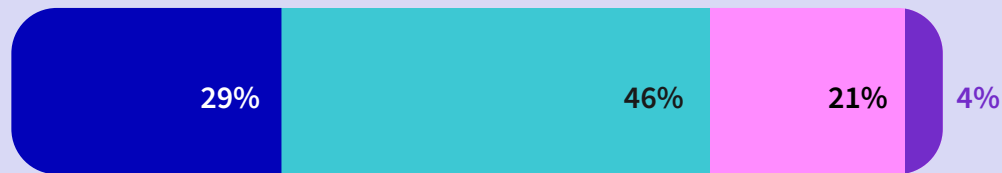
# Advanced automation will be key to not only resource customer contact surges but also to deliver the automated “value-added convenience” that will be the new CX benchmark.

Indeed, a significant majority of our respondents see the ability to develop automation rapidly and then scale it without increasing fixed costs as a key priority for the future.

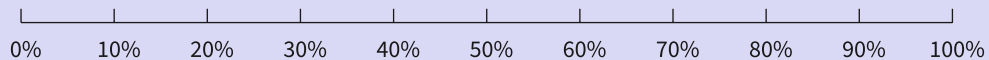
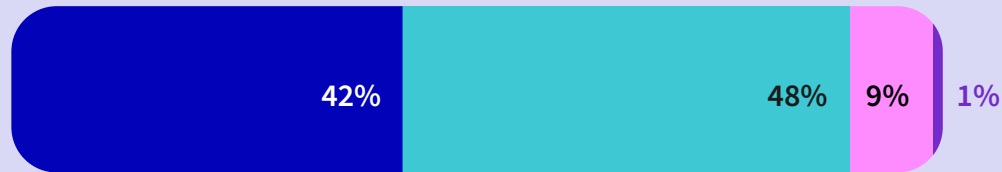
How important will the following be to the success of banks and lenders in the next three years?



Low code/no code development to accelerate the creation of automated processes



Automation that can be rapidly scaled during surges in customer contact without increasing fixed costs



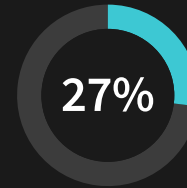
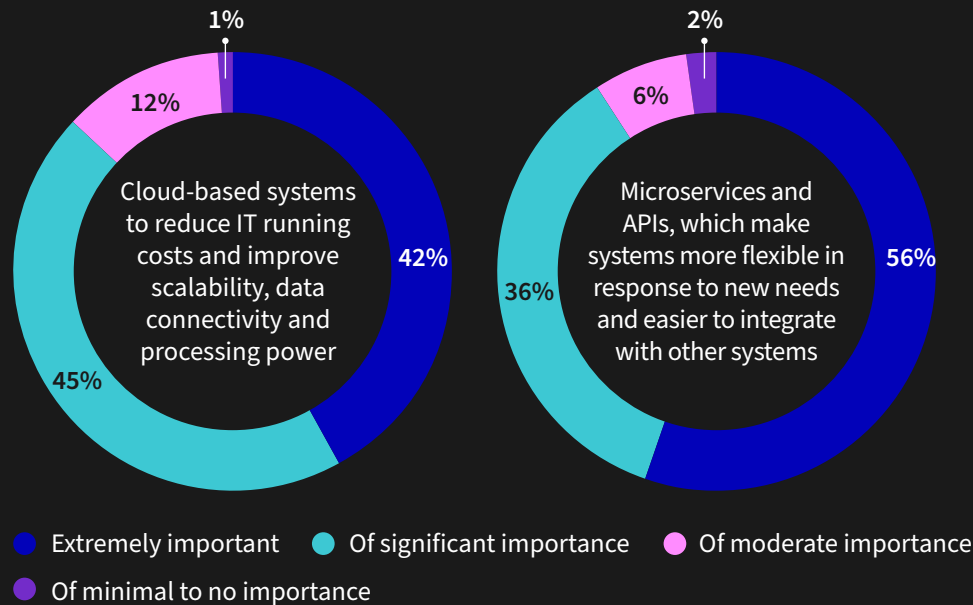
- Extremely important
- Of significant importance
- Of moderate importance
- Of minimal to no importance



# Cloud computing and cloud-based microservices with APIs are also judged to be of great importance to success in the era of uncertainty.

But while most say their organization intends to put the majority of systems in the cloud, we found current reality significantly lags ambition.

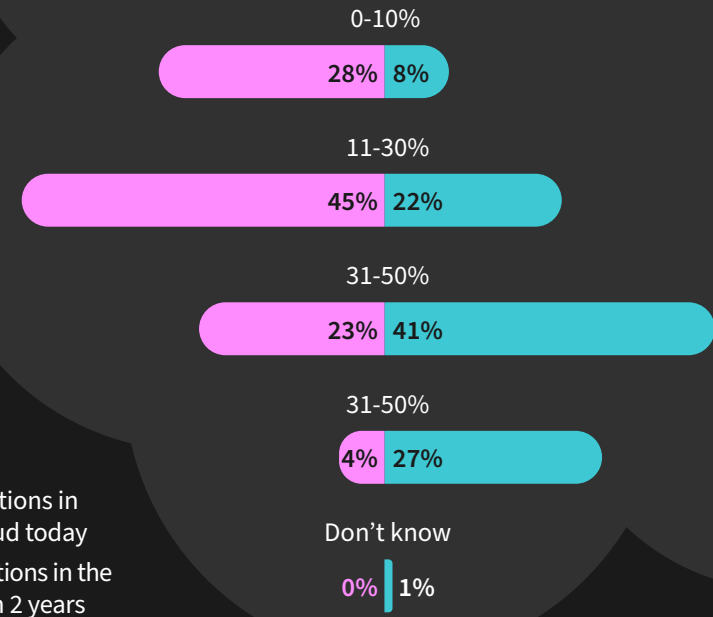
How important will the following be to the success of banks and lenders during this era of uncertainty?



of bankers say their organization intends the majority of its applications to be in the cloud in 2 years' time. However, only 4% report having already crossed that 50% threshold, suggesting progress is slow even among cloud advocates.

## What percentage of banks' applications are in the cloud and what is the ambition for in 2 years' time?\*

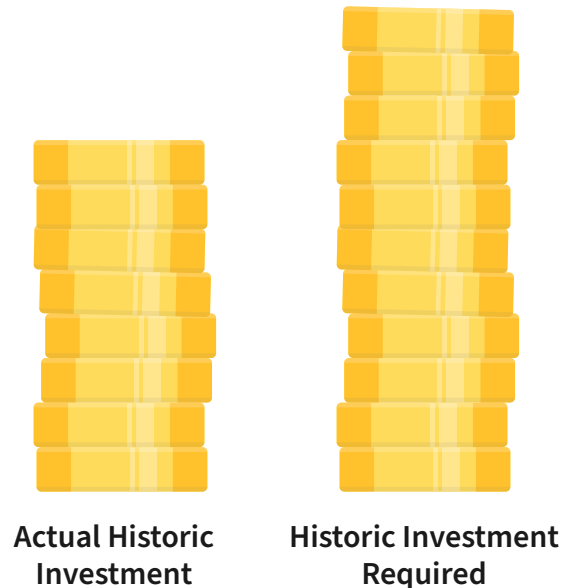
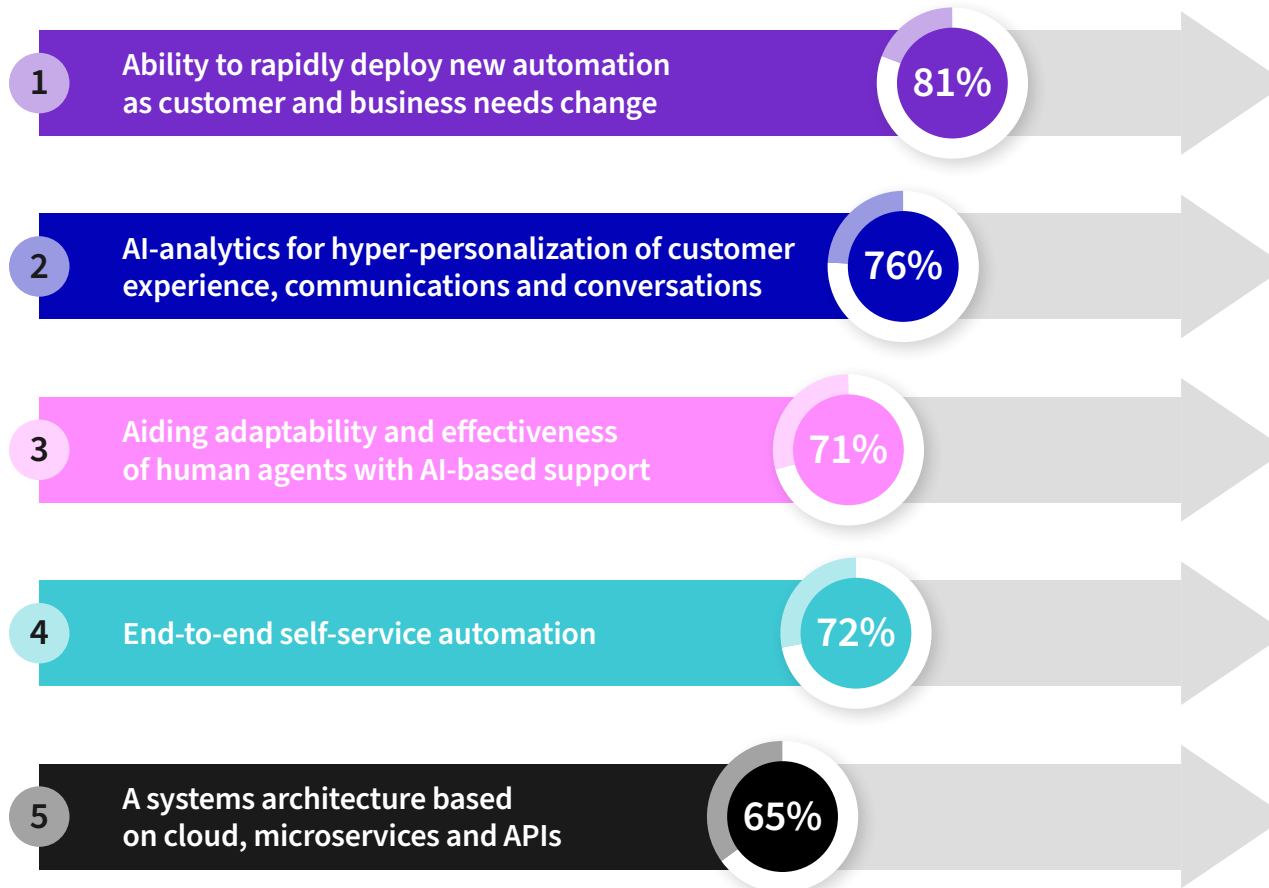
Cloud computing reality      Cloud computing ambition



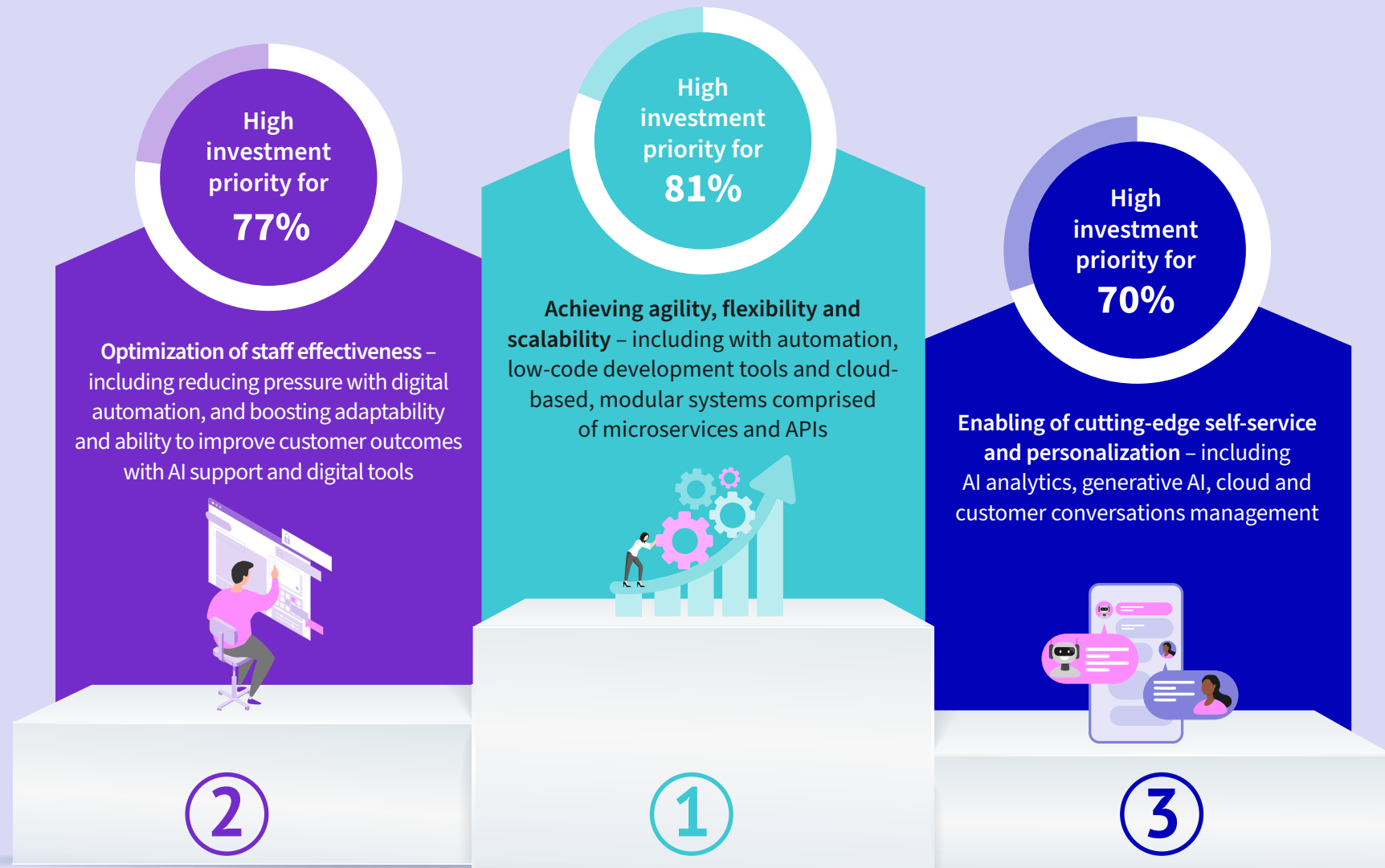
\*Source Publicis Sapient and Google Cloud

# Our research identified five principal areas in which the majority of senior bankers and lenders estimate their organization faces an investment gap.

Percentage that estimate there has been underinvestment to date in their organization



## Going forward, surveyed senior bankers and lenders were clear about their priorities for digital investment:



Those organizations that prioritise technology investment during these uncertain times are, a substantial majority agree, likely to become magnets for much-needed digital talent, further compounding their advantage.

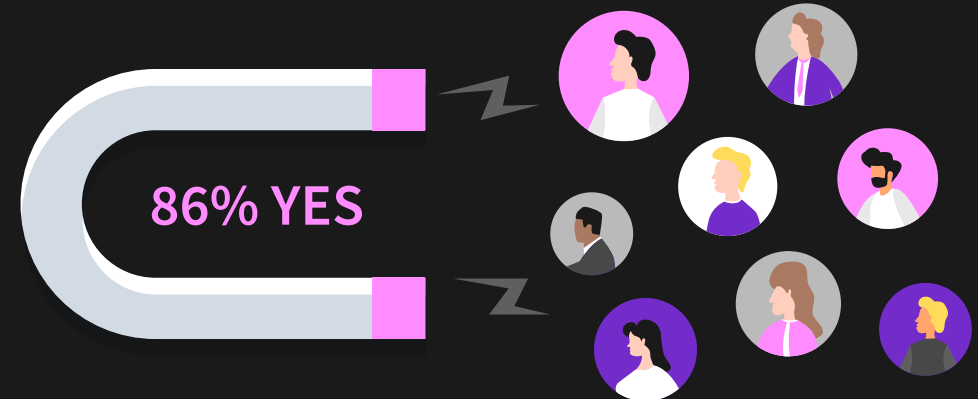


**81% agree**

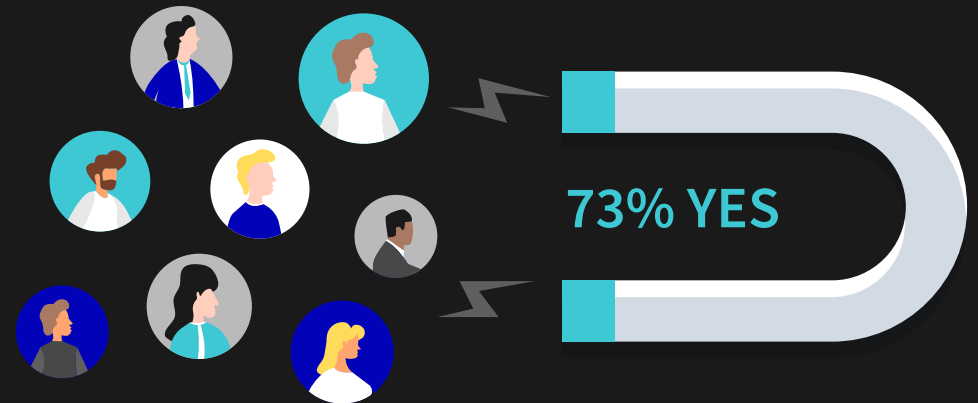
“ The drop-off in fintech funding and laying off of staff by large IT companies has opened up an important opportunity for banks and lenders to recruit digital talent. ”

Do you think these technology factors significantly influence choice of employer among the brightest digital talent?

### Prioritization of technology investments



### Best-in-class cloud-based systems that allow for rapid innovation



There was a clear consensus among almost every banker and lender surveyed that sustaining investment in the face of uncertainty is the right choice, if not the *only* choice.

Based on our research, therefore, committing to invest during an apparent “permacrisis” and targeting that investment towards digital solutions that deliver operational agility and improve CX will prime banks and lenders for digitally fueled growth, whatever the future may bring.

92% agree

“ For a bank or lender to put digital and CX investment on hold during a crisis is to plan to fail when the recovery comes. ”



# Smart Communications & Salesforce Viewpoint

**It's clear that the watchword for business and IT leaders across banking and lending in 2023 is volatility. Economic and geopolitical stressors, as well as disruptive innovations like generative AI, are forcing executives to do some strategic soul searching on how to respond. Should they cut back spending in the face of margin pressure? Or should they prime their operations for future growth with targeted investments?**

The industry clearly agrees that the future will belong to those who have the agility to respond to serial shocks, be they economic, technological or geopolitical. Leaders at financial institutions are looking to deliver new hyper-personalized, value-added financial management services that not only help customers weather the current economic headwinds but make life easier and better in general.

Organizations will continue to shift toward cloud-native software platforms and open APIs to improve the connections between data and systems across the enterprise. This means improved scalability, agility and personalization that will enhance CX across channels while reducing redundancy and IT costs. And cost control does matter: no one is immune to the headwinds buffeting the global economy. But as recent history has shown, crisis can also bring opportunity. Banking leaders need to

balance cost savings with strategic investments that will enable organizations to capture new opportunities, build and maintain customer trust, and steal a head start for the inevitable rebound in the economic cycle.

Yet our research highlights that, as of now, there's a worrying gap between the industry's ambitions and its current digital readiness to realize those ambitions. This investment deficit should be closed as soon as possible for, as nine out of ten of our surveyed bankers and lenders pointed out, putting digital and CX investment on hold during a crisis is to plan to fail when the recovery comes. With skills shortages and resource capacity only set to tighten, we believe the best time to invest for success is now.

## For more information:

**Salesforce**



**Smart Communications**

