

KEY DIGITAL TRENDS DRIVING BANKING

SoftServe Report—MoneyLIVE 2019, London



SoftServe was a lead sponsor of [MoneyLIVE 2019](#)—the industry's premier banking conference for innovators.

Antonina Skrypnyk, head of financial services lab, client partner at SoftServe served on a conference panel 'Implementing large-scale AI solutions: lessons in delivery.'

Skrypnyk adds *"There is so much [unrealistic] AI hype in the banking industry and banking execs are understandably confused. Banks must set realistic expectations around the capabilities of utilizing AI. The goal of implementing an AI solution in a bank is not just to embrace a new technology for the sake of technology or gain internal AI competence, but build a complex solution to grow from a sandbox PoC into production at scale. The ultimate goal is to deliver long-term value and replicate success throughout the whole organization."*

Banks must move with the times if they are to provide the products, services, and experiences that today's customers demand. Technological change has altered the financial landscape forever. Banks that do not innovate, evolve, and improve will lose out to more versatile and adaptive competitors.

As a banking exec, discover the top four trends you need to address this year to make your business a success story.

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MAKE THE CUSTOMER YOUR NUMBER ONE PRIORITY NOW

Banks understand the benefits of providing a frictionless customer journey from research through to purchase, and beyond. Few, however, understand the means by which to accomplish this. The answer lies in experience design. Moving from a product-centric to a customer-centric approach allows companies to create compelling customer experiences, services, and products—experience design enables this focal shift through a human-centric approach by designing customer experiences up front, and quickly validating them before investing in development. Customers want to be empowered to make smart decisions themselves and that means putting the customer journey at the center of every business decision.

- According to a 2018 executive survey carried out by BCG, 86 percent of corporate banking executives agree that digitization will significantly change the economics of corporate banking business models
- According to Ovum's ICT Enterprise Insights 2018-19 report, 64 percent of the world's banks are either planning SaaS-based payments or payment hub applications, up from 44 percent in 2017, and for payment switches, 56 percent of banks are looking for SaaS offerings in 2019, a 37 percent increase from 2018.

Customer-centricity skills required

There is a need for upgrading user experience, user interface, and experience design—such as prototyping and how to be agile and work with empathy in the creative development process.

THE NEED TO BE BRILLIANT AT INTEGRATED DATA

Bigger, faster, and cloudier—the need to capture accurate and actual information at speed and with efficiency will be a focal reason why data is so important for banks. The spread of self-service data analytics, along with widespread adoption of the cloud services are leading to many changes. Banks that are winning are the ones that have already focused on big data

- Successful case studies include ING Bank, who is capturing customer data to create in-branch and mobile experiences for consumers, and BBVA, who take a connected approach to capturing customer data to revolutionize their digital offerings
- The amount of data generated each second will grow 700 percent by 2020, with banks to be the cornerstone of this explosion (GDC prognosis, 2018)

Data skills required

There is a need for tech knowledge, data analytic skills, geolocation skills, and digital planning big data. Having the correct data will enrich the customer experience, but banks need have a well-designed data transformation strategy to deliver value right from the start.

THE MAINSTREAM ARRIVAL OF OPEN BANKING

Banks will face disintermediation due to the unprecedented growth of non-traditional service providers entering the market (Monzo has attracted over a million customers). Many banks, such as HSBC and Santander have set up in-house innovation labs, which act as access paths to working with the tidal wave of new entrants Uber-izing the finance industry.

Open Banking with APIs provides a more collaborative approach—Nordea is a success story, gaining over 300 sign-ups within three days of opening an Open Banking portal for developers. They continue to access over a 100 FinTech companies a quarter through Proof of Concept (POC).

- Instead of working with digital consultancies, many banks now have in-house innovative labs and investment labs, thus shifting their working relationship from competition to collaboration
- According to Open Data Institute, the Open Banking market could be generating £7.2B in value by 2022

Open Banking skills required

There is a need for tech knowledge, vendor management, data skills, collaboration skills, strategy skills, and analytics skills

THE NEED FOR LONG-TERM AI ADOPTION

As banking is becoming more digital and mobile, a solid understanding of the reasons behind your company's transformation can undoubtedly assist to bring clarity and focus to the deployment of AI. To solve your AI skills gaps, it's not just about short-term skills training but the need to focus on long-term transformational programs that are linked to business performance.

- AI-enabled voice assistants create greater efficiency by improving workflow and open multiple avenues for innovation, from remote banking advice to supporting customer messaging
- According to a survey by MoneyLIVE of over 700 senior banking execs, 74 percent are using or piloting AI to support customer service, and 91 percent expect to use AI within two years

AI skills required

There is a need for tech knowledge, vendor management, data skills, collaboration skills, design-thinking skills, and analytics skills.

SOFTSERVE CAN HELP YOU TO:

REVEAL what's possible with AI, Opening Banking, and big data, and where to win in the market

TRANSFORM data-driven insights into perfect solutions for banking end-users

ACCELERATE your digital experiences appealing to banking customers and increase revenue

OPTIMIZE technology banking solutions to continuously enhance the digital approach

ABOUT US

SoftServe is a digital authority that advises and provides at the cutting-edge of technology. We reveal, transform, accelerate, and optimize the way enterprises and software companies do business. With expertise across healthcare, retail, media, financial services, software, and more, we implement end-to-end solutions to deliver the innovation, quality, and speed that our clients' users expect.

SoftServe delivers open innovation—from generating compelling new ideas, to developing and implementing transformational products and services.

Our work and client experience is built on a foundation of empathetic, human-focused experience design that ensures continuity from concept to release.

We empower enterprises and software companies to (re)identify differentiation, accelerate solution development, and vigorously compete in today's digital economy. No matter where you are in your journey.

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