fs viewpoint

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If They're Happy, Do You Know It?
The CIO's Agenda in Improving Customer Centricity at Financial Institutions

pwc

Point of view

In today's ultra-competitive world, customers are looking for a more comprehensive and rewarding relationship with their financial institutions.

These days, we are seeing customers looking for:

Bundled products, service, and advice.
Today's busy customers want their financial institution to be a one-stop shop that can meet all of their financial needs. In fact, over half of respondents to a recent PwC survey rated the "ability to have all my financial products with one bank" as being important or very important.[1] It is not sufficient for an institution to simply help its customers set up checking accounts or provide life insurance. Rather, it should act as an advisor to help them understand and improve their overall financial situation.

An institution that uses a "pull" rather than "push" model. Targeting customers and pushing products is not a sustainable approach. Increasingly, today's more sophisticated customers are looking for long-term relationships with institutions that involve them in everything from product innovation to advocacy in the online marketplace.

Greater customization and preference recognition. Typical "plain vanilla" product offerings are no longer sufficient. In order to maximize benefits, customers want product offerings that are tailored to their personal circumstances and spending habits, as well as flexible loyalty programs that let them accumulate and use points in various ways. Almost half of the respondents to the same PwC survey said that "customized product offerings" were important or very important.

24/7 cross-channel capability. Throughout the customer lifecycle, today's consumers expect to move across different channels at any time from any place. For example, time-constrained customers want flexibility that will allow them to begin filling out an online application at home and pick up where they left off at the local branch the next morning.

Consistent interactions. Thanks to the technology advances we have seen over the last decade, customers now demand consistent interactions across channels, and expect that all their information is at the fingertips of the servicing representative. They resent, and will not tolerate, being transferred multiple times on a single service call and having to restate the same information time and again. This erodes customer sentiment and ultimately causes them to look elsewhere for more efficient service.

As a result of working with multiple business units over time, the CIO and IT team often have firm-wide visibility into what works—and, perhaps more importantly, what does not work with respect to technology solutions.

1   PwC, "Survey of Consumer Retail Banking," Feb 2011, www.pwc.com.

We see IT leaders who are closely aligned with business groups generating better returns for their enterprise. The key is for CIOs to move the needle from "reactive" to "agent of change."
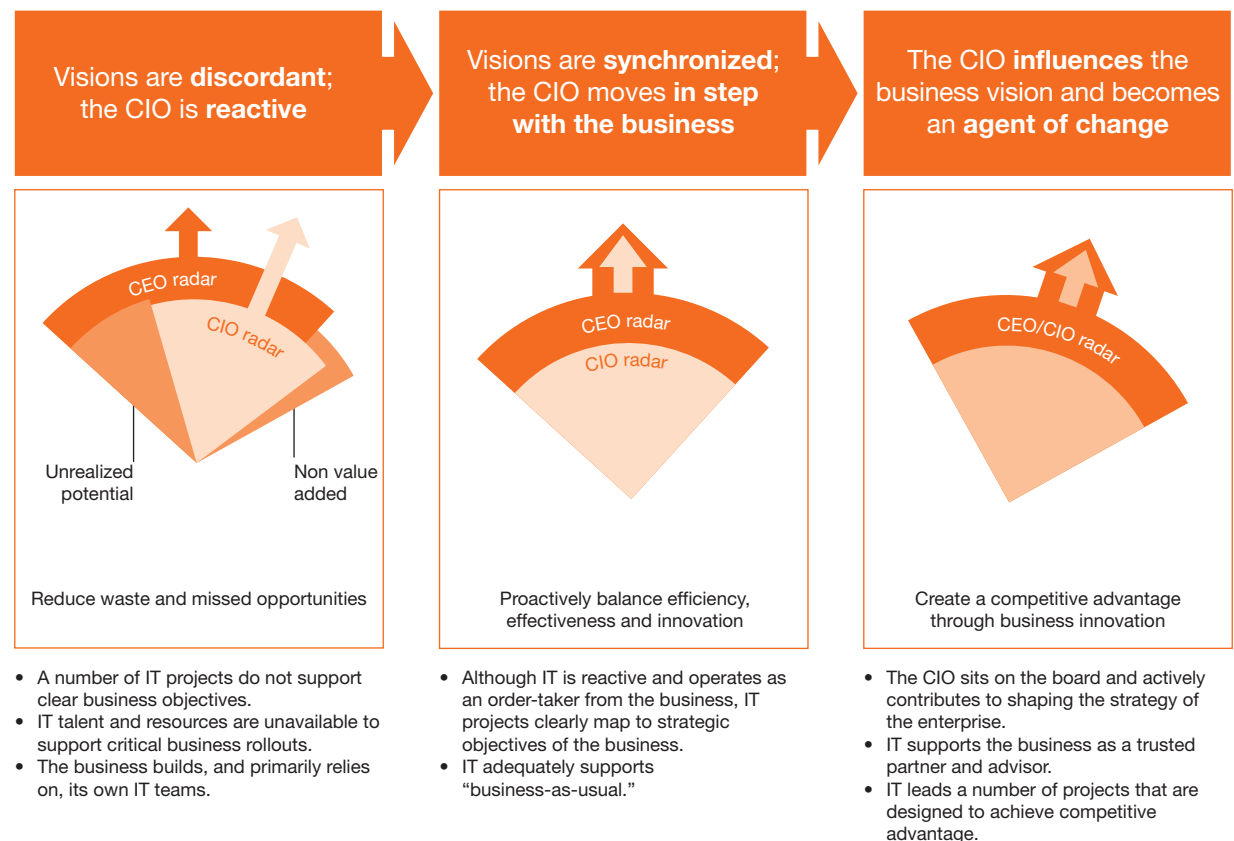
To stay ahead of the curve and meet the demands of their customers, the CIO's agenda should align with the business to set strategic direction. The first step is to define what it means to be customer-centric in the context of your own unique business. For example:

- Every part of an institution's operating model is analyzed through the lens of the customer.

- All employees—from point-of-service representatives to developers—are provided with incentives to satisfy the customer. Throughout the organization, a consistent definition and metric is defined for customer satisfaction, and this metric drives decision making.

- The institution's understanding of the customer utilizes all available information both from an internal perspective (such as customer lifetime value) and an external perspective (such as a customer's specific preferences). These elements are considered for each interaction in every channel.

- The CEO and CIO have synchronized visions, and are seeking to move the business vision forward together.

PwC's 2011 Digital IQ Survey provided supporting evidence that top performing organizations have CIOs that are aligned with the business.

Visions are **discordant**; the CIO is **reactive**	Visions are **synchronized**; the CIO moves **in step with the business**	The CIO **influences** the business vision and becomes an **agent of change**
Reduce waste and missed opportunities	Proactively balance efficiency, effectiveness and innovation	Create a competitive advantage through business innovation

- A number of IT projects do not support clear business objectives.
- IT talent and resources are unavailable to support critical business rollouts.
- The business builds, and primarily relies on, its own IT teams.

- Although IT is reactive and operates as an order-taker from the business, IT projects clearly map to strategic objectives of the business.
- IT adequately supports "business-as-usual."

- The CIO sits on the board and actively contributes to shaping the strategy of the enterprise.
- IT supports the business as a trusted partner and advisor.
- IT leads a number of projects that are designed to achieve competitive advantage.

As organizations transform from product- to customer-centric models, they should find the right balance between driving overall customer satisfaction and maintaining profitability.

Winning CIOs enable the business capabilities needed to achieve customer centricity at a lower cost— by investing in a scalable and robust technology environment.

Just being customer-centric is not a sustainable competitive advantage, because any organization can become customer-centric. The real differentiator is enabling customer-centric capabilities faster and more cost-effectively than your competitors.

Growing the business without increasing costs faster than revenue may be a challenge if the institution's technology foundation is not flexible. Establishing foundational capabilities—such as a flexible architecture and single view of the customer—allows for the extension of IT capabilities to enable new, customer-centric business capabilities while still maintaining profits.

Technology investments are needed to move organizations to a lower target cost curve and enable greater customer-centric capabilities at a competitive cost.

Total cost of ownership — High / Low
Customer-centric capability — Low / High
Unsustainable cost curve
Target cost curve
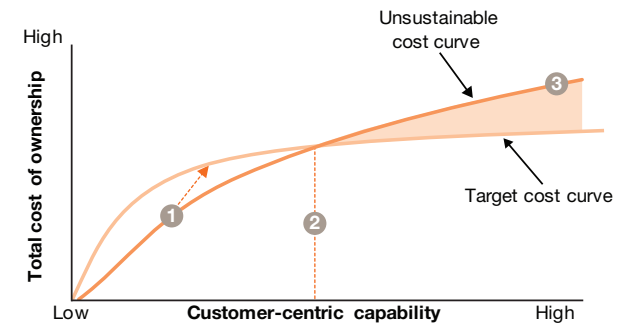
1 In order to move to the target cost curve, leading organizations make strategic investments in a flexible architecture and a robust technology foundation. These investments pay dividends in the longer term, even though tactical investments may present quicker and cheaper options in the short term.

2 An inflection point occurs where investments in foundational capabilities begin to pay dividends. Additional customer-centric capabilities may be delivered while maintaining margins.

3 Without the early investment, an inflexible architecture and "waxy build-up" within the technology stack put organizations on an unsustainable cost curve, eventually making it cost-prohibitive to deliver additional customer-centric capabilities.

Customer-centric financial institutions consider how they should build the right IT operating model, deliver technology solutions that enable customer centricity, and then deliver the right information to the business.

A proper technology foundation and basic, customer-service-enabling capabilities have become table stakes in the financial services industry. Getting ahead of the curve means going beyond traditional IT capabilities.

How well is your technology enabling a customer-centric business?

Business information

- Can you track customer sentiment online by being engaged in social media and mining data with text analytics?
- Do you have advanced analytics and predictive modeling capabilities to predict and test customer behavior?
- Do customer-facing employees have access to all customer interactions and preferences in all channels?
- Are customers segmented beyond demographics?

Technology solutions

- Does your technology landscape support multi-channel integration?
- Is there a true single view of the customer across all business units?
- Can customers customize their Web Portal experience and have access to online help with rich functionality, and click to-chat?
- Is mobile access for customers and employees enabling a better service experience?

IT operating model

- Are your management decision cycles bogged down in bureaucracy?
- Do legacy IT systems create an overly complex IT environment that prevents capability delivery in a timely manner or at a reasonable cost?
- Are all employees offered incentives to drive customer satisfaction results?

Table stakes

Ahead of the curve
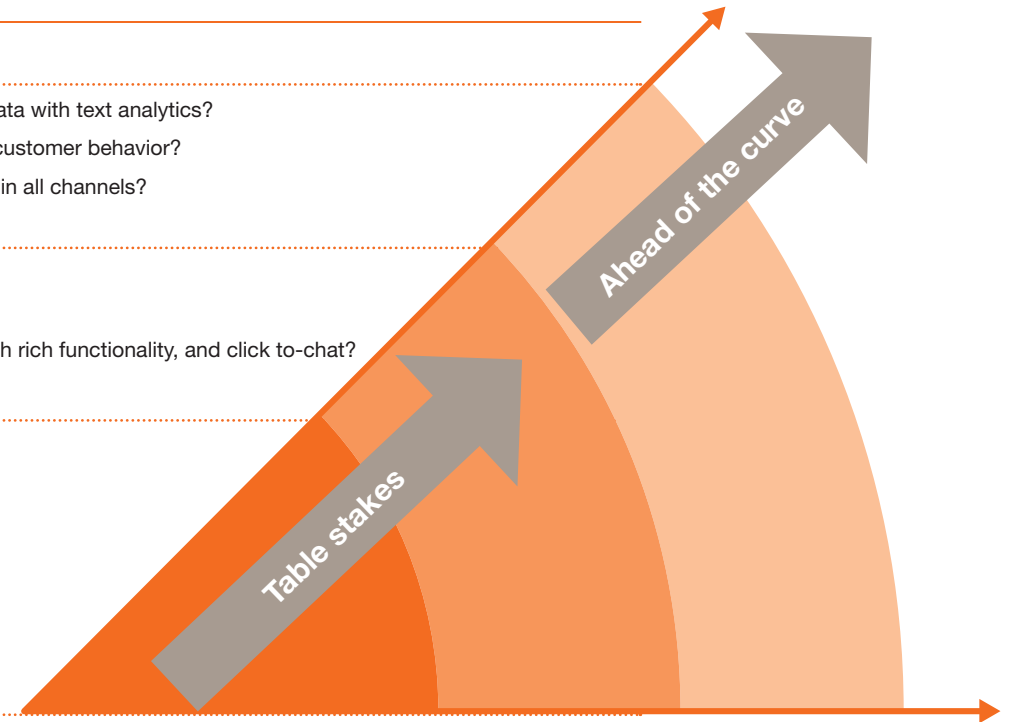
New business capabilities typically require new technology capabilities and changes in the IT operating model to adequately support and sustain them.

To support these new and enhanced business capabilities, the CIO and the IT organization should develop new technology capabilities and change the way they operate. This will allow institutions to become customer-centric as follows:

- Improved speed-to-market

- Faster decision making

- Contact optimization

- Integrated, multi-channel customer engagement

- Better understanding of the customer

- Social media optimization

- Increased mobility

Key considerations:

- **Strategy:** Developing these business capabilities requires not only technical capabilities but also an operating model with a mechanism to fund programs and think strategically across business units–each of these capabilities requires an enterprise view to be properly enabled.

- **Time:** Many of these capabilities are delivered over the long run, and may not be implemented with a big-bang approach. More often than not, short-term customer satisfaction programs fail to deliver the expected results.

- **Costs:** Remember, being customer-centric comes at a cost. Building these capabilities should be grounded in a pragmatic business case based on customer satisfaction driving profitability–not just satisfying customers for the sake of satisfying customers. There is a point of diminishing marginal returns where increasing customer satisfaction is no longer profitable.

Leading institutions are implementing new and enhanced business capabilities to become more customer centric.

Leading institutions understand the need to achieve:

Improved speed-to-market.

Slow-moving organizations don't make it to the winner's circle. Organizations need to react quickly to the needs of the market and provide new or improved products at an ever increasing rate. Customized products are becoming more prevalent; business rules and processes need to support real-time product delivery based on customer preferences.

Customizable products.

With customers increasingly expecting product and service offerings tailored specifically to their individual needs, financial institutions should be able to create or configure at the point-of-sale while maintaining profitability. When a customer wants to opt for a higher interest rate in order to accumulate more loyalty points or receive financial advice for a flat fee instead of paying commission, companies that can respond to these requests and preserve a profitable transaction and customer will be more likely to win new business.

Faster decision making.

Management should have the ability to make decisions quickly based on the right information, and understand the impact on their strategy before the decision is made. Having effective measurement metrics and well-defined decision processes in place prevents decision delays from getting in the way. Clear accountability and authority, combined with an established escalation path, helps facilitate decisions so that they don't linger and impede progress.

Contact optimization.

The initial contact between company and customer usually occurs on the Internet. An easy-to-navigate customer portal with comprehensive product data and the ability to compare products is absolutely necessary. With the right data foundation, a "people-like-me" function can guide consumers through their research, and ultimately to the sale. Personal information and preferences should be captured in this phase for future use. The optimally customized service supports a wholesale view and proactive recommendations for the customer. All servicing agents should have all customer information at their disposal for every interaction.

Integrated, multi-channel customer engagement.

Certain key technology elements are required to support a customer-centric foundation and lifecycle-specific capabilities across channels and regions. Systems should be integrated and able to share information, while supporting transference of business processes across channels at all points in the customer/sales lifecycle. All channels should be able to access customer information and present that data to end users in a consistent format. Service providers should understand what channels the customer has been engaged with and what activities took place.

Leading institutions understand the need to achieve:

Better understanding of the customer.

The ability to rapidly understand and respond to ever-changing customer demands a flexible technological environment that can deliver a 360-degree view of individual customer needs. Analytical capabilities that segment customers provide a better understanding of customer decision processes, behavioral characteristics, and likelihood to buy—all of which are paramount to effectively managing the customer base and providing tailored customer experiences. Customer data ownership is key. There should be a single business unit and champion for all customer data to represent the "customer's best interest" and maintain control of customer data at all levels of detail.

Social media optimization.

Social media matters! It may have a significant impact on an institution's reputation and profitability, as customers are using this platform to actively spread the word in real time about their customer-service experiences. Since an institution's reputation can be either enhanced or tarnished online, it pays to create and deploy rich content, to support all forms of social media, and to avoid behaviors that may end up casting long-lived negative perceptions.

Let's face it. People only "tweet" or blog when things are very very good or in any way bad. It's the latter that CIOs need to concern themselves about. When customers are mistreated or frustrated, regardless of the reason, you may count on the word getting out in real time. And when that word gets out, it *stays* out.

Leading CIOs focus on delivering the quality of service that they will want to read about online, and educate their colleagues firm-wide regarding what is being said online about the institution's products, services, and policies. In our view, it is far better to invest in processes that anticipate issues and address them immediately than it is to learn about a problem in a dissatisfied customer's tweet or blog when it's too late to close the barn door.

There's no reason to assume this is a "fad," it's more likely a trend, meaning the impact that social media and mobility may have on a product or company will only increase with upcoming generations.

Increased mobility.

In today's world of "here and now," customers expect to research, purchase, service, and advocate (or criticize) products via their mobile devices—while on the go or simply relaxing on the living room sofa. Institutions should implement technology solutions that allow products to be researched and safely purchased not only from their computers, but also from their smartphones or tablets. A robust, service-enabled mobile platform should be established to support these capabilities and facilitate the opportunity for customers to "Like," "Favorite," "+1" or otherwise share their experience.

To support these new and enhanced business capabilities, the CIO and the IT organization should develop new technology capabilities and change the way they operate.

We have observed leading institutions implementing the following IT strategies to gain competitive advantage:

- Clarifying and aligning with business strategy.

- Funding horizontal capabilities as opposed to siloed business unit investments.

- Moving management's focus from cost cutting to customer satisfaction.

- Expediting management decision cycles.

- Aligning IT "people" strategies to the institution's overall business strategies.

- Breaking down channel silos.

- Creating a single view of the customer that includes preferences and interactions.

- Avoiding "waxy buildup" in legacy systems.

These strategies have enabled institutions to become leaders in customer centricity.

Many of today's institutions are facing organizational and technological challenges that are impeding the implementation of customer-focused strategies. But solutions exist.

In our experience, few financial institutions take a truly systematic, rigorous approach to understanding customer needs and customizing products and services accordingly.

Rather than taking a systematic approach based on customer behavior and feedback, decisions are often made based on "gut feel" and qualitative feedback. Data limitations and the lack of ownership over customer sentiment exacerbate the problem.

That said, leading institutions are taking action to improve and maintain customer centricity.

Common obstacles observed	How leading firms overcome these obstacles
Lack of organization-wide accountability for customer satisfaction	• Define a consistent customer-satisfaction strategy at the parent level and apply it across all lines of business. • Assign accountability for customer satisfaction to one single leader or group; design and implement an effective mechanism for coordinating the organization's investment in customer satisfaction across all business units.
Misaligned incentives	• Go beyond simply linking employee incentives to customer satisfaction, retention, and cross-selling efforts. Leading institutions make sure that such incentives represent a meaningful portion of overall compensation, and that they extend beyond the business into IT organizations.
Inadequate information reporting	• Achieving true customer centricity requires a centralized customer data warehouse that captures customers' activities across all channels, enabling analysis of key data such as customer profitability, preferred interaction channels, financial lifecycle evolution, and household dynamics. • Track customer-service metrics organization-wide rather than just at the business unit level. Create metrics that go beyond focusing on the efficiency of the interaction (such as number of customers served and average talk time) and, instead, provide a holistic view of the quality or effectiveness of the interaction—for example, first-time resolution of problems and customer-effort score. • Make sure that front-line employees across different lines of business have access to a consolidated customer dashboard that will enable them to quickly identify information such as products the customer has purchased, the date of the customer's last interaction with the institution, and products that have been offered and refused in the past.
No proactive measures being taken to assess, anticipate, and stay ahead of changing customer sentiment	• While customer centricity is in all likelihood already a strategic priority, it is vital to translate that into actionable steps, and disseminate ongoing communications across the entire organization to make sure that priority remains top-of-mind over time. • Design and put in place a formal voice-of-the-customer program that will enable the institution to capture and respond to customer feedback. • Assess how social media might shape customer satisfaction in the future, then move forward to develop a social media approach that supports the institution's customer-experience strategy.

Competitive intelligence

Our observations of industry practices.

Our experience at several large institutions in the financial services industry indicates that there are varying degrees of sophistication in customer centricity.
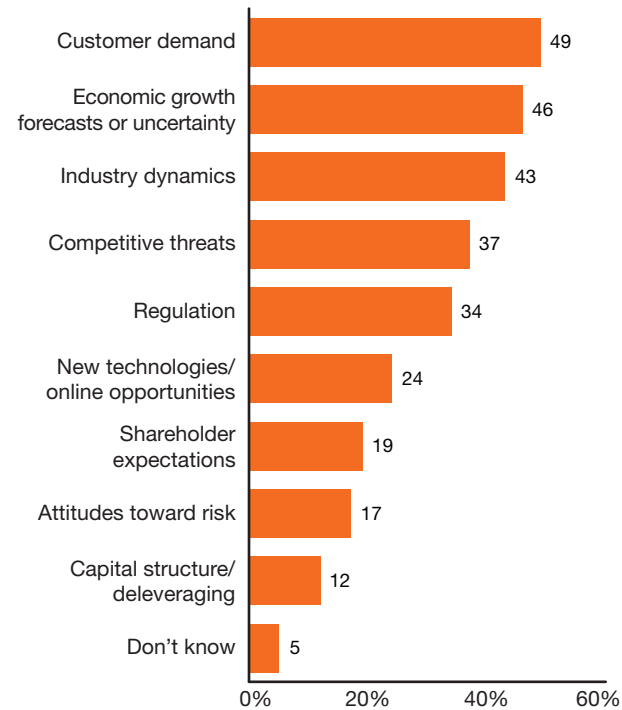
While many financial institutions are thought of as being either customer-centric or not customer-centric, no single organization displays all the traits of a company that would exemplify a best-in-class, customer-centric organization.

We have observed that the most successful organizations balance the need to please the customer with overall profitability objectives.

- Several companies have individual business units that operate almost autonomously, with varying degrees of customer centricity.

- Many companies that appear to be customer-centric are doing so at great expense by compensating for technology shortfalls with manual processes—that, in the long term, may not be a cost-effective business model.

- Organizations that claim to "please the customer at any cost" have often failed because they cannot meet the needs of every customer while maintaining an appropriate level of profitability.

- Customer satisfaction should be weighed against the profitability of individual customers, or at the very least, customer segments; financial institutions that treat all customers the same will expend too many resources on unprofitable customers and too few resources on the best customers.

Customer demand is the factor most commonly cited as impacting business strategy while customer needs are driving investment in data and analytics.[1]

Of the follow nine factors that may be changing in your business, which have significantly influenced your need to change your strategy? Is it changes to:

Factor	Value
Customer demand	49
Economic growth forecasts or uncertainty	46
Industry dynamics	43
Competitive threats	37
Regulation	34
New technologies/online opportunities	24
Shareholder expectations	19
Attitudes toward risk	17
Capital structure/deleveraging	12
Don't know	5

0%   20%   40%   60%

How much of the following data subjects are you going to collect in the next year?

Data subject	Less	Same	More
Customer needs	1	33	66
Operational performance	3	40	58
Financial performance	1	46	53
R&D/new product development	8	41	50

0%   20%   40%   60%   80%   100%

■ Less   ■ Same   ■ More
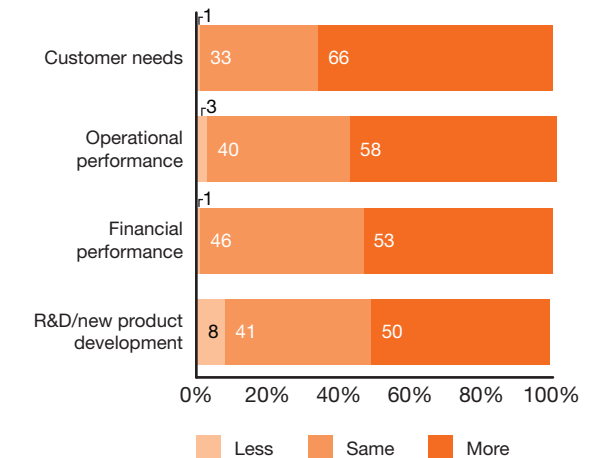
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1   PwC, "4th Annual Digital IQ Survey," January 2012, www.pwc.com.

The following are examples of what we observe in the financial services industry related to the IT operating model.

	Industry-observed practices		
Industry-leading practice	**Financial institution A** **Customer-centric/** **sophisticated institution**	**Financial institution B** **Typical institution**	**Financial institution C** **Product-centric/** **antiquated institution**
IT strategy is aligned with, and is an enabler to, the firm's strategy.	IT and operations are combined under one senior executive sitting on the board. IT strategy directly sponsored by the CIO and implemented throughout the firm.	IT strategy is loosely linked with the overall corporate strategy; each strategy is developed somewhat independently. The business does not see technology as a strategic partner.	IT and operations are combined under one senior executive sitting on the board, however, operational effects have not yet been realized. IT strategy is sponsored by the CIO; implementation is still in progress.
IT strategy supports technology across all silos, regions, and business units.	IT takes an enterprise view to exploit its assets. For example, the head of the bank's data group has also been named as head of enterprise analytics to develop a strategy for managing and using data in business processes across the enterprise. Business units have their own CIO that allows them to stay closer to their customer, and they work in coordination under enterprise direction.	Some shared services exist across business units (information services, infrastructure, etc.), however, shadow IT operations exist within business units with their own agenda.	Many business units follow their own IT strategy but efforts are underway to break down silos. Only ad-hoc sharing of technology across business units and regions.
Management decision cycles don't slow down the business and are based on facts.	Decisions are based on facts and have a clear escalation path. Impact of business processes changes on customer experience are understood through the support of operational metrics and predictive modeling.	The use of management dashboards has increased significantly for certain functions. There is an understanding of the need for better metrics for decision making, but operationally many decisions are still made without facts. There is a lack of culture, internal skills, and executive support for cross-unit analytics to support better decision making.	IT spend and IT strategy decisions are inefficient and not well informed. Business impressions of technology and existing vendor relationships often drive decision making instead of defined key performance indicators.

● Leading   ◑ On Par   ◔ Lagging

The following are examples of what we observe in the financial services industry related to technology solutions.

Industry-leading practice	Industry-observed practices		
	Financial institution A Customer-centric/ sophisticated institution	**Financial institution B** Typical institution	**Financial institution C** Product-centric/ antiquated institution
A single view of the customer is presented in all systems, including all customer transactions, interactions, and transparency into where they are in the purchase cycle.	New home mortgage platform serves as a one-stop system for sales and fulfillment functions for mortgages and related products across all 50 states. Functions include fulfillment, credit, underwriting, pricing, decisioning, and closing. There is not a single customer record across the enterprise, however, manual processes are in place to compensate.	Centralized data store exists for most customer information. Individual applications still use multiple sources for customer information. Householding algorithm has recently been upgraded, but applications will need to fully integrate it to leverage benefit.	Customer information exists in disparate systems across the organization. Customer interactions and transaction information incomplete.
Employees are offered incentives to focus on customer satisfaction when making decisions.	Employee compensation includes a bonus component based on customer satisfaction. Roles and responsibilities clearly articulate the requirement to account for customer satisfaction in day-to-day activities.	Business and IT leaders are compensated partially based on customer satisfaction. Recent initiative was aimed at increasing Customer Loyalty Index (CLI) by tying small portion of employee bonuses with CLI score, however, initiative was not supported by effective transformational programs. Group responsible for customer experience is not held accountable for CLI.	Customer satisfaction is part of incentive programs for branch employees and call center representatives. Customer complaint tracking program is in place which also is an input to incentivize higher compensation. Non-customer facing positions do not have incentives tied to customer satisfaction.
Flexible technical architecture is in place to facilitate rapid change and not hindered by antiquated legacy systems.	Individual business units have their own architecture disciplines with varying amounts of flexibility. Overall, technical architecture is not leading edge, however, front-end processes compensate for this, allowing the company to maintain a high level of customer satisfaction.	Claims system has been recently replaced with a premium solution that is configurable with new products. User interfaces for CRM in the agency and call center have been upgraded recently. Policy admin functions are delivered by multiple legacy platforms with functionality consolidated in an agency portal.	Technology is built on antiquated systems that have been underinvested in for more than 20 years, creating a very inflexible architecture that is difficult to modify or extend (i.e. takes too long and costs too much). There are current programs underway to upgrade some major components.

● Leading   ◐ On Par   ○ Lagging

The following are examples of what we observe in the financial services industry related to business information.

Industry-observed practices

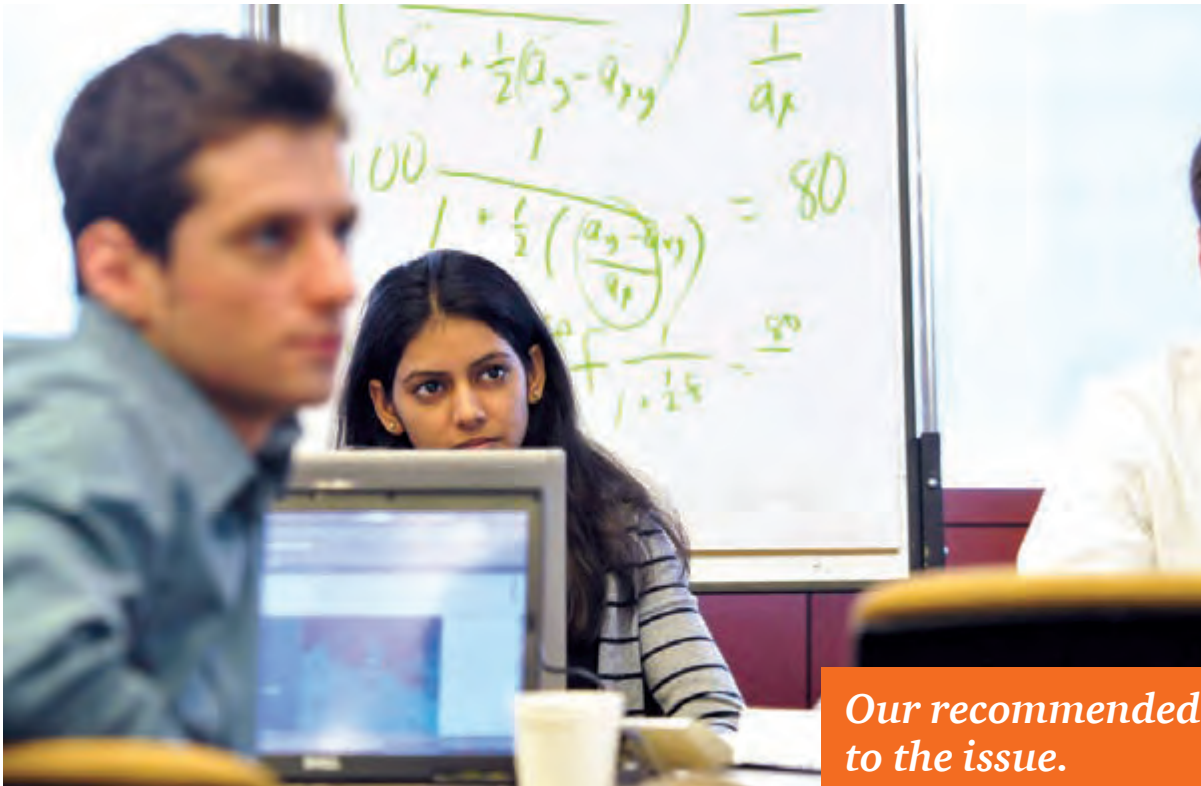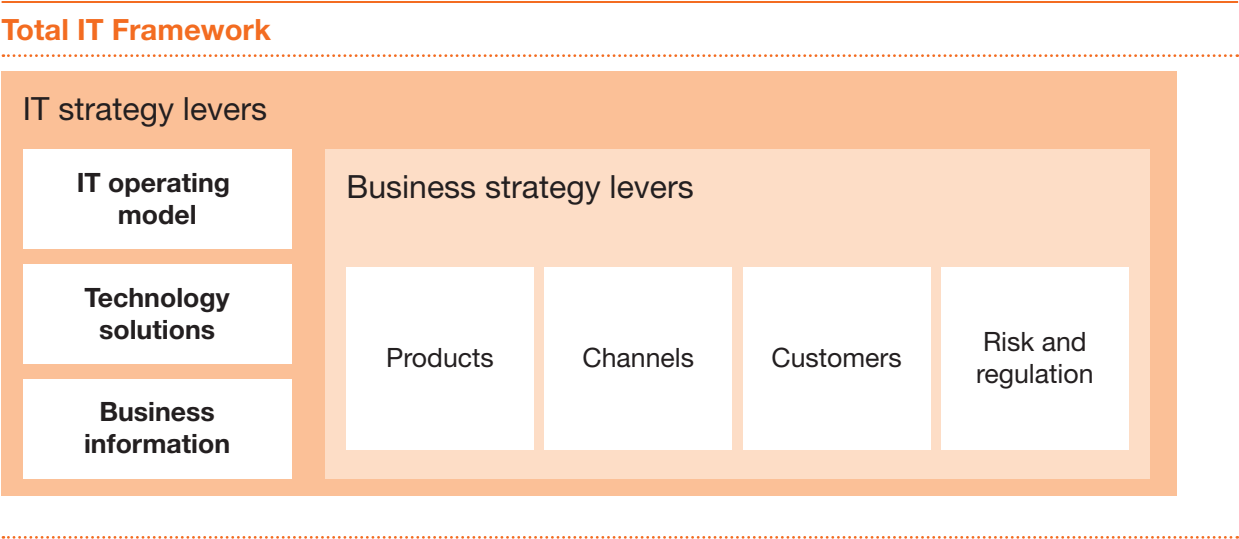| Industry-leading practice	Financial institution A Customer-centric/ sophisticated institution	Financial institution B Typical institution	Financial institution C Product-centric/ antiquated institution
All channels are integrated and business processes can migrate to other channels at any point.	Bank portal provides wholesale customers access to more than 60 services, including cash management, foreign exchange, trade, the ability to control who has access to company accounts and services, and set dollar limits for users who perform wire transfers; all of the services can be done through advanced self-administration tools.	Multi-channel integration efforts are ongoing to provide a consistent customer experience across channels.	Channels operate in silos and business processes are not connected.
	Call center operations are not fully integrated, typically leading to transferring of calls between service representatives to complete transactions.	Producer applications have been designed around business processes to support call center and agent without focusing on customer satisfaction.	Different business lines develop different applications that support the same channel.
			Similar business processes do not move between channels effectively.
			Customer support is specific to a single channel.
Mobile applications are available and support all or most transactions.	Mobile strategy offers functionality across all three traditional channels: text, mobile and Web Site. Text banking gives customers the ability to quickly request and receive information about balances, recent account activity, and ATM locations.	Mobile applications allow for auto quoting, viewing high level policy details, and filing first notice of loss.	Mobile channel consists of a screen scrape of the company Web Site.
	Applications provide all functionality available on full service Web Site including paying bills, transferring funds, checking balances, and utilizing GPS to get one-touch access and directions to ATM locations.	Mobile applications have been developed that are focused on more than simply transactions as a point of differentiation in order to generate buzz online (e.g., games, social networking, creative advertising, etc.).	Only internal transactions can be processed via mobile applications.
	Certain platforms (e.g., iPad, Android) do not have the same level of support/ sophistication as competitors.		Certain business lines have more advanced mobile applications, however, there is no enterprise mobile strategy.

Leading   On Par   Lagging

The following are examples of what we observe in the financial services industry related to business information.

Industry-leading practice	Industry-observed practices		
	Financial institution A Customer-centric/ sophisticated institution	Financial institution B Typical institution	Financial institution C Product-centric/ antiquated institution
Customer preferences are well understood and utilized for customization.	◖ Behavioral segmentation is available to representatives dealing with customers. ◖ Contact preferences are tracked and utilized leading to interaction in the customer's preferred channel. ◔ Allows credit card customers to design their own cards.	◔ Segmentation is available based on an internal customer value model but does not account for customer behaviors, attitudes, and preferences to create tailored customer interactions. ◔ Ability to bundle products online and display associated discounts is not available.	◷ Little known about customer during interactions. ◷ Customer segmentation or preferences are either unknown or not used to determine how to interact with customers or cross-sell. ◷ Products and services are not customized based on individual customer preference.
Advanced customer analytics are utilized across the value chain.	◖ All transactions (phone, ATM, bank branch, online) are collected and combined with personal data that the customer provides; analytics are then used to model behavior to propose prospective offerings, like a low-cost second mortgage, to coincide with a life-changing event. ◷ Some business units are not utilizing advanced analytical output to improve the customer experience.	◔ Centralized information services group exists to collect and prepare data, but skills are not available to apply advanced analytics to test hypothesis and/or simulate various possible outcomes. ◷ There is minimal clustering analysis among customer data using behavioral and preferential profiles to link customer patterns to profitability. ◖ Research department does effective studies of customer behavior but learnings are not infused into business processes.	◷ No analytic support to track customer sentiment. ◷ No individualized customer experience based on customer analysis. ◷ Simple analytics are not used to evaluate relative risk among customer/product combinations. ◷ Segmentation is outsourced in some cases; simple segmentation occurs internally.

◖ Leading   ◔ On Par   ◷ Lagging

A framework for response

Our recommended approach to the issue.

The CIO's agenda in improving customer centricity involves addressing the organization's capabilities across the three IT strategy levers in our IT Framework: IT operating model, technology solutions, and business information.
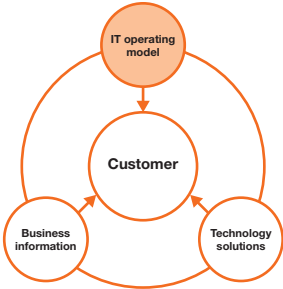
Total IT Framework

IT strategy levers

IT operating model	Business strategy levers			
Technology solutions	Products	Channels	Customers	Risk and regulation
Business information				

By strategically applying IT levers, CIOs may help their institutions move toward customer centricity.

1. **IT operating model:** How an organization functions related to people, processes, and technology in order to support a customer-centric foundation and lifecycle-specific capabilities across channels. Required to enable customer-centric capabilities at returns that justify the cost (such as flexible architecture).

2. **Technology solutions:** Foundational components that are required for integration and to support customer centricity, and that are specific to the customer experience (such as single view of the customer).

3. **Business information:** Capabilities within the context of the customer lifecycle that enhance the customer experience in a variety of ways (such as contact optimization).
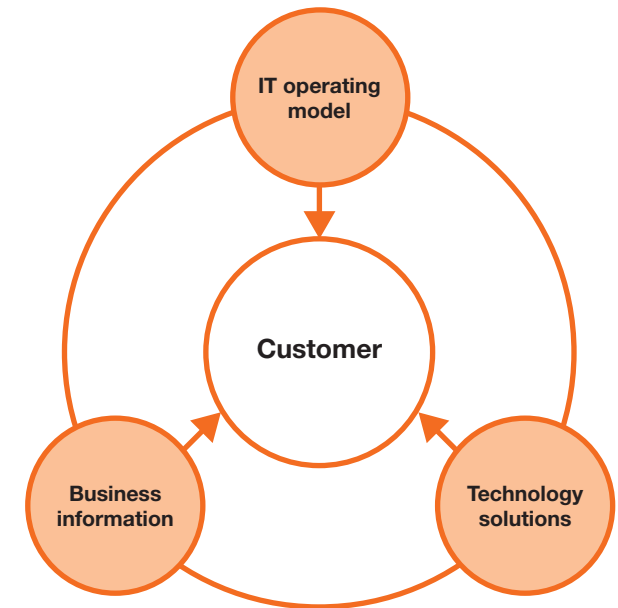
# A framework for response—IT operating model

1) Being customer-centric requires a flexible technology environment that allows employees to rapidly understand and respond to customer needs. A slow-moving organization—whether hobbled by technology complexity or by the inability to make decisions—may be a barrier to achieving customer centricity. Establishing the right foundation is the first step in the journey.

Issues to address	Technology implications
Integration/breaking down IT silos.	An environment that is not integrated across business units may create several barriers to effective management of customer satisfaction. In order to provide a consistent customer experience, that consistency should be replicated internally. All business units should be working toward the same goal, and information should flow freely across the entire organization.
IT talent.	To be the best at customer satisfaction, you need to hire the best, especially in critical roles that relate to customer satisfaction such as customer-experience design, analytics, and usability. Reevaluating the IT organization and mapping the right skills to the right roles is imperative.
Management decision making.	Simply put, a technology organization should have the agility to move quickly. The ability to make decisions rapidly, using the right information, is critical. Having the proper measurement metrics and well-defined decision processes in place prevents decision delays from getting in the way of progress. An effective decision framework—one that mandates facts as inputs and has a clear escalation path—is essential.
Ownership of customer data.	As part of data governance across the enterprise, there should be a single business unit and champion for all customer data. This group should represent the "customer's best interest," and should maintain control of customer data at all levels of detail.

A framework for response— Technology solutions

2) A customer-centric foundation builds upon a strong technology foundation to deliver technical capabilities that are specifically needed to enable customer centricity. In order to create a customer-focused experience, capabilities such as single view of the customer and multi-channel integration will be required.
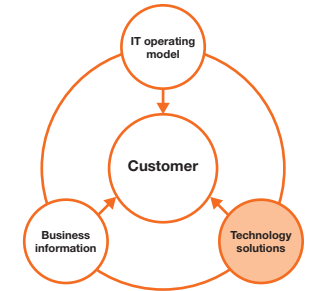
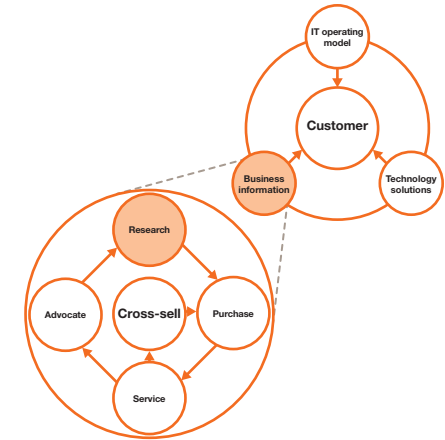| Issues to address	Technology implications
Legacy systems (waxy buildup).	Application rationalization and a move toward a service-oriented architecture are 1) required to keep pace with the technological change that is necessary to respond to customer needs, 2) reduce time-to-market for new products, and 3) reduce operating costs in order to divert funds to discretionary spend that can be used to please the customer.
Single view of the customer.	Achieving a single view of the customer requires a single source of truth for each piece of customer data, which can then be integrated and utilized, preferably as a service, by all applications that use and update customer information. Proper data architecture and governance are necessary to maintain the integrity of all customer integration. A comprehensive information strategy may pave the way.
Integrated multi-channel.	All channels should be able to access the information contained in the single view of the customer in a way that ultimately presents customer data to end users in a consistent format. Updates across channels should automatically update the master customer record and be architected so that inconsistencies cannot be created in the record by utilizing master data management.
Customer segmentation.	Analytical capabilities to segment customers beyond traditional techniques should be in place. Understanding individual customers' decision processes, behavioral characteristics, and likelihood to buy are all paramount to effectively managing the consumer base and providing tailored customer experiences.
Data security.	Recent data security breaches at several institutions have had severe consequences in terms of customer satisfaction. Sensitive information is exposed, existing customer confidence is shaken, while potential customers who question a company's ability to keep their information private are likely to look elsewhere for products and services.

A framework for response—
Business information

Customer lifecycle stage—
Research

3) Customer relationships start with customers being able to locate your company and identify the right products to fit their needs. While this is typically viewed as a responsibility of the marketing team, leading institutions "broadcast" their advanced technology capabilities—for example search-engine optimization—to promote their place at the top of search results. Developing a robust, customer-friendly web site allows users to easily navigate to find the right products.

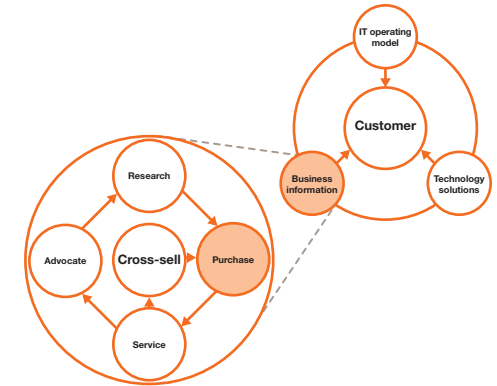| Issues to address	Technology implications
Search engine optimization (SEO).	Sixty percent of all organic clicks go to the top three search results.[1] Different search engines have different ranking algorithms and having a team dedicated to search-engine optimization will lead to better search results, more page views, and more leads.
Text analytics.	The ability to mine data from all media—including social media, surveys, email, message boards, and text messages—allows a business to understand customer sentiment about both the company's own products and those of its competitors. Advanced analytic techniques and natural speech parsing may be used to add to customer profiles, track sentiment, spot emerging issues, and more. This capability can be built in house or, for a full service solution, may be purchased as part of a vended solution.
Social-media presence.	It's a given that we live in a world where social media dominates and customers are most influenced by friends or crowds. The ability to create and deploy rich content and support all forms of social media (e.g., blogs, message boards, etc.) will amplify your presence in the world of social media. Conversely, a lack of engagement regarding your social-media presence may result in brand erosion and misperceptions.
Customer portal.	The initial contact between company and customer frequently occurs on the Internet. An easy-to-navigate customer portal with detailed product data and the ability to compare products is absolutely necessary. With the right data foundation, a "people like me" function may effectively guide consumers through their research. Personal information and preferences should be captured during this interaction to be used in the purchase phase.

1   MarketingSherpa, "2008 Search Marketing Benchmark Report," www.marketingsherpa.com.

A framework for response— Business information

Customer lifecycle stage— Purchase

4) The purchase process should be simple and streamlined across channels in order to prevent customers from abandoning the process before completion. Offering support and immediately following up on leads should increase conversion and lead to an improved customer experience. Interactions between customers and institutions should be guided by information previously collected in the research phase.

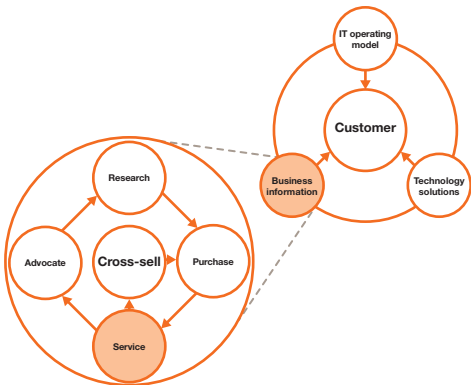| Issues to address	Technology implications
Leads analytics.	Information gathered from the research phase on customers' preferences and online activities should lead to properly segmented leads, which can then be routed to complete the purchase. Advanced simulation modeling may effectively distribute those leads to improve conversion rates based on channel, agent locations, time of day, customer segment, etc.
Product bundling.	The ability to seamlessly bundle products and display discounts, both for agents and online for customers, creates greater cross-sell opportunities while showing the customer that they are getting the best deal. Online shopping-cart functionality simplifies the sales process and leads customers step-by-step to complete their purchase.
Mobile capabilities.	To the extent possible, customers should be able to research, purchase, and get serviced on their mobile devices. A robust, highly functional mobile platform should be established to support these capabilities.
Online support.	Technical capabilities like click-to-chat keep customers from abandoning a purchase effort online by offering immediate support when needed. Rich content such as videos and other forms of easily digestible information help to make navigating through the purchase cycle a more friendly customer experience.

A framework for response—Business information

Customer lifecycle stage—Service

5) Retaining customers is about providing outstanding service to customers on their own terms. Self service allows customers to do business when and where they please, thereby reducing operating costs. When agent interaction is required, agents should be fully aware of the customers' previous interactions and preferences, as well as where they are in the process of a service interaction.
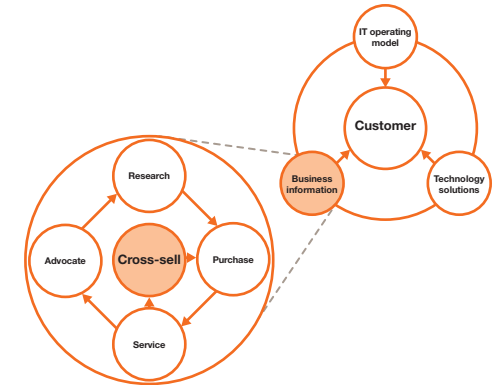

Issues to address	Technology implications
Contact/preference management.	As part of achieving a single view of the customer, companies should have the ability to capture all customer preferences and interactions, and store that information in a central repository. Whether it be an inbound or outbound contact, agents should have this information at their disposal during the interaction. Building a solid technology foundation and data architecture will serve as the enabler to an event driven architecture to ultimately improve every customer contact.
Servicing talk paths.	Building on the previous capability, advanced talk paths can be utilized to steer conversations based not only on what the customer is saying but also by detecting how he/she is feeling. Additionally, the result of the conversation and the customer's emotional state can be captured and stored for analytics and guidance on future interactions.
Mobile capabilities.	Similar to the mobile capabilities required in the purchase phase, simple service capabilities—such as billing, transactions, endorsements, and access to accounting information and balances—should be available on mobile devices to the extent possible.
Web portals customization.	Allowing customers to tailor their Web portals creates a better customer experience, making them more likely to spend time on the Web site. Portal and user interface expertise are necessary for the development of an ideal online servicing site.
Communication throughout service processes.	For service interactions that are a process rather than a transaction—insurance claims, for example—it is critical to have a way to communicate updates to customers. Text messaging, e-mail, and phone processes should be integrated, thereby enabling the individual customers to move through the process based on their communication preferences.

A framework for response— Business information

Customer lifecycle stage— Cross-sell

6) Several technical capabilities are required to identify and improve cross-sell opportunities. Online, customers should be aware of bundling opportunities and where they have gaps in their financial needs. Agents should be guided based on what is known about the customer, and properly incentivized to pursue cross-sell opportunities.

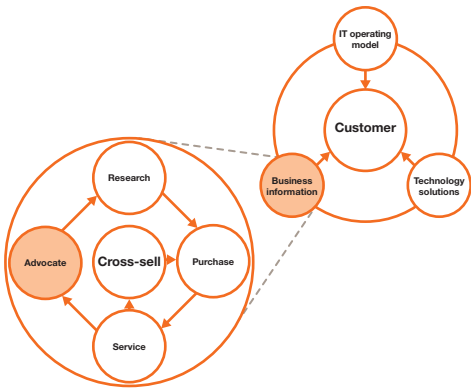| Issues to address	Technology implications
Incentive alignment.	Flexible agency/producer compensation systems allow organizations to react to information that might be gathered from test-and-learn, simulation modeling or predictive analytics. Increasing cross-sell success and profit maximization may be accomplished by fine-tuning the compensation system to create the right incentives.
Cross-sell talk paths.	Just as with sales and servicing, talk paths should incorporate customer information and product availability to make cross-sell recommendations to agents during normal interaction. Understanding customer sentiment is a key technical capability that helps facilitate the discussion of new products when the customer is most likely to buy.
Product availability.	Financial product availability can be limited by several factors. To avoid confusion and customer frustration, a sophisticated rules-based engine should drive the online purchasing site and provide agents with the ability to display only those products that are available to a given customer at a given time.
Product and service bundling.	The ability to seamlessly bundle products and display discounts, both for agents and for customers online, creates greater cross-sell opportunities while showing customers that they are getting the best deal. The bundling of products and services coupled with an understanding of customer needs creates a powerful cross-sell opportunity.
Understanding of customer needs.	A comprehensive yet simple 360° view of individual customer needs may identify gaps in financial needs or insurance coverage, improving the odds that the conversation with customers will result in cross-sell success. The view should include not only your company's products, but also those held at other institutions. This "big picture" approach extends the single view of the customer to track all financially related needs.

# A framework for response—Business information

Customer lifecycle stage—Advocate

7) Technical capabilities required in this phase are similar to those required in the research phase. A strong social-media presence, coupled with text-analytics, allows an organization to track customer sentiment and adjust their strategy accordingly. Allowing customers to be champions for your products, and even to participate in product development, will create advocates in the online marketplace beyond those that marketing may achieve on its own.

Issues to address	Technology implications
Customer product development.	Providing a forum that allows customers to provide feedback and shape future products makes them part of the creation process. Those customers will have a stronger affinity to your brand and be more likely to become advocates.
Text analytics	The ability to mine data from all media, such as social media, surveys, e-mail, message boards, and text messages, allows a business to understand the customers' sentiments about both the institution's products and those of its competitors. Scanning product-review sites and understanding the message that is being delivered allows a company to adjust its marketing tactics, product design, and customer service.
Customer-loyalty programs.	Customer-loyalty programs that include benefits for being an advocate can provide messaging in the online marketplace from customers that internal marketing cannot buy. A properly architected loyalty program should have the flexibility and integration within social-media spaces to enable tracking actions, such as "liking" on Facebook, and then providing customers with loyalty rewards.

How PwC can help
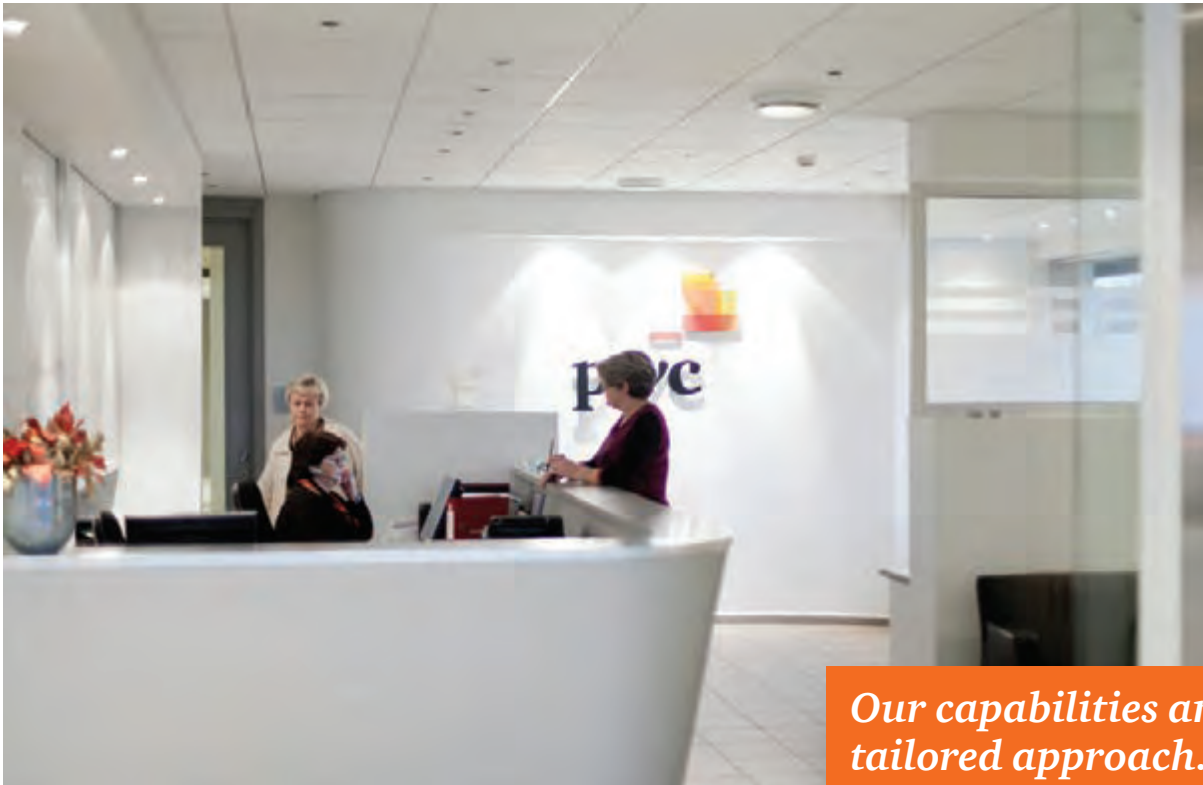
Our capabilities and tailored approach.

Among the key distinguishing characteristics of PwC is the depth and reach of the firm's global network of professionals.

Experience

- We have significant, relevant, and recent experience in providing actionable recommendations to leading financial institutions on improving customer-centric capabilities spanning business and technology.

- Our clients include leaders in capital markets and wholesale banking, retail and consumer lending, regional and national universal banking, and insurance. We have advised large commercial banks, investment banks, insurance companies, and hedge funds on IT operating model, technology solutions, and business information.

- Key PwC audit clients in the banking, capital markets, and insurance sectors are considered leaders in the customer experience space.

- Our firm's 34,000 financial services professionals in more than 150 countries have a long history of leveraging lessons learned and experience across borders.

Expertise

- PwC can provide you with an in-depth and up-to-date understanding of leading practices in developing customer-centric capabilities.

- We can work with your leadership team to effectively apply these practices to help your business develop actionable recommendations and implementation plans.

- Our work is grounded in our practical application of leading practices at financial institutions.

- We leverage our experienced professionals and PwC's proprietary tools and frameworks, which draw upon the practices of leading peers, industry leading practices, and our lessons learned from past programs.

Value

- We provide relevant and practical knowledge, insight, and expertise.

- We contribute an independent perspective and act as a neutral third party that provides transparency and objectivity.

- We encourage discussion of sensitive and critical issues, and help drive timely debate, resolution, and action.

- We bridge organizational divides and take an end-to-end view of client issues.

Core competencies

Customer impact

Create a well-designed, integrated, market-facing experience across key areas critical to drive demand:

- Customer experience design and voice-of-the-customer program
- Product design and portfolio management
- Pricing strategy
- Channel strategy, including mobile and social media

Business design and performance improvement

Evaluate and create the needed business and technology design to support your strategies, interface with your markets, measure progress, and achieve improvement objectives:

- Organic growth strategy and mergers and acquisitions
- Strategic sourcing and shared services
- Front-office and back-office process redesign, service quality enhancement, and cross-channel distribution strategies
- Expense management assessment

Information advantage

Build a core competency in advancing information architecture and analytical skills to improve management decision making and economic performance:

- Advanced customer analytics
- Core financial services system selection and implementation
- Information strategy and management

People and change management

Build effective organizations by aligning your people with your business strategies:

- Organizational structure and design; compensation and rewards
- Messaging and communications strategy
- Project and change management

Regulatory risk management

Navigate regulatory complexity:

- Regulatory compliance programs
- Credit, market, liquidity, and counterparty risk management
- Governance, risk, and compliance frameworks

Tax impact assessment

Perform a tax assessment to measure the potential impact of business initiatives and, where appropriate, promote tax-preferred actions:

- Improve position to reduce costs; structure and/or integrate ownership
- Analyze transfer pricing costs and profits
- Assess availability of credits and incentives

Integration of IT strategy with evolving business strategies

PwC's practice has a specialized cross-functional group of technology professionals to assist our clients with IT strategy, organizational design, application development, and integration issues.

Overall IT strategy		
Data strategy	Develop an information management strategy that aligns with business priorities, strategies, and goals, which gives clear ownership of the data management strategy throughout the business. Simplify and standardize contrasting data models to provide consistent information across the organization that allows key information to be readily accessible to the proper parties.	
Enterprise architecture	Align IT integration initiatives with business goals. Assess current integration architecture that provides a clear application of standards and policies across business units. Provide flexible, scalable enterprise architecture that supports and improves business processes and strategy. Provide guidance for implementation, rationalization, and optimization of software that creates simplification and effectiveness in the enterprise architecture.	
Application development and integration	Provide visibility into the processes, business rules, and functions supported across the enterprise. Transform systems into a platform that is not only quick and cost effective but that also reduces requirements for systems development, applications, and resources. React and modify processes and systems due to market and regulatory pressures to help reduce risk in applications.	
Data center and computing services	Align IT/business strategy with the data center facility strategy and help set standards, principles, and methodology for infrastructure products. Develop an implementation plan and provide an objective view which is independent of hardware and software selection. Develop a scalable, on-demand computer architecture that incorporates service levels which support the business, include automated provisioning, and improve time-to-market.	
IT organizational design	Provide an increased level of coordination by leveraging resources between departments within the organization to create business innovation. Focus on the core business/high-value activities. Develop measurements and incentives that better focus and motivate a desired behavior. Increase levels of customer satisfaction.	
IT risk management	Develop a framework for the management of IT risk, compliance, and security which combines leading industry standards and is aligned with the firm's risk management framework. Establish controls, indicators, governance, and an audit mechanism to continuously measure and improve the level of risk to the business.	
Global sourcing advisory	Provide a thorough framework, leading practices, and key controls to help assess, manage, and improve the current sourcing model. Develop a global delivery model based on leading practices and the organization's culture and capabilities. Establish and manage firm-wide, strategic vendor partnerships by identifying synergies among business units.	
Project portfolio management (PPM)	Assist in PPM through strategic resource management across the enterprise by adopting process change. Assess that change issues address governance and organizational design, as well as culture change. Measure process quality to assess that processes are effectively managed through a collaboration in workflow.	

Experience Radar

The Experience Radar locates opportunities to create value that drive exceptional, differentiating customer experiences—pointing the way toward both top-line growth and bottom-line results.

- Traditional customer experience studies typically do not tie to "hard economics" like value measures, price elasticity and churn metrics as the Experience Radar does.

- Our annual study quantifies and values the experiences of thousands of North American consumers across multiple industries.

- Our methodology employs an advanced conjoint survey technique. Values are assigned to core experience attributes that are broken-down into industry-specific elements and then ranked by what target segments value most.

- The data feeds a simulation model called the Experience Navigator that enables design and testing of experience stimuli in the market (design and marketing changes). It then analyzes their subsequent impact on pricing, market share and loyalty.

- We can use this same methodology to develop an Experience Radar study that is customized to your business.
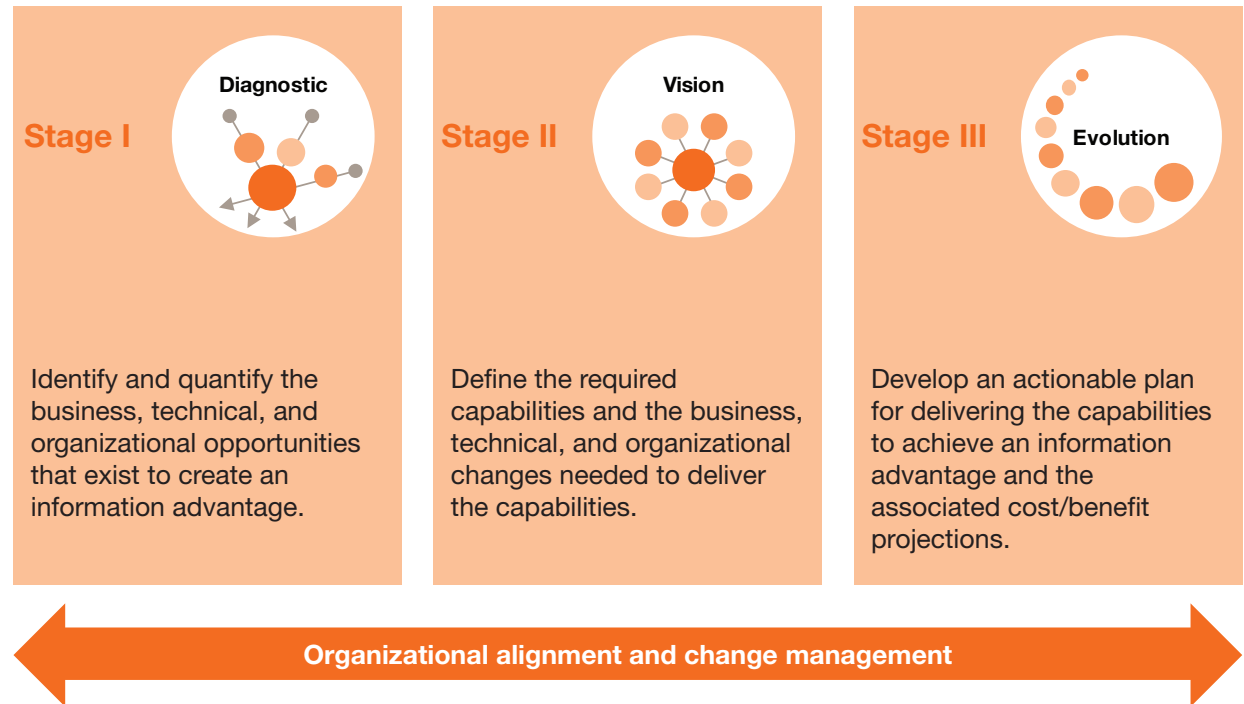
Experience radar attributes

Convenience
Presentation
Support
Community
Quality
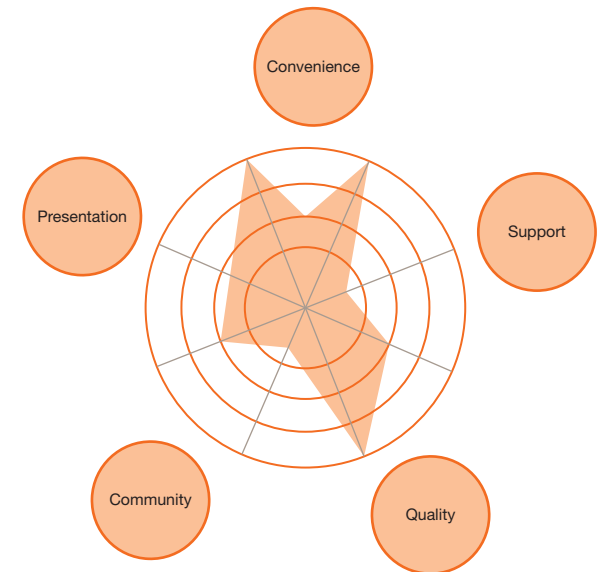
Information strategy

The Information Capability Engineering (ICE) methodology is a thorough approach to creating an information advantage for an organization.

ICE stages and objectives:

Stage I

Diagnostic

Identify and quantify the business, technical, and organizational opportunities that exist to create an information advantage.

Stage II

Vision

Define the required capabilities and the business, technical, and organizational changes needed to deliver the capabilities.

Stage III

Evolution

Develop an actionable plan for delivering the capabilities to achieve an information advantage and the associated cost/benefit projections.

Organizational alignment and change management

What makes PwC's Financial Services practice distinctive

Integrated global network

With 34,000 industry-dedicated professionals worldwide, PwC has a network that enables the assembly of both cross-border and regional teams. PwC's large, integrated global network of industry-dedicated resources means that PwC deploys the right personnel with the right background on our clients' behalf, whenever and wherever they need it.

Extensive industry experience

PwC serves multinational financial institutions across banking and capital markets, insurance, asset management, hedge funds, private equity, payments, and financial technology. As a result, PwC has the extensive experience needed to advise on the portfolio of business issues that affect the industry, and we apply that knowledge to our clients' individual circumstances.

Multidisciplinary problem solving

The critical issues financial institutions face today affect their entire business. Addressing these complexities requires both breadth and depth, and PwC service teams include specialists in strategy, risk management, finance, regulation, operations, and technology. This multidisciplinary approach allows us to provide support to corporate executives as well as key line and staff management. We help address business issues from client impact to product design, and from go-to-market strategy to operating practice, across all dimensions of the organization. We excel at solving problems that span the range of our clients' key issues and opportunities, working with the heads of business, risk, finance, operations, and technology.

Practical insight into critical issues

In addition to working directly with clients, our practice professionals and Financial Services Institute (FSI) regularly produce client surveys, white papers, and points of view on the critical issues that face the industry. These publications—as well as the events we stage—provide clients new intelligence, perspective, and analysis on the trends that affect them.

Focus on relationships

PwC US helps organizations and individuals create the value they're looking for. We're a member of the PwC network of firms with 169,000 people in more than 158 countries. We're committed to delivering quality in assurance, tax, and advisory services.

Appendix

Select qualifications

Enablement of 360° view of the customer—Personal lines insurance company

Issues

This large, publicly held personal lines insurance company in the US wanted to have an integrated view of current and prospective customer data to support their strategic vision. A set of enterprise customer services were identified as the component that would facilitate this integrated view and replace the current Household Relationship Management System. The client wanted to evolve the "service of" and the "experience for" prospects/customers as they interacted with the organization. They wanted to track customers across channels, products, regions, and timeframes with better data granularity and information to draw inferences that were previously unavailable.

Approach

PwC provided assistance in the following areas:

- Consolidated business capability needs from related efforts and defined a capability inventory that was prioritized by impact

- Defined the high-level business architecture

- Developed the conceptual future state architecture, based on a leading Master Data Management engine accessible through custom built services hosted on the TIBCO BusinessWorks platform

- Developed and defined high level solution scenarios, options, recommendations, and costs

- Developed a roadmap that included initial sequencing of recommended efforts

- Developed an initial business case for scenarios/solutions

Benefits

As an outcome of this effort, program cost was refined by the lessons of past household relationship management efforts. The labor cost to implement all functionality was under $17M, with an annual run rate under $2.5M. Ongoing maintenance spend in 2011 and onward was estimated at $1.4M which was less than the current state. Savings potential was identified due to reduced labor cost to run future state applications compared to current state budget. The proposed solution architecture enabled the institution to achieve its strategic business initiatives, reduce the dependency on mainframes, and leverage enterprise data strategically.

Single view of the customer—Large property casualty insurance company

Issues

Following the acquisition of another company, the client (one of the nation's largest property casualty insurance companies) had customer information in multiple sources which had to be searched independently with tools to recommend if, when, and how business insurance customers were already entered into a transactional relationship with the client. This process was operationally time consuming, ineffective, and not always followed consistently. Often, the result was the creation of duplicate customers records and occasionally a situation where multiple business units pursued the same piece of business, conflicting one another in the marketplace. The client enlisted PwC's help to define a future state architecture and conduct an assessment of industry leading vendors to produce a consolidated customer view for the business insurance organization.

Approach

PwC provided assistance in the following areas:

- Assisted the client in the exploration and determination of a viable set of solution options for how to create a single view of their customers where industry-leading vended solutions were a core part of the solution.
- Developed a business vision and a conceptual architecture.
- Drove business stakeholder involvement and ownership.
- Facilitated a vendor discovery process.
- Outlined a solution roadmap to achieve business benefits both rapidly and incrementally.

Benefits

PwC provided important assistance to build stakeholder support for a vision of what the single view of the customer should accomplish, what the business drivers are for it, what key capabilities are required, and what potential solution architectures could be. In addition, the client identified a more practical solution by leveraging PwC's considerable experience helping other clients solve a similar problem and deep knowledge of the customer data integration vendor landscape as a way to accelerate the solution.

Alignment of IT strategy to business vision— Global investment bank

Issues

The client needed to move from the current practice of isolated IT initiatives driven by specific business needs to a more structured program better aligned with overall business strategy. The objectives of the assessment were to assist the client in determining:

- The level of effort required to sustain the desired high-availability environment.

- The IT staff and associated skill sets required to (a) maintain the existing environment while remaining prepared to meet new challenges and (b) enable the right amount of innovation to be competitive.

- The capacity and/or flexibility of current platforms and systems to support the business vision.

Approach

PwC provided assistance in the following areas:

- Performed high-level assessment of the bank's IT environment and organization by leveraging PwC's framework and tools. Assessment was conducted across seven areas including infrastructure, application, storage, security, IT financial management, governance, and strategy.

- Compared the client's processes and technologies against industry leading practices.

- Evaluated current IT capabilities against PwC's capability maturity model.

Benefits

The client received recommendations for transforming the IT organization, including the following key initiatives:

- Establishment of an enterprise governance to foster the alignment of key IT initiatives with business strategic objectives.

- Transformation of IT infrastructure to support growth, including capacity increase and deployment of scalable IT products.

- Implementation of a scalable IT operating model, with thorough recommendations to mitigate skills and personnel gaps.

The recommendations highlighted gaps compared to leading practices and identified quick wins that were implemented by the bank.

Creation of a financial crisis micro-site— Large mutual life insurance company

Issues

A Fortune 100 company and one of the largest mutual life insurance companies in America wanted to develop a micro-site aimed at repositioning the strength of the company's brand and their line of guaranteed products in the midst of the 2008 financial crisis. Consumers were unaware about what measures they should take after they felt the impact of the crisis, and they didn't recognize that there are tailor-made insurance-based solutions that fit their needs. This concept was initially recommended by PwC during a 2008 Online Strategy project for the client.

Approach

PwC provided assistance in the following areas:

- Led the creative, design, execution, and marketing plan for a company branded micro-site centered around the following four themes: A history of financial strength, navigating recent market volatility, guaranteed insurance and retirement solutions, and the company's presence in the local community.

- Executed roles and responsibilities of the site development including timely speed-to-market of the site (4 months), total content development, content compliance review, and creative oversight.

- Created a marketing plan to drive paid and earned traffic to the micro-site through online advertisements, search engine marketing, and social media.

- Developed customizable frameworks to improve the success of paid advertising and search keyword campaigns as well as social media initiatives.

Benefits

The micro-site offers a new and experimental way to reach customers who may benefit from the guaranteed solutions offered by the client. It positions the differentiating factors of the client brand in a way consumers have not seen before in an effort to ultimately drive sales leads to agents. Within the first six months of launch, the site drastically exceeded initial monthly visit goals. The site has also received six awards from entities such as the Financial Communications Society, Interactive Media Council, and the Webby Awards.

Development of enterprise strategy and roadmap—Fortune 500 insurance company

Issues

A Fortune 500 insurance company with international operations was facing the following issues:

- The company had a non-integrated business-unit (technology platforms, claims processing, field management, and shared services) operating model and redundant corporate functions across the enterprise and business units (technology, marketing, HR, and finance).

- Poor financial performance, which caused the company to be viewed by analysts as a value opportunity.

Approach

PwC provided assistance in the following areas:

- Worked with operating and functional leads to develop a strategy articulation map, operating model, organizational structure, and governance model that was aligned with the enterprise strategy.

- Performed a thorough diagnostic across key functional areas within the company to identify opportunities to improve operating efficiency and effectiveness in key areas such as distribution, product manufacturing, customer service, and operations, claims, consumer strategy, marketing, finance, HR, procurement, technology, law and regulation, investments, and real estate.

Benefits

Working with PwC, the client:

- Received enterprise and sub-unit strategy maps, operating models, organization structures, governance models, and journey maps that were aligned to its organizational strategy, designed to help drive the company's strategy going forward.

- Identified potential revenue enhancement opportunities and potential annual savings that could be realized over a three- to four-year period.

IT and operations transformation— Global investment bank

Issues

Shortly after a global investment bank with more than 10,000 employees and annual spending of more than $3 billion acquired a competitor, it embarked on the following: The IT and operations department initiated a program covering cost reduction, organizational realignment, and service and solution quality improvement. The client requested an assessment of the current state of the technology and operations organizations to identify key transformational and cost-reduction opportunities.

Approach

PwC provided assistance in the following areas:

- Assessed the current environment across client verticals, products, and distribution channels. Conducted more than 400 interviews, collecting HR, financial, and benchmark data covering systems and personnel.

- By analyzing the current environment, interview feedback, competitive intelligence, and industry-leading best practices, PwC identified key transformational and cost-reduction opportunities designed to achieve targeted savings.

- Developed recommendations for the target operating model, including organizational structure and a common global location strategy for the entire organization, including:

  - Consolidation of select functions across back office, middle office, and IT.

  - Establishment of a plan, build, and operate model (PBO) that is common across development teams.

  - Development of center of excellence and shared services for functions across development teams.

  - Implementation of an offshoring/nearshoring model supporting the operations and technology transformation.

- Scoped future initiatives that would be evaluated in further depth within subsequent phases of the program.

Benefits

Identified a series of actionable initiatives bringing over $450 million in cost savings over two years as well as other benefits such as organizational and service delivery efficiencies. Assisted with the communication of the recommendations with the CIOs of each technology group, as well as the launch of the work streams leading the detailed planning of the key initiatives.

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