



# TEMENOS ARC

## Overview



TEMENOS™

## A platform for success

Temenos has made a significant investment over the years in banking solutions for the retail sector to ensure the different needs of all banks operating in the sector can be met. Temenos serves over 580 clients - nearly 50% are based in retail banking, with the remainder coming from the universal banking, corporate banking, private wealth management and microfinance sectors.

TEMENOS T24 (referred to as T24) offers a breadth of functionality, focussed around the customer, in a scalable, open systems environment. It is a complete banking system that can be deployed either as a highly flexible, tailored solution, or through T24 Model Bank.

T24 provides functional coverage across what are sometimes referred to as the front, middle and back office, although increasingly these definitions within the marketplace are becoming blurred.

T24 provides comprehensive and flexible business functionality with the most advanced and scalable architecture. Forrester, in their *Wave™ Core Banking Suites*, state T24 “offers the strongest overall core banking functionality, without particular functional weak spots”.

T24 has been and continues to be enriched by the wealth of banking experience from our clients around the world and is delivered with a ‘local footprint’ which takes account of country or region-specific differences in banking practice and cultural requirements.

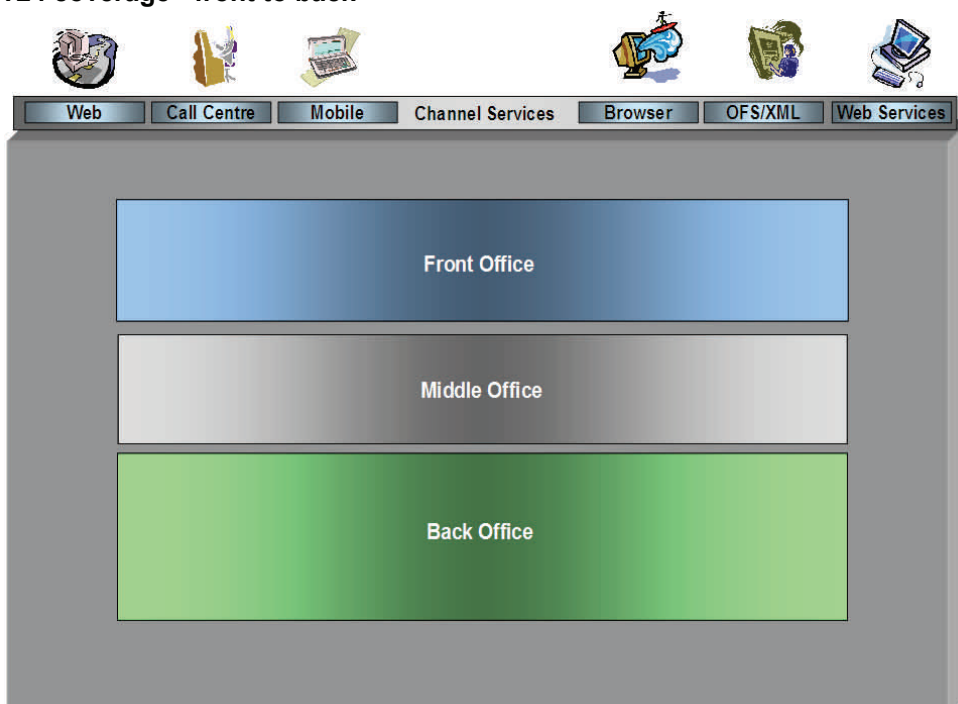
## ARC - Achieving more from less

TEMENOS ARC (referred to as ARC) brings together a suite of front-office functionality, delivered from the same core platform and database that has traditionally been limited to supporting back-office activity. ARC is integral to the T24 core banking platform and provides a front office suite with:

- Multi-channel banking
- Operational CRM
- Analytical CRM
- Workflow processing

This functionality supports the needs of retail banking, corporate banking, universal banking and private wealth management - markets where T24 is already proven.

### T24 coverage - front to back



## Putting the customer first

T24 and ARC address a banking market that will continue to become considerably more competitive. The buoyant conditions in some markets over recent years may subside - presenting new challenges which reinforce the need to remain competitive and increase total shareholder return.

Against a background of increased competition, commoditisation of products and less favourable economic conditions, banks will pursue with renewed vigour strategies that:

- Improve customer service and retention
- Bring innovative products and services to market
- Provide efficient multi-channel delivery
- Identify customer value and implement bespoke propositions for each segment
- Increase share of customer business
- Drive the right (economically profitable) growth

ARC will help banks address these strategies with specific business functionality.

### ARC Business Functionality

Customer Relationship Management (CRM)	A single view of the customer, that can be efficiently managed, presented and updated across multiple channels. To treat the customer as a relationship as opposed to an account number.
Sales and Performance Management	Appropriate data consolidated into value-added reports that can be used to drive and reward the appropriate staff activity.
Campaign Management	End-to-end management of sales campaign processes, both from customer initiated contact, or outbound marketing activity.
Delivery Channel Management	Cost effective provision of products and services across multiple channels in a way that meets the needs of the business.

ARC provides:

- Highly efficient real-time, 24x7, multi-channel delivery on the single, T24 core banking platform
- Improved customer intimacy and retention rates
- Improved customer acquisition and cross-sales
- Improved cost effectiveness of Sales and Marketing

### Multi-channel delivery on a single platform

Whilst the growth of banking channels has been relatively slow, it has nonetheless resulted in many banks building “stacks” of multiple applications, platforms and databases. The resulting IT landscape is often the consequence of a lack of business functionality in either back-office or front office systems or both.

Whilst this complexity may have provided short term solutions to the needs of the business, the longer term need for differentiated customer service and the agility to deliver products and services quickly, means this complexity is a barrier to delivering customer focused strategies.

The use of internet banking will increase due to changing demographics and the customer’s desire to transact business at any time of the day or night. But this increased internet banking usage will uncover weaknesses in the way that these disparate applications operate – customers will expect more than can be delivered from legacy applications. Breadth of functions, timeliness, the single customer view and transacting across channels will provide a few of the challenges.

ARC provides the information, processes and business logic required by a bank to service its customers over the internet, mobile devices, call centres and IVR as well as the traditional method of just walking into a branch.

T24 - the core banking system behind ARC - is agnostic about the channels and “offices” (back/middle/front) that it supports. Banking

functionality is available to staff and customers via their preferred interactive banking channel, in real time 24 hours a day, 365 days a year. Access is only limited by the rights a bank chooses to make available to either its customers or its own staff. When customers access their account information they are essentially undertaking the same enquiry on the bank's system as a member of staff.

This multi-channel, multiple use of functionality extends to other areas such as:

- Single list of payment beneficiaries
- Diary and contact information
- Transaction histories
- Portfolio holdings
- Standing orders and direct debits
- Account nicknames / abbreviations

ARC supports a true multi-channel environment by providing:

- The same business functionality delivered to multiple channels, without the need to replicate all business logic and functionality in different channels
- A single database that is accessed by any channel, without the need for data replication
- Data that reflects all channel activity and is available in real-time
- The same core application for the build of channel functionality, reducing the need to acquire and maintain multiple skill-sets
- Highly flexible configuration capabilities that allow functionality and user interface tailoring for each channel

It is for the bank to decide the functionality that should be provided to each category of user through each channel. ARC provides broad functionality for:

- Sales, service and relationship management in branches and service centres
- Automated services through Internet Banking, Interactive Voice Recognition systems or telephone banking
- Branch teller / cashiers

## Customer intimacy and retention

A bank's value proposition to its customers may comprise a number of components which include customer intimacy, operational excellence and product innovation. Together these contribute towards customer satisfaction, loyalty and life-time value.

In a drive to move closer to the customer and increase retention rates, banks have implemented a variety of CRM projects, most of which have not succeeded. Reasons for failure vary, but the most common causes include focusing on the IT aspects of CRM and not involving the business sufficiently in defining the business requirements and benefits. T24 breaks down those barriers by providing a user-friendly set of tools that remove the need for deep programming skills when setting up for example new products.

ARC breaks down some of the barriers to building customer intimacy and improving retention rates by providing:

- The ability, to see a single version of the customer's records across all channels, on the same core application
- Key customer information, both transactional and non-financial, delivered in real-time to staff via user friendly screens, with drill down capabilities
- Access to product and service information from systems outside the T24 core banking system on a single extensible data-base
- Customer contact and diary management across multiple channels
- Interaction with customers that reflects their stated preferences, for example phone, mail
- A history of past contacts and the customer's reaction, for example, to a sales campaign, irrespective of the channel in which it occurred
- Customer self-service capabilities. ARC can reflect the same bank procedures through self service channels, adjusted by rules specific to the channel and type of user

## Customer acquisition and cross-sales

Whilst customer acquisition and cross-sales may be seen as directing the sale and the servicing of products and services, an alternative view is to see it as managing the demand for banking products.

In a highly competitive environment, simply waiting for the demand to arrive and manifest itself in revenue is not a strategy. This does not deliver long-term value or maximise the value of the customer base, nor produce an acceptable return on investment in the products and services that have been created.

For customer acquisition and cross-sales to succeed, sales opportunities need to be created. When these generate a buying signal this has to be captured, analysed and if cost effective, moved to a completed sale.

All too often, the steps in this process of managing demand are disparate and executed in multiple applications that have limited knowledge of each other. Furthermore, the flow of information between applications is often broken, requiring the re-keying of data which builds in the potential for errors. The “moment of truth” in the sales process can mean the difference between completing the sale or losing the opportunity forever.

ARC provides support for this by orchestrating the long running processes that drive sales and customer acquisition. Unlike core systems that are account based, T24 is also able to capture information on potential customers - which ARC exploits by driving the process to the point where the product is sold and the prospect becomes a customer. This ability to drive similar processes on the same system for both customers and prospects can be important when trying to efficiently manage the sale of regulated products.

Quickly understanding the characteristics of a customer can be critical in maximising a sales opportunity. Banks will therefore often record a segment or profile against each customer. ARC can automatically apply segmentation profiles to customer records, based upon rules established by the bank and applied to the single T24 database. As customer circumstances change, the profile can be refreshed dynamically or at a frequency of the bank's choosing.

Having started a process that could eventually lead to a sale, it is important to record the full details of the customer's and bank's interactions. All too often, this takes place in disparate applications that may not be visible to each delivery channel. ARC can record these non-financial “transactions” with the client on the single database within T24. In doing so, this information is available to all users, in any channel. Indeed there is no reason why this information could not be shared with the customer, through for example, the internet channel.

The ability to record and share contact information across channels is helpful, but the successful execution of the process is of paramount importance. ARC can take the processes designed by a bank, for example in Business Process Modelling Notation (BPMN) and:

- Reflect the workflows associated with a given operation or sales process
- Orchestrate both simple and complex process steps involving both T24 interactions and human activity across multiple channels
- Run processes that are “nested” inside another process
- Populate the user screens with the relevant information carried forward from the previous step in a process, removing the need for re-keying
- Manage processes involving both front and back office activities
- Move tasks between bank staff “to do” lists
- Shift activity between staff to balance workload and improve service levels and resource utilisation
- Report processes that have become “dormant”
- Provide management information on process activities

Efficient and unique processes are increasingly used by banks to differentiate themselves from their competitors, so whilst a number of pre-configured processes are available with ARC, these may also be used as a base-line from which to build further bespoke processes.

## Effective Sales and Marketing

Earlier sections of this overview have described how a core banking system can provide a multi-channel solution that provides the tools to those in the front to back office to improve customer acquisition, retention and cross-sales.

ARC also provides tools that directly help staff responsible for running sales and marketing campaigns – the type of head office activity that may often be supported in separate applications and databases. Specifically, ARC provides the ability to:

- Capture rules that will be used to define sales opportunities
- Apply those rules to the multi-channel database
- Generate “opportunities”, which may be applied to proactive campaigns or placed as notes on the customer’s record for use in subsequent interactions
- Present “opportunities” to staff and customers against predetermined rules, which could be channel or event specific
- Orchestrate the sales process once the “opportunity” has been presented
- Record the outcome of the sales process, which can then be reflected in subsequent sales campaigns, for instance in avoiding repeated requests following a decline
- Run the campaign for a finite period and provide management reports at the end

As one application, operating across multiple channels on a single database, these opportunities can be presented through any channel. The subsequent workflow steps are similarly orchestrated across multiple channels.

Multiple campaign rules can be established and applied to the database at frequencies determined by the sales and marketing department to automatically record “opportunity” information. Staff identifying potential sales during the course of their normal work may also record opportunities against the customer record and initiate workflows associated with the appropriate campaign.

This campaign information can be presented to sales and service staff within their terminal screens, with links to appropriate product and service information.

Not only can ARC generate the sales opportunities and orchestrate the subsequent sales processes, it also provides support to staff designing campaigns:

- Rules may be applied to specific groups of customers
- Campaigns can be applied to subsets of the total list of opportunities, to allow campaigns to be piloted prior to full roll-out
- Multiple campaigns can be run with small variations to assess alternate strategies

## Summary

ARC is integral to the T24 core banking platform - proven across multiple banking sectors - including retail, corporate, universal, private and microfinance banking. This single platform makes ARC a unique offering, including:

1. **Better business efficiency** through front to back office, transaction handling and servicing capabilities
2. **Improved customer experience** from a real-time, single view of the customer across multiple channels
3. **Increased business performance** from the inherent customer centricity and CRM tools that improve customer acquisition, retention and cross-sale rates