

## **Digital banking for Corporates: much more than ‘services on the move’**

It is often said that simplicity usually equals efficiency. Many medium to large corporates have followed this theory by investing internally in simplifying their own business processes. Often investing in digital solutions inspired by customer experiences which as consumers they are familiar with through their interaction with companies such as Apple and Amazon. It is therefore only natural that they expect their bank to adopt the same approach. While some corporate banks have established leading positions in digital technology, the majority have underinvested, until now. Earlier in 2015, Aite predicted that most of the top 50 US banks will roll out corporate mobile by the end of 2015. However, to compete, corporate banks must offer much more than ‘services on the move’.

### **New entrants, new threats**

This is particularly important as competition is a real threat. Organizations equipped to handle transaction volume, with the agility to respond to market needs, are positioning themselves between you and your clients. Historically, regulation was an obstacle to market entry that protected incumbents from new competition, but these barriers are now coming down. New business models are emerging that leverage technology to meet evolving client needs. Venture capitalists, large Internet companies, and others are backing a rapidly growing set of startups that can compete with corporate banks. Examples include payments and financial-supply-chain solutions (Square; Tungsten), financing (Google-backed OnDeck Capital; Amazon), and foreign exchange (OzForex). Armed with digital capabilities, these new entrants are using technology to deliver low-cost, customer-centric corporate banking services. Services can now be scaled rapidly on more efficient and flexible platforms. These entrants are offering immediate fulfilment through digital channels, as highly customized and personalized client offerings.

### **Reduced complexity with a complete picture**

Multiple rivals means multiple portals, and this can be even more inconvenient for corporates with multiple banking relationships. Offering digital banking services that reduce the complexity of managing cash and transactions across multiple bank relationships is key. SWIFT provides the means to supply the required information; cash reporting messages provide real time information for corporates as well as banks either directly to the corporate or via a nominated bank. Banks should be able to consolidate transaction information on behalf of their corporate banking customers, present it via their channels and enable the corporate to manage cash and transact on all their accounts in one place. With the right solution, corporates should be able to manage all their finances in one place. Whether a sole trader or treasurer of a major corporate, a single view of cash positions, and access to the banking services they need, is vital.

A dashboard approach should consolidate information allowing your customers to view both historical cash positions and forward projections with data represented in graphical summaries of aggregated positions into a consolidated overview. This functionality can be used to support liquidity management, including understanding surplus/deficit values, viewing balance trends, cash flow projections, summaries, average balances, interest rates on accounts and overdraft limits, all through an intuitive user experience. Taking this a step further there is the opportunity to anticipate liquidity events in the following few months to facilitate decisions to avert the operational impacts of a cash flow bottleneck. These tools can be marketed to corporate clients to support new revenue streams along with client retention.

### **Convenience through continuous access**

Equally important is your customers being able to access your services when and where they are needed across multiple devices. The ability to perform the same tasks on the go as in the office mean that banks can access these growing markets easily as they don't even have to be based locally. It also offers the added benefit of being able to maintain a personal service through instant online support and access to relationship managers remotely.

### **Efficiency through empowerment**

Digital brings not only customer service advancements but also empowerment. Solutions such as hybrid tablet client applications, which are based on a multichannel User eXperience Platforms, are giving corporates greater control which in turn means lower operational support requirements for banks. These platforms should integrate into the FI's existing extranet / Internet infrastructure and be highly configurable. They give corporates the control to modify their standard application very easily using intuitive screens, and display any information available within the portfolio management tool in real-time from anywhere.

### **Making the move to digital**

In order to support the changes that the market and your clients are feeling, you must transform your business models, particularly in the development of products and services, which traditionally has been done internally and somewhat in a vacuum. Banks need to ensure that the previously siloed business units within their organizations no longer face off against one another and are working in harmony, delivering a consistent look, feel and experience for their customers.

Banks have to look at technology, product and changes in customer behavior through a prism of being more mobile, more social, more analytical and taking a more diversified view on what our customers are expecting the bank to deliver. Similar to the consumer retail world, corporate customers are also expecting a more intimate relationship with their bank. Expectations are shifting to instant, 24/7 contact through digital channels, as well as customers expecting that their needs are being anticipated and quickly catered for as part of a low-cost or free package that is automatically rolled up into banks service offering. However this does not mean a digital only approach, a recent study by BCSG found businesses are feeling disengaged from their relationship managers. Banks must use digital to anticipate the needs of their customers, providing proactive recommendations based on robust analytics. Using digital tools will enhance relationship management by offering insight that will build trust in recommendations, engender customer loyalty and generate more revenue. Digital services are more than differentiators, they are essential to service delivery.

The benefits of digital solutions for corporates are enormous, offering convenience, control, improved liquidity management, cost savings and ultimately profit. These benefits stimulate transaction growth directly feeding the bank's bottom line. Digital transaction banking data can help banks identify behavior of successful corporates, target product offerings and assist other corporates in emulating their successful peers. In a world of increasing competition, without the right digital solution a corporate bank must offer much more than services on the move if they are to avoid being left behind.