

P E R S P E C T I V E

Valuable Technologies to Make Bank
Branches More Effective



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Universal Banking Solution | System Integration | Consulting | Business Process Outsourcing

The 21st century will bring about all-embracing convergence of computing, communications, information and knowledge to radically change the business of banking. The growth of high speed networks, coupled with the falling cost of computing power, is making possible applications undreamed of in the past. Voice, data, images, and video may now be transferred around the world in microseconds.

Not only has technology transformed the internal accounting and management systems of banks, it has also fundamentally changed the delivery systems they use to interact with their customers.

However, the quest for newer and better technologies continues as worldwide, banks look for ways to meet the challenges and opportunities of a rapidly-changing environment. They recognize that without the right technology, they cannot hope to remain globally competitive.

Technology Transformation of Banking

Various technologies have made an enormous impact on banking organizations and their employees and customers, by enabling the following and more:

- Immediate access to critical account, customer and transaction information
- A variety of online transactions, such as funds transfer, issuance of standing instructions and bill payment
- Online / telephonic complaint registration, service requests and response

In short, technology has streamlined business processes and created an efficient customer service environment to give banks vital competitive advantage.

Technology-led Benefits in Detail

The major benefits of banking technology are listed below:

A. Benefit to Customers

Customers have benefited from the increase in banking competition wrought

by technology. With consumers becoming more demanding, banks have no choice but to integrate existing solutions with different customer-centric technologies to enable self-enquiry at in-branch terminals, remote PC banking, anytime banking at ATMs, 24x7 telebanking and so on. In addition, they can also consider offering electronic banking in various forms, as described below:

A service in which the bank provides corporate or high value customers with Graphical User Interface (GUI) software on a personal computer, enabling them to query financial transactions and accounts, make cash transfers, order cheque books, etc.

A service, which allows business customers to transmit the text of letters of credit, bills and business transactions in computer-readable format to the bank using Electronic Data Interchange (EDI) technology.

An electronic cash management system, which enables corporate customers to consolidate cash from multiple locations and deposit it through a dedicated kiosk provided to them.

Facilities such as NEFT and RTGS, which enable electronic funds transfer between bank accounts.

B. Benefit to Banks

Technology has brought several advantages to banks including a wide range of inquiry facilities to help develop their business, terminals to enable staff to respond immediately to customer queries without having to consult the ledger-keeper, automatic and prompt execution of standing instructions and MIS reports on the due date and fast and up-to-date transfer of information between interconnected computerized branches and controlling offices, to enable speedy decision making.

C. Benefit to Bank Employees

Technology has increased employee productivity through automation of

cumbersome and time-consuming jobs such as account balancing and interest due calculations and printing of covering schedules, deposit receipts, pass books / pass sheets etc. It has made signature verification easier by enabling staff to retrieve signatures from their respective terminals. Technology has also reduced duplication through single-point data entry linked to customer ID, and improved compliance with Anti Money Laundering standards and other regulatory norms by tracking transactions closely.

Emerging Technologies

Besides the above, there are a number of emerging technologies, which could potentially raise banks' effectiveness even further, in future. Three of these are described below:

A. Wireless Terminals

Wireless Terminals, mainly used for processing Credit Card transactions, transmit digital data between computer devices over short distances using radio frequency energy. The terminals can transmit card data over a cellular or satellite network.

The terminals transmit purchase related information to a radio tower, from where it is routed to the processor, which in turn passes it to the issuing bank. After checking the validity of the card and availability of funds, the issuing bank sends an authorization number to the processor. This information is then sent to the terminals. The entire transaction takes about 8 to 12 seconds, depending on network coverage and traffic.

Wireless terminals save time, increase sales and reduces operating expenses. Being lightweight and small enough to fit into a pocket, they are an ideal tool for business persons who are constantly on the move.

B. Q-Matic

Another solution called Q-Matic, helps manage customers inside the branch.

When a customer walks into the branch, a greeter ascertains his requirements and checks the availability of a suitable advisor, over a touch screen terminal. The system either directs the customer to the advisor immediately, or tells him how long he might have to wait. If the customer agrees to wait, he is issued with a service receipt, which reconfirms the waiting time. The system also informs the advisor about the customer's requirement, to enable him make the necessary preparations.

This technology improves the experience of customers by directing them to the right personnel, thereby ensuring that they don't waste time in the wrong queue. It also eases the load on tellers, who are only supposed to process routine transactions, but often end up answering queries or directing customers to other personnel. Finally, this technology also improves the cross-selling effectiveness of the branch.

C. Brickstream®

Brickstream offers physical retail outlets a solution to measure customer behavior and convert that information into actionable business insight. Using Brickstream's technology and patented software, retail businesses – including banks – can understand how long customers are made to wait within their premises and what they do in that time. Banks can use this knowledge to improve service and sales strategies and ultimately, customer experience.

Brickstream employs stereovision technology to capture 3D images, which are more versatile and accurate than the 2D images created by monocular cameras. The self-contained camera units, which combine the image capturing mechanism with Brickstream's patented software are rugged enough to withstand sunlight and crowded environments. What's more, the units cost less to install than traditional equipment and also bring down the Total Cost of Ownership by eliminating the need for data collection hardware on-site, and streamlining installation and maintenance.

D. Surface Technology

If surface technology were to become a fixture in retail banks, customers and bank executives would be able to sit across a small tabletop screen and browse content over it using touch. Surface technology is expected to enhance customers' experience and level of trust by making it easy for them to search and uncover information on financial issues.

A customer interested in a certain product advertised in the branch could download information about it using an NFC equipped phone, and take it to the surface table, which would extract the information and enable him to explore the product in detail over its touch screen surface.

Surface technology not only makes the entire information gathering process more efficient but also allows customers waiting to meet branch staff to use their time more productively.

E. Cloud Computing

With cloud computing, banks no longer need host software applications within their walls. For a fee, specialist vendors provide a complete package of hardware, software and services that banks can access on demand and pay for based on actual usage. The cloud brings many advantages, including lower capital investment, quick implementation, scalability, improved service levels and automation, besides freeing up the banks' IT and human resources.

When core banking applications are accessed over the cloud, it becomes easier to prepare cross-country or cross-company reports, make inter-company accounts when there are several entities, and do branch reconciliation. Cloud technology also increases business automation by improving interface with other systems.

Deriving Greater Value from Technology

In order to earn adequate return on their investment in expensive new technology, banks need to use the new systems to do more than deliver information and basic services. For instance, they must leverage the systems to sell additional products like insurance or investments, or reduce the cost of service delivery by employing channels such as video or web conferencing.

They must also ensure that the intended benefits of technology actually flow to customers by measuring performance and customer satisfaction regularly, and aligning their technologies to their product offerings. The support of the right technology provider is critical to this endeavor.

That being said, technology alone will not solve issues or create advantages. It needs to be completely integrated within the organization in order to secure the acceptance of the final users.

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