



TAKING BANKS ACROSS THE DIGITAL FRONTIER

Traditional banking organizations are being upended the world over by competition from digital native rivals. A banker expressed the prevailing sentiment succinctly a few years back- "I keep wondering at night, will I have a bank the next morning, or will some technology company be doing banking without needing a bank?". Such worries compound the precarious situation of debt-laden banks already struggling with an increase in regulation and an uncertain economic environment.

We believe such sweeping changes to an industry are not the first and the banking fraternity must draw lessons from the experiences of their peers from industries like manufacturing who have embraced technology and automation to gain productivity and reduce operating costs and errors.

While there is well-documented evidence about the need for banks to invest in digital technologies, we are only beginning to understand the peculiarities in customer types and habits and the impact of new and upcoming trends, such as blockchain, cryptocurrency, peer-to-peer banking, on the industry. Greyhound Research, a leading global analyst firm, delved into this in a recent report. Titled 'Future of Banking: Outlook 2018', the research based on 3,800 interviews across 12 countries found that 77% millennials prefer to use banks that offer a good experience via a mobile application. This compares to an average of 52% consumers across all age groups who gave the same preference. Consumers are increasingly preferring to engage with banks that offer the robustness of the traditional services delivered using the latest technologies.

A MOBILE-FIRST BANKING INITIATIVE

However, like any change, the need for banks and financial services firms to adapt to digital technologies is fraught with risks and challenges. Most are burdened with **disparate host systems** added piecemeal over time and not amenable to change readily. Bankers also usually hold strong **apprehensions about digital transformation**, given their experience of long technology deployments and the ensuing business disruption. However, change is imminent and the need of the hour is to work with **solutions that are both adaptive and scalable** to the business objective.

With these goals in mind, we helped **a large Colombian bank** with their **strategic digital banking initiative** targeted at the mobile-first generation in Latin America. The digital bank would leverage the client's experience in the geography while maintaining independent operations. The client had previously implemented an Infosys Finacle solution for another transformation project in Latin America, and so, Finacle Core Banking was an obvious choice for them for their latest digital banking initiative.

Infosys' Finacle Core Banking Solution adopts a pain free approach to digitally transform the industry, with an adaptive solution at the core. The solution's componentized structure, readymade integration adaptors to facilitate integration with the client's applications, and its compliance with industry standards help in reducing integration costs. With the solution providing a **360-degree single-source view** into customer accounts, banks can empower customers with relevant information and delight them with the right offerings, presented at the right time through the right channel.

WORKING IN SPRINTS

We planned to implement the project with **Agile delivery**, with the overall delivery requirements broken into pieces of work items to be completed in weeks-long sprint cycles.

The project involved building out **three transaction modules** - Intra-bank Transfers, Payments, and ATM Withdrawals and one module each for customer data maintenance, customer accounts maintenance, and inter-bank transfers.

Like any engagement of its kind, this project included significant challenges and strategizing, including the need to **personalize the platform** to local requirements, securing digital money transfers, and building omnichannel services. Infosys Finacle overcame these challenges with a **structured, collaborative approach**. Using MQ middleware to leverage Finacle Core Banking services, we got a range of functions across applications to interact seamlessly across several channels. Exactly a year after the project began, the client was able to do a pilot run, and within a few months, took the digital bank live.

We delivered a digital banking solution that allowed the bank's customers to open a bank account on their smartphones in less than 5 minutes. They could send money via their mobile phones even to recipients not using the digital banking service. In addition to having the ability to withdraw money from thousands of ATMs without a debit card, the customers were also given the facility to make digital payments at thousands of outlets using QR codes. Our solution helped the client open more than 20,000 accounts in less than a year.



TAKING BANKS ACROSS THE DIGITAL FRONTIER: THE FIVE KEY TAKEAWAYS

- 1 **Research** needs of your customers to understand expectation from digital banking better
- 2 **Strategize** with an end customer-centric approach
- 3 **Implement** Agile delivery model to ensure faster delivery
- 4 **Use** middleware to make applications interact seamlessly across channels
- 5 **Leverage** real-time data for improved decision making and compliance checks

BIG LEARNING:

The last few years have seen the rise and fall of multiple digital banking initiatives. While the traditional banking heavyweights have taken a more cautious approach of launching specialized products to complement existing legacy, other relatively smaller banks have taken a more aggressive approach of virtually building a parallel digital banking entity. While nearly all banks with a digital banking initiative are learning on the go, the need to change and evolve is a certainty and nothing short of radical steps are required to make this leap. Solutions which offer adaptive solutions at the core, will prove invaluable for banks looking to gear themselves for tomorrow.

WE DID THIS FOR THEM. WE CAN DO IT FOR YOU.

To learn how Finacle can transform your financial organization, reach out to us at askus@infosys.com

For more information, contact askus@infosys.com

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