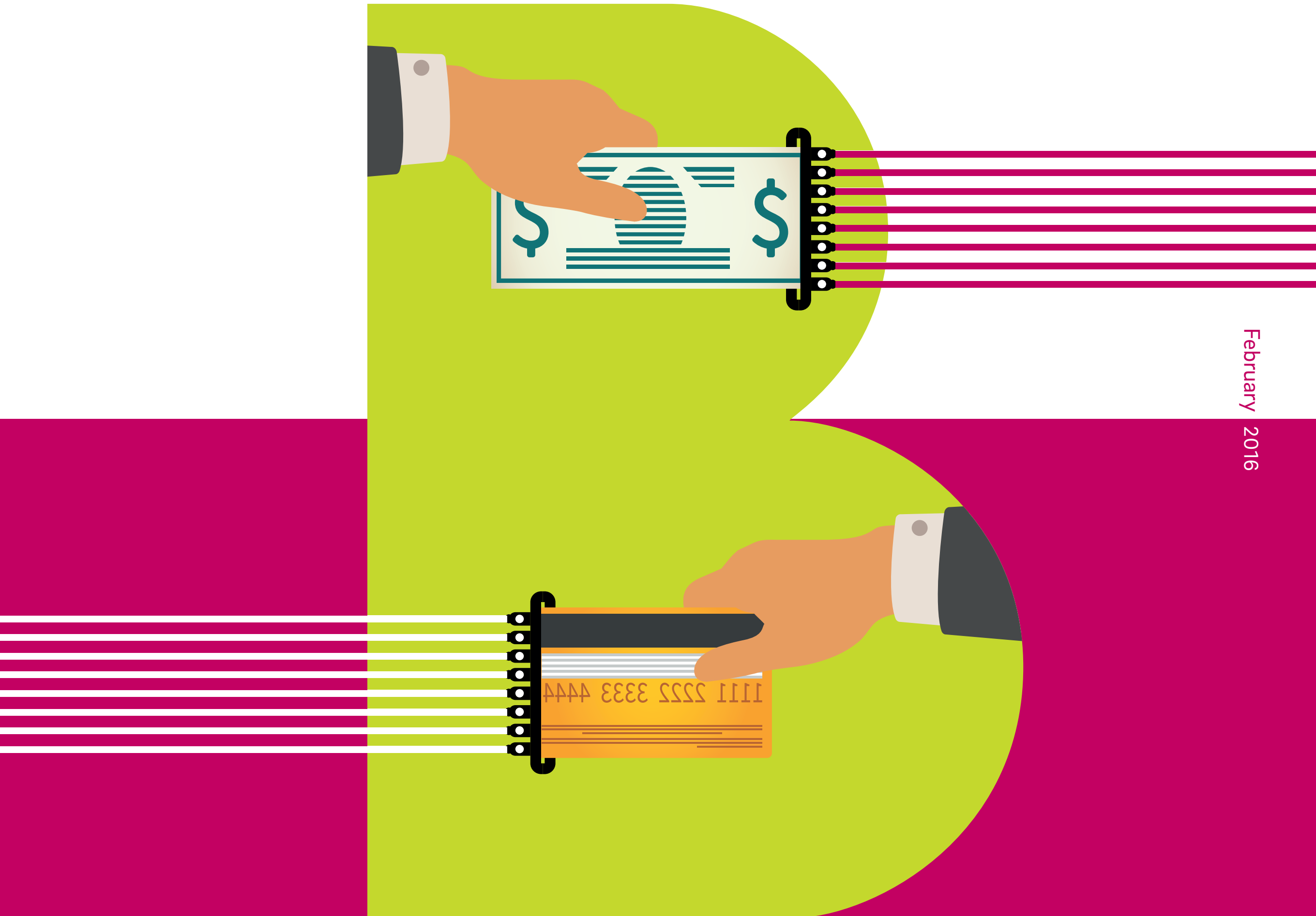
THINK ACT

BEYOND MAINSTREAM



February 2016

Plan D – Digital all the way

How financial service providers can protect their livelihood
with end-to-end digitization

Roland Berger

THE BIG 3

PLUS
EXAMPLE FROM THE SAVINGS AND LOAN (S&L) BUSINESS
→ P. 17

FINANCIAL SERVICE PROVIDERS

must make a concerted effort to launch the digital transformation of their business model. Shifts in clients' behavior, new competitors and regulatory changes are breaking up and redefining existing value chains.

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END-TO-END DIGITIZATION

of the business model lays the foundation for durable reorientation. Insular solutions are unsustainable and cannot meet the need for customer focus and efficient processes.

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IMPLEMENTATION

must be driven by collaboration between many corporate units, with IT playing a key role as business enabler.

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System transition: Digitization is revolutionizing the finance industry. To master the challenge of change, companies need a new strategy.

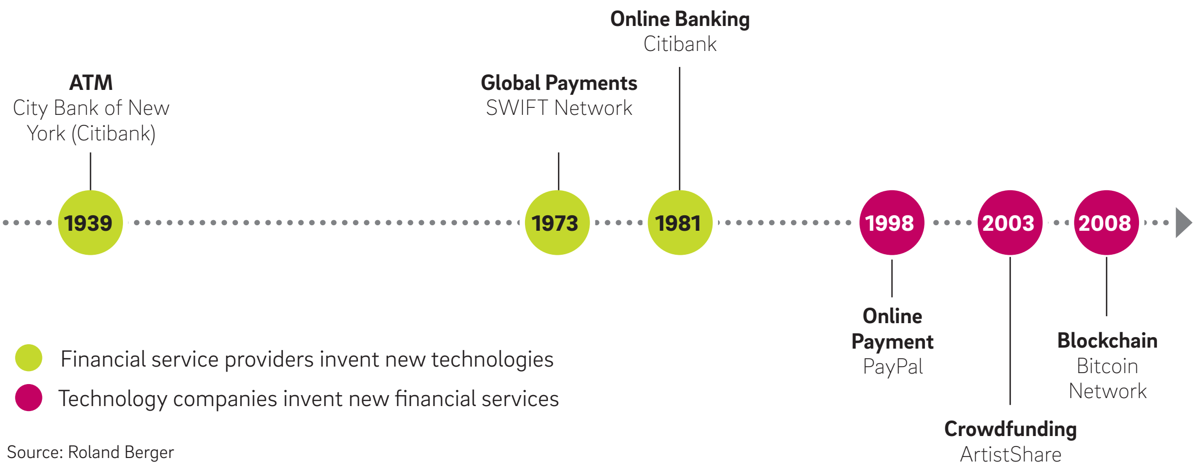
The recipe for success is digitization from start to finish. And finance is one of the industries with the greatest potential for all things digital. Why? Because data – client and transaction data, to be precise – is the raw material that every bank and insurer gathers, sorts, processes and links together. In principle, almost every aspect of their business could be digitized in its entirety. Which makes one wonder why many incumbent financial service providers are still essentially analog operations. Business models, products and processes all reflect the tried and trusted conventions that have underpinned successful performance for decades: branch offices for one-on-one consulting, a ready-made product range, and manual, paper-based application processes and decision paths rooted in personnel-intensive front, middle and back-office structures. Most of these processes could today be handled digitally. Ongoing development of financial service providers' mission and the transformation of their business model is affecting banks and insurers in the retail business as well as – later in time – in the front-end business.

Until as late as the 1980s, **financial service providers** stood in the vanguard of business innovation, driving new technological development and forging networks earlier than many other industries did. Ever since the dawn of the internet age, however, they have been falling behind. At the present time, established financial service providers are setting critical trends neither for the economy as a whole, nor even for their own industry. They are often not keeping up with the pace of digital innovation. Today, new, technology-driven providers are setting the standards in the finance sector. → A

A

CHANGE AT THE TOP

Innovation timeline: Comparison of new and incumbent financial service providers



Source: Roland Berger

B

DRIVING FORCES

The digitization of client relationships

ROUTINE CHORES	DIGITAL CLIENT EXPERIENCE	EXAMPLES
Shopping	24/7 availability	amazon H&M
Product selection	Individualization	NIKEiD IKEA
Consumer information	Information, comparison, advice	Check24 Pricegrabber

Source: Roland Berger

There are certainly valid reasons for the defensive digital stance adopted by many incumbents. The fallout from the 2008 financial and economic crisis is still much in evidence: Balance sheet reviews and stress tests tie up capacity, stricter regulatory demands and stipulations must be met, and central banks' low-interest-rate policy puts pressure on earnings and entire business areas. At the same time, yesterday's technological edge can actually place a burden on the industry today. To take just two examples: IT architectures expanded in gradual stages since the 1980s but never fully renewed now constitute so much legacy ballast that is difficult to reform. This limits and obstructs progress in the digital realm. Second, clients' online habits and the emergence of new digital rivals gives bank consultants ever less direct exposure to clients. Branch office structures that welcome clients with self-service terminals only serve to reinforce this trend.

Given the scale of these challenges, the pivotal decision-makers at financial service companies often have more than enough to occupy their attention. Moreover, these decision-makers' understanding of the business is in many cases shaped by the models and structures of decades past. As a result, it is hard for them to develop concrete and sufficiently ambitious strategies that adequately reflect the current pace of change.

These issues are all perfectly understandable. But understanding them will not make the problem go away. The fact is, financial service providers that underestimate the sheer force of digital change in their own industry and that fail to respond on a fundamental level will miss the boat – and may even be left high and dry as the market moves on. As things stand, it is still impossible to fully gage the dynamics of digital development and the impact it will have. What has long since been clear, however, is that the digital upheavals ahead will proceed faster and be more far-reaching than anything we have seen in recent decades. A system transition is already underway that will bring profound change to existing structures and ways of doing things in the finance industry.

This study charts a path by which financial service providers can give themselves a consistent new (digital) orientation – a new focus that can safeguard their future livelihood. The issue at stake is a concept for the new day that is dawning in the finance industry. We call it **Plan D**.

Time is of the essence, and three developments in particular are causing grief for incumbents in the finance industry. We call these developments "digital wringers", because they are putting the squeeze on financial service providers, creating huge pressure for change. Those that hesitate or procrastinate will fall behind in the digital race. And ground that has been lost is hard to regain. Indeed, the gap may become so wide that stragglers ultimately have only two options left to them: settle for a role as product suppliers to digital providers – or get out altogether.

DIGITAL WRINGER I:

Clients' demand for digital services

Every aspect of our daily routine is growing increasingly digital. People appreciate the information and transaction possibilities afforded by the internet. They make liberal use of the always-on availability of product and pricing information. They configure products online just the way they want them. → B

Clients today expect digital services that are easy to use, genuinely add value, are transparent and are secure. In return, they are willing to disclose information about themselves that digital providers can use and process. Clients are also excellently informed about what constitutes the digital standard in other industries. And this aspiration level naturally spills over into what services they can expect of the finance industry.

Longstanding financial service providers are only beginning to exploit the potential of digital business. Yet the digital transformation of their organizations and business models will be anything but a leisurely stroll. Companies that change too slowly run the risk of forfeiting their access to an increasingly internet-savvy client base that already takes the convenience of digital platforms as a given. That will significantly weaken their position.

DIGITAL WRINGER II:

Aggressive, digital-savvy rivals cornering market shares

New competitors are penetrating the markets and redefining inherited value chains. Replacing product focus with a strong customer orientation, they are positioning themselves – very effectively – as intermediaries between product providers and clients. They are also open to cooperation with other market players. These newcomers have understood that, for many clients, finance and insurance are parts of customer journeys that began further upstream: They are a means to an end, a way to achieve a primary goal (such as buying a car). Armed with this awareness, these players adopt context-sensitive positions within the customer journey, bringing decision processes forward to an earlier stage than the traditional incumbents. In the UK, for example, car insurance is now sold exclusively via comparison and brokering platforms. At the same time, captive banks and captive insurers are also using their business model to increasingly tie customers in. Logically, therefore, financial service providers that sit around waiting for clients to visit their websites and branch offices go away empty-handed – or at least no longer have any direct influence on relevant client decisions.

The new players' digital and mostly platform-based business models try to create a transparent overview of market offerings, give their clients comparative views and opportunities for interaction, and facilitate digital integration. These companies have thoroughly grasped the rules of the digital game, the possibilities opened up by the internet and the value of client data. They have also aligned themselves with open, intercompany business processes.

Having brought financial services and technology together, many of these new enterprises nowadays position themselves as "FinTechs", or financial technology companies. Unlike many of the start-ups in the new economy at the start of the millennium, a whole series of FinTechs now operate a robust, well-funded business model. And if it turns out to be a commercial success, they find big technology firms and financial backers standing by to take on the role of partners or investors with particularly deep pockets. Several innovative online platforms have already cornered a significant share of their market.

For incumbent financial service providers, the resultant upheavals are immense. In the past, it was they who were accustomed to shaping and guiding much of the customer journey. Thanks to digitization, however, clients can now choose from any number of services. This gives them greater decision-making autonomy and allows them to control their own customer journey. → C
The new strategic concepts adopted by digital challengers are vividly apparent in the field of online platforms that compare and broker financing services. Even before a product has been selected, these platforms are increasingly succeeding in tying clients to a given digital ecosystem. Clients receive in-depth information, a transparent overview of prices and products, and a wealth of financial offerings. Increasingly, these platforms are also handling tasks that used to be the preserve of established financial service providers – from consulting to the signing of contracts to aftercare. For the remaining links in the process chain, they use digital interfaces to seamlessly integrate other partners, resulting in a single, digital, efficient and customer-oriented overall process that adds substantial value for the client.

The triumph of the digital financial economy is reflected in strong gains in market share, market capitalization and investment volumes. By contrast, the offerings of traditional providers in the analog world appear ever less able to compete. → D

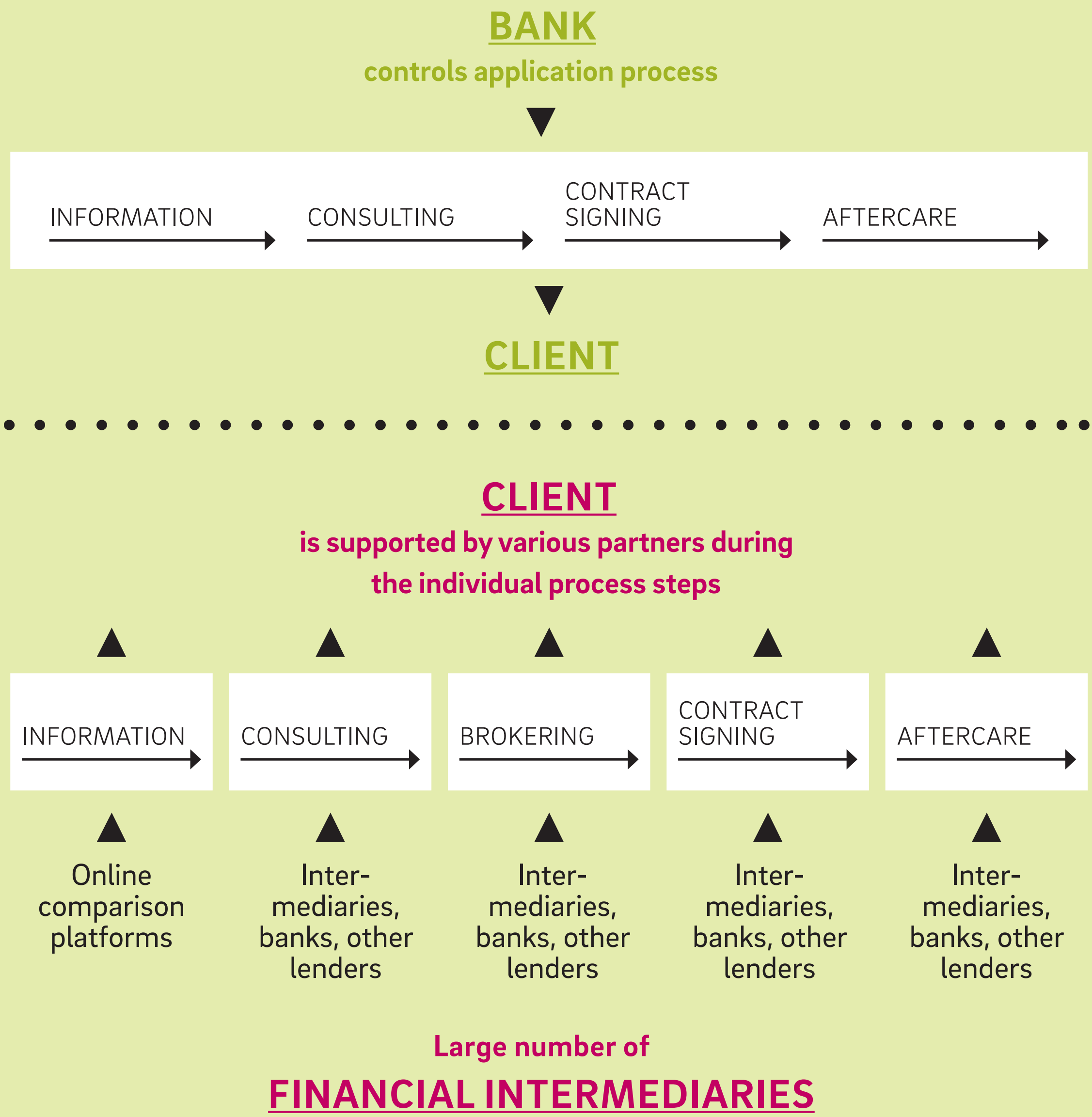
DIGITAL WRINGER III:
Regulation that further intensifies digital competition and puts pressure on incumbents

The new financial intermediaries are currently operating in a digital ecosystem with comparatively little regulation. This is partly because most of them are not fully-fledged banks or insurance companies, a circumstance which allows them to escape the many legal requirements and obligations in this industry. Another reason is that regulatory adjustments themselves are still lagging behind the rapid pace of digital development. The playing field is therefore not level – and new players are in the ascendancy. The latter are indeed enjoying ever greater freedom and opportunities to woo clients, as barriers to market entry are systematically lowered at the European level.

The EU passporting initiative, for example, gives foreign competitors easier access to the European market for financial services. At the same time, the Payment Services Directive 2 (PSD2) and the EU's Mortgage Credit Directive are strengthening the market position of brokering platforms for financial services. For the first time, providers are thus being allowed to handle direct money transfers and make third-party use of PIN and TAN codes for information and transaction purposes. Additionally, governments and national supervisory bodies are continuing to promote online business initiation. Germany's Federal Financial Supervisory Authority, BaFin, for instance, C

TURNING POINT

Financial service value chains are being redefined – Example: Credit process



Source: Roland Berger

D

HOW SERIOUS IS THE THREAT?

The new world of digital financial service providers

Financial intermediaries' share of the sales channel mix for savings&loans in Germany (2010–2016)

17% → 35%

Annual global investments in FinTech companies (2008–2014)

0.5 EUR bn → 12 EUR bn

Market capitalization of the crowdlending platform Lending Club (2007–2015)

0.01 EUR bn → 4.9 EUR bn

Time it takes for credit decisions today vs. in a digitized and automated procedure

5-7 days → 35 seconds

Source: Roland Berger

has given the green light to the use of online-based video technology to identify and authenticate clients. Even the requirement for analog signatures will soon be a thing of the past: From mid-2016, the EU's eIDAS Regulation will give equal standing to suitably authenticated electronic signatures and physical signatures. This legislation clears the way for a fully digitized process chain.

At the same time, stricter conditions in areas such as documentation and reporting are forcing incumbent financial service providers to invest heavily and launch new projects – at a time when they should ideally be pumping money into digitization and strategic development. Perhaps not surprisingly, one international survey of leading retail banks conducted by Roland Berger recently found that more than half of these banks do not invest more than 10% of their IT budget in new digital "offerings".

The bottom line is that traditional providers are becoming less and less attractive to clients. That is true of retail clients and straightforward bulk business, but it will also increasingly affect corporate clients and more complex financial services.

DIGITAL BREAKOUT

As things stand, incumbent banks and insurers still have sufficient competitive clout to initialize the digital transformation under their own steam. Part of the solution must be to replace safe-bet insular solutions and quick-and-dirty symbolic measures with comprehensive digital restructuring. What do we mean by that? Nothing less than the rigorous, end-to-end digitization of everything from a flexible client interface to the back end, combined with steps to open business processes up to online interaction with clients and relevant partners. Only those service providers that reach substantial digital maturity in a very short time will survive on the market.

A quantum leap in quality. Clients have long been internet-savvy and accustomed to platforms, so small, slow steps will not get the job done for financial service providers.

Products and processes must be seamlessly digitized from start to finish, from front end to back end.

It is already clear who the winners are in the digitization race: the clients! The mobile internet and the new information and interactivity possibilities it opens up are allowing them to control how the game is played. What used to be clients' wishes have now become demands. They have already forced industries such as retail and tourism to design a simple and transparent digital purchase experience – and to genuinely add value online. What is expected of modern products and services has been stated with abundant clarity. Straightforward services in particular should be permanently available online, which presupposes seamless digital processes and readily comprehensible products.

In the financial service sector, a wide gulf often separates (clients') demands from (corporate) reality, especially regarding the signing of online contracts for financial products. However clearly clients express their wishes, satisfying these demands is a complex challenge for the incumbents, who continue to struggle with legacy IT landscapes, complex products and heterogeneous processes. → E

E

SOME CATCHING UP TO DO

Incumbent financial service providers fight for their own future

CLIENTS' NEEDS	CHALLENGES
Alternatives for comparison ►	◄ Company's own offerings
Transparency and simplicity ►	◄ Complex solutions and processes
Flexible solutions for client projects ►	◄ Rigid product structures
24/7 online and mobile availability ►	◄ Obsolete IT and restricted service hours
Online contract signing ►	◄ Process interruptions and manual work

Source: Roland Berger

INFERIOR INSULAR SOLUTIONS

Many financial service providers have responded to the discrepancy between digital client requirements and their own existing offerings by launching digital modernization programs. Driven by pressure from the market and the desire for rapid improvements on the one hand and held back by the complexity and inertia of obsolete structures and systems on the other, many of them are nevertheless acting without any clear strategic focus. They devote their attention to optimizing the front end, but neglect the vast potential that lies dormant in consistently digitizing every process right through to the back end. We are convinced that this kind of approach is not enough to usher in a sustainable reorientation. Instead, comprehensive digital offerings are needed to provide genuine answers to the client demands outlined above. Organizations that fail to respond will squander vast swathes of potential efficiency gains. Two examples of limited front-end initiatives are:

Website optimization: Some companies revamp their internet presence, introducing modern layouts and user guidance concepts while adding in tools and online services. However, any client who wants to actually sign on the dotted line often still has to jump through all the traditional hoops of paper-based applications and wait some considerable time before final confirmation is forthcoming.

Smartphone apps: Mobile applications initially appeal to users with their attractive design, modern log-in and identification procedures, information services and easy-to-use online banking functions such as transfers. Yet even here, companies frequently fall short of the seamless, straight-through transaction facilities that are expected. One main reason is that more extensive functionality requires direct access to back-end systems. However, these interfaces exist either not at all or with a substantial time lag at best. German consumer advice organization Stiftung Warentest recently confirmed this finding after examining 38 banking apps: Many providers fall short of their clients' demands for ease of use, convenience and data protection.

Financial service providers' front ends often fail to rigorously align information and transaction services with the primary needs of the client. Consumers are attracted by offerings that complement the actual financial services with additional information and services that relate to the client's specific need and integrate relevant market players.

The latter point necessitates cooperation with third parties. Yet many established financial service providers are overly reluctant to create new digital services and cooperate with suitable external aggregators, brokers and online platforms. Many such models run counter to their traditional business philosophy and a time-honored focus on their own products and internal processes. Worse still, many financial service providers would in any case be unable to realize satisfactory cooperative offerings, simply because they themselves are still too digitally immature. Online comparison portals, for example, insist that partner companies must respond to client inquiries within a matter of seconds. That can only be done if a financial service provider has reached an advanced level of digitization – not only at the front end.

SUPERIOR ALTERNATIVES

We believe that consistent end-to-end digitization is the most important strategic direction for financial service providers to take. It lays the basis on which they can further develop their business models. It sharpens customer focus and raises internal efficiency, creating opportunities to build new, enterprise-wide networks. Financial service providers that embrace this rigorous focus avoid both insular solutions and short-lived experiments, as well as improving their competitive position in respect of innovative challengers. The specific benefits they reap are these:

Customer focus: End-to-end digital processes and offerings meet clients' heightened demands for simplicity, speed and the ability to sign contracts for products. Financial service providers can deliver the same standard of service as digital providers in other industries. Rigorous digitization gives companies credibility in the eyes of their clients and prevents the latter from being disappointed, as the modern front end leads to an equally powerful back end.

Efficiency: Financial service providers today devote a large proportion of their process time and cost to manual or only semi-automated middle and back-office procedures. Simple products and processes can be automated almost in their entirety, and that could save financial service providers as much as 40-50% (some even more) of the capacities they currently expend in this area; capacities they urgently need. However, re-

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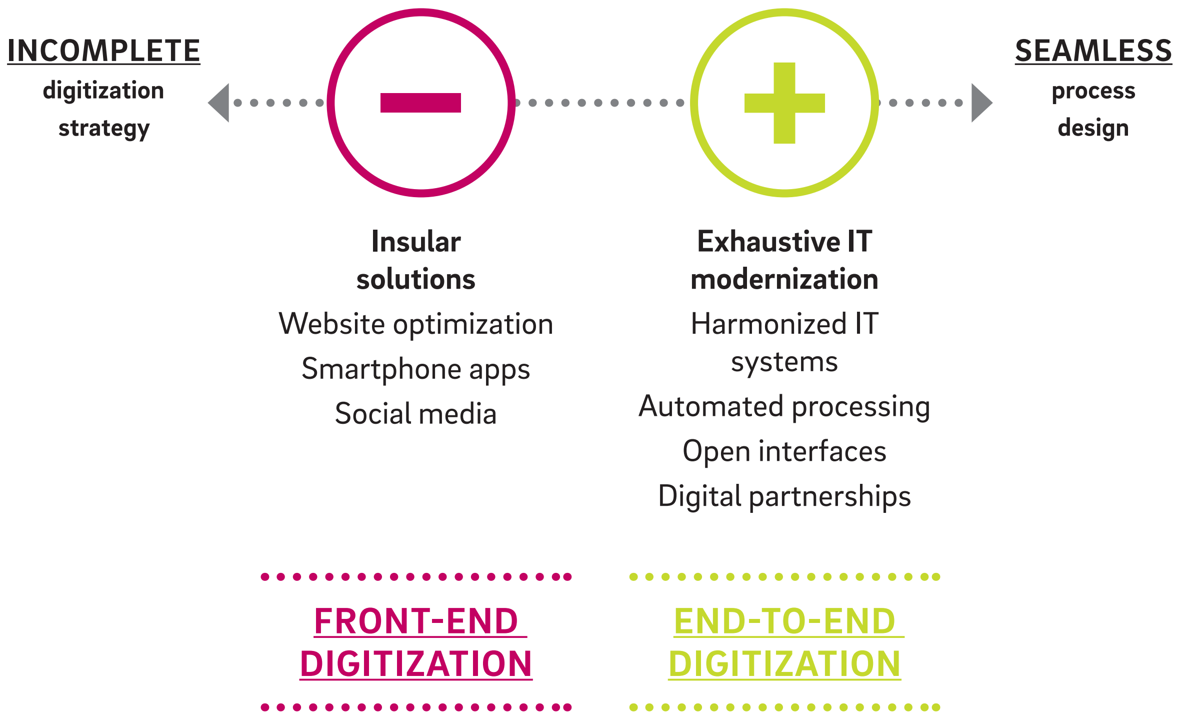
COMPARISON OF STRATEGIES

The benefits of seamless process design



Source: Roland Berger

stricting optimization measures solely to organizational and process issues means that only a fraction of the potential savings are actually realized.

Strategic potential: Digital business processes enable companies to open up to the outside world, creating new possibilities for interaction. Clients and third parties can engage in simple data entry and transactions of their own that reach right into the provider's back office. Successful market players positioned at adjacent links in the value chain – such as comparison and brokering platforms – can thus become integrated, or even incorporate financial service providers' digital offerings in their own business models. In a nutshell: A whole world of new strategic possibilities opens up, with an extensive reach (thanks to the internet) and greater flexibility to respond to changes in the marketplace.

New beginnings from within: End-to-end digitization is accompanied by major changes within the company. It impacts on organizational structures, the way people think and work, qualification profiles and, by no means least, the kind and quantity of personnel a company needs. All of which fosters a new vision of the future within the organization; and that can engender the excitement of a new beginning – for example by replacing menial administrative tasks with new, more client-centric assignments. Moreover, the transition is comparatively easy to communicate, given that employees are already experiencing it in their everyday lives outside of work.

Consistently digital companies win new market shares and exploit the full benefit of these advances.
→ F

A fresh start. The digital transformation goes far beyond piecemeal optimization. It tears down barriers inside and outside the company.

Incumbent financial service providers are right now in a critical transition phase. They are called on to make bold decisions. A fresh start is realistic, because they can still build on a large client base, the trust of their clients and the expertise of their staff. Even so, comprehensive digital transformation will trigger seismic shifts, the like of which the organizations concerned haven't seen for decades. Especially in the retail segment, the outcome will be extensively digitized processes and a business model that is much more flexible, open, client-friendly and efficient than the existing one.

The comprehensive transformation strategy for established financial service providers – what we call Plan D – rests on three key pillars and involves specific action in seven areas. → G

This strategy is a blueprint for the process of reinventing a financial service provider as a digital company. And that places heavy demands on the management. Restructuring takes time, swallows resources and provokes resistance as the company breaks with traditional structures. For all these reasons, top management must also be a model of good leadership: It must convince staff of the need for change, encourage them and get them to buy into a challenging transformation phase. Essentially, digitization is a job for the boss – a job that demands creativity, competency and consistency.

Where management rises to the challenge of digital transformation, three principles are of paramount importance:

G

PLAN D: DIGITIZATION FOR FINANCIAL SERVICE PROVIDERS

Basic principles and specific actions at a glance

END-TO-END DIGITIZATION

Principles	Actions
Rethink everything from the client's perspective	Identify digitization potential Define an ambitious target scenario Involve relevant units
Simplify and standardize products and processes	Develop a sustainable digitization strategy Break the project down into manageable work packages
Pursue a shared, cross-divisional goal	Modularize product offerings Establish 24/7 service capability

Source: Roland Berger

RETHINK EVERYTHING FROM THE CLIENT'S PERSPECTIVE

Today's well-informed, digital-savvy clients are used to roaming freely through the internet, sourcing information and actively contacting businesses. Accordingly, digitization strategies must target the early stages of decision processes. It is important to note that many clients do not start out by looking specifically for financing products, but instead search for corresponding information in the context of some other matter. Logically, therefore, financial service providers must likewise be prepared to break with conventional sales strategies. They must establish a presence at an earlier stage and/or add complementary value for clients during the business initiation phase. Similar to the delivery status that can be tracked at online mail-order firms, for example, financial service providers can "publish" the status of their processes, thereby achieving considerable transparency both in respect of clients and within the organization. Taking this as the starting point, the client's decision process must be carefully thought through from start to finish to avoid downstream process interruptions and – worse – disappointment for clients with high digital expectations. Provision must also be made for the fact that many clients have already placed their trust in information portals, comparison platforms and intermediaries. Financial service providers too would do well to accept these new partners: Closed proprietary models must give way to cooperative solutions that align with clients' behavior.

SIMPLIFY AND STANDARDIZE PRODUCTS AND PROCESSES

Customer-oriented digital solutions require simple products and processes. Attempts to simply digitize existing complexities, decision rules and multi-layered or ambiguous procedures can quickly become a dangerous trap, driving implementation costs through the roof at the expense of customer focus and efficiency. For this reason, end-to-end digitization should always go hand in hand with product portfolio adjustments and the simplification of both products and processes. In other words, digitization involves more than just digitization: It involves rethinking large parts of the company.

PURSUE A SHARED, CROSS-DIVISIONAL GOAL

This kind of goal must be a central component of exhaustive end-to-end digitization. To master the challenges, specialist departments and IT must take on clearly defined roles within the framework of a common strategy. The job of the specialist departments is to simplify and standardize products and processes, while IT develops digital solutions for clients, partners and administrative staff and tests the extent to which legacy IT systems can be adapted or new system solutions introduced. Where complex, inherited IT systems and handling processes do not meet today's more exacting requirements, the company must think about appropriate IT modernization programs – even to the extent of greenfield solutions.

These three key principles can be translated into specific actions that, taken together, stake out an end-to-end digitization strategy. The seven actions shown overleaf help financial service providers to proceed methodically in order to drive the gradual but systematic process of digitization. For established players, "big bang" digitization solutions are often not a realistic option – if only because the complexity and risks are hard to manage, and because flexible readjustments in the aftermath would be even more harrowing.

THE SEVEN ACTIONS AT A GLANCE

Identify digitization potential

To prepare the ground for the comprehensive digitization of products and services, suitable projects must first be identified. The company might, for example, choose to begin with a relatively straightforward and largely standardized mass-market product as the starting point for ongoing digitization, in order to realize significant digitization potential right from the word go and create a lighthouse project.

Define an ambitious target scenario

To formulate a durable target scenario, it makes sense to begin with the typical customer journey. When do clients look for information? At what point do they establish initial contact? When do they sign contracts? The aim in developing this target scenario should be to seamlessly interlink every process step, without media interruptions. To make the scenario sufficiently ambitious, it is especially important to reduce manual activities, define efficiency goals and keep an eye on the speed of processing.

Involve relevant units

IT activities should never be undertaken without market-oriented objectives that focus them on efficiency. Sales units, for example, should contribute their knowledge in order to identify client behavior, relevant client needs, competitors and digital sales partners (such as comparison portals and brokering platforms) as early as possible.

Develop a sustainable digitization strategy

There is more to end-to-end digitization than merely getting existing products and processes digitized from start to finish. A sustainable digitization strategy must also pay proper attention to secondary processes such as controlling and reporting tools. Introducing a continuous improvement process can also be a useful way to regularly review the sustainability of the implemented digitization strategy.

Break the project down into manageable work packages

Given the complexity of the task in hand, end-to-end digitization should be implemented one step at a time. Automation and digitization should initially focus on simple processes. Complex processes should only be worked on later. Compared to the "big bang" approach, this method minimizes project risks and simplifies the gradual replacement of legacy IT systems. It also makes it easier to get internal staff and external stakeholders to buy into the digital journey.

Modularize product offerings

If digitization potential is to be realized quickly, it is vital to base the existing product portfolio on standardized modules. This approach allows products and services to be individualized and offered to clients more flexibly – which is exactly what clients want. While the principle of modularized products is regarded as indispensable in mass retail business, this is equally true in high-end corporate client business (such as the underwriting activities of credit and industrial insurers).

Establish 24/7 service capability

Hardly any company can afford to ignore clients' insistence on round-the-clock availability. Today's clients and sales partners expect financial service providers to be available online at any time of the day or night – especially when they want to use mass-market services. The company's aim must be to integrate all necessary external partners, clients and brokers at exactly the right points in the digital information and transaction flow, give them fast, dialog-based feedback and, where possible, notify them of automated decisions.

The acid test. Rigorous end-to-end digitization improves customer focus, competitiveness and process efficiency.

How can routine credit decisions become a lean, end-to-end digital process? And how do the participants in the process benefit?

EXAMPLE: S&L CREDIT PROCESS

To deliver an integrated client experience, the important thing here is to link the primary financial service to other context-sensitive offerings (such as a real estate portal). This can attract clients to the company's own product portfolio very early in the information gathering process.

A seamless savings and loans (S&L) client journey enables significant client benefits and efficiency gains to be realized from front end to back end. The automation of back-end checking rules, for example, opens up a new client experience: Once clients have entered or submitted their data, they can quickly receive notice of the acceptance or rejection of their credit inquiry, either in the bank branch or online. Such gains in efficiency pay dividends not only for the client: Depending on the complexity of the product, end-to-end digitization can automate as much as 90% of existing application and portfolio processes, such as data entry, contract processing and master data maintenance. → H

INCUMBENT FINANCIAL SERVICE PROVIDERS MUST ACT NOW

End-to-end digitization is a precondition if established financial service providers are to have a future and stay competitive. Clients' behavior is changing radically, increasing the pressure on the industry and forcing it to demonstrate its innovative capabilities in the arena of digital transformation. But the clock is ticking, and companies have less and less time in which to act. New players are aggressively joining the fray, armed with more than just digitized existing business models: Fast, lean process handling positions them as the partner of choice for digital-savvy clients and is helping them to continually enlarge their market share. To stand up to this onslaught, the incumbents must respond swiftly and on a broad front by digitizing what they do from end to end. Companies that miss this opportunity run the risk of falling by the wayside as the competitive race gathers pace.

H

CHAIN REACTION

Concluding S&L contracts as an end-to-end process

CLIENT	DIGITAL PROCESS SUPPORT
"I'll gather my own information first"	**Information** Online integration in internet-based information portals Careful guidance to suitable products
"I'm looking for independent advice"	**Initiation of consulting** Integration in independent brokering platforms Seamless media transition between consulting and transaction
"I use modern consulting formats"	**Consulting** Tools and data to support consultants Consulting via all channels (including video) Paperless recording of all necessary information
"I want to know where I stand – quickly!"	**Signing the contract** Based on paperless information, largely automated decision in the back-end system and creation of a loan Immediate notification to the client
"I want to finalize my decision immediately"	**Portfolio** Interactive online "self-care" options for clients

Source: Roland Berger

ABOUT US

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FURTHER READING

EXECUTIVE RETAIL BANKING SURVEY: DIGITAL TRANSFORMATION

Digitization efforts and their outcomes were assessed, with benchmarking of performance and comparison of views to see if these efforts: Aim to secure or grow revenues in the current business model? Will generate new revenues from innovative business models? Create operational excellence, thereby reducing costs? At the same time, the macro environment European retail banks are faced with has remained largely unchanged since our 2013 edition. The ECB's monetary policy is a major factor to take into account.

INTERNET OF THINGS AND INSURANCE

Connected car, home and health technologies could substantially change insurers' value proposition. 60% of Europe's top insurers have launched connected car solutions, but hardly any have entered the connected home or health universe. This is one of the results of our study on the Internet of Things and its implications for insurance companies ("IoT Insurance"). The case for connected car insurance solutions is currently the most obvious one. The frontrunners are Italy and the UK, where telematics play the most prominent role in motor premiums. For customers there are potential savings, while insurers can benefit from improved risk selection.

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