

BANKING

Bringing Customer Journey Transformation to Life

Going beyond colourful journey maps

Nigel Adams

Banking Expert, Director at Hetton Advisory

SUMMARY

- CX is at the forefront of the battle between banks, FinTechs and the global Tech Giants to win over customers.
- Producing a journey map is hard enough, bringing it to life is a lot harder. Process mining's analytic capabilities ensure your customer journey map doesn't end up gathering dust on a shelf.
- Journey mapping is not a "set and forget" exercise, customer expectations are constantly changing and you need the right tools to spot the change in behavior.
- CX transformation is more than journey mapping, a typical customer will experience multiple journeys over their lifetime with the bank. It's the linkages between the episodes that unlocks their lifelong value.

Index

Why Process Mining Now?	2
Working Across Silos	3
Reimagining the To-Be	5
Implementing the To-Be	7
Checking Back In	8
Lifetime Value of a Customer	8
Bringing it All Together	9
More about Apromore	11

About the author



Nigel Adams

Director at Hetton Advisory

Nigel is a thought leader in service operations excellence. He has nearly 25 years of experience focused on creating enterprise value from operational improvement, risk management and performance optimization. Nigel is known for driving performance and transformational change, at pace, while leading large, multi-award-winning teams in complex delivery networks. In addition to a consulting career at KPMG, he has brought his skills to bear for leading banks including NAB and ANZ focusing on global payments and cash operations, financial crime, and business performance.

Why Process Mining Now?

Banks are under pressure on multiple fronts. Regulators are intensifying their scrutiny. Community expectations of not only what banks do but how they do it are increasingly important. Investors are pouring money into FinTech and the Tech Giants, piling pressure on mature banks to avoid the ignominy of being left behind in the wake of the disruption.

At the forefront of this disruption is the customer experience. Customer expectations are being shaped by the Tech Giants and FinTech startups. Taking time off work to find a branch. Waiting in line at the branch. Waiting to hand over paper documents. Waiting for the documents to be photocopied. Waiting for the staff member to lookup details across multiple systems. Being told the back-office will check them and the account should be open in five business days, but they're pretty busy at the moment, so come back the week after next if it's not up and running. It just doesn't cut it anymore.

And mature banks know it. They have responded by embarking on transformation programs to radically enhance their customer experience (CX) proposition - re-imagining their key customer journeys from start to finish.

McKinsey & Company research shows that banks who excel in customer journeys tend to win in the market. But it's not easy. According to BCG, while the opportunity to raise customer advocacy scores by 20 to 40 points and revenue by 10% to 20% may be enough to secure funding, many programs fall far

short of that and leave their organizations with little more than some attractive journey maps. The paper goes on to say that unless companies adapt their culture, processes, operating model and ways of working they will not achieve the intended results. This is supported by MIT Sloan School of Management findings that showed organizations that focus equally on transforming the customer experience and operational excellence significantly outperform their peers earning net margins up to 16 percent above the industry average.

This is where process mining comes in.

Working Across Silos

Discussing working capital options for a commercial customer may be handled by the sales and/or account management team. The deal is implemented through a mix of operational teams - the onboarding team, trade and supply chain finance team and cash management team. Enquiries may be fielded by any one of multiple service teams. And this doesn't include the product, technology or risk teams. The siloed operating model, common in many banks, gets in the way of the customer experience.

Little information is shared across the siloes. The frontline teams may log their interactions with the customer in the Customer Relationship Management (CRM) system but it's rare for other teams delivering the experience to have access to this information. Product design teams may know what customers are thinking and feeling as they browse the website before they make contact with a bank representative, but this isn't shared with the

operations and service teams who talk to customers more frequently than anyone else in the bank. The technology and risk teams are even further removed from the customer and rarely receive feedback about how their form layout or barrage of controls drive potential customers to the opposition.

Walking in the customers' shoes to map the customer journey is hard. How many personas do you need? What distinguishes them? How do you capture what they are thinking and feeling, and more importantly how does that correlate with what they are actually doing?

Bringing together a group of subject matter experts from across the organization with a whiteboard and some sticky notes is great for sharing opinions. A group of experts in a room will readily tell you that the website is too confusing, that it takes too long to open an account, applying for a mortgage involves too much back and forth and that the experience at ABC bank or XYZ start-up is far better. The problem is, it's all opinion. It may be directionally correct, but it's rarely based on facts.

Backing those opinions up with hard facts is something else entirely.

- How much time do the personas spend navigating the website to try and find the relevant information? Are they going around in circles, if so how many times?
- Where are they getting stuck in the search?
- How long are they in the queue and when do they seek support?
- How long does it take them to get an answer?

It's far better to discover the experience from the data you already collect and let the experts explain, analyze and interpret the facts than asking them to start from a clean sheet of paper. Process discovery and performance mining can do just that. They can show you where customers are getting lost on your website, show you how many hand-offs there are back and forth with the customer, quantify exactly how long each stage takes and with some creative data mapping you can replicate what the customer experience is when they use your competitors.

Reimagining the To-Be

It's no surprise that one of the major advantages of a customer journey/human-centric design approach is that it exposes the process clag that has built up in banking over the years. The current customer experience is mired in frustration, errors, delay and rework. We know it intuitively and techniques like process mining can prove it empirically, so the question is: "what do you do about it?" Seeing a re-imagined process arise out of the ashes in mock-ups and wireframes is a thing of beauty. Operationalizing it and bringing it to life, however, is far from straightforward. While there may be aspects of the journey that lie outside of your bank's control, the parts that lie within it need to live up to expectations. There are a huge number of

roadblocks that can potentially stymie the whole project. Have the risk team overburdened it with controls? Has the funding run out? Have steps destined to be automated and work real-time turned into error-prone, manual workarounds? Is there a third-party dependency not living up to expectations? These questions and many more can wreak havoc with realising the intent.

Applying process mining techniques in the test phase can provide you with the answers. Whether it's something as simple as overlaying the wireframes on the process model to visually ensure alignment or a more complex analysis of the different pathways the different personas may take through essentially the same process, process mining's analytical capability can increase the probability CX will be at the forefront of decision-making. It can reassure the risk team that the required controls are effective and that the operationalized journey is within their risk appetite. It can provide the product design and marketing teams the comfort that their expectations around turn-around time is going to meet customer needs. It can provide the app and web designers confidence that there are no broken links and that customers are not disappearing down rabbit holes or getting stuck in seemingly infinite loops. And it can appease the operations' teams that the box on the process flow titled ATAMO ("And Then A Miracle Occurs") is not just another manual workaround requiring additional resources and so defect riddled it's likely to set them up for failure.

Implementing the To-Be

Even the best re-imagined process can create customer anxiety, particularly longer, less frequent journeys like setting up the right banking facilities for a fledgling small business or working through the options for a first-home buyer.

The trick is to manage customer expectations by providing as much clarity as possible to customers about what happens next and how long it will be before the next stage of the process completes.

This is where predictive and prescriptive process monitoring, another process mining capability, comes in. Whether a customer is on hold at a contact centre or waiting for a credit decision, providing accurate information on how long the wait will be is critical to manage their expectations and soothe their nerves. Even more important is to inform them of what the likely next step will be and what they can do to prepare. Will they need to provide their last three-months' pay advice or are they self-employed and will need to supply their last two-years tax returns and an accountant's letter? Or is it an existing customer refinancing a loan from another bank with a low loan-to-valuation ratio and you already have all the credit decisioning information you need? Process mining can help not only assess the current performance of the customer journey but enable key components of the reimagined journey.

And it's not just supporting customers directly. Online monitoring and conformance checking can ensure back-office teams are

aware of issues before they become problems. Overlaying what relevant personas are thinking and feeling at each stage with the current status of the stage helps these teams make operational decisions in line with the customer journey intent. If the queues are building, it may make sense to prioritise those that may be feeling the most anxious or at least put at a reassuring message that everything is under control.

Checking Back In

Not only do processes change over time but so do customers' expectations. In fact they are constantly evolving. Being able to continuously check whether what customers are actually doing is what the journey team expected them to do helps keep the system aligned.

This is the role of process mining's conformance checking capability. By routinely checking in with how customers are actually engaged in their journey and understanding how their behaviour correlates with what you intended to happen, you can ensure that you pick up any change in behaviour quickly. This provides you with more time to respond and stay aligned.

Lifetime Value of a Customer

One of the criticisms of customer journey mapping is that it focuses on episodes, e.g. a customer applying for a term deposit. However, the real value of a customer is their lifetime value, which comprises multiple episodes.

Most of their time interacting with the bank will be making and receiving payments. And less frequently opening new accounts, setting up term deposits or securing a loan. Ensuring a consistently excellent experience across all service episodes is what delights the customer and is what the MIT study is focussed on. There's no point in designing a great mortgage experience if the first repayment fails because the direct debit hasn't been setup correctly and the customer is immediately in arrears and being contacted by the collections team.

Process mining can join the dots across episodes. It enables those responsible for re-designing and re-imagining the experience to get real data on the portfolio of journeys that a particular persona goes through with the bank. If you know that the customer's last five payments interactions with the bank have resulted in enquiries and calls to the contact center, don't be surprised if the customer shops around when looking for a home loan. If you can see that time to resolve enquiries in a particular service center is longer than others or that customers accessing the service via the web takes twice as long to initiate the transaction as those customers using the app, this is all crucial insight to delivering a better, holistic experience.

Bringing it All Together

There are lots of tools available to help bring customer journeys to life, whether its preto- and proto-typing, web analytics, focus groups or bespoke templates. What none of them do is anchor the re-imagined journey in a process that is capable of bringing it to life - end-to-end. This is precisely the role that process mining

plays. It supports each stage of the customer journey transformation using an array of analytical tools without the “transition loss” that is so common when moving through the various stages of the journey lifecycle





About Apromore

Apromore™ is a leading global provider of process mining and AI-driven business process improvement technology. Our mission is to democratize process mining by making it possible for business teams to rapidly use advanced data science techniques to achieve digital transparency and operational excellence. The Apromore platform award-winning technology transforms how teams make decisions and their ability to unlock value in transactional data by revealing inefficiencies, friction points, and compliance violations in their processes.

To learn more about us, visit <https://apromore.com>

The Apromore™ platform

The Apromore™ platform is an easy-to-use, fast-to-deploy AI-driven process mining solution that enables business and technology teams to quickly visualize and analyze their business processes and simulate proposed changes prior to implementation in order to measure impact and risk. The result of over a decade of extensive research and innovation from leading universities, the Apromore platform includes no-code features and a simple UI that continuously delivers new insights into operational performance and compliance.

For more information, visit <https://apromore.com/product>

