

The Relentless Fight for Market Share in Finance: How IT Makes the Difference



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Introduction

The challenges for banks, financial services firms and insurance companies are both different and the same as every other industry. Like most, banks need to comply with laws and regulations, but unlike other industries the burden of this can be massive.

Like most, banks grapple with continuing technology developments and the need for innovation, but unlike the rest new technologies such as crypto and open banking demand quicker responses. And like every other business, banks need to fight for market share, but the battle in this sector has become far fiercer in recent years. The “challenger” banks, Crypto traders, broker apps and wider Fintech firms are pushing the incumbent banks at every step.

Perhaps the key battleground here is in technology. After all, it is mobile apps, blockchain and open banking that have blown open the previously closed shop. CIOs, Technology leaders, Enterprise Architects and even Risk Managers are needed to guide innovation and future strategy in the financial sector if businesses are not to be left behind.

However, saying that IT can make the difference is easy. How will IT make the difference, and what can be done to maximize the potential of digital transformations? **Let's explore.**



The Omni-Challenge

Every firm is going to face hundreds of small, often unique challenges to their success, but we can still identify a few broader challenges that affect the entire industry. The overarching need from customers is for what is termed an “omnichannel” experience, meaning that customers can seamlessly switch between digital and human touchpoints for their banking needs. IBM gives the following memorable definition: “anywhere, anytime, any device access to their accounts and information”.

Many banks already have both digital and human touchpoints, and indeed one could argue that the incumbent banks are ahead here thanks to their wide portfolio of physical bank branches. But the key aspect of “omnichannel” is that interactions moving from channel to channel are seamless and personalized at every point.

Since the 2020 pandemic we have seen a sharp and irreversible change in how customers spend and access their finances. The uprise in new digital banking systems and the changes in expectations for customers globally.

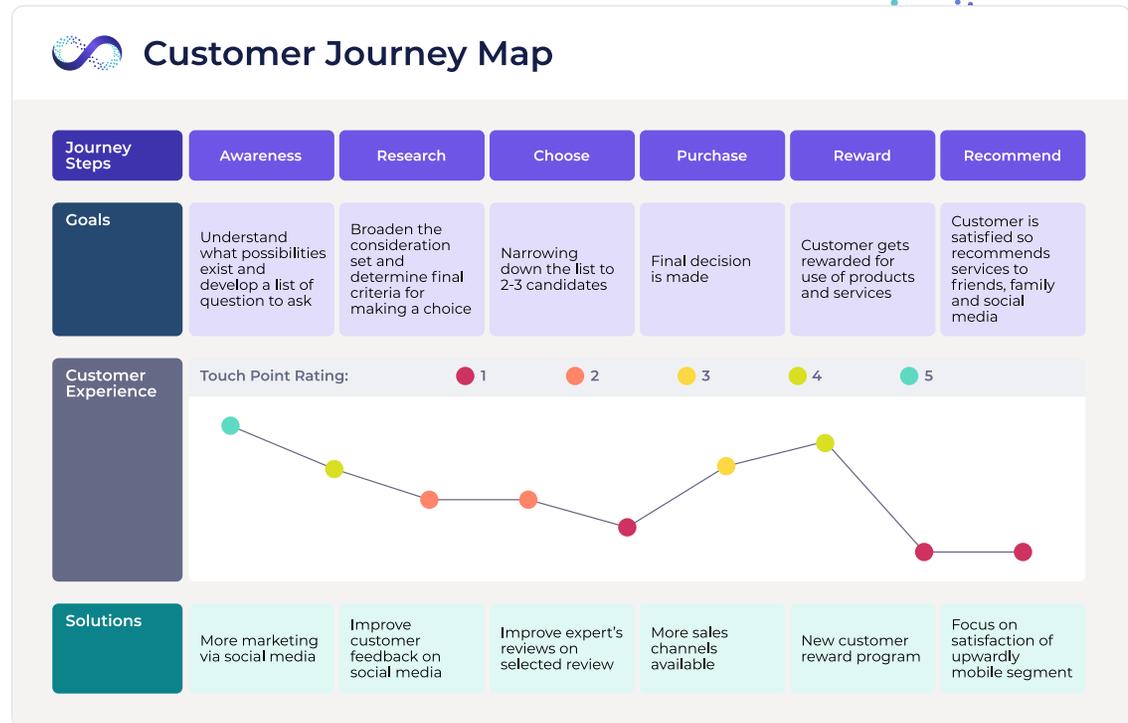
Currently, many financial services offer a multichannel experience where customers can interact with a variety of channel but not switch between them mid-interaction. Nimble challenger banks and fintech firms offer internet-only interactions, eschewing expensive physical locations and enabling flexibility and a focused approach to their services. Incumbent firms are stuck with the high costs of extra channels without reaping many of the advantages that are available – essentially, they have all of the capability needed for an omnichannel approach, but the lack of integration means they are losing out.



According to Gartner in 2023 “Banking and Financial institutions with digital banking platforms can facilitate an omni-channel experience that enables banks to seamlessly transfer customers across channels and build “global customer insight” across the bank.”

How do banks approach omnichannel customer experiences? By its very nature, developing an omnichannel customer journey would cross business units and locations, requiring enterprise-wide coordination and perfect integration between technology and people. Financial firms need methods that can handle widespread collaboration; can strategize a path forward that takes account of technology, data and business capabilities; can deliver integration solutions for the disparate elements involved; and can do all this without excessive investment or resource requirements.

Despite this lengthy list of needs, there is a solution. At their core, omnichannel experiences are technology driven. Even where customer touch points involve people, it will take the assistance of software to create a seamless experience. When planning digital innovation that touches on existing processes and people, the answer is to make use of Enterprise Architecture (EA). It is EA that allows a firm to build and maintain portfolios of their application and technology landscapes. It is EA that creates business capability models, illustrating capability gaps that could hinder future developments. And it is EA that enables developers to deploy cloud native software solutions that can integrate with existing systems and provide the functionality needed for omnichannel.



Architecting for Omnichannel

What are the specifics of EA that enable banks to address customer needs?

EA is ultimately just a tool that can be applied in many different ways according to each business, and how it is used will depend on the architects themselves and the EA tools that they use. At Orbus, we offer a suite of EA software solutions, which have been awarded Gartner Customers' Choice winner for seven years in a row. In addition, one should consider how different employees can benefit.

We've broken down the list according to role:



Senior Executives

For CIOs and other leaders, the important parts of EA are the outputs. The questions they need to find answers to revolve around uniting different parts of the business and enabling faster delivery of new financial products and services.

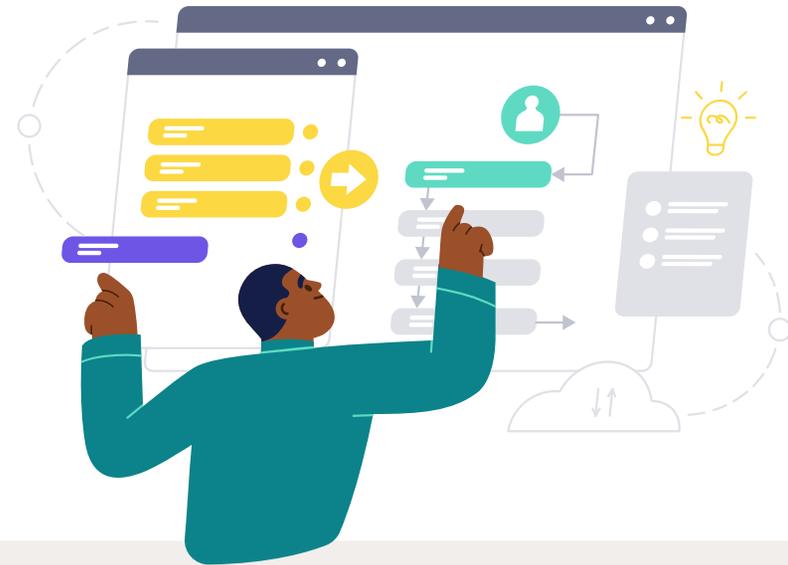
- Maps of customer journeys and touch points provide executives with insights so they can decide how to connect technology and processes from different departments to create an optimal customer experience.
- OrbusInfinity provides executives with the details of business capability requirements so they can align people, processes and technology to support future products for customers.



Heads of Architecture

For architecture leaders, there is more direct involvement, and their main concern will be bringing an enterprise's systems together in order to unite data, create new services and plan for deployments.

- Architecture leaders can create customer journey maps to plan and show each step and touchpoint that a customer goes through when interacting with the bank.
- Head architects can create a data model to establish how data should be managed and use their technology portfolio statistics to gauge the suitability of the existing tech stack in the future consolidated environment.
- Technology roadmaps allow stakeholders to define clear objectives, identify the target state and perform a gap analysis so that a path to new business functionality can be clearly visualized to ensure the success of new integration projects.



Architects and Other End Users

Architects themselves are going to be concerned with direct applications of EA and the complexities of actually delivering an integrated, omnichannel system.

- OrbusInfinity provides Architects with tools such as user surveys to determine which applications and technologies are fit/mature enough to deliver the necessary business capabilities.
- Using this information, they are able to deliver on the business goals of delivering new products and integrating existing technologies to provide a first-class omnichannel customer experience.

Summary

Banks and Financial Services organizations will always face tough competition, but the next few years promise to be particularly difficult as technology drives rapid change.

Customers demand omnichannel banking that can work for them seamlessly wherever and however they choose. For challenger banks and fintech firms, unburdened by major brick and mortar investments, this is not a huge impediment, but incumbent banks will need to be at their best to enact the necessary changes.

We've laid out the approach for enterprise and other architects to drive the capabilities needed for true omnichannel experiences, detailing how Orbus Software can bring value across a variety of roles while delivering the necessary digital changes.

Enterprise Architecture is perfectly suited for such a change, aligning IT capabilities with business strategy and offering clarity over data thanks to the central repository feature of EA tools like OrbusInfinity.



Meet the challenge of omnichannel

Book a demo today to see how OrbusInfinity can engineer the digital initiatives necessary to power the next generation of omnichannel experiences.



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Orbus Software is a leading provider of cloud solutions for enterprise transformation, with regional offices in Australia, Poland, the US, and the UK. Its enterprise platforms provide a comprehensive view of applications, systems, and data, allowing leaders to optimize cost, minimize risks, and maintain operational resilience in the face of constant disruption, while supporting them to make more informed and responsible business decisions that consider cost, impact, strategy, and sustainability. Customers are predominantly global blue-chip enterprises and government organizations, including AstraZeneca, CIMB Bank, Investec, Three, and Saab. To learn more, follow Orbus Software on LinkedIn and Twitter.

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