

AURIGA PERSPECTIVE

Delivering multi-channel banking

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The ability to deliver a uniform approach to customer interactions across all channels has benefits to both the consumer and the bank

The concept of multi-channel banking has been around for some time now. Yet whilst the idea has been well understood, the fact that very few banks can genuinely claim to have delivered it is a testament to the challenges that it raises. The move from the traditional channel-based view of retail banking to the customer-centric model that is taking place in banks across the world means many institutions are now having to face up to these challenges and find ways of overcoming them.

A key problem is the fact that the customer-centric model places demands on the technology used to manage the bank-customer interaction – demands that simply cannot be met within a channel-centric model. However, solutions are available and the benefits are substantial.

'Haves' and 'have nots'

From a business perspective, moving to a multi-channel architecture can bring some huge advantages. The ability to deliver a uniform approach to customer interactions across all channels has benefits to both the consumer and the bank.

From a bank's perspective, it offers a streamlined approach to the customer that enables cost savings to be realised in both operations and IT, whilst simultaneously delivering revenue generating opportunities through a unified sales/marketing approach.

From a consumer's perspective, the idea of the 'channel of convenience' moves from being a concept to a reality, enabling interactions with the bank to be conducted through the channel that is most convenient at the time. It empowers the customer and delivers choice whilst also extending the breadth of the relationship through multiple contact points, effectively increasing customer stickiness.

These are all ideas that banks find appealing. However, implementing them is a challenge and

requires serious will to deliver. Consequently, it is conceivable that in the near future the banking world will split into 'haves' and 'have nots', with some banks having implemented these concepts successfully and others not having managed it, and where the latter will lose ground in the battle to deliver leading class service.

New entrants launch centralised architectures

What is interesting to see is that new entrants into the banking world are moving forward more rapidly than many of the well established players. These new entrants are delivering joined up banking, where systems and customer interfaces deliver a uniform approach to customer services. They are also able to offer services such as instant issuance of debit and credit cards for new accounts, which is attracting a lot of attention and setting higher customer expectations.

These banks are able to accomplish this primarily due to their implementation of multi-channel banking using modern architectures that lack the technical legacy of the established players.

One of the key technical 'weapons' in this approach is the use of centralised business logic delivered to channels using web-based architectures. Instead of pushing business logic out to the channels in the form of fat client applications, the logic remains effectively within the core, enabling the transactions to be delivered to the channels as web services.

These modern service-orientated architectures are the key to success in delivering a multi-channel banking solution, but whilst starting with a blank piece of paper offers a fast route to delivery, it is not the only way forward. Unlocking transaction logic from the more conventional and stable core systems of long established banks is in many ways simpler than it sounds.

Limitations of channel-centric models

It is no secret that legacy systems do foster

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limitations. In contrast to new entrants, many well established banks lack centralised architectures, and have channel specific business logic distributed across the extremities of their networks. Any changes to transaction logic then needs to be made to channel specific systems and then pushed out to terminals across the network. This obviously has a significant impact on cost and efficiency.

The self-service channel is a good one to discuss in demonstrating the limitations of these implementation models, as well as the solutions for working around them. Self-service utilises a number of components including the switch, the terminal handler, the monitoring solution and the ATM application itself – where often these components are provided by two or three different suppliers and the systems do not fully share data. It is therefore difficult to clearly assess the channel's performance or costs. Furthermore, customer data cannot be shared, marketing is channel specific and is often implemented through an additional component that is not integrated centrally.

A key drawback to this configuration is that in order to perform a transaction outside of the switch's capabilities, logic must be added to the client to enable it to connect to other systems. Whilst this allows the self-service channel to cross into other channels and add functionality, it means that the business logic that is required for the transaction sits on the client, and thus cannot be reused by any other system since it resides at the extremities of the network.

WinWebServer

When Auriga developed WinWebServer, it tackled these issues from a new angle. By utilising a service-orientated architecture at the server level, it has created a solution that manages multiple client-facing interfaces and can work with multiple internal/core systems to deliver transactions uniformly across all channels.

With respect to the self-service channel, it means that a complete solution – including switching, monitoring and terminal handling components as well as a tightly coupled web-based client – can be delivered with business logic maintained within the core systems.

This enables WinWebServer to fulfil a key requirement of multi-channel solutions: having reusable business logic. The underlying logic used

to manage a bill payment is fundamentally the same irrespective of whether the transaction is initiated in a branch, at an ATM or from a mobile internet-enabled device. The only difference lies in how the customer is identified. If this logic is centralised and the authentication is tokenised, then transactions can be reused and delivered through a range of channels.

Using this approach to authentication, reusable business logic can be created, enabling transactions to be delivered via a web browser to a range of different channels. WinWebServer now delivers transactions via the web, self-service, mobile, internet and through the phone using SMS and voice. More importantly, it doesn't matter which channel the transaction logic was originally built for, it can be reused by the others.

Furthermore, the browser used to deliver the transaction/content to the end user is the only aspect that differs across channels. The transaction becomes channel-agnostic; secure services can be delivered to any type of hardware in a flexible and scalable manner. And as WinWebServer sits beneath the core systems, multi-channel banking can be delivered without changing large parts of the core systems.

For the bottom line, this type of system enables a reduction in operating and technology costs because everything works as part of a tightly integrated solution designed to deliver both operational control/security and commercial success. In marketing, for example, WinWebServer enables the coordination of campaigns across channels, ensuring content is delivered as part of a focused campaign that works in conjunction with a bank's CRM system.

With this architecture, virtualisation of the relationship with the Client is delivered through ATM/self-service, kiosk, branch, internet, call centre and mobile channels – and the relationship is personalised on all of them. This convergence and interoperability between the channels improves customer experience by permitting accessibility, flexibility, transparency and simplicity. Through constant research and innovation, Auriga is focusing on delivering innovative solutions with high added value for the consumer.

To find out more about how Auriga can help your organisation, please visit: www.aurigaspa.com or contact brendan.thorpe@aurigaspa.com. ■

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