

Transforming on-boarding

FINALI FERNANDO AND JORGE GUTIERREZ LUTHE LOOK AT HSBC'S WEB-BASED COLLABORATIVE ENVIRONMENT, CLIENTSPHERE.

In an environment where payments and cash management products are increasingly commoditised, corporate customers are scrutinising service levels with greater intensity than ever. We believe that the battle for differentiation will now be fought in the on-boarding space, with banks seeking to foster customer loyalty through technological innovation in service. This article will review one such initiative developed by HSBC, a web-based collaborative environment known as ClientSphere.

THE NEW DIFFERENTIATOR: SEAMLESS ON-BOARDING

Companies embark on a lengthy, costly and often painful process when selecting a cash management solution provider. Resources are tied up handling requests for information (RFI) and requests for proposals (RFP), collating responses, analysing pitches and selecting the right banking partner.

This is all the more critical in today's world as most corporations

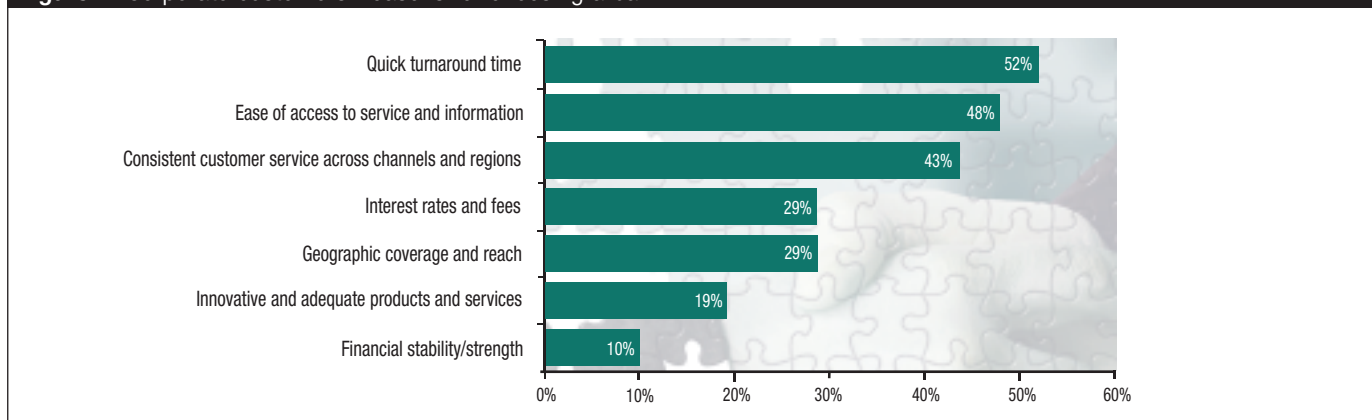
require comprehensive banking solutions delivered by proactive consultative selling, rather than standalone product subscriptions.

However, banks and customers often overlook the magnitude and importance of the next step: the on-boarding process. Experience shows that this first period of collaboration sets the tone for the entire relationship between customer and bank.

The importance of getting it right the first time is immeasurable. A good on-boarding experience is essential to a long-lasting and satisfactory relationship. However, it is during this critical period of interaction between bank and customer that significant challenges are often encountered.

According to a Finextra study in October (see Figure 1), 44% of corporate customers would consider switching to a different bank for better customer service and query handling around on-boarding. However, in our view, a client doesn't necessarily have to switch banks due to poor service, but may simply choose to shift the value

Figure 1: Corporate customers' reasons for choosing a bank



and volume of its business to the best service provider. The Finextra study reports: "56.8% of corporates have increased business with one or more bank in the past 12 months." It goes on to explain that the main reasons they chose to increase their business with a particular bank was for quicker turnaround times, ease of access to service and information, and consistent customer service across channels and regions.

CHALLENGES IN THE ON-BOARDING

PROCESS On-boarding a new customer is a highly complex endeavour. From the client's perspective, it is the final hurdle before obtaining the solution benefits, and the first opportunity for the bank to live up to its promises. From an implementation manager's perspective, it is the beginning of a race to deliver results in a short time frame. Successful project completion requires the timely coordination of specialist teams, both within and outside the bank. The exchange of information between these teams, commonly referred to as a handover, is a critical part of this process. An excellent customer experience is the result of meticulous project management.

The management of regional deals normally requires enormous effort. Project managers must spend time establishing accountability against tasks, follow up on pending items, both internally and externally, and ensure that the customer knows at all times what they need to accomplish for timely on-boarding.

After reviewing feedback from clients and internal stakeholders, the three most common challenges in the on-boarding process have been identified as:

■ **Fragmented communication:** Communication between the customer and bank now occurs over a wide array of channels: text messaging, telephone, fax and email. The onus is on the project managers in both organisations to keep careful track of all the information exchanged. They must also reconcile these records in order to provide an accurate status report.

■ **Visibility:** Surveys show that customers want full transparency during the on-boarding process. But with so many stakeholders performing interdependent tasks, significant resources are required to track the status of a mandate under implementation. Implementation managers are often forced to face the challenge of implementing solutions and

reporting them.

■ **Documentation:** Exchange of documentation has long been a delicate step in the implementation process. Implementation managers know from experience that extra care needs to be taken to ensure time-sensitive document transfers don't fail because of full inboxes, staff being on leave or simply by being lost in the deluge of emails received every day.

These challenges crop up as a direct result of the configuration of the traditional on-boarding process (see Figure 2). Each step is maintained as a standalone silo, where data is uploaded and

maintained independently of the other stakeholders, and where the only individual with access to all of the silos is the project manager.

Recognising these pain points and their sources, HSBC has brought together the best practices in customer on-boarding from its offices across the globe. It has committed significant resources to address these challenges and produced a single, patent-pending, web-based platform called ClientSphere.

**BANKS NEED TO INNOVATE
CONTINUOUSLY AND INVEST
AGGRESSIVELY IN
COMPREHENSIVE PROCESS
IMPROVEMENT TO PROVIDE A
TRULY EXCEPTIONAL CUSTOMER
EXPERIENCE.**



cash and liquidity management

ON-BOARDING

Figure 2: Traditional on-boarding

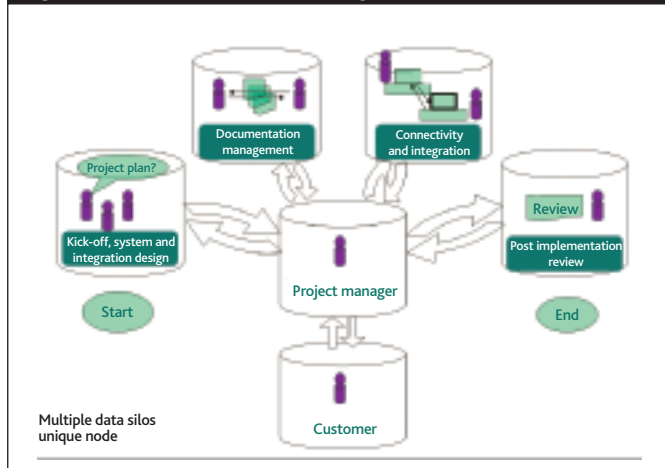
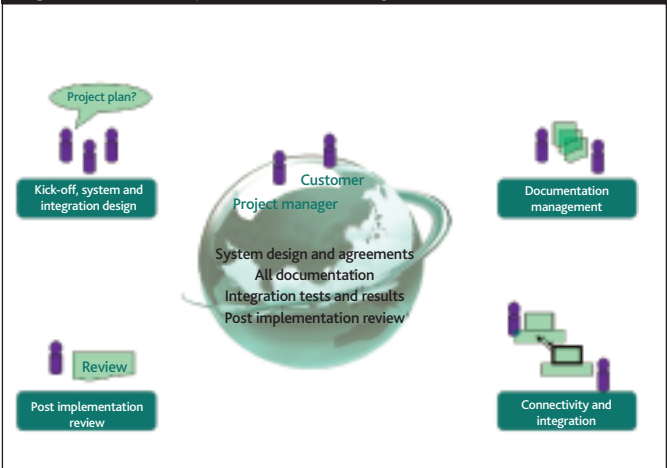


Figure 3: ClientSphere on-boarding



STREAMLINING THE ON-BOARDING PROCESS THROUGH INSTANT COLLABORATION Designed to be used by customer on-boarding teams, ClientSphere is a platform allowing implementation managers to collaborate across the globe, using the latest and most advanced project management tools.

Collaboration across different geographies and cultures is always a challenge. However, ClientSphere offers users an entirely new channel of communication, where all project-related information is stored, updated continuously and classified automatically for ease of reference and monitoring (see Figure 3).

HOW CLIENTSPHERE ADDRESSES THE CHALLENGES

- **Fragmented communication:** ClientSphere provides customers and bank staff with a unique, secure and reliable channel of communication. A history of all messages exchanged is readily available on the same portal, instantly placing all written communication into context. The system also allows customers and staff to share the same best-in-class project management tools for their on-boarding. Even for highly complex projects spanning several countries and in different phases, all updates, queries and requests are sorted and classified. Automatic reminders and escalation mechanisms ensure that no deliverable is forgotten.
- **Visibility:** ClientSphere can recognise each individual user and track the tasks performed as well as those that are still pending. By giving a client access to a project plan with prearranged deadlines, it places the client's project manager firmly in the driving seat, ensuring that staff from both institutions are on time, every time. Additionally, the system is able to record all the updates that users make as they are being made.

- **Documentation:** ClientSphere will allow multiple users wherever they are to store and edit common information on a single repository, providing instant access to all relevant users simultaneously. This additional channel will be a robust database, where all documentation is stored, classified and updated. Thus users always have real-time access to the most up-to-date data.

Our experience with the system so far has shown that ClientSphere transforms the on-boarding experience, both for implementation managers and customers. Winnie Ma, head of client implementation for HSBC in the Asia-Pacific region, says: "ClientSphere provides more stringent and focused exception management to minimise project slippage, and, most importantly, speed up a client's transition."

Customers have also experienced the benefits of working with this collaborative environment that brings their staff and bank staff closer.

Ultimately, ClientSphere has been a win-win proposition for all stakeholders. It enhances the efficiency of on-boarding by increasing visibility, reducing error and recording exceptions to allow for enhanced organisational knowledge transfer and learning.

The clarity of communication and the accountability that come as a result of this efficiency then lead to faster and smoother implementations. Customers can now look forward to a more consistent level of service irrespective of whichever country they use to bank with HSBC from.

BEST-IN-CLASS ON-BOARDING The strength of the commercial relationships between customers and banks will shape the competitive environment of the future, and the foundation of these relationships will depend heavily on customers' experience during the on-boarding process.

Recognising this, HSBC has leveraged its global position and

invested significant resources in developing a best-in-class on-boarding platform that will soon be available worldwide.

Online collaboration between the bank and its customers is expected to transform the way customers choose to do business, offering faster realisation of benefits, greater transparency and more flexibility.

Natasha Patel, head of HSBC's payments and cash management in the Middle East, says: "Service is at the core of customers' expectations of a cash management bank. In addition to global coverage and subject matter expertise, banks need to innovate continuously and invest aggressively in a comprehensive process improvement to provide a truly exceptional customer experience."

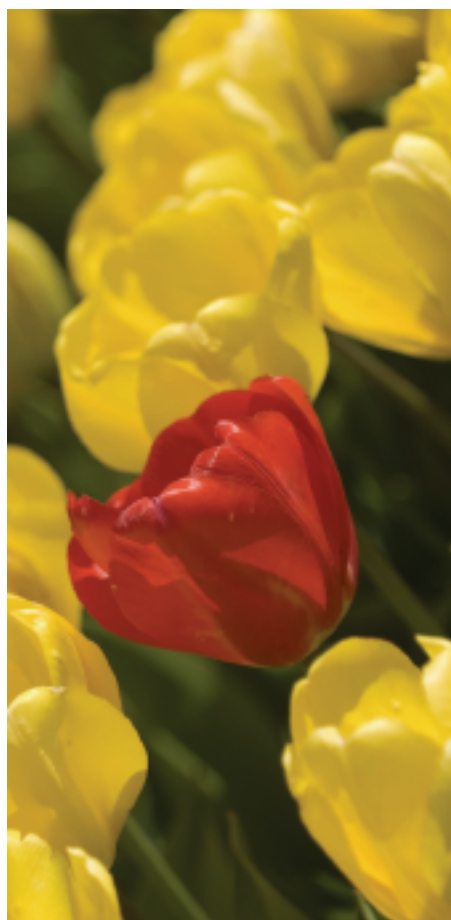
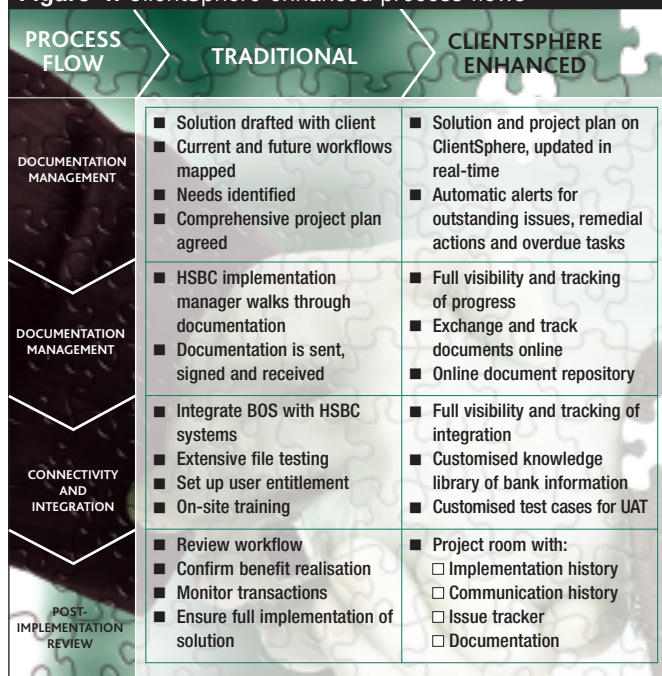
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Figure 4: ClientSphere enhanced process flows



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