OPENTEXT™

EVOLVE
DIGITAL

Four Data-Driven Strategies for Financial
Services Growth in the Digital Age

CONTENTS

FOREWORD: DIGITAL DISRUPTION IN FINANCIAL SERVICES AND THE DEMAND FOR ANALYTICS

Digitization has led us to a point in our history where culture and technology are so interwoven, we are past the point of return. Regardless of individual convictions on the nature of disruption in Financial Services, there is absolute certainty in one fact - inevitable and irreversible change has already begun. Many believe the growing fragmentation of banking, insurance and capital markets does not precipitate mass extinction, signaling instead that evolution has stepped up a gear, catalyzed by digital disruption. In an industry where process, regulation and aging technology are pervasive, it is agility and responsiveness that must be mastered for the best chances of success in the new digital world.

Evolving in this uncertain environment is first and foremost a cultural dimension - because people have to feel like they can create positive and meaningful change, quickly. Making this aspiration real, requires strong, supportive leadership and empowerment of individuals with decision-making confidence. To this end, analytics is an evolutionary driving force; allowing businesses to fine-tune strategy, all the while attracting a new generation of customers.

Gerry Gibney

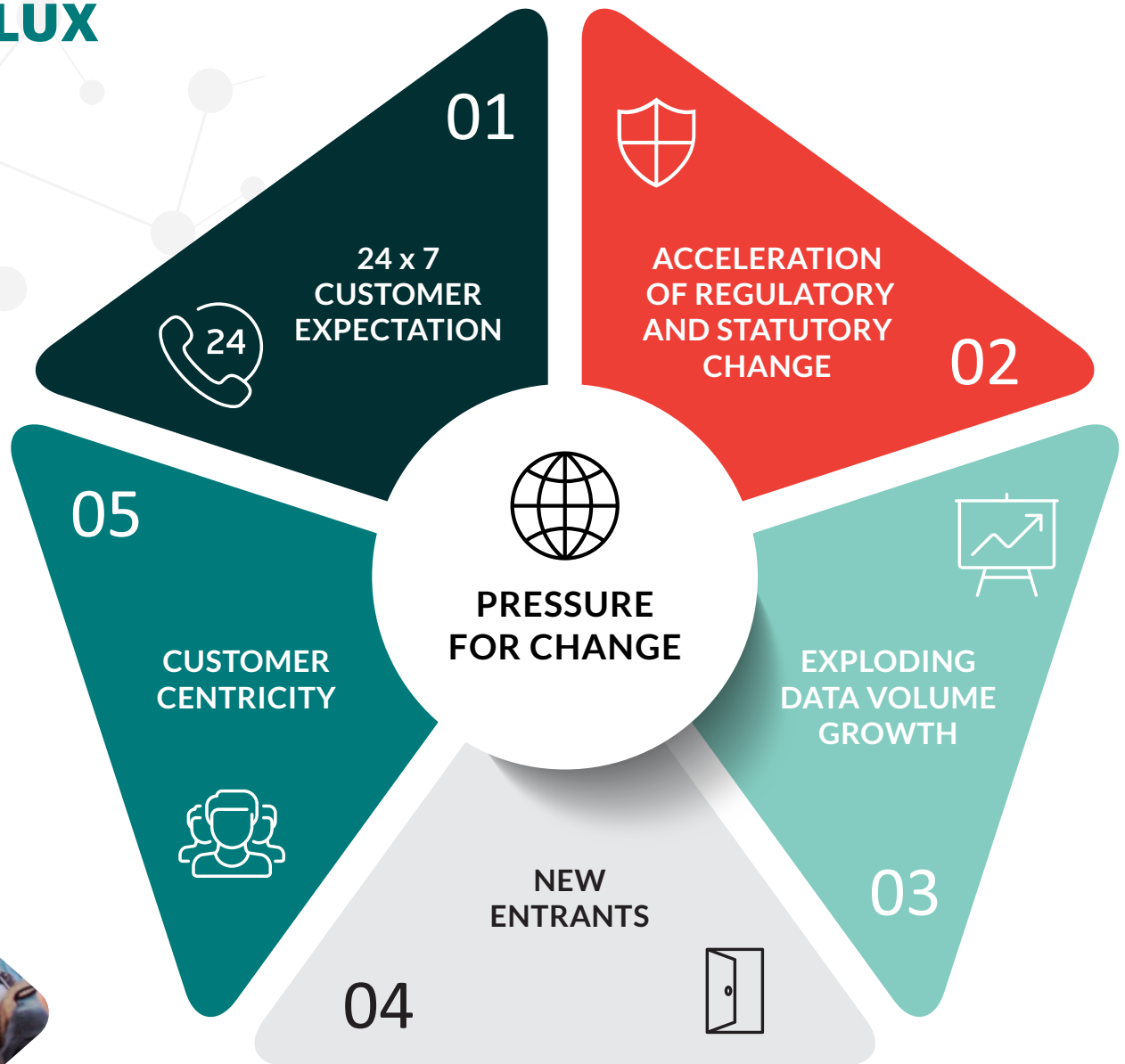**Gerry Gibney**
OpenText Senior Strategist for Financial Services

> Analytics is an evolutionary driving force; allowing businesses to fine-tune strategy.

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FINANCIAL SERVICES:
AN INDUSTRY IN FLUX

PRESSURE FOR CHANGE

01 — 24 x 7 CUSTOMER EXPECTATION

02 — ACCELERATION OF REGULATORY AND STATUTORY CHANGE

03 — EXPLODING DATA VOLUME GROWTH

04 — NEW ENTRANTS

05 — CUSTOMER CENTRICITY

THE MILLENNIAL DISRUPTION INDEX

Disruption is coming from outside of financial services, and it will have a huge and unexpected impact. Attracting new customers requires new approaches. Have you seen a young person reading a newspaper lately? You won't, as they get almost all of their information online now. If you are not where they get their information from, how will you get them to become clients?

They believe innovation will come from outside the Financial Services industry

73% Would be more excited about a new offering from Amazon, Google, Apple, PayPal, or Square than from their own nationwide bank

70% Say that in 5 years the way we pay for everything will be totally different

68% Believe that in 5 years the way we access our money will be totally different

49% Are counting on tech start-ups to overhaul the way banks work

33% Believe they won't need a bank at all

Source: Scratch Viacom Media Networks

ANALYTICS FROM OPENTEXT
DATA-LED CUSTOMER ACQUISITION

Many of the world's largest Financial Services firms use the OpenText Analytics platform to turn complex big data into business critical insights and informed actions for Customer Acquisition, Risk, Compliance and Treasury.

Enterprise-ready solutions:

- Sentiment Analysis

- Data Mining and Modeling

- Customer Insights

- Predictive Analytics

- Customer Statements and Dashboards

- Regulatory Reporting
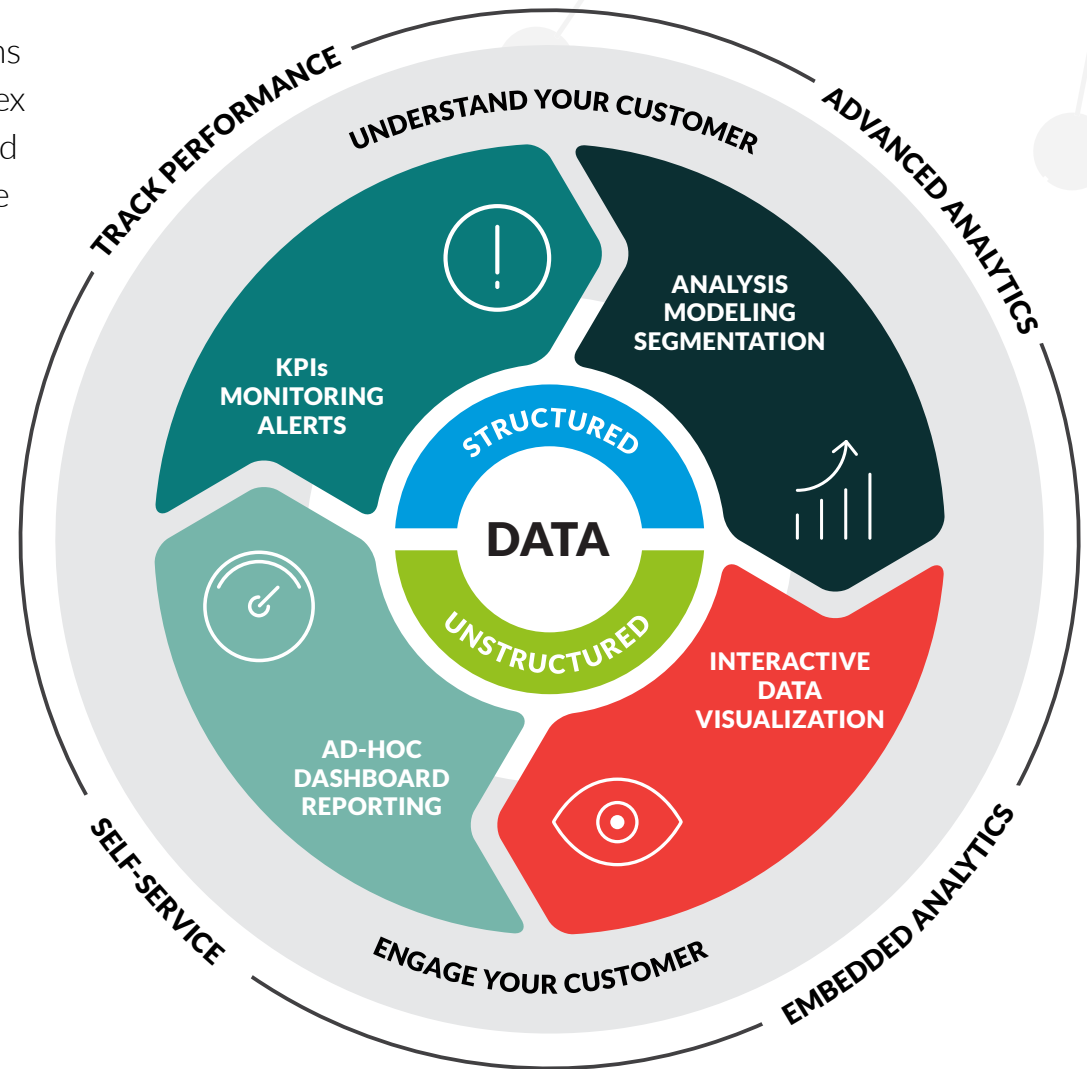
FOUR DATA-DRIVEN STRATEGIES FOR
FINANCIAL SERVICES GROWTH IN THE DIGITAL AGE

There are four critical, data-led strategies that financial services organizations should embrace to help them adapt and succeed in the age of digital disruption.
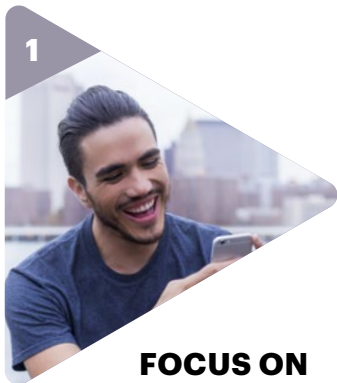
1

**FOCUS ON
THE CUSTOMER**

2

**IMPROVE
COMPLIANCE**

3

**MONETIZE
YOUR DATA**

4

**OPTIMIZE
COSTS**

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FOCUS ON THE CUSTOMER

### DRAMATICALLY IMPROVE THE CUSTOMER'S DIGITAL EXPERIENCE THROUGH DATA

By improving customer experiences with self-service analytics that is highly visual and personally relevant, customers will have greater appreciation for their online interactions with your brand. Adopting this customer-centric approach increases loyalty and builds a more trusting relationship; the ideal foundation for extending share-of-wallet with additional products and services.

HEAR WHAT YOUR CUSTOMERS ARE SAYING ABOUT YOUR FINANCIAL SERVICES FIRM

Social media, customer service logs, call center transcripts and web chat data are a rich source of sentiment from customers where they are expressing their feelings towards a bank or insurance company and its products. These types of unstructured data can be analyzed in order to gain a far clearer picture about your customers' needs and opinions. You can also gain insight into trends and your competition.

GAIN A CLEARER UNDERSTANDING OF CUSTOMER NEEDS

Advanced Analytics can help you make accurate predictions and target customers who are most likely to buy specific products. How? By using analytics to interpret large and complex sources of data from across the organization. Having a better understanding of the customer is the first step towards adapting to changes in the market and customizing existing offerings.

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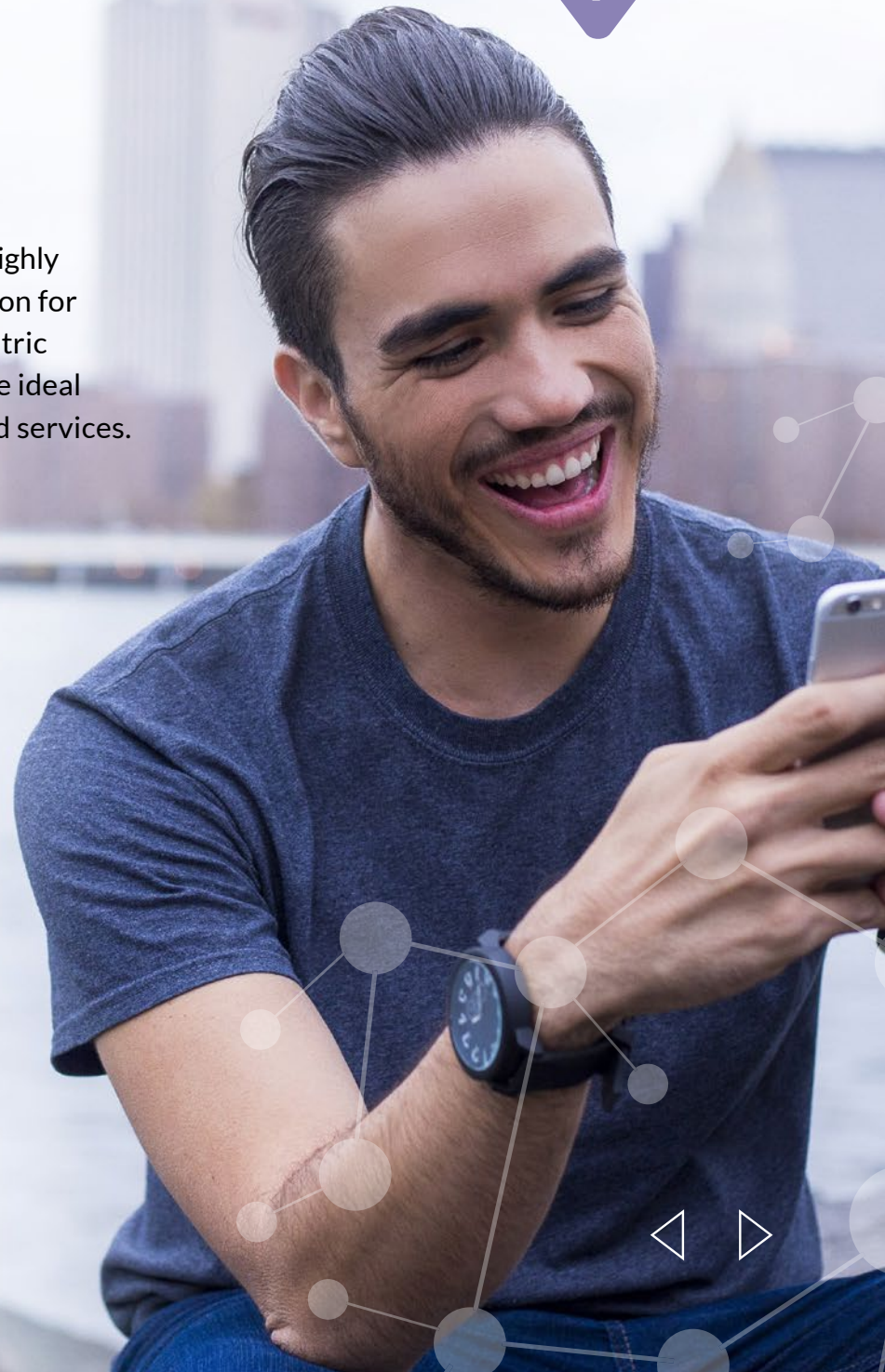
IMPROVE COMPLIANCE

BECOME MORE ADAPTABLE TO CONSTANT CHANGES IN THE REGULATORY LANDSCAPE

Keep pace with rapid and consistent changes in regulation across all geographies by being able to design and activate new reporting capabilities in very short timeframes.

SIMPLIFY THE COLLECTION OF CRITICAL COMPLIANCE DATA AND ACCELERATE REPORTING TIMES

Rather than relying on a data warehouse to pool data necessary for compliance and regulatory reporting, access disparate and siloed data in-situ using analytics and reporting for real-time visibility.

REDUCE OPERATIONAL RISK WITH A LINE OF BUSINESS VIEW ACROSS ALL PORTFOLIOS AND ASSETS

Deliver a consolidated view across critical operational risks to senior executives so that they can quickly assess potential threats and opportunities to assist with decision making.

MONETIZE YOUR DATA

### GROW AVERAGE CUSTOMER VALUE THROUGH PREMIUM, INFORMATION-BASED OFFERINGS

Information is a powerful commodity that can be used to deliver extended, value-added services to a range of clients, such as access to advanced reporting and statistical capabilities based on their own data.

GENERATE REVENUE-DRIVING INSIGHTS USING CUSTOMER SPENDING OR TRANSACTION DATA

By its very nature, the Financial Services industry generates vast volumes of highly valuable data about transactions, purchasing patterns and B2B expenditure. Made anonymous, it has a resale value in the form of market data and may be used in the creation of "Next Best Offer" advice or additional merchant and consumer services.

USE BIG DATA ANALYSIS TO FOCUS ON THE MOST PROFITABLE PRODUCTS AND CUSTOMERS

By adopting an increased focus on the specific needs of highly targeted groups of customers, it is much easier to extend share-of-wallet and LTV. Premium products and services made available via the customer's preferred channels at the appropriate time have a higher chance of success and will enhance brand image.
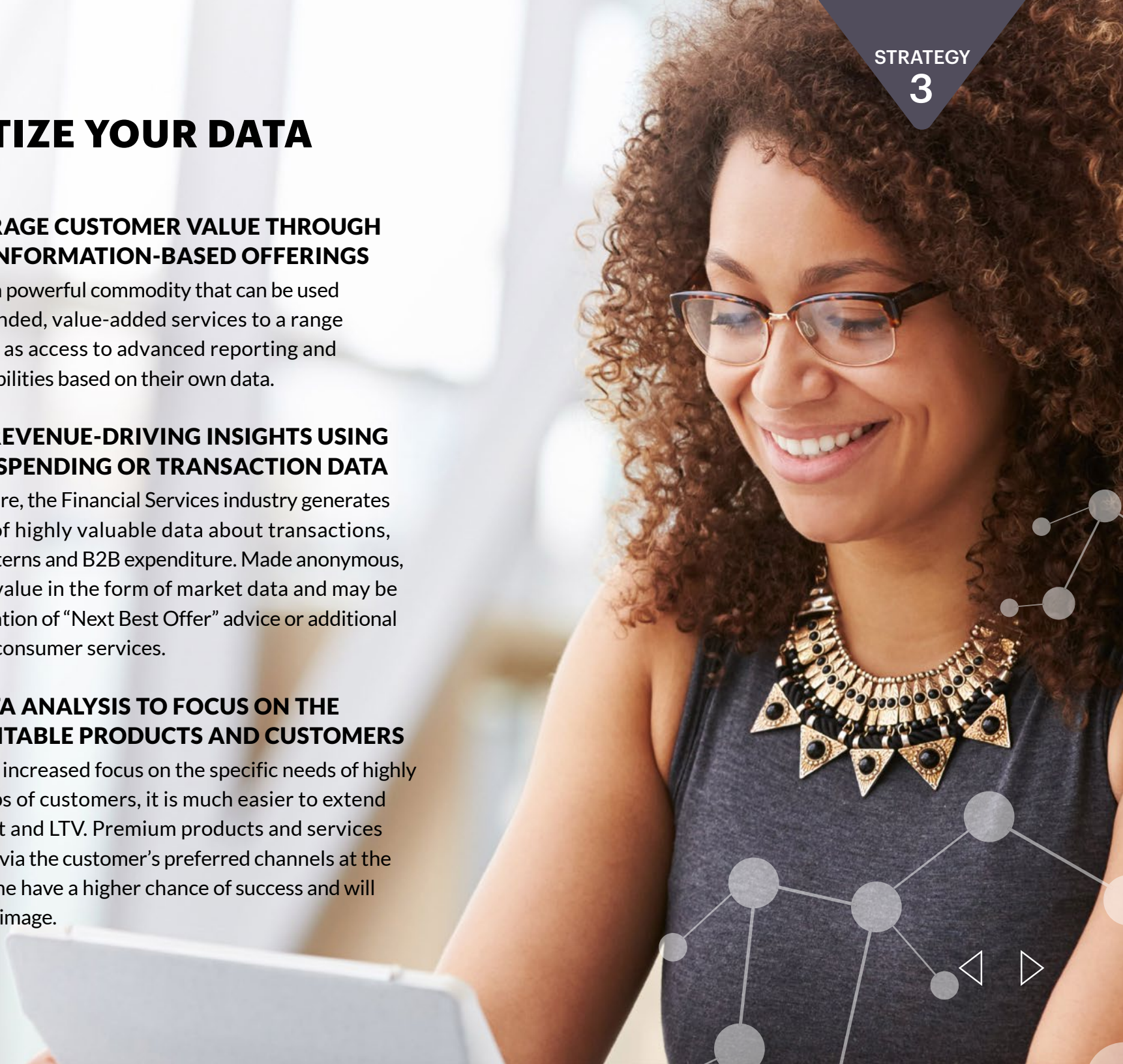
OPTIMIZE COSTS

ADOPT AN AGILE, MODULAR APPROACH TO NEW ANALYTICS AND REPORTING CAPABILITIES

The age of Big Bang infrastructure deployments is coming to an end, with businesses looking to augment and extend existing processes, rather than go through the cost and uncertainty of multi-year projects. Flexible modes of deployment encompassing cloud, on-premises or hybrid can help cut the dependence on self-managed systems.

CONTROL INFRASTRUCTURE COSTS WITH A PLATFORM PROVEN FOR SCALABILITY AND PERFORMANCE

Analytics needs to be massively scalable in two directions. At the back-end, it must to be capable of processing vast amounts of data. While on the user side, it should support delivering reports and visualizations to millions of customers at speed. Some platforms struggle because their architectures were never designed to cope with the complexities of big data.

REDUCE THE WORKLOAD OF DATA SCIENTISTS AND STATISTICIANS BY DEMOCRATIZING DATA ANALYSIS

Self-service data modeling and analytics help to reduce the burden on corporate data scientists, alleviating their backlogs and enabling them to tackle complex problems while the rest of the business functions more efficiently.

FINANCIAL SERVICES USE CASES

Applied in this new digital world of Financial Services, data-led strategies can bring fresh appeal to customers and protect profitability.

1

ONLINE BANKING

2

RISK AND LIQUIDITY SERVICES

3

ASSET AND WEALTH MANAGEMENT

ONLINE BANKING
FINANCIAL USE CASE

- Differentiate online services by merging relevant, targeted information and embedding analytics

- Boost engagement on online and mobile devices via powerful, interactive customer-driven analytics

- Use big data analytics to understand the most relevant (and profitable) products and services to offer target segments

- Improve cross-sell by leveraging customer patterns and making predictions of customer needs

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RISK AND LIQUIDITY SERVICES
FINANCIAL USE CASE

- Provide 'by-the-minute' visibility into critical metrics and triage risk data globally and across business units

- Manage liquidity based on a clear and immediate picture of assets and liabilities

- Apply predictive modeling to test possible outcomes and guide strategy

- Respond to regulatory changes without reinventing the wheel

- Provide treasury services to corporate customers

ASSET AND WEALTH MANAGEMENT
FINANCIAL USE CASE

- Self-service portfolio analysis and highly interactive dashboards

- Interact visually with real-time and historical performance data

- Automate statements and provide on-demand data export

- Offer both private and institutional client reporting

- Deploy reporting projects quickly to improve time-to-market and return on investment

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FURTHER INFORMATION

REQUEST INFORMATION

1. OpenText Analytics for Financial Services — **VIDEO**

2. Eckerson: Which Embedded Analytics Tool Is Right For You? — **WHITE PAPER**

3. The Chief Data Officer's Agenda — **EXECUTIVE BRIEF**

4. Extracting Value from Data with OpenText™ Analytics and Reporting — **SOLUTION BRIEF**

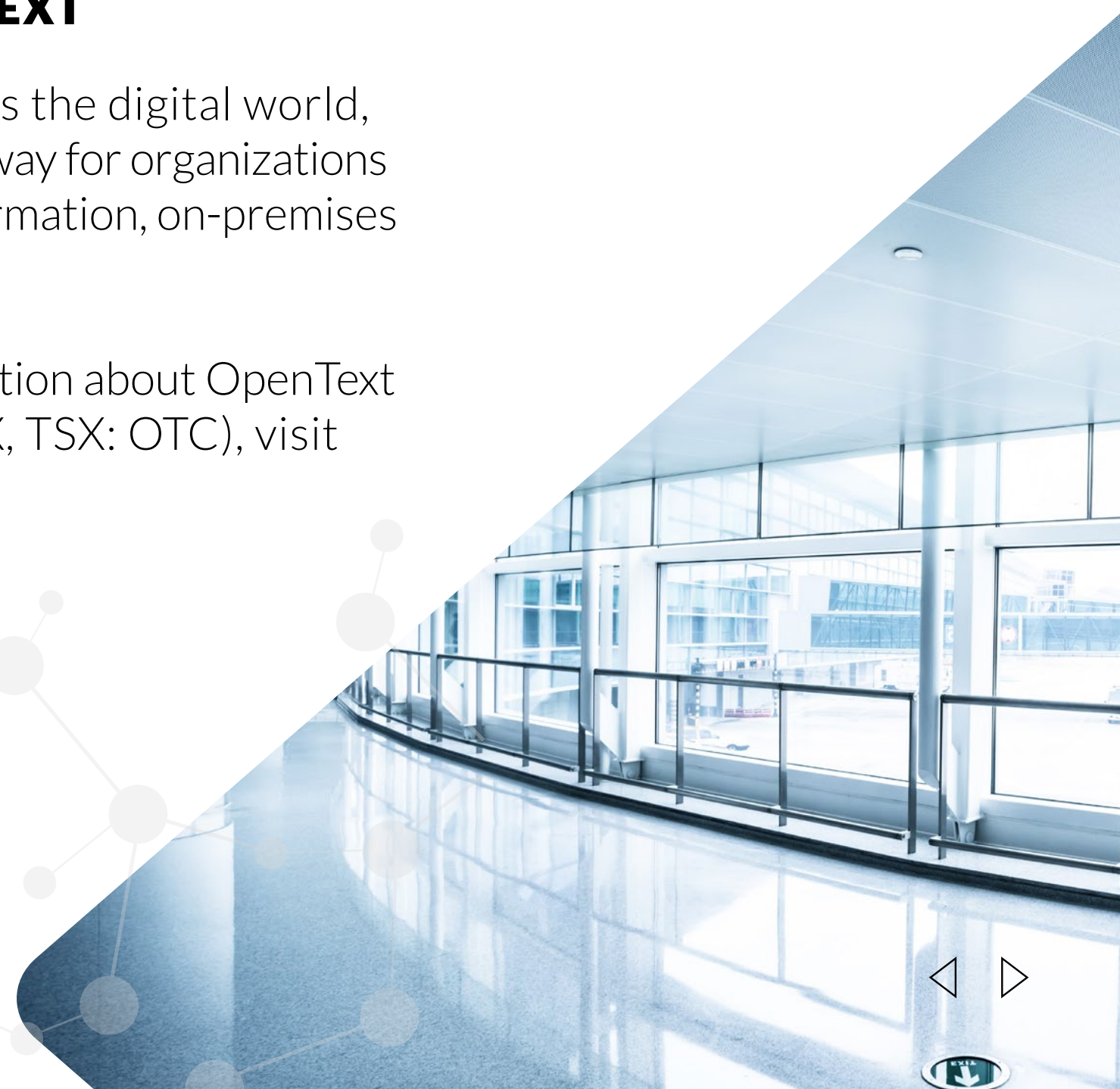5. Asset Management Group Adds Self-Service Analytics — **CASE STUDY**

ABOUT OPENTEXT

OpenText enables the digital world, creating a better way for organizations to work with information, on-premises or in the cloud.

For more information about OpenText (NASDAQ: OTEX, TSX: OTC), visit **opentext.com**

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