

The Future of Banking: How Will You Compete?



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During the past 25 years, the financial services industry has become more competitive while the pace of change has increased. Many factors have contributed to this trend. Foremost among them are the regulatory changes that have lowered geographic and product boundaries and the evolution from paper-based to electronic products.

We believe that the rate of change will increase and bankers must act now to take advantage of the changes. For example, the credit business lines have already moved from manual credit decisions and paper processes to automated credit decisions and fully electronic image enabled work flows. With the broad adoption of electronic signatures, totally electronic loans that can be sold nationally and serviced globally will challenge the status quo.

Paper checks, our dominant payment process, are being transformed by Check 21 and other regulatory changes into electronic instruments. When combined with the rapid growth of other electronic payments, the competitive landscape of the payments business lines will be dramatically different in a few years. The resulting double digit decline in batch processing volume and increased unit costs will force banks to reevaluate their complex batch-oriented legacy systems and drive them to make the risky migration to a totally new real-time infrastructure.

How can your institution differentiate itself within a transformed industry?

The key to innovation is the ability to identify differentiating concepts—those that relate to price, product and customer experience—and execute them flawlessly. Since it's founding, CGI has been an innovative partner to many industry leaders and has learned the solutions to the major innovation challenges:

1. PEOPLE WHO WORK AS A TEAM AND ARE RECEPTIVE TO CHANGE

Time and again we hear of transformation projects that fail to achieve their objectives. Oftentimes, the culprit is an organization's inability to work together toward a single goal. The solution: use proven methodologies for IT governance; change management and organizational development to provide executives the structure and tools to promote teamwork and innovation.

2. BUSINESS PROCESSES THAT ARE FLEXIBLE AND AGILE

Major processes have been automated in recent years, reducing costs and improving throughput. Unfortunately, these programmatic solutions are frequently inflexible and too many transactions still require manual handling. The solution: make processes more configurable by using self-learning decisioning technology that enables business analysts to evaluate processes, dynamically model and implement new rules to reduce manual exceptions and guide staff to make optimum decisions.

3. TECHNOLOGY INFRASTRUCTURE AND SOFTWARE SOLUTIONS THAT ENABLE CHANGE

While technology has been an essential component of change, our "best-of-breed" systems and processes are now encrusted with layers of interfaces and have become inhibitors rather than enablers of change. The solution: utilize Services Oriented Architectures (SOA) that can support fully electronic real-time processes which are modular, dynamically reconfigurable and scalable.

4. SOURCING STRATEGIES THAT IMPROVE OPERATIONS AND CONTROL COSTS

Banks' overly complicated technology and business infrastructure has created inefficiency that requires high levels of spending on maintenance and not enough on innovation for competitive differentiation. The solution: embrace a flexible sourcing model that combines on-site, onshore, nearshore and offshore resources to get the optimum levels of control, risk, value and cost.

ABOUT CGI

CGI helps banks extend their competitive reach by evolving their operations to better address customer needs. Our innovative banking solutions combined with consulting, systems integration and business and IT outsourcing services enable clients to deliver faster, more targeted services with greater consistency and at less cost and risk. For 30 years, we've operated based upon the principles of owning clients' problems and delivering quality services to solve them. CGI has approximately 25,000 professionals operating in 100+ worldwide offices. For more information, visit www.cgi.com or e-mail info@cgi.com.



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