

Delivering outstanding digital experiences

Driving employee productivity and deliver a great customer experience in financial institutions



Digital acceleration driving change in financial services

Five years' worth of digital adoption was delivered in about eight weeks thanks to the pandemic. The results of this sudden shift have been profound, especially within the financial services sector. While customers are accustomed to digital banking, there is still continued demand for branch services and a human being at the contact center.

Meanwhile, employees and managers found they could work from home just as well as at the office and now hybrid work is commonplace. The competitive landscape also shifted. New market entrants, challenger banks, and neobanks are taking advantage of the increasing customer use of digital services to seize market share from traditional providers.

The global customer base of neobanks has grown from 2 million to 15 million, and the number of neobanks has increased from around 70 to over 250¹.

This is presenting Financial Services Institutions (FSIs) – already facing squeezed margins, economic headwinds, increasing regulation, and growing cyber security risks – with a number of strategic and operational challenges.

Challenges of transformation at speed

Digital transformation has been a key part of most financial services strategies for many years – even decades. While the rewards are many, the digital experiences delivered by many of today's digital initiatives are falling short of expectations.

Customers want to engage across many channels, and they expect the experience to be seamless whichever channel they choose. Failure in this regard is leading to customers changing providers – something becoming increasingly easy for them to do.

Employees don't always feel the benefits of digital investments. Multiple tools, applications, and interfaces, slow processes, and complex security systems can impact both productivity and their ability to serve customers. 'Workarounds' to avoid this, expose the organization to the risks of cyber security gaps and regulatory non-compliance.

As new generations of employees enter FSI organizations:

- 69% Believe they would consider leaving their company if it failed to meet the digital experience demands
- 92% believe they will need to provide more advanced digital experiences²

This less-than positive experience is becoming a revenue-impacting problem that is exacerbating a talent shortage. To move forward, financial services organizations need to shift their mindset from being transformation-led to experience-led.

¹ Neobanking: Stats, Future & Top Software Solutions in 2023 (sdk. finance)

² Riverbed's Global Digital Employee Experience Survey 2023, Financial Services, and Insurance Industry Results

Colleague and customer experience takes center stage in FSI strategies for growth

Based on deep domain and transformation expertise, Kyndryl and Riverbed experts understand that by starting with improvements in employee productivity, FSIs set themselves on the path to better customer experiences. By seeing transformation through the lens of experience, efficiencies become obvious, security is enhanced, and productivity is increased – while employee retention and engagement improve.

Kyndryl Digital Workplace Services with Riverbed's Alluvio Aternity solution, connects employee and customer experience by collecting, collating, and monitoring data from across an IT environment. This gives Kyndryl the insights needed to design, build, and focus on optimizing user journeys, understanding where there are points of friction, and working to eliminate them.

Armed with real-time insight into the performance of devices, networks, and applications, we can support different end user's requirements, improving productivity, security, and satisfaction.

90% of respondents agreed that engaged employees translate to a better customer experience, higher customer satisfaction, and higher revenues³.



³ IDC, "Future Enterprise Resiliency and Spending" survey, July 2021



Empowered employees, secured systems.

Despite their digital investments, most FSIs still manage legacy systems, leaving them carrying a technical debt. Accessing data in legacy systems may be time-consuming, putting stress on employees, impacting their productivity, and degrading the customer experience.

The service from Kyndryl and Riverbed proactively identifies issues that impact employee time (many of which go unreported as users believe they just must put up with it). Device and application data, as well as user behavior data, is collected and analyzed to create an experience-led, holistic view.

This insight helps identify iterative changes that optimize devices and provide personalized support based on a set of defined user personas. An attribute-based approach, layered with predictive capabilities and automation, analytics, and cognitive intelligence ensure customized security policies, compliance, access, and controls. This not only improves security and compliance, but minimizes the demands placed on individual employees.

Digital experiences are managed at individual employee level to remove any friction preventing them from being more productive. And to ensure the experience is the same wherever an employee may be, controls are established and automated based on the employee's preferred mode of work – hybrid, office, or remote.

Self-learning capabilities, and automated monitoring and remediation, can identify and address issues on employee devices – either prompting them to act, resolve an issue remotely, or raise a ticket with support.

75% of FSI staff would at least consider looking for other roles if they weren't able to work remotely some of the time.

76% say having a hybrid work schedule enables colleagues to deliver a higher quality of work⁴.

Finally, this data also shows where investments in employee productivity and experience will make the biggest impact, aiding decision making by supporting investment discussions with valuable insights. In one case, Aternity helped a customer identify IT projects that have delivered an enterprise-wide 20% increase in employee productivity over 3 years.

⁴ Kyndryl April 2023

A connected customer experience

Customer experience has become the metric that matters most for many FSIs. Kyndryl helps optimize the infrastructure organizations have, by mapping customer journeys to identify where improvements are needed. This empowers Kyndryl to deliver the seamless, omni-channel experience FSI customers' demand.

Rather than set technically focused Service Level Agreements (SLAs), Experience Level Agreements (XLAs) are used to measure what is meaningful and has direct impact on how an end customer experiences an organization and its services. By calculating an overall digital experience score to set a clear benchmark at the start, organizations can prioritize next steps. Specific digital experience goals are agreed upon with IT teams based on their experience maturity level, strategy, and any pre-planned investments.

We reduced service-impacting incidents for one FSI by 50% in a core banking app and this led to measurable improved deposits, customer satisfaction, and productivity of contact centers and branches.

Customer-centric data modelling and artificial intelligence (AI) reveal how an organization can deliver differentiated customer experiences. This is critical to digital banking service success given that 66% of respondents to one study think banks offer the same services, while 75% believe services are the same across all banks⁵.

AI and cloud are viewed as top priority in the FSI industry, with a 5% and 7% increase respectively against the average across the other industries⁶.

⁵ Voice of the customer: Retail banking experience Deloitte 2020

⁶ Riverbed's Global Digital Employee Experience Survey 2023, Financial Services, and Insurance Industry Results

⁷ <https://securityboulevard.com/2023/01/top-30-cybersecurity-stats-in-financial-services-in-2023/>

⁸ <https://www.forbes.com/sites/chuckbrooks/2023/03/05/cybersecurity-trends--statistics-for-2023-more-treachery-and-risk-ahead-as-attack-surface-and-hacker-capabilitiesgrow/?sh=1919994019db>

⁹ increditools.com/financial-services-cybersecurity-statistics/



Experience-led approach to reduce risk

Managing risks to employee productivity or customer experience requires a specialized skills set which most organizations are unlikely to have in-house. Kyndryl ensures an organization's digital transformation programs are successful. Skills and technology necessary to achieve business objectives are identified and a data-driven approach is provided to integrate applications, simplify workflows, and enhance employee productivity and customer experience.

With Aternity, service desk ticket volume is reduced, and remediation is delivered faster. This reduces costs, improves employee productivity, and enhances customer experience. AI-driven, self-healing, proactive service assurance helps mitigate risks by predicting, identifying, and resolving issues – often before a ticket has even been raised.

Customers have experienced meantime to recovery (MTTR) reductions of 80% from using DEM.

The solution delivers better cost efficiencies with smart device and software management, and assessment of whether devices need replacement based on performance data as opposed to time. This data helps ensure unused and under-used licenses can be reclaimed to lower overall application costs.

This deep level of observability helps devise the best strategy to support the adoption of cloud capabilities and cloud-native services. It helps optimize the capabilities of the modern mainframe to provide the hybrid environment highly regulated organizations need. With this optimized infrastructure and clear insight into how any changes relate to user experience, new services can be developed and smoothly deployed.

Partners in delivering FSI transformation.

Kyndryl experts in FSI transformation deliver measurable results by recognizing that every FSI's requirements are different. A personalized, experience-led approach ensures successful transformation and meaningful value for employees, customers, and the organization's bottom line.

Kyndryl Digital Experience Management augments an FSI's internal IT support across the range of devices they rely on, such as ATMs, money counters, and credit card readers. Services also include general IT support for remote workforces.

This helps FSI organizations transform for the better with experiences that put people at the heart of change. Kyndryl and Riverbed combine service offerings that leverage real-time, holistic data to support smarter decisions and provide services that reflect changing market dynamics to meet customer needs.

Learn more about how to deliver digital transformation that improves employee and customer experiences, visit:

- > <http://www.kyndryl.com/services/digital-workplace>
- > <http://www.riverbed.com/kyndryl>



Why Kyndryl?

Kyndryl has deep expertise in designing, running and managing the most modern, efficient and reliable technology infrastructure that the world depends on every day. We are committed to advancing the critical infrastructure that powers human progress. We're building on our foundation of excellence by creating systems in new ways: bringing in the right partners, investing in our business and working side by side with our customers to unlock potential.

For more information

To learn how Kyndryl Digital Workplace Services can help your organization, contact your Kyndryl representative or visit kyndryl.com.

© Copyright Kyndryl Inc. 2024. All rights reserved.

Kyndryl is a trademark or registered trademark of Kyndryl, Inc. in the United States and/or other countries. Other product and service names may be trademarks of Kyndryl, Inc. or other companies.

This document is current as of the initial date of publication and may be changed by Kyndryl at any time without notice. Not all offerings are available in every country in which Kyndryl operates. Kyndryl products and services are warranted according to the terms and conditions of the agreements under which they are provided.

The performance data and client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions.