

DIRECT BANK LAUNCH

Capco solutions – bringing value to the industry



CAPCO

Launching a direct bank can be a challenge; Capco has developed a systematic approach for our clients to plan for a direct bank launch, centered around the customer experience.

WHAT ARE THE FORCES THAT ARE SHAPING THE FINANCIAL SERVICES INDUSTRY TODAY?

Financial institutions face increasing demand from customers to seamlessly and effortlessly meet their needs, to move from a product-centric to a customer-centric strategy.

Banks are also challenged by a rapidly evolving regulatory environment that requires agility and adaptability.

Banks today must compete against nontraditional competitors for speed to market. However, core legacy banking applications often lag behind, resulting in manual processes that hinder efficiency.

Moreover, consumers and regulators have placed demands on banks to enhance capabilities around authentication and secure transactions.

At their crux, banks confront these industry-shaping forces while also attempting to realize their goals of realizing cost savings, increasing market share and continuously growing.

HOW HAS THE INDUSTRY RESPONDED?

As a result of the forces shaping the industry, financial institutions seek out solutions that will enhance their limited core legacy application back-end capabilities, which ultimately enhance the customer experience.

Financial institutions also want to implement digital utility solutions that enable faster, more sophisticated use of information to sell and market to their customers.

WHY ARE BANKS ACQUIRING AND LAUNCHING DIRECT BANKS?

While the ultimate goal is for banks to remain relevant in a time when technology is advancing almost daily, direct banks are attractive to financial institutions because they provide low-cost capital by offering lower cost-to-serve products and services through self-serve, digital formats.

HOW CAN CAPCO HELP?

Capco is a global leader in the financial services industry, providing financial institutions with the expertise and familiarity with industry-leading business strategies, capabilities, and solutions. Capco has a unique combination of individuals that are industry professionals with extensive knowledge and experience within the financial services industry.

With a proven track record in implementing strategy and helping launch direct banks, Capco has end-to-end experience in direct banking: Capco has led major cross-workstream design activities, providing complete support across development, systems integration, user acceptance testing, and all preproduction readiness efforts.

Capco's unique stance within the direct banking space provides our clients with a proprietary and proven methodology, inclusive of methodical frameworks designed to accelerate project delivery and benefits realization.

RECENT AND RELEVANT EXPERIENCE SUPERREGIONAL BANK

SITUATION

- The bank was undertaking an aggressive two-prong deposit growth strategy that combined the launch of a nationwide, independently-branded direct bank with out-of-network physical expansion.
- Capco was engaged to lead cross-workstream design activities and provide complete support across development, systems integration, user acceptance testing and preproduction readiness related to this effort.

APPROACH

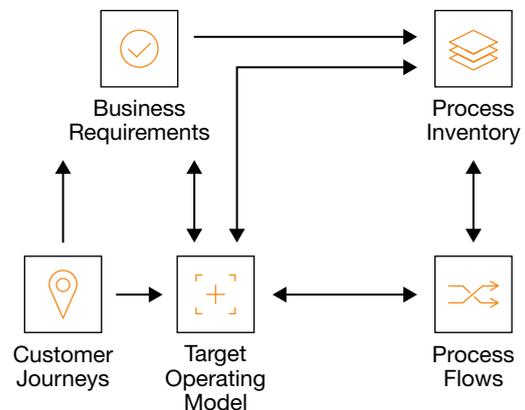
- Capco resources were distributed to support all workstreams including operations, risk/compliance, product/marketing as well as the PMO and technology groups.
- Capco led the development of critical design deliverables for the technical build of the new banking platform; this included an inventory of detailed process maps across the target operating model that were utilized to drive policies and procedures and technical design documentation.
- Capco held essential roles in the execution of systems integration and user acceptance testing through production support.

KEY BENEFITS

- Designed a comprehensive process map inventory that drove critical development efforts
- Proactively identified critical design and technology gaps to mitigate downstream impact to system development
- Increased alignment between internal business and technology stakeholders in the development of technical design documents
- Improved cross-functional visibility across the program to ensure adequate input and signoff on design and technical documentation
- Capco's industry expertise guided process and customer experience best practices.

DIRECT BANK LAUNCH PLANNING APPROACH

Capco's proven methodology has been used create structure and validity around clients' direct bank strategy and even to accelerate the development of the artifacts required execute the launch of a direct Bank.



Process design documents are aligned to customer journeys, taking into account the business requirements, and are then centered around the target operating model to ensure full coverage of scope and traceability across the SDLC.

Capco has experience helping clients operationalize direct banks that fit their strategic business objectives, while deploying customer-centric methods and design artifacts to ensure the creation of the desired experience.



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MORE INFO

Lane Martin
NA Capco Partner
+1 404 309 3193
lane.martin@capco.com

ABOUT CAPCO

Capco, an FIS™ company, is a global business and technology consultancy dedicated solely to the financial services industry. Capco delivers innovative solutions in Banking & Payments, Capital Markets, and Wealth & Asset Management. These are designed to withstand the accelerating pace of the market, continual regulatory change and increasing consumer demand. Visit www.capco.com or follow us on Twitter @Capco.

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To learn more, contact us in the U.K. at +44 20 7426 1500, in continental Europe at +49 69 97 60 9000, in North America at +1 212 284 8600, visit our website at CAPCO.COM or follow us on Twitter @Capco

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