

How To Win Customers And Influence Sales In Co-operative Banks Using Digital Transformation

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Over the last few years the transformative effect of Technology has touched every sector especially Banking and Financial Services, however though large institutions might have benefited from this, smaller banks especially those in the co-operative sector and those engaged in achieving the altruistic motto of financial inclusion, have been left far behind.

Powerful trends have been restructuring the banking industry since the 90's, Banking Automation has seen the implementation of Core Banking Systems (CBS), Automated Teller machines (ATM), followed by Phone Banking, Net Banking in early 2000 and then revolutionised by Mobile Banking in the last decade. While it has been easy for Private Banks and Public Sector Banks to implement these It has been several years of trials and tribulations for Co-operative banks trying to keep up with the evolution of technology. Just when we thought that Innovation has hit a plateau, Banks are faced with newer technologies like Analytics, Artificial Intelligence, Big Data, Blockchain, Business Process Management, Customer Relationship Management, Robotic Process Automation and several competing technologies in the Payments Space like the NPCI, PayTM etc.

Technology has not only improved the efficiency of operations but in certain cases has changed the Banking landscape by redefining the business model. Take the example of today's payment systems like PayTM that has dramatically reduced the cost of transactions involving small amounts enabling local grocers and tuck shop owners to accept payments without the need for exchanging cash. Technologies like these dramatically reduce the cost of doing business and should adopted by co-operative banks to keep their Operating costs low without even a slight deterioration in customer service.

Competing in an environment dominated by large players is difficult unless you provide a value proposition that can be unsurpassed in the short term. With the right approach co-operative Banks can harness the very technologies that are used by the big players to provide value and win customers and influence sales. To begin with Co-operative banks have to take three key decisions

1. What is the role they want to play in the society?
2. Which business' they want to transform.
3. How to digitise these business'

It's very important that the key stakeholders of the Co-operative Banks are involved when eliciting answers to these questions. Having the answers to these questions sets the direction for Digital Transformation. In our case the focus is on customer engagement platforms to increase sales.

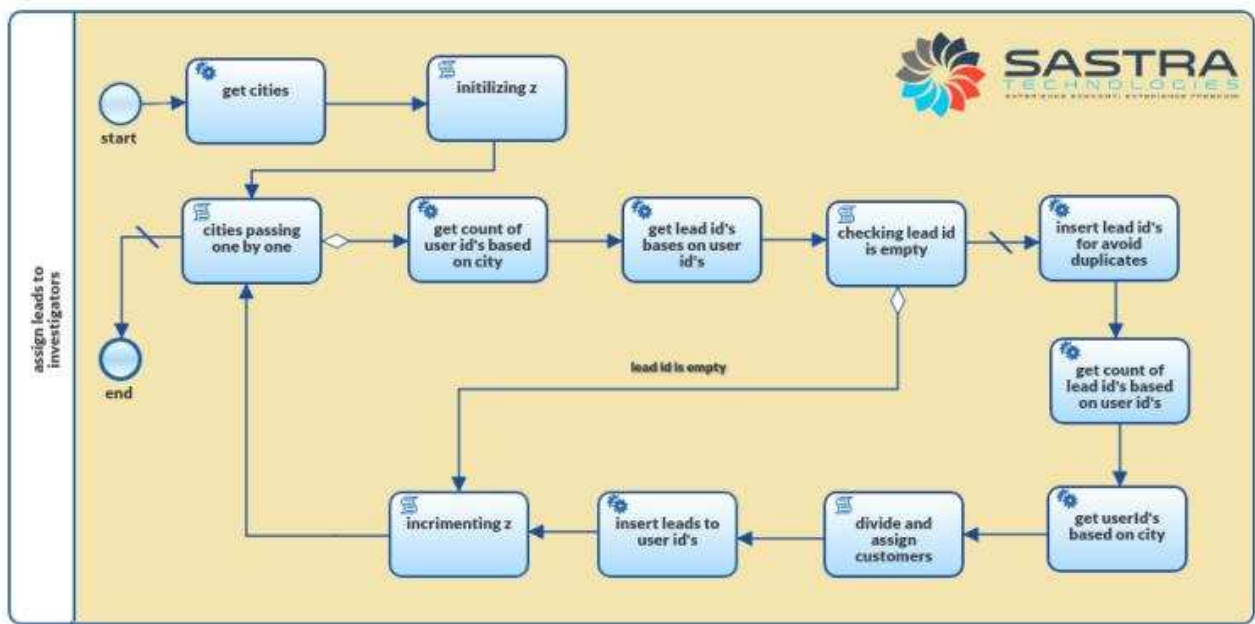
Bank customers can be very demanding and service requests can pour in at the Branches and stretch the abilities of your staff. Delays in servicing these requests can cause further strain in your relationships with the Customer. Its important that, no matter how big or small the customer is, your staff will need to

- Tackle customer complaints quickly
- Speed up transaction Processing

This is possible by implementing a Customer Centric Process to help your staff improve their Customer Engagement skills.

Begin with a lofty ideal of End to End digitisation, this will ensure that you will not have to change your platforms mid-way through the transformation journey. All sub and satellite systems should feed into this platform. This ensures that you have established standard semantics for information exchange. To achieve this you could evaluate platforms with BPM (Business Process Management) and Messaging Capabilities like Appiyo BPM, IBM WebSphere, Pega and TIBCO.

Then proceed to create highly decoupled systems for other customer functions like Customer Origination, On boarding, etc in the Bank. These systems should communicate to the platform using RESTful API's. You could take the automation one notch higher by creating a reusable rule repository that can be used for automatic credit Underwriting, Risk Assessment and other function that include a lot of processing and that which can be prone to human errors. The image below depicts the BPM workflow and rules for a Field Investigation.



Next automate routine activities like EOD jobs, Cheque Book Issuing etc using Robotic Process Automation this will free up Human resources for the other projects in your Digital transformation journey. The tools mentioned above have some RPA capabilities However you might want to evaluate additional tools like UI Path and Blue Prism for fine grained functionality and control.

Then look at Analytics and Big Data to deliver insights into your customer's exposure and relationship with the bank. This will give you sufficient information to Cross Sell products and achieve Customer delight. D3 Charts has a rich palette of visualisations that you might want to evaluate for this purpose.

You can then evaluate Artificial Intelligence, Bots and Complex Machine Learning algorithms that provide the first level of customer support or predict the behaviour of a customer as you traverse through your Digital Transformation journey.

While relentlessly pursuing automation in your digital transformation journey do remember to introduce safeguards in your automation tools that trigger when certain criteria are met. For example create alerts and notifications when you see a large number of loans being approved by a single person in a span of a few days.

Technology is an enabler not an inhibitor so it's essential that the fear of technology is removed from the minds of the bank staff. Train your staff to be comfortable with the new Technology. Enlist the support of local educational institutions to help you in your Digital Transformation journey. Technology does not just raise the bar, it is a game changer.

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About the Authors



Sridhar Pandurangiah is an Entrepreneur and the founder and Chief Technology Officer of Sastra Technologies, a firm engaged in providing applications to Automate Operations of Banks, Financial Institutions and SFB's. His functional expertise is in Product Engineering, Solution Architecting especially in the areas of CRM, Capital Markets, Cards, Foreign Exchange, Retail and Corporate Lending and Trade Finance. Very niche skills in using Open Source stack to architect Fintech products. On the technology side his expertise lies in Application Architecture, Automated Testing, BPM, Continuous Integration, DevOps, Enterprise Integration and Stack Tuning of Web Technologies using Business Process Management, Cloud, Databases, DevOps, Frameworks and RESTful services. He has published several articles on Open Source.



Ganesh Chandrasekaran works as a consultant and comes with over 20+ years of experience in building businesses from scratch via Digital Transformation working in Digital Media and Entertainment, Internet and Mobile services, Healthcare Platform & services, IOT and Intelligent services and now in 5G & related areas and building data models and solutions with special interest in NLP, conceptualisation of new products innovation and ideas in futuristic technologies such as 5G, AR/VR and messaging. Has vast experience in strategy, business management and operations with specialisation in content, product management, digital marketing and services and business development and strategic partnerships. Also working on business intelligence and analytics based products, solutions and services in select domains.

Digital transformation: online guide to digital business transformation

Digital transformation is the profound transformation of business and organizational activities, processes, competencies and models to fully leverage the changes and opportunities of a mix of digital technologies and their accelerating impact across society in a strategic and prioritized way, with present and future shifts in mind.

While digital transformation is predominantly used in a business context, it also impacts other organizations such as governments, public sector agencies and organizations which are involved in tackling societal challenges such as pollution and aging populations by leveraging one or more of these existing and emerging technologies.

In some countries, such as Japan, digital transformation even aims to impact all aspects of life with the country's Society 5.0 initiative, which goes far beyond the limited Industry 4.0 vision in other countries.

This online guide explores the essence of digital transformation

- Digital business transformation – a holistic approach
- Digital transformation and the usual suspects – beware of hype
- Digital transformation happens everywhere
- Digital transformation myths and realities
- The evolution of digital transformation: towards a DX economy
- Pro-sponsiveness and pro-daptation: focus on future and outcomes
- Digital transformation, digitization and essential elements
- Digital transformation: getting strategic
- Digital transformation and the customer experience
- Digital transformation and marketing
- Digital transformation and hyper-connected optimization
- Digital transformation and the key role of data and information
- Digital transformation across various industries
- Digital transformation beyond technology: the human differentiator
- Digital transformation and linear management thinking
- Digital transformation – the inevitable definition discussions

Access the guide at <https://www.i-scoop.eu/digital-transformation/>