Accelerating transformation into a Digital Bank leveraging end-to-end Digital & Data Science platform

Background

The client, a banking and financial services conglomerate has operations in US and Latin America. Client has a strategic vision of transforming into a "Digitally-enabled" bank to deliver a highly engaging omni channel customer experience.

The bank had following key objectives to achieve their digital vision

- **Drive Digital Sales Mix**
- Continue **migrating customers towards Digital channels**
- **Drive innovative offerings** - open bank to external ecosystem / fintechs

The Problem

As a part of the transformation strategy, the client had clear, established digital vision, which included driving digital sales, acquiring and retaining customers through its digital channels, selling financial products online, increasing digital adoption, and adding innovative offerings. – However, they were facing several challenges in accelerating the pace of digital transformation, which made them perform sub-par on the digital metrics. Incedo digital consulting team collaborated with the banks' retail business, digital and technology leadership team to clearly define the problem statements. The problem definition approach ensured that the focus initiatives were aligned to the business KPIs and thus objectively tracked to measure impact.

The team defined the following key strategic objective tied to clearly defined business ROI

Strategic Objectives	Details
Increase Digital Sales	Accelerate achievement of Digital vision by improving digital sales mix
Improved understanding of Customer	Improve customer 360 profile, by gathering digital & external data
Enable Advanced Analytics capabilities	Inculcate Advanced Analytics & Data science capabilities at the bank- techniques, people, process
Accelerate Digital IT infrastructure	Develop cloud platform to build foundation for Digital & Analytics driven transformation

Solution

Incedo leveraged a multi-dimensional solution approach to help crystallize the execution strategy and accelerate the bank's digital transformation & innovation journey.

The key levers of Incedo's digital transformation approach included

- **Integrated Digital & Data Science Platform**
  Through Incedo's Cloud-native Digital & Data Science platform, we delivered core enterprise capability to implement Digital Innovation use cases at a much faster speed and lower cost. Designed to provide Next-gen Data Science capabilities using the platform, we helped the client to develop and deploy advanced analytics/ML-based models, as well as deliver real-time personalized recommendations for executing efficient targeting. With a cloud native architecture, the client could onboard new products/use cases rapidly and ingest multi-form data (structured, unstructured, streaming) seamlessly. Also, we assisted the client with multi-channel integration, covering omni channel customer journeys across Digital (Web, Mobile, Email) and Non-Digital (Branch, Call-center) channels. The platform enhanced the Security Features with multilayer security implemented at infra, use access control, application, and data level. Furthermore, the platform enabled a hybrid architecture that mitigated the concern of any disruption to core IT systems due to loosely coupled with the bank's on-prem IT infra.

- **Advanced ML based Personalized Targeting**
  Product Sales Offers, Pricing/Re-pricing To spur customer progress through the sales funnel, an end-to-end data science solution approach driven by customer 360° data is adopted. Moreover, to map personalized & best offers to each

customer, Incedo uses advanced machine learning models and recommendation engines. Advanced ML algos (RF, XGBoost, Naïve Bayes, AdaBoost), followed by Model Ensembling (Stacking) methodology, ensures that complex customer behaviors are uncovered to deliver highly accurate personalized recommendations.

- **"2-Speed", Agile Execution Strategy**
  Incedo adopted its 2-speed agile execution strategy to deliver early business impact (Speed 1), while building the capability for long term impact (Speed 2). Via **speed 1,** we execute specific **digital & analytics use cases** to improve **target KPIs.** Here are the two most common uses cases that is considered to personalise the customer experience.

  Use Case 1: Increase **cross-sell and customer sales** by leveraging digital channels a nd analytics driven personalized targeting

  Use Case 2: Increase loan interest revenue via **risk adjusted pricing personalization & optimization**

  Progressively, speed 2 implements the underlying **Digital & Data Science Platform** required for digital transformation road-map.

- **Product-centric, multi-disciplinary teaming model**
  Leveraging on its Product-centric, Multidisciplinary teaming model, Incedo combined problem solving, domain SMEs, data science and engineering capabilities in an integrative fashion to form a multidisciplinary team. This allowed the client to bring multi-skills together to better control user story definition and it's alignment to business needs. While the built-in 03partnership with the client as "ONE Team" facilitated joint KPI ownership, there was an improved synergy to optimize the development team's overall efficiency and effectiveness. The team also delivered end-to-end ownership for the last mile completion with measurable KPI impact.

- **End-to-end Digital channel integration & process re-definition**
  To ensure a real-time personalized reco. delivery, Incedo implemented last-mile integration with digital channels (Mobile App, Email, Website) and non-digital channels (Branch, Call-center) along with experimentation and learning-based campaign design, execution and performance measurement to continuously refine the personalization engine and improve customer targeting.

Benefits

Incremental Revenue:

- More than 2X improvement in conversion rates across channels

- Improved Digital Mix: 30-50% improvement in digital channel contribution for sales across products

- 109% improvement in credit disbursement driven by digital targeting

- 135% improvement in interest revenue from existing loans driven by ML driven personalized pricing

Strategic Capability

- Digital Platform for driving innovation and onboarding new use cases, while reducing cost and TAT

- Inculcating Advanced ML and Cloud capability within Bank's marketing and IT teams, to drive data science use at the bank

About Incedo

Incedo is a digital transformation expert empowering companies to realize sustainable business impact from their digital investments. Our integrated services and platforms that connect strategy and execution, are built on the foundation of Design, AI, Data, and strong engineering capabilities blended with our deep domain expertise from digital natives.

With over 3,000 professionals in the US, Canada, Latin America, and India and a large, diverse portfolio of long term, Fortune 500 and fast-growing clients worldwide, we work across financial services, telecom, product engineering, and life sciences industries. Visit our website to learn more about how we help clients transform today :www.incedoinc.com

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