The IT Value Chain for Financial Enterprises

inn0ve

Copyright Information

Innovating for your Digital Century

Managing the 21st C Enterprise

The increasing complexities of business and the pressure of global competition today dictate that both large firms and SMEs seek to involve the services of Information Technology in their organizations. Over the past decade or so, Technology has helped firms improve bottom-lines, enhance productivity, increase customer satisfaction, integrate business processes and strengthen core-competencies. IT has become a necessity for businesses that wish to succeed in the new millennium and obtain competitive advantages.

Implementing IT for the SME: The Core Areas

Information Technology may have endless applications in the workplace and in what they can be harnessed to do. However, it is essential for an SME to match requirements with a clear economic payback. The fundamental areas of interest will therefore be ones that provide rapid return-on-investments.

Information Technology has a primary role to play in helping SMEs maximize the value of their resources. Resources need to be allocated and used efficiently to maximize profits at the end of the day. SME Resource Planning is about automating the tasks involved in performing business processes, integrating all departments, divisions, and functions across a company onto a single computing environment. It also encompasses planning and execution for optimal marshalling of human resource in order to maximize potential.

All SMEs, and more specifically financial service enterprises, need to focus a lot of time, money and energy on building and maintaining the client base. Customer Relationship Management is at the core of any customer-focused business strategy and includes the people, processes, and technology questions associated with marketing, sales, and service. In the world of financial services, the mantra is all about finding, winning and retaining customers. In today's hyper-competitive world, organizations looking to implement successful CRM strategies need to focus on a common view of the customer using integrated information systems and contact center implementations that allow the customer to communicate via any desired communication channel.

The logical and eventual aim of it all for the SME is to provide services that are totally e-nabled. This may include support for e-transactions, e-payments and unmitigated e-commerce. An e-nabled business will be able to reach out to customers far quicker than its competitors, and provide ease of transactions and business mobility.

The Financial Services Firm: The Requirements

The financial services marketplace has become increasingly fierce as competitors continually vie for new customers, markets, and product offerings. Firms therefore stand to gain from Information Technology in terms of high-performance transactions, customer relationship management, resource planning and pervasive online e-commerce applications. Financial services enterprises have undergone

Innovating for your Digital Century

significant evolution in all aspects of the industry, ranging from global information management to infrastructure design to enhanced customer marketing and sales campaigns.

The Financial Service Enterprise needs the power of accurate, real-time, mined information at its doorstep. It needs to be able to reach out to its customers and service them in increasingly generous amounts at low costs. It therefore needs to invest in viable IT infrastructure that will provide it the leverages it needs. Business Intelligence is of critical importance, as it would differentiate the firm in the marketplace.

The Financial Services firm also encounters the problem of catering to an increasingly mobile workforce, a far more aware and demanding customer, and a rapidly converging industry.

Technology in the Financial Service Workplace
- greater mobility for the salesperson
- production tracking and mapping tools
- brand presence and recognition (including *e-brand* recognition)
- XML – web services
- E-transactions
- Portfolio Management
- CRM
- ERP

4

Implementation: The Four-Phase Approach

The best form of implementation for is by following a clear, modular and phased approach shown diagrammatically below.
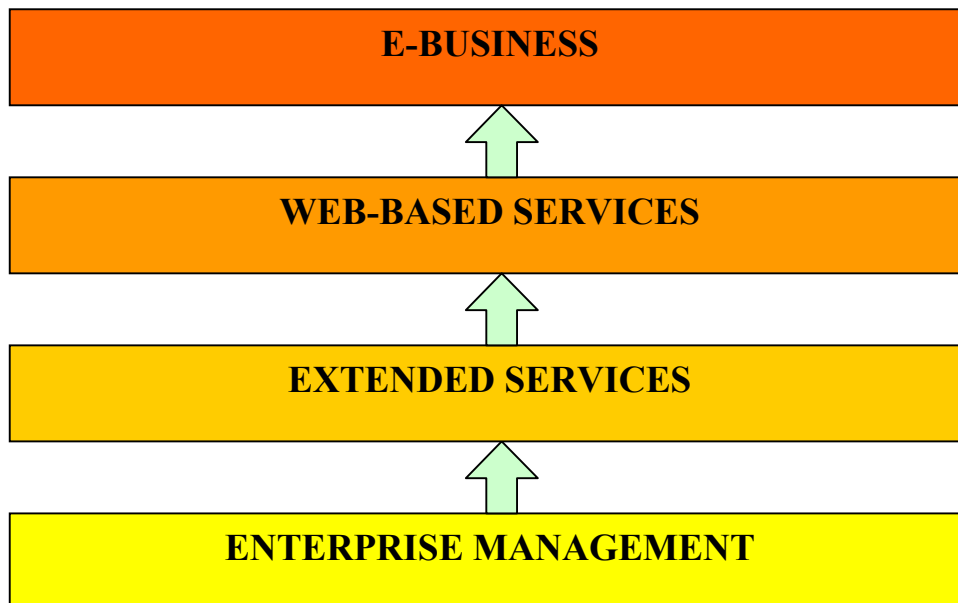
Phase 1: Enterprise Management Technology – automation of business processes, backbone infrastructure, in-house management.

Phase 2: Extended Services – logical extension of solutions to make it available globally, in both wired and wireless realms.

Phase 3: Enterprise Portal and Web-based Services – providing the customer information and support using the World Wide Web.

Phase 4: E-Business – Total automation of all business needs for enabling buy-and-sell over the Internet.

Merits of the Phased Approach

- Cost
- Integrity
- Logical Scheme
- Ease of Implementation
- Low Learning Curve

Innovating for your Digital Century

Phase 1: Enterprise Management

In the first phase involves the computerization of the organization's basic needs, and automation of its most critical business processes. Such automation shall strive for:

- Increasing efficiency of employees involved in the respective areas.
- Provide good data to the management on the utilization of the firm's resources.
- Provide good data to the management on the production and sales.
- Streamline current Business Processes.
- Reducing costs in handling of routine tasks.

The Salient Features of Enterprise Management Technology

Basic Accounting System and Payroll Management – Track and manage income, expenses and cash flow; monitor employee record and salaries;

Employee Database Management – Maintain employee particulars; qualifications; interests; employee job-logs; employee attendance and leave policy.

Client Portfolio and Product Management – Manage Client Database, contacts and particulars; maintain client portfolio; manage product lists.

Finance Solutions – Integrating technologies in data gathering and data mining to provide evaluation for the firm to make informed financial decisions.

Workforce & HR solutions - To deliver improved employee performance, productivity and satisfaction - attributes essential for organization's to succeed in today's business environment.

Innovating for your Digital Century

Phase 2: Extended Services

The Second Phase of the implementation shall take the solutions created in Phase 1 and extend it logically to be available globally – in both the wired and wireless realms. The Phase 2 work shall provide for:

- Cater to a Mobile workforce
- Catering to a Virtual Enterprise
- Global linking of various branches

The Salient Features

Intranet - Information Sharing across the Enterprise to increase the velocity of processes.

Global Access - Web-based information access for employees. It makes the work place ubiquitous and lets the application be accesses from anywhere in the world.

Wireless Access – Extension of the applications and data-access to include PDAs. This would greatly enhance the mobile salesperson, giving him all the required computing material at his disposal everywhere.

Innovating for your Digital Century

Phase 3: Enterprise Portal and Web-based Services

Phase 3 shall determine the Internet-based CRM strategy. Customers shall be given the ability to view their portfolios online, get information about new and existing products, provide feedback and receive support using the Web. This phase shall provide the following:

- Developing Internet Brand Presence
- Intellectual Distribution
- Finding new customers
- Giving easy access to product information and portfolio data
- Creating online portfolios for clients
- Improving bottom-lines

The Salient Features

Enterprise Information Portal: Leveraging the World Wide Web to enhance the visibility of information. A well designed and suitably written enterprise website can serve as a good channel for information disbursal and intellectual distribution that may eventually help build brand awareness, drive new revenue, and help retain valued customers.

Customer Relationship Management: Implementing an effective strategy to reach out to the customers and effectively satisfy their needs.

Call Center: Setting up of a one-stop telephonic window to all that the customer needs.

Phase 4: E-Business

Phase 4 shall enable the firm to move to facilitate complete electronic transactions for the purpose of buying and selling financial services products over the net. This phase shall provide for:

- Easily expanding the customer base
- Cutting costs
- Improving customer satisfaction
- Differentiation of services

Salient Features

Virtual Financial Services: Financial Services on the Internet. A portal that provides the customer with all the tools and data for him to be able to make him decisions on a purchase.

E-transactions: Facilitating financial transaction over the Net. Linking to Banks and other required financial remitters.

Innovating for your Digital Century