

LOW-CODE IN THE FINANCIAL INDUSTRY:

TRANSFORMATIVE DISRUPTION AND
ADAPTABILITY DURING CHALLENGING TIMES

STRUGGLES OF THE FINANCIAL INDUSTRY

To say that the financial industry is experiencing disruptions and challenges is an understatement. The evolution of the industry and its customers has led to several concerns among business leaders in Wall Street and beyond:

INCREASED COMPETITION. Technology and interconnection of devices, communications, and more have become the norm both for businesses and the customers they serve. New, tech-savvy competitors have swept the market off of its feet, generating upwards of \$4.7 trillion in revenue according to Goldman Sachs despite most being mere startups; revenue that has been diverted from traditional organizations in the industry. This has given more established companies a wakeup call regarding what they need to do to stay competitive in the coming years.

BUSINESS MODEL CHALLENGES. Factors such as low interest rates, increased operational costs and unexpected challenges like the COVID-19 outbreak are putting business models to the test, with many legacy models no longer proving to be sustainable. New challenges like the virus are always around the corner, and most legacy systems simply cannot provide the agility needed to adjust business processes accordingly. Offices, departments and employees can often be separated whether geographically speaking or due to unforeseen circumstances like the recently introduced quarantine measures. This has made it imperative that financial institutions improve their operational efficiency and adapt quickly to market changes in a way that often requires a complete overhaul of their business models.

HIGHER CUSTOMER EXPECTATIONS. The rise of a digital-native generation of customers requires the financial industry to change how they interact with them. This new demographic is accustomed to highly personalized marketing and convenient, technology-based services. It is estimated that 80% of customers use technology for their financial needs (BMC), and upwards of 40% of customers do not visit physical banks within a six-month timespan.



With operations consuming 15% to 20% of a bank's annual budget, transforming these functions will lead to significant improvements in profitability and return more capital to shareholders (McKinsey)

LOW-CODE TO SUPPORT DIGITAL TRANSFORMATION

According to a **Gartner survey in 2019, in the past four years, 90% of enterprises have experienced challenges that have upset normal operations: severe operating cost pressures, political upheavals, leadership turnover, adverse regulatory interventions, and so on.** Naturally, this makes digital transformation a must for companies hoping to stay competitive, as outdated business applications and software systems are simply unable to keep up with this digital shift.

Low-code has increasingly become the solution companies are selecting in order to make their organizations more agile and overcome their business challenges, making it one of the most favorable answers to the “how” aspect of digital transformation. Low-code can accelerate digital transformation by allowing companies to develop apps faster and easier and with little IT involvement. Rapid, easy app creation allows companies to better adapt their business models to changes, automate their processes, and become more tech-savvy than ever; all without the hefty tech investment needed via traditional app development.

HOW IT WORKS

As the name implies, low-code differs from traditional application development by reducing the need for coding. It can do so thanks to drag and drop features, preconfigured modules, and a visual interface. This allows non-professional developers, otherwise known as citizen developers, to be able to create useful applications to automate their tasks with the same effectiveness that professional developers can. Additionally, both professional and citizen developers can utilize low-code technology to create applications within a fraction of the time it takes to do so via coding alone.

Most of the new technologies that companies need are in fact applications in need of being developed, so it makes sense that simplifying and speeding up the development process as well as opening up this process to citizen developers could in fact be a revolutionary force within an organization. Automation of routine tasks via new apps can be done by a non-IT employee in a matter of hours versus needing to contact the IT department and wait days for it to be delivered. This can be applied to nearly any major business operation from marketing, sales and service to business process management.

SUPPORTING DIGITAL TRANSFORMATION IN THE FINANCIAL INDUSTRY WITH LOW-CODE

How can low-code achieve all of this so easily? It's actually quite simple; by using low-code software for BPM and CRM and taking the need for coding out of the equation, nearly anyone within a company can take the spot of an IT expert and create new tools to automate their tasks. Any financial and banking processes, including but not limited to: account opening and customer onboarding, application verification and underwriting, compliance risk monitoring, anti-money laundering, CRM-related processes and internal corporate processes can be automated with minimal IT input as new customizations and apps can be created in a matter of hours or days.

The intuitive nature of software with low-code capabilities makes data segmentation and management or financial planning and reporting easily doable for any employee in any department, and it allows the platform to be configured according to an organization's specific needs. The ability to create apps easier and faster via low-code for any process - CRM-related, front office, middle office, or for internal use - supports transformation initiatives in a manner that is smooth and scalable. Among key benefits, low-code empowers financial organizations to address the IT delivery gap, enhance agility and flexibility, improve customer experience, strengthen data security as well as bring synergy to different business departments.

"Driven both by escalating cyberthreats and needed new functionality, 65% of organizations will aggressively modernize legacy systems with extensive new technology investments through 2023." - IDC Futurescape



85% of users will use technology for their financial needs by 2020 (BMC)



90% of respondents agreed or strongly agreed that digital technologies are disrupting the financial industry to a great or moderate extent (Deloitte report)



By 2024, low-code application development will be responsible for more than **65%** of application development activity

#1

ADDRESS THE IT DELIVERY GAP

Low-code has proven to be a much more affordable and reasonable way to promote change and transformation within financial enterprises. By democratizing the development process and promoting citizen (non-professional) development, the IT department is no longer burdened with the sole responsibility of creating new apps to automate routine tasks.

Additional staff for the purpose of app delivery is no longer necessary, reducing overall IT costs while still addressing the development needs of a company. Both professional and citizen developers can use low-code platforms to create and automate much faster, which gives companies a near-immediate return of investment after implementing these platforms.



US banks spent an estimated **\$67** billion on technology in 2019



Nearly half of JP Morgan's IT budget was spent on disruptive technology within the bank in **2018**



75% of large enterprises will be using low-code for both professional and citizen development by 2024

#2

ENHANCE AGILITY AND FLEXIBILITY

Low-code can also help financial companies to become more agile and able to adapt to the incredible market changes they're experiencing. New challenges such as the recent outbreak of **COVID-19** have shaken nearly every business – including the financial industry – and proven the importance of flexible, adaptable internal and customer-facing technology.

With low-code, the speed and relative effortlessness in which new tools and processes can be created for various departments means that new challenges can be addressed via the creation of a new app as soon as they're identified. The phrase “there's an app for that” becomes a reality for financial institutions hoping to revamp everything from their field sales to HR management processes and everything in between.

Employees can benefit from flexible lead and case management or account maintenance with the same ease working remotely as they do in-office thanks to user-friendly, adaptable apps. Using a unified platform ensures that sales, service and marketing teams can adhere to the same standards and collaborate with each other efficiently no matter where they are in the world. Employee requests for sick leave or remote work can be automated to match the complexity or specificity requirements of any organization's standards.

Fast implementation and even faster customization and creation gives financial organizations a flexibility and agility that companies absolutely need if they want to survive and thrive in a digitalized and ever-changing world.

"The systems we interact with need to be flexible and nimble enough to evolve as our needs change. Utilizing low-code capabilities enables us to tailor-make our own business solutions to improve member and employee experience, which leverages deeper member relationships and engagement."



Amy Krasikov,
Director of Engagement Systems,



#3

IMPROVE CUSTOMER EXPERIENCE VIA AUTOMATION

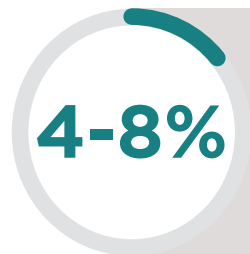
Perhaps one of the most important elements of a financial institution that **low-code** can enhance is how they organize, market to, and communicate with their clients.

Customers find their digital needs more adequately met by financial institutions utilizing **low-code**; front-end processes are quickly automated and employees are given the opportunity to respond to customers faster and more effectively.

Whether it be seamless mobile experiences, more personalized customer service, or impeccable marketing, low-code allows customer-facing departments to do their jobs better as tech takes over several processes and new apps can be developed for nearly any workflow.



79% of banking, insurance, and fintech CEOs believe customer expectations are shaped by hyper-relevant, real-time and dynamic experience encountered across the industry (PEX Network)



Companies with a customer experience mindset drive revenue **4-8%** higher than the rest of their industries (Bain & Company)

#4

STRENGTHEN DATA SECURITY

STRENGTHEN DATA SECURITY

Data management and security – an increasingly important aspect of customer relations and communication – can be segmented and customized according to a company's specific needs and stored securely in the cloud, often without any involvement of the IT department whatsoever. In fact, regarding data security, low-code platforms have proven to be some of the most reliable technologies for banking.

Financial institutions can therefore leverage low-code CRM and BPM to become more customer-centric as a whole without having to stress about data breaches, positioning themselves within the market as key players all without the hefty IT investment typically needed when attempting to digitalize customer experience via coding.

“Digitalization is trending across many industries and organizations, and we place it at the heart of our business strategy, too. We strongly focus on implementing the leading-edge technology solutions to automate our core business processes with the help of digital tools and run paperless operations seamlessly. A vivid example of digital transformation in our business is implementing a low-code BPM platform, which enabled us not only to optimize specific processes, but also to automate the entire business department – corporate banking. Low-code development tools enable our employees without coding skills to build business processes in the system and thereby accelerate business innovations.”



Lilia Lazepko,
Senior Management at OTP Bank



#5

BRING SYNERGY TO DIFFERENT BUSINESS DEPARTMENTS

In today's world, every sizable financial institution needs sustainable collaboration between departments and offices, many of which can be scattered throughout different regions and countries. We've seen the importance of being able to collaborate effectively no matter where employees are located recently due to quarantine requirements throughout the **COVID-19** outbreak. In such circumstances, international organizations' biggest bottlenecks can be siloed offices and departments struggling to collaborate and align.

By unifying all of low-code's powers and abilities onto a single system, nearly every department can access the same information with ease from any country at any time, even at home or on the go. Important data and the applications used to manage it is run on one platform regardless of where in the world an employee is accessing it, enabling the **orchestration of processes** from employee to employee or department to department regardless of their location. Passing leads and turning them into satisfied customers, therefore, is seamless. Complex tasks for **business process management** and design are easily manageable on the go via a mobile application which is equally as customizable as the desktop version of the system with low-code.

LOW-CODE PAVES THE WAY FOR FINANCIAL INSTITUTIONS TO PROMOTE CHANGE

Being in the financial industry doesn't come without its challenges. As the world continues to become more digitalized and work environments have become more unpredictable, even the most unshakable giants of the industry have found themselves in need of new technology to replace outdated legacy systems. Financial institutions need to keep up with their changing customer base, address increased **demand of automation**, encourage collaboration, and respond to an overall shift in what business models truly work in today's ever-changing corporate environment.

Luckily, **low-code** can easily address all of these concerns securely and without hefty IT investments by allowing anyone within a financial institution to become a developer and **automate their ideas in minutes**. It is clear that financial institutions need a new way to operate in the coming years in order to stay competitive in the face of constant change. Low-code is the technology paving the new road to happier customers, more productive and connected employees, and better business in spite of novel challenges.

Financial services Creatio is an intelligent CRM solution powered with low-code technology to help banks and financial institutions to streamline customer-facing and operational processes



Intelligent CRM solution powered with low-code tools to streamline retail & corporate bank sales and marketing automation; bank front-office and contact center management; lending processes automation — from application to loan origination; debt collection.

LEARN MORE!

