

Four Ways Financial Institutions Find Value in Agile



Banks Under Pressure

For financial institutions vying to compete in the application economy, the pressure is on. Today's consumers want banking that's seamless, quick, inexpensive, relevant and personalized. The number of non-traditional banking choices is on the rise, and customers—especially millennials—are curious. And if they don't get what they want from their current bank, people won't hesitate to switch to a new one.

A recent survey of 4,000 consumers in Canada and the U.S. reveals that eleven percent of consumers switched financial services providers in the past year, including to virtual banks.* When it comes to mobile banking, customers want more mobile offerings, simple UIs and an omnichannel experience—only 27 percent say experiences with their banks' online, branch and mobile channels is seamless.*

For financial institutions, customers' desires for value and personal service represent switching risks and loyalty opportunities. Forty-five percent of survey respondents said they'd be more likely to stick with their current bank if it offered discounts on purchases of interest.* And while consumers like the convenience of online banking, they also want human interactions—87 percent (86 percent of millennials) responded that they'd use a bank's branch in the future, in part because of the trust and value associated with in-person communication.*

As if meeting customer expectations weren't enough of a challenge, there are also industry regulations and security mandates. Compliance with the U.S. Treasury Department, the Sarbanes-Oxley Act, SIFI requirements, open API banking platforms, and global internet and mobile payment security guidelines represent just a short list.

Why Go Agile?

So, what does all this mean for financial institutions? Providing value and customer experiences with the right balance of relevant physical and digital services is key. As is complying with government regulations and protecting customers'—and the enterprise's—valuable information.

Modernizing their application and portfolio management approaches has been unappealing or infeasible for companies burdened by legacy systems or a reliance on waterfall methods, like cost analysis and big upfront planning. To compete effectively in this disrupted, globally connected and rapidly evolving industry, many financial services providers are undergoing digital transformations and adopting agile practices. Here are four reasons why:

Comply with growing regulations. Regulatory requirements are now a globalized pain point: businesses in countries around the world must not only adhere to multiple sets of rules but prove their adherence through detailed documentation. These heavy regulations require increased monitoring, transparency and traceability, which is time-intensive and, accordingly, expensive. Many waterfall approaches to management only pile on the burden with yet more requirements documentation. Agile, with its baked-in approach to tracking, can actually help support compliance requirements. For example, with CA Agile Central, financial institutions can create specific business requirement documents and produce reports for audits using the consistent data and workflows that the solution provides.

Enhance customer experiences and loyalty. With consumers' loyalty and business hinging on differentiated, omnichannel experiences, banks must create intuitive, innovative, high-quality software and apps faster. Fortunately, customer feedback is an inherent part of the agile lifecycle. Via agile methods, financial services firms can quickly and effectively integrate feedback into a range of business processes—from enhancing online and mobile banking interactions to improving customer response times.

Increase business agility. With FinTech startups and other non-traditional players vying for market share, financial services institutions can't afford to stick with traditional approaches. Agile practices are flexible, responsive and adaptable to changing markets and new innovations. Not only can adopting agile methods enable companies to react quickly with more efficient and targeted outcomes but, if done correctly, executives get the data they need to make smarter leadership decisions. Plus, agile methods eliminate waste—constant prioritization and fast feedback ensure the organization is working on the right things—to boost efficiency and productivity among your highest-paid resources.

Improve cost management and efficiency. Technology is crucial in banking where low-latency execution equates every nanosecond to millions of dollars in profits or lost opportunities. Yet IT isn't always aligned with strategy; business units often have to compete internally for funding, projects are over- or understaffed and communication breakdowns cause redundancies or dropped balls. What if you could harness technology to identify and improve the most critical projects? An agile approach helps companies build the right things and build things right. CA Agile Central can track and prioritize work according to its value—building trust between business units so you can fund the projects that really count—and coordinate efficient delivery of products and services, even across distributed teams.

“For us, [CA Technologies] is a transformation partner, not a software company. I think that's the best way to view what [CA Technologies] does.”

—Paul Bratcher, director of business delivery, Travis Perkins

Execute a Successful Transformation

Evolve your business into one that innovates, adapts and delivers in the application economy. CA can guide you in successfully implementing agile approaches, with impacts that improve your business outcomes and culture.

Think it's impossible to adopt agile in a highly regulated industry? Think again.

Learn more in our webinar: “[Agile and Audits: Apples and Oranges](#)”

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* Accenture Consulting, “Banking on Value: 2016 North America Consumer Banking Survey,” 2016