Effective Account Origination with Siebel Financial Services Customer Order Management for Banking
Executive Overview

In the absence of an enterprise account origination solution, banks encounter multiple problems and inefficiencies such as limited ability to offer customers packages for products that cross lines of business and lost sales opportunities from incomplete views of customer holdings. Oracle’s Financial Services Customer Order Management provides a comprehensive account origination solution that will increase sales.

Introduction

Account origination is a primary income driver in retail banking. Streamlining the account origination function increases banks’ ability to expand wallet share within the current customer base, as measured by key performance indicators, such as products per household. This helps drive top line revenue growth.

In the absence of an enterprise account origination solution, the account origination process at banks is frequently tied to individual core banking product-processing systems. There may be different processes per product type such as demand deposits, loans, and credit card systems. Several problems ensue:

- Branch or customer sales representatives must be trained in multiple product systems.
- Data capture is repetitive.
- It is difficult to offer customers packages for products that cross lines of business.
- Customer service representatives have limited ability to cross and up sell products because they lack access to information about the applicant’s current product portfolio.
- The marketing function suffers with an inability to easily offer cross-product promotions with packages and bundles.

A second set of problems is caused by a lack of ability to store and use relationship data such as household information. Customer service representatives need access to relationship information across all the financial products owned by a customer to gain insight into potential sales opportunities.

However, traditional financial applications systems may only support a single product /owner focus, and may not maintain complex relationship information about individuals and the products / sub products that they own. This makes it difficult to sell products based upon the overall customer – bank relationship. Consequently, banks may miss opportunities to cross and up sell additional services.

- Example: a bank may want to offer a credit card with special terms for customers with savings account balances over $10,000. Without insight into which customers have such savings accounts, making such an offer is difficult.
Example: a bank may want to offer joint savings accounts to customers who already have joint checking accounts or special credit card interest rates to any member of a household where the head of household has a retirement savings account.

This white paper provides details about Oracle’s Financial Services Customer Order Management for Banking, and how it can increase your ability to sell services, especially across product lines.

Oracle’s Financial Services Customer Order Management for Banking (FS COM) is a functionally rich, enterprise financial application solution. It allows you to:

- Create and maintain dynamic product catalogs
- Capture applicants and their relationships
- Complete customer needs assessments
- Recommend products based upon eligibility and compatibility analyses
- Originate accounts for new products

FS COM is used in conjunction with the Siebel Dynamic Catalog and Configurator.

Benefits of Financial Services Customer Order Management

FS COM can simultaneously use information from core processing systems, such as product information and eligibility rules, and provides a platform for capturing applicant information to complete financial applications. You can offer the right product, at the right time, at the right price. You can also reduce inefficiencies stemming from redundant processes in the financial application process.

Customer service representatives quickly find product recommendations, leading to increased sales. Cross and up sell from product recommendations tailored to each applicant’s requirements. Products are quickly brought to market with flexible packaging and bundling options. Ensure financial applications are accurate and that the sales experience is consistent.

Use FS COM across banking groups and divisions for economies of scale, and decreased costs. Branch tellers can use one system, regardless of what product they recommend. Reduce complexity by eliminating redundant systems. Reduce maintenance and training costs.
The needs assessment is used to generate a list of recommended products. These recommendations can be based upon customer attributes, including their portfolio of current products.

The recommendations include an analysis of eligibility and constraints to make sure that the products are a good fit for the customer. Eligibility and compatibility rules may be imported from external systems. There is no need to rekey rules if they are already captured in a core banking or other system.

Compatibility evaluates product relationships to determine whether the product offering is inconsistent with other offerings used by the customer. Applicant information determines product compatibility. For example, if an applicant already owns a checking account, Financial Services Customer Order Management can be configured to prevent him from receiving additional recommendations for checking accounts with less favorable attributes.

Eligibility is an indication that the applicant is eligible for the product. It evaluates criteria for product ownership.

At the applicant’s request, the branch sales representative selects products and initiates the order. To increase efficiency, the customer service representative may select more than one product and more than one applicant. Customer and product information automatically defaults onto the financial application, reducing manual entry, and accelerating completion of the order.

Once the customer service agent selects “Submit” from the user interface the order is created. An approval process can be initiated.

Upon application completion, the applicant relationships are tracked with the product. You can determine what role the owner has within the group. For example, you can track whether the applicant is a head of household, or part of a legal entity.

There is a user interface with a tree view, allowing the user to see all sub products or financial services modeled to the product after it becomes a financial account. The information contains all party-to-account relationships in addition to any relationships, which may be modeled with the account. For
instance, if a collateralized loan such as a car loan is originated, information regarding the collateral such as the vehicle make, model, year, and vehicle identification number during the origination process can be made available.

Dynamic Product Catalogs

Financial institutions want to offer new and innovative ways to bring product solutions to market at the right time. As part of this, institutions engage in product packaging and bundling initiatives that combine service offerings. The products in the package may consist of simple, single-function products or highly parameterized complex products. Customers may want products personalized according to their individual objectives.

Financial Services Customer Order Management provides a platform for creating and offering packages and bundles, which are composed of products, processed in different systems. This functionality allows you to create a front office catalog without worrying about core processing restrictions. As a result, you can quickly bring new products to market.

Financial Services Customer Order Management uses the Siebel Dynamic Catalog application. Key features of the Siebel Dynamic Catalog include the following.

- Quickly obtain detailed product information, including key features, descriptions, literature and attributes.
- Perform product comparisons of key features and capabilities and integrate additional details about the availability of products.
- Publish and manage product information across the enterprise to enable rapid, error free introduction of new products and catalogs.
- Use selection mechanisms optimized for different user communities.
A financial services user interface template for originating demand deposit financial products, such as checking, savings, and simple payments products, is included with Financial Services Customer Order Management. This template can be easily modified to support other major financial services product lines like credit cards and loans.

The products may be personalized to allow customers to manage deposit and loan accounts according to their individual objectives. The package can be priced as a single product, while core-processing systems monitor balances and fees similar to how account analysis systems summarize activity and charge fees for business banking accounts.

Applicants / Groups

Banks require the ability to originate multiple accounts for multiple individuals at one time. Often, the list of multiple applicants is a family of people, represented as households.

Financial Services Customer Order Management allows groups of applicants to be generated from an existing household related to the contact for a company. Applicant information is used throughout the entire quote and account opening process.

Financial Services Customer Order Management provides a flexible framework for capturing complex applicant and business role relationships to create accounts with the correct entitlements and privileges, which encapsulate a customer’s relationship with the Bank. This flexible framework can be used to create sales and marketing campaigns.
Applicant and applicant group relationships are used by Financial Services Customer Order Management to make product recommendations. It is also used to determine product eligibility – such as whether an applicant meets the requirements to successfully apply for a product.

You can register and complete identity and compliance checks based upon corporate or legal requirements.

You can update applicant information as well as applicant relationships as needed. You can also view pending financial applications for an applicant or applicant group.

Order Integrity and Accuracy

There are a number of validations that are completed by financial services customer order management that are used to ensure order integrity and accuracy.

- Check validity of field values during quote and order capture.
- Determine whether a customer is allowed to buy a product, promotion or attribute value based on any customer attribute or existing assets. This executes prior to and post selection wherever selections are made.
- Ensure that components of a single product instance are correctly assembled and compatible with each other. This is evaluated while entering selections in the customizable product UI or in batch.
- Ensure that the cardinality of the components of a product promotion bundle is valid across quotes and applications.
- Limit the sub-components and attribute values available for selection on a customized product if it is sold in the context of a product promotion.
- Ensure that the configuration of large assemblies of product instances is valid.

Conclusion

Siebel Financial Services Customer Order Management for Banking complements the Siebel Dynamic Catalog and Order Management applications to provide a rich, configurable account origination solution. You will more effectively sell to new and existing customers, increase account penetration, and decrease processing costs.
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