

CELENT

U.S. BANK: SETTING HIGH BAR IN CUSTOMER ONBOARDING

**WINNER OF CELENT MODEL BANK 2022 AWARD FOR DIGITAL
COMMERCIAL CLIENT ONBOARDING**

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CASE STUDY AT A GLANCE

Digital commercial customer onboarding is ripe for competitive differentiation. Banks in the vanguard are achieving step change, which Celent defines as leveraging proven and emerging technology to transform processes and customer journeys, informed by customer discovery and internal inventing on behalf of the customer. Achieving this step change enables pacesetters such as U.S. Bank to differentiate themselves in a highly competitive market.

FINANCIAL INSTITUTION	U.S. Bank
INITIATIVE	Digital Commercial Client Onboarding
SYNOPSIS	Transforms onboarding and fulfillment processes into a digital shopping cart experience. Customers can evaluate, buy, track, and fulfill banking products/services quickly, simply, and transparently. Bank employees can also track and fulfill digitally
TIMELINES	• October 2019: Kick-off • January 2020: Pilot launched • April 2021: Tracking tool available for all account openings via SinglePoint® • September 2021: v3 of tracking tool launched
KEY BENEFITS	• 20x growth in customer usage of tracking tool between January 2021 and October 14, 2021 • 5,000+ companies benefiting from digital onboarding • 24,000+ hours saved by U.S. Bank's back-office onboarding team since January 2021
KEY VENDORS	In-house built

CELENT PERSPECTIVE

U.S. Bank's digital commercial onboarding initiative stands out for successfully taking on the immense challenge of making onboarding and product/service fulfillment fast, simple, and transparent. The bank's approach to this project exhibits numerous best practices:

- *Rethinking processes.* In architecting the digital journey, the team had to rethink the processes and forms involved in onboarding and fulfillment. They challenged the status quo and ensured processes were simplified before they were digitized. They built bridges instead of paving cow paths.
- *Collaborative approach.* The project team engaged with both external and internal users to learn their core needs and journey pain points. The team took care to translate user feedback into root problems and solutions.
- *Cross-functional, agile team.* The team is cross-functional across design and developers with stakeholders representing various groups including Legal, Risk, Sales, Product, and Design. Strong communication and individual empowerment have been paramount to achieving milestones.
- *Incremental, iterative transformation approach.* The team excels at breaking down the process and its problems into smaller pieces and delivering quick value to its users. Their approach is in sharp contrast to traditional, multi-year "boil the ocean" legacy transformation initiatives.

DETAILED DESCRIPTION

Introduction

U.S. Bank is the fifth largest bank in the US based on total assets. Corporate and commercial banking account for 17% of its total revenues (2021). U.S. Bank has been investing heavily in developing and delivering digital solutions to its treasury management customers. The strong results of its efforts are evidenced by two Model Bank 2022 awards: Digital Commercial Client Onboarding (this report) and Client Workflow Optimization.

Table 1: U.S. Bank Snapshot

U.S. Bank	
YEAR FOUNDED	1863
REVENUE	\$22.8 billion (2021)
ASSETS	\$573 billion (Dec. 2021)
GEOGRAPHICAL PRESENCE	US, HQ in Minneapolis, MN
EMPLOYEES	70,000
OTHER KEY METRICS	\$493 million in treasury management fees earned by Corporate and Commercial Banking (2021 preliminary)
RELEVANT TECHNOLOGIES AND VENDORS	APIs, AI, robotic processing automation (RPA), and microservices/containerization In-house built

Source: Celent, U.S. Bank, and public financials

U.S. Bank stands out for its collaborative, agile approach to the transformation of onboarding and fulfillment processes into a digital shopping cart experience. It has succeeded at enabling customers to buy, track, and fulfill banking products/services quickly, simply, and transparently. It is developing functionality that will enable customers to evaluate products. In addition, bank employees can also track and fulfill digitally as well as leverage back office automation.

Opportunity

For many banks, commercial customer onboarding involves an amalgam of systems added over time, a morass of check lists, and multiple copies of a paper agreement being passed through layers of approval. Even when there is a digital front end, there are often multiple forms that a large corporation has to fill out and a lack of seamless relay to back-end systems.

Other pain points result from banks running processes based on their operational structure, not based on customer or employee perspectives. Prime examples are KYC and credit analysis, which banks often run through different teams and a separate process, whereas a client would view them as part of a single process. KYC and credit analysis processes are typically controlled by the compliance and risk teams and run on separate systems. As a result, clients are often frustrated by inconsistencies, redundancies (e.g., lack of data reuse), lack of process transparency, and the continuous back-and-forth communications with their relationship manager.

U.S. Bank realized that transforming protracted, painful customer onboarding journeys into a swift digital shopping cart and check-out-like experience would lead to powerful competitive differentiation. Importantly, the bank examined carefully how it could optimize processes in a digital environment in contrast to a paper environment. An apt analogy is building bridges instead of paving cow paths. Moreover, it is responding to users' acute digital needs in the new normal of a COVID-19 remote world.

Solution

Overview

U.S. Bank considered this initiative a high priority and had executive sponsorship by the Senior Vice President and Head of Digital Transformation, Global Treasury Management. It set the bar high with four broad objectives that span the entire value chain:

- Greater visibility into the product onboarding process
- Faster time to product fulfillment and servicing, including reducing reliance on emails
- Less paper and no wet signatures
- Easier understanding of products available for specific business needs

To achieve these objectives, U.S. Bank had to digitize the entire value chain from the back office to its digital platform, SinglePoint®. It began by building a digital bridge between customers and bank employees and its back office. A critical component of

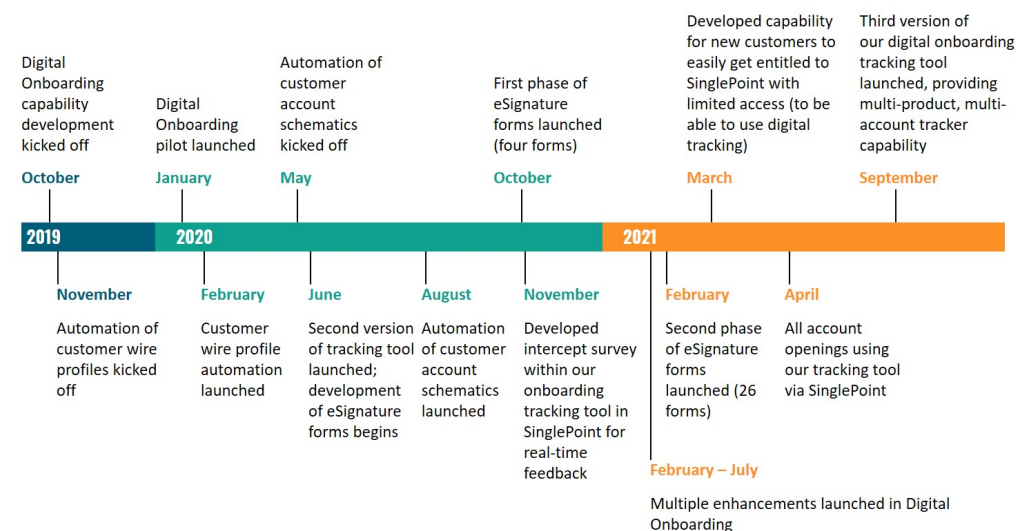
this “bridge” is the superstructure that sits on top: a digital onboarding tracker available via SinglePoint—which offers real time visibility into the signing status of the electronic documentation and progress of various onboarding work streams. In addition, the bank designed solutions for its employees to better serve customers, which is often overlooked by digital transformation initiatives.

U.S. Bank is deploying a range of technologies to build the substructure and foundation of its digital bridge. APIs are used to connect to bank systems and data sources, and robotic processing automation (RPA) fulfills customer requests efficiently and quickly. The bank is creating bots that speed up manually intensive and repeatable processes. Use cases include generation of wire profile reports (see sidebar) and creation of account schematics for customers (i.e., information on the entire relationship across all accounts, including the products/services tied to those accounts). U.S. Bank plans to use bots for product/service auto-fulfillment that customers request via SinglePoint. It is using artificial intelligence/machine learning to develop the next generation of features, including product suggestions.

The core development team comprised 11 members, including designers, a researcher, an automation engineer, front and back-end developers, a robotics team, and implementation and account opening staff. The team engaged with other stakeholders in Legal, Risk, and Compliance departments.

The project kicked off in October 2019 and has steadily achieved numerous goals, as outlined in Figure 1.

Figure 1: Project Timeline and Milestones



Source: U.S. Bank

**RPA Example:
Wire Profile
Reports**

Wire profile reports detail who has wire initiation authority across a customers' accounts. Prior to digital onboarding, report generation took an average of four

hours and in some cases even longer. With digital onboarding, a bot completes the report generation in 10–15 minutes.

Key Success Factors

In this initiative, U.S. Bank had a potent recipe for success: rethinking processes, a collaborative approach, and a cross-functional, agile team delivering steady incremental enhancements. Each ingredient reinforces the other. A prime example is the virtuous circle of two-week enhancements with a user feedback loop which ensures users that their feedback is heard and acted upon.

Rethinking processes.

In architecting the digital bridge, the team had to rethink the processes, forms, and documents involved in onboarding and fulfilling. They ensured processes were simplified before they were digitized. They knew that success was predicated on developing fewer, new digital forms, not in creating online replicas of the traditional paper forms. Through cross-functional collaboration between Legal, Risk, Design, and Product professionals, the team carefully designed each new form, enforcing correct formatting, highlighting required fields, and prepopulating common data across multiple forms when applicable. Defining specific design patterns across the various forms and standardizing the experience have helped expedite the buildout process. In addition, with digital forms, checks and balances can be implemented to help avoid common errors.

The team focused also on expediting data and document collection. Documents can be shared via the collaborative message board within the tracker and are stored in a central repository for easy access and future re-use as needed. Select data can be prepopulated with known information and third party information (e.g., Google Maps helps populate forms with correct addresses). E-signatures replace wet signatures on over 90% of forms, barring a few which still require wet-ink signatures in line with UCC requirements.

Collaborative approach.

U.S. Bank found that its strongest success factor has been user engagement. The project team engaged with both external and internal users to learn their core needs and journey pain points. The team took care to translate user feedback into root problems and solutions.

The team engaged with users to understand what they thought would be helpful. The goal was to identify and deliver value as fast as possible. To collect feedback, the team shared early designs and wireframes with users. From the beginning—first minimum viable product (MVP)—user feedback was positive.

The team also recognized that some customers do not want a 100% digital experience; they prefer to speak with their relationship manager. In response, they enable customers to evaluate their onboarding options and make a choice.

Cross-functional, agile team.

The team is cross-functional across design and developers with stakeholders representing various groups including Legal, Risk, Sales, Product, and Design. Strong communication has been paramount to achieving milestones in a timely fashion. The journey team model empowers each member—titles left at the door—to opine and drive change they feel is necessary.

The agile approach enables the team to deliver a two-week release cycle, and it strives to improve the production release process. Every other Tuesday, new code is deployed into production. The short cycle drives a virtuous circle of user feedback leading to more functionality deployed to obtain more user feedback. This agility underpinned the fourth key success factor: an incremental, iterative transformation approach. As a result of short cycle times and feedback loops, the team sees the positive impact of the initiative within a couple weeks of launch, which has validated the transformation approach.

Incremental, iterative transformation approach.

The team excels at breaking down the process and problems into smaller pieces and delivering quick value to users. Their approach is in sharp contrast to traditional “boil the ocean” legacy transformation initiatives. Their first MVP was live within three months. The team also applied this approach to digitizing the bank’s back-office platforms.

Demonstrating the success of this approach is the team’s journey from its first MVP of the digital tracking tool to enhancements. While user feedback was positive, the team recognized that the solution focused only on transparency, without any means to take action, and hence its value was limited. To add more value, the team used design sessions and a real time feedback tool to collate user feedback. Based on these inputs, it then determined what new functionality to develop.

In digitizing the back office, the team faced challenges in connecting to multiple legacy systems. They overcame the challenges incrementally, prioritizing and focusing on one system at a time. On the RPA front, they took a tactical approach of identifying friction points in day-to-day customer interactions and then implementing and enhancing bots at a steady pace.

Overall, because of the team’s iterative and collaborative approach, most of their initiatives begin reaping benefits within three to four months of idea inception.

Onboarding Tracker

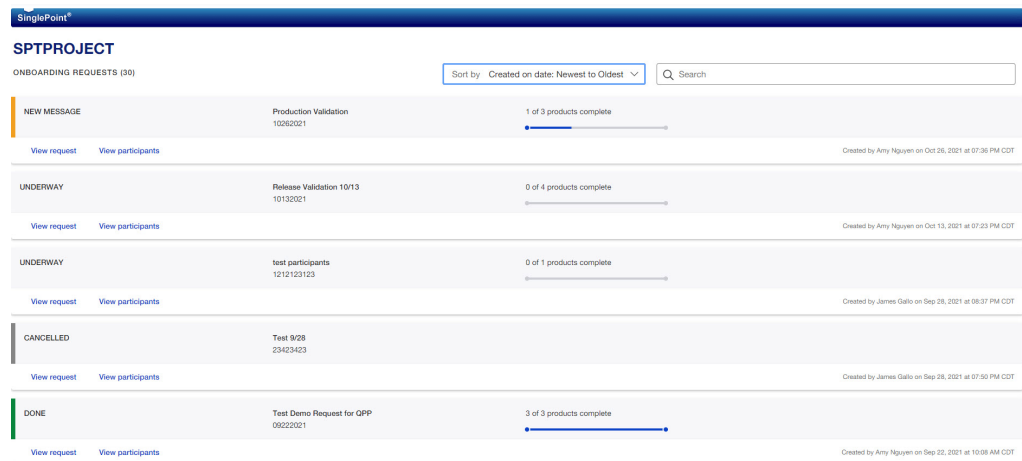
The superstructure of U.S. Bank’s digital bridge is its onboarding tracker, which offers real time visibility into an organization’s account openings and product implementations. Importantly, it delivers communication and actionability by displaying various requests related to multiple products and accounts. U.S. Bank embedded the tracker into SinglePoint to enable new customers to start their onboarding journey digitally. This required the team to overcome the challenge of providing access to new customers or customers currently not entitled to SinglePoint. The team worked closely with Risk and Legal partners to develop a way

to enable new SinglePoint users to access the tracking tool without the need for additional documents or agreements.

U.S. Bank recognized the importance of having both the customer and bank employees literally on the same page. As a result, all users involved in a request are noted on the dashboard, and communication is a click away through a collaborative, highly secure messaging board that replaces email. The dashboard details which party is responsible for the next pending action, such as a document requiring a signature, and offers file upload and download capability.

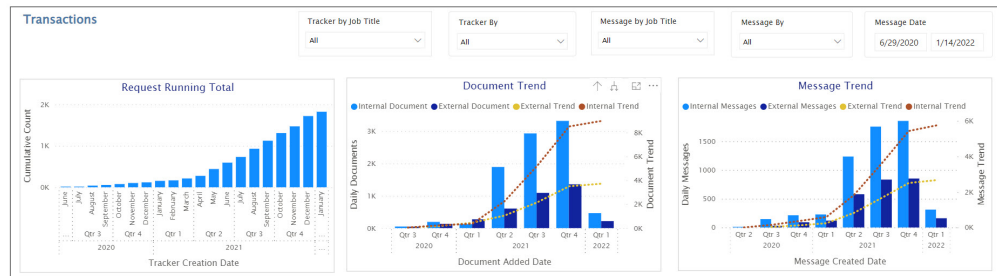
The user-friendly tracking landing page for customers is shown in Figure 2, which includes all products in flight, the process step, and an estimation of completion date. In addition, the team has designed it to be highly accessible (A11Y compliant). Customers can double-click on product-level status to see details. To ensure a strong user experience, U.S. Bank continually stays in touch with end users by incorporating a real time intercept survey that allows users to rank the tracking tool from 1 to 10. When a score is below 5, the end-user is asked to comment so that the U.S. bank team can better understand and address the issue. The team seeks feedback from customers across different segments (corporate, commercial, and small business).

Figure 2: Customer Tracker Landing Page



Source: U.S. Bank

For internal users, the tracker landing page provides rich data analytics produced on an internal Power BI environment with data from the dashboard, ranging from totals (e.g., number of clients and messages) and averages (e.g., cycle time) to product-level data (e.g., product cycle times). Detail views enable bank employees to identify chokepoints in a process (Figure 3).

Figure 3: Internal Tracker Landing Page

Source: U.S. Bank

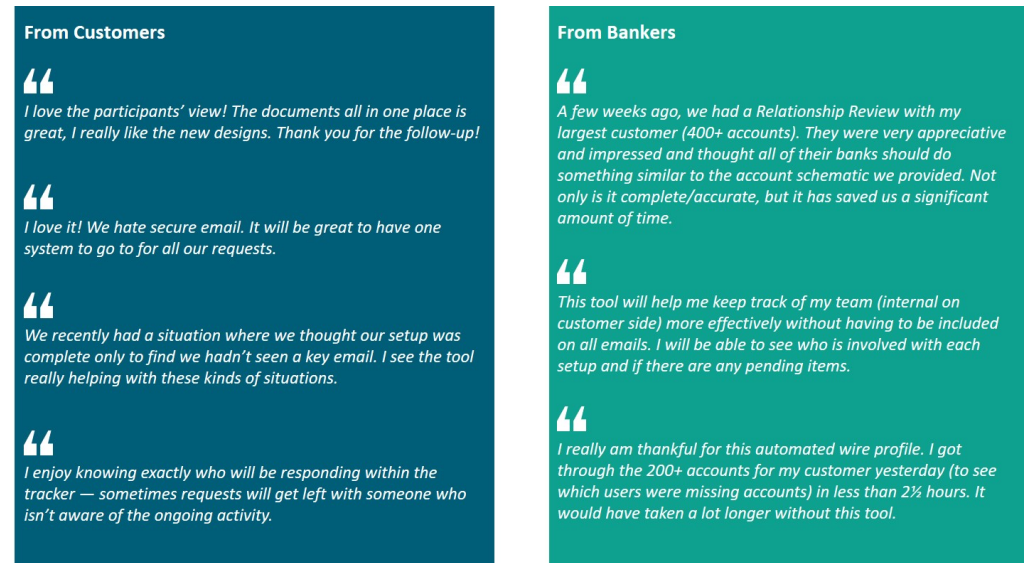
Results, Lessons Learned, and Future Plans

Results

As part of U.S. Bank's commitment to continual improvement of its digital onboarding initiative, it is employing extensive data analytics. This includes customer satisfaction, number of customers using the digital tracking tool, number of product implementations tracked digitally, number of documents and messages exchanged, and number of hours saved by back office teams. Stand-out metrics include:

- **Satisfaction:** 65% of customers ranked the digital onboarding experience an 8 or above on a scale of 1–10 (real time intercept survey within the onboarding tracker tool)
- **Usage:** 20x growth in customer usage of tracking tool between January 2021 and October 14, 2021, and 5,000+ companies benefiting from digital onboarding
- **Speed and Productivity:** 40–50% reduction in account opening cycle time based on initial results—with majority of time saving coming from document turnaround times—as well as a 75% reduction in cycle time related to providing wire profiles. 24,000+ hours saved by U.S. Bank's back office onboarding team between January 2021 and October 14, 2021

End user—both customers and employees—feedback has been very positive, as demonstrated by the quotes in Figure 4.

Figure 4: End Users Very Enthusiastic

Source: U.S. Bank

Lessons Learned

An early lesson learned by the team was the critical value of frequently engaging with users and collecting their feedback. When the team first formed, they focused on solving the pain points of lack of transparency and visibility and built a tracking tool. Through demos and discussions with pilot customers, the team was able to identify a more simple and basic need: a message-and-file-exchange method that was not email. These users viewed the two tools together despite their being separate in the U.S. Bank system. Applying their incremental value-add approach, the team quickly delivered a single tool with both visibility and the ability to upload/download documents via SinglePoint.

Future Plans

U.S. Bank's ultimate vision is a “smart onboarding” model that builds on the digital superstructure of its tracking tool and foundational bot-supported fulfillment. With smart onboarding, the bank's goal is to deliver straight-through processing internally and expand its do-it-yourself capabilities, including the ability to evaluate treasury products/services, select the ones that meet client needs, and be able to track onboarding to completion with authority being driven off e-signatures. If feasible, fulfillment will be real time.

U.S. Bank recognized that digital commercial customer onboarding is ripe for competitive differentiation and that it could become a pacesetter. There are numerous indicators that the bank has achieved step change here, ranging from positive customer testimonials and usage growth to strong operational efficiency metrics.

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