

# IMPACT INNOVATION AWARD

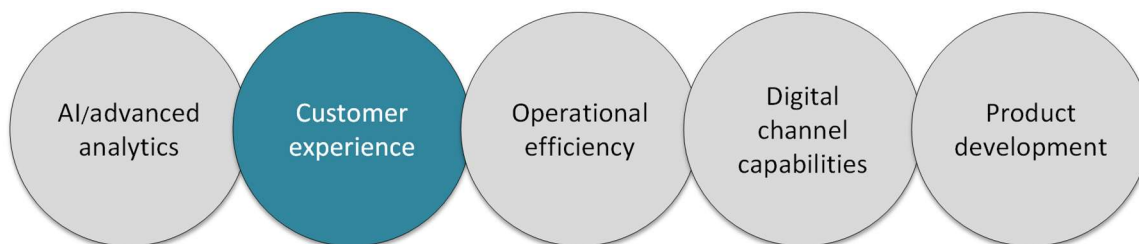
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**Erika Baumann**

+1.617.398.5042

[ebaumann@aitegroup.com](mailto:ebaumann@aitegroup.com)

## 2020 Impact Innovation Award in Cash Management and Payments: U.S. Bank



## U.S. BANK

U.S. Bancorp (NYSE: USB), with 70,000 employees and US\$540 billion in assets as of September 30, 2020, is the parent company of U.S. Bank, the fifth-largest commercial bank in the United States, and is based out of Minneapolis. U.S. Bank serves millions of retail, business, wealth management, payment, commercial and corporate, and investment services customers across the country and around the world.<sup>1</sup>

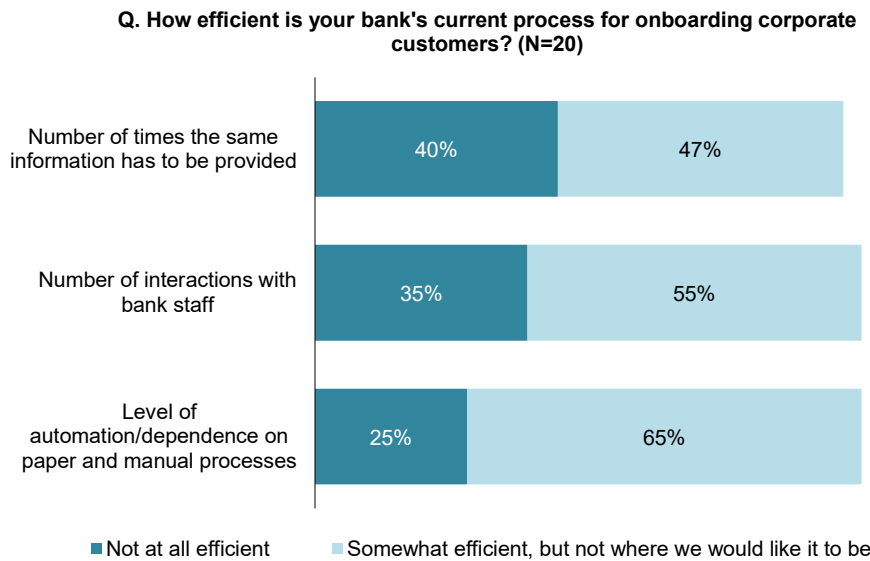
U.S. Bank Global Treasury Management (GTM) provides treasury solutions to help its business customers succeed. The bank takes a collaborative approach by utilizing relationship teams to work with clients by listening first and exploring solutions together. Developing best practices and implementing solutions is a partnership; its teams bring research and industry-relevant insights to enhance transparency, efficiency, and security. U.S. Bank is focused on reliability, as it does in innovation with a dedicated customer service team supporting solutions that range from cutting-edge artificial intelligence and machine learning tools all the way to traditional services such as lockbox.

## MARKET CHALLENGES AND NEED

After the initial sales process of treasury products, the work begins to deliver on expectations and execute onboarding procedures. When onboarding a brand-new client or onboarding a new product for an existing client, this can make or break a relationship. Even with the criticality of this process, market feedback reflects that onboarding is a pain point for many corporate clients and an area that banks focus on for improvement. What is surprising is that oftentimes the challenges in the onboarding process have nothing to do with product functionality but instead are based on effective communication. These challenges include asking for repetitive information, not setting expectations, missing service-level agreements, having too many points of contact, and relying on too many manual processes. In fact, even banks report a stark awareness of these issues. Eighty percent of large and midsize banks say that the number of times information has to be provided to the bank from the client creates an inefficient process and experience (Figure 1). Even worse, 90% of large and midsize banks say that the number of interactions with bank staff as well as the reliance on paper processes are inefficient. It seems that these issues could be fairly simple to resolve by listening to client and teammate concerns about the process and understanding the negative impact of a poor onboarding experience.

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1. U.S. Bank and SinglePoint are registered trademarks of U.S. Bank National Association.

**Figure 1: Efficiency of Corporate Onboarding Processes**

Source: Aite Group survey of 20 U.S. large and midsize banks

Also, not to be forgotten is that business clients have their own internal stakeholders to report updates to in the process. This internal communication demand has been exacerbated by the COVID-19 pandemic, with clients needing access to bank tools and navigating a distributed work environment. The focus on onboarding is more important than ever in an increasingly virtual and fast-paced world.

## INNOVATION: ONBOARDING TRACKER

U.S. Bank recognized that irregular communication and delays cause friction in the onboarding and product implementation process. A primary pain point is that communicating through traditional methods, such as phone calls and email, cause irregularity and lack of point-in-time visibility. Instead, clients need real-time, end-to-end tracking and communication through implementation, including simple, secure document exchange. U.S. Bank saw this as an opportunity to meet clients' need for transparency and became the first bank to offer convenient implementation tracking for business clients through a digital channel.

U.S. Bank launched a digital online tracking tool called Onboarding Tracker in January 2020. The development for the first iteration took about two months and was an internal solution without vendor dependence (Table A).

**Table A: Initiative at a Glance**

Category	Details
Financial institution	U.S. Bank
Key vendor partner	N/A

Category	Details
<b>Innovation</b>	Onboarding Tracker
<b>Implementation time</b>	<p>November 2019—project launch</p> <p>January 2020—first initial pilot release</p> <p>May 2020 —Second major pilot release with key enhancements based on client feedback</p>
<b>Official launch date</b>	January 2020
<b>How it works</b>	Clients log in to SinglePoint to view implementation progress and updates
<b>Key benefits</b>	<ul style="list-style-type: none"> <li>• Transparency into all open implementations with dashboard view</li> <li>• Collaborative messaging feature that removes the need for phone calls and emails</li> <li>• Secure document exchange</li> <li>• Automated email notifications</li> </ul>
<b>Future roadmap</b>	<ul style="list-style-type: none"> <li>• Provide day-one digital access and engagement for new clients</li> <li>• Evaluate treasury management products and order online</li> <li>• Authorize documentation using e-signatures</li> <li>• Track product implementations online, including grouping multiple products under one tracker</li> <li>• Enable clients to initiate trackers</li> <li>• Provide the flexibility to include multiple accounts and/or products within each tracker</li> </ul>

Source: U.S. Bank, Aite Group

## TARGET MARKET

The Onboarding Tracker is for all new and existing U.S. Bank commercial treasury clients implementing a new product or service.

## HOW IT WORKS

U.S. Bank took into consideration the expectation, inherent to consumer behavior, to have access to any order information with a few clicks. Examples of this include order updates from online marketplaces such as Amazon and food delivery applications such as Domino's Pizza. U.S. Bank's goal was to bring this same sort of transparency to business clients when they order

treasury management banking solutions. Companies have traditionally lacked visibility into how their complex treasury implementations are progressing.

Through SinglePoint, U.S. Bank's online cash management platform, clients can access the Onboarding Tracker tool. The Onboarding Tracker displays all of the information about a client's account openings and product implementations in a single view, organizing each implementation by product to make the process as simple and clear as possible for the client. The tracker features a collaborative messaging capability. Both client and bank users can quickly communicate issues and roadblocks through a highly secure message board, and the tool provides a dashboard view of which party is responsible for the next pending action, such as a document requiring a signature. Users can also exchange documents, which eliminates paper and email going back and forth. The tool can be accessed and used by companies' onboarding project managers as well as their senior executives—enabling all client stakeholders to get their questions about implementation status answered quicker and more directly. The key features of Onboarding Tracker include the following:

- Transparency into all open implementations with dashboard view
- Messaging feature that removes the need for phone calls and emails
- Easy to use drag-and-drop document exchange
- Internal and external email notifications when action is required
- Easier organization of implementations by product
- Ability to export data from Onboarding Tracker for any offline needs
- Dynamic search bar to quickly identify the appropriate tracker
- Clear “action required” messaging on dashboard
- Real-time client feedback capability within Onboarding Tracker

## SOLUTION DEVELOPMENT

Many banks are trying to ramp up onboarding initiatives that take several years to implement with dependence on a vendor—a process that might take two or three years—before attempting to provide clients with digital tracking. Understanding that treasury clients would value a digital tracking capability much sooner, U.S. Bank chose a different path. The bank chose to start building a digital tracking experience, in close consultation with end users and clients, while developing a fully automated onboarding process in its back office. This allowed U.S. Bank to develop and roll out the differentiating Onboarding Tracker ahead of the market with an agile, collaborative process. By laser-focusing on the visibility into implementations that clients have said they want and putting other features and enhancements on hold, the bank was able to deliver the first version of Onboarding Tracker in just two months rather than the 12 to 18 months it might have taken with a more traditional development process.

The leaders within the GTM division have created an environment of trust in the in-house innovation teams. These innovation teams allow the bank to take leading-edge, client-fueled, and industry-relevant solutions from concept to market at an exceptional speed. The bank's implementation plan laid out a timeline to develop and get Onboarding Tracker into pilot within three to four months without outside vendor resources. This started in October 2019, when the project was greenlit to move forward with Onboarding Tracker as an integrated solution part of SinglePoint. The complete timeline was as follows:

- Kick-off in November 2019
- First iteration of platform live in January 2020 with select pilot clients
- Periodic updates based on client feedback, including the following enhancements:
  - Collaborative messaging feature
  - Enhancement of dashboard (visuals, including how clients wanted to see tracking progress; clear messaging of action items; added columns for information)
  - Drag and drop of documentation
  - Expanded messaging character limits
  - Addition of user ID to chat capability
- Second major release in May 2020, expanding to more pilot clients
- Work in progress on general availability for all clients and all implementations

The team used agile methodology to introduce a very basic version of the tracker in late January 2020, just two months into the development process, and then continually innovated and regularly updated the product with new features and improvements. During the process, the team consistently gathered and used feedback from pilot clients and internal stakeholders to adapt the scope of the initiative. Internal partners consulted included IT, risk, sales, marketing, product management, and, of course, implementation and client service teams. The product was improved on a periodic basis until the second launch in May 2020. All subsequent releases and improvements are focused on addressing direct client feedback on ways to make the Onboarding Tracker even better.

## KEY QUANTITATIVE AND QUALITATIVE RESULTS

Onboarding Tracker is live with a pilot group of U.S. Bank clients implementing new bank products. The system has successfully and securely implemented these products as well as fully digitized the document exchange and communication processes for all of these implementations. Client feedback has been overwhelmingly positive. Clients have pointed out several key benefits they experienced:

- Elimination of secure email

- Visibility into who from the organization and the bank is responsible for each step of the implementation
- Reduced email volume and “lost” emails
- Transparency of pending items in a dashboard view
- Clear ownership of next steps
- Realization of overlooked client tasks from seeing the online status
- Visibility into who at the bank is working on a request
- Timely availability of information to be able to kick off internal setups
- Account information available earlier in the process

Internally, in addition to improving the client experience, the bank has been able to streamline the implementation process and the associated timeline.

## **FUTURE ROADMAP**

The roadmap for Onboarding Tracker aims to create a shopping cart experience in which U.S. Bank clients can order treasury products through SinglePoint and sign all required documents electronically, setups occur within the back office in a fully automated fashion, and clients track the status of their implementations and are alerted to next steps conveniently through the digital platform. The Onboarding Tracker will continue to evolve based on close collaboration and feedback with internal and external users. The Onboarding Tracker is the foundation of U.S. Bank’s next-generation digital onboarding process. The key roadmap features that will continue to differentiate the Onboarding Tracker in the market as a best-in-class onboarding tool include the following:

- Day-one digital access and engagement for new clients
- Evaluation of treasury management products and the ability to order online
- Authorization of documentation using e-signatures
- Tracking of product implementations online, including grouping multiple products under one tracker
- Client-initiated trackers
- Flexibility to include multiple accounts and/or products within each tracker

## **AITE GROUP’S TAKE**

While delays and issues inevitably happen during treasury product implementations, responsiveness and communication during the process are critical to a positive customer experience. Clients want to be assured that the bank processes are working for them, not

against them, to ensure as seamless of an onboarding process as possible. Arming clients with a place to view in real time where the implementation process stands as well as next steps is a true differentiator in the market. U.S. Bank's Onboarding Tracker solution provides this differentiated experience. The solution isn't just about viewing implementation progress; it also has a collaborative chat feature and a simple document exchange feature that make the tool a true one-stop shop unique in the market.

Too often, the implementation process can get bogged down by long emails, hitches with secure email, and unclear next steps. This is frequently a client's first experience with a financial institution outside the sales and courting process. It is critical for the long-term health of every relationship for financial institutions to make the implementation as smooth as possible. A poor onboarding experience can significantly impact and limit cross-selling opportunities as well as shorten the overall relationship with the bank. The Onboarding Tracker shows U.S. Bank's commitment to making the onboarding and implementation process as painless as possible. With Onboarding Tracker, there is no need for the long email chains that go back and forth that can get confusing and burdensome for clients. Clients also do not have to take time out of their day to call the bank for updates or confirm receipt of information. All of this is inclusive in the Onboarding Tracker. The Onboarding Tracker is an innovative, quick-to-market solution that addresses a key client pain point when doing treasury business with banks and creates a truly differentiated onboarding experience in the market.



## AITE GROUP IMPACT INNOVATION AWARDS

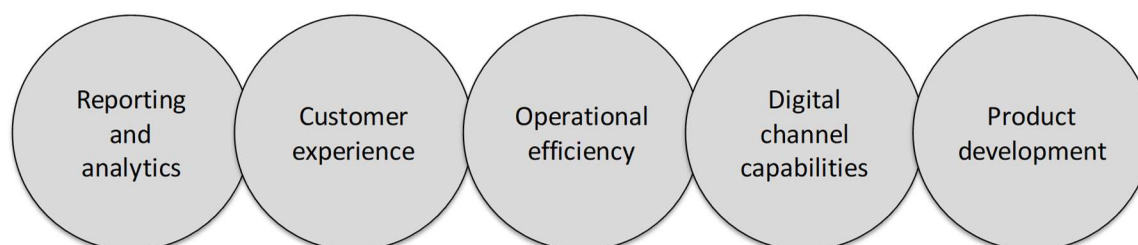
Customer needs and expectations continue to evolve, and financial institutions must strive to stay one step ahead. Their capabilities and the breadth of their product portfolios must go beyond what has traditionally been offered to address new market challenges and capture new opportunities. Aite Group's Impact Innovation Awards are designed to recognize and celebrate innovation achieved by financial institutions leveraging technology to surpass the status quo. Award recipients are leading the industry by identifying and implementing new products, capabilities, and/or levels of automation and effectiveness that are bringing our industry one step closer to next-generation banking. They are the financial institutions, regardless of size, that others will follow.

### QUALIFICATION AND EVALUATION METHODOLOGY

Aite Group solicited nominations for its 2020 Impact Innovation Awards in Cash Management and Payments from May to August 2020. All nominated initiatives were required to be in production within financial institutions.

Aite Group analysts reviewed all nominations and narrowed the field to the top three to four submissions in each of the following five categories (Figure 2).

**Figure 2: Impact Innovation Award Categories**



Source: Aite Group

A panel of external judges representing leading financial institutions, industry thought leaders, and consultants/implementers along with Aite Group analysts determined the winners. Each nomination was evaluated based on eight attributes (Figure 3).

**Figure 3: Impact Innovation Award Evaluation Criteria**

Level of innovation and competitive advantage	Ability to meet market needs	Impact on customer experience	Impact on customer operational efficiency
Level of new revenue opportunity for the bank	Impact on customer retention/new customer attraction	Level of scalability across customer base	Future roadmap

Source: Aite Group

## ABOUT AITE GROUP

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## CONTACT

For more information on research and consulting services, please contact:

**Aite Group Sales**

+1.617.338.6050

[sales@aitegroup.com](mailto:sales@aitegroup.com)

For all press and conference inquiries, please contact:

**Aite Group PR**

+1.617.398.5048

[pr@aitegroup.com](mailto:pr@aitegroup.com)

For all other inquiries, please contact:

[info@aitegroup.com](mailto:info@aitegroup.com)