



How is digital transformation typically defined in the financial services industry? Most articles say it's a necessary shift to add digitalization to existing processes and systems to remain competitive. But what if those underlying processes and systems are antiquated, slow, disjointed or frankly, just broken?

Digital transformation, in reality, should be about making the experience of traversing your organization easier, more consistent and less fragmented so customers are happier.

Digital Transformation Should Optimize Customer Experience

Streaming companies and online shopping giants have set the bar high with their sleek, curated journeys and proactive recommendations that customers love. Now these CX-focused companies are jumping into financial services, too, embedding banking products conveniently into their own intuitive environments. As embedded finance takes off, it has the potential to further separate small business customers from their banks, making it even harder to own and retain those relationships.

This fierce competition for today's banking customers should be an ear-deafening alarm to financial organizations to jump-start more meaningful digital transformation initiatives. And those initiatives must go beyond redesigning an elegant customer-facing interface or digitalizing the status quo if it's going to be truly transformative at all. Banks will fall behind further if they are not customer-centric, not just on the engagement layer, but all the way through to the systems and back-office processes that power customer experience.

Digital Transformation Goals

Personalize the customer's journey so it feels consistent but personalized.

Remove friction and make it easy and convenient to get from point A to point B.

Own and strengthen customer relationships amid a disjointed ecosystem of partners.

Re-architecting Technology is Hard

So... why do so many financial institutions leave their core IT infrastructure untouched and frankly, a drag on their speed of innovation? In a word, it's crazy hard to change.

Typically, major changes to customer experience require a re-engineering of the IT infrastructure, starting with core system updates or even ripping and replacing it with something new.

Then imagine those systems all have a downstream effect, not just on other internal systems, but also on ecosystem partners. It adds up to very long timelines, high IT team involvement and massive budgets to implement, not to mention the disruption to internal teams and likely customer impact.

And... even if that all goes perfectly, when the organization does finally re-engineer its tech stack, it happens slowly, which means the organization is probably still chasing other competitors who are already offering streamlined experiences. Plus, it's not easily future-proofed or agile enough to respond when the next emerging use case bursts onto the scene. Digital transformation won't be "transformative" if it's using existing technology to do what it was never intended to do.

Challenges of Digital Transformation

Legacy systems can't empower transformation without major overhaul.

Updates or ripping and replacing takes a long time and a lot of money.

Downstream effects on internal systems and ecosystem partners can negatively impact customers.

Seven Obstacles That Slow Digital Transformation

- 1. IT Bandwidth:** CIOs have full plates and are constantly prioritizing the items on the roadmap. Adding custom development on top of existing systems can take years. More often, organizations do small changes around the edges or nothing at all.
- 2. Time to launch:** Mike Schwartz, OvationCXM's COO, estimates it would take two to three years to try to replicate a customer experience platform like CXMEngine from scratch - IF a company threw all of its resources and budget at it. Most enterprises cannot wait years to fix broken or fragmented customer experiences.
- 3. Collaboration from partners:** You need cooperation from your major partners, like your core system or other providers, but you have to work on their schedule, and that can delay yours.
- 4. Cost:** 70% of IT budgets are used just to keep the lights on. Designing and building new can cost millions of dollars.
- 5. Emerging use cases:** An emerging opportunity or use case may require a return visit to the roadmap, which is already planned ahead. Where will it fall among other priorities?
- 6. Customer impacts:** Changes to deeply bespoke, internal systems are always risky. Operational impacts and downtime will frustrate customers and can batter your brand's reputation.

Partner Ecosystem Complicates Digital Transformation

Many banks recognize their infrastructure's limitations and have embraced a partner ecosystem of fintechs that bring offerings to their market faster than they could do themselves. With more third-party providers, more touchpoints, and more systems, there's more opportunity for dropped balls and missed hand-offs between teams. It becomes very easy to lose the customer in the ecosystem. As those ecosystems grow to deliver on new opportunities, customer service will become even more distributed and difficult.

This is the reason the CXM technology industry is growing so fast - this newer software is the answer to balancing the complexity of a financial services industry that's filled with more partnerships and expanding delivery channels and caring for customers the way they expect.

“You don’t have to change the way your company works or the systems you use,” says Tim Attinger, President of OvationCXM. “You just have to change the way your customer experiences them.”

CXMEngine from OvationCXM is the first platform of its kind to plug into an organization’s customer interaction layer and its systems of record as a middle layer to calm the chaos in fragmented customer journeys delivered by an ecosystem of providers. It becomes a central hub that aggregates all of a customer’s interaction data - from internal systems and partners - into one screen. Teams can better see and guide customers, in the key moments that matter while they are in the middle of the sales, onboarding, activation, support or servicing journey with your organization.

It doesn’t take the place of a CRM or other internal systems... It makes them better!

CXMEngine unlocks data siloed within those distributed systems and brings it into a shared workspace. Everyone involved with the customer journey can see progress, conversations, next steps and hand-offs from team to team. Journeys can be built specifically for customer segments with automations and nudges to help customers move from point A to B.

No-Code Platform and Tech Connectors Make it Easy to Get Started

The CXM platform is no-code, using tech connectors to plug into some of the world’s most widely used platforms, so organizations can go-live in just 60-90 days. The benefits are profound:

- Teams continue using the same legacy systems they know well.
- Information flows between internal teams and ecosystem partners to make the customer journey the most smooth it can be, leading to greater satisfaction and retention.
- Customers enjoy a single point of contact in the channels they prefer and are no longer bounced around.
- Financial institutions take back their customer relationship and the customer experience, from end to end.

Positive Business Outcomes Impact the Bottom Line

CXMEngine bolts into existing systems, sits in the middle and makes the customer journey feel holistic, leading to some pretty amazing outcomes:

- 10% revenue growth
- 60% jump in net promoter scores (NPS)
- 50% increase in employee satisfaction
- 20% drop in attrition
- 75% improvement in service visibility



To learn more about how you can own the journey, guide the experience, and unleash the benefits, [learn about CXMEngine.](#)

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