

Business process efficiency: Honing a competitive edge

Improve margins, accelerate processing, eliminate errors,
and increase customer satisfaction

Table of contents

- 1 Executive summary
- 1 Strategic value of LiveCycle ES
- 2 Practical benefits of LiveCycle ES
- 5 Bottom-line results of implementing LiveCycle ES

Executive summary

In today's hypercompetitive market, financial services companies must learn how to produce services faster, cheaper, and better and improve profit margins in the face of mounting competition and other economic pressures. Increasing business process efficiency is the best way to improve margins and allow more flexibility in pricing. This paper explores how financial institutions are gaining a competitive edge by focusing on process efficiency for greater customer satisfaction and retention.

Adobe is uniquely positioned to help firms withstand—and even benefit from—financial pressures by offering them an array of enterprise solutions. Just as Adobe's popular desktop products—such as Adobe® Acrobat®, Photoshop®, and InDesign®—have revolutionized the design and communication of documents and media, so too can the company's enterprise solutions make firms much more competitive, helping to streamline business processes and engage customers. Adobe's single-platform enterprise solution, Adobe LiveCycle® ES (Enterprise Suite), has helped many successful banks, brokerage firms, and insurance companies eliminate redundancy, boost operational efficiency, increase processing and transaction speeds, and enhance the customer experience. This all translates into increased revenues, reduced costs—and ultimately healthier profits.

Strategic value of LiveCycle ES

LiveCycle ES is an integrated server solution that blends data capture, information assurance, document output, process management, and content services to automate business processes. This powerful set of tools allows financial services firms to create and deliver rich and engaging applications that reduce paperwork, minimize human-generated errors, accelerate decision-making, and help ensure regulatory compliance.

According to an analysis by Intellicap, financial services companies implementing LiveCycle ES have reduced processing time by an average of 60% and gained up to 250,000 hours of staff efficiency per year.

LiveCycle ES solution components are flexible and scalable, and they have served every type of financial services provider, from multinational banks and global insurance agencies to regional banks. Today Adobe serves hundreds of financial services institutions worldwide in banking, insurance, and capital markets. With LiveCycle ES, banks and insurance companies can increase business process efficiency in all areas, including customer service, account and policy enrollment, and correspondence management.

“We now have a standards-based document generation solution that ensures longevity, is easily scalable, and can be integrated seamlessly with our IT architecture without custom development.”

Sylvain Capgen,
project manager,
Credit Lyonnais

Improving customer service through process efficiency

Maintaining a high level of service in customer, agent, and broker interactions is one of the most effective ways for banks, insurance companies, and brokerage firms to differentiate themselves and increase profitability in a highly competitive market. According to the Economist Intelligence Unit, a global research and advisory firm, “executives are finding that the winning differentiator is no longer the product or the price, but the level of engagement—the degree to which a company succeeds in creating an intimate long-term relationship with the customer or external stakeholder.”

Account enrollment, for example, is an area in which the transactions between customer and stakeholder can be improved. Inefficient account-opening processes that frustrate customers, agents, and brokers can have damaging long-term consequences. According to research by IBM, account opening amounts to 20% of an average bank’s total manufacturing and processing cost base. It also contributes to a 75% abandonment rate for potential customers who try to complete an online account application.¹

Customers purchase three-quarters of new services within 90 days after they open an account, so it’s clear that firms must cultivate the confidence and loyalty that turns a new customer into a long-term profitable relationship. They can do so by making sure that the technical engine that automates back-end processing is powerful, operates smoothly, and protects sensitive information. LiveCycle ES answers all of these requirements.

Realizing the paperless dream

For several years, a central goal of financial services institutions has been to rely less on paperwork by automating financial transactions and communications. Yet the mountains of paper that clutter offices and bog down employee productivity are evidence of the fact that many firms are far from achieving their goal. LiveCycle ES can reduce paper processes by dramatically improving the digital user experience. For example, the solution’s easy-to-use tools allow companies to build rich online or offline customer interactions. “Adobe’s vision is to provide the best tools for building improved customer experiences leveraging BPM, PDF, forms, and rich user interfaces—no matter how the customer chooses to interact,” say Forrester Research analysts Craig Le Clair and Colin Teubner.²

As another example of how process efficiency can boost the bottom line, Safeco, a subsidiary of Liberty Mutual Group that offers insurance and financial products, turned to Adobe after it had issued 100% of its surety bonds manually and was thus losing money. Safeco supports more than 3,000 different forms for government agents issuing surety bonds. With Adobe’s help, the company handled almost 90% of new surety transactions electronically, with no manual intervention, and raised the operation’s bottom line from red to black.

“The Adobe solutions offer us a competitive advantage by streamlining the delivery and processing of customer applications. The bottom line is that we’re reaching more customers faster with better services, while lowering our costs of doing business,” notes Greg Davenport, assistant vice president and director of Safeco’s surety operations. “With this level of efficiency, our surety business can increase by 400 percent, without a commensurate increase in staff.”

Practical benefits of LiveCycle ES

With LiveCycle ES, Adobe has developed a powerful set of tools that can help financial and insurance firms boost business process efficiency in all areas of operation. Financial services companies can improve data quality and reduce processing errors; increase efficiency and simplify workflows; promote security, privacy, and compliance; and shorten development time and reduce total cost of ownership.

Improve data quality and reduce processing errors

Central features of LiveCycle functionality include the generation and presentation of documents, reports, and other data; efficient input, use, and storage of data; and cross-platform access to data. With LiveCycle ES, financial services companies can improve the quality of data and reduce errors

¹ Sunny Banerjee and Adam Lawrence, “Opening Act, Streamlining a bank’s account-opening process can have a dramatic effect on customer experience and the bottom line,” *IBM Global Business Services Point of View*

² Craig Le Clair and Colin Teubner, the Forrester Wave Vendor Summary, Q3, 2007

in data processing and collecting. By capturing information successfully on the front end, companies advance processing as well as information delivery on the back end. For instance, a fast-growing European retail bank turned to Adobe to improve a 25% error rate and reduce cycle times of two to three weeks in loan processing. Once the bank used LiveCycle ES to automate forms and loan contract processing, its error rate plunged by 100%. Moreover, the time it took to capture data dropped by 20%. In summary, the bank achieved a 260% return on investment.

Addressing the NIGO problem

One of the major problems plaguing financial services providers is applications that are designated Not In Good Order (NIGO). This occurs, for example, when errors are introduced because forms are filled out manually, an employee can't read the handwriting in a faxed document (a frequent occurrence with merchant accounts), or someone uses the wrong form. No matter where the breakdown occurs, however, the result is the same: The institution must return to the client for more information or clarification, resulting in costly delays and frustration on both ends. With Adobe solutions, customers, advisors, and brokers fill out forms electronically, taking advantage of built-in business logic and data validation capabilities. They then submit the forms either electronically or printed out with a 2D barcode that contains the digital data. This streamlined process speeds up processing time and saves resources. For instance, because of a 60% NIGO rate, one leading brokerage firm had to dedicate 12 full-time employees to handling these applications. After implementing an Adobe solution, the NIGO rate was reduced almost to zero, which freed the company to redirect those employees to other activities that contributed more value to the firm.

Minimizing dependence on paperwork and reducing NIGO errors are important goals for financial services companies that rely on a network of brokers to present loan and investment products to customers. By offering an automated solution for straight-through processing of loans and investment products, LiveCycle ES gives firms:

- The ability to consolidate multiple data sources into a single, intuitive interface that helps brokers or agents provide tailored customer recommendations more easily
- Interactive process management capabilities—including data capture, validation, and straight-through processing—that accelerate cycle times and help ensure that customer requests are fulfilled accurately
- An advanced document generation platform that enables the dynamic creation of engaging, personalized communications delivered in the customer's preferred format

Increase efficiency and simplify workflows

LiveCycle ES uses an integrated process management engine to help firms move toward straight-through processing. When a customer applies for a credit card, for instance, the captured data is evaluated based on the card issuer's organizational policies. If the customer meets all of the predefined criteria, the request is automatically approved, triggering the following step, such as issuing the card and a PIN number to the client.

LiveCycle ES also allows financial services companies to shorten cycle times by simplifying workflows through increased automation. For example, when a leading financial advisory firm wished to streamline the account-opening process for its network of independent advisors, it implemented a new workflow, powered by an automated LiveCycle ES solution, with rules for review and approval. The solution reduced manual handoffs with the central processing team and eliminated the need for phone calls to check status. This freed the firm to accelerate the cycle time for enrolling new accounts. These and other advancements allowed it to open new accounts more quickly and to save US\$5 million a year in document-handling costs.

Furthermore, with support for digital signatures, LiveCycle ES enables parties to automate processes, even when wet signatures are required by company policy or customers. For instance, the client still enters data online through a rich Internet application. When the PDF form is generated for printing and mailing, it contains a 2D barcode that captures all of the data. The customer signs the form and sends it back, at which point the barcode is scanned to integrate the data—with 100% accuracy—into back-end systems so that processes continue exactly as if the forms had been submitted electronically with a digital signature.

The TowerGroup, a major research and consulting firm for the financial services industry, finds that insurers that implement digital signatures have a competitive advantage in acquiring and retaining customers and reducing costs. That's because they can process accounts and materials faster and reduce fraud. For example, one of Europe's largest providers of IT services to financial institutions serves 229 banks with more than 8,000 branches. Using Adobe technology, the company launched a centralized IT environment and integrated it with the existing infrastructure. All forms-driven processes were integrated with digital signature support. This allowed the system to generate and process more than 200,000 forms per hour, resulting in 30% cost savings.

Another way LiveCycle ES helps financial services firms increase efficiency is by systematizing and unifying communications. When a leading French bank with 3,500 branch offices, 25,000 employees, and 6 million customers needed to migrate customer documents across all branches to a single framework, LiveCycle ES offered a powerful solution. Results included high-quality, high-performance, on-demand printing of large volumes of documents and 90% cost savings. LiveCycle ES also enabled branches to quickly create templates to support marketing, legal, and sales campaigns, resulting in more upsell potential.

Promote security, privacy, and compliance

A key requirement when investing in technology is to make sure that newly automated processes support security, privacy, and compliance requirements. With LiveCycle ES, financial institutions can automate permissions, policies, and business rules while also taking advantage of audit and activity monitoring capabilities to help ensure processes are running smoothly.

In addition to allowing documents to be digitally signed, LiveCycle ES enables them to be digitally certified. This helps to increase confidence in electronic document communications and to prevent phishing and spoofing attacks.

By taking advantage of LiveCycle ES BPM capabilities, financial services and insurance firms can ease the burdens related to compliance. They can make sure that processes follow the appropriate steps and easily access audit information to promote document compliance. Further, LiveCycle document design and generation capabilities help to ensure regulated documents follow any and all requirements, from the position of margins to the inclusion of specific disclosures.

For example, a global insurance provider with more than 100,000 employees used LiveCycle ES to implement an automated claims correspondence solution that could handle 8,000 requests per day and up to 20 documents per minute. Before they implemented the solution, approximately half of company correspondence was being generated outside the company platform, creating increased compliance risks. The new correspondence solution resulted in fewer errors, faster turnaround time, and improved compliance.

Shorten development time and reduce TCO

Financial institutions need to minimize IT development and maintenance costs. With LiveCycle ES, they can leverage reusable components—such as object libraries, templates, process maps, and form fragments—from one process to the next. This helps to accelerate development time and reduce the effort required to implement changes to applications once they've been deployed.

One American insurance company, for example, used LiveCycle ES to automate marketing forms. The firm boasted the following results: a 75% drop in manual time required by the marketing project initiator, a 60% reduction in time required for compliance review, and a 75% cut in time required for version control management. Collectively, these reductions led to a payback of initial costs within eight months and a fourfold return on investment.

LiveCycle ES enables financial services and insurance firms to quickly create a process or application that is deeply integrated with enterprise content, so they can manage content across the company in a lower cost, extensible manner. Adobe Solution Accelerators, which augment LiveCycle ES, help reduce the time it takes organizations to customize LiveCycle by providing customizable code, samples, and documented best practices.

When used for account opening and correspondence management, Solution Accelerators jump-start implementation, thanks to the fact that 30% to 60% of a complete solution is already in place once they are installed. Solution Accelerators provide a functioning framework that can be modified and personalized to support each institution's objectives and processes. By shortening the time required to get new applications up and running, they significantly increase return on investment.

Bottom-line results of implementing LiveCycle ES

As research and anecdotal accounts show, Adobe solutions help financial institutions accelerate workflow, improve compliance, reduce human-generated errors, and increase efficiency. With LiveCycle ES, these firms get quicker turnarounds for new accounts, loans, and other activities, as well as greater customer satisfaction and retention. Less time spent on data input and error correction means employees can spend more time interacting directly with clients and cultivating new relationships—all without the cost of redundancies and delays. These benefits translate into lower operating costs and a healthier bottom line for banks, insurance agencies, and brokerage firms. And in these lean and hypercompetitive times, nothing is more essential to their success.

