

# WHITE PAPER

## DELIVERING BUSINESS VALUE BY EVOLVING TO STRAIGHT-THROUGH PROCESSING

In the past 20 years, the way that customers interact with organisations has changed considerably, moving from paper to the apparently all-pervasive electronic mechanisms of e-mail, web, Facebook, Twitter and mobile. The way that IT has designed systems to solve business problems has also changed, moving away from monolithic mainframes acting as a single version of the truth to all your business data, to a multitude of systems that have overlapping, and hopefully consistent, versions of the truth. Customer support teams now operate with more requests, from more channels, for more products, supported on more systems with quicker turn around.

Alongside these changes, we have also seen the role of business process management (BPM) solutions undergo a transformation, moving away from a document-centric operation with the routing of scanned documents around the organisation to, in some cases, a paperless environment with end-to-end digital fulfilment of a customer's request.

In this evolved and evolving customer, operational, and technology landscape, many organisations are facing the challenge of transitioning from a world where they have had control of which business processes are available through each channel, to one where customers want the flexibility to choose all business processes through all channels. Business sponsors now face the challenge of being able to satisfy customer demands, while reconciling the business desire to optimise the investment required to deliver and minimise the ongoing operational expense.

To achieve higher adoption rates for the customer self-service proposition, the marketing department needs all business processes available on the web in order to be able to consistently signpost the channel in the product marketing material. The challenge this creates for IT is how to make business processes available for all products in both a timely and cost-effective manner, given the difficulties of integration with legacy business systems. IT also needs to try to balance perfect data capture for all product variations with the ease of use for the customer.

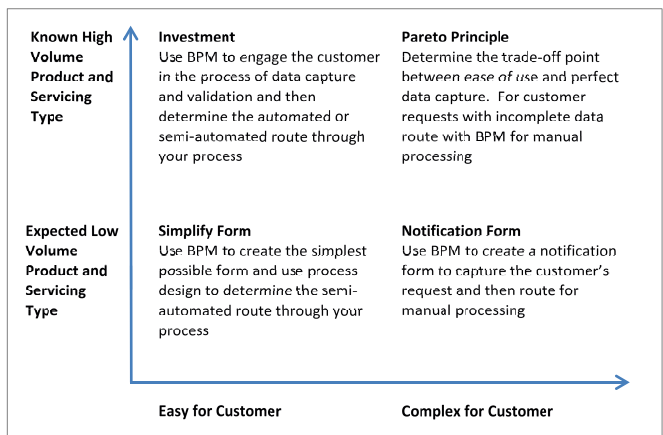
From a cost/benefit perspective, these competing demands lead to lengthy IT delivery timescales and heavy costs positioned against the potential benefit of reduced operational costs through high take-up of customer self-service. With the all-encompassing constraint of in-year return on investment, a business leader needs either to make a strategic leap of faith or find a way to better align the delivery costs with business benefit. BPM solutions have evolved to provide a way to better align the delivery costs associated with customer self-service with the customer experience and operational benefits derived from the increased take-up of customer self-service.

### Perfect data capture

Like great architecture, an IT system is a child of its time. Although it is possible to change a building's facade, the structures used to form its backbone will remain fundamentally aligned with the period in which it was developed. In IT, these structures have historically focused on the constraints imposed by the availability (or economic limitation) of memory, storage, processing power, or network connectivity. While mainframe based systems have many good qualities, 'ease of use' is rarely the phrase that falls off anybody's lips.

The organisational coping mechanism for complex user and systems interactions has been to train the customer services team on how to use the administration systems. This has led to days of training to understand the nuances of a particular system, and then more training to cope with the 5% of the policies or accounts administered by the other legacy systems in the business. The variation in implementing business rules over time creates the greatest challenge of achieving perfect data capture. The biggest variation takes place when product definitions or administration platforms go through a more radical step-change or replacement, rather than through evolutionary progression.

As the rules and variation by product or system increase in complexity, the more difficult it becomes to meet both ease of use and perfect data capture criteria for customers. A business decision needs to be made on when to target perfect customer data capture in order to achieve the required reduction in servicing costs through automation or semi-automation of the process, versus which products or processes will most likely have lower customer take-up. This will therefore be a more pragmatic business investment as it will have a lower upfront cost by using more human workflow and not trying to implement perfect data.

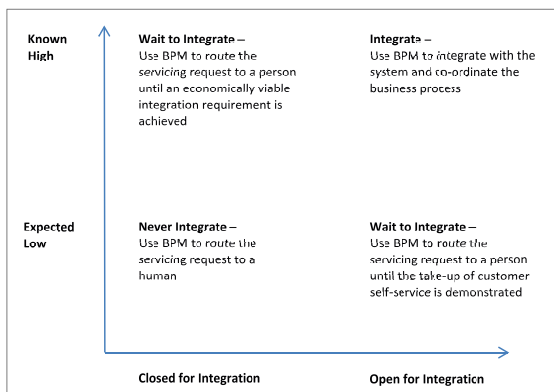


A matrix for selecting business investment in forms based capture

## Complex integration and human workflow

The multiple legacy policy or account administration systems an organisation has are commonly aligned with products sold for a specific period. Once sold in the retail banking, life, pensions, and wealth management arena, the products can have a life cycle that is upwards of 20 years. Migrating all of the policies or accounts from a 15 year old system for a product no longer sold is unlikely to make economic sense. The IT systems of 15 years ago were only just beginning to become open for integration, therefore organisations are also faced with updating information on systems that are difficult to integrate through any mechanism but screen scrape.

This creates a challenge in that a system that can easily have between 10% and 30% of your book of business has the most complex user interface and a data structure that is not easy to use through modern web services. BPM solutions can help change the approach by not forcing organisations to integrate everything at one time and, as a result, change the cost/benefit equation to achieve self-service on the web without having the incumbent costs associated with perfect data capture and complete integration.



*A matrix for selecting integration versus human process*

For business processes that have either a high cost of integration or an unclear expected take-up, it would be more pragmatic to capture the request online and then use a BPM solution to route the customer's request to a person to actually complete the process. As the customer demand for the process becomes clearer and recorded at an activity level, it becomes easier to target specific integration opportunities that demonstrate the in-year return on investment, while leaving some parts of the process as tasks for people to pick-up.

## Aligning customer self-service delivery costs with business benefit

Being able to separate the challenge of achieving a perfect customer based data capture from the integration costs of automated updates to all your existing systems affords organisations the opportunity to change cost/benefit on cross-over points. As you explore the process challenges related to customer self-service, it is also important to ensure your new process issues are being managed in addition to your existing ones.

### About DST

DST Business Process Solutions, a wholly-owned subsidiary of DST Systems, Inc., is a trusted provider of technology-based service solutions to the world's best known insurance, retail and commercial banking, utilities and media communications organisations. AWD®, our intelligent business process (BPM) and case management application, is used by over 440 clients to align people, technology and departments to execute effective operations. For over 20 years, our clients have used AWD to reduce cost, improve customer service, ensure compliance and improve overall operational efficiency. There are now over 200,000 AWD users within the DST family of organisations, partners and clients.

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