



Financial Services

Creating New Value for Your Customers
with Product Information Management

Streamline product information management to give your customers more personalized products and services.

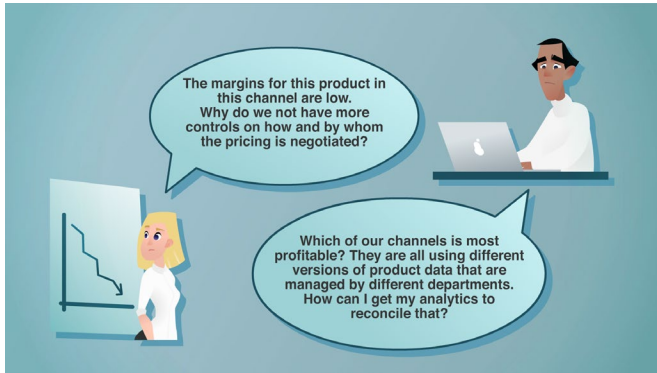
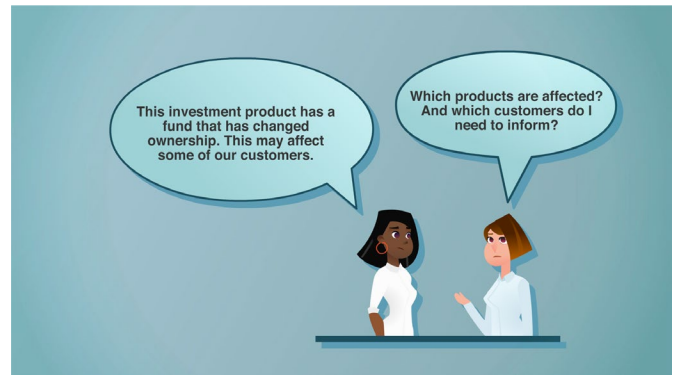
Retail and manufacturing have been using Product Information Management (PIM) successfully for many years. The financial services industry faces many of the same challenges that product manufacturing and retailing industries face when it comes to managing their product information, despite not actually producing or selling physical goods.

Product information management processes in banking and insurance have become increasingly complex, constituting a growing number of people, organizations

and tools. These PIM processes are under constant pressure to become more transparent in support of regulatory compliance. At the same time, the performance of product information management is increasingly linked to being able to rapidly and adequately respond to changes in consumer demand incorporating new types of personalized products and services. For the customer-centric enterprise, these challenges need to be addressed by establishing a unified business process for the creation and distribution of product information.

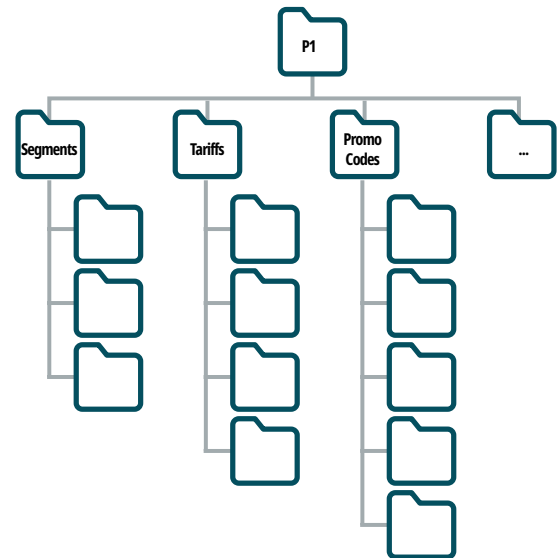


The problems caused by a lack of unified product information management are pervasive and affect all departments, as well as customers.



Resolve complexity by moving from management by spreadsheet to logical product hierarchies

FEATURES PRODUCTS	F1	F2	F3	F4	F5	...
P1 version 1
P1 version 2
P1 version 3
P1
P1 version 10
...



Prevent customer churn – Customers are no longer just getting product information from their financial advisors

Like many of their manufacturing counterparts, financial services companies have seen the needs and behaviors of their customers rapidly evolve. Customers' expectations are trending towards consuming products and services that suit their individualized needs and provide solutions rather than be off-the-shelf, one-size-fits-all. Likewise, in selecting their products, customers are no longer only seeking advice and information primarily from financial advisors; they are increasingly looking for guidance from alternative authoritative and social sources.

As customers become more informed before making spending decisions, effective management of product information – its availability, quality and insightfulness – has become a critical part of establishing a competitive advantage. In order to maintain and nurture the value of the products and services being provided to customers, financial services organizations must become both more agile and better in control of the development and delivery process of product information.

Offer your customers personalized products and services – Good product information management processes are key to developing customer-centric products and services

In banking and insurance, similar to retail and manufacturing, achieving customer centricity requires much more than a single view of your customers across the enterprise. It requires up-to-date and accurate product information that goes beyond the provision of elementary product details. Product information must also provide options to describe how customers might personalize and configure their solutions to better meet their requirements. Additionally, product management processes should enable the bundling of products and services that create new offers, better suited to specific demographics or solution requirements.

The Financial Advice Market Review, FAMR, survey of 2018 indicates that half of all adults in the UK received at least one type of information guidance related to investments during the 12 months where 24% of sources were private sector money advice websites.

For example, a Student Tranquility Package includes: Travel insurance, car insurance, car loan and access to remote digital advice for healthcare.



Support your distribution partners – Up-to-date, coherent and informative product information is vital to make sure your customers can make informed choices

Retail bankers, asset managers, insurance brokers, independent financial advisors (IFAs), all need accurate and complete product data to support *engaging*, customer-facing operations. Sales and advisory services use product information to help detect cross-sell and upsell opportunities. For self-service, an accurate understanding

of the customer profile, products sold and the parameters under which they are eligible for change, is indispensable for it to function properly.

Do you consider open banking a disruptive opportunity? – Open banking may oblige financial services organizations to re-think what a product is

The dramatic increase in the type and nature of business partners has necessitated the development of a complex ecosystem of information intense APIs. Product information has grown in size and complexity to service these new interfaces. Open banking regulation is expanding to allow customers more control over how they share their transactional information. As a result, banks and insurance companies will need new sources of information to share the description of the products and services being sold and consumed with the business partners that participate in open banking initiatives.

Open banking has the potential to be a disrupting technology that forces financial services organizations to re-think the very nature of their product portfolio. In collaborating with banks and using open banking technology, fintechs, in particular, are driving new types of financial products and services. As banks are driven to provide APIs that allow access to customer information, arguably, these APIs themselves are becoming new products and services.

Create transparency in your data processes – Compliance requires excellence in data governance

Product information is also key to supporting a range of compliance initiatives. The PRIIPs compliance in Europe, for example, requires products to be described with regulated characteristics to aide in consumer comprehension. Regulatory supervisory reporting, such as that required by the ECB, needs the most up to date product and securities reference data to describe trades. Not only do regulators, and indeed customers, continue to dive ever deeper into the data, but also the process by which it was created and those accountable for its development.

Why do some banks and insurers have problems with their product information?

Islands of product information management hamper business objectives

Effective management of product information is hampered by disparate silos of organizations, processes and data. The financial services industry has traditionally operated according to a departmental or system-centric model that has resulted in a multitude of data silos across the enterprise. For example, consumer credit is autonomous to card services, wealth management is disconnected from regular account services, insurance for property and casualty is operating independently of that for the life business.

Add to this the complexity of integrating legacy systems and processes into an existing enterprise due to merger and acquisition activity.

Across the sector, companies need more transparency in the process that creates and distributes product information

Having a silo-based approach makes not only establishing controls and transparency onerous but also restricts the ability to combine and relate products in a way that would support a customer-centric approach.

Create good data processes to make your product information fit for purpose

The PIM lifecycle is a business-owned process that centralizes important functions, such as collating information, product development, offer management, eligibility, pricing definitions and distribution.

Collate source information

Products will generally be described using information that is available from already existing sources, both internally, such as product reference data systems, and externally, such as third-party product producers or market information providers. Data will need to be collected in a way that keeps lineage information intact and organized to facilitate its management.

Build product and offer components

Typically, the workflow process starts with different stakeholders collaborating in the design and development of product base components, for example, a payment card or savings account. Products usually have variants which inherit most of the description of the base product by adding additional information to characterize them more uniquely. For example, a savings account base product will have variants that describe sub-types such as current accounts and fixed-term savings accounts.

Assemble offers

Offers are the commercialized packaging of product components that can be sold. They have unique identifiers in a similar way that a barcode enables a packet of breakfast cereal to be uniquely identifiable. They might be sold individually or joined together in a bundle to enhance their customer appeal. For example, "New Customer Package" may include a number of offer components such as a savings account, current account and card services. Generally, an offer will have customer configurable components, for example, choosing to receive information by electronic communication rather than by print.

Define eligibility, compliance, distribution and pricing rules

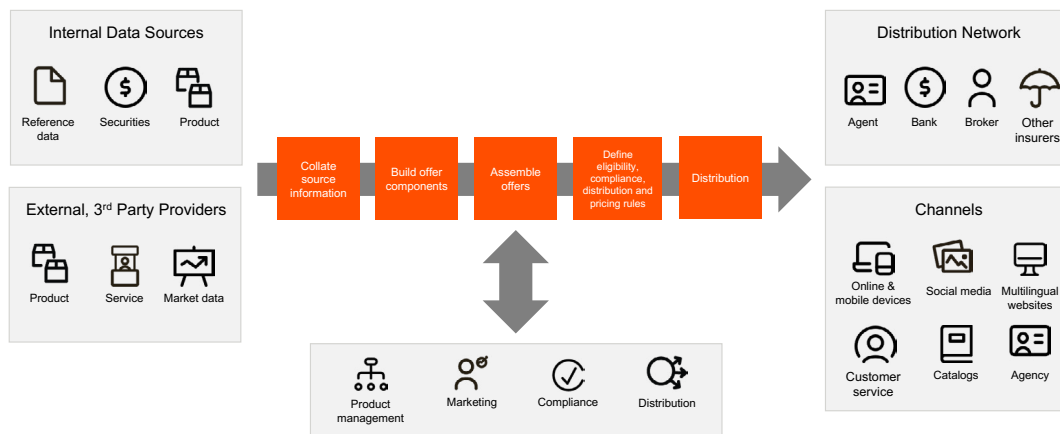
Offers may have rules that govern the conditions under which they should be sold. For example, a cardholder must be over 18 years old. Distribution rules will support sales models that distribute some products only under automated channels and for selected segments of customers. Pricing rules may have preferential treatment for customers of certain segments or loyalty status.

Additional information as required by certain types of distributors will also need to be collated and prepared so that the product and all its related informational components, such as informational documents, are complete.

Distribution

As product information touches so many different end points, including those that are not part of the financial services provider's direct ownership, such as social media, the control and transparency of the dissemination process is crucial. Indeed, some channels, e.g., independent financial advisors will need information related to the compliance of their activity. This may include customers who need to be aware of mandatory information before subscription.

Unified process for the creation and distribution of product and offer information



From conception to distribution; the product information management lifecycle for financial services organizations

Three key advantages of a unified product information management strategy

Improve customer experience

To support customer experience-related initiatives that promote loyalty, implement an enterprise-wide data governance strategy for product information management, such as:

- Build and maintain product bundles that are flexible and can be customized to an individual's requirements
- Deliver a seamless experience with consistent product information across all channels and lines of business, including in-branch, print, web, mobile, bots and call center
- Optimize product pricing and eligibility criteria to take advantage of market conditions and maximize profitability

Reduce costs and complexity

Implementing a single, consistent view of product master data across the enterprise delivers significant operational efficiencies and improves business performance in areas that include:

- Facilitating the timely roll-out of new products and services by automating the controls on the collection, enrichment and distribution of information
- Managing product changes entirely by the business, rather than by the IT department
- Reducing time and cost in integrating product information across departments

Comply with regulations and enhance transparency

All industries face government regulations that require diligence and responsibility to manage.

Ensuring compliance with current and emerging regulations requires banks and insurers to be able to:

- Centralize the management of eligibility, terms and conditions associated with each product to ensure information quality and consistency
- Enforce robust, transparent, data governance and compliance processes, to support authorization, audit and regulatory oversight
- Analyse and report on controls and actions against product information

Get more information about PIM solutions at

Stibo Systems' Product MDM pages

About Stibo Systems

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