

Managing the Growth Cycle

By David Hamilton-Matthews, Global Head - Banking Solutions Group, Fiserv CBS Worldwide



In an era of choice, customer retention and growth is high on every banker's agenda. So how do you target and keep the right customers, develop compelling products and services, process business efficiently; convince customers that you value their business and assure shareholders that you manage risk?

The answer lies in a concept that converges customer relationship management (CRM), business process orchestration (BPO) and risk management into a single cohesive practice: customer lifecycle management (CLM), which is fast becoming the catalyst for sustainable organic growth. Recognised by a number of leading UK banks and championed by companies such as Fiserv, CLM is a customer-centric model, which allows banks to "tailor people, processes and technology to respond to customers like never before" (Meta Group). CLM solutions help banks:

- Integrate and enhance data gathering and analysis
- Create and leverage a powerful knowledge base of customer accounts, relationships and aspirations
- Fine-tune marketing and target products, price and service offerings effectively based on behaviour, risk, lifestyle and propensity to buy
- Quantify the lifetime value of each customer
 - Use every customer interaction as an opportunity to respond, build trust and sell
- Manage risk with every customer sales or service encounter
- Increase operational efficiency and accurately measure business performance

Within CLM is the realisation that customers move between life events that directly impact their banking relationships. For personal customers, school, marriage, birth, employment, unemployment, divorce, remarriage, retirement and bereavement require different institutional actions to meet changes in consumer need. For commercial customers, business start up, market and product expansion, acquisition, or business closure drive different lifecycle decisions.

It is no longer enough to expect customer loyalty through lack of choice. Nor can banks make occasional mistimed strikes into the customer relationship. Sophisticated cus-

tomers demand consistent, well-timed and relevant interaction with their institution, which can only be provided using CLM. CLM gives banks the power to:

Target business effectively by refining customer information into a powerful knowledge base which uses sophisticated customer modelling to determine lifestyle need, risk and propensity to buy.

Attract and transition suspects into prospects with minimal effort and maximum efficiency by allying your value proposition to the customer's intent and feeding the results of customer interactions back into the knowledge base for future targeting.

Acquire: turn interest into business by automating processes, integrating risk assessment and streamlining fulfilment.

Service customers by using process-enabled business applications that simplify interactions, reduce complexity and enable staff to focus on the customer and not the systems.

Retain hard won clients by identifying defining moments and previously hidden threats and forecasting attrition, enabling you to plan and execute retention campaigns.

Grow and deepen customer relationships over time. CLM enables you to predict customer requirements, create flexible products and services based on customer need and fine tune marketing activities and processes to deliver better ROI.

It is not sufficient to enact one stage well, for CLM to thrive banks must succeed at every stage. Datamonitor asserts that updating systems for lifestyle marketing is a necessary investment to maximise future success and one that companies ignore at their peril. At Fiserv we see this as only part of the picture. For organisations to maximise organic growth and outpace their competitors, CLM must be seen as an integrated and continuous business cycle that transitions opportunities effectively and efficiently throughout the complete lifecycle.