Digital Advisory Services for Financial Institutions
The Digital Challenge

New digital offerings, managing partnerships and competition, the use of new technologies, the empowerment of employees, as well as applying a constant change with the increasing regulations, are the greatest challenges financial services organizations are facing with digitalizing their business. The ongoing digital transformation does not only present strategic challenges but also needs structural and organizational alignments.

To ensure future success financial services organizations need to create a business model that uses "digital" to drive customer experience as well as organizational efficiency and IT excellence taking external forces into account.

<table>
<thead>
<tr>
<th>Enablement of digital client relationships</th>
<th>Digital workforce enablement</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Banks will offer digitally: Self-service, assisted advisory and predicted support to their clients.</td>
<td>• Staff feels empowered and more confident to sell a much broader range of products.</td>
</tr>
<tr>
<td>• Banks with ease reactively or proactively digitally engage with their clients.</td>
<td>• Staff collaborates actively with colleagues and is efficiently assisted in the sales and client advisory process.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Experience design &amp; customer centricity</th>
<th>Fully digitalized branch of the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Banks get better engaged with the customer and have the ability to easily satisfy their needs and wants timely.</td>
<td>• Branches will focus on key complex products and offer a more personalized advisory services.</td>
</tr>
<tr>
<td>• They reduce costs through self-service and improve loyalty and trust through activities quickly and simply.</td>
<td>• Branches will reflect customer journeys and understand where the client is.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Omni-channel communication &amp; distribution</th>
<th>New ecosystems &amp; business models</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The branch capability has been re-oriented/re-modelled based on how digital fulfills journeys.</td>
<td>• Banks provide a broader offering from outside their core to give more value to the customer and get better customer engagement and advocacy.</td>
</tr>
<tr>
<td>• Customer journeys and customer context is managed across time and devices.</td>
<td>• FinTechs offer less complex banking services with fewer channels and a focused set of customer facing services.</td>
</tr>
</tbody>
</table>
Your issues

• How should your business strategy include "digital" and how do you differentiate from the competition?
• Does your organization understand to manage the changes driven by disruptive technologies?
• Which governance does your organization need to sufficiently support digital initiatives?
• How do you ensure your clients’ expectations are met throughout their customer journey?
• How far does your organization support customer interaction over digital platforms?
• Are appropriate skills and expertise available to implement digital initiatives?
• How do you cope with the rapidly evolving FinTech competition?
• Do you have a proper understanding of the technologies available to support your business?

How we can help

• Define the digital ambition and objectives as part of the clients business strategy.
• Analyze and define digital business models to differentiate yourself from the competition.
• Analyze and implement a digital governance model sufficiently supporting innovation.
• Enable a cultural change and ensure a digital mind shift at your organization.
• Design and implement a comprehensive digital banking suite.
• Design and implement a sustainable digital client onboarding solution.
• Analyze digital business enabling technologies to ensure a proper tool support.

Value Proposition of our KPMG experts

• Many years of experience in banking, especially in the Swiss financial services industry.
• Profound knowledge of digital transformation themes, challenges and solutions to respond.
• Access to KPMG methodologies supporting your organization’s digital transformation.

KPMG’s Services

**Digital Strategy:** Definition of the digital ambition and objectives as part of the client’s business strategy as well as analysis of digital business models including the evaluation of services based on innovative technologies to differentiate.

**Digital Governance:** Analysis, selection and implementation of digital governance models (incl. innovation management) to enable the cultural change and ensure a digital mind shift at the client.

**Digital Banking Suite:** Design and implementation of a comprehensive digital banking suite (e.g. client onboarding, online mortgages, credit calculators, voice banking) to provide additional self service functions to clients and prospects.

**Digital Client Onboarding:** Design and implementation of a sustainable and compliant (GwG, VSB, FATCA, etc.) digital client onboarding process to enable clients to onboard themselves via digital channels and to support client advisors efficiently in the banks’ branches.

**Innovation through FinTech:** Support with the navigation through the changing financial services landscape by using a four stage process from ideation, to planning, to incubate through to scaling with accelerating the execution.

**Innovation through Technology:** Analysis of digital business enabling technologies, market analysis and technology sourcing (RFI, RFP) as well as technology implementation support.
Our daily work consists of delivering advisory services that help banks to adapt to new digital business models, implement innovation products and digital services and drive specific business outcomes in order to achieve continuous innovation and competitive advantages.

Benefits for KPMG clients

**Customer Centricity** – Better insights into customers’ preferences and desires as well as higher customer satisfaction and lower churn.

**Process Efficiency** – Lower costs due to streamlined processes and enhanced compliance with regulatory requirements.

**Capabilities & global presence** – Access to KPMG’s broad set of global assets in Financial Services, IT Advisory, FinTech and Compliance.

**Experience & expertise** – Core team of advisors with many years of experience in the Swiss banking industry.

**Independence & objectivity** – Agnostic identification of solutions and independence from technology or suppliers.

**Credentials**

<table>
<thead>
<tr>
<th>Financial Services Organization</th>
<th>Swiss Cantonal Bank</th>
<th>Several Swiss Cantonal Banks</th>
<th>Global Banking Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Maturity Assessment and development of amendments to the business strategy.</td>
<td>Design and prototyping of a regulatory rule engine supporting their digital client onboarding process.</td>
<td>Requirements analysis, technology review and provider selection of digital wealth management solutions.</td>
<td>Continuous market scanning and analyzing FinTechs to assess their impact on the client’s business model.</td>
</tr>
<tr>
<td>2016</td>
<td>2017</td>
<td>2016</td>
<td>2016-2017</td>
</tr>
</tbody>
</table>

**Contacts**

**KPMG AG**
Badenerstrasse 172
PO Box
CH-8036 Zurich

[kpmg.ch/consulting](kpmg.ch/consulting)

**René Koets**
Partner
Head of Management Consulting
+41 58 249 42 69
rkoets2@kpmg.com

**Hendrik van Gammeren**
Director
Leiter Shared Services & Outsourcing Advisory Financial Services
+41 58 249 59 29
hvangammeren@kpmg.com

**Christoph Marschner**
Senior Manager
Management Consulting
+41 58 58 249 30 05
cmarschner@kpmg.com

© 2019 KPMG AG is a subsidiary of KPMG Holding AG, which is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss legal entity. All rights reserved.

Digital Advisory Services for Financial Institutions
October 2019