

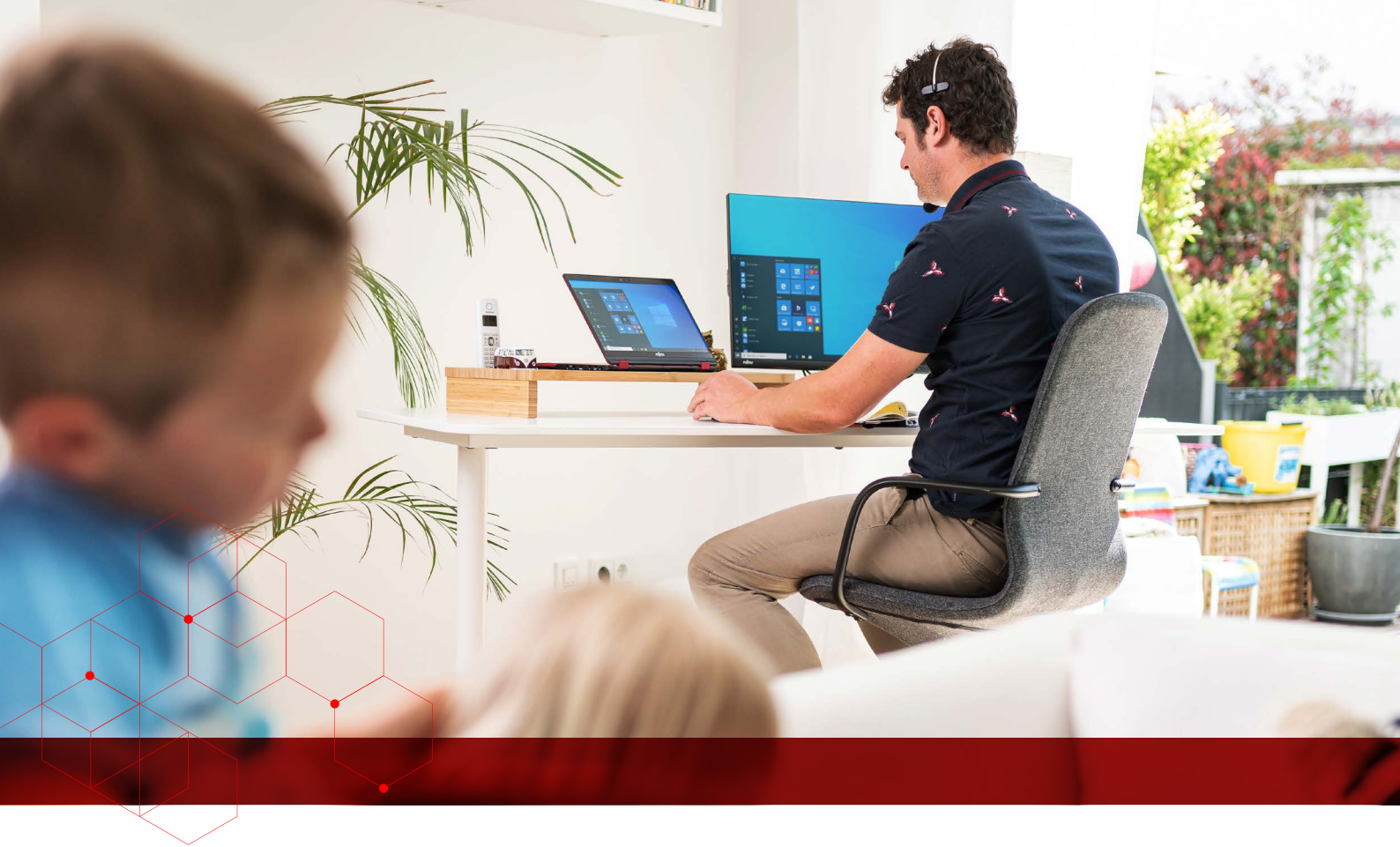


Reimagine the financial sector with Fujitsu



How financial services can provide value for customers and employees in the next normal

shaping tomorrow with you



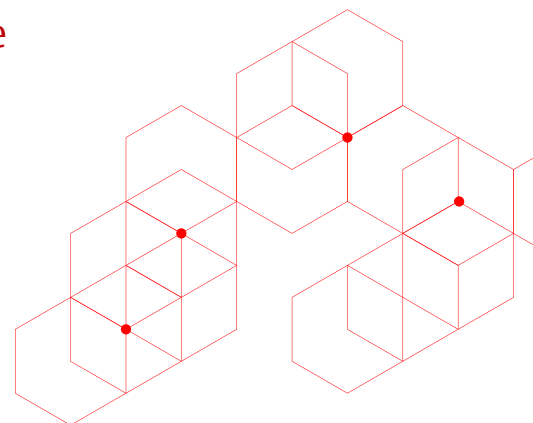
How to transform and accelerate recovery

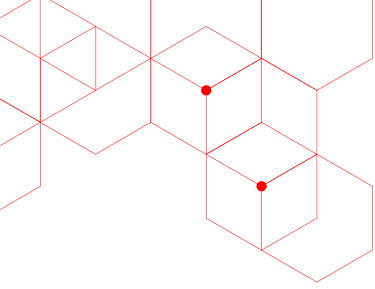
Almost every industry is in some state of recovery right now. And while the financial services sector wasn't the worst affected by the crisis, it too has been shaken to its core and needs to rebuild its offering for a changed world.

But as uncertain as the future may currently seem, disruption is also a powerful teacher; and the changes many businesses have initiated or accelerated over the last year have been significant.

With employees no longer able to come into work as, overnight, branch offices had to be closed, banks and insurance companies had to rapidly rethink the services they provided online. The task also involved the mass migration of thousands of employees to remote ways of working, and all the regulatory compliance challenges that came with this.

The sheer necessity to react led these organizations to achieve impressive feats, with most managing to maintain most of their operations all the way through 2020 by acting fast to expand their digital offerings.





However, it is important to remember that the financial services industry was already grappling with issues before the pandemic struck – trust issues. In fact, just over a third of customers said they trusted financial services businesses, according to a report Fujitsu released shortly before the health crisis began.

And despite the emergence of cloud native financial startups that only offered online services, traditional financial services organizations still primarily relied on in-person services to foster and maintain trust with customers. From cashiers to wealth advisors, these customer-facing employees were the ones tasked with building the relationships that formed the foundation to their offerings.

As a result, many banks and insurance companies failed to invest in the digital transformation projects they have recently been forced to initiate at pace. Since these financial services organizations saw in-person services as central to their customer experience, an ‘if it isn’t broken, why fix it’ mentality pervaded the industry.

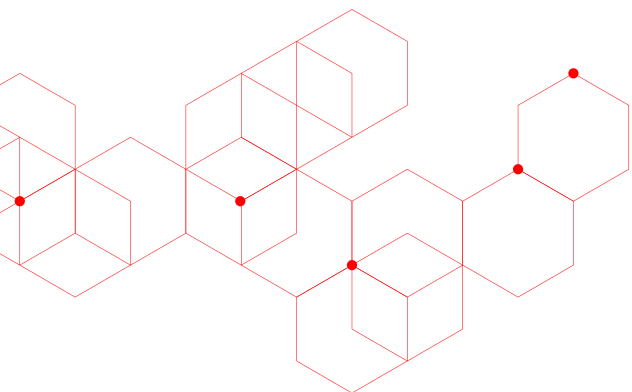


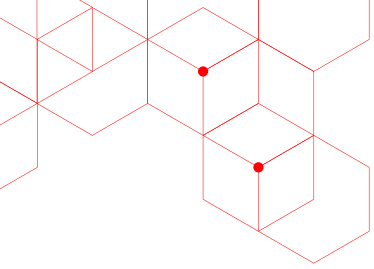


So, while in the short term, many of these businesses have been able to stave off many of the initial blows the crisis dealt last year, as we enter the recovery period, it is important that these financial services firms recognize that their offering has fundamentally changed.

After a year of conducting all their personal and professional duties from their homes, what customers expect digitally from brands has grown, along with what they're now comfortable doing online. But in that same breath, the pandemic is also unlikely to have made customers any less reticent about conducting multi-million-dollar transactions online without the involvement of a human at the helm.

This will be the balancing act financial services organizations will need to perform, by planning for how they expect customer behaviors to change in a post-pandemic society, while also taking into consideration how all these disruptions will accelerate changes the industry was already expecting.





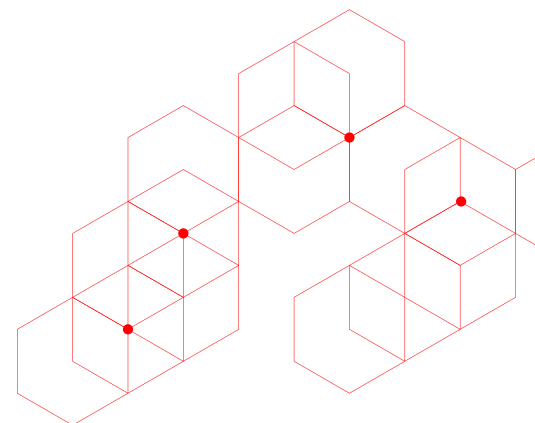
The age of the open data economy has drawn closer

The financial services sector was already on a technological trajectory before the pandemic hit. One plotted across a much longer timeline that would see all industry verticals (such as fintech, ecommerce, manufacturing, etc.) eventually converge into what would be known as the open economy.

We already have an example of a business operating in this manner today – Amazon. Amazon defies the ways we currently classify businesses: is it a retailer? A pharmacy? A cloud storage business? A content provider? The answer is yes to all the above.



China's estimated 700 million middle class citizens are similarly driving an open economy, and the region offers an insightful glimpse into what experiences customer demand will foster in coming years here in the west.



And with the behemoth making numerous fintech investments in recent years as well as the fact that it already provides cloud infrastructure to several challenger banks, there's no reason to expect [Amazon to be any less relentless in the financial services sector](#) as it has been in any of its other exploits.

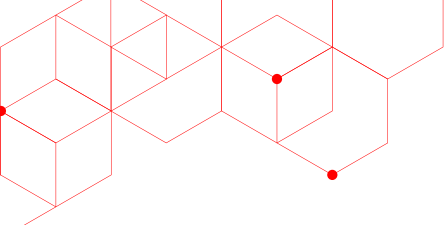
But more importantly, big tech is showing the world that it can work within the financial services sector without needing to even take on 'bank' or 'insurer' labels. Google, for instance, while claiming to have ["no intention of becoming a bank," in the same breath announced new features to its Google Pay service and the launch of Google Plex.](#) And it's true as, despite expanding the firm's financial services ecosystem, neither service makes the tech company any more a bank.

Practically all citizens use one of two leading platforms – WeChat and Weibo. And while these are social media platforms, Chinese users can also use them to shop, handle their finances or order food in a restaurant.

Looking deeper, however, these platforms have become ecosystems around which countless other developers can create apps for users. On WeChat for example, there are more than [3 million additional mini programs for users to pick from to help them do anything from book a doctor's appointment, order a taxi or even apply for a business loan.](#)

So, it's clear that when customers can, they prefer being able to access multiple services through one integrated platform, as it offers them the most seamless and unified user experience. And as it becomes clearer that data is the propellant that will fuel the next economy, organizations with a plethora of customer data – such as those in the financial services space – have slowly been heading towards this future, looking to their data to offer them new avenue to generate revenue.





Beyond Banking

In the financial services industry, this shift towards the open economy is often referred to as 'beyond banking', and some organizations have already begun making headway towards this seamless future.

Some banks today are doing this by acquiring smaller businesses that allow them to stretch into tangential sectors such as business registration, payment processing, digital transformation, human resources, payroll and even fuel savings.

So, while dealing with the fallout of the pandemic may have taken center stage last year, as we proceed into the future, all signs show that the virus is also accelerating our transition to an open economy.

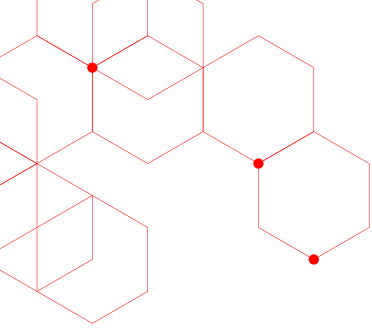
In 10 years, we may see our world polarized around five main platforms that combine all the services we regularly use, around which a few hundred smaller, more specialized platforms orbit, enabling a myriad of other services.



People may subscribe to just one platform that provides all their needs and best corresponds to the experience that they feel meshes with their personality and expectations. They may even become fiercely loyal to that one platform, much like the brand loyalty displayed by consumers who would only wear Nike or Adidas clothing 20 years ago.

The beyond banking ecosystem puts a very real ultimatum in front of financial services organizations, one that a large checkbook simply won't be enough to achieve alone.

Functioning in an open economy requires businesses to fundamentally reimagine the way they conduct operations and many of these changes run in reverse to how they currently operate. Meaning there are some big hurdles these businesses need to overcome first.



Barriers financial services businesses must overcome to access the open economy

1. Failing to formulate a relevant value proposition

A key aspect to consider when attempting to shift the objectives of thousands of employees is to ensure you give them a clear objective to aim for in the first place. Before the pandemic, there were numerous instances of financial services organizations trying to formulate new – or redesign old – value proposition strategies for their workforce, only to have to later scrap them due to poor uptake.

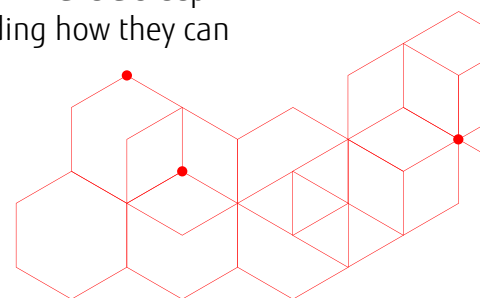
2. The impatient customer

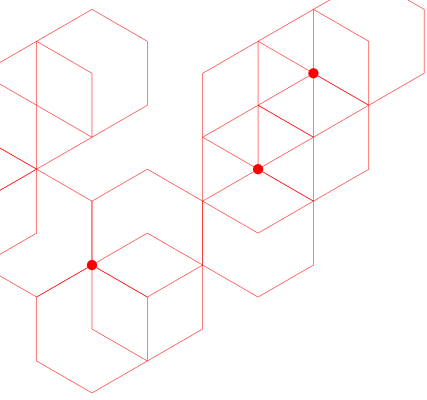
Unlike big business, customers can move incredibly fast, and thus, rarely have the patience to wait for financial services organizations to adequately redefine its objectives while there are dozens of shiny new, cloud-native, fintech challengers offering them brand new experiences and ways to handle their finances, today.

3. Underestimating or misunderstanding the potential of tech

Many financial services institutions lack a full understanding of what's truly capable with technology today, and that they can now implement transformative solutions across the entire organization. For instance, firms can start phasing out static credit scoring algorithms that focus on past behavior in favor of more agile and dynamic models. Or they might start implementing digital re-mortgage services that simplify and speed up the application and acceptance process for homeowners and provide the organization with a more accurate risk model. Instead, there are businesses still experimenting with emerging technology at a surface level or are simply afraid to really engage due to regulatory concerns. So, they don't, for example, fully appreciate how AI and automation can deliver value for their business in a controlled way.

As such, some financial services business leaders still have a steep learning curve ahead when it comes to understanding how they can turn emerging technology into business value.





How do financial services firms begin to reimagine their future?

Despite all the drastic disruption the pandemic unleashed, the plan hasn't really changed, although its urgency has been ramped up somewhat. For financial services businesses to prosper in the next normal and win back their customers' trust, they'll need to strike the right balance between technology and people.

These two elements are so interwoven that without enhancing both elements in the right ways, this balance won't be met. The power of technology needs to be leveraged to not only constantly improve consumer experience, but also to free employees from more mundane tasks so they can engage customers on a truly human level, as often, these interactions are what makes the most difference.

It comes down to putting people at the heart of everything you do – ensuring you innovate in a human-centric way.

To summarize, financial services organizations need to achieve three vital objectives:

1. Transform the customer experience

By proactively and responsibly releasing new services and products with an aim to improve their customers' experience, they will begin to steadily rebuild their trust and loyalty.

2. Deepen employee engagement

Businesses need to leverage the powers of digital in order to unencumber their workforces from mundane work. This gives them room to focus on the creativity needed to add greater value to the lives of customers.

3. Accelerate their digital ambition

Only by driving rapid internal innovation will any financial services organization be able to stay ahead of the ever-changing needs and desires of their customers, in an ever-changing world.

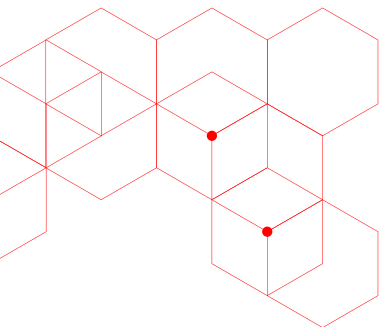




How Fujitsu Reimagine helps financial services organizations realize a brighter future

Fujitsu Reimagine helps financial services organizations drive towards a trusted future at a time when everything is more than a little uncertain. Now, more than ever, customers need the reassurance that businesses in the financial services sector can adapt to their needs at speed and with ingenuity, while remaining secure and solid.

This means that our financial services customers know that when it counts, they will be supported as they reimagine their **employee experience**, **customer experience** and **everyday operations**.



Leading from the front to reimagine the employee experience

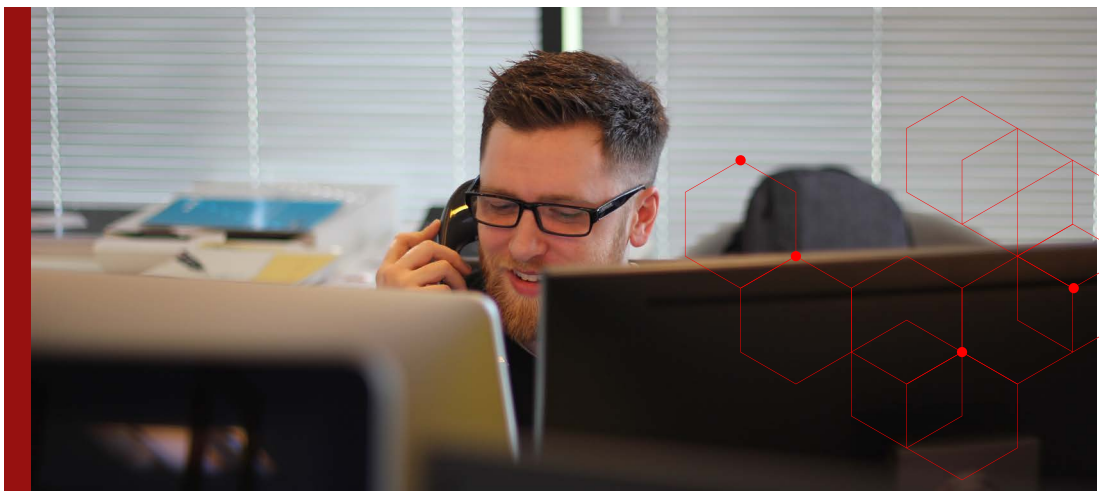
As business leaders, it's time to grasp responsibility and make the necessary changes to ensure that employees are empowered and happy. Investments will need to be made to ensure that happens, and it will cost more than money.

At Fujitsu, we understand the importance of engaged employees. Looking beyond financial services, it's vital to deliver a digital employee experience that acknowledges the new realities. Fortunately, much of the future workplace technology to deliver that – remote working and seamless own-device capabilities, for example – is now mature, well-understood and available from stable technology partners who form part of Fujitsu's ecosystem.

To do this, we use technology to empower the natural working styles of employees and enable them to work safely and productively from wherever and whenever they want to. AI and machine learning also help reduce their amount of mundane work by helping automate repetitive tasks.

Whatever your [reimagined workforce](#) needs to look like going forward, the key to meaningful progress is that the employee experience must be at the heart of whatever decisions and investments are being made that will dictate the future normal for the business. These decisions must take account of the new pressures faced by employees and should accommodate them, as well as empowering employees to stay productive.

This Forrester report, "[How to Adapt When Your Workforce Ecosystems Are Breaking](#)", details the ecosystems that employees rely-on every day and gives leaders insight into how they need to make decisions that allow these ecosystems to support their reimagined workforce. FUJITSU Work Life shift solutions can help you develop appropriate future workplace strategies, and we can demonstrate how to implement them at pace to achieve the agility and resilience needed for post-pandemic life.



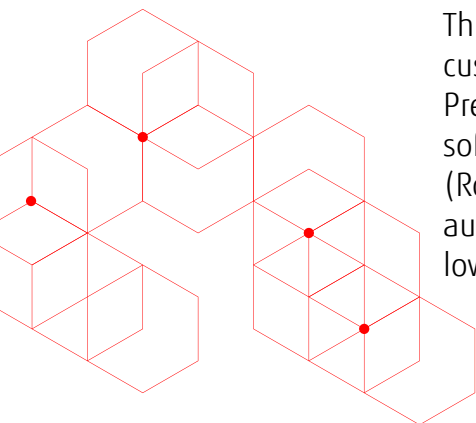


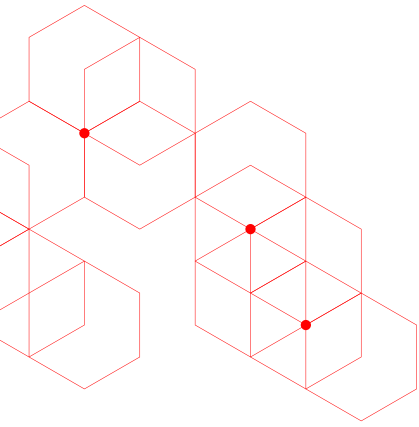
Adapting customer experience

Fujitsu can help to ensure our financial services' customer offerings are more digital and instant, so their customers can safely and securely access them from wherever they happen to be, whenever they choose.

To successfully enhance customer experience in financial services means better analysis of data. The banking and insurance sector has always been data-rich because their customer transactions generate vast volumes of information – historical data, current data, and projected data, etc.

This makes AI an incredibly powerful tool when it comes to improving customer experience, as it can be integrated into any application. Predictive maintenance can be used to anticipate machine or software failure, meaning fewer broken ATM machines, and RPA (Robotic Process Automation) and machine learning-based hyper-automation can help reduce fraud, which has the knock-on effect on lowering insurance premiums.





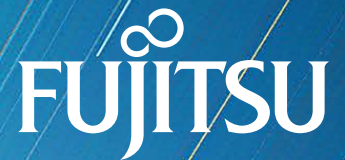
Improving everyday operations

Fujitsu can also help financial services businesses rid themselves of internal inefficiencies by targeting automation to cut costs and eliminate errors, as well as ensure that financial services businesses are more resilient.

Real-time optimization has historically been impossible, because the number of options is beyond the capacity of conventional digital computers to answer quickly enough to be commercially viable. Quantum computers have been the only technology capable of circumventing this barrier, but the technology is still very experimental.



Fujitsu's Quantum-Inspired Optimization Services (QIOS), however, brings the functional benefits of quantum to businesses today. Technology such as our digital annealer goes far beyond the capabilities of an ordinary computer and allows banks to be 'Always Optimal' and drive more productivity and efficiency gains by allowing them to react faster and more fluidly to changes and opportunities.



shaping tomorrow with you

Finding the perfect partner in Fujitsu

Reimagine culture is already in full force within Fujitsu, so we have both the technological know-how and business awareness to help financial services organizations make the transition. We know how to translate strategy into action and generate a return on investment, fast.

Fujitsu can turn emerging technologies such as AI and quantum into mature and executable technology within organizations very quickly, while also helping to address fundamental issues like legacy technology modernization.

This means our assistance can begin to create a positive and meaningful impact on customer experience, and ultimately, revenue. And as we share the risk with our customers with our SaaS program, you know we have a vested interest in seeing you succeed.

So, get in touch and let's see how we can
Reimagine your financial services business future.

Learn more at:

www.fujitsu.com/global/solutions/industry/financial-services/