



WHITE PAPER

Putting the face back into finance

How video collaboration can help organizations attract customers, recruit talent and improve productivity in the age of global business.

Introduction

The rapid changes in technology have driven business changes in the financial services industry in recent decades. The principal two driving forces have been in telecommunications and computing, including the rapid rise of the internet.

The intersection of these against the backdrop of the 2008 crisis has seen the rapid rise of FinTech firms—new financial services firms and new technology firms serving consumers and businesses.

Although their market share is relatively low at present, it is growing fast and their “mind share” is high. In particular, financial institutions are racing to keep up.

There are two countervailing trends for both incumbent financial services organizations and new start-ups.

In one direction, we have increasing automation—we often prefer to use a digital entry point, such a smartphone, tablet, or ATM.

In the opposite direction, for more complex transactions (think pensions and all the rules and regulations around them) and increased complexity means the need for human input is greater than ever.

As we shall see, it is this latter factor—greater need for human interaction—against the background of pressures on profitability that leads to video communications being an absolutely pivotal way to “square the circle”.

Automated transactions vs human interaction

Smartphones in our pockets have led us to expect to be able to conduct transactions and obtain information where and when we want in all aspects of our lives and banking is no exception. A [fascinating quote](#) from Ross McEwan, Chief Executive of RBS Group:

*“Do you know what our busiest bank branch is in the UK?
It’s our mobile app on the 7.15am train to Paddington.”*

It’s an important point to note that transactions in branches are estimated to [cost as much as 50 times those on a mobile](#).

However, not all interactions can be conducted this way. For more complex transactions, we still need advice from people who can listen to our requirements and present us with options that suit us as individuals, and we want that advice when and where it suits us.

In an era where we Skype our relatives on the other side of the world it feels increasingly antiquated to have to go into a branch and meet a mortgage advisor. Especially when bank profitability means they are under pressure to cut back their network.

The logical next step is to use video to match customers with the right expert when and where they need them. And not just a video call, one needs to include content sharing and editing that allows an advisor to help customers complete a loan, pension, or PEP application.

In such cases (and with the weight of regulation hanging over the financial services provider) there will be a huge need for content collaboration around documentation, contracts, and terms and conditions.

Our Dual Roles as Consumers and Employees

In the above case we are, as it were, wearing our “consumer” hat.

But most of us also wear an employee hat—and the same forces that have driven our changing expectations as consumers are driving our changing expectations as employees.

Just as we have become accustomed to being consumers at “any time, any place”, we expect that same ease of access to our work tools so that we can work from anywhere. [Research from Polycom](#) found that access to video collaboration made flexible workers up to 39% more productive. This, in turn, helps organizations provide the convenience of access necessary to meet customer needs.

Extensive regulation doesn’t just apply to customer service. [SCOR Asset Management and Insurance Firm](#) chose to upgrade their old video systems to the latest telepresence technology because it better helped them meet Ethical Governance Criteria for conducting internal meetings in this way. A platform for a second level of participants who remain visible at all times was critical to achieving this.

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We have all experienced times where excess emails end up taking longer than a simple phonecall or far better a video interaction. Human communication is very high bandwidth, we transmit and absorb huge amounts of information through our non-verbal cues, so it is vastly more productive to ensure every interaction, whether B2B or B2C, includes a visual element. But it has to be easy to use.

The benefit of enabling customers and staff to collaborate wherever they are is that financial services organizations can become more agile in the way they manage the services they offer.

An aspect of financial services that can span both our experience as consumers and employees is the need for approvals. There's a huge amount of process and regulation around the provision of financial services, whether it's B2B or B2C. With video collaboration you can enable the necessary approvals in real-time while complying with the need to evidence interactions, through recording and archiving sessions in easily searchable systems.

Training

Ever increasing regulatory complexity, and gigantic fines, is driving an ever-increasing need for training.

One benefit of investing in video archiving is that you can use it in the same way you do phone call recordings; for training purposes. In fact, all kinds of training can be made available in a video content library. It doesn't just have to be 'staged' content. By using video collaboration to deliver live sessions you can enable employees from anywhere to join. It's more cost effective because you can train more employees with one session and there's none of the downtime associated with travel. By recording and archiving the sessions, participants can revisit training, repeat exercises, and reinforce the learning. Ultimately, it makes training more impactful

Fostering internal productivity and creativity

Training over video is a great example of larger organizations getting all the relevant team members 'in one room', despite geographical dispersion.

All the "big name" banks are global organizations and their challenge is how to leverage the talent that exists around the world.

Smaller organizations have a reputation for creativity. One of the simple reasons behind this is that they are better able to exploit the creative potential of their human talent as they tend to have everyone in one place, at one time. Eureka moments occur when spontaneous collaboration is made simple.

One example of a financial services organization that has been an early adopter of video collaboration to drive efficiency is [Catlin Group Limited](#). The global insurance and reinsurance underwriter has offices in 55 cities around the world, with headquarters in London. Catlin has been integrating Polycom solutions into its offices since 2009. They realised the value of video, but also that poor quality complex systems had the opposite effect on people and productivity. Their emphasis on high definition imagery and audio, and the combination of multi-party voice, video, and content means that they have seen a marked improvement in the speed of decision making. Their team can hear, see, and share as they would in a physical meeting.

Catlin has been a real trend-setter in terms of mobility and flexibility. "The integration of Polycom's RealPresence Mobile with iPads was a natural step. Everybody likes iPads; they are very effective as a presentation tool for people on the road and allow for a more flexible working environment where staff can join global conference calls across multiple time zones whilst on the move, without having to come into the office to use a meeting room," says James Stratford, Catlin's group operations manager of UK property and facilities management.

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Large organizations can replicate those 'watercooler' moments by making video collaboration the basic standard of communication within the organization. Creativity relies on spontaneous collaboration; desktop video and video-enabled huddle rooms enable spontaneous brainstorming, to find that creative spark. In this kind of environment it becomes

natural for people to create a virtual meeting room to bounce ideas around. If you can bring people in on video at the click of a button; it actually becomes easier to have these kinds of creative collaborative sessions than it does in smaller organizations where they have to physically move into a meeting room.

For some of the most established financial services companies in the world, learning to tap into the creativity employees possess is going to be the difference between playing catch-up with the start-ups and leaving them in the dust.

Hiring and keeping “talent”

Banks are already facing a ‘war for talent’ against the far ‘sexier’ FinTech startups—many of whom now have substantial funds to invest. The best employees do not want to join in standardised, “clone army” roles. This style of human resourcing is ecologically inflexible. The world changes and that fixed arrangement of standard jobs will no longer be the right solution.

It’s not only about presenting a younger image to recruits; banks have always tried to hook in customers early and keep them for life. Once you capture a young person with student overdrafts, credit cards, loans and mortgages the likelihood is they will never leave. Banks know this and they have traditionally gone after the younger market with a concentrated effort. The reality is that you are simply not going to hook many youngsters and students as new customers without some kind of genuinely “cool” angle. It’s this market that app-only banks would love to serve, and that the incumbents must retain.

The need for trust

One of the reasons, however, that the growth of FinTech start-ups has been far slower than the growth of pure technology start-ups such as WhatsApp, Snapchat, and so on, is the need for trust.

When it comes to money, people need to feel completely confident and reassured, even for small-value transactions. With more complicated transactions, the need for trust is even more critical. Most people approaching ISAs, mortgages, or other financial products are confused, or unsure of what is the best option. They need to feel confident in order to commit to a product, and to feel confident they need to trust the advisor serving them.

Trust is built much more easily face-to-face, or at least eyeball-to-eyeball through video collaboration. The nature of financial services is that there are no longer branches in every town, so people have to call a customer service center. This means they rarely deal with the same person, so being able to establish a level of trust and build upon it in a short time is crucial to delivering these services in the modern environment.

When it comes down to it, the crux of the issue for financial services, banks, insurance companies, FinTechs and more, is connecting people in a more natural way. The reason we’ve all become so comfortable with Skype is because it’s more natural to see the person we are communicating with. Whether it’s customer service, internal collaboration, or recruitment, financial services organizations need to enable that level of natural collaboration as soon as possible. They need to put the ‘face’ back into finance.

[China Merchants Bank](#) is a financial services organization that has leveraged video collaboration to grow without stretching itself too thinly. The organization expanded from a single bank outlet and about thirty employees, to one of the six largest commercial banks in China in less than twenty years. Achieving this in such a physically large and diverse country was a challenge, one that the bank met through better communications solutions. They knew that if executives could spend less time travelling between meetings, they could spend more time on business management. Building personal relationships when conducting business in China is an essential part of success so they knew the only way to balance this, whilst continuing to reduce travel, was to maintain eye-contact over video. In this way video can aid business across borders, as it makes it much easier to acknowledge local customs and build meaningful relationships.

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About the author

Mike Baliman is the producer and presenter of The London FinTech podcast, a popular online talk show about technology in the financial services sector. The London FinTech Podcast has had over 60,000 downloads in more than 120 countries worldwide since its launch in July 2014 and it gets in excess of 2,000 downloads per show.

Mike's view is that The FinTech Revolution is all about the changes that "digital" is bringing to financial services.

As well as the podcast Mike writes articles for AltFi News the leading online "newspaper" of the AltFi world

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About Polycom

Polycom helps organizations unleash the power of human collaboration. More than 400,000 companies and institutions worldwide defy distance with video, voice and content solutions from Polycom. Polycom and its global partner ecosystem provide flexible collaboration solutions for any environment that deliver the best user experience and unmatched investment protection.

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