

eBook

The Ultimate Guide on CRM for Financial Services



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The Grand Bazaar of Financial Services

For the financial services industry, everybody is a customer. From micro-loans to large corporate deals, everyone is involved in some form of transaction. With the advent of globalization and the continual maturing of economics, the driving force behind the global economy has been credit. And this means billions and trillions of dollars flowing throughout the world at the speed of thought due to the Internet. Add to this the ever-evolving technologies, apps and Internet of Things and the dynamic character of global economics becomes evident. This impacts pretty much everyone.

Simply put, Financial Services is a global industry associated with serving all financial economic transactions and its subsets. There are 2 primary groups of businesses in financial services – ‘Insurance and related services’ and ‘Banking and other financial service providers. Some examples of financial services are as follows: Investment Management, Travel Insurance, Credit Cards and Micro-Financing; to name a few. The business drivers for this industry have been margin pressures, regulatory oversight and ever rising consumer expectations.

The **global financial services market** is expected to grow from \$20490.46 billion in 2020 to \$22515.17 billion in 2021 at a compound annual growth rate (CAGR) of 9.9%. The **financial services market** is expected to reach \$28529.29 billion in 2025 at a CAGR of 6%.

The Geographies: The United Kingdom is the financial hub of the world and caters to the needs of thousands of investors. Moreover, this daily flux of capital is crucial to the global economic growth, which not only helps in getting business done, but also leads to financial services having many direct and indirect consequences on the lives of several people.

There are numerous growth markets supported by these financial hubs, like London and New York. In the EMEA, the UK and the UAE are key financial hubs, the UK being a long standing member and the UAE as a growth driver for the Middle East. Many UK citizens invest in the UAE market and there are many professional service providers, like architects, which help build the next skyscraper in Dubai.

With new secure technologies, the expectations and needs of customers have grown and financial services companies in turn also serve their customers’ needs 24X7 across various channels. The numbers are large and steadily growing across B2B and B2C channels. Customers expect personalized services necessitating a unified view of the customer across all channels.

“According to McKinsey Global Institute, the global financial markets was around \$11 trillion with a CAGR of around 6%”



The Need for CRM

Given that millions of people take part in the global financial services industry daily (and more than a billion annually), customer management becomes a complex task. In the current business era, stellar service is expected by customers and consumers alike. Customers come on different channels through different devices and technology.

However, it also adds to the complexity of doing business as well.

3. Operational Efficiency

As the financial services industry grows, so does the cross-domain team size. It is becoming increasingly complex to collaborate between a cross-functional, multi-locational team. Expected speed of resolution leads to errors and reworks, absence of timely and accurate information often leads to lower customer satisfaction, higher sales cycle, more time-consuming channel on-boarding, potential security exposure, compliance gaps and other inefficiencies in the process.

Some of the key challenges of the financial services industry can be summarized into three categories: Customer Experience, Profitability and Operational Efficiency. A brief explanation of each of these:

1. Customer Experience

When a customer interacts with a business, be it directly or through a channel, she expects the business to know her and have her current data. Security and Privacy issues restrict businesses sharing information in too much detail across all channels. A perfect balance is required for customer loyalty and retention, which in itself is a challenge. Master Data Management for customers, secured access to the same with the right authorization and the subsequent use of that information for a good customer experience is key to business growth.

2. Profitability

In today's competitive environment, it is difficult to get good profit and sustain margins in the financial services industry. Information and expertise are often locked in business silos. Unavailability of the same across business units increase administrative overheads, leading to higher costs. Add a lack of visibility into business metrics to this equation and performance is severely affected. Therefore, it is important to retain customers, increase one's wallet share and keep risks low for sustained profitability.

CRM for Customer Centricity

Enterprise Applications are present in different shapes and forms in organizations today helping businesses across industries increase efficiencies, manage information, define processes, provide services and manage statutory requirements. One such ubiquitous software is CRM (Customer Relationship Management). This class of software helps any business maintain good relationships with its customer base. It usually covers the complete sales cycle, account management as well as support processes.

The global market for CRM is more than \$ 43.7 billion in value and constantly growing. Today CRM is being extensively used by many companies, big and small, to meet customer expectations at all levels.

Any CRM has some core components: Management of Accounts, Contacts, Leads, Opportunities, Service Cases, Campaigns and Follow-ups. These fall under 3 basic areas: Sales, Service and Marketing. The CRM deployment can be done in various ways: On Cloud, On Premise, App Only or a combination of these. As one would imagine, the deployment varies as per the scale and 'style' of the business. For example, if the business is sales-centric and the sales force is on the move, then an app-only cloud-based CRM deployment would be the best fit. As compared to an on-premise model, this is more cost effective but in turn it does not benefit compliance-restricted large corporates who need on premise deployment.

In order to address all the challenges faced by the financial services industry it's important to have a customer-centric business architecture, versus the archaic transaction-centric silo architecture of a business.

These are the best ways of addressing the above categories of challenges:

1. Customer Experience

It's imperative to gain a 360-degree view of the customer to grow trust and confidence with acute and accurate personalization as well as transparency. Also, it's important to aggregate customer data across departments and business units of organizations.

2. Profitability and Margins

In order to solve the challenge of being profitable, it's implicit to deliver targeted cross-sell and up-sell recommendations to agents based on customer needs. It's also important to share knowledge and processes across various lines and channels while providing role-based reports & visualizations on business performance.

3. Operational Efficiency

Any financial services organization can increase operational efficiency by standardizing the customer process and minimizing training time as well as cost with familiar tools people already know (for example, using a plugin for a software people already know). Furthermore, automation of compliance related processes and streamlining sales process from lead acquisition to collection can to be done easily.

Microsoft Dynamics 365 CRM

Microsoft Dynamics 365 CRM has the required features to address all the challenges of the financial services industry that were discussed earlier.

Microsoft Dynamics features in the 'Leaders' quadrant of the Gartner Magic quadrant for sales force automation as of 2019.



As a market leader in its segment, Microsoft Dynamics 365 CRM offers all the features required to be a holistic CRM, bound to help any company in the financial services industry grow stronger by bringing seamless automation and information access throughout the sales and service process.



Studies have revealed that it is easy for someone to go through incremental learning and thus learn a new software similar to something they already know. Microsoft Dynamics 365 CRM is built with interfaces to the familiar Microsoft Office Applications. For example, Microsoft Dynamics 365 CRM has a built-in plugin for Microsoft Outlook helping users use the same interface to work on the company CRM without switching windows or go through a steep learning curve. The robust build and easy to use interfaces with customizable features make Dynamics CRM to be a holistic offering and makes it an xRM i.e. Extended Relationship Management application.

Microsoft Dynamics 365 CRM is productive, insightful and connected to the needs of the financial services industry, offering unparalleled features compared to its competition. Following are the list of advantages that Microsoft Dynamics 365 CRM provides:

1. Familiar Microsoft Outlook user experience with Dynamics CRM plugin
2. Integration with Microsoft Office tools for seamless data availability and ease of use
3. Role-tailored forms and views to help customize the CRM system for a company
4. Guided custom service dialogs catering to the needs of the organization
5. 360-degree view of the custom information and inline visualizations, dashboards and KPIs
6. Real-time reporting and monitoring with SQL Server Reporting/Analytics which aids decision-making
7. Track and report on customer value and satisfaction
8. Support for multitude of mobile devices, including Windows Mobile, Android & iOS
9. Offline access to information and reports
10. Unified email, IM and conferencing to assist in data collaboration & deal closure
11. Social CRM tools for effective social relationship management on avenues like Facebook and Twitter

It is also a key highlight of the Microsoft Dynamics 365 CRM solution that its infrastructure is managed by Microsoft across 6 global data centers with real-time data replication and disaster recovery services. Additionally, there are 5 layers of security in a Secure Development Lifecycle (SDL) with proactive monitoring, which enables strict access control and data security.

Microsoft has even developed industry vertical templates, which are available for download on the Microsoft Dynamics Marketplace. Each template has the following customized components designed for the Financial Services industry:

- ✓ Vertical specific entities and fields
- ✓ Vertical specific reports
- ✓ Vertical specific dashboards
- ✓ Vertical workflows
- ✓ Vertical sample data

Some templates that are available for Financial Services are:

- ✓ Wealth Management
- ✓ Retail Banking



In the rare case when a standard template does not fit a requirement Microsoft has many certified partners that cater to the need of creating a customized solution which fits the business model of the organization. Direction Software LLP is a Gold Certified Partner of Microsoft and has implemented more than 50 Dynamics CRM Solutions across the globe.



The Direction Advantage

Direction Software LLP has implemented multiple Dynamics CRM solutions across more than 50 companies in the world. 150,000 concurrent users can be handled by MS Dynamics CRM with 0.4 second average response time and more than 16.87 million business transactions in a day. Direction can also implement a cloud-based solution for any customer; the custom business logic can be implemented as per needs of the client's business. Direction is a trans-national Software Solutions provider and Business Consultancy provider with Indo- German holding. We serve clients globally across the European, American, APAC and Middle East geographies. We are a Leading Microsoft Gold Certified Partner and are well-versed in offering various services in Microsoft Dynamics 365 CRM, Microsoft NAV and Business Central. Direction has been in the business of Microsoft Dynamics CRM for more than 14 years, while being a two-time member of the Microsoft Presidential Club and once even winning the 'Best All India Microsoft Dynamics Partner for CRM' title. Having more than 30 CRM Dynamics professionals in its workforce, Direction has created custom solutions for various clients, across many industries including the financial services industry.

We have created solutions for the Real Estate industry, Banking industry, Professional services industry, Manufacturing industry, Distribution industry; to name a few. This has given us leverage in forming long-lasting relationships with clientele along with a high rate of satisfaction, while maintaining a low rate of client attrition. We have also successfully helped migrate many clients from legacy CRM solutions and continually strive to keep our existing clientele up-to-date.

24x7 incident-based offshore support is also available and there is also an option of on-premise support, if need be. Furthermore, the mobile practice of Direction has implemented solutions that make use of custom apps which interface with MS Dynamics CRM.

Thus, Direction is the right IT partner for your corporate needs while offering the following advantages as regards to Microsoft Dynamics CRM:

- 1. On-time implementation** - in time/budget & no outsourcing i.e. all in-house certified resources
- 2. Various engagement models** - T&M, Fixed Price or Dedicated team
- 3. Strong industry focus** - Real Estate, BFSI, Trading, Manufacturing, Distribution & Professional Services
- 4. More than 50 Dynamics CRM** - implementations in USA, UK, France, Middle East and India, with 90+ percent referenceable customers



Technology Solution

- The solution generates a unique reference numbers for each new lead captured in the system. This reference number is used to identify this record henceforth. It is also used to import/export this data to and from the core system.
- The system identifies whether the new lead being captured is a duplicate one. This is identified purely based on the Mobile number. Later, the Relationship manager reviews all such records to acknowledge whether these are actually duplicates. Such duplicate leads are cancelled then and there and hence do not get reflected in the user-performance thus given an accurate picture in the user-performance reports.
- The solution provides status updates for all prospect logins at any point of time.
- The solution also shows history trails for follow-ups done with the prospects.
- The solution provides a much needed one glance view of any single customer and their application form details. This information is pulled from various core banking systems.
- The solution provides an interface with the core systems to retrieve and populate basic customer details and application details on a daily basis.
- The solution is made accessible from any Family Credit branch.
- The system is designed to be user friendly allowing the users to choose from the drop-downs (instead of a free text) for RM name, responsible person, loan type etc. All such dropdowns will be managed through a set of master screens maintained in CRM. These master tables are only accessible to the CRM administrator.
- The core systems control the master data viewable in CRM. These include master tables for Member types, Members, Branch locations, inter-relationships between members etc. All such masters would only be in read-only mode in CRM.

- Apart from their core banking systems; there are no other systems available for handling Sales force automation
- The Sales team have to keep switching between their core systems and Excel sheets to collate information. Currently, they do not have any system which collates and stores both sets of data on a single screen
- Also, none of these systems offer end to end solutions starting from initial prospect login down to conversion into customer
- There is no single repository system to store all information required by the Sales team
- The core systems do not have the ability to communicate with the customers using SMS or email channels
- Currently, the manual systems do not have the ability to pull out customer histories.
- Vintage analysis is done manually. Each prospect query is manually scanned to check the initiation date and conversion date to be able to generate the analysis.
- The MIS reports always need manual intervention as there is no single repository system to capture leads, campaigns and customer data.
- Due to the absence of any automated system, it is very difficult to track performance of employees; especially for employees working in the Sales team.

Summary

Why CRM?

- Large Customer base in the financial services industry
- To keep up with growing customer demands
- It is profitable to serve existing customers better
- Accurate and timely information access is key to serving customers better

Why MS Dynamics 365 CRM?

- Familiar interfaces
- Robust proven technology
- Highly customizable with industry templates
- Customer centric Architecture
- Secure scalable infrastructure on the cloud
- Built-in customizable mobile application

Why Direction Software LLP

- Global experience in working with Financial Services organizations
- 10+ years of experience with a large dedicated team
- Very high client satisfaction rate
- On-time, on-budget implementations in over 40+ installations
- Deep product experience and customization capabilities

Most customer centric organizations today have a CRM to understand and serve customers better. If you have an existing one, there are reasons to move to a robust industry standard product. If you do not, assess and implement the Microsoft Dynamics CRM with Direction Software LLP

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