

# Reducing Time to Yes

Onboarding in 2021:  
Financial Services

10:00 09:59 09:58 09:57

How long does it take you?

Digital onboarding is changing...

## Customer Experience



It is essential to offer customers a frictionless experience. At the same time, you must manage credit, fraud and compliance risk in an increasingly digital world. A digital-first approach is necessary moving forward – but one that simplifies experience whilst complying with regulatory requirements.

## Process Automation



One of the biggest blockers for onboarding is managing referrals. The need to validate information often leads to manual referrals or a manual process for the customer, delaying the time to yes. The more data you can validate automatically, the quicker the time to yes.

## Alternative Data and Machine Learning



To capture a wider revenue opportunity, alternative data sources can help you serve customers with little credit history or non-typical backgrounds. Combine this new data with machine learning and you can significantly improve the accuracy and effectiveness of decisions.

# Businesses that are unable to offer a decision in less than 10 minutes will soon be at a competitive disadvantage

Leading consumer brands - particularly those in technology and retail - have shifted consumer behaviour in terms of their expectations of speed and simplicity.

This has created an expectation gap in the minds of consumers when they come to interact with financial products and services.

So, when they apply for a loan or a credit card, they are increasingly frustrated by long processes and endless data entry.

Consumers expect a simple, convenient application process and a quick decision that lets them know if they've been accepted.



# 76%

of the financial services businesses are making improved customer experience a key business priority

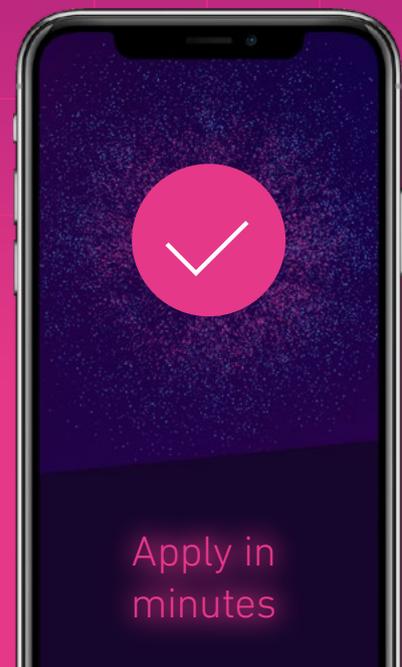
## Time is of the essence

Many businesses are now actively trying to reduce 'time to yes' within customer onboarding. More than 10 minutes could see abandonment rates increase as consumers become less patient.

Ask yourself what proportion of applications can be completed fully digitally compared to those that require manual review or steps customers' need to complete offline.

Use a touchpoint chain to identify weak links and improvement areas within your existing onboarding journey, then prioritise the investment in the biggest opportunity areas.

Work out how you can increase the proportion of fully digital applications. The key is to be able to improve the customer experience without negatively impacting risk and fraud.



# Three ways to increase decision accuracy without creating friction

## 1: Automation and Machine Learning

# 79%

Believe that advanced analytics, including machine learning and artificial intelligence, are now fundamental components of day-to-day operations.



Machine Learning allows you to analyse significant amounts of complex data in microseconds – making sense of this data to provide a clear recommendation. It can be used to analyse multiple complex data sets and then provide more accurate decisions, with continual improvement based on results. This paves the way for greater automation and reduces the proportion of cases to go for manual review.



One in four financial services businesses are looking to get help with machine learning and artificial intelligence in the next 12 months.

## 2: Transactional data

### Unlocking the value of transactional data



#### Increased Eligibility

Consumers can share their most up to date transactional information. This increases the likelihood of acceptance for many consumers, especially those who may be financially excluded. For businesses, this translates into revenue growth without increasing risk.



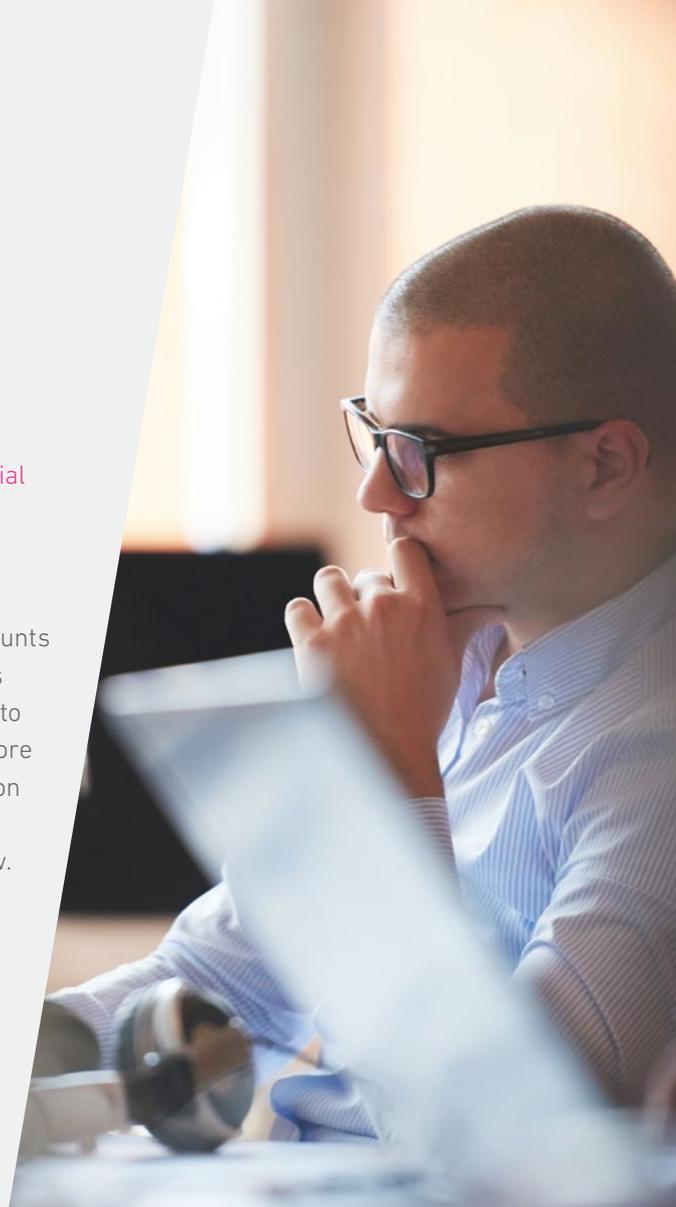
#### Faster 'Time to Yes'

After first providing consent, consumers can receive a quicker onboarding experience by removing the need to supply physical evidence of earnings, such as printing of bank statements.



#### More Personalised Service

Advanced analytics of transactional data can provide a more sophisticated affordability assessment. This allows businesses to offer more relevant and personalized products and services to customers.



# 78%

of decision-makers believe Open Banking is driving innovation

Transactional data provides more data variables to unlock greater insight for decisioning. It helps protect against future default by better understanding the applicant's current circumstances to more accurately forecast their propensity to default later.

### 3: Electronic identity verification

# 53%

of businesses have increased their budget for advanced analytics this year with 37% prioritising use within fraud prevention.



Identity checking is a big part of the onboarding journey. It can have a big impact on abandonment and time to decision. A balance has to be struck between customer convenience and checks that create a reassurance of security.



Businesses must think about how they can move to paperless identity and fraud checks. Make use of digital tools that can allow digital verification whilst ensuring confidence that the prospective customer is who they say they are. For those that want to create a fully digital experience, electronic identity verification is a must have.



## Where to focus in 2021

### 1 Faster time to yes for customer growth

Time to yes is important to fuel or sustain growth because a fast time to yes increases the conversion rate and unlocks revenue faster.

Identify the areas which can have the biggest positive impact on time to yes and tackle them one by one.

### 2 Greater automation of decisions for efficiency gains

Lots of operational cost is locked up in underwriting and referrals. Often cases that really shouldn't need manual intervention.

Increasing the proportion of automated, straight-through applications should be a 2021 focus.

### 3 Enhanced customer experience and personalisation

Time to yes is critical, but not at the expense of the wider customer experience.

Focus on CX across the full onboarding journey. This includes eligibility – using data more effectively to support customers.

# MAX

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All stats taken from commissioned study conducted by Forrester Consulting on behalf of Experian, during June 2020.