Next-gen client integration services

A key to increasing corporate cash management client satisfaction and growth

Capgemini

In brief

- Today, corporate cash management clients demand the same level of digital, flexible, and real-time payments services as do retail clients. Banks can lead with world-class client integration services that can play a key role in meeting heightened product and service expectations of corporate clients.

- A discussion of comprehensive and effective client integration services is accompanied by a list of strategic requirements.

- A roadmap for transforming client integration services is proposed, including six priority areas and possible action steps.

Capturing the corporate cash management opportunity

Corporate payments now represent a bigger business opportunity than does the retail payments arena. According to Capgemini's World Payments Report 2023 research, commercial payments now make up nearly 56% of total payments industry value, while the retail payments sector accounts for only 44%. Globally, more than one in two payment executives agreed that commercial payments offer better profit potential than retail payments.

But with the bigger opportunity come bigger challenges for banks and other traditional payment services providers. Corporate treasurers have new and increasing expectations because of the digitalization of financial services as well as their own business pressures: enterprise clients realize they must elevate their finance/treasury capabilities to help build resilience and navigate volatility. And when it comes to availing cash management and other treasury management solutions, they want what they can get in their personal financial lives to be true in their business relationships, too – including real-time access to account information, bundled account views, transaction speed and flexibility, personalized offers and special services – and so the demands and expectations from their payment providers have been on the rise and are a visible and persistent gap.

In response, banks and providers need to shift their view of corporate cash management client relationships from a product lens to a more meaningful relationship lens. Today, true customer centricity is as important on the commercial side of the payments business as it is on the retail side. Imperatives include:

- Develop customer intimacy with corporate clients with tailored products and services

- Streamline and smoothen the client onboarding journey and ensure consistency in all client interactions, across finance/treasury roles, that follow

- Enable more control by increasing self-service capabilities

- Simplify bank-to-enterprise connectivity

- Better address corporate clients' needs including making real-time money movement and cash reporting a reality, across dimensions such as AR/AP, markets, currencies and business models

Client integration is an integral part of realizing all of these priorities.

What's meant by client integration services?

Simply put, client integration services for corporate cash management refer to specialized services and solutions that streamline all interactions between corporate clients and their banks or payments providers: delivered correctly, they help ensure frictionless delivery of all banking transactions and services, and significantly elevate every corporate client's experience and value. They enable seamless integration of a company's finance processes and systems with the bank's infrastructure, facilitating efficient transaction processing, real-time cash flow monitoring, and automated financial reporting; benefits include enhanced operational efficiency, reduced manual intervention, and improved accuracy in cash management tasks.

By leveraging these services, businesses can achieve better liquidity management, compliance, and strategic financial planning, ultimately optimizing their overall financial operations. On the flip side, superior delivery of these capabilities, integrated effectively into overall client experience and service delivery, can be a competitive differentiator for banks or payments providers in serving their corporate cash management clients.

Delivering next-gen client integration services: what's required?

When approaching client integration services transformation, business leaders should keep in mind the following principles – which, not surprisingly, all center on client needs, expectations, and experience:

1 Deliver seamless client experience, from onboarding through integration and during business as usual. Tailor per client size and scale.

2 Allow client control of the integration process, through a combination of self-service options and tailored support, to ensure their business needs are being met.

3 Include specific testing services as part of the service catalogue to provide flexibility for individual needs.

4 Make the end-to-end integration journey transparent by sharing predesigned test and acceptance scenarios.

5 Ensure client support is fully responsive and as close to real time as possible, leveraging relevant and preferred communication tools.

6 Create consistency across test procedures, documentation, and support – leading to a predictable client experience even when scoping services are required.

7 Provide continuous integration-related advisory services as changes in integration mechanisms, channels, and payment-service propositions develop over time.

Together, these principles should help steer focus toward a number of strategic priorities aimed at delivering the next generation of client integration services for corporate clients, discussed below. A sampling of possible actions for each of the six priority areas is also summarized.

Figure 1. Priorities for next-gen client integration services

Boost branding to showcase value add to our clients

Communicate the benefits of the team internally and externally to demonstrate the vital role of teams in driving revenue realization.
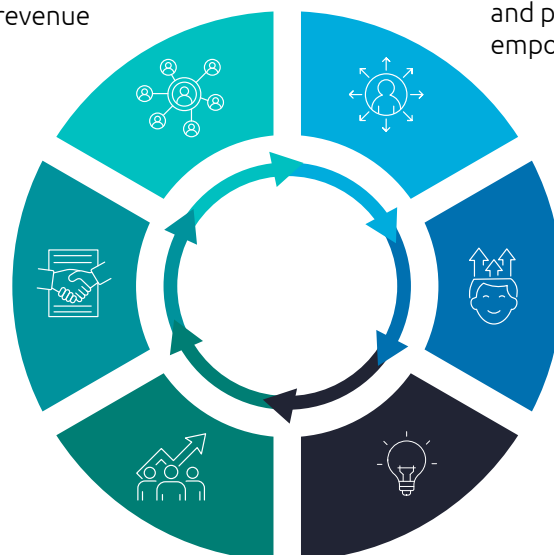
Client excellence

Provide a great client onboarding experience that is structured in a transparent way, encourages self-service and provides proactive global advisory to empower clients to achieve their goals.

Partner for success

Formalize and strengthen external partnerships with ERP providers and technology vendors to deliver digital-first experiences for clients.

Highly skilled talent with strong capabilities

Ensuring colleagues have the right enabling capabilities across tooling and knowledge to become trusted advisors to clients.

Collaboration is key

Bring together key internal stakeholders and build feedback loops to deliver the best client-centric solutions.

Build innovative tools to enhance capabilities

Deliver future-proof tools and technology that enhances the client integration team's ability to support their customers in a transparent and globally consistent manner, with the ability for flexibility.

Moving client integration transformation forward

Client excellence

Provide a client onboarding experience that is structured in a transparent way, encourages self-service when desired, and provides proactive global advisory to empower clients to achieve their goals.

Key initiatives to ensure client excellence objectives are met might include the creation of a client integration service catalog, to document and raise client awareness of value-added services; the regular publishing of updated integration guides providing clear communications and step-by-step guidance to clients on their integration journey, alleviating the need for low-value interactions with client integration managers; and the alignment of regional operating models to provide consistency in client support and better customer service.

Highly skilled talent

Ensure colleagues have the right enabling capabilities across tooling and knowledge to become trusted client advisors.

Priority emphasis should be given to the refinement of roles and responsibilities across the client integration team to ensure the right complement of current and future skillsets. Create and leverage global training and knowledge sharing programs to up-skill talent and improve problem-solving based on lessons learned across the organization and client base. In addition, apply appropriate focus on the right complement of tools for advisors and value-added services for clients.

From the real world: measuring client satisfaction to improve client excellence

A large global bank secures regular feedback related to its treasury business through an online survey. The company's treasury capabilities are also benchmarked against industry peers and best-in-class companies. Beyond liquidity and cash management service capabilities, these confidential results include feedback on and influence areas of governance, risk management and technology use, thereby defining continuous transformation agenda/plan.[1]

From the real world: building out seamless ERP integration options

A global financial services institution works with industry partners to develop innovative solutions that simplify and speed ERP integration. Its comprehensive capabilities reduce the implementation time frame, complexity, and costs of ERP integration by leveraging existing functionality to eliminate the need for costly specialized development; a dynamic solution, the financial institution's ERP integrator can support a global footprint. To be responsive to varying customer needs, the bank now offers a flexible and efficient ERP Integrator for both SAP and Oracle ERP Cloud.[2]

Innovative technology and enhanced self service capabilities

Better orchestrate payments products and services to minimize friction for the customer, and enhance abilities to support clients at scale and in a transparent, globally consistent manner – with room for flexibility when needed.

Development priorities should include API native integration and aggregation technology that enables banks to offer true omnichannel experiences to their corporate clients. Banks could also bring ready adapters for ERP/TMS/bookkeeping systems and wrap them with their own bouquet of solutions and services. Good practice here includes the consideration of an orchestration layer that offers advanced digital experience and prevents corporate clients from having to face the complexity of banks' legacy systems. The introduction of a sandbox environment also addresses the continuous challenge corporate treasurers face in having to adapt to new regulations and industry changes while giving them more autonomy and control.

Internal collaboration

Bring together key internal stakeholders; build feedback loops to deliver the best client-centric solutions.

Establish ways of working across functions and teams, including the design of an operating model that includes a formal feedback loop to product and digital teams for consideration of new and/or improved client integration services and offerings. This assumes greater value for clients who operate across markets and have global/regional/national finance.

External partnerships

Formalize and strengthen external partnerships with ERP providers and technology vendors to deliver digital-first client experiences.

Activity might begin with conducting build/buy/partner assessments for key initiatives, building a holistic high-level view of requirements needed to support identification of suitable partners; the initiation of specific partnership discovery exercises including goal setting; and the definition of the external partner onboarding processes.

Value-focused brand building

Communicate the benefits of successful client integration, internally and externally, to demonstrate revenue realization.

Contributing actions might include the definition of an internal and external marketing plan to communicate the expertise, benefits, and value of client integration to important constituencies and stakeholders; the creation of a client integration playbook to articulate services and value, and to help guarantee consistent delivery; and the crafting of case studies and success stories showcasing value delivered and revenue enhancement achieved.

From the real world: an external partnership drives improved efficiency

A large traditional payments provider uses a partnership with Cashforce to deliver more efficient operations and better informed decision-making for the corporate treasurer and team at a large consumer products company with a self-driving treasury solution. The payment provider receives forecasted currency positions from the client company, generated by Cashforce on a rolling weekly basis. The payments provider then auto-adjusts the client's monthly FX hedge, thereby automatically preserving desired hedge ratios. Provider eFX solutions are developing both the API for the data exchange and the logic needed for determining and executing the necessary FX.[3]

In conclusion

Take client centricity to the next level

Delivering fully effective, enterprise-wide cash management solutions to corporate clients is a key challenge for banks and traditional payment services providers: as reported in our World Payments Report 2023, 70% of corporate treasurers agreed that current bank cash management services are underwhelming; as but one example, 70% cited poor bank-to-corporate ERP/TMS connectivity as a major barrier to service excellence and their own efforts at treasury innovation. Transforming client integration services is therefore an imperative – helping large payments providers to remain relevant, better satisfy client expectations and needs, and succeed.

Moving forward, bank payments executives should keep the following top of mind:

- Like the providers themselves, corporate clients are complex organizations that must react to constantly changing marketplace and regulatory environments. As client needs evolve, payment providers need to evolve offerings and services to help them adapt.

- Providers need do a better job of achieving true understanding of their clients – and not just the needs and preferences of the corporate treasurers they directly serve. Banks need to develop much deeper knowledge of their corporate clients' industries, sections, and competitive markets, in order to ensure offerings are as relevant and as efficiently integrated as possible.

- As made clear throughout this article, client integration is much more than onboarding: it needs to be considered as a critical component of overall customer experience and not just as a one-off event. Client integration services need to be delivered with continuity and consistency, while also being flexible enough to react to and support the continuous flow of change that clients face.

- Investing in payments orchestration and automation technology to accelerate digitization, streamline client interaction, and minimize the friction created by bank's legacy infrastructure is not a "nice to have" anymore. Big Tech and challenger banks are rapidly growing market share by leveraging their more agile technology advantages.
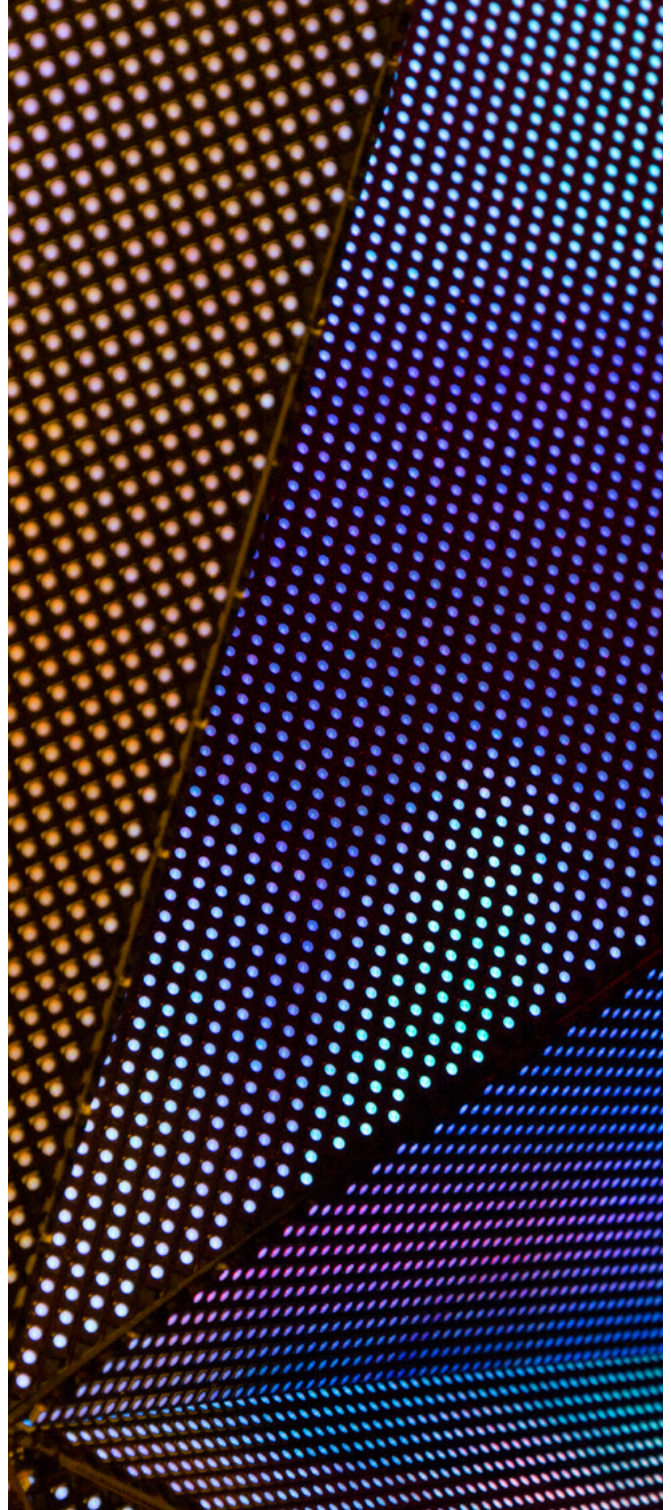
Client integration services transformation takes commitment. With careful planning, it can be accomplished efficiently and deliver ROI along the way – but it does require significant investments in time, energy, human resources, and technology. The time to begin your next-gen client integration journey is now.

End notes

[1] Corporate Banking Tech Trends, 2023, CELENT
[2] https://www.citibank.com/tts/solutions/digital-channels-data/citiconnect/
[3] Corporate Banking Tech Trends, 2023, CELENT

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