

A Strategic Approach To Knowledge & Documents Within Banking

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Discussion Topics

- Introduction
- Market Trends and Directions
- Banking Challenges
- Knowledge Strategy
- Best Practices
- Enabling Technologies
- Conclusion

Introduction: Kevin M. O'Sullivan



- Thirty Years in Executive Leadership and Consulting
- Former Unisys Corp. and Xerox Corporation Managing Principal
- President & CEO - *The Knowledge Company*
- BS and MBA Degrees

The Shifting World Economy

Industrial Era <u>1870-2010</u>	Structure	Knowledge Era <u>1975-2025+</u>
Fixed Machine Face-To-Face Homogeneous Complacent Individual Support	<i>Asset Based</i> <i>Tools</i> <i>Communication</i> <i>Work force</i> <i>Behavior</i> <i>Work Approach</i> <i>Technology</i>	Knowledge Human Intellect Electronic Multicultural Out-of-the-Box Team Enabling

Evolution of The Banking Business

Profitable Banking History

- **Stable Markets**
- **Heavily Regulated**
- **Comfortable Cartels**
- **9AM - 3PM Office Hours**
- **Manage Data**
- **Branch Office**

New Millennium Playing Field

- **Uncertain Markets**
- **Minimum Regulations**
- **Competitive Global Economy**
- **24 Hour Virtual Banking**
- **Knowledge Is Everything**
- **www.bank.com**

Risk Meter

Low Risk

1970s

Moderate Risk

1980s

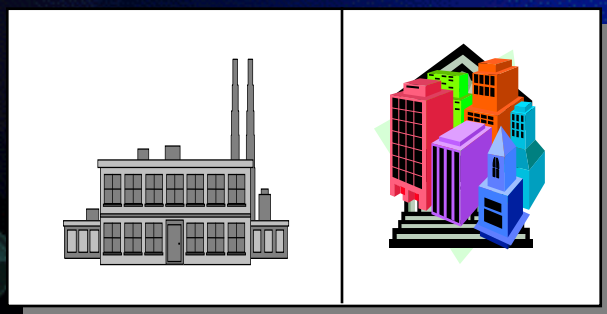
1990s

Unknown Risk

2000s

The Marketplace Transition

Physical World



Marketplace
Data Centric

Wisdom World



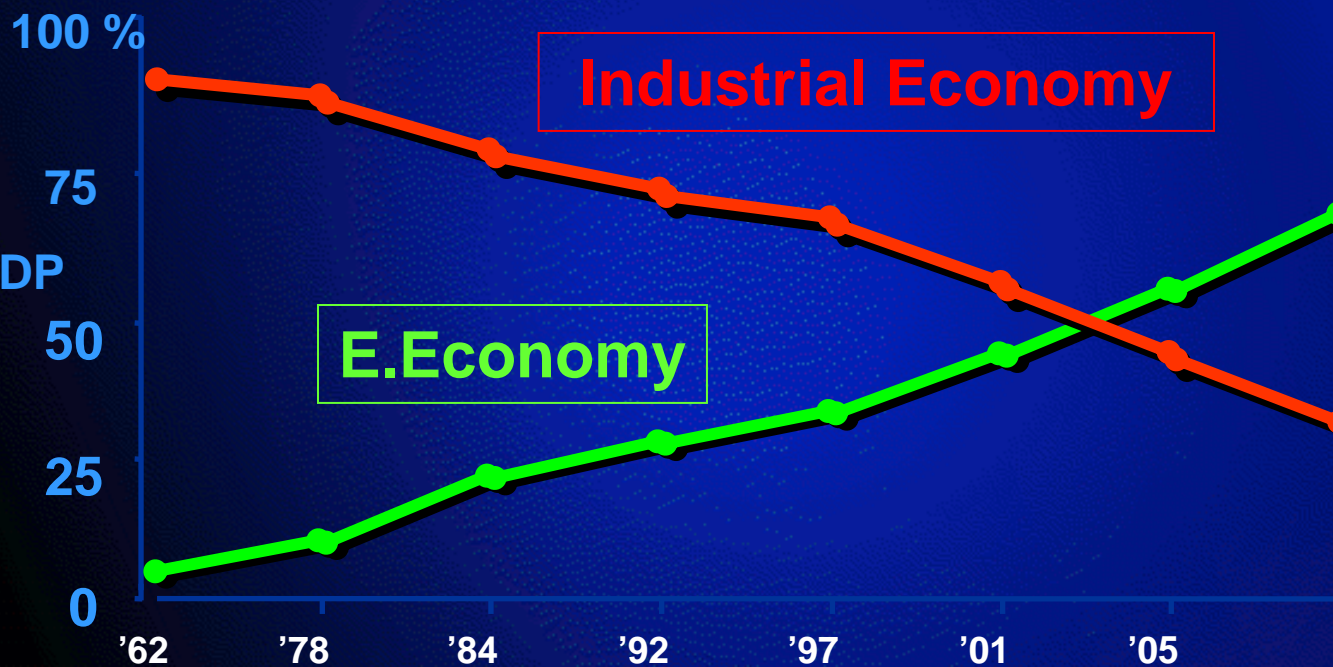
Marketspace
Knowledge Centric

Requirements

New Approaches
New Capabilities
New Skills



The Surging E.Economy



Source: Anderson Consulting, 1999

Internet Banking Impacts



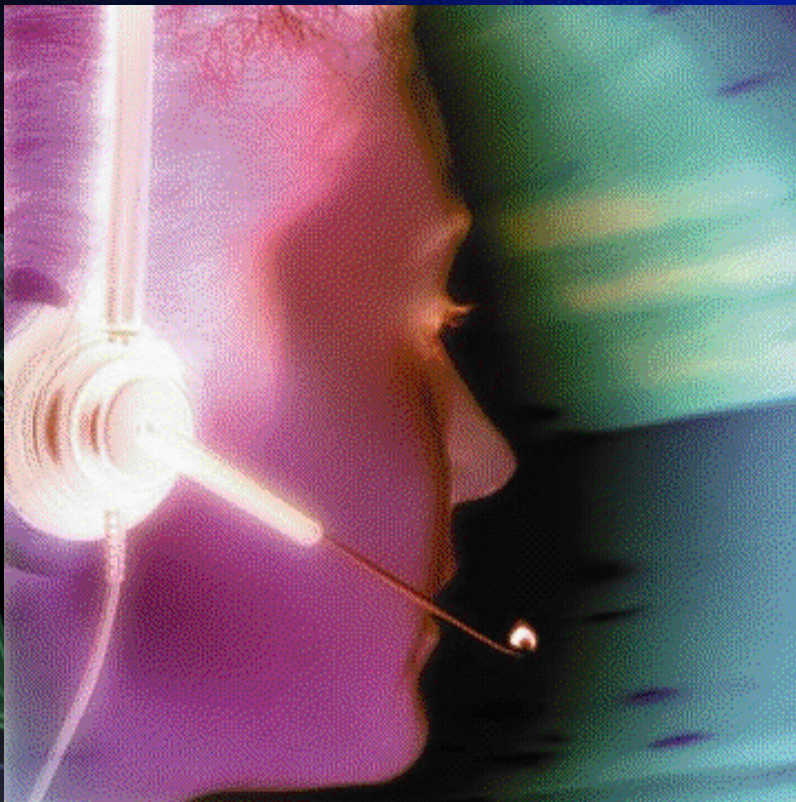
- Any Time and Place Information
- Easy to Access and Use
- Quick Response to Customer Needs
- Reduces Costs With Self-servicing
- Open and Scalable

New Millennium Banking Challenges



- **Customer Attrition**
- **Customer Acquisition**
- **Customer Service Quality**
- **Innovative and Rapid Product Development**
- **Strategic Use of Technology**
- **Human Knowledge Retention**

Bank Customers Have The Edge



- **Easy Access to More Information**
- **Expect More Value-Add Content**
- **Demand to Be Treated As Individuals**
- **Have More Choices Available**
- **Easy to Switch Banking Relationships**

Is There Confusion?

- Knowledge
- Information
- Data
- Documents

The Knowledge-Creation Metaphor



The Knowledge Universe

- 12%- Data Bases
- 20% - Electronic Documents
- 23% - Paper Documents
- 45% - Employee Brains

Source: TKCI Information Research, 1999

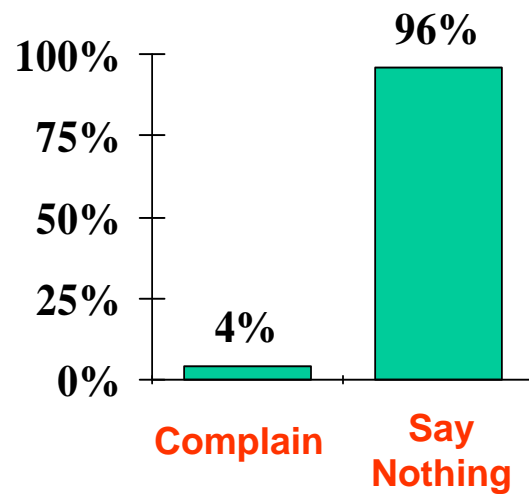
Document Handling Statistics

- **85% - Filed Documents Are Never Retrieved**
- **25% - Filed Documents Are Lost Forever**
- **50% - Documents Are Duplicated**
- **35% - Employee Time Is Handling Documents**

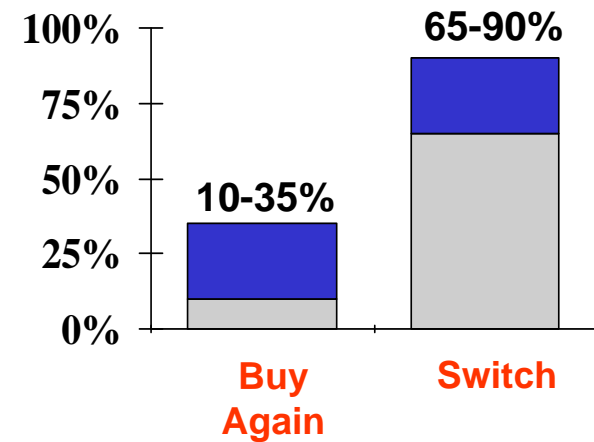
Source: TKCI Information Research, 1999

Handling Customer Complaints

Dissatisfied Customers

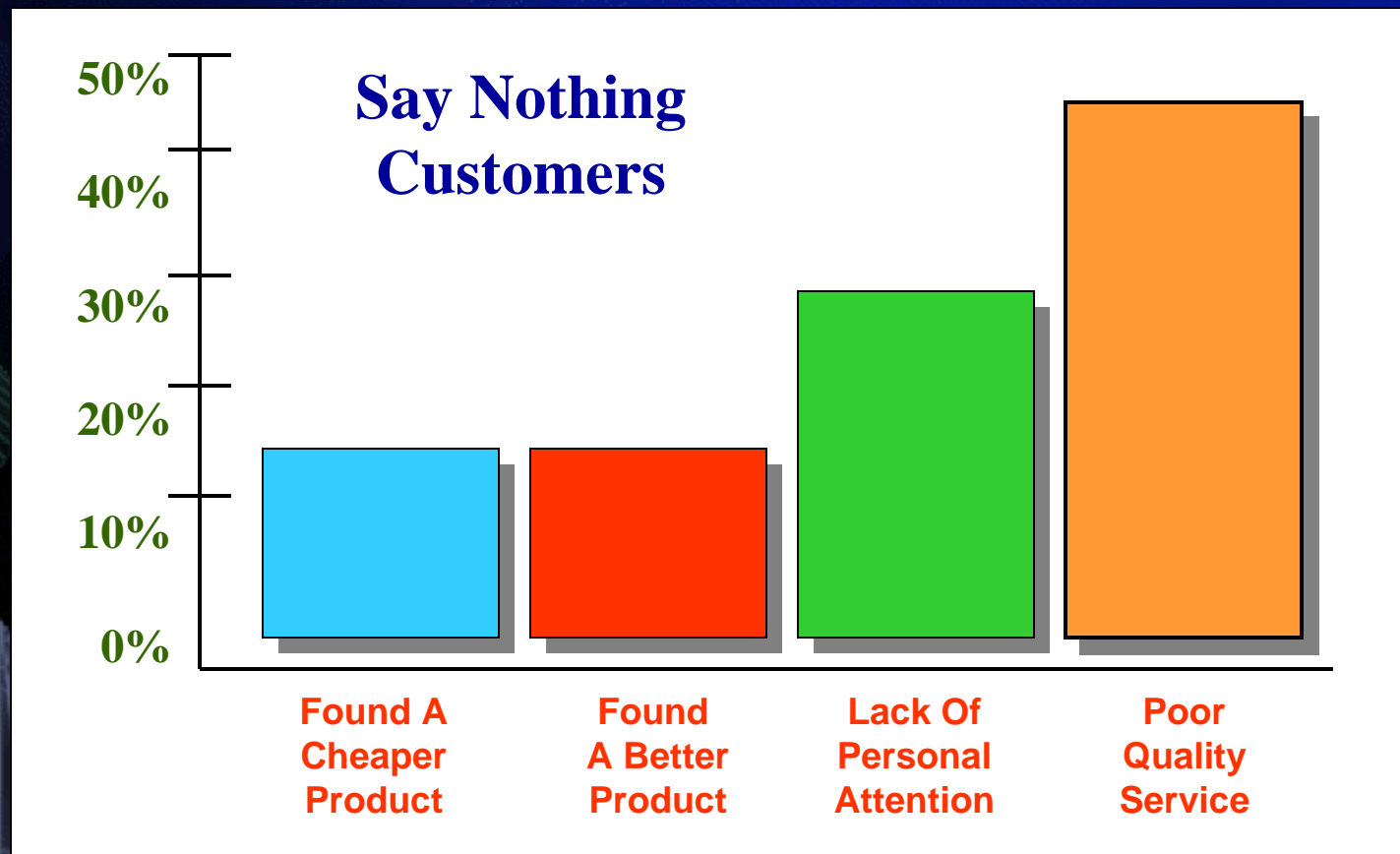


Say Nothing Customers



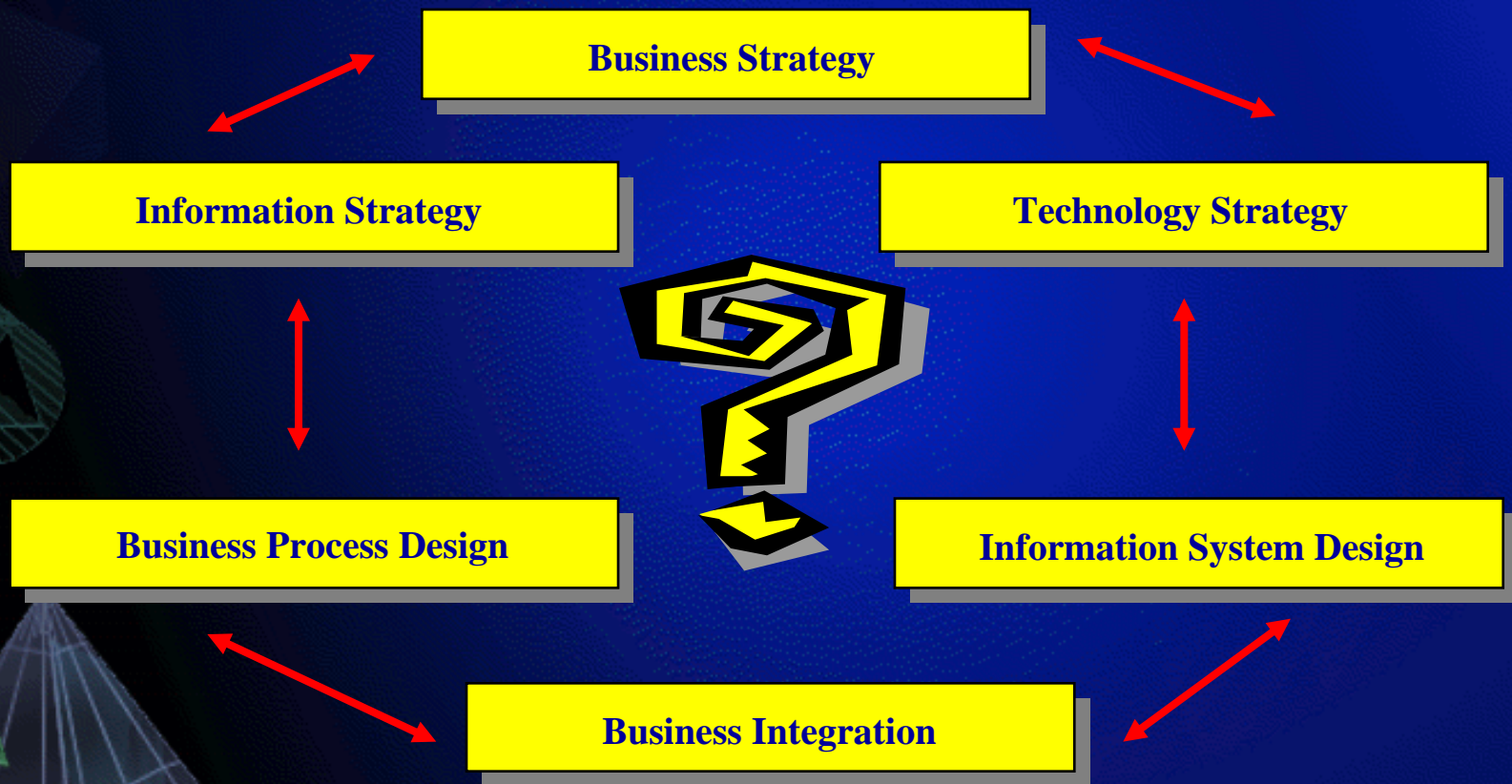
Source: TKCI Information Research, 1999

Why Do Customers Switch?

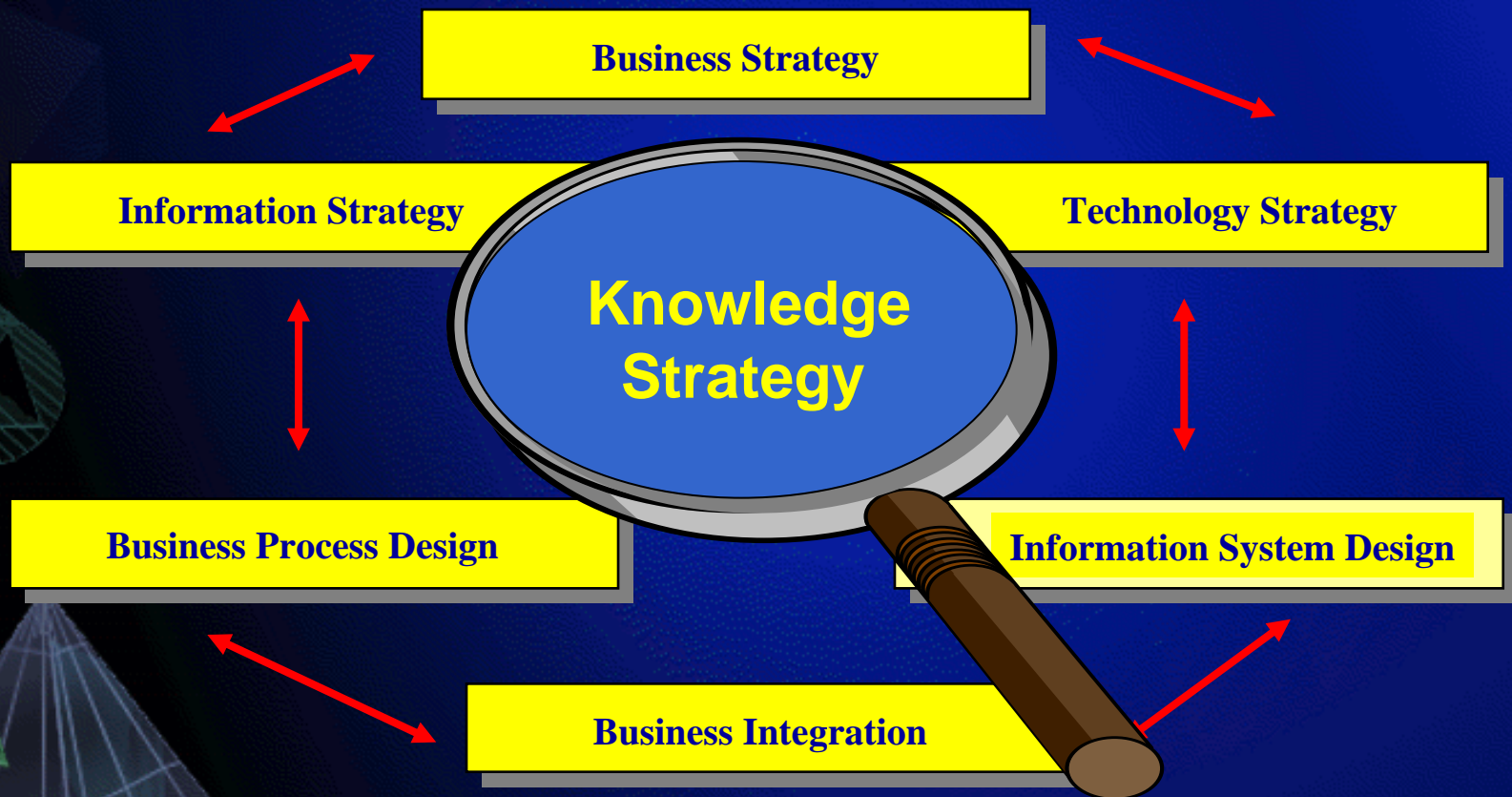


Source: TKCI Information Research, 1999

Executive Mind Map - *Traditional*



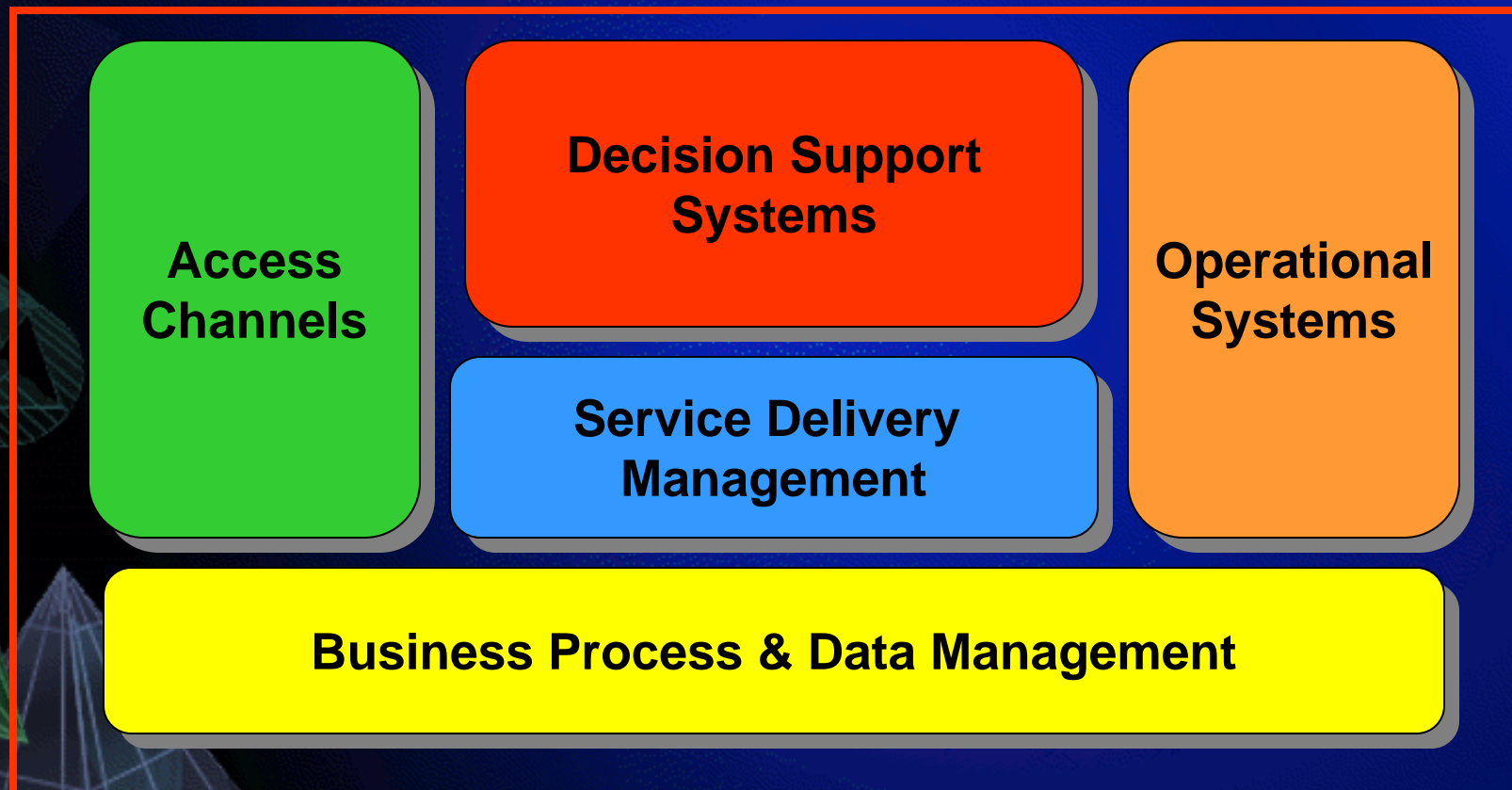
Executive Mind Map - *New Millennium*



What Is A Knowledge Strategy?

**An Integrated Strategy to
Identifying, Capturing,
Evaluating, Retrieving and
Sharing an Enterprise's
Mission Critical
Information Assets**

A Knowledge-Supported Architecture



Banking Strategic Decisions

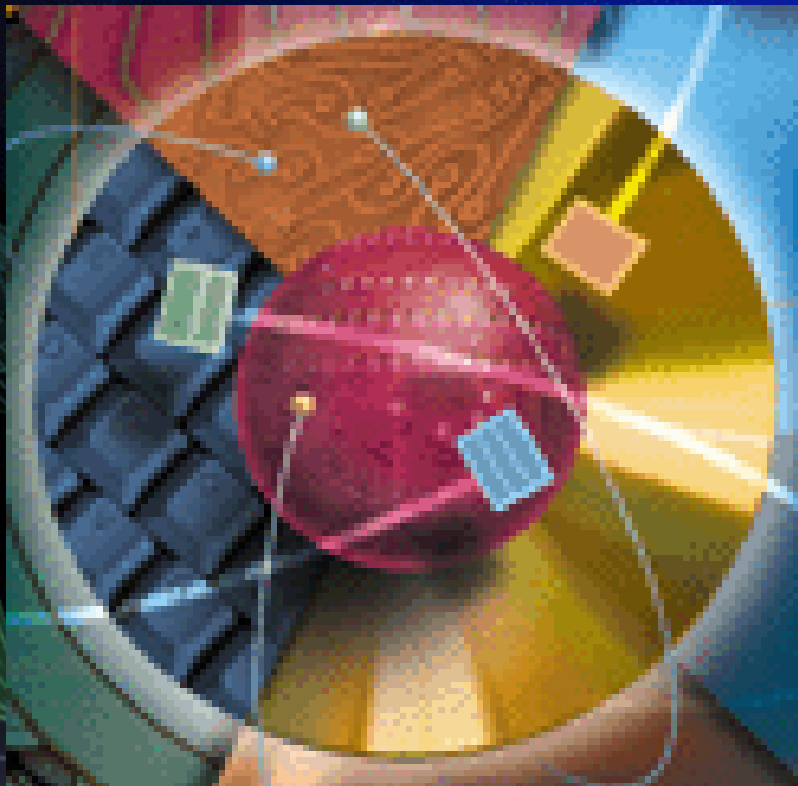
- **Access Channels**
 - *Bank Operated*
 - *Customer Operated*
- **Product Development**
 - *Financial*
 - *Non-Financial*
- **Intellectual Capital**
- **Customer Relationships**
- **Strategic Partnerships**

Banking Knowledge Best Practices

- New Accounts
- Call Center Interactions
- Loan Processing
- Credit Analysis
- Trade Finance
- Cash Management
- Clearing & Settlement
- Item Processing
- Regulatory Compliance



Knowledge Management Technologies



- Document Management
- Workgroup
- Searching & Indexing
- Data Warehousing and Mining
- Expert Systems
- Information Management



A Closing Thought.....

“When a Bank Fully Understands, Assimilates, and Optimizes Their *Knowledge Assets* for Competitive Advantage, and When Technology Is Used to Enable the Delivery of Superior Services to Meet Customer Expectations, Only Then Is A Bank in a Position to Fully Compete With the Well - Armed Competitors Within and Outside of the Financial Services Industry.”

Source: Kevin M. O’Sullivan, London Business School Roundtable, London, 1997



Thanks

For Your Participation !

Kevin M. O'Sullivan