

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

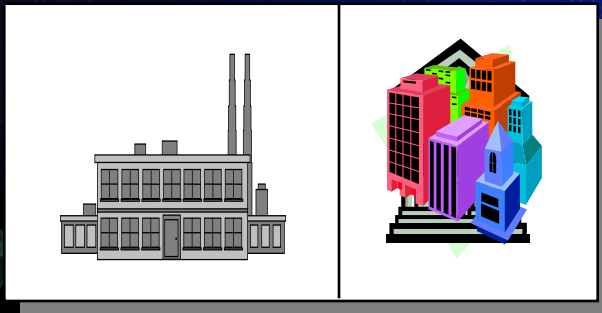
1990s

Unknown Risk

2000s

The Marketplace Transition

Physical World



*Marketplace
Data Centric*

Wisdom World

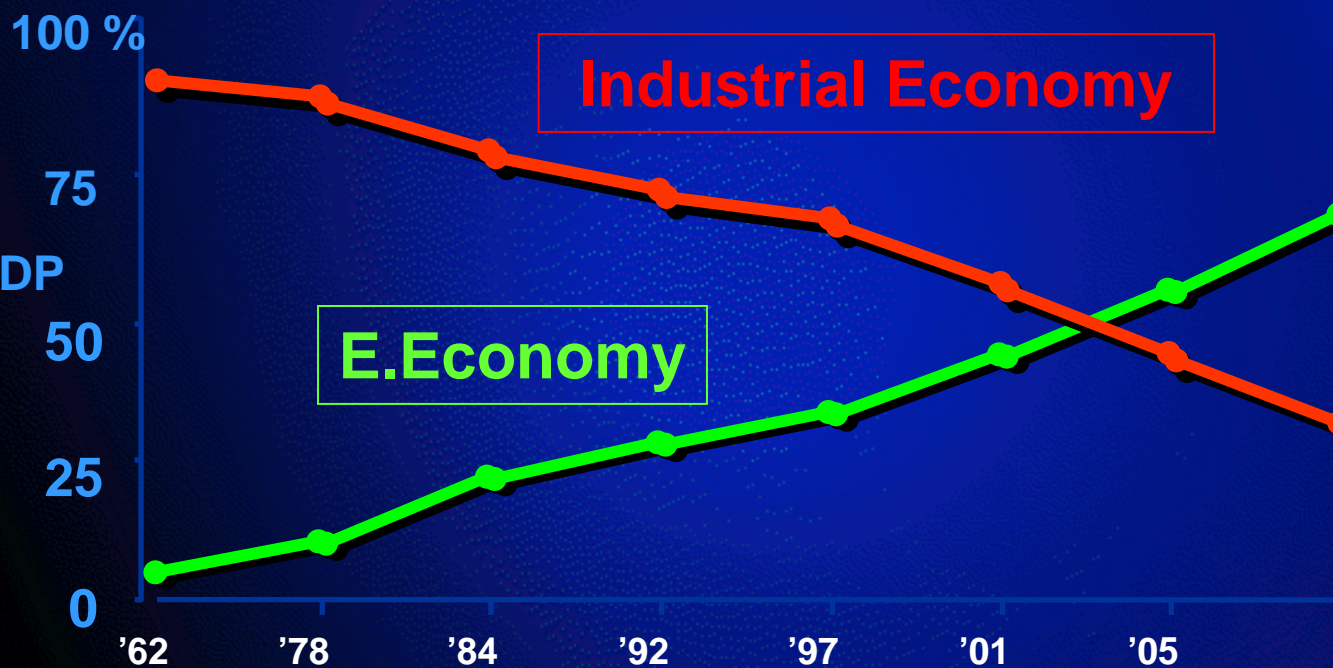


*Marketspace
Knowledge Centric*

Requirements

*New Approaches
New Capabilities
New Skills*

The Surging E.Economy



Source: Anderson Consulting, 1999

Internet Banking Impacts



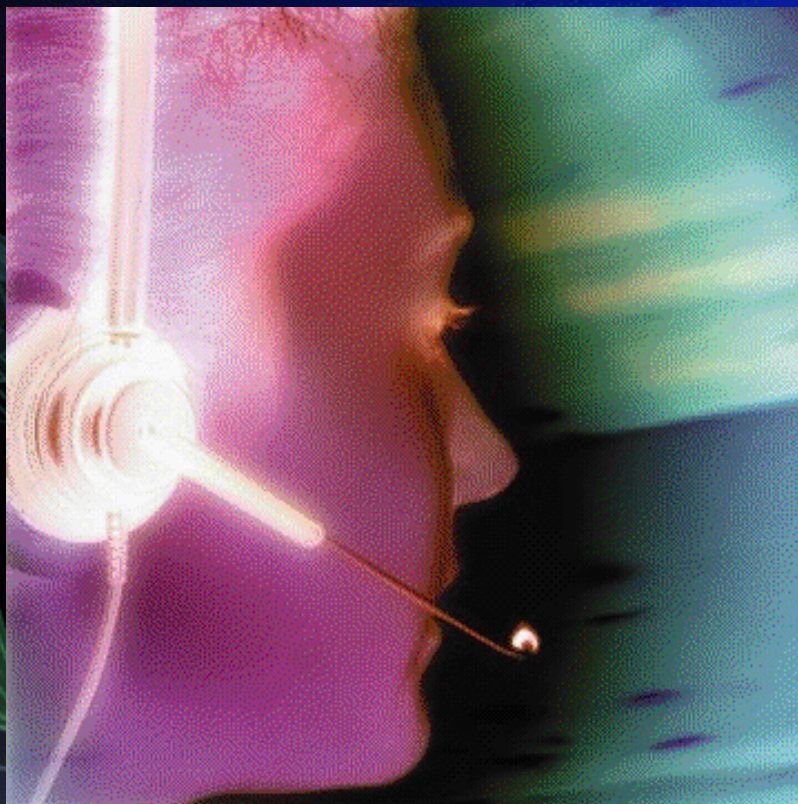
- Any Time and Place Information
- Easy to Access and Use
- Quick Response to Customer Needs
- Reduces Costs With Self-servicing
- Open and Scalable

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

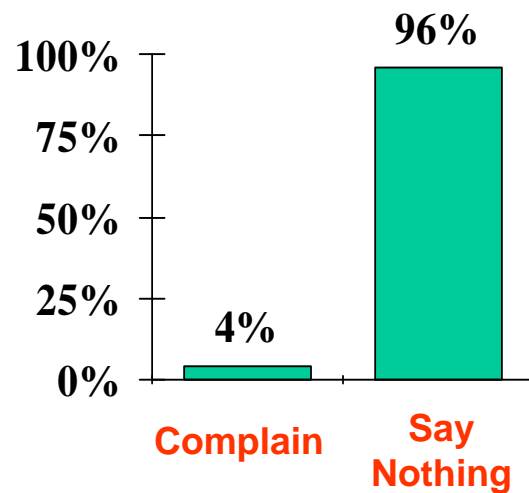
Document Handling Statistics

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

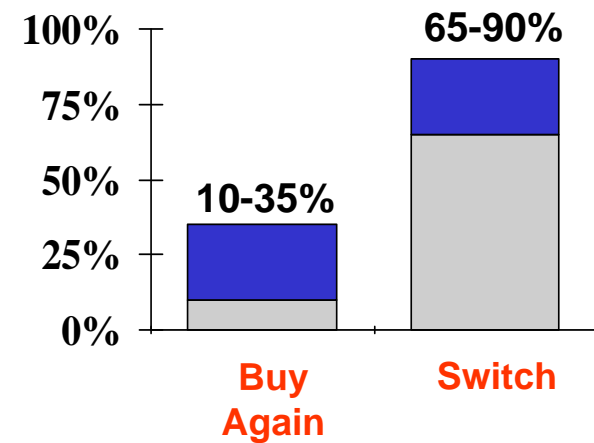
Source: TKCI Information Research, 1999

Handling Customer Complaints

Dissatisfied Customers

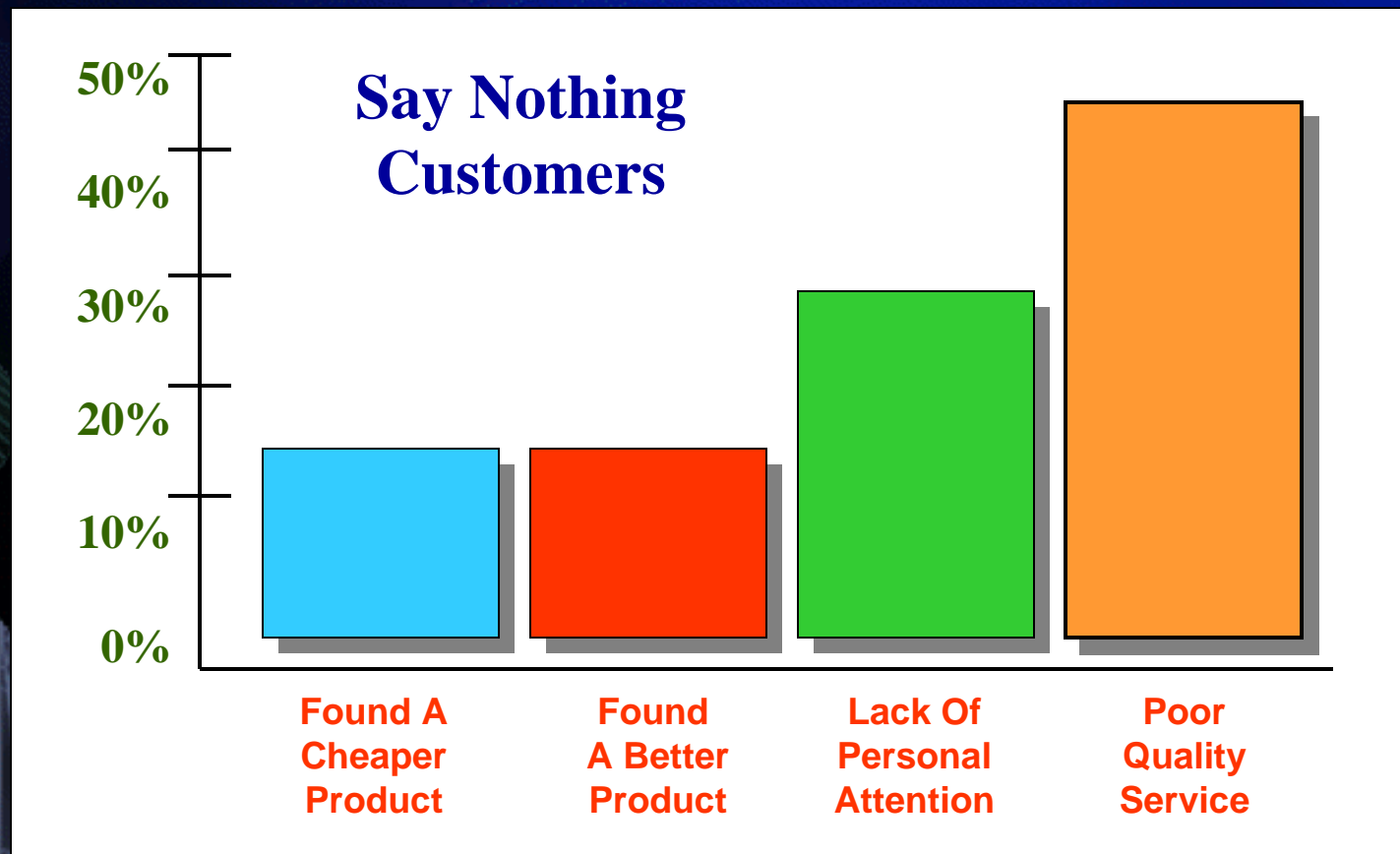


Say Nothing Customers



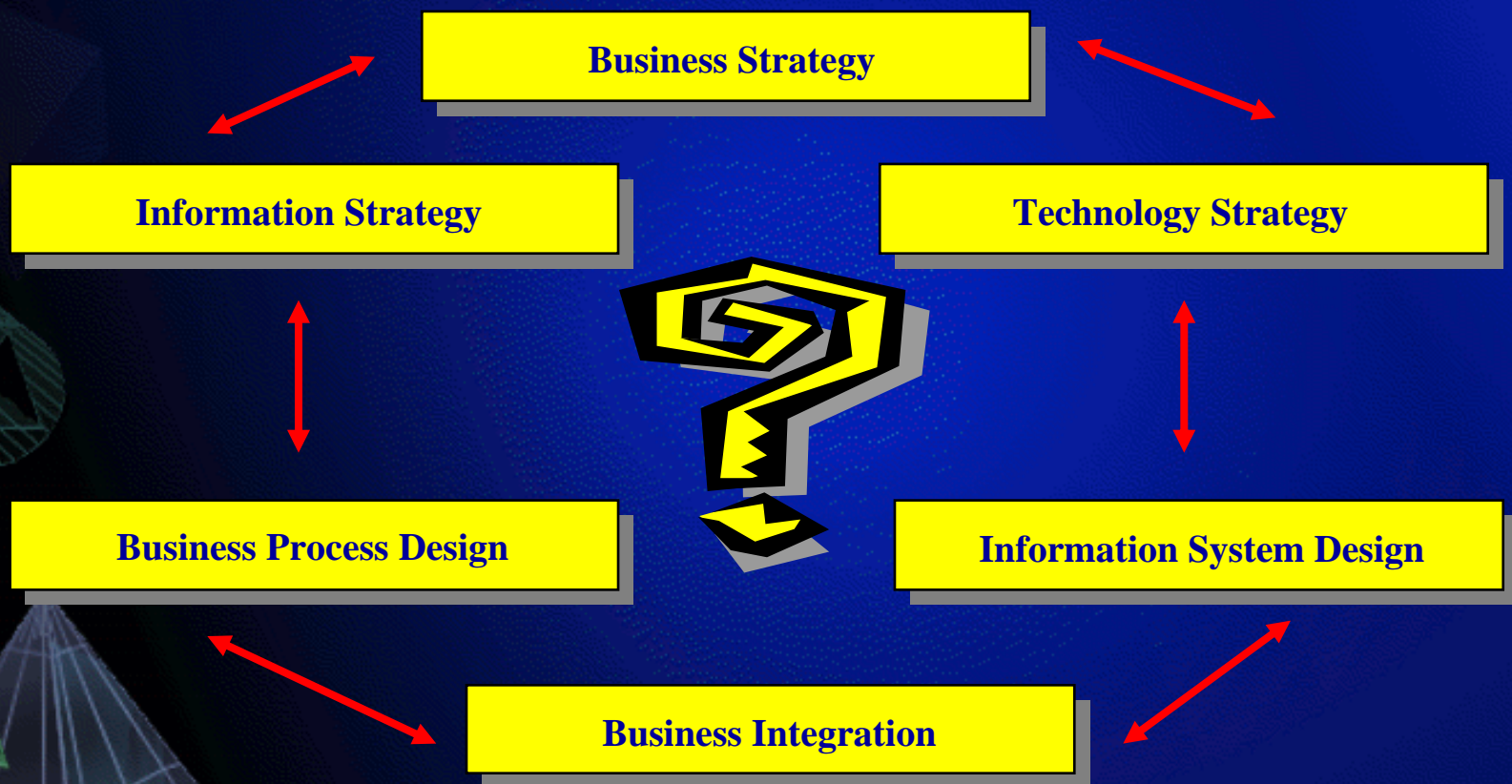
Source: TKCI Information Research, 1999

Why Do Customers Switch?

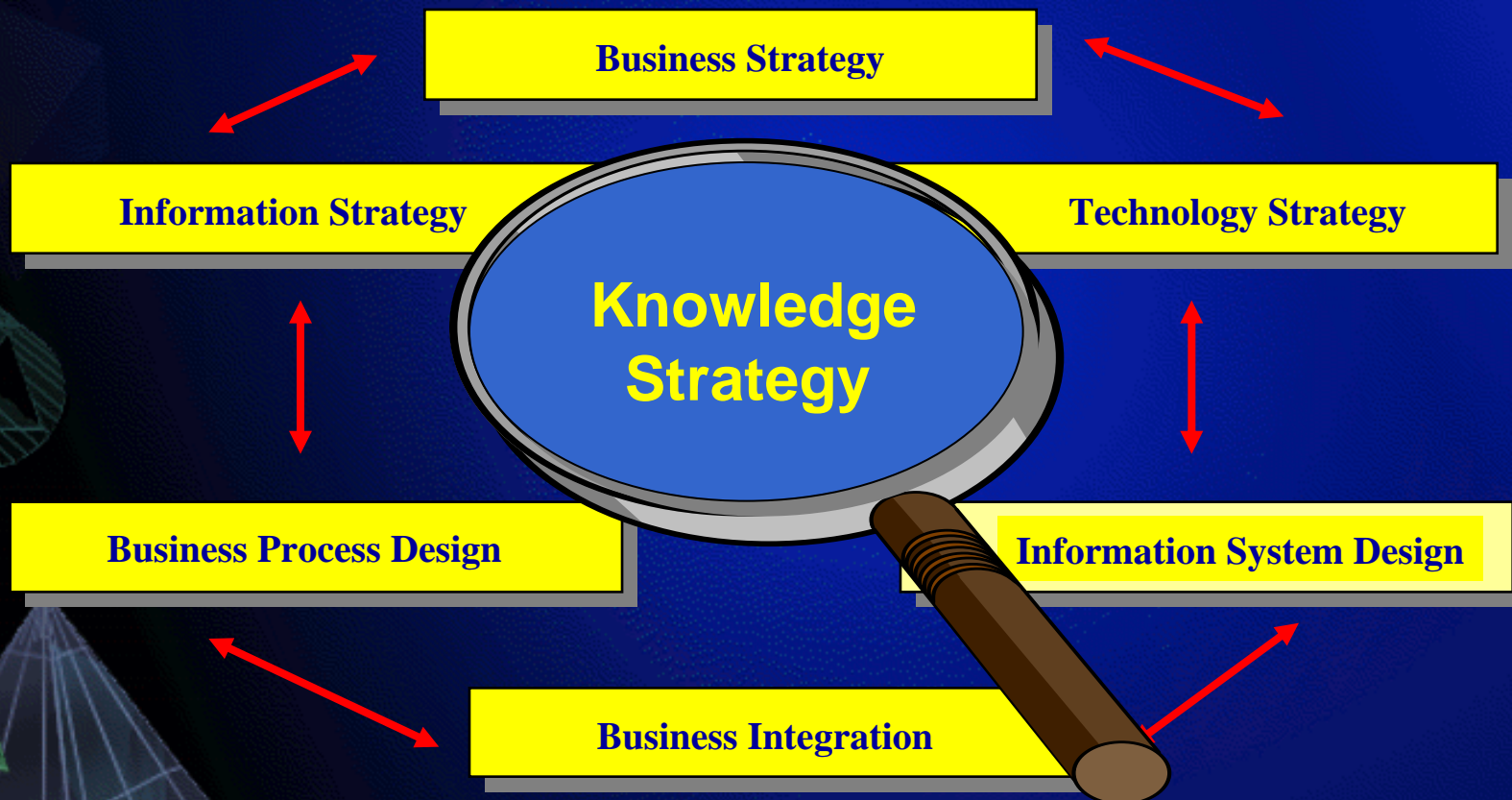


Source: TKCI Information Research, 1999

Executive Mind Map - *Traditional*



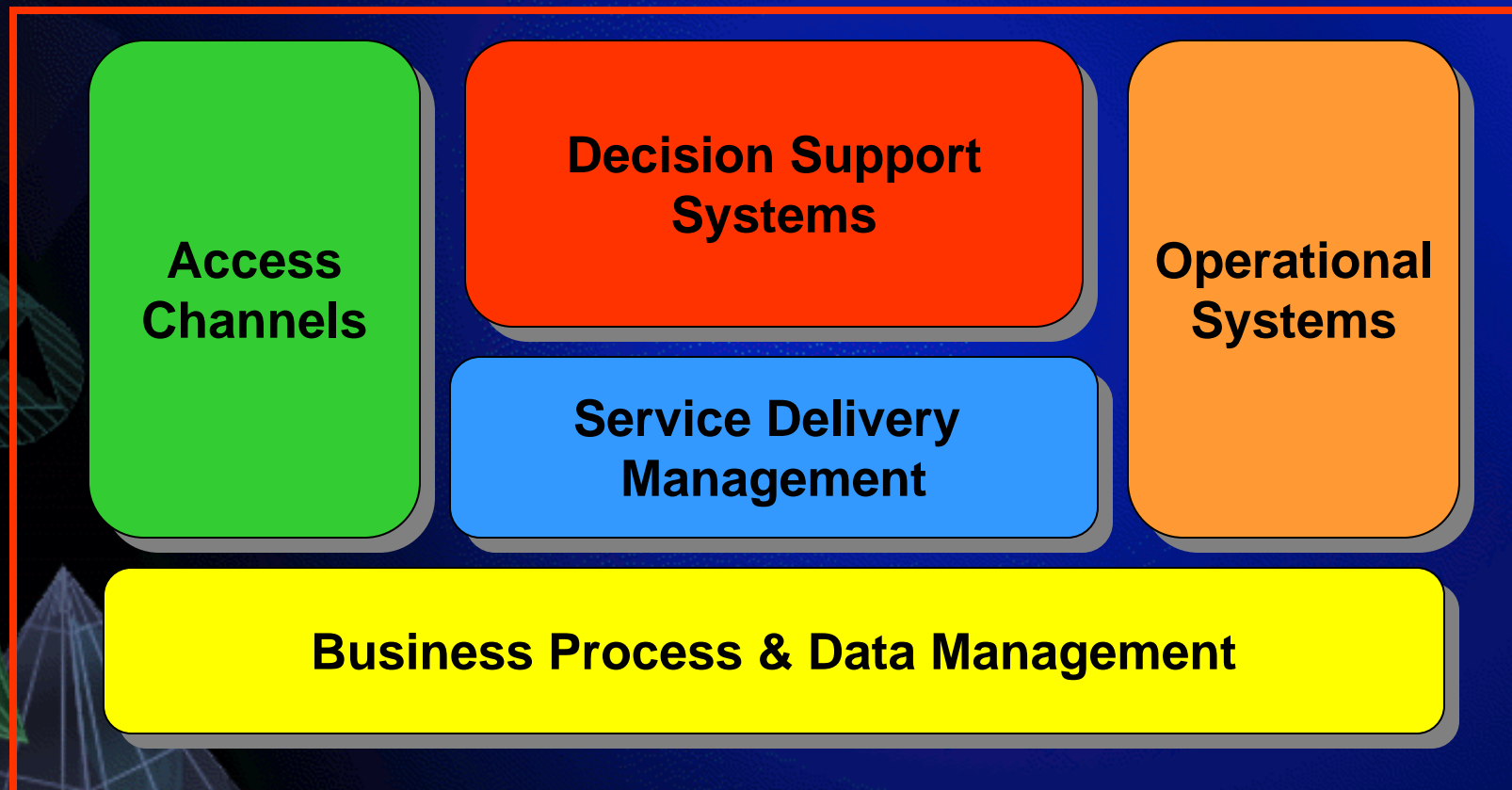
Executive Mind Map - *New Millennium*



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

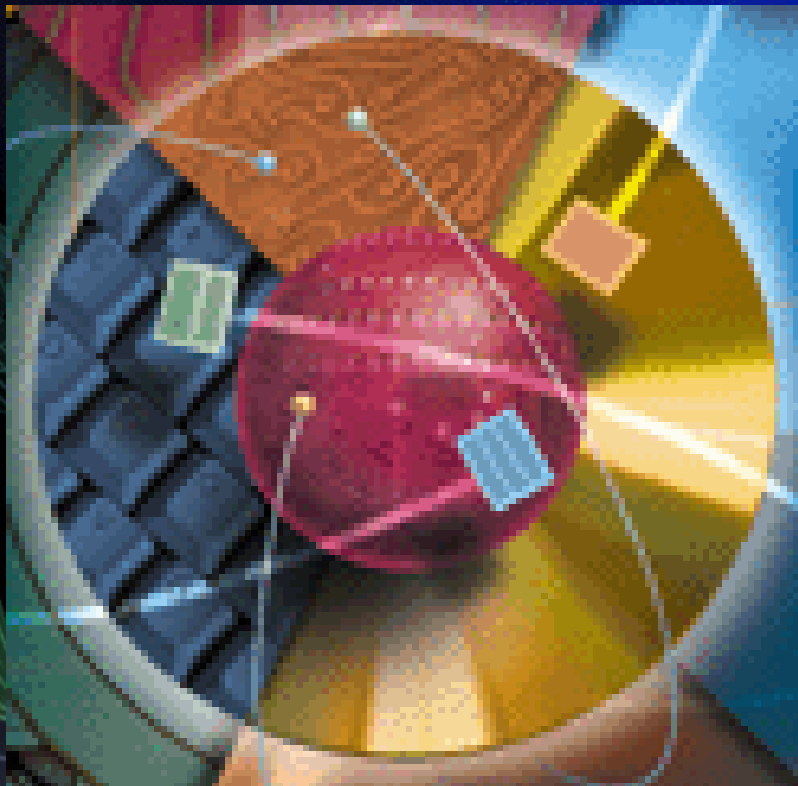
- **Access Channels**
 - *Bank Operated*
 - *Customer Operated*
- **Product Development**
 - *Financial*
 - *Non-Financial*
- **Intellectual Capital**
- **Customer Relationships**
- **Strategic Partnerships**

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