

Original Article

Tackle Key Operational Challenges among Banks with ServiceNow

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Abstract: *The operational difficulties that banks encounter are examined in this thesis, along with how ServiceNow could be able to provide a revolutionary remedy. The banking sector is constantly under pressure to manage operational risks, increase customer satisfaction, maintain regulatory compliance, and improve efficiency. These problems can be solved with the help of ServiceNow's workflow automation, data integration, and service management features. This study attempts to give a thorough grasp of how ServiceNow can improve banking operations by looking at the main operational issues facing the banking industry, assessing how well ServiceNow works to address these issues, and examining case studies that show successful implementations. In the end, this thesis suggests that utilizing ServiceNow can result in increased client happiness, increased efficiency, and a more robust financial infrastructure.*

Keywords: Banking Sector, Client Happiness, Robust Financial Infrastructure.

I. INTRODUCTION

Rapid technological improvements, changing client expectations, and strict regulatory requirements are some of the complicated landscapes that the banking industry is today traversing. These elements play a part in a number of operational issues that prevent banks from attaining the highest levels of effectiveness and service provision. Ineffective procedures, disjointed systems, insufficient risk management frameworks, and challenges in upholding regulatory compliance are some of the key problems. With its strong ITSM (IT Service Management) solutions and specialist Financial Services Operations products, ServiceNow stands out as a crucial platform that may simplify operations in this regard. This thesis will examine the particular difficulties that banks encounter and show how ServiceNow may successfully resolve these problems.[1]

A. Key Operational Challenges in Banking: Operational Scale and Efficiency:

The environment in which banks operate is extremely dynamic, with a wide range of consumer needs. The ability to scale processes efficiently, both up and down, is necessary to do this. Conventional banking procedures frequently depend on manual workflows that are dispersed over several departments, which results in inefficiencies and higher expenses. For example, fragmented systems can cause loan processing to take weeks. An IDC analysis states that because of enhanced processes and automation capabilities, banks using ServiceNow have reported cutting loan processing times from 20–30 days to just 48–72 hours. By guaranteeing prompt service delivery, this raises customer happiness in addition to productivity.

Furthermore, the COVID-19 epidemic has highlighted how crucial operational effectiveness is. As they shifted to remote work settings, several banks were compelled to review their procedures. As employees began using digital platforms instead of face-to-face contacts, the necessity for digital self-service choices became critical. By providing technologies that enable smooth remote operations, ServiceNow helps with this shift. Because of the platform's capabilities, banks can build a strong digital infrastructure that efficiently serves both staff and clients.

As well, banks are under pressure from rivals who are using technology to provide services more quickly. Banks may innovate at scale using a single system of action that digitizes fragmented procedures and links staff from different departments by implementing ServiceNow's Financial Services Operations. In addition to streamlining processes, this integration improves team communication, cultivating a collaborative culture that is critical for success in the rapidly evolving financial sector of today.

B. Customer Experience Consistency:

For banks hoping to keep customers happy and loyal, providing a consistent customer experience is crucial. Disjointed systems can result in uneven service quality across several channels, which can irritate clients and undermine confidence. [4][6]Through the integration of many banking processes onto a single platform, ServiceNow's Financial Services Operations enable smooth client interactions. Real-time data sharing between departments is made possible by this



integration, guaranteeing that all parties involved have access to pertinent data while answering client questions.

Automated customer onboarding procedures, for instance, can drastically cut down on how long it takes for new customers to begin utilizing financial services. Conventional approaches frequently need several interactions with various departments, which cause confusion and delays. Banks may guarantee that customers receive prompt assistance during their contacts by automating these processes inside ServiceNow. Furthermore, banks may more efficiently collect consumer feedback thanks to the platform, which helps them promptly pinpoint problems and areas in need of development.

Moreover, maintaining customers in a market that is becoming more and more competitive requires improving XXX-X-XXXX-XXXX-X/XX/\$XX.00 ©20XX IEEE the consistency of the customer experience. Customer loyalty can be greatly impacted by a flawless experience across all touch points, whether in-person or online. Banks can maintain high service standards across all channels while creating individualized experiences that are catered to the demands of each individual client thanks to ServiceNow's capabilities.

C. Regulatory Compliance:

The financial industry is governed by strict regulations that demand careful paperwork and adherence to rules. Serious fines and harm to banks' reputations may follow noncompliance. Through automated tracking and reporting systems, ServiceNow's powerful governance, risk management, and compliance (GRC) technologies assist organizations in upholding regulatory standards. Banks can simplify their audit procedures and lessen the strain of compliance management by centralizing compliance-related data within the platform [2], [3].

For example, banks may quickly produce compliance reports without requiring a lot of user effort thanks to automated reporting features. In addition to saving time, this reduces the possibility of human error, which is crucial in a field where precision is crucial. Additionally, banks can proactively address possible risks before they become serious concerns by using ServiceNow's analytics capabilities to spot trends in compliance issues over time.

Additionally, banks must continue to be flexible in their compliance efforts due to the rapid evolution of legislation, particularly those pertaining to cybersecurity and data protection. Financial institutions can quickly modify their plans in response to evolving rules by utilizing the real-time data analytics offered by ServiceNow's platform. In addition to reducing risks, this proactive strategy strengthens customer trust, since they anticipate that their financial information will be handled safely.

D. Fraud Prevention and Business Continuity:

Financial institutions need to take proactive measures to mitigate the heightened fraud risk that comes with the growth of digital banking. Strong procedures must be in place at banks in order to quickly identify fraudulent activity and take appropriate action. By quickly assigning cases to the right teams, ServiceNow's automation features enable organizations to expedite fraud investigation procedures. This guarantees effective triage of questionable activity, which is essential in a hectic setting when every second matters.

Planning for business continuity is also necessary to guarantee that critical services continue to run in the event of disruptions like natural catastrophes or technical malfunctions. ServiceNow helps banks get important data about business continuity from many departments. By automating data collection procedures that were previously laborious and manual, this capacity facilitates efficient planning and crisis response plans.

Furthermore, when calamity occurs, whether from weather or technological breakdowns, a bank's IT systems must be able to recover swiftly in order to maintain client trust. Banks may ensure they have solid plans in place by collecting thorough business continuity information through ServiceNow solutions.

E. Implementing ServiceNow:

A Strategic Approach Workflow Automation ServiceNow's automation tools help banks improve operational efficiency by streamlining procedures across divisions. Banks can improve service quality and minimize response times by automating repetitive processes such as incident management and service requests. For example, one regional bank reported lowering staff onboarding time from one week to three hours using ServiceNow-enabled automated workflows.

Furthermore, automated workflows guarantee that incidents are routed according to predetermined rules, allowing IT teams to respond to urgent issues as soon as possible. This reduces delays in responding to service disruptions that may have a negative impact on the customer experience. Furthermore, built-in tools enable companies to proactively examine possible risks connected with changes or occurrences, allowing banks to reduce issues before they become larger problems.

In the automation not only improves productivity but also boosts employee morale by eliminating tedious chores that

take away from more meaningful work. Employees are empowered with improved tools, allowing them to focus on higher-value tasks rather than being weighed down by administrative duties—a move that supports creativity inside firms striving for excellence in the face of constantly shifting market realities.



Figure 1: Banking System

F. Data Integration:

ServiceNow's integration features are especially useful for financial organizations looking to have a single view of their operations across divisions. Traditional banking systems frequently operate in silos, which impedes cooperation and makes it difficult for teams to communicate information effectively. Banks may break down these silos using ServiceNow's centralized platform, which integrates services such as IT service management (ITSM), customer service management (CSM), and compliance monitoring into a single integrated solution Figure 1:Banking System[9]10]

This comprehensive strategy guarantees that all stakeholders have access to pertinent data when making choices or responding to client inquiries, resulting in improved outcomes for employees and consumers alike. For example, if IT teams have visibility into ongoing events affecting customer service representatives (CSRs), they can prioritize resolutions based on effect rather than the first- come, first-served strategy.

Furthermore, integrating disparate systems enables firms to use existing investments while increasing the return on technology spends over time. Banks improve operational efficiency and overall agility by developing seamless connections between various applications utilized throughout the firm, allowing them to respond rapidly to changing market conditions without missing a beat.

G. Improved Reporting and Analytics:

ServiceNow offers robust reporting tools that allow banks to effectively track performance metrics across various areas of operation, ranging from IT performance metrics such as incident resolution times to customer satisfaction scores derived from post-interaction feedback surveys of CSRs or other staff members involved in servicing clients' needs. These analytics capabilities provide organizations with the actionable insights required for continuous improvement initiatives aimed at increasing overall operational efficiency while improving client experiences over time through informed decision-making processes driven by real-time data analysis rather than relying solely on historical trends and anecdotal evidence.

Furthermore, having access to comprehensive dashboards enables executives to monitor key performance indicators (KPIs) at a glance, allowing them to analyze the efficiency of implemented strategies and modify course as needed if targets are not met.

H. Case Studies of Successful Implementation:

Several case studies demonstrate successful ServiceNow implementations in banking environments, highlighting tangible post-deployment benefits across a variety of use cases, ranging from fraud detection enhancements to automated investigations, resulting in faster recoveries when compared to traditional manual methods previously used before adopting this technology solution as shown in Figure2: Managed Services Offering.

Another notable example is a regional bank leveraging automation capabilities offered by ServiceNow, which allowed them to streamline their onboarding process and improve overall employee satisfaction levels, largely because they could focus on more higher-value tasks instead of being bogged down by mundane administrative duties that previously consumed significant amounts of time each week prior to implementing these solutions effectively transforming how work gets done across the entire organ.



Figure 2: Managed Services Offering

II. CONCLUSION

Banks face complex operational challenges due to increased efficiency, improved client experience, strict regulatory compliance, and robust fraud protection measures. ServiceNow is a revolutionary solution that streamlines operations by automating workflows and integrating heterogeneous systems, resulting in shorter processing times and lower operating expenses. It also offers governance, risk management, and compliance solutions, ensuring banks conform to regulatory standards and reduce noncompliance risks.

ServiceNow is a platform that enhances fraud detection and response, enabling banks to swiftly respond to threats. Its business continuity planning tools ensure critical services are maintained during disruptions, safeguarding consumer trust and institutional integrity. Successful ServiceNow deployment not only enhances operational efficiency but also positions institutions for long-term success in a competitive market, transforming operations into agile, robust systems.

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