

Optimizing banking and credit union innovation and productivity through cloud communications

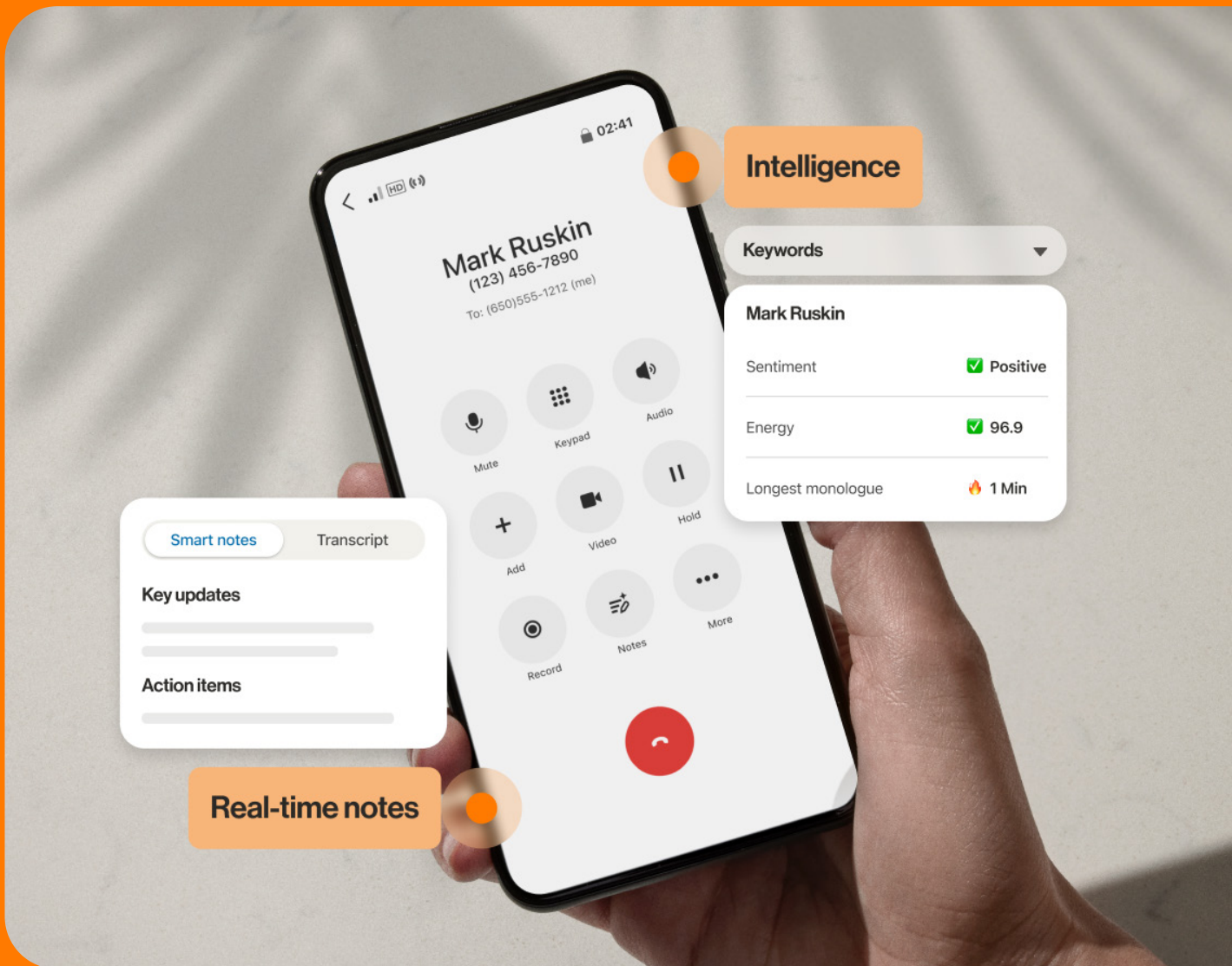


Table of contents

Executive summary 3

CHAPTER 1

Meeting the needs of a mobile workforce 6

CHAPTER 2

Increasing business agility with cloud communications 8

CHAPTER 3

Enhancing security and compliance with managed cloud services 10

CHAPTER 4

Improving workforce productivity with an all-in-one platform approach 12

CHAPTER 5

Driving innovation via collaboration to accelerate time to market 14

CHAPTER 6

Empowering financial professionals with AI tools that drive efficiency 15

CHAPTER 7

Improving operational efficiencies with AI-powered communications 18

RingCentral: The UCaaS solution for Financial Services 21

Executive summary

The banking sector is at a turning point, faced with the challenge of managing present realities while preparing for the future.

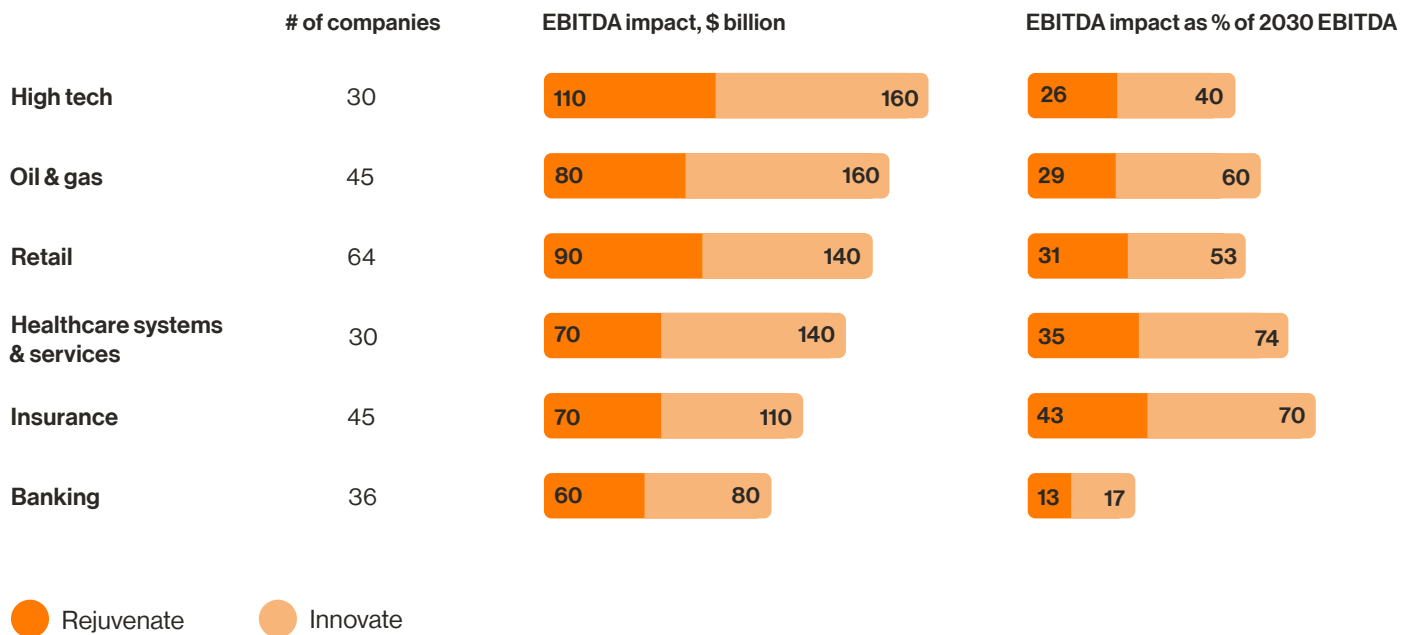
The banking sector is at a turning point, faced with the challenge of managing present realities while preparing for the future. [McKinsey's Global Annual Banking Review](#) predicted:

"Over the next five to ten years, market pressures and shifts, including technological changes that disrupt traditional banking, will amount to fundamental structural breaks. Banks will need to improve their short-term resilience and invest in the long term to innovate and prepare the path for future profitability, increased growth, and higher valuations."

Facing mounting challenges in the form of economic uncertainty, eroding market share as new breeds of customers and competitors emerge, cultural shifts, and technology advances, banks and credit unions are experiencing the pull of changing tides. In response to changing conditions, banks and credit unions feel the pressure to accelerate their digital transformation journey, simplifying their tech stacks by moving more processes to the cloud. That move should pay off; [McKinsey](#) estimated that banking as an industry is positioned to generate significant value from moving to the cloud, as measured by an EBITDA impact in 2030 of up to \$80 billion. At the same time, banks and credit unions must balance the pace of digital transformation with the need to avoid compromising compliance or customer service excellence.

Impact of cloud use cases and improvements

Estimated 2030 EBITDA run-rate impact



Source: ["Cloud's trillion-dollar prize is up for grabs," McKinsey](#)

Financial institutions are looking to do more with less, but they also need to bring new products to market faster to accommodate rising customer expectations and Fintech industry disruptors offering innovative competing products.

While all these goals require a future-forward view, banks and credit unions must also focus on retaining their current customer base now by providing faster resolution for customer issues, enhanced customer service, and hybrid work options for customer-facing employees.

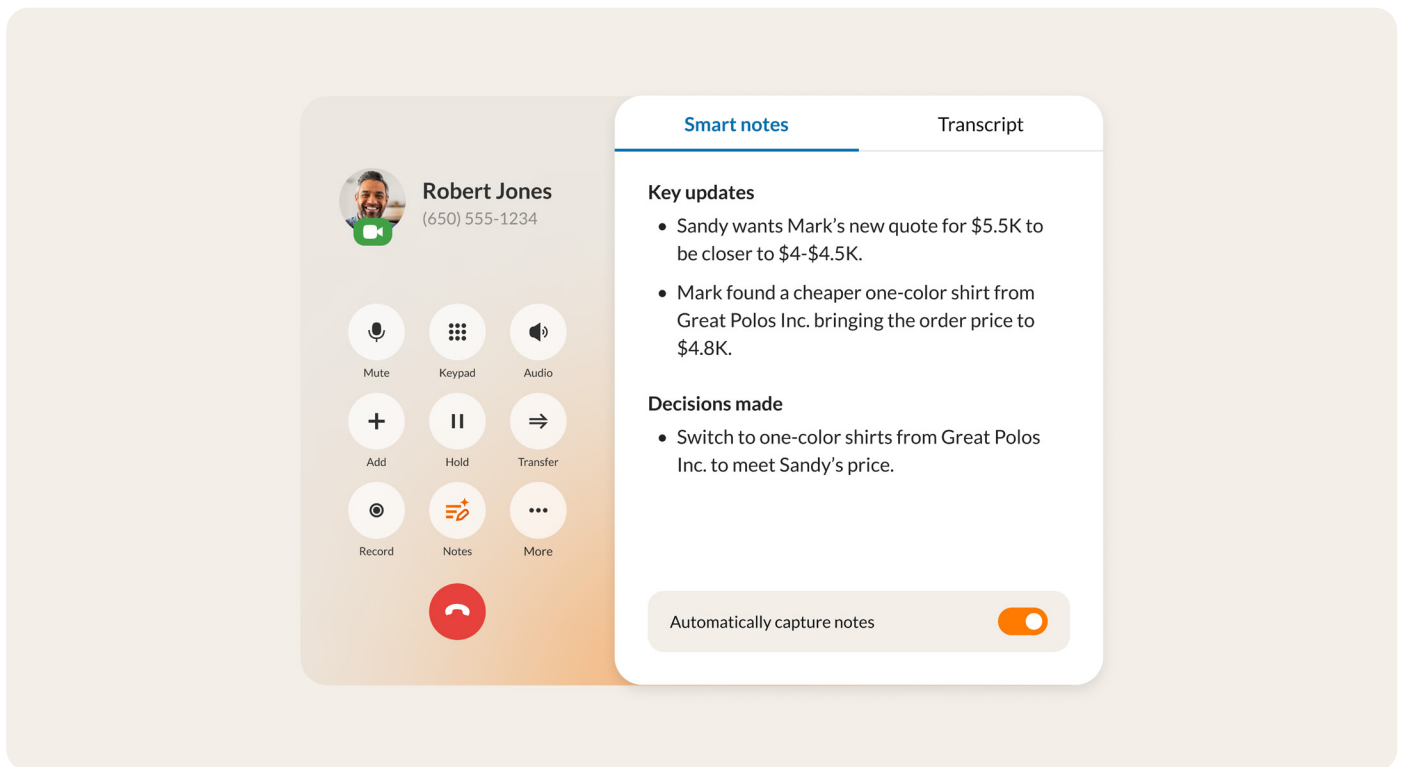
All this represents a tall order for modern financial institutions, but organizations can meet the challenge with a forward-looking strategy and communications technology that grows with them as their digital transformation journey unfolds.

In this paper, you will discover how banks and credit unions use cloud communications to:

- Enable enhanced mobility for a hybrid workforce
- Increase business agility
- Enhance security and compliance with managed cloud services
- Improve productivity with an all-in-one-platform approach
- Drive innovation via collaboration to accelerate time to market
- Improve operational efficiencies and reduce IT costs

This paper also explores common banking and credit union use cases for unified cloud communications, including:

- Customer onboarding
- Account servicing
- Credit card processing
- Personal and mortgage lending
- Fraud detection
- Regulatory compliance

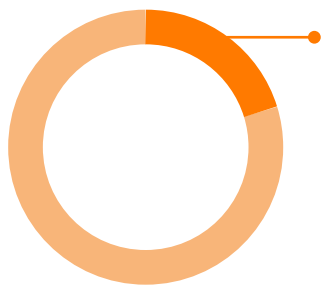


Meeting the needs of a mobile workforce

Although it would have been almost unimaginable five years ago that banks and credit union employees would be able to work in anything other than a brick-and-mortar environment, now [hybrid work](#) is a reality for financial services.

Furthermore, it's a reality that is not likely to change any time soon. [PwC research](#) indicates that only 20 percent of financial services employees want to be in the office three or more days each week. Considering that 55 percent of financial services executives identify talent acquisition and employee retention as the biggest risk impacting the ability of their companies to meet growth objectives, it's clear that banks and credit unions must acknowledge employee preferences for hybrid work and ensure flexibility in their workplace models.

Cloud-based communications solutions are an essential component of any financial services hybrid work model. Banks and credit unions must equip their remote workforce with mission-critical collaboration tools that include voice, video, messaging, file sharing, and more. These tools must be



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inherently secure, meeting all compliance requirements in the highly regulated financial services industry.

Hybrid work is not a one-size-fits-all proposition, however. Each banking organization and credit union will need to step back and contemplate what the future of work will look like with a permanent hybrid workplace.

Now is the time to re-imagine banking processes. Where can hybrid work be embedded in those processes successfully? What technologies will be needed to bring your vision for hybrid work to reality?

Regardless of your answers to these questions, it is a safe bet that cloud communications will figure prominently in any hybrid work environment you imagine.



Increasing business agility with cloud communications

As defined by [Accenture](#), business agility includes both speed and stability for banks and credit unions.

Elements for speed.

- Speed to market
- Rapid response
- Exploiting opportunities as they arise
- Staying ahead of the competition

Elements for stability

- Prudent risk management
- Effective leadership and culture
- Strong governance
- Resource coordination, prioritization, and allocation

Business agility involves sensing and responding to opportunities and disruptions effectively. It's not just about business recovery, although agility supports business continuity in times of crisis. Agility starts with a cultural mindset—a way of thinking that embraces change and evolution.

Complexity is an enemy of business agility. Banks and credit unions saddled with legacy processes, technology, and data may find it difficult to achieve true agility.

What can be done? Cloud communications can bring simplicity where complexity once reigned. For example, many banks and credit unions struggle with a jumble of

disconnected communications devices and channels—all leading to a lack of productivity and agility in the workplace. A unified communications as a service (UCaaS) solution, on the other hand, allows team members to quickly and effectively communicate and collaborate via appropriate channels such as email, text, chat, phone, and video—switching from one to the next seamlessly. That’s agility.

Case study



SoFi, a personal finance company known for its mobile-first technology and outstanding customer service, was experiencing growing pains. As the company added new locations, hired hundreds of new employees, and built out additional call centers, it became apparent that SoFi’s phone infrastructure was not up to the task. Eric Callagher, SoFi’s Telephony Engineer, explained: “This problem got more serious the more we expanded. We had no way of seeing if we were making cost-effective decisions as we added capacity and opened new offices, or if we were needlessly spending on telecom services we weren’t even going to use.” SoFi found its solution in RingCentral, a cloud-based communications solution. Now, SoFi can add new employees and complete contact centers easily, all while enjoying the ease of integrating its business systems with its phone system for greater agility.

[Read the entire story here](#)



Additionally, cloud-based communications solutions enable a bank or credit union to respond quickly to customer issues, emerging market trends, and developing opportunities. [Strong collaboration tools](#) ensure that all in the organization remain in touch and on target, thereby facilitating organization-wide agility.

Enhancing security and compliance with managed cloud services

Banks and credit unions are at elevated risk for cyber crimes. Due to their huge databases of highly sensitive, personally identifiable information that cybercriminals can use and monetize, banks are high-value targets for bad actors.

Credit unions are favorite targets for cyberattacks as well, as the general perception is that credit unions may have fewer defenses in place than their larger banking counterparts.

According to a [recent KPMG survey](#), 81 percent of bankers expect increased cybersecurity threats and 43 percent admit that their organizations are ill-equipped to protect customer data, privacy, and assets during a cyberattack. A separate KPMG survey of senior risk executives found that 84 percent expect cybersecurity risks to grow. [IBM's 2022 Cost of a Data Breach Report](#) found that the average cost of a data breach for critical infrastructure organizations such as banks was \$4.82 million.

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43%

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84%

expect cybersecurity risks to grow

In addition to the threat posed by cybercriminals, banks and credit unions must also contend with constantly evolving regulatory requirements. In the same survey of senior risk executives, 74 percent expect compliance risks to rise in tandem with cybersecurity risks.

A [cloud-based communications platform with advanced security features](#) can help financial services organizations to meet regulatory requirements and ensure financial data is secure. Managed cloud services yield significant advantages to banks and credit unions, as these services help ensure regular updates and security checks, as well as compliance with industry standards such as FINRA-regulated customer compliance and PCI DSS requirements.



Improving workforce productivity with an all-in-one platform approach

In the quest to do more with less, improving productivity is a real winner for banks and credit unions. An all-in-one communications platform [boosts productivity](#) by a huge order of magnitude.

For example, consider the all-too-real problem of toggling between apps. One [Harvard Business Review study](#) found that, on average, the cost of a switch is little over two seconds and the average user toggled between different apps and websites nearly 1,200 times each day. That means that people spent just under four hours a week reorienting themselves after toggling to a new application. Over the course of a year, that adds up to five working weeks, or 9 percent of their annual time at work. That's a lot of missed opportunity for productivity.

1200

Did you know?

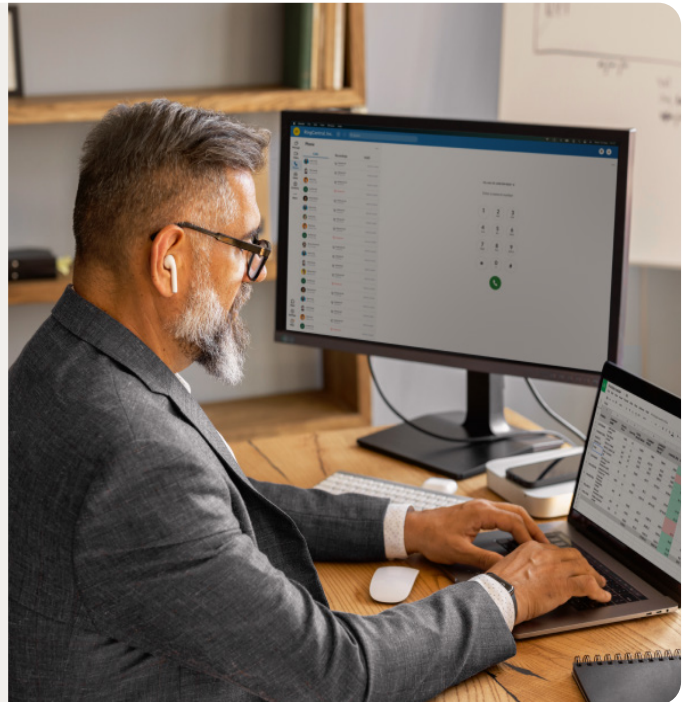
The average user toggles between different apps and websites nearly 1200 times each day

Migrating to the cloud for communications enables seamless transition between communications channels, without the need for app switching. Adding contact center solutions to a unified communications system means agents can easily shift interactions with customers from one channel to the next. It is also easy for dispersed work teams to hold planned and spontaneous meetings for collaboration. An all-in-one platform approach [simplifies workflows](#) and leads to greater productivity overall.

With cloud-based communication tools like video conferencing and instant messaging, banking employees can easily communicate and collaborate in real time, no matter where they are.

Additionally, cloud communications solutions can help streamline workflows and reduce the time and effort required to complete common tasks. For example, cloud-based project management tools can help financial services teams manage projects more efficiently, while cloud-based document management tools can help streamline document creation and collaboration.

Cloud communications solutions can help streamline workflows and reduce the time and effort required to complete common tasks.



Driving innovation via collaboration to accelerate time to market

Cloud communications solutions also enable an increase in innovation and facilitate an accelerated time to market for new product offerings. A UCaaS solution offers robust collaboration tools that help keep teams on task and in lockstep with other team members and project managers.

Collaboration functionalities such as file sharing, video conferencing, and team messaging enable rapid iteration of product offerings, speeding time to market and conferring competitive advantage to banks and credit unions that make use of these functionalities in their workflows.

Cloud solutions can enable financial services companies to experiment with new business models, products, and services rapidly.

Using application programming interfaces (APIs), banks and credit unions can easily integrate with third-party applications and services to create new offerings that better meet the needs of their customers, such as mobile banking apps and digital wallets.

Empowering Financial Professionals with AI Tools That Drive Efficiency

In the realm of financial services, where client relationships and efficient service delivery are paramount, Artificial Intelligence (AI) stands as a transformative force. AI technologies are not just augmenting the capabilities of financial professionals; they are redefining the very essence of personal productivity and conversation intelligence. This section delves into how AI applications are setting new standards in client engagement and operational excellence for credit unions and insurance firms.

Personal Productivity Reimagined

Imagine saving client-facing employees 3-4 hours a week, at the same time, elevating personalization for clients. AI-driven tools are revolutionizing personal productivity by automating routine tasks, providing insightful analytics, and ensuring financial advisors can focus on what they do best—delivering personalized advice and building client relationships.

Use Case: AI-Powered Notetaking

Imagine a world where no detail from client meetings is ever missed. AI-powered notetaking solutions transcribe conversations in real-time, highlight key points, and even suggest follow-up actions, ensuring advisors are fully present during client interactions, free from the distraction of manual notetaking.

Tapping into Conversation Intelligence to Drive Growth

In the digital age, every client interaction is an opportunity to gather insights and enhance service delivery. AI is pivotal in deciphering the vast amount of data from these interactions, offering unprecedented levels of conversation intelligence.

Use Case: AI Call Scoring and Analysis

For insurance firms, understanding the nuances of client calls is crucial. AI call scoring analyzes the quality of conversations, scoring them based on various parameters such as customer sentiment, agent empathy, and resolution efficiency. These insights are invaluable for ongoing training and quality assurance.

Use Case: Cross-Selling and Upselling Opportunities

By analyzing customer transaction histories, service inquiries, and engagement patterns, AI identifies potential cross-selling and upselling opportunities. For credit unions, this might mean suggesting a personal loan to a customer with a history of making large credit card payments, or for insurance firms, offering bundled home and auto policies to customers with an approaching renewal date.

Use Case: Trend Analysis for Proactive Customer Support

AI systems continuously monitor client interactions across various channels, identifying trending keywords and topics. If an insurance company notices a surge in mentions of "natural disaster" following a storm warning, they can proactively reach out to policyholders in affected areas with information on how to file claims, prepare for potential damage, and access emergency funds, thereby demonstrating attentiveness and care in critical times.

Transforming Client Experiences with AI in Financial Services

In the competitive landscape of financial services, delivering exceptional client experiences is not just a goal; it's a necessity. Artificial Intelligence (AI) is at the forefront of this transformation, offering innovative solutions like Interactive Voice Assistants (IVA), agent assist technologies, and AI-powered coaching for supervisors. These tools are redefining how credit unions and insurance firms engage with clients, ensuring every interaction is both meaningful and impactful.

Interactive Voice Assistants (IVA) for Client Self-Service

IVAs are revolutionizing client communication, providing instant, 24/7 support for basic inquiries and transactions. This not only enhances client satisfaction by offering immediate assistance but also allows human agents to focus on more complex, high-value interactions.

Use Case: Seamless Account Inquiries

A client calls their credit union seeking account balance information. Instead of waiting for a human agent, an IVA instantly recognizes the request, verifies the client's identity, and provides the needed information securely and efficiently, all within moments of the call being placed.

Agent Assist for Real-time Guidance

Agent assist technology is a game-changer in customer support, equipping agents with AI-driven insights and guidance in real-time. This AI support system ensures that every client interaction is informed, efficient, and highly personalized, elevating the standard of customer service in financial institutions.

Use Case: Enhanced Support During Critical Transactions

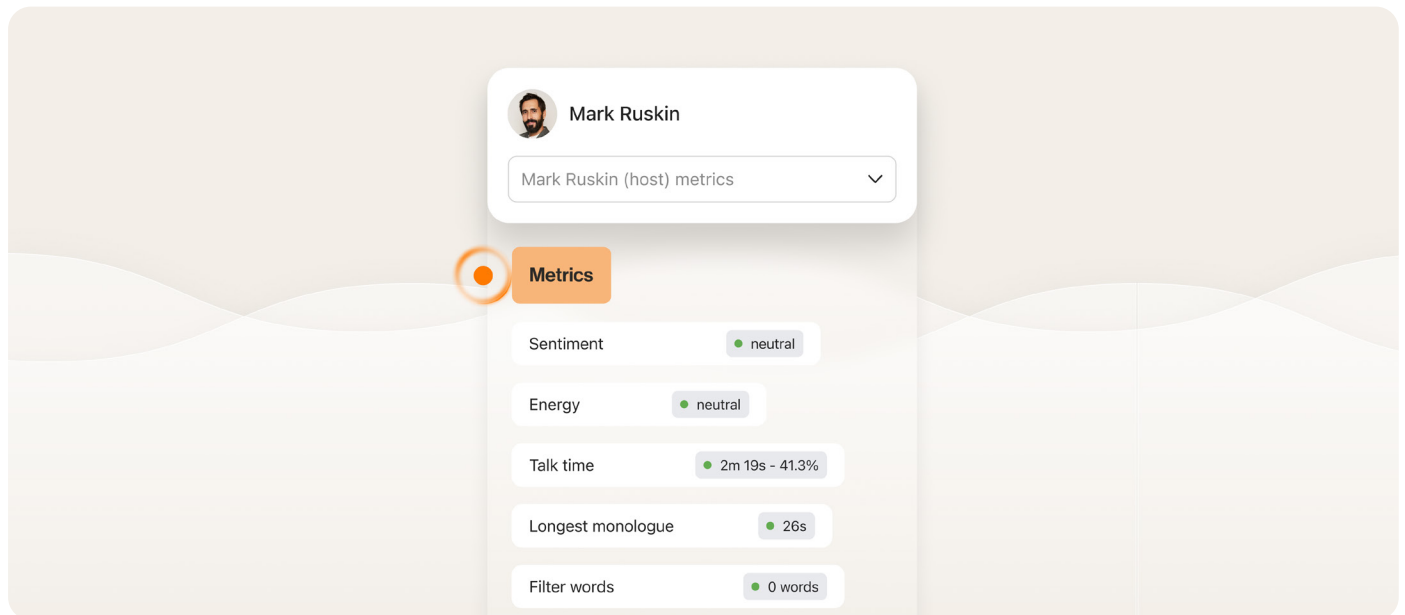
A client contacts their insurance firm with questions about processing a claim. The agent assist AI immediately provides the agent with a comprehensive view of the client's policy details, claim history, and relevant regulatory guidelines. As the conversation unfolds, the AI suggests responses to the agent based on the client's specific concerns and previous interactions, ensuring the advice given is both accurate and personalized. This seamless support enables the agent to address the client's needs effectively, fostering trust and satisfaction.

AI-Powered Coaching to Elevate Service Quality

AI-powered coaching tools offer supervisors in-depth analytics on agent performance, client sentiment, and service trends. This data-driven approach to coaching helps identify best practices and areas for improvement, ensuring a consistently high standard of client service across the board.

Use Case: Targeted Training Programs

After analyzing several client interactions, AI identifies a need for improved communication skills among certain agents. Supervisors can then initiate targeted training programs, using AI-generated insights to develop personalized coaching sessions that address specific skill gaps.



Improving operational efficiencies with AI-powered communications

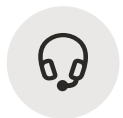
Closely related to the increase in productivity cloud communications provides, many banks and credit unions also see vast improvements in operational efficiencies with UCaaS. Consider the following use cases for UCaaS to handle operational challenges:



Customer onboarding

For banks and credit unions, customer onboarding involves adherence to KYC/AML requirements. As customers and credit union members increasingly look for digital banking services, they expect the onboarding process to reflect their desire for digital. UCaaS, combined with contact center as a solution (CCaaS), offers new customers the convenience of sharing identifying documentation online via secure file sharing technology, along with offering customers an easy way to connect with a live agent if needed during onboarding.

A UCaaS platform allows all internal stakeholders to quickly access communications and information about newly onboarded customers to provide superior customer service and support via [digital engagement](#).



Account servicing

AI-enabled UCaaS improves communication and collaboration in account servicing. For example, AI-enabled chatbots can provide real-time customer support, enable self-service for common customer issues, automate routine tasks such as balance inquiries and password resets, and more, freeing up employees to focus on higher-value tasks.

When customers need extra help, smart routing functionality allows the customer service organization to route a call to the appropriate live agent to handle customer concerns, all seamlessly and without extra input from the customer.



Credit card processing

A UCaaS solution combined with a CCaaS solution enables banks and credit unions to quickly and securely process credit card payments via phone with live customer service agents or online via virtual agents. This added level of convenience, combined with the heightened security measures built into a UCaaS solution, provides a superior customer experience that helps with customer retention.



Personal and mortgage lending

From pre-approval to loan closing, personal and mortgage lending can be both time- and cost-intensive for banks and credit unions. With the advent of fintechs that offer a completely online process and loan decisions in as little as a day, customers now expect similar speed and convenience from their bank or credit union lender.

A cloud communications solution streamlines both internal and external communications, thereby speeding the loan application process. For internal communications, features such as a presence indicator which allows team members to quickly reach out to colleagues regarding loan applications, file sharing, and screen sharing all work together to help facilitate rapid loan response, while ensuring compliance with regulatory requirements.

Cloud communications solutions give banks and credit unions the capacity to keep borrowers in the loop via the customer's channel of choice, be it telephony, video conferencing, live chat, or even text message.



Fraud detection

Fraud is an ever-present danger for financial services organizations. A growing area of concern for banks and credit unions is [fraudulent activity aimed at contact centers](#). Over half of respondents in a [recent survey](#) reported an increase in the frequency of callers attempting to commit fraud, with websites and contact centers accounting for 56 percent of communication channels used for account takeover attempts in financial services.

The best UCaaS solutions are equipped with robust security and fraud detection technology. For example, RingCentral's UCaaS offering boasts [seven layers of security](#), with strict access and detection controls and usage throttling to prevent toll fraud. RingCentral's cloud communications security measures include settings for managing policies and end-users, giving banks and credit unions the tools they need to prevent internal fraud as well.



Regulatory compliance

Cloud communications can improve regulatory compliance for banks and credit unions too. A [well-designed UCaaS](#) solution offers full visibility into an organization's cloud infrastructure, making way for the continuous evaluation of assets and allowing organizations to understand how relationships among them affect their security and compliance posture and help determine opportunities for improvement.

With robust encryption, voice communications and shared files are secure. UCaaS solutions can be configured to securely record and archive all communications that fall under regulatory control, thereby ensuring a clear audit trail.



RingCentral: The UCaaS solution for Financial Services

Digital transformation in banking and credit unions unlocks the potential speed and innovation of cloud computing while addressing compliance, security, and regulatory requirements. As a [2023 Gartner® Magic Quadrant™ Leader for UCaaS, Worldwide](#), RingCentral works with major organizations across financial services such as [SoFi](#), [Altura Credit Union](#), [First Bank](#), and [Brightway Insurance](#) to integrate all essential communication and collaboration tools in one userfriendly platform.

With team messaging, video calling, VoIP (voice over internet protocol) calling, and a host of business app integrations, RingCentral can help you begin streamlining your workflows, improving productivity, maximizing ROIs, and innovating how your team stays connected at all times.

[Reach out to our RingCentral team](#) today to learn more or to [request a demo](#).

For more information, please contact a sales representative. Visit ringcentral.com or call 855-774-2510.

RingCentral Inc. (NYSE: RNG) is a leading provider of AI-driven cloud business communications, contact center, video and hybrid event solutions. RingCentral empowers businesses with conversation intelligence, and unlocks rich customer and employee interactions to provide insights and improved business outcomes. With decades of expertise in reliable and secure cloud communications, RingCentral has earned the trust of millions of customers and thousands of partners worldwide. RingCentral is headquartered in Belmont, California, and has offices around the world.



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