

Agreeable banking.

Notorious for wasting time, money, and paper, the agreement process is finally ready for digital transformation.

A DocuSign
white paper.

Digital transformation starts today. And right here.

In a world defined by the speed and convenience of digital, on-demand services, incumbent banks that rely on manual, paper-based processes are losing business to digital challengers at an alarming rate. While most banks can handle routine customer interactions online, many are still struggling to digitally transform the way business-critical agreements are prepared, signed, acted on, and managed. Whether opening an account, requesting account services, or buying additional products and services, today's consumer expects efficient, secure processes and personalized, digital experiences. Delivering on those expectations requires a modern system of agreement.

Consumers are clear about what needs to change

Today's consumers are more informed, empowered, and digitally connected than ever before. They know what they want from a bank, and it's not paperwork.

Consumers demand digital experiences

The digital transformation taking place across industries is making a massive impact on banking. On-demand digital services from online giants like Amazon and Google are resetting customer expectations. Consumers want – and increasingly expect to get – the ability to conduct business 24/7 through intelligent, self-service, digital tools. Banks must reshape the customer experience in new, digital ways, or risk becoming obsolete.

Consumers prefer mobile-friendly services

Today's consumers live on their mobile devices. As established banks look to evolve their mobile strategy, they're facing growing competition from startup banks and non-traditional service providers that offer attractive digital alternatives. Online-only companies such as Ally Bank are gaining traction, especially among millennials and younger consumers. And with the growing popularity of peer-to-peer payment apps, from Venmo to PayPal to Zelle, it's never been more important for banks to raise their mobile game.

Consumers expect secure, compliant processes

Growing concerns over personal privacy and information security are dialing up the pressure. Banks must comply not only with consumer preferences but also with an ever-expanding set of regulations, such as Know-Your-Customer (KYC) and Anti-Money-Laundering (AML). But compliance remains a challenge and often results in a poor customer experience, especially when processes involve multiple, disconnected systems or rely on manual, paper-based workflows.

50%

Consumer mobile banking growth over the past year¹

60%

of U.S. bank customers are willing to try a financial product from a tech firm they already use, and that number rises to 73% for customers aged 18-34.²

65%

of Amazon Prime respondents are willing to try a free online bank account offered by Amazon.³

It's not you. It's your system of agreement.

Every interaction a consumer has with a bank matters, but those that involve signed, written agreements create dangerous gaps in the customer experience. The digital technologies and automated processes of a modern system of agreement ensure continuous quality with less risk and cost.

Make agreements a digital transformation priority

Agreements form the very fabric of a business relationship. Banks use agreements to conduct business with consumers every day – from standard web forms, such as privacy policies and terms of use, to more customized contracts for opening accounts and securing loans. Every completed agreement signifies a deeper level of commitment and trust in the relationship. When banking agreements can be done faster with less risk, lower costs, and better experiences for everyone – especially customers – that's agreeable banking. And it's possible now, thanks to new digital technologies.

Doing nothing is not an option

Every organization already has a "system" for getting agreements done. Unfortunately for most banks, it is a mess of manual processes and office technologies that involves printing, handwriting, scanning, emailing, and faxing. Every delay, mistake, or frustration raises the likelihood that a transaction will be abandoned, or that customers will give up and take their business elsewhere. More so now than ever, the competition is just a click away.

Electronic signatures are a good start, but don't stop there

Banks that already use electronic signature technology are ahead of the curve in streamlining the agreement process. But there are still manual steps before and after the signature that waste too much time, money, paper, and goodwill.

Can digital forms be pre-filled with customer information you already have, or are customers and employees required to rekey it? Are approvals and reviews routed manually? When an agreement is signed, does it automatically trigger downstream processes, or do people need to push buttons? Do they sometimes push the wrong buttons? Is there a single, auditable process by which all this happens? For any agreement, can you show that the process was followed? And for that matter, can authorized employees quickly and easily find any completed agreement?

39%

of customers are "Likely or Very Likely" to bank more if they could e-sign and complete applications entirely via a mobile app.⁵

“When we think about strategy and product, we are very focused on customer experience. We really wanted to provide a simple and fast experience for our customers to access capital when they needed it.”

Julie Chen Kimmerling
Executive Director of Strategy & Business Development, Business Banking at Chase Bank⁴

Modernizing your system of agreement saves a lot more than paper

Your system of agreement includes all the people, processes, and technologies involved in your entire agreement process – from preparing and signing documents to acting on terms and managing completed agreements. The more digital, automated, and connected you make it, the less time, money, and paper it will consume, which makes everyone happier.

With a modern system of agreement, you can significantly reduce, if not eliminate entirely, in the agreement process:

- Manual and paper-centric processes
- Bottlenecks and delays
- Errors and misunderstanding
- Frustration, mistrust, and dissatisfaction
- Security and compliance risks

Case in Point: Consumer Loans

A typical consumer loan process involves days of information gathering, building the loan package, printing or emailing, and waiting for the customer to sign and return the documents. Every passing day raises the risk of the customer becoming frustrated and finding a faster competitor. In addition, manual paperwork invites mistakes that incur further costs and delays. For larger banks, these opportunity and productivity costs can add up to millions of dollars annually.

80%

of financial firms will either go out of business or be rendered irrelevant by new competition, changing customer behavior, and advancements in technology by 2030.⁶

Five guiding principles for designing a modern system of agreement

A modern system of agreement can help drive competitive advantage in banking. Focusing your digital transformation efforts on these five principles will put you on a faster path to agreeable banking.

1 / Take a mobile-first approach

Mobile-enabled banking services are critical to the future of banking. Going digital isn't enough; you need to go digital in a mobile-first way. For example, if you have customer forms digitized as PDF files, that's digital, but it's not mobile-first. Why not? Because PDFs are essentially digital pictures of paper. On a typical smartphone, a PDF's text is often tiny; customers must repeatedly pinch and zoom to read it. Not only is the experience frustrating, but it invites regulatory risk around inadequate disclosure.

The modern expectation is responsive digital content that automatically adapts to a mobile device's screen size and orientation – agreements should be no exception. Even if a PDF version exists, a responsive version should also exist for mobile consumers. Remember how you felt the last time you tried to use your smartphone to visit a non-mobile website. You don't want your customers – or potential customers – to feel that same frustration, especially when they are on the cusp of opening an account or buying additional products and services.

2 / Automate processes to reduce errors and speed turnaround times

Some banking products involve complex application processes. They may involve credit checks, income and employment verification, and beneficiary designation. When a process is complicated, consumers are more likely to need assistance from support teams, or worse, to abandon the process altogether. Banks can make these processes faster and more intuitive with intelligent automation.

For example, instead of providing one long PDF form to fill out and navigate (“If you answered yes to question 3B, skip to 11D.”), a modern system of agreement can provide a “wizard”-style sequence of questions. This allows you to guide the consumer step by step, adapting or omitting questions based on previous answers. You can also help the consumer by providing selectors for acceptable answers and validating text input. Finally, because you are asking one question at a time, it is easy to design the experience responsively for mobile devices.

When questioning is complete, the system can use the answers to automatically generate the consumer's signature-ready agreement. For the consumer, it's a streamlined, mobile-friendly way through a complex application process. For banks, it's a way to increase completion rates, reduce support costs, and reduce Not-In-Good-Order (NIGO) rates – which in turn will lower the cost and time taken for manual review and remediation.

47%

Consumers prefer the mobile channel for opening deposit and credit card accounts.⁷

24%

of banks offer true, end-to-end mobile account opening.⁸

3 / Integrate existing customer knowledge into every agreement

Banks have invested hundreds of millions of dollars to digitally transform the way business is conducted. Yet, when customers want to expand the banking relationship – for example, to add loans, credit cards, or wealth management services – they often must re-enter information the bank already has about them. If the customer has to start from scratch, why not try another bank?

A modern system of agreement enables data to be pulled from Customer Relationship Management (CRM) systems to automatically populate agreements. For consumers, it's a remarkably right experience to have agreement fields already filled in; it saves time and shows the value of the existing banking relationship. For banks, not only do completion rates go up, but errors from rekeyed data are eliminated.

4 / Remove barriers to customer consent and understanding

Financial agreements can be complicated, involving terms and conditions that aren't easily understood. Consumers need to agree to those terms in order to move a process forward; when they're unsure about what they're getting into, they hesitate – and may even look for another provider.

Modern systems of agreement are built with flexibility for how agreement details, legalese, and lengthy terms and conditions can be presented and reviewed with consumers. For example, a modern system of agreement will support Truth-in-Lending-Act (TILA) disclosure tables to be presented in a variety of mobile-friendly formats, including collapsible sections, page breaks, and more. If your alternative is a wall of text in a static PDF that requires a microscope to read on mobile devices, it's time to change.

5 / Insist on full compliance across your system of agreement

With increasingly digital and automated processes comes new challenges and opportunities for regulatory compliance. A modern system of agreement is built for both. Full audit trails, available on demand, provide the ability to view and report on who gave consent and when, helping you deliver evidence of regulatory compliance.

Meanwhile, completed agreement documents are stored in a secure, high-availability system and can be easily retrieved when needed. And, the underlying technology infrastructure has the security, privacy, and reliability standards that meet or exceed those of even the largest banks. To regulators, the message should be clear: you are using new technologies not only to fulfill but to enhance consumer protections and regulatory compliance.

Gone are the days when a lender has no choice but to overnight a stack of papers to issue a loan and a customer has to wade through it to find the places to sign. The entire package can be digital, from start to finish, resulting in a “wow” factor that keeps customers coming back for more.⁹

40%

of new bank account applications are started but never completed.¹⁰

FDIC 370 Compliance is coming in 2020. Are you ready?

“Recordkeeping for Timely Deposit Insurance Determination,” or FDIC Part 370, requires covered institutions to provide complete and accurate account and depositor information for determining the insurance coverage available to each depositor. For all deposit accounts, signed signature cards must exist for each owner and for each co-owner of joint accounts. Can you handle Part 370 in a fully digital way?¹¹

Let's agree to agree

Consumers now expect all of their financial service needs to be met with personalized, digital solutions – regardless of whether they involve signed, written agreements or not. Banks that can offer seamless, mobile-native experiences that guide customers quickly and confidently through any agreement process will have the advantage. Banks that fail to modernize their systems of agreement will simply not be able to compete effectively.

DocuSign can help your organization modernize your system of agreement and deliver digital banking experiences that exceed consumer expectations, meet organizational goals, and comply with legal and industry requirements. Learn more about DocuSign by visiting docusign.com/banking.

Notes

¹ Citi, 2018 Mobile Banking Study, 2018

² Bain & Company, Evolving the Customer Experience in Banking, 2017

³ Bain & Company, Can Amazon take Customer Loyalty to the Bank?, 2018

⁴ CB Insights, How JPMorgan is Preparing for the Next Generation of Consumer Banking, 2018

⁵ Deloitte Insights, 2018

⁶ Finextra, Most banks will be made irrelevant by 2030 – Gartner, 2018

⁷ Avoka, Digital Sales Report, 2018

⁸ Digital Banking Report, 2017 Account Opening and Onboarding, 2017

⁹ IDG White Paper, Digital Transactions Drive the Future of Banking, 2016

¹⁰ Signicat, The Battle to On-Board Report, 2016 (research conducted in the UK)

¹¹ Deloitte, Gearing Up for FDIC Part 370 Compliance

About DocuSign

DocuSign helps organizations connect and automate how they prepare, sign, act on, and manage agreements. As part of the DocuSign Agreement Cloud, DocuSign offers eSignature: the world's #1 way to sign electronically on practically any device, from almost anywhere, at any time. Today, more than 500,000 customers and hundreds of millions of users in over 180 countries use DocuSign to accelerate the process of doing business and to simplify people's lives.

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