

## RBC ONLINE BANKING ACCOUNT OPENING CASE STUDY

### COGNITIVE GROUP DELIVERS GROUNDBREAKING FUNCTIONALITY TO RBC ONLINE BANKING SITE

**Situation:** The **Royal Bank of Canada (RBC)** was looking for a way to ease the process for existing customers to open secondary bank accounts. RBC struck on the idea of letting customers open new accounts through the online banking portal. With dozens of combinations and permutations of bank accounts, the problem RBC faced was in how to ensure that selection process was simple for customers who would be opening these accounts online without the in-branch assistance of staff.

**Solution:** RBC approached the **Cognitive Group** to determine how best to transfer a cumbersome, manual process to a self-service online model.

*“With Cognitive's help we were able to take an extremely complicated process and streamline it to three screens and a couple of simple questions, and the account is opened,”* said **Martin Stevens, RBC Senior Manager, Program Integration, e-business Architecture.**

**Result:** RBC customers now open more than 2,000 secondary accounts online each month with immediate access. The process saves customers inconvenience, time and travel costs to go to their branch. RBC saves more than \$1.5 million a year through the online process and enhances customer loyalty.

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From a customer perspective, opening a bank account should not be a major ordeal, but from a bank's perspective, the reality is that account management is a very complex process.

“A lot of our technology in the background was built over a very long period of time and was never designed for the customer to use directly – only the bankers,” said Martin Stevens, RBC Senior Manager, Program Integration, e-business Architecture. “The customer doesn't understand that we have three different data centres and how that adds a whole range of complexity to how we offers goods and services to our clients.”

Traditionally, a customer wanting to open an account goes into a bank branch. They may be able to deal directly with a teller, or have to make an appointment to meet with an account manager.

The bank staff must then guide the customer through all the different account options: Savings, chequing, savings/chequing; higher interest rates with minimum balances, different interest payment schedules, different transaction fees, and so on.

The Royal Bank of Canada (RBC) is no different in this regard. As one of North America's largest Tier One banks, it offers one of the largest array of financial services and selection of bank account choices available. On one hand, the variety leaves no customer need unfilled. On the other, guiding customers through the account landscape can be "a challenge " said Stevens. Taking that out of the bank and putting it online, takes the complexity to new heights.

"My project manager was pulling his hair out, scratching his head trying to figure out how he's going to do this, because he's surrounded by product people, risk management people, fraud concerns, legal and legal disclaimers," said Stevens. "You can't sort of plop this list in front of a client and say pick one."

The Cognitive Group reviewed the bank's requirements and conducted a cognitive analysis with account managers to analyze the decision process they employ in helping customers select a bank account during what is typically a half-hour meeting with a customer.

Cognitive then reviewed the business and legal constraints that affect the opening of an account, such as the availability of a signature card at a branch.

This decision structure was used to develop an algorithm that could be used for online queries. Then, Cognitive worked to develop a series of online prompts that would guide customers in the shortest, easiest route to complete the task necessary to accomplish the goal of opening an account online and having immediate access to it.

"Cognitive helped design a really simple process that asks a few questions about the type of account a customer wanted," said Stevens. "Those questions or possibilities are filtered on what the customer already has, so as not to lead the customer down a path that we can't fulfill, such as, if a certain type of account requires a credit limit check, we didn't build that account into the process."

Stevens said Cognitive's solution, "was brilliant ... really neat." Now, if you are an RBC customer and have registered for online banking, already have your user identification and password, you can open an account online.

"Let's say you want to open up a savings account to put some money in for your son's or daughter's education," said Stevens. Or you have a chequing account and want a savings account.

"Four or five clicks of the mouse and it's done. End of story. You don't have to go to the branch; you don't have to do anything else – very cool," said Stevens. He compares this to competitors' online banking services, where customers are already registered online and yet, if they try to open an account online, the process opens up an online form which begins to ask for names, address, phone number and so on.

"We think that's ridiculous and absolutely insulting to have to go online and fill out this big long form when you're already registered and authenticated online," he said.

Stevens acknowledges there are some limitations. For instance, if you are not currently a customer of RBC, you will still have to go into a branch to open your first account. Likewise, if you want the account held at a different branch from one where you already have a signature card on file, then you'll still have to apply in person.

"In my case," said Stevens. "I already have accounts at two branches with signature cards. I'm not changing anything in terms of the branch; I'm just adding a new account to that signature card – that was one of Cognitive's ideas."

Stevens said for most people today, the location of the branch and the account is not a major concern. With online banking, telephone banking and automated teller machines (ATMs), many people rarely even step inside their bank branch.

From a business case perspective, when accounts are opened online, RBC's costs are reduced from \$50 per transaction to less than 15 cents per account. With more than 2,000 accounts opened online monthly – a number that grows each month – RBC saved over \$1.5 million in the first year.

"What is not factored into a lot of these business cases is what it does for customer satisfaction and customer loyalty," said Stevens. "Whenever we can offer a straight through, serve yourself, clean process that is simply and easy to use, the loyalty to RBC increases, as opposed to trying something that annoys you."

"A lot of the stuff we're trying to do today is to avoid exactly that," he said. And a lot of that ability comes from the Cognitive Group.

"Cognitive brings a unique skill set. It is not just usability; it is not just GUI design. I've worked with usability consultants and (Cognitive) takes it to a new depth in the way they are able to reference the design and develop the strategy," said Stevens. "They are the only one's I'm aware of that can do this."