

# Mastering digital agility: Staying nimble to navigate change

Staying current with the rapid pace of change in the world can feel daunting. In many cases, the missing component is something simple yet powerful: digital agility.

Digital agility enables financial services firms to rapidly deliver the innovation and experiences needed to acquire and retain loyal customers. Institutions that are digitally agile are able to rapidly launch new products in response to market conditions, competitive pressure, regulatory changes, and rising consumer expectations.

## *What is digital agility?*

*Digital agility is the ability to use technology to thrive in a world with constant change. It is not typically an ability that requires a structural overhaul — instead, it is something that your existing teams can unlock with the right toolset. With modern tools and technology partnerships in place, digital agility can enable financial institutions to respond internally and instantly, rather than waiting for someone else to write a bunch of code.*



**Nima Ghamisari**  
CEO, Blend

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## Section 01

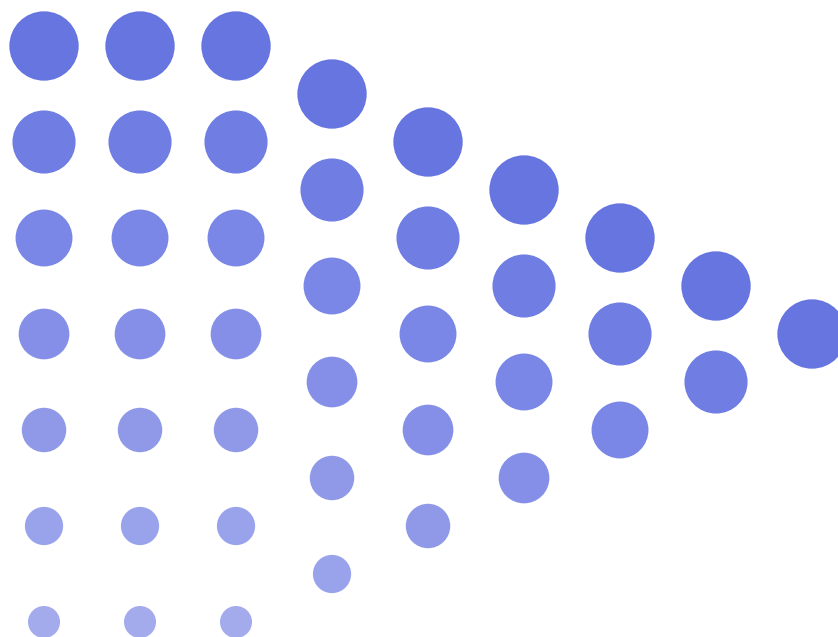
# Defining digital agility and why it matters

A straight and steady path, although idyllic in nature, typically doesn't align with market success. Leaders face near-constant needs for rapid decision making and course changes.

It takes more than just courage to adapt strategic approaches in real-time. Technology, processes, and an organizational philosophy dedicated

to decisive action all play a part. In concert, these factors support quick directional changes, oftentimes in unexpected directions.

There are two main forms of digital agility: your reactive response to an unexpected disruption and your proactive ability to stay ahead of the pack through innovation.

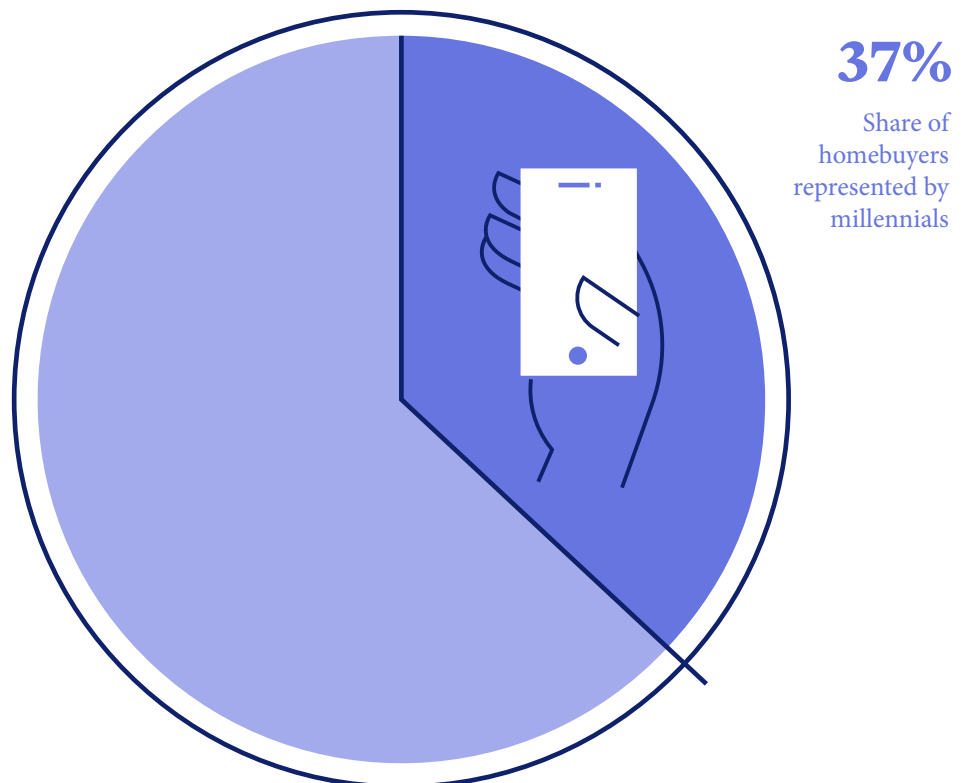


# 1. Responding to disruption

A digitally agile organization isn't overturned by a change in market conditions. Instead, it's poised to handle disruption as it emerges.

Unpredictability is expected. History has proven that unexpected events can upend markets, causing disruptions in financial services and across industries.

Disruption can be small in scale or less acute. For example, millennials have become the largest share of homebuyers (37%) in recent years. Banks have responded by offering mobile apps and prioritizing funding digital initiatives to appeal to this group. Reactive agility allows organizations to respond quickly to catastrophic global events, micro-changes in consumer preferences, and everything in between.



# Digital agility in action

## Reactive agility: Responding to disruption

The government responded to COVID-19 with stimulus packages including the Paycheck Protection Program (PPP), offering loans and tax relief to struggling small businesses. M&T Bank knew the loan applications would come flooding in, and there wasn't much time to prepare.

Aware of the processing efficiencies they'd already seen when using Blend for mortgage applications, Chris Kay, who leads M&T's consumer and business banking divisions, reached out to Blend.

Kay connected Blend with CIO Sonny Sonnenstein, whose team was able to quickly take advantage of the platform's flexibility and begin processing PPP loans. They were up and running — with a live, self-serve application through signing and integration — in 72 hours.

Applications were clean, accurate, and approved the first time around. After opening up applications in April, the bank funded nearly 100% of the requests they received, amounting to 32,273 loans totaling almost \$7 billion. That money helped 718,000 employees around the country.

The combination of working with a nimble technology partner and having a team that was ready to take on any challenge allowed M&T to process more than 18 times the SBA loans that they would usually process in a year in only three weeks.

*Partnering with Blend meant we could move quickly enough to be there for our customers when they needed it.*

**Chris Kay**

Executive Vice President,  
Consumer Banking, Business  
Banking, and Marketing

With Blend, M&T Bank was able to efficiently process loans  
for the Payment Protection Program

Total execution time

**72 hours**

Applications funded

**nearly 100%**

Total funded loan volume

**32,273**

Total funded loan value

**nearly \$7 billion**

Employees helped by M&T PPP loans

**718,000**

## 2. Innovating to stay ahead

Digital agility also enables a proactive strategy that aims to meet upcoming needs now. In practice, this looks like standing up new products and features through rapid experimentation and iteration. These products and features

can be used to better meet rising consumer expectations, to cement your position as an industry leader, and to establish your brand as a paragon of forward-thinking innovation.

# Digital agility in action

## Proactive agility: Staying ahead of the competition with a forward-looking approach

The Elements Financial team has always prioritized its customers. When they first implemented Blend Mortgage in 2017, they knew they were adopting more than a mortgage solution — they were adopting a platform that would help them adapt to evolving customer expectations.

**255%**

Application submission rate increase

“We approach things from a long-term point of view and put the member first,” said Ron Senci, EVP, sales and lending at Elements. “It’s not about how much money we can make, but about how much value we can provide.”

**59.8%**

decrease in time to fill out applications

After nailing the mortgage and home equity experience, they looked to expand their partnership and its impact with the Blend Consumer Banking Suite. Elements now delivers the digital experiences members expect across product lines.

The Elements team is receiving positive feedback from customers that translates to results. “Not only are we providing a consistent member experience, thanks to Blend, but our members are also completing their applications more quickly and converting at higher rates,” Senci said.

So far, they’ve seen a significant reduction — 60% on average — in the time it takes members to fill out applications for vehicle loans, personal loans, and credit cards since adopting Blend. On average, these applications now take Elements members less than five minutes to complete. Customers expect simple and consistent application experiences across products, behavior Elements predicted and then acted upon by partnering with Blend.

# Why is digital agility a necessity?

Although similar in concept, there are some key differences between digital agility and transformation. Digital transformation implies a “one and done” process with a goal of reaching a certain end state. Digital agility goes beyond a one-time transformation, implying a state of continuous improvement in response to changing or anticipated market realities.

Today’s market realities are cross-industry, meaning business decisions are frequently determined less by regulatory weight and inertia than by continually evolving consumer expectations, driven largely by technological change.

## 1. Rising customer expectations

The definition of a good customer experience continues to evolve as consumers are exposed to a variety of customer-obsessed brands across a variety of industries. The average consumer is more empowered than ever to demand what they want: simplicity and ease of use, efficient processes, and personalized experiences.

In their [Financial Services 2020 report](#), PwC says, “Successful disruptors typically offer a better customer experience and greater convenience at a much lower price.” Why is this? They are focused solely on providing a customer-focused digital experience. Technology is key in enabling the responsiveness needed to meet these expectations.



## 2. Advantages held by digitally native organizations

These disruptors are digitally-born competitors, including neobanks and tech companies offering consumer lending and banking products, and they've been gaining market share each year — increasing the urgency felt by traditional financial institutions.

Disruptive challenger banks are built to innovate. These nimble organizations can move faster than traditional banks because of their lean business models. Unlike traditional banks, they aren't encumbered by the significant costs of maintaining physical branches and the pace of legacy architecture.

Non-financial technology companies entering the financial services space are also unencumbered by the costs of branches and boosted by a fast-paced structure, able to roll out new elements without overhauling their operations. Banks are now looking to incorporate data, analytics, and AI, three capabilities for which technology companies are known, in the pursuit of successful digitization.

## 3. The birth of new technologies

With countless new technologies predicted to enter the lending space over the next few years, lenders need a strategy in place to keep up with the competition. Having digitally agile architecture in place helps lenders be prepared to use relevant and effective technologies as they are ready.

An open tech stack with integration points can allow you to take advantage of artificial intelligence, machine learning, robotics, and other upcoming capabilities to manage regulatory compliance, minimize fraud losses, maximize efficiency, and more.

## 4. The accelerating pace of change

“It is now becoming obvious that the accelerating pace of technological change is the most creative force — and also the most destructive — in the financial services ecosystem today,” notes PwC in their [“Financial services technology 2020 and beyond: Embracing disruption”](#) report.

New technologies can be brought to market faster than ever before, and as a result, [70% of financial services leaders](#) are concerned about the accelerating pace of change in the industry.



**70%**  
of financial services leaders are concerned about the accelerating pace of change in the industry.

### The imperative to stay competitive

Today’s transformation is tomorrow’s legacy, and the methods you’re used to may no longer be sufficient. Challenger banks and tech companies hold unique advantages to meet the ever-evolving experiences demanded by consumers, and traditional financial institutions must rise to the occasion. Digital agility makes this possible.

# Digital agility in action

## Reactive agility: Taking action in response to the unexpected

23%

Reduction in loans requiring a manual review

Largely due to the pandemic, the mortgage industry experienced nearly 500% percent increases year over year in weekly application volume in early 2020.

Navy Fed reduced the number of loans that required manual review by 23%. Each of these loans would have taken loan officers an estimated 30 minutes to review, resulting in weekly savings of hundreds of hours.

30 minutes

Estimated time to review

Navy Federal Credit Union faced a challenging position: wading through a record number of refinance applications in the midst of a shift to a largely remote working environment. They decided to collaborate with Blend on a simple, efficient way to reduce time-consuming manual activities.

To manage the volume of applicants in the funnel, Navy Fed implemented new Blend features designed to reduce manual reviews and auto-decision more applications.

Blend's agile architecture, combined with Navy Fed's ability to react quickly, enabled rapid adaptation to a change in the market.

*Because of our partnership with Blend, we've been able to better manage a truly remarkable time in home lending.*

Mortgage executive at  
Navy Federal Credit Union

## Section 02

# Unlocking digital agility

The shortest pathway to digital agility entails employing technology that combines an agile, componentized architecture with embedded financial services domain expertise. This allows you to accelerate time to market, tapping into industry best practices while maintaining the flexibility to modify as needed.

*Domain expertise doesn't appear overnight. It is meticulously developed over time and consistently refined as market realities shift. Your organization is replete with this expertise — the technology that powers it should be as well.*



**Nima Ghamsari**  
CEO, Blend

# Elements of agile architecture

Because a core component of digital agility is responsiveness, it follows that the technology architecture enabling it should be as well. An adaptable, modern platform allows you to leverage a library of configurable elements to deliver a rich customer experience. An extensible technology framework allows for the replication and scaling of products, services, or channels.

These qualities enable a financial institution to stay nimble in response to market disruptions and stay ahead of the competition in capitalizing on new opportunities.

An agile digital architecture includes three foundational capabilities:

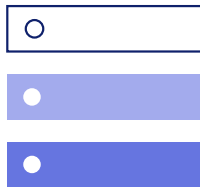




## 1. Out-of-the-box solutions with rich domain-specific functionality

This core set of functionality enables you to get to market quickly with proven solutions that are built on industry best practices. Common out-of-the-box components can include applications for various lending products.

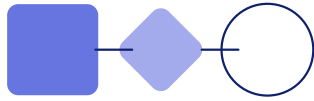
But it doesn't have to stop there — an adaptable architecture offers the flexibility to bring in value-added services through pre-defined integration points. This API-driven development allows for the safe and easy addition of 3rd-party services.



## 2. Modular components for custom products

When technology design is modular, standing up new and modified banking products is a repeatable and scalable process. You can work with baseline applications to create custom solutions for new product lines. As new products get spun up, easily apply your brand identity consistently across all product lines and channels.

Modular components allow you to build and modify application workflows, including personalization of the user experience, customization of internal processes, and integration with external data sources and services.



### **3. Orchestration of services across legacy and modern technologies**

An orchestration layer supports the adaptive capabilities of the agile architecture. Centralized management of application services across old and new technologies makes it easy to reuse common components and standardize workflows, allowing the bank to deliver consistently exceptional experiences and increase goal alignment across all lines of business.

Legacy technology doesn't need to limit your ability to meet your current day needs. Serving as a command and control center, enterprise-level orchestration makes it possible for new digital components to work in concert with legacy technology — empowering digital teams to push the envelope toward modern user experiences while exercising safe and steady transition.



# Domain knowledge

Domain knowledge is embedded in all layers of agile architecture, allowing you to tap into industry best practices and shorten time to market while maintaining the flexibility to customize experiences and processes.

Many technologies offer industry-agnostic applications you can adapt

for use with banking products. But technology that is built specifically for lending leverages expertise and domain knowledge that is relevant to your business. We design our product with a deep understanding of how important workflow best practices, core banking systems, and compliance with regulatory requirements are to lenders.

## Domain knowledge is embedded in:

- **Objects that capture the data necessary for loan application processing**
- **Workflows that streamline the application and approval processes**
- **Cross-channel customer journeys**
- **Integration points to industry data, service providers, and common legacy systems**

Tech partners with deep industry experience and a wealth of data can put these advantages into action,

designing a platform that caters to the needs of lending teams and the expectations of banking consumers.



## Section 03

# Enacting digital agility

### Digital agility drives three main capabilities:

1. Allows you to grow with your customers
2. Accelerates your digital initiatives
3. Fuels the modernization of enterprise infrastructure and operations

These functions feed into your organization-wide goals, enabling you to launch new products and respond to market conditions, regulatory changes, and consumer expectations with quick action. Blend's Consumer Banking Suite can be instrumental in helping you reach these goals.

Blend offers an exceptional customer experience across banking product lines. Out-of-the-box product solutions for home equity, personal loans, credit cards, deposit accounts and vehicle

loans are built with extensive domain knowledge specific to each individual product. Each solution is complete with a digital self-serve application experience that simplifies the process for customers and automation features that reduce manual work for your teams.

For more unique offerings, our platform approach enables you to develop custom product experiences and bring them to market quickly by leveraging our modular services.



In practice, how does Blend contribute to your organization's digital agility? In the pages below, we expand upon each of these capabilities, lay out ways to measure the success of your efforts toward becoming digitally agile, and examine how the Blend Consumer Banking Suite can positively impact your ability to become and stay nimble in each of these areas.



## Define and develop high-converting customer journeys.

- Holistically understand customer interactions across your organization
- Personalize product offerings to match evolving customer needs
- Enable digital onboarding for all market segments and products
- Deliver consistent experiences across all products and channels

### Measuring impact

#### Increase in customer acquisition

- Acquisition of net new customers
- Reduction in onboarding time of these customers

#### Deeper customer relationships

- Increase cross-sell conversion rates
- Increase in lifetime value

#### Streamlined loan processing

- Faster time to approval and auto-approval
- Faster time to close

#### Increase in application conversion rate

- Increase in percentage of loans fulfilled
- Increase in efficacy of product bundling

## Reaching this capability with Blend



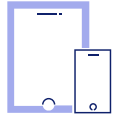
With your product application experiences on one unified platform, you can view customer activity across product lines. By taking into account each interaction a customer has had with your organization, you can gain a more comprehensive understanding of the relationship.

This understanding supports effective cross-selling. Blend's Consumer Banking Suite enables you to dynamically present cross-sell offers based on application information, FICO score, and tradeline data. When customers decide to explore a cross-sell offer, they don't have to re-enter information they've already shared in previous applications.

Application prefill is one feature that reduces sticking points to promote smooth digital onboarding for all products. Additionally, borrower single sign-on and streamlined information capture help minimize application drop-off. Reduction of manual work for the borrower continues throughout the application process — when it comes time for borrowers to supply asset, payroll, and tax information, they have the option to connect to their accounts through a simple and trustworthy experience.

You can deliver these low-friction journeys across products — and channels — with consistent application experiences for the entire Consumer Banking Suite. With a responsive design that's optimized for any device, customers can apply how and when it works for them. Applications are also equipped with contextual help, real-time assistance, and click-to-call buttons if a customer needs more in-depth assistance.

Because of these features and an intuitive interface that guides customers through the process, the Blend application can help expedite application completion and increase conversion rates. A unified application experience ensures customers get the same great digital experience in every interaction — helping to solidify increased customer lifetime value and long-term loyalty.



## **Bring new products to market and stand up new channels to keep up with expectations.**

- Consistently deliver best-in-class digital experiences across all channels
- Tap into industry best practices while creating unique offers and experiences
- Shorten time to market for new digital initiatives
- Design new product variations to meet and preempt competitive offers

### **Measuring impact**

#### **Rapid launch of new initiatives**

- Shorter time to market for new product lines
- Shorter time to market for new channels
- Reduction in in-house development costs

#### **Increase in customer loyalty**

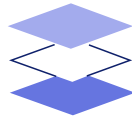
- Higher Net Promoter Score
- Lower customer churn rate

## Reaching this capability with Blend



As you see hints of change in the market or consumer behavior, your team may dream up new product offerings to proactively adjust to upcoming circumstances. Similarly, new offerings from competitors, neobanks, and traditional institutions alike, spark a desire to raise the bar — and not fall behind. Blend’s platform enables you to act on these ideas and create new product experiences without reinventing the wheel. You can leverage modular components to bring these products to market in a timely manner, giving you the agility you need to stay ahead of consumer demands as well as respond to unexpected changes.

These custom products will still allow you to provide your customers with the consistent experience they have come to rely on for all of your other consumer banking lines of business. Through low-code design tools, you can create flexible, consumer-facing forms, user flows for data collection, and automated communications that all reflect your brand and align with your other product experiences. We understand that the workflow for these custom products will likely be different, so a drag-and-drop editor helps to create personalized workflows that guide consumers through this process. And the persona-based workspaces your teams and other stakeholders are accustomed to using for other Blend product experiences will still be available to them.



## **Deliver safe, secure, scalable, and modern systems to support customers and employees.**

- Safely deploy new technologies that can coexist with legacy infrastructure
- Scale horizontally and vertically while minimizing operational and technology risk
- Enable continuous innovation with distinct milestones that deliver measurable value
- Migrate toward an open architecture that allows for rapid integration

### **Measuring impact**

#### **Reduction of friction between systems**

- Successful bidirectional integration with your systems of record and engagement
- Number of direct API integrations

#### **Increase in operational efficiency**

- Increase in loan officer productivity
- Decrease in manual tasks due to automation

## Reaching this capability with Blend



Our platform can coexist with your existing technology so you don't have to start from scratch, which saves you time in the race to become adaptable and modernize your offerings. Blend's APIs make it possible to integrate into CRMs, Consumer LOSs, Core Banking Systems, and Online Banking Systems, so your systems can work in harmony.

Blend's platform gives you the ability to work toward an open architecture, which supports digital agility — particularly the flexibility to grow and innovate to keep pace with rapid technological innovation, market fluctuation and changes, and customer behavior.

Leveraging our industry expertise, we developed a set of modular services specifically for financial services — not just commoditized software components and tool kits — that enable you to create end-to-end product solutions. The ability to create custom products with our modular services allows you to innovate continuously, scaling horizontally.

Supporting your staff with tools that make their jobs easier by automating manual tasks allows them to work more efficiently and do more volume. Increasing productivity enables you to scale vertically.

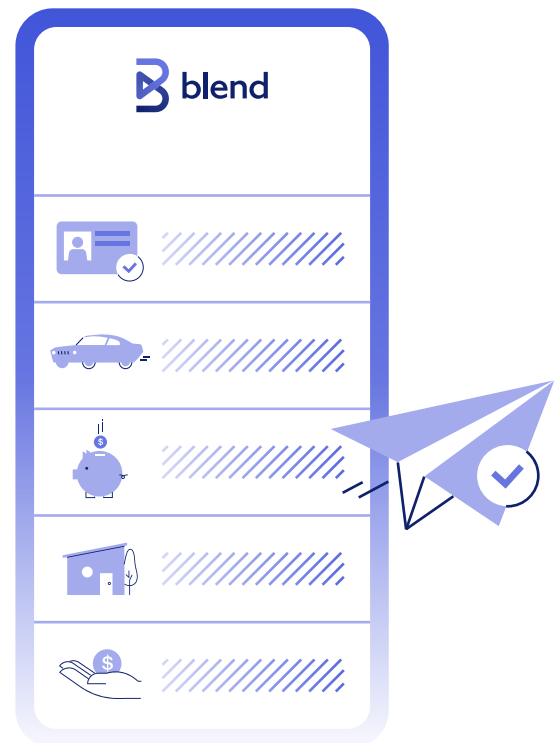
## Section 04

# What's next for your team?

How does your team stack up against each of these goals? Waiting until disruption occurs to evaluate your digital agility can be a risky strategy — especially with the rapid evolution of customer expectations, technology development, and new market entrants clamoring for space in the industry.

Not only will attaining the advantages outlined above help you support customers and your organization's growth, it will also contribute to your ability to prepare for and face the unexpected.

With Blend, you can efficiently expand your customer base by offering consistently delightful experiences, create new solutions for your customers' needs, and modernize your technology architecture to innovate and stay at the forefront of the industry.







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### **Powered by Blend**

Blend helps lenders maximize their digital agility. We streamline the journey from application to close for any banking product across every channel. Our Digital Lending Platform is used by Wells Fargo, U.S. Bank, and over 285 other leading financial institutions to acquire more customers, increase productivity, and deepen customer relationships.