

**Success in modern  
banking: people,  
processes, and  
technology**



# Table of contents

<b>00</b>	<b>Introduction</b>
<b>01</b>	<b>The framework</b>
<b>02</b>	<b>The people</b>
<b>03</b>	<b>The processes</b>
<b>04</b>	<b>The technology</b>
<b>05</b>	<b>Conclusion</b>

# Introduction

In his 2001 book, *Fooled by Randomness*, Nassim Nicholas Taleb popularized the term “Black Swan,” referring to events that are entirely unpredictable, severely consequential, and often in retrospect, explained as foreseeable. We’re talking about events like the COVID-19 pandemic, the 2007–2008 financial crisis, or the 2023 collapse of Silicon Valley Bank and others. And these events are becoming increasingly frequent.

Black Swan events cause catastrophic damage to an economy by negatively impacting markets and investments. Black Swan events can also dramatically shift consumer needs and demands — and, consequently, require you to adjust your path toward earning primary financial institutions (PFI) status with them.

It’s absolutely critical to plan your way forward and have a sound strategy, but that’s precisely the problem — you can’t plan for Black Swan events.

## **There is no strategy for the unexpected.**

When combating the frustrations of seemingly constant reactivity to external conditions, you know that being proactive and staying flexible are some of the best tools we have. There are only two days of the year when nothing can be done: yesterday and tomorrow.

And if you’re not fully convinced, well, you’re in luck — we wrote this book for you. Keep reading, and we’ll explore the business framework of people, processes, and technology (PPT) and how it can provide the foundation you need to tackle the next Black Swan head on.

This is your playbook for navigating the future of consumer banking with flexibility, proactivity, and excellence in service and delivery. Let’s get started.



**Dean Klinger**  
Head of Revenue, Blend

# The framework

You may already be familiar with the PPT framework — it's popular for a reason. But even if you are, it's worth a refresher, especially as we work to apply it specifically to the challenges of modern financial institutions.

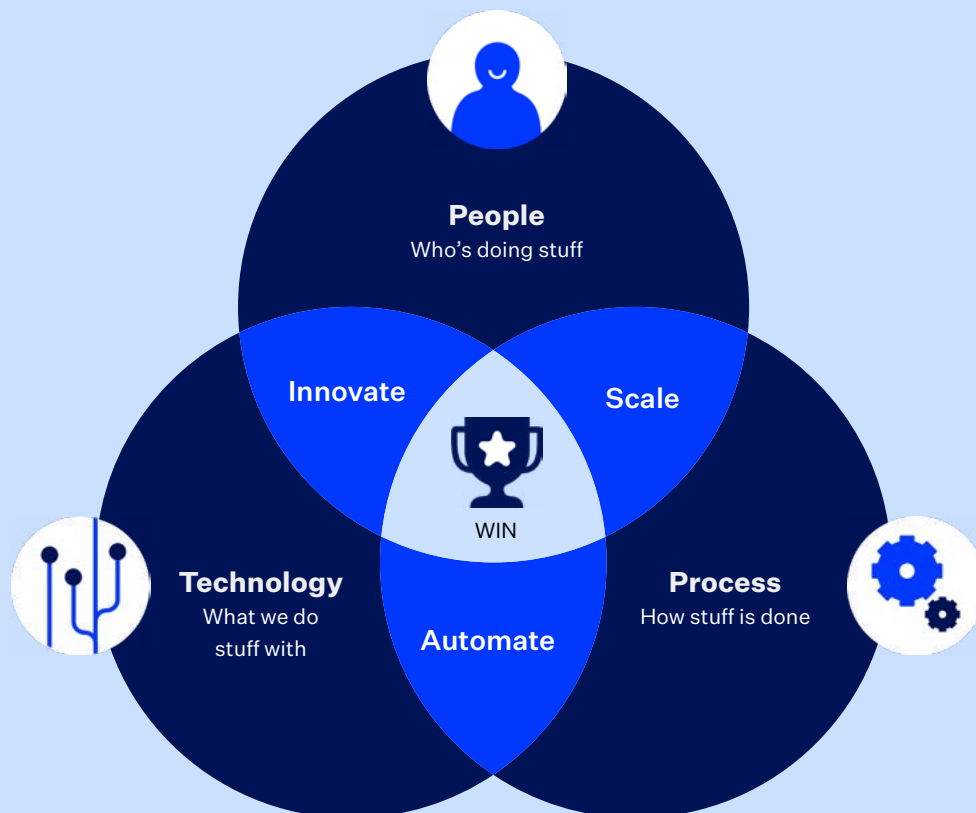
In short: the people do the work, processes make the work more efficient, and technology helps automate the work and processes. Balancing these three categories and optimizing the

relationships between them is the key to success in business. And the financial services industry is no exception.

To gain PFI status with today's modern, savvy consumers, leaders at financial institutions (FIs) are challenged to not only maintain and optimize this framework, but also to continually adapt, improve, and analyze its ever-fluctuating levels of success.

- **Are we fast enough?**
- **Are we efficient enough?**
- **Are we creating new value for our customers?**

It's not an easy task. And we can hear some of you grumbling as you read this. But, thankfully, there are helpful signposts built into the framework that map desired outcomes to areas of focus.



When solving for speed, look for new areas to automate — that’s the intersection of process and technology. When aiming to increase efficiency, focus on the intersection of people and processes. New value? That is the result of innovation, which is the combination of people and technology.

The leaders who leverage technology to optimize processes and automate tasks are the ones who get things done. But behind all of it is a team of humans. Above all, people are the most important component of this framework.

## **How can we define primary financial institution (PFI) status?**

- Most consumers have relationships with numerous institutions: the average banked U.S. consumer has 14 accounts held across 4.4 financial service providers.
- PFI status is a relationship built on trust. And trustworthy relationships require transparency, empathetic banking, and proven care for the financial well-being of the customer — customers need to feel their financial provider has their best interests in mind and will do “what’s best for me.”
- From a consumer perspective, many consider their checking account holder to be their primary provider. And for sound reasons. If you don’t have the checking account, you don’t have the direct deposit, you do not have top-of-wallet status, and you do not have PFI status.
- Furthermore, without the checking account, banks simply don’t have customer data: income through direct deposit, recurring expenses, average balance, etc, to provide proactive, relevant offers that often cultivate PFI status.
- And if you’re still curious: we put together five questions you can ask yourself to determine primary status with customers — [take the quiz here](#).

# The people

From the boardroom to the broom closet, there are three key factors that can mean the difference between failure and success with people. Focusing on these components — not only as a way to measure your teams' performance but also your own leadership — can reveal new opportunities and solutions to current challenges.

## Training

Skills, experience, and attitude are important for the success of employees. But without proper onboarding and education, their work will never be optimized. Today's modern consumers look for understanding from their financial institutions. They want to be seen and heard and guided through the many financial milestones of their lives. They want their bank — personified through the many interactions they have with your staff, whether in-person or digitally — to care about them.

To establish strong relationships and earn loyalty from customers, FIs need to demonstrate care and

transparency. But making that connection can be challenging. And it requires training. [And it requires empathy.](#)

The FIs who can empower and educate their teams to make that connection with their customers — those FIs are the ones that will ultimately win PFI status.

## Resourcing

Equipping your employees with the tools and language to achieve their goals is critical to success. Modern banking staff need to be able to engage customers across all channels, including hybrid customer service. Consumers are channel hopping — engaging through digital channels, visiting banking branches for face-to-face interactions, and utilizing call centers for more immediate assistance.

Unfortunately, many of today's FIs lack integration between processes and channels, which leads to interrupted engagement and abandonment, the antithesis of PFI status.

### Read and watch corner: Looking for more on hybrid experiences?



Explore the [hybrid approach to CX](#) in Blend's on-demand webinar with featured guest Alyson Clarke, principal analyst at Forrester.



Take a look at how FIs can [optimize engagement at each of the five key touchpoints](#) with customers.



Read about [the race for PFI status](#) and how banks are competing for (and winning) customer loyalty in an increasingly digital landscape.



Watch Blend's on-demand immersive session exploring [modern expectations of account opening](#) from the POV of both consumers and bankers.

# Blend technology is used by Wells Fargo, U.S. Bank, and hundreds of other financial services firms to acquire more customers, increase productivity, and deepen relationships.



At Blend, our solution is the Banker Workspace: guided, intuitive, and automated banker workflows to help drive consistent service experiences while eliminating system training burdens. Where previously disconnected and disjointed, bankers, back offices, and customers can now finally be successfully synchronized and fully resourced.

## Motivation

Success here involves the degree to which people feel they are making an impact or otherwise incentivized: new relationships, new victories, new

responsibilities, etc. People are motivated to do great work, but are decidedly less so when asked to implement new technology or move away from tried-and-true processes.

For many, motivation means personalization. And this applies to both bankers and customers. Everyone benefits when there's a personalized interaction or a relevant, contextual offer.

As part of a Blend commissioned Forrester Consulting study, 72% of surveyed consumers agree or strongly agree said that product offers are more valuable when personalized. And half of

surveyed consumers are looking to their banks for meaningful financial information and advice.

When bankers can move away from tedious, manual workflows and spend more of their time connecting with customers and making a difference in people's lives, that's motivation.

“We should work on our process,  
not the outcome of our processes.”



# The processes



Ideally, bankers and consumers are completely in sync and aligned on every milestone, with full transparency. If you're laughing after reading that, it's ok, we get it.

If a consumer calls the banker and says, "Hey, I'm stuck," everyone in that scenario wants the banker to be able to quickly and easily help that consumer get back on track and complete the application.

Unfortunately, many FIs lack the interconnecting processes necessary for that interaction to work. Our utopia feels like an impossibility.

But where there's a will, there's a way. Here are three process-related layers that help make dreams a reality.

## Engagement

Omnichannel experiences, uninterrupted engagement, the customer journey... call it what you will, one thing is certain: breakdowns in process cause abandonment. If your FI forces channel hopping, you won't gain PFI status. Full stop.

At every touchpoint in the customer journey, there's an opportunity to deepen engagement and build loyalty. And the FIs who aren't

connecting with their customers and maintaining engagement will, sooner or later, lose to the ones that are.

For many FIs today, the lack of visibility across business units and channels creates a disjointed, interrupted customer experience. Modern consumers are moving quickly between digital, in-branch, and call-center experiences. And each interaction needs to be both seamless and consistent.

Can your processes drive not only conversion but then intuitively guide that new customer through onboarding and activation?

That's the level of engagement Blend built into our Deposit Accounts product, which you can read more about in the ebook: [Seize the opportunity to gain PFI status with modern consumers.](#)

But don't take our word for it: a [BAI Banking Outlook survey in January, 2023](#) reported that more than 55% of surveyed consumers said they would switch institutions for a better mobile banking app/digital capabilities, up significantly from 47% a year earlier. Consumer expectations are changing. And the demand for simple, consistent engagement is stronger than ever.

### **Proactivity**

Can your bankers deliver a personalized, contextual product offer?

Once your customer completes that initial application or opens that new deposit account, can your team leverage data to deliver a relevant offer that speaks to the consumer's specific situation and makes them feel seen?

Again, if you're laughing, we're here for it. Enjoy the punchlines.

Building on the rich data entrusted to them by their customers, FIs have a growing opportunity to cross-sell, yes, but also to increase lifetime value through targeted, proactive offers

aligned with their customers' financial milestones.

This may already be happening to some extent at your institution. Personal loans are branded as wedding loans for university graduates and longstanding home owners receive HELOC offers. In fact, we built [Blend's Instant Home Equity](#) to deliver those precise, personalized proactive offers tailored to a customer's unique financial needs.

But as detailed in [How banks can unlock quick wins and lasting benefits through smart personalization](#), 50% of banking customers said they wished banks would be more proactive about giving them relevant financial information and advice, and 65% believe banks should

make it easier to find and shop for financial products today. Plus, 72% of customers want to see offers that are tailored to their personal needs and 71% are open to switching to a new bank if presented with a relevant product offer.

As the world makes advancements in AI and machine learning technologies, this level of proactive process is becoming table stakes: relevant, contextual offers benefit both the FI and the consumer. Fund your customers' goals in days, not weeks, so they can realize their dreams faster.



## Service and delivery

Building on the previous categories, this is where it all comes together. Did you achieve your goals with the customer? More plainly: Is your customer satisfied?

The path to PFI status is paved by leveraging and optimizing your understanding and empathy with the customer, ensuring alignment and a personalized approach, and engaging deeply at every touch point. Only then can you confidently fulfill the customer's needs and deliver the products and services that earn PFI status.

In a guest analyst blog, Marc DeCastro, research director, Consumer Banking, IDC, explores [how to attract deposits in a competitive market](#) and writes about the importance of not just conversion but also onboarding and activation: “Of customers who opened a new account, 61% did not immediately fund their account and only 37% self-provisioned for mobile or online banking.”

Including the many steps for integrations a new customer may want with their new deposit account — online and mobile

banking set up, bill pay, switching over or setting up direct deposit, digital wallet provisioning, etc — is now part of the service and delivery consumers expect.

Nothing is one and done these days. Conversion is merely the first step in the service and delivery process, and if your FI can properly connect with the customer, earn loyalty, and gain PFI status, well — that's the true measure of service and delivery excellence. Will your customer return to you for their next financial milestone?



### Curious about a process? Go through it yourself.

- Apply for a loan or new deposit account
- Apply at your own FI as well as your competitors
- Enlist your team members to do the same
- Experience the processes as it really occurs, not as you believe it to be



### If the process is broken, new systems alone won't help.

- Define ideal processes first
- Make sure people are motivated, trained, and resourced to facilitate it
- Look to leverage systems that support your people and simplify processes
- Don't overlap new tech with old processes

“Composable banking is the future of banking. It enables financial institutions to offer customers a highly personalized and tailored experience, while also being able to iterate and improve at speed. With the right technology, banks can easily plug and play services, creating a truly customer-centric ecosystem.”

# The Technology

According to a recent Forrester Consulting report, nearly 15% of surveyed FI leaders are moving their tech budgets away from transforming core systems and toward digital engagement solutions.

But replacing human intervention with rampant digitization in an effort to save money is risky. And while state-of-the-art technology can help support and drive better processes and happier, more productive people, ultimately, there's no single solution, no silver bullet that delivers customer experience excellence in isolation. It all comes back to a fine balance of PPT.

That said, there are specific areas of technology for leaders to focus on while shifting and optimizing their PPT. Let's take a look.

## Legacy

If we could point to one recurring blocker that hamstringing most FIs today, it would definitely be legacy technology: siloed data, complex infrastructure, and lengthy processes that often include manual workflows. Technology is the glue that conjoins people and processes. And legacy tech just loses its stickiness at some point — especially when its provider no longer invests in your success by keeping it up to date.

Of course, there are costs associated with upgrading systems, but the costs of operating without any updates only increase as time goes on and more and more components become obsolete. Patching, maintenance, and yes, even failures can be extremely expensive.

To put it plainly, old tech doesn't scale. You're stuck with fragmented data architecture. And it's a good bet your performance and transaction processing times won't improve. But hey — if you're a gambler, let's talk.





Furthermore, there are security risks to consider with legacy technology. Now that's the real gamble, isn't it?

The process may not be quick and easy, but for FIs looking to compete and remain competitive, it may be time to make a change. Our increasingly digital world can't operate much longer on rigid infrastructures. That's how things break.

### **Flexibility**

Fortunately, most leaders in our industry are in a position to make small bets, test, and learn. If you're working in the aviation sector, you need to build a plane correctly the first time. But in banking, small tests and small failures can be okay — they help you learn and adapt.

There is this complex issue of speed and the go-to-market race. How does an FI accelerate research and development, testing and learning, while reducing risk, cost, and time?

Innovation, right? Let's have one more laugh here. We hear lots of organizations and analysts say it — “innovation” has become so ubiquitous that its meaning is nearly lost. Or sometimes the word is simply misused. What we should think about when we consider the term innovation is speed, flexibility, and execution.

And that speed, flexibility, and execution — that “innovation” in our PPT framework — lies at the intersection of people and technology. Put another way, technology can provide the speed and flexibility for people to execute new and sometimes revolutionary pathways and experiences.

We've written a bit already about the fine balancing requirements of a successful PPT framework and for many modern FIs, that may actually translate to flexibility: adapting, riding the waves, and bending to meet the shifting needs of evolving consumers without breaking.

### **Unification**

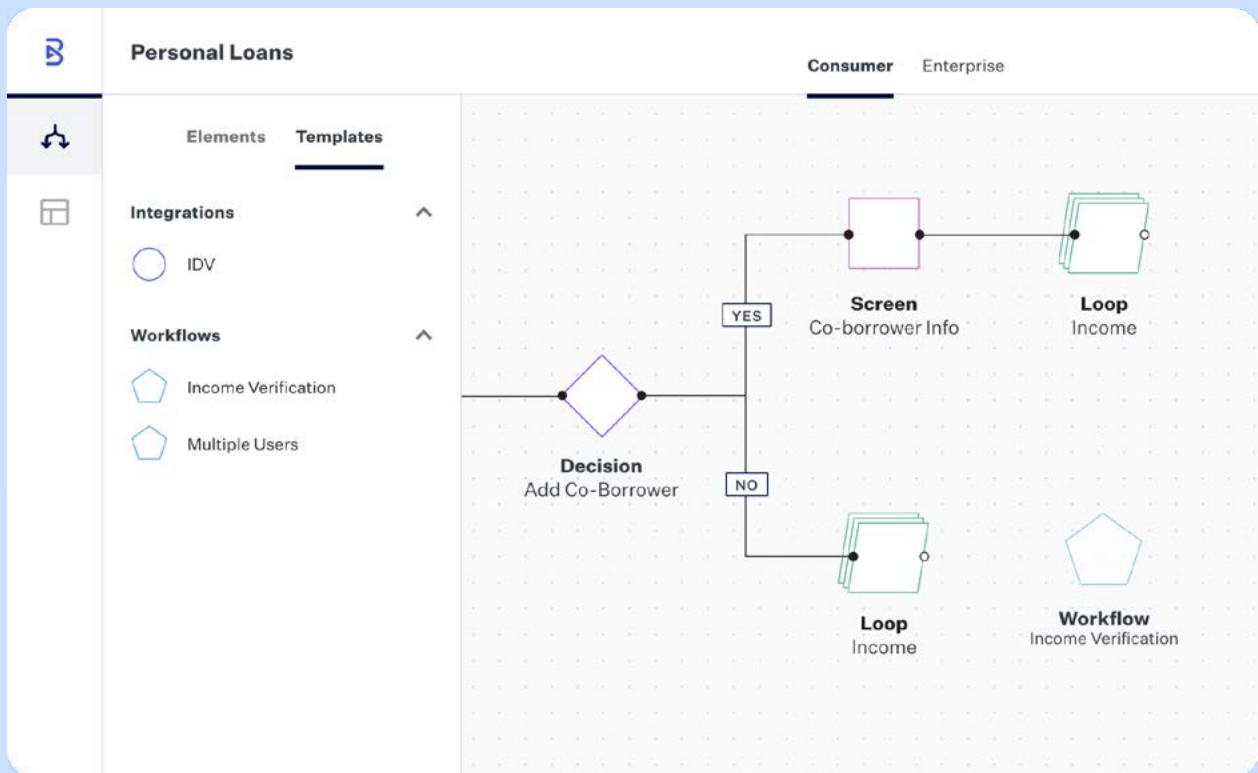
Moving tech budgets away from transforming core systems? Unfortunately, for some FIs, this will prove to be a mistake as they lose out to more agile competitors. Without the systems, your processes and people are destined to fail. It may be death by 1,000 cuts, but those institutions that don't make the right investments in flexible systems and technology will eventually lose.

With a modular platform architecture, you can integrate external services once and use them across all of your business lines. And a unified product product experience means

FIs can deliver a consistent application experience for consumers across all products and channels, including guided application flows, responsive design, and data pre-fill.

Forward-thinking financial institutions are adopting new core banking solutions based on flexible, platform architecture including built-in, Hi-Vis customer and banker workspaces with cross-channel, cross-product interaction. To put it another way, today's winning FIs are leveraging unified, platform technology to optimize their people and processes.

**Blend partners with over 70 technology vendors and data services providers.**



## So, what exactly is composable origination?

Composable Origination is a new approach to lending that fundamentally changes the way banking products are processed and delivered. Rather than out-of-the-box tech, composable software gives users a library of pre-built modular components that each perform specific functions, allowing users to pick and choose the components they want to essentially build their own customized solutions without writing any code.

In December, 2022, [Gartner® forecasted](#) “By 2024, 60% of finance organizations will seek composable finance applications

in new technology investments”. And it may be happening even faster than projected.

Using modular components that integrate with existing infrastructure, leading FIs are optimizing and automating workflows with a new level of flexibility. Product configuration in low-code development environments? For the financial services industry, that’s what drives continuous optimization, while reducing risk, cost and time.

Get the details: [6 benefits of composable origination](#)

Gartner Press Release, Gartner Says by 2024 60% of Finance Organizations Will Seek Composable Finance Applications in New Technology Investments (December, 2022)  
GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.

# Conclusion

Getting started can sometimes be the most difficult part.

When evaluating your people, processes, and technology — what levers to pull and what investments to pursue — some FIs suffer from analysis paralysis. Many of today's FIs are still trying to boil the ocean.

But if you're now wondering what is actually attainable — what is within your reach, and what's a pipedream — then you're on the right track.

And remember, there is an ever-fluctuating balance to maintain in the PPT framework. Moving one lever will likely require other initiatives to find stability and equilibrium. And in our increasingly digital world, sometimes the opportunity for new technology solutions can help leaders identify the business potential.

Blend's product specialists can show you the full range of capabilities available with a platform solution: what

efficiencies are immediate and what longer-term benefits you can expect. [Let's talk](#) about what an innovation partnership can look like over the next two, five, 10 years.

To revisit our acronym soup for a second: let's refine and optimize your PPT framework to get you to PFI status faster and with more consumers. Blend is here to help.

## Your PPT checklist

### **People:**

**Find some quick wins that you can tackle right away.**  
What are some small ways to move the needle that can snowball into a proof of concept for a bigger initiative? How can you rally support and motivate folks? Who are the stakeholders? What are their goals and where is there some overlap with your vision?

### **Processes:**

**Identify your blockers.**  
What competing priorities are there? Do your current processes function properly at the moment? Do you have alignment with the tech team? What pitfalls may come along the way?

### **Technology:**

**Recognize what can't be done.** What boulders are just immovable? What legacy tech is holding you back? Don't fall victim to an impossible strategy that may take years or even a decade to execute.



---

©Blend 2023

Blend is the infrastructure powering the future of banking. Financial providers — from large banks, fintechs, and credit unions to community and independent mortgage banks — use Blend’s platform to transform banking experiences for their customers. Blend powers billions of dollars in financial transactions every day.

To learn more, visit [blend.com](https://blend.com).