Client Lifecycle Management
A Vision for Enterprise Architecture

Think Holistically!
An architectural balance

When looking at their enterprise architecture, Financial Services firms usually approach this from one of two main viewpoints; application architecture or business architecture. The business view outlines the processes and standards by which the business operates on a day-to-day basis (BAU). The application view defines the interactions between the standardised processes (operating model) used by the organisation.

Thinking strategically about both of these architectures will deliver benefits.

Whilst an enterprise business architecture is the blueprint that defines the structure and operation of your organisation, it is a common mistake that firms often buy or develop and deploy different platforms, in silos, for the same purpose across their functional lines. For example, many firms still have multiple payment processing applications and at least a handful of CLM / Onboarding applications. These firms inevitably find themselves stuck with platforms (and sunk costs) that need significant altering at best, or entire replacement at worst, every few years. This is where an application architecture that describes the behaviour of applications used in a business (mapped to business functions), and focused on how they interact with other applications and with users, is as important as the business operating model.

In the CLM space this application architecture should have the explicit goal of enabling the widest use of the CLM application across the firm's logical functional divisions (functionally flexible), as well as enabling low cost / quick updates when changes are required (configurable and adaptable).

In addition, a strategic architecture needs to consider and be designed from two further angles: The information angle defines and classifies the raw data (such as source data, documents, databases and spreadsheets) that the organisation requires in order to professionally and compliantly operate. While the technology perspective defines the hardware, operating systems, programming and networking solutions required by the organisation. Bringing these complementary viewpoints together for a holistic approach is as challenging now as it always has been; as business drivers, operational models and current and emerging technologies all evolve over time, but rarely in step.

Whilst taking a holistic approach is challenging, it is more likely to achieve an architecture that delivers both efficient operations and application relevance across geographical jurisdictions and business verticals.
Managing client relationships

iMeta has previously discussed the importance of a standardised operating model for a firm as a foundational element of any business function. This standardisation is particularly key for firms who also need to deploy enabling, cross-functional technological applications. This paper not only revisits the CLM operating model context, but adds to the holistic discussion by looking at the equally important element of enterprise application architecture.

With reference to client onboarding and lifecycle management; we are seeing firms recognising that delivering on their goals of being ‘business driven’ and ‘client-focused,’ means managing their client relationships in a more holistic way.

The breadth of CLM now extends well past initial Client Due Diligence (CDD) activities like Know Your Customer (KYC).

The need to enable and support clients in many lifecycle stages; from preliminary prospecting all the way through periodic reviews and renewals, eventually to offboarding, means that functions like legal documentation, tax, credit, trading confirmations and settlements all now form integral parts of the client management journey.

All of this means that enterprise business architecture is essential to ensure BAU needs are met within the CLM lifecycle, and application architecture is required to ensure cross-functional processes are optimised within the boundaries of the CLM technology, as it passes backwards and forwards across those boundaries.
With firms sharing similar challenges, the industry has recognised that successfully running customer lifecycle programmes will increase client satisfaction and regulatory compliance, while simultaneously reducing the inclusive costs of maintaining the client until offboarding. A truly standardised, functional operating model will not only enable holistic and efficient CLM, but it will also (key to the business case) facilitate the decommissioning of multiple and disparate legacy applications. Starting with the operating model; iMeta has noticed in the past 10 years or so, that the financial services industry has moved through a number of model changes and variations. Yet CLM remains problematic, risky, disorganised and expensive. Most firms understand that in order to design and implement a strategic CLM operating model, a whole range of interlinked and inter-dependent items need to be considered; from actual functional location (onshore / offshore), to organisational design options (federated / centralised / hub & spoke), through to the establishment of actual centres of excellence, either within the firm itself or outsourced to niche service providers. Hand-in-hand with the model design comes associated Governance and Compliance considerations, which are often complex and, as such, pose significant challenges to the aspiration of standardisation. When dealing with all these complexities, how do you ensure that choosing to use a vendor solution is not just adding more complication into the mix? When a firm is investigating vendors for solutions, key questions to consider are, “What capabilities are required to support the initial creation of the target architecture?” “Are these flexible and easily maintained, to adapt and grow as the target architecture evolves over time, to continue to support the strategic direction of the firm?” This is highly relevant in a domain such as client onboarding and lifecycle management, where the process is a feed for large portions of the subsequent operational business functions and corresponding applications.
iMeta CLM has been designed to be an application that cuts horizontally across multiple functional areas in the lifecycle management process; Client Management, Credit, Legal, Compliance / KYC etc. This ensures firms have a simpler alternative, architecturally, to choosing multiple single-purpose applications in order to cover all the functional areas.

iMeta CLM uses building blocks, consisting of a set of common services and interfaces that will allow the application to be used today within the current application architecture and to support future integrations. This also allows firms to select complimentary, best of breed offerings that can work with iMeta CLM as an integrated, holistic solution.

iMeta CLM has a core platform with a configurable data model, workflows and rules; designed to allow customers to achieve a solution that fits into their strategic architecture AND make future changes less complex and easier to achieve - such that it can support the need for 'fast time to market', both from a business driver and regulatory compliance perspective.
Benefit from strategic enterprise architecture

Recognising that the process, application and data architectures required to support a global financial services firm with its strategic CLM vision (super-regional design and global governance), remains a significant challenge, the iMeta team is keen to work with firms to ensure that their business stakeholders understand:

- That the benefits of having a strategic enterprise architecture include:
  - improved decision making,
  - improved adaptability to changing demands or market conditions,
  - elimination of inefficient and redundant processes,
  - optimisation of the use of organisational assets

- How in the CLM space, it will significantly improve a firm’s ability to be compliant with the many global regulations that now govern the global financial services industry

- Why an architecture that is horizontal, simple and that utilises common building blocks is an essential part of a strategic enterprise application architecture

- That there are solid business reasons for a quality application architecture that enables the achievement of Business goals and not just Information Technology design principles.
If you would like to discuss any of the points raised further, or would like to see a demo of our CLM technology then you can contact us at: bmarsh@imeta.co.uk or call +44 (0)2380 762012