As the rush to create a mobile application becomes the latest craze within financial services, we are reminded of the web/internet initiatives of the late 1990s. Initial efforts focused on “getting a web presence” with little thought about how it would generate revenue or reduce costs. Not surprisingly, most of these efforts accomplished neither.

What can we learn from the internet investments made 10 to 15 years ago? Can we manage the excitement of these new mobile technologies and make sure investments are driven by clear business objectives and ROI?

To be fair, the internet has transformed the financial services industry. Mobile computing will do the same. The key is to avoid the “me too” approach, and instead first define a clear business model on how to leverage the web. How can you use mobile to redefine the retirement services business like Amazon redefined retail?

Though the prospect of offering your customers services through the latest mobile technology is intoxicating, it can also be costly in terms of development, support and reputation. As a result, there are specific questions which every retirement services firm should ask when considering a mobile strategy to help clarify business models and point to the most appropriate execution plan:

› What are my business goals: Acquiring new customers? Expanding the business with existing customers? Creating greater relationships with them to enhance retention? Reducing operational costs?

› What are the business use cases across all the channels?

› What is the primary channel for each user persona? What about the secondary?

› What are the key capabilities that need to be immediately available on mobile channels?

› How do I leverage the investment in my current systems?

› How do I provide my end customers and the people who support them with the right information and capabilities?

› How do I make sure that data integrity is maintained across all channels?

› How do I make sure the environment I develop is maintainable?

› How do I simplify the user experience and still deliver the right services?
Addressing these questions can help firms avoid decision paralysis or knee-jerk, reactionary investments. Firms need to understand their business model and determine the best way to integrate mobile into their existing infrastructure to create a seamless experience across all access channels. We call this a “unified channel strategy.” A unified channel strategy that is properly defined and executed can accomplish the following:

› An intuitive user experience for every persona

› The ability to move from one channel to another with no usability or data integrity issues

› A maintainable technical environment in terms of cost and configuration

› The ability to efficiently deliver new services and capabilities to support an evolving business model

Creating a unified channel strategy in retirement services

The retirement services industry has a complex network of relationships between the plan participants, plan sponsors, employer servicers and advisors. All competitive retirement services vendors have already provided online account access. By reviewing a few sample questions, a unified channel strategy leveraging mobile technologies can be developed. While this case is illustrative and does not provide a definitive answer to a particular situation, addressing some of the questions above can help show how retirement services providers can navigate their way through the complexities and maximize their customer experience in the most efficient way.

What is the primary channel for each potential user persona? What about the secondary?

To start with, it’s crucial to understand the plan participants and their potential channel usage across multiple personas. Participants who are planning for retirement may have a smartphone. They may be comfortable in looking up their account information as the market goes through its daily fluctuations. They may also want to receive news updates on heavily held positions. Mobile alerts can be valuable, giving participants the feeling that they are on top of the latest market activity. The majority of their access may be through a smartphone.

Will they want to alter contributions or rebalance their portfolios given market changes? If so, will they want to execute via the smartphone, go to their desktop, or call in to complete the transaction? Each persona’s needs may vary. Currently, less than 8 percent of online brokerage trading occurs through mobile devices. Should we therefore provide market research capabilities via the smartphone or focus on delivering them on the laptop? While trading will need to be supported on the smartphone, data-driven research will likely continue to be centered around the desktop/laptop given current smartphone screen and bandwidth limitations.

No firm can afford to provide mobile capabilities that will not be used. The key is to understand users, their personas, and the likely processes they will execute on a given channel. They will have a primary channel, but they may also have a secondary one for specific actions resulting in a hybrid channel usage pattern. With this understanding, a firm can better define the capabilities needed for each channel. A notification may occur on the smartphone, but the decision to execute may be initiated from the desktop/laptop.

Key capabilities therefore need to be focused on the appropriate channels. Firms must understand that the process to complete the business transaction may cross multiple devices. Executing use case reviews with participants can help identify what capabilities need to be developed for each channel.

Which channels will best support the wealth advisors? Many advisors are averse to technology given the proliferation of applications and their need to be out meeting with their customers. The request for an assistant to print reports is still very common. Could a tablet be the appropriate channel for them? It may give them the ability to review the status of their customer’s relationship, access appropriate reports, and look up of the latest market news – all with the ease of use they have been demanding. For this user, the primary channel could easily become the tablet.

In summary, users will likely have multiple channels of access with one being the primary. The capabilities needed may vary by channel, however, and the process to complete the transaction must be seamlessly designed to avoid user frustrations.
How do I simplify the user experience and still deliver the right services?

It's clearly important within retirement services to make things as simple and intuitive as possible for the plan participant. In the hybrid channel scenario identified above, the participant may be looking at a smartphone at one point, and then returning to a desktop later that day. For example, participants may initiate a funds transfer via the smartphone and later review their financial plan taking this transaction into account on their desktop. For all users, critical principles have emerged:

- Any transaction initiated on mobile devices is visible on their desktop and vice-versa
- Data is consistent across both devices
- The user interface experience is as similar as possible between devices, using familiarity to enhance intuitiveness

While this may sound simple, the key to achieving these principles is to leverage the same infrastructure across all channels, avoiding data latency and varying ways of delivering the same capabilities. Firms should not view the situation in terms of mobile applications versus desktop applications, but rather, should create one data source and one capability that can be utilized across multiple channels. Familiar usage patterns should be maintained across devices wherever feasible, while still taking into account obvious constraints such as differing screen sizes between desktop, tablets and smartphone devices.

In fact, smartphones are forcing designers to challenge the parochial desktop user patterns of the past. The minimalistic designs demanded by smartphones have advantages for desktops, too. Thus, the ability to exploit consistent, simplified usage patterns, may drive migrating smartphone designs back to the desktop, rather than vice versa.

Firms should also heed in the axiom: “Less is more.” Most mobile actions take less than one to two minutes to perform, unless it's reading a document or playing a game. If a customer is logging in frequently at the beginning of the day and then simply logging off, is he just checking the latest market values? If so, it’s probably inappropriate to inundate him with an elaborate user experience with the latest market charts and performance. Instead, it may be better to provide a simplified view that gives him the latest market values and the change from the last time he logged in.

Ask the right questions before investing

These are just a few potential answers and their implications to two of the key questions that firms need to address when developing a unified channel strategy. Technologists are highly successful in getting businesses to make anxiety driven commitments in creating a “mobile presence.” The key to unlocking business value is to clearly understand how it fits into your channel strategy before making any significant investments into mobile solutions. Once that’s understood, you should aggressively execute with focus.

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