

The Definitive Guide to Digital Onboarding

- / The process
- / Automation
- / Regulation
- / Managing change
- / Reasons to digitise onboarding
- / Getting started



Comply and Outperform with KYC360

Contents

- / 3 Introduction
- / 7 Use cases
- / 10 Understanding the onboarding process
- / 15 The regulatory landscape
- / 17 Automating the onboarding process
- / 22 Managing the change process
- / 25 Reasons to digitise onboarding
- / 28 What to do next
- / 30 KYC360 Onboarding

Definitive Guide to Onboarding



/ An opportunity to transform customer onboarding

Many organisations face an uphill struggle getting individuals and companies onboarded in a timely and efficient manner. For some, the process is littered with friction points and bottlenecks, leaving both prospects and staff frustrated. Others have digitised some processes but are now looking to consolidate and reduce the number of tools and touchpoints involved in order to better manage integration risk.

Whatever the current state of your new customer acquisition process, you may be considering the digitalisation of onboarding activities and ways to drive new revenue or improve customer experience.

In this definitive guide to digital onboarding, we will first look at onboarding holistically, before explaining how one of the most problematic processes can be turned into a golden opportunity to impress prospects and customers alike and accelerate your time to revenue.

Objectives

















What are the problems that you're trying to solve – and the objectives that you're looking to achieve?

Typically, it could include any of the following:

- / **Accelerate time to revenue.** Perhaps the most pertinent and obvious objective for any organisation, getting prospects onboarded faster so they become paying customers that drive revenue for your business.
- / **Improve the customer experience.** Your current onboarding process could be literally losing you business if it is clunky, slow or involves too many touchpoints. At best it can be a frustrating first experience for prospects interacting with your firm.
- / **Improve the staff experience.** The customer comes first, but if your onboarding process is outdated and littered with laborious, manual work, you may be looking to improve that experience for your staff to boost retention and job satisfaction.
- / **Consolidate existing processes.** You may currently be using several tools and systems to onboard customers, and wish to consolidate into one seamless, end-to-end process in order to reduce costs, maintenance, and vendor/integration risk.
- / **Tighten KYC protocols.** Your current Know Your Customer (KYC) processes may be inconsistent between teams, offices or business lines. Tighter, scalable, digital customer risk rating, verification and screening will ensure that there is a good fit between prospects and your organisation's risk appetite, every time.
- / **Improve management information.** Because onboarding can often involve multiple digital tools and departments, you may have an objective to consolidate reporting and enable a 'single customer view', together with analytics on where your process is going well, and where it's not.
- / **Adhere to new regulation.** Your organisation may be subject to new regulation, perhaps from an anti-money laundering (AML) perspective and needs to rapidly roll out and conform to new standards.
- / **Keep up with your competitors.** You may have performed some competitor analysis and discovered that your competition has employed sophisticated digital onboarding techniques. Your organisation needs to keep up or risk losing out to businesses that can drive higher customer satisfaction.
- / **Deliver a tailored onboarding journey.** You want to get it right and 'ask once' so that each prospect only needs one interaction with you to provide all the detail you require to commence a client relationship.

Sectors that face increasing KYC regulatory scrutiny



 Banking, wealth management and financial services businesses	 Trust and corporate service providers (TCSPs)	 Fund administrators
 Money services businesses (MSBs)	 Brokerages	 Insurers
 Gaming and gambling firms	 Payment service providers (PSPs)	 Energy/industrial companies
 Law firms and accountancy practices	 High value/art dealers	 Shipping companies
 Real estate agents and commercial landlords	 Crypto	

The regulatory landscape is complex and fast moving, so organisations need to both stay up-to-date and plan ahead for change. To underline the criticality of the onboarding process in the overall compliance landscape, an examination of [recent anti-money laundering \(AML\) scandals](#) reveals that a large proportion involve customers who have already been onboarded – and managed to circumvent the checks that should have stopped them in their tracks.

To add to the challenge, criminals are increasingly using shell companies and complex structures in order to disguise ultimate beneficial ownership.

As a result, it is strongly recommended to include know your business (KYB) processes when onboarding a corporate to ensure the entity in question isn't simply a front for nefarious actors.

But it's not just regulated industries that need to consider reimagining their onboarding process; as mentioned above, the objectives for doing so can be varied and individual to your organisation.

Digitising the onboarding process

It's no secret that many organisations are still plagued with manual and laborious processes, often involving paper-based activity, or disconnected spreadsheets and siloed data.

But it's not just the compliance department who are acutely aware of this, it's important to consider the full spectrum of roles and departments that are involved in the onboarding process, including front-office/customer-facing teams, administrators, onboarding specialists, account management and operations teams.

Moving to a digital onboarding solution will alleviate a large portion of the painful/manual processes but it's not necessarily a panacea. Digitisation needs to be matched by sensible reshaping of policies and procedures to realise the full benefits offered by modern onboarding systems. In the following chapter we look at the onboarding process in more detail and identify where a digital approach can bring huge benefits.



Use cases

/ Onboarding individuals



Nearly half said they want to simplify the process



Two thirds see an increased need for an end-to-end onboarding solution since the Covid pandemic

While not as challenging as onboarding complex client structures or suppliers, there are multiple obstacles to be navigated when onboarding individuals that can lead to slow time-to-revenue and a poor customer experience.

An example of a challenging use case is the onboarding of high-net-worth individuals (HNWIs). To do so successfully, a wealth management firm would need to configure an onboarding solution to gather large volumes of data, and cover a broad range of potential risks such as business ownership, assets, source of funds, and adverse media screening.

When it comes to moving a digital process, many organisations will be looking to implement robust KYC and verification processes, but at the same time to accelerate the process for the high proportion of low-risk customers who may be able to benefit from a streamlined or even straight-through process.

Onboarding new customers in a fast and efficient manner carries with it a series of challenges depending on the sector and the regulatory requirements that govern it.

Our [Onboarding Survey](#) revealed the statistics (left) that illustrate the common frustrations experienced by onboarding professionals.

Onboarding complex client structures



Onboarding complex client structures is one of the most difficult processes for many organisations to manage, and has historically been resistant to digitalisation.

Many organisations are still using multiple processes to onboard entities that have complex structures, greatly adding to the difficulty and the resultant workload caused by the process.

Again, feedback from our [2022 Onboarding Survey](#), revealed the disparity and inconsistency that often occurs when onboarding complex client structures. Nearly two-thirds of respondents stated that they would prefer to offer a single combined journey for all parties when onboarding corporates.



Two thirds would prefer one combined journey for all parties when onboarding corporates

Moving to a digital solution can bring many benefits to the realm of complex onboarding, including accelerating some of the specific requirements involved, such as:

- / Who controls the entity? i.e., the identification of all

directors and shareholders

- / Who are the ultimate beneficial owners (UBOs)? i.e., who ultimately profits from the entity
- / What is the underlying client structure and where are all the business units located?

Identifying and collecting all this information is an onerous, but necessary task. It is steeped in complexity from the very start, since you may not know who to send an onboarding form to until you fully understand the complexities of the client structure.

UBOs can be buried deep within the structure of an entity and so their identification alone can be extremely time-consuming. There are also the additional complications posed by geographic borders and/or languages if the entity has subsidiaries located in other countries. Only once they have been identified can UBOs be appropriately risk-rated and verified as part of the onboarding process.



Learn more about [The challenge of onboarding complex client structures](#) in our blog.

Onboarding suppliers



A third use case is supplier onboarding, which is often part of a procurement process or supply chain management within an organisation.

Onboarding a new supplier will typically be risk-based, so not all suppliers will need to follow a strict process. But for higher risk suppliers, onboarding could involve the following key elements:

- / Where required, researching and identifying the company directors, senior executives and UBOs.
- / Screening individuals/suppliers to check they are not politically exposed persons (PEPs) or on any known sanctions or watch lists.
- / Screening the supplier against unstructured adverse media sources in order to check for and avoid potential reputational damage to the organisation.

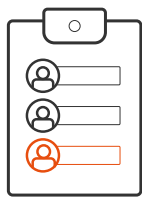
Moving to a digital solution will carry many of the same benefits as with onboarding individuals or more complex clients. Part of that will be having management oversight for the process, automating onboarding forms and risk-rating for relevant parties and automated screening against watch lists or for adverse media.

Again, the objective will be to accelerate the process whilst also making it more consistent and scalable.

The objective will be to accelerate the process whilst also making it more consistent and scalable.



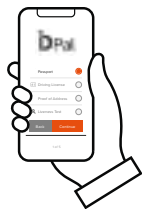
Understanding the onboarding process



1 ▶ **Data collection**



2 ▶ **Risk rating**



3 ▶ **Identity verification**



4 ▶ **Screening**



5 ▶ **Review and acceptance decision point**

Data collection



One in three financial institutions are known to have [lost customers](#) due to inefficient or slow onboarding and it all starts with the initial collection of data.

The data collection phase of onboarding is often characterised by laborious, one size fits all manual processes, making it the most obvious starting point for digitalisation.

This is further supported by the results of our [2022 Onboarding Survey](#) which revealed that customer document gathering was one of the main challenges faced by customer-facing teams.

When collecting data, prospects should always be given a clear and easy-to-follow digital journey, delivered in a secure environment with a familiar and reassuring appearance, and this starts with the first communication inviting them to begin the onboarding process.

When a large amount of information is required, prospects should ideally be able to save their progress as they proceed, so that they can complete the application over a period of time.

They should also be given a 'responsive' experience based on the information they supply, so for example web-based forms should adapt to previously supplied answers based on areas such as their location, occupation, and risk-rating. Ideally, it should be possible for complex prospects to autonomously share parts of their application form with the individuals best equipped to answer particular questions.

As a final desirable item for complex client onboarding use cases, the onboarding system should be able to auto-create records for new connected parties, and auto-send initiations to them to complete their own application forms. This saves huge administrative effort at your end, and increases the velocity of the onboarding process when multiple parties are involved.



Prospects should always be given a clear and easy-to-follow digital journey

Risk rating



Customer risk-rating is a critical stage in the onboarding process - so much so that the Financial Action Task Force cited taking a [risk-based approach](#) (RBA) to be central to the effective implementation of its recommendations.

Risk-rating should commence as soon as data collection begins. Risk scores can then serve to guide the rest of the application and approval process and ensure that the data collection form is tailored 'live' so that the appropriate data is captured to match the prospect's risk characteristics.

Risk-rating usually takes into consideration a range of factors before applying a low, medium, or high rating to each and every prospect. The factors that influence the rating include areas that will be industry-specific, but typically include geographic location, the industry they operate in, source of funds, the products or services they seek and their anticipated activity levels.

Nearly 20% of respondents from our 2022 Onboarding Survey cited issues with applying risk-ratings as one of their major challenges. So, being able to accurately and efficiently risk-rate prospects as they are being onboarded is a critical part of the journey for both your organisation and the prospect.

A flexible, risk-based approach is the preferred path for organisations seeking a way to adapt the onboarding experience according to the different risk types. Yet, for

most organisations the vast majority of new customers will be low-risk, so it is essential that a straight-through process, or as close to this as is possible, is created in order to deal efficiently with high volume onboarding tasks.

As previously mentioned in the data collection stage, onboarding forms should be able to dynamically adapt according to the different risk types. So, for example, medium risk applicants would potentially be presented with more fields to complete than applicants with a low-risk rating.

Equally, every risk model will require the occasional exception to be made to its calculated score. This option should be available to those who will handle the onboarding journey – provided that a reason is recorded for why an exception has been applied, and stored on the audit record of the onboarding, so that a document trail is maintained.

Identity verification



Many organisations are mandated by anti-money laundering regulations to fully verify the identity of customers prior to engaging in any commercial activities.

This process has traditionally been a predominantly paper-based, manual process that, in addition to being slow and frustrating, is susceptible to both fraud and human error.

In recent years there has been an explosion in the use of electronic identification and verification (eIDV) solutions aimed at making the verification process faster, easier, and more secure. In the onboarding realm, eIDV needs to be fast, yet highly efficient; prospects should have the ability to capture images of ID documents such as passports or driving licences for ease of submission.

Ideally, electronic proof of address will also be offered, so that you do not eliminate one manual process (photo ID certification) only to be left with another (proof of address certification) still to complete.

More importantly, by seamlessly integrating eIDV into the onboarding journey, eIDV solutions greatly reduce friction and accelerate what has traditionally been a slow and time-consuming process for everyone involved.



By seamlessly integrating eIDV into the onboarding journey, you greatly reduce friction and accelerate the process.

Screening



AML screening is the process of dynamically comparing the data received from prospective customers, suppliers, and counterparties against third-party data for the purposes of risk assessment and management.

The data you need to screen against will depend on your industry vertical, but may include both structured data (sanctions, PEPs, and watch lists) and unstructured data (in the form of adverse media reports).

The principal objective of screening is to identify elevated risk markers associated with prospects or customers that are sanctioned, on watch-lists, or PEPs, so that appropriate risk-based decisions can be taken about whether and how to do business with the individual or entity concerned. By quickly identifying prospective customers who pose an elevated risk of potential criminal activity, appropriate action can then be taken to manage risk through the application of enhanced due diligence (EDD).

In recent years, there's been an increased focus on the benefits of reputational risk management through adverse media screening, which compares prospects against less formal data sources for early indications of any potential risk. These indicators might include information about an individual prior to the commencement of criminal proceedings or becoming subject to sanctions.



For a more in-depth look into KYC screening, download [The definitive guide to customer screening.](#)

The regulatory landscape



Whether onboarding customers, suppliers, or complex client structures, it is essential that you fully identify and understand the regulations that apply to your organisation in both the sector and the jurisdictions in which it operates.

The majority of regulations that are relevant to onboarding focus on AML and KYC, both of which are critical components of the onboarding journey.

While they combine to present a challenging set of procedures when screening prospective customers, ignoring any one of these elements leaves your organisation open to risk and regulatory action.

/ A working example of regulatory compliance

In the UK, a bank must conform to a wide range of KYC regulations, as well as performing additional 'Customer Due Diligence' (CDD) measures.

These include the following procedures:

- / **Customer ID verification:** Identifying and verifying a customer's identity based on documents, data or information obtained from reliable and independent sources
- / **Additional Screening:** Customers must be screened to ensure that they are not on any known sanctions, PEPs, or watch lists
- / **UBO Identification:** Identifying UBOs and any business relationships, ideally through a KYB screening process
- / **Transaction monitoring:** checks across financial history for suspicious payments
- / **Adverse Media checks:** this is now becoming a common recommended step to reduce risk to an organisation (for example, assessing if someone is more likely to be sanctioned in the future)
- / **Source of Funds:** Additional steps to ascertain the intended nature of business and source of funds and source of wealth

While the above example provides a single snapshot of the challenges faced by a bank operating out of the UK, every organisation must adhere to the regulations that apply to their specific country or areas of operation.

Around the globe



Below are some sources of information that may help you to identify the KYC and AML regulations that apply to your region.



Global:
[The Financial Action Task Force](#)
(FATF)



USA:
[Office of the Comptroller of the Currency](#)
(OCC)



Europe:
[European Banking Authority](#)
(EBA)



Australia:
[Australian Transaction Reports and Analysis Centre](#)
(AUSTRAC)



UK:
[Financial Conduct Authority](#)
(FCA)



Singapore:
[Monetary Authority of Singapore](#)
(MAS)



Switzerland:
[Financial Market Supervisory Authority](#)
(FINMA)



Dubai:
[Dubai Financial Services Authority](#)
(DFSA)



Automating the onboarding process



Traditional onboarding processes are now being reviewed as many organisations look to transform with digitalisation. Although the Regulatory Technology (Regtech) sector has offered up a myriad of different solutions in recent years, there are few that cater for the full end-to-end journey that the onboarding of customers, suppliers, and complex client structures demands.

A complete reimagining of the process from beginning to end is the only way to truly transform your onboarding journeys, but other options are available. With this in mind, here are some of the steps that should be considered when embarking on the transformation journey.

/ 'Digitisation' vs 'Digitalisation'

The starting point is to define the scope of your ambition, depending on the time and resources that you have available, and the nature of your goals.

The simpler pathway is '**Digitisation**' - this term describes the work of taking your existing process and making it digital. It will likely be quicker to deliver than the alternative route, but will leverage fewer of the benefits offered by new digital ways of onboarding.

A more ambitious approach is described by the term '**Digitalisation**'. This involves making full use of the new capabilities offered by digital platforms to not only digitise aspects of your onboarding process, but also to rethink and improve it as you go.

Digitalisation can make use of the opportunities offered by dynamic forms, automated complex risk-scoring, electronic identity, address and company verification, and fully risk-based approval processes to completely transform how onboarding is carried out.

Considering the following steps will help you to work out which approach would best suit your objectives.

Automating the onboarding process



/ Deliver a first-rate customer experience

The data collection stage is your chance to impress your prospective customers by making it as frictionless as possible for them to complete forms, upload documents, and verify their identification.

Through the lens of onboarding complex client structures, it is even more critical that you offer a consistent, uniform, and above all manageable experience.

Whether onboarding customers through a dedicated web portal or a mobile app, it is vital that you deliver an

elegant, branded experience in an environment that is familiar to them. If they are presented with a system that doesn't reflect the brand they are seeking to do business with, this can immediately raise concerns over its authenticity and can cause friction or drop off before you've even started.

/ Implement intelligent data collection

In order to efficiently onboard different types of customers and entities a truly flexible approach is required. A static one-size-fits-all methodology will not deliver the results you are seeking if you are onboarding customers from different countries, industries, and other associated risk-factors.

Dynamic data collection provides the solution to making your onboarding process more intelligent and reactive. By using responsive form fields and multiple data sources you can improve the efficiency of data collection by providing the applicant with different questions, depending on the answers they previously supplied, and pre-populating the answers to some questions by looking up KYB sources, your CRM system, or other data repositories.

For example, if the location selected by an applicant is identified as a high-risk country, they will then be required to fill in more fields than a prospect who selects a low-risk country.

The most capable flexible data collection platforms are

additionally able to calculate an overall risk score in real time as questions in the form are answered, and prompt the provision of risk-based follow up questions based on the cumulative risk score and not just individual trigger questions. Getting this aspect right can avoid having to make multiple requests to higher risk prospects, enabling your organisation to 'ask once'.

Data collection is not just about answering questions; it may well also involve the provision of documents. Making the requests for documents risk-based, driven by the risk levels assessed dynamically during the onboarding process, will ensure that the correct supporting documentation is collected each time.

Automating the onboarding process



/ Consolidate the entire process into a single end-to-end solution

According to our survey, nearly two thirds of organisations are using at least 2-3 tools when onboarding customers. This highlights just how fragmented the process can be, both for your organisation and your customers.

By integrating all the stages of onboarding into a single end-to-end process, you can alleviate many of the friction points traditionally encountered on the onboarding journey.

For example, the electronic ID verification (eIDV) stage should be seamlessly integrated into the process, thereby

avoiding the need to direct the customer (and your staff) to an entirely separate system.

From a management information perspective, a single consolidated system is the most efficient way to track and manage onboarding applications. Used correctly, it will provide you with a critical oversight of where applicants are in their onboarding journey and enable you to assist if they are having issues at any stage.

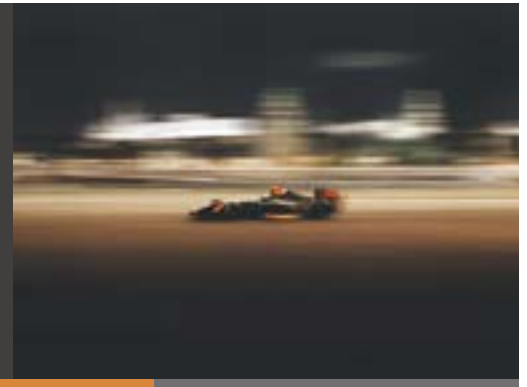
/ Automate risk-ratings

The risk-based approach should be embedded into every stage of your onboarding process, so that as your prospects enter the funnel they can begin to be assessed right from the very start and allocated to pathways ranging from a straight through process (if all required checks are passed) to more intensive scrutiny as required.

An automated risk-rating approach can hugely increase the efficiency of your onboarding process by ensuring that valuable staff time is spent on the applications which need it most, provided the solution you implement is flexible and configurable to your organisation's particular risk appetite.

For complex client structures and supplier onboarding, where multiple individuals need to be risk-rated, screened and verified, there is the added opportunity to apply automation that will risk-rate multiple parties simultaneously, saving both time and resources.

Automating the onboarding process



/ Automate KYB screening and UBO shareholder mapping

To effectively screen companies and perform efficient and accurate KYB measures, you need access to the highest quality data.

While there are various sources of structured data to supply some of this information, unstructured data sources such as adverse media may also need to be considered to get a fuller risk picture.

Mapping shareholders and UBOs is an onerous task and one where technology can step in to automate and improve efficiency.

Ideally, you will want to enable your team to be able to quickly navigate complex, cross-border client structures with network visualisations directly within the onboarding solution.

/ Audit trails and reporting

It's not just a matter of conforming to regulations, you may well be required to provide credible answers about the effectiveness of your processes to a regulator or to auditors to evidence what your firm has done in onboarding a particular relationship.

To do this well, you need to have the ability to provide tangible proof points across every step of the process and at any point in time.

An audit trail and the ability to produce reports, is not only best practice but also a regulatory requirement in many sectors. It serves two major purposes, the first to prove to regulators that you are implementing the correct processes to mitigate potential risk, and secondly to provide evidence and information for regulators in the case of suspected illegal financial activity.

This can be a complex and labour-intensive task. A fully automated digital solution that records all the actions performed by your team during the onboarding journey of

every customer or entity will save time and improve accuracy and resilience.

Crucially, if your data collection process permits multiple actors or systems to supply data to a single data collection form, you need to be able to prove at a field-by-field level what the source of each entry on the application form was. For example, did the prospect answer a question about the number of directors in their corporate structure, or was the information filled in by a KYB lookup – or by your staff? A robust audit trail is crucial to enable you to demonstrate who did what, and when.

Automating the onboarding process



/ Low-code vs no-code

Full service digital onboarding platforms are large and complex products, with many interlocking modules required to deliver an end-to-end experience.

When you invite vendors to demo their solutions to you, be sure to ask whether what you're seeing is 'out of the box' - meaning available now, off the shelf, or whether it has been custom built for demonstrations.

You should also check whether all the features that you have been shown are available 'in production' - that is, ready to go today - or, if not, when they will be available to use in production.

Finally, you should ask to see 'behind the screens' - can important features be configured via the user interface ('no-code') or is developer input required to change things (known as 'low-code' if only modest developer assistance is required or 'custom-build' if heavy input is needed).

Establishing the answers to these questions is important for two reasons: working out how long and complex the implementation and testing process is likely to be, and discovering whether it will be possible for you to update and adapt the system once it is in production use - or

whether you will have to submit chargeable change requests to the vendor to alter how the system operates.

Provided the system is flexible enough to meet your requirements, the ideal state is a 'no-code' solution which is available today 'out of the box'. Going down the custom build route may provide you with functionality that is more precisely tailored to your use case, but will carry increased risk around future support and changes to the application, particularly if only one or two developers are involved in the build. What will you do if they are no longer available?

For this reason, we would not encourage you to self-build an onboarding solution unless your business has extensive experience of software coding and a very unusual use case. For all other scenarios, a good off the shelf product from a well-established and expert software company is likely to be quicker to implement, more responsive, and more durable in service.



The ideal state is a 'no-code' solution which is available today 'out of the box'.

Managing the change process

/ The digitalisation of a customer onboarding process is not just about new technology.

With any digital transformation project, if the right change culture and mindset is not present among the teams involved, then technology alone will not deliver a solution. In fact, it's best practice for organisations to focus on placing the right people in key positions before commencing transformation projects to ensure that the change management aspects are assessed and prioritised right from the start.

It's critical that your people are aligned to the objectives of a digital onboarding project, are able to deal with roadblocks and adapt to change in an agile fashion and not lose sight of the primary goals. Critically staff should view new onboarding technology not as a threat but as an enabler of faster time to revenue and elevated customer satisfaction.

/ Cultural response to change

Organisations have always moved, morphed, adapted and transformed in response to many internal and external factors. The success of these changes can be measured not only in the direct immediate after-effects once a project is complete, but also in the corporate "change memory". One person's experience of a past change may differ greatly to that of the next person involved in the same change. If these memories are left unresolved, they may have a negative impact on any new initiatives.

As leaders, we need to demonstrate a long-term commitment to fostering an openness to change by encouraging learning in a response to past experience. How we set the tone culturally for dealing with change can profoundly influence how successful future projects will be. Learning from how well your people have directly responded to change arising from other technical initiatives in the past matters greatly when understanding how to manage change in a digital onboarding project. Consider projects that were received well by the people involved, those that didn't and learn why.



Managing the change process

/ Change 'buy-in'

Getting buy-in from key stakeholders is a key role for your Sponsor and wider change team. Consider appointing "change champions" in key areas of the business who can be the conduit between staff and the digital onboarding project, who can listen to and influence those around them.

Consider also how you want the change to be perceived. Do you need to reassure people that whilst acknowledging the onboarding process will change ways of working, the benefits brought to the business are worth seeking? Painting the vision of the future, communicating with staff affected to help them understand "what's in it for me?" and resolving process issues helps build faith that the change will work.

Acknowledging that there may be pockets of resistance to change needs to be factored into early planning and continually monitored through the project and into business as usual. Champions will remain champions once the project activities have finished and are a vital ingredient in successfully embedding the new working practices.

/ Feedback from all relevant areas of the business

Once you have formed the digital onboarding project team, your organisation will need to spend some time understanding the nuts and bolts of how your onboarding process works now.

Steps in a process that were once weighed down in paper and waiting time will be transformed in a digital onboarding project. Comparing these steps with a future process using digital onboarding will help establish what activities will continue to work well, those that will be removed or require more support. The experience and insight that each team involved in the end-to-end process brings, coupled with the subsequent internal use of the data in the onboarding process will contribute to ensuring that the new ways of working will bring lasting improvement.

Providing a clear framework of process, procedure and operational escalation points will engender a stable foundation on which the team will feel able to safely transition to the ways of working.

Managing the change process



/ 'Testing, training and go-live

The digitalisation of your onboarding process will change activities traditionally carried out by the people in your organisation. To be certain that the changes being made make sense and ensure adequate operational robustness, test planning and execution needs to focus on all aspects not just the technology.

Business process and procedure needs to be rehearsed to ensure that the people involved in a new digital onboarding process are prepared operationally and personally, to accept the introduction of new methods. Processes, step by step procedures, roles and responsibilities, data flow and management information will be transformed, therefore it is vital that key team members set aside time to take part in user acceptance testing.

Once testing is complete and any necessary adjustments have been made to the new process, the teams will become focussed on going live. Training delivery and navigating change approval processes will need close attention and planning efforts to ensure that the "Go live event" happens in a coordinated fashion. The immediate period of time post-go live will require teams to communicate and work closely as unforeseen issues, quick fixes to procedure and any additional training reinforcement will add pressure to teams as they adjust to a new way of working.

/ Transition

As the weeks and months pass the staff will have adjusted to the new business as usual. Small incremental changes to adapt to customer feedback, introduction of new features, new regulations and smarter onboarding methods will be made.

The teams involved will start to see the benefits of moving away from previous time laden manual processes and take ownership of the new operation.

A period of review and reflection is common, to ensure that lessons – good and not so good - are learned from this experience to inform any future change.

The teams involved will start to see the benefits of moving away from previous time laden manual processes and take ownership of the new operation.

Reasons to digitise onboarding



We consider on the right, how to avoid some of the most commonly experienced problems with running the onboarding process.

/ Total onboarding time takes too long

The most common enemy faced by organisations when onboarding new business is time.

In the banking sector, Oliver Wyman reported that it can take 90-120 days to onboard corporate customers. But banking and financial services aren't the only sectors that view the time-to-revenue for new customers as the driver for digital transformation.

The underlying causes of lengthy onboarding times are many, but often include the following key reasons:

- Poor and outdated systems and processes
- Too many steps to be covered (both internal and external)
- A lack of oversight between departments (front and back office)
- The prevalence of data silos preventing the sharing of information
- A lack of automation for laborious manual tasks
- Asking for the same information multiple times from 'frequent fliers'

All of these can be addressed by the smart implementation of an effective digital onboarding platform, matched by appropriate process change.

Reasons to digitise onboarding



/ Lack of staff knowledge

An effective onboarding process covers far more than simply verifying that a prospect doesn't have a criminal record, or they don't appear on any sanctions, PEPs, and watch lists.

It should be a comprehensive process, with all members of the onboarding team having a clear understanding of how and why it works. Only this way will they have oversight of a customer's onboarding progress and be able to deal with issues at any stage.

It's not uncommon for those tasked with running the onboarding process to have inherited a legacy system that was implemented by people no longer in the organisation. As a result, they may have a poor understanding of a

process which is itself likely to be outdated.

The implementation of a market-leading fully automated digital process is the first step. The second is ensuring that the people tasked with operating it are fully trained and supported at all times.

/ Siloed data

Fragmented and siloed data within an organisation can cause multiple issues with the onboarding process and can even stop the digital transformation programme in its tracks.

The data being collected on customers should be stored securely in a central repository that is accessible by all the teams involved in the process. This is to avoid a situation such as front office staff storing data in one place and the compliance team saving it in a completely different location, this can lead to a multitude of problems.

Collaboration through a central system should be the goal for every onboarding team. The objective should be to create a 'single customer view' which maintains a clear audit trail of all the stages through onboarding, from

initial data collection and ID verification through to the screening results and applied risk-rating.

The benefits of having one consolidated system will be seen across all future ongoing monitoring and the simplification of any remediation work that needs to be carried out.

Reasons to digitise onboarding



/ Being unaware of customer problems

If you are unable to track the progress of your prospects' onboarding journey, how will you know if they are struggling with the process?

The workflow of data collection must be moulded around the customer, in order to deliver the most efficient and user-friendly experience.

In addition, there needs to be comprehensive help material for customers if they get stuck at any point,

together with a fast, dedicated support mechanism for those who require more personal assistance – and alerts to your users if a customer application is stuck or not progressing as expected.

/ Buy or Build?

The harsh reality is that 70% of all digital transformation projects end in failure, a statistic that includes many projects that went down the path of 'build' instead of buy.

There are many reasons for this, but chief among them are:

- Underestimation of the magnitude of the task of building a reliable, secure onboarding system
- A failure to define accurately the requirements for what is a complex system build
- Attempts to build software by organisations whose core purpose and expertise is in a quite different

area

- Difficulty in integrating specialist third party suppliers of data or technology, resulting in significant delays to planned build timelines
- The challenge of maintaining a large system once built, and keeping it secure
- Lack of flexibility once built
- Key-person risk if the architects or engineers who built the system leave the business

For all but the largest or most technically able organisations, buying an 'off the shelf, no-code' solution and customising it to the organisation's requirements is likely to be a more cost-effective and durable approach than self-build.



What should I do next?

If your organisation is ready to digitalise customer onboarding here are some simple steps to follow that will help improve the chances of a successful transformation project.

- 1** Consider the critical success factors – what are you looking to achieve through the digitisation of customer on-boarding?
- 2** Identify key stakeholders including business units, risk functions and customers and consider what each group needs from the transformation project
- 3** Consider what features an onboarding solution needs to have in order to deliver your critical success factors
- 4** Using the answers to the exercise above, longlist vendors and discuss how their technology can solutionise for your specific needs/use case. Ensure the vendor has a thorough understanding of your specific challenges.
- 5** Shortlist one or more vendors. Provide them with an insight into your current process and planned future process and ask them to show you how their technology could support it.
- 6** When vendor technology is being demonstrated ensure that what you are being shown is in production and not a planned roadmap item. Beware vaporware!



What should I do next?

7

Ask the vendors questions including:

- How quickly can the solution be deployed and when can we expect to see a return on our investment in the solution?
- What flexibility do we have?
- Is the solution configurable without the need to pay large sums of money in professional services fees?
- Does the solution come with the risk-based approach 'baked-in' which is adaptable to our organisation's risk appetite
- Does the solution allow for unlimited onboarding journeys/types?
- How many customers do you have actively using your technology in my sector?
- How will you support my implementation project?
- How will you support our use of the technology over time and what is your historical CSAT score for this solution and customer retention rate?

Look for vendors that provide honest answers – not every answer will be 'yes', some may be 'no', 'not yet' or 'no and this is why'

8

Conduct a commercial and legal assessment and check on what service level the vendor will offer.

9

Is there scope to grow with the vendor/do they offer other platform services you might want to add over time?

10

Do they have a roadmap for product improvements – are they investing in their solution?

11

Finally, if all other questions have been answered to your satisfaction: 'when can you implement this for me, how long will it take, and what do you need me to provide?'

Decide on a vendor and mobilise your project team!

Onboarding from KYC360

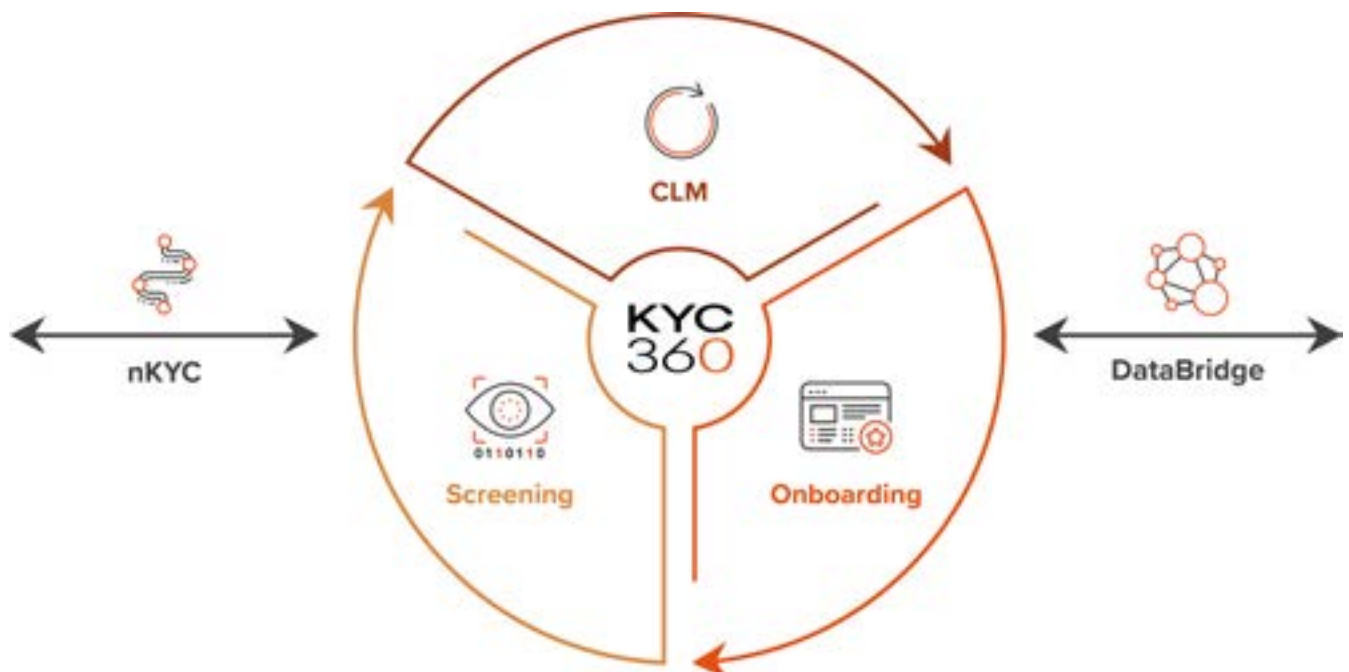
Create the right first impression with your clients and reduce time to revenue with our market leading, dynamic digital onboarding solution. Whether your challenge is retail onboarding at scale or navigating highly complex client relationships our flexible, award-winning solution will enable you to drive efficiencies and deliver superior customer

experience from the very first interaction setting the tone for profitable, long term business relationships.

The end-to-end KYC360 platform enables screening and CLM functionality to be added seamlessly to your onboarding flows reducing data silos and operational inefficiencies.

/ Part of the KYC360 Platform

Onboarding is part of the KYC360 platform, an end-to-end solution offering slicker business processes with a streamlined, automated approach to Know Your Customer (KYC) compliance. It enables our customers to outperform commercially through operational efficiency gains whilst delivering improved customer experience and KYC data quality.



Contact.

[/ sales@kyc360.com](mailto:sales@kyc360.com)

[/ www.kyc360.com](http://www.kyc360.com)

