

EXECUTIVE BRIEFING

**DIGITAL STRATEGY, CONSUMER EXPERIENCE,  
AND RISK MANAGEMENT IN THE MODERN  
FINANCIAL SERVICES INDUSTRY**

The rapidly evolving landscape of the financial services industry has brought forth a renewed focus on digital engagement, consumer experience, and risk management. With a surge in digital initiatives, advanced tracking technologies, and an emphasis on compliance, institutions are navigating a complex ecosystem.

AIS recently hosted a workshop at its Dallas headquarters to discuss “The Blueprint to Business Transformation.” Executives from leading financial services organizations gathered to share current practices, challenges, and opportunities in the digital world.

Here are some of the key findings and takeaways that were covered during the event.

### Digital Engagement and Effectiveness

- A recent digital content initiative at a major banking institution witnessed engagement rates with mortgage customers more than double to over 70%.
- Multiple channels like text, email, push notifications and landing pages are being utilized to better understand user engagement and actions.
- Surveys to gauge effectiveness indicate mixed reactions, with performing customers feeling uneasy while delinquent ones feeling prompted to act.

### The Balance of Efficiency and Control

- With powerful tracking technologies, financial institutions can determine when customers are engaging, offering more targeted engagement opportunities.
- Striking the right balance between enhanced customer service and over-surveillance is a growing concern.
- Regulators are placing more focus on the customer’s understanding of the options they’re presented with digitally.

### Challenges with Digital Onboarding

- As a part of the digital experience, regulators require that all applicable options be made available to the customer.
- However, consumer survey results show this can be potentially overwhelming leading to a request for increased guidance.

### Risk Management

- The emphasis has shifted from risk mitigation to risk elimination.
- Minor oversights, which may have been overlooked in the past, are now amplified.
- It’s not just about fixing a few mistakes that occurred in a portfolio. Regulators go as deep as scrutinizing the impact on a single family.

### Vendor Relationships

- Many institutions continue to place more emphasis on compliance and risk management in addition to cost savings when evaluating vendor relationships.
- The most valued vendors are those who proactively understand the changing landscape, regulatory requirements, and can provide insights beyond the internal capabilities of the financial institutions.

### Workforce Trends

- A shift in remote work is evident, many institutions with 75% employees working in office three to four days a week.
- This is impacting team dynamics, company culture, and security. Investments in new technologies have been made to ensure customer data protection.

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To address the insights and challenges presented, here are key actions that financial institutions should consider:

**Invest in digital engagement initiatives:**

Companies should focus on implementing digital strategies that enhance customer engagement, such as utilizing multiple channels and tracking technologies to better understand user behavior and preferences.

**Find the right balance between efficiency and control:**

Financial institutions need to strike a balance between providing enhanced customer service and avoiding over-surveillance. They should ensure customers understand the options presented to them digitally while complying with regulatory requirements.

**Improve digital onboarding processes:**

Companies should simplify the digital onboarding experience by making all applicable options available to customers while providing increased guidance to prevent overwhelming them.

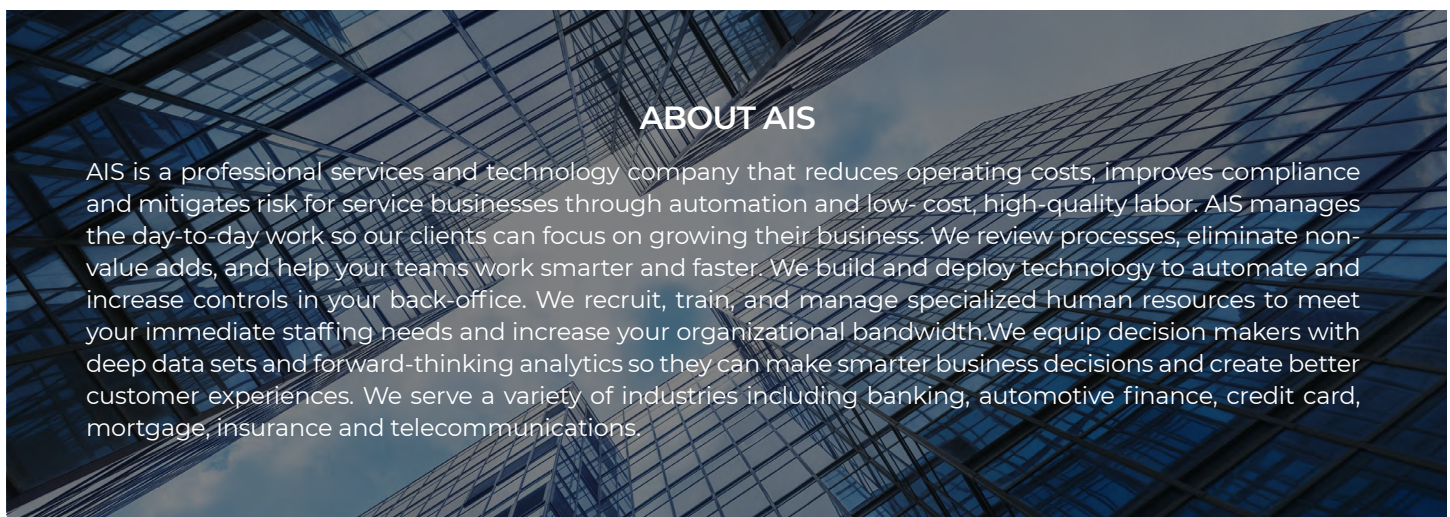
**Prioritize risk management:**

In the face of regulatory scrutiny, companies should shift their focus from risk mitigation to risk elimination. They need to pay attention to minor oversights and ensure robust risk management practices across all aspects of their operations.

**Foster strong vendor relationships:**

It is important for companies to evaluate vendor relationships based on compliance, risk management, and cost savings. They should seek vendors who proactively understand the changing landscape, regulatory requirements, and can provide valuable insights beyond the company's internal capabilities.

The financial services industry is experiencing a transformation, largely driven by digital advancements and an enhanced focus on risk elimination. As financial institutions strive to enhance customer engagement, they are met with challenges from regulatory bodies, technological complexities, and shifting work environments. Balancing the need for enhanced digital strategies with risk management and vendor partnerships is paramount. To remain at the forefront, institutions must continuously adapt, innovate, and prioritize the ever-evolving needs of their customers while ensuring robust compliance and risk management.



**ABOUT AIS**

AIS is a professional services and technology company that reduces operating costs, improves compliance and mitigates risk for service businesses through automation and low-cost, high-quality labor. AIS manages the day-to-day work so our clients can focus on growing their business. We review processes, eliminate non-value adds, and help your teams work smarter and faster. We build and deploy technology to automate and increase controls in your back-office. We recruit, train, and manage specialized human resources to meet your immediate staffing needs and increase your organizational bandwidth. We equip decision makers with deep data sets and forward-thinking analytics so they can make smarter business decisions and create better customer experiences. We serve a variety of industries including banking, automotive finance, credit card, mortgage, insurance and telecommunications.