



Putting the Client First: A New Approach to Innovation

For decades, many global banks focused their innovation dollars only on the upper end of the market. But over the last several years, Citi Commercial Bank has been working on a technological transformation that is exclusively focused on redefining the solutions and user experience for start-ups, scale-ups, and mid-sized companies.

While Citi Commercial Bank has spent recent years supporting its clients through the unprecedented challenges prompted by the pandemic and subsequent supply chain shortages, the bank has also been working in the background on a technological transformation. The goal has been simple, but extremely ambitious: to change how solutions are designed and how users interact with the bank in order to deliver a step change in solution and service quality for mid-sized companies.

Historically, the user experience for this client base has been complicated, especially companies with few employees and small finance teams that want banking solutions that are as simple as those they use in the consumer banking world. The functionality of online platforms for mid-sized companies and especially the ways that users interact with them has tended to lag offerings in the consumer and corporate markets by some years.

A number of years ago, Citi Commercial Bank decided to rip up the rulebook and take a fresh approach to this key market, with the aim of giving this group of clients the opportunity to benefit from sophisticated banking solutions usually only offered to large corporates. The bank recognized that technology is now a key driver for middle market companies and is prompting many to rapidly evolve their business models. Outdated, confusing, inflexible and inconsistent banking solutions are no longer tenable.

Why cross-functional teams matter

To transform its approach to innovation, Citi Commercial Bank first had to rethink how it is organized. Changes in organizational structures might sound mundane (and not wholly relevant to clients). But aligning teams with client outcomes rather than being structured in silos and focused on specific solutions has underpinned the significant technological advances that Citi Commercial Bank has made for clients in recent years.

Subject matter experts from across the organization now work together in cross-functional teams. For example, to improve its lending experience, Citi Commercial Bank brought together the underwriting team, digital experts and servicing specialists in account management.

In order to make such teams work, it is critical to formulate clear objectives from the outset – both for the bank and for clients. Similarly, in order to evaluate success, it is essential to select appropriate metrics and carefully monitor progress.

It is important to note that these teams need not be permanent: they can be formed for a specific purpose and disbanded once their objective has been achieved. Indeed, the flexibility to create cross-functional teams as and when circumstances require is a hallmark of the more adaptable and agile organizational structure that Citi Commercial Bank has embraced.

Prioritizing client experience

A core part of Citi Commercial Bank's new approach to technology centers on client experience. At many banks, the functionality of a solution is the main objective and usability is an afterthought. Where efforts have been made to improve client experience, they all too often focus on cosmetic changes to user interfaces.

Citi Commercial Bank appreciates that a slick and quick user interface is important. But underpinning UI design must be a deep consideration of a client's objectives when they use bank solutions. Onboarding and account opening are historic pain points for clients across the industry. When Citi Commercial Bank decided to tackle these challenges, it focused on the problems that matter most to clients. The bank has subsequently reduced the number of steps required for specific client tasks, as well as the number of touchpoints that clients have with the bank, making it easier and quicker for clients to open and manage accounts.

To do this effectively, every Citi Commercial Bank solution is co-created by internal stakeholders and clients. Leveraging focus groups and design thinking sessions with clients, the process starts with discovery and exploratory discussions and later focuses on testing prototypes for usability feedback. The development process either may begin with clients identifying a challenge that they would like addressed that is then picked up by a development team. Alternatively, solution developers might be working on a

project, such as redesigning the mobile app, and reach out to leading users of the app to understand their objectives when using it and how it could be improved. This approach has resulted in more agile ways of working both with and for clients throughout the product development cycle.

Understanding different users' needs

One important part of Citi Commercial Bank's client experience approach is the idea of designing for personas, so that experiences are tailored to reflect the needs of distinct groups. For example, a Chief Financial Officer (CFO) persona might prioritize high-level information on their phone and functionality such as forecasting or planning, while an accounts payable or accounts receivable analyst will need immediate access to more granular information and actionable artifacts that reflect their role.

While persona-based design is an important general principle, it is essential to reflect how different types of organization function. For example, while a CFO at a large corporate might have specific and limited needs when using a banking platform, their counterpart at a mid-size company may have a number of roles and therefore need access to additional platforms and functionality. It is therefore important that there is commonality across that functionality so that the experience of users at one-or-two-people companies remains consistent.

Citi Commercial Bank's focus on understanding client experience has also prompted the development of tiered offerings. 'Lite' versions of existing solutions enable smaller companies to access the functionality they need without setting up complex workflows, while still offering the opportunity to build advanced workflows for companies that need full functionality.

Delivering a 360° view

Historically, every line of business across most banks has deployed its own system. For both clients and banks themselves, the use of multiple systems makes it difficult to gain an accurate overview of a banking relationship. Citi Commercial Bank is working on consolidating a variety of legacy systems, covering lending, treasury management, FX, and different geographies and many other areas into a single client view.

Citi Commercial Bank will offer this information to clients (and importantly, employees) via a single dashboard, drawing on a new Citi Commercial Bank data lake that is filled with data from disparate legacy systems.

The data lake and dashboard will also enable Citi Commercial Bank to take a more proactive approach to recommending solutions – suggesting ways to optimize cash flow, for example – based on a better understanding of client needs.

Small-scale experiments deliver rewards

Historically, banking solutions have been developed over long periods and in a monolithic way. Citi Commercial Bank now takes a different approach to innovation, setting a time box – a fixed amount of time for a specific activity based on agile methodology – to run multiple experiments operated by different teams before drawing conclusions and making sure they have the best possible solution for their clients.

For instance, Citi Commercial Bank is currently piloting new experiences that leverage the latest Fido 2.0 authentication standards, looking at a variety of ways – such as using biometrics or a QR code on a mobile device to log in to a website – to make it easier for clients to log in while improving security.

Accelerating time to market with micro services

Just as Citi Commercial Bank has adopted small-scale experiments to encourage innovation and lower costs, so it is taking a microservices approach to solutions.

Microservices, an architecture where applications are arranged as a collection of loosely coupled services, accelerate time to market. A traditional waterfall approach to solution development requires significant investment, lengthy development timeframes and extensive testing.

In contrast, by taking a modular approach to services, development and testing can be completed in just a few weeks. As a result, new functionality or changes to how users interact with the solution can be implemented rapidly in response to their changing needs.

Moreover, a microservices approach enables multiple solutions to be fitted together – much like Lego bricks – providing greater flexibility to meet clients' needs. Clients' workflows and processes are prioritized rather than requiring them to change their processes to accommodate Citi Commercial Bank solutions. Microservices also make it easier to partner with fintechs and other third parties to further accelerate time to market.

Focused on straightforward integration

Over the past few years, Citi Commercial Bank has further advanced its API offering. This has enabled it to drastically accelerate the pace of change – improvements to the digital experience that used to take months now take weeks or days – and to offer curated experiences. Citi Commercial Bank APIs work in the background, and no lengthy implementation is required.

APIs enable clients to access information from Citi Commercial Bank wherever they are – from their workstation or device of choice. Clients will no longer have to access the bank portal to gain access to the latest real-time information and optimal visibility over cashflow.

Citi Commercial Bank is also developing APIs that facilitate integration with third parties that clients already work with. For instance, APIs can sync account information directly into the most popular accounting systems, treasury management systems, and ERP systems that clients use.

In Conclusion

Citi Commercial Bank has long prioritized solution and service provision for mid-sized companies. But the bank anticipated that the expectations of this user group would continue to grow, given evolving business models and users' experience of consumer banking.

To ensure the bank's capabilities and user experience continue to meet clients' needs, Citi Commercial Bank committed to taking the time to really understand its clients' needs and use that information to change how it approaches innovation. Over the past two years, this shift in approach has started to bear fruit for clients: a new banking era for the middle market space is underway.

Commercial Bank

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