



By Vic Bageria

# Development of banks: The Next Level in The Banking Sector

Over the past years, data has not only become the vital strength of enterprises, but the primary means through which companies can outperform their competitors. Data helped companies, consumers, and government to innovate and integrate all the sophisticated tools of business intelligence.

Data analytics provided contributions beyond imagination. It stimulated the growth of liquid and investable financial assets, while paving the way for emerging markets to have an impact. The Gulf Cooperation Council (GCC) countries have been highlighted for new strategies in this area.

Banking and financial sectors have been actively involved in the UAE in the changing market environment characterized by strong competition and changing customer demands. Banks are working hard to implement strict controls and develop effective risk management plans. A good process of management and decision making are now fundamental differences between successful and unsuccessful institutions in the market that has these specifications.

In 2017, banks in the country were even more forced to undergo digital re-operation, a strategy that seeks to achieve greater constructive cooperation

between financial institutions with technology companies. Through this cooperation, customer service can be improved and revenues-generated channels can be utilized. Banks have adopted the digital conversion process by investing in the latest technological trends, including the use of the Internet, mobile phones and social media platforms.

## Digital Transformation and Management

Banks are currently facing some concerns related to fierce competition, process automation, new product development, mergers and acquisitions, and market fragmentation. But the main concern for the digital transformation process is the internal configuration, how to manage the company's operations and align them with the evolving systems that govern the sector.

The use of technology feature in the financial institution refers to redesign of the process beyond the re-engineering of traditional business processes. The best way to take advantage of technological solutions is to create multidisciplinary groups with responsibility for implementation.

Management includes all aspects of decision making in order to implement

accurate and effective decisions in a timely manner. This management should be based on proven information from analysis of generated data. Banks receive a large amount of information daily, including psychological, social, personal, financial and real estate. With smart solutions integrated into the database, banks can access information about diverse customers and transactions for each account and even credit commitments.

Organizational orientation and employee mentality are key aspects of integrating digital conversion into any company. Leaders, in addition to preparing multidisciplinary teams working together, should also be familiar with and lead the development of platform concepts that address the entire organization's systems, culture and capabilities, and develop and implement this platform.

## Growth of Business Intelligence in the Financial Sector

The survey of contemporary technology for 2015-2016 conducted by a data observer indicates that banks quickly implemented business intelligence, with small and medium enterprises growing by 16-21 percent, while large banks grew by 6-9%.



Business intelligence has undoubtedly helped to improve certain aspects in the financial institutions in terms of efficiency of operations, products, services, marketing, business strategies, customer retention and risk reduction.

Business intelligence providers now offer a range of solutions and integrations that include financial analysis, performance management, fraud monitoring, and compliance and risk management. Insurance companies have lagged behind because banks offer a significant advantage in terms of implementing business intelligence.

## Business Intelligence and Banking

Business intelligence is a generic term covering all methods, uses and tools for managing knowledge and business information. Business intelligence is currently used to define administrative accounting, institutional status, information technology, marketing and strategy. Business intelligence helps companies to collect, analyze, disseminate and act on business information and facilitate management solutions. Business intelligence is a basis for the best business decisions taken by

leaders of any financial institution.


In addition, banking sector leaders should recognize that business intelligence is not the end of the process, but one of the solutions that allows the use of technology platforms to generate and act on information. By exploring the nature of transactions and dealings conducted by clients, the banking sector can establish a relationship that helps customers and encourages them to remain loyal to the institution, its products and services.

Business intelligence allows banking institutions to segment their client base accurately and effectively to:

- Offer products and services that suit needs and desires of customers for banking. It will help to develop and implement financial products that will achieve a boom in the financial market.
- Manage employee profile by analyzing data collected and stored in customer relationship management by customer geographic region and retail in order to know which customer profile generates the greatest profit. This will help banks analyze the customer base and determine the profitability of all products, services and branches.

- Identify ideas for cross selling and Sell-Up opportunities as well as insights on marketing. Banks should recognize that this is the most important aspect of business intelligence implementation. Research has shown that the cost of selling a new idea to an existing customer is far less than the cost of selling new products or services.

- Increase customer satisfaction through understanding and transparency. Smart Platforms enable the Bank to identify individual customer needs and increase customer satisfaction. By understanding actual expenditures and payments, banks can recognize the transformational processes of data collection and have distinct insights on customer satisfaction.

- Digital transformation in the financial and banking sector has proved to be a difficult and complex process. To make the most of this, coordinated planning, decision-making and investment must be undertaken. The development of a long-term growth plan for the institution depends on how banking leaders face the challenges of developing the digital world. 

*CEO and Executive Director of  
Savant Data Systems' Vision*