



Core modernization for commercial lending

The convergence of customer self-service, along with technology advancements, makes a case for commercial lending core modernization.

Relationship managers (RMs) have been the heart and soul of commercial lending. Historically, banking success relied on the competence of RMs to acquire new clients, build strong relationships, and cross-sell products and services to other areas of the bank. Much of that role dependence has changed for future-ready banks.

The convergence of customer self-service expectations, along with advancements in technology, have made a case for commercial-lending core modernization. The result is a bank that relies less on the acumen and skill of individual RMs and more on the ability to harness advanced data and analytics capabilities within a digital delivery model. Leveraging these new competencies elevates the role of RMs and allows commercial banking to be delivered in a more personalized manner. The ability of lenders to build trust and loyalty through tailored customer interactions is enabled by the capture and integration of data across all customer touchpoints to ultimately generate personalized insights.

However, replacing your lending platform should only be done in the context of a broader transformation effort because modernizing commercial lending is not a pure technology play. It involves transforming people, processes, operations, and risk—along with technology—to meet customer expectations and achieve profitable growth.

Changing customer expectations

There has been a considerable rise in customer demand for self-service opportunities. Customers want to upload statements, make payments, view lending rates, complete applications online, and check the status of a loan, among countless other self-generated

actions. Clients demand more access points across the entire value chain—from sales to originations to servicing. The RM is no longer central to ongoing customer routines.

Banks must address the demand for digital capabilities to not only optimize the customer experience but to bring efficiency to their processes as well.

Delivering a higher return on risk

Core platform modernization provides opportunities to enhance risk management and ensure regulatory compliance through automation. Automating controls and key compliance activities enables earlier detection and prevention—adding to the measurable ROI benefits of platform modernization.

Security, in the form of authentication—authenticating individuals, documents, and organizations—in addition to role-based and transaction-based controls (e.g., who has access to what opportunities and what data fields), audit trails, escalations, and notifications, further maximizes a secure environment.

As an added value, since regulators and auditors now require more information about the data involved in a lending decision, modernization of your lending platform helps deliver the information needed in the format required.

Harnessing technology

New underwriting approaches leverage advanced data analytics techniques to improve commercial lending. For example, the expanded use of machine learning models that consume a variety of nontraditional internal and external data allows lenders to intelligently expand credit without significantly increasing their overall risk profile.

Another example of improved technology is the use of ethical AI models that stand up to higher levels of regulatory scrutiny.

Which platform is right for your bank?

The first step in evaluating platform alternatives is to examine business needs. This means going beyond a functional point of view so that there is a seamless set of experiences from demand generation, acquisition, onboarding, and service—all delivered in a way that the customer prefers.

Factors to consider when evaluating platforms:

- The entire value chain—from sales to originations to service
- Data integrity and integration across each process

for reuse of data

- Workflows for each bank process, product, and customer type
- Risk and regulatory compliance
- Technical fit

By placing core modernization at the center of your commercial lending strategy, you are positioning your bank to elevate sales and servicing in fundamental ways while also achieving new levels of efficiency and profitable growth.

For more on how to be a future-ready bank, please listen to our podcast: [Core modernization: Commercial lending](#).

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