



CONNECTING FOR COLLABORATION:

Financial Services Firms Turn to Advanced Communications



The COVID-19 pandemic disrupted nearly every industry, but the negative impact on financial services will likely be long lasting. According to [McKinsey's December 2020 Global Banking Annual Review](#), banks set aside more money to cover bad loans in the first three quarters of 2020 than they did for all of 2019 and, by 2021, banks are on track to set aside even more to cover these losses than they did during the Great Recession. In fact, McKinsey's projections indicate that financial services revenue may not recover for two to four years.

Economic losses aren't the only disruptions financial services companies are facing—the way in which organizations work radically changed in 2020, and those changes will have dramatic implications for years to come. The 2021 PwC Remote Work Survey found that [83% of employers believe remote work has been successful](#). For financial services companies, employees exceeded expectations, with 69% of executives saying their employees were as productive or more productive than they were before the pandemic.

83% OF EMPLOYERS BELIEVE REMOTE WORK HAS BEEN SUCCESSFUL

SOURCE: 2021 PWC REMOTE WORK SURVEY



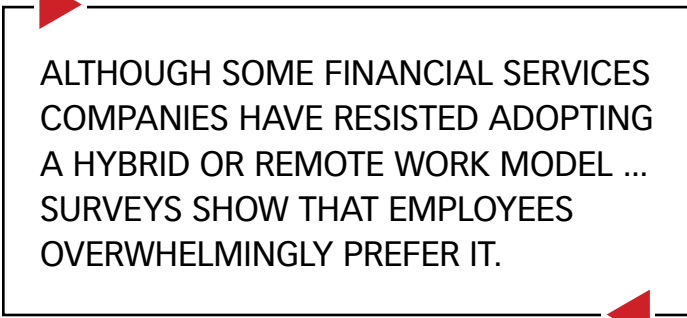
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Employees wholeheartedly agree: more than three-quarters said their ability to collaborate improved or stayed the same while working remotely.¹ Additionally, 69% of managers across industries said that employees need to work in the office only three days a week to retain a strong culture. While many employees are expected to return to the office, few are likely to do so five days a week. A hybrid model where employees split their time between working in the office and working remotely is expected to become the norm for many organizations.

Certainly, there are many advantages to a hybrid model. For example, a [2020 survey by BlueJeans by Verizon](#) found that 40% of remote workers said they were more productive, compared with 34% who said they were less productive. According to the PwC survey, only [20% of financial services](#) employees said they think employees need to be in the office three or more days per week. Comparatively, 70% of employers believe workers should be in the office at least three days per week to maintain a distinctive culture. Employees are even less bound to the idea of needing to be in the office to be productive—only 2% of employees surveyed by PwC said they would be willing to work in an office five days a week, while 30% would work remotely five days a week if they could. The ability to work remotely provides employees more flexibility to manage their personal and family lives—and it cuts down on stressful, annoying commutes.

Although some financial services companies have resisted adopting a hybrid or remote work model, PwC data and other surveys show that employees overwhelmingly prefer it. And going forward, as the pandemic fades and the economy recovers, employees are likely to have the upper hand.



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According to the Wall Street Journal's April 2021 article, "[The Labor Market is Tighter than You Think](#)", companies that allow employees to work remotely will have a significant competitive advantage attracting top talent, and for some positions, they may no longer be limited to a fifty mile radius around the office. Not only could financial services firms in New York find themselves competing for talent with firms in Chicago, Chicago firms may no longer require potential employees to relocate from the Big Apple to the Windy City.

Communications challenges in a hybrid work model

But there are challenges with a hybrid model for financial services firms, particularly when it comes to communications. The first challenge is dealing with legacy devices and communications infrastructure—in the new world of work, communications systems cannot be rooted to a workstation, a desktop phone or even a single building.

With employees potentially moving between two or in some cases more locations, it can be challenging to reach them. The challenge could be even more acute for financial services contact center agents. During COVID, financial services companies had to react quickly and provide agents with mobile solutions that let them connect and respond to calls from home, since they weren't able to work from the office. Returning to work using a hybrid model could add even more complexity for employees that use a different solution at home than they do in the office.

Another communications challenge is security. The [Verizon 2021 Data Breach Investigations Report \(DBIR\)](#) found that social engineering is present in roughly one-third of data breaches. The leading motive of malicious actors is financial reward, with personal credentials the most sought-after data type, followed by personal information. The authors of the DBIR write, "Considering that personal data includes items such as Social Security numbers, insurance-related information, names, addresses and other readily monetizable data, it is little wonder that attackers favor them as they do. They are also useful for financial fraud further down the line, not to mention their resale value."

Employees of financial services organizations deal with extremely sensitive personal information, which they often must share securely with other employees to do their jobs.

According to Mark Bubar, Managing Principal Global Financial Services, Verizon, some financial organizations are evaluating how to create secure work spaces within remote employees' homes so that sensitive financial information cannot be overheard by others in their household.


Fragmented communications channels

Financial services organizations also face inefficient and fragmented communications systems. Increasingly, engagements and interactions with customers and partners are taking place in real time, with instant availability and transparency. But employees hampered by on-premises systems and fragmented communications and collaboration technologies find themselves sending data via email, secure instant messenger, video conferencing and a host of other channels. It's often confusing determining which app or communications channel is the best one to use. Additionally, in some cases communications may be limited to internal employees only, making it difficult to connect with clients or partners outside of the organization.

Furthermore, in situations where an employee needs to quickly and easily locate a specific bit of information for a sales call or a customer request, they may have to search multiple apps and channels to find what they need. As a result, collaboration stalls and information doesn't get shared in an efficient and timely manner.

Finally, communication is more than just text and audio. People communicate with their entire body, and the lack of in-person, face-to-face communications can cause employees to feel isolated. Video communications can help reduce isolation, and financial services organizations are increasingly embracing it as a core communications solution. According to the 2021 PwC Remote Work Survey, 72% of executives across all industries say they are increasing their investment in tools to enable virtual collaboration, which includes video communications tools.

Communications and collaboration systems need to be tightly integrated into a unified solution, so employees don't have to determine which channel to use to collaborate. For example, every employee should have a single number where they can be reached no matter what device they're using, whether it's a smartphone, desk phone, or VoIP app on their laptop. Employees also should be able to start a video call with a click of a button from within whatever application they're



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using and have the ability to search across all communications channels, from email and chat to video call transcripts.

The solution: Advanced unified communications and collaboration

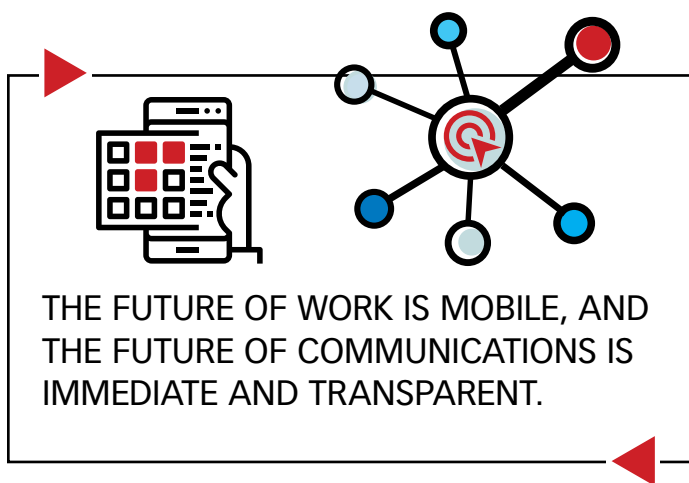
Financial services organizations are confronting a difficult 24-36 months as the global economy begins to recover from the pandemic, as consumer expectations rapidly expand, and as most organizations transform the way that they work. They need a UCC system that meets the communications demands of a hybrid and mobile workforce, the growing desire for immediacy, the need for increased efficiency, and the requirements for strong security.

Cloud-based UCC solution adoption has accelerated significantly among financial services companies during the pandemic. According to Nutanix's [Third Annual Enterprise Cloud Index](#), 2020, half of financial services executives surveyed said their organization increased investments in hybrid cloud due to COVID-19. With a hybrid cloud model, some systems and capabilities are on-premises while others are in the cloud, allowing the organization to take advantage of the immense scalability and robustness of the cloud while enjoying increased control and low latency from maintaining some resources on-site.

Cloud provides enormous advantages for communications, and when done in a hybrid manner, organizations can not only take advantage of its ubiquitous access, unlimited scalability, and immense flexibility, they can also achieve excellent performance thanks to maintaining some capabilities

or assets on-premises. Supporting a hybrid or remote workforce, however, may require organizations to lean further into the cloud. Employees need to be able to connect to and use their communications systems no matter where they are located. The ways in which financial services IT teams changed their plans due to COVID-19 reflect these needs: 65% of managers and executives said IT pivoted to offer more flexible work for employees and 59% said they did so to conduct more business using video conferencing. Cloud-based UCC makes it easier to support these flexible work models.

Collaboration and communications systems also need to be tightly integrated with day-to-day digital processes, which enables employees to become far more efficient. For example, according to [McKinsey's 2020 global banking report](#), "embedding digital collaboration into process workflows will unlock the next S-curve in employee productivity." McKinsey estimates that as many as one in five business processes could be streamlined with embedded, integrated collaboration, effectively improving productivity by as much as 10% by eliminating unnecessary and confusing communications between employees. If these changes were to scale to include the entire worldwide banking industry, the net combined value could be \$30 billion.



Securing the human element of sensitive communications

Security systems must also meet the challenges of the new workplace. As Verizon's 2021 DBIR report shows, social engineering is a key strategy used by bad actors attempting to compromise data. As such, these systems need to protect not just the technical aspects of communications systems, but also the human elements.

As an illustration, Verizon's Bubar recounts the story of a large financial institution concerned about losses due to fraudulent calls to its call center, as the number of fraudulent calls grew tenfold in just one year. The fraudsters would attempt to trick the call center agents into giving them account access or providing them with personal information which they could later use to mount a successful account takeover or funds transfer.

Verizon worked with the financial institution to deploy a cloud-based artificial intelligence (AI) authentication system that examines more than 500 individual attributes, such as geolocation and voice patterns, for every incoming call to the contact center. The communications stream from each call is split, with one stream going to the contact center and the other to the cloud AI authentication system. In less than a second, the authentication system determines the level of risk and, if the risk crosses a certain threshold, a needle on the call center representative's screen points to red, alerting them of potential fraud so they can ask more probing questions to verify the caller's identity.

The future of work is mobile, and the future of communications is immediate and transparent. To compete in the new workplace that is rapidly emerging from the isolation of the pandemic, financial services firms must adopt modern, secure, mobile-ready UCC solutions to empower their employees to communicate effortlessly. The result will be a more efficient, responsive, productive and effective workforce.

FOR MORE INFORMATION, PLEASE GO TO [WWW.VERIZON.COM/BUSINESS/SOLUTIONS/DIGITAL-TRANSFORMATION/BUSINESS-COMMUNICATION-TIPS/](https://www.verizon.com/business/solutions/digital-transformation/business-communication-tips/)

¹PwC: "Financial Firms look to balance remote and in-office work," PwC, <https://www.pwc.com/us/en/industries/financial-services/library/balancing-remote-and-in-office-work.html>