



Transformation is on the Rise: The New CitiDirect Experience



This is the first in a series of articles by Citi Treasury and Trade Solutions experts that explores a transformation that is underway in corporate online banking platforms and ecosystems.

The Future of Corporate Banking Platforms is Here: Reinventing How Banks and their Clients Do Business

Companies are digitally connected to their banks like never before. Even so, they are not connected in all the ways that they could be. A whole new generation of banking platforms is on the rise that will change that. These platforms will integrate seamlessly with companies' systems and their businesses, essentially merging together treasury and banking functions. Moreover, users of these platforms will discover enhanced experiences that are both personalized and predict their needs.



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Disruption, digitization and collaboration receive a lot of play in the business press nowadays. That's because they are among the most prominent forces behind one of the biggest evolutions ever in how corporations do business.

Banks are in a unique position to understand the impact of these forces on the commercial landscape. They also are unusually equipped to respond with solutions that can help enterprises take their commercial aspirations to new heights. Toward this end, one of the most significant responses now underway is the reinvention of corporate banking platforms. Citi, for example, is reimagining its legacy CitiDirect BE® platform, a powerhouse that has served up a vast array of banking and cash management services to thousands of organizations around the globe for decades. CitiDirect is being totally reengineered from the ground up. This is not being done to simply keep pace with clients' needs. Rather, it's an initiative focused on creating a platform that can anticipate their needs, help them get in front of emerging opportunities, and let them achieve more in less time.

To understand where this new generation of platforms is headed, it's worth looking at what's fueling their transformation.



Disruption, a force on many fronts

Let's take disruption. It is a marketplace force that is very real and present. Digital natives, app-based and web-only companies have redrawn myriad business playing fields by launching non-conventional business models. At the same time, enterprises in virtually every sector are revisiting established business and supply chain models to ensure that they remain effective and relevant. As a case in point, many companies, in response to the mushrooming appeal of e-commerce, are now bypassing traditional middlemen to sell directly to customers online.

Over the past year, companies and their customers also have faced the disruption of Covid-19. A recent article in the *Wall Street Journal* cited a survey by consulting firm McKinsey & Co. indicating that as a result of Covid-19 about three out of four people have tried a new shopping method and nearly 70% of participants intend to continue buying online for store pickup.

The same article goes on to report McKinsey's conclusion that the "pandemic collapsed into three months a process of adopting ecommerce that otherwise would have taken 10 years in the U.S."

The banking industry itself also has been disrupted by regulatory initiatives, such as open banking. Open banking is a concept that enables third parties to build services that can connect directly to banks' networks. One of the most powerful technologies behind such connectivity, and the creation of a new banking paradigm, is application programming interfaces (APIs). APIs are software intermediaries that allow two applications to talk to each other. They are transforming how banks interconnect with their clients but also to a diverse range of third parties, including strategic partners, fintechs, ERP providers, software companies, and other players.

“...unprecedented computing



Digitization, boosted by technology advances

No discussion about recreating banking platforms would be complete without acknowledging the huge impact of digitization and automation, as well as the catalysts behind them. One of these catalysts, computing power, has grown exponentially for decades. Today, specialized chips and processing technologies have yielded unprecedented computing speeds and capacity, plus the ability to process data in new ways.

Telecom infrastructure also plays a huge role in the march toward digitization. Countries around the globe are making huge investments in more modern networks, greater bandwidth, and 5G and 6G technologies, for instance, enhancing data transmission capabilities and helping to advance mobile banking and payment innovations.

Last but not least, the cloud, which has given rise to both cloud computing and cloud storage, is having a profound effect on how banking services are created and delivered. The cloud's many benefits include overcoming data capacity challenges associated with older computing frameworks, offering the option to tap into unlimited storage capacity.

A private cloud infrastructure also provides the ability to easily and securely share information, as opposed to having it sequestered in a data center. For banks, the cloud presents an attractive environment for developing and testing products and making infrastructure changes, with greater speed and efficiency. A testing environment in a legacy system could take six to nine months, and might require procuring hardware and other IT services, whereas in a cloud environment testing can be collapsed to mere hours.


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Collaboration and integration, a winning combination

The move to revamp corporate banking platform is driven, perhaps first and foremost, by the need for greater collaboration - between banks and their clients but also with other parties in the cash management ecosystem.

Today, corporate treasuries, faced with constantly changing geopolitical and operating environments, must be more nimble, more agile. The right talent and the right technologies are critical to achieving this state. So are banking providers with nimble and agile processes and systems.



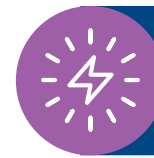
For banks this requires isolating functionality in their technology framework, giving the ability to respond quickly to permutations in client and marketplace demands.

If, for example, an app-based company needs the bank to connect directly to its app for the acceptance and processing of payments, the bank's technology must be engineered in such a way that integration can be achieved quickly and seamlessly.

This example and many others are being addressed by replacing older, more rigid technology frameworks with modern cloud-based microservices-centric technology. An architecture built on microservices enables different parts of the bank's technology stack to be combined and organized in ways that adapt to clients' specific needs. The microservices themselves are interconnected via intelligent APIs.

Bottom line, this contemporary approach opens up a whole new world of collaboration. Companies and their treasuries can smoothly integrate various systems and applications with their bank's in new ways that align with their specific transactional or informational needs. A microservices-based framework also expands the banks' potential to collaborate with fintechs who specialize in vertical solutions that complement the bank's core competencies, strengthening its ability to roll out true end-to-end solutions faster.

Citi's future-looking strategy for building, organizing and opening up its framework is matched by a fresh look on the platform's front end. Microservices, APIs, advances in data science, and technologies such as AI and machine learning harness infrastructure and computing complexities. An intuitive design makes the platform easier to use and simpler to navigate, improving the overall user experience.



Convenience is king

A one-size-fits-all mindset is a thing of the past. Users enter a bank's platform to perform different tasks based on their roles and responsibilities. A CFO or decision maker's reason is very different from an operations specialist who processes transactions, for example.

Users also take different journeys on the platform. Thus, menu options and how information is organization must be assembled in a way that guides them through their discrete journeys as quickly and effortlessly as possible. In a more sophisticated platform, the design also can capture the system's intelligence and flexibility to hyper-personalize the user's experience.

Looking to the future, the technology on which a new generation of banking platforms is being built will provide the ability to mine a vast body of data about users' interactions to both understand their preferences and needs and to predict them. Users will discover platforms that are easier and more intuitive to use, but that also will also provide them, in real-time, guidance and information that is personalized to their specific needs, adding value to the tasks or decisions at hand.

At the end of the day, a superior user experience is all about convenience. That convenience comes from how easy a platform is to use, what they see, but also what is invisible to them, the seamlessness with which their companies can collaborate with and assimilate the bank's services.

The corporate banking platforms being built today, for the future, promise to deliver unprecedented convenience. And an exciting future for both banks and their clients.



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