Crisil
Coalition
Greenwich

Pushing Ahead into a New Era in Digital Banking? Questions Banks and Corporates Need to Ask Themselves

December 6, 2023

Banks looking to maximize ROI on their massive investments in technology should turn their attention from the digitization of bilateral client relationships to the creation of multilateral digital relationships needed to operate in a new open banking ecosystem.

The process of digitizing bilateral relationships between companies and banks started in the early 2000s and progressed slowly and gradually for nearly two decades. Digitization shifted into overdrive during the global pandemic, turning a bank's digital capabilities from a nice-to-have feature into a business imperative nearly overnight.

Today, offerings like digital onboarding, digital forms, electronic signatures, mobile banking, and straight-through processing (STP) transactions are standard components of a commercial or corporate banking relationship. Any provider without these basic elements will struggle to win and retain business.

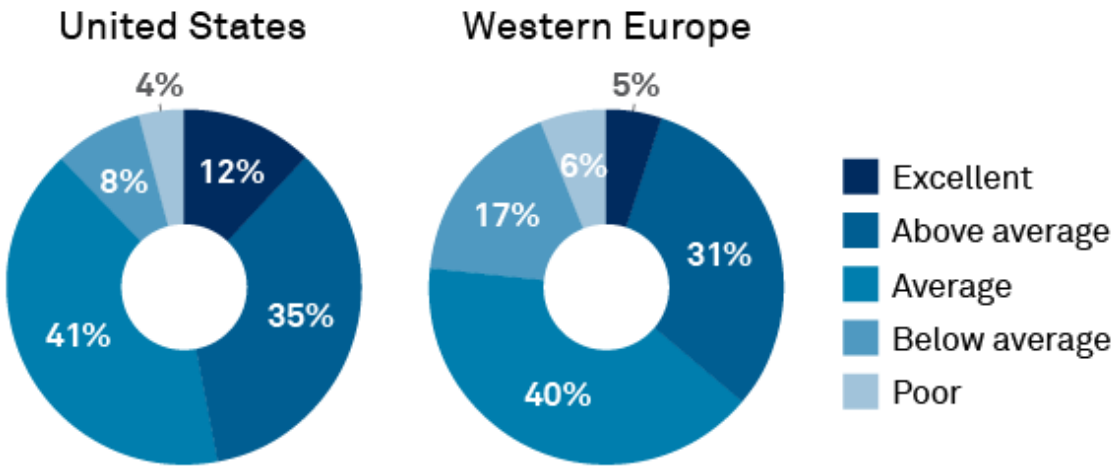
That is not to say that every bank is doing bilateral digitization well. To the contrary, banks diverge extensively in the quality and breadth of their digital propositions. Much of that divergence can be attributed to budgets as well as access to talent. Deep pockets have allowed large banks to create a huge advantage in digital capabilities. That advantage is increasing pressure on small banks to achieve the scale they need to compete in a digital age. Going forward, we believe that pressure will contribute to significant, further consolidation in the global banking industry.

Bilateral Digitization: Still Far from Perfect

Variance in the quality of digital offerings, however, is not solely the result of size or resource differentials. Some large banking platforms have shortcomings, and some smaller providers punch well above their weight. In general, companies remain less than satisfied with the digital solutions banks have developed for onboarding, which remains a cumbersome process due to KYC and ALM documentation requirements. Around the world, companies complain about the lack of digital pre-filled forms and banks' continued reliance on a complex and long product-implementation processes. The following graphic shows the low levels of satisfaction companies have with their banks' digital implementation.

Bilateral Digitization: Still A Work in Progress

Satisfaction with the Digitization of the Implementation Process



Note: Based on 134 respondents in Europe and 135 respondents in the United States.
Source: Coalition Greenwich Voice of Client – 2022 European and U.S. Large Corporate Cash Management Studies

Implementation Process Digitization

High Tech	High Touch
Documentation • Adoption of eSignatures via multiple providers • Move to paperless • Auto-filled documentation • Removal of documentation requests duplication at bank level • Digital and analog submissions **Product Implementation** Reduce corporates' burden (resource and cost), no matter their digital maturity	**SPOC** Single point of contact to help the client navigate documentation, account opening, product implementation **Implementation-as-a-Service** Deployed resources on client side to work through the implementation process, reducing cycle time and cost for client

Why are some banks still falling short when it comes to digitizing bilateral banking relationships? Companies participating in our global research say underperforming banks fail to consult with them when developing new digital products, skimp on implementation support and ongoing client service, or don't make them aware of new digital products and services.

Make no mistake: Banks viewed as lagging competitors in digital capabilities are at risk. From companies' perspective, bilateral digitization has become table stakes—in particular in product offerings such as cash

management. Banks that can’t provide it will quickly be eliminated from consideration as viable providers. Banks that do it well won’t necessarily gain an advantage, but they will remain in the competition for relationships and business.

So how can banks differentiate themselves and build competitive advantages with their technology budgets? To stand out today, banks must establish themselves as leaders in the next phase of digital transformation: multilateral digitization.

Key Questions for Banks:

1. Are we equipped with the fundamental capabilities that top-tier digital players provide in the markets where we operate?
2. Do we collect and act on feedback from our digital platform customers?
3. Do we keep our customers informed about our digital strategy and translate their feedback into actionable steps on our roadmap?

Key Question for Corporates:

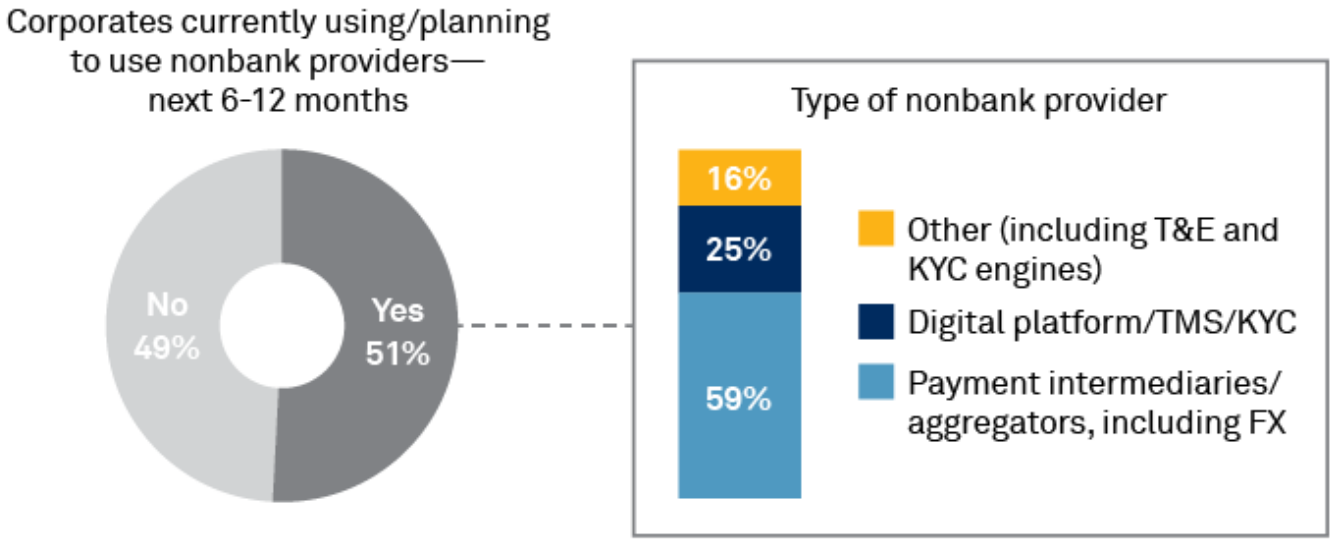
> Which are the most time-consuming and manual processes with regards to the management of transactions, onboarding and general banking relationship management? Ask banks for support in finding solutions, since they might already have some functionalities that could make a difference, but you may not be aware of.

A New Digital Ecosystem

Around the world, a new digital banking ecosystem is taking shape. Consisting of banks, nonbanks, fintechs, and a host of other emerging players, this ecosystem is being built on a foundation of cloud computing, APIs and “open banking” rules.

Eventually, this global framework will facilitate multilateral digitization in virtually all banking, corporate treasury and finance functions. By connecting players up and down the chain, multilateral digitization is already moving the industry closer to goals like an end-to-end digital payments infrastructure, true STP for transactions and the full digitization of the credit process. Almost 60% of large European corporates are already using at least one nonbank/fintech intermediary or aggregator for payments or FX, citing usage of providers such as Adyen, Stripe, Worldpay from FIS, and many others.

Creating an End-to-End Digital Payment Ecosystem



Note: Based on 417 respondents.
Source: Coalition Greenwich Voice of Client – 2022 European Large Corporate Cash Management Study

From an operational perspective, industry-wide digitization will bring more transaction transparency, better forecasting capabilities, enhanced AML reporting, and even an ability to embed documentation references within transactions. Additional fields made available via ISO20022 migration is a step in the right direction.

Data sharing becomes a pivot component of payments transformation. Through digitized, multilateral relationships, banks and other players can access both publicly available and proprietary data that has been permissioned by the owners through new open banking rules and applications. This increased flow of data will have huge implications for the banking industry, due to its ability to fuel increasingly powerful artificial intelligence (AI) applications.

Key Questions for Banks:

1. Have you asked your clients about the third-party services they are currently utilizing and their specific purposes?
2. Considering bank-to-bank or nonbank financial institutions relationships, have you explored potential partnerships with some of the most-used aggregators to tap into a portion of the transaction volume they handle?

Key Questions for Corporates:

1. When you're creating your Request for Proposals (RFP) or searching for new service providers, do you consider nonbank financial institutions as potential options?
2. Have you relayed any of the best practices from third-party partners to the core providers in your banking pool, particularly concerning aspects like onboarding, pricing and the user-friendliness of the platform?

Innovation, Connections and AI-Powered Insights

In the industry's next phase of multilateral digitization, banks will differentiate themselves by their ability to provide access to end-to-end digital solutions and STP, and by their proficiency in harnessing powerful predictive analytics to provide companies with insights and forecasts in cash flow and liquidity management, payments, and even carbon emissions and other ESG-related indicators.

However, it is important to note that the digital ecosystem that will support these products and services is still very much a work in progress. Infrastructure and regulations are still being constructed, and banks are still assembling the technology platforms and legal and compliance frameworks needed to operate in this new environment. That's not even to mention the corporates themselves, many of which are nowhere near being aware, let alone advanced enough to take full advantage of these innovations.

For these reasons, banks all the way down to local players must make digital transformation a top strategic priority. That means staking out an innovation strategy based on some combination of internal development, cooperation with third-party technology providers and relationships with fintechs—including both partnerships and acquisitions.

Now that the age of bilateral digitization is coming to an end, banks must position themselves for the next phase of industry evolution by revamping their own technology platforms and helping their clients make the challenging journey to a world of multilateral digital banking relationships.

Tobias Miarka and Ana Voicila are the authors of this publication.

---

www.greenwich.com | ContactUs@greenwich.com

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF

ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., a company of S&P Global. ©2026 Crisil Ltd. All rights reserved.