

Your Interface Is Your Company

User Experience for Financial Services

insight

Stephen Turbek | April 2006



The financial services (FS) sector is in a period of rapid evolution: mergers, new offerings, technological change, and increased client expectations mean that firms cannot stand still and thrive. As access to capital markets becomes a commodity, services firms need to differentiate themselves through lower costs or, preferably, the quality of their products and services. They must pay attention to the way in which their clients prefer to interact with them, which is increasingly online -- through web sites, portals, and other software. These changes are profoundly affecting retail and institutional lines of business alike.

Tellers and monthly statements notwithstanding, financial services are now largely delivered through online interfaces, as clients have become more comfortable with using the Web for financial transactions. FS companies have essentially become giant software companies: their clients use their online banking interfaces, retirement planners, private wealth management portals, institutional research, prime brokerage applications, custody reporting, trading, and execution systems. In some larger FS companies, the IT staff numbers tens of thousands of employees. Face-to-face and phone conversations are too expensive to offer to the broad base of the client value pyramid, and, in any case, client representatives would rather focus on selling than telling a client their balances. These circumstances mean that many clients have little to no contact with an FS advisor. From the clients' point of view, their online experience *is* the company.

Problem:

Online interfaces have become the primary way clients transact with financial services firms, yet many of today's interfaces are poor reflections of these firms.

Solution:

Financial services firms should respond through a greater investment in online systems for internal and external users.

Benefit:

A user-centered design means fewer help desk calls, happier clients, and more business.

New challenges for financial services

Increased competition is leading to commodification

The information gap between clients and FS companies is growing smaller, especially as clients increasingly use multiple companies, engage third party advisers, and become better educated via the internet. With the repeal of the Glass-Steagall Act, FS companies have increased their offerings, leading to unprecedented competition, with more and more ways for clients to invest, manage their holdings, and analyze their

portfolios. Information has become easier to access, from Bloomberg terminals, cable news shows, and endless financial web sites.

Fees are under attack on all sides

The new competition has deflated fees across all services. Clients want to know what they are getting for their money and are crossing traditional boundaries between market segments. Even the highest end private wealth management services find that clients use their advice to trade at discount brokers. Now that execution is assumed, advice has become the product. Tighter regulation and litigation also means that greater transparency and disclosure are necessary. These changes require that online interfaces perform new roles and be the main channel of communication.

New technology means more is possible – and more expected

The bear market for technology in the early 2000's has been a period of quiet but radical development. Broadband access has become more common as two out of five Americans now have broadband access at home (Nielsen//NetRatings). New browser technologies provide opportunities for more powerful web interfaces. Application servers have become more stable and powerful. Many of the limitations of older technology platforms have been overcome, yet the old systems are still in use in many FS IT departments.

These new developments have raised client expectations. Online giants such as Google, Amazon, Ebay, and Yahoo have defined new standards for user experience. In the FS sector, retail brokerage firms have led the way, prompting institutional clients to wonder why their online bank is easier to use than the brokerage applications they use daily.

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A recent Keane study* of FS executives found that half of the respondents cited their own technology platform as their largest obstacle, and yet two-thirds rated online services as key to working with clients in the future. New entrants in each area of FS have the potential to leapfrog entrenched competitors by bringing better products to market faster.

You've been saying you are "one company," now people actually expect it!

Being one company means more than making sure everyone is using the same shade of blue. It means making your products work in the same way across lines of business; it means integrated reporting and consistent communications. FS firms are notorious for buying and implementing too many platforms. These silo-ed applications show their fault lines quickly under normal use.

People work around bad products, meaning your company may be worked around

All your clients, internal and external, have too much to do. They are in a state of continuous process and technological change without time to learn or be trained, which leads them to continue in their old processes or create shortcuts that avoid your new

* Keane, Inc FINANCIAL FIRMS PINPOINT ONLINE CUSTOMER EXPERIENCE AS PRIORITY FOR BOOSTING GROWTH
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systems. This behavior dilutes the value of your initiative, and potentially circumvents the compliance and risk controls your systems have in place.

Your best advocates – your client representatives – need to be able to understand their tools the first time. Users don't read manuals, so complicated products need to be designed from their point of view, divined from user interviews and confirmed through usability tests. Getting your internal audience to use a new process is harder than simply mandating it. After doing hundreds of user interviews, Avenue A | Razorfish has found that many internal users do not use the full applications or have found their own way to solve the problem, bypassing a system entirely.

In one example we observed, agents in a financial planning firm used homemade prospect lists rather than use the company's prospect system because it was cumbersome and slow, rendering an entire new business projection system worthless due to bad data.

When internal users avoid one of your systems, it is embarrassing; when clients do so, they are taking the first step towards switching to a competitor.

Non-compliance or under-use of internal systems is an endemic and hidden problem in financial services firms.

What can be done

Each of these challenges points to a future of greater disclosure of information and increased competition in quality of service. FS companies should respond through greater investment in their online systems for clients and internal users. A strategy for investment should include research into how your clients work, detailed audits of your current applications and processes, and a plan for upgrading to the next generation systems. The following are some good practices.

User-centered design

User-centered design (**UCD**) is an approach to application development that works from the outside in. A UCD project researches internal and external user goals to create an accurate and realistic project definition. Only by satisfying the end user will a project be successful, no matter how advanced the technology or how well it matches how a company wants its clients to work. Creating applications that users want to use means fewer helpdesk calls, happier clients, and more business.

Research, research, research

The obvious foundation for user-centered design is finding out what your users want. Research what clients want and test what you are going to deliver – no more projects spawned from hallway conversations. Many FS companies are hesitant to interview their clients, but we have found that most people are happy to give their opinion about their work, especially if they use your product often.

There are three good times for doing research in a UCD project:

- Before development starts, interview users. Find out why clients are using your products –and why they are not.
- During development, test wireframes, prototypes, and beta applications.
- After development, survey users and measure usage to identify new improvements.

The result is feeling confident that you know what your clients want and that they are getting it.

Build applications like startups

While your research is beginning, set up a small team to build the application and a small committee with the authority to review and approve quickly. Explore rapid application development techniques to prototype applications and determine what will be required before you build the enterprise application.

Follow user experience guidelines and best practices

Much research has been done on how users respond to interfaces, and a set of best practices has emerged. A good user experience adviser can help a team avoid building confusing and frustrating products. Steve Krug's book "Don't Make Me Think" is an excellent entry point.

Look for radical simplicity

Find ways in which you can satisfy most clients by doing less. Apple, Google, and Palm are good examples of companies that focus applications on the essential goals and avoid tangential elements. Ask questions like, "Does this new application really need a contact management tool, or does the rep already have that worked out?"

Look outside FS for inspiration

Financial services interface problems are difficult but are not unique. Exciting work is being done in the consumer retail and media spaces that should be analyzed for benefits. The web has spawned a culture of sharing interesting tools and techniques; encourage your developers to learn and share internally.

Take advantage of new interface tools

AJAX and **Macromedia Flex** are two new technologies that deserve special attention. AJAX is a technique that allows your developers to create application-like web pages, for example having a trade form identify mistakes and suggest corrections without loading a new web page. Good examples of this are found at <http://maps.google.com> and <http://www.flickr.com>. Macromedia Flex enables developers to build rich interfaces with animation and graphing on the fly.

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Link internal divisions

Focusing on user goals means putting aside internal chains of command, which can be the hardest part of a user-centered project. Users can have multiple relationships with your company, but it should never be apparent to them that they are being handed off from one division to another. Too often, divisions create applications solely for themselves. Instead, companies should foster a culture of “internal API’s” (Application Programming Interfaces –ways of making your software work together) – and publish ways divisions can access each other’s data and software.

Many organizations have technology departments attached to each line of business, which encourages an uneven user experience and often unknowingly duplicates work. Companies can bypass this barrier by encouraging a culture of “internal open source.” Developers respond well to soft incentives, such as fame for publishing good work. Facilitate this behavior with an online code repository and message boards. Create an internal style guide to give direction for visual design and interface issues, and let your users suggest changes to it. This “live” documentation encourages your developers to continuously raise standards and enforce consistency.

Conclusion

Financial services companies are faced with a growing number of challenges that require better services and competitive offerings. A user-centered design approach can help focus development on the right answer by asking the right questions before, during, and after a product is launched.

About the Author



Stephen Turbek helps clients manage complex problems to create efficient and enjoyable experiences for their users. He has been an integral part of Avenue A | Razorfish in New York since 1995 as a User Experience Lead focusing on financial services clients. He uses his skills in user research, website analytics, interface design, and information architecture to develop new solutions to complex problems. Stephen’s background in technology enables him to design feasible systems that take advantage of modern technologies and build interactive prototypes.

Stephen’s experience with financial services includes working with retail, institutional, prime brokerage, and private wealth management clients such as Citigroup, JPMorgan, and Charles Schwab on websites, intranets, portals, applications, and rich internet applications. Projects include online banking, portfolio management applications, financial advisor tools, and interactive visual retirement planning.



His work has appeared in The New York Times, Artforum, Wired, Web Techniques, BoxesandArrows.com, *Deconstructing Web Graphics* by Lynda Weinman, *Web Navigation* by Jennifer Fleming and in various gallery and museum shows.

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About Avenue A | Razorfish

Avenue A | Razorfish (avenuea-razorfish.com) is the largest interactive marketing and technology services firm in the U.S., and an operating unit of Seattle-based aQuantive, Inc. (NASDAQ: AQNT). Avenue A | Razorfish solutions are entrenched in deep technology, rigorous analytics and a rich understanding of customer needs, including award-winning web media & creative, search marketing services, email marketing/eCRM, and world-class creative, design and implementation of customer websites and intranets/extranets. Avenue A | Razorfish operates three regions in the U.S. – East, West and Central – with offices located in major markets. In addition, the firm's first international presence was established through the acquisition of U.K.-based full-service interactive agency DNA. Clients include AstraZeneca, JPMorgan Chase, Kraft, Microsoft, Nike, TIAA-CREF, and Verizon. aQuantive, Inc. and all of its operating units are committed to Internet privacy.

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