

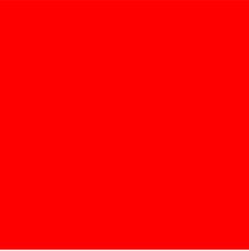


CASE STUDY

Transforming Cash Management Solution for Corporates

Royal Bank of Canada Optimizes Cash Flow and Maximizes Growth for its Corporate Clients





About the Bank

Founded in 1864, RBC Capital Markets is a premier global investment and corporate bank with a global reach of 14 countries across North America, UK, Europe and APAC regions. The Toronto based bank provides expertise in advisory and origination, sales and trading, and lending and financing to corporations, institutional clients, asset managers, private equity firms and governments globally. RBC has been named the Most Valuable Canadian Brand by Kantar BrandZ for five consecutive years. The bank aspires for their U.S. brand to achieve similar accolades and is committed to being the preferred partner to corporate, institutional and HNW clients and their businesses in the U.S. A premier institutional lender, RBC, also awarded the “Safest Bank in North America”, is currently amongst the Top 10 capital markets players in the U.S.



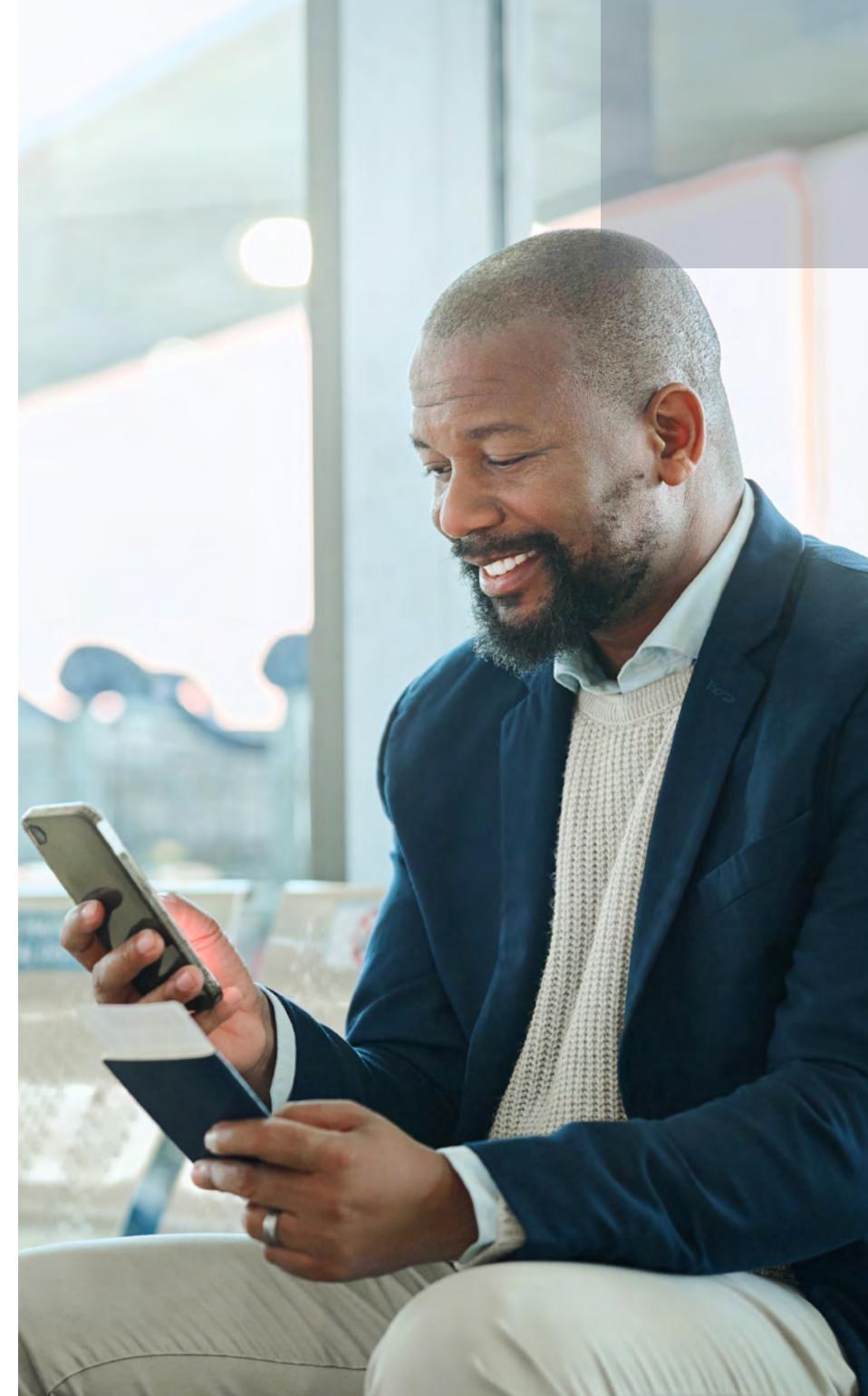
Harnessing the Opportunity to Modernize Cash Management

The corporate cash management business in the US is very fragmented, riddled with inefficiencies and is still reliant on analog processes and outmoded digital technology, with a heavy reliance on people. This has resulted in the industry delivering a subpar client experience. Very evident is also the scant presence of innovation in the institutional space unlike the abundance of innovation success in the consumer/retail banking sector.

For years together, corporate treasurers are burdened by pain points like manual and complex onboarding, frequent confusion over what needs to be done, not an efficient portal with no real time view and multiple downtimes, lengthy and expensive integrations, and more.

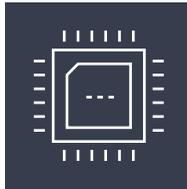
RBC Capital Markets in its pursuit to compete in this space and be a valuable American brand, re-imagined its cash management as a collaborative effort with 28 top clients. It needed a US focused cash management business aimed at Fortune 1000 companies including:

- 1** Supplementing RBC Capital Markets' existing offerings as more of a comprehensive, holistic solution for clients. 
- 2** Generating a steady source of revenue and deposits that could help fund RBC's future growth. 
- 3** Reducing its risk by lessening their reliance on counterparty banks. 



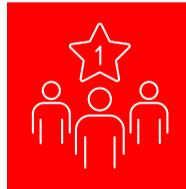
Why RBC Capital Markets Chose Finacle

To achieve its overarching objectives, RBC wanted a platform that provided both technical and functional maturity. Most prospective vendors offered rich solutions only in one or the other. Finacle as a platform, however, matched the bank's vendor assessment objectives on various parameters, and was chosen as the bank's core banking solution. RBC Capital Markets leveraged Finacle Core, Customer Data Hub, API Hub on a public MS Azure instance in US. Upon choosing Finacle, RBC decided to build greenfield while leveraging a lot of existing capabilities. In addition, Finacle provided:



Robust tech offerings

Finacle met RBC's tech needs, which included micro-services-based architecture and open API capabilities, along with being cloud-native/cloud-agnostic. The bank also required high levels of automation, including APIs, with real-time analytics and agile delivery. Lastly, it required sub ledger functionality to facilitate integration with the enterprise GL system.



Functional maturity and a secure and proven track record

RBC's concern was whether the prospective vendor has a good footprint in the U.S. as well as globally, and if connected with other banks. It also needed to be stable and proven with a longstanding track record, especially given the importance of the core banking platform. Finacle had the right track record and security infrastructure to keep its data secure and protected against fraud.



Experienced consultants for onboarding and strategy

Finacle's experienced consultants were essential for configuration and implementation, in addition to strategy for the design led approach adopted by RBC. The platform they helped establish would support many more deposit product types that RBC would be launching over the next few years.

Expanding its Cash Management Horizons to a New Territory

By building US Cash Management (USCM), RBC ventured into completely new territory in the industry to potentially become a game changer in cash management. USCM's vision is based on a holistic data architecture that provides contextual information to all authorized personas – in the format and channel of their choice.

The project progressed through three phases to deliver a reimagined cash management platform for RBC's corporate clients.

■ PHASE 1

Involved strategic assessment and design, focusing on enabling the Bank's clients to control their working capital through advanced technology, while leveraging existing RBC systems.

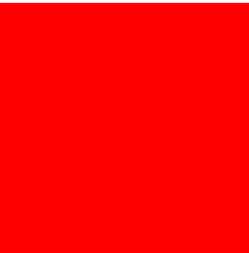
■ PHASE 2

Centered on scoping the MVP and solidifying the tech strategy, emphasizing cloud-native architecture, digital onboarding, and core banking functions.

■ PHASE 3

Involved building the product, launching with a steel thread agile approach, and onboarding the first beta client, with iterative feedback loops ensuring a user-friendly experience.





Some of the technology implementation highlights include:

- The USCM was built for various personas (clients, RMs, servicing) to have real-time information available at their fingertips by having a common data store that spans all products and journeys. This data - suitably anonymized, supplemented by external market data and filtered through RBC's proprietary algorithms will provide valuable insights to customers and colleagues in a highly secure environment.
- In addition to the holistic data architecture, the overarching ecosystem is based on micro-services, with a micro front-end and BFF architecture. All technology is cloud-native, with the entire stack being multi-cloud. This architecture has enabled the bank to leverage the extensive investments that RBC has made in Devops-led automation including CI/CD pipelines (enabling continuous deployment).
- The USCM platform is based on open banking, with a Domain Driven Design integrated through standardized APIs. This approach has enabled RBC to create a marketplace of innovative fintech partners in key areas - including identity validation, authentication, fraud, and AI-powered workflows.
- The architecture is highly secure, based on a Zero Trust design across all integrations. In addition, RBC's extensive investment in artificial intelligence has enabled the bank to offer patent-pending AI-powered algorithms in the cash management space.
- The implementation was done with agile methodology covering aspects of planning, review, and feedback facilitating real-time communication, fostering a culture of transparency and responsiveness to changing requirements. A governance framework was also established to enable symmetrical flow of information and key decision points that enabled a safe secure build while being innovative.
- RBC's stringent security requirements were kept in mind with the implementation of cutting-edge technologies, including Dynatrace, Splunk, and more, to enhance site reliability and resilience.

This design approach touched every corner of this business launch, and the bank was able to launch an entirely new business, with technology being paramount. With Finacle's advanced architecture and robust functional capabilities, RBC was able to achieve its overarching modern vision, delivering a cutting-edge cash management platform that redefined corporate banking for its clients.

Digital-First Differentiation with the New Cash Management Roll Out

Post implementation, RBC has been able to differentiate themselves from competition with unique features and, digital-first and client-led experience, thanks to its underlying data architecture.

The bank is poised to deliver significant benefits to its customers like -

Seamless Onboarding

The Bank's clients can easily track their onboarding progress, reuse existing documents, and open multiple accounts simultaneously using a "shopping cart" design, even reserving DDAs before completing onboarding.

Transparent Payments

Real-time payment tracking ensures clients are immediately informed of any issues, preventing delays and offering a clear overview from creation to processing.

Automated Processes

The Bank can now ensure that its clients can send payment notifications directly to their recipients through the portal, eliminating the need for manual email updates.

Proactive Self-Service

Clients can choose to receive real-time updates via their preferred channel or access transaction statuses and best available time deposit rates directly on the portal, reducing the need for customer service interactions.

Omni-Channel Integration

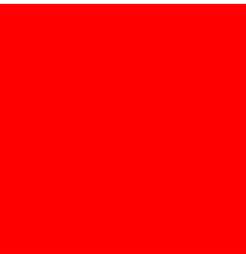
The Bank was able to create a platform that supports seamless integration with client systems and offers flexible interaction across multiple channels.

In-Line Controls

The Bank has streamlined the processes to ensure real-time payment monitoring and transaction processing.

Centralized Data Access

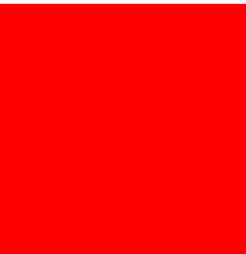
Clients have access to a unified "data store" for all their analytical needs, enabling customized views and control.



There will be numerous benefits that the Bank will stand to gain from this initiative like –

- Building a strong deposit base that will be a source of funding to bolster the bank's growth.
- The bank anticipates an increase in revenue, driven from fees, spreads, and other sources of income.
- The modernized cash management is expected to drive the cross selling of other products of RBC Capital Markets.
- RBC envisages reduced risk enabled by an in-house cash management solution for their own deposit and payment needs, including becoming self-clearing, rather than relying on other banks to provide them.
- Forge deeper client relationships with Fortune 1000 corporate clients with a broader, more holistic and seamless suite of services.
- The cash management business serves as an incubator for innovation, pioneering a new development paradigm and introducing new technologies, processes, data insights (especially in the open cloud and AI arena) that will be leveraged across the enterprise.





Conclusion

This initiative not only enhances operational efficiency and customer engagement but also amplifies RBC's brand and reputation in the U.S. market. By demonstrating a strong commitment to U.S. clients, RBC is poised to build its brand presence and trust, aiming to replicate the recognition it enjoys as a cornerstone of Canadian banking. This strategic move positions RBC for continued growth and influence in the U.S. financial landscape.



Scale Digital Leadership

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 finacle@edgeverve.com

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Why we exist

To inspire better banking so that billions of people and businesses can save, pay, borrow, and invest better.

How we do it

Our solutions and people help banks to engage, innovate, operate and transform better, so that they can improve their customers' financial lives, better.

What we offer

A comprehensive suite of industry-leading digital banking solutions and SaaS services that help banks engage, innovate, operate and transform better.



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