

# Designing Customer Centric Solutions



MERISA  
LEE GIMPEL,

Director,  
Head of Trade Solution  
Development &  
Innovation,  
Global Transaction  
Banking, Lloyds Bank



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Merisa Lee Gimpel  
Director,  
Head of Trade Solution  
Development & Innovation,  
Global Transaction Banking, Lloyds Bank



LLOYDS BANK

**Customer centric innovation is a way of working, a culture of putting the customer at the heart of solution design. Lloyds Bank consistently seeks to understand and involve clients, while continuously validating assumptions and running experiments to fine tune that understanding.**

Innovation is not taking a product, adding features and functionality, to create a 'perfect' version which is then taken to customers. It is not starting with a technology and searching for use cases.

**Instead, Lloyds Bank Trade focus on the biggest pain points and challenges and finding solutions for the 'jobs to be done'.** This approach is win-win, as the end-result will be a solution that customers will actually adopt.

Here are practical examples of customer centric solutions in Trade that Lloyds Bank have developed over the past 12 months, as well as a glimpse of what we are working on next.

### **Establishing a foundation for digital solutions**

Until earlier this year, all documentary trade transactions were processed manually in paper format at Lloyds Bank. This worked well for our customers and for Lloyds Bank; and our turn around times were great. Unlike other banks, Lloyds Bank never outsourced Trade operations to far off locations, and we continue to service all UK clients through a centre of excellence in the UK.

Lloyds Bank undertook a transformational Image and Workflow project to establish a foundation for digital solutions and experience improvements and to support Trade business growth.

As a late adopter, we were able to leapfrog older structures and take advantage of the latest technologies, such as a consolidated real-time workflow system, cloud-based storage and APIs. Today, we process all trade transactions digitally and our customers can remotely access their digital documents.

We have automated certain repetitive processes and are running proofs of value to explore other potential areas where we can let technology do the ordinary so our people can deliver the extraordinary.

This project also allowed Lloyds Bank to seamlessly transition to a working from home environment during the pandemic while continuing to offer excellent client service and delivery across Trade.

### **Transforming the end-to-end journey for Guarantees**

Another project we took on this year was to map out the end-to-end customer journey for Guarantees, with the goal of identifying and resolving client friction points. This project covers the entire chain, from pre-application of a guarantee through to cancellation. We ran several in-depth workshops with customers and colleagues and arrived at over ten initiatives that would address pain points and improve customer experiences, through technology, process change or a combination of both.

“  
It's great that I don't  
need to log in to use  
the Trade Tracker.”



Kieran White  
Management Accountant,  
Dewhirst Group

These changes include improvements to the guarantee application form, the digital issuance of guarantees and improving the cancellation process. Each one of these changes is incremental, but when you put them all together, they result in a huge improvement to the customer experience and how they benefit from using Lloyds Bank for guarantees.

### A simple solution to a universal pain point

The Trade Tracker is one solution we developed with input from over 30 customers. This project started in February, pre-lockdown, in a customer design workshop in Birmingham where our customers voted on eight innovation ideas. Project 'Instant Visibility' came up on top.

The idea was super simple: give me a 'track and trace' for my Trade requests – like my Amazon experience, but better.

This is a universal challenge for banks. For Lloyds Bank, about a third of phone and email queries to our trade services team are asking for a simple status update.

We sketched the first designs of the Trade Tracker with our customers during the workshop and are proud to be launching the live solution only six months later.

The result is a beautifully simple answer, centred around our customers' requirements that delivers a better experience, through a combination of straightforward technologies: a brilliant workflow tool, API, web app, and email ingestion.

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### Here are what some of our clients who co-created the Trade Tracker solution with us have to say:



FARID  
GULUM,  
Financial Accounting  
Manager  
Aeroservices

*Lloyds Bank has always worked to create better and positive experiences for Aeroservices by providing enhanced services, products offering, transparency and excellent relationship.*

***Lloyds Online Trade Services (LOTS)** allows us to submit trade finance applications online.*

***The Trade Tracker** will help me find out the progress of a Trade request. It will help me update my customers on the progress of guarantees – I can send the link to my customer so they can check the status themselves.*

*We look forward to being a part of all relevant future Lloyds Bank innovation projects.*



TRISH  
SMITH,  
Group Commercial  
Manager  
Alderley

*We are not to be merely hearers, but to be doers, to take the ideas and put these into actions, is success. I enjoyed working with Lloyds Bank on the design of this solution that **addresses my key pain points in Trade.***

***The value is immeasurable.** I wouldn't have to bother your team and wait for a response. It would save a lot of stress and time. I could respond to an external or internal customer straight away. The Trade Tracker would be brilliant – I see myself using this a couple of times a week at least.*



SCOTT  
DONALDSON  
Finance Director  
Exol-Lubricants

***The Trade Tracker** would be very useful for me and our business. Indeed I would have used it this week and it will enable time saving at the start and end of the process.*

*The innovation workshop in Birmingham was extremely beneficial to me and we were also able to give Lloyds Bank a **specific insight into our needs** as a company.*



The workshop was very well organised and the Trade Tracker will most certainly be useful in monitoring our day-to-day Letters of Credits.



Zoe Graham  
Executive Assistant,  
Crown Domestic Appliances

### What's Next?

Trade finance is undergoing a digitalisation evolution, with Covid-19 highlighting the need to accelerate the path to digital. These are five trends we are focussed on:

- **Documentary and open account trade products are converging:** The historical differentiation between offerings based on whether paper documents are involved may become a thing of the past. Emerging technology, changes in the legal landscape, and standardisation is moving the focus towards a solutions-based future centred around Financing and Risk Mitigation as core needs.
- **Digital documents and communication:** We're looking at digitising paper original documents and the most effective and secure means of transferring these documents between trade finance stakeholders.
- **Standardisation:** Interoperability and interconnectivity are key, but Trade is still lacking the level of standardisation that we have seen in other areas, such as Open Banking and the roll-out of API solutions in the Payments space. We are working closely with industry bodies and communities like the ICC, ITFA, BAFT and SWIFT to establish legal and digital standards in Trade.
- **Sustainability:** As an industry we need to agree on definitions and taxonomy, to ensure a consistent standard for what counts as a sustainable trade finance transaction or supplier finance programme, and make the case for differentiated capital treatment for sustainable trade finance.
- **Secure supply chains:** Studies show that a significant proportion of supply chain disruptions occur beyond direct 'Tier 1' suppliers. Companies are looking for better visibility into their full supply chain in order to monitor disruptions, plan scenarios proactively and assess and mitigate risks. This ranks high on our agenda.

### Should organisations invest in innovation or in fixing the basics?

This innovation practitioner believes it's not a trade-off between one or the other. Innovation is a culture. Innovation is a mindset and way of working which every colleague can adopt, and one that will result in thoughtful and meaningful solutions, enhancing the day-to-day lives of customers and colleagues.



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