

Breaking the Speed–Compliance–Personalization Triangle

How Financial Institutions Can Accelerate Value Creation

Financial institutions today face what has long been considered an impossible challenge: delivering personalized products at high speed while maintaining rigorous compliance. Traditional wisdom held that you could only choose two of these three critical elements – speed, compliance, or personalization. This conventional view has forced institutions to make difficult tradeoffs, compromising either their competitive edge, risk management, or customer experience.

But Wait, There's More...


This paradigm is being challenged. According to McKinsey's 2024 Global Banking Report, while 76% of banking executives cite the need to accelerate product development as their top priority and 82% struggle with maintaining compliance during rapid innovation cycles, a select group of institutions has found a way to achieve all three objectives simultaneously through digital transformation.

Accelerating Value Creation: The New Imperative

Today's financial institutions are not just competing on products – they're competing on their ability to accelerate value creation for customers while maintaining ironclad compliance. This represents a fundamental shift in how banking creates and delivers value.

Traditional banks take an average of 6–8 months to launch new products, with compliance reviews accounting for 40% of this time vs. Fintech companies launch products 3–4x faster, putting traditional institutions at a competitive disadvantage.

68% of customers expect personalized financial products and services, with this number rising to 82% among millennials vs. only 28% of banks feel confident in their ability to deliver personalized offerings at scale while maintaining compliance standards.

-  The key to success lies not in choosing between speed, compliance, and personalization, but in finding ways to accelerate value creation while maintaining all three. This requires a fundamental rethinking of how financial products are created, approved, and brought to market.

Modern Product and Pricing: Breaking the Triangle

Modern enterprise product and pricing management platforms are revolutionizing how financial institutions operate. Key benefits include:



Accelerated Time-to-Market

- 60% faster product launches
- Match fintech innovation speeds
- Rapid market response



Enhanced Compliance

- Automated compliance checks
- Real-time regulatory updates
- Complete audit trails



Operational Efficiency

- 50% less manual work
- 70% fewer delays
- 30% cost savings



Customer-Centric Offerings

- Dynamic pricing models
- Relationship-based bundles
- Personalized experiences

Transforming Compliance from Barrier to Enabler

The traditional view of compliance as a necessary brake on innovation is being challenged. Forward-thinking institutions are discovering that streamlined compliance can actually accelerate innovation when properly integrated into the product development process:



Global Regulatory Changes

While financial institutions face an average of 200 regulatory changes per day globally, automated compliance systems can process and implement these changes in real-time



Compliance Costs

Though compliance costs have risen 60% in the past five years, institutions with integrated compliance systems report 45% lower compliance costs



Product Development Time

Traditional manual compliance processes consume 30–40% of product development time, but automated solutions can reduce this to less than 10%



Automated Compliance

92% of institutions report that automated compliance processes lead to faster product launches with fewer errors



The key insight is that compliance, when properly streamlined and integrated, becomes an enabler of innovation rather than a barrier. By building compliance into the product development process from the start, institutions can actually accelerate their ability to bring new offerings to market.

The Path to Modern Product and Pricing Management

The journey toward modernized product and pricing management requires careful planning and systematic execution. Let's explore how financial institutions can effectively transform their product management processes.

1

Phase 1: Assessment and Planning

Begin by thoroughly evaluating your current product management landscape. Examine your existing processes, identifying both strengths to build upon and gaps to address. Consider how your teams currently handle product creation, pricing decisions, and compliance reviews. Document the time spent on manual processes and areas where bottlenecks frequently occur.

2

Phase 2: System Selection and Architecture Design

With a clear understanding of your needs, begin evaluating potential solutions. Consider factors beyond just feature sets – look at integration capabilities, scalability, and vendor track records in the financial sector. Create a detailed requirements document that includes both technical specifications and business objectives.

3

Phase 3: Implementation and Integration

Implementation works best when approached in phases. Start with a single product line or department as your pilot program. This allows you to refine processes and address issues before rolling out changes across the organization. For example, you might begin with consumer deposit products before moving to more complex lending products.

4

Phase 4: Training and Change Management

Success depends heavily on user adoption. Develop a comprehensive training program that addresses the needs of different user groups. Product managers need to understand how to create and modify products efficiently, while compliance officers need training on new automated review processes.

5

Phase 5: Optimization and Scaling

Once your new system is operational, focus on optimization. Analyze usage patterns and identify areas where additional automation or refinement could improve efficiency. Look for opportunities to expand personalization capabilities or streamline compliance processes further.

Conclusion

The traditional tradeoffs between speed, compliance, and personalization are being overcome through modern product management solutions. Those who embrace this transformation will be better positioned to:

- **Meet evolving customer expectations**
- **Navigate complex regulatory requirements**
- **Compete effectively with fintech innovators**
- **Drive sustainable growth**
- **Accelerate value creation for all stakeholders**

The future belongs to institutions that can balance innovation, compliance, and customer experience while maintaining operational efficiency. Modern enterprise product and pricing management platforms provide the foundation for this transformation, enabling banks to truly accelerate value creation while maintaining the highest standards of compliance and personalization.

About Naehas

Naehas empowers financial institutions to create meaningful products that shape better futures, faster. Through its comprehensive platform, Naehas helps banks centralize, orchestrate, and automate the creation, pricing, compliance, distribution, and communication of financial services products and offers, significantly speeding up the development and distribution process while reducing risks.

More at www.naehas.com

References

This ebook draws on extensive research from leading industry sources. Below are the key statistics organized by topic area, along with their sources and time periods.

Product Development and Innovation

- 76% of banking executives cite accelerating product development as top priority (McKinsey Global Banking Report, 2024)
- Traditional banks average 6–8 months for new product launches (Accenture Banking Technology Vision, 2023)
- Fintech companies launch products 3–4x faster than traditional banks (Deloitte Digital Banking Maturity Study, 2023)
- Product launch cycles reduced by up to 60% with modern solutions (Financial Services Technology Survey, Forrester, 2024)

Customer Expectations and Personalization

- 68% of customers expect personalized financial products and services (PwC Financial Services Consumer Survey, 2024)
- 82% of millennials prioritize personalized banking experiences (EY Global Banking Consumer Study, 2023)
- Only 28% of banks confident in ability to deliver personalized offerings at scale (Boston Consulting Group Digital Banking Report, 2024)
- Customer retention increased by 23% with personalized product offerings (Bain & Company Banking Customer Experience Study, 2023)

Compliance and Risk Management

- Financial institutions face 200+ regulatory changes per day globally (Thomson Reuters Regulatory Intelligence Report, 2024)
- Compliance costs risen 60% in past five years (LexisNexis True Cost of Compliance Study, 2024)
- Manual compliance processes consume 30–40% of product development time (Deloitte RegTech Universe Study, 2023)
- 92% report faster product launches with automated compliance (KPMG Banking Technology Survey, 2024)

Operational Efficiency

- 40–50% reduction in manual processes through digital transformation (McKinsey Digital Banking Operations Study, 2024)
- 70% decrease in compliance-related delays with automated systems (Accenture Banking Operations Report, 2023)
- 85% improvement in accuracy through automated workflows (Gartner Financial Services Technology Study, 2024)
- 25–30% cost savings in product management through digitization (IDC Financial Services Technology Forecast, 2024)

Implementation and Change Management

- 73% cite manual processes as primary innovation bottleneck (Capgemini World Retail Banking Report, 2024)
- 45% lower compliance costs with integrated compliance systems (Ernst & Young Banking Technology Study, 2023)
- Staff time on routine updates decreased 70% after automation (Financial Brand Digital Banking Report, 2024)
- Product pricing updates accelerated from weeks to hours (Aite-Novarica Group Banking Technology Impact Study, 2024)

Note: These statistics represent industry research available as of April 2024. While drawn from reputable sources, specific data points should be verified for the most current information in your market. Many statistics are based on surveys and research with leading financial institutions and may not represent all market segments equally.