The Keys to a Better Onboarding Process for Business Clients

🏷 *small business*   *digital banking*   *customer experience*

Summary: We talk about the need for CFIs to have a quality digital onboarding process. But what exactly makes an onboarding process convenient, and how does it impact the overall customer experience? We explain the qualities a CFI needs in its onboarding process to compete successfully for new customers and keep existing ones.

Remember the last time you started a new job or new school? You probably didn't remember everything you heard on the first day. New names, parking places, lockers, lunchtimes, and ways to ask for more office supplies — there was just too much to keep track of. People typically forget around 70% of what they learn in a 24-hour period.

The onboarding process is the "sine qua non" of the banking world. It is the magic that turns prospects into customers, and a good onboarding process also helps financial institutions keep their customers. It sets the tone for every future interaction. Some community financial institutions (CFIs) may not realize just how crucial that process is to their customer acquisition and retention, though. According to the 2023 Digital Onboarding Report, 90% of financial institutions report that some potential customers give up part way through the onboarding process and never actually start an account.

That's likely millions of dollars in lost business. Complexity (30%), lack of access to identity documents (38%), an onboarding process that takes too long (21%), and frustration with the process requiring too much information (21%) are all reasons that potential customers close the tab before fully onboarding.

6 Qualities a Good Onboarding Process Should Possess

1. **Audience Awareness.** What do you need to know about your customers? What do you want your customers to know about you? Bake that exchange of essential information into your onboarding experience. Keep in mind that not every customer who interacts with your onboarding system is new to your CFI. Existing customers will likely return with questions, new requirements, or a refresher on how to use a product.
2. **Speed.** Customers are used to completing online tasks quickly. They expect that opening a new account will happen crisply and with little fuss. If it doesn't, they may abandon the onboarding process and find another place to bank. Be certain that your process can move briskly on a variety of devices, including computers, tablets, and smartphones. Streamline the list of tasks you ask your new customers to complete.
3. **Automation.** Anticipate potential logjams by looking for spots in the onboarding process where a customer's progress might slow. For example, customers may be impatient with manual verification when they upload their identification. Invest in identification verification technology that's both quick and accurate. Fingerprint or facial recognition can provide low-effort authentication, and e-signature capability lets customers skip the laborious process of printing out a document, signing it, and uploading it into a CFI's system. In addition to reducing the likelihood that a frustrated customer will drop out before opening an account, automation can help a CFI save money. It's estimated that onboarding a commercial client can cost

as much as $30K. The Digital Onboarding Report 2023 found that financial institutions can reduce their costs by half by automating processes.

4. **Education in Context.** Customers, and people in general, retain information better with repetition and microdoses of new information instead of an overwhelming amount all at once. Educate your customers gradually and in context, as they're using or showing interest in a particular offering. Embed tooltips, short videos, and chatbots at strategic points in every offering to teach new users and remind existing users about how a system works.

5. **An On-Call Human.** You hope that your customers will use the embedded tools, such as a chatbot or a digital knowledge base, to answer their own questions. But if all else fails, they need to be able to easily access human support. Make that simple for them. Put contact details in a prominent spot, not buried in an obscure part of your website. For after-hours support, utilize a ticketing system that allows site visitors to submit their questions and receive a timely response the next morning.

6. **Feedback.** A CFI's goal should always be to meet new and existing customers where they are and help them get what they need from their banking relationship. Regularly ask your customers if they're getting what they need from your online presence and make any necessary adjustments to meet their expectations. One way to solicit feedback and have a dialogue with your customer base is through your social media channels.

Audience awareness, speed, automation, in-context education, a human presence, and feedback can help your CFI create an effective onboarding experience. By thoughtfully implementing these tactics, your CFI will no doubt see more people completing the onboarding process and becoming customers.

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ECONOMY & RATES

Rates As Of: 04/15/2024 07:12AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	5.45	-0.01	0.05
6M	5.36	-0.02	0.10
1Y	5.19	0.18	0.43
2Y	4.99	0.37	0.74
5Y	4.69	0.48	0.84
10Y	4.66	0.46	0.78
30Y	4.74	0.40	0.71

FF Market	FF Disc	IORB
5.33	5.50	5.40

SOFR	Prime	OBFR
5.31	8.50	5.32