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Operate with confidence
and accelerate
nCino adoption

How to win the final game in the nCino transformation journey

The commercial banking industry has been going through dramatic shifts over the past decade. Many years of a low-interest-rate environment and the Fed's easy money policy have forced financial institutions (FIs), including large money center banks and regional banks, to improve their efficiency ratios to be competitive in the market. In the commercial banking space, including lending and treasury, banks have been improving operational efficiency by streamlining business processes and digitizing mid- and back-office operations. On the technology front, we've seen increased adoption of cloud-based technology solutions to enrich the customer journey and employee experience and reduce overall technology support cost to achieve efficiency goals.

Recently, many banks have adopted nCino Bank Operating System for their loan origination and treasury onboarding business operations. As banks navigate the transformation from complex legacy landscape toward a simplified credit origination ecosystem centered around the nCino platform, it is imperative for them to manage the transition with the goal of being able to run the technology services optimally and alleviate the challenges of their legacy systems. When nCino implementation cycles come to an end and the business is ready to onboard users, the bank's IT support teams need to be able to manage the technology platform effectively to support business operations.

To increase the adoption of new business processes and the technology ecosystem, and maximize the return on capital, organizations should deploy a well-orchestrated support delivery model. This white paper discusses the critical components (commonly called "run the bank") that are necessary to help ensure the nCino platform delivers the full business value to banks' internal and external customers.

Navigating the shift to Operate

Given the complex nature of transforming commercial banking operations, it is the best practice for the platform and product management team to start by stating the goal of deploying a minimum viable product (MVP), which includes the foundational capabilities for a single line of business segment. This should be the first key milestone in the transformation journey.

A MVP would be part of the multiyear road map to eventually onboard all the lines of business in a staggered manner to a single target nCino platform. This means that the readiness to deploy and support MVP for the first line of business is happening in parallel with the transformation program. This should be an important consideration during the architecture and solution design stage of the transformation program.

At the design stage there should be a well-defined strategy to establish the support organization, delivery structure, tools, and processes necessary to kick off nCino Operate services as soon as the MVP is launched.

nCino support delivery revolves around managing the overall credit delivery support, IT service management to address the change requests and incidents, and managing the nCino platform and associated cloud IT infrastructure services requirements.

With any new platform implementation, there are many nuances that an organization should keep in mind to successfully launch the support services.

Navigating the shift to Operate should be founded around the below objectives to establish a successful delivery and fully reap the benefits of investment made in the transformation initiative:

- Manage overall service delivery with planning, organizing, and implementing prudent risk management techniques
- Smooth nCino IT support services enabled by effective knowledge management practices
- Maintain a stable application ecosystem that is always available to support the customer and user needs

Based on the above objectives, there are several key focus areas during the design and implementation stages that can help ensure readiness for supporting credit or treasury operations.

Planning the support phase

Banks' nCino supporting needs are typically driven by transformation guiding principles and design considerations adopted during the solutioning phase. Functional, technical,

and data design intended to meet various business capability requirements drive the nature of the support model during the post-implementation stage.

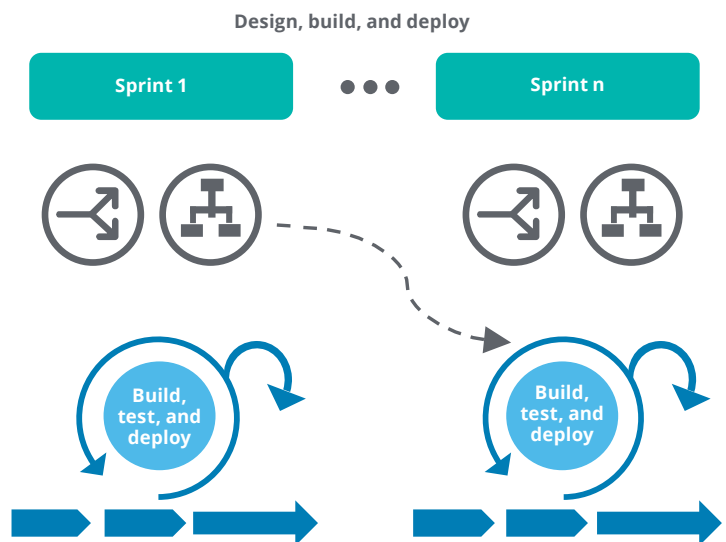
Some of the planning activities include regular transition of knowledge from implementation to the support team, service-level agreement (SLA) with the business, staffing, support team structure, skills required within the support teams, demand management, and governance process and risk management.

Delivery management

Applying agile or lean program management principles is crucial to setting up a successful nCino support organization. Structuring the support work alongside other minor and major enhancement efforts can give a balanced approach to stabilizing the nCino environment, while adding more capabilities to evolve the platform and improve the maturity across all dimensions. Banks can adopt Kanban or scrum methodology to manage the backlog of different types of support requirements.

Figure 1 shows an illustration of a sprint-based approach to enable a continuous delivery of minor enhancements. Strong oversight on day-to-day execution of activities including demand management, prioritization, release planning, regular knowledge transition, and risk management are some of the key program threads that can help ensure a delivery model keeps up with the growing demand for service needs right after the MVP implementation cycle.

Figure 1. Illustrative scrum-based approach to managing support delivery



Skills management

It's very common to engage a delivery partner with the right mix of onsite and offshore resource models. However, it's important to engage a partner with strong nCino technical knowledge to meet the highly demanding environment. nCino-based commercial banking delivery requires a strong understanding of complex business processes, intricate technology components (complex configuration and customization of UI, triggers, and validation rules), and complex data structures (e.g., spreading data for financial and collateral).

Functional and technical staff with both breadth and depth of knowledge across all the above areas are needed to help troubleshoot and resolve defects within the committed SLAs. If there are many integration touchpoints, such as credit bureau, AML due diligence, etc., staff with the right mix of support and technical skills can help address issues in the live environment. Similarly, if there is complex customization, any minor changes in the functionality to address critical defects or gaps will involve significant effort in development and testing. This may require people with strong functional and technical knowledge to thoroughly develop and test code fixes to avoid service disruption.

Day-to-day business-as-usual support

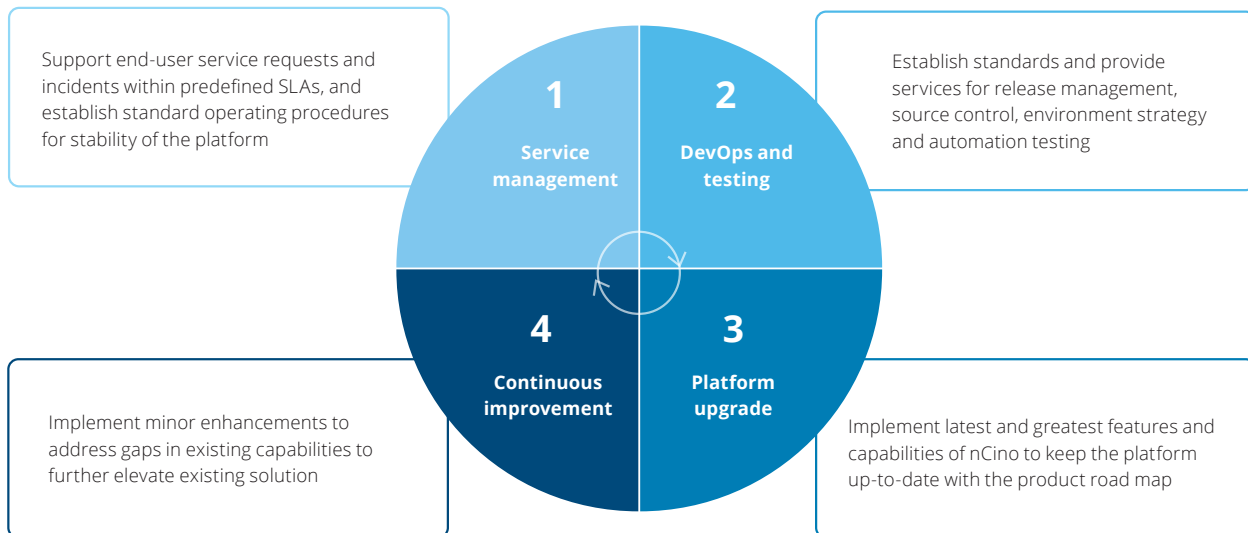
Servicing IT needs of nCino spans several areas that require strong understanding of the capabilities committed to serve the credit delivery model. In addition, a well-established change management process in the context of Salesforce and nCino operating model and platform operational knowledge are equally important. While IT support can leverage existing IT Service Management processes and procedures to handle all the service requests and incidents, adoption of tools suitable to handle all aspects of DevOps for the nCino platform are critical to smooth support delivery. It is important to assess DevOps maturity and institute tools for code quality checks mandated by Salesforce and nCino, integration test suites, automated testing, etc. to manage the fast-paced release management cycles. Finally, teams need to be knowledgeable in nCino technical areas and have access to technical documentation and articles to be able to quickly troubleshoot and fix the technical issues.

Key components of the nCino Operate approach

Based on best practices from ITIL standards and our experience in nCino platform implementations, the "run the bank" model for delivering nCino Operate Services revolves around four major building blocks that are critical to maintaining a sustainable environment:

- 1. **Service management**
- 2. **DevOps and testing**
- 3. **Platform upgrade**
- 4. **Continuous improvement**

Figure 2. Core components of Deloitte's nCino Operate service



1. Service management

Service management is one of the core components of nCino Operate Services. It involves providing necessary support to platform users while maintaining the platform from a technical perspective. The goal is to gain insights, use them to be responsive, and reduce future support efforts so that the emphasis can shift to further transforming the platform capabilities. The following are key responsibility areas that can help support teams to keep systems running without unanticipated interruptions:

- Establish and maintain standard operating procedures and monitoring for stability and availability
- Support end-user service requests and incident management within predefined SLAs
- Leverage tools/accelerators to increase the speed of issue resolution
- Provide support for integrations, data loads, data quality, and reporting
- Coordinate with other teams responsible for maintaining the nCino platform (e.g., environment management including patches and platform upgrades, and certificate and key management)

As part of service management, one of the primary responsibilities is to address and resolve production issues based on the defined scope of services and SLAs. Figure 3 is an illustration of the standard SLA model and scope of services implemented for most of the Operate programs, where the approach for resolution of production issues goes through different levels of support.

In general, Level 0 and Level 1 support is provided by the bank’s business and system support administrative staff. This involves initial review, triaging, and fixing of minor issues alongside the end user. Depending on the nature of the production issue, any further detailed review and resolution for medium to complex issues related to configurations/customizations, integrations, data, etc. are handled by the Operate team that corresponds with Level 2 to Level 4 support. Typically, platform, hardware, or network-related observations are handled by the bank users.

For commercial lending capabilities, several of the commonly used nCino capabilities, such as credit bureau integration, Credit Memo, Document Manager, risk rating, renewals and modifications, Smart Checklists, spreads, adverse actions, etc., may have undergone customization to meet the business needs. When configuration, customization, or nCino managed package issues are reported by the users, finding the right resolution requires sound knowledge of the platform and the functionality.

Figure 3. Illustrative standard scope of services for Operate program



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Figure 4 shows the level of incidents and issues across different capability areas typically occurring after major releases of functionalities to business users. It is common to see a high number of reported production incidents immediately after the first go-live or other major functional releases. Several issues subside after four to six weeks of the stabilization period. The Operate team plays a key role in addressing the initial burst of user incidents, defects, and issues during the stabilization period.

The root cause of production issues may fall in one of the following areas:

- Issues based on custom solution: For issues solely based on the customization/configuration done to meet bank-specific requirements, the Operate team takes the necessary steps to fix them and works with the business users for validating the fix.
- nCino product observations: nCino has a wide range of product features, and sometimes a specific configuration or integration may not function as envisioned for business needs. The nCino product support team is generally involved during such instances and helps identify the root-cause analysis and next steps.

Overall, the Operate team on the ground is responsible for ensuring smooth business operations. The knowledge from support services helps the organization gain service insights and improve service management maturity over a period.

2. DevOps and testing

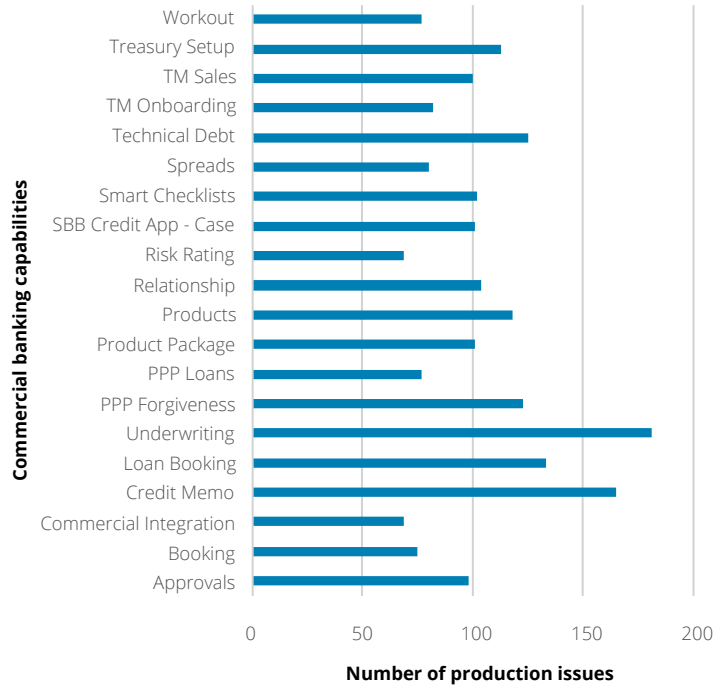
DevOps is one of the important areas for establishing an effective nCino Operate program. This involves building capabilities across several dimensions to enable efficiency with the Operate service overall:

- Agile delivery
- Source control management
- Release management
- Code quality checks
- Automated testing
- Environment strategy and refresh schedules

Attaining a certain level of maturity in each of the above tracks will be required to smoothly operate the nCino platform. While these capabilities are common to any service delivery organization, adopting tools and technologies that blend well with the nCino operating environment is critical.

Test automation is another area banks should invest to be more agile in meeting business demands. As the nCino journey shifts toward business-as-usual (BAU) mode, test automation gives a big boost to enriching the platform and improving speed to market. As we stated earlier, the need for new business capabilities and functional enhancements will continue to grow over the years. By having the right test automation strategy and adopting intelligent automation tools, banks can spend less effort certifying the releases and invest more time on innovation.

Figure 4. Post-implementation incidents and issues by capability



3. Platform upgrade

With the nCino product road map and development evolving at a rapid pace, it is worthwhile to leverage periodic nCino releases for the latest features and capabilities to get the maximum ROI, resolve key business process issues, and stay up to date with leading-edge technology such as auto-spreading.

nCino provides twice-a-year platform upgrades, spring and fall releases, along with monthly patch fixes that help in adopting new features, bug fixes, and performance enhancement fixes to help ensure an optimal nCino experience.

When approaching an upcoming nCino release, it's imperative that the Operate team on the ground does the adequate preparation, analysis of release notes, planning, and testing to reduce the risk of impacts on existing configuration and customizations. The approach for intaking any release is to do the initial analysis of release notes, install the release in a lower sandbox or environment, and perform thorough regression testing for existing capabilities and new features. Once the business users successfully validate the functionality in the lower environment, then the similar sequence of activities needs to be performed in production.

After production deployment, it's crucial that the business users perform smoke validation in the production environment to ensure the end-to-end business process runs as expected.

4. Continuous improvement

With statistics not in favor of finishing large transformation projects on time and budget, the ability to stand up a complex ecosystem will run its full course to the finish line but only with making improvements to stabilize and make the system deliver the intended business value. While it seems reasonable to have the system ready and stable, the never-ending backlog of minor and wish list enhancements will drive the need for quicker-better-cheaper solutions. Banks should plan for such a bucket of work to increase the ease of use and efficiency. In addition, banks should establish a continuous improvement framework to find ways to reduce the Operate cost and keep users happy. Banks can focus on several areas like minor process improvement, improving data integrity, addressing minor technology debt, and increasing compliance adherence. As part of the Operate, an iterative cycle to

continuous improvement is necessary and can be taken with the following approach:

- Establish metrics and business goals
- Baseline the current performance
- Develop improvement initiative ideas
- Run improvement initiatives
- Measure the incremental benefit

The Operate team on the ground can work on a capacity-based model and plan to intake minor enhancements to ensure continuous improvement while maintaining a stable platform. Taking the above steps will enable banks to achieve this across several dimensions, freeing up time and money for other innovations.

Striking the balance of service expansion vs. service delivery

In the previous section we outlined the core components of Operate that generally align with the “run the bank” (RTB) strategy. Transforming commercial banking services presents many challenges due to complex business processes, intricate technology integration architecture, and complex data structures for credit administration and regulatory consumption. While nCino enables banks to move most of the treasury onboarding or loan origination processes to a single, digital platform, many banks still struggle to realize the full potential due to several practical challenges:

- User experience and adoption challenges
- Reliance on existing or new manual tasks
- Data quality issues in credit administration, monitoring, and regulatory reporting
- Demand for new functionalities to satisfy business needs
- Inability to keep up with new nCino features

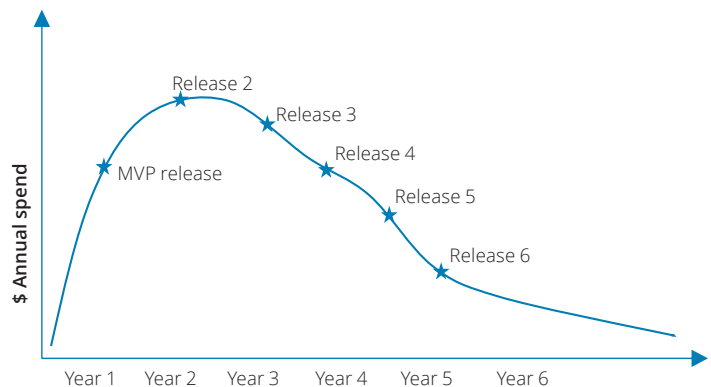
While the Operate services can take care of the day-to-day service needs, including any minor enhancements to keep the platform up and running, there is still an ongoing demand for delivery services that require significant effort across process, technology, and data workstreams. These services include uplifting business capabilities such as business expansion and growth, speed to market, regulatory compliance changes, automation capabilities, etc.

To enable new business capabilities, commonly known as “change the bank” (CTB), banks need to adopt strategies to continually evolve the nCino platform and add value.

With Deloitte’s experience in nCino implementation, we see this trend for substantial spend in CTB in the early years of nCino implementation as shown in figure 5.

This area also offers great opportunities for innovation, to sustain continuous platform evolution while maintaining the stability of the nCino platform.

Figure 5. High CTB spend during early stages of nCino program



Conclusion

nCino commercial banking platforms offer a flexible framework to implement business capabilities in a secure cloud environment. The platform enables organizations to fast-track transformation without having to custom build a solution in-house. However, the flexibility of the platform cannot guarantee success without a thoughtful design of how the final system will power day-to-day operations.

One of the design considerations should be “system operability,” which is to keep the system functioning so that it provides all the

services originally intended for while continually evolving as the business and technology landscape change. Changing the system while operating the system requires a structured approach to managing the service delivery to avoid business interruption. With decades of financial services advisory, implement and operate experience, and deep knowledge of the nCino platform, Deloitte’s nCino Operate solution enables banks to deploy a best-in-class service delivery model that can maximize ROI and deliver on the promise to the business.

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